



ACCC Digital Platforms Services Inquiry

**March 2023 Interim Report on the Provision of Social Media Services
by Social Media Platforms**

18 November 2022

INTRODUCTION

1. Google provides this submission to the ACCC's inquiry into the supply of social media services to consumers and businesses by social media platforms (**Inquiry**). The ACCC's Issues Paper states that the Inquiry will focus on social media services provided by social media platforms (such as Facebook, Instagram, Twitter, TikTok and Snapchat), and also consider the supply of services provided by other platforms that contain some similar features to those in social media services (such as YouTube, Reddit and Discord).
2. Google is the operator of YouTube, a video hosting platform that serves three distinct groups: users, content creators¹, and advertisers. YouTube's primary function is to enable users to access and consume video content produced by creators. In turn, this allows YouTube to provide a space for advertisers to show their ads to users. The revenue stream from advertisers gives YouTube's content creators the opportunity to monetise their content, and it allows YouTube to continue to invest in maintaining a high-quality, safe and responsible video hosting platform for all participants.
3. Some features of YouTube have similarities to features offered by social media services. But these are not features connected to social networking and are ancillary to YouTube's core function of hosting video content. The Issues Paper therefore correctly concludes that YouTube should not be a focus of the Inquiry into social media platforms.
4. Nonetheless, some third-party submissions seek to characterise YouTube as a social media platform that should be a focus of the Inquiry. We therefore provide our perspectives on how YouTube's features and competitive offering are differentiated from social media platforms. We also highlight the dynamic competition faced by YouTube on each of the three sides of its platform and how we seek to ensure that YouTube is a safe and trusted place for users.

ABOUT YOUTUBE

5. A user comes to YouTube primarily to find and consume video content, and YouTube's service offering is squarely focused on the video viewing experience. The YouTube homepage facilitates a user's selection of video content to watch by showcasing the work of content creators. When arriving on the YouTube homepage, users are presented with an extensive range of video content to choose from, including short and long, linear and live videos.

¹ Content creators are anyone that produces content for the YouTube platform, including music artists and companies.

Figure 1: YouTube homepage (Desktop)
 Screenshot captured 17 November 2022

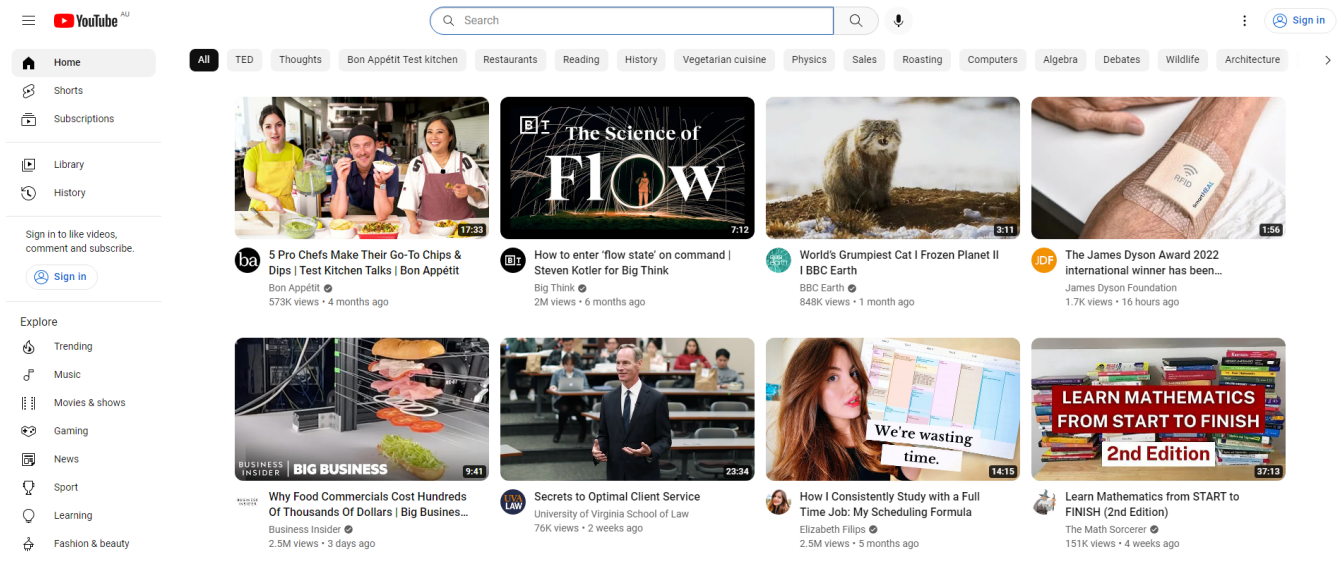
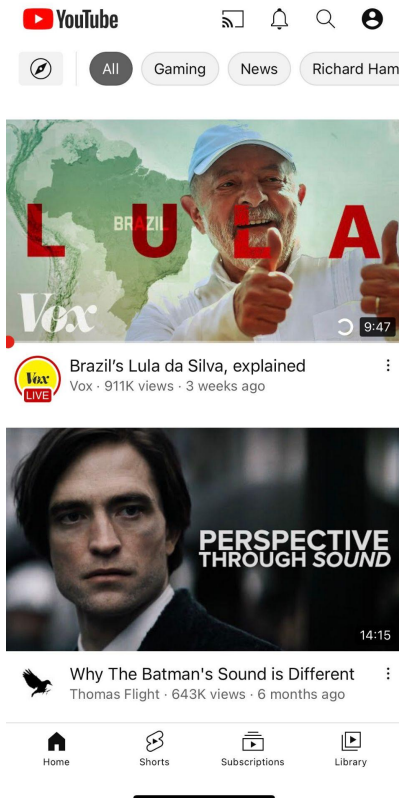


Figure 2: YouTube homepage (Mobile)
 Screenshot captured 17 November 2022



- Similarly, the YouTube watch page is oriented towards the video consumption experience. The watch page ensures that the video player is the focal point, and spotlights a further selection of videos a user may choose to watch on the right-hand side (on desktop) and below the fold (on mobile).

