How does news infomediation operate online?

The examples of Google and Facebook

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Abstract: the development of the online news sector sees the rising dependence of online publishers towards technology firms that take in charge the function of infomediation. This function is a mix of edition, aggregation and distribution of third party content that operates matching between supply and demand. By doing so, infomediaries also capture a significant part of the advertising and marketing revenue of the online news sector. The article examines from a socioeconomic point of view the complex relations between online media and infomediaries on the basis of an empirical ground that includes interviews with executives in technology firms and online publishers. Firstly, we explain why these relations are coopetitive, combining cooperation and competition. Secondly, we analyze the particular characteristics of online information that make the function of infomediaion one of its major components. Thirdly, we show how the infomediation of news developed in the French web at the end of 1990s by small start-ups before being invested by the main global players of the internet. Finally, we examine the cases of Google and Facebook as two different forms of major players in the news infomediacion business.
In an effort to modelize mediated communications, Yochai Benkler uses a scheme in which three layers overlap each other: the physical layer, the logical layer and the layer of content (Benkler, 2006). In the case of the internet, the first layer includes physical objects such as network infrastructure (optical fiber, routers, servers) and equipment (personal computers, smartphones, tablets etc.). The logical layer is composed of algorithms and software that allow communication between humans and computers. The most advanced of these algorithms which are directly in contact with internet users take the form of online services such as search engines or social networks. Finally, online media compose the third layer, that of content. If, in reality, the three levels are not hermetically separated, the scheme described by Benkler allows a comprehensive vision of the complexity of relations between the different players that compose the internet ecosystem.

The sector of online news does not make exception in this rule. Indeed, in the area of online news distribution, one can observe the growing intervention of firms that originate from the physical and logical layer. The same goes for the whole sector of cultural industries. Web service providers, software firms and ISPs progressively establish themselves as inevitable passage points between producers and editors of content on the one hand and internet users on the other. These players that we call infomediaries take in charge the organization and distribution of online information (Rebillard, Smyrnaios, 2010). By making supply meet demand more easily, infomediaries position themselves in the competition for the added value of the online news sector. The notion of infomediation has been successively used in information science (Knauf, David, 2004), in economics (Hagel III, Singer, 1999) and in management (Águila-Obra and al., 2007) in order to explain the new forms of mediation that take place in digital networks between suppliers and consumers of information.

The present article examines from a socioeconomic point of view the complex relations between online media and infomediaries on the basis of an empirical ground that includes interviews with executives in technology firms such as Net2One and Google but also several French online publishers¹. At first, we are going to explain why these relations are competitive, combining cooperation and competition. Secondly, we will analyze the particular characteristics of online information that make the function of infomediation one of its major components. Thirdly, we will show how the infomediation of news developed in the French web at the end of 1990s by small start-ups before being invested by the main global players of the internet. Finally, we will examine the cases of Google and Facebook as two different forms of major players in the news infomediation business.

1. The function of infomediation in the field of online news and journalism

The field of online news extends and accentuates some pre-existing tendencies in the industry of media and, at the same time, brings new ones. One of the traditional trends of cultural industries that increases on the internet, is that of oversupply (Hesmondhalgh, 2007). Indeed, internet users can access online most of the information produced by traditional media such as newspapers, TV stations and radios, often for free. But online news

¹The present article is part of a larger research project financed by the French Ministry of Culture and Communication between October 2010 and November 2011 intitled : Enjeux socio-économiques de la diffusion d’informations d’actualités sur l’internet - Les relations entre infomediaries et éditeurs de presse. Our empirical material includes a series of interviews conducted between 2003 and 2010 with executives, publishers and journalists in the following firms : Google France, Wikio, Net2One, Paperblog, Owni, Electronlibre and Bakchich.
is not just that. It is also made of original content produced by a great number of pure-players, including professional media such as The Huffington Post, but also amateur and participative journalism websites, either commercial or non-profit. This large spectrum of online news is complemented by forums of public or semi-public discussion and commenting such as blogs and social networks.

