Guardian Australia response to the ACCC interim report on digital advertising services

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Introduction

GMG welcomes the opportunity to comment on the ACCC's interim report examining competition in the markets for the supply of digital advertising services in Australia. As the ACCC's report notes, ad tech services are critical to the digital economy, contributing an estimated $3.4 billion and it is an increasing area of online advertising. GNMA supports the ACCC's goal of addressing the lack of competition, choice and transparency in the ad tech supply chain in Australia which is impacting publishers, advertisers and consumers.

We welcome the close working that has taken place between the ACCC and other competition regulators around the world. So too, that fact that the ACCC has sought to forge *"close alignment between these proposals and those discussed in overseas reports."*

In the two years since the ACCC commenced its inquiry into the digital platforms (Google and Facebook), the regulator has developed a thorough understanding of digital advertising services in Australia, analysing opacity in the digital advertising supply chain, Google's vertical integration across the ad tech supply chain and the potential for it to use this position to abuse its power, as well as highlighting the need for the industry to balance greater transparency and consumer privacy.

The ACCC's pioneering work represents a significant step toward the development of a modernised regulatory landscape in Australia, that puts in place the long term tools and infrastructure required to deal with current and future online platforms which control and operate data monopolies. While many traditional media companies are

struggling to survive under lockdown, Covid-19 has allowed the digital platforms to advance their position[1], capturing behavioural data as audiences around the world spend more time seeking information and entertainment online.

As a result of the ACCC's inquiries, there are now a suite of proposals that, if implemented by the government, could boost transparency and greater competition in advertising services. The ACCC estimates Google's share of revenue of ads traded in Australia ranges from 50-60 per cent to between 90-100 per cent, depending on which of the four service areas is referenced.

Regulatory intervention in the market is essential to curtail the ongoing consolidation of the digital advertising market to just one or two dominant players. The cost of not intervening may be an even greater reliance on dominant companies, who the ACCC have identified have the ability and incentive to exploit their market power to the detriment of advertisers, publishers, consumers and competition in the wider online ecosystem.

GNMA feedback on ACCC's proposals

Proposal 1 – Measures to improve data portability and interoperability

The right to data portability is an important concept in the EU General Data Protection Regulation (GDPR). In the European context, there is no evidence to suggest that the right to data portability in GDPR has driven the wave of competition that was hoped[2] or expected.

GNMA welcomes the objective of driving increased competition through data mobility, open standards and open data. However, we are also clear that we do not believe that mandating data portability and greater measures to enable switching between services will be sufficient in itself to have a meaningful impact on competition in the market.

In an NYU School of Law review of the impact of data portability on competition, the report authors Nicholas and Weinberg find that, *"regulators should not assume that competitors will be able to use ported data to build innovative products and services. An over-reliance on data portability may distract from more effective tools for addressing concerns with large platforms... Data portability has been the subject of intense focus by both tech companies and policymakers. However, it may be that the type of data portability that is the focus of those discussions… is simply a poor mechanism to increase competition online. If that is the case, time spent debating*

[1] https://www.theguardian.com/business/2020/jul/30/amazon-apple-facebook-google-profits-earnings

[2] https://ico.org.uk/media/about-the-ico/consultation-responses/2614330/ico-response-to-the-digital-competition-expert-panel-independent-review-consultation-on-the-state-of-competition-in-the-digital-economy.pdf

specific aspects of a given data portability regime may be better spent considering different types of approaches to competition concerns.[3]

In terms of social media and display advertising and Facebook, we question whether the interoperability of Facebook and its rivals should be a priority. The primary focus for competition and data protection regulators, in relation to Facebook, is the enforcement of data protection laws to ensure that Facebook's use of personal data for personalised advertising on its platforms is compliant with the law. We do not believe that increased interoperability is an adequate remedy to curb Facebook's market power.

Where interoperability can have a real impact is in relation to the underlying business model of online advertising that powers the biggest search and social media platforms. We strongly believe, for example, that the portability and availability of underlying market data - for example, data generated through online advertising transactions - could have a significant impact on driving greater transparency, accountability and efficiency in the online advertising market. Such data would not be made widely available to the market, but rather to the advertiser and publishers to whom that data belongs.

