

**Joint submission by Impress, the Independent Media Association and the Media Reform Coalition**

**Response to Invitation to Comment — Strategic Market Status Investigation into Google’s General Search and Search Advertising services**

**3<sup>rd</sup> February 2025**

1. We welcome the opportunity to engage with the CMA at the outset of its SMS investigation into Google’s general search services. This response to the ITC reflects an initial outline of our view on the scope of the CMA’s investigation, the urgent need for SMS designation of Google, and our recommendations for interventions and conduct requirements that the CMA should employ to tackle Google’s excessive and harmful market power.
2. Our submission is focussed on Google’s impact on the UK news media landscape, in particular the market distortions created by its near-total monopoly over digital search and advertising, which has fatally undermined the financial sustainability of smaller and independent news publishers. This has not only harmed competition in the UK news media market, but worsened the provision and availability of public interest news for UK audiences.
3. Intervention into Google’s market position should not be about preserving the current state of the UK news market, but about reshaping market conditions for UK news and creating strong measures to protect the fundamental public interest in a plural and diverse news and information media landscape. Rather than enhancing news media diversity, Google has reflected and entrenched the existing extreme concentrations in reach and revenue that characterise the UK’s news landscape. Almost 90% of daily newspaper circulation is controlled by just three companies - DMG Media, News UK and Reach - and 71% of the UK’s local newspapers are owned by just six companies.<sup>1</sup> In the case of both the top UK online ‘newsbrands’ and the most followed news organisations on social media platforms, a small handful of the largest corporate news publishers and broadcast networks attract an outsized share of audience reach,<sup>2</sup> despite these spaces also being populated by many thousands of independent and smaller publishers.
4. While traditional revenue sources for news publishers are in a sustained decline, the control that Google holds over digital advertising poses a severe threat to both fair competition and sustainable funding for public interest journalism. Google and Meta jointly accounted for £20.8bn or 59% of the total UK expenditure on all forms of advertising in 2022.<sup>3</sup> Ofcom figures indicate that while print advertising revenues for newspaper publishers fell by 36% from 2019 to 2021, in that same period digital advertising revenues rose by 11%, comprising an increasingly significant share of falling total revenues.<sup>4</sup> Large publishers, new online news outlets and independent

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<sup>1</sup> Media Reform Coalition (2023) [Who Owns the UK Media? 2023 Report](#).

<sup>2</sup> Press Gazette / Ipsos Iris, [‘50 biggest UK news websites’](#), data reported 28 January 2025.

<sup>3</sup> Analysis based on [Advertising Association/WARC Expenditure Report FY2022](#)

<sup>4</sup>

journalists alike are increasingly dependent on a digital advertising market that is controlled and operated by the same companies that they already depend on to get their content seen by and distributed to audiences.

5. Google's piecemeal attempts to integrate news publishers' content into its search results, for example through automated curation and editorial sorting on Google News, far too often equate brand recognition and market size with accuracy, quality and trustworthiness. The news content that gets prioritised is often sourced from the same dominant news organisations that control large shares of traditional news markets. The criteria that these companies use to grant content a 'trusted' or 'high quality' status are often misleading normative ideas about institutional reputation (i.e. the age or legacy branding of an outlet) rather than afforded on the basis of assessments of the professional standards, independence or public interest values of the publisher.<sup>5</sup> This has resulted in already-dominant legacy news organisations and unregulated news outlets being granted significant prominence across Google search results, while smaller and independent publishers acting under effective systems of independent regulation and high standards of public interest journalism are sieved out.
6. Smaller and independent news publishers are under-resourced and, compared to their corporate counterparts, victims of deeply entrenched and increasingly structural disadvantages in highly uncompetitive digital markets. These publishers play a vital role in providing public interest news to otherwise hard-to-reach communities but, due to their size and the size of their audiences, are largely unable to generate the revenue they need to remain afloat. The CMA's own market investigation in 2020 identified that publishers receive "no revenues in relation to Google search",<sup>6</sup> yet news content plays an essential role in the consumer use and value of Google search.<sup>7</sup> Many smaller and independent news publishers report extreme difficulties in contacting Google representatives. Efforts by publishers to understand changes in how Google search handles news content, or to inquire about sudden unexplained changes in traffic or referrals via Google platforms, are met with either opaque and dismissive responses or outright silence. This in itself constitutes anti-competitive practice by Google, as news publishers who are dependent on Google services to distribute and monetise their news content (due to its dominant market position) lack the necessary information to operate effectively. While larger corporate publishing companies can deploy extensive resources and personnel to engage persistently with Google, smaller news operations are effectively left in the dark.
7. Any conduct requirements placed on Google's general search services will only be effective if these are paired with clear and enforceable expectations for how Google engages with affected businesses such as news publishers. It is essential that such expectations are held equally across all of Google's dealings, and not differentiated on the basis of the size of a publisher or its assumed 'value' to Google's businesses. Conduct requirements should not be left to the conditions of individual deals between Google and specific publishers, but set as a standard for relationship with UK news publishers as a sector to ensure a level playing field. In keeping with the principle of the 'fair dealing objective' specified in the DMCCA, we recommend an

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<sup>5</sup> See Nechushtai and Lewis (2019) [What kind of news gatekeepers do we want machines to be? Filter bubbles, fragmentation, the normative dimensions of algorithmic recommendations](#), *Computers in Human Behaviour* 90.

