



**GOOGLE'S FURTHER SUBMISSION TO THE
ACCC DIGITAL ADVERTISING SERVICES INQUIRY**

28 JULY 2021

Introduction

1. This submission provides Google's supplemental comments on a number of topics being considered by the ACCC during its Digital Advertising Services Inquiry. We first discuss the importance of alignment with global developments. We then discuss how Google uses data from its user-facing services when bidding for or targeting ads on third-party websites and apps. Finally, we outline how the perceived transparency concerns outlined in the Interim Report can be addressed by alternatives to a common transaction ID.

Alignment with global developments

2. We agree with the Interim Report's statements that *"the success of any proposed interventions in this industry is likely to be enhanced, and the regulatory costs minimised, if policymakers collaborate and coordinate policy solutions across national borders"*.¹
3. This is because many ad tech suppliers and many publishers and advertisers operate internationally, and ad tech products use the same technology and offer the same features and functionality globally. This means that, while the ACCC must focus any proposals on competition in Australia, it will benefit Australian stakeholders if the ACCC can continue to take account of developments outside Australia.
4. There have been a number of recent international developments relevant to many of the issues being considered by the ACCC:
 - The Digital Markets Taskforce ("**DMT**") in the UK published its advice to the UK Government on a new pro-competition regime for digital markets, overseen by the Digital Markets Unit (which was set up in April 2021). The UK Government is consulting on proposals for the new regime in 2021, with the consultation referring to the importance of *"international coherence"*, and is committed to legislating as soon as is permissible.²
 - The UK CMA is investigating our proposals to remove third-party cookies and other functionalities from the Chrome browser. We have offered draft commitments which confirm that once third-party cookies are phased out, our ads products will not access data from user-facing Google products in order to track users to target or measure

¹ ACCC Interim Report on Digital Advertising Services Inquiry (December 2020), p. 10.

² See "Digital Markets Unit", available here: <https://www.gov.uk/government/collections/digital-markets-unit>; see "Digital Markets Taskforce", available here: <https://www.gov.uk/cma-cases/digital-markets-taskforce>; and "A new pro-competition regime for digital markets", available here: https://assets.publishing.service.gov.uk/media/5fce7567e90e07562f98286c/Digital_Taskforce_-_Advice.pdf; see "A new pro-competition regime for digital markets", available here: <https://www.gov.uk/government/consultations/a-new-pro-competition-regime-for-digital-markets>.

ads on sites across the web (see further para. [10] below).³ If the CMA accepts the commitments as offered on 11 June 2021, we will apply them globally.⁴

- In December 2020, the EC proposed a Digital Markets Act (“DMA”) to establish obligations for certain large online platforms, including in relation to ad tech. The European Parliament and Member States are discussing the EC’s proposal under the ordinary legislative procedure.⁵
 - We have also recently agreed on commitments with the French competition authority relating to use of data and use of our tools with other ad technologies. We will be testing and developing these changes over the coming months before rolling them out more broadly.⁶
5. It would be beneficial to Australian stakeholders if the ACCC’s Final Report leaves sufficient flexibility for the ACCC and policymakers to continue to engage with regulatory developments internationally. This would help avoid a situation whereby participants and customers have to implement multiple solutions to achieve the same goals due to diverging rules.

How Google uses data from user-facing services for advertising

6. As we have outlined in previous submissions, we think it is important to clarify some common misconceptions about our use of data.⁷
- Our audience categories are constructed differently and use individual user data differently when they are used to target ads on Google’s own products as compared to third-party websites and apps.
 - Our ad tech products currently use extremely limited individual user data from our user-facing services when bidding for or targeting ads on third-party websites and apps.⁸

³ See “Notice of intention to accept commitments offered by Google in relation to its Privacy Sandbox Proposals” (p78), available here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/992975/Notice_of_intention_to_accept_binding_commitments_offered_by_Google_publication.pdf.

⁴ From June to July 2021, the CMA is considering feedback on our draft commitments, see “Investigation into Google’s ‘Privacy Sandbox’ browser changes”, available here:

<https://www.gov.uk/cma-cases/investigation-into-googles-privacy-sandbox-browser-changes>.

⁵ See “The Digital Markets Act: ensuring fair and open digital markets open digital markets”, available here:

https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/digital-markets-act-ensuring-fair-and-open-digital-markets_en.

⁶ See “Some changes to our ad technology”, available here:

<https://blog.google/around-the-globe/google-europe/some-changes-our-ad-technology/>.

