

Online platforms and digital advertising market study

Statement of Scope

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Summary

1. Online platforms play an increasingly prominent role in people's lives. Adult internet users in the UK spend over 3 hours a day accessing the internet, with more than a third of this time spent on sites owned by Google or Facebook.¹ The services provided by online platforms – such as internet search and social media – have created significant benefits, and in many ways have changed our lives for the better.
2. However, online platforms have also been subject of increasing scrutiny and public debate. Recent studies of digital markets in the UK,² US,³ Europe⁴ and elsewhere have raised concerns about the market power of the large platforms and whether this might be harming competition and consumers, particularly by creating barriers to new entrants.
3. Although online platforms often provide services to users for 'free', in practice consumers are paying through the attention and data that they provide to the platforms, which the platforms monetise by selling digital advertising. As online platforms have grown, so has the revenue from digital advertising. Digital advertising to UK consumers has experienced rapid growth during the past decade, to a point where it currently comprises over 50% of UK advertising expenditure and is forecast to continue to grow strongly in the future.⁵
4. Two suppliers in particular, Google and Facebook (and their respective subsidiaries, such as YouTube and Instagram) hold leading positions in the market for online advertising in the UK, with the majority of digital advertising revenue in the UK split between these two businesses. In turn, digital advertising comprises the substantial majority of the revenues of both of these companies.⁶
5. There are three main types of digital advertising in the UK: search, display and classified advertising. Search advertising is where adverts appear beside search engine results (such as on Google or Bing), triggered by keywords in the search terms used. Google has a strong position in search advertising.⁷

¹ Ofcom, [Online Nation](#), May 2019. Figures are from September 2018.

² Furman Review, [Unlocking digital competition: Report of the digital competition expert panel](#), March 2019.

³ [Committee for the Study of Digital Platforms, Market Structure and Antitrust Subcommittee Report](#), The Stigler Center for the Study of the Economy and the State, The University of Chicago Booth School of Business, May 2019.

⁴ Report for the European Commission by Jacques Cremer, Yves-Alexandre de Montjoye and Heike Schweitzer, [Competition policy for the digital era](#), 2019.

⁵ Plum Consulting, [Online advertising in the UK](#), January 2019, page 7.

⁶ Google [2018 10k](#), page 27, Facebook [2018 10k](#), page 44.

⁷ Plum Consulting, [Online advertising in the UK](#), January 2019, Chapter 5.

Display advertising is where marketing messages are displayed (as text, banners or video) on websites, social media pages or apps. Facebook holds a strong position in social display advertising.⁸ Classified advertising is where advertisers pay for listings on websites or apps such as real estate portals. While the scope of this study encompasses all three forms of digital advertising, we expect our main focus to be on search and display advertising which make up by far the largest proportion of UK advertising expenditure.

Concerns about online platforms

6. Despite the valuable services provided by the online platforms that are funded by digital advertising, we have heard a number of concerns that the sector is not working well. These concerns relate to the market power of the main platforms in consumer-facing markets, the lack of consumer control over the use of their data and the ways in which this is monetised by the platforms.⁹
7. We have decided to launch a market study to examine these concerns and to consider potential remedies should these concerns be substantiated. This is part of the CMA's broader Digital Markets Strategy, published alongside this document, which sets out our approach to protecting consumers in the digital economy while ensuring robust competitive digital markets.¹⁰

Proposed scope of the market study

8. Platforms that generate revenues from digital advertising operate in two-sided markets. In the consumer-facing markets, including search (for Google) and social media (for Facebook), consumers receive the online service at no direct financial cost in return for giving their time and attention to the platform and allowing the platform to access data about them. Platforms and other content providers monetise this time and attention by selling advertising space ('inventory') to advertisers. In this study, we propose to assess the nature of competition in markets on both sides of the platforms, focussing our work on three broad inter-related themes:
 - (a) **The market power of online platforms in consumer-facing markets:** under this theme, we propose to examine to what extent online platforms in these consumer-facing markets enjoy market power as a result of economies of scope and scale, network effects and their ability to extract valuable data from their users. We propose to examine whether these

⁸ Ibid.

⁹ Several institutions have called for the CMA to launch a market study into digital advertising, including: the Furman Review into competition in the digital economy; the Cairncross Review into the sustainability of the news industry in a digital age; two House of Lords Select Committees; the DCMS Select Committee; and Which?.

¹⁰ CMA, [Digital Markets Strategy](#), July 2019.

sources of market power raise barriers to entry in user-facing markets to the detriment of consumers and lead to market power in the digital advertising markets to the detriment of consumers.

- (b) **Consumer control over data collection practices:** we propose to consider whether consumers have the knowledge, skills and desire to control how data about them is collected and used by the online platforms, and how far they are able to exercise such choice. Within this theme, we will examine the relationship between consumers and consumer-facing online platforms and whether the choices of consumers are limited through terms and conditions or other practices, for example website or app design.
- (c) **Competition in the supply of digital advertising in the UK:** we propose to examine the extent to which platforms' market power might distort competition in digital advertising, as well as concerns around transparency and conflicts of interest in the intermediation of advertising. This is a highly-complicated market and the focus of our work in this theme will be on investigating those concerns that are most likely to lead to bad outcomes for consumers.

9. The above concerns, if substantiated, might lead to direct consumer harm if firms are able to exploit consumers' attention and data to earn excessive returns in digital advertising. Although the platforms often provide user services for free, a more competitive market might result in consumers being paid for their data, or provide consumers with greater control over how their data is used. Consumers might also be harmed indirectly if firms have to pay higher prices for advertising, which are then passed on through higher prices for their final goods and services. Finally, the platforms' market power on both sides of the market could limit entry and competition from other providers, harming consumers by reducing choice and innovation over time.
10. We do not propose to focus in our study on platforms that are not funded by digital advertising. Neither do we propose to focus on whether targeted advertising is used to manipulate or deceive consumers, nor on other forms of online harm which are the subject of the government's Internet Safety Strategy. A recent White Paper on online harms outlines the steps that government will take to ensure the UK is the safest place in the world to be online.¹¹

¹¹ HM Government, [Online harms white paper](#), April 2019.

Potential outcomes and remedies

11. Should we find that the above concerns are substantiated, we will consider the need for remedies. At this stage, we think any such remedies are likely to build on the broad proposals that have been made by the Furman review and to focus on the development of an ex ante regulatory regime to regulate the activities of online platforms. Such a regime would look to encourage greater competition in both consumer-facing and digital advertising markets and would likely take the form of proposals for legislative change.
12. Online platforms operate in fast-moving markets and any intervention would need ongoing monitoring to be effective and would need to be flexible to respond to innovation. While a market investigation is a possible outcome of this study, we do not currently expect that a 'one-off' intervention by the CMA, such as could be achieved through a market investigation, would be sufficient to provide a sustainable long-term framework for the sector. We will also consider the potential for enforcement (consumer enforcement and/or competition enforcement) if we identify any areas where this is likely to be the most effective tool to address problems resulting from observed behaviour in the digital advertising markets. Given the cross-border nature of the platforms and a number of the issues we have identified, we will continue to work closely with competition authorities in other jurisdictions that are investigating similar concerns.
13. At this stage, we have identified five main areas in which regulatory reforms may be required, which build on the recommendations in the Furman review:
 - (a) **Increasing competition through data mobility, open standards and open data:** these remedies, which have been proposed by the Furman review, have the potential to reduce barriers to entry and to promote new business models which might facilitate competition in existing markets and lead to innovation to the benefit of customers and digital advertisers. We will look to assess both the potential for these benefits to materialise in practice and the potential costs, including reduced incentives to invest and privacy concerns.
 - (b) **Giving consumers greater protection in respect of data:** we will consider whether there is a case for improving transparency over what data is being collected, and also the consent process, liaising with other authorities as appropriate. We will consider the terms and conditions that platforms use and whether choice architecture could be improved and whether there is a potential role for a 'fairness by design' duty. We will consider whether consents should be more granular, and whether there should be rules on what defaults are fair, including when it is acceptable

to restrict users from accessing a service if they do not consent to the provider of the service accessing their data.

- (c) **Limiting large platforms' ability to exercise market power:** if we find that the exercise of market power is harming competition and consumers, we will consider the case for the development of an ex ante regulatory regime to address such concerns, including whether one or more firms should be considered to have strategic market status, as described in the Furman review. We will consider whether ex ante rules are required to overcome any concern we identify in relation to market power in consumer-facing markets or digital advertising markets. Potential areas that could be covered through such a regime could include: rules on the terms on which platforms transact with other market participants, relating for example to discrimination and pricing; increased transparency in the different activities undertaken by the platforms; and separation between certain activities in the digital advertising value chain.
- (d) **Improving transparency and oversight for digital advertisers and content providers:** we will consider whether the evidence indicates that interventions are required to improve transparency in and scrutiny of digital advertising markets, in order to address consumer detriment.
- (e) **Institutional reform:** if we do conclude that there is a case for any of the above interventions, we will consider the appropriate institutional arrangements required to deliver them. For example, a body could be given powers to impose enforceable rules on companies' actions, or we may conclude that any new functions should be taken on by existing institutions. In considering the options, we will draw on the proposal made by the Furman Review for a 'Digital Markets Unit'.

Evidence gathering

- 14. We are conscious that the study has a broad scope covering a wide range of complex issues. These issues are relevant to many interested and well-informed parties including online platforms, advertisers, advertising agencies, intermediaries, technical specialists, publishers, academics and other industry participants and commentators. We are keen to take advantage of the knowledge of these parties as efficiently as we can.
- 15. In addition, we intend to carry out our own analysis of market outcomes using our information gathering powers to collect quantitative information from stakeholders, including the online platforms and advertising intermediaries. Key areas we intend to look at include: market shares; the prices of

advertising; and how revenues are distributed along the advertising value chain.

Next steps

16. We would welcome input at this stage from interested parties, both within the UK and internationally. We would welcome responses both on our description of the sector, the proposed areas of focus, our suggested themes and their relative importance, and views on potential remedies (including their technical feasibility, likely effectiveness and impact on actual or prospective competition including incentives to innovate).

