

The world comes to Brazil these days

It is now the destination for the most prestigious global events. The football world cup last year. The Olympics next year. CI's World Congress this year. (!)

And when the world comes to Brazil it needs somewhere to stay.

During the world cup 120,000 visitors from 100 different countries<sup>[1]</sup> booked accommodation in Brazil via airbnb, the collaborative economy platform that links people with rooms to let, to people seeking somewhere to stay.

Now with 45,000 listings in Brazil, airbnb will be an official accommodation provider for next year's Olympic Games.<sup>[2]</sup>

Some of you are spending time in Brazil following Congress and may well have used it to find your accommodation.

Yet when CI held its previous Congress in 2011, I suspect few of us had even heard of airbnb, let alone utilised it.

Why is this significant?

Because it's a company and a phenomenon that is characteristic of the era in which we live. It embodies the themes I want to explore today:

- First, it's a multinational corporation; and a global marketplace in its own right
- Second, it is a disruptive innovation made possible by the Internet.

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[1]<sup>[1]</sup> <https://www.airbnb.co.uk/press/news/ola-brasil-airbnb-hosts-to-welcome-guests-from-more-than-100-different-countries-for-the-world-cup>

[2]<sup>[2]</sup> <https://www.airbnb.co.uk/press/news/airbnb-takes-gold-with-the-rio-2016-olympic-games-providing-the-official-alternative-accommodations-service>

- Third, it tells us something of the opportunities that technology presents to organise differently; and to connect, collaborate and empower in powerful new ways.
- And fourth, it speaks to the challenges for all who work in the consumer interest, that arise from the speed of technological change

### **A global marketplace**

With listings of more than 1.5 million rooms, covering 190 countries, airbnb has quickly become a truly global concern.

And consider the customer journey involved in making an airbnb booking. A multinational corporation is present at every step:

- The manufacturer of the device used to access the airbnb website or app
- Key components within that device
- The device's operating system
- The payment system used to confirm the reservation
- The email service that delivers the confirmation
- The flight booking platform
- The airline used
- The travel insurance.....

All major multinationals, with the resources, power and influence to match.

Whose reach can exceed the grasp of agencies tasked with keeping them in check. Who dwarf any single consumer body.

And as the Volkswagen emissions scandal is demonstrating, poor practice from one multinational corporation can cause a common detriment to millions of consumers around the world.

If consumer bodies in each affected country can only challenge a multinational and the detriment it causes in isolation, we risk being small voices faintly heard.

But...

If CI and its Members can collaborate more effectively;

If we can better coordinate our campaigning activities;

If we can be a federation in deed as well as in name...

Then we too will be multinational in our reach and see our influence and impact multiply.

### **Disruptive innovation - reshaping markets and consumer behaviours**

Airbnb and other collaborative economy providers are a disruptive force that is reshaping markets. They increase choice and provide an impetus to competition, by challenging the status quo and incumbent providers.

They also disrupt notions of what it is to be a consumer - giving rise to the 'prosumer', through opportunities to participate on both the demand and supply sides of a market.

Consider too the other ways in which the Internet and the innovation it spurs have transformed consumer behaviour in the space of little more than a decade.

In 2005 people had never heard of Facebook or Twitter. Now, a significant proportion of what they get to hear is via social media platforms.

This 'media of the masses' is empowering consumers with a voice and the means to amplify it – transforming them from passive recipients in the marketplace to active participants.

Information flows ‘bottom up’ at scale for the first time in history, as consumers share views, reviews, experiences and recommendations publicly, in ways that support transparency and accountability.

And consumers are not afraid to use this new voice to hold companies to account – sometimes with powerful effect.<sup>1</sup>

### **The opportunities to do things differently**

The collaborative economy and social technologies are just two examples of how the Internet and mass connectivity make it possible to:

- Organise differently and forge dynamic new approaches,
- Change the channels and nature of engagement; and
- Shift power in the marketplace towards consumers.

### **Innovation in empowerment**

That shift is underpinning the emergence of tools and services that seek to stand on the side of the consumer; and empower them in direct, powerful new ways.

Examples include:

- Services that act on behalf of consumers, undertaking the ‘heavy lifting’ of finding and switching to a better deals in complex markets - such as liberalised energy retail, telecoms and financial services.
- Tools that enable consumers to easily build dashboards of their expenditure, in ways that support more effective budgeting, money management and market engagement.
- Services that enable consumers to take control of who gets to see their data online, the terms on which it is used and to what ends; and

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<sup>1</sup> For example, see this via [Twitter](#) and this via a [self-organised website](#)

- Tools that can streamline and automate redress procedures– making it much easier for consumers to assert their rights and receive the resolution and/or compensation to which they’re entitled when things go wrong.

In offering these types of service to consumers, the consumer movement has considerable advantages over other actors who are seeking to enter this space.

CI members enjoy national profile, a pedigree of impartiality and integrity and are trusted by consumers to serve their interests. They also have a detailed understanding of the problems that consumers in their countries are facing. Problems that these tools can help address.

These are all assets that should mean consumer bodies are at the forefront of innovation in empowerment.

It’s surprising therefore that so little of this innovation has its origins in the movement.

There *are* encouraging signs this is changing. Delegates will see a number of examples of where CI members are embracing these opportunities in the coming days.

But we need to go further, faster. To find ways to work together to catalyse innovation, to prototype tools and concepts; and to spread what works well throughout the movement.

### **Campaigning in new ways**

The same tools that give consumers an individual voice also support the aggregation of those voices..... transforming ‘I’ in to ‘we’, wherever large numbers align behind a common cause.

