



ACCC Digital Platforms Services Inquiry

**September 2023 Report on “the expanding ecosystems of digital
platform service providers” (DPSI 7)**

Google Supplemental Submission

21 July 2023

1. Google has reviewed submissions lodged in response to the ACCC's Issues Paper for its September 2023 report on "the expanding ecosystems of digital platform service providers".¹
2. A number of the submissions raise issues which are, in our view, largely unrelated to the matters set out in the Issues Paper and so beyond the intended scope of the ACCC's report. While we do not agree with various propositions in those submissions, we do not seek to respond to them here.
3. Google does, however, wish to provide some brief supplementary² submissions in response to certain statements made about our smart home device business practices.³
4. A number of submissions state that Google's commercial strategy in smart home devices is to collect and use data for advertising purposes and/or that Google's policies about when data can be used for advertising purposes are unclear. We do not agree with those submissions. We provide further detail on these issues below, as it is important that the ACCC's report is based on a proper understanding of how our products interoperate, collect and use data.
5. When we launched our smart home device business in 2016, we were hopeful that smart home devices would become a new and successful product line for homes.
6. We generate revenue from our smart home devices through the sale of these devices and, more recently, by offering premium paid services like Nest Aware. We seek to add to or improve our product suite where we expect that users will find it valuable or useful, with a view to generating additional revenue from the sale to users of devices and premium paid services. And we enable users to make our products more useful given their own circumstances and preferences, by developing and supporting significant interoperability with third party devices and services.
7. Our commercial approach is consistent with our key value proposition to our users "*Make life easier with a little help from our products*".⁴ Google expects that where a consumer has a positive interaction with a particular product or service, that

¹ Available at <https://www.accc.gov.au/inquiries-and-consultations/digital-platform-services-inquiry-2020-25/september-2023-interim-report>

² Further to our submission of 23 April 2023 in response to the Issues Paper (**First Submission**).

³ The fact that only certain assertions are considered below should not be taken to indicate our agreement with submissions (or aspects of them) that we do not address.

⁴ See our website: <https://about.google/>

experience may encourage the consumer to consider the use of other Google products and services where they meet their requirements.

8. However, there are material costs and risks associated with developing, manufacturing, shipping, selling and maintaining support for hardware devices, which means that we need to be thoughtful about whether any new smart home device is likely to meet a consumer desire and be commercially successful.
9. Making our smart home devices useful in fact requires and involves relatively limited data exchange and interaction with other Google services.
10. We do not display advertising on our smart home devices, although advertising can appear in the content being streamed on a device (for example if there is advertising on YouTube or Spotify). We strictly separate device sensor data for privacy purposes and do not use it for advertising. We do not sell user data to third parties.⁵
11. As explained in our First Submission,⁶ the vast majority of user interactions with Google Assistant entail simple commands (e.g., “set a timer”), and involve no data exchange with other Google services. More complex informational queries that exchange data with Google Search are a very small proportion of overall Assistant interactions on our smart devices, and represent an incredibly small proportion of Google Search queries. The text of such user interactions with Google Assistant could be used to personalise advertisements (if the user has not opted out of ad personalisation), but Assistant is primarily used for productivity applications and factual queries that offer limited commercial value. Users also have the ability to opt out of ads personalisation completely.
12. Some data collection is necessary to provide our products, services and useful incremental functionality. As explained in our First Submission,⁷ we have clear policies regarding data collection and use (including where we do and do not use data for advertising purposes). And we provide users with tools to understand and control the extent of Google’s data collection and use.
13. For smart home devices, our data collection and use depends on the device, and what data the user chooses to provide. Our exchange of smart home device data with other

⁵ This is contrary to what some third party submissions appear to suggest - see in particular Apple’s submission, para 3.

⁶ First Submission (21 April 2023), para. 63.

⁷ First Submission (21 April 2023), para. 34; 35; 58; 59.

services is limited and oriented toward functionality and improving user experience, as outlined further below.

14. **Google Account information.** We collect Google Account information (name, email address, gender, date of birth, account password, phone number and payment information), in order to set up the device. Some of this data is optional and only collected if the user chooses to provide it.
15. **Sensor and usage data.** Our various smart home devices log usage data and may rely on cameras, microphones, and other sensors, as well as cellular, Wi-Fi, and GPS data to enable the user's preferred functionality. We expressly outline what data we collect and how we use that data in a supplemental privacy notice available on our Help Centre,⁸ on the Google Home app, and in our published privacy and security commitments.⁹ Users have control over what usage data is retained by Google and can exercise this control by accessing Google Assistant control tools¹⁰ or by simply issuing a verbal command to the device to delete certain history.
16. As noted above, we strictly separate device sensor data for privacy purposes and do not use it for advertising. We collect data from smart home devices and (usually in aggregated form) use that data to provide, improve, and personalise features and services; to support and develop useful smart home device features; to enable functionality with Google and third-party devices and services; and to keep users informed of our products, services, and updates.
17. **Third party devices and services.** Where a Google smart home device is used to access a third-party application, our ability to collect data is limited by the user's settings and permissions, the third-party service's terms of use and privacy policy, and by any contractual arrangements in place between Google and the third party. As a general matter, we do not collect detailed data from a user's use of third-party services. For example, when a user streams third-party content through Chromecast, we receive the duration of the session and the application being used, but we do not collect data identifying the content being streamed.
18. If the ACCC has any questions about these issues we would be happy to discuss further.

⁸ Google Nest Help, 'FAQs on privacy: Google Nest' (11 May 2022); https://support.google.com/googlenest/answer/9415830?hl=en&ref_topic=7173611

⁹ Google Safety Centre, 'In our products > Nest'; <https://safety.google/nest/>

¹⁰ <https://myactivity.google.com/product/assistant?pli=1>