News Broadcasting

### News Broadcasting's response to Ofcom's consultation on the Principles and Methods for the Designation of Radio Selection Services

#### Introduction

News Corp UK and Ireland ('*News UK*') welcomes the opportunity to respond to the consultation on the implementation of Part 6 of the Media Act 2024. News UK's output spans print, pixel, video and audio, reaching approximately 38 million people across the UK each month. Our multiformat news publishing and broadcasting brands include The Times and The Sunday Times, The Sun, talkSPORT, Talk, Times Radio and Virgin Radio. News UK invests in high quality journalism, offering a variety of views and opinion that reflects the diversity of audiences across the UK. In doing so, we contribute to the plural media environment that underpins a healthy democracy and wider society, and support over 2,500 jobs across our five UK sites. News Broadcasting is a division of News UK.

To start, we wish to thank the team at Ofcom for efficiently progressing this work on implementing Part 6 of the Media Act 2024 and for their constructive engagement with us on this issue to date. We look forward to continuing to engage with Ofcom on this implementation process.

As Ofcom is aware, an increasing proportion of radio listening now comes via voice-activated devices, including smartphones and smart speakers. About 20% of News Broadcasting's average weekly listening hours now come from smart speakers alone, exceeding the proportion of listening from AM/FM radio.<sup>1</sup>

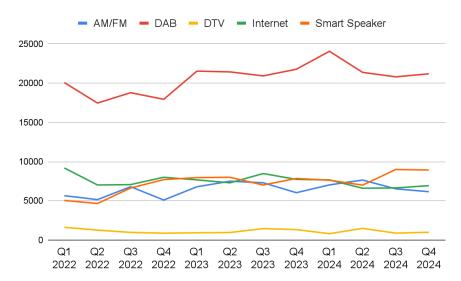


Figure 1: News Broadcasting listening hours split by platform (000s)

Source: RAJAR (3 month weighting). Note RAJAR specifically breaks out 'smart speaker' listening from Q1 2022. Listening via smartphones sits within the proportion of listening labelled as 'internet'.

<sup>&</sup>lt;sup>1</sup> RAJAR (3 month weighting).

As listening on connected devices has grown, radio broadcasters have become increasingly reliant on global technology companies to reach their audiences. It means that - at present - radio broadcasters are dependent on forging partnerships with platforms to ensure their services are available on connected devices, often accepting unsatisfactory terms in the process. It means that platforms can dictate the findability and discovery of radio services, which is particularly important on voice-activated services, where just a single result is provided to a user's request (e.g. 'Play me talkSPORT'). Platforms could also charge radio services for distribution, self-preference (e.g. play their own audio service instead of third parties' services), or sell and insert their own advertising in commercial radio advertising slots.

We therefore welcomed the passage of Part 6 of the Media Act 2024. If implemented as intended, the regulations should help to rebalance the relationship between technology platforms and UK radio broadcasters, ensure that UK audiences are accurately served the UK-licensed radio stations they request, and ensure the integrity of commercial radio streams are protected. In the longer-term, this regulation may also help the radio sector to migrate away from older, energy-intensive distribution technologies, such as a medium wave, by ensuring radio broadcasters and listeners have confidence in voice-activated services.

We broadly support Ofcom's proposed approach to the principles and methods for designating radio selection services ('*RSS*'). We welcome an approach that recognises that the objective of the legislation is to ensure that UK-licensed radio services are as widely available as possible. However, given the fast moving nature of technology in the media sector, it is vital that Ofcom's approach to designation is sufficiently flexible to respond to a changing marketplace.

Ofcom rightly emphasises that the term 'RSS' refers to the software that underpins the voice-assistant technology, not the device itself (e.g. a smart speaker, a smartphone). Therefore a wide range of devices, such as smart speakers, smartphones, car dashboards, smart watches may be in scope. Ofcom is also correct to highlight the ongoing integration of AI technologies into voice assistant services, which should improve the capabilities of voice assistants and potentially increase consumer take-up and use. In recent months, we've seen the increased integration of AI into voice-assistant software, including the announcement of Amazon's Alexa+.<sup>2</sup> We could also see new entrants to the market if AI developers launch new voice-assistant services. For the regulation of RSS to continue to be effective for radio broadcasters and listeners as technology changes, Ofcom's approach to designation should be sufficiently flexible to be able to take account of such developments.

<sup>&</sup>lt;sup>2</sup> Amazon, 26 February 2025, Introducing Alexa+, the new generation of Alexa.

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#### **Responses to specific consultation questions**

# Q1. Do you agree with our proposed principles and methods for assessing the number of members of the public using an RSS to listen to internet radio services and the manner in which they use the RSS?