Introduction

17. This document describes the scope of our market study into online platforms and digital advertising. It provides an overview of online platforms and digital advertising in the UK, and the various concerns that have been raised about the market to date. It then sets out the themes we propose to investigate, the range of potential remedies we will consider and our approach to evidence gathering and analysis. It invites submissions on the matters raised. The remainder of this section provides a summary of the CMA's market studies regime.
18. The CMA's mission is to make markets work well in the interests of consumers, businesses and the economy. It achieves this by promoting and protecting consumer interests while ensuring that businesses are fair and competitive.
19. Market studies are one of a number of tools at the CMA's disposal to examine possible competition or consumer protection issues and address them as appropriate, alongside its mergers, enforcement and advocacy activities. They are examinations into the causes of why particular markets may not be working well, taking an overview of regulatory and other economic drivers in a market and patterns of consumer and business behaviour.
20. We have decided to launch a market study into online platforms and digital advertising in order to investigate the concerns that have been expressed by several bodies, as set out in paragraphs 42 to 47.
21. A market study begins with the publication of a market study notice by the CMA. A market study notice must be published where the CMA is proposing to carry out its functions under section 5 of the Enterprise Act 2002 (EA02) for the following purposes:
 - to consider the extent to which a matter in relation to the acquisition or supply of goods or services of one or more than one description in the UK has or may have effects adverse to the interests of consumers; and
 - to assess the extent to which steps can and should be taken to remedy, mitigate or prevent any such adverse effects.¹²
22. Market studies can lead to a range of outcomes. They may conclude that a market can be given a clean bill of health and that the initial concerns about

¹² Section 130A(2) of the Act.

consumer detriment are not substantiated by the information collected over the course of the study.

23. Where the market is not found to be working well, the CMA may consider several options. These may include:
- making recommendations to government to change regulations or policy;
 - taking competition or consumer enforcement action;
 - encouraging businesses in the market to self-regulate:
 - taking steps to improve the quality and accessibility of information to consumers or promoting consumer awareness;
 - making a market investigation reference;¹³ and/or
 - accepting Undertakings in Lieu of making a market investigation reference.
24. Further information on market studies can be found in the following guidance documents: Market Studies: Guidance on the OFT Approach (OFT519)¹⁴ and Market Studies and Market Investigations: Supplemental Guidance on the CMA's Approach (CMA3).¹⁵

Overview of online platforms and digital advertising in the UK

25. Online platforms play an increasingly prominent role in people's lives. Adult internet users in the UK spent on average 3 hours 15 minutes a day accessing the internet in September 2018, with 35% of the time spent on sites owned by Google or Facebook.¹⁶ The services provided by online platforms – such as internet search and social media – have created significant benefits for users, and in many ways have changed the way people live their lives, allowing users to find out information in an instant, shop online on the move, or stay in touch with friends and family across the world.
26. Digital advertising has also led to other benefits to UK consumers and businesses. For advertisers, the ability to direct targeted relevant adverts at certain consumers – for example, those who are looking to purchase a

¹³ Where the findings of a market study give rise to reasonable grounds for suspecting that a feature or combination of features of a market or markets in the UK prevents, restricts or distorts competition, and a market investigation appears to be an appropriate and proportionate response, the CMA may make such a reference.

¹⁴ [Market Studies guidance on the OFT approach \(OFT519\)](#).

¹⁵ [Market Studies and Market Investigations: Supplemental Guidance \(CMA3\)](#).

¹⁶ Ofcom, [Online Nation](#), May 2019.

specific product or those with certain demographic characteristics - increases the efficiency of advertising expenditure. And for consumers, targeting can improve the relevance of the advertisement they see and reduce search costs.

27. However, online platforms have also been subject of increasing scrutiny and public debate. Recent studies of digital markets in the UK,¹⁷ US,¹⁸ Europe¹⁹ and elsewhere have raised concerns about the market power of the large platforms and whether this might be harming competition, particularly by creating barriers to new entrants who might compete with the incumbent platforms.
28. Online platforms frequently have strong economies of scale and network effects which can lead the markets to 'tip' towards a single dominant provider. In addition, platforms collect significant amounts of data from their users, which can have the effect of raising barriers to entry and expansion to potential competitors, insulating the platforms from competition. This data is used by the platforms to tailor the services they provide to users and it can also be monetised, through the sale of digital advertising.
29. With more and more people using digital services over the internet or on apps on a daily basis, businesses have actively sought ways to maximise their potential as an advertising medium, resulting in a rapid expansion in the use of digital advertising during the past ten years. The increasing availability of the internet on smartphones has contributed to this, with a marked increase being seen in the use of mobile-compatible digital advertising.
30. The UK has been particularly active in adopting digital advertising, spending more on it than any other EU country: between 2008 and 2017, expenditure increased at a rate of 14% per year.²⁰ In 2017, the internet overtook all other, more traditional, forms of advertising media, such as print and television. Digital advertising now accounts for over half of all advertising in the UK with digital ads currently worth over £13 billion in the UK.²¹
31. Digital advertising is at the heart of the business model of some of the largest online platforms, including Google and Facebook, providing the funding to

¹⁷ Furman Review, [Unlocking digital competition: Report of the digital competition expert panel](#), March 2019.

¹⁸ [Committee for the Study of Digital Platforms, Market Structure and Antitrust Subcommittee Report](#), The Stigler Center for the Study of the Economy and the State, The University of Chicago Booth School of Business, July 2019.

¹⁹ Report for the European Commission by Jacques Cremer, Yves-Alexandre de Montjoye and Heike Schweitzer, [Competition Policy for the digital era: A report for the European Commission](#), 2019.

²⁰ Plum Consulting, [Online advertising in the UK](#), January 2019, page 35.

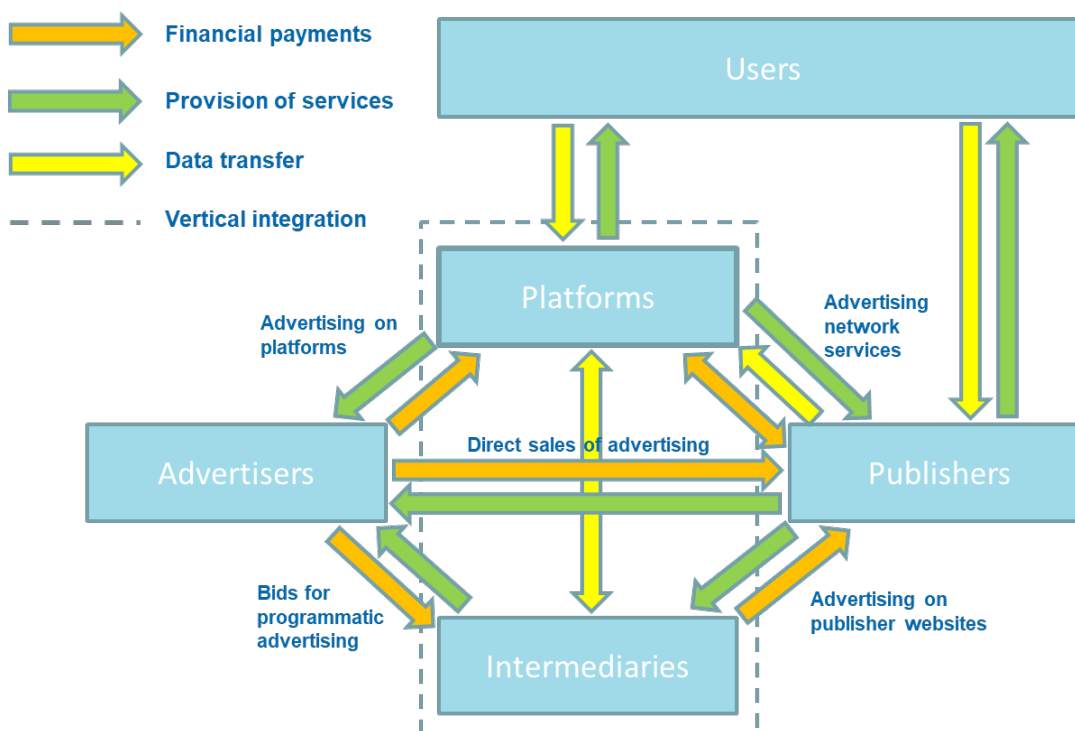
²¹ [2018 IAB UK and PwC: Digital Adspend Study](#), slide 14. Digital Advertising was estimated to be £13.4bn in 2018. This represented an increase of 15% over 2017.

support the provision of highly valuable services such as internet search and social networks at no direct financial cost to the consumer. Google and Facebook together take a majority share of digital advertising revenues in the UK (an estimated 61% in 2018²²).

32. The digital advertising sector is complex and characterised by the involvement of a wide variety of market participants. At a simplified level, it includes the following participants:
- (a) On the demand side are **advertisers** and **media agencies** (which provide strategic advice and media buying services to advertisers).
 - (b) On the supply side are **publishers** (i.e. businesses with advertising space (inventory) to sell). These include online platforms such as social media networks and search engines, as well as website owners such as online newspapers and app developers.
 - (c) Between the demand and supply side there are **intermediaries** which provide technology, data and other services which enable programmatic trading (the use of automated systems to facilitate real time sales of inventory).
33. Figure 1 provides a simplified overview of the digital advertising funding model, illustrating the exchanges of services, payments, and data between different parties. In practice, the separation between platforms and the other parties is not straightforward. In addition to adopting the roles of publisher and advertiser, some platforms also own several key intermediaries, as illustrated in the figure.

²² Ofcom, [Online Nation](#), May 2019.

