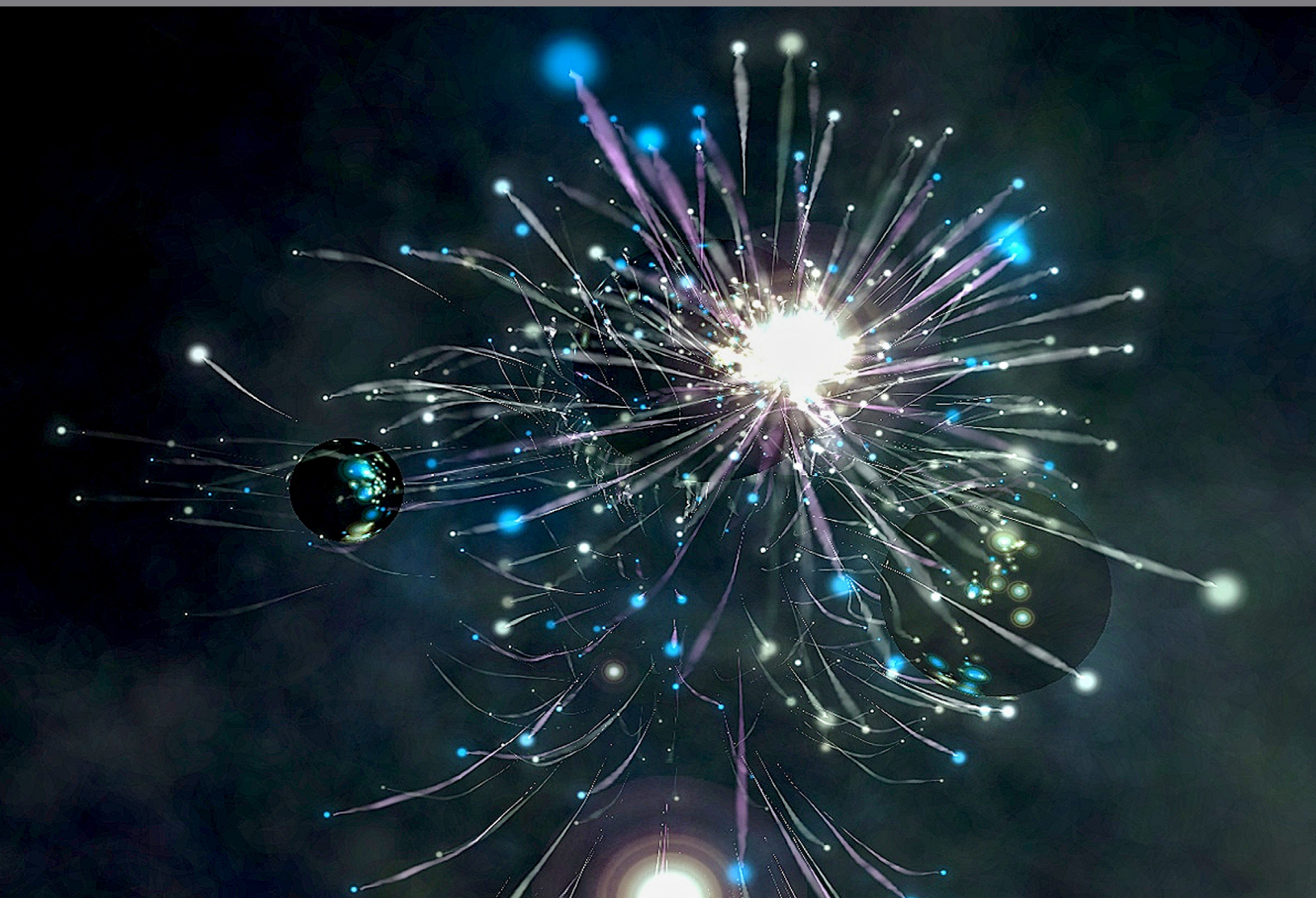


Digital movers and consumers

**SETTING THE AGENDA FOR THE NEXT
LEGISLATURE**



**BRITISH CHAMBER OF COMMERCE | EU & BELGIUM
DIGITAL TOGETHER**

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BRITISH CHAMBER OF COMMERCE | EU & BELGIUM

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INTRODUCTION

Participants were welcomed to this British Chamber breakfast meeting by the Chair, Dr **Nikolaus Tacke**, Managing Director of Hering Schuppener's Brussels office and the Chair of the British Chamber of Commerce's EU Committee. He reminded all present that the discussion would be held under the Chatham House rule.



