

# Globalization, digitalization and Media

Cinzia Dal Zotto, University of Neuchâtel

March 29, 2023

Guest lecture at the University of Zurich within the course  
“Globalisierung und Multinationale Unternehmen”

# Agenda

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- ▶ A new global era
- ▶ Digitalization and the new media landscape
  - ▶ Opportunities for the media industry ... And for corporations
  - ▶ Threats for the traditional media industry and reactions
- ▶ Role and responsibility of the (new) digital multinational companies
- ▶ Takeaways and outlook

# Learning objectives

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- ▶ Understand how **globalization** is changing because of digitalization
- ▶ Understand the impact of **digitalized globalization** on the media industry
- ▶ Discuss the related **risks** for the media industry and, as a consequence, for the development of a democratic and pluralistic society
- ▶ Evaluate the **role and responsibility of multinational technology companies** within this context

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# A new global era

# New global era

20 <sup>th</sup> Century	21 <sup>st</sup> Century
Tangible flows of <b>PHYSICAL GOODS</b>	Intangible flows of <b>DATA</b> and <b>INFORMATION</b>
Flows mainly between advanced economies	Greater participation by emerging economies
<b>CAPITAL</b> and <b>LABOR</b> intensive flows	More <b>KNOWLEDGE</b> intensive flows
<b>TRANSPORTATION infrastructure</b> is critical	<b>DIGITAL infrastructure</b> equally important
<b>MULTINATIONAL</b> companies drive the flow	<b>SMALL FIRMS &amp; INDIVIDUALS</b> can play a role, too
<b>IDEAS DIFFUSE SLOWLY</b> across borders	<b>INSTANT</b> global <b>ACCESS</b> to <b>INFORMATION</b>
Innovation from advanced to emerging economies	Innovation flows in both directions

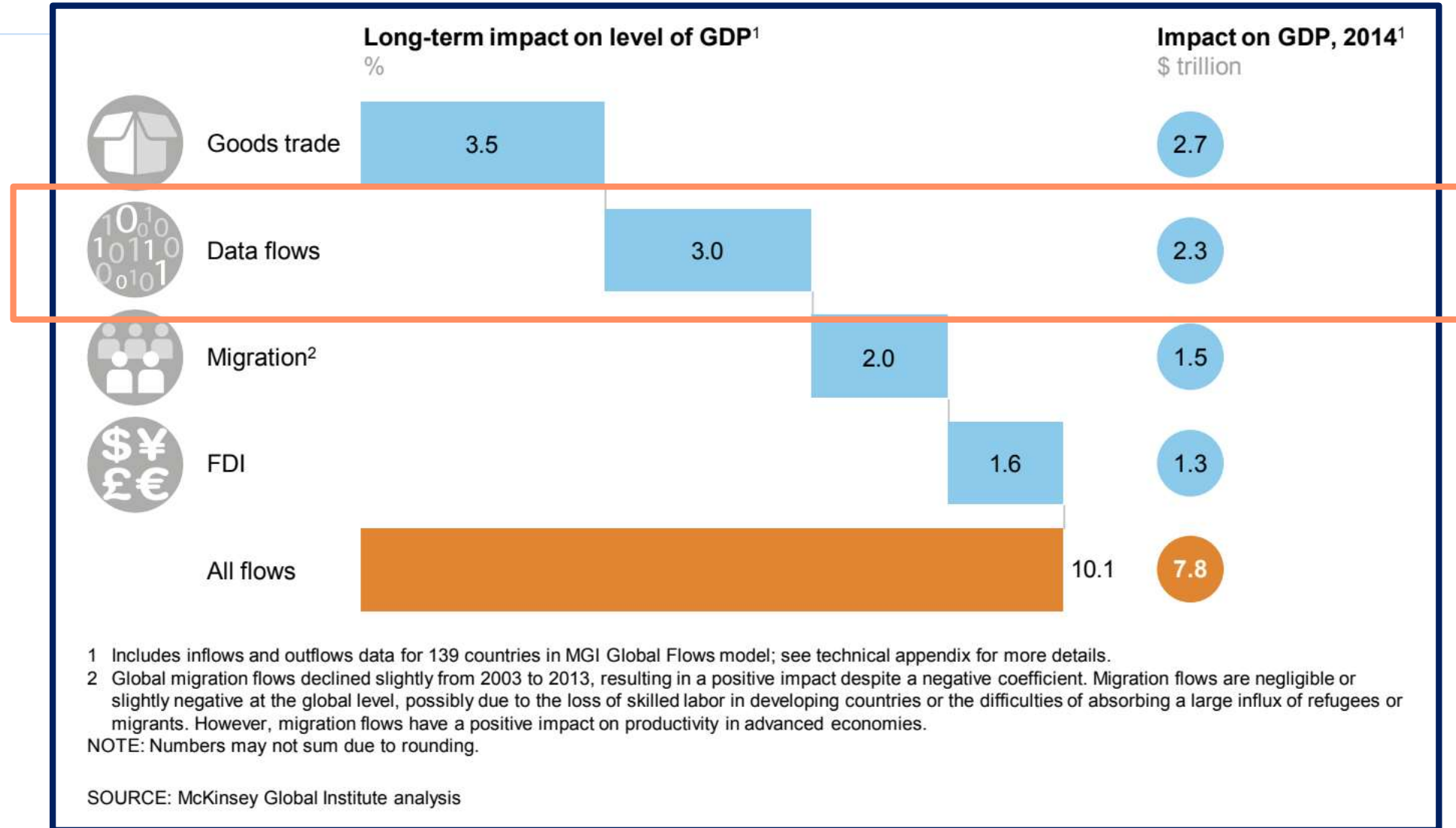
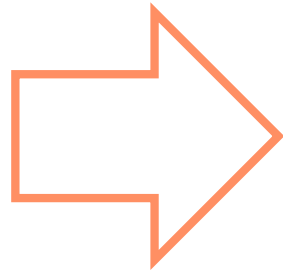
I. McKinsey Global Institute, Digital Globalization: The new era of global flows, 2016.

# New global era

Global flows of trade and finance are flattening, **data flows** are soaring



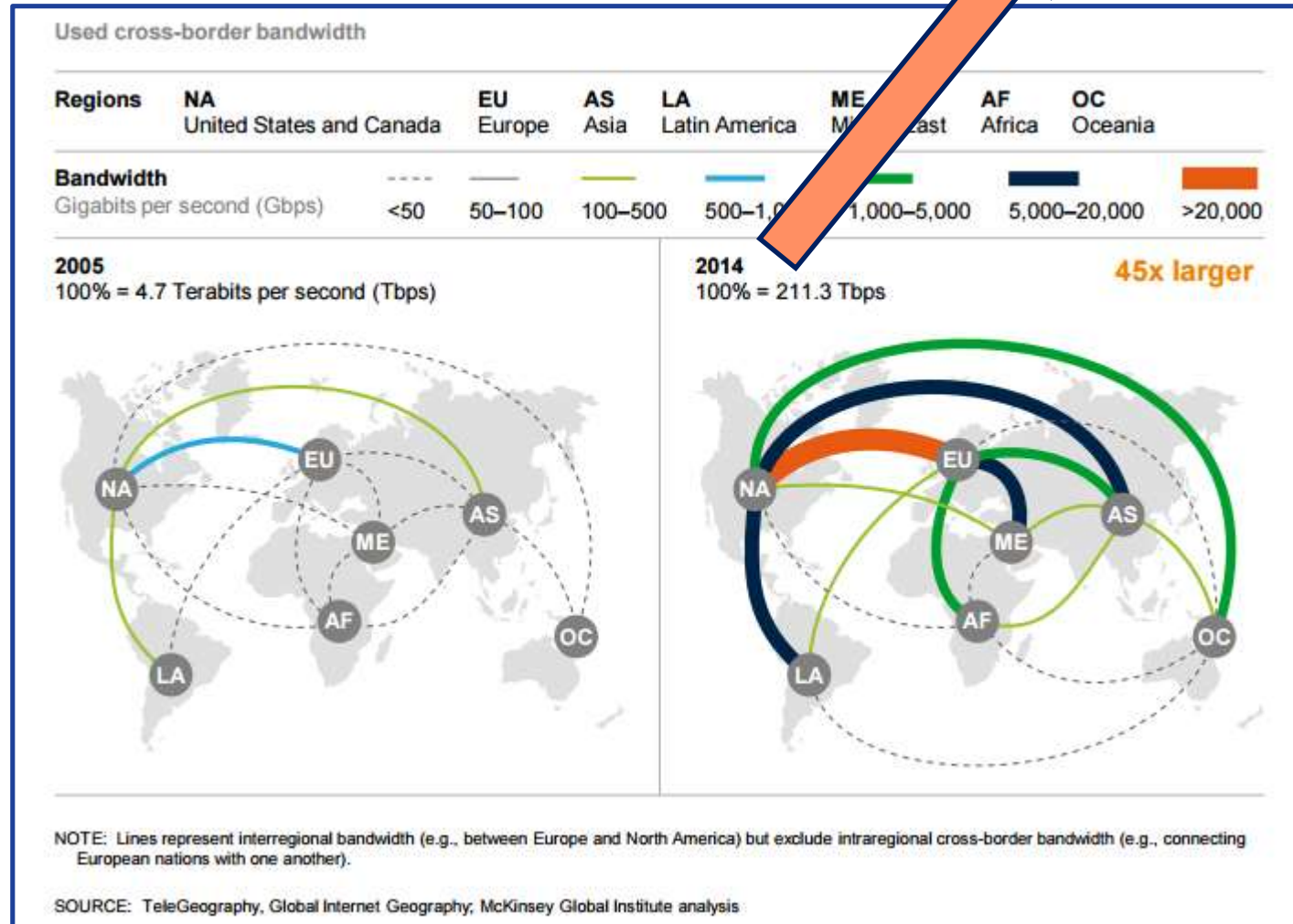
# New global era



# New global era

Cross-border data flows are surging and connecting more countries

2021 – More than 900 Tbps





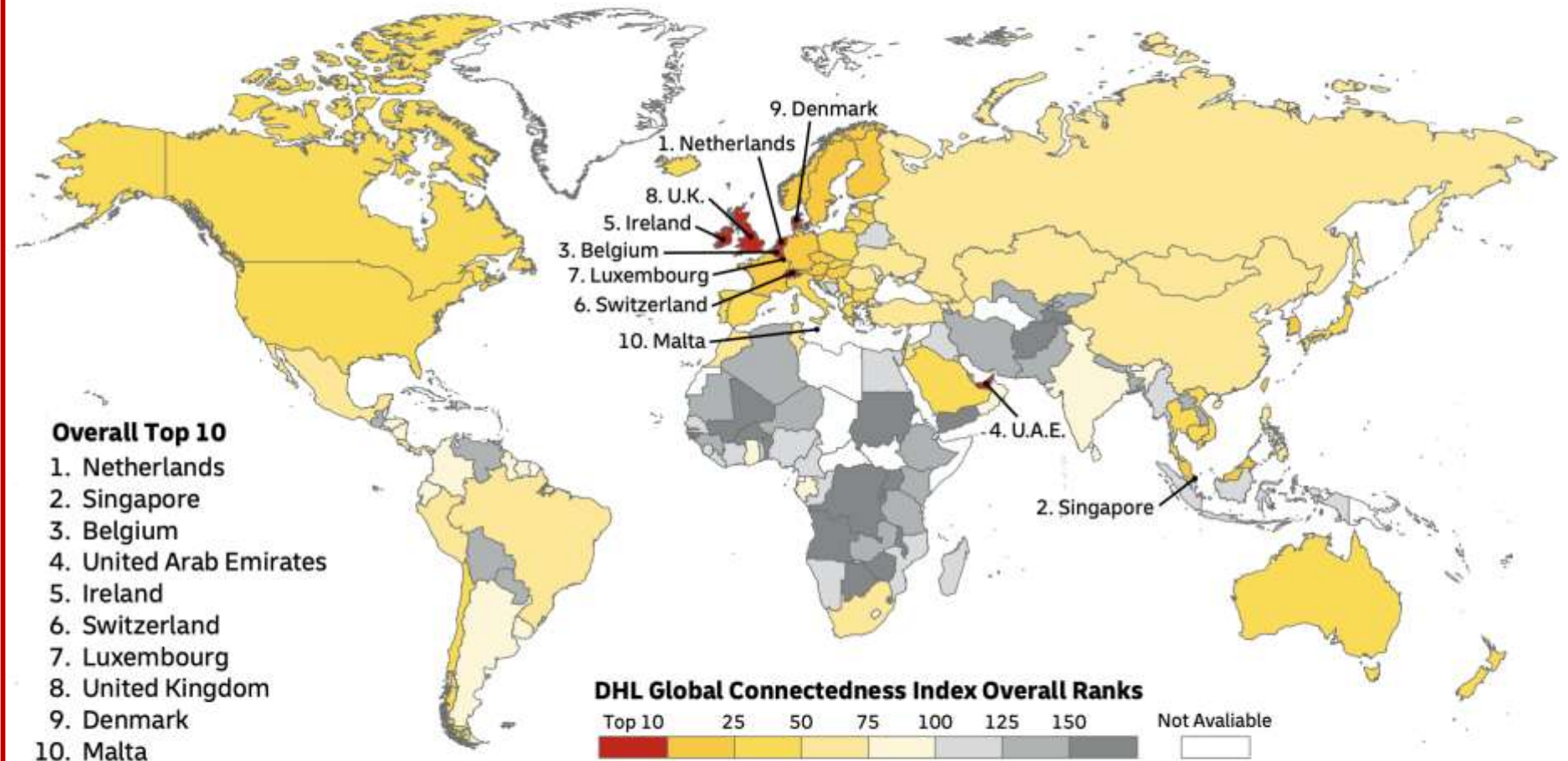
# New global era

## HOWEVER

A small group of leading countries are much more connected than the rest of the world

**FIGURE 25: DHL GLOBAL CONNECTEDNESS INDEX, OVERALL RANKS MAP**

DHL Global Connectedness Index 2020

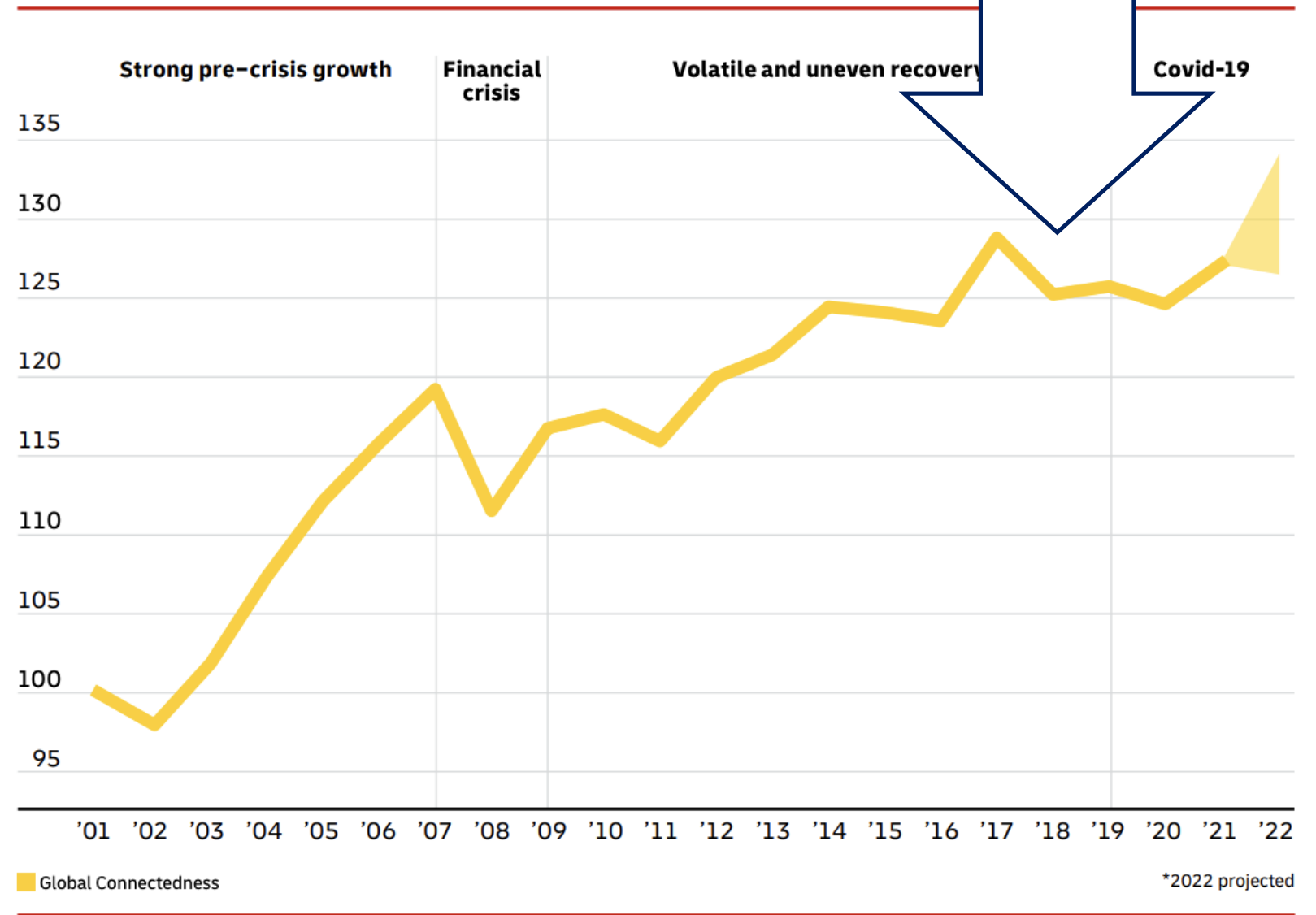


The Netherlands tops the overall global connectedness ranking, and 8 of the top 10 countries are located in Europe.

