HOW CAN CONSUMERS INTERNATIONAL CREATE POSITIVE CHANGE FOR CONSUMERS IN THE DIGITAL WORLD?

GLOBAL PARTNERS DIGITAL
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Charles Bradley is Executive Director. He oversees the continual development and implementation of GPD’s vision, as well as providing strategic support to the organisation.

Before joining GPD, Charles was the Development Manager at Artis Education, a creative education social enterprise that helps children achieve excellence through the arts. Here he led on a number of projects, including the implementation of Artis Impact, one of the most extensive and differentiated professional development programmes in the world, and the management of partner relationships across numerous stakeholder groups. His ongoing involvement with social purpose businesses stems from his keen interest in developing environments that ensure deeper, more sustainable impact within and across communities.

Global Partners Digital (GPD) is a social purpose company dedicated to fostering a digital environment underpinned by human rights and democratic values. We do this by making policy spaces and processes more open, inclusive and transparent, and by facilitating strategic, informed and coordinated engagement in these processes by public interest actors.
It is commonplace to say that the internet is a rapidly changing environment. The technological changes and developments we are witnessing in the digital environment are rapid, technically complex and only partly foreseeable. Just as the precise nature of the current digital environment could not have been predicted a few years ago, so the future digital environment cannot be predicted today with any degree of certainty. What the trends suggest, however, is that there will be increased digital/physical convergence, increasing amounts of data generated about individuals, an increased use of algorithmic and automated decision-making and an increased use of artificial intelligence and robotics.

In particular, we are likely to see a significant shift from a web-based internet experience where we choose how and when to engage, to something far more ubiquitous, where our entire experience and interaction with the world is shaped and formed by digital devices and services. These developments are already changing the global policy environment, putting issues such as cybersecurity, cybercrime, data protection, and data ethics high up the global policy agenda. They represent a new challenge for consumer organisations and will require an informed understanding of these trends, an ability to develop new partnerships in the field and new capacities to influence and shape policy.

These changes and developments all have significant consumer implications, both positive and negative. While new technologies can create fresh opportunities for consumers to be better protected and promoted, they can also carry considerable risks; either as a result of the technology in and of itself, or its use (and abuse) by state and non-state actors. Furthermore, as the internet becomes a general utility technology, encompassing more and more aspects of our daily lives, it will impact upon more and more areas beyond the current focus of digital communications; including areas such as home security, finance services, retail, education, health and employment. Despite this, consumer considerations are rarely fully explored or understood during the technological development process. This is partly a result of the rapid pace of innovation, which does not always allow for a fully informed consideration of the consumer implications of innovations as they happen, but also because technical innovation generally follows a ‘build now, assess later’ approach— in which policymakers are forced to play ‘catch up’, and be reactive rather than proactive in considering the implications of technological advancements. Consumer organisations must be prepared to fill this gap.

Firstly, it is important to say that use of digital communications depends upon access which remains uneven in many parts of the UK. In fact, the UK lags behind many developed countries in access to high speed internet. A comparison by Ofcom of broadband download speeds in the EU showed the UK only achieving middling status as 12th. While this has been a source of frustration to a range of people, from companies to rural populations, there has not been a consistently strong consumer voice pressurising government to achieve better results.

Despite these limitations, the internet was used daily by 82% of adults (41.8 million) in Great Britain in 2016, compared with 78% (39.3 million) in 2015 and 35% (16.2 million) in 2006. In 2016, 70% of adults accessed the internet ‘on the go’ using a mobile phone or smartphone, up from 66% in 2015 and nearly double the 2011 estimate of 36%. In 2016, 77% of adults bought goods or services online, up from 53% in 2008. All of this emphasises how important the internet is to consumers.

Access will become even more important as digital communications become a ubiquitous technology that is the means through which we access government services, buy and exchange goods, communicate with family and friends etc.

A report from the digital skills committee of the House of Lords recommends that the internet be ranked alongside water, gas and electricity as something that needs to be available for everyone in the UK.

“Digital technology is changing all our lives, work, society and politics. It brings with it huge opportunities for the UK, but also significant risks. This demands an ambitious approach which will secure the UK’s position as a digital leader”.

House of Lords Select Committee on Digital Skills Report of Session 2014-15

Consumer groups need to have a view as to whether they think framing the internet as a public utility is the correct policy approach.

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1 ‘The top 27 fastest UK and EU countries by broadband ISP speeds’, ISP Review, 06/03/2013
Online technologies have brought tremendous benefits for people whether as citizens or consumers. Transaction costs online are vastly cheaper than those requiring human intervention. For example, booking a driving test costs £6.62 by post, £4.11 by telephone, but just £0.22 online.\(^4\) The government has estimated that between £1.7 billion and £1.8 billions of taxpayer’s money could be realised as total annual savings to the government and service users.\(^5\)

In the past twenty years, most people access the internet through the world-wide web and it has been a communication service. The business model of the internet is that services – search, social networking, peer-to-peer sharing, are provided without charge in exchange for those services collecting user data and selling it, often through multiple intermediaries who process and analyse the data for sale to advertisers.