This multiplicity of content appears in traditional journalistic forms (text, photograph, video and sound) but also new ones, exclusive to the web (links, graphics, databases, modules of live covering, blogs, comments, polls etc.). All this material is indexed, stocked, duplicated and reproduced so as to generate a strong redundancy (Smyrnaios, Marty and Reillard, 2010). The result is that a dazzling volume of information is available online. For example, a study of online news circulation in the United States in 2011, succeeded in harvesting 170 million news items produced over a period of eight months, which is more than half a million per day (Yang, Leskovec, 2011). This phenomenon of information oversupply, that is particularly acute on the internet, calls for filtering, selection and prioritization. This is where technology firms enter the online news market.

The basic bricks of news like articles, photos or videos make sense for the reader once they were assembled and edited. This service is rendered by the newspaper layout in the press and by the program grid in broadcasting. From this point of view newspapers and television channels are not simple products but systems combining news, entertainment and publicity (Katz, Shapiro, 1994). As such they aim a two-sided market made of consumers and advertisers (Simon, Gabszewicz, 2006). System markets like the newspaper industry also generate crossed subsidies. For example, the most read pages of a local newspaper, such as sports, subsidize less popular and more expensive content such as investigative journalism. This fragile balance in traditional media is dislocated on the internet. The modular nature of online news allows technology firms to generate systems combining unique content items and links from hundreds of different sources (Rallet, Lequeux, 2004). Indeed, in order to access any online content it is necessary for the user to click on a hyperlink. And yet these links, which are part of the same system as the content towards which they point, are not necessarily generated, neither edited by the same organization that produces the content. Anyone can create a link towards any information on the web, provided that the access to this information is not restrained by technical means. Google for example has created a business out of producing relevant links.

This transformation of the access to information corresponds to changes in online news consumption modes. Many studies note that more and more internet users go through deep links supplied by search engines, aggregators or social networks in order to access content pages directly. Visits of news websites that start from their homepage – an action interpreted in marketing studies as a sign of fidelity and of confidence – is diminishing to the advantage of more complex navigation practices. Data from the State of the Media Report shows that 65% of American internet users do not have a « favorite news website »

Their news consumption depends more on serendipity (search engines), social interactions (email, tchat, social networks) and personalization devices (RSS readers and customizable portals). That’s how Google became the first provider of readers for news websites in the U.S.,

generating more than 30 % of their traffic on average, followed by Facebook\(^3\). The same trend can be observed in other major markets such as France or Great Britain.

It is upon these new user practices of access to content news that infomediaries develop their activity of matching between supply and demand of culture and media (Gensollen and \textit{al.}, 2004), as part of an « economy of prescription » (Benghozi, Paris, 2003). The infomediation of news is a central function in the internet so it can be exercised by a variety of structures in different contexts. However, several characteristics are common to all players who are engaged in it:

- Firstly they occupy a position of intermediary between a content supplier and the general public.
- Secondly they offer services of selection and organization of information based on algorithms and mediatized social interactions.
- Thirdly their services take the form of free, edited assemblages of contents and/or links that aim non-specialists.
- Finally, the economic model of infomediaries is based on advertising and marketing resources. Indeed, a central element of the economic model of infomediaries is their capacity to collect data on profiles and preferences of internet users which are useful to advertiser and marketers.

2. The \textit{coopetitive} relations between media and infomediaries

Multinationals such as Microsoft, Apple, Google, Facebook, Yahoo or Amazon are rivals on different market segments (e-commerce, software, online services) and, at the same time, compete against online media for the resources of online advertising and marketing. In the interspaces of this worldwide competition settle start-ups that are in charge of technological innovation, undertaking financial risks. Global internet groups and small technological firms form an oligopolistic market structure with a competitive fringe, comparable to that of traditional cultural industries (Benhamou, 2004). These start-ups bring added value to consumers by completing services set up already by the giants of the sector who, in many instances, end up buying them back\(^4\). It is a vertical movement which has the effect of breaking up the function of infomediation and allowing the emergence of strategies of cooperation between different infomediaries located in different places of the chain of value (Mellet, 2007).