# New global era

Recent, even if modest, decline

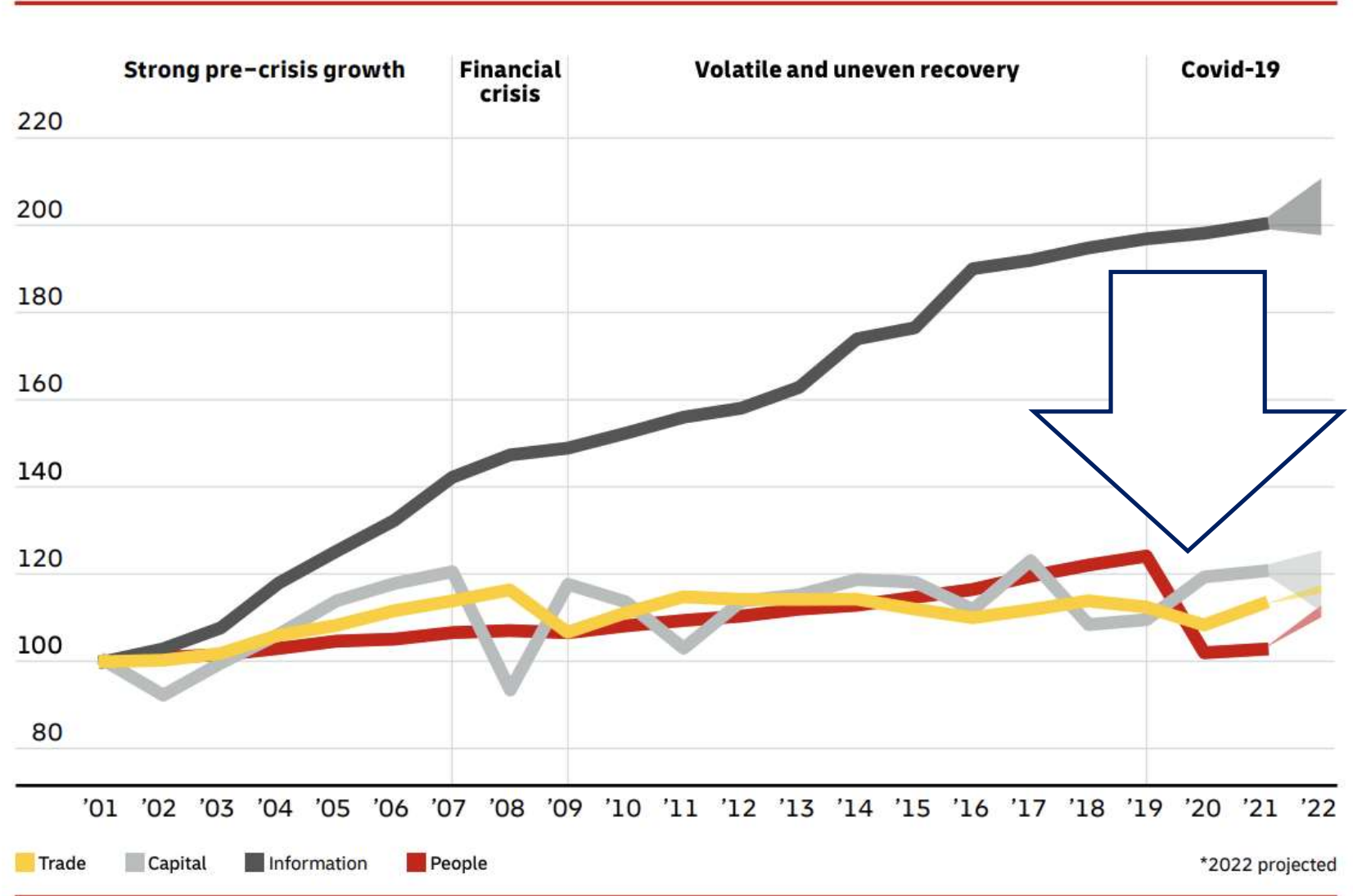
DHL Global Connectedness Index, 2001–2022\*



# New global era

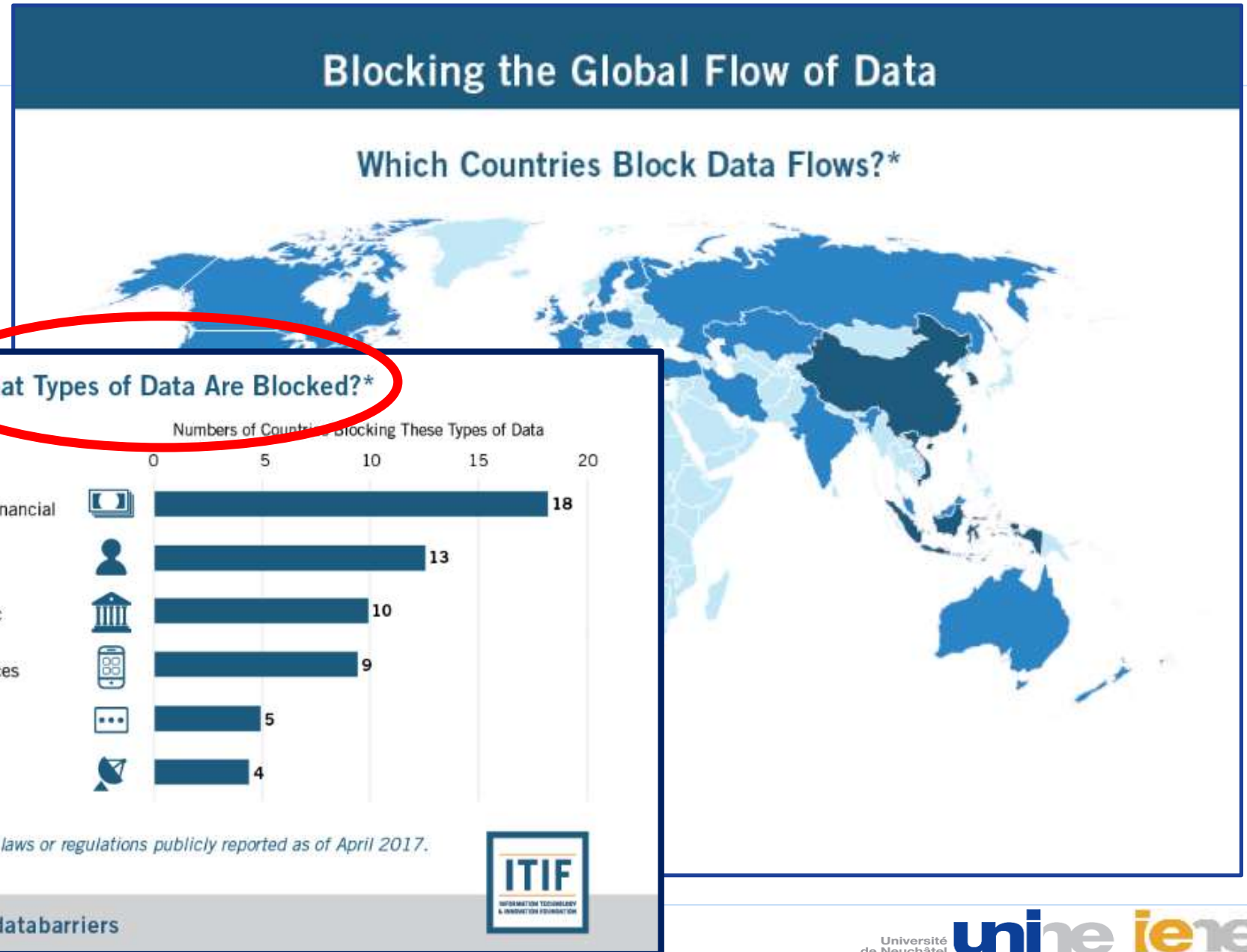
Recent, even if modest, decline

DHL Global Connectedness Index, four pillars, 2001 – 2022\*



# New global era

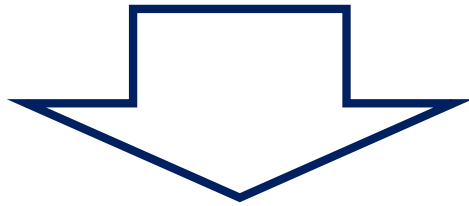
Many countries started to block data flows



# New global era

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More expensive and time consuming, if not illegal, to transfer data overseas.



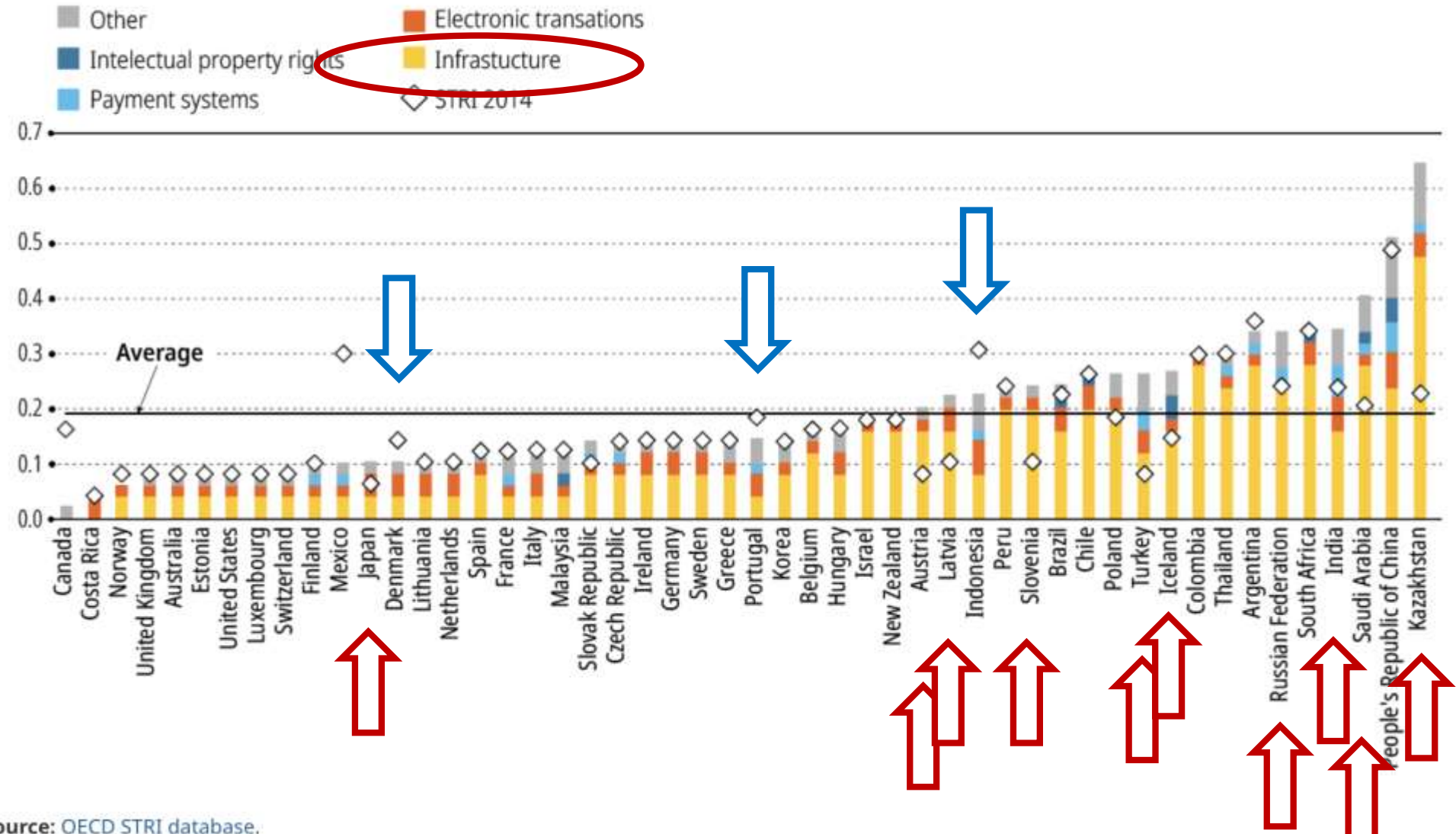
This may reduce economic growth and undercut social value

- Decrease of U.S. GDP by 0.1-0.36 %
- Increase in prices for some cloud services in Brazil and the EU from 10.5 to 54 %
- Decrease of GDP by 0.7-1.7 % in Brazil, China, EU, India, Indonesia, Korea, Vietnam (they have proposed or enacted data localization policies)

New  
global era

### 2020 Digital STRI results, by country

### Digital Services Trade Restriction Index

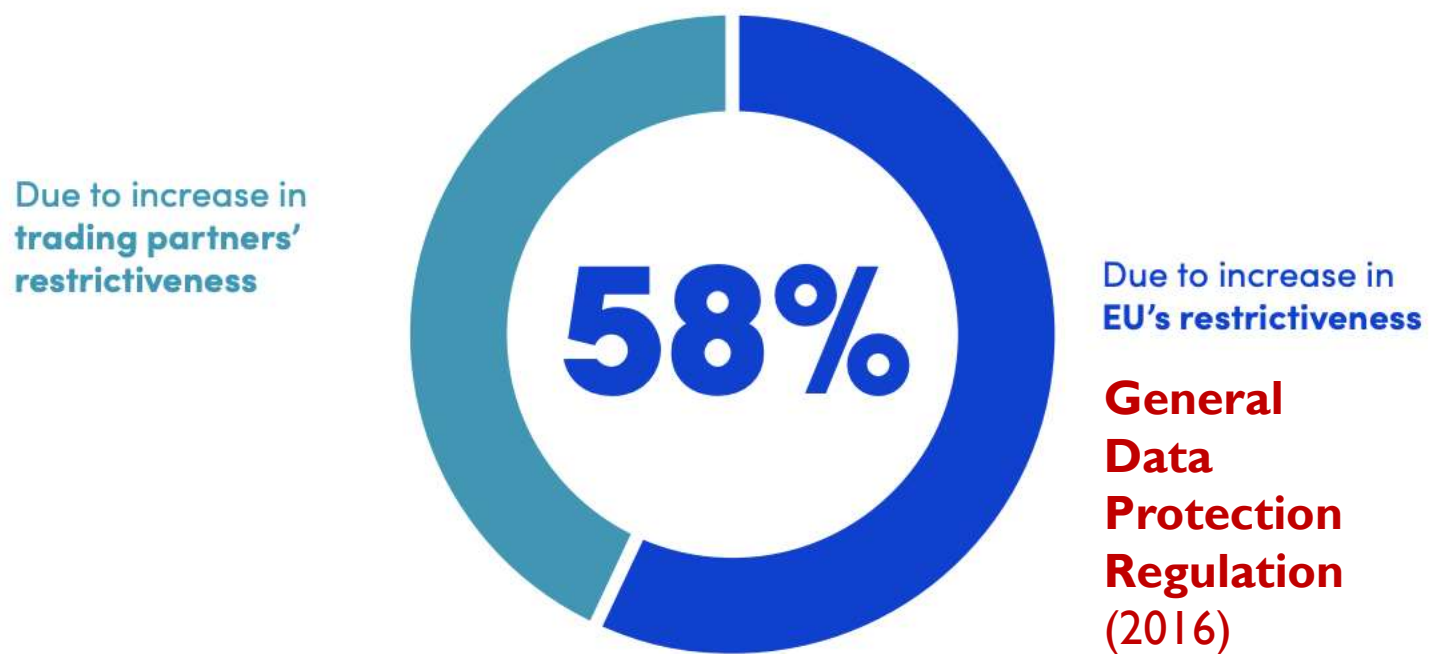


Source: OECD STRI database.

# New global era

## Negative impact of EU's own restrictions outweighs third-country measures limiting data flows

Per cent of total GDP impact in negative scenario due to EU's vs trading partners' increase in restrictiveness

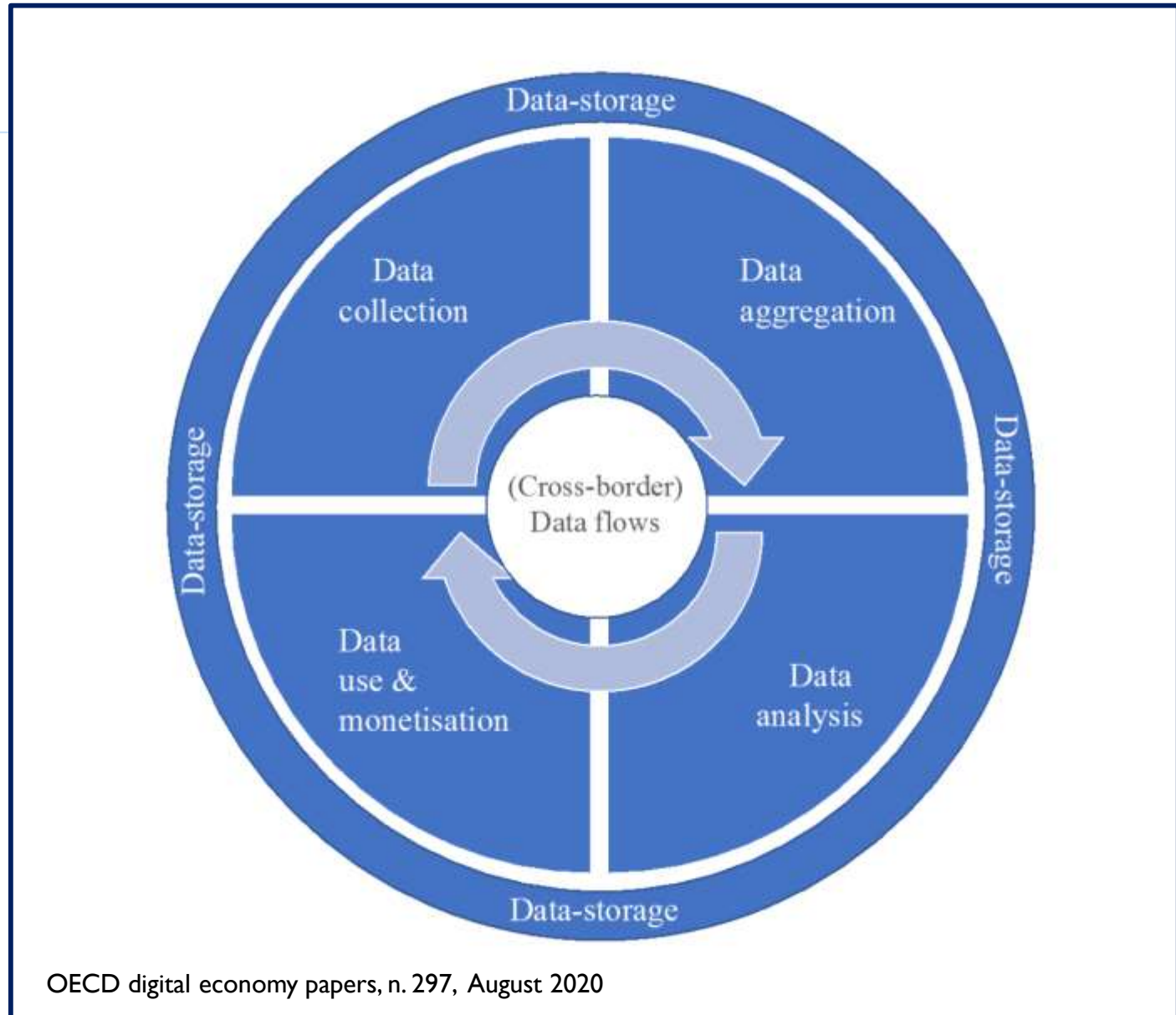


Source: Frontier Economics analysis of OECD Trade in Value Added (TiVA) Database

Source: Digital Europe

# New global era

## The Global Data Value Cycle





# New global era

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The free flow of data can increase the benefits from digital trade, **however**