As the ACCC notes its report, publisher concerns about *"the degree of detail that they receive from Google about its reporting of auction outcomes and ads served on the publisher's website."* It notes too, how *"Google has publicly stated that the decision not to allow the datasets to be linked in this way was made to protect user privacy, by preventing bid data from being tied to individual users."* These statements by Google are a long way from commitments made, during hearings to examine Google's proposed acquisition of DoubleClick in 2007[4], that *"no ownership of the data that comes with that that is collected in the process of the advertising. That data is owned by the customers, publishers and advertisers, and DoubleClick or Google cannot do anything with it."*[5]

We strongly agree with the ACCC that *"increasing data portability and interoperability may promote competition in the supply of ad tech services by enabling market participants to more easily access and use information held by large platforms with a significant data advantage."* We believe that market data generated through Google's advertising technology should be made available to the advertiser and publishers that are party to its generation. This is vital to ensure that those parties can examine the performance against contract of key ad tech vendors, and has the potential to enable

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[3] https://www.law.nyu.edu/centers/engelberg/pubs/2019-11-06-Data-Portability-And-Platform-Competition

[4] https://www.govinfo.gov/content/pkg/CHRG-110shrg39015/html/CHRG-110shrg39015.htm

[5] https://www.govinfo.gov/content/pkg/CHRG-110shrg39015/html/CHRG-110shrg39015.htm

real-time supply chain optimisation to enable publishers and advertisers to self-regulate the market by shifting spend to more efficient and effective ad tech partners.

We agree that it is vital that the ACCC works closely with relevant data privacy authorities to ensure that data shared with advertisers and publishers is not used to re-identify individual users. The close working of competition and data privacy authorities will be vital to ensure that privacy claims are not used by dominant platforms as a means to suppress competition.

In terms of measures to combat the potential illicit use of auction data, the ACCC may consider imposing much greater know your customer obligations on ad tech vendors. This would require Google, and other ad tech providers to know who the ultimate customer of digital advertising inventory is. A know your customer obligation would enable more rapid action against bad actors who seek to use the online advertising market to disseminate malvertising and other forms of bad ads that have the potential to create privacy and other consumer risks. It would also enable data privacy regulators to understand the identity of parties with access to market data, to ensure that those parties have appropriate safeguards in place to secure the privacy of individual consumers.

But before measures to improve the transparency and security of data in open marketplace auctions has been attempted, the idea of better, more transparent industry identifiers, used within an environment of greater legal and commercial accountability, is being jettisoned in favour of the development of proprietary identity standards. Google is currently seeking to find new mechanisms to create a privacy respecting identity that can be used to facilitate transactions in the open marketplace through its privacy sandbox[6]. In January, the Competition and Markets Authority (CMA) in the UK opened a case looking into Google's so-called privacy sandbox proposals. The CMA is examining "suspected breaches of competition law by Google. The investigation concerns Google's proposals to remove third party cookies (TPCs) on Chrome and replace TPCs functionality with a range of 'Privacy Sandbox' tools, while transferring key functionality to Chrome." In recent weeks, Google announced it intends to move forward with its Federated Learning of Cohorts (FLoC) proposal, which it believes will bring targeted ads into a privacy-preserving future, moving to interest-based cohorts using machine learning to group individuals based on common browsing behaviour. Whilst the move away from universal IDs such as the of emails or other personal identifiers, is superficially a positive development for consumer privacy, we are concerned FLoC will lead to further anti-competitive conduct from Google.