Figure 3: YouTube watch page (Desktop)

Screenshot captured 17 November 2022

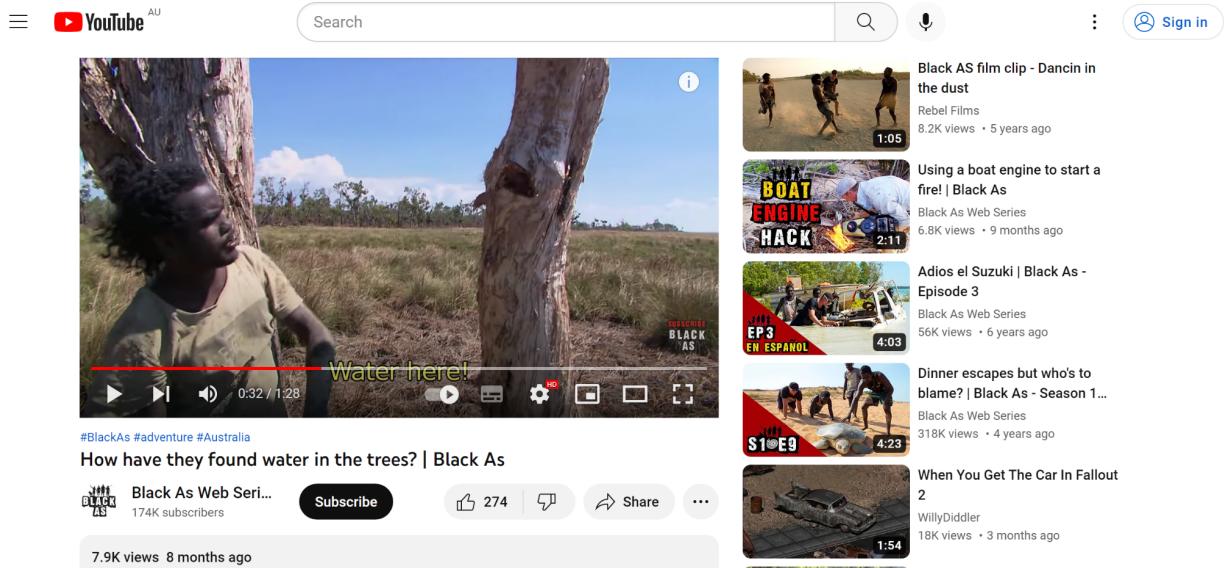
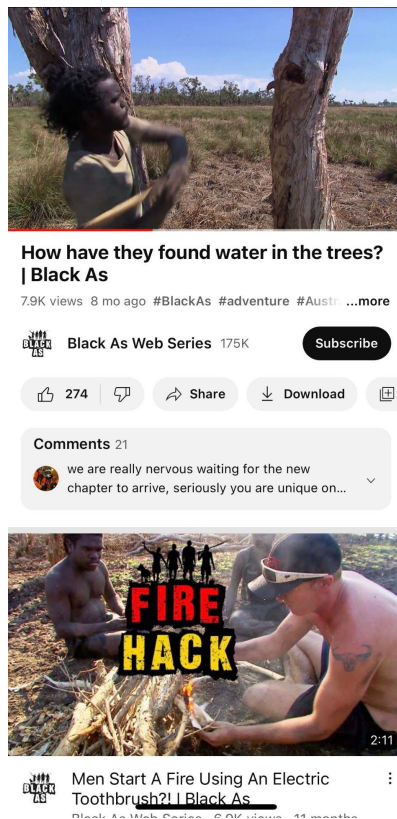


Figure 4: YouTube watch page (Mobile)

Screenshot captured 17 November 2022



YouTube has been recognised as a video platform in a range of regulatory contexts around the world

7. Recognising video content as central to the service that YouTube provides, regulators around the world have distinguished YouTube from social media platforms or services by instead characterising it as a video or video-sharing platform. For example:
 - **The UK Office of Communications (Ofcom)**, in its 2019 *Online Nation Report*, found that “social media services” and “video-sharing platforms” (e.g. Twitch and YouTube) have influenced each other,² but excluded video-sharing platforms like YouTube from its definition of the “UK social media market” for the purpose of its analysis.³ Ofcom’s report also found that “a majority of users continue to see YouTube primarily as a platform for video consumption and only a minority emphasise its social aspects.”⁴
 - **The German Federal Cartel Office (Bundeskartellamt)**, in a decision on Facebook’s data processing policy, characterised YouTube as “first and foremost a video platform”. According to the agency, though YouTube offers some “social” functions, the video platform’s “strategic orientation” is “completely different from social networks which emphasise interactive communication between users in a virtual social space.” The Bundeskartellamt cited that 79% of its respondents used YouTube but only 4% counted it among the “social networks” they use.⁵
 - **The UK Competition & Markets Authority (CMA)**, in its 2021 decision on the Facebook-Giphy merger, emphasised the differences between Facebook and YouTube. It reported that “YouTube’s focus is on providing video content rather than social networking and communication services.” The CMA concluded that – despite having some features in common with, and comparable reach and engagement as, Facebook and Instagram – YouTube is not an effective alternative “due to its more limited/specialised nature.”⁶
 - **The Federal Trade Commission (FTC)**, in an Amended Complaint against Facebook, Inc. (now Meta), considered that “personal social networking is distinct

² Ofcom, [Online Nation 2019 Report](#) (30 May 2019), p 121.