The common characteristic of these technology firms, either they are small and medium enterprises or multinationals, is the fact that they do not produce original content intended for the general public. In other words, they do not suffer the particular constraints due to managing the creative component of cultural and media industries including journalists, film directors, writers, photographers etc. (Huet and \textit{al.}, 1978). This means that infomediaion platforms, portals and algorithms can only work on the condition of being supplied with content produced by professionals. Even if user generated information is largely used nowadays by the media and the internet industry, professional quality content remains

\(^3\)Kenny Olmstead, Amy Mitchell and Tom Rosenstiel, "Navigating News Online", \textit{Pew Research Center’s Project for Excellence in Journalism, May 11th, 2011.}
\url{http://www.journalism.org/analysis_report/navigating_news_online}

\(^4\)For example, Flipboard, a young Californian firm, develops an application for the iPad offering to the reader a customized magazine made up by content that his friends shared on Twitter.
necessary in order to attract users and visitors. This is the reason that explains the ambiguity of relations between publishers and technological players: the latter impose to the former technical norms and revenue sharing, while trying also hard to entice them.

Indeed, the relations that these two categories of players, media and infomediaries, establish are made of cooperative competition, also called coopetition (Brousseau, 2001). The cooperative element, which is materialized through legal, technical and financial agreements that bind media and infomediaries, is based on their mutual interest to share content and traffic (Smyrnaios, Rebillard, 2009). Internet firms use the original content of media to attract users while publishers benefit from the traffic that is redirected to their websites. The common interest of these two categories of firms engaged in a situation of coopetition is to enlarge their respective markets (Belleflamme, Neysen, 2009). The competitive element comes from the fact that, at the same time, publishers and infomediaries are in direct competition on the advertising market. Indeed, the goal of infomediaries is double: on the one hand they try to benefit from positive externalities produced by free online content in order to attract advertising revenue; on other hand, they aim at creating exclusive channels of distribution and captive markets in order to impose themselves as distributors of paid content.

This problem of revenue sharing is also coupled with an opposition of paradigms, particularly strong in the news sector: on the one side, journalists and publishers share a particular professional ideology considering themselves as the only legitimate actors in news production and distribution. Thus they are particularly fastidious on how their content is used by third parties. On the other side, mainly American firms such as Google are marked by "the Californian ideology", a heterogeneous mix of engineer's culture, free market economics, and counter-culture libertarianism originating from the Silicon Valley (Barbrook and Cameron, 1995). What counts for them it is the effectiveness of the rendered service, a tendency that often leads them to underestimate constraints such as copyright. Finally, other major players like Apple and Facebook, are proponents of entirely controlled and closed platforms, to which the publishers can only conform if they want to access to a mass of potential customers. These cultural differences, added to economic disagreements, produce a potentially conflicting framework of relations between media and infomediaries.

Nevertheless, despite their differences, we notice a slow but powerful movement of reciprocal adaptation, not without conflicts, between the industries of content and those of the logical and physical layers of the internet. Publishers especially implement optimization methods in order to gain traffic and clients not only from search engines but also from social networks and paid content distribution services. Technology firms, in their turn, orientate their services so as to fit the demand of users and respond to some requirements coming from the publishers.

3. A brief history of news infomedia in France

The first contacts between French publishers and a technology firm was the experience of the Minitel network of France Telecom in the 1980s. At that time it was possible to foresee economic stakes of digital distribution of news as well as the balance of power which settled between the supplier of the service and the supplier of content. Although Minitel was a commercial success for publishers, they never managed to fix rates, and even less to define
conditions in which they could recruit customers through France Telecom’s network (Charon, 1989).

In the 1980’s and the 1990s, French newspapers entered into agreements with business-to-business firms such as Press+ created in 1988 and specialized in press reviews. By 2000 already half of its press reviews was digitalized, making Press+ the biggest B-to-B news infomediary in France. Like in the Minitel, in this case also newspaper publishers received regular payment that was fixed by contract for the use of their content.