- **TRUST** is a fundamental factor (risk of consumers' data being used for reasons beyond their knowledge and control) → Blockchain
- Implications for **MARKET CONCENTRATION**, through data-driven economies of scope and the presence of strong network effects (over-high entry barriers for small and medium enterprises)



- Online search, dominated by **GOOGLE**
- Social media, dominated by **META** and its services + Twitter & Snapchat ...
- Digital advertising, dominated by **GOOGLE** and **FACEBOOK**
- Mobile application downloads, dominated by **APPLE** and **GOOGLE**
- Commerce through online marketplaces, with **AMAZON** as the dominant platform

(2019 Report of the UK Digital Competition Expert Panel)

# New global era

The free flow of data can increase the benefits of digital markets (e.g. by increasing competition and control) → Blockchain

- **TRUST** is a fundamental factor in digital markets (e.g. by increasing competition and control) → Blockchain
- Implications for **MARKET COMPETITION** (e.g. by increasing competition and control) → Blockchain presence of strong network effects



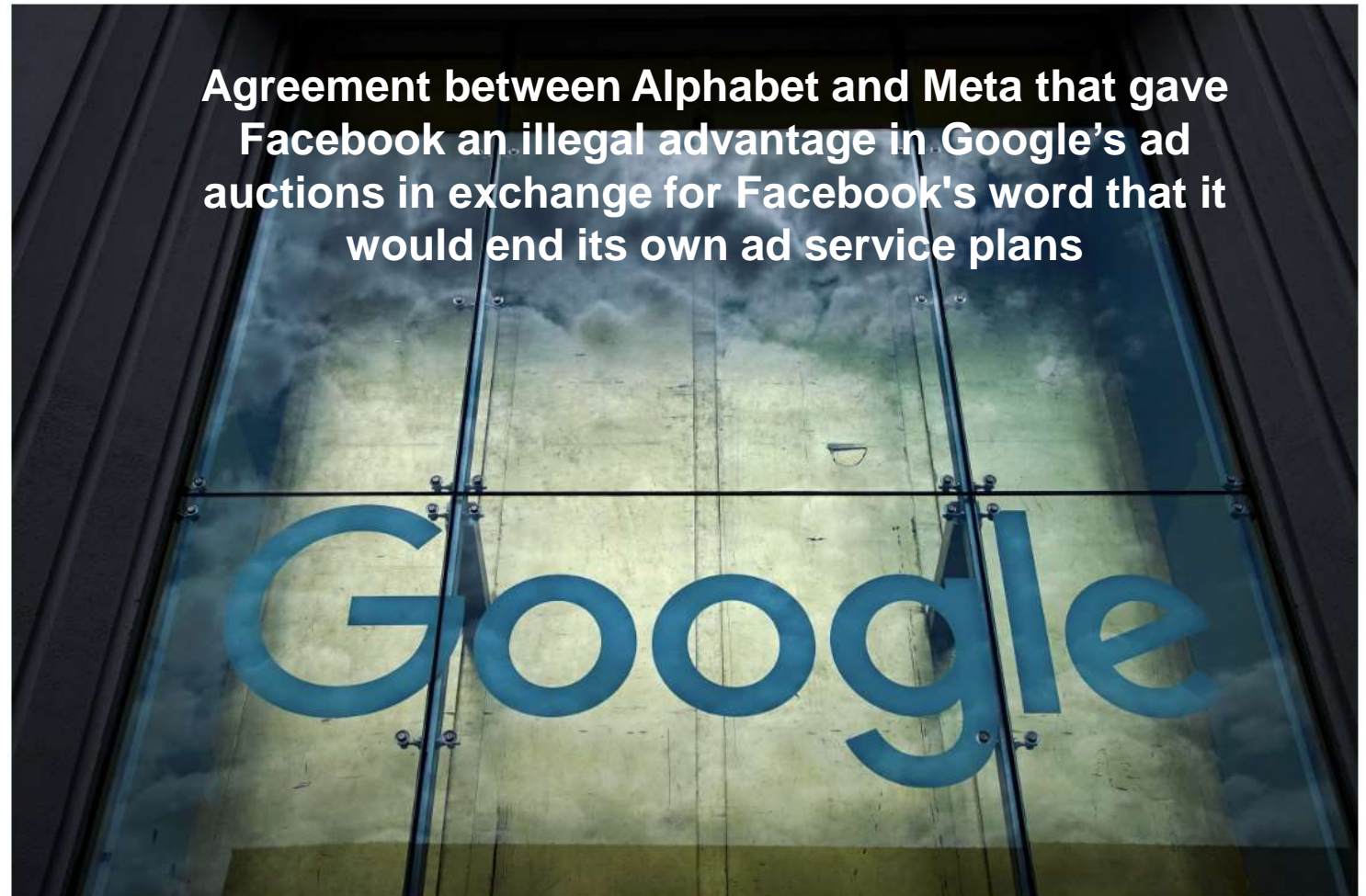
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(2019 Report of the UK Digital Competition Expert Panel)

## 'Jedi Blue' ad deal between Google and Facebook sparks new antitrust probes in EU and UK

Natasha Lomas @riptari / 1:40 PM GMT+1 • March 11, 2022

Comment



Agreement between Alphabet and Meta that gave Facebook an illegal advantage in Google's ad auctions in exchange for Facebook's word that it would end its own ad service plans

Image Credits: Drew Angerer / Getty Images

The European Commission and the U.K. have announced parallel formal antitrust investigations into Google and Facebook in relation to their online display ad businesses.

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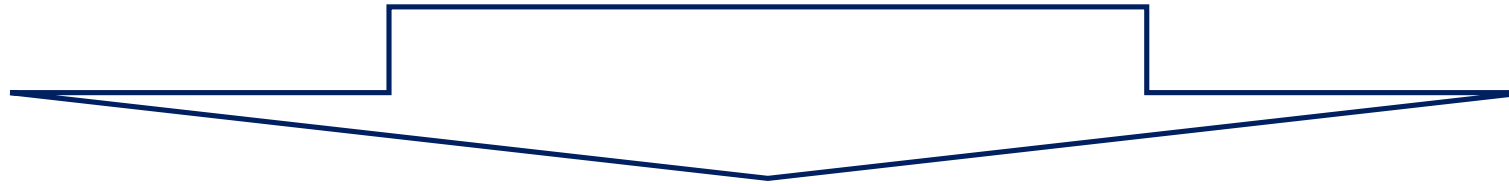
# Digitalization & The new media landscape

# Digitalization and impact on the media industry

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## Digitization

**Integration of ICTs** to enable users **to access, store and transfer information**



**Transformation in how print and audio-visual content is both produced and consumed**

1. New opportunities for new media actors
2. New threats for traditional media companies

# I. New opportunities for the **MEDIA INDUSTRY** ...

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- Non-profit organizations such as Wikileaks, International Consortium of Investigative Journalism (ICIJ) ...
- Pure players: [Huffington Post](#), [Buzzfeed](#), [ProPublica](#), [Mediapart](#) ...

# Huffington Post

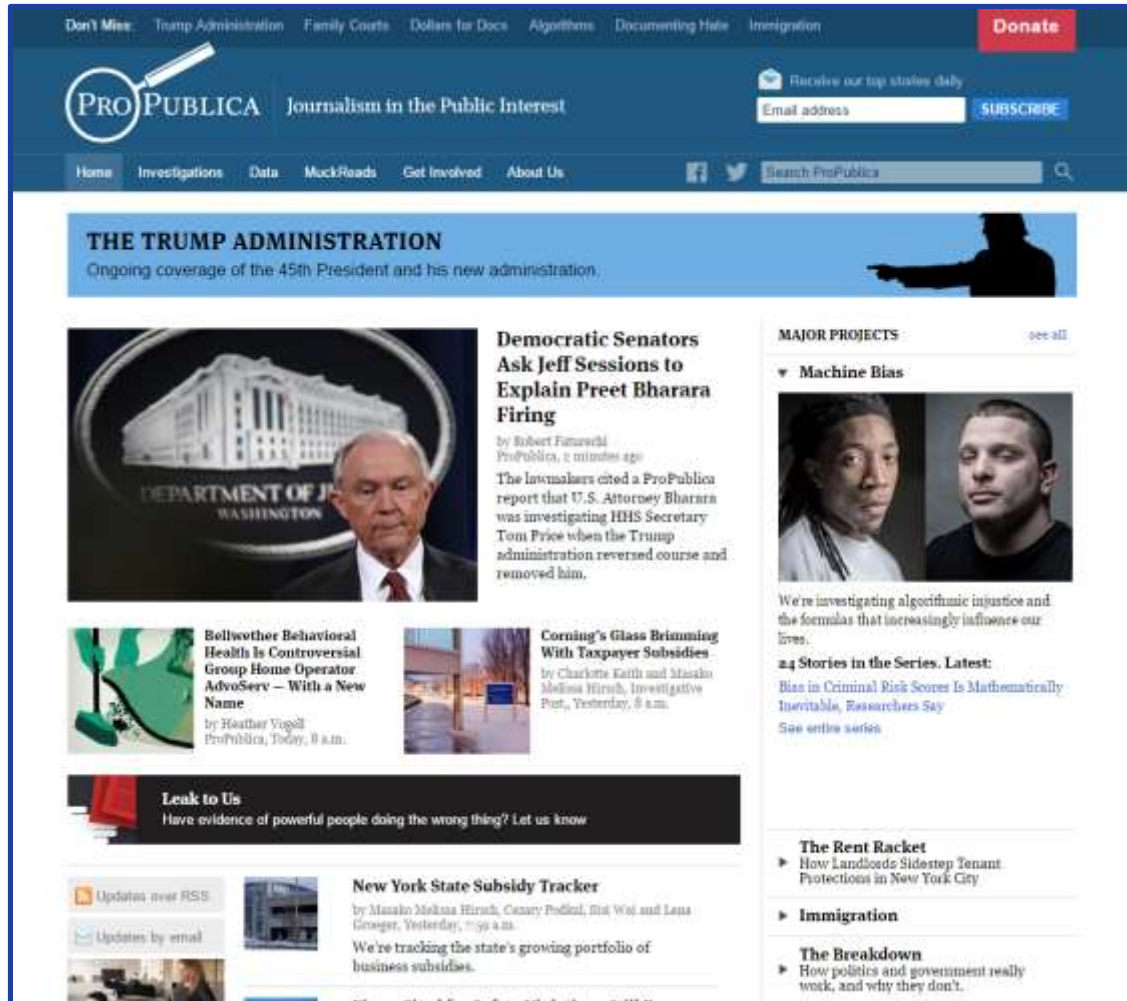


Founded in **2005**, bought by **AOL** in 2011 for **\$ 315 million**

Bought by **Verizon Communications** in 2015 for \$4.4 billion

Now owned by **BuzzFeed** (stock deal)

# Pro Publica and Mediapart, investigative journalism



## ProPublica

- Non-profit, independent newsroom
- Founded in **2008** by Paul Steiger, former managing editor of The Wall Street Journal
- >100 journalists + publications in collaboration with traditional media
- Various Pulitzer prizes
  
- Funded by philanthropic donations, even though they accept advertising and consider selling of data

# Pro Publica and Mediapart, investigative journalism

## Mediapart

- Independent and participatory online newspaper
- Founded in **2008** by Edwy Plenel among others, ex director of Le Monde
- About **139 permanent employees (73 journalists) + 175 freelancers**
- Profitable from **2011**, now has Euro 21.2 ML of revenues and 2,6 ML of net profits, +/-210'000 subscriptions



The screenshot shows the Mediapart website interface. At the top, there is a navigation bar with a menu icon, the Mediapart logo, and a search bar. Below the navigation bar, there are several category tabs: LE JOURNAL, INTERNATIONAL, FRANCE, ÉCONOMIE, CULTURE, DOSSIERS, LE STUDIO, LE CLUB, and PARTICIPEZ. The main content area features a large photograph of Nicolas Sarkozy and a man in a brown shawl. Below the photo, the text reads: "FRANCE — 55 ARTICLES" and "NOTRE DOSSIER: L'ARGENT LIBYEN DE SARKOZY". There are also social media sharing buttons for Facebook, Twitter, and Google+. At the bottom of the article preview, it says: "Retrouvez dans notre dossier toutes nos enquêtes, révélations et émissions depuis 2011 pour comprendre l'une des affaires les plus explosives du quinquennat Sarkozy – et de la République."



# In Switzerland

## Watson.ch

- **2014** founded by Hansi Voigt, previous editor in chief at 20 minutes
- Now Peter Wanner (AZMedien AG)
- **2018** 1.8 ML unique clients
- **2021** expansion in Romandie

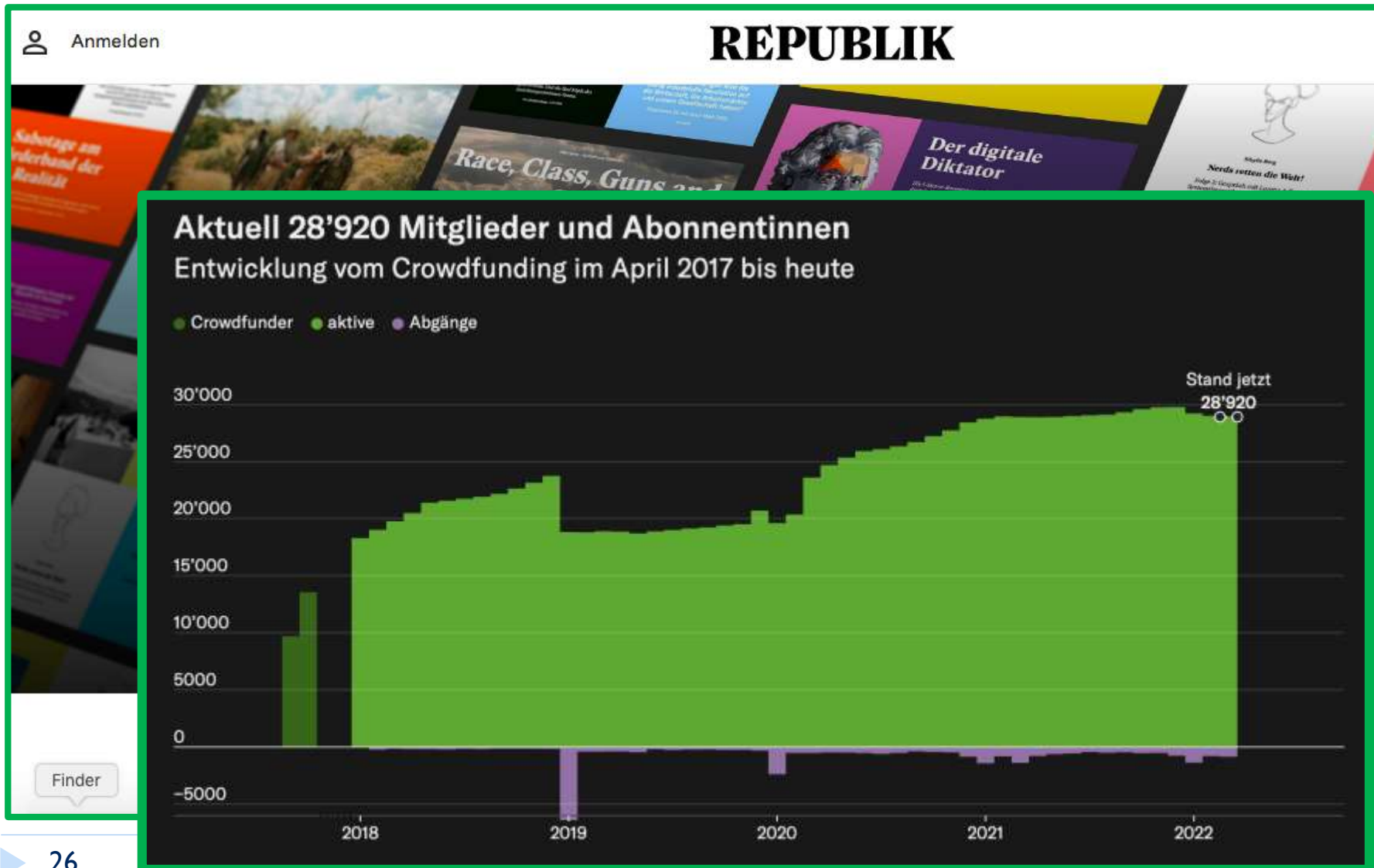


Blick did the same

The screenshot shows the Watson.ch website with a navigation bar at the top containing categories: Schweiz, International, Wirtschaft, Sport, Leben, Spass, Digital, Wissen, Blogs, and Videos. The main content area features several articles and video thumbnails:

- Top Left:** A video thumbnail showing ice hockey players celebrating. Below it, the headline reads: "Bern, Lugano und die ZSC Lions im Halbfinal - Biel fehlt noch ein Sieg".
- Top Right:** A video thumbnail showing a man in a suit sitting in a car. Below it, the headline reads: "Cambridge Analytica suspendiert CEO Alexander Nix".
- Middle Row:**
  - Left:** A photo of a young girl with a teddy bear. Below it, the headline reads: "7 Geheimnisse aus der Kindheit, die wir unseren Eltern nie erzählt haben" by Chantal Stäubli.
  - Middle:** A graphic with a stick figure and a Bitcoin symbol. Below it, the headline reads: "Crash 😞 Crash 😞 Crash 😞 Drei verschiedene Perspektiven auf die aktuelle Krypto-Baisse" by Patrick Toggweiler.
  - Right:** A collage of historical figures. Below it, the headline reads: "Tote Frauen? Gab's in der «New York Times» 167 Jahre lang nur selten" by Simone Meier.
- Bottom Row:** Three smaller thumbnails showing a person's face, a soccer player, and a person in a yellow shirt.

