

## RADIOCENTRE RESPONSE TO DCMS SELECT COMMITTEE INQUIRY ON CONNECTED TECH: SMART OR SINISTER?

### SUMMARY

1. Radiocentre welcomes this DCMS Select Committee inquiry on connected tech and the impact of the increasing prevalence of smart and connected technology. We note the terms of reference for this inquiry so have focused our response on virtual assistants such as smart speakers and those in cars, given the rapid adoption of these devices in UK households and their significance as a major distribution platform for UK radio services.
2. While offering tremendous benefits to the daily lives of users there is no doubt that, without a reasonable framework of regulation, connected devices of this kind could create significant risks for consumers, as well as the wide range of businesses that are increasingly reliant on these platforms. The risk to UK radio services and the value they provide to the public are a case in point.
3. On the one hand, digital technologies like smart speakers have created major opportunities for the radio sector. The choice of content now available to audiences has been significantly enhanced as a result of new broadcast and online audio services, now accessed easily and conveniently using voice commands. Consequently, the opportunity for innovation and collaboration these platforms provide is increasingly important given the range of competitive pressures facing radio and audio.
4. On the other hand, the growth in radio listening taking place online and on these devices has also led to fragmentation of audiences and even greater competition for vital advertising revenue, presenting radio broadcasters with a significant challenge as they seek to grow while providing a high quality and trusted service.
5. In addition, the surge in radio listening via virtual assistants places online ‘gatekeepers’ (such as Alexa, Google Assistant and Siri) in an incredibly powerful position. Their growing dominance in this market significantly increases the risk of certain behaviours, which could threaten the future viability of UK radio, including potentially charging broadcasters for access, overlaying their advertising or routing users to the platforms’ own radio-like services (self-preferencing).
6. The DCMS-commissioned *Digital Radio & Audio Review* set out these issues at length and Ministers accepted the case for legislative action to help guarantee audiences’ unfettered access to UK radio via voice assistant platforms over the longer term. However, to the surprise of the whole radio sector and many interested parliamentarians, the Government’s Broadcasting White Paper<sup>1</sup> published on 28<sup>th</sup> April 2022 failed to commit to any specific clauses to support radio and or protect listeners from possible gatekeeper behaviours being included in the upcoming Media Bill.

We therefore recommend that:

- **The Committee confirms in writing to DCMS and policy officials in Downing Street its support for legislation in the forthcoming Media Bill to ensure unfettered access to UK radio on connected platforms**, in line with the conclusions of the *Digital Radio & Audio Review*.

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<sup>1</sup> <https://www.gov.uk/government/publications/up-next-the-governments-vision-for-the-broadcasting-sector>

- **The Committee undertakes a short evidence session within this inquiry on the future of the UK radio sector on virtual assistants** in order to hear directly from stakeholders within Government.
- **The Committee continues to highlight this issue with relevant officials in DCMS, Ofcom, the Competition and Markets Authority, and other Government departments** as formal opportunities arise over the parliamentary session.

## BACKGROUND

7. Radio services from the BBC and commercial radio reach 90% of the adult population of the UK every week. These services are loved by listeners and provide significant public value through their mix of news, music, entertainment and information. Radio is consistently found to be the most trusted source of news and information available to audiences in the UK<sup>2</sup> and Europe<sup>3</sup>.
8. Radio listening on smart speakers and online platforms now accounts for a significant and fast growing proportion of the audio market. According to official audience listening figures from RAJAR, smart speakers alone now account for a 10% share of time spent listening to UK radio. This is significantly higher than previous forecasts expected and will continue to grow, particularly as these devices are already estimated to be in more than half of UK homes. Moreover, the number of virtual assistants in use worldwide (including mobile phones) is expected to reach 8.4 billion units by 2024<sup>4</sup>.
9. The popularity of smart speakers (including the Amazon Echo and Google Nest) has underpinned a rise on the overall share of UK radio listening now taking place on online platforms. This total figure has grown to a record high of 22.4% for Q1 2022 (up from 11% in Q1 2019), with a significantly higher share for some operators. The continued shift to online listening presents issues and challenges as stations become more reliant on platforms and aggregators for their distribution that could choose to exploit this position.
10. The Government rightly recognised many of these challenges within the comprehensive *Digital Radio & Audio Review*<sup>5</sup> that was published in October last year. Chief amongst these is the inherent risk to the future of online distribution for radio services as audiences migrate to digital platforms, including virtual assistants.
11. Having considered the evidence, the Review expressed **serious concerns regarding the future access to UK radio content for audiences**, due to the fact that tech platforms are now effectively becoming gatekeepers to this content. It is clear that this was not only the view of radio broadcasters (BBC and commercial) but also politicians of all parties<sup>6</sup>.