³ The report states: “For this analysis [of the UK social media market] we identified social media as all major social networks that connect users to each other, such as LinkedIn, Instagram, Facebook and Twitter”. This excludes services that operate solely as user-to-user messaging apps unless offered as part of a broader offering... and also excludes video-sharing platforms such as YouTube.” Ofcom, [Online Nation 2019 Report](#) (30 May 2019), p. 54 ft 89.

⁴ Ofcom, [Online Nation 2019 Report](#) (30 May 2019), p.132.

⁵ [6th Decision Division of the Bundeskartellamt decided on 6 February 2019](#), para 309.

⁶ CMA, [Completed Acquisition by Facebook, Inc of Giphy Inc. Final Report](#) (29 July 2022), para 5.131.

from, and not reasonably interchangeable with, online services focused on video or audio consumption.” The FTC noted that users employ YouTube “primarily for the passive consumption of specific media content... from and to a wide audience of typically unknown users,” whereas personal social network services such as Instagram and Facebook are used “primarily to communicate with friends, family, and other personal connections.”⁷

- **The ACCC**, in its 2019 Digital Platforms Inquiry Final Report, referred to YouTube as a “video platform” or a “video-sharing” platform, site or application.⁸

DIFFERENCES BETWEEN YOUTUBE AND SOCIAL MEDIA PLATFORMS

8. Social media services focus on facilitating two-way social relationships between users. Therefore, they encourage users to build and actively engage with their social network within the platform.
9. YouTube focuses on hosting video content for users to select and view, and enabling those who create it to monetise the content. The form of user engagement on YouTube is therefore centred on selecting and consuming video content of interest to them as distinct from engagement of a social nature. As such, it is not necessary for a user to sign-in to a personal account in order to access YouTube and start watching videos.
10. Consistent with their different core functions, YouTube and social media platforms attract users for different purposes, offer different features, and host different kinds of content.

Users generally use social media platforms and YouTube for different purposes

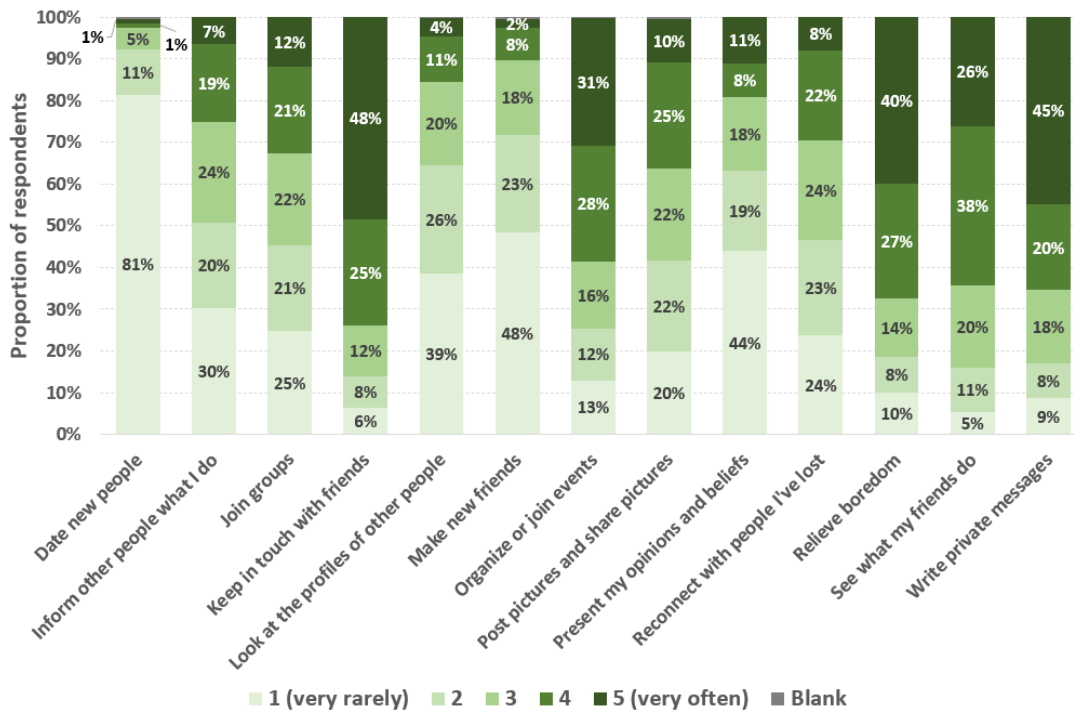
11. It is our understanding that users go to social media platforms to connect to other end-users, usually within an identified social circle (e.g. friends, relatives, colleagues, classmates or communities). For example, a 2020 survey of 425 Australians (see *Figure 5* below) found that the most common reasons to visit Facebook are to keep in touch with friends, organise or join events, see what friends do, or write private messages.⁹

⁷ FTC, [8 September 2021 Amended Complaint against Facebook, Inc.](#), para 175.

⁸ ACCC, [Digital Platforms Inquiry Final Report](#) (June 2019).

⁹ University of Wroclaw, [Reasons for Facebook Data Usage: Data from 46 Countries](#) (30 April 2020). The pattern of responses for these 425 Australian respondents does not significantly change when expanding to the results of the worldwide survey.