The terms of service (ToS) for use of these services, even common ones such as Facebook or Google are detailed, lengthy and hard to understand. Few users bother to look at them and few appreciate quite how much data is being gathered and how much it can reveal about a user. Companies justify the obscurity of the ToS by claiming that users judge an application by the ‘user experience’ and as targeted advertising is relatively harmless and a mild irritant to most people at best there has been little public concern.

Consumer groups have not flagged up this issue as they might, or talked about the privacy implications enough. At the very least companies should be pressurised into providing simplified summaries of the ToS which make clear the nature of the data gathering and sale that is taking place.

Ever since the first pop-up advert, the business model of the internet has been based on surveillance. The more data a company has about a user, the more targeted its advertisement can be, and the more an advertiser will pay to post their ad. This logic has driven a culture of ever more invasive data extraction and retention; from companies implementing real-name policies, to period tracking apps that store and utilise sensitive information to increase company revenue.

But this asymmetrical model – in which companies have all the power – is coming under increasing scrutiny. For many years, privacy defenders have been highlighting the risks inherent in the advertising model, and have won some important legislative victories in the past few years.\(^6\) At the same time, regulators are increasingly cracking down on company mismanagement of data, such as through the General Data Protection Regulation (GDPR) in the EU, and the use of ad-blockers is growing fast.\(^7\)

Companies are starting to take notice. At this year’s Mobile World Congress, there was a lot of talk about Me2B (me to business), which describes a wholesale transformation in the business/customer relationship – a move, in normative terms, from a model where customers (to quote the business consultancy Ctrl-Shift) are “treated as the passive targets of an organisation’s activities”, to one which is about “agency, helping individuals achieve their goals”.\(^8\) In practice, this might mean users being able to choose exactly how much data they share, and with which companies, which would be a radical shift indeed.

There are some recent signs which suggest the idea may be gaining momentum – notably among telecommunications companies. Telefonica recently rolled out its AI-powered digital assistant, Aura, which allows users to decide who can access their aggregated data, while its subsidiary O2 has suggested measures that allow customers to control what adverts they see.\(^9\) The significance of these initiatives should not be underestimated; they would have been inconceivable a decade ago, and show how far the debate has moved along.

Of course, telecommunications companies have different priorities than other parts of the tech sector. After all, their financial model is not based on intrusive advertising, and giving their users more control will not necessarily hurt their bottom line. For media organisations, largely or entirely funded by targeted advertising, Me2B is inevitably going to be a bigger ask.

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4. ‘Government transaction costs – the story behind the data’ UK Government Digital Service, 17/01/2013
5. ‘Ireland challenges Facebook in what could become a landmark data case’, Fortune, 07/02/2017
6. ‘25 percent of smartphone users have ad blockers, according to survey’, Digital Trends, 07/03/2016
7. ‘The rise of Me2B’, Ctrl-shift, 27,10,2014
8. ‘O2 hints at ad-blocking, or at least ad-calming measures’, Gizmodo, 27/02/2017
So far, rather than trying to understand the reasons some of their readers might be using ad-blockers, most have responded by shaming them, begging them to stop, or even blocking them from accessing content. The Guardian’s approach – which both asks users with ad-blockers to support them through a membership scheme to, and clearly defines how readers’ data is used along with paid ‘ad-light’ options, like the one offered by Forbes, are examples of more nuanced and thoughtful responses to the issue (although the Guardian continues to make vast losses).10

At the Mobile World Congress this year, Facebook, another company which depends on advertising revenue, unveiled a new report, “A new paradigm shift for personal data” which attempted to set out some of the principles which would define a “sustainable data sharing environment”.11 Some of its conclusions – particularly around moving from an implied consent data model, to one based on “choice and control” – are welcome and refreshing, and complement recent improvements in Facebook’s data practices.

In the foreword, Facebook’s data officer criticises what he describes as “the limiting premise” in the current debate around personal data, which assumes that “the desire to innovate with data is generally incompatible with preserving individuals’ rights to privacy and self-determination.” In fact, he argues, there doesn’t have to be a trade off at all – and it is unhelpful to talk about the amount of data companies are getting.

This is a vital consumer issue and goes to the heart of data management and data governance. The key policy question is whether consumers should accept trading their data for the benefits of ‘free’ services and the products of data innovation; whether they should insist upon traditional data protections where data can only be used with the conscious assent of the provider; or accept that there will be trade off which, arguably, is how many users already mediate their decisions in the digital environment. Take geolocation data, as just one example, most users know that sharing it with companies carries a certain level of risk, but they do it anyway, because popular apps like Uber and Google Maps require it, and deliver a useful service in return. Others might judge the risk too high for the benefit offered, and decide not to use these services.

