

# MEDIA RELEASE – 18<sup>th</sup> January 2021

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## Media Code Becomes a Showcase Google Turns Adversity into Opportunity

You've got to hand it to them, Google has a knack of turning lemons into lemonade.

After threatening to withhold its search engine from Australians if the government's proposed 'News Media Bargaining Code' came into law, Google's dominant position in our search landscape now appears to be cemented with Rupert Murdoch's News Corp becoming the latest media company to sign a partnership deal with the search giant.

Seven West Media, Junkee Media and 44 other Aussie publications have joined News Corp in partnering with Google on its [News Showcase](#) offering, rendering the Morrison government's proposed media bargaining laws all but redundant.

Google deemed the media code 'unworkable' for two main reasons. Firstly, they would have been liable to pay media outlets an undisclosed sum determined by a third party to feature their news articles; a sum which has been purported to be up to 20% of local ad revenue. The other main stumbling block was the government's requirement that Google notify media outlets of algorithm changes days in advance, effectively forcing them to hand over Colonel Sander's secret herbs and spice recipe. Google was having none of it and it looked as though Aussies were set to play DuckDuckGo or have a crack at Bing'ing it.

But, where there's a will and a pack of the world's cleverest minds on it, there's always a way.

Introducing News Showcase. In the words of Kate Beddoe, Head of News, Web and Publishing Partnerships APAC at Google, it's "designed to bring value to both publishers and readers by providing a licensing program that pays publishers to curate content for story panels across Google services, and gives readers more insights into the stories that matter". Essentially, what that means is that Google negotiates deals with partner media companies to pay them to create content for use on the News Showcase platform.

In the case of News Corp's partnership, it's been revealed that their three-year deal includes "meaningful investments in video journalism" by Google as well as the development of a subscription platform.

While publishers are providing Google with previously pay-walled articles, Google has played its hand well. By orchestrating the deals in the way that they have, they've effectively made the media outlets reliant on them for brand awareness, traffic, subscriptions and analytics. Rather than being at the mercy of independent third-party decision makers (à la Media Code), Google retains the upper hand. The interesting watch it now is how SBS and the ABC will fare in the partnership 'deal or no deal'. For this to be a truly equitable resolution to the media code stoush for media outlets and media diversity, our public broadcasters must also benefit from the sustained multimillion-dollar financial boost Google is offering Australian publishers.

From the readers perspective, News Showcase acts like 2021's answer to RSS feeds. You tell it what which publishers you like to stay up to date with and the topics that interest you, and it aggregates related stories that you can click through to read or watch the full coverage.

By cutting the government out of the deal and devising an alternative that benefits journalism, publishers and readers, Google also managed to breathe new life into their News offering, which had previously been failing. On top of that, they've managed to create a new way to make money out of a situation that, up until last month, would have seen them ditch us (and the multimillions we pay to advertise on Google) all together. They're already featuring News Showcase in the 'Discover' feed on Android and, no doubt, News Showcase will carry ads soon enough.

In a situation that's led to Facebook leaving with their tail between their legs, the government likely breathing a sigh of relief that they've avoided arbitration and Rupert Murdoch chuckling into his foie gras, Google has managed to turn adversity into opportunity.

## About the Author

Gary is the co-founder of indago digital. He has set up digital marketing offerings for a range of agency groups in the UK, Australia and New Zealand, and has over 20 years' experience running digital campaigns for some of the world's best-known brands. He is also known as a commentator for search marketing and trainer for Google Squared Online, Australian Institute of Management, ADMA and the IAB.

## Contacts

### Comments and Author Insights

Gary Nissim  
+61 401 728 750  
[gary@indagodigital.com.au](mailto:gary@indagodigital.com.au)

### General Enquiries

Sarah Greenaway  
+61 414 517 869  
[sarah@indagodigital.com.au](mailto:sarah@indagodigital.com.au)

## About indago digital

indago digital is a performance marketing agency that specialises in search. On top of driving results for clients, we're experts in the techniques and technologies that increase the effectiveness of their digital assets.

### Pronunciation

- in'da:go:

### Verb

- track, trace, hunt by tracking.
- explore, investigate, hunt for

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