Figure 5: Reasons to visit Facebook for 425 Australian users, University of Wroclaw



Source: RBB analysis of survey data (<https://figshare.com/s/68f306f31958d9a5c0c0>)

12. Those are not the reasons that users generally visit YouTube. In a 2021 survey conducted by Oxford Economics on behalf of Google, 92% of surveyed users reported using YouTube to “gather information and knowledge”, and 93% to “learn how to fix practical problems”. YouTube was also recognised as a resource for educators, students and parents, for example: 75% of surveyed teachers who use YouTube agreed that it helps students learn.¹⁰ While there are various reasons why users typically visit YouTube, all centre on their consumption of video entertainment, information or knowledge published on the platform by content creators.

YouTube lacks many of social media platforms’ core features

13. Because YouTube does not have a social networking purpose, it does not offer core features of social media platforms that are designed to facilitate social interaction between users. For example, YouTube does not provide users with the ability to join social groups - i.e. as the Issues Paper notes, to add “friends”. In contrast, and consistent with their core social function, users of social media platforms are able to connect with people in their networks via the platform.¹¹ Further, YouTube does not

¹⁰ Oxford Economics, A Platform for Australian Opportunity, Assessing the economic, societal and cultural impact of YouTube in Australia in 2021 (November 2022), p 24. Based on a survey of 3,834 users.

¹¹ Facebook, Instagram, TikTok, Snapchat and Twitter actively facilitate users finding more friends on the platform, including for example: by enabling users to connect their mobile phone contacts to their account and by recommending other friends or accounts to follow and/or add (See: Help Pages for [Facebook](#), [Instagram](#), [TikTok](#), [Snapchat](#) and [Twitter](#).) Instagram and TikTok also enable users to sync their Facebook friends to their account (See: [TikTok Help Page](#) and [Iteared Instagram](#)). Groups on

include any personal messaging service through which users can communicate privately with one another or in social groups. This is distinct from many social media platforms, including Facebook and TikTok,¹² which enable direct messaging between platform users.¹³

14. Even where YouTube shares some features with similarities to those in social media services, these are not aimed towards social networking and are ancillary to YouTube's core functions. For example:

- YouTube users are generally not able to share content *within* the platform.¹⁴ In contrast, social media platforms enable their users to repost content *on* the platform, often in a variety of ways and to a select group of people (e.g. “friends”).¹⁵
- YouTube's comments section does not facilitate ongoing dialogue or social relationships between users. It appears “below the fold” of the YouTube Watch page, the focus of which remains the video player. In contrast, the comments or reply function is key for many social media platforms.
- YouTube's “story” feature is only available on mobile, is limited to channels with over 10,000 subscribers, and only permits creators to publish stories viewable by all users. This is distinct from social media platforms such as Facebook,¹⁶

Facebook are a “central place where people go to do more together” and “most people on Facebook are members of at least 15 active groups” with “more than 100 million group joins every day” (See: [Meta](#), 2022) Instagram and Twitter also provide “closed” circle features via “Close Friends” on Instagram and “Twitter Circle”, respectively. (See: Help Pages for [Instagram](#) and [Twitter](#)) On TikTok, users have a “Friends Tab” which is dedicated to their friends' videos (See: Help Page for [TikTok](#)).

¹² TikTok, [Using TikTok Direct messages](#)

¹³ Facebook's ‘Messenger’ is embedded on Facebook.com and is provided as a separate app on mobile. Both Facebook Messenger and Instagram (owned by Meta) enable user-to-user and group messaging, including to send images, videos and emojis (See: Help Pages, [Facebook](#) and [Instagram](#)). In 2020, Meta updated its messaging experience to make it easier for users to “connect and share” across both its platforms, and to include features from Facebook Messenger (Watch Together, Selfie Stickers, Custom Emojis and more) on Instagram (See: [Meta](#), 2020; [Meta](#), 2020). Snapchat also provides for one-on-one and group text and image messaging. Snapchat added new features to its app in 2022 to “make chatting with your real friends more fun and expressive”, including: Chat Reply, Bitmoji Reactions and improved video and audio calling. ([Snapchat](#), 2022) Twitter users can message individuals or groups, as long as those other users follow the initiating user. Twitter tested a new tweet icon in 2022, which makes it easier for one user to DM another user from that user's tweet (See: Help Page, [Twitter](#) and [Social Media Today](#), (4 Feb 2022)).

¹⁴ ‘Remixing’ on YouTube Shorts is a limited exception. On YouTube Shorts, users can “remix” content by incorporating a short video segment (up to 5 seconds) from other users' eligible YouTube or YouTube Shorts videos when creating new Shorts content. As per other YouTube content which is shared publicly, this is shared to the world at large. (See: [Mashable](#), (14 April 2022)) YouTube users are also able to share video content externally, including to WhatsApp, Facebook, via email or other digital service.