⁷ See, for example, Google’s submission to the ACCC on Privacy Sandbox and common IDs, para. 55; Google’s Response to the ACCC Interim Report, para. 131, available here:

<https://www.accc.gov.au/system/files/Google%20%28March%202021%29.pdf>.

⁸ The ACCC has received several incorrect submissions on this point and we trust our submissions have been able to clarify the position.

- Users are allocated into audience categories for targeting on third-party websites and apps based primarily on their activity on third-party websites and apps. For example, if a user has visited a third-party sports website, we may assign that user into an audience of sports enthusiasts, and advertisers, like manufacturers of sporting goods, can target that audience on other third-party websites.
 - The kinds of third-party data that primarily inform Google’s audience categories used on third-party websites and apps are non-rivalrous and not exclusive to any company. Virtually all major publishers multi-home with numerous other ad tech providers. We would therefore expect each website or app to provide data related to consumer activity on that site or app to multiple third-party SSPs. That is, where we have an ad tag on a third-party website or app, one or more other ad tech providers may also have an ad tag collecting the same or similar information.⁹ Each SSP a publisher works with will (subject to publisher choice and, in jurisdictions where applicable, user consent requested by the publisher) send impression data to other vendors. This means that ad tech providers can (and routinely do) receive third-party data about user activity on third-party websites and apps even if they do not have a relevant tracker or tag.¹⁰
 - As we have stated previously, we do use *aggregated* (non-individual) data from owned and operated properties (for example, Search) to inform targeting on third-party sites. For example, we do use aggregated (non-individual) data to inform our understanding of web content. We also use machine learning to analyse aggregate patterns of behaviour of users. But neither aggregate data nor aggregate patterns are used to identify or track individual consumers for the purposes of ad targeting on third-party websites and apps.¹¹
 - Google does not use data collected by Google Analytics customers for its own ad targeting purposes, whether on other publishers’ websites or our own properties. Google Analytics customers can use their own data to inform their ad campaigns and target their ads.¹²
7. Maintaining user trust is important to the success of our user-facing products. A key reason for limiting the use of individual level user data from our user-facing services (in particular, Search), when bidding for or targeting ads on third-party websites, is a desire to avoid user perception that Google is selling their search data to others (contrary to our long-standing

⁹ See Google’s Response to the ACCC Interim Report, para. 133 - 138.

¹⁰ As we have stated in previous submissions, consumers increasingly expect, and data privacy laws require, strict controls over ad-tracking tools like cookies and ad identifiers. After the announced deprecation of third-party cookies on Chrome, the Privacy Sandbox will lay new foundations for a safer, more sustainable, and more private web. See Google’s submission to the ACCC on Privacy Sandbox and common IDs.

¹¹ See Google’s Response to the ACCC’s Interim Report (12 March 2021), footnote 175.

¹² This is because Google Analytics customers own the data collected by Analytics on their properties and we do not use or share the data collected by Google Analytics except as directed by the Google Analytics customer via the data sharing settings. Google Analytics customers can, however, choose to use the information collected through Google Analytics for their own advertising purposes (including with other non-Google ad tech products). There are also integrations between Google Analytics and Google’s ads products that allow remarketing using audiences created in Google Analytics.

promises).¹³ Another reason is our desire to protect individual user information on our user-facing services (for example, an individual's search queries or topics) from being revealed inadvertently to third parties via the content of the ads shown.¹⁴

8. This limited use of individual user data from our user-facing services, driven by users' expectations of privacy, is also in line with the direction of travel we are taking in deprecating third-party cookies on Chrome, and our recent announcement that *"once third-party cookies are phased out, we will not build alternate identifiers to track individuals as they browse across the web, nor will we use them in our products."*¹⁵
9. Additionally, once third-party cookies are removed, our ads products will not use any individual-level user data from the sources listed below in our ads systems to track users for the targeting or measurement of digital advertising on third party sites across the web.¹⁶
 - Our current and future user-facing services, including Android.
 - A user's Chrome browsing history, including synced Chrome history.
 - A publisher's Google Analytics account.¹⁷
 - Uploaded by an advertiser to Customer Match in accordance with our Customer Match policy.
10. This means that even the extremely limited use of data from individual users from our user-facing services that occurs today will not occur after the removal of third-party cookies. Moreover, we have set out this plan in commitments offered to the UK CMA.¹⁸ As noted

¹³ We never sell personal information - see here for more details:
<https://safety.google/privacy/ads-and-data/#:~:text=at%20every%20step,-.We%20never%20sell%20your%20personal%20information,your%20personal%20information%20to%20anyone.>

¹⁴ As we have noted in previous submissions, ad tech industry participants may be able to link identifiers with other information in order to identify or re-identify individuals, or infer information about user interests. See, for example Google's submission to the ACCC on Privacy Sandbox and common IDs, para. 69 - 73.