# In Switzerland



2018

- Constantin Seibt, ex TA
- 3,5 ML from investors + crowdfunding
- 30.000 subscribers
- 50 journalists

# In Switzerland



HEIDI.NEWS



Pour Heidi.news, l'aventure commence aujourd'hui.

> DEVENIR MEMBRE FONDATEUR

Nous préparons un nouveau média qui sera lancé à Genève au printemps 20

## > NOTRE ÉQUIPE

Les fondateurs de Heidi.news ont choisi l'aventure d'un nouveau média qu'ils estiment nécessaire.

EDITORIAL



SERGE MICHEL

Journaliste. Prix Albert Londres de reportage, a été rédacteur en chef adjoint du Temps et directeur adjoint du Monde, pour lequel il a aussi créé Le Monde Afrique.

ADMINISTRATION



TIBÈRE ADLER

Entrepreneur, administrateur de sociétés. A été avocat, CED du groupe Edipresse et directeur romand du think tank Avenir Suisse.

DESIGN



JÉRÔME BONTRON

Fondateur et directeur d'un important bureau suisse de création visuelle. Accompagne en 360° l'identité visuelle de projets d'ampleur internationale.

EDITORIAL



JEAN ABBIATECI

Journaliste suisse, ancien rédacteur en chef adjoint du Temps. Spécialiste du numérique. Aime autant les belles lignes de texte que les belles lignes de code.

SCIENCES



OLIVIER DESSIBOURG

Physicien de formation, journaliste, Prix Media des Académies suisses, ancien responsable Sciences du Temps, président de l'Association suisse du journalisme scientifique.

## 2019

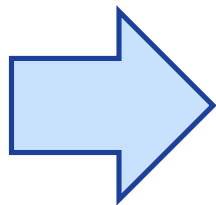
- Serge Michel, ex Le Monde
- Investors + crowdfunding
- Subscription based
- Not profitable yet, 4000 subscriptions
- Bought by the Aventinus Foundation in 2021

# Other opportunities within and outside the media industry ...

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## New opportunities for **CORPORATIONS**

- Beyond corporate publishing, disclosing branded content on their platforms or on third party channels
- Creating and sharing their digital content on corporate WebTV, YouTube channels, Facebook Fan pages, Twitter or branded blogs
- They **bypass traditional media**, directly competing with them for audience attention



**Corporate brands become media themselves**

# New opportunities for Corporations

The screenshot shows the Coca-Cola Journey website with a red header. The navigation bar includes 'HOME', 'STORIES', 'MARKEN', 'NACHHALTIGKEIT', 'ZUCKERREDUKTION', and 'FRAG COCA-COLA'. A search bar is located in the top right corner. The main content area displays a grid of eight news stories, each with a thumbnail image, a title, and a short description.

**Coca-Cola Journey** Land Français | Media | Unternehmen Suche


HOME | **STORIES** | MARKEN | NACHHALTIGKEIT | ZUCKERREDUKTION | FRAG COCA-COLA

HOME > STORIES

- Video: One Day at the Special Olympics**  
Um die Magie der Special Olympics zu verstehen, muss man sie selbst erlebt haben. Deshalb haben wir unseren VJ Angelo Co...
- Special Olympics: Unsere Herzen für Team Switzerland**  
Die Herzen aus aller Welt fliegen den mehr als 3'000 Athletinnen und Athleten aus 107 Ländern zu, die derzeit an den Spe...
- World Water Day: Wir sind auf 1,53-Kurs!**  
Coca-Cola senkt in der Schweiz systematisch die Wasserratio – oder einfacher ausgedrückt: Wir brauchen Jahr für Jahr wen...
- Neuheit in Japan: die Coca-Cola mit einem Plus**  
Coca-Cola Japan ergänzt mit dem neuen Coca-Cola Plus sein Portfolio der funktionellen Getränke (engl. Foo...
- Coke City Guide: Da trifft man Alexander Mauer in**
- Kochen mit Coca-Cola life**
- Special Olympics: Sie bringt uns in Stimmung**
- 5by20: Jeder Tag ist Weltfrauentag**

# New opportunities for Corporations

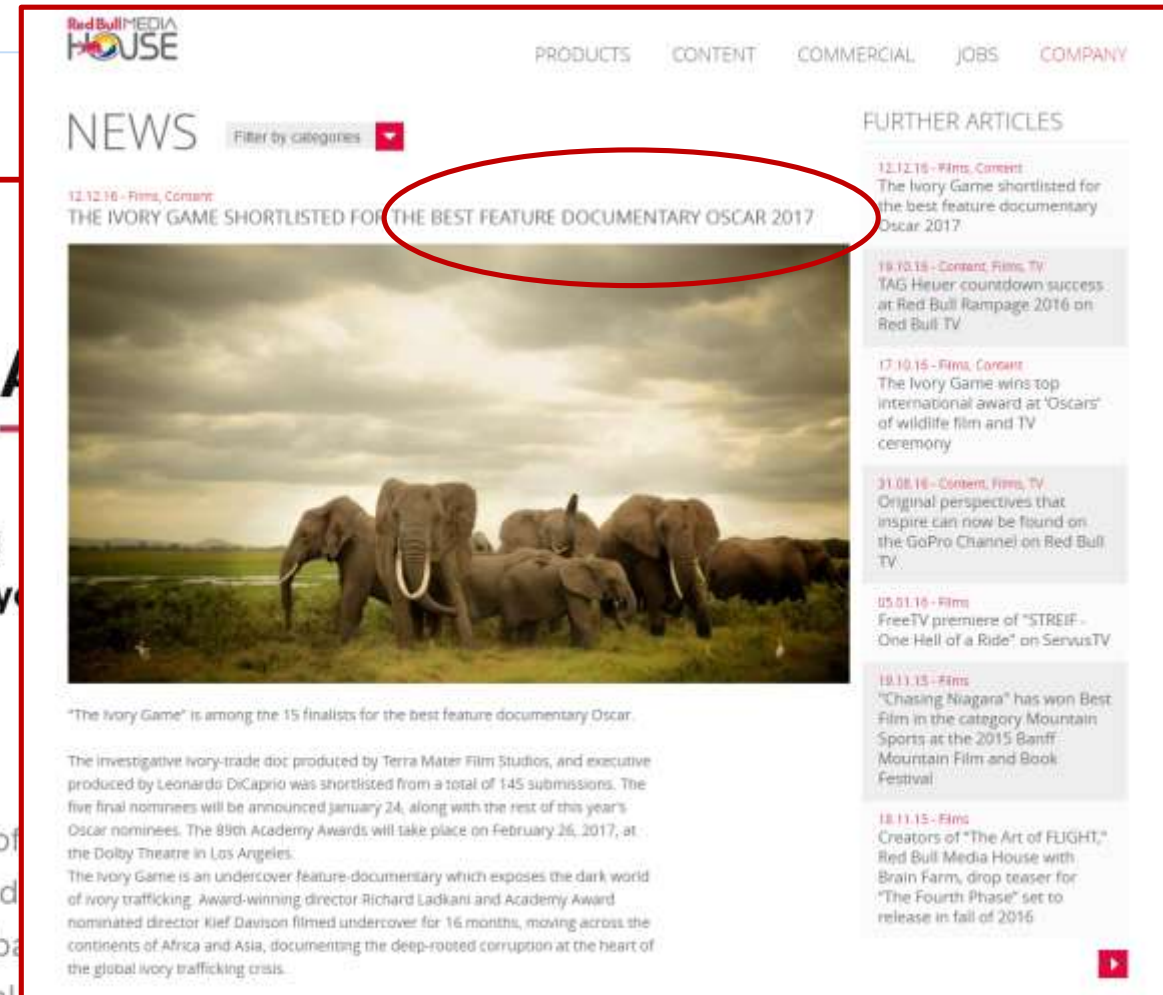
## Red Bull Media House



**OUR PORTFOLIO**   **PARTNERSHIP**

**Red Bull Media House is an award-winning, globally distributed multi-platform media company on a mission to inspire with 'beyond the ordinary' stories - both direct-to-consumer and through partnerships.**

With a focus on sports, culture and lifestyle content, Red Bull Media House offers a wide range of premium media products across TV, mobile, digital, audio, and print. Red Bull Media House produces and licenses a broad selection of global broadcast events, compelling and inspirational local storytelling with original short and long-form programming as well as feature films from around the world.




Red Bull MEDIA HOUSE

PRODUCTS   CONTENT   COMMERCIAL   JOBS   COMPANY

### NEWS

Filter by categories

**12.12.16 - Films, Content**  
**THE IVORY GAME SHORTLISTED FOR THE BEST FEATURE DOCUMENTARY OSCAR 2017**



"The Ivory Game" is among the 15 finalists for the best feature documentary Oscar.

The investigative Ivory-trade doc produced by Terra Mater Film Studios, and executive produced by Leonardo DiCaprio was shortlisted from a total of 145 submissions. The five final nominees will be announced January 24, along with the rest of this year's Oscar nominees. The 89th Academy Awards will take place on February 26, 2017, at the Dolby Theatre in Los Angeles.

The Ivory Game is an undercover feature-documentary which exposes the dark world of ivory trafficking. Award-winning director Richard Ladkani and Academy Award nominated director Kief Davison filmed undercover for 16 months, moving across the continents of Africa and Asia, documenting the deep-rooted corruption at the heart of the global ivory trafficking crisis.

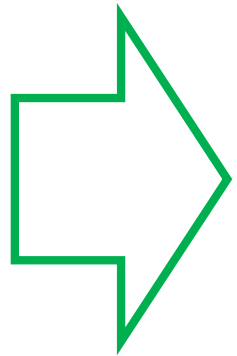
#### FURTHER ARTICLES

- 12.12.16 - Films, Content  
The Ivory Game shortlisted for the best feature documentary Oscar 2017
- 19.10.16 - Content, Films, TV  
TAG Heuer countdown success at Red Bull Rampage 2016 on Red Bull TV
- 17.10.16 - Films, Content  
The Ivory Game wins top international award at 'Oscars' of wildlife film and TV ceremony
- 31.08.16 - Content, Films, TV  
Original perspectives that inspire can now be found on the GoPro Channel on Red Bull TV.
- 05.01.16 - Films  
FreeTV premiere of "STREIF - One Hell of a Ride" on ServusTV
- 19.11.15 - Films  
"Chasing Niagara" has won Best Film in the category Mountain Sports at the 2015 Banff Mountain Film and Book Festival
- 18.11.15 - Films  
Creators of "The Art of FLIGHT" Red Bull Media House with Brain Farm, drop teaser for "The Fourth Phase" set to release in fall of 2016

# Other opportunities within and outside the media industry ...

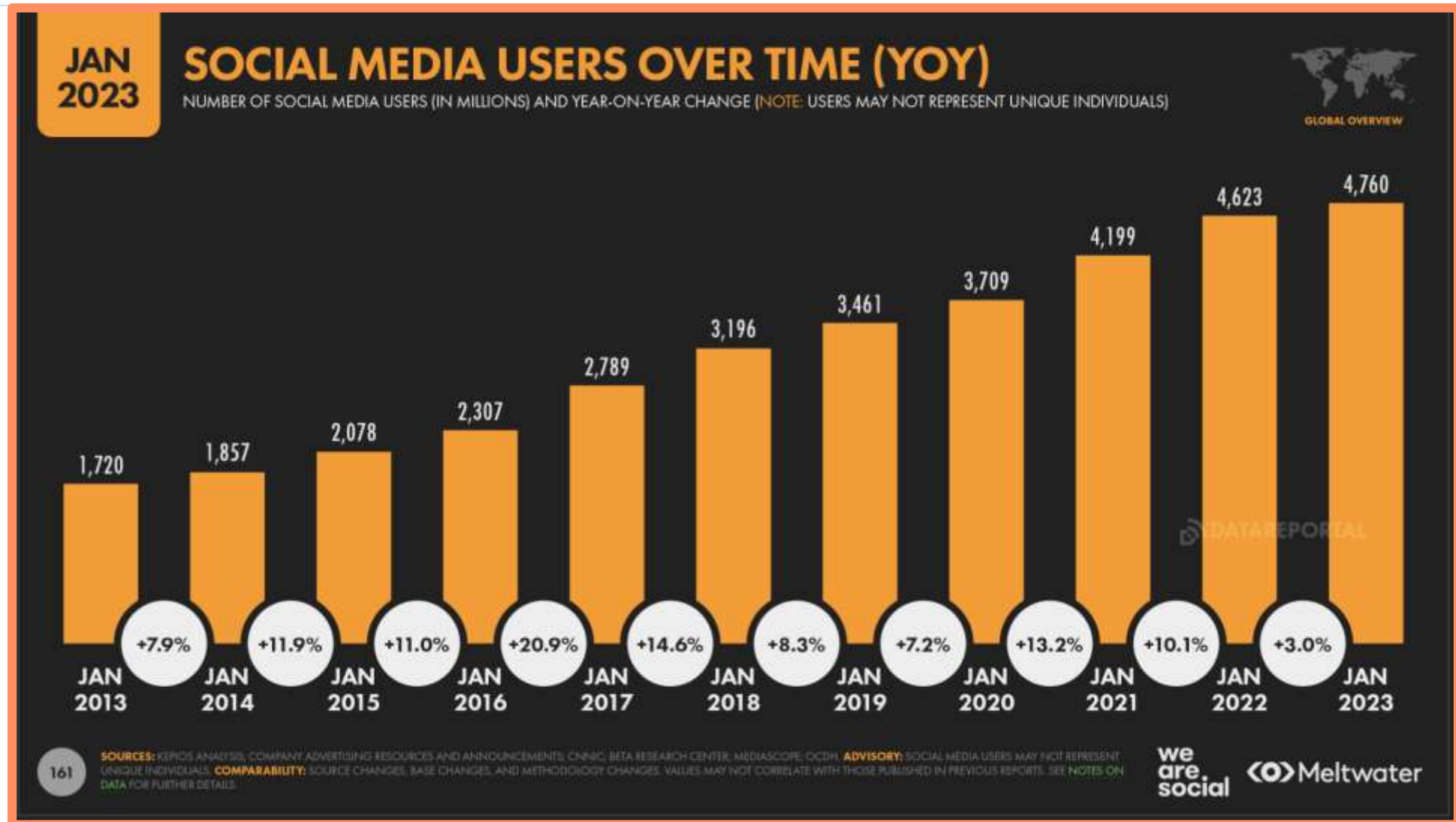
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- Video on Demand: Netflix, Hulu ...



- **Technology companies** : Google, Yahoo, YouTube, Apple TV ...
- **Social media platforms**: Facebook, Twitter, Whatsapp, Instagram ...