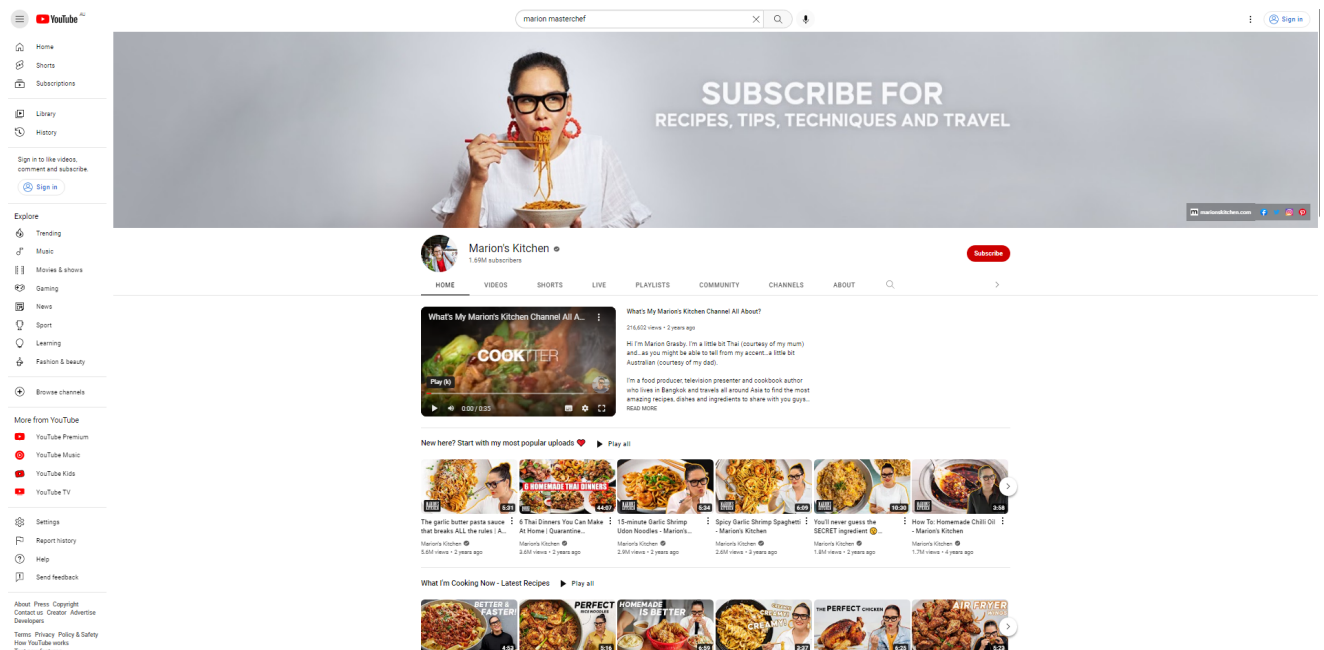
¹⁵ For example, Facebook enables users to share posts they see on their Facebook feed to their own Facebook feed, their Facebook story, in Messenger, to a Facebook group, on a friend's Facebook profile, or to a Facebook page they manage (See: Help Page, [Facebook](#)). On Instagram, users can re-share another user's post to their Instagram story if the creator's account is public and they have allowed re-sharing, or send the post in a direct message chat within the platform (See: Help Pages, [Instagram 1](#) and [2](#)). TikTok has a re-posting option (See: [Dexerto](#) (9 May 2022)), and Twitter users can share other users' content to their followers (or the public if privacy settings allow) by ‘retweeting’ or ‘quoting’ content (See: Help Page, [Twitter](#)).

¹⁶ Facebook users can share content on “Stories” to their friends and followers, which are visible for 24 hours. See: Facebook Help Centre, [Stories](#).

Instagram,¹⁷ and Snapchat,¹⁸ which provide story features to all users, and allow them to share their stories with a smaller subset of people (e.g. "close friends").

- YouTube’s channel page is centred on showcasing video content, as shown in *Figure 6* below.. In contrast, user profile pages on social media platforms tend to focus on providing information about the user in order to facilitate their connections to other users.¹⁹
- YouTube’s Community Tab is fundamentally dissimilar to ‘groups’ provided on social media platforms,²⁰ as only the channel creator can create a post in the Tab, and subscribers and visitors to the Tab are limited to liking or responding to these posts (e.g., via text-based comments).²¹

Figure 6: Example of a YouTube channel page
Screenshot captured 10 November 2022



¹⁷ Users on Instagram can share content to their Instagram story, which disappears after 24 hours unless added to their profile as a highlight. See: Instagram Help Centre, [How long Instagram stories remain visible](#)

¹⁸ Snapchat users can share content to “My Story”. The privacy settings for this can be customised, allowing everyone to see the content or only friends who have added the user back. See: Snapchat Support, [How to add snaps to My Story](#).

¹⁹ For example, on a Facebook profile, users can add their name, gender, networks (e.g. school or workplace), birthday, country, an “intro section”, their relationship status, and family members. See: Facebook Help Centre, [Add and edit your profile info](#).

²⁰ Such as Facebook Groups and Twitter Communities. Users on Facebook can create, join and administrate Groups, which can be both public and private (e.g. within a college or high school network). Facebook group members can post, create events, upload pictures and videos, and share files within a group (See: Help Page, [Facebook](#) and [Lifewire](#) (15 July 2021)). Twitter Communities allow users to Tweet directly to a particular group, instead of to all followers. While Communities are publicly available, only members in the same Community are able to reply and join the conversation (Twitter, [Communities](#) (9 September 2021)).

²¹ YouTube Help, [Interact with Creators on Community Posts](#)

YouTube hosts different content types as compared to social media platforms

15. YouTube hosts an array of short form and long form content, including videos up to 12 hours.²² This difference in content types is reflected in the different ways that users access YouTube. According to Nielsen data, in August this year, 37% of Australian YouTube watchtime was on mobile devices, 31.3% was on Connected TV, 17.5% was on desktop and 14.2% tablet.²³
16. The use of Connected TV to access YouTube in particular, reflects a difference in content types and use cases between YouTube and social media platforms. In May 2022, 11 million Australians watched YouTube on Connected TVs. YouTube's content is suitable for viewing via Connected TV; whereas a social media platform's content, with all of its social networking features and use cases, appears less so.

