

Techlash Polling Results

American Consumers Reject Government Intervention in Tech: "Let Us Pick Internet Platform Winners and Losers." New NetChoice Research Finds

Just 5% Say Regulators Should Focus Anti-Competitive Enforcement on Tech

Americans Prefer Interest-Based Ads Over Paying for Content By a 3-1 Margin

SEPTEMBER 12, 2018, Washington, DC – State and federal legislators on both sides of the aisle have called for more regulation of the technology industry. However, new research from [NetChoice](#) shows that Americans want a light regulatory touch for tech companies, believing that consumer spending and online surfing habits should be the ultimate means of ensuring competition and consumer choice.

According to a survey* of more than 1,200 U.S. consumers conducted by Zogby Analytics, only 5% said that regulators should focus anti-competitive enforcement on the tech industry. Only 10% think the government should prevent successful online businesses from acquiring other companies.

“There is a disconnect between American consumers and the anti-tech community,” said Steve DelBianco, president of NetChoice. “Americans prefer to make their own decisions rather than having a heavy-handed government determine what is ‘best’ for them.”

Indeed, the NetChoice research found that 48% say government regulations on the Internet are bad for consumers with only 16% believing that Apple, Google, and Facebook could not be unseated by better competitors. Further, 72% say that apps like Google and Facebook enable them to be in better touch with their community and 71% of those aged 18-34 have discovered small businesses thanks to online platforms.

“It is clear that Americans are willing to explore other online options and don’t feel locked in to Facebook, Google, Amazon, and Apple,” DelBianco said. “More than 40% have stopped using a social media platform, with 29% of them saying they left for a better competitor. The benefits of Internet platforms are clear to consumers, but they will jump ship if a better product comes along.”

Other survey findings included:

Internet Platforms Generate Significant Economic Benefits

- 77% say digital ads are valuable for small businesses (36% very valuable)
- 70% say digital advertising platforms are valuable to the national economy

No Need for Heavy-Handed Government Intervention

- 40% say any tech breakup would mainly reward traditional industries competing with tech or anti-business groups.
- 75% say parents should be allowed to have their children use message apps that do not collect personal information.
- 85% say parents are best equipped to determine what tech is best for their children.
- Only 6% would support a mandate that phone screens default to black and white instead of color.
- 86% of those with an opinion said that the government should not prevent tech companies from acquiring startups.

The Ad-Supported Model Works

- 42% prefer ad-supported Internet platforms that deliver ads based on preferences
- 29% prefer ad-supported Internet platforms that deliver the same ads to all
- Only 16% willing to pay for online platform services

***About the Survey:** From August 6-8, 2018 Zogby Analytics conducted an interactive survey of 1,222 adults focused on consumer attitudes toward Internet platforms and government regulation. The survey, commissioned by NetChoice, has a margin of error of +/- 2.8%.

About NetChoice: NetChoice is a trade association of eCommerce businesses all of whom share the goal of promoting convenience, choice, and commerce on the net.

Americans Believe Online Platforms Empower Business Advertising and Community Engagement

Our data shows that Americans see the positive impact online platforms have on the economy. Online platforms not only allowed businesses of every size to reach potential customers nationwide, but also to advertise to them intelligently using their recorded interests to reach the sort of customers more likely to buy their products. For many businesses, this made the difference between surviving and thriving.

Consumers benefit too. Online platforms enable greater competition, innovation, and a reduction in the information. With their help, an ideal purchase is only a click away.

58% of Americans, and 73% of those between 18 and 24 years old, say online platforms helped them discover a small business they had not previously known.

Online platforms haven't just benefited commerce, either. 72% of Americans say that online platforms enabled them to be in better touch with their community.

Over three quarters of Americans (77%) believe that the ability to place digital ads on these platforms is valuable to small businesses. This benefit extends to the wider economy too, with 70% of Americans believing that digital advertising is valuable to the national economy.

Evidently, Americans value their access to online platforms and the advertising services they provide. Politicians should avoid passing regulations that risk undermining benefits of the internet at every layer of society – from how individuals interact with their local community, to the viability of small businesses, to the wider economy.

Americans know that online platforms are a vibrant and important component of our economy and society.

No Support for Heavy-Handed Government Intervention on Tech Platforms

As online platforms have grown and are increasingly a central part of modern day life, some politicians have moved to regulate them.

Policy proposals range from privacy regulation to antitrust reform, but our polling revealed that the public does not support further government intervention in the tech industry.

Only 10% of Americans think the government should prevent successful online businesses from acquiring other companies, and only 5% thought the government should most focus its anticompetitive resources on tech platforms.

To compare, 29% think the government should most focus its anticompetitive enforcement on pharmaceutical companies, and 11% said they should most focus on the electricity and gas industry.

Americans aren't comfortable with the government telling either online platforms or their consumers how to offer their services. 75% say that parents should be allowed to have their children use messaging apps that don't collect personal information or permit targeted advertising. 85% say parents are best situated to decide what tech their children should be able to use.

Policies offered up by anti-tech advocates such as the Open Markets Institute aren't popular either. Only 6% of Americans would support a government mandate that required phone screens [being set to black and white](#) by default. Only 9% of Americans aged 18-24 believe that consumers would benefit from a break up of big tech.