However, ironically, technology is not so good at communication. Digital has taken itself for granted. And how it sees and talks about itself has been overtaken by its own, explosive success. Citizens and consumers increasingly demand a joined-up experience that immediately feeds them everything they need. It's what their digital experience has made them expect.

“Which is why, when it comes to the future and to the government policies that make it happen, citizens and consumers want more than regulations that protect their interests. They want policies that champion their needs and desires across sectors. They want an all-encompassing, inspiring vision of the future,” said Benis.

And that is also why Digital Together exists. To listen to digital-savvy citizens and consumers, and to give them a voice at the heart of digital policy and development. Digital Together aims to create a platform that promotes ongoing, open and constructive transversal dialogue, both online and face to face: a dialogue that establishes clear and measurable shared objectives for all stakeholders, laying the foundation for everyone across Europe to benefit from the extraordinary explosion in innovation that is just over the horizon.

OBJECTIVES

Following a ‘tour de table’, **Simone Ceruti**, Co-Founder of Digital Together (the principal sponsor of this meeting) outlined the objectives of the meeting: to initiate the creation of a dialogue between digital businesses, non-digital businesses, consumer associations, policy makers and others to ensure that all viewpoints are shared to help formulate appropriate future regulation and legislation in the digital space in Europe. He wanted to hear the opinions and input of all the stakeholders around the table.

Michael Benis, Co-Founder of Digital Together, introduced the discussion by painting the picture of the ubiquitous influence of digital technologies in all our lives 24/7. “Digital is a life changer, how you [individually and in a societal sense] harness digital technology is key to your future and the future of Europe,” he stated.

DIGITAL EU

Katja Viertiö, Deputy Head, Civil and Commercial Justice Unit, DG JUST at the European Commission outlined some of the legislative proposals relevant in the business-to-consumer (B2C) and business-to-business (B2B) areas within the Commission's Digital Single Market strategy since 2015. She referred to the many advances made and mentioned, for example measures taken to end unjustified geoblocking, enhance the role of the data economy, and ensure the effective abolishment of mobile roaming charges.

The majority of the proposed legislation is now in place, and work on the difficult issues of copyright reform and on the digital contracts proposals is also progressing.

Ms Viertiö said that digital was a powerful tool to find out what consumers want, but consumers needed to better understand and be able to give consent to the use of personal data. Rights and protection, and therefore transparency, were important. Businesses are increasingly tailoring their offers to individual consumers rather than 'consumers' en masse. The advent of 'smart goods' such as digital assistants (Alexa, Siri etc) raised new regulatory issues such as who was liable to provide a remedy for any defect. There is a need for clear rules.

The latest Consumer Conditions Scoreboard shows that consumers have increased confidence in cross-border purchasing, but business confidence is not increasing at a similar pace, and companies still raise concerns with legal barriers.

There was also a question of the role of big data and platforms. For example, smart meters offer many advantages. As such new goods and services are based on the provision of personal data, access to data becomes an important competitive factor. How platforms access data and how it is controlled can also

raise competition law issues. Transparency vis à vis business users was important and the Commission is looking into improving it through its proposed regulation on online platforms. It was also important for consumers to understand who they are transacting with on any platform.

Ms Viertiö thought the concept of the Digital Together platform where people engage was useful and could contribute to key issues around transparency, personal data, copyright, and commercial platforms. Companies were at the heart of this and needed to engage more. Collaboration for stakeholder consultations can be useful. Among recent major stakeholder consultations, she mentioned that the Commission has set up an alliance with respect to Artificial Intelligence (AI), looking at needs and desires for AI and linking to ethical values.



THE CONSUMERS' VIEWPOINT



Two representatives of consumer organisations presented their view of the digital environment. **Els Bruggeman**, EU Public Affairs, Test-Aankoop/Test-Achats in Belgium declared that the future is digital, but there are many challenges, especially around the use/abuse of personal data. The data economy is already out there but is unbalanced, with consumers exporting data but getting little in return. Consumers need to be more confident about their data – it belongs to them and they should choose what to do with it. Data portability is very important and if they agree to share they should get a clear, tangible return. Enforcement is very important. If consumer rights are not respected, the consumer organisations will take action, such as the current class action against Facebook.

“Innovation must bring benefits,” stated Bruggeman, however it is challenging in many

areas, such as AI, where there were many opportunities to make life easier, but also many risks, including discrimination and data issues. Here consumers should step in (not back) and make AI work for them. It is important that consumer organisations do not just lobby but work together with other stakeholders to build solutions.