Figure 1: Schematic of the digital advertising-funded platform model



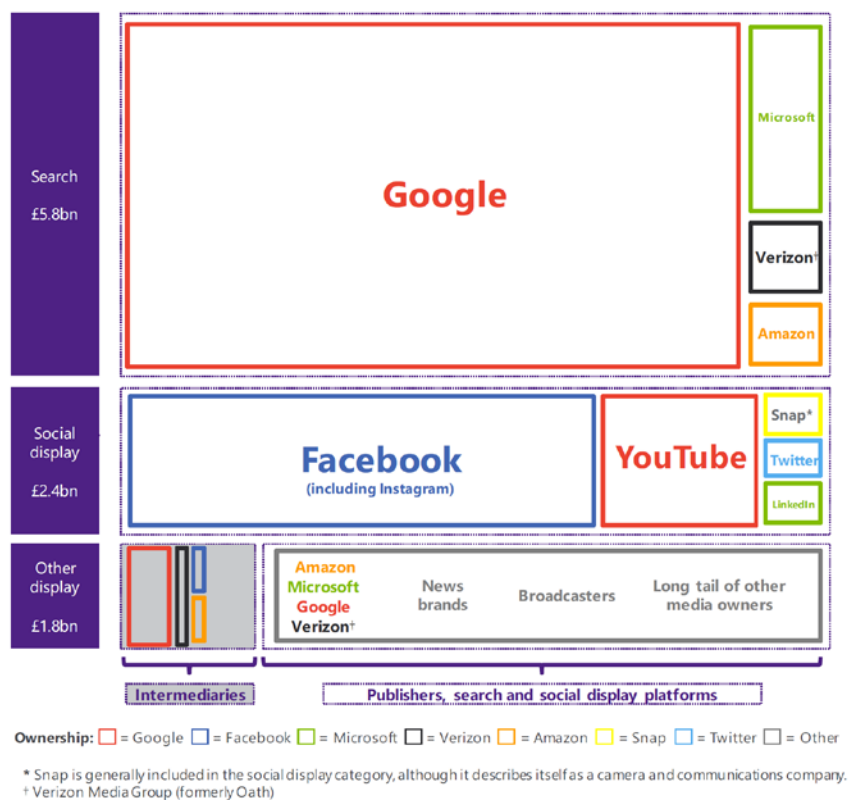
34. While the platforms provide a variety of different services to users, they have in common that they are able to monetise the attention of their users to sell advertising and that the data provided by their users enables this advertising to be targeted. The large platforms are also involved, to varying degrees, in intermediating digital advertising content on other publisher websites.
35. There are three main types of digital advertising in the UK: search advertising; display advertising; and classifieds.²³ According to the IAB/PwC Digital Adspend Study, paid for search is the largest category of online advertising, accounting for 50% of the UK online advertising market in 2018, compared to 39% for display, 11% for classifieds and less than 1% for other formats.²⁴ In Annex A, we provide more detail on each category of digital advertising.
36. The following figure shows the indicative share of online advertising expenditure by major competitors in 2017.²⁵

²³ There are other forms of advertising which may also be delivered by digital means and may involve trading techniques similar to those described in this report but which we do not propose to include within the scope of this study. These include TV advertising, outdoor advertising, cinema advertising, influencer marketing and product placement.

²⁴ 2018 IAB UK and PwC: Digital Adspend Study.

²⁵ Plum Consulting, *Online advertising in the UK*, January 2019, figure 5.2.

Figure 2: share of advertising expenditure in 2017



Source: Plum Consulting, [Online advertising in the UK](#), January 2019.

37. Plum’s analysis illustrates that many of the largest providers of digital advertising services are also the largest online platforms. Globally, it has been estimated that the firms which extract most revenue from digital advertising are dominated by the large platforms. In addition to Google, Facebook, Amazon, Microsoft and Twitter, the top ten global firms by digital advertising revenue include the large Chinese platforms Alibaba, Baidu and Tencent.²⁶

Concerns raised about online platforms and digital advertising

38. A range of concerns have been raised, both nationally and internationally, about the market power of online platforms and the role of digital advertising in this. These have focussed, alongside issues such as online harms and fake news, on the market power of large online platforms and their ability to extract large volumes of data from consumers to entrench that market power, and on a lack of transparency in the business-to-business digital advertising market. Reflecting these concerns, several institutions have called for the CMA to undertake a market study in this area. This section summarises the outcomes

²⁶ Based on estimates by [eMarketer](#).

of recent reviews nationally and internationally and the calls for the CMA to take action.

Wider concerns about online platforms

39. In March 2019, the Furman Review (a panel appointed by HM Treasury and chaired by Professor Jason Furman) reported on the UK's competition regime in the context of the digital economy, and the changes needed ensure that the UK remains a world leader in this field. The panel identified the risks associated with the concentration of digital markets and the challenges that such a rapidly-developing sector creates for policy makers and regulators. To address these issues, the panel recommended the creation of a digital markets unit to promote competition and innovation and improve outcomes for consumers and businesses. The panel envisaged that the unit would be tasked with developing a code of competitive conduct for major players in the market (those considered to have 'strategic market status'), increasing data mobility and interoperability between online platforms and utilising data openness in order to achieve its objectives.
40. Similar concerns have also been reflected internationally. For example, in April the European Commission published the findings of its expert report on 'competition policy for the digital era'.²⁷ The report suggested that typical characteristics of digital markets can give incumbents a strong competitive advantage and makes them very hard to dislodge. It made a series of proposals about how competition policy might evolve to deal more effectively with these concerns. It also focused particularly on the role of data in creating barriers to entry and explored a range of possible remedies to increase data mobility and data access.
41. There have also been increasing calls for action in the US. One recent example is the report commissioned by the Stigler Centre at Chicago Booth, which argued that the market power of online platforms could create significant barriers to entry and lead to consumer harm. The report recommended the creation of a Digital Authority tasked with creating 'general conditions conducive to competition'. It also proposed that specific regulations should apply to firms with 'bottleneck power' – situations where consumers rely on a single service provider, which makes obtaining access to those

²⁷ Report for the European Commission by Jacques Cremer, Yves-Alexandre de Montjoye and Heike Schweitzer, [Competition Policy for the digital era: A report for the European Commission](#), 2019.

consumers by other service providers prohibitively costly.²⁸ This is similar to the concept of strategic market status set out in the Furman Review.

Calls for the CMA to undertake a market study into digital advertising

42. The Furman Review final report, discussed above, also recommended that the CMA conduct a market study into the digital advertising market, encompassing the entire value chain to examine whether competition is working effectively and whether consumer harms are arising.²⁹
43. In its report on UK advertising of 11 April 2018, the House of Lords Select Committee on Communications noted that the digital advertising market is dominated by a small number of very large companies and is characterised by a lack of transparency which ‘hinders the ability of advertisers to ascertain whether they receive value for money.’³⁰ The report called on the CMA to investigate whether the market is working fairly for consumers and businesses.
44. On 16th April 2018, the Report of the House of Lords Select Committee on Artificial Intelligence urged the CMA to investigate the consolidation of power and influence of the big technology companies and what they referred to as the ‘monopolisation of data’ since ‘without access to valuable data by third parties, innovation in artificial intelligence and the UK’s home-grown AI start up sector might be stifled.’³¹
45. On 18 February 2019, the DCMS Select Committee published the final report from its Fake News Inquiry.³² It recommended that the CMA conduct a ‘comprehensive audit of the advertising market on social media’, and also urged the CMA to ‘investigate whether Facebook has been involved in anti-competitive practices.’
46. On 12 February 2019, the Cairncross Review issued its final report on how digital advertising has impacted upon the sustainability of the UK press sector.³³ It found that ‘publishers receive a much smaller share of total

²⁸ [Committee for the Study of Digital Platforms, Market Structure and Antitrust Subcommittee Report](#), The Stigler Center for the Study of the Economy and the State, The University of Chicago Booth School of Business, May 2019, page 9.

²⁹ Furman Review, [Unlocking digital competition: Report of the digital competition expert panel](#), March 2019. The panel’s other recommendations included several proposals relating specifically to the activities of the CMA: changes were proposed to the CMA’s approach to mergers in the digital sector and to its enforcement processes.

³⁰ House of Lords, Select Committee on Communications, [UK advertising in a digital age, April 2018](#). See in particular paragraphs 69-78.

³¹ House of Lords, Select Committee on Artificial Intelligence, [AI in the UK: ready, willing and able?, April 2018](#). See in particular paragraphs 125-129.

³² House of Commons, Digital, Culture, Media and Sport Committee, [Disinformation and ‘fake news’: Final Report](#), February 2019.

³³ The Cairncross Review, [A sustainable future for journalism](#), 12 February 2019.

advertising revenue online than they do offline’ and that the market position of the large platforms could be restricting competition, and stifling innovation, but that the complexity and opacity of the market makes it difficult to gather reliable information. The report therefore recommends that the CMA use its information-gathering powers to conduct a market study into the online advertising industry to examine the position of different players, their roles, costs and profitability, how efficiently the online advertising market is working, and what remedies, if any, are needed.

47. The CMA has also faced calls to investigate the sector from consumer bodies, including Which?, in their report in June 2018, titled ‘Control, Alt or Delete’³⁴ and its corresponding research.³⁵ This report called on the CMA to conduct a market study, alongside the ICO, into the digital advertising industry as a matter of urgency. Which? identified two main harms from digital advertising practices: that the impact of digital advertising on consumers is poorly understood, and that the high horizontal and vertical concentration of Google and Facebook may raise prices.

International work in this area

48. Several international competition authorities have also expressed concerns about digital advertising markets in their respective jurisdictions, notably the European Commission, the Australian Competition and Consumer Commission, the French Autorité de la Concurrence, the Bundeskartellamt in Germany. A variety of cases have been launched, including market reviews, competition enforcement and consumer enforcement cases. Details of this work, and the outcomes it has led to, are provided at Annex B. Given the international nature of the platforms and a number of the issues we have identified, it is important that we engage proactively with our international counterparts to share experience and understanding. We are therefore working closely with competition authorities in other jurisdictions which are investigating similar concerns, and will continue to do so as appropriate as our thinking in the study develops.

Launch of the market study and the CMA Digital Markets Strategy

49. As a result of these concerns, the CMA is launching a market study, which will consider the sources of the online platforms’ market power, the degree of consumers’ control over their data, and, insofar as these may result in consumer harm, concerns in the business to business digital advertising

³⁴ Which?, [Control, Alt or Delete? The future of consumer data](#), June 2018.

³⁵ Which?, [Control, Alt or Delete? Consumer research on attitudes to data collection and use](#), June 2018.

market in the UK. As part of the study, we will consider the extent to which steps should be taken to remedy, mitigate or prevent any concerns we identify.

50. This market study is a core part of the CMA's Digital Markets Strategy, also published today, which sets out our broad approach to protecting consumers in the digital economy while ensuring robust, competitive digital markets.³⁶
51. As explained in the strategy document, this study will inform our thinking on platforms and support our ongoing response to the Furman Review, thus helping to ensure that any proposals for future regulation are based on a good understanding of advertising-funded platform business models. The market study therefore sits alongside parallel and complementary policy work that we will be undertaking outside of the study. This will include consideration of non-advertising-funded platforms, as well as institutional questions arising from the Furman Review's recommendations, and other public policy issues or initiatives.