Young Americans aged also trust tech platforms more than many other major industries. Only 26% of Americans aged 18-24 said they don't trust tech platforms, whereas almost a third said they don't trust internet service providers – and over half said they don't trust oil companies. Almost half of all Americans agreed with the overall statement that government regulation on the internet would be bad for consumers (48%).

Online platforms are becoming a central part of modern life but that doesn't mean they require heavy-handed government intervention to prevent consumer harm. Low barriers to entry and the highly-competitive nature of online markets have ensured that while dominant tech platforms have emerged, consumers remain empowered don't believe the government needs to step in to protect them.

Americans Prefer Ad-Supported Online Services Instead of Paying for Them

In 2018, politicians became concerned that online platforms use targeted advertising to fund their platforms. Yet consumers undoubtedly benefited from the wide availability of free online services made possible with the use of targeted ads.

Our polling shows that Americans still prefer the targeted advertising model over paying for online services by a margin of almost 3-to-1. Only 16% of Americans prefer to pay for online platforms like Facebook rather than be advertised on them.

While privacy concerns may exist, consumers do not want to change the underlying model. 82% of Americans with an opinion prefer that online services be paid for through advertising than charging end users.

Americans are largely content with the services they receive – a majority of Americans have never decided to stop using a social media platform (52%).

Consumers Are Empowered with Social Media Choices

Alternative online platforms are only ever one click away. Low barriers to entry and competition between online platforms empowers consumers to make choices in the digital marketplace.

In recent political discourse, anti-tech advocates said that competition has dried up and dominant platforms are controlling our online experiences with no accountability. Our polling shows the public disagree.

Less than 16% of Americans thought online services like Apple, Google, Facebook, and Amazon couldn't be replaced if a better competitor came along. Consumers do not think these services dominate in an uncompetitive marketplace, rather they provide the best services available.

And consumers don't just say the market is competitive, their activity shows that this is true. 43% of Americans say they have decided to stop using a social platform. Their ability to make this choice shows that the tech sector is vulnerable to a loss of patronage in a way that other services, such as utilities and transport, are not.

While the media and politicians have been somewhat fixated on privacy concerns, the actions of consumers do not justify this concern. While 56% of Americans aged 18-24 have stopped using a social media platform, less than half a percent (0.3%) have done so due to a change in privacy policy, with this number rising only 2% for all Americans. There are opportunities to improve best practices on online platforms, but this does not require government intervention.

We must view concerns about these businesses as part of a larger picture, where consumers are largely content and are benefitting from a highly competitive marketplace. Those pushing for government intervention may argue they have a solution, but our polling shows that consumers may question what problem they are trying to address.

Zogby Analytics Memo to Interested Parties

From: Zogby Analytics

To: Interested Parties

Date: Sept 12, 2018

Subject: Americans supportive of ad-funded tech platforms; believe US regulatory focus should be elsewhere

From August 6-8, Zogby Analytics conducted an interactive survey of 1,222 adults focused on consumer attitudes toward Internet platforms and government attempts at regulation. The survey, commissioned by NetChoice, has a margin of error of +/- 2.8%.

Key Findings

Americans believe that Internet platforms enable small businesses to expand their reach and to better target consumers.

- Over half (58%) of consumers and nearly 3 in 4 (73%) of those aged 18-24 have discovered small businesses they had not previously known using social media.
- 77% say digital ads are valuable for small businesses and 70% say digital advertising platforms are valuable to the national economy
- 72% say that apps like Google and Facebook enable them to be in better touch with their community.

Americans like their Internet platforms for free and favor an advertising-supported experience.

- 42% of consumers polled prefer ad-supported Internet platforms that deliver ads based on preferences and less than one in three (29%) prefer ad-supported Internet platforms that deliver the same ads to all
- Only 16% of adults polled said they would prefer to pay for to use an internet platform

Americans see little value in government intervention in technology competition matters and believe that consumers still wield the power to determine winners and losers.

Americans also believe that anti-competitive focus and enforcement should focus on industries outside of tech.

- Nearly half of consumers (48%) say government regulations on the Internet are bad for consumers and only 10% think the government should prevent successful online businesses from acquiring other companies
- In the face of calls to break up large tech companies, nearly 40% of consumers say these breakups would reward traditional industries competing with tech the most. Nearly 30% say they would most benefit anti-business groups.
- Less than 5% say the government should focus anti-competitive enforcement on tech. Instead, 30% of consumers say that the focus of anti-competitive regulation should be on pharmaceutical companies and nearly 11% say it should be on electricity and gas.
- Over 2 in 3 consumers (67%) say that they trust tech platforms either somewhat or a great deal, whereas less than half (45%) say they trust pharmaceutical companies.

Americans don't feel locked into their social media platforms and are willing to explore other options.

- 43% of adults polled say that they have stopped using a social media platform at some point. Of those who have stopped using a social media platform, over half (53%) say they simply didn't need to use it anymore and 28% said another platform came along that was better.
- Nearly half (44%) of consumers believe services like Apple, Google, Facebook and Amazon can be replaced if a better competitor comes along.

For further details on the poll, or to obtain full polling data, please contact our Director of Communications, Robert Winterton, at rwinterton@netchoice.org