



Summary of Digital Platforms Inquiry Consumer Forum

On 29 May 2018, the ACCC held a public forum in Melbourne. The purpose of the forum was to provide consumers who use digital platforms with an opportunity to convey to the ACCC's Commissioners their issues of interest in relation to the ACCC's Digital Platform Inquiry.

The forum was chaired by ACCC Commissioner Delia Rickard. Also in attendance were ACCC Deputy Chair Roger Featherston as well as General Managers of the Digital Platforms Inquiry Morag Bond and Kate Reader. The forum agenda is at **Attachment A**.

The following is a summary of the issues discussed at the stakeholder forum.

Why consumers use digital platforms

Stakeholders discussed a range of benefits and concerns associated with the use of digital platforms. A number of stakeholders indicated that Google and Facebook were the key platforms in Australia, while Snapchat and Instagram had greater appeal for younger generations.

The view was expressed that users of digital platforms often felt 'locked-in' to a particular platform as their contacts, friends, photos and history were on the platform and were difficult to migrate to another provider (so called 'network effects'). While the benefits of network effects were discussed by some stakeholders – including capacity to use the platforms as an effective tool for connecting communities and organising events – it was also noted that the platforms have strong business incentives to keep users within their 'walled gardens'.

Stakeholders also expressed the view that there was a lack of choice and substitutability between the platforms. While there had been some attempted new entry into the platform market – the example of Vero was cited – these new entrants had generally struggled to compete with the established players. The view was noted that this may change over time and that there were examples of platforms that were currently trying to do something different to the major players (MeWe was discussed in this context).

Data collection by digital platforms and consumer privacy issues

Stakeholders outlined several concerns regarding the collection and use of consumer data by the larger digital platforms, and related privacy issues. It was noted that some platforms held more data than others – for example, it was suggested that LinkedIn generally collected less data on users than Facebook. However, a number of stakeholders maintained there was a lack of understanding of, or transparency around, what user information the platforms hold and disclose to third parties.

Stakeholders indicated that there were benefits arising from the platforms collecting and integrating user data within their services. Examples noted included Find My iPhone and Google Maps, with the view expressed that these were useful and, in some ways, essential services for consumers. Portability of data was also considered to be a benefit (such as with 'open banking'). It was, however, suggested that platforms needed to put in place better security protections for the data they collect, particularly with regard to the provision or potential provision of data to third parties.

Terms and conditions

Stakeholders expressed concern that the terms and conditions for using digital platforms were not provided in plain English. The length of time required to read terms and conditions was also raised as a constraint. One stakeholder suggested that terms and conditions were generally so long that they would be happy to have the relevant pieces condensed, detailing what the digital platform was going to do with the data and the permissions being sought. Another suggested that a high level summary may be beneficial for consumers in understanding what they are signing up to. A lack of clear disclosure about what the platforms were going to do with consumer data was also cited as a concern.

Extending the earlier discussion regarding the ways consumers use digital platforms, some stakeholders expressed the view that even if they were unhappy with terms and conditions of large social networks such as Facebook, they didn't see there was a choice to switch to a different social network. The view was expressed that there was no genuine capacity to say 'no' to particular terms and conditions; consumers effectively had to accept the terms and conditions as they stand, or not use the platform at all. The findings of a consumer survey commissioned by the Consumer Policy Research Centre (CRPC) were noted during this discussion, and it was suggested that this research supported the view that consumers feel they have little control over their decision to provide data.

Control over personal information

Some stakeholders indicated that there was a lack sufficient control over personal information. Some of the findings of the CPRC survey were also raised in this regard, including the finding that 95 per cent of Australians wanted companies who collect their data to give them the ability to opt-out of having certain types of information collected, used, and shared. A key issue raised was that the opt-out options are limited and that consideration should be given to moving to an opt-in model. Concern was also raised around the lack of a 'right to be forgotten', particularly for children who may not have given proper consent.

Although not solely concerned with the digital platforms, a further issue was raised about the exchange of data within a National Digital health strategy, including: how that data would be used (rather than the collection of the data itself); opt-in or opt-out arrangements; and who would be in a position to decide what the data is used for.

Privacy policies

Some stakeholders questioned whether there is any point in reading a privacy policy, if there is no capacity to use the service if you don't give up your data (an effective 'take-it-or-leave-it proposition'). It was noted that privacy policies change frequently, and there were concerns expressed about the longevity of consent provided to the digital platforms over time (as circumstances change and where platforms choose to use data in different ways).

One stakeholder put forward the proposal that the platforms develop 'explainer videos' for consumers, and in particular children, regarding privacy. Other stakeholders suggested that most children wouldn't pay any attention to explainer videos, which would in turn fail to inform them or adjust their behaviours. Another suggestion raised was the idea that a consumer might 'delegate' their consent and data protection to a third party (effectively outsourcing specific, day-to-day decisions to a party skilled in managing data exchange with the platforms).

International developments in relation to consumer privacy

International approaches to data and privacy issues were also raised during discussions. In particular, the General Data Protection Regulation, which recently commenced in Europe, was cited by a number of stakeholders. One attendee expressed the view that a regulatory approach similar to the GDPR would be a welcome development in Australia as this would

provide consumers with better control over their data. Another stakeholder referenced research conducted by ad tech company PageFair, which suggested that around three quarters of people would say no (opt-out) of data collection and tracking if they were provided with the choice.

