



# Covid-19 Impact on Digital Media

## Why in News

- The [Covid-19 pandemic](#) has impacted the internet giant's Google, Facebook as well as media houses.

## Key Points

### ▪ Covid-19 Impact on Media

- The media sector is facing deep cutbacks (reduction in expenditure) resulting due to an **intense economic slump and a reduction in advertising revenues** that many news outlets depend on because of lockdowns.
- The New York Times has estimated that news outlets have **cut 28,000 jobs as a result of the health crisis and subsequent economic impact.**

### ▪ Assistance to Media Sector

- Google has announced that it would **launch an emergency fund** to help **local news outlets** struggling to maintain operations in the face of Covid-19.
- Earlier Facebook also announced a donation **of \$100 million to support news organizations** globally hurting from the Covid-19 pandemic.

### ▪ Impact on Advertising Business

- Google and Facebook's advertising businesses, which have roughly tripled in combined size over the past five years, may be **headed for a rare fall** owing to the Covid-19 pandemic.
- **Once-abundant travel and entertainment ads have all but disappeared** from Google search.
- The **prices for Facebook advertisements are at record lows:**
  - The prices of Facebook ads have declined 35% to 50% on average in recent weeks.
- Wall Street analysts have estimated that **annual revenues would decline** for the first time in the history of the two companies.

### ▪ Steps taken by Google and Facebook to address challenges arising out of Covid-19

- Google had started a **"sensitive events" policy** last month, which restricts ads on coronavirus content.
  - On March 9, 2020 it also placed a **temporary ban on ads selling masks, citing a supply shortage for medical professionals.**
- Facebook banned the placement of predatory ads for masks, sanitisers and other personal protective gear, and it eliminated nearly all mask ads across the social network.

[Source: TH](#)

