

RE: Submission to the ACCC Ad Tech Inquiry Issues Paper

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

General Background

[REDACTED] is happy to contribute to this inquiry paper so as to provide our perspective on the challenges we regularly face as an independent publisher seeking to provide a high-quality and independent digital media news offering to all Australians free of charge and not have to do so whilst running at a loss.

We believe that our perspectives and inputs are as valuable as those of the larger incumbent Australian media entities and are hopeful of equal treatment and consideration by the ACCC. [REDACTED] fully supports this inquiry and we are confident that the outcomes will prove critically useful to both Australian consumers and those Australian media businesses that simply deserve a fair go and their fair share.

We have chosen to respond to a selected number of questions posed within both the main issues paper to publishers, as well as some posed specifically within the fact sheet for ad hosts

Responses

Fact sheet for ad hosts - questions:

1) What type of ad tech or agency services do you use to sell digital display advertising and generate revenue?

[REDACTED] works directly with media agencies and advertisers - and also utilises the services of Publifit (<https://publift.com/>) for the majority of its display advertising monetisation.

2) What has been your experience with selling digital display advertising?

As a growing independent publisher, it has proven very challenging to receive the yields and volumes of advertising sales that we feel we deserve - considering the quality of our editorial and the size and loyalty of the high-net-worth Australian audiences that we engage with on a regular basis.

Issues paper - questions:

Q.17 (Questions for market participants)

a) What information do you need to make informed decisions about how to sell your display advertising inventory?

[REDACTED] would want to clearly understand how our audiences and inventory are valued by advertisers and what the buyers for those advertisers require from us in order for them to be able regularly access those advertising opportunities. We would also want to know about rate being offered in the market and how we are being sold being sold.

b) Do you have access to this information? If not, how does this impact your decision-making about how to sell your display advertising inventory?

The buying decisions still remain opaque to us as sellers and we find it hard to engage directly with the buyers that control the advertising budgets so as to understand their requirements. Hence we do what we can with limited access, both directly and through our monetisation partner, Publifit.

c) Who controls access to this information?

Media buying agencies and brand marketers.

Q.19 (Ad tech services)

a) Are you able to easily determine the price at which your inventory is sold and the difference between the sale price of your ad inventory and the revenue you receive?

We have transparency on the net value of the inventory sold, both direct and through Publifit - but have no insights into what the end advertiser is paying.

b) Can you easily compare the price and quality of services being offered by supply-side ad tech services providers? If not, what is preventing you from being able to make this comparison?

These processes are managed on our behalf by Publifit, we do receive a breakdown of what each tech provider pays us at the end of each month from Publifit.

c) How does the availability of pricing information affect your ability to maximise the profit generated from your ad inventory?

Enormously. In direct sales we find it difficult to retain our premiums as a result of this opacity.

- Can individual advertisers or publishers negotiate with ad tech services providers (including with Google)?

We don't have to deal directly with many service providers, but understand that most of them will be flexible in some way.

Q.22 (Ad agency services)

a) What types of discounts, rebates, or benefits do you give to ad agencies?

We will regularly have to provide discounts to our rate-card prices in order to conduct business. It has become standard practice and makes the consistent pricing of our products very difficult.

b) What information do you have regarding how these are passed on to advertisers?

None

Questions for market participants

Q.25 *Are there any features or aspects of current auction or bidding processes that you consider may have the potential to preference any particular supplier of ad tech services? If so, please provide examples.*

In a traditional waterfall setup, a business such as Google that provides publishers with ad-serving services, tends to have preference for their own programmatic ad-exchanges having access to unsold supply over any third-parties. This has been standard practice for the last 10 years or so, before header-bidding became prevalent.

Q.26 *Do you consider auctions and bidding processes to be run fairly for all market participants?*

Header-bidding has democratised programmatic supply and provided a more level playing field for market participants. However, the capabilities of suppliers to competently package their audiences to buyers still varies wildly - and tends to require significant investment in access to both specialist technology and expertise.

Q.39 Questions for market participants

a) What proportion of your display advertising inventory do you sell programmatically? What proportion do you sell by direct negotiation with advertisers?

Approximately 85% of our inventory is sold programmatically, and at significantly lower yields than our direct sales.

- b) What proportion of your advertising revenue is derived from selling display advertising inventory via:*
- i) Google Display Network?*
 - ii) Facebook Audience Network?*
 - iii) other third party ad exchanges? (and which ones?)*

We have a direct relationship with Facebook through Instant Articles and this is a small proportion of our revenue on average about 4 percent.