

PPA Submission to the Competition and Markets Authority (CMA)

Call for Information - Digital Markets Taskforce

Written Evidence Submitted by the Professional Publishers Association (PPA)

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About Us

The Professional Publishers Association (PPA) is the membership network for UK consumer magazine media and business information publishers, representing around 200 of the UK's most renowned publishing houses. With more than 40 million adults in the UK reading magazine media every month, the sector is worth £4 billion to the UK economy, employing more than 100,000 people.

The PPA's membership incorporates the UK's largest publishing houses, including Bauer Media Group, Centaur, Condé Nast, Dennis Publishing, The Economist, Haymarket Media Group, Hearst UK, Immediate Media, TI Media, and William Reed Business Media as well as many smaller independent publishers. A full list of members can be found here: www.ppa.co.uk/Resources/Members

Response to Call for Evidence

PPA welcomes the opportunity to respond to the CMA call for information on the development of a Digital Markets Taskforce. We broadly welcomed the conclusions of the Furman Review and the more recent CMA Market Study. There is an urgency for action which we hope the Taskforce will address and work across government and with regulators to deliver timely intervention and action. Failure to do so will further undermine the viability of publishers business models, with significant impact on media plurality in the UK. We very much look forward to working with the Taskforce as it seeks to provide Government with practical advice on what interventions are necessary to protect and promote competition and innovation in digital markets, and to address the anti-competitive effects that can arise from the exercise of market power.

Digital innovation plays a valuable and positive role in our economy and society, but the current legislative approach to dealing with tech platforms has had a negative impact on publishers and content creators in the UK. Instead of facilitating competition and innovation, large-scale platforms have cannibalised funding streams, particularly advertising, and taken control of the relationship between content and readers with little value exchange.

In responding to this call for evidence, we have not been able to provide a full and detailed response in the timeframe provided, but we welcome the opportunity to engage with the Taskforce throughout their work programme. It is therefore vital that the CMA incorporates the views of stakeholders during the early stages of development to ensure that any action taken reflects the current circumstances and experiences of the broad range of actors operating across the digital economy.

We welcome the prospect engaging with the CMA and providing insight on how the Digital Markets Taskforce can be an effective means of ameliorating the asymmetric relationships between publishers and tech platforms. In previous responses to the CMA market study into Online Platforms and Digital Advertising, we have highlighted that despite growing audience reach, publishers struggle to monetise digital content and continue to face a variety of pressures that have been exacerbated by online platforms, including the escalation of fake news and the erosion of reporting rights.

Strategic Market Status (SMS)

In assessing SMS, it is vital that a new regulator has the power to consider the whole supply chain and group of companies. As the CMA Market Study found, the digital advertising market is complex, with many interconnected elements and overlapping ownership structures that diminish competition through the digital supply chain. The relationship between different platforms with common ownership is also critical.

Remedies

We are particularly concerned about the lack of transparency in the supply chain and with the nature and operation of platforms and changes to algorithms. These have a noticeable negative impact on publishers, who can see huge traffic changes as a result of seemingly minor changes to platform infrastructure.

We believe a new code of conduct will be helpful in providing a level playing field. However, government and regulators should not hesitate to go further with a full market investigation should platforms continue to abuse their dominance.

Designing procedure and structure

It is vital that the regulatory regime is harmonious and clear. If regulatory overlap is too great, e.g. online harms, privacy, data protection, we fear loopholes will develop that continue to allow anti-competitive behaviour. Regulations must make clear where publishers are exempt from regulation, acknowledging the vital importance of press freedom.

Conclusion

We welcome the establishment of this Taskforce and look forward to working with the CMA and others as the workplan progresses. We are particularly keen to input in the formation of a Code of Conduct, which can provide a framework for competitive digital markets, and a sustainable existence for publishers in a digital age.

Thank you for the opportunity to reply to this call for information. We are happy to answer any follow up consultation or supply further evidence or case studies as required.

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