YOUTUBE FACES SIGNIFICANT, DYNAMIC COMPETITION ON EACH SIDE OF ITS PLATFORM

17. The important differences between YouTube and social media platforms mean that they face different competitive dynamics. These differences would make it especially inappropriate for YouTube to be a focus of the Inquiry into social media platforms.
18. Because social media platforms facilitate active engagement between users or groups of users, social media platforms tend to benefit from *direct* network effects: the growth of a group of users directly benefits other users in that group.²⁴ Thus, successful competition by social media platforms is driven by users' engagement with one another.
19. By contrast, YouTube is focused on driving engagement among three different groups: content creators, users who consume their content, and paying advertisers. This dynamic involves *indirect network effects*: growth in one group of consumers of the platform benefits one or both of the other two groups, while a decline in one group harms one or both of the other two groups. For example: YouTube competes to attract high-quality content creators in a number of ways, such as by making it easy to upload and monetise content. This, in turn, increases YouTube's attractiveness to users, which makes YouTube more appealing to advertisers that can now reach a broader range of users on the platform. An increase in advertising opportunities further attracts content creators to the platform, which again attracts users, and so on.

²² There may be videos longer than 12 hours hosted on YouTube if these were uploaded before the change of policy. See: YouTube Help, [Upload videos longer than 15 minutes](#).

²³ August 2022 Nielsen data for Australia.

²⁴ See: ACCC, [DPSI September Interim Report](#) (September 2022) at para 1.4.2.

20. These different competitive dynamics mean that social media platforms create competitive pressures on YouTube that vary depending on the particular group. For example, for *user attention* and *content creators*, social media platforms have an incremental effect on top of the robust competitive pressure YouTube faces from other players. However, social media platforms are an especially strong competitive constraint on YouTube in relation to competition for *advertisers*. This is because, while YouTube and social media platforms are arguably not substitutable with respect to users, the users are a valuable overlapping audience for advertisers.

How YouTube competes for users

21. YouTube faces competitive constraints for user attention from many sources, including social media platforms, other video platforms, gaming, e-commerce, and news and entertainment services. To compete effectively, YouTube must invest in innovation and product features that deliver a unique value proposition.
22. Looking narrowly at the segment of online video hosting platforms, YouTube competes vigorously for user attention with an increasing number of alternative channels and formats, such as Dailymotion, Vimeo, Twitch, Mixer, Metacafe, Flickr, and Facebook Watch. This is in addition to competition in the broader entertainment sector with services such as:
 - **BVOD**, such as: ABC iView, SBS on Demand, Tenplay, 9Now and 7plus.
 - **Paid subscription video streaming platforms**, such as: Amazon Prime Video, Netflix, SonyLIV, Disney+, Kayo, Binge, Stan, and Paramount+.
 - **Traditional media**, such as: Linear TV and broadcast.
 - **Music streaming platforms**, such as: Spotify, which is increasingly branching into video content, including music-related videos, documentaries and video podcasts within its app; Apple Music; and Amazon Music.
23. YouTube also competes with social media platforms for user attention where use cases overlap. This overlap might occur where a particular use case is not of a social nature, and is more nebulous than the primary purpose served by each type of platform - such as 'to be entertained' or 'to relieve boredom'. To satisfy their desire to be entertained, a user might seek out any number of digital services including online video platforms such as YouTube, but also social media platforms, gaming applications, news content and more.

24. The fact that there are overlapping audiences between many digital platforms does not diminish the fact that each platform has a different core offering which it primarily uses to attract users. There are a number of use cases that only social media platforms such as Facebook can satisfy. Equally, there are a number of use cases that YouTube principally satisfies through its core offering as an online video hosting platform. So, while YouTube Shorts competes with social media platforms such as TikTok for users seeking to be entertained with short form video content, it does not compete with respect to their social networking offering.

How YouTube competes for content creators

25. YouTube is one of many options for content creators who want to reach an audience. With the proliferation of online and offline services trying to capture user attention, content creators have more ways than ever to reach their intended audiences. For example, the increasing popularity of TikTok has spurred innovation in the short form video offering of various digital platforms that provide video hosting services.²⁵ As a result, YouTube faces competition from a broad range of platforms to attract video content creators, who frequently allocate their time and resources to publishing content across multiple platforms.
26. YouTube competes to attract content creators with a variety of services that allow creators to reach audiences through video, and to monetise this content. This includes other online video hosting platforms (such as DailyMotion and Flickr); and a range of alternative video-oriented services that compete for user attention, including video and music streaming services, and traditional media, such as TV. YouTube also competes with social media platforms that focus on video content (e.g. TikTok and Instagram Reels) to attract creators of short form video content. However, this competition does not detract from YouTube's core function as a video hosting platform that does not provide social networking services.
27. Within this intensely competitive environment, YouTube takes a number of steps to attract content creators to its platform. For all content creators that are part of the YouTube Partner Program, YouTube shares ad revenues generated on their content with the YouTube content creator. YouTube also reaches agreements with certain types of content creators to share both advertising and non-advertising revenues. This is a common arrangement for music content, where YouTube will pay a pre-agreed proportion of revenues to music rights holders in return for the rights to show their music videos, or videos with their music in the background, on the YouTube platform.
28. While both YouTube and social media platforms offer content creators monetisation opportunities, they do so in different ways. The primary monetisation opportunity on

²⁵ For example, by making it easier for content creators to upload content to their platform from a smartphone.

YouTube is revenue for ads shown during video content. This monetisation model frequently attracts content creators who want to reach the world at large, grow views on their videos and consequently maximise their ad revenue. By contrast, on social media platforms, one of the primary ways that content creators monetise their content is through entering into brand partnerships, under the terms of which they facilitate brand engagement on their profile to drive sales of the partner's goods or services.²⁶

How YouTube competes for advertisers

29. YouTube competes for advertiser spend within a highly diverse and dynamic advertising ecosystem, in which advertisers have a wide range of both online and offline channels to reach their intended audiences. Within the online advertising ecosystem, advertisers choose from a broad range of advertising formats (including search and display advertising) and advertising pathways (including open or closed channels). Advertisers also have an increasing choice of venues on which to host their ads, with the proliferation of services across online social, gaming, news, entertainment, streaming platforms and more. New entrants such as TikTok and Amazon are growing rapidly and existing players are expanding their ad surface. For example, Instagram is now delivering ads in its Explore home tab and profile feed.²⁷
30. Within the display and video advertising segment, YouTube faces significant competition from a growing number of rivals, including:
 - **BVOD**, such as: 9Now,²⁸ Foxtel Now, 7Plus and 10 Play, which are accessed on desktop, apps, mobile browsers and connected TV.
 - **Streaming services**, such as: Amazon Prime. A number of streaming services have recently announced or introduced ad-supported streaming plans, including: Netflix²⁹, Binge,³⁰ and Disney+.³¹
 - **Linear TV**, such as: the Seven Network, the Nine Network, Network Ten, and SBS.

