Meta's pivot away from news—and what it means for publishers

Article



The news: Meta has announced it will terminate Facebook's news feature for users in the US and Australia in April—part of a broader strategy to phase out the News Tab, a trend that began with its withdrawal in the UK, France, and Germany in recent months.

- The social giant says its decision underscores a shift in focus toward content and services that resonate more with its user base, notably short-form videos.
- The decision has elicited reactions from lawmakers and drawn criticism from industry representatives, who accuse Meta of prioritizing potentially unreliable information sources over quality news content.

Why it matters: This development comes as publishers are <u>laying off staff</u> on account of weaker ad revenue outlooks—largely due to dominance by Meta and **Google**.

- The Messenger's shutdown, only eight months post-launch, underscores the dire state of media and the challenges of relying on an ad-supported model in a landscape dominated by tech giants and a plethora of advertising platforms.
- Reach, the UK news publisher behind the Daily Mirror and Daily Express, experienced <u>a 24%</u>
 <u>decline</u> in profits—a downturn attributed to Meta's decision to deprioritize news content.
- The decision is a blow to news publishers and the media industry at large, which have relied on Facebook for traffic and audience engagement. Some outlets have experienced traffic declines as steep as 99% since 2017.
- The move highlights Meta's clear pivot toward formats like short-form video to better compete with platforms like **TikTok**.

Our take: Meta's decision to discontinue the News Tab shows the challenges and dilemmas currently facing social media platforms.

- Last year, Meta opted to block Canadian news links in response to The Online News Act, which demands that tech platforms pay publishers—marking a pivotal conflict escalation between tech giants and the news industry, with potential global legislative implications. Despite Meta's move, daily user activity remained largely unaffected, challenging the notion that news is critical for platform engagement.
- Despite Threads' deemphasis of news in its <u>new "topics" feature</u>, the app is growing in popularity—even <u>surpassing X</u> in daily downloads.
- Meta's move raises important questions about the future of news content on social media.
 While the company has <u>faced criticism</u> over content moderation and the spread of misinformation, its decision to retreat from news distribution suggests a withdrawal from the



- challenges associated with news content. This may lead to a reevaluation of how news is shared, consumed, and monetized on social platforms.
- Despite Meta's assurance that news organizations can still use features like Reels and ads to drive traffic, the loss of a dedicated news distribution channel on one of the world's largest social platforms for media companies can't be understated.

US Adults Who Regularly Get News From Select Social Media Platforms, 2020 & 2023

% of social media site users

	2020	2023
X (formerly Twitter)	59%	53%
Facebook	54%	43%
TikTok	22%	43%
Reddit	42%	38%
Instagram	28%	34%
YouTube	32%	32%
LinkedIn	15%	17%
Snapchat	19%	15%
Note: ages 18+		

Source: Pew Research Center, "2023 Pew Research Center's American Trends Panel Wave

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