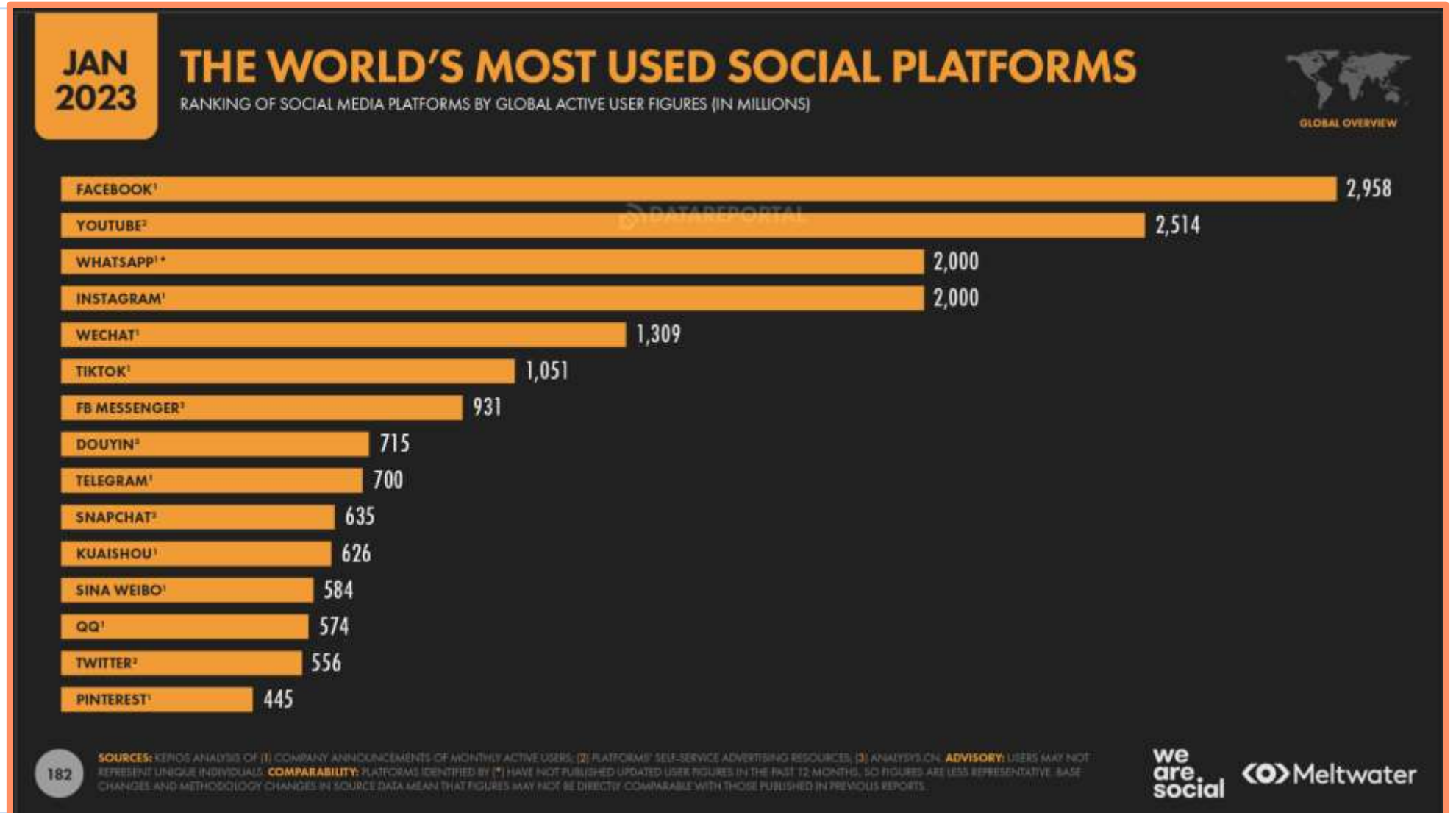
# Social Media





# Social Media

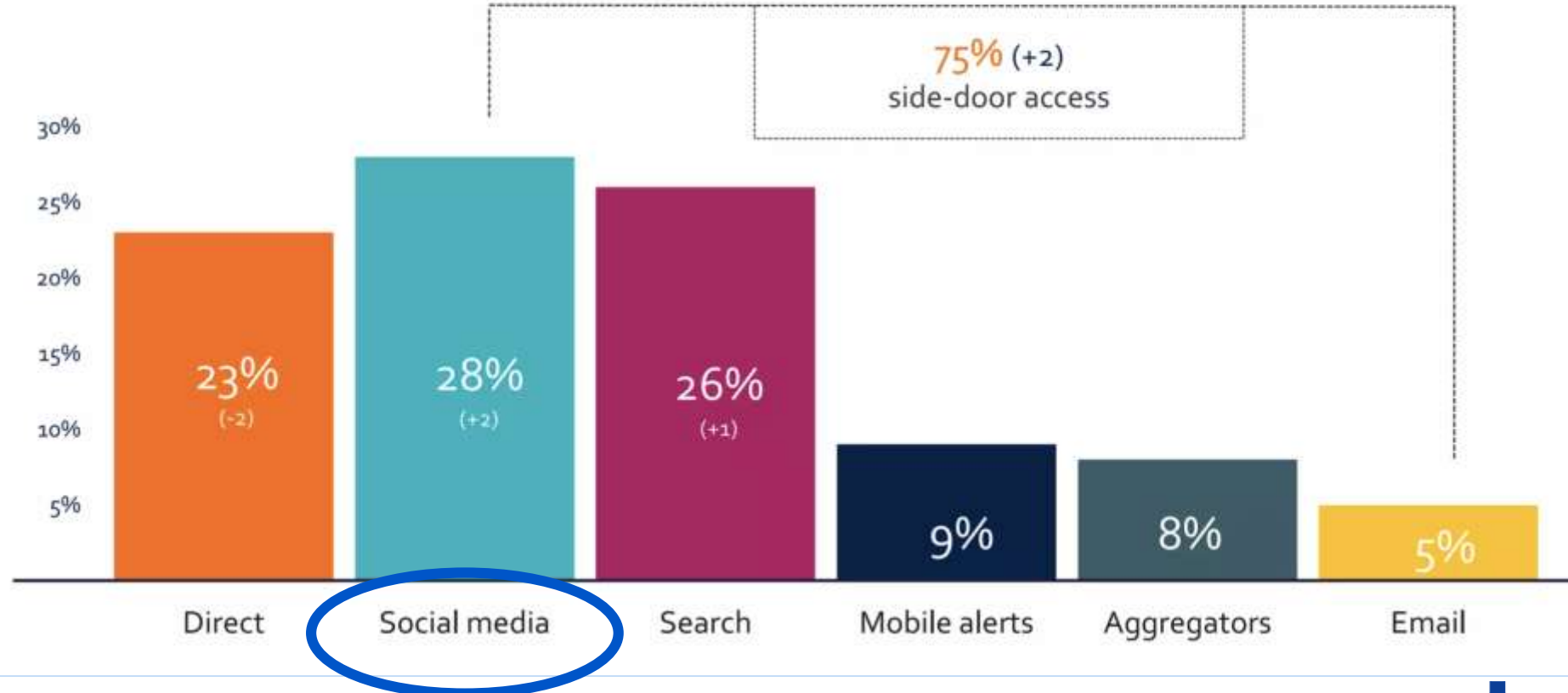
The biggest online platforms have user data bases that far exceed the population of the world's biggest countries



# Use of Social Media for news

## Changing gateways to news – all markets

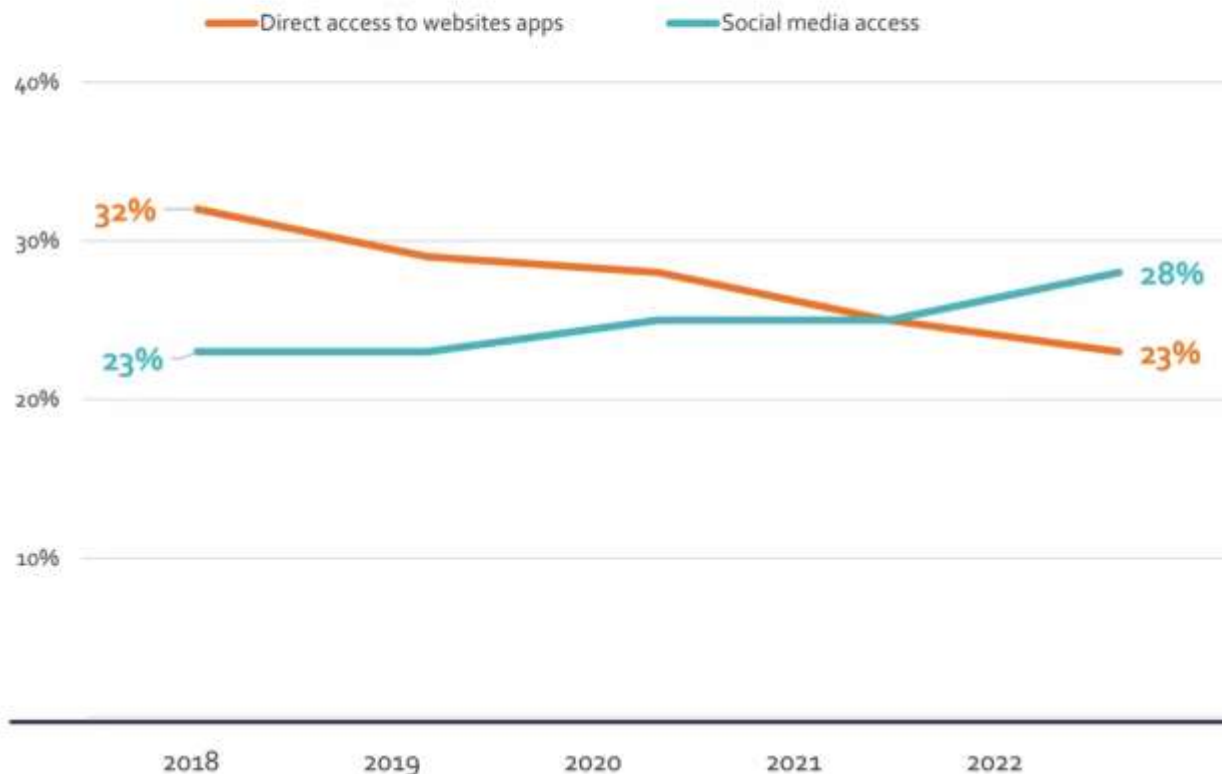
MAIN WAY OF GETTING TO NEWS



# Use of Social Media for news

## Main gateways to news 2018–2022 *All countries*

In aggregate terms, social overtook direct traffic in 2021. Though there are huge differences between countries. Nordics still have very strong direct traffic, Lat Am and some Asia countries less so.



### MAINLY DIRECT (2022)

- Finland 65%
- Norway 59%
- UK 46%

### MOSTLY SOCIAL (2022)

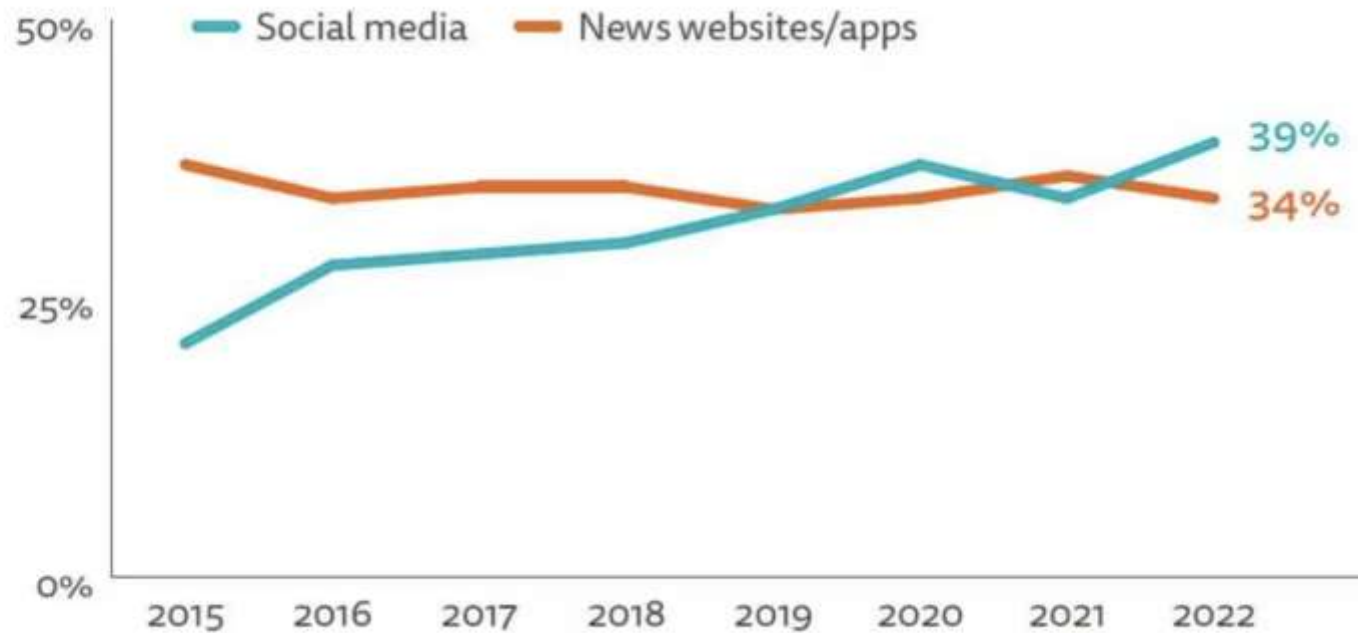
- Thailand 59%
- Philippines 51%
- Kenya 51%

Q10a\_new2017\_rc. Which of these was the **\*\*MAIN\*\*** way in which you came across news in the last week?  
Base: All= 85,969

# Use of Social Media for news

Proportion of 18–24s who say each is their main source of news

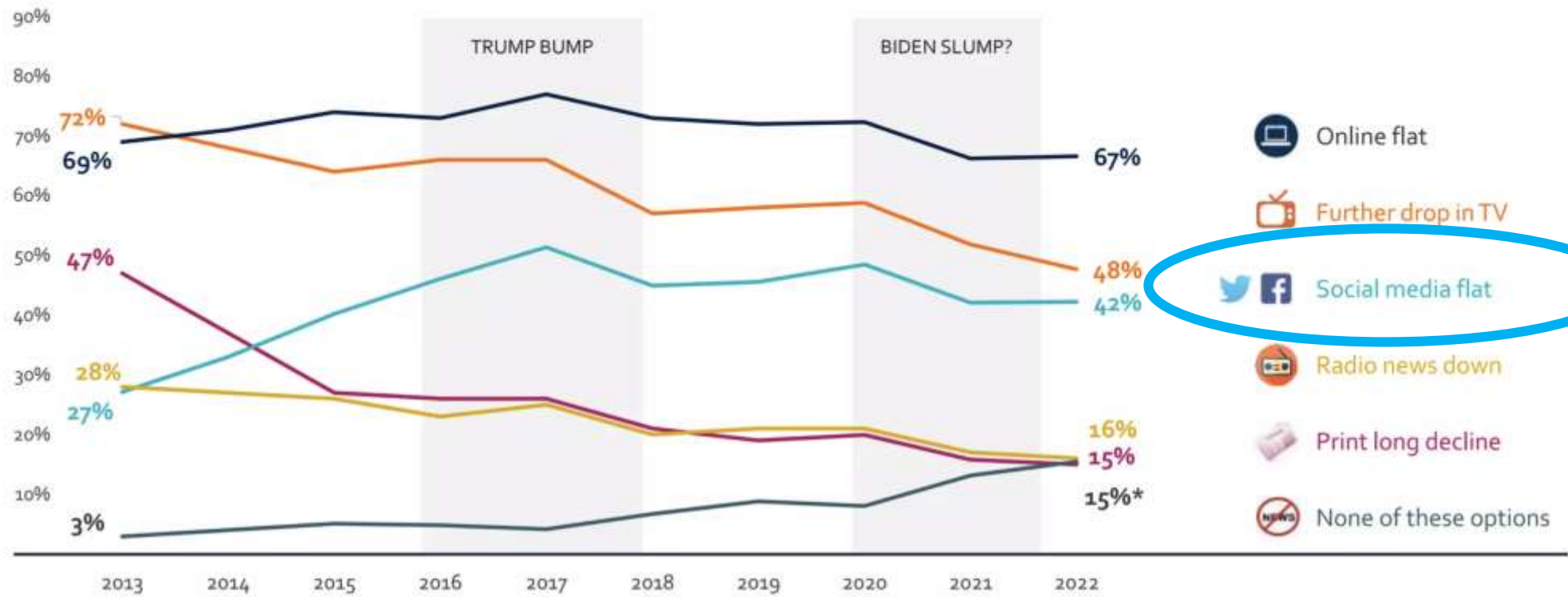
Average of 12 markets



# Use of Social Media for news

## Sources of news USA – TV, print, online and social media

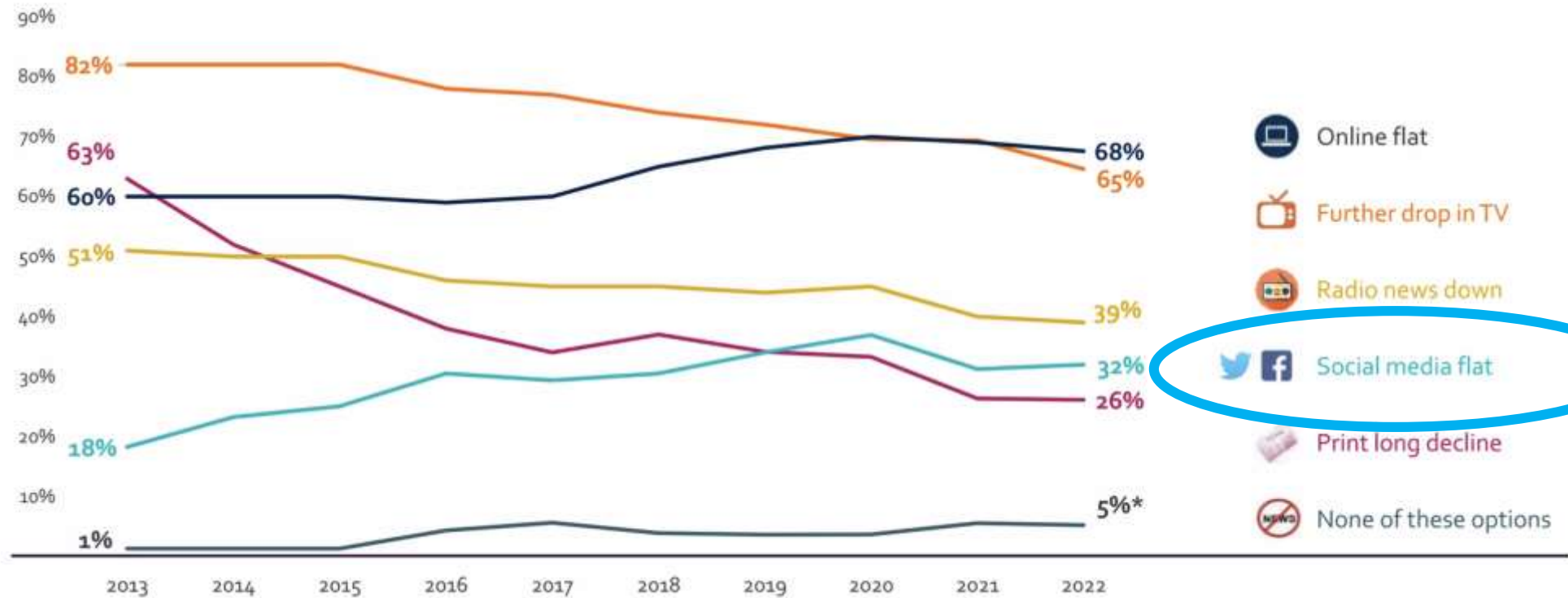
Further drop in TV, other sources remain stable