Yes - we agree with Ofcom's proposed principles and methods for assessing the number of members of the public using an RSS to listen to a radio stream, and the manner in which they use the RSS. Given the specificity of the drafting in the legislation, it is appropriate that the RSS in scope are those used by a significant number of members of the public to listen to online radio services.

On the manner of how listeners use RSS to listen to the radio online, it would be helpful to understand the relative weight Ofcom intends to put on the different factors that make up its designation decisions. For example, it seems appropriate to us that a voice-activated service would be designated as an RSS if it was used by a relatively small number of people in the UK to listen to internet radio services ('*IRS*'), but those who do use it tend to use it frequently to listen to IRS and listen for long periods of time.

## Supplementary question: We welcome views on the potential sources of data we are considering using in our first report to assess the number of users and manner of use.

We appreciate that there is no single available measure of how many people in the UK use an RSS to listen to the radio online, and consider that using multiple data sources is an appropriate approach to inform designation decisions. This includes combining RAJAR and streaming data to develop an assessment of RSS usage.

However, given that RAJAR is the de facto source of published radio listening data, is well-regarded across the sector and has a very large representative panel, we encourage Ofcom to place greater weight on third-party data sources - particularly RAJAR - to inform its assessment. This contrasts to data from platforms, which is unlikely to be verifiable by a third party. We would therefore have more confidence in an assessment that is weighted towards using RAJAR to arrive at an assessment as to the number of users.

### Q2. Do you agree with our proposed principles and methods for assessing whether the level of use of an RSS is significant?

Yes, we agree with Ofcom's proposed principles and methods for setting a threshold for 'significant use' of an RSS.

The objectives of the legislation are to ensure that internet radio services are available as widely as possible to audiences across the UK, and to rebalance the relationship between UK radio broadcasters and technology platforms. To deliver on those objectives, it will be important for the threshold for 'significant use' to be set at a relatively low level.

While we understand that Ofcom must consider the proportionality of its regulation, the companies that operate the most widely used voice-activated services in the UK are some of the biggest and best resourced technology companies in the world. We do not consider that designation could be too onerous for any of those providers of voice-activated services.

For example, the consumer research included in Ofcom's consultation indicates that among voice assistant users, 60% use Amazon Alexa, 30% use Google Assistant, and 28% use Apple Siri.<sup>3</sup> Given that 43% of voice assistant users say they use the technology to access radio on a connected device, a significant minority of users of the three services above are likely to use them to listen to radio streams. It therefore seems likely to us that those three services would meet the basic threshold for RSS designation, and we do not consider that an argument could be made that the regulations would be disproportionate.

As we have highlighted above, technological changes in the media sector are accelerating at pace, and it will be important that Ofcom's approach to setting its threshold is agile and responsive to such changes. As we have set out above, the development of AI technologies and the integration of those technologies into existing voice-assistant services means that those services may see improved capabilities, and consumer take-up and use may become more widespread. We could also see new entrants in the voice-activated market, as new AI developers could create their own AI-enabled voice-activated services (e.g. personalised AI chat bots). As a result, it would be helpful for Ofcom to set out examples of triggers which would mean that it would review the threshold for designation.

### Q3: Do you agree with our proposed principles and methods for assessing any other relevant matters?

Yes, we agree with Ofcom's proposed principles and methods for assessing any other relevant matters. However, there are two additional factors which we would encourage Ofcom to consider in making its decisions, under 'other market factors'.

While we note that the matters that Ofcom must consider in making its assessment primarily relate to consumer use of RSS to listen to IRS, we consider that in certain circumstances, it may be worth considering the extent to which voice-activated software is available across devices (e.g. the pre-installation of RSS across devices), as this is likely to influence take-up and use of RSS to play IRS.

It may also be worth considering the position of companies that operate voice-activated services in other related markets. For example, companies that operate voice-activated services may also operate in markets such as advertising or search, which they could leverage in engaging with radio broadcasters on issues such as findability and discoverability. While again we note that the factors Ofcom must consider are tied to consumer use, we consider that in certain situations, Ofcom should take such cross-market dynamics into consideration as part of its approach to designation.

<sup>&</sup>lt;sup>3</sup> Ofcom, 4 February 2025, <u>Consultation: Designation of Radio Selection Services - Principles and</u> <u>methods for Ofcom's recommendations</u>, Figure 3, page 9.

## **Q4.** Do you agree with our proposed approach to general principles in our principles and methods statement annex?

Yes, we broadly agree with Ofcom's proposed approach as set out in Annex 1.

News UK, 18 March 2025