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<sup>2</sup> Ofcom survey '[News consumption in the UK](#)' (June 2017)

<sup>3</sup> European Commission ([Eurobarometer](#) 92, 2019)

<sup>4</sup> <https://www.statista.com/statistics/973815/worldwide-digital-voice-assistant-in-use/>

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1027206/Digital\\_Radio\\_and\\_Audio\\_Review\\_FINAL\\_REPORT\\_single\\_view.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1027206/Digital_Radio_and_Audio_Review_FINAL_REPORT_single_view.pdf)

<sup>6</sup> <https://www.radiocentre.org/mps-call-for-government-action-plan-to-secure-radios-future-on-smart-speakers/>

12. In April 2022 the Government published a welcome response<sup>7</sup> to the *Digital Radio & Audio Review* which broadly agreed with the conclusions of the Review and that “*the case has been made for taking action to protect radio’s long term position in the context of the rapid growth in usage of smart speakers, and to ensure the continuation of the huge public value which radio provides.*”<sup>8</sup>
13. However, to the surprise and disappointment of the whole radio sector and many interested parliamentarians, the Government’s Broadcasting White Paper<sup>9</sup>, published at the same time as its response to the *Digital Radio & Audio Review*, failed to incorporate any of the core recommendations, particularly around audiences’ unfettered access to UK radio via virtual assistant platforms over the longer term.
14. In response to this omission, the Chair of the DCMS Committee Julian Knight MP made a welcome intervention and voiced concerns<sup>10</sup> around the lack of support for radio. He was joined by a number of other parliamentarians that focus on media issues within DCMS, highlighting their surprise at the absence of radio within the White Paper and in some instances calling for the issue to be addressed during the passage of the forthcoming Media Bill<sup>11</sup>. These public interventions have been extremely helpful.
15. In addition, the importance of radio was raised by Simon Jupp MP in a DCMS Select Committee evidence session with the DCMS Secretary of State on 19<sup>th</sup> May. Her response, echoing support for UK radio and a commitment to review a suitable legislative vehicle for securing radio prominence, was at least encouraging<sup>12</sup>.
16. As the Committee would expect, we are working closely with the wider radio sector and DCMS officials to review ways in which provisions ensuring future access and support for radio might be incorporated into the Media Bill by way of amendment. Discussions are progressing well but it will remain important to continue have active support from parliamentarians.
17. We would also note that these discussions on connected technology in the UK are of course being conducted in parallel to reviews and regulatory action in other countries. Given the implications for radio and other sectors, a broad range of in-depth examinations that cover many of the issues raised in this inquiry have already been completed, or are currently underway, across the EU, the United States and Australasia.

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<sup>7</sup> <https://www.gov.uk/government/publications/digital-radio-and-audio-review/government-response-to-the-digital-radio-and-audio-review>

<sup>8</sup> *Ibid*, p9

<sup>9</sup> <https://www.gov.uk/government/publications/up-next-the-governments-vision-for-the-broadcasting-sector>

<sup>10</sup> <https://committees.parliament.uk/committee/378/digital-culture-media-and-sport-committee/news/166133/chair-julian-knight-mp-comments-on-broadcasting-white-paper/>

<sup>11</sup> <https://radiotoday.co.uk/2022/04/radio-stations-must-be-protected-on-smart-speakers-say-mps/>

<sup>12</sup> <https://parliamentlive.tv/event/index/dfd5e700-d381-42dd-928b-503f29d5af35?in=12:53:04>

18. In the EU, for instance, the European Commission published a report<sup>13</sup> in January this year on the *Internet of Things* which included a review of voice assistants and smart devices, such as smart speakers. This provided a useful backdrop for the regulation of ‘virtual assistants’ under the Digital Markets Act, a crucial piece of legislation designed to regulate these, and other, gatekeeper platforms. Moreover, the Commission is currently probing Google’s “Google Assistant” from an antitrust perspective, taking into account the preliminary findings in the above sector inquiry.<sup>14</sup>
19. Separately US Senators have also conducted a number of hearings<sup>15</sup> on risks associated with smart home technology.