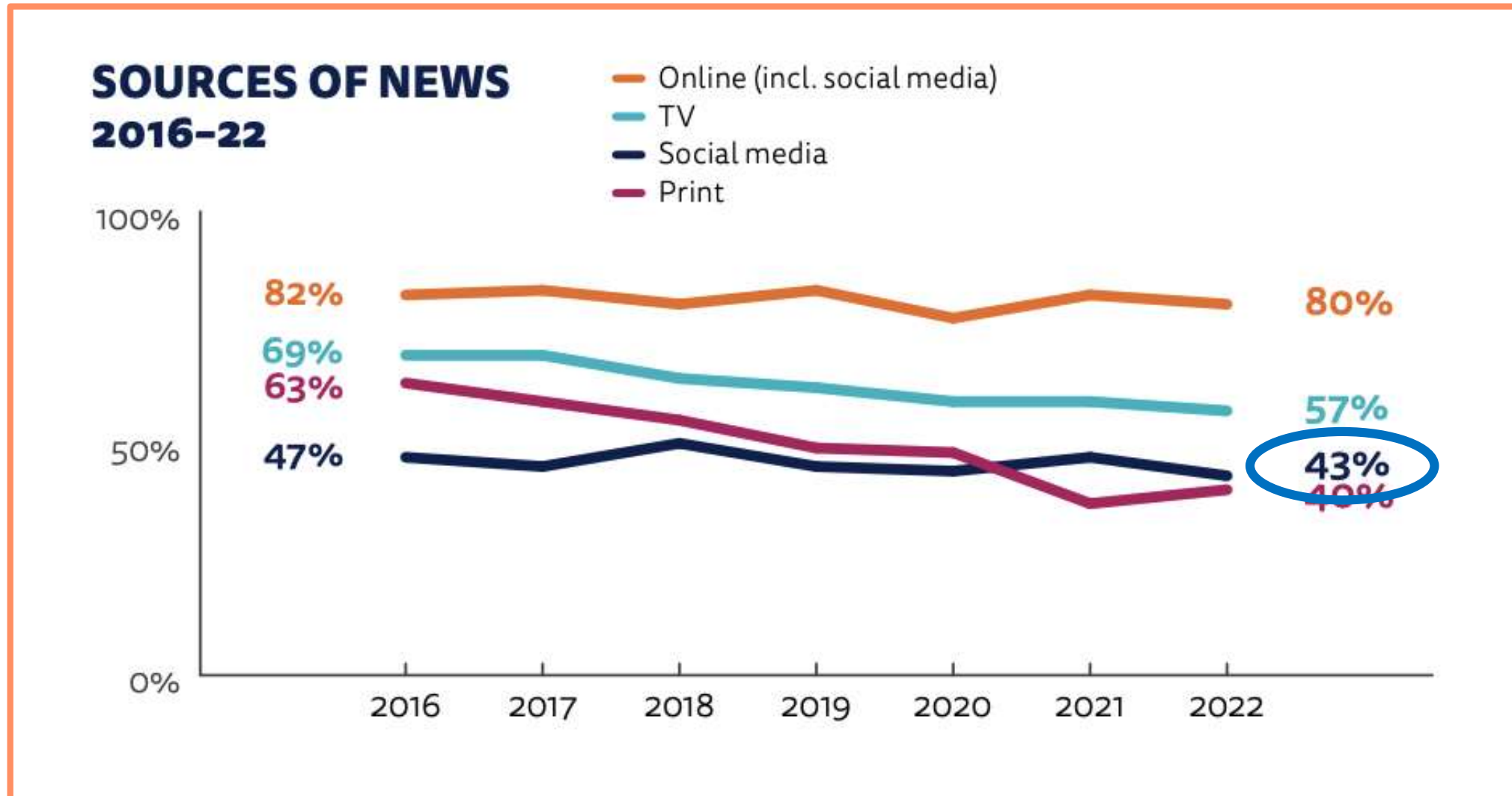
# Use of Social Media for news

## Sources of news GERMANY – TV, print, online and social media

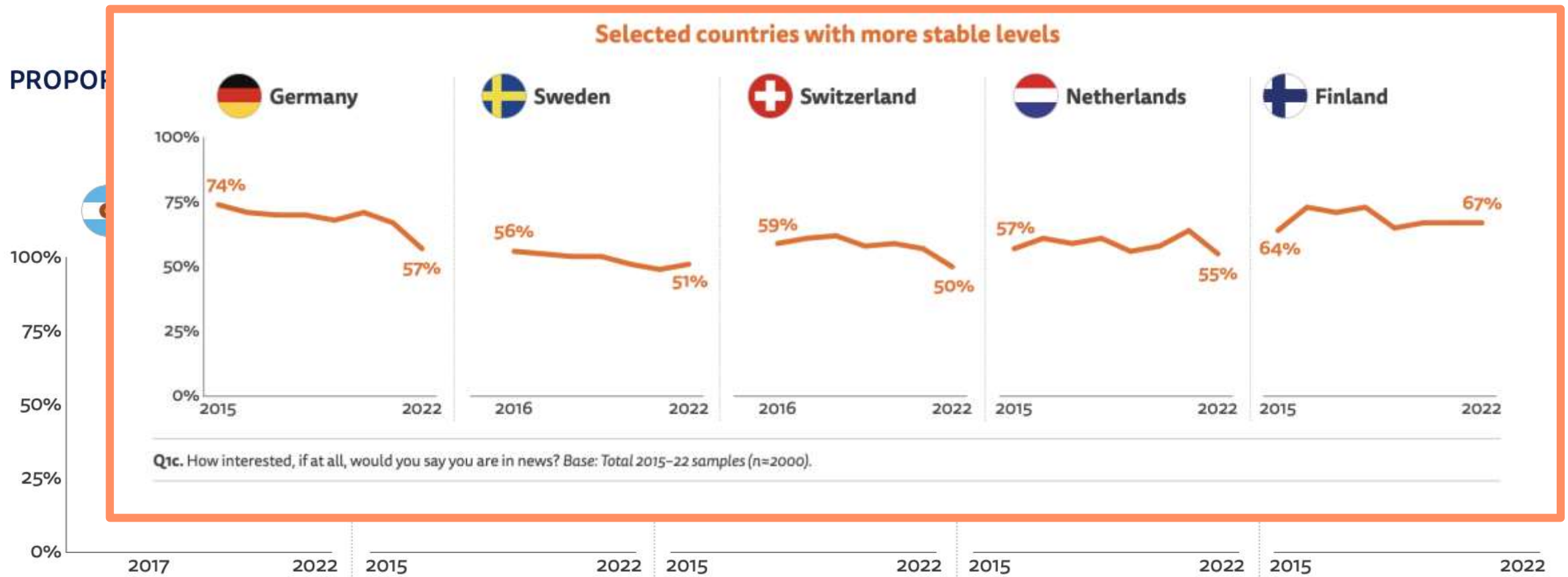
Online overtakes TV for the first time



# Use of Social Media for news in **Switzerland**



# Falling interest in news

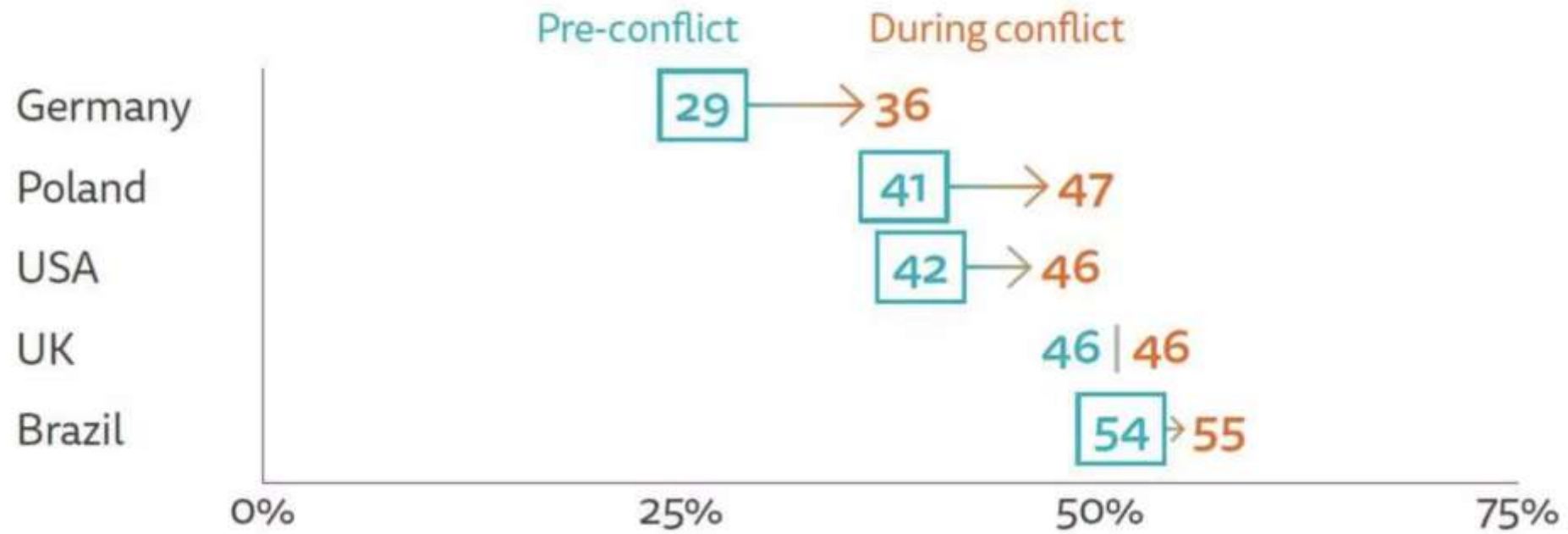




# Falling interest in news

## Proportion who sometimes or often actively avoid the news

Selected markets



# Falling interest in news

## Top reasons for selective news avoidance

*Across countries the reasons for avoidance are very similar...*



**43%** say there is too much politics and COVID 19



**36%** say news has negative effect on mood



**29%** say the news is untrustworthy or biased



**17%** say it leads to arguments I'd rather avoid



**29%** say they are worn out by amount of news



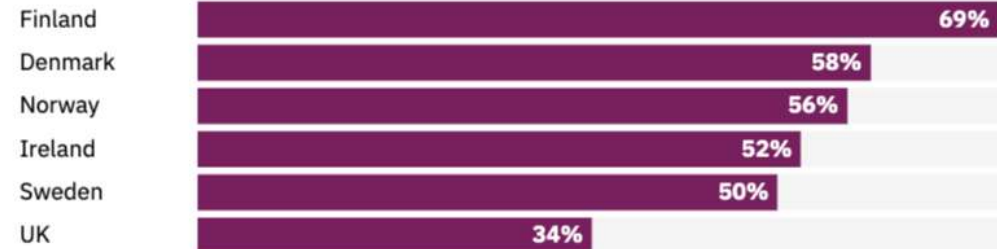
**16%** say there is nothing I can do with the information

# Falling trust in the news?

## Proportion that trusts most news most of the time

All markets

### Northern Europe

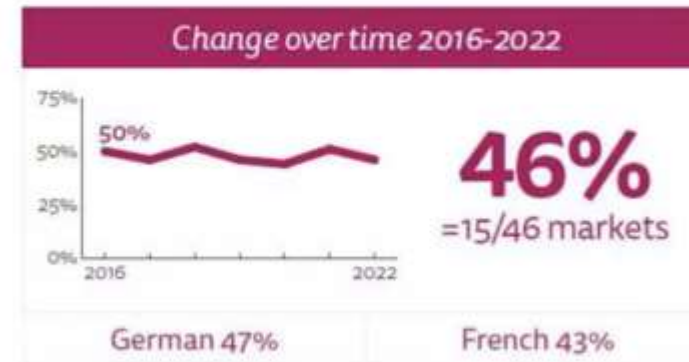


## Switzerland – Trust

### TRUST

Overall, news trust is down after last year's COVID bump. In terms of brands, public broadcasters are the most trusted in both German- and French-speaking areas, followed by local newspapers and quality newspapers. Tabloids and digital-born brands tend to be less well-trusted.