Online campaigning platforms - such as Avaaz and Change.org - have capitalised on this potential: providing focal points around which people can easily align and take actions in support of a campaign.

As a result, they have built supporter constituencies that number tens of millions.

A small, but growing number of CI members are now building on this approach, and using their own digital campaigning tools with considerable effect.

They are building critical mass in support of their campaigns and leveraging this to enhance campaign legitimacy and, ultimately, impact.

And by directly engaging and mobilising consumers in campaigns, members are succeeding in both demonstrating their relevance to a much wider constituency of supporters; and building an ongoing relationship with them.

CI will introduce its own set of online campaigning tools early next year. These will be available to members who participate in our coordinated international campaigns – providing them with the means to engage consumers in their countries in these campaigns.

These tools will be by and for the consumer movement, built after consultation with a wide range of members. They will offer much greater flexibility than the likes of Avaaz or Change.org, in terms of the functionality offered; as well as in their ability to develop a relationship with campaign supporters.

Please do take a look at the preview of these tools at the CI Stand and let us have your feedback.

## **The challenges**

I want to consider some of the challenges we now face as consumer advocacy bodies.

A resounding message from our 2014 Member survey on the global state of consumer protection was that the digital economy's rapid evolution is outmoding and outpacing consumer protection.

The stand-offs between regulators and collaborative economy providers - such as airbnb and Uber – currently playing out in various cities around the world are symptomatic of that sentiment.

80% of members judged legislation, regulation and standards relating to redress as ineffective at keeping pace with the digital economy.

This underlines a major, pressing challenge that any organisation working in the consumer interest faces in the 21<sup>st</sup> Century:

*How to ensure consumer protection is fit for purpose in an era where technology moves faster than the wheels of legislative, regulatory and standards processes can turn?*

To give you a sense of the velocity of change we're experiencing: airbnb will facilitate 80m bookings<sup>2</sup> in 2015. It is bigger and more valuable (>\$25bn) than all but 2 of the world's major hotel chains<sup>3</sup>.

It didn't even exist a decade ago.

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2 <http://www.reuters.com/article/2015/09/28/us-airbnb-growth-idUSKCNORS2QK20150928>

3 <http://qz.com/329735/airbnb-will-soon-be-booking-more-rooms-than-the-worlds-largest-hotel-chains/>

The iPhone – the world’s first truly *smartphone* – didn’t exist a decade ago either. While it took 75 years for the telephone to reach a user base of 50m. It took the iPhone less than 3 years.

It is forecast that by 2020 70 percent of the world’s population will be smartphone users. Three quarters of that growth will come from Africa and Asia. In 2014 more smartphones than non-smartphones were sold in developing countries.

But smartphones characterise how digital innovation can empower and disempower simultaneously. On one hand they represent a means to drive digital inclusion, a portal to the world for their users, a tool for unparalleled connection and a platform for further beneficial innovation (such as e-health) and services that make it easier to get things done.

Yet on the other hand they are data harvesting machines, collecting and, potentially, sharing unbeknown to the user data on everything - from location, to browsing history, to contacts, to purchases made, to preferences, to the content of our communications, to even deeply personal vital signs such as heart rate and sleep cycles.

Contrast the speed of change that consumers are seeing with the revision cycles of those international institutions charged with formulating consumer protection and data protection frameworks.

Prior to their flurry of welcome, if overdue, revisions in the last 2-3 years, many of these had not been revisited since the *last* century.

It’s a trend that, for the most part, repeats at the national level.

But when agile is the guiding principle for how tech companies organise; when products are developed in ‘sprints’, launched as minimum viable products and subjected to continuous iteration; and when the low cost of achieving network



effects on the Internet mean a service can reach tens of millions within months; .....can conventional approaches to regulation and consumer protection processes - working to decade-plus revision cycles – offer optimal responses from this point forward?

### **Challenge of exclusion**

Finally, I want to turn to the most pressing challenge we face today: exclusion.

All the benefits and all the opportunities I've highlighted today are still a world away from the reality of far, far too many consumers.

A majority of the world's consumers are yet to see the internet, let alone feel empowered by it.

The rapid rate of smartphone take up, combined with an ITU target for 50% of individuals to be using the Internet in the developing world by 2020, gives some grounds for optimism that progress is being made in this respect. But we cannot be complacent.

The Internet might well be the essential service of this century. But far too many consumers remain excluded from core essential services that many countries were privileged enough to take for granted throughout most of the last century:

- Almost 1bn people still lack access to drinking water within less a kilometre from their homes.
- 2.5 billion live without adequate access to decent sanitation services.
- 1.3 billion people live without access to electricity; and many more have only intermittent supplies.

For these consumers and those acting in their interest, the pace of change is not too fast.....it is nowhere near rapid enough.

None of us can lose sight of that.

CI remains fully committed to working with our members in those countries for whom exclusion from essential services is all too prevalent. We will be active in supporting them accelerate the pace of change.

### **Concluding remarks**

I want to finish by thanking you for being here and for being part of Congress.

The world has indeed come to Brazil (give stat on number of members / countries represented here)

Let's take what we learn in Brazil back to the world.

Let's challenge errant multinational practices whose cause consumer detriment across borders, by coming together to leverage the multinational nature of this movement more effectively.

Let's take advantage of the opportunities that digital technology presents to forge dynamic new approaches in how we organise; and new forms of consumer empowerment.

But let's also recognise the many benefits that technology confers are accompanied by emerging digital detriments; and remain beyond reach for the multitude.

Let's resolve to join with regulators and consumer protection authorities to develop new, more nimble ways of working in order to address these challenges.

And finally, let's do all of this to drive positive change - *for* consumers and *with* consumers.

Thank you.