The first firms of business to consumer infomediation like Moreover appeared only at the end of the 1990s, benefiting from a favorable socioeconomic and technological environment: the number of internet user had attained critical mass; syndication technologies were mature, though not much developed; a great amount of online news was accessible to everyone for free; venture capital was largely available to finance this type of start-up.

In France, it was two start-ups created at about the same time in the late nineties, Newsisfree and especially Net2One that were the first ones to offer services of news infomediary to non specialists via customized portals and newsletters. From a technical point of view, the service was composed of an indexation robot, which continuously went through the news websites and extracted from them the headlines and the content of articles as well as their url address, and a regularly updated database, including this information under a dynamic format. The users only had to enter their preferences into the database in order to receive a free and personalized press review made by hyperlinks and the first lines of the articles (Figure 1). These preferences were given through a registration process either by means of selecting news categories (Economy, Sports etc.) and key words, or by choosing specific news sources to follow.

5Newsisfree was created in 1999 by Mike Kraus and Net2One in 1997 by Jérémie Berrebi. The former is still in activity.
By 2001 there were at least three innovative features introduced by these services: firstly, information was selected for users and organized into a hierarchy according to personalized criteria; secondly, once these criteria were defined, the process was entirely automated and its marginal production cost was null; finally, the service was designed to address not only professionals but all internet users (Net2One for instance attained 480 000 individual users in 2002). In fact, a very popular service like Google News is based exactly on the same principles, even if it is much more sophisticated nowadays technologically speaking.

Because of its rising popularity, Net2One was at the origin of the first litigations between infomediaries and representatives of the French press. From the beginning, at the early 2000s, the association of French online publishers (GESTE) blamed Net2One for syndicating their content without permission. For publishers the fact that Net2One systematically aggregated the headlines and the first lines of the articles for thousands of internet users was a copyright infringement. For its part, Net2One refused to pay publishers based on the fair use argument. The second grievance of French publishers against Net2One was that the infomediary created databases of users’ preferences with high strategic value for subscribers’ acquisition and tried to sell them to competitors. At the end of 2002, under the pressure of publishers’ threats for legal action, Net2One went behind a paywall before stopping its B-to-C activity and selling its technology to Press+.

The questions raised in France by Net2One are also today in the heart of the competitive relations and the frictions between infomediaries and online media. Nevertheless, they took another scale since Net2One’s place in infomediation is occupied by global firms such as Google and Facebook.

4. The algorithmic infomediation of news: the case of Google

Google News is one of the most popular news sites in the world without producing any original content. In March 2011 it was the ninth most visited news site in France with more than four million and half unique visitors. In the United States Google News attracts regularly more than eleven million unique visitors every month as one of the ten most popular news websites.

Google News was created in 2002 by Krishna Bharat and his team. It aimed in answering a problem that Google encountered during the 9/11 attacks: how to satisfy user queries on news efficiently and in real-time? As shown in Figure 2, at the time the search engine was not at all reactive to events that made the news.

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6Press+ was absorbed by TNS Worldpanel in 2005.
Google News was therefore conceived as an answer to this problem. The solution implemented by the engineers of Google was to produce a real-time prioritization process of news items using algorithms. The result of this process of *algorithmic infomediation* can then be accessed through Google’s main results page or through the Google News dedicated portal. Google News translates the editorial and journalistic logics that govern news into algorithms in order to seize the media agenda in real time and with minimum human intervention. (Smyrnaios, Rebillard, 2009).

Google News proceeds by giving each news website a rank based on a variety of criteria (productiveness, reactivity, popularity etc.). It then crawls these websites and extracts new articles and images that it bundles into clusters. Each cluster refers to an “event” or a “news topic”. Basically, the bigger is the cluster and the higher is the rank of the websites that compose it, the greater is the priority that the topic gets in the Google News homepage. The exact algorithm of Google News is secret, but we can assume, through its executives sayings, that other criteria are also used in the prioritization process such as novelty, originality, click-through rate and mentions in social media⁷. So even if Google News operates through algorithms, there is also an important social component in it.