The recent announcement by Google[7] makes the claim that it will drive the industry away from widespread consumer profiling as a means for targeted advertising, in truth it will make it harder for third parties to track users and create profiles, whilst

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[6] https://www.chromium.org/Home/chromium-privacy/privacy-sandbox

[7] https://blog.google/products/ads-commerce/a-more-privacy-first-web/

maintaining Google's capability to do so. Under the FLOC proposals, Google will continue to use multiple pieces of data, collected from across their own digital businesses - Search, YouTube, Chrome, Android, Maps and other products and services - and those of third parties, to develop interest groups within the Chrome browser. The more data Google collects, the more profitable their ads are, and the more dominant their market position becomes. Google also has many "log in with Google" services to sites across the internet and will be able to tie the information it learns from FLoC to the user's profile. As the EFF has noted about Google's proposals, *"FLoC is the opposite of privacy-preserving technology. Today, trackers follow you around the web, skulking in the digital shadows in order to guess at what kind of person you might be. In Google's future, they will sit back, relax, and let your browser do the work for them."*

Both Google and Facebook are currently able to deliver highly targeted advertising to their respective user bases through the combination of a vertically integrated advertising businesses (which means they don't need to work with third parties to enable their advertising businesses to function), combined with their practice of merging data gathered for one purpose via one product, to be used for the commercial purpose of targeted advertising across all products, without the clear and explicit consent to that use by their user bases. These practices do not change under the FLOC proposals being pursued by Google at pace. What does change, is that the processing and amalgamation of user data gathered from different Google products and services, occurs within the browser rather than on Google's servers. It is vital that the Australian government has the opportunity to learn from the failings of the European GDPR approach to data regulation, by pursuing the ACCC's recommended approach of limiting the purpose for which data is collected, in order to prevent Google from being able to amalgamate personal data gathered across its own properties for advertising purposes. This is the most pragmatic way to stop the data arms race that is currently underway between Google and Facebook, while further protecting consumer privacy.

Google's decision not to invest in advertising technologies that support other identity solutions will have a huge impact on competition in the marketplace. It will weaken many of the initiatives that are currently underway, such as the Unified ID 2.0 being spearheaded by the Trade Desk, which relies on aggregating hashed consumer email addresses. Concurrently, Nielsen is also working with The Trade Desk on the UnifiedOpen ID 2.0 initiative, which proposes a centralised system for tracking internet users based on personal data such as an email address or phone number. While such proposals may still be supported within non-Google ad tech, this accounts for the minority of most publishers buy-side demand, and is subject to further policy changes to prevent their use within Apple or Google owned ecosystems and browsers.

Proposal 2 – Data separation mechanisms

The ACCC has, in common with other competition regulators around the world, discovered fundamental conflicts of interest at the heart of the digital advertising ecosystem, the effects of which are likely to be prolonged into the future. The separation of Google back into distinct business units would be a sensible approach to remedying the conflicts of interest identified by the ACCC. Such separation would

provide advertisers, publishers and consumers with transparency and clarity on how data is used, and the outcomes that are achieved by individual Google advertising products.

In January, Facebook-owned messaging giant WhatsApp announced a big change to its privacy policy which, once a user accepts its new T&Cs, will see it start to share some user data with its parent company - including for ad-targeting purposes on the latter service. South Africa's Information Regulator (IR) has said the new privacy policy violated the country's Protection of Personal Information Act. *"WhatsApp cannot without obtaining prior authorisation from the IR... process any contact information of its users for a purpose other than the one for which the number was specifically intended at collection,"* the IR said in a statement[8]. This development shows why the acquisition of these complementary platforms should not have been permitted by the FTC. If Instagram and WhatsApp were in competition with Facebook, the online advertising market might look very different today.

In the absence of the ability to mandate the physical separation of Google business units, we note that the ACCC adopts the CMA's proposal for the imposition of data silos on dominant online platforms. We agree that reforms have the potential to prevent dominant companies from using *"data gathered in the context of supplying one service from being used in the supply of a different service"*. We believe there should be purpose limitations on the use of data beyond ad tech. For example, Google should be prevented from reading your Gmails for the purpose of selling targeted advertising on the Guardian, and Facebook should be restricted from reading your Whatsapp messages or what Guardian articles you read on our website for the purpose of selling targeted advertising in their news feed. Such reforms are essential to creating a more level playing field between vertically integrated online platforms, and independent businesses operating on the open web. They are also vital to ensure that consumers are given more control over how data is used by dominant online platforms.

