

Digital, Culture, Media and Sport Committee

Oral evidence: The Future of Public Service Broadcasting, HC 156

Tuesday 3 November 2020

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Members present: Julian Knight (Chair); Kevin Brennan; Steve Brine; Clive Efford; Damian Green; Damian Hinds; John Nicolson; Giles Watling.

Questions 386 - 537

Witnesses

[I](#): Georgia Brown, Director of European Originals, Amazon Studios; and Chris Bird, Head of Content Europe, Amazon Prime Video.

[II](#): Iain Bundred, Head of Public Policy, UK & Ireland, YouTube; and Richard Lewis, Head of UK & Ireland Content Partnerships, YouTube.



Examination of Witnesses

Witnesses: Georgia Brown and Chris Bird.

Q386 **Chair:** This is the Digital, Culture, Media and Sport Select Committee, and today we have a hearing on public service broadcasting. We will be joined in our second panel by representatives from YouTube, and in our first panel we have representatives from Amazon and Amazon Prime. We are joined by Georgia Brown, director of European Originals at Amazon Studios and Chris Bird, head of European content at Prime Video. Good morning, Georgia. Good morning, Chris. Thank you for joining us today.

I am interested to know how many subscribers to Prime Video you have in the UK. Do you have any figures or idea of how many of those subscribers are watching the service, or is it an add-on to their Amazon Prime delivery package?

Georgia Brown: Thank you for having us today. We have announced that globally we have over 150 million subscribers to Prime, and we have only ever disclosed that one number. As you know, we are slightly different to the other SVOD services out there. We are essentially part of a bundle, so we haven't ever broken that down to the Prime Video number because we believe it would reveal something about Prime that would be quite commercially sensitive to our business. Unfortunately, I can't break that number down for you today.

Q387 **Chair:** You have 150 million Prime customers across the globe but you are not willing to say how many in the UK because of commercial sensitivity?

Georgia Brown: No, sadly, I can't break that number down. As I said, our model is slightly different. We are not just an SVOD service. We are providing different services; people sign up for retail, music and so on. We can't break that number down for you. We can certainly help you assess our scale, our spend into the UK, the number of shows we are working on, but to date we have not given out that number.

Q388 **Chair:** You have that number but you are just not going to give it out because of commercial sensitivity. Is that correct?

Georgia Brown: Yes, we have that number, of course, but we are not able to publicly disclose it today.

Q389 **Chair:** Okay. Would you be able to talk about demographics, the age ranges of viewers and that sort of thing? How do you think it compares with the likes of BBC and ITV? Are you more successful, for example, at reaching younger audiences?

Georgia Brown: When you sign up for your Prime subscription, we don't garner a lot of data about our customers. I think they give us their address, their payment details and age, because they have to be over 18 to sign up, but that is all we are getting in customer data. When it comes to comparing ourselves against other broadcasting, it is incredibly difficult



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for us to know exactly who the customers are. On the content side, I have a research team doing a huge amount of independent study, looking at shows when we are bringing them up to green light and talking to independent research agencies to look at who we think the shows will attract, the customers we think will enjoy those shows, but there is a lot of data that we simply don't have.

Q390 **Chair:** You don't have, for example, the proportion of 18 to 35s who watch Prime Video?

Georgia Brown: No, and I wish we did. We don't have that information. As you know, we are fairly nascent in the UK; we set up our Originals team only a couple of years ago. Our remit is to go out to the broadest possible audience. We have a belief that, if we are doing that, we will capture a large proportion of the young demographic.

Q391 **Chair:** But how do you sell to advertisers then?

Georgia Brown: We don't carry advertising.

Q392 **Chair:** You don't carry adverts, no. For example, Netflix and Sky have adverts on their view-again box, don't they? Do you not have an advert at the start of each motion picture?

Georgia Brown: No. We are privately funded. Advertising doesn't—

Q393 **Chair:** What about partners for information, data? Do you have any partners, because obviously your retail offering does?

Georgia Brown: I can't personally comment on the wider business and their data. All I know is that I am not receiving that from a content perspective. There is no one saying, "Interestingly, last week in retail X million of people bought a particular computer, so should you feature that in one of your shows?" All of my decisions and my team's decisions are purely driven creatively with our gut instinct from years of experience and looking more holistically at our slate.

To give you a bit more detail, when I started a few years ago the only UK original we had was *The Grand Tour*. It was apparent to me, looking at that and some of our other US originals, that the slate was potentially very male-skewed. It was attracting male audiences but not necessarily catering for female audiences, and that is something we worked very hard to address in some of the commissions, like *The Power* from Sister Pictures and Jane Featherstone, that are coming down the pipe imminently. We are having to look at the slate view rather than data to help inform our decisions.

Q394 **Chair:** There is no crossover in data between the retail side and the Prime Video side. You are not separate organisations as such but you are separate in that focus and data. You have walls between you. Is that fair to say?



Georgia Brown: Absolutely, and that is really important for the integrity of our business in making sure that we are delivering the most creatively pure shows for our customers. Audiences are really smart, really clever, all over the world and they absolutely see through it. I know I do when I am watching a movie and I see someone lift up a watch and it is a particular brand. That is not a nice experience for a customer, so we don't allow any branded content within the Originals part of the business.

Q395 **Chair:** In the Originals part of the business there is no product placement but you can't say, for example, there wouldn't be product placement in things that you buy in and that sort of thing, because that is beyond your control?

Georgia Brown: Of course.

Q396 **Chair:** You didn't put in a written submission to the inquiry. The likes of Netflix did, and they talk about a mutually supportive role between PSBs and streaming services, which sounds very nice, very sort of fireside chat. Instead of being collaborators, aren't you in fact competitors? Part of your business model is predicated on creaming off the top of PSB content, as well as having a more global rather than UK-specific focus. Where do you think you lie within that ecosystem in PSBs? Do they do a lot of the heavy lifting in the UK, and then you come in and basically make money from the movies and original dramas and benefit from that?

Georgia Brown: Going back a step, we have a really good relationship with all the linear broadcasters, including the PSBs. As you know, we interact with the PSBs at a number of different levels across the business. Specifically to Chris's and my remits, we are looking at co-production, licensing content, et cetera, and then shared initiatives on shows like *Small Axe*, for example, and we are able to jointly fund diversity initiatives. I believe we have a very good relationship with the PSBs in the UK, and I am hopeful that that will continue. One thing we have in common is that we are both trying to invest in shows that are intended to be of the highest quality and have the highest global reach. That benefits both of us. In that sense, we work very collaboratively and I am pleased to say that relationship works well.

To your point on whether we are creaming off the top, no, absolutely not. As I said, it is a very collaborative relationship. I think we all recognise here that PSBs account for a huge majority of the primary commissioning in the UK and, as such, they are working with a huge breadth of talent across the industry. We will, of course, go on to interact with that talent and vice versa. We are working with people who I hope all of the linear broadcasters will one day support and work with, too. It is a mutual agreement that works very well for us both.

Q397 **Chair:** I have here that between 2014 and 2018 collaborations between you and PSBs rose from 16 to 30 programmes. Is that right? If so, what does that represent as a total percentage of your programme output?



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Georgia Brown: To date we have worked on 20 co-productions with the BBC specifically, ranging from shows like *Fleabag*, which have been hugely successful internationally within and outside the territories in which we represent it. That is a relationship we enjoy and want to continue to cultivate. We want to continue to work with them so that we can better understand each other and produce the best shows for UK audiences and then, in our interest, for global audiences.

Chris Bird: While the small number of co-productions that we work on with public service broadcasters are extremely important, they make up a pretty small percentage of our overall catalogue. In the UK, our content catalogue today consists of slightly over 40,000 titles, and less than 5% of that catalogue is made up of content with licence from public service broadcasters. It is a relatively small volume of the overall scale of our content offering.

Q398 **Chair:** You have gone into sports. You did a deal with tennis. During lockdown there was *Battle of the Brits*, and I remember watching that on Prime. What other areas that have been traditionally seen as PSB content are you interested in expanding into?

Georgia Brown: We are a very customer-focused organisation, so we tend to look at customer behaviour, shows that they want us to produce, and work backwards from that. At the moment, my remit is very much premium scripted and unscripted productions and the genres that encompass that. If there were opportunities and our customers demanded other genres that we should look at, we absolutely would, but right now we are categorically not looking at things like kids, news, et cetera. That is very much not on our road map.

Q399 **Chair:** Kids and news are off limits, but you are willing to look at other areas of public service broadcasting.

Georgia Brown: I think we would always look at any genre that we thought was underserved and where our audiences want that content. You could argue that the scripted genres are very well served, not just by public service broadcasters but by many pay TV channels across the world, yet we are still entering that space and seeing huge underrepresented audiences who are not being catered to. That is why we commissioned a show like *Jungle*, targeting a demographic that we didn't believe was being represented. I hope you can appreciate that, within those big genres, there are still elements where people are failing underrepresented voices, and they need to be raised.

Q400 **Chair:** Would you ever broadcast an event of national importance or that sort of thing? You have already said you are not interested in kids and news but would you do something like that?

Georgia Brown: I think it is very hard to predict the future. As I said, we are open to anything where we believe there is a customer demand and those customers are not being served elsewhere.



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Q401 **Chair:** I understand that you are unwilling to give out the number of subscribers in the UK, but do you have any information that you could share with the Committee about your experience of usage in lockdown? Have you seen an uptick in usage in those regions of the country that have very recently been in tier 2 and tier 3? Did you see more usage during lockdown and, more recently, did you see more usage in tier 2 and tier 3?

Georgia Brown: As all the broadcasters have experienced, we saw a spike in viewership throughout Covid. As part of our Q3 financial statement, we have just announced that international customers as a whole more than doubled the hours of content that they were watching on Prime Video in comparison to last year. I think that is twofold. It is partly Covid-related and it is partly our expansion into international markets and producing local content for those audiences. I don't get the geographical data, so I can't specifically say I have seen more people watching in Manchester versus London, for example. That is why it is important for us to cater for shows both in London and regionally to make sure that we have something for everybody on the service.

As many people have experienced throughout Covid, there have been definite behaviours with audiences coming to watch maybe more light-hearted content, which is not surprising. At a time like this, people want to be entertained and to have some fun at the end of their day. They don't want to be bogged down with incredibly serious programming. We can't predict whether that trend is set to continue with what is happening right now, but all the obvious tropes are happening while we are going through such a negative time in society.

Q402 **Chair:** I have been struck so far by the lack of data that you actually have, which in many respects is quite a rarity when you come in front of this Committee. We normally talk about people sharing too much data. Would it be helpful to you, and do you envisage that you would be able to do it, to supply the sort of figures I just discussed in maybe 18 months' or two years' time, not with commercial sensitivity but you may have a slightly better dataset? Would that inform and help programme making?

Georgia Brown: I am not sure whether that would help us inform the programming that we are making, which is working for us in that very customer-centric focus. I understand that it is very different from traditional broadcasters and how they approach maybe a more slot-driven commissioning structure.

Q403 **Chair:** You don't know who your customers are. How can you be customer-centric if you don't know who they are?

Georgia Brown: What we know is that we are attracting a very broad base of customers. Of course we do independent studies in the build-up to a green light, so we are very certain of who the customers that we are trying to attract should be. Post that, we are looking at whether that



particular show was successful. What I don't have is a more holistic look across the whole of Prime Video, if that makes sense.

Q404 **Chair:** That does make sense. What you are saying is that it is individual products. Let's take a series you broadcast not too long ago, *Hunters* for example, which is an original with some very well-known actors in it. In that series, would the process be that you commission a study to see whether or not the idea would be popular, what people would think about it? Would you then do a pilot and test it? Afterwards, would you go and find out from your own users, by independent surveys, exactly how many people watched it and how they interacted with it? Is that a fair estimate?

Georgia Brown: Sort of. It might help if I give you a live example. *Hunters* comes from another team, and I can't comment on the US and how they are operating. If we just look at the UK, a show that I have recently commissioned, which we will be announcing imminently, is *The Rig*. It is a fantastic scripted six-part drama, all set in Scotland on an oil rig, as you can imagine the name dictates. The reason that came about, and the process that we went through, is that originally the producer came to us and pitched the show. We were obviously interested and saw there is a need for a show like that within our catalogue. Then we assess a few things. First is the creative package. We work with the writers to create a creative package—scripts, bibles, understanding what the tone might be. Once we are happy with that package and the talent that is associated with it, we work with our research team who go out and talk to segments of audiences, trying to find out whether this is more male skewed or female skewed; do we think the age demo is X, Y or Z?

The reason we are doing that is partly to help us with the green-light process, but it is also very much to dictate our marketing and promotional activities later on down the line. As we all know, you can have the most incredible shows in the world but unless you have the appropriate marketing behind them to target the right audience to pull them in—there is a lot of stuff out there right now so you have to make sure you are being very targeted in your marketing approach. A lot of that research is helpful for me, of course, but it is also really helpful to our marketing and PR teams.