### CURRENT ISSUES FOR UK RADIO STATIONS

20. It is important to recognise that while the radio and audio sector has significant concerns around distribution on connected platforms in future, there are a number of issues that are already being experienced. The impact of many of these issues is compounded by the fact that radio broadcasters, in particular the smallest radio stations that have fewer resources, are also having to deal with a range of significant challenges that arise from their integration within virtual assistant platforms.
21. Below is a non-exhaustive list of current and emerging issues for consideration by the Committee. In order to adequately address the different areas of harm identified, there are a broad range of potential interventions that are likely to be necessary, but we have not noted these individually here.
22. **Access and findability** – The growth of connected devices and digital audio services has increased the risk that radio broadcast content will be lost on connected platform devices. Unlike broadcast radios or screen-based devices (smartphones, tablets and laptops), voice controlled interfaces present more challenges for listeners in finding content. There is a risk that services could be downgraded in voice search while other services are upgraded through paid promotion. There have been some examples of listeners who request access to certain licensed radio stations (using a voice assistant) being redirected to a connected platform’s own (radio-like) services, and difficulties for stations in being able to correct this.
23. **Data and listener consent** – Online platforms currently restrict the amount and types of listener data that they share with the third-party radio stations that they carry. User consent is often cited as a reason for the inability to share such data, despite the steps that have been taken to ease the process of consent and facilitate improved data sharing. This affects the ability of commercial broadcasters to monetise their content and of broadcasters as a whole to innovate and serve the needs of their audiences by offering a variety of services tailored to the listeners’ preferences. Online platforms, meanwhile, are able to re-package playlists with or without AI to form a ‘radio-like’ product (to directly compete with radio stations) that have the added advantage of being customised to the preferences and behaviours of their users using the data they exclusively hold.

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<sup>13</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022SC0010>

<sup>14</sup> MLEX article by Nicholas Hirst, “[Google Assistant's rollout to connected cars, devices attracts EU antitrust scrutiny](#)”, 9<sup>th</sup> September 2021.

<sup>15</sup> <https://www.c-span.org/video/?512612-1/senate-subcommittee-hearing-smart-home-technology>

24. **Limited interoperability** – Digital voice assistants employ machine learning to develop preferences and personalisation, however there is little infrastructure allowing for the transfer of ‘learned preferences’ between devices or operating systems. Amazon’s Voice Interoperability Initiative involves other partners such as Garmin, Sonos, Xiaomi and Baidu but so far, fellow market leaders Google and Apple have not been involved. As the market matures this could have a negative impact on consumer choice.
25. **Resolving issues and services levels** – Most UK radio listening still takes place on broadcast platforms (FM, DAB) that are owned, operated and regulated in the UK. Radio companies have established relationships with the relevant infrastructure providers to help manage any issues. As more radio listening take place on online platforms such as smart speakers and via virtual assistants in cars, there is increasing demand among radio companies for better and clearer relationships with platforms in order to address operational issues. This is especially (but not exclusively) an issue for smaller stations that may not always have a direct relationship with the platforms or the specialist expertise in-house.
26. **Radio integration within virtual assistants and online platforms** – Most large radio groups in the UK now have direct integrations on digital voice assistants (e.g. Amazon skills for BBC Sounds, Global Player, Planet Radio which route directly to radio services on request). However, many others are still reliant on TuneIn as the default platform for radio on smart speakers and other virtual assistant platforms. TuneIn provides an inferior user experience, often playing radio stations with a similar name from outside the UK or adding its own pre-roll advertising. There are even examples of TuneIn removing UK radio services entirely in error.
27. **Limits on personalisation** – Whilst platforms have developed interfaces to allow for direct arrangements (e.g. On Amazon Alexa they are known as ‘skills’) the platforms place limits on the degree to which UK radio can develop and adapt services. An important example of this links to the integration of radio with the alarm function which restricts radio being used for wake up calls.
28. **Dissemination of news content and attribution** – UK radio news organisations (especially the BBC) have raised concerns about the lack of attribution when their news bulletin content is used on voice assistants. In particular, they have noted the risk that their contribution will appear alongside news items containing false, inflammatory or misleading content which is then legitimised by the proximity to licensed broadcast content.
29. These emerging issues are already present and impacting on UK radio broadcasters and their audiences. They are presenting a significant challenge to the online business models of broadcasters in some cases and it is clear that intervention is necessary in order to provide satisfactory remedies. Acceptable solutions may well be possible in some areas through bilateral arrangements with platforms. However, most of the areas covered here will ultimately, as concluded in the *Digital Radio & Audio Review*, require urgent legislative intervention.