The combination of the separation of platforms through the imposition of data silos, with the obligation of those businesses to enable individual business units to be interoperable with third party software and devices could be a vital step in driving greater competition in the market for consumer devices. The value of interoperability should be clear to the ACCC, and the wider Australian public, following recent threats by both Google[9] and Facebook[10] to withdraw services from Australia if legislation were passed in a form that it did not like. Were those threats to have been carried out, many

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[8] https://www.reuters.com/article/us-safrica-facebook-whatsapp-idUSKBN2AV2KF

[9] https://www.theguardian.com/commentisfree/2021/jan/22/googles-threat-to-withdraw-its-search-engine-from-australia-is-chilling-to-anyone-who-cares-about-democracy

[10] https://about.fb.com/news/2021/02/changes-to-sharing-and-viewing-news-on-facebook-in-australia/

Australians would have been left in a situation where digital products and physical consumer devices produced by Google and Facebook, would have lost key functionality and user value. From a consumer welfare perspective, it is important that these products should be subject to a high level of interoperability, to ensure that alternate service providers are able integrate their own products and services with those of dominant platforms[11]. Such measures should also encourage dominant platforms to employ approaches to data collection and usage that are less invasive to the end user. If consumers have the option to switch to an alternate service provider that has a much clearer, more transparent approach to the collection and use of personal data, lowering the barriers to switching to those alternate services is vitally important.

Whilst we are in favour of meaningful data portability, we would encourage the Australian attorney general to assess privacy protections for consumers as part of its current review of Australian privacy law. From a public policy perspective, it is vital that dominant online platforms are not able to use the welfare of Australian consumers as a bargaining chip, in debates about the correct shape or form of platform regulation.

Proposal 3 – Rules to manage conflicts of interest and self-preferencing in the supply of ad tech services

The ACCC has identified conflicts of interest at the heart of the digital advertising services supply chain. As stated in our initial submission, the fact that Google is the dominant search engine in Australia and the provider of advertising technology products across both the buy side and sell side of the digital advertising market, means that over time, Google has created the biggest pool of demand and supply across the search and display markets in the digital world, and much of this inventory is tied to the use of Google's ad products. This, along with Google's dominant search business, creates a virtuous circle whereby:

advertisers have to use Google advertising products to gain access to the vast audience of individuals that use Google's consumer products;

publishers have to enable the crawling and distribution of their content via Google consumer products in order to be visible to members of the public who use Google services, providing key data points to Google which it uses ad personalisation, and;

publishers have to use Google advertising products in order to ensure that they feature as part of a consolidated buy from advertisers and agencies acting on their behalf

We support the ACCC's proposals to put rules in place to prevent conflicts of interest within vertically integrated businesses such as Google. It is important to learn the

[11] See for example, the alliance to enable greater choice in the provision of voice activated assistant services across devices https://www.theverge.com/2019/9/24/20881321/amazon-voice-interoperability-initiative-alexa-microsoft-baidu-intel-qualcomm-spotify-assistants

lessons from other sectors and territories, in terms of the effectiveness to rules based separation undertakings. In the telecoms sector, for example, Telstra was subject to various retail price control arrangements made by the Minister for Communications between 2005 and 2014[12]. The regulation of prices at the retail level was seen as an effective measure to constrain price increases and to create the incentives to pass on efficiency savings that would otherwise have arisen from competition.

In the context of the provision of more intangible services, it is likely to be much harder for third parties to identify deficiencies in separation rules in relation to Google's different ad tech businesses, than it is in relation to the provision of telecoms services. Strong and deep vigilance of Google's ad tech operations would be required in order to enforce such rules over the long term. In the context of the more recent legal separation of BT plc in the United Kingdom, this demonstrates the need for regulators to carefully monitor the impact of those undertakings on competition, and to be willing to escalate interventions where evidence suggests it is appropriate to do so.