Then we go on to make the show, and that is a very pure creative process. That is someone in my team, in our creative commissioning team, working hand in hand with the writers and directors throughout the entire process. When it comes to the edits, we take the first cut of a show and send that back out to testing. We look at things like what people particularly like about the show, and we give them a set of questions: did you like that it was action adventure or historical or emotional? There is obviously a lot of free flow. We get information back about characters people loved and characters they didn't love. People ask some really pertinent questions about, "We found out this particular story at the beginning but it didn't wrap up anywhere." That really helps us in our post process in making sure that we are committed to making a show



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that we think an audience is going to love and understand, and that helps feed into our marketing process. The show is then delivered, and our marketing teams have used all this information to help indicate the people that we want to be pulled in to view this.

That is a very live example. It is something we are going through on *The Rig*. It is possibly that mechanism of using the research to be indicative of the marketing campaign that stands us out against other SVODs and broadcasters, because that is a hugely important part of cutting through the market right now.

Q405 **Chair:** I presume it also means that you are normally committing to one series or one film, one product, rather than as we see on American TV where sometimes they try a product, put it out and then cancel it after one or two episodes because it has not worked, has not fallen right.

Georgia Brown: Absolutely. In Europe and the UK, specifically, we don't do pilots for that reason. First of all, we are very curated. Back at the top we probably should have told you a bit about ourselves. We are not producing mass amounts of hours every year. My remit is much more curated than that. It is a handful of shows a year in the UK and, as such, I need to be very sure about the shows I am producing, the people I hope to pull in, the audiences I hope to reach. Spending time on pilots does not work for our model. Once we are in, we are in and we are committed, we are going.

Chair: I am not only interested in TV pilots, as in the US they sometimes get two or three episodes in and get canned.

Q406 **Steve Brine:** Good morning. Thanks very much. It is very interesting so far. How much of your content, for UK subscribers of course, is user-uploaded?

Chris Bird: We don't necessarily allow any user-uploaded content. We have partnerships where trusted partners or licensed partners can self-publish their content. This is generally from professional outfits, though, not necessarily from individual people using our service. Our content catalogue changes from day to day, but on any given day that particular publishing method would probably account for about 50% of our content in the UK.

Q407 **Steve Brine:** I have to be completely honest and confess that I was not aware this was possible, but logging into Prime this morning I saw I could do it. It is tempting for a politician. Do you agree that appearing on Prime Video, which is a well-respected platform, gives such content quite a lot more credibility than if it just pops up on YouTube?

Chris Bird: Part of our service is about providing range, selection and overall depth of content. We certainly know that customers in the UK have never had more content available to them at their fingertips. Our depth of catalogue is a value-add to customers. I don't think it is true to say anyone can just upload. If you wanted to join Prime Video Direct as a



licensed provider, you have to go through checks and balances, so we would have to approve you to do that. I am not saying we wouldn't. I am sure we would be delighted to have your content on our service—

Steve Brine: You may regret that.

Chris Bird: —but there are criteria we need to go through to ensure suitability.

Q408 **Steve Brine:** You have to add business information, tax details, bank account details. What checks are made, or is it purely computer checks that stop content circulating that could be dangerous—on US election day, something that promotes conspiracy theories and fake news?

Chris Bird: Absolutely, and this has been a real focus area for us over the course of this year. We have a very sophisticated content publishing policy. We publish the rules about what content publishers are allowed to put on our service at any given time, and then we review that content as it gets published. If material is published that is adamantly incorrect or posting non-factual information, that content will not be published to our service. It will be gated and then rejected by our compliance team.

Q409 **Steve Brine:** Can you give us an example? What is the most recently example of where that has happened?

Chris Bird: Very often these titles won't even filter through to our management team. They will just be gated by the compliance team. In the past we have seen titles such as cancer cure documentaries or anti-vaccination documentaries, which in some cases we have published and then removed, but in recent cases we have ensured that we have not published those titles.

Q410 **Steve Brine:** But it is a matter of objectivity, isn't it? I am a former Health Minister and am well aware of the anti-vax movement, and there are many eminent scientists who come up with very plausible reasons as to why the MMR vaccine is dangerous. You will see that when/if there is a Covid vaccine. If I was to make a documentary that called into question the effectiveness and safety of the Covid vaccine, should it emerge, who would judge whether I was a quack or whether I had a legitimate scientific and medical view?

Chris Bird: I can point you to our content compliance policy and share those full details with you, but our endeavour is not to prohibit controversial or conversation-stimulating content. We are there to ensure that abjectly incorrect information is not published and surfaced.

Q411 **Steve Brine:** Yes, but my point remains that incorrect is in the eye of the beholder, isn't it? One man's correct is another woman's incorrect.

Chris Bird: If we can substantiate information as being incorrect, we won't publish those titles.

Q412 **Steve Brine:** If you look at the figures, last year Amazon added 12 hours



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of UK-originated content to its Prime Video library, yet Netflix, I am reliably told, added over 150 hours. Is the figure drastically different because, like me, people are ignorant that it exists, or is it different because your censors are filtering out stuff and deleting a lot and Netflix let it rip? What accounts for the difference?

Chris Bird: As Georgia mentioned earlier, we are in the nascency of our original content production in the UK. We have started only recently and we are ramping up. Georgia can probably share the exact number of titles we have published.

Georgia Brown: Going back a step, we are very different from other SVOD services out there. It is very easy to bundle us all in, but we each have different ambitions. In the UK and the whole of Europe, we want to be very curated. We don't want to be making hundreds of originals a year for people to watch. We don't believe people have enough time; there is a lot out there. We want to see where that white space is, where we think audiences are underserved and cater to them. We are a very curated service. I don't think we will ever be making those big volumes of shows. That often is indicative of quality, and we want to offer people the best quality viewing. In the UK to date we have green-lit 19 shows. There were eight in 2019 and 11 this year, and that will increase slightly next year. As you can see, we are not going to be a volume producer of content.

Q413 **Steve Brine:** Your ambition is quality over quantity. What is the most watched user-uploaded content on your platform?

Chris Bird: That varies from day to day.

Q414 **Steve Brine:** Give me a flavour. What is in Chris Bird's greatest hits?

Chris Bird: There is a great range of documentaries about music, for example, special interest music titles and historical looks at music talent internationally. Those are consistently popular on our service and find their niche audiences.

Q415 **Steve Brine:** Can anybody with a Prime account find these documentaries?

Chris Bird: Through search and browse, yes. Our recommendation engine will surface those to customers who have watched similar types of product or are interested in that genre.

Q416 **Steve Brine:** That is really interesting stuff. The Chair may have some other colleagues who wish to come in on this, because I know there is a lot of interest among my colleagues on this subject. I became aware of your recent move into broadcasting live sport last Christmas when you had some excellent Spurs matches on. Do you intend to broaden that out into different genres with live content?

Chris Bird: The licensing of sports rights is managed by a separate team outside of Georgia and me, but we have invested in live content that we



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believe is of interest to our customer base. The sports realm started with ATP tennis in 2018. You are right, we added a small package of Premier League football last Christmas and we are adding some international rugby matches over this autumn. Our live sports offering is relatively nascent, but we will always look at opportunities as and when they arise. If new sports rights become available, we will certainly be happy to review them.

Steve Brine: That is really interesting.

Q417 **Chair:** I have to say that “excellent match” and Spurs is, quite often, a bit of a contradiction in terms.

Very briefly, on the number of productions, you told Steve you did 11 in 2019 and nine in 2018. Is that right?

Georgia Brown: We did eight in 2019—we green-lit eight original productions—and this year we green-lit 11 original productions.

Q418 **Chair:** Do you need PSBs to do those original productions, or are they solo ones?

Georgia Brown: No, that is entirely our own. That is wholly owned Amazon Studios content where we are working with third-party producers to produce shows in the UK, and then those shows will go to over 200-odd territories around the world. On top of that we co-produce with the BBC and other public service broadcasters, and to date we have done 20.

Chair: We know that. We covered that before, but I just wanted to check whether they are the same ones or different ones.

Q419 **Damian Green:** Good morning, both. During what we will start calling the first lockdown, you reduced the quality of the streaming service. Have you got that back to normal now?

Georgia Brown: I have to be honest that I am not across that side. I would be very happy to follow up with you on that, if I can go back and talk to the internal bodies that are across that, the tech teams, and come back to you.

Chris Bird: As far as we know, that was a temporary measure to support UK ISPs at a time when they were concerned about bandwidth constraints, but I believe that is no longer a concern.

Q420 **Damian Green:** We are entering into something similar over this month. Might it come back?

Chris Bird: I think our expectations are that operations have evolved to mitigate against future increases in traffic incapacity. I am not sure that we are expecting that to happen again.

Q421 **Damian Green:** I wanted to check that it is not a long-term thing. How does your experience in the UK compare with your experience in other countries? Is the broadband infrastructure here weaker than other



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countries you operate in, so that you are more sensitive about the need to behave like this when you have a sudden surge in demand?

Chris Bird: I am not an expert in this area but, from my understanding, the measures that we took in the UK were fairly minimal and fairly time-constrained. We have taken action in other European territories that has been more significant than that but, if you would like written detail on how we are doing currently, we can provide that.

Q422 **Damian Green:** I think it would be very useful if you could write to the Committee with that. We have talked about the co-productions and collaborations you have done with the public service broadcasters. Why don't you label all the PSB content you host on Prime Video so that people can understand where it originated?

Georgia Brown: All of our content is labelled, and all of the people producing that are accredited. We would obviously expect that in a reciprocal fashion. If you went into Prime Video and looked up BBC shows, they will have a logo as the producer that physically produced that show. It is my understanding that we are accrediting everybody involved with the right branding.

Q423 **Damian Green:** Do you share any data with the co-producers, if they are PSBs, about the viewing figures they get on Prime?

Georgia Brown: We are not in contractual negotiations with the PSBs when we work with them on a co-production. We are often working with the producers who own those rights internationally. As you know, terms of trade dictate that those are the producers' rights to essentially place where they want. We work with our production partners, and we absolutely give them feedback as to what is working and what is not. They see a lot of the research that we do in testing those shows, but we don't often give out finite numbers. I honestly don't know whether our partners share a lot of that with public service broadcasters. I know the public service broadcasters have not necessarily asked us directly for it, but we share information that we think could be valuable.

We have worked a lot with the UK broadcasters in talking about our binge model. Whereas the linear broadcasters go out weekly, we tend to put everything out in one day for everyone to binge. We talk a lot about how we do that, how it benefits some of our marketing and try to educate in that sense so that they understand exactly why we are doing things in the way we are. I think there is a good sharing of knowledge, but we don't share finite numbers, no.

Q424 **Damian Green:** You are sharing qualitative data but not quantitative data?

Georgia Brown: Yes.

Q425 **Damian Green:** I am interested that they appear to be copying you. The BBC produce series that they run weekly, as you say, in the traditional



manner but also just stick it on iPlayer from day one. It suggests to me that they are learning from you.

Georgia Brown: I think we are learning from each other. The BBC has been here for many years. It has made some incredible programmes, but we are a different model. We are online, we don't have slots per se, so of course we can do things slightly differently. There is a wonderful sharing of knowledge going on right now among linear broadcasters and the SVODs.

Q426 **Damian Green:** What about the production process? How do you find co-producing with the BBC? Others have said that the BBC marches in and tries to run the show because, as you say, it has been around for a long time and it knows what it is doing. Do you find it a practical collaboration that works well?

Georgia Brown: It is worth going back a step. When it comes to co-production, whether it is the BBC or any broadcaster we are choosing to work with, what takes a lot of time upfront is finding people who have a shared creative vision. That is where co-productions can go wrong, if one broadcaster wants to make one thing for one audience and another wants something very different. A lot of time is taken upfront to work with the rights holders to find the right people to marry together. On the BBC specifically, let's not forget that it is the originating broadcaster when we co-produce. It is developing those shows and commissioning them. Therefore, it has a large right of veto. It is its production. We are coming on board for territories outside of its home window. Every show is slightly different. Sometimes we work closer editorially than others, but it is a very good relationship and they always have to look out for their UK customer.

What I think is interesting working with SVODs compared with my previous roles is that we tend not to change the shape of the productions. We are playing out around the world the editorial cut that the BBC has put together for its audiences, whereas other broadcasters around the world may have different slot lengths or different tastes. They might take the BBC version, chop it up and play it out slightly differently, so that creative is being altered. We tend to stick with the original creative because a lot of time is taken upfront in the process of finding people to marry together to make sure we are on the same line editorially and we want the same end product, which is really important for us.

Q427 **Damian Green:** Stepping back a bit and looking at the wider ecology of the sector, does the existence of strong PSBs in this country influence Amazon's decision to invest here?

Georgia Brown: I am not sure whether it is PSBs particularly. It is undeniable that the BBC has been fundamental in setting up the incredible creative industry that we have in the UK. The reason I am attracted to working in the UK and having a team here is the incredible amount of talent we have. For such a small island, we are producing



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some incredible hits. There is such an incredible creative freedom here that may not be found in other territories, and broadcasters are continually pushing creatives. It is a fantastic place to come and flourish. I am attracted to the UK because of the talent, the creative industries, the skills that we have here. The facilities and infrastructure we have are attractive. I think UK creatives continually punch above their weight.