²⁶ For example, as of 28 June 2021, among the most popular ways to make money on Instagram are brand promotion (40.15%), building a personal brand and attracting customers to your business through Instagram (21.71%), participating in affiliate programs (14.92%), and selling courses (3.86%). See: HypeAuditor, [Data from our survey of 1865 Instagram influencers](#), (28 June 2021).

²⁷ Search Engine Land, [4 New Instagram ad surfaces and tools](#) (25 October 2022)

²⁸ 9Now has recently partnered with AdGreetz to introduce 'Dynamic Ads', which will serve targeted dynamic ads to viewers based on Nine's audience data. See: TV Blackbox, [Nine launches cutting edge advertising platform for 9NOW](#) (1 April 2022)

²⁹ Netflix, [Netflix Basic with ads Plan](#); 9 News, [Netflix launches advertisements in Australia from today](#) (4 Nov 2022)

³⁰ AFR, [Binge TV streaming service to introduce ads in 2023](#) (20 October 2022)

³¹ The Walt Disney Company, [Ad-Supported Disney+ Subscription Tier to Launch December 8 in the US](#) (10 August 2022)

- **Social media platforms**, such as Facebook, Instagram and TikTok, which also offer display advertising. TikTok’s rapid growth shows that video advertising is characterised by effective new entry and innovation.

31. Even within the narrow online display and video advertising segment, YouTube inventory represents only a minor portion of the inventory available to advertisers in Australia, with less than 5% share according to the 2019 DPI Report. Facebook was found to have the majority share at 62% according to the 2020 DPSI September Interim Report.³²
32. As explained above, YouTube and social media platforms offer differentiated services from a user perspective. However, advertisers comparing ROI across YouTube and other forms of online and offline advertising, including social media services, will seek to allocate their spend in the most cost effective way. Since advertisers can reach many of the same users through both types of platforms, and the platforms offer similar advertising formats, targeting capabilities and reporting options, YouTube competes strongly with social media platforms for advertiser spend.
33. Similarweb estimates that, in Australia, facebook.com and youtube.com shared 7 million unique visitors in 2021, which accounted for 89% of Facebook’s audience and 72% of YouTube’s audience in Australia. This is just a comparison of audience overlap between the two websites. By definition, the proportion of youtube.com’s audience that also visited facebook.com, Facebook’s app or the Instagram app will be higher than 72% (see *Figure 7* below).³³

Figure 7: User overlap between facebook.com and youtube.com, Australia

	Also visit facebook.com?	Also visit youtube.com?
facebook.com audience	100%	89%
youtube.com audience	72%	100%

Source: similarweb.com

34. Provided they can reach the same or similar users, advertisers will seek to substitute their advertising spend between Facebook, YouTube and other video inventory in order to maximise their ROI, irrespective of whether users view those two services as substitutes.

³² [DPSI September Interim Report](#) (September 2020), p. B11); [ATI Interim Report](#) (December 2020), p. 126 (referencing the [DPI Final Report](#) (June 2019), p. 98).

³³ RBB analysis of Similarweb.com data.

35. More generally, if YouTube were to increase the price or decrease the quality of its advertising inventory, advertisers would seek to reallocate some of their spend to other channels that offer similar audiences and targeting techniques, such as social media platforms, in order to re-maximise their overall ROI. Accordingly, social media platforms and YouTube significantly constrain one another in the supply of ad inventory.

YOUTUBE STRIVES TO KEEP ALL PARTICIPANTS ON ITS PLATFORM SAFE

36. YouTube has invested in people, policies and products designed to protect the YouTube community while preserving its positive impact. YouTube balances openness and responsibility on the platform by upholding the ‘Four Rs of Responsibility’, which consist of: Removing violative content, Reducing the spread of borderline content, Raising up authoritative content, and Rewarding trusted and eligible creators.³⁴

37. Within this framework, YouTube has specific policies to target harmful content, bad ads and bad actors, and proactively enforces these policies, including by empowering users and creators, in order to keep YouTube a safe and healthy platform. This includes:

- **YouTube Community Guidelines:** All creators on YouTube must comply with the YouTube Community Guidelines, which alongside a suite of other specific policies, exist to protect the community from harmful content and content that intends to scam, mislead or deceive³⁵, and apply to videos, video descriptions, comments, live streams, and any other YouTube product or feature. These policies target a range of harmful content, including (but not limited to):
 - i. Video Spam, including content that promises viewers that they’ll “make money fast”;
 - ii. Misleading Metadata or Thumbnails, which trick users into believing the content is something that its not;
 - iii. Scams, such as offering cash gifts, get rich quick or pyramid scams;
 - iv. Incentivisation Spam, being content that sells engagement metrics such as views, likes, comments, or any other metric on YouTube.

Between April 2022 and June 2022, 3,987,509 YouTube channels, and 4,496,933 videos were removed for contravening the YouTube Community Guidelines.³⁶

³⁴ YouTube Blog, [The Four Rs of Responsibility, Part 1: Removing harmful content](#)

³⁵ YouTube Help, Spam, deceptive practices, & scams policies.