Proposal 4 – Implementation of a voluntary industry standard to enable full, independent verification of DSP services

We have previously submitted to the ACCC on the need for the implementation of a transparent system of programmatic receipting ("TSPR") that would shine a light on the opacity by design at the heart of the digital advertising market. We still believe that the objectives which GNMA sought to achieve the TSPR are vital to creating transparency, accountability and competition in the online advertising marketplace. But as we note above in the introduction to this response, we believe that there are lessons to learn from other markets - particularly financial markets - as to how this objective could be achieved in an efficient and effective way.

In relation to proposals to address issues of supply chain opacity, we agree that this is vital to the future self regulation of the online advertising market by enabling market participants to optimise away from inefficient, ineffective and potentially fraudulent ad tech partners. A revised industry data standard is crucial to enable buyers and sellers of advertising inventory to build tools that can provide real-time analysis as to where, when and how money and data are directed within the programmatic ecosystem. Such an industry standard would enable buyers and sellers to build tools that ingest market data - to which they are a party - to provide a complete, reconcilable record for every ad transaction. Together, they would represent a record of the "truth", which is reconcilable after the event, such that investors can verify their every transaction with near-certainty.

As the ACCC makes clear in its report, the industry data that is generated as part of the programmatic advertising process today, is currently withheld by vendors for their own exclusive use. The only "reporting" that currently exists for buyers and sellers today is

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[12] https://www.accc.gov.au/regulated-infrastructure/communications/accc-role-in-communications/telstra-retail-price-control-arrangements

a partial, one-sided record of the transaction with an intermediary, with transaction IDs removed to prevent participants reconciling transactions at a unit-level. As a result it is extremely difficult and time consuming to spot fraud, hidden fees or reselling through discrepancy. The industry body IAB Tech Lab, has developed standards such as OpenRTB and a range of adjacent initiatives[13] that could offer a high level of transparency in ad trading, the fact that these standards are not mandatory means that they are not adopted across the supply chain, and therefore cannot provide holistic transparency of the online advertising market. While the evolution to a revised, consistent industry standard would not automatically eradicate problems of fraud and leakage in and of itself, it would enable advertisers and publishers to plug that market data into analysis tools that could provide a granular end-to-end paper trail that surfaces the intelligence necessary for the buyer and seller to take action under contract, or to potential action by a competition or privacy regulator.

The evolution to a revised industry standard would act as the foundation for businesses to trust that they can securely interact and exchange value with each other. Individuals and businesses would engage in the economy without fear of being duped, with the aim of heralding a new age of open data and transparency.

Beyond the benefits of greater transparency for advertisers and publishers operating in the programmatic marketplace, access to a reliable industry standard, combined with innovative new tools to analyse that data could enable:

1. Responsible advertising technology companies to create their own tools and to demonstrate to clients, and potential clients, the efficiency and efficacy of their products and services.
2. The Department of the Treasury to understand - at an aggregate level - the geolocation of digital advertising impressions, thereby enabling the Treasury to more accurately assess where tax is owed on digital advertising that is served within Australia would support ongoing national conversations about the implementation of taxes on online advertising, and global conversations about profit-shifting schemes employed by the largest online platforms.
3. Ad Standards to build tools to underpin complaints about online advertising as well as providing data about the volume of advertising on specific platforms, with a view to those platforms contributing to the system of advertising self-regulation. Such a tool will become more important as digital advertising impressions are served within newsfeeds and ephemeral messaging apps such as Instagram and Snapchat.
4. ACMA to understand trends in digital advertising, particularly the nature of the websites and publishers that are funded through the digital advertising market. This will become important as online platforms seek to shift advertising budgets away from existing media channels such as television.
5. The ACCC to build tools to accurately size revenue flows in the market, understand bottlenecks and anomalies in revenues flows across that market,

[13] https://iabtechlab.com/blog/sellers-json-and-supplychain-object-ready-for-industry-adoption/

analyse patterns of behaviour amongst different market participants, use that data in the context of potential mergers and acquisitions, and analyse how market shares are shifting on a dynamic basis.