<sup>6</sup> CMA, [Online platforms and digital advertising market study Appendix S](#), pg. 6.

<sup>7</sup> PINF, [The value of news to Google in the UK](#), 28 February 2025

overarching behavioural requirement on Google to engage transparently with all UK publishers, ensuring a parity of relationship for smaller and independent news publishers.

8. It is worth noting that independent publishers are growing despite these factors and could truly create a diverse and thriving market if key issues are addressed. This would create an information ecosystem which enables the wider UK market - in all sectors - to be able to function better, with higher quality and more reliable information being more easily available, as well as niche and specific information being supported and developed to provide the wider market with better conditions to achieve growth.
9. Google Search has received revenue from 'free' news being available, through advertising revenue within search, particularly when articles are parsed by the search (which is even more noticeable with the AI summaries at the top of search results) which don't even lead to click-throughs for publishers to generate any income through advertising or membership offers (the two key income generation methods for publishers). It also receives revenue from data collection on audiences and customers. Neither of these streams of revenue are shared, which in both cases negatively impacts the market by denying revenue that could have gone to publishers and decreasing the pool of available income to almost nothing by having one of the only methods available to customers to find out information and keeping that closed off. This impedes, almost in totality, the creation of a fair market, particularly for smaller firms.
10. Most market diversity and product innovation is located in the long tail of the market, amongst the hundreds of SME publishers. They are being squeezed by both market power of tech monopolies and by what government support there is going to larger legacy media.
11. On AI, this technology benefits from originality, breadth, product safety and relevance to audiences (the mainstay of the independent regulated publishers), and again SMEs are disadvantaged from negotiating and protecting their IP interest with SMSs.
12. A potential conduct requirement would be to ensure that not only do publishers have an effective and enforced complaints process but that advance notice is given and that publishers are fully briefed in advance. In creating a closed system Google must recognise that its duty is to ensure the functioning of the market with all relevant information of market changes. To ensure this is not gamed by disruptive actors it should only be made mandatory to provide this information to 'recognised' publishers. We would recommend that 'recognised' means regulated. The barrier to being regulated is extremely low in terms of cost and administration as even the smallest publishers in the Independent Media Association are able to achieve this, even volunteer operations. However it creates a barrier to disruptive actors and ensures that Google is working with registered, responsible market actors and enables growth of a competitive market with accurate relevant information being prioritised.
13. Similarly, in conduct requirements, we believe Google should be prioritising regulated/recognised publishers in its search results, not parsing the search results and instead utilising other tools to encourage click throughs. Google should work with publishers to ensure success of other income models, such as subscriptions, memberships, merchandising, niche advertising, generative journalism and more by developing new tools with a publisher first methodology in mind and engaging with publishers (and their representatives) directly in product development of new tools and the refining of existing ones, with these publishers being designated 'key stakeholders'.

14. These publishers should also be fairly compensated for AI web scraping and for LLM model building using their data. This last has been achieved to only a small degree by a couple of the largest publishers and we want to see a standardised industry wide regime for this compensation.
15. Any interventions that the CMA introduces to correct Google's significant market power will need to consider the historical financial impact on publishers, as well as measures to mitigate and prevent current and future distortions. Google's search businesses have gleaned huge benefits from publishers' content, making a large contribution to the dominant market position and consumer base that Google now holds. However, this has also resulted in a massive contractionary change in the business model of news publishing, and a consequent loss in revenues for news publishers. Research by PINF and FehrAdvice estimates that in 2023 Google generated £5.6bn of its £16.7bn UK search advertising revenue on the basis of results that were based on or improved by news media content.<sup>8</sup> On a rudimentary 60:40 split this corresponds to £2.2bn of revenue owed to news publishers for 2023 alone. Working on the principle of fair terms, this value applied back over even the last 10 years of Google's UK search operations would amount to multiple tens of billions in compensation due to UK publishers.
16. Finally we would like to note that this is an historic opportunity to reshape the news media market in totality away from a closed to open market. There have been a small number of publishers with total market dominance for a long time before Google, and if any Conduct Requirements enable a reversion to that closed market over the current closed market then we will have disempowered UK industry as a whole from having access to better and more varied information from a plurality of sources in a diverse and healthy market, one which would benefit all. This would be unfortunate as we have the ingredients right now for an excellent and diverse market - a growing independent and small publishers sector, diverse models of income generation, innovation in practice and content creation and an independent regulator to ensure standards and best practice for the news media that benefits the whole UK market and the public.

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<sup>8</sup> PINF, [The value of news to Google in the UK](#), 28 February 2025