Scope and themes of the market study

52. Platforms that generate revenues from digital advertising operate in two-sided markets. In the consumer-facing markets, including search (for Google) and social media (for Facebook), consumers receive the online service in return for giving their time and attention to the platform and allowing the platform to access data about themselves. In the business-to-business digital advertising markets, platforms and other content providers monetise this time and attention by selling advertising space ('inventory') to advertisers.
53. In this study, we propose to assess the nature of competition in both sides of the market, focussing our work on three broad inter-related and overlapping themes. Themes 1 and 2 relate to the supply and demand sides respectively of the consumer-facing markets and Theme 3 relates to the business-to-business digital advertising markets.

Theme 1: The market power of online platforms in consumer-facing markets

54. Digital advertising platforms are two-sided: platforms need to attract both consumers and advertisers to be successful. The strong market positions of online platforms, in particular Facebook and Google, in the consumer-facing

³⁶ CMA, [Digital Markets Strategy](#), July 2019.

markets of social networks and search, drive the market power they have in the supply of digital advertising, which allows them to monetise user attention.

Sources of market power in the consumer-facing markets

55. The ability of a platform to supply digital advertising services to advertisers depends on its ability to attract consumers. Consumers typically do not pay directly to use the services of Google or Facebook or other digital advertising platforms.³⁷ Instead, they supply attention and data which the platform uses to generate revenue in the digital advertising markets, through selling to advertisers the opportunity for highly-targeted advertising. This can be through the targeting of specific consumer profiles or, at the more granular level, of consumers seeking information on a particular subject. The large audiences for Google's and Facebook's products in consumer-facing markets provides both a source of advertising inventory and a valuable source of data which may be used to improve the targeting of adverts.
56. Under this theme, we propose to examine the extent to which online platforms enjoy market power in consumer-facing markets. Market power may arise from certain market features, including network effects, switching costs, economies of scale and the need to use data from large numbers of users to improve the quality of the platform. We propose to examine the extent to which these and other market features may result in scale advantages that favour the current incumbents, raise barriers to entry for potential competitors and lead to market power in the digital advertising markets.
57. We propose to consider whether dynamic competition may constrain the market power and behaviour of digital advertising platforms over the longer term. Digital advertising markets have been subject to rapid technological development and successful entry, particularly in the early stages of their development. We will consider the extent to which dynamic competition may constrain market power in the future, taking account of the competitive advantages enjoyed by the current incumbents and the role of the data they possess.

The impact of market power on the supply of digital advertising

58. Understanding the digital advertising market is particularly important because it is where many of the large online platforms monetise their content. If platforms' market power leads to a lack of competition in digital advertising,

³⁷ While online platforms generally supply services for 'free', they may in some cases charge a financial fee for particular services.

this might generate higher prices or worse outcomes for advertisers. In turn we would expect consumers to suffer, because additional advertising costs are likely to be passed through as higher prices for final goods and services.

59. A core issue that we propose to investigate under this theme is therefore whether the large online platforms have market power in relation to digital advertising, and what impact this has on outcomes for consumers. We intend to focus particularly on understanding the role of data, and the extent to which the platforms' extensive data on users creates a barrier to competition in digital advertising.
60. The ability of advertisers to target consumers is partly dependent on the quality of data about those consumers. Google and Facebook, in particular, may possess high quality data about their users from multiple sources under their control. For example, Google may aggregate data from Google Maps, Gmail, YouTube, Google Play, Chrome, Android etc. Facebook may aggregate data from WhatsApp and Instagram. Access to a greater volume and variety of consumer data may enable more efficient targeting of consumer profiles. This may be valuable to advertisers since it increases views or sales (conversions).
61. We propose to examine whether access to this data, in combination with other features identified here, results in market power in the supply of advertising inventory. We will consider how the extent of market power varies in instances where the market for advertising space may be particularly narrow, for example when inventory is linked to specific keywords. We wish to assess whether the combination of detailed profiling capability and the scale of their advertising inventories mean that Google and Facebook are 'must have' partners for both advertisers and publishers.
62. One potential consequence may be that platforms are able to exploit the weakness of advertisers and publishers, for example by charging more than would be possible in a more competitive market. In the case of both search and display advertising, we propose to consider whether the availability of data from the platforms' broader 'data ecosystem' is a significant component in giving these platforms market power in the supply of digital advertising. In this regard, we propose to examine the potential effect of the 'walled gardens' of the major digital advertising platforms whereby the platforms collect user data from various sources but share only aggregated data with partners which are potentially, therefore, placed at a disadvantage.

Theme 2: Consumer control over data collection practices

63. Under this theme, we will consider to what extent consumers have sufficient knowledge, understanding or tools to engage effectively in the upstream markets over the use of their data, or conversely, whether online platforms are able to exploit a lack of consumer choice and understanding to extract data from them, resulting in consumers getting insufficient compensation for their data, softening competitive pressures on the platforms and potentially creating consumer protection concerns.
64. Issues of privacy, trust and fairness are important to consumers, especially when they entrust some of their personal details to an online platform. However, there are concerns that consumers may not be aware of how the digital advertising platforms hold, use or share information about them and how this may affect them.³⁸
65. There are concerns that systems have developed which have the effect of depriving consumers of the ability effectively to negotiate how data about them is collected and used.³⁹ We will consider whether consumers using platforms funded by digital advertising are able to make informed choices over the collection and use of data about them, the reasons for this, its consequences, and measures which may address this. There are concerns that this information asymmetry may result in consumers receiving poor value for their data compared to a counterfactual where they are able to exercise greater control. It may also serve to entrench market power enjoyed by platforms that have access to substantial volumes of consumer data.
66. The business model of the major platforms funded by digital advertising appears highly dependent on the continued supply of up-to-date consumer data insofar as this enables more targeted advertising. We will consider the incentive and opportunity for online platforms to exploit any imbalance of knowledge or power with consumers by obfuscating their data collection practice, over-collecting data or misleading consumers.
67. We propose to explore other practices which may deprive consumers of effective choice, for example: default privacy settings which favour the online platform's business model; requiring consumers to accept third party privacy policies without sufficient opportunity to read and understand them; or altering terms and conditions following mergers on a 'take it or leave it' basis.⁴⁰

³⁸ Which?, [Control, Alt or Delete: The future of consumer data](#), June 2018.

³⁹ Concerns have been raised about the design of data sharing controls in apps and app stores for example ([Third party tracking in the Mobile Ecosystem](#)).

⁴⁰ For example, see '[Deceived by Design](#)', Forbrukerradet.

68. We also propose to consider the two-way relationship between the degree of competition in upstream consumer-facing markets in search and social networks and the ability of platforms to extract data from consumers. A lack of competition may mean that consumers have little choice other than to deal with the large incumbent platforms and accept their policies for data collection.⁴¹ These platforms may then be able to extract more data from consumers than they might do otherwise, which may enable them to improve their targeted services, including advertising services. This may, in turn, attract more advertisers and consumers and entrench their existing advantage in a feedback loop.⁴² If consumers are unable effectively to engage in data collection practices, this loop may be reinforced potentially to the detriment of consumers who may not receive the full benefits for sharing their data.
69. On the other hand, consumers also benefit from the convenience of existing business models such as easy access to products and services they are looking for, and the personalisation of services.
70. Under this theme, we will therefore consider how far online platforms use or combine data across their services, and how far consumers are aware of this and can control it. We propose to consider whether this harms or benefits consumers and if there are alternative mechanisms to give consumers greater control and power over their data, and the potential impact of these alternatives on both static and dynamic competition.

Theme 3: Competition in the supply of digital advertising in the UK

71. Under this theme, we propose to consider whether there is effective competition in the supply of digital advertising. We propose to consider both sales of advertising on the major online platforms (i.e. the way that the platforms monetise their own content), and the wider intermediation of advertising sales on other publishers' websites through the 'ad tech stack'.⁴³
72. We note that digital advertising intermediation services comprise a highly complicated and rapidly changing set of market arrangements. Given the breadth of this study and the wide range of issues we are proposing to cover, the focus of our work in this theme will be on investigating those concerns in

⁴¹ See Annex B which summarises the infringement decision of the German competition authority against Facebook for abuse of dominance in its data collection practices.

⁴² Furman Review, [Unlocking digital competition: Report of the digital competition expert panel](#), March 2019, page 32.

⁴³ An abbreviation for 'advertising technology stack'. This represents the collective role of the various entities involved in the digital advertising supply chain between the advertisers and publishers, including demand side platforms, supply side platforms, ad exchanges and ad servers.

digital advertising markets that are most likely to lead to poor outcomes for consumers.

73. A number of those requesting that we investigate the digital advertising market have commented that there is a lack of transparency over how the market operates. We intend to use our information-gathering powers to develop a better understanding of the different elements of the advertising supply chain, including how money and information flows between different market participants.
74. In addition to understanding how the digital advertising market works, we also intend to examine a number of issues including:
- (a) Whether the platforms' provision of digital advertising intermediation services could be used to protect their existing market power or leverage their market power into other parts of the supply chain or alternatively whether the vertical integration of parts of the advertising supply chain can create efficiency benefits for users;
 - (b) How much of the value of advertising is captured by different parts of supply chain, including the extent to which the share being captured by intermediaries compared with publishers and other content providers might be higher than in a more competitive market;
 - (c) Whether lack of transparency within the advertising supply chain might raise broader concerns, including in relation to ad verification and fraud detection; and the extent to which we might expect any concerns to be addressed by the market;
 - (d) How advertising is sold, including the transparency of auction pricing rules,⁴⁴ and how the use of auctions affects competition in digital advertising markets.

Potential consumer harms from lack of competition

75. Concerns relating to the three themes above could in principle lead to a variety of harmful effects on consumers. Some of these could be direct effects on the user side of the market. For example:
- (a) Consumers might earn inadequate returns for the use of their data. Although many online services are provided for free, consumers are in

⁴⁴ We note that in the past there have been concerns about how these auctions are run (e.g. concerns over Google's 'last look' advantage, that Google's ad server gave to Google's ad exchange, which led to Google changing its auction rules in 2017).

practice paying with their attention and data which can then be monetised through digital advertising. In this situation, a free price might not necessarily be competitive; in a well-functioning market, consumers might be paid for their data, or offered a trade-off between price and amount of data provided.⁴⁵

- (b) Consumers might benefit from less innovation and quality in the services provided by the platforms, compared with a more competitive market.
- (c) Consumers might not be able to exercise adequate control over how their data is used, leading to broader privacy and consumer protection concerns.

