OpenAI to fund four Axios newsrooms in content licensing deal

Article

The news: OpenAI is partnering with **Axios** to fund four new local newsrooms in a three-year deal, the companies announced Wednesday. The additions will bring Axios Local's total newsroom count to 34, five of which the company expects to be profitable in 2025.

- The deal is part of a content and technology-sharing partnership similar to ones OpenAI has struck with [many other news publishers](#), including **Axel Springer** (our parent), **Vox**, **News Corp**, and **The Atlantic**.

- OpenAI's technology will not be used to write or report stories but will instead "build a system for creation, distribution, and monetization of our journalism," Axios CEO **Jim VandeHei** wrote in a memo to employees.

- In turn, OpenAI will gain access to Axios content to enhance answers for GPT Search, which will feature links to sourced articles.
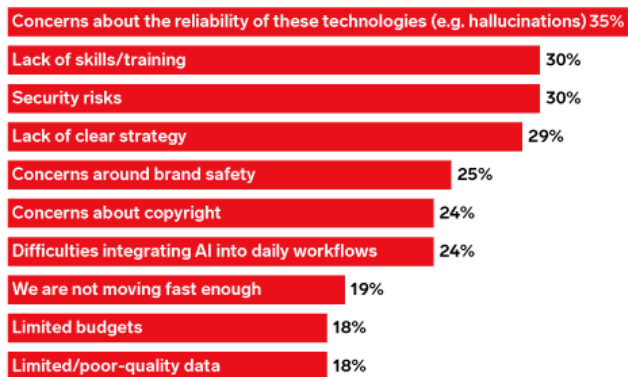
AI and publishers: Though artificial intelligence is widely viewed as a threat to news publishers, the pivot to AI-powered search and need for training material has created an opportunity for the struggling news industry to negotiate licensing deals.

- Still, there's a notable holdout in AI-publisher deals: **The New York Times**. The newspaper [sued OpenAI and Microsoft for copyright infringement](#) in late 2023 after negotiations broke down; the case could set a major precedent for AI and copyright law.

- By funding four newsrooms, OpenAI could be looking to soften fears about its adverse impact on news. [In its announcement](#), it highlighted several ways newsrooms are using its technology to improve their processes.

- However, it's still unclear whether AI-powered search, which delivers answers without the need to click through to articles, is a threat to publishers. Early findings from news publishers after **Google**'s AI Overviews launch suggest less impact than expected, while others have expressed concern about the effects on traffic.

Our take: Axios is joining a growing list of publishers partnering with AI firms in the hopes of integrating the technology and getting ahead of any potential negative impact. Only time will show whether these partnerships are fruitful for publishers, but OpenAI's increased access to training material is a clear win for the company.

Challenges to the Company's Use of Generative AI in Marketing Over the Next 2 Years According to Brand Marketers Worldwide, Oct 2024

% of respondents

Challenge	%
Concerns about the reliability of these technologies (e.g. hallucinations)	35%
Lack of skills/training	30%
Security risks	30%
Lack of clear strategy	29%
Concerns around brand safety	25%
Concerns about copyright	24%
Difficulties integrating AI into daily workflows	24%
We are not moving fast enough	19%
Limited budgets	18%
Limited/poor-quality data	18%

Note: n=586; top 3 responses
Source: Econsultancy, "The Future of Marketing," Dec 6, 2024

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