Q428 Damian Green: Do you think the creative ecology that you enjoy so much would diminish if the PSBs themselves, particularly the BBC, were diminished in some way?

Georgia Brown: I think it is really important to protect people like the BBC. I would hate to see them diminished in their place within the UK system. As I said, they account for such a huge majority of the primary commissioning going on in the UK. They have a very clear and fundamental role, in my view, in how they are creatively supporting the ecosystem here across many different genres and facets. For me, personally, I think it would be a huge shame to the industry as a whole if their place was diminished.

Q429 Damian Green: Do you have a view on whether the licence fee should continue or be replaced by a subscription model, or something like that?

Georgia Brown: With my Amazon hat on, of course Amazon doesn't see it as its place to have a view. I don't think we would be able to give a robust answer. I don't think we have all the information we would need to give you a knowledgeable answer to that.

If I take off my Amazon hat, as someone who has worked in the industry for years, has been observing it and has worked at the BBC's commercial arm for many years, of course I have a view. The BBC is undeniably under huge amounts of pressure on the licence fee, but I want to highlight, again from my background in the commercial side of the business, that the idea of the licence fee not fully funding original production is not new. For decades it has been the case that UK broadcasters have chosen to pay a proportionate amount of money for the UK rights to that show and the producer via terms of trade is, therefore, responsible for going and finding that gap funding. That gap funding can come in thousands of different ways. It could be private equity, minimum guarantees from distributors, co-production, presales, but this is not new.

We are not having a new debate about the BBC, and linear broadcasters generally, not fully funding premium content for prime-time audiences. It is evolving, certainly, as people like us come into the market, and I think people are now more acutely aware of that situation because maybe we are more visible, we are a global player, whereas people may not have been aware that broadcasters around the world were funding this content previously, but that is not a new debate. Undeniably the BBC is under pressure on the licence fee, but from where I am sitting that is not a new



pressure. I obviously don't have the knowledge that you and the BBC have about how much of a hole they are in.

Q430 **Damian Green:** The BBC told us that it could not reach agreement with you about using BBC content to answer Covid-related questions—I always hesitate to use the word Alexa in public because it will set machines off all over the country, so let's talk about smart speakers—because you couldn't provide editorial oversight. Where do you source information about Covid, given the sensitivity we were discussing earlier, for your smart speakers?

Georgia Brown: Chris and I don't come from the devices team, so we are not experts. I am not aware of that, but I am very happy to take that away and come back to you on it.

Damian Green: It would be useful, because at this time and as vaccines approach, the whole fake news, anti-vaccine type arguments are going to be important and I assume that smart speakers are becoming increasingly important sources of information for people. If you could give us some information about that in writing, I am sure it would be very helpful. Thank you.

Q431 **Giles Watling:** Thank you, Georgia and Chris, for coming in today. It is very interesting stuff. Could you clarify one very quick thing for me? You just said to Damian Green that you are attracted to the UK for production and content. The majority of the Prime Video library is actually internationally produced, and there is just 10% of UK-produced content hours. I have a graph from Ofcom here that shows you lagging seriously behind Netflix, and that your UK-produced original content has fallen since 2015. Why is that?

Georgia Brown: I don't think it has fallen, and I don't see it as lagging behind other SVOD services. We have our own remit and output goals. We are not doing a big mass push into the UK for hundreds of hours of content. We are taking an approach that we would like to be producing fewer shows with much better quality and a much more targeted approach. We are just operating very differently.

Q432 **Giles Watling:** It is quality rather than quantity, as the Chair said earlier.

Georgia Brown: Absolutely.

Q433 **Giles Watling:** You painted a glowing picture of creativity in the UK. Is there any reason why you wouldn't want to produce UK-originated content?

Georgia Brown: No. As I said, we have taken our investment into the UK very seriously. I have eight in my UK commissioning team that is based in London. We are very much here. We are developing a number of shows and we will continue to invest here. It is an important territory for us, and our audience is responding incredibly well to the shows that we are producing and putting out.



Q434 **Giles Watling:** I get that you are investing and producing here, but are you going to expand your production here?

Georgia Brown: Right now my plans are that investment will continue. Every year I would like to invest more, but we will never move beyond a very curated approach to our originals. We can look to add to the catalogue via Chris's team in licensing or via co-production, but right now I have a finite number of staff and we want to offer real operational excellence. As such, we are sticking to a very curated approach.

Q435 **Chair:** Following up on Giles's question, you stated, "We are not doing a big push in the UK with original content" and then you said that, "Basically, we're very much invested in the UK, I've got eight members of staff" and then you said, "I don't actually have a very big team." I am a little bit confused. Is there anywhere else in the world where, effectively, Prime Video is making what you refer to as a big push with original content, the United States for instance? If that is the case, what is it about the UK that makes it less attractive as an option?

Georgia Brown: The thing that we keep coming up against is this comparison to other SVODs, who obviously are doing a much more mass approach. Everywhere in Europe, which is what I can talk to, we have the same strategy, which is that we want a curated set of originals, a handful of shows in each territory that target a particular audience that we are looking to go after and serve. As such, we will never be making a mass play when it comes to originals.

It is also worth remembering that we are a bundled service. People don't just access originals content. They can come to us and watch Chris's licensed content, they can access TVOD channels. There is such a huge variety of content on our service already. We have to be mindful of the audience, what we think they are prepared to watch and the time we think they are prepared to give. As such, that curated approach is working very well for us.

Q436 **Chair:** Working well for you, but I am intrigued. There is a curated approach in Europe but elsewhere that is not the case. In the United States is it a purely curated approach or is it much more about original content?

Georgia Brown: I sadly don't have those figures.

Q437 **Chair:** You are part of the company. You must be aware of what is going on in America.

Georgia Brown: Absolutely, and I would say it is still very much a curated approach in the US. In every territory that we are going into with original production, our remit is to produce the very best content for our customers, not the most content. That is much more important for us.

Q438 **Chair:** I am trying to get a sense of exactly how big a player you want to be in the UK, because obviously that has a bearing on our inquiry about



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PSBs and the marrying up of SVODs and public service broadcasting. You have stated that, effectively, you are never going to be anything but this curated approach. You have actually said that. Is that the case globally, or is it just the case for Europe, that you take the long-term view that that is the niche you are going to occupy?

Georgia Brown: What I can tell you is that globally we want to take a curated approach. The numbers vary in different territories depending on their nascency. The US is, of course, producing more content than I am in the UK, but you would expect that. It has been up and running for 10 years, but it is still a very curated approach if you compare it to other players within the US.

Chair: It is about being a niche, okay.

Q439 **Clive Efford:** Amazon provides a limited amount of information relating to the ethnic diversity in its workforce. Could you give us a breakdown of the workforce by gender, ethnicity and socioeconomic background?

Georgia Brown: At Amazon we collect data where we are legally obliged to. As you know, we are currently not legally obliged to collect that data from our employees, so I can't break that down for you. I know that is frustrating, and we have recognised internally that that is not right and we need to be accountable. We are currently working on how we collect that data in the absence of being legally required to do so.

Q440 **Clive Efford:** Is that a choice, or are you saying you are legally prevented from doing so?

Georgia Brown: As you know, we are regulated and it is not a legal obligation that we collect that data. Even if we are legally obliged to ask our employees what their ethnic backgrounds or gender preferences are, we cannot enforce that they provide that. That is why we are working as a team within Amazon right now to understand how we can collect that data in an accurate way, because we think it is important. I think it is important that we are accountable both internally to our employees and to people in the wider industry by knowing the makeup of the people working for us.

Q441 **Clive Efford:** I am sorry, but I still do not understand the answer. Are you prevented from doing it by regulation, or do you just choose not to do it?

Georgia Brown: No, as I said, we are not prevented. Legally we have not had to supply that information, but we recognise that is not right, so we are now working on how to collect that information internally in an accurate way.

Q442 **Clive Efford:** Every employer is aware that diversity is a major issue. You have heard of Black Lives Matter, I assume. It astonishes me that an organisation like Amazon would not be collecting that sort of data already, that it would not choose to do so as an enlightened employer.



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Georgia Brown: All I can come back to you with is that, in the wider organisation, we recognise that is not right and we are putting steps in place to start collecting that information. We are not legally required to, but we are going to do it anyway because we recognise it is important for our business internally and externally to be able to give you that kind of data. We can't give it right now, but we are working towards being able to do that. We take diversity incredibly seriously within Amazon.

Q443 **Clive Efford:** Forgive me, but it doesn't sound like it. My next question was going to be: what steps do you take to ensure diversity at all levels and particularly managerial level? But of course you don't, because you don't know what measures you need to take.

Georgia Brown: As I said, we recognise there is a problem in collecting that data, so we are currently working on that. Also at Amazon we absolutely hold our hands up—talking very much about Amazon Studios and content, rather than the wider business—that we have not done enough about diversity. We have not moved quickly enough and we have not taken the time to understand what long-term meaningful change would look like. That is something we have really started to focus on this year. It is in our best interests to get this data, and we understand that.

Q444 **Clive Efford:** If you recognise that, what action plan have you put in place to ensure you get the data and then act on that data to improve the situation if it needs improving, which I assume it does?

Georgia Brown: I will talk specifically to what we are doing in content, because I can't comment on the wider business. We have taken a step back because when I started we invested in a lot of initiatives, stepping up into senior roles and entrance-level initiatives, but we realised that although those were valuable and we will absolutely continue to invest into them, they were not contributing to what we think is long-term change. As we all know, we need a real seismic shift here. We are reading all the reports you are on how badly we are doing as an industry in tackling diversity, and at Amazon we know we are not doing enough. It is really important for us to work out what that looks like.

At the start of the year we took a step back and decided to start talking to the people—the entrants into the industry and the producers—to understand what the issues are. We receive so much data, we see so much data about the problems, but no one seems to be able to provide the answer for tackling this. We have come up with some really interesting stuff. We have been talking to the BAME TV Task Force, to ScreenSkills. We are part of the UK Coalition for Change. We have been reaching out to anyone who has been directly impacted to get in touch with us. We have identified a number of things relevant to Amazon but also industry-wide that I would urge not just us internally but everyone to look at.

There are a couple of things. First, when we are looking at production in particular, broadcasters and commissioners are not in control of the



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hiring of the crew. We are working with third-party producers, and it is very much up to them to take on that aspect of the production. Internally we are a corporate organisation. We have a very rigorous internal hiring process. We get unconscious bias training, diversity training, but that is not necessarily happening in the production environment. That is one thing that we really want to tackle.

The second thing that is challenging is production, as you know, is hugely transactional. I am lucky, I have always worked in corporate organisations. I have very clear, consistent training in diversity and robust mechanisms in place to develop staff, but that does not happen in production. It is evident that freelancers come in, they work inherently hard on a show and then they leave and go to the next thing. With those two things in mind, we have been trying to work out what we can actually do.

The three issues that came out of our studies are as follows. First, a total lack of management training for heads of departments in production. There is a lack of HR resource for independents and freelancers, and again we are very lucky that we have access to that at corporate companies. I believe there is a closed hiring practice currently happening in the industry. When we are tasking heads of departments to recruit, quite often they will go from their own closed network, a network they know and are familiar with. They are not necessarily going out to wider, more diverse applicants, which we would never be able to do in the corporate world.

I think there are a few things we can offer, and we are at the stage now of putting together exactly what that looks like. We need to be offering unconscious bias training and practical guidance across all our freelance producers. They don't have access to career development plans in the way my staff would, or training in the way we would, so we have to be able to work out a way they can access that across the entire industry and share best practice. Everyone who joins Amazon has a mentor, someone to help train them and give them guidance. No one has that in production. They know what they know and they move on to the next show.

Another thing that we have realised is that there is a massive barrier to anybody entering the industry from low socioeconomic backgrounds. I know because I started as a runner that, unless you have a driving licence and a car, you are not getting a runner's job. That instantly cancels out a huge swathe of society and diverse talent that can't get into the industry because they don't own a car, and that feels inherently wrong. We need to think about how we fix problems at the very lower end of the scale. Then also regionally, I am aware that people who live outside London are perhaps at a disadvantage due to the challenges and costs of having to come here and set themselves up, particularly with things like Covid. As I said, production is transactional, it is unpredictable.



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We are looking at this very closely. I don't have the answers; I wish I did. We take it very seriously. Me, my production and creative staff are now looking at everything we have had back from the roundtable discussions with producers, freelancers and different independent bodies to collate this information. I am excited to start putting together a plan to move forward, but the answer is not just on Amazon. It is industry-wide.

Chair: Sorry, excuse me, we are sort of repeating ourselves. Clive, do you want to ask another question?

Q445 **Clive Efford:** If we sum that up by saying that you don't have a plan, you are not aware of how diverse your workforce is and you don't really have any idea of how you are going to address that. That is the truth, isn't it?