### OVERALL TRUST SCORE



### Eastern Europe

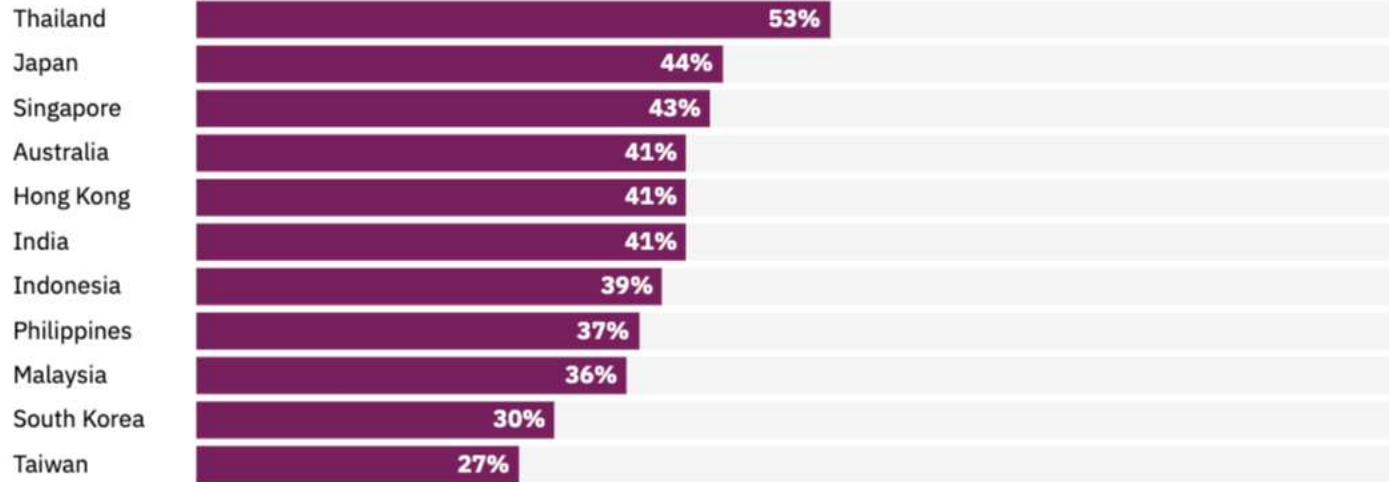


# Proportion that trusts most news most of the time

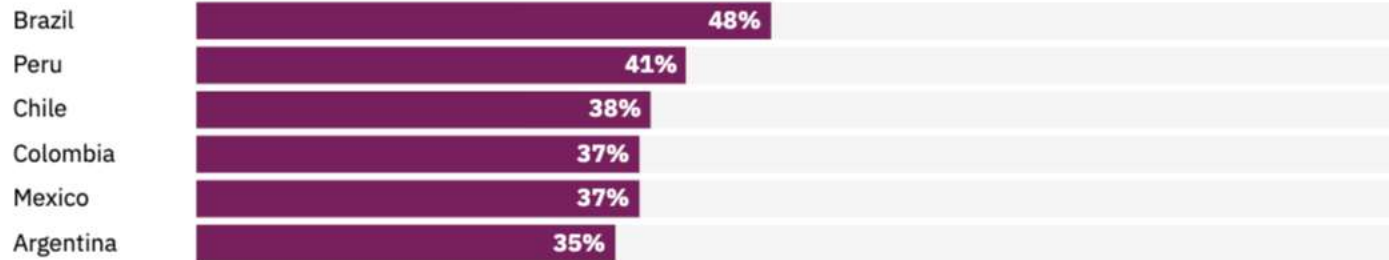
## Africa



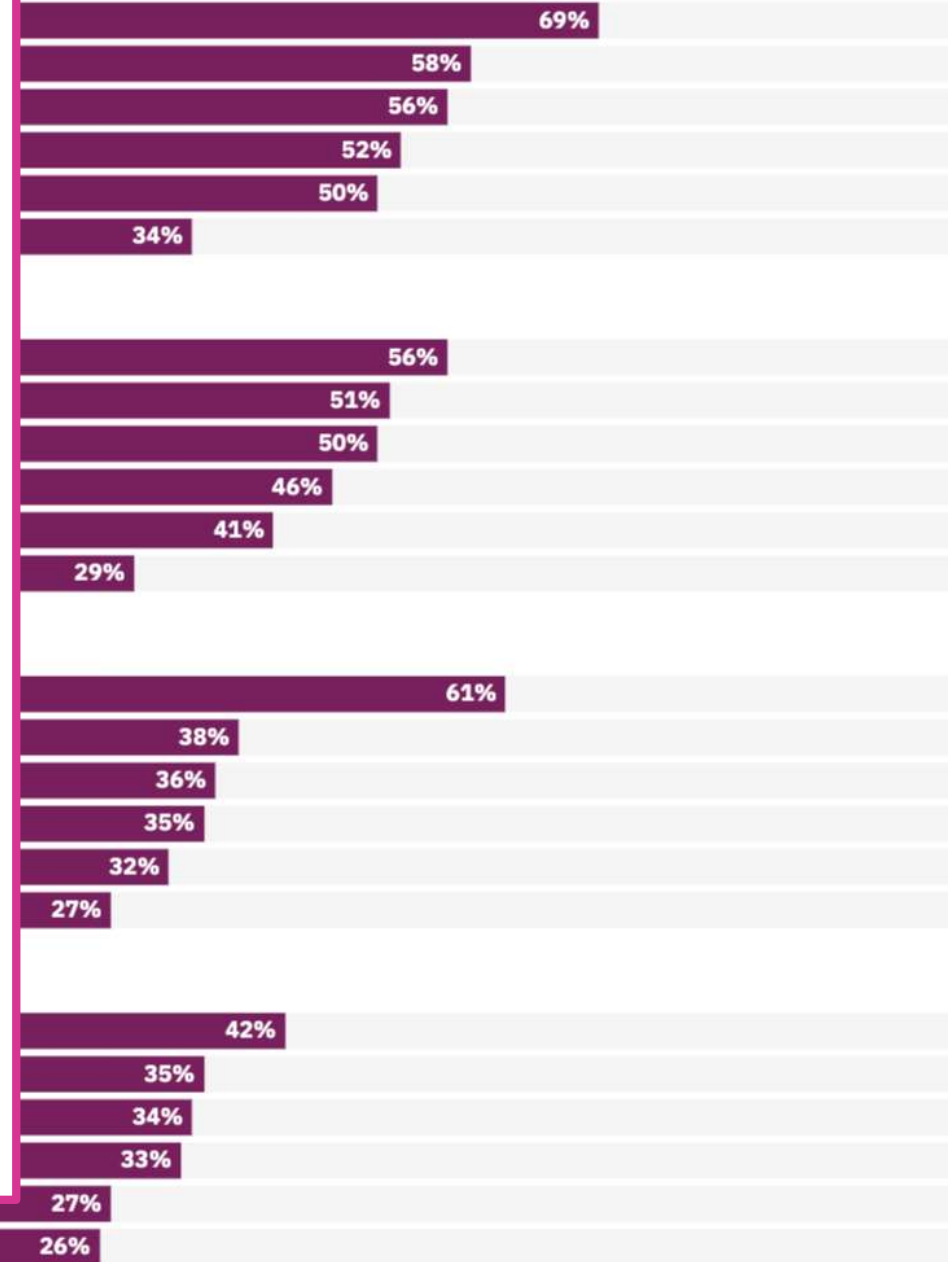
## Asia Pacific



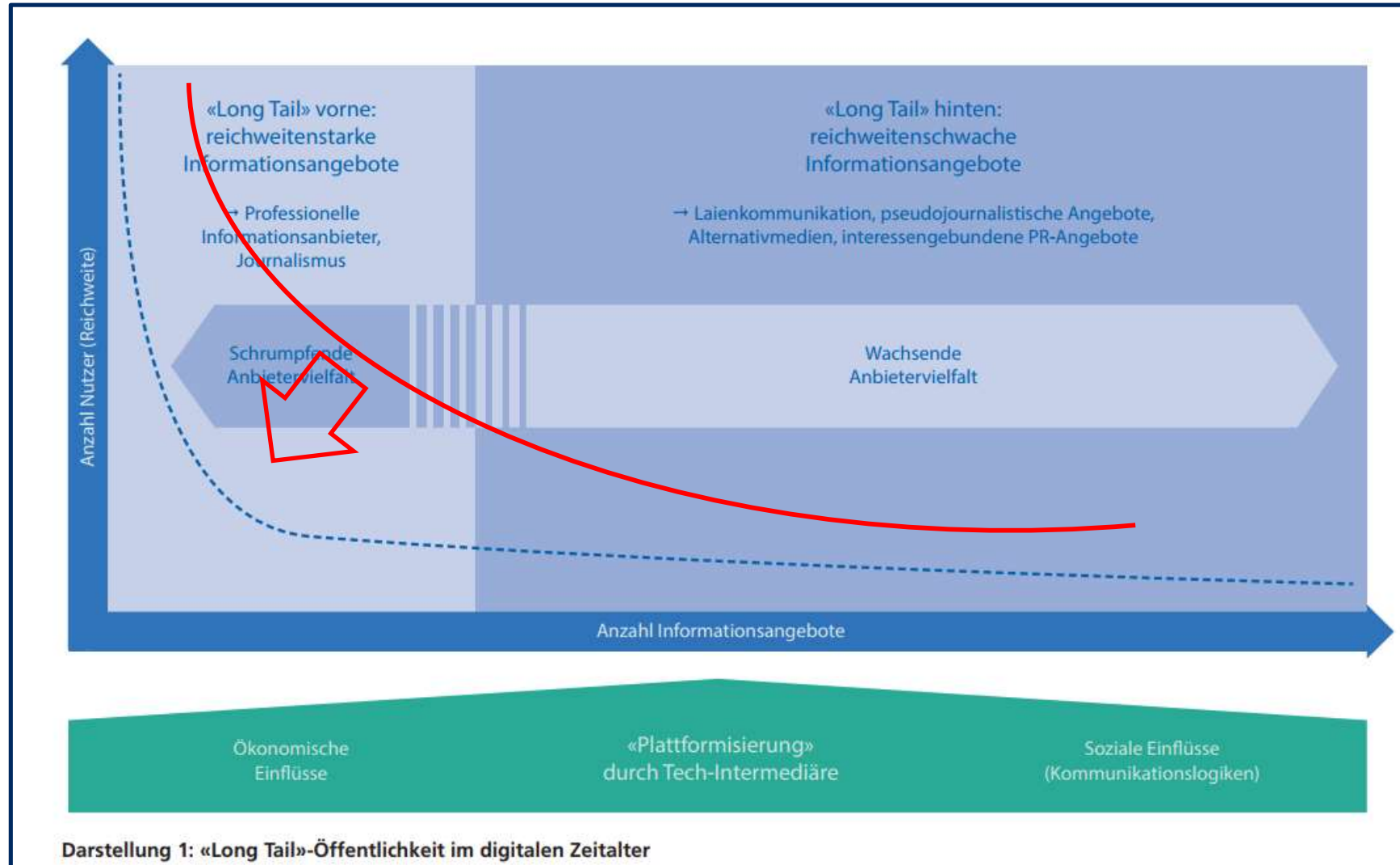
## Latin America



## North America



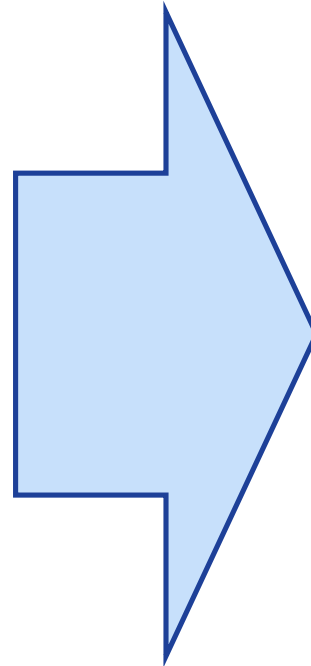
## 2. New threats for traditional media



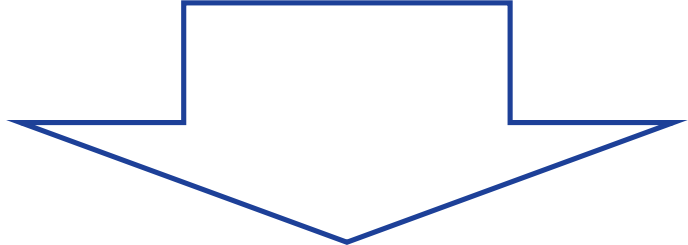
## 2. New threats for traditional media

### THREATS

- **Fragmentation of audiences,** disruption of business models
- **New competitors:**
  - New pure players
  - Technology companies
  - Multinational corporations
- **Fake news sites**
- **Ad-Blockers**



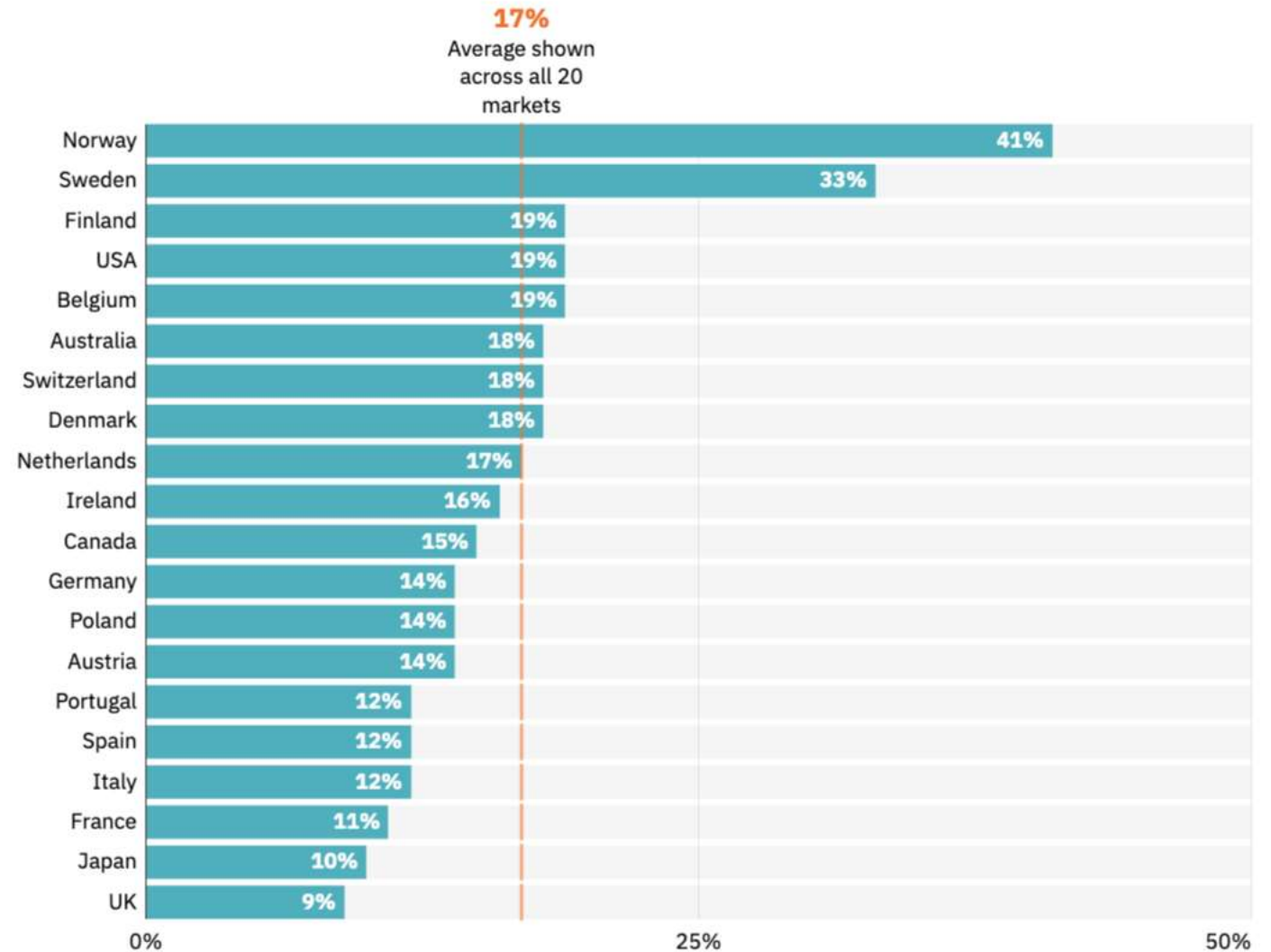
### EFFECTS

- Cost cutting measures
  - Sponsored content, native advertising
  - Collaboration with social media networks
- 
- **Decrease in quality content**
  - **Loss of credibility / trust**

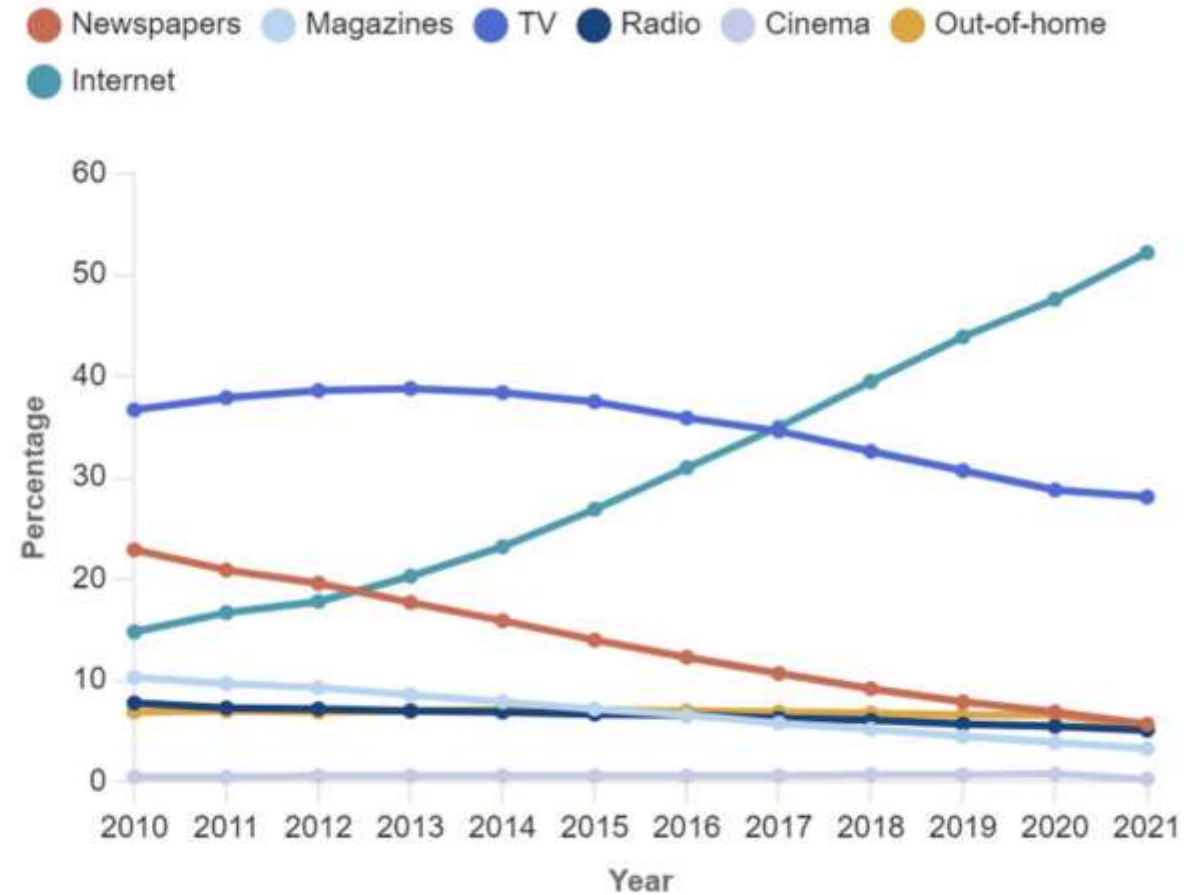
## 2. New threats for traditional media

### Proportion who paid for online news in last year

(Subscription, membership, donation, or one-off payment)



## 2. New threats for traditional media



Source: UNESCO | Share of global advertising expenditure by medium over time.



## 2. New threats for traditional media

# Social media ad spend to surpass print for first time

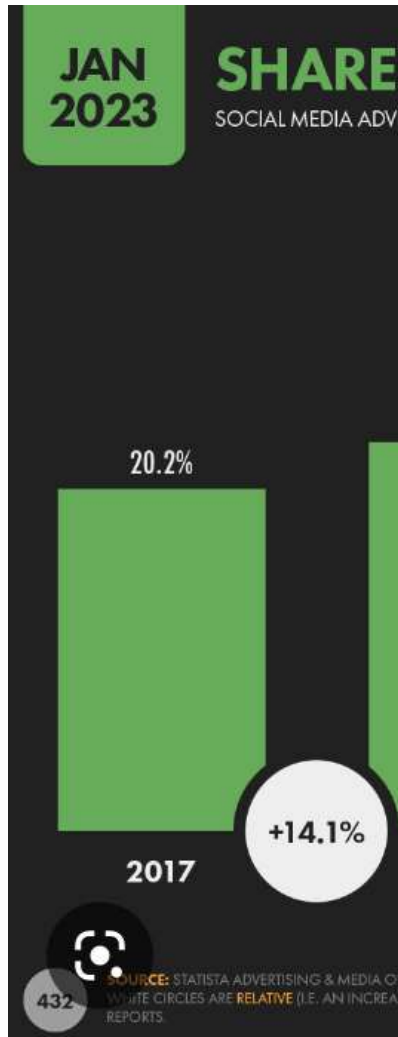
Social media will own 13% of global ad spend in 2019, according to a Zenith forecast.

Amy Gesenhues on October 14, 2019 at 2:27 pm

Zenith, a media agency owned by Publicis Media, [predicts](#) global social media ad spend will grow 20% this year, reaching \$84 billion. According to Zenith's data, social media advertising will account for 13% of total global ad spend and rank as the third-largest advertising channel, behind TV and paid search.

2019 will be the first year that social media ad spend outperforms print ad spend, says Zenith, with newspaper and magazine ads generating less than \$69 billion this year.