76. Consumers could also be harmed indirectly through impacts on firms engaged in digital advertising. For example:

- (a) Consumers might be harmed if firms have to pay higher prices for advertising than they would do in a more competitive market. Since advertising is a cost for firms selling final products to consumers, we would expect higher advertising prices (where these are faced by all competitors in a market) to be passed through to consumers in the form of higher prices for final goods and services.
- (b) There may be a further concern where platform market power creates or amplifies competition problems in other markets that rely on platforms, leading to higher prices or less choice for consumers in these markets.
- (c) Finally consumers may potentially be harmed where competition problems in digital advertising markets result in content providers receiving a lower share of advertising revenues than they would in a well-functioning market, ultimately leading to poorer quality content for consumers.

Potential remedies

77. Based on the findings on the three themes described above, we will consider areas where interventions might be appropriate to address any harms that we find. Our current expectation is that any remedies are likely to focus on recommendations to Government for the development of an ex ante

⁴⁵ This is an observation made in the [report of the Furman Review](#) (page 42) and the [Stigler Center report by the Committee for the Study of Digital Platforms](#) (page 7). The Stigler Center report also notes that 'the difficulty of making micropayments might lead a platform to mark up this negative competitive price to zero.'

regulatory regime, as proposed by the Furman Review, and are likely to require legislative change.

78. Online platforms operate in fast-moving markets and any intervention would need ongoing monitoring to be effective and would need to be flexible to respond to innovation. While a market investigation is a possible outcome of this study, we do not currently expect that a ‘one-off’ intervention by the CMA, such as could be achieved through a market investigation, would be sufficient to provide a sustainable long-term framework for the sector. We will also consider the potential for enforcement (either consumer enforcement or competition enforcement) if we identify any areas where this is likely to be the most effective tool to address problems resulting from observed behaviour in the digital advertising markets.
79. At this stage, we have identified five main areas in which remedies may be required, which we discuss below. These are largely consistent with, and build on the direction of travel set out in, the Furman Review. Some (notably the first and third) involve developing Furman proposals in more detail and applying them to areas particularly relevant to digital advertising.
80. The remedy areas do not map one-for-one onto the themes described above. This reflects the fact that many of the potential issues are interlinked. In our analysis of potential remedies, we would expect to consider what package of remedies might be most appropriate in tackling any issues that we find across the three themes.

Potential remedy area 1: increasing competition through data mobility, open standards and open data

81. At this stage, and following the conclusions of the Furman Review, we expect that data-related remedies are likely to be an important element of our considerations, as they have the potential to help address concerns in both the consumer-facing and digital advertising markets.
82. We will consider how the way in which data is held, used and shared could be changed to benefit consumers and competition in digital markets. Our aim will be to establish the feasibility of reform in three key areas, and the circumstances in which they could benefit consumers.
83. First, data mobility: we will consider how allowing customers to move data between different applications could address some of the competition concerns identified in digital advertising markets. We will consider the challenges associated with implementing such a remedy, recognising that data would have to be held under common standards or formats to enable

competitors to interpret the data effectively. In theory, this could be used both to reduce barriers to switching and facilitate multi-homing.

84. Second, systems with open standards: we will consider whether systems should be built on open standards to enable entire services to become compatible with one another. This would allow customers to switch to a new provider, or multi-home across several providers, and to continue to interact with users on their original platform, overcoming the barriers to switching created by the presence of network externalities. We will consider the challenges associated with selecting and implementing standards that enable software to interoperate and data exchanges to occur between platforms, including the cost of implementing such a remedy.
85. Third, open data: we will consider whether providing access to data held by rival firms is the most effective and proportionate way of introducing competition into digital advertising markets. We will assess whether mechanisms can be established which allow data sharing in a way which preserves privacy and protects consumers. This analysis will include a consideration both of what form of openness or sharing would be required to achieve benefits, and what types of data might be in the scope of the remedy.
86. These areas have been proposed as part of the Furman Review, which discussed the potential for access to data to be part of the role of a new Digital Markets Unit to be put in place to help build consumer choice and competition into online platforms.
87. These remedies have the potential to reduce barriers to entry and to promote new business models which might facilitate competition in existing markets and lead to innovation to the benefit of customers and digital advertisers. More open data and access to data may also allow digital advertisers to improve the services that they offer and could reduce the cost of digital advertising in some cases.
88. However, there may be significant costs from these remedies. Some of the remedies may reduce incentives to invest in new and innovative services that rely on the monetisation of relevant data. Other remedies may involve risks to data privacy. Our assessment will be mindful of the risks either that the remedies do not work as intended, or that there are these unintended consequences.
89. We will also consider the case for limiting the ability of platforms to share data across applications. This approach was followed by the Bundeskartellamt – the German competition authority – in its recent Facebook judgment. We will

consider under what circumstances a formal separation of data assets might help or undermine competition in individual markets.

Potential remedy area 2: giving consumers greater protection in respect of data

90. Customers greatly value the services provided by platforms, and the associated services that they offer, in many cases for free in monetary terms. However, the terms and conditions under which users interact with platforms may be long and unclear and the options that customers have to decide which data platforms are allowed to extract and use are often hard to follow and complex. Customers expect privacy, but the recently introduced rules of GDPR may not be as effective as they could be because they are limited to certain data types, are expensive to implement and oversee, or are difficult to enforce.
91. We will consider whether there is a case for improving transparency over what data is being held, and the consent process. We will consider the evidence as to whether consents should be more granular, and mechanisms to achieve this, and whether 'notice and consent' mechanisms, as currently implemented, are inherently problematic in terms of gaining informed consent. We will consider whether there should be rules on what defaults are fair, including when it is acceptable to restrict users from accessing a service if they do not consent to the provider of the service accessing their data.
92. We will also consider whether, given the inherent information asymmetry between businesses and consumers at a technical level, there is scope for an increased role for standardisation with regulatory oversight, and whether platforms and other service providers should have a 'fairness by design' duty in respect of the approach to gathering data from individual consumers. We will consider both broadly-applicable principles and also specific proposals, such as the proposal that there should be centralised default settings for apps at the level of the operating system.⁴⁶
93. In assessing the potential for reform in this area, we will consider which remedies have the potential to be most effective in promoting competition and a fair distribution of value between consumers and platforms, while also protecting those consumers who want to retain greatest control of their data.

⁴⁶ It is claimed that mobile phone operating systems do not currently give consumers the ability to control third party tracker settings which are instead set at an individual app level. This differs from online browsers which typically set a default setting centrally for third party trackers which consumers can subsequently vary according to their preferences. ([Third party tracking in the mobile ecosystem](#) by Reuben Binns, Ulrik Lyngs, Max Van Kleek, Jun Zhao, Timothy Libert and Nigel Shadbolt).

Potential remedy area 3: limiting platforms' ability to exercise market power

94. If we find that the exercise of market power is harming competition and consumers, we will consider the case for the development of an ex ante regulatory regime to address such concerns. This could draw on and develop further the concept of an enforceable 'code of conduct' for providers that have 'strategic market status' as proposed by the Furman Review, including considering how 'strategic market status' should be defined, based on our analysis of sources of platforms' market power.
95. Such a regime could include rules and guidance as to the terms and conditions on which digital advertising products are offered, with the intention of promoting competition in business-to-business digital advertising markets. These could include:
- (a) Rules on the terms on which platforms transact with different digital advertisers, such as limitations on the reasons by which large platforms can discriminate between customers, or on how platforms set prices;
 - (b) Increased reporting and transparency on the different activities undertaken by the platforms, across the value chain; and
 - (c) Requiring vertically integrated platforms to implement an appropriate form of separation between different activities across the value chain, to the extent necessary to reduce incentives to favour their own businesses.
96. We will also consider whether ex ante rules are required to overcome any concerns we identify relating to market power in the consumer-facing markets and help promote competition or innovation. Examples of such remedies proposed by other bodies include the ACCC, which recommended in its Digital Platforms Inquiry interim report that suppliers of internet browsers be required to provide consumers with options for search engines rather than providing a default search engine.
97. Within this remedy area, we would expect to consider the appropriate balance between ex ante rules and ex post enforcement, including the use of existing competition and consumer powers.

Potential remedy area 4: improving transparency and oversight for digital advertisers and content providers

98. In this area, we will consider the need for remedies to improve transparency for participants in digital advertising markets (whether digital advertisers, content providers or intermediaries) on both financial flows and the delivery of advertisements.

99. We have heard concerns that many advertisers spend large sums with limited transparency or ability to audit what they are purchasing. This is a particular risk in sectors where it is possible that some clicks or impressions may be fraudulent or otherwise automated.
100. We will consider whether the evidence indicates that interventions are required to improve transparency in and scrutiny of areas such as ad verification, anti-fraud measures and auction execution. This may also involve a third party having the power to either independently verify the effectiveness of digital advertising service, or to intervene on specific disputes.
101. Remedies in respect of data transparency could overlap with remedies on data sharing, as, in some sectors, allowing intermediaries secure access to data could both help resolve harm resulting from a lack of transparency and also improve the effectiveness of competition.

Potential remedy area 5: institutional reform

102. If we do conclude that there is a case for any of the above interventions, we will consider whether legislative reform should empower a new body to enforce any new provisions. Alternatively, we may conclude that any new functions should be taken on by existing institutions. The Furman Review recommended the establishment of a 'Digital Markets Unit' which, as well as facilitating data mobility and access to data, would develop a code of competitive conduct, applicable to firms deemed to have 'strategic market status'.⁴⁷ We could recommend any such digital markets unit could take on new powers to implement and enforce our remedies.

Areas not in scope

103. We do not propose to focus in our study on platforms that are not funded by digital advertising. Nor do we propose to focus on whether targeted advertising is used to manipulate or deceive consumers, nor on other forms of harmful content which are the subject of the government's Internet Safety Strategy. A recent White Paper on online harms outlines the steps that government will take to ensure the UK is the safest place in the world to be online.⁴⁸
104. In relation to journalistic sustainability, this too has been the subject of a detailed and dedicated inquiry, the Cairncross Review. We are not proposing

⁴⁷ The review did not provide a definitive view as to whether new powers should be assigned to existing bodies or an entirely new body be created.

