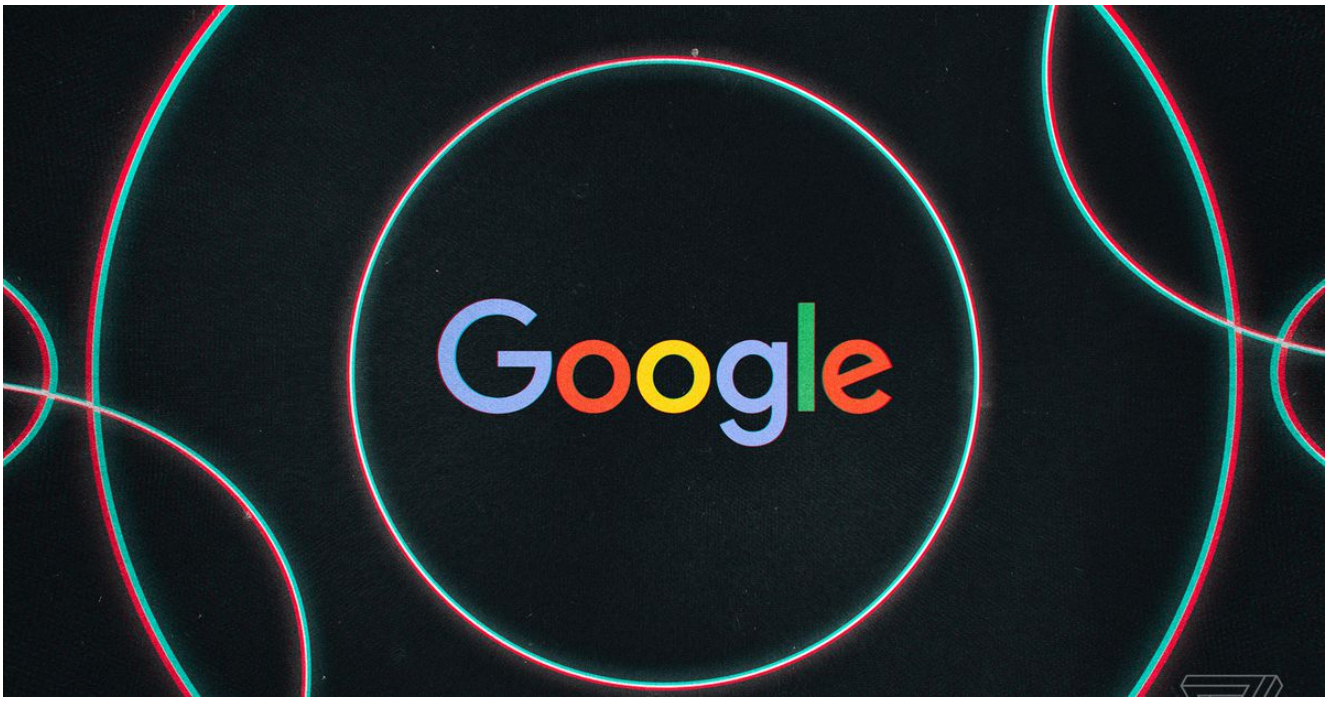
Google’s ad dominance targeted by a second probe from the UK’s competition watchdog



The UK’s Competition and Markets Authority (CMA) has launched a new investigation into Google’s advertising business over fears the company is unfairly freezing out competitors. It’s the second open probe the CMA has on Google, following the announcement in March of a joint investigation with the EU over alleged collusion between Google and Facebook-owner Meta.

The new investigation will dive deep into the “ad tech stack” – the collection of tools that make up the complex online ad market. The CMA notes that Google has “strong positions at various levels of the ad tech stack,” and is examining three key elements where the US company is the largest player. These include the market used by companies to advertise their ad space; the ad exchanges themselves, which automate the sale of this inventory; and the ad servers which store advertisements and choose them for display.

In other words: all the main parts that make the online ad business hum.

The CMA wants to know whether Google is using its dominance in each of these separate businesses to steer customers to its own services and make it harder for rivals to compete. Potential shady practices “include whether Google limited the interoperability of its ad exchange with third-party publisher ad servers and/or contractually tied these services together, making it more difficult for rival ad servers to compete,” writes the CMA.

As the watchdog’s chief executive Andrea Coscelli said in a press statement: “Weakening competition in this area could reduce the ad revenues of publishers, who may be forced to compromise the quality of their content to cut costs or put their content behind paywalls. It may also be raising costs for advertisers which are passed on through higher prices for advertised goods and services.”

Over the past few years, Google has been hit with various fines over similar antitrust practices in other parts of its business. These include a €2.4 billion fine from the EU in 2017 because the company favored its shopping service over rivals’ in search results; and a €1.5 billion fine from the EU in 2019 for anti-competitive behavior in advertising, similar to what the UK is now investigating. (Google lost an appeal for the first, and is currently appealing the second.)

We’ve reached out to Google for comment and will update this story if we hear back.

https://www.theverge.com/2022/5/26/23142597/google-ad-tech-stack-investigation-cma-uk