Proposal 5 – Implementation of a common transaction ID

GMG strongly believes that the concept of a common transaction ID can be achieved through mandation of the use of a common industry standard. As we have noted previously to the ACCC through this process, the current OpenRTB protocol could form the basis of such a common transaction ID. It is absolutely vital and necessary that the use of such an ID applies uniformly to all market actors operating across the open display advertising market.

The ACCC's recommendation of creating a common transaction ID, this could be achieved by mandating the use of a common industry standard - detailed at proposal 4 - which could underpin auctions in the programmatic marketplace. The current openRTB protocol - owned by the IAB tech lab - an associated group of the Internet Advertising Bureau (IAB) - requires reform to ensure that vendors complete mandatory data fields with common values in order to ensure that data passed between intermediaries in the market is uniform in nature. The use of a common industry standard would enable publishers, advertisers and regulators to use that data for the purpose of audit, analysis and vendor performance management.

Ensuring that such data is made available to advertisers and publishers by all parties in the value chain - whether dominant or nascent - would align the incentives of market actors, creating competition, accountability and innovation, creating a healthier more diverse digital economy to the ultimate benefit of Australian consumers. Mandating the use of a common data standard - in tandem with forcing ad tech vendors to share that market data with the publishers and advertisers who are party to the generation of that data - could negate the need for a separate intervention to force dominant online platforms to set out the fees they take, as those fee levels would become self-evident through analysis of standardised auction data.

Similarly, with mandated access to consistent auction data in a standardised form made available by dominant online platforms, the need for those two parties to provide insight into how auction mechanisms work would be elucidated by analysis of market data, rather than relying on the platforms themselves to set out the details of how algorithms function. The nature of the auction mechanisms could become self-evident through analysis of the data, and could be used by individual publishers to act where necessary.

Proposal 6 – Implementation of a common user ID to allow tracking of attribution activity in a way which protects consumers' privacy

As the ACCC is aware, in addition to changes to data protection legislation, browsers manufacturers such as Mozilla[14] and Apple[15] are altering the policies that govern the use of personal data and user IDs within those environments. Both browsers are seeking to outlaw practices such as the use of third party cookies for the purpose of cross-site tracking, as well as banning other forms of fingerprinting that seek to use personal data in order to deliver personalised advertising to the browser.

The future of cookie-like tags - known as IDFA - within the iOS ecosystem also remains in doubt[16], potentially impacting on the ability for iOS developers to use advertising as a way to fund their applications in the future. The changes will mean that advertisers can no longer deliver personalised advertising within iOS and Mozilla environments, or measure the frequency or effectiveness of campaigns. Any advertising that is served will have to rely on first party data gathered by the site itself.

Google has said that will continue to support the use of third party cookies to enable the delivery of digital advertising online[17]. The Google Chrome team, however, has announced that Google will take take steps to align policies within Chrome to the ban the use of third party cookies over the next two years[18]. Google is seeking to find new mechanisms to create a privacy respecting identity that can be used to facilitate transactions in the open marketplace through its privacy sandbox[19]. Recently, Google unveiled its Chrome FLoC proposal - a privacy-focused solution intent on delivering relevant ads *"by clustering large groups of people with similar interests"* via a cohort ID. A spokesperson for Marketers for an Open Web (MOW), a voice driving the CMA complaint in the UK, criticised the update: *"Google's proposals are bad for independent media owners, bad for independent advertising technology and bad for advertisers. The people who will be most significantly affected by this will be smaller local publishers and independent businesses – they will effectively be cut out of the open online advertising marketplace causing devastating damage to their businesses."* It said the claims of *"collaboration and openness are disingenuous"* with the proposals not being endorsed by the W3C. They concluded: *"This is a monopolistic player*

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[14] https://wiki.mozilla.org/Security/Anti_tracking_policy

[15] https://webkit.org/tracking-prevention-policy/

[16] https://digiday.com/media/theyre-slowly-starting-to-kill-it-ad-tech-execs-brace-for-apple-pulling-in-app-ad-tracking/

[17] https://www.blog.google/products/ads/next-steps-transparency-choice-control/