⁴⁸ HM Government, [Online Harms White Paper](#), April 2019.

a specific focus on the sustainability of journalism or to seek to assess the profitability of news media organisations. However, we anticipate that aspects of our work will help inform this debate, notably our assessment of the share of advertising revenues that go to content providers as opposed to intermediaries.

105. Other areas of concern relate to ‘fake news’ and misinformation. On 18 February 2019, the DCMS Select Committee published the final report from its Fake News Inquiry⁴⁹ which set out a number of issues and recommendations including an enforceable Code of Ethics overseen by an independent regulator.⁵⁰ The accuracy of news content, and the assignment of liability for it, are not within the scope of this study. Nor are related concerns regarding the potential impact and influence that powerful online platforms could have on political outcomes. However, the technologies and practices that have led to concerns in these areas may share some common characteristics with those identified in this Statement of Scope. We will engage closely with relevant government departments on this work in the course of our study to share any insights that we gain into these issues.
106. The Government recently consulted on the design of a new Digital Services Tax, to be implemented in April 2020, to meet the challenges that digital businesses create for the international corporate tax system.⁵¹ This has been designed as an interim response pending coordinated global reform. Further reform of the tax regime for digital businesses is not in the scope of this study.

Approach to evidence gathering

107. In addition to considering the responses from interested parties to this statement of scope document, we intend to rely on various sources of evidence to assess the themes we have identified, including:
- drawing together and evaluating existing research;
 - issuing information requests to industry participants, including online platforms, advertising agencies, intermediaries, technical specialists, academics and other industry participants and commentators;

⁴⁹ House of Commons, Digital, Culture, Media and Sport Committee, [Disinformation and ‘fake news’: Final Report](#), February 2019.

⁵⁰ It also called on the CMA to conduct a ‘comprehensive audit of the advertising market on social media’, and ‘investigate whether Facebook has been involved in anti-competitive practices’.

⁵¹ HM Treasury, [Digital services tax: consultation](#), November 2018.

- meeting key interested parties (through bilateral meetings, roundtable meetings and workshops); and
 - conducting original qualitative and/or quantitative research, including with end users.
108. We are conscious that the study has a broad scope covering a wide range of complex issues. These issues are relevant to many interested and well-informed parties including online platforms, advertisers, advertising agencies, intermediaries, technical specialists, publishers, academics and other industry participants and commentators. We are keen to take advantage of the existing knowledge of these parties as efficiently as we can. We will seek views and evidence from stakeholders, including off-the-shelf research, through meetings and information requests from the outset of the study. We also encourage interested parties to be proactive in responding to the statement of scope and identifying to us evidence relevant to the study.
109. From the online platforms we intend to seek evidence on their business models and how they interact with users and advertisers. We are particularly interested in evidence of how data enables them to improve the quality of their offers to either side of the platform, the extent to which this may result in economies of scale and barriers to entry and in evidence of how competition may drive innovation. We will look to understand better how the revenues of the integrated platforms are recovered from different parts of the value chain. We are seeking to understand how integrated platforms manage the link between the revenues and costs incurred in businesses where they have market power and those which relate to associated businesses, in particular where the services are integrated from the perspective of customers. We will also seek evidence from smaller platforms and intermediaries about any challenges they face in competing with the larger incumbent platforms.
110. We intend to seek evidence from advertisers, media agencies and other intermediaries and publishers on how they engage in the digital advertising market. We wish to understand several issues, including how advertisers assess the value of advertising and the value of data in targeting specific audiences, how advertisers verify digital advertising is delivering what they expect, how they measure advertising effectiveness, the substitutability between the different options available to them and the extent of advertising fraud. This evidence may include off-the-shelf research into advertising effectiveness, historical examples of advertising campaigns and the outcomes of interactions with online platforms. We will seek evidence from publishers on their negotiations with the online platforms and the options available to them to access users and advertisers.

111. In addition, we intend to carry out our own analysis of market outcomes using our information gathering powers to collect quantitative information from stakeholders, including the online platforms and advertising intermediaries. The key outcomes we intend to look at are market shares, the prices of advertising, how commissions are distributed along the advertising value chain and the profitability of the online platforms. Our main objectives in undertaking this analysis at this point are to understand how the supply of digital advertising has evolved over time, competition between different advertising channels and the role of data in driving the value of advertising. We anticipate carrying out this analysis at an aggregated level and recognise that there are challenges from the complexity of the data involved and the difficulty in ensuring that any comparisons compare like with like. We are also interested in any research already available that looks at market outcomes in digital advertising.
112. While we will assess the ability of users to exercise informed choice around the use of their data when interacting with platforms, we do not intend to carry out our own user survey research at the outset of the study. We note that there is existing research looking at consumer knowledge and attitudes to data collection and privacy.⁵² We intend to supplement this by gathering evidence from the online platforms' own research into their users. We think any additional research into user behaviour is likely to add more value if it is targeted at understanding the likely efficacy of any remedies proposed, depending on the outcome of the study.
113. We are aware that the issues relevant to our study are subject to a large body of academic research. We are keen to engage with academics in the UK and internationally to identify evidence relevant to our study and to collaborate where there are productive opportunities to do so.
114. We are also aware that international competition authorities have carried out much relevant work in this area (as discussed in Annex B), and would welcome insights and contributions from these bodies, including views on any gaps in the existing evidence base that we may be well placed to fill through the market study.
115. As the study progresses, we may choose to use other means of seeking additional information. Information and updates about this study will be added to the case page on a regular basis.

⁵² For example: Which? and BritainThinks, [Control, Alt or Delete? Consumer research on attitudes to data collection and use](#), June 2018.

Doteveryone, [People, Power and Technology: The 2018 Digital Attitudes Report](#), 2018.
The DMA and Acxiom, [Data privacy: What the consumer really thinks](#), 2018.

Next steps

116. We will conduct our market study over the next year, gathering evidence from a wide range of stakeholders. In light of the evidence we receive, we may reconsider the focus of our study. Following evidence gathering and analysis, we will publish a report which sets out our findings, any concerns we identify and our proposed recommendations or remedies to those concerns. Our final report must be published no later than 2 July 2020.
117. We will publish an interim report with our initial findings and views on remedies, including whether a market investigation reference is needed, six months after the launch of this market study, by 2 January 2020. Where we find issues of particular concern, we may also take action during or at the end of the study, such as opening consumer or competition enforcement cases.

Invitation to comment on our market study notice and statement of scope

118. The CMA welcomes submissions on the market study from interested parties by no later than 30 July 2019. In this statement of scope, we have set out three themes that we propose to investigate drawing on concerns that have been raised and our understanding of the sector. We would welcome comments and views, supported with evidence where available, on:
- our description of the sector, and whether this is broadly accurate;
 - the proposed scope of the market study, including whether there are areas we should particularly focus on, and whether there are important areas we have missed;
 - the three themes identified, including views on the potential concerns we are considering;
 - the range of potential remedies, including whether they would be appropriate, proportionate, and effective; and
 - our proposed approach to evidence gathering.
119. To respond to this invitation to comment, please email or post your submission to:

Email: onlineplatforms@cma.gov.uk

Post: Online Platforms Study

Competition and Markets Authority

7th Floor
Victoria House
37 Southampton Row
London WC1B 4AD

120. In providing responses, please say whether you are an individual or a business, or if you represent consumer or business interests. Please provide your name, email address, postal address and telephone number and indicate whether you would be happy for us to follow-up with you.
121. Please note that we are unable to provide advice on individual complaints. Our website provides links to sources of advice, information and support.
122. For transparency and to help debate, we intend to publish on our website summaries of the evidence we receive. We may also include such information in our interim and final report. We intend to publish responses from businesses and other organisations. In providing responses, please:
 - provide a brief summary of the interest or organisation that you represent, where appropriate;
 - consider whether you are providing any material that you consider to be confidential and explain why this is the case; and
 - provide both confidential version and a non-confidential version for publication of your response.⁵³
123. Annex C sets out how the CMA may use information provided to it during the course of this market study.
124. A possible outcome of this market study is enforcement action using either our consumer or competition powers. Therefore, the information provided to us will help assess whether online platforms are complying with the relevant consumer and competition law and determine whether enforcement action is appropriate. If we take enforcement action, please note that information provided may potentially be used in evidence.

⁵³ [Transparency and disclosure - statement of CMA's policy and approach: CMA6.](#)

Annex A: Types of digital advertising

1. This annex provides further detail on each category of digital advertising.

Search advertising

2. Search advertising is where an advertiser pays for its advert (in the form of a text link) to appear next to the results from a user's search on an internet search engine, although adverts may also appear in other forms of search, for example on maps, and on other web pages and apps where search ads may appear.⁵⁴ Adverts are based on keywords. For example, where an advertiser (a business or advertising agency) advertises on the Google Search Network,⁵⁵ its adverts may appear whenever a search is run which includes a term related to one of the advertiser's keywords. The advertisement shown may also utilise data about the person making the search, for example based on logged-in data or previous search history.⁵⁶ Users can then click on the text link, as they can with the other 'organic' search results.
3. In search advertising, advertisers or their agencies generally buy direct from search providers using the providers' self-service online sales interfaces, such as Google Ads.⁵⁷ Search advertising is aimed at driving consumers to take a particular action such as clicking a link (conversion).⁵⁸ It is therefore used for 'direct response' campaigns and is normally paid for on a 'cost-per-click' (CPC) basis.⁵⁹
4. Search advertising generated revenue of just under £6bn in the UK in 2017, around half of total digital advertising revenues in the UK in that year. Google is, by a large measure, the UK's most widely-used search engine.⁶⁰

Display advertising

5. Display advertising lets advertisers place ads on websites or apps in a variety of formats. Display advertising includes banner-style adverts but also 'native'

⁵⁴ Where results appear beside searches on specialised search engines, such as travel or retail sites, this may also be categorised as specialised search.

⁵⁵ The [Google Search Network](#) is a group of search-related websites and apps where ads can appear.

⁵⁶ For example, unless turned off, [Google customises search and ad results for its users using search-related activity whether or not they are signed into a Google account](#).

⁵⁷ Plum Consulting, [Online advertising in the UK](#), January 2019, page 41.

⁵⁸ Conversion is the term used to describe when consumers perform an intended action, for example making a purchase, registering with a business or completing a contact form. What constitutes a conversion depends on the particular goal of the advertisement in question. Search advertising may also increase brand awareness.