Digital is not only personal but also about security. IoT consumer devices are out there and consumers like them but there are many examples of security issues. In particular, in web-connected toys that can be easily ‘hacked’. IoT consumer devices need to have security urgently prioritised by companies. And consumers must participate to build trust: if there is no cyber security then there will (eventually) be no trust and this will undermine growth in the market. Consumer trust is an essential precondition for successful innovation and this requires working together.

Luisa Crisigiovanni, General Secretary of AltroConsumo, Italy highlighted the role of consumer organisations in gathering consumers’ requirements: the demand side. AltroConsumo had some 500,000 members and lots of data available on consumer attitudes and issues. This is valuable data for policy dialogue. The digital world has created better channels for consumer organisations to organise rapidly and to bring mass class actions such as Dieselgate. She also saw a role for consumer organisations to input consumer views in voluntary schemes to provide remedies for e-commerce issues.

AltroConsumo organised collective purchase schemes for energy services that were data based and transparent and yielded significant savings for families. Such services showed the enabling role of digital for consumers, but she believed that consumer groups have to engage further and show value to business and consumers.

Regulations such as GDPR were valuable to protect consumers, but consumers generally needed more information to be able to give true consent in terms of use of their personal data. She believed that consumer organisations can act as aggregators of information to help feed policy making and better understand consumer needs in digital.

What does the younger generation think?

Andrea Gerosa, CEO of ThinkYoung, talked about his organisation's work on the attitudes of 'Millennials' and the Digital Era. ThinkYoung had nine years' experience in surveying the younger generations (Gen Y & Z) but he focused on recent survey work with Digital Together, focused (mainly) on 18-21 year olds: 'How Generation Z lives in the Digital Era'. This had picked up three mega-trends.



First, mobility: Gen Z is very mobile not just in terms of geography but also in terms of jobs and their personal life, relationships etc – up to the age of ~31.

Secondly, they are looking for 'experiences', whether it is yoga in Portugal, hiking round India, or the beach in Bali. They value experiences and share their lives. Technology has been a great enabler for this.

Thirdly, they are 'digital natives': they were born with a computer in their hands. This innate familiarity means they have a different attitude to technology compared to older generations; they are more connected and are more resilient to online threats.

Another key result of the survey is the volume of on-demand services that Gen Z uses. Digital technology is giving them unprecedented access to information to take better decisions – for example in-shop 'googling' of items before purchase to ensure best value. As ever, 'knowledge is power' and this generation has a thirst for information, not just entertainment, to enable better decision making. 77% of those surveyed purchased online at least once a week.

In terms of education this generation grew up studying with online services and is now using them to continue to learn. Laptops are the norm in universities today and 80% of those surveyed said they had learnt new skills in the last year with 65% learning online each week. It is predicted that the massive open online courses (MOOCs) sector will double in size in the next five years.

One area where young people are not so aware is regarding how digital technology is embedded in everything. Surprisingly they are not so aware of how much digital technology is spread out within other devices and environments.

THE DEBATE

Following the presentations, a wide-ranging dialogue took place with the following main points highlighted:

Geo-blocking regulations. There is overwhelming political support for the idea that geo-blocking should not exist in a single market.

Consumer protection rights also exist when there is no monetary exchange as it is recognised that personal data has economic value.

An important principle under GDPR is that data gathered must be needed and proportional or appropriate to the service that is being delivered and must also be able to be regained or retained by the data-giver.

How aggregated (big) data is used in the health domain could provide interesting test cases in terms of benefit or harm to individual consumers in areas such as discrimination, access to drugs or insurance.

Profiling of customers can lead to significant differences in prices offered, for example in online purchasing of hotel rooms. What are the criteria used? How do consumers challenge such discrimination?

Digitalisation of the farming and food value chain can increase productivity and reduce prices for consumers, but consumers need increased confidence to buy food online so further investment in trust measures is required.

Digital is a gold mine, offering huge opportunities to deliver value, but also ample learning opportunities.

CLOSING REMARKS

Simone Ceruti thanked all participants. He appreciated the range of views all the participants expressed from the debate on the interior perspectives of the digital world (privacy, AI, IoT etc) to the value of transparency and dialogue with the world of consumers. In particular, he noted a need to monitor the relationship between digital and consumers and a focus to ensure that the wellbeing of children in digital environments was protected. He pledged Digital Together to continue its work to bring people together for dialogue.

Michael Benis reiterated the importance of trust, transparency and dialogue to ensure that the power of digital to generate growth in society is correctly harnessed. It was essential that consumers, business and the general public understood and felt able to participate in the digital world.