Georgia Brown: No, I would say we absolutely are putting a plan in place right now, as you have heard. We have a lot of detail, I could go further but obviously—

Q446 **Clive Efford:** You have listed a lot of things that you have to look at. I think I had better move on, otherwise the Chair will cut me off. I want to ask one more question about diversity in the content you host on your site. What policies do you apply to ensure diversity?

Georgia Brown: We have a very rigorous green-light process. As part of that, every show that is brought up for green light has a diversity and inclusivity section, and it is reviewed by a diversity team. We have a head of diversity whose team reviews that.

Q447 **Clive Efford:** How diverse is the head of diversity? You have a shortage of people from diverse backgrounds. How diverse is the person who is head of diversity? You seem to have a paucity of people from diverse backgrounds, so who is in charge of your diversity assessment?

Georgia Brown: She is a fantastic woman called Latasha who is from an ethnic background. She has always worked in diversity. It is a huge passion of hers, as someone who has also struggled with the industry. She has a fantastic team as it is absolutely central to her business.

Our diversity team assesses our content. It is integral to everything we are doing, and this is one thing I am very proud of. You can all see from the output that we are commissioning that diversity is taken very seriously. There is *The Power* from Jane Featherstone, which is a huge book about female empowerment, from young, very diverse talents and people of different economic backgrounds coming up through the ranks there, through to *Jungle* centred around the UK grime network, all set in south-east London. We have *The Rig* where we are moving everything up to Scotland regionally. We are trying very hard to make sure that we are not just looking at a white London-centric output of content. That would not benefit our audience.

Q448 **John Nicolson:** That is a very interesting discussion. Out of interest,



when you move up to Scotland with *The Rig* is that lift and shift or will you be hiring people specifically? You use the word “regional,” but I would use the word “national.” Are you hiring in Scotland or bringing people in from out of Scotland?

Georgia Brown: We are hiring very heavily in Scotland. We are working with Screen Scotland at the moment. We have had a number of calls with them to help us source skills there. We are really excited about that one.

Q449 **John Nicolson:** Picking up on the previous line of inquiry, which was interesting, I notice that you identified class as a problem. I think that is interesting because you are absolutely right. As somebody who has worked in broadcasting, I have always found that it is disproportionately posh. How are you doing on equal pay?

Georgia Brown: I am so sorry, we have those numbers but I don’t have them in front of me right now. I am very happy to follow up and give you that. Again, it is something that we have worked very hard to do across Amazon Studios.

Q450 **John Nicolson:** Do you pay women at the same level as you pay men?

Georgia Brown: Yes, that is my understanding, but I would love to give you the exact figures, if that is okay. If you wouldn’t mind, I will follow up with you as soon as this is finished, because we do have those figures.

Q451 **John Nicolson:** That is absolutely fine. You mentioned to my colleague that you are worried about the lack of diversity and are going to do a lot to address that. I am intrigued to know where is that lack of diversity? You talked about class. Where else do you think it is in your company?

Georgia Brown: I don’t know about the company, but when I am looking at my productions and the content side of the business, I think definitely one of the big challenges we are coming up against is people from lower socioeconomic backgrounds. It is a huge barrier to getting into the industry, as it sounds like you are well aware.

I think it really comes into ethnic backgrounds and people from different, diverse walks of life. It is very difficult to say. As I said, there are lots of reports out there that give very pure statistics on that and on production, which different facets of production are more diverse than others, but ethnic minorities and lower socioeconomic backgrounds are definitely a challenge for us with entrants to the industry.

Q452 **John Nicolson:** Of course, there was a story published in the paper that the BBC, under its new management, was going to try to prevent its staff from attending Pride marches. I wrote to the Director General about that, and I am glad to report that he wrote back saying that the story in the papers was untrue. We may never know whether it has always been untrue or whether the BBC has done a reverse ferret on that particular issue, but at least staff in news and current affairs are free to continue going to Pride marches. Talking of the BBC, you said earlier that it was



important to protect the BBC. Protect the BBC from whom?

Georgia Brown: It is a great question. This is with my Amazon hat on, just as a professional reading the trade press every day and following the live debates on the BBC and the future of the BBC. It feels like there is sometimes an inherent negativity around its output, what it is doing. I suppose it is more an emotional response as someone who is a habitual viewer of the BBC, who is working in the industry because of the BBC. I feel we should celebrate it more in the wins and in the innovation that it is bringing, because we all reap those rewards.

Q453 **John Nicolson:** What do you make of the suggestion that the BBC should adopt a subscription model?

Georgia Brown: Again, I do not know that I have a particular view on that.

Q454 **John Nicolson:** You spoke earlier as if you are quite anti the idea of getting rid of the licence fee. You made the point that you were talking from a personal, not a company, perspective. Presumably if you are in favour of keeping the licence fee, you do not much like the sound of a subscription model. I am guessing that is the logical follow-on.

Georgia Brown: Yes, of course. My point on the licence fee was less keeping it or removing it and more how the licence fee is used, which I think is not commonly known. There are so many different models that you could look at for monetising the BBC. You only have to look at iPlayer and its success, I suppose, to see how well audiences respond to some of the digital platforms. As to whether it should move to a subscription model, I honestly don't think I have a robust enough view to give you today that would be of interest.

Q455 **John Nicolson:** PSBs have to make a particular contribution to society, whether it is providing news and distinctive current affairs or just distinctive UK content overall. How do you think you would define your contribution to UK society if you were asked?

Georgia Brown: That is a great question. What I would say is that I believe Amazon is coming into the UK to be both additive and complementary. Something that we pride ourselves on in the commissions we have made to date is looking at the industry as a whole, looking at the output from the other broadcasters and other services and seeing where the gaps are, where the audiences are that we believe are being underserved and how we can help create content that we believe would give a more diverse narrative and voice across our service. I would like to think that we are known for that as a contributing factor, and also giving people a variety of choice.

As Chris alluded to earlier, we have a fantastic catalogue in the UK covering a multitude of different genres. People can access content through us, through their Prime subscription, through TVOD, through



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channels, so I think the pure choice that we are offering our customers is fantastic.

Q456 **John Nicolson:** Let me try to put this as neutrally as I possibly can. How do you think Brexit is going to affect your industry, especially a no-deal, cliff-edge Brexit that discourages workers from coming from abroad to contribute?

Georgia Brown: I am going to hand over to Chris to talk about Brexit.

Chris Bird: Brexit will affect Prime Video in a couple of different ways. Prime Video's European HQ is located in London. We intend to keep that HQ in London post Brexit. We are fortunate already to have—

Q457 **John Nicolson:** Regardless of whether there is a deal or no deal?

Chris Bird: Regardless, yes, exactly.

Q458 **John Nicolson:** With exactly the same number of staff, or would you have a supplementary headquarters in another English-speaking independent country like Ireland, say?

Chris Bird: We are fortunate to have a significant part of our European workforce and some senior leaders already in the EU, so we do not expect to need to move any UK staff internationally as a result of that. We will continue our investment in the UK and grow our investment in the UK and the EU, as Georgia described earlier.

Brexit will introduce some regulatory complexity. For example, in the event of audio-visual not being included in any trade deal, we imagine that Ofcom will no longer be able to regulate us pan-EU. We will need to find a new EU territory of origin and our EU businesses will need to be regulated by the regulator in that country.

We also think there is an important issue around UK content being affected by loss of EU work status. If UK content could no longer be considered EU for quotas, our businesses in Europe will need to change their content catalogue to add more European content as a result. That is not necessarily a big challenge for us, but we are concerned that it could be a challenge for smaller UK independent content producers, because it could mean a diminishment in the value of their content within Europe.

Q459 **Kevin Brennan:** Before I go on to my main question, I will ask a question about sport, which was raised earlier. I know that Amazon Prime has invested in the Autumn Nations Cup, which is the rugby tournament replacing the touring sides in the Autumn internationals. Do you have ambitions to go on and do things like televise the Six Nations rugby behind a paywall?

Chris Bird: As I said earlier, the sports team is a separate team to ours and I could not comment on what they intend to do in the future. What I would say is that where there is a customer demand and where it is



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appropriate and accessible for us to bid against that content, that could well be something we are interested in.

Q460 **Kevin Brennan:** As a Welsh rugby fan, I am probably not that disappointed that some of these games in the autumn, given current form, are behind a paywall. As a Committee we are quite interested in the long-term future of the Six Nations on free-to-air, so it would be very helpful if you could let us know after the Committee, perhaps by letter, whether Amazon is involved in that. Is that possible?

Chris Bird: Yes, sure. We will go back to the sports team and ask for their feedback. We are committed to helping support grassroots sports in this country, and if the televising of sports rights enables that then we are supportive of that.

Q461 **Kevin Brennan:** This morning's session is quite interesting, because both of you are talking about a limited part of the Amazon business. To listen to it at face value, you would think that you know very little overall about your customers, but in fact Amazon is a company that knows where people live, what TV they watch, what they buy online and what music they listen to. As a whole entity, do you think that for the Committee to get more of an understanding of Amazon's overall role, including how it will impact on public service broadcasting, we perhaps need to get somebody who knows about all the different parts of the company? Looking at the way Amazon Prime is sold, if I happen to buy something online, Amazon Prime is very heavily promoted. Every time you want to buy a cable for a speaker or something online, you will get asked to subscribe to Amazon Prime. It almost feels as if the company's mission overall is world domination. Would that be unfair?

Chris Bird: I think that would be unfair. We are endeavouring to serve our customers as best we possibly can. We promote Prime Video because we think it is a great service and the feedback we have from our customers is that they very much enjoy it. We are naturally a large business, and I am sorry if there is some frustration that we cannot answer broader questions today, but there is probably not one single employee within Amazon who could answer the depth of questions about content and Prime Video to the same degree as they could on sports rights, devices, retail, Alexa, music, et cetera.

Q462 **Kevin Brennan:** Certainly as the Committee for Digital, Culture, Media and Sport, your company covers all aspects of our work.

I want to ask some questions about public service broadcasting and prominence. Obviously, public service broadcasters have certain privileges, prominence being one of them in the traditional way media was consumed. Do you think that should remain in the new media world we live in?

Chris Bird: There are two ways in which we address that. In Prime Video there are no requirements for PSB prominence because, as a commercial service, we naturally do not have requirements to license any PSB



content. However, what you might be alluding to is our broader devices business and in Amazon devices public service broadcaster content does receive prominence. In Fire Stick and Fire TV devices today, iPlayer will be very prominent, as will ITV Hub and More4.

Q463 Kevin Brennan: That is not entirely correct, is it? PSBs are much more prominent on Sky and Virgin than they are on Amazon Fire Stick, aren't they? They are right at the top on Sky and Virgin but not on Amazon Fire Stick. Is that correct?

Chris Bird: I think you see the BBC iPlayer in position one on Fire Stick and Fire TV. You would certainly see ITV Hub in the top five. We work closely with Ofcom on these prominence regulations, and we are very much attuned to the fact that the way customers are accessing PSB content is changing. The idea of position one, as it used to be in the past, is something that is evolving. For example, if you look at the way customers are using voice search to access content, the idea of simply position one, position two or position three is changing and will change in the future.

Q464 Kevin Brennan: We are very interested in all of that, and Ofcom has recommended that prominence legislation needs to be updated to take all of this into account. Is that something you would support?

Chris Bird: If you look at our devices now, you would see that BBC, ITV and Channel 4 are prominent.

Q465 Kevin Brennan: That is not what I asked. I am asking whether you would support legislation, as Ofcom has recommended, to update the prominence regime.

Chris Bird: I really think that is for Ofcom to determine, but if that is what they determine, naturally we will work with them to comply.

Q466 Kevin Brennan: Why is there a special button on my remote control for Amazon Prime but not for public service broadcasting content?

Chris Bird: Again, I am not sure how those placement deals have worked, whether the device manufacturers have discussed that with the BBC. I can't comment.

Q467 Kevin Brennan: That goes to my point at the beginning, so I accept that you can't comment on it, but I think we need to have executives with a broader view of Amazon's business. Can you tell us which apps come preloaded on your smart TV and Fire Stick devices and how that is determined?

Chris Bird: I can come back to you with a full list of that. I will connect with the devices team and we will respond.

Q468 Kevin Brennan: Does Amazon prioritise its own content over apps from other broadcasters and video providers through its devices?



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Chris Bird: No. For example, if you were on Fire Stick now and you searched for a particular piece of content that was available from multiple providers such as Prime Video and iPlayer, you would see both those options and it would be up to you as the customer to choose which service you wanted to consume the content through.

Q469 **Kevin Brennan:** When people search on your Fire TV platform, how are the results determined? Does the platform search within all the apps? If the same programme is available on multiple apps, what determines which app is prioritised in the search results?

Chris Bird: My understanding is that they would be displayed equally, so if you searched for a particular BBC show that existed across Prime Video and iPlayer, you would see both those results come up in the same place.