¹⁵ See "Charting a course towards a more privacy-first web", available here:
<https://blog.google/products/ads-commerce/a-more-privacy-first-web/>.

¹⁶ See "Notice of intention to accept commitments offered by Google in relation to its Privacy Sandbox Proposals" (p. 78), available here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/992975/Notice_of_intention_to_accept_binding_commitments_offered_by_Google_publication.pdf. These commitments are subject to the clarification that nothing in the relevant paragraphs prevents indirect use of the data types listed, use to prevent spam and fraud, or use in or for Google services not included under those paragraphs.

¹⁷ Google Analytics plans to continue to allow customers to use their first-party data to support publisher monetisation within their own sites. Google Analytics does not use data across unaffiliated publishers for publisher monetization, though customers may choose to share or export their analytics data, including through a linked Google Ad account for ads targeting and/or measurement elsewhere.

¹⁸ See "Notice of intention to accept commitments offered by Google in relation to its Privacy Sandbox Proposals" (p. 78), available here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/992975/Notice_of_intention_to_accept_binding_commitments_offered_by_Google_publication.pdf. These commitments are subject to the clarification that nothing in the relevant paragraphs prevents indirect use of the data types listed, use to prevent spam and fraud, or use in or for Google services not included under those paragraphs.

above, if the CMA accepts the commitments as offered on 11 June 2021, we will apply them globally. Subject to our engagement with the CMA, Chrome’s plan is to phase out support for third-party cookies over a three month period finishing in late 2023.¹⁹

11. We think the above clarifications about our limited use of data from individual users from our user-facing services currently, together with our public plans going forward, resolve the Interim Report’s concerns about any “data advantage” we are perceived to hold. The Interim Report’s proposals for additional data silo or separation measures in order to remove this perceived “data advantage” are therefore unwarranted.

Common transaction ID

12. In the Interim Report, the ACCC outlines issues around a lack of transparency in the ad tech supply chain, which it believes could be addressed by a common transaction ID. This includes concerns that fees may be difficult to track across the supply chain and that publishers and advertisers might not know how much spend is being retained by ad tech intermediaries.²⁰
13. In our response to the Interim Report, and supplementary submission regarding Privacy Sandbox and common IDs,²¹ we outlined some of the substantive, negative consumer privacy implications of a common transaction ID.²² Third-party stakeholders also share these concerns.²³
14. Given these complexities, we appreciate the ACCC’s thorough investigation into the benefits and risks associated with a common transaction ID. While we believe such proposals are not in line with the sustainable, privacy-safe future of online advertising,²⁴ we nonetheless appreciate the importance of transparency and trust in the digital ads ecosystem.
15. We encourage the ACCC in its Final Report to:
 - Outline the specific transparency issues that it considers need improvement (and, in particular, which of those issues the ACCC considers might be addressed through the implementation of a common transaction ID) together with the types of information

¹⁹ See “An updated timeline for Privacy Sandbox milestones”, available here: <https://blog.google/products/chrome/updated-timeline-privacy-sandbox-milestones/>.

²⁰ Interim Report, p 183-184.

²¹ Google’s submission to the Digital Advertising Services Inquiry on Privacy Sandbox and Common IDs (2 July 2021), available at: <https://www.accc.gov.au/system/files/Google%2C%20supplementary%20submission%201%20%28July%202021%202.pdf>.

²² See, in particular, our supplementary submission on Privacy Sandbox and common IDs, at para. 78-86. In these two submissions, we also explained our significant concerns with the ACCC’s other proposal for the implementation of a common identifier, being a common user ID. See, in particular, Sandbox / Common ID Submission at para. 69, 74-77.

²³ See, for example, Office of the Victorian Information Commissioner, “Submission in response to the Australian Competition and Consumer Commission’s digital advertising services inquiry interim report” available here: <https://www.accc.gov.au/system/files/Office%20of%20the%20Victorian%20Information%20Commissioner%20%28February%202021%29.pdf>.

²⁴ They are also in the opposite direction of the announcement in our blog post of 3 March (as described in para. 8 above).

that participants in the supply chain require to help address these issues;

- Undertake further consultation with industry and other relevant stakeholders (including the Office of the Australian Information Commissioner) about other potential solutions that may achieve these same objectives, but with enhanced privacy outcomes for consumers; and
- As noted above, allow for sufficient flexibility to enable Australian stakeholders to continue to engage with international regulatory developments regarding transparency in ad tech.