Were the consumer movement to embrace a debate about personal data in terms of a contest between competing priorities, it could open the door to a more honest, constructive debate. What are the minimum data requirements for a company to run an effective service? What type – and quantity – of data are users comfortable sharing? Would the implementation of certain policies or safeguards make these red lines negotiable? Consumers have a vital role in framing these debates as well as shaping their outcomes. There is the possibility of developing partnerships with companies to explore how to strike the right balance between services and privacy.

These policy questions become even more important with the advent of the so-called Internet of Things (IoT). The potential for people being surrounded by a ubiquitous range of devices is enormous.

“For instance, using one of these living services, I might connect my car to my smart garage door opener, which I’ve connected to my smart lock, which activates my smart thermostat that I’ve synced to my smart lighting system. I can program them all to simultaneously interact and do their jobs when I turn onto my driveway. My experience of coming home is enhanced, since everything is acting according to my preferences.”

Harvard Business Review

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10 The Guardian website; Becoming a Guardian member, https://membership.theguardian.com/
11 ‘A new paradigm for personal data: five shifts to drive trust and growth’, Ctrl-shift, June 2016
12 ‘How people are actually using the internet of things’ Harvard Business Review, 28/10/2015
As more and more devices around us are internet enabled and capable of communicating with each other and external data holders, the internet becomes more than a way of accessing information and communication – it becomes a ubiquitous physical environment constantly gathering and analysing data to predict our behaviours and shape our lives. In this world, the question of data ownership and governance looms large. If your fridge communicates with your phone and your cooker and your security device, who owns the data that is being gathered and analysed – what are the appropriate purposes to which this data can be put? What control if any does the user/consumer have over this intimate data? These are fundamental consumer questions.

There are significant security issues that need to be addressed. A report from Samsung says the need to secure every connected device by 2020 is ‘critical’. The firm’s Open Economy document says, “there is a very clear danger that technology is running ahead of the game”. The firm said more than 7.3 billion devices will need to be made secure by their manufacturers in the next three years. It is particularly worrying that the average spends on providing security for home devices appears to be around $1. The consequences were seen when a massive shutdown of internet in the USA was caused by the hijacking of internet enabled devices then used to launch DDoS (Distributed Denial of Service) attacks described by one paper as “the internet of things comes back to bite us”.14

The IoT can sound sinister – but the potential benefits are huge. For example, within the health sector the application of wearables has increasingly been seen as a pre-condition of sustaining a public health service, given the increasing demands of an ageing population with chronic health needs.

“People with conditions such as diabetes, heart failure, liver disease or asthma will wear devices, skin sensors or clothes capable of detecting deterioration and bringing this to the attention of the patient or anyone else they choose, through mobile phones. This monitoring will help keep people safe in their own homes rather than just waiting for serious deterioration necessitating an ambulance or GP call, followed by admission to hospital for several days.”15

Prof Sir Bruce Keogh, National Medical Director of the NHS Commissioning Board for NHS England since 2013

But to realise these benefits vital consumer interests must be addressed. For example, IoT devices are built to ‘learn’ our behaviours and adjust their services to suit our needs. But what is the liability of these algorithmic processes if they go wrong or are hacked? Lax US driven product liability provisions may not provide the protections consumers need, so what would be the appropriate provisions? Consumer groups must prioritise the protection of consumer interests in the rapidly unfolding world of internet enabled devices.

Finally, there is a massive wave of technological change being unleashed – the increasing use of algorithms to make critical decisions, the development of robotics and artificial intelligence, the application of drones to civilian life, automated driving and piloting applications, all of which will have a profound impact on the way we live our lives. No-one fully understand the implications of these changes or where they will lead us.

Many companies and organisations have established specialist units to think through the implications of future technological change and its implications form their business. Consumers International will need to develop a similar capacity – in house or externally – to make sure it can contribute to public policy debates. Consumers International will also need to identify those policy arenas internationally where significant decisions are likely, such as the International Telecommunications Union which have never had a serious presence from consumer organisations.

Finally, to strengthen its ability to understand the rapidly evolving internet environment and be an effective advocate for consumer interests. It will also be useful to seek out new partnerships within both the technical and internet policy community. Given the growing importance of the IoT and its potential impact upon consumers, Consumers International could become an important junction box to connect different strands of thinking and make a significant impact upon public policy formulation.

14 *‘Hacked home devices caused massive internet outrage’, USA today, 21/10/2016*
15 *‘Prof Bruce Keogh: wearable technology plays a crucial part in NHS future’, The Guardian, 19/01/2015*