Q470 **Chair:** To follow up on one of Kevin's points and yet another question you are going to answer in written form, could you please also include in your correspondence with us whether or not there were any discussions earlier this year for Prime to take TV rights for the Six Nations when they were looking at potentially taking it away from the BBC? If you could include that as well in your written response, that would be very helpful to the Committee.

I have one final question. Some of my colleagues have asked you about the TV licence fee and whether or not the BBC should basically be moved to a subscription. I can understand why the likes of yourselves and Netflix would not want that as, frankly, it would be a great deal of competition. Thinking about BritBox and how PSBs package their content, perhaps they need to come together to form a super BritBox, a sort of ITV plus BBC plus Channel 4. Do you think that has the potential to be attractive? Also, would that help them bid to be on TV remote control buttons? Presumably, the reason why you are on it and they are not is because you pay. What do you think about BritBox? What do you think about the idea of a super BritBox where they all form around one particular offering? Would that mean they get the same level of prominence on TV remotes that you do?

Chris Bird: In broad strokes, we welcome competition and innovation. We believe in general terms that raises everybody's game. If the BBC and other PSBs were to create a service that is competitive with ours, I don't think that is something we would be concerned about.

Q471 **Chair:** I asked quite a detailed question. I think your answer was shorter than my question. First, what do you think about BritBox? Why do you think it is working? Secondly, what do you think about the idea that the public service broadcasters could formulate a one-stop shop? How do you think that would interact with TVs and the manufacture of remote controls? At the moment, one of the big complaints that PSBs have is that the likes of you and Netflix have your own button on the remotes while they do not.



Chris Bird: There is a lot of detail in there that is potentially not right for Amazon to comment on. Personally, I am pleased to see the advent of BritBox. I think it is a great service and has some great content on it. So long as it can continue to serve the needs of UK customers, I think that is great. Could we collaborate with BritBox? We offer—

Q472 **Chair:** Sorry, I did not ask that question. I asked a different question. I asked whether you think it would be a good idea for them to have a super BritBox. Then I specifically asked about TV remotes, because this is an issue of prominence. Basically, you pay to be on the TV remotes. Would this give them the muscle to be competition to you by having a button on the TV remotes?

Chris Bird: Potentially it could do that. Again, I am not aware of how the negotiations work with these device manufacturers. If it was a sizable enough service with big enough customer demand, why not?

Chair: Thank you for your evidence today. It has been much appreciated.

Examination of Witnesses

Witnesses: Iain Bundred and Richard Lewis.

Q473 **Chair:** This is the Digital, Culture, Media and Sport Select Committee and our inquiry into public service broadcasting. This is the second panel of today's hearing. We are joined by Iain Bundred, the head of public policy, YouTube UK and Ireland, and Richard Lewis, the head of UK and Ireland content partnerships. Good morning, Iain and Richard. Thank you very much for joining us today.

As an opening question, we are often told in this inquiry by different broadcasters, PSBs and video on demand services that younger people get a lot of their entertainment and information from YouTube. Why do you think you are able to attract younger audiences, younger users, and where are linear broadcasts and PSBs failing when it comes to younger viewers and younger audiences?

Richard Lewis: Good morning. Thank you very much for having us in this Committee. For the past eight years I have run content partnerships at YouTube, helping media companies and creators discover their audience on YouTube. It is important to note very quickly that it is a distinct part of the broadcasting landscape. We are not a broadcaster or a large-scale commissioner. Instead we are a platform that provides tools to our creators, who are vast and range from creators in the south-east of London to creators in Scotland, Ireland, et cetera.

There is a huge array of passions. YouTube connects users or viewers with the creators' passions. Our partners are at the core of what we do, and there is a massive array of content from a number of authentic voices who are telling their stories and sharing our platforms, and we help them find that audience. If you are into fitness or cycling, you can find a channel on YouTube that shares that creative passion or shares



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that obsession with you. Even as far as diverse pieces of content, say female gaming, Yammy is a creator from Yorkshire. She had a baby when she was young, at 16, and that would normally preclude her or certainly make it harder for her to get into broadcast media, but she has a passion for gaming. She has a loyal fanbase with whom she is able to share that passion. Having that vast array of creative passions and flowers blooming on the platform allows audiences also to find those passions.

Q474 Chair: By the way, we consider you to be both a platform and a publisher, because you publish content and, therefore, you have a greater responsibility than the phrase “platform” suggests. What you are saying there is that because you are able, probably through algorithms, to key into people’s wants, you are more able to attract, retain and be a destination of choice for younger people than some of the linear broadcasts that are put out there and then people have to decide whether or not they like them. Is that a fair estimate?

Richard Lewis: To be a creator and upload your content to YouTube, all you need is a broadband connection, a camera and a passion for that content.

Q475 Chair: Strictly speaking there is one creator and there may be 8 million users. Not everyone is creating on YouTube, so there is not this sort of magical world where everyone is artistic and creative. There are people out there who basically have a particular niche, either expertise or a quirk, and they put their video out there, and then it is accessed. What I am asking you is whether the reason for your popularity among younger people is because of this drilling down, the way in which these algorithms work and the way in which people basically end up going down a particular route or interest rather than the more linear approach, which is basically that they put something out there, broadcast something, and then see what the viewing figures are? It is a much more interactive experience.

Richard Lewis: That is right. At our core we want to support our partners to try to find the audiences who share that creative passion. You are right in saying that there is a vast array of passions out there, or obsessions. We can take the Global Cycling Network. That is a business started in Bath by a couple of people who had an obsession for cycling. There is a huge number of cycling fans out there and a huge number of sports fans out there, but that passion is clear to see in the content they upload to the platform. They have started up a massive business from this. There are over 200 employees in Bath, and it is our ability to teach them to utilise the tools in distributing content on YouTube and finding that audience. You can amplify that across a number of other creators as well.

Q476 Chair: How were your user viewing figures affected by lockdown?

Richard Lewis: We have seen an increase. We have seen some interesting trends. We have seen a huge uptake in live, so you wake up



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in the morning and you have Joe Wicks supporting or teaching you to work out. I think he is going to do something in lockdown 2 as well, which is fantastic for the nation.

We have also seen big uptake in our partner engagement with cultural institutions—the National Theatre doing National Theatre at Home or Andrew Lloyd Webber wanting to put on some of his old shows. They closed their doors, sadly, due to lockdown, but they opened up their digital doors and were able to find an audience who really appreciated that.

Viewing figures went up. We saw some pretty idiosyncratic viewership as well. In the UK we saw pub quizzes becoming very popular. That did not happen in France, Germany or elsewhere but you saw *Jay's Virtual Pub Quiz*. Jay bought a pub with his mate that sadly got locked down, and so he was going to be running that quiz anyway. He put it up on YouTube and it was viewed by millions and millions of people and had many celebrity guests come in. Overall viewing went up. We have seen—

Q477 **Chair:** I asked you how much it had gone up, so how much has it gone up?

Richard Lewis: I think some of the Ofcom reports were pretty clear on that—75% of adults saw YouTube in the first couple of months. They were watching an average of 13 videos per day, but I think that is an industry trend as well. You saw consumption of news content going up on YouTube, and the BBC has released some fantastic reports on the engagement they got.

Q478 **Chair:** You reach something like 97% of adults online in the UK, as I understand it. Are you effectively a monopoly as a result?

Richard Lewis: I would not say that. I think public service broadcasters are very good at reaching. They have vast audiences as well. I have seen the statistics out there regarding public service broadcasters. You have just had Amazon in, you have had Netflix in. TikTok and Facebook are out there. There is a huge amount of competition so, no, I would not suggest we are a monopoly in any way.

Q479 **Chair:** None of those is related to Google, for example. None of them is the engine of choice. They are small fry in comparison to yourselves. There is no alternative to YouTube, in effect. I think you could fairly say that you occupy a space that is pretty unique. We discussed that right at the start when you talked about the interaction between users and generators. That is not the business model for any of the other companies that you have mentioned.

Richard Lewis: Facebook, Instagram and TikTok would certainly have a similar business model in that respect. No, I do not think we are a monopoly, but we are a platform that is very good at matching our partners' content with our viewers and that is great news, for both our partners and our viewers. There is a huge creative economy out there for



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YouTube that we are supporting. I do not see us as in competition with public service broadcasters. We think that we are a partner of theirs. Our goal is not to erode the public service broadcaster model. We want to benefit it; we want to grow it as we do with all of our partners.

Q480 Chair: How does growing and benefiting public service broadcasting happen? In things like music, et cetera, there are often complaints about whether content is properly remunerated. In print media when it comes to Facebook, for example, we know the way in which it is going in Australia and France right now. For someone that could be viewed as a monopoly, where you are this behemoth—and you do have a slightly different business model from the likes of Instagram and Twitter; you do not watch an hour programme on Twitter or Instagram, so you are different in that respect—how is it that you can help, that you can complement public service broadcasting rather than, frankly, just rip it off?

Richard Lewis: My team and I are the partnerships team, and we seek to do that. BBC Radio 1 has a remit to reach younger viewers. That is a radio station, but we have worked very closely with them to try to find that audience on YouTube. Their goal is to discover on YouTube and watch on iPlayer or listen on the radio. In that way they use YouTube as a shop window for the amazing content that they have or that they are putting out on their own network channels. They use our tools, our distribution and our reach to benefit their overall strategy. That is the key thing we are focused on, the strategies of each of our broadcast partners or each of our media company partners, and they are different. The BBC does not monetise; ITV and Channel 4 do monetise. Some of them have production companies—BBC Studios, ITV Studios—and they are very interested in the export of the content that YouTube can supply.

There are many different ways in which we will partner with them, but the key thing is to balance that content and distribution strategy to complement what is on their own networks as well. Typically you will see content from broadcasters that is not full length but is clips advertising the next *Graham Norton Show* or showcasing what is on Radio 1. That is how we seek to partner with our broadcast partners.

Q481 Chair: Finally on this particular point about partnerships with PSBs, the reverse is to wonder whether PSBs work well enough with YouTube. Ofcom, and Dame Melanie Dawes, has suggested that they are not doing it to that degree. Why do you think that is, and what do you think the reasons are for the likes of the PSBs not perhaps being as willing to go full throttle when it comes to working with you?

Richard Lewis: They work with us in very different ways. They work with us quite well in trying to benefit from our content discovery or their content discovery on our platforms. In the UK we have seen public service broadcaster content grow over 50% year on year, which is faster than the platform growth itself. It is incredibly engaging and popular content that has found its audience, and they will say that that has met



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their strategic needs. They are the types of conversations I am having with public service broadcasters.

Why they do not engage more is because that is not in line with their strategy. They want to use us as a platform where people can discover their content, whether it is the next drama coming out on ITV or the next *Live Lounge* coming out on BBC Radio 1, and then use the tools on the platform to push their audiences over to their networks where they can monetise them better, where they can watch and gain—

Q482 **Chair:** It is hunky dory then. Ofcom is wrong in that respect, that PSBs are not using your publishing platform adequately.

Richard Lewis: It is a matter of opinion. There are some incredibly smart people over at public service broadcasters, some fantastic analysts, some hugely creative people. They do not often want to put full-length content on. However, we see the likes of BT Sport putting the UEFA Cup final on our platform, we see ART put content on the platform and, over in the US, you get a lot of US chat show content on YouTube, and that is just the finite differences between their commercial and content distribution strategies. I do not think you can say Ofcom is right or wrong; it is just a matter of opinion.

Q483 **Kevin Brennan:** I do not want Iain Bundred to feel lonely, so what is it like working for YouTube compared with working for Gordon Brown? Which do you find more fulfilling?

Iain Bundred: What a great question. I am new to the role, as I think Mr Brennan probably knows. I love working here. I am able to add real value in the role I am playing, which is leading policy issues across the UK and Ireland. It is a very different job from walking through the back door of No. 10 every day, but that was a decade ago now.

Q484 **Kevin Brennan:** That was just a loosener, by the way. I want to ask about advertising, so I do not know which one of you wants to deal with this. It was interesting that Richard Lewis said you really want the public service broadcasters to flourish, grow and remain a big part of the ecosystem. Advertising is critically important to a number of our public service broadcasters, not the BBC obviously but the other ones rely on advertising to survive. Do you agree with the Competition and Markets Authority that Google's market dominance gives it an "unassailable incumbency advantage" over its competitors?

Iain Bundred: You will not be surprised to hear that Google and the company generally has some questions about the CMA report, and I think we have gone back on that detail. The one thing I would call out is that the report identified that YouTube has only 5% to 10% of the digital market advertising space. I think more generally, while of course there is national competition for advertising in general and there are times when we come up against the broadcasters in certain ways, speaking for me, over the last 10 years I have been in the advertising industry and



working on that, I think that linear TV advertising is very different from what VSPs offer, so I think our competition is really with the VSPs.

Q485 Kevin Brennan: YouTube is always at pains to try to pretend it is not a publisher and to insist that it is simply a platform that accepts content. In the case of advertising that is not true. It is a publisher of advertising. It writes the algorithm that determines what adverts appear where on its service, so really YouTube should be considered a publisher of advertising given that it sells, publishes and profits from advertising, should it not?

