

Competition and Markets Authority
7th Floor
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11 February, 2020

Dear Online Platforms team,

The Midland News Association is a regional news publisher with titles in Staffordshire, the Black Country, Shropshire and Mid Wales reaching one million people every week in print and online. We are writing to comment on the CMA's Interim Report on online platforms and digital advertising.

Local and regional news titles reach 40 million people each week, across print and online. As an industry, we monitor and investigate those in power, nurture democratic debate through quality reporting and editorial content, run meaningful campaigns and foster community identity and cohesion. In short, we are the voice of local communities and our work is key to maintaining a healthy democracy and high social capital.

However, the local and regional press is highly dependent on growing its digital advertising revenues in order to continue to fund its journalism, and Google and Facebook's dominance in the search, social media and digital advertising markets is putting the industry's future at risk. Many smaller titles are currently struggling to remain open and some are being forced to cut staff numbers and investment in innovation and reporting to cope. Swift and decisive market intervention is now crucial to secure a future for local and regional journalism.

The Midland News Association is a member of the News Media Association (NMA), and we support its submissions in response to the Interim Report. In particular, we would urge the CMA to grasp the nettle and conduct a full market investigation.

As acknowledged in the Interim Report, certain concerns in the open display advertising market stem from its structural features, such as Google's position in both the demand and supply sides and its ability to foreclose on other intermediaries by leveraging the market power afforded by its own inventory. We share the CMA's uncertainty about whether the conflicts of interest created by these features can be adequately addressed through behavioural measures. We would therefore urge the CMA to consider structural remedies, such as the separation of Google's ad server and ad exchange, which can only be addressed through a market investigation.

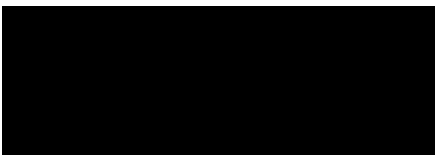
We are also keen to see the development of a code of conduct binding SMS platforms in their dealings with publishers, as well as and alongside the implementation of a separation remedy and a market investigation. We therefore support the CMA's proposal for statutory codes of conduct to embed principles of fair dealing, open choice and transparency in the relationship between SMS firms and their business users. We believe the Interim Report strikes an appropriate balance in the scope, structure and enforcement of the proposed code. However, we believe there are a number of additional measures which should be considered to enable publishers to obtain a fair return for their content, which the NMA sets out in its response.

On data portability and privacy-enhancing technologies, we would echo the NMA's suggestion that the CMA's proposed measures be given further consideration to avoid entrenching Google and Facebook's position in digital markets. Given our reliance on digital advertising revenue, local and regional publishers would disproportionately suffer from a further imbalance between the data available to them and the SMS platforms.

We firmly believe that a structural intervention may be necessary to complement a statutory code of conduct. This work should be done through a market investigation, as this would allow the CMA to attain the necessary knowledge of the open display advertising market to select the most effective remedy and further inform the digital markets unit's work.

Finally, and perhaps most importantly, the local and regional press is in urgent need of market intervention. Establishing the digital markets unit and developing and negotiating the details of the code of conduct may well take several years. If this is the case, the shorter timeframe within which a market investigation may be carried out and a separation implemented, could be the difference between closure and recovery for many smaller titles.

Yours faithfully,



Martin Wright
Editor-in-Chief
Express & Star / Shropshire Star