In response to the fruitful dialogue of this Expert Workshop, Digital Together has honed its focus to include a core advocacy role, re-framing its Mission Statement as follows:

Digital Together listens to digitally-active citizens, and advocates and campaigns exclusively on their behalf at the intersection of product, service, technology and policy development with the aim of promoting effective citizen-centred digital innovation and a strong digital Europe through ever closer understanding and collaboration.

We are grateful to all participants for their appreciative support.

SETTING THE AGENDA FOR EUROPE'S DIGITALLY EMPOWERED FUTURE

Digital technologies have changed every aspect of our personal and business lives for the better. What's more, they have done so at an unprecedented pace regarding both the technologies themselves and their increasing deployment in and integration across different sectors of production and consumption. The speed and scale of this change has in some cases caught even digital movers and shakers unprepared. However, the problem is less of a technological issue than a paradigm and communication glitch, although it impacts every area from investment, development and integration to legislation, policymaking and public awareness.


European Union statistics inform us that 85% of households have an internet connection and yet 55% of consumers have privacy concerns about their use of smartphones. We are told 66% of millennials check their phones as the first thing they do in the morning, and yet the Digital Together-ThinkYoung survey of Generation Z found that only one third of respondents were aware of the multiple applications of digital in our lives. The general public are concerned about what Big Data and AI holds for the future, but unaware of the multiple areas where both are already improving their lives.

Looking to the future, the opportunities are immense. The World Economic Forum's recent Future of Jobs Report, for example, sees the Fourth Industrial Revolution potentially creating 133 million jobs globally over the next decade, compared with 75 million that could

be displaced. The stakes remain high even for more modest analyses, such as McKinsey's, which forecasts a 1.5% improvement in GDP over the next decade if 70% of firms adopt AI in their business.

So how are we going to get there when the digital message and digital policy overall are not clear? When our government departments serving citizens continue to work in isolation from one another? When many of our largest and most successful companies do the same although consumers are already demanding seamless digital integration, and intelligent personal assistants are set to drive that further? When our survey shows young people are enthusiastic about the benefits that Internet technology brings — from cheap, instant communication irrespective of location, to simplified navigation and peer community support at all hours — yet regulations are framed to protect consumer rights, not to represent consumer needs? When European policymaking takes powerful steps in one area, such as the GDPR, but still has no coordinated plan for stimulating digital awareness, innovation, integration and investment? When the major instrument for the latter continues to be legislation when policymaking could also harness online education, partnerships, information-sharing, the co-ownership of decisions and identification of best practices? When the multiple sectors and parties involved have no *modus operandi* for systematically engaging either with consumers or one another?

Digital provides us with the answer. Because digital is about dialogue, about breaking down barriers, about the synergies achieved by talking to one another and listening to citizens and consumers ever more efficiently. Digital also provides us with the model to achieve this: a cross-sectoral platform alliance that aims to promote a shared understanding of the challenges and opportunities, based on



their intersection in citizens and consumers. A model that crucially involves bringing the voice, opinions and points view of digital-savvy citizens and consumers into the public and policy debates.

That is our model at Digital Together. We have therefore organised the 26 September Digital Breakfast with a concrete goal: to kickstart the process of setting the agenda for the new EU legislature by bringing leading actors together - consumer associations, voices of digital youth, policymakers, legislators and innovative companies - with the purpose of identifying how to best aggregate around specific cross-sectoral interests to follow a result-driven approach centred on defined objectives for consumers and citizens.

Specific transversal questions that we aim to address include:

- **What do citizens and consumers want:** what new services do they welcome and expect? What new features? How do they want to have and make choices?
- **Online platforms:** what's the most effective balance of transparency, innovation and intellectual property rights to power citizen choice?
- **Big Data:** could we join together to multiply the potential of big data with tools that explicitly empower consumers?
- **The regulatory framework:** how can we best structure transversal dialogues to promote a predictable regulatory environment that stimulates digital innovation and development for vibrant growth?
- **User-focused joined-up solutions:** what kind of partnerships could leverage the multiple benefits of transversal “dashboard” solution

clusters in public and private services?

- **Digital health:** how can we support the public to live every aspect of their digital lives healthily without playing nanny?
- **Child protection and the online wellbeing of young people:** what are the specific needs of young people and how can we best support them at delicate points in their life journeys?
- **Listening to citizens and consumers:** how can we build an ongoing dialogue with citizens/consumers to best meet their needs and drive European development?

Everyone invited has an important voice in this crucial project for Europe. We look forward to hearing yours.