Iain Bundred: The AVMS legislation that has just come in clarifies some of this. We have a responsibility under AVMS, and we are looking at the responsibilities upon us to make sure that the advertising is appropriate. As a video-sharing platform, we are in a different position from traditional publishers. We operate at a different place in the ecosystem.

Q486 Kevin Brennan: Do you agree that the regulation of online advertising should be brought in line with broadcasting?

Iain Bundred: I don't agree with that. I feel that we operate in different ways. The regulation of the wider digital platforms is coming through. We have AVMS separating ourselves from linear TV and from video on demand. I think that is an important distinction.

Q487 Kevin Brennan: You may not have had the chance, but did you take a look at our recent session with the Secretary of State when I asked him about this?

Iain Bundred: I am afraid I did not see that. I saw some of the notes, but I did not have a chance to watch it.

Q488 Kevin Brennan: I asked him, "Will you at least give public service broadcasters and others who are in advertising the assurance that if you do this sort of thing for broadcast advertising"—this was about restrictions and watersheds relating to adverts for fatty and sugary foods that might cause obesity—"given that online advertisers are direct competitors with the broadcasters, you will make sure they are subject to exactly the same restrictions?" and Oliver Dowden said, "The short answer is yes". If it is appropriate that broadcasters should be subject to rules, regulations and restrictions, is it not appropriate that the same rules should apply to online advertising?

Iain Bundred: HFSS is a really good example of why it needs to be distinct to the platform. There is a big debate at the moment around the Government's obesity strategy and how they achieve their goals to reduce the exposure of children to so-called junk food, HFSS products. We have voluntarily introduced our own changes on this and, because we have more information about our viewers and are able to use things like age verification—we have done quite a lot of recent updates on that lately, and I can take you through it if it is of interest—we have a lot more confidence that a child is not viewing those adverts than, for example, by just putting in a 9 pm watershed. BARB can obviously give



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you some data after the fact but we can pretty confidently say that those under-18 users will not be able to view that advertising.

Q489 Kevin Brennan: As you have been at pains to point out, there is a lot of user-generated content on YouTube. Often the people who are very successful with their user-generated content are known as influencers and are promoted in that way. Those influencers are often paid by junk food companies. In fact, there is a massive amount of that on YouTube where young people who appeal to very young people themselves—they are influencers and, by definition, influence their behaviour and consumption—are being paid and sponsored by junk food companies and others to promote their products. Do you have a handle on that?

Iain Bundred: I do not think it is a massive problem. You certainly see a number of creators who are doing product placement. We ask all creators to self-declare that and, as we look to comply with AVMS in particular, that will become an obligation.

Q490 Kevin Brennan: Could you give us any idea, if it is not a very big problem, of how big or small it is?

Iain Bundred: I do not have that data.

Q491 Kevin Brennan: Would you be able to write to the Committee following the session to give us some more information about that?

Iain Bundred: I am always happy to follow up. It is quite a hard thing to get a datapoint on. We can certainly give you a rough idea, or I hope we will be able to give you a rough idea, of the number of creators who are, for example, on YouTube Kids—well, they would not be able to do it on YouTube Kids—or doing child content and have product promotions. With our new change on HFSS, they would not be able to promote that to any under-18 users.

Q492 Kevin Brennan: Are you aware of any recent reports that this is a growing problem?

Iain Bundred: Since we have introduced our policy changes, I have not seen any reports about it. If it is a particular report you are talking about, I am very happy to review it and take it back to our colleagues.

Q493 Kevin Brennan: Yes, I am talking about an article, “YouTube ‘kidfluencers’ paid to promote junk food to children” written by Mike Wright, who is a social media correspondent. The article says, “YouTube ‘kidfluencers’ are exposing children to staggering levels of junk food advertising with unhealthy items promoted in videos that have had over a billion views, a study has found”, and this was a study published in the US journal *Paediatrics*. Are you aware of that study, and does YouTube have any comment on that?

Iain Bundred: I am afraid I am not aware of that study. I would say that the changes I have talked about came into effect across the EU and the UK earlier this summer, so it could be that any academic study would



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have been before those changes took place. These changes take time to roll through. I am not ruling out that there are some so-called “kidfluencers” doing stuff on our channel, but I am pretty sure that will not be a problem going forward. I am confident of that.

Q494 **Kevin Brennan:** There is one young American called Ryan Kaji who is nine years of age and has sponsored content. His YouTube channel earned £20 million in advertising revenue last year. His account is called Ryan’s World and he reviews toys and all sorts of things. It is mentioned in the report. I would be very grateful if you could respond to the Committee on that.

I have a couple of final questions. What would the consequences be if the UK established a licensing regime for online advertising with legal sanctions for non-compliance and third-party verification measurement of online advertising?

Iain Bundred: Before we move on from the Ryan’s World example, I want to make the point around age verification. UK users under 18 should not be seeing that.

Q495 **Kevin Brennan:** I think this person is in the US, so that might be the reason for that. Is that possible?

Iain Bundred: Yes, but even so they would not be exposed in the UK. Even if it is a US creator, we should not be seeing that, but obviously I can clarify that to the Committee.

If we go forward on the wider regulatory space, of course we will comply with whatever the Government and Parliament decide. From our perspective, there are new provisions to come in with AVMS. Obviously, the UK Government have a real opportunity to set up a new positive set of regulations through online harms. There is generally a perspective here that it is a very good thing.

I want to be clear about this idea of the distinct and different part that we play in the ecosystem. I think the broadcasters play a different role from us, and the rules they operate under are rightly bespoke to linear TV and video on demand. We are a video-sharing platform, so I think it is slightly different.

Kevin Brennan: We may have to agree to differ on that.

Q496 **Chair:** To follow up on that point, did you see the recent article in *Forbes* about influencers in which it is suggested that the market is going to be worth \$15 billion by 2022? Given that I discussed with you earlier that you reach 97% of adults online, you are this huge organisation with this great reach, particularly with younger people, do you see any argument to suggest that perhaps the regulation of influencers and product placement on your platform/publisher should be more stringent, particularly bearing in mind that the likes of PSBs, for instance, have very strict codes of conduct when it comes to product placement and



endorsements?

Iain Bundred: I would say that is the case with AVMS coming in, and I think the AVMS transposition that has come into the UK in the last month does increase the—

Chair: But it is nowhere near where PSBs are.

Iain Bundred: I am happy to take that forward and have conversations around that. What I would say more generally is the flipside of your point from *Forbes*, which is that we are creating small businesses. YouTube and the wider creator-influencer ecosystem is offering a huge economic impact. For example, we had a 2019 impact report released recently that showed that YouTube had contributed £1.4 billion to the UK creative ecosystem and a huge part of that is about the creators doing stuff. They absolutely need to be operating responsibly and ensuring that, where they are benefiting from advertising, they are advertising in the right way and under the right rules. I think there is a flipside to this argument, which is seeing this new creative economy as a massive opportunity for the UK. It is about export opportunities as well; 80% of the audiences for UK creators are overseas. We are getting a huge number of viewers from overseas, and they can also be a talent pipeline for broadcasters, which is a point I am sure we will come on to in this session.

Q497 **Chair:** It is very kind of you to say that you are very happy to take this forward. You could always try answering the question in the session you are taking part in now. I am going to put it to you another way and see whether you could look at this. You referenced online harms earlier. Do you think online harms should be much wider in scope? Should it include, for example, areas such as influencers, their work within product placement and their effect on younger people?

Iain Bundred: I want to see the final Government response to the consultation, because we do not know exactly how it is going to be. We support the systemic regulation approach of online harms, and I think there is a real opportunity around content that is legal but harmful, and to focus on that. Parliament is really interested in this as well and will be making sure that the definition of harms and the duties that Ofcom will be holding us to account on are the correct harms. I think it is right that Parliament has that debate.

Q498 **Chair:** Do you actually want there to be more regulation of influencers, yes or no?

Iain Bundred: The reason why I said I would follow up on it is more because I feel as though, certainly from our perspective, the influencer ecosystem is addressed in AVMS from the advertising point. You are telling me that you do not feel that is sufficient. I would like to consider that further, if I am honest. I do not necessarily think that is an online harms piece. I think the online harms piece is around the impact of our legal but harmful content in particular. That is where our community guidelines are all about ensuring that content our creators put up is



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appropriate for our users and giving our users the best possible journey. We are not just waiting for regulation on that, and I can go on to that if you want.

Q499 Giles Watling: Following on from the point made by the Chair, in an earlier incarnation of this Committee we interviewed people like Facebook, Instagram, Twitter, et cetera, and we were talking about putting together a report on misinformation, fake news, which can be used by so-called bad actors to affect the outcomes of elections and so on, and we had a company called Cambridge Analytica before us in that. We discovered that the view of many of those companies was that they provide the platform and, therefore, were not responsible for what was published on it. Do you think you should have some sort of editorial control, some sort of self-moderation?

Iain Bundred: For us, it is about our community guidelines. We are on a constant journey to improve those community guidelines and ensure that we are removing harmful content as it goes forward. The responsibility in the online harms regime—Ofcom is responsible for holding us to account for the effectiveness of those guidelines—is incredibly important to us, and we do a lot in these areas. I know you heard evidence from my boss, Leslie Miller, a while back around the steps we take to remove content, raise up authoritative sources, reduce any borderline content that is not necessarily conflicting with community guidelines but we think should not be getting through and reward trusted eligible creators. I can go through that in more detail, but I feel that was perhaps dealt with in that evidence session.

Q500 Giles Watling: I take your point about harmful content, but I put it to you that it is very difficult to identify. Let us take the example of an election in a country somewhere. If somebody wanted to influence that, a very good way to do that would be to have a campaign on, say, Facebook, Instagram, Twitter and, indeed, YouTube. How do you identify that? How do you see what is going on? People can put up what they like, I imagine. I am not talking about pornography here, I am not talking about the obvious stuff. I am talking about subtle influencing.

Iain Bundred: We have a very thorough trust and safety approach where we are reviewing and removing content all the time. We rely on particularly trusted flaggers to try to help us find that content. We also use a lot of automation. We do a mixture of the machine and human to try to make sure that our content is as safe as possible. The reason I say “safe as possible” is because it is not in our interests for users to be exposed to either subtle or not so subtle harmful content and mendacious network attacks, for example. I do not think that is right for us, and we want to put the user first. We want to make sure that people are having a safe and enjoyable time on our platform, because they come to our platform not to be subtly pushed down towards those mendacious ends.

Q501 Giles Watling: It is interesting that you say this is what you are doing, but are you trying to get ahead of the curve? This will keep moving, will it



not? People will try to find innovative ways of trying to beat the system to influence people. Do you have a department that works on this, to try to stay ahead of the curve?

Iain Bundred: Yes, we do. We have a lot of work around our policy development to make sure our policies are in place, and we are very iterative on that. I think Covid is a good example there. As we responded to the pandemic, our first operations were to make sure our trust and safety colleagues, and our operations generally, were able to work in a work-from-home environment. We increased our use of machine learning at that point, because it is harder to work from home and review some of this stuff. Very quickly we were looking at our policies, and we introduced a medical misinformation policy in May, which included some of the conspiracy theories we have seen. We updated that just last month because in a period of only three or four months we saw new threats that we wanted to be clear were contradicting our community guidelines. Some of those things would not necessarily be from a negative actor, per se. It might just be someone who saw something online and wanted to talk about it, but we are saying that if you want to produce content on our platform you have to stay within our community guidelines, so we have a duty to update those guidelines and keep them updated.

The ban on Covid anti-vax content in particular is something I am very proud of. I think it is great that we are one of the first platforms to create quite a flexible policy that says that anything that contravenes what we call local health authorities—in the UK it would be the NHS—or the WHO will not be allowed. That gives us a place for when we start to see new conspiracies about the vaccine. As the vaccine gets developed, we will have the policies in place to remove that.

Q502 **Giles Watling:** Would you say that you are doing a good enough job quickly enough to keep your platform safe?

Iain Bundred: You are never doing a good enough job. You are never working quickly enough. Of course we have to keep doing it, but I feel as though the YouTube that is in front of you now and the work that we are doing as a platform is really trying to be a leader in this, and we are trying our very best. We have massive operations on this, and I have been very impressed since I joined the company by the efforts we go to to be on top of these things.

Q503 **Giles Watling:** When questioned by the House of Lords Communications Committee in 2019 your representative said, "It is completely different when it comes to an open platform. When users upload a video we offer the infrastructure to make the video available but we do not publish. We are not publishers of that video." Has your view changed on that?

Iain Bundred: No, I do not think so. I would have watched that evidence session because it was Richard's and my line manager, Marco. I do not think our position has changed. The bar we set is around community guidelines, so we ask all our creators to stick within the rules



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of engagement on our platform. We are updating our policies all the time to make sure that, where they do contravene our community guidelines, we remove that content.