## **FUTURE CONCERNS FOR UK RADIO STATIONS**

30. In addition to the challenges identified above, UK radio broadcasters share serious concerns around the following issues which, if not addressed in the very near future, have the potential to significantly and negatively disrupt UK radio, causing irreparable harm to a core element of the UK media landscape. Below are three risk areas that have been identified of utmost concern at this point in time.

31. **Charging for access** – Concerns regarding the ability of online audio platforms to charge radio broadcasters for access to their platform or for enhanced functionality. This might take the form of a fee for access to ensure basic carriage on a platform or through a digital voice assistant; sharing of data generated by listeners through their use of connected platforms; or for specific functionality (for example, specific skills or apps) that makes content easier to find for listeners.
32. **Overlaying advertising** – Commercial radio broadcasters need to retain control of their content, so that they can generate revenue from advertising and sponsorship. Any unauthorised interference in a broadcast stream could undermine the viability of these services, especially if commercial messages and advertising is blocked or replaced. Whilst it may or may not be the intent of the platforms to derive value from public service or independent commercial media, there is a need to consider a regulatory path or industry framework to ensure that these proceeds benefit the intended audience.
33. **Promoting own services or favoured third parties (self-preferencing)** – Radio broadcasters are concerned at the prospect of their services being downgraded by online platforms, especially on digital voice assistants that may seek to favour their own music streaming or radio-like services (either deliberately or inadvertently). This would be a negative experience for listeners and damaging for radio stations. We would not wish to see platforms configure the algorithms that control speech activation to favour their own services – an example would be to direct a requester of Classic FM to their own generic classical music stream/playlist – and require a second or subsequent request to connect to the requested station.
34. The concerns outlined here all pose a fundamental threat to the broadcast integrity enjoyed up to this point and overall operational viability of UK radio stations. Therefore, in order to guarantee future access and findability for radio on connected platforms, legislative intervention is required to safeguard the public value delivered by UK radio broadcasters as listening inevitably continues to shift from traditional broadcasting (FM, DAB) to online platforms.

## NEXT STEPS

35. The Committee rightly highlighted within the scope of its inquiry that connected devices, such as smart speakers, are reshaping life in homes and workplaces across the country. The opportunities afforded by this technological shift are welcome but, as recognised within the DCMS *Digital Radio & Audio Review*, there are a number of fundamental issues for UK radio that require regulatory intervention, particularly around access, findability and viability of radio services via connected platforms.
36. The Government's response to the *Digital Radio & Audio Review* was welcome and largely encouraging, but it was disappointing that the Broadcasting White Paper did not include relevant provisions that would reflect the conclusions contained within that response.
37. While it was positive that a statutory footing for the new Digital Markets Unit (DMU) was confirmed through a draft Digital Markets Bill in the Queen's Speech last month, it is disappointing that its introduction appears to be delayed. The DMU will likely play an important role investigating issues around data sharing and transparency of the algorithms that underpin the discoverability of broadcast content, but protections in these areas should also be addressed by DCMS given the public value that radio delivers.

38. In order to support UK radio now, it would be extremely helpful if the Committee would consider the recommendations highlighted at the start of this document. First, calling on DCMS and policy officials in Downing Street to urgently bring forward protections for the UK radio sector on connected platforms in the forthcoming Media Bill. Secondly, undertake a short evidence session within this inquiry on the future of the UK radio sector on connected devices in order to hear directly from key stakeholders within Government. Finally, continue to highlight this issue with relevant officials in DCMS, Ofcom, the Competition and Markets Authority and other Government departments as formal opportunities arise over the parliamentary session.
39. These actions will help to demonstrate the clear support for action on behalf of radio audiences and provide an opportunity to discuss practical solutions in the interests of consumers, broadcasters and the online tech platforms.
40. Should the Committee require any further information or evidence around issues raised in this submission we would be very happy to facilitate this on behalf of our members and the wider industry.

## **ABOUT RADIOCENTRE**

Radiocentre is the industry body for commercial radio. We work on behalf of more than 50 stakeholders who represent over 90% of commercial radio in terms of listening and revenue.

[www.radiocentre.org](http://www.radiocentre.org)

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