Allegations against Google over Revenue Sharing

What is the issue?

The Competition Commission of India (CCI) has ordered a probe against Google for alleged unfair revenue sharing terms with regard to news content.

What is the case about?

- The News Broadcasters and Digital Associations (NBDA) has filed a complaint against Google's parent entities under the Competition Act, 2002.
- **Compensation-** The central contestation is that the Google has not compensated news publishers for their contribution to its platforms.
- **News content**- The NBDA has alleged that its members are forced to provide their news content to Google in order to prioritise their web links in the search engine result page.
- **Dominance**- Owing to the tech-giant's dominance in the space, the publishers were forced to integrate content on their platforms.
- They have to trade in the company's exchanges and use its buying tool, Google Ads/DV 360, to receive bids from advertisers.
- **Accelerated Mobile Pages**- Google has been accused of forcing members into using their Accelerated Mobile Pages (AMP) or building mirror-like light-weight webpages.
- Incompliance may affect the members' placements in mobile search.
- **Paywall options**- The tech giant restricted paywall options unless publishers rebuild their websites as per AMP standards.
- **Header bidding**- The search-engine operator has also been accused of encouraging members to disable header bidding.

The Competition Act, 2002 and the 2007 amendment prohibits anti-competitive agreements, abuse of dominant position by enterprises and regulates combinations (acquisition, acquiring of control and M&A).

How is the current situation?

- **Google's stand**- According to Google, the revenues accrued are spent towards defraying the costs of maintaining data centres, technological investments, enabling innovations and maximising advertiser return on investment.
- **CCI's direction**- The CCI has ordered the Director General (DG), its probe arm, to club the matters and submit a consolidated investigation report.

Why is Google dominant?

- **Market share**- As per the NBDA, Google's search engine commands a 94% market share in the country.
- **Online proliferation**- It holds significance with the increased transition toward online news consumption (inclusive of app-based consumption).
- With online proliferation, there is an increased reliance of news publishers on digital ad revenues, and in turn, tech-based companies.
- **Traffic-** More than half of the total traffic on news websites is routed through Google.
- **Prioritizing the search queries**- Readers would more often opt for an online web search rather than reaching out to a specific news website by typing its URL in a browser.
- Since the search engine determines which news websites would be prioritised in search queries, it has become the first port of call for information online.

What is happening outside India?

- **Europe**- In 2022, an anti-trust complaint was filed against Google with the European Commission, challenging its ad tech stranglehold over press publishers.
- **Australia**- Australia introduced the '**Media Bargaining Code'** that requires news outlets to negotiate commercial deals with Facebook and Google with violations calling for civil penalties of up to $10 million.
- **USA-** The US court has allowed a larger anti-trust case against Google that alleges that the tech giant monopolized the ad-tech market and suppressed competition by its access to data.
- **Canada-** The Canadian government tabled legislation that aims to introduce transparency in sharing of revenue between digital news publishers and intermediary platforms such as Google.

References

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3. https://www.cci.gov.in/about-us

Quick facts

Header bidding

- It refers to a programmatic bidding process that unifies multiple exchanges for a single bidding event.

Paywall

- A paywall is a revenue strategy where several sections or the entire website is placed behind a wall.
- To bypass the wall the readers are prompted to register themselves for a paid

subscription.

The Competition Commission of India (CCI)

- The Competition Commission of India has been established by the Central Government with effect from 14th October 2003.
- CCI is a statutory body responsible for enforcing The Competition Act throughout India.
- The CCI consists of a Chairperson and 6 Members appointed by the Central Government.
- **Functions**- It is the duty of the Commission to
    - Eliminate practices having adverse effect on competition
    - Promote and sustain competition
    - Protect the interests of consumers
    - Ensure freedom of trade in the markets of India
    - Give opinion on competition issues
    - Undertake competition advocacy
    - Create public awareness
    - Impart training on competition issues

The News Broadcasters & Digital Association (NBDA)

- Formerly known as News Broadcasters Association (NBA)
- It represents the private television news, current affairs and digital broadcasters.
- It is the collective voice of the news, current affairs and digital broadcasters in India.
- Members- Presently 26 leading news and current affairs broadcasters.
- It is an organization funded entirely by its members.
- The NBDA presents a unified and credible voice before the Government, on matters that affect the growing industry.

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