⁵⁹ ACCC, [Digital Platforms Inquiry: Preliminary Report](#), December 2018, page 56.

⁶⁰ According to [statcounter GlobalStats data for UK search engine market share](#), in December 2018, over 92% of UK online page views that originated from a search engine were estimated to come from Google.

advertising, sponsored content and video advertising.⁶¹ Of these formats, video advertising accounts for the largest share of the internet display advertising market (£1.6bn) followed by banner advertising (£1.3bn) and native advertising (£1.0bn). A large proportion of display advertising expenditure is spent on social media (social display advertising): 49% in 2016, rising to 57% in 2017.⁶²

6. Publishers may sell advertising inventory directly to advertisers or media agencies. In the case of publishers with large inventories, such as Google or Facebook, this may be through standard 'self-service' interfaces.
7. Publishers may also supply their advertising inventory to a third-party network which sells it to advertisers on a revenue share basis. In broad terms, although networks may operate differently, under these arrangements the network may place ads on sites or apps which belong to the network using a self-service online tool. The largest display networks are the Google Display Network and Facebook Audience Network.
8. Display advertising provides an opportunity for businesses and other organisations to target their marketing messages to particular audiences on the basis of consumer profiles (among other things).⁶³ It is particularly associated with raising brand awareness and shifting brand perceptions.⁶⁴ Display advertising may be sold on a CPC basis but is more commonly sold on the basis of 'impressions' or views.⁶⁵

Classified advertising

9. Classified advertising constitutes a third form of digital advertising, where advertisers pay for specific products or services to be listed on particular websites. Examples include property websites (e.g. Zoopla), where estate agents pay for the listing of specific properties, and recruitment websites, where classified adverts for specific job vacancies are listed.

⁶¹ For a description of these forms of advertising, see Plum Consulting, [Online advertising in the UK](#), January 2019, section 2.1.

⁶² Plum Consulting, [Online advertising in the UK](#), January 2019, page 7.

⁶³ Targeting may be based on a range of factors. For example, Google states that its Display Network can target certain types of people, context or content (<https://support.google.com/google-ads/answer/2404191?>)

⁶⁴ See, for example, research by the IAB on [Digital Advertising Effectiveness](#).

⁶⁵ Cost per thousand impressions (CPM) is a common metric. The number of impressions is determined in different ways but it is usually the number of times that the particular page is loaded by a user for viewing. According to the [Google submission to the ACCC](#) in February 2019, page views or impressions are the most common metric for payment in display advertising, as opposed to a metric like clicks, which is more prevalent in search advertising.

10. Advertising spend on classifieds has fallen in recent years and now makes up a small proportion of UK advertising expenditure. While search advertising had an approximately 50% share of the UK digital advertising market in 2017, and display advertising approximately 36%, classified advertising accounted for only approximately 13% of digital advertising revenue.⁶⁶

Programmatic advertising

11. Advertisers or agencies may purchase inventory directly from a media owner, or may use various intermediaries. In search, social display and classified advertising, direct purchasing is the norm, whereas in open display, this is normally through intermediaries. In all cases, most purchasing is now undertaken through 'programmatic' trading. Programmatic trading involves the use of automated systems and processes to buy and sell inventory on an impression by impression basis.⁶⁷ In 2017, 80% of online display advertising was sold programmatically in the UK.⁶⁸
12. Where inventory is purchased directly, automated online sales interfaces operated by Google, Facebook and other online platform providers enable advertisers to specify their target audience, set budget and define their advertising strategy. This allows the automated selling of 'ad impressions', i.e. the displaying of an advert on a web page which can be viewed by a user.
13. 'Real time bidding' (RTB) is a common feature of programmatic advertising. This enables the automatic purchase (by auction) of inventory on an impression-by-impression basis in virtual real time, as and when inventory becomes available. It has been calculated that hundreds of millions of ad impressions are likely to be purchased this way in the UK every day.⁶⁹

⁶⁶ Plum Consulting, [Online advertising in the UK](#), January 2019, page 6.

⁶⁷The IAB [Programmatic Handbook](#) defines programmatic trading as "the use of automated systems and processes to buy and sell inventory. This includes, but is not limited to, trading that uses real time bidding auctions." While this definition would appear to include search advertising, it is more commonly used in the context of display advertising.

⁶⁸ Plum Consulting, [Online advertising in the UK](#), January 2019, page 10.

⁶⁹ Plum Consulting, [Online advertising in the UK](#), January 2019, page 43.

Annex B: Recent and ongoing international work

Autorite de la Concurrence report on data processing in the online advertising sector

1. In March 2018, the French competition authority (Autorite de la Concurrence) published '[Opinion no. 18-A-03 of 6 March 2018 on data processing in the online advertising sector](#)', and a [summary of the opinion](#). The aim of the study was to produce a general assessment of the state of competition in the online advertising sector and to collect information on the positions of certain stakeholders, sales practices and obstacles to the development of competition.
2. Having mapped out in detail the various stakeholders and the functioning of the sector, which it characterized as being in “fragile competitive equilibrium” with the presence of only two significant global players (which benefit from several competitive advantages, such as vertical integration of data analysis and advertising services, enabling very powerful targeting capabilities), the study identified a number of practices which raised possible antitrust concerns. These included:
 - (a) Bundling and tied sales in relation to the provision of advertising services and advertising data, e.g. links between intermediation services and services supplying targeting data, or companies making access to their data contingent upon the purchase of their own advertising solutions and services, sometimes with data access provided free of charge with the purchase of services and solutions;
 - (b) Leveraging effects, whereby dominant positions on some markets are used to boost positions on other markets, such as the provision of advertising services and data mining services for advertisers, which might distort competition or even cause foreclosure effects where the information held by an undertaking with significant market power cannot be accessed or reproduced by competitors;
 - (c) Discriminatory treatment of publishers and intermediaries by online platforms with market power, for example in relation to conditions for DSP access to some platforms' ad inventories;
 - (d) Impediments to interoperability between systems, preventing users of competing systems from interacting with other systems, with the result that network effects are limited to one system; and
 - (e) Restrictions on the collection and accessing of data, e.g. the refusal by platforms to provide television service publishers with access to data on

use of their own services, or a lack of transparency regarding the data provided by platforms which makes it difficult to verify its accuracy or veracity.

3. The authority considered that it is necessary to development a legislative framework to provide publishers and advertisers with a high level of transparency regarding data to remove asymmetries in transparency and user data mining. While the purpose of the study was not to determine if practices breach competition law, it said that it would assess whether to initiate individual antitrust investigations into specific practices. In December 2018, it announced that it was looking into abusive data collection and processing under competition law.

ACCC inquiry

4. In December 2017, the Australian Competition and Consumer Commission (ACCC) commenced an inquiry into online platforms, looking at the effect of digital search engines, social media platforms and other digital content aggregation platforms on competition in media and advertising services markets. The ACCC published its [preliminary report](#) in December 2018, which identified several concerns, including:
 - (a) The ability and incentive of key online platforms to favour their own business interests, through their market power and presence across multiple markets;
 - (b) The online platforms' impact on the ability of content creators to monetise their content;
 - (c) The lack of transparency in online platforms' operations for advertisers, media businesses and consumers; and
 - (d) Consumers' awareness and understanding regarding the collection of user data by online platforms, and their concerns regarding data privacy.
5. The ACCC made a series of preliminary recommendations to address those concerns, including the following:
 - (a) With regard to mergers, there should be increased clarity over the factors to be taken into account in assessing the likely competitive effects of a merger or acquisition, including (i) the likelihood that an acquisition would result in the removal of a potential competitor, and (ii) the amount and nature of data which the acquirer would likely have access to as a result

of the acquisition, and large online platforms should be required to provide sufficient advance notice of the acquisition of any business with activities in Australia to enable a thorough review of the likely competitive effects of the proposed acquisition.

- (b) Suppliers of operating systems for mobile devices, computers and tablets be required to provide consumers with options for internet browsers, instead of providing a default browser or a pre-selected option, and suppliers of internet browsers be required to provide consumers with options for search engines, rather than providing a default search engine.
- (c) A regulator should be established to oversee the activities of vertically integrated online platforms generating over AU\$100m per annum from digital advertising, including:
 - (i) whether the platforms are engaging in discriminatory conduct by favouring their own business interests above those of advertisers or potentially competing businesses;
 - (ii) considering the digital platform's criteria, commercial arrangements and other circumstances which impact competition between advertisers, suppliers of advertising services and online platforms, such as the ranking and display of adverts as against organic content;
 - (iii) investigating complaints, initiating its own investigations, making referrals to other government agencies, publishing reports and making recommendations; and
 - (iv) monitoring the ranking of news and journalistic content by online platforms and the provision of referral services to news media businesses.
- (d) With regard to privacy, there should be express requirements that:
 - (i) the collection of consumers' personal information directly or by a third party is accompanied by a notification of this collection that is concise, transparent, intelligible and easily accessible, written in clear and plain language and provided free of charge;
 - (ii) businesses meeting certain thresholds regarding the collection of consumers' personal information undergo external audits to monitor and publicly demonstrate compliance with the privacy regulations;
 - (iii) consent requires express, opt-in consent and must be adequately informed, voluntarily given, current and specific (default settings that enable data collection must be pre-selected to 'off'); and
 - (iv) consumers are able to require erasure of their personal information where they have withdrawn their consent and the personal information is no longer necessary to provide the consumer with a service.
- (e) Penalties for breaches of privacy rules should be increased to the same level as penalties for breaches of consumer law, and direct rights of action

should be introduced for individuals for breaches of their privacy under the rules.

- (f) Additionally, under consumer law, unfair contract terms should be illegal (not just voidable) and penalties should apply to their use, more effectively to deter online platforms from leveraging their bargaining power over consumers by using unfair contract terms in their terms of use or privacy policies.
- (g) An enforceable code of practice relating to the collection, use and disclosure of personal data should be developed by the Australian Information Commissioner and the online platforms, covering issues such as how to obtain consumers' informed consent and appropriate consumer controls over online platforms' data practices.
- (h) There should be a statutory cause of action for serious invasions of privacy to increase the accountability of businesses for their data practices and give consumers greater control over their personal information.