³⁶ A YouTube channel is terminated if it accrues three Community Guidelines strikes in 90 days, has a single case of severe abuse, or is determined to be wholly dedicated to violating our guidelines. When a channel is terminated, all of its videos are removed. For further information, see [YouTube Transparency Report](#).

- **Google’s Ad Policies:** All advertisers on YouTube must comply with Google’s ad policies and YouTube-specific ad requirements, which prohibit (amongst other things):³⁷
 - i. Unacceptable business practices such as scamming or phishing;
 - ii. Coordinated deceptive practices such as colluding with other parties in order to conceal or misrepresent material advertiser information;
 - iii. Misleading representation such as making misleading statements, providing an inaccurate business name or business name that does not clearly represent the advertised business;
 - iv. Dishonest pricing practices such as failing to disclose the payment model, or implying or stating that a product is free; and
 - v. Clickbait ads or sensationalist text. This prohibition was added to the Misrepresentation Policy earlier this year, as part of Google’s recognition of, and proactive response to, the evolving tactics of scammers.
 - vi. YouTube also has policies that prohibit ads that make exaggerated or inaccurate claims for a product or service, or mislead users.³⁸

Google pro-actively enforces its ads policies, including by continuing to invest in a combination of automated and human evaluation to ensure ads on Google sites follow our guidelines. In 2021, Google removed over 3.4 billion ads, restricted over 5.7 billion ads and suspended over 5.6 million advertiser accounts.³⁹ The number of ad accounts we disabled for policy violations in 2021 increased by 329% from 1.7 million (in 2020)⁴⁰ to over 5.6 million.

- **Ad verification and disclosure programs:** As part of Google’s commitment to improving trust in the ads ecosystem, Google may require advertisers to complete one or more verification programs, including advertiser identity verification and business operations verification. Additionally, with the information that advertisers provide, Google will be expanding advertiser disclosures to display the advertiser name and location associated with the ad (which can be accessed on YouTube by clicking either the “info” or “three-dot” icon), as part of its larger effort to give users more transparency, choice and control.⁴¹

³⁷ Google, Advertising Policies Help, [Misrepresentation](#).

³⁸ Google, Advertising Policies Help, [Ad requirements for YouTube](#).

³⁹ Google, [Our 2021 Ads Safety Report](#).

⁴⁰ Google, [Our annual Ads Safety Report](#).

⁴¹ Google, Advertising Policies Help, [Advertiser verification program and ad disclosures FAQ](#)

38. Users can also easily report ads or content via the YouTube interface, which Google will then review and act on as appropriate.⁴²

YouTube gives users significant choice and control over their experience of the platform

39. To help ensure that YouTube is a safe and responsible content platform, YouTube recognises the importance of empowering its users and creators with choice and control over their experience of the platform.
40. YouTube works continuously to keep users and creators in control of their privacy and security on YouTube - both by assisting users to manage their settings with proactive tools, and making those settings easier to use on YouTube. For example, “**Your Data in YouTube**” provides a range of features that make it easy for users to understand and control the data that is saved on the platform, and how it is used across YouTube and Google:
- The feature gives users quick access to YouTube Privacy controls, as well as information about how YouTube works with data such as search and watch history;
 - It includes data minimisation tools like auto-delete, which give users the choice to have YouTube automatically delete user data after a certain amount of time; and
 - It also allows users to easily adjust their recommendations on YouTube by removing specific videos or queries from, or pausing or deleting, their watch and search history. Additionally, YouTube Incognito Mode on the mobile app lets signed-in users browse privately in a session so that search and watch history will not reflect what users are viewing on YouTube.
41. Google-wide privacy and user controls are also reflected in users’ experience of YouTube. For example:
- Users can easily turn off or delete their web and app activity, including searches and associated information like location.
 - Users can also choose whether or not the ads they see on Google sites are personalised.

⁴² Google, Advertising Policies Help, [Google Ads policies](#).

42. Finally, as part of YouTube’s commitment to transparency, YouTube Help and Policy Pages are publicly available and easily accessible online.⁴³ This makes it easy for users and creators to understand how YouTube works and how they can best control their experience of the platform.

CONCLUSION

43. YouTube’s primary function is to enable users to access and consume video content produced by creators. This core purpose distinguishes YouTube from social media platforms, which by their nature are focused on facilitating active and two-way social relationships between users. Some features of YouTube have similarities to features offered by social media services. But these are not features connected to social networking and are ancillary to YouTube’s core function of hosting video content. To this end, any findings or recommendations the ACCC makes as part of its Inquiry should take into account the different function and characteristics of YouTube as a video hosting platform, distinct from social media platforms.
44. The way that YouTube competes and the competitive constraints it faces are different for users, content creators and advertisers. On each side of its platform, YouTube faces significant competition from a variety of participants. However, to the extent that YouTube competes with social media platforms for users and content creators, this does not fundamentally change YouTube’s nature as a video hosting platform. YouTube and social media platforms also compete strongly for advertiser spend notwithstanding that they offer differentiated services from a user perspective. This is because advertisers can reach many of the same users through both types of platforms, and the platforms offer similar advertising formats, targeting capabilities and reporting options.
45. Consistent with its focus on providing users with access to high-quality and engaging video content, YouTube takes community safety very seriously. To that end, YouTube invests heavily in tools and systems that strive to keep all participants on its platform safe, including by preventing and removing misleading and deceptive content.
46. If it would be of assistance, we would be pleased to engage with the ACCC on any of the matters raised in this submission.

⁴³ YouTube Help, [Understandings the basis of privacy on YouTube](#).