

Written evidence submitted by the Digital Entertainment and Retail Association (ERA) (MB24)

SUBMISSION TO THE HOUSE OF COMMONS PUBLIC BILL COMMITTEE ON THE MEDIA BILL

Who we are

ERA is the trade body representing digital services and retailers offering music, video and games, a sector worth over £11bn in 2022. Our members include digital services such as Spotify, YouTube, Soundcloud, Amazon, Sky, Deezer and Virgin Media, together with physical retailers including HMV, Game and hundreds of independent record shops. ERA's members have been a driving force in using technology to transform the entertainment business and return it to growth, with around 90% of revenues now generated online. At the same time our physical retail members have driven the revival of vinyl records, now in their 15th consecutive year of growth.

Working closely with sister organisations representing music, video and games companies, ERA is a strong proponent of open markets, open standards and consumer choice.

Our members supply the sales data which powers the Official Charts in music and video and GfK Chart-Track and GSD in games. Together with record companies trade association the BPI, we own the Official Charts Company.

ERA provides the organisational force behind Record Store Day, the annual celebration of independent record stores which has become the most successful new music industry promotion of the past two decades, and also runs - in partnership with the BPI – National Album Day and The Record Club.

Our concern

We recognise that the draft Media Bill is the first broadcasting legislation in the UK for twenty years, and it is therefore absolutely essential that together we get the approach right for UK consumers and industry.

While we believe the Media Bill is flawed in its approach to voice assistants, introducing a layer of regulation which we believe is both unnecessary and disproportionate, and which could create new technical barriers, which could ultimately impact the customer experience; we strongly believe that there is no evidence base or clear reasoning for any extension to these proposals.

We understand however that the radio industry has stated that the regulations should extend to on-demand audio services and podcasts. We would like to express our serious concerns that such regulation would not be proportionate and will put at risk one of the most dynamic and creative sectors of the audio industry.

The investment and innovation of streaming platforms, many of whom are members of ERA, has unleashed a wave of creativity and genuine listener engagement.

Shackling the emergent podcast and on-demand audio industry in this way would both restrict competition and innovation within the sector.

Music streaming services, podcasts and on-demand audio

The advent of music streaming services from ERA members such as Spotify, Amazon and YouTube has not only thrown a lifeline to the UK music industry it is also provided a new route to market for podcasts and on-demand audio, much of which is produced by the traditional radio industry.

The radio industry has been a significant beneficiary of our members' innovation and investment.

For context, in 2022 Music Streaming services contributed around £1.7bn to the UK economy and music streaming has enjoyed over 10 years of sustained growth. Commercial radio generated a further £0.7bn in advertising revenues in 2022 and has also benefitted from considerable growth by being made available across multiple platforms.

It would not be appropriate to regulate this nascent market in the same way as radio and video-on-demand content on the pretext that podcast audiences require protection from harm and misinformation.

We believe such an approach to be misguided since no credible evidence has been brought forward that there is a problem to solve. There has been no evidence of any substantial problem of misinformation or harmful content in the podcast sector.

Providers are already subject to rules around harmful content and many podcast providers put in place their own processes to protect listeners.

There are real practical issues about applying UK regulation to podcasts and on-demand content which is often created for global platforms in other jurisdictions.

On-demand audio is still in its early growth phase and there is a real danger that unnecessary regulation at this point could stifle innovation and further growth.

We respectfully ask the committee to resist the temptation of mission creep and reject attempts to bring podcasts and on-demand audio into the scope of the Media Bill.

Kim Bayley
Chief Executive

7 December 2023