## 2. New threats for traditional media



MARKETING DIVE Deep Dive Library Events Topics

**BRIEF**

### Amazon ad revenue jumps 51% to \$5.4B as marketers eye online shoppers

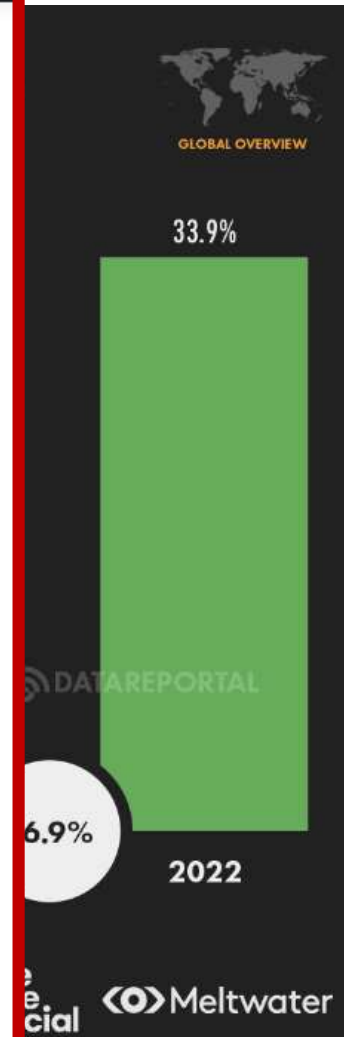
Courtesy of Amazon

**AUTHOR**  
Robert Williams

**PUBLISHED**  
Oct. 30, 2020

**Dive Brief:**

- Amazon's advertising revenue rose 51% to \$5.4 billion in Q3 from a year earlier as marketers sought to reach the e-commerce giant's customers while they shopped online. The growth in ad sales was greater than Amazon's total revenue gain of 37% to a record \$96.1 billion, a sign that the upcoming holiday shopping season could be the biggest ever for the



# Reaction to new threats to traditional media

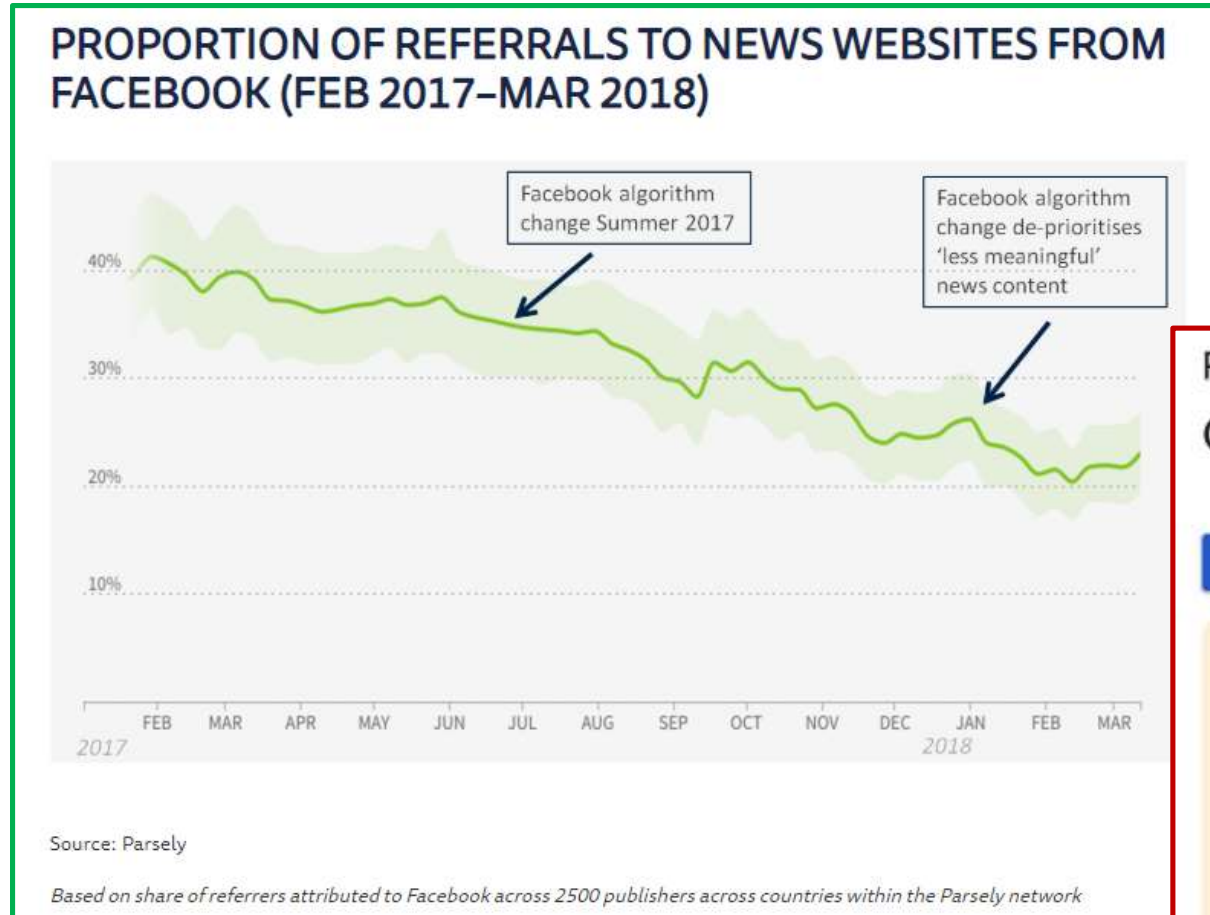
- ▶ Newspapers collaborate with social media: **FB Instant Articles Program**

The screenshot shows the top of a news article on The Independent Online. The navigation bar includes the site logo, menu items (News, Politics, Voices, Culture, Business, Lifestyle, Tech, Sport, Daily Edition), and search, user, and menu icons. The article's breadcrumb is 'News > Business > Business News'. The main headline is 'Newspapers scale back Facebook and Snapchat content as meagre advertising returns disappoint'. Below the headline is a sub-headline: 'The traditional press has a problem – it needs social media but isn't making enough money from it'. The author is 'Gerry Smith' and the date is 'Wednesday 25 January 2017 12:15 GMT'. There are 16 shares and 0 comments. Social media sharing icons for Facebook, Twitter, and Email are visible. A 'Like' button is also present. At the bottom of the article, there is a photograph of a hand holding a smartphone displaying a blue screen.

The graphic features a background of blue and white Facebook 'like' icons. At the top, it reads 'What the world needs now. Join CJR and help journalism be at its best.' Below this, a large text block states: 'More than half of Facebook Instant Articles partners may have abandoned it'. A small 'TOW' logo is visible in the bottom left corner of the graphic.

# Reaction to new threats to traditional media

- ▶ Newspapers collaborate with social media: **FB Instant Articles Program**



FB controls algorithm

## Policies

### Google Publisher Policies



Next: Google Publisher Restrictions >



(March 23, 2022) Due to the war in Ukraine, we will pause monetization of content that exploits, dismisses, or condones the war.

(March 10, 2022) Given the recent suspension of Google advertising systems in Russia, we'll be pausing the creation of new Russian accounts on AdSense, AdMob, and Google Ad Manager. Additionally, we will pause ads on Google properties and networks globally for advertisers based in Russia.

(March 3, 2022) Due to the ongoing war in Ukraine, we will be temporarily pausing ads from serving to users located in Russia.

# Reaction to new threats to traditional media

- ▶ Newspapers collaborate with social media: **Facebook goes LOCAL**
- ▶ Local news, training readers to avoid hoaxes, let news firms post their own branded content
- ▶ Still, risk of cannibalization

## NiemanLab

ABC

BUSINESS MODELS MOBILE & APPS AUDIENCE & SOCIAL AGGREGATION & DISCOVERY REPORTING & PRODUCTION



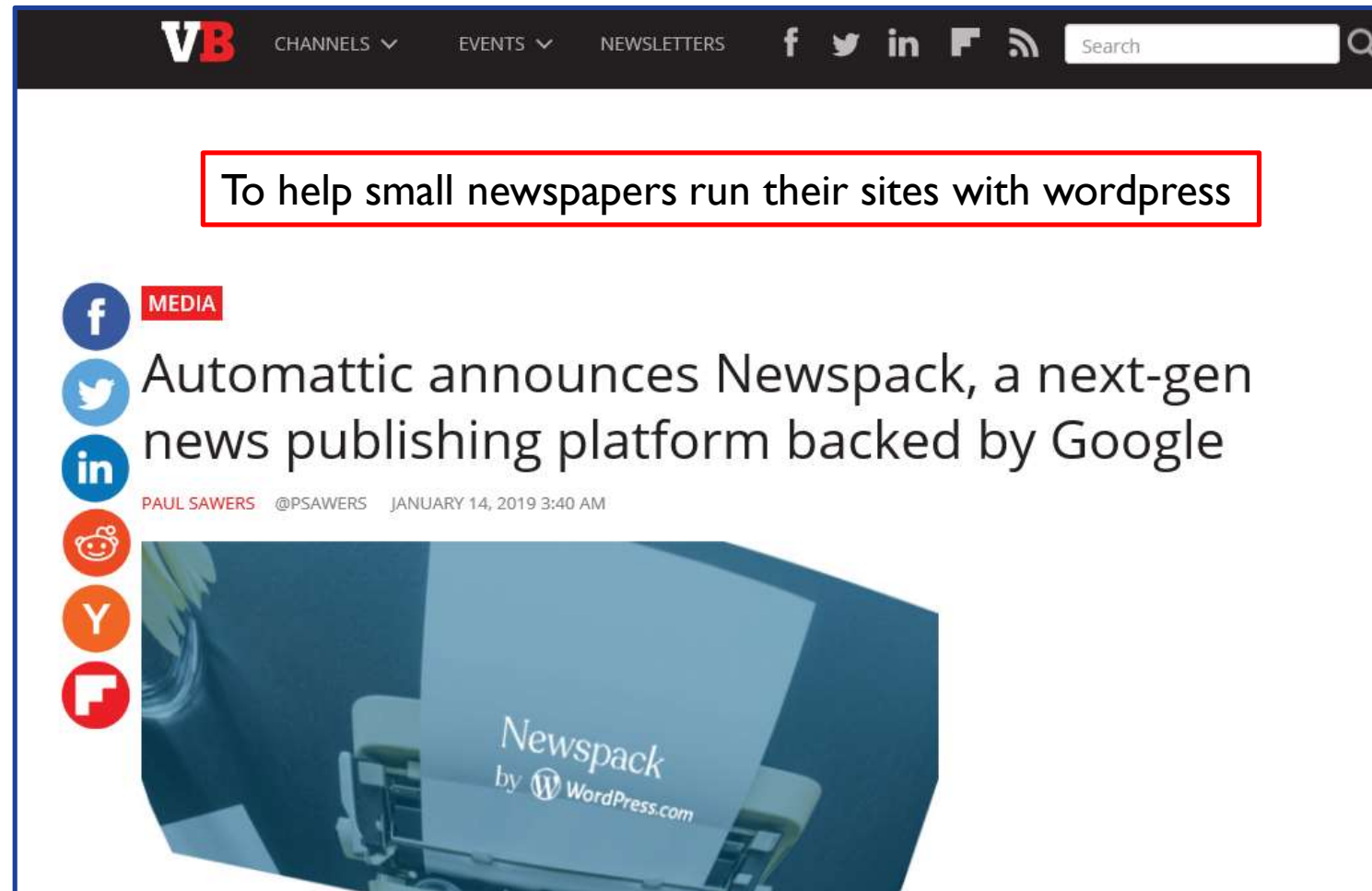
### Facebook is committing \$300 million to support news, with an emphasis on local

Campbell Brown: “We are going to continue our work with head publishers. We’re not backing away from that, but it is a shift to local and an emphasis on local that is new for us.”

By CHRISTINE SCHMIDT @newsbyschmidt Jan. 15, 2019, 6 a.m.

# Reaction to new threats to traditional media

- ▶ Newspapers collaborate with social media:  
**Google & Newspack**
- ▶ 1.2 ML from Google & 2 partners
- ▶ 1 ML from other institutions



# Reaction to new threats to traditional media

- ▶ Newspapers collaborate with social media
- ▶ Google supports **LOCAL** newspapers, even in **Switzerland**



The screenshot shows the website 'LE TEMPS' with a navigation bar containing 'RUBRIQUES', 'EN CONTINU', 'BLOGS', 'VIDÉOS', 'CHAPPATTE', 'MULTIMÉDIA', and 'EPAPER/PDF'. Below the navigation bar, there is a breadcrumb trail: 'Accueil > Economie > De Morges à la vallée de Joux, Google distribue ses dollars aux médias'. The main article title is 'De Morges à la vallée de Joux, Google distribue ses dollars aux médias', with a red 'MÉDIAS' tag above it. The article text begins with 'La multinationale américaine a versé 4442 francs, soit 5000 dollars, à plusieurs journaux suisses pour les soutenir. Mais Google est aussi accusé de distribuer des cacahouètes pour éviter un débat de fond sur l'utilisation des contenus des médias'. A red circle highlights the phrase '4442 francs, soit 5000 dollars' in the text.

# Reaction to new threats to traditional media

- ▶ Newspapers collaborate with social media ...
- ▶ Or maybe not?
- ▶ January 22, 2021
- ▶ **Google threatens government in Australia**

## Google threatens to withdraw search engine from Australia

🕒 22 January | 💬 Comments



REUTERS

Google says the new law will lead to it disabling its search tool for Australians

Google has threatened to remove its search engine from Australia over the nation's attempt to make the tech giant share royalties with news publishers.



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# Role and responsibility of multinational technology companies

# Role and responsibility of new multinational digital companies

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WHAT IS THE PROFIT MARGINS OF MULTINATIONAL TECHNOLOGY COMPANIES ?

# Role and responsibility of new multinational digital companies

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## PROFIT MARGINS OF MULTINATIONAL TECHNOLOGY COMPANIES

- **Facebook** Profit Margin (Quarterly): **14.5%** for Dec. 31, 2022 (was 30% last year)
- **Alphabet** Profit Margin (Quarterly): **18%** for Dec. 31, 2021 (was 27% last year)
- **Apple** Profit Margin (Quarterly): **25.6%** for Dec. 31, 2021 (was 27% last year)



# Role and responsibility of new multinational digital companies

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WHAT IS THE IMPACT OF MULTINATIONAL TECHNOLOGY COMPANIES ON  
MEDIA COMPANIES / THE MEDIA INDUSTRY?

# Role and responsibility of new multinational digital companies

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## I. Digital platforms are capturing media through infrastructure

- Big platform companies such as Google and Facebook represent for news media an opportunity to **reach audiences**, as well as infrastructures to **analyze** trends, events, stories, aiming to create new insights.
- This transformation can be called an "infrastructure capture." Ironic to see digital platforms - that are supposed to be scrutinized by news media - providing the infrastructure on which news **media are dependent**.
- These may result in **decreasing independent journalism** and news media producing content that could bring even more profit to tech giants.

**Source:** Nechushtai, E. (2018). Could digital platforms capture the media through infrastructure?. Journalism, 19(8), 1043-1058.

# Role and responsibility of new multinational digital companies

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## 2. Digital platforms are **quantifying the qualities**

- The common currency by which platform companies make a considerable amount of money is **data**. To produce tangible, easy-to-use, and understandable data, these platforms introduce different metrics that help media companies show how good or bad they are operating.
- One of the most apparent results of this trend has been the **growing importance of the “politics of clicks”** to compete over audience attention.
- Platform companies appear to be the final winners as they benefit from all data.

**Source:** Christin, A. (2018). Counting clicks: Quantification and variation in web journalism in the United States and France. *American Journal of Sociology*, 123(5), 1382-1415.

# Role and responsibility of new multinational digital companies

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WHAT IS THE IMPACT OF THE so-called POLITICS OF CLICKS in the MEDIA INDUSTRY?

# Role and responsibility of new multinational digital companies





# Role and responsibility of new multinational digital companies

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## 3. Digital platforms' business model favors fake news

## 3. D

## fake news

ANALYSE

### Coronavirus: Facebook, Amazon et Google sont des pompiers pyromanes

ANALYSE. Les géants de la technologie affirment multiplier les actions contre les «fake news» et les arnaques en tout genre concernant le coronavirus. Problème: leur modèle d'affaires est en grande partie basé sur la diffusion de telles inepties.



Mark Zuckerberg. — © Amy Osborne / AFP



Anouch Seydtaghia

Publié mardi 17 mars 2020 à 09:07  
Modifié mardi 17 mars 2020 à 10:20



Merci. Bravo pour les efforts consentis. Vous faites un travail admirable en ces temps de crise et vous contribuez à la lutte contre cette pandémie.



3. D

ANALYSE

### Coronavirus: et Google sont pyromanes

ANALYSE. Les géants de la technologie tentent de lutter contre les «fake news» et le coronavirus. Problème: leur modèle économique est basé sur la diffusion de...



**Anouch Seydtaghia**

Publié mardi 17 mars 2020 à 09:07  
Modifié mardi 17 mars 2020 à 10:20

Merçi. Bravo pour les efforts admirables en ces temps de crise contre cette pandémie.

Accueil > Economie > WhatsApp, piégé par le virus et inondé de fake news

COURT-CIRCUIT

### WhatsApp, piégé par le virus et inondé de fake news



Le service de messagerie tente de lutter contre les fausses informations. Avec peu de résultats



— © REUTERS/Dado Ruvic/Illustration/File Photo

**Anouch Seydtaghia**

Publié dimanche 22 mars 2020 à 14:47  
Modifié dimanche 22 mars 2020 à 20:48



3.

Signal Users

Date	Users
December 2019	0.5 million
July 2020	3.5 million
December 2020	20 million
January 2021	40 million

ANALYSE

### Coronavirus: et Google so pyromanes

LE TEMPS

SE CONNECTER SERVICES S'ABONNER

RUBRIQUES - EN CONTINU BLOGS VIDÉOS MULTIMÉDIA - EPAPER/PDF

RECHERCHER

Accueil > Economie > WhatsApp, piégé par le virus et inondé de fake news

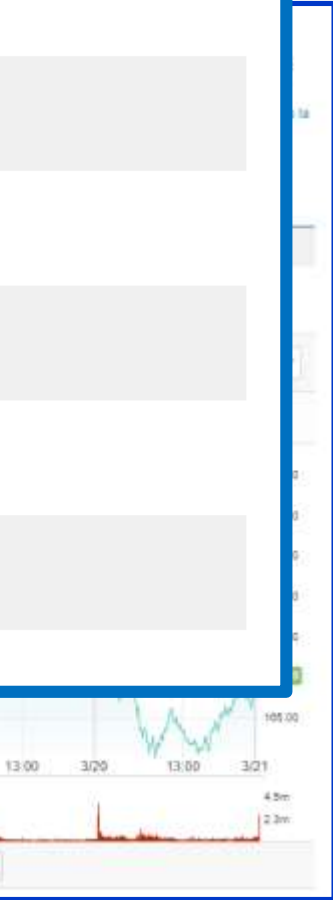
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Publié dimanche 22 mars 2020 à 14:47  
Modifié dimanche 22 mars 2020 à 20:48

© REUTERS/Dado Ruvic/Illustration/File Photo



# Role and responsibility of new multinational digital companies

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## 4. Digital platforms are eroding media audiences and advertising revenues

- This leads to structural economic difficulties for media companies with consequent **decreasing quality and influence of professional journalism.**
- A sort of semi-public, fragmented and circular communication seems to be spreading among exclusive users of social media, **deforming their perception** of the political public sphere as such. If this assumption is correct, an important subjective **prerequisite for the more or less deliberative mode of opinion- and will-forming is endangered** among a growing part of the citizens of the state

**Source:** Habermas, J. (2018). Überlegungen und Hypothesen zu einem erneuten Strukturwandel der politischen Öffentlichkeit. Leviathan, 49. Jg., Sonderband 37/2021, S. 470–500.

# Takeaways and outlook

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- Globalization is being strongly impacted by digitalization
- Digitalization and globalization have an **enormous impact on the media industry**
- **New competitors**, digital transition difficult for traditional media
- **Social media and** multinational **technology firms** in general are **dominating** the scene
- Their role can **mine the pluralistic media system** as we know it, and are hardly taking responsibility.
- On the contrary **they threaten governments** that are trying to take measures that limit their power (see the Australian case)

Thank you for your attention !