Q504 Giles Watling: One little comment. It feels like you are abrogating your responsibility to the users rather than taking responsibility yourself. I would like to move on quickly to what Google is going to do with Google TV. What are Google's ambitions in the UK TV market?

Richard Lewis: Obviously, it is not YouTube, but it has just launched. It is a new product, and think of it as a new entertainment experience built on the Android TV operating system. It unifies a media experience for users via an interface, and its goal is to broadly distribute and service media company apps, so take iPlayer, ITV Hub, BT Sport and on-demand content. We have launched on Chromecast, and it is available on mobile as well. We are looking to grow the distribution across TV manufacturers, and we have launched on BBC and ITV. The benefit of Google TV to our partners is that you build integration once and you can scale it to all Android TV devices.

Q505 Giles Watling: On our handsets we are going to have a Google button for our smart televisions? Is that the plan?

Richard Lewis: I am not across any plans, I have not seen any plans like that, so I do not know. I am not across those deals either.

Q506 Giles Watling: Fair enough. Have you had any discussions with PSBs about carrying their streaming video on demand services?

Richard Lewis: Yes, we have launched with BBC, ITV and BT Sport.

Q507 Giles Watling: How are they progressing?

Richard Lewis: We have launched that, and they have progressed. I think they see it as a valuable place in what is a fragmented marketplace at the moment. I have seen some of the inquiries. I think Dame Carolyn said she is having to publish for 56 different platforms. What we are trying to do is work with our partners to try to reduce that burden and, at the same time, surface their content and their apps across all devices in the UK. We have started small, it is a nascent product, but we hope to gain distribution in 2021.

Giles Watling: I look forward to seeing it.

Q508 Damian Hinds: Iain Bundred, can I ask you to follow up on the questions Kevin and Julian were asking earlier? If you take one of your really big YouTubers—I am probably a bit out of date here—like a PewDiePie or a JoJo Siwa, or feel free to give me a more up-to-date 2020 name, what is your estimate of how much total revenue they make in a year? How much of that comes from AdSense revenue versus product placement and their own merchandise lines? How much money would you make out of each of those individuals?



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Iain Bundred: Richard is probably the best person to answer how our creators monetise. We are a partnership organisation. The thing we offer is the chance for our creators to find new audiences and revenue streams. It is advertising, and we are increasing the amount of merchandising they can do through the channel.

Richard Lewis: It varies vastly. There are a number of different revenue streams for creators and businesses alike. The Global Cycling Network—

Damian Hinds: I gave you two specific examples and invited you to comment on one of those or give me an equivalent more up-to-date example, not the Global Cycling Network. Thanks.

Richard Lewis: You can take any business. Take Mr Bruff, a creator in Devon who makes educational content, very popular—

Damian Hinds: Forgive me, I do not know Mr Bruff. I might be misjudging him, and I hope he will forgive me if I am, but I doubt he is in the category I am talking about. Everybody knows there are five or 10 huge YouTube stars who make tens of millions of dollars a year. That is the category I am talking about. They have their own character identity with young people. They can move product and, in some cases, have their own product lines selling to retailers. That is the type of person I am talking about.

Richard Lewis: The question being what percentage of their income comes from AdSense?

Damian Hinds: First of all, what is your estimate of how much they make in total? How much of that comes from AdSense revenue as opposed to those other lines, and how much do you make out of the revenue share from the advertising?

Richard Lewis: We give them the majority of the advertising share, and we give them the majority of the subscription revenue they make on our platform in the UK and abroad. It is impossible for me to give you an answer that categorises them all, even the top 10, as to how much money they make from YouTube versus their ancillary businesses because they are so vast. Some are making books, some are making movies, some are being commissioned into TV shows and some have their own shows that they are being commissioned into. It is so vast and the array is so broad that I am sorry I cannot give you a clearer answer.

The reason I started with GCN is because I know that a very small proportion of its revenue comes from the AdSense account and I know that a large proportion comes from its ancillary businesses as well. I think that is a public number, which is why I was going down that road.

Q509 **Damian Hinds:** Thank you, I appreciate that. Going back to the type of individuals I was talking about, you cannot say what their ancillary revenues are, I get that. However, you can say what your revenues are on the back of one of those individuals. That is then reflective of these



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product placement deals and the merch deals and all the rest of it. How much would you typically make on one of those, say, top-five YouTubers?

Richard Lewis: We will not make any money out of their branded content deals.

Damian Hinds: I mean ad revenue.

Richard Lewis: Again, it varies hugely. It varies in line with the advertising market, both here and abroad. It is also a private number. It is a number that is commercially sensitive and we cannot divulge exact details of how much money we are making. However, from the AdSense proportion and the subscription proportion, we are giving them the majority. We seek to grow their audiences so they can better monetise those eyeballs.

Q510 **Damian Hinds:** Can I come on to the medical questions that Giles was talking about? It is good to hear from Iain that the policy has evolved and improved. I imagine I am not the only member of this Committee who has been sent a YouTube link from a constituent saying, "Mr Hinds, you must look at this. It is proof that—" pick from your list of claims, coronavirus is made up, it was planted by the US Secret Service, you name it. Then there is a link to some apparently convincing person with professor before their name and PhD after it and an ad that runs before that video. I accept you say that you take those videos down, but how much money do you think is made on preposterous claim videos before they are taken down?

Richard Lewis: I think Iain mentioned how many videos we took down in Q2. The harm is done by those videos when they are actually seen, and the majority were not seen. On average, they were seen up to 10 times.

I will reinforce and add on to Iain's point because I want to make this clear. We instigate a medical misinformation policy, we bring in expertise from outside counsel and then we are able to launch that policy in record time. We then move on to product. We raise the voices of authority. You will see on your homepage a Covid-19 shelf, unless you have opted out. That is populated with all the authoritative news organisations, from the UK and abroad, and they publish content on that. You will then see an NHS line as well. We raise those voices and then—

Q511 **Damian Hinds:** Forgive me for interrupting you. Is it a number you publish or could share with us, the amount of ad revenue associated with videos that have been taken down or that, in some other way, have been demonstrated to be misleading? I have not seen that number, but if you are able to share it with us, it would be helpful to have it in a follow-up letter.

Iain Bundred: Rich was saying that we publish our transparency report every quarter. That sets out the number of videos removed. In Q2,



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because of automation, we massively increased the number of removals to 11.2 million videos.

Damian Hinds: Sorry, forgive me, it is the revenues I am asking about.

Iain Bundred: I cannot put the number in front of you, but I think 88% of those 11.2 million videos were removed before they got to 10 views. Therefore, the vast majority were not monetised because they were removed well before they could be. Forgive me, I will write to the Committee as that is not quite right. We will certainly share the transparency reports.

On Covid medical misinformation, of course, there will have been content before our policy was introduced in May. I will see if we can get the specifics on that. I am certainly happy to share with you as a follow-up how many Covid videos we have removed globally and where there has been monetisation.

Q512 **Damian Hinds:** Repeating, to be clear, it is the revenue number I am asking about, not the number removed. We will look forward to your letter.

Can I turn now to PSB content? What are the costs to YouTube of serving up a piece of content from the BBC or ITV?

Richard Lewis: Public service broadcasters have full access to the interface that allows them to upload the content. We then serve that content. We are a tech company that ensures YouTube is on all devices and is as broadly distributed as it possibly can be so that our partners can find audiences for their content.

I am not across the exact cost of all the engineers and infrastructure, but there are costs associated with that and then there are costs associated with delivering the content as well. Other than that, it is my team's time working with these partners and that is it.

Q513 **Damian Hinds:** What is the current ad revenue split with public service broadcasters?

Richard Lewis: We are an egalitarian platform, so the ad revenue split is the same for them as it is across the whole platform, and they get the majority of the revenue.

Q514 **Damian Hinds:** The percentage split will be the same for, say, BBC or ITV as it would be for some teenager in a bedroom?

Richard Lewis: That is right. I think that is important, because YouTube has a huge, burgeoning, creative economic pool of talent underneath it. I do not think GCN or Adam B, or any other creator, should be getting more than public service broadcasters. In fact, our promise is to surface them in as fair a way as possible.

Q515 **Damian Hinds:** What is the ad split for news and current affairs, as opposed to general content?



Richard Lewis: Exactly the same.

Q516 **Damian Hinds:** Notwithstanding that—I appreciate what you are saying about wanting to stimulate the creative sector, the cycling networks and so on—there is a cost to news reporting, is there not? There is a cost to having correspondents, fact checking and all the infrastructure that goes with news you can trust. How come that is not reflected in your formula?

Richard Lewis: When you think about the majority of the money going to them that we make on the platform, we are paying them a sufficient amount of money. I think that is represented in the content that they put on to the platform, which they choose to put on the platform and they choose to monetise or not. The BBC does not monetise, which is not its goal. It may monetise stuff, ex-UK, from its studios or its global news piece. It is very different for ITV. ITV chooses to put that content up there and it chooses to monetise it or not, and to allow us to sell it. We also allow ITV and its sales team to sell its inventory around its content on the platform. In that way YouTube provides another tool for it and its sales team to reach an audience it might not have reached with its own networks.

Q517 **Damian Hinds:** In your heart of hearts, how long do you anticipate this situation continuing, where you basically get to dictate the ad revenue split for public service broadcasters?

Richard Lewis: I hope what is recognised is the contribution to the creative economy that *The Guardian* makes, *The Telegraph* makes, BT Sport makes, the Global Cycling Network makes or Joe Wicks makes. I hope that is recognised and that the egalitarian nature of our platform is a good way to facilitate and pay for that economy.

Q518 **Damian Hinds:** I am going to read you a line from an article in *The Economist* at the end of last year, December 2019. It is talking about the huge reach of YouTubers around the world, like Ben Shapiro, Rezo in Germany, Felipe Neto in Brazil. They are all very interesting and talented young people, but they clearly do not have the same journalistic editorial values, systems and processes as the BBC, *The Guardian* or *The Telegraph*. That is apart from the more general interest YouTubers who are perfectly at liberty to drop an opinion here and there into their broader piece. The line from *The Economist*, “Teenagers are, in short, getting their news from other young people who largely express their personal opinions and are barely any better informed than themselves.” How do you feel about that?

Richard Lewis: I think that is a huge generalisation. We have said public service broadcasting content and the news element of public service broadcasting content and other news media organisations in the UK and abroad is growing faster than platform growth, so they are finding audiences. Indeed, 60% of the audiences they find come from the algorithmic recommendation tools, and less than 20% come from searching. Therefore, we are growing the audience for those news



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publishers in the UK and abroad. I do not know who they are referring to in that article, but if they have a large and loyal fanbase, a large and loyal audience, there is something to be said for what they are propagating.

Q519 Damian Hinds: I think the people they were referring to are the influencers I read out. I am not familiar with the Brazilian market in that detail, but these are not just merchandising influencers but political opinion influencers, which is what they are referring to. In the news media in general there has been some shift from news to views. I think the point they were making is that on YouTube, particularly for that demographic, the shift has been turbocharged by your channel. Do you think news brands are important, Richard?

Richard Lewis: I do.

Damian Hinds: Do you?

Richard Lewis: Yes.

Q520 Damian Hinds: Do you worry that if you say to someone, "Where did you hear that?" the trend is of people saying, "I saw it on Twitter" or, "I saw it on YouTube", or of people believing something only when they have seen it pop up a lot of times on one of those panels because frequency makes familiarity?

Richard Lewis: Our role is to raise the authoritative news sources and authoritative medical information on our platform. That is our role. There are creators out there who get a loyal fanbase and may propagate views as well, but the key thing is that viewers are able to find authoritative news on our platform and we are doing something about that with the Covid-19 shelf and the NHS placement on our home screens.

Q521 Damian Hinds: I get all that and your moral sense. However, given the dominant position of YouTube with the network effects that you have, being able to find quality news is only part of the story. Quality news also has to be paid for, and that comes from a fair share of ad revenue that reflects the cost of delivering that news. Will you commit to providing a fairer share of the ad revenues to public service broadcasters—and, by the way, to other legitimate news brands—so they are able to carry on doing that?

Richard Lewis: I think we already do commit and give a fair share. That is demonstrated by the engagement and the content they put on our platform.

Q522 Chair: How much do you estimate the BBC would make if it chose to monetise its content on YouTube?

Richard Lewis: That is a great question. We have just had a conversation about fair share, and it is not the only revenue stream that producers or broadcasters can make on YouTube, and often it is not the majority of the money they make on the platform. They have deep



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archives, for example. We can digitise those archives for free, there is no obligation to upload it to YouTube in any way whatsoever. Documentaries that may be gathering dust on the shelves, which were brilliant and award-winning documentaries, can find an audience on our platform. That is one, archives.

We will not necessarily make a show famous, but we will certainly export it so it might become famous in Brazil. BBC Studios could go off and speak to commissioners in Brazil and say, "Hey, you have an audience here for this show." I know it is not a local example, but NBCU launched a cartoon called *Pica-Pau*—you and I might know it as *Woody Woodpecker*—on the channel. It uploaded content of *Woody Woodpecker* on to the platform, saw huge engagement in Brazil and made a business model to upload the content on to YouTube just from the analytics and the data they get back from what is a very transparent platform, so that is the other side.

