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To: Competition and Markets Authority
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Comments to Online Platforms Study

Ecosia is the search engine that plants trees. We supply our more than 10 million users with search results and advertisements that we source from Microsoft Bing. Differently than other search engines, we are using our surplus in order to finance reforestation projects across the world. And, differently to big tech giants, we do not run complicated tax evasion schemes, but pay our fair share.

Theme 1: Market power of online platforms in consumer facing markets

Market Power

The market power of online platforms often is increased and fortified by market power in other platforms. Entire “Ecosystems of Platform Power” emerge, like “GoogleAndroid - GoogleChrome - GoogleSearch - GoogleAds”, where services protect and reinforce each other.

The barriers to entry for a company like us therefore consists of

a) Default settings in neighbouring platforms

b) Making it artificially difficult for users to switch
c) Taking away existing users regularly through “invitations” and “updates” from neighbouring platforms
d) Refusal to supply us with services (while competitors are being supplied)

The market power of some platform owners is immense and it does not just originate from their strong position in the advertising market. Instead, some are leveraging their power in other markets, namely operating systems and browsers. In the following we are providing some examples:

1. With convenience ranking high in user expectations, the value of default settings cannot be overestimated. Some operating system owners are setting their own browser or their own search engine as default
2. Some browsers frequently “invite” users who have actively selected other search engines to switch over to their own one
3. “Upgrades” of operating systems or browsers more than once lead to Ecosia losing many of its users, because user setting were overwritten or technological barriers were implemented. As a result, users had to go through a cumbersome re-installation process or lost accessibility in general.
4. Ecosia is getting its advertisement supplied by Microsoft Bing. But even Microsoft is small in this market compared to others. Therefore, most advertisers do not even consider to start campaigns on their platform, but limit themselves to the dominant one.

Impact of market power on the supply of digital advertisement

End consumers are affected by this market power in a variety of ways:

1. Worse “paid content”
   Advertisements or “paid search results” are perceived by users as a source of content, like the unpaid search results themselves. Users on Ecosia are likely to see less relevant ads, because most products are advertised for only on the dominant platform, not Microsoft BING and its partner network.
2. Users overpay with data
   Less sophisticated users will have neither the knowledge nor feel the importance to change their default browser or search engine. In some cases, it is even barely possible. So, by default, they end up “paying” much more data to the default provider than they would need to.
3. Inability to express personal preferences
   Users who think that companies should put the service to society at their core have to make considerable compromises in order to use a service like Ecosia. Competition on these important aspects of online services is significantly hindered by current market power.

Theme 2: Consumer control over data collection practices

Lack of insight

Privacy statements are long, vague and hard to read. It is very unlikely that the average user understands the implications for his or her privacy or the economic and even political power that can derive from platform ownership.

Furthermore, privacy statements can be mis-leading or wrong. And, there currently is no agency which would even be able to validate the claims of service providers.

Lack of control

To our knowledge there is currently no way for users to avoid, on some platforms,

a) The agglomeration of data across services
b) The sale of their data or the purchase and linking of additional data, e.g. credit card information
c) The storage of personal data beyond a short period of SPAM control

Data collection across services

The value of data is much higher if it can be agglomerated and used across numerous services. Compared to a provider focused on search, a user therefore “pays data” multiple times more when using an integrated multiplatform.

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

Often, the provision of algorithmic search results is bundled with the provision of paid search results. Also, some platforms owners refuse to supply individual companies which compete with their own services.

As paid advertisement is regarded by users as a form of content, they therefore do not receive the quality they could if markets were more open. In other words, they receive less choice, because most companies and media agencies do not make the effort to advertise on the platform that Ecosia benefits from, but just run their campaigns on the dominant platform due to the much higher reach. And, they do that despite the fact that advertisement on the dominant platform is more expensive due to higher competition.

Parts of the perceived value our users receive when searching with Ecosia is that trees are being planted from the revenues, that people working on those projects suddenly have a modest income and a higher resilience in their communities, that the level of renewable energy is increased in our grids and that taxes are being paid fairly. In a well-functioning advertisement market, our revenues from advertising would much be higher and therefore the value for our users would be much bigger.

Remedies

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

We would welcome any initiative in that respect. As we do not intent to track users in the way some others do, user data mobility would be of less benefit for us, though.

On the other side, the ability to run the same advertisement campaign easily on both the dominant and Microsoft's (and other) advertisement platforms would increase advertising volumes on smaller platforms and therefore increase both competition, content and perceived user value.

Therefore, we would especially welcome open standards and data mobility on advertising platforms.

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

We believe that users should be able to easily switch off

- any storage of personal data beyond a short period of SPAM control. That includes the transmission and aggregation of that data outside the service itself
- any combination of his or her data across other services in- or outside the service provider

Today, these options often are too hard to find, if they exist at all. It also often remains unclear, which data is indeed stored or aggregated. Beyond IP address, the combination of data can be used for fingerprinting and the identification of individual users.

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

This for us is the most important area. Large platforms should

- not be allowed to set default settings to their own services or to those being able to pay the most money for it. These selections should be made by the users themselves, out of a wide set of options ranked by user popularity. There also needs to remain the ability for the user to set own choices that were not on the initial selection screen
- be forced to keep user choices across updates of their platforms
- not be allowed to advertise their own products when competing against their own customers
- be forced to supply companies along objective criteria as opposed to limiting supply to customers with small growth rates
- not be allowed to bundle services to their customers in principle or in commercial practice

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

There currently is no agency which de-facto audits the privacy claims of service providers. There also is a lack of clear standards that would easily communicate the level of privacy a company is adhering to. Instead, providers issue complex descriptions that are often incomplete or mis-leading. Clear labels and definitions are required as well as their surveillance.

Also, digital advertising platforms should not be allowed to give preferential treatment to their own corporate services.

Potential remedy area 5: institutional reform

We welcome attempts for broad institutional reform. Currently, our legal and political systems are not in the position to manage competition in digital markets at internet speed. Our democracies have to be able to respond within days and weeks, as opposed to years and decades, because otherwise some companies will be out of business before they get their rights.

Apart from creating appropriate agencies, imposing provisional damages could help to prevent unjust outcomes. Courts should be able to impose those payments on large platform owners to smaller customers or competitors for the duration of the legal process, in case there is a high likelihood for the smaller companies to win their case.