This complex process of news infomediation consists in a mix of editing and broadcasting aggregated content from a multitude of third parties. Google News pervaded little by little the search results so as to become their most visible part when it comes to important events such as the death of Osama bin Laden in May, 2011, as shown in Figure 3.

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After its launching in the United States in 2002, Google News was gradually translated into different languages. As for France, the decision to launch Google Actualités in 2003 was taken in Mountain View without any prior discussion neither with the local representatives of the firm, who had only commercial prerogatives at that time, nor with the French publishers. This strategy of le fait accompli provoked negative reactions on behalf of French media that blamed Google for the same reasons they blamed Net2One: copyright infringement and user data “confiscation”. In reaction some of the major French publishers, including Le Monde, Libération and Les Echos, temporarily withdrew their content from Google News. The same movement took place in Belgium, where Google was condemned for copyright infringement in 2006 and in 2007. Newspaper publishers of French-speaking Belgium are still absent from Google News Belgique in 2012. The AFP agency also initiated legal proceedings against Google in the United States for copyright infringement in 2005.

As a result of these European tensions, Google took an important strategic shift. First it negotiated with publishers’ representatives in France and signed an agreement with the GESTE that framed its content aggregation activity. This agreement was used as a basis for negotiating with publishers in other countries. Then it started buying wire content from several news agencies (AFP, Canadian Press, UK Press Association) that it published directly through Google News. Those two moves marked the beginning of normalization of the relations between the search engine and the European publishers, which nevertheless remained tumultuous. Especially since Google and Google News became gradually a major stake for online publishers because of the traffic they supply but also because of the competition they bring to publishers in online advertising.

After the financial crisis of 2008 that caused great difficulties for traditional media, Google-bashing became mainstream among publishers also in the US. Publishers blamed Google because, according to them, its algorithms don’t give priority to professional content of big
news organizations. They also complained about its domination of the online advertising market.

Indeed, sponsored links represent more than half of the French market of online advertising. This trend imposed gradually click-through rates as the best performance criterion in order to measure return on advertising investment. The data of the online advertising market illustrates this shift: in 2009 Google generated 900 million euros of advertising turnover in France and 1,2 billion in Germany, while, for the same period, all the French publishers together generated 400 million euros and their German counterparts only 100 million mainly in display advertising.

Suddenly, the question of the infomédiation and that of Google especially became a central preoccupation of the publishers. Across the Atlantic, it is Rupert Murdoch who led the attack to the point of threatening to withdraw his newspapers’ websites from Google’s index. Similar controversies burst out at the same time in several European countries as Great Britain, Denmark and Italy. In France, since 2008 Google find itself regularly in the defendant’s position attacked by publishers but also by authorities. For example, in January 2010, Nicolas Sarkozy proposed a “Google tax”, an idea that sprung controversy but seems to be accepted by Eric Schmidt.

From 2003 to 2009 the success of Google News marks the period in which the majority of European and American publishers, as well as authorities, became aware of the economic stake of news infomedia. A double movement followed: on the one hand big media organization invested in human resources and technologies in order to improve their SEO methods so as to exploit at best these new channels of distribution, to the point of « enslaving themselves to Google ». On the other hand, the same publishers used their lobbying power to influence decision-makers in order to obtain regulations that limit the Californian firm’s market power, not with great success.

However, this hasn’t limited publishers’ dependence on Google. The part of their traffic directly streaming from the different Google services in Europe as in the United States, varies between 20 % and 50 % and in some cases it can go up to 80%. This clearly shows how essential Google is for the economy of online news. That is why Google succeeded in imposing its own standard of indexing management to news websites, to the detriment of that advocated by the World Association of Newspapers.