The other side of things is talent. You have obviously seen Joe Sugg who is a pretty good dancer. The BBC has identified him from YouTube and imported that talent over to mainstream media. His audience comes over from YouTube to watch it and to watch him.

Q523 Chair: We get the idea of all these intangibles and this transfer of talent and what have you, this sort of osmosis effect. Could you go away and estimate for the Committee exactly how much money the BBC would get on the baseline from your platform/publisher? Do you make any money from BBC content?

Richard Lewis: Not on the public service content. We do with the studio's content, yes.

Q524 Chair: Do you not make money with the "watch next" function, or is everything close-ended? Do you keep it all within a PSB space, or do you make money from basically showing other content to someone who comes for PSB content?

Richard Lewis: With that "watch next" function, if you are interested in news, you might get served ITV News or you might get served news from *The Guardian*, so we would make money from that. However, on direct revenues from the BBC public service, no. It turns all that off.

Q525 Chair: However, you make money indirectly from public service content. I am looking at a report here from *Bloomberg*. We talked about world domination before, and we are going to go with that theme for a second. It says, "Google is in the early stages of transforming YouTube into a shopping site. This would enable consumers to directly purchase items they see in product review videos, unboxing videos, tutorials, and so on. YouTube is already a shopping destination of sorts, as 55% of consumers use videos to make purchase decisions."

We are also doing an inquiry into algorithms and there is a bit of meshing in this world now we have moved to PSB, linear and non-linear content



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and then algorithms. Is there a great deal of sharing of algorithms between Google and YouTube?

Richard Lewis: When you say algorithms, I am not sure what shared between—

Chair: Sharing of data. Let's use, for example—this seems to predicate itself—the business model that has been discussed here in *Bloomberg*, the fact you watch something on YouTube and then basically you can go through Google, find that item and be presented with it. Effectively you can become a retailer almost. You will not box the item up like Amazon does, but you will be taking another step towards a greater influence on the buying decision. Is there a great degree of data, algorithms, whatever, being shared between Google and YouTube?

Richard Lewis: I can talk to you about the merchandising and shopping side, and then I will pass over to Iain to look under the bonnet a little more on the algorithm.

As I said before, our promise to our creators is to give them the tools to find an audience and then monetise that audience. We have advertising and we have subscription. There is also alternative monetisation, some of which will be merchandising and some will be digital products. That is a market that we see a future for.

I think the article you are referring to is trying to combine Google Shopping and YouTube. I see them as distinct and separate product paths. You can watch YouTube now and already see merchandising from creators who are able to sell their merchandise and digital goods on the platform. We see that as a good third revenue opportunity that makes our creators less reliant on the advertising or subscription revenue streams. That is something public service broadcasters could look at as well, as an aside.

Iain Bundred: When you sign into YouTube you use a Google account—for me it is iainbundred@google.com—so we are learning from that. We use that to improve the user recommendations. For example, it has been really helpful for us as we try to tackle this age verification issue because you are able to see the signals that people use in their search, for example, to have a better sense of whether they are the age they tell us they are. There are ways we learn from different things there.

I do not see that necessarily as being a huge priority for YouTube in monetisation. The monetisation point that Rich talks about is really about trying to give our creators a chance to find new streams. One element he did not mention—obviously, it is not quite right as we are looking to lockdown 2—is comedians being able to offer gigs and things like that. That is the way we would see the third-party monetisation tools going forward.

Q526 **Chair:** A very touchy-feely one, but I am thinking more about what was mentioned a moment ago by Richard, that effectively you are looking at



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linking up YouTube with Google Shopping. You are saying they are entirely separate?

Richard Lewis: No, I said the article feels like it. I have not read the article, it feels like it is joining it up, but I see them as delineated products.

Q527 **Chair:** You see them as delineated products, but surely in order to work they basically have to be connected, there has to be some sort of algorithm running between the two. I will give you an example. I look at a car video—I do it all the time, frankly—on YouTube and then I am given a link to look at the car through Google Shopping. There has to be a sharing of data and information between those two in order to do that, has there not?

Richard Lewis: I think the creator is able to point you down that link. You are probably talking about Carwow. I am not sure what Carwow does but that is its model. You can take PewDiePie, which was the example before. He may have a merchandising line and the link will integrate directly with some of our merchandising partners, or their merchandising partners, which will then facilitate the order.

Iain Bundred: We give a lot of user control here. For example, you can pause your watch time history and you can ask for adverts on YouTube not to be delivered around the piece of content you have seen if you are particularly fed up with car ads. I am sure that was not being learned from.

Q528 **Chair:** It is interesting because we had Prime on before, and it is very distinctly separate from Amazon. However, there does seem to be a muddying of the waters between YouTube and Google. These extra revenue streams seem to be going in a different direction with the use of algorithms and the use of data transfer. Could this lead to things like, for example, personal pricing and what have you? Damian Hinds discussed before in this Committee how much data Google holds on people and how you can mine that information. If that is the case, would you be able to basically put together personal pricing or something like that? Is that the next step in the evolution of Google and YouTube?

Richard Lewis: I think Iain just suggested that it is the creator for whom the merchandising is relevant. It is on their channel and they set the price; we do not set the price. That is what they do today. Far be it from me to speculate about the future and pricing models. I see where you are going with it, and it is an interesting thought, but it is not something that we are considering at the moment at all.

Chair: At the moment.

Richard Lewis: We empower our creators to charge whatever they want to charge for their merchandising and digital goods. We are just the shop window. They are the experts at producing the content. We get the



audience and we give them the tools to monetise it as best we possibly can. That is a third revenue stream that we see a future in.

Q529 Clive Efford: Do you agree that there is a lack of transparency about how the algorithms on YouTube might be working to promote certain content over others?

Iain Bundred: I do not think there is a lack of transparency. We are very committed to transparency. We also give a lot of user controls on this. For example, if a video pops up and you do not understand why, you can click on a button and it will tell you the history there. We try our best to surface content that drives users towards the next creator, the next artist they may like. The focus for us is around improving the user experience.

Q530 Clive Efford: Should there not be more transparency? The Chair has just been asking about prioritising certain adverts, and you have answered that you seek to monetise the content on behalf of the producers as much as you possibly can. Should we not see what is going on behind the scenes a bit more so we know what we are being pushed towards and how you decide what gets promoted over another item?

Iain Bundred: If you go to "How YouTube Works" on our website, we talk a little bit about our algorithms and our transparency. We obviously have transparency reports, but that is in a different context. We try our very best to give users the context as to what they are seeing. Of course we can always improve and I am very happy to hear suggestions around that. However, we feel as though helping our creators find new audiences and achieve their commercial goals is how we succeed as a platform. It is about that partnership. If our users feel we are doing that inappropriately, they will not hang around, they will go elsewhere. There are plenty of other video-sharing platforms and other places to spend their time. It is in our interests to make sure this is done in an appropriate way.

Q531 Clive Efford: That is a good market approach, but shouldn't regulators have access to data and the basic criteria of algorithms in order to audit and scrutinise how you operate them?

Iain Bundred: Particularly if you look at online harms, we are talking already to Ofcom, having conversations about how it can measure our effectiveness. We are engaging in that conversation with the UK regulator, as we believe it will likely be. I think you will have a chance to judge us on how we are achieving our goals around effective recommendations and, particularly in the context of harmful content, how we are ensuring we continue to stop this harmful content being driven to wider users, as in the example I gave before.

Q532 Clive Efford: It is not just about harmful content, is it? It is also about how you use data and the criteria you apply to the use of that data when you are trying to sell stuff on behalf of the people who supply content to your platform. Shouldn't regulators have access to that sort of



information to see what you are up to?

Iain Bundred: We will absolutely have conversations with regulators about our approach. We had a session the other day around our—

Clive Efford: Shouldn't regulators have the right to have access to scrutinise how you use the data?

Iain Bundred: We are doing some trials around the—

Clive Efford: I am sure that is very good of you, but I am asking you whether the regulators should have access. Should they have the right to say, "We want to come and look at how you design your algorithms, how you use people's data and what criteria you use"?

Iain Bundred: I do not think that is our position. I do not think we necessarily want to have the regulator going beyond the incoming things around harmful content. That is not to say I would not happily have a conversation with both the Committee and Ofcom, when it gets the powers, to look into this further.

We are on a journey right now around regulation. You gave us a chance to set the tone on this. As a company, of course, we want systemic regulation because it is a case of ensuring that the regulator has the means to have a proportionate response and to make sure that we are delivering the right thing that, frankly, citizens expect of us. That is appropriate. I do not know about the specifics of access to our coding per se. A lot of it would not necessarily be very helpful because it is all about how it interacts within the different engineering world, et cetera.

Q533 **Clive Efford:** I am sure the regulators can make up their own minds about that. Should platforms give fair warning about changes to the operation of algorithms where they are likely to have a material effect on users and explain the basis of those changes?

Iain Bundred: We give users that information when we update our terms and conditions. What do you mean by "fair warning"?

Q534 **Clive Efford:** If it is going to change the way they interact on the platform, should they not be given a reason as to why that change has come about and what you are seeking to achieve? It could be that you are just trying to sell them more, but it could act against their interests and what they are actually looking for.

Iain Bundred: We are seeking to update our users all the time about the changes we make. When there is a specific change to our terms and conditions, of course, we will update them on that.

As I mentioned earlier, we want to make sure that the users who are interested in this and want to know more about it have all the information they need, because it makes sense for us to keep them informed, to give them the powers and the control as well. There is a huge part here around controlling your own user habits and understanding how your



data is being used. We have things like Incognito, for example, where you will be able to go entirely without your data being stored.

Q535 Clive Efford: What is behind the changes and how you prioritise one bit of content over another? If the potential for you to make more money is increased for one piece of content over another, doesn't that mean you alter the algorithm for the one you promote over the other? Is that how you do it? Is it in your financial interest that that takes precedence when you are making decisions like that?

Richard Lewis: That is the key benefit of having the egalitarian approach, we will make the same amount of money from one piece of content to another. We do not increase the distribution of ITV content, just because we make money out of it, over BBC content, because we do not make money out of it. We give our creators and the businesses on our platform a huge amount of data to understand how they can better reach those audiences, and then our algorithm will do its best to try to recommend it to an audience that might be engaged.

The Chair is interested in cars. He might get a video from *Top Gear*, from *Fifth Gear* or from *Chris Harris on Cars*. If he is served something that he is not interested in, it would not be a good thing either for our creators and partners or for him as a viewer.

Q536 Clive Efford: Sorry, I am a bit slow on the uptake. If you are a commercial enterprise, you are seeking to maximise your income. You say you make the same amount of money regardless of what content is promoted. That cannot be true, can it? How does one piece of content benefit you over another when you are choosing which content should be given priority through your algorithms?

Richard Lewis: All the content will have the same revenue share associated with it. If an advert gets served around that content, a partner will get the same revenue share. Sometimes they do not advertise, but they have equal opportunity for us to serve them up in our algorithm. It is not something that we try to prioritise, whether it is something that makes money or something that does not make money. All we do is try to find and match the content in that channel or the content of that video to a user who might find it interesting, and hopefully give the users stuff they might not have discovered before.

Iain Bundred: Part of the point here is that users come to our platform to have a good quality experience and see content that is relevant to them. The relevance of that content is the most important thing for us. We succeed when our creators succeed. We want them to keep finding new audiences, and those audiences have to find relevant content. That is the prime goal for us. Finding new diverse voices is a huge part of that, because you will get bored if you see the same car content every single day.

Q537 Clive Efford: I heard your answer to Damian Hinds earlier. It intrigues



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me that, if certain areas of content are promoted over others, what drives that if they are all equal in value? Is it volume or is it that one is likely to be more popular than another? How do you set the criteria for promoting one piece of content over another?

Richard Lewis: Mr Efford, I think your YouTube experience will probably be very different mine.

Clive Efford: It is definitely a very scarce one, I can assure you.

Richard Lewis: It might be very scarce as well. You might not have a great experience because we do not know much about you, but my experience is quite rich as I have to watch it as part of my job. We understand from my watch history what I like, what I comment on, how much of a certain type of content I watch, and I am delighted with the experience I have because I get recommended all sorts of new things. I have a passion for cars as well, and those passions are well served because I watch videos about cars regularly and all the way through. That is how we understand me better.

You will have a very different experience. You may not have a passion for cars, so you are probably not going to go on YouTube very much if we serve you the same experience that I have or the Chair has. Therefore you are not going to watch very many videos, and our creators and partners will not be able to make very much money.

It is not about the content that we think is popular. It is about the content that you like as a viewer and that we think you might like. It is different from broadcasting where you can put *Britain's Got Talent* up at 7 or 8 o'clock in the evening and be pretty assured there is a big audience there. That is broadcasting; our recommendations are very personal.

Chair: Thank you, Iain Bundred and Richard Lewis from YouTube, for your evidence today. That concludes our session.