News availability and consumption

The impact of digital platforms on traditional media in Australia

A number of stakeholders raised concerns about the impact of the digital platforms on Australian media companies. One suggested that the platforms had had a 'catastrophic' impact on traditional media, while another took the view that they had undermined the provision of high quality investigative journalism and contributed to the loss of journalism jobs. It was suggested that no-one outside of the public broadcasters were investing in that kind of quality journalism as the financial incentives and returns are just not there anymore.

Counter-balancing these views, some stakeholders drew attention to the positive impacts of the internet and of the digital platforms themselves. Particular reference was made to the fact that consumers can now get news and related content on-demand (when they want it), across a wide range of formats and devices. This was considered to be a positive outcome that, in part, is attributable to the digital platforms.

Algorithms and curated news content

The concept of 'filter bubbles' was raised by some stakeholders. While the benefits of curated news were noted, concerns were also expressed by some stakeholders that personalised news was leading to consumers only seeing the stories and articles that reinforced their pre-existing opinions or viewpoints. It was noted that this is leading to 'warped' views of issues and an inability on the part of consumers to differentiate important news from simply the stories provided to them by the algorithm.

Some stakeholders indicated that 'organic' news was preferable, but acknowledged that all search engines will rank and prioritise stories based on a range of factors and variables. Similarly, stakeholders found it concerning that they may not be gaining a realistic view of what's happening in the world, which may be counterintuitive to why people are engaging with news content. It was suggested by one attendee that the potential for 'filter bubbles' and 'echo chambers' was not widely understood by consumers.

Subscription versus advertising funded news

Stakeholders suggested that consumers are able to access a wider range of news sources, although they are only willing to pay for this content when it is valued and when they can afford it. It was suggested by one stakeholder that their interest in taking up a full subscription to an online or traditional newspaper has been dampened by the fact that they may only be interested in some of what the publisher produces.

In this regard, some stakeholders expressed frustration in the inability of some publishers to offer consumers the ability pay for specific pieces of content rather than paying for an ongoing subscription. Rather than multiple subscriptions which end up being quite costly for the consumer, a subscription that allowed consumers to gain access to a diverse range of content – similar to Spotify – would be something some consumers would take up.

Others stakeholders suggested that the growth in 'native advertising' (advertising that has the look and feel of other editorial content on the website on which it is published) is undermining consumer trust in publishers. It was suggested that there should be greater disclosure regarding this type of advertising to enable consumers to more easily differentiate between media and paid media (or an advertisement).

Increased exposure to 'fake news' or misleading information

Stakeholders considered that fake news is at higher levels than it was in the past, though to some extent fake news has always existed. Stakeholders provided various anecdotes of fake news, spanning from false stories regarding relationships between celebrities to misreported or misrepresentative statistics around the number of high school deaths in the United States.

One stakeholder noted that while fake news spreads faster and further in the current digital media environment, there is also more opportunity for people to correct fake news stories. Other stakeholders indicated that corrections mean little in an environment when a story has 'gone viral'. In this regard, one stakeholder cited an MIT study which found that fake news proliferated faster on social media than factual news, and suggested that once fake news is disseminated, the damage may already be done.

Attachment A: Consumer forum agenda

ACCC Digital Platforms Inquiry

6.00pm – 8.00pm | Tuesday 29 May 2018 | Melbourne

Dexus Place, 385 Bourke Street, Melbourne

Agenda

Agenda item
<p>Welcome and introductory comments</p> <ul style="list-style-type: none">• Purpose of the forum and Digital Platforms Inquiry• Scope and exclusions to the Inquiry
<p>Consumer use of digital platforms</p> <ul style="list-style-type: none">• Which digital platforms do you use, and why?• Do you feel you have a choice in terms of the digital platforms used?• Are these platforms substitutable – can you move easily from one social media platform to another?
<p>Data collection by digital platforms and consumer privacy issues</p> <ul style="list-style-type: none">• Have you read the terms and conditions and privacy policies of the digital platforms that you use?• Do you understand what types of personal data digital platforms collect, and how they use that data?• Do you feel you have sufficient control over your personal information?• Has recent publicity in relation to consumer privacy issues changed how you use digital platforms?• What steps do you take (if any) to protect your personal data when using digital platforms?• Do you see value in targeted and personalised advertising online (which is based on the information collected by digital platforms)?• Do you use ad blocking programs or apps, or would you consider using these services in the future?
<p>News availability and consumption</p> <ul style="list-style-type: none">• To what extent do you use digital platforms to access news?• Do you consider that you have access to independent and trustworthy news sources, and has this changed over the past five years?• Do you value customised newsfeeds and curated news content through the digital platforms' algorithms, or do you think this creates 'echo chambers' or 'filter bubbles'?• Are you willing to pay for news content, such as through a subscription, or do you prefer 'free' (advertising funded) sources of news?• Do you feel that your exposure to 'fake news' or misleading information has changed over the past five years?