[18] https://blog.chromium.org/2020/01/building-more-private-web-path-towards.html

[19] https://www.chromium.org/Home/chromium-privacy/privacy-sandbox

attempting to consolidate their dominance by degrading the Open Web using privacy and collaboration as a veil of legitimacy."[20]

The fragmentation of common identity to a series of proprietary identity solutions will impact on the ability of independent publishers to work with existing vendor partners to participate in the programmatic open marketplace. The ban on the use of third party cookies within Safari environments has already led to a decrease in the volume of ad impressions that are monetised programmatically, and the yield of the impressions that are monetised. In the absence of third party cookies, buyers no longer have the ability to frequency cap, which is a big concern to efficiency of campaigns and clients, nor can they target audiences via open marketplace in combination with their own third party data, or attribute conversions on cost per acquisition (CPA) models to Safari traffic.

The key question for the advertising and publishing industry is what comes next? Given the signed-in state of Google's user base, it may be able to develop a proxy for third party cookies in order to maintain a level of functionality within Chrome that advertisers are used to today. But very few companies will have the ability to create such a proxy. Therefore the development of a universal standard, in order to fulfill the role of the common standard of the cookie, is to create a common non-proprietary standard that can be utilised by all parts of the market.

Google's approach to the development of proprietary protocols to replace the common identifier of the third-party cookies, poses fundamental questions about the future of the open web, and Google's approach to the monetisation of first-party online advertising by third-party publishers. We note with concern, Google's recent announcement that it *"intends to make FLoC-based cohorts available for public testing through origin trials with its next release in March and we expect to begin testing FLoC-based cohorts with advertisers in Google Ads in Q2."*[21] It is clear that Google is prepared to move at pace, in order to go from "controlling a giant chunk of the ad-targeting ecosystem to controlling virtually all of it."[22]

We understand that efforts to create such a common standard are being run through the W3C's improving web advertising business group[23], the membership of which is largely comprised of technology vendors. Very few publishers have the time or resources to invest in the development of these standards. In the event that agreement on a common standard is developed through the working group, it will be non-binding

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[20] https://marketersforanopenweb.com/mows-response-to-googles-announcement-on-floc/

[21] https://blog.google/products/ads-commerce/2021-01-privacy-sandbox/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+blogspot%2FMKuf+%28The+Keyword+%7C+Official+Google+Blog%29

[22] https://gizmodo.com/google-continues-to-promise-its-bid-to-end-cookies-isnt-1846124668

[23] https://www.w3.org/community/web-adv/

on browser vendors, meaning that it could still be blocked for usage within browser environments. We are therefore, at a pivotal moment in the development of the online advertising market, with no clear roadmap to understand where the market goes next.

The creation and use of common user identifiers was the enabling factor behind the initial rapid and diverse growth of the online advertising market. The danger is that, just as regulators such as the ACCC and the CMA are setting out interventions that could enable a new wave of transparency and accountability for businesses and consumers, the market evolves to move away from the use of common identifiers, to a reliance on a series of opaque, black box technologies.

A key theme running through regulatory reports examining the functioning of the online advertising market, is how little control that consumers have over the ownership and exploitation of user identity for the purpose of digital advertising. GMG notes that, whether in relation to the use of third party data to power personalised advertising, or the use of single-sign in tools, digital identity is the currency at the heart of the current phase of the online economy. As we are seeing in relation to discussions around the successors to third party cookies, digital identities are in fact not owned by the citizen, they are owned by dominant platforms, or in the case of third party cookies, estimated as a result of data generated online such as browsing habits or device identity, over which the citizen has limited control. The reality is that citizens do not currently have an online identity which they own and control as they use digital products and services across the web.

The ACCC is right to consider how common user IDs could act as a key piece of web infrastructure that enables consumers to make decisions about how their identity is published, monetised and processed in a digital environment. Now it is the time for a debate about whether common user identity - that is independent from dominant platforms and government - could enable innovation in new areas such as AI, and enable citizens to transact with public and commercial services in a manner of their choosing.

Guardian Australia
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