6. The ACCC identified a number of areas for further analysis and engagement with businesses, consumers and other stakeholders, including:

- (a) Whether an ombudsman should be established to deal with complaints about online platforms from consumers, advertisers, media companies, and other business users of online platforms, such as disputes over the accuracy of representations made by online platforms as to the performance of purchased advertising;
- (b) Whether the proposed regulator could have the power to monitor the pricing of intermediary services supplied to advertisers or websites for the purpose of digital advertising (regulatory reporting requirements for businesses meeting certain threshold criteria would be needed to facilitate this);
- (c) Whether there is scope to introduce mechanisms for improved verification of the delivery and performance of digital advertisements, should further feedback on the effectiveness of the mechanisms currently available indicate that these are insufficient;
- (d) Whether there should be an explicit obligation to delete all user data associated with a consumer, once that user ceases to use the digital platform's services or after a set period of time, without the user having to actively request the deletion of the data, in order to prevent open-ended retention of data;

- (e) Whether consumer consent for the collection, use or disclosure of personal data for the purposes of targeted advertising should be on an express, opt-in basis (consumers receiving advertising-funded services, including via a social media platform or search engine, would still be required by the platform to consent to view 'untargeted' adverts not based on their user data); and
- (f) Whether issues identified in the course of the inquiry strengthened the need for a general prohibition against the use of unfair practices in the Australian Consumer Law (this proposal was already under debate prior to the inquiry).

7. A final report is due by 30 June 2019.

Sector inquiry by the German competition authority into online advertising

8. In February 2018, the German competition authority, the Bundeskartellamt, launched a sector inquiry into market conditions in online advertising sector. Prompted by the economic importance of the sector and the difficult competitive environment in the market, the sector inquiry was intended to focus on issues including:
- (a) Access to, and the processing of, data;
 - (b) The effects of current and foreseeable technical developments on the market structure and the market opportunities of the various players; and
 - (c) Whether the closed systems, or 'walled gardens', of a few large providers actually exist and what significance these systems have.
9. This inquiry is still in process and has not yet issued a preliminary or final report.

Finding of German competition authority that Facebook has abused its dominance through its data collection practices

10. On 6 February 2019, the German competition authority, the Bundeskartellamt (BkA) made an infringement decision that, through its data collection practices, Facebook had abused its dominant position in the market for social media in Germany.⁷⁰ It found Facebook to be dominant in the market for social media in Germany and that, by making the use of its service conditional

⁷⁰ For further details, see the BKA's [case Summary](#) and [news](#) page.

upon users granting the company extensive permission to process their personal data, it had used 'exploitative business terms'.

11. An important aspect of the decision is the reliance on breaches of data protection law to establish these exploitative terms. The BKA found that European data protection provisions were an appropriate standard for examining this exploitative abuse: 'Facebook's terms of service and the manner and extent to which it collects and uses data are in violation of the European data protection rules to the detriment of users. The BKA closely cooperated with leading data protection authorities in clarifying the data protection issues involved.' In adopting this approach, the BKA relied on the case law of the Federal Court of Justice under which not only excessive prices, but also inappropriate contractual terms and conditions may constitute exploitative abuse (so-called exploitative business terms).
12. On the basis of data protection principles, in particular under the General Data Protection Regulation (GDPR) applicable since May 2018, the BKA found that Facebook had no effective justification for collecting data from other company-owned services and Facebook Business Tools or for assigning these data to the Facebook user accounts. The authority also found that Facebook did not obtain any effective consent for its processing of the data affected in this case: the users' consent would only be effective if the provision of the service of Facebook.com were not made subject to this consent.
13. In terms of harms to consumer welfare, the BKA confirmed this to be the loss of control by consumers over data collection, and also the strengthening of Facebook's dominance in advertising. Facebook indicated they plan to appeal.⁷¹

Finding of Italian competition authority that Facebook has breached consumer law through its data collection practices

14. In November 2018, the Italian Competition Authority (Autorità Garante della Concorrenza e del Mercato) imposed two fines on Facebook totalling 10 million euros for alleged violations of the Italian Consumer Code.⁷²
15. The Authority found that Facebook misled consumers into registering on the Facebook platform, while not adequately and immediately informing them during the creation of the account that the data they provide will be used for commercial purposes. It found that Facebook emphasizes the free nature of

⁷¹ Facebook Newsroom, [Facebook to appeal German data decision](#), Outlaw.com and [Why we disagree with Bundeskartellamt](#), February 2019.

⁷² [Facebook fined 10 million Euros by the ICA for unfair commercial practices for using its subscribers' data for commercial purposes](#), December 2018.

the service but not the commercial objectives that underlie the provision of the social network service, thus inducing users into making a transactional decision that they would not have taken otherwise (i.e. to register in the social network and to continue using it). It found the information provided to be general and incomplete and not adequately to make a distinction between the use of data to personalize the service (in order to connect "consumer" users with each other) and the use of data to carry out advertising campaigns aimed at specific targets.

16. The Authority also found that Facebook carries out an aggressive practice, as it exerts undue influence on registered consumers, who suffer, without express and prior consent and therefore unconsciously and automatically, the transmission of their data from Facebook to third-party websites/apps for commercial purposes, and vice versa. It found that the undue influence is caused by the pre-selection by Facebook of the broadest consent to data sharing and that, when users decide to limit their consent, they are faced with significant restrictions on the use of the social network and third-party websites / apps, which induce users to maintain the pre-selected choice.
17. More specifically, through the pre-selection of the 'Active Platform' function, it found that Facebook pre-sets the ability of its users to access websites and external apps using their Facebook accounts, thus enabling the transmission of their data to the single websites / apps, without any express consent. It found that Facebook then reiterates the opt-out pre-selection mechanism, with respect to data sharing, whenever users access third-party websites or apps, including games, using their Facebook accounts. In this case also, it found that users can only deselect the pre-setting operated by Facebook, without being able to make a free, informed choice.
18. The Authority requested Facebook to publish an amending declaration on its website and app. Facebook is appealing the decision.

Preliminary report of joint sector inquiry into big data by the Italian Communication Authority (AGCOM)

19. In May 2017, the Italian Competition Authority, Communications Authority and Data Protection Authority opened a joint sector inquiry into 'big data'. The purpose of the inquiry was to identify potential competition concerns and to define a regulatory framework able to foster competition in digital markets, to protect privacy and consumers, and to promote pluralism within the digital ecosystem. In June 2018, AGCOM published the [interim report](#).
20. The interim report found a big data ecosystem in which a few large multinational companies, characterised by a high degree of integration in all

phases of the ecosystem, work together with a myriad of smaller specialised companies. It identified market failures related to barriers to entry and expansion at all stages in the value chain. Individuals leave digital footprints in which consumers faces an exchange involving immediate benefits (such as access to a service) and uncertain and unknown costs. It found that this information asymmetry is pervasive and structural: the consumer does not have all the information needed to make an informed choice, and, to make an efficient choice would require a degree of technical knowledge far beyond the skills widespread among the population. It found that a higher degree of transparency is often useless where consumers fail, due to a structural gap in technological knowledge, to understand this information.

21. The data exchange often provokes structural market failures since companies may over-invest in collecting information and market forces cannot redress the balance. There is a possibility that the interests of those who hold wider technical knowledge and information about the data will prevail.
22. The inquiry recognised the undisputed and social benefits from the data driven economy but also noted some risk factors including possible discriminatory practices, including price discrimination and online profiling which present very significant social risks. These market failures have repercussions on the whole social context, including the information system,
23. The preliminary report therefore advocated an ex ante regime for data regulation (and possible regulation of related algorithms).

Annex C: Use of information provided to the CMA

1. This note sets out how the CMA may use information provided to it during the course of this market study. In particular, please note that we may choose to refer to comments or evidence that you provide in a published report or publish non-confidential information on the CMA's website. This may include identifying the contributor.

Why is the CMA asking for information?

2. The information you provide will help us better understand how well online platforms and digital advertising are working for consumers, and for fairly-competing businesses (for further details of the issues considered see the statement of scope).

What will the CMA do with the information I provide?

3. Your information will inform our final market study report. The report will set out our findings and any proposed remedies to any problems we find.
4. The CMA may disclose any information provided by you for the purposes set out in section 170 and 240 to 243 of the Enterprise Act 2002, where it considers such disclosure to be appropriate. In particular, the CMA may choose to put information provided by you to third parties, such as other government departments and other parties providing information to the CMA for the purpose of facilitating any further related work.
5. Where appropriate, we may also use information you provide to take enforcement action, using our competition or consumer powers, against businesses operating online platforms or in the digital advertising sector or may share your information with another enforcement authority or with another regulator for them to consider whether any action is necessary.
6. We may only publish or share specified information in specific circumstances set out in legislation (principally Part 9 of the Enterprise Act 2002). In particular, prior to publication or any such disclosure, we must have regard to (among other considerations) the need for excluding, so far as is practicable:
 - (a) Any information relating to the private affairs of an individual where we think such disclosure might significantly harm the individual's interests; or
 - (b) Any commercial information which, if published or shared, we think might significantly harm the legitimate business interests of the undertaking to which it relates.

7. We will redact, summarise or aggregate information in published reports where this is appropriate to ensure transparency whilst protecting legitimate consumer or business interests.
8. If you wish to submit information either in writing or verbally that you consider to be confidential, this should be indicated to us clearly at the time it is provided and an explanation given as to why you consider it to be confidential. In the event that the CMA proposes to include any sensitive commercial or personal information in a document that will be published it will, save in exceptional circumstances, contact the relevant persons prior to publication to give them the opportunity to explain why disclosure would cause significant harm and to request excision (or aggregation or generalisation) of any such information.
9. The CMA is also bound by the Freedom of Information Act 2000 (the FoIA). Under the FoIA, where a person makes a request in accordance with the requirements of the FoIA, the CMA may have to disclose whether it holds the information sought and may be under a duty to disclose it, unless an exemption applies. If you consider that any information you provide may be exempt from such disclosure you should say so and explain why.
10. Any personal data you provide to us will be handled in accordance with our obligations under the Data Protection Act 2018 and the General Data Protection Regulation. Any personal data provided to us will be processed for the purposes of this market study under Part 4 of the Enterprise Act 2002. For more information about how the CMA processes personal data, your rights in relation to that personal data (including how to complain), how to contact us, details of the CMA's Data Protection Officer, and how long we retain personal data, see our [Privacy Notice](#).
11. Further details of the CMA's approach can be found in [Transparency and Disclosure: Statement of the CMA's Policy and Approach](#) (CMA6).