5. Facebook and its social infomedia

8 Institute of Researches and Advertising Studies
12 Expression used by the representative of a French media group during an interview.
13 Google refuses the adoption of the protocol ACAP (Automated Content Access Protocol) supported by the World Association of Newspapers (WAN), the European Publishers Council (EPC) and the International Publishers Association (IPA). It imposed its own standard Sitemaps for news sites.
If Google remains the first provider of traffic for the great majority of news websites, the increasing influence of social networks in this domain is also a strong trend. Indeed, several studies show that especially Facebook and Twitter are used more and more as means of getting and disseminating news. In one of these studies dating of 2010, 37% of the sample users say they have commented and disseminated information via blogs and social networks like Facebook and Twitter. Among them, 17% say they have posted a link there towards a news item, 51% that they receive news regularly on behalf of their contacts and 23% that they follow a news media directly in a social network. This trend is confirmed by a second study of 2011. According to that, 23% of messages in social networks include links that lead towards a content page, a picture or a video; something that represents according to the authors 27 million contents which are shared every day. The regular use of recommendation on social networks when it comes to news and politics is also noticed in France by multiple studies (Granjon, Foulgoc, 2010, Mediapolis, 2009).

Through these new forms of social interactions over news, platforms like Facebook become major news infomediaries. In 2010 a study by Hitwise announced that the part of traffic that receive American news websites from Facebook exceeded that of Google News (but not that of Google on its whole). The increasing role of Facebook as a traffic provider for news websites was confirmed in a study of the Pew Research Center. Data gathered shows that Facebook is the third most important traffic source for American news websites, only behind Google and The Drudge Report. Its contribution amounts to 6% of the visitors of The New York Times and goes even up to 8% for The Huffington Post. As for France, this trend was confirmed by an equivalent study performed by Internet At. According to data of Médiametrie/Nielsen Ratings, visitors coming from Facebook are up to 4% of the overall traffic for Le Monde’s website, but goes up to 12,5% for a techie pure-player as Owni.fr. Moreover, the readers who click on a link shared by one of their contacts on Facebook seem, on average, more likely to read the content and eventually return to the media.

Figure 4: the increasing power of Facebook as traffic source for news websites in the US.
Source: Hitwise

This notable evolution introduces a new element in the landscape of digital media, that of social news infomediation of news. Social infomediation necessitates two elements: firstly a digital platform that must fulfill the three conditions of a Social Networking Site (Boyd and Ellison, on 2007)\(^\text{21}\); secondly, communities or individual internet users who want to share news. The confrontation between the technical, economic and legal constraints imposed by each social networking platform and its users’ needs and practices, according to various determiners (Ellison and al., 2011), produces a particular kind of social infomediation. For instance dissemination of news in Facebook and in Twitter by particular communities of users differ consequently. The result of this triangular correlation between free access news content, social networking platforms and groups of users is a process of social infomediation.

What operates the matching between an oversupply of news on the one hand and a heterogeneous demand on the other is not an automated algorithmic device, as in the case of Google, but social interactions between individual users. These interactions generate traffic fluxes towards news websites. However, social infomediation is not purely human, as automated infomediation is not purely algorithmic. Indeed, Facebook organizes information like Wall messages and News feeds according to algorithms based on the history of user interactions in order to prioritize the most relevant ones. Nevertheless what makes the difference in the way that people access the news through Google and Facebook is the latter’s direct use of social interaction.

Social infomediation produces a phenomenon of viral propagation of online news and thus influences directly the audience of the news websites and their advertising revenue. In fact, social infomediation reproduces the word of mouth effect in a mediatized frame with a strong element of what one could call a « degree of satisfaction » or a qualitative judgment on behalf of the transmitters of messages. As recent research shows, the speed and expansion of the spread of information through social networking platforms is proportional

\(^{21}\)According to Danah Boyd and Nicole Ellison is considered to be a SNS any Internet service who allows its users to: 1) create public or semipublic profiles; 2) articulate these profiles with users' lists with which they are linked; 3) navigate across these lists of contacts, theirs and those of others. The nature of links and the functionality which they allow inside the system vary from SNS to other one.
to the quality of its bearers (Kwak and al., 2010, Cha and al., 2010). Social infomediation is entirely coherent with the first empirical observations that pointed out several decades ago the leading role of social interaction in the processes of propagation of news (Katz and Lazarsfeld, 1955).

