Response of the European Publishers Council (EPC) on the preliminary report of the European Commission on the Consumer IoT Sector Inquiry

1st of September 2021

About the EPC

The European Publishers Council is a high level group of 28 Chairmen and CEOs of leading European media corporations actively involved in multimedia markets spanning newspaper, magazine, book, journal, internet and online database publishers, and radio and TV broadcasting.

Introduction

16 July 2020 marked the beginning of the European Commission's sector inquiry into the IoT (Internet of Things) in the EU. On 9 June 2021, the Commission's preliminary report was published, covering various findings within the parameters of competition of the IoT sector. The preliminary report findings range from quality and brand reputation, cyber security, privacy policy to price and access to technology, wider issues such as interoperability, standardisation and data were also covered. As the EU continues to position itself as world leader in digital policy, the IoT is no exception to this ambition.

In recent years the sector has seen exponential growth, with the number of voice assistants roughly doubling from 4.2bn to 8.4bn worldwide. Users are now using voice assistants to rapidly access information, such as news, radio content or weather, making such technology a new and growing media channel for publishers . As growth and innovation drives forward, EU consumers are seeing more IoT products and services entering their homes, as a result the Commission hopes to address IoT issues alongside its digital and policy priorities and initiatives.

As representatives of publishers, EPC welcomes the opportunity to provide feedback to the European Commission preliminary report on Internet of Things. Voice assisted technology is the IoT related technology most relevant issue for publishers.

Voice and smart speakers

EPC members with audio services linked to their news and magazine media brands and radio broadcasting operations, are increasingly reliant on platforms incorporating voice assistant technologies to make available their radio stations and audio products, including podcasts. The preliminary report by the European Commission correctly identifies Amazon's Alexa, Google's Home and Apple's HomePod as the 3 dominant platforms. The challenges that arise from the growing dominance of these audio platforms are complex:

- There is a high risk of undue interference by said platform operators with listeners' ability to directly access content from radio broadcasters, as well as audio services linked to publishers' news and magazine media brands. Acting as gatekeepers, these platforms may have incentives to redirect audio listeners to specific content, such as content from their own services (self preferencing), or from selected partners, at the risk of limiting user's access to other content sources.
- Self preferencing is of particular concern to the members who may suffer an unfair advantage when trying to reach their audience through voice assistants, while the platform's own services benefit from an unfair advantage. That is why the European Publishers Council is a proponent of adding 'platforms that incorporate voice assistant technologies' to the list of online intermediation services in the Digital Markets Act and thus making additional obligations for providers of voice assistants services.
- Large online platforms incorporating voice assistant technologies are also driving a vertical integration of different services within the wider digital audio ecosystem, challenging the ability of third parties from various parts of the audio ecosystem to interoperate and compete, with the possible consequence of locking out new entrants.

- Similar concerns can be expressed with regard to the ability for publishers and other third parties to advertise on such voice assistant devices controlled by large platforms which already have a highly integrated advertising ecosystem in other sectors.

In General, EPC would like to raise attention to the concept of gatekeeper in association to connected devices.

Transparency issues

Transparency is a key element to be taken into consideration for IoT and for voice assistants especially. For the members of EPC, transparency for voice assistants must be strengthened in two aspects:

Transparency towards:

- users of the voice assistant: Users should have access to transparency regarding default news (and other types of content) sources used by platforms, as well as information about their ability to change and select preferred sources of information are essential. In addition, users should receive information regarding the collection and use of their data through smart speakers and other voice assistants.

- business users of the platforms: There is a clear lack of transparency in how the platform operators make decisions which news outlets are chosen to provide news and which are not.
  In addition, voice assistants and smart speakers are now collecting a huge amount of data which is being used and retained by platforms. While publishers and other partners do not have access to such data, platforms remain in a position to derive value from them, and strengthen their position as gatekeepers. EPC supports adding 'platforms that incorporate voice assistant technologies' to the list of online intermediation services in the Digital Markets Act.

  Contact:
  [Personal contact information]