GOOGLE BENEFIT FROM NEWS:
EXECUTIVE SUMMARY

The following study analyzes how Google uses and benefits from news. The main components of the study are: a qualitative overview of Google's usage of news content, an analysis of news content on Google Search, and an estimate of revenue Google receives from news.

I. GOOGLE QUALITATIVE USAGE OF NEWS

- News consumption increasingly shifts towards digital (e.g., 93% in U.S. get some news online)
- Google has increasingly relied on news to drive consumer engagement with its products
- Some examples of Google investment to drive traffic from news include:
  - Significant algorithmic updates emphasize news in Search results (e.g., 2011 “Freshness” update emphasized more recent search results including news)
- Google News keeps consumers in the Google ecosystem; Google makes continual updates to Google News including Subscribe with Google (introduced March 2018)
- YouTube increasingly relies on news: in 2017, YouTube added “Breaking News;” in 2018, approximately 20% of online news consumers in the US used YouTube for news
- AMPs (accelerated mobile pages) keep consumers in the Google ecosystem

II. GOOGLE SEARCH QUANTITATIVE USAGE OF NEWS CONTENT

A. Key statistics:

- ~39% of results and ~40% of clicks on trending queries are news results
- ~16% of results and ~16% of clicks on the “most-searched” queries are news results

B. Approach

- Scraped the page one of desktop results from Google Search
  - Daily scrapes from February 8, 2019 to March 4, 2019
  - Geographic locations randomized within the US
  - Results based on queries without user information
- Generated Search query terms and volumes from (i) most popular keywords identified by Ahrefs, (ii) keyword expansion on Ahrefs, and (iii) trending queries from Google Trends
- Identified news domains from News Media Alliance and Google News
- Developed click-through rates and click curve by page location based on third-party research
- Tested robustness for weighting by only the search volume or only the click-through rate curves

III. GOOGLE’S HISTORIC GOOGLE NEWS VALUATION SUGGESTS THEY RECEIVE AN ESTIMATE OF $4.7B FROM NEWS CONTENT TODAY

Google revenue from news content is estimated at $4.7 billion in 2018, based on these assumptions:

- Revenue estimate includes news content on Google Search and Google News
- Google News in 2008 generated approximately $100M for Google properties
- Google News contributes a constant ratio over time to revenue on Google properties
- Traffic from Google Search contributes to revenue on Google properties as Google News does
- News on Google Search is at least 6x larger than news consumption on Google News (based on a lower bound of the ratio of referral traffic from select publishers)

This value is conservative in excluding Google advertising revenue from publisher properties and data collected from news content. Adjusting for these can increase the estimate.