From an economic point of view, online publishers trying to maximize audience and advertising revenue are forced to include social networks in general and Facebook in particular in their editorial and marketing strategies. Nowadays, almost all online media use more or less intensely the marketing tools offered by Facebook: official pages, groups of friends, pages of events and Like buttons.

But that is not all. Like Google, getting to be a privileged partner of media organizations seems to be a strategic priority for Facebook. Its latest feature of “frictionless sharing” is one example of this strategy. The basic idea is to create joint applications with news organizations that allow users to share all the news items they read on a website automatically with their friends on Facebook, without having to push on a Like button. In this manner sharing increases and so does traffic stream directed by Facebook over to news websites. According to Facebook the leverage effect on audience for publishers is quite massive22. For instance, since Yahoo News built an Open Graph integration into its site, more than ten million people have chosen to turn on the new feature making a 600% increase in traffic coming from Facebook. Other media like The Independent, The Guardian, The Washington Post and The Huffington Post experienced similar rise in traffic after integrating with Facebook.

![Figure 5: Screenshot of The Washington Post Social Reader in 2011](image.png)

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Publishers also adopt tools like Facebook Insights that allows traffic measurement for official pages inside Facebook\textsuperscript{23}. This type of tool produces a new kind of measure that serves to assess the commercial potential of news through the number of shares, comments and likes that generates every unit of content. The higher this number is the more the commercial potential of information is important. The power of these new tools is multiplied by the deep knowledge that Facebook has on the profiles and the preferences of its users. We find here a question raised already in 1990s by economists who defined the infomediation as a «business whose sole or main source of revenue derives from capturing consumer information and developing detailed profiles of individual customers for use by selected third-party vendors » (Hagel III and Rayport, on 1997, p.56). From this point of view, Facebook is without a doubt a major infomediary. The importance of this new way of reaching the public and of harvesting advertising and marketing value can be seen through the increase of community managers inside news organizations whose daily task is to multiply the sharing potential of content.

\begin{figure}[h]
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\includegraphics[width=\textwidth]{figure6.png}
\caption{Figure 6: screenshot of Facebook Insights for the site Socialmediaexaminer.com on May 17th, 2010.}
\end{figure}

Like in the case of Google, we’re also here in the presence of coopetitive relations between publishers and Facebook. Media are encouraged to use Facebook’s social features in order to gain audience and revenue. This pushes them to fit into technical, economic and legal requirements that come down to obeying in Facebook’s rules. At the same time, the same firm is one of the main competitors of news publishers when it comes to advertising.

\textbf{Some provisory conclusions}

Our study found that the development of the online news sector sees the rising dependence of online publishers towards technology firms that take in charge the function of infomediation. This function is a mix of edition, aggregation and distribution of third party content that operates matching between supply and demand. By doing so, infomediaries also capture a significant part of the advertising and marketing revenue of the online news sector. From the publishers’ point of view this trend is both a problem and a necessity. It is a necessity because news infomediation, either algorithmic or social, brings new readers to online media and engage them to more interaction over news. It is a problem because this situation of dependence towards majors technology firms diminishes the publishers’ autonomy and forces them to share revenue generated by their own content.

From an economic perspective, this trend poses a risk of extreme concentration in the business of online news. In this time of global economic crisis, few media groups worldwide have the necessary resources to invest in the technologies and the know-how in order to exploit adequately the new channels of infomediation, thus reaching and engage vast audiences. Fewer are those that can directly negotiate with internet giants like Google, Facebook or Apple. The vast majority of publishers in small or middle markets can only undergo the strategies of multinational infomediaries trying not to be completely wiped out. The disastrous consequences of the launching of Panda, Google’s new algorithm, over hundreds of websites is just an example of this situation. From a sociopolitical point of view a major issue that emerges is that of diversity and pluralism. If the public concentrates on a small number of news websites that obey to the rules of the infomediaries, then the pluralism of opinions and the diversity of news will be negatively affected. For instance, the forty most shared articles on Facebook by Americans in 2011 come from only six news websites. It is clear that the stakes of infomediation for the business of online news and for the future of mediated public space are capital and should be addressed by future research on the subject.

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