

Evaluating journalistic content

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PPR – Regulation on criteria and methodology

The law:

- Provides for an arbitration process under the Hellenic Telecommunications and Post Commission (EETT) which is an independent regulatory authority
- EETT has published and launched a public consultation on the regulation on the criteria and methodology for calculating the relevant fee.
- OSDEL, in collaboration with all press publishers' and journalists' associations, has submitted a comprehensive set of amendments and proposals. These were based on the detailed study conducted by Grant Thornton, which served as the foundation for our position.
- The issuance of the regulation is still pending

Criteria provided in law:

- the online traffic in the protected content
- the market share of the information society service providers
- the market share of the publishers
- the number of journalists employed by each publisher
- the financial benefits related to publishers content

Methodology suggested for the determination of Press Publishers' remuneration

Stage 1: Determination of the financial benefits (advertising revenue) related to publishers content (based on online traffic) and of the relevant remuneration basis for all publishers (unspecified share of revenue)

Stage 2: Determination of the individual remuneration of the applicant publisher by applying the criteria of the law (market share, years of operation, number of journalists)



Stage 1: Determination of common basis

Step 1: Assessment of Provider's total advertising revenues (TAR)

Step 2: Assessment of the joined generated value (JGV)

$$\text{JGV} = \text{TAR} * (\text{A/B})$$

A= online traffic of the Greek press publishers' content, through the provider's platform

B= the total online traffic of the content of any other (than press) publisher through the provider's platform

Step 3: Determining a share of JGV which is the remuneration basis for all press publishers $P_0 = \% \text{ of } \text{TAR} * (\text{A/B})$

Stage 1: Determination of common basis

Step 4: Applying to PO the law criteria in relation to the service provider (markups)

a) market share

0 if less than 20%
2% if between 20% to 40%
4% if above 40%

b) years of operation

0 if less than 10 years,
2% between 10 to 20 years and
4% if more than 20 years

$$PF = P_0 * (1 + ms\% + yo\%)$$

The end result represents the final remuneration Base (FRB)

$$FRB = ICV * PF$$

Stage 2: Assessment of individual remuneration

Step 1: Applicant's market share (individual Remuneration Basis - IRB)

$$IRB = TRB * P_1 / (P_1 + P_2 + P_3 + P_x)$$

Step 2: Applying markups to IRB according to the criteria in relation to the publisher

- ✓ Years of operation factor (yo): 0 if less than 10 years, 2% if between 10 and 30, 4% if more than 30 years
- ✓ Number of journalists (nj): 0 if less than 9, 1% if between 10 and 24, 2% if between 25 and 39 and 4% if above 40

$$IPR = IRB * (1 + yo\% + nj\%)$$



Google's approach

- Lobbying to the Greek government and the Telcom Authority with the aim to
- restrict the calculation basis to advertising income generated directly by journalistic content
 - fix the range of the remuneration in the law between 2% and 10% of the relevant revenue



Rightholder's reaction

Letter addressed to the Greek prime minister signed by 28 international associations and CMO's underlining:

- the goal of the EU directive and Greek law to rectify the value gap in the relation between the big platforms and press publishers
- The risk that this goal will not be achieved if Google's position will be reflected in the Greek regulation
- Reference to international studies and the decision of French courts which establish that financial benefits indirectly related to media content should also be considered



French court decision in Google case

24-D-03 of 15 March 2024

Google's indirect economic benefits from the display of journalistic content in search results:

- Enhancement of user's experience
- User stays longer in the page with journalistic content
- Personal data deriving from these search result are the basis of users profiling

Google failed to submit a fair proposal to publisher's share in these indirect economical benefits



Fehr advice study - Germany

Behavioural study on the value of news to tech giants in Germany measuring real user behaviour including click behaviour, willingness to pay and implicit preferences

- 73% of users prefer the Google search engine with journalistic content
- Journalistic media contribute in particular to the topicality, trust, quality and completeness of press results



Fehr advice study - Germany

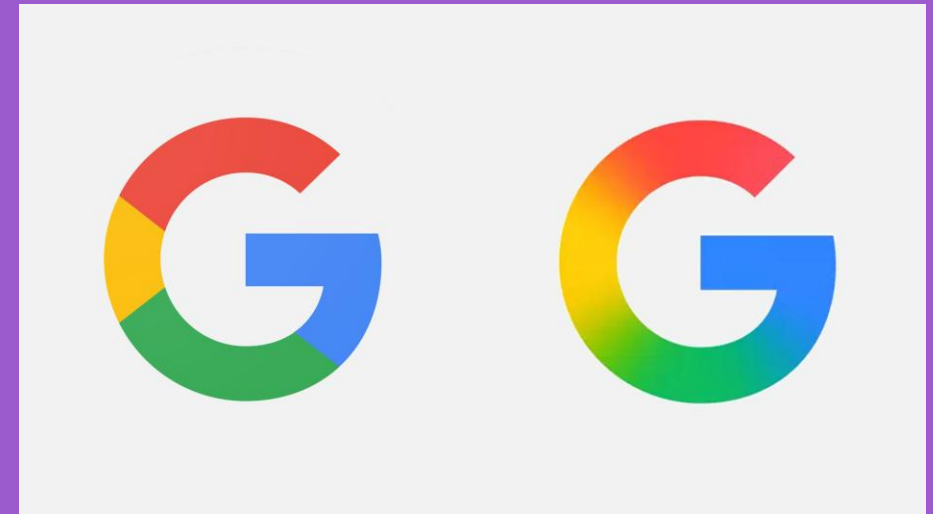
- 53% of users stay within the Google ecosystem when searching and do not click their way through to other media or websites
- According to statistics 55% of internet searches are information searches
- Google search with journalistic content would be worth around 24% more



Fehr advice study - Germany

- Google's ad revenue related to search engine 8 billion
- 55% of internet searches are information searches
- 73% of the users prefer media content

Result: Total value of journalistic content 3,2 billion,
Publisher's fair share 40% =1,3 billion



US Study (Holder, Mateen, Schiffrin, Tabakovic)

- Platforms and News Publishers provide complementary services
- News content is a “must have” for online platforms
- Evidence that news content enhances the user experience and extend the time spent on the platform, thereby generating additional advertisements
- The value generated by news content is not captured by merely measuring as clicks or clicks on news content



US Study - Facebook

- 13,2% of the time FB users spend on the platform they are consuming or interacting with news content
- Total FB ad revenue in US 29 billion
- Value generated by news content = 3,8 billion ($29 \times 13,2\%$)
- Publisher's share 50% (1,9 billion) based on benchmarking from a database of royalty agreements



US Study - Google

- Google's ad revenue in US 56 billion
- Share of information searches 50%-60%
- Share of user demand for results coming from news media publishers is 70%
- Total ad revenue related to media publishers' content = 21 billion
- Ad revenue due to publishers 10,5 billion (50%)





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Thank you for your attention

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