16. This approach will help to ensure all relevant factors, including privacy risks and future developments, are properly considered. It will also enable effective collaboration between the various industry-driven transparency solutions that are currently in place or under development.

17. We outline below some alternatives to a common transaction ID, either in place or under development, that could achieve the ACCC's transparency outcomes in a more privacy safe way. These alternatives are not intended to be a complete or exhaustive list of the options available. Indeed, further industry consultation may surface new ideas.

ACCC concern 1: *Publishers face problems in matching bid and impression level data, which affects the ability of publishers to consider the performance of supply side services and make more informed decisions about the pricing of their inventory.*²⁵

18. There are a number of existing industry initiatives, and features of Google's products, that provide transparency to publishers about how their inventory was sold, and which allow them to make informed decisions about the pricing of their inventory.

19. For example, publishers have access to:

- **Ad Manager Data Transfer files, including granular impression data.** Data Transfer files provide non-aggregated, event-level data from ads served on a publisher's site. This data is based on raw content from the Ad Manager ad server logs, with a separate file generated for each type of event.²⁶

Data Transfer reports include access to bidding information on a publisher's inventory. This gives publishers a way to identify buyers with appropriately priced bids and enough bidding activity to potentially qualify for the premium inventory sold through Preferred Deals and Private Auctions.

Information about winning bids are made available to publishers alongside other data, such as user identifiers, relating to the resulting impressions.

- **Ad Manager Home Dashboards** provide daily snapshots of a publisher's Ad Manager

²⁵ Interim Report, p. 183.

²⁶ See "Ad Manager Data Transfer reports", available here: <https://support.google.com/admanager/answer/1733124?hl=en>.

and Ad Exchange revenue performance over time. Information about impressions, revenue, and eCPM can be filtered by inventory types and channels. Publishers can also use the "Top pricing rules" card to understand which bid amounts are winning auctions and how those winning values affect their earned revenue.²⁷

- **“Bid range” dimension (beta) and “bid rejection reason” dimension in Ad Manager Reports.** Ad Manager reports may include the new “bid range” dimension (currently in beta mode), which shows the range within which the bid for the publisher’s inventory falls (divided into \$0.10 buckets).

The report may also contain the “bid rejection reason” dimension, which is the reason the bid for a publisher’s inventory lost or did not participate in the auction. For example, this may be because: it was outbid by another candidate in the auction, its CPM was below the seller’s reserve floor; or, it was blocked by the publisher’s settings.²⁸

20. The combination of the initiatives above allow publishers to better understand how their inventory was sold at auction. This includes assisting publishers with understanding the bids received for specific inventory and allowing them to match different types of transaction information.

ACCC concern 2: *It is difficult to track fees across the supply chain.*²⁹

21. Solutions to track fees in the supply chain are currently being pursued via industry initiatives. In the UK, the Incorporated Society of British Advertisers (**ISBA**) has formed a taskforce with members from other UK industry bodies (including the Association of Online Publishers and IAB) to work towards an industry standard way of allowing the financial audit of a set of programmatic transactions in a privacy safe way. The latest media release announcing their mission and objectives was published on 7 May 2021.³⁰

22. We support ISBA’s work in principle and consider that the right level of detail for such disclosures will ultimately need to be balanced against other related issues, such as privacy and the protection of sensitive partner business information. The ACCC could recommend that a similar taskforce be created in Australia to further examine these issues.

23. The ACCC or industry could also collaborate on solutions to enable an effective audit of advertiser spend across the supply chain in a way that does not give rise to other concerns (including consumer privacy and confidentiality). For instance, relevant ad tech companies could regularly provide the ACCC (or another independent auditor) with a confidential dataset

²⁷ See “Ad Manager Home Dashboards”, available here: <https://support.google.com/admanager/answer/7552070>; and “Using your Overview Home dashboard”, available here: <https://support.google.com/admanager/answer/9203940?hl=en>.

²⁸ See “Ad Manager report dimensions”, available here: <https://support.google.com/admanager/table/7531695?hl=en>.
²⁹ Interim Report, p. 183-184.

³⁰ See “Cross-industry Programmatic Taskforce announces mission & objectives”, available here: <https://www.iabuk.com/news-article/cross-industry-programmatic-taskforce-announces-mission-objectives>.

that joins impression-level auction datasets from buy and sell-side products. This would allow the auditor to then verify bids and fees.

24. We have provided such datasets to the CMA³¹, and an analysis of such datasets by RBB Economics to the ACCC. RBB's report submitted to the ACCC, and the CMA's own analysis, found no evidence that we are charging hidden fees or retaining an undisclosed portion of advertiser expenditure.³²

ACCC concern 3: *There are issues in advertisers and publishers determining how much ad spend is being retained in the supply chain overall. This may affect their ability to engage with each other directly to decide how they buy and sell ad inventory, and how they will use the ad tech supply chain.*³³

25. There are a number of existing industry initiatives, and features of Google's products, that provide transparency into the supply chain path. There are also a number of measures to facilitate advertiser and publisher decisions about the best way to buy and sell inventory.

26. On the buy-side, advertisers have access to:

- **Bid transparency with SupplyChain Object.** The SupplyChain Object enables advertisers and intermediaries to see all parties who are selling or reselling ad inventory. It consists of "nodes". Each node represents a specific entity participating in the bid request, which includes all entities involved in the direct flow of payment for inventory.³⁴
- **Google Ads Data Hub (ADH) reports, including "auction bid price".** ADH now includes supply chain data from Sellers.json and the SupplyChain Object to offer advertisers even more granular transparency into the supply ecosystem. ADH reports offer increased transparency into buying behaviors and allow advertisers to act on them for supply path optimisation (SPO) purposes. Insights available through ADH include:
 - Delivery volume by exchange, domain, site ID.
 - Average path length by exchange.
 - Average bid price by exchange.
- **DV360 reports.** A wide range of metrics about an advertiser's campaigns are available in DV360 report, including:
 - "Invalid Traffic", which is the estimated percentage of impressions that were filtered out pre-bid as invalid traffic.

³¹ The CMA noted that "[o]verall this evidence does not indicate that Google is currently extracting significant hidden fees." See CMA Final Report, para. 5.242.

³² See also, the conclusions at p. 158 of the Interim Report where, with respect to Google Ads, the ACCC found the figures in RBB's analysis provided no indication that Google was charging a margin that significantly differs from industry averages for DSPs.

³³ Interim Report, p. 183-184.

³⁴ See Bid Transparency with the Supply Chain object", available here: <https://support.google.com/admanager/answer/10368261?hl=en>.

- “*Available Requests*”, which is the number of bid requests received before targeting was taken into consideration.
 - “*Bid Responses*”, which is the number of bid responses made to eligible bid requests.
- **Ads.txt/App-Ads.txt.** These are IAB initiatives that allow publishers to identify who is authorised to sell their inventory. This protects advertisers from counterfeit inventory. DV360 also gives advertisers the option of targeting only those authorised sellers that directly own the inventory being monetised instead of, or in addition to, targeting authorised resellers.³⁵
 - **Control over the supply chain using Bid Multipliers and Custom Supply Path (Alpha).** Bid Multipliers can be used to adjust the bid price per supply path. In this way, advertisers can include, exclude or adjust the bid price for certain supply paths based on performance and viewability concern. Custom Supply Path (currently in alpha mode) can also be used to bulk include or exclude a particular supply path.

27. The combination of the above buy-side initiatives allow advertisers to better understand the pricing of their bids, in addition to having a greater understanding of the supply chain. This enables advertisers to have greater choice and control over their buying decisions. Using the outputs of these data, advertisers are empowered to make more informed decisions about the ad tech partners they choose to actively work with, or remove, depending on their unique business needs.

28. On the sell-side, the industry initiatives, and features of Google products, described under “ACCC concern 1” above allow publishers to make informed decisions about their inventory (for example, Ad Manager Data Transfer reports, Home Dashboards, and “Bid range” (beta) and “bid rejection reason” dimensions in Ad Manager Reports).

29. Again, the combination of these initiatives allows publishers to better understand how their inventory is sold, including in relation to pricing and the supply chain path. This can allow them to make better decisions on the best way to buy and sell inventory, including through direct deals, or using specific ad tech providers.

* * *

30. We appreciate the ACCC’s work so far in evaluating competition in digital advertising services. We thank the ACCC for their consideration of these important issues.

³⁵ See “About ads.txt/app-ads.txt”, available here: https://support.google.com/admanager/answer/7441288?hl=en&ref_topic=7673978&visit_id=637605340609655791-4129451120&rd=1; and “Authorised Digital Sellers”, available here: <https://support.google.com/displayvideo/answer/7509551?hl=en>.