

Competition concerns found in digital advertising merger

The Competition and Markets Authority (CMA) has been investigating the anticipated purchase of Outbrain by Taboola. Both companies supply, amongst other things, content recommendation services to publishers, including major UK news sites.

Content recommendation is a type of digital advertising where readers visiting publishers' sites are shown other content they might be interested in, often based on personalisation algorithms. When a reader clicks on a content recommendation advert, the publisher receives a share of the revenue generated. This type of advertising is one of the ways publishers make money from their web pages.

Taboola and Outbrain are the 2 largest providers of content recommendation services to publishers in the UK, with a combined market share of over 80%. They supply very similar services and are each other's main competitor. In particular, the companies' internal documents and information received from publishers showed the strong competition between the companies.

If the merger were to go ahead, the CMA is concerned that publishers in the UK will have a reduced choice of supplier for content recommendation services. This could result in a worsening of terms for publishers and a reduction in their share of advertising revenue. A large proportion of the publishers contacted by the CMA were concerned about the impact of the deal if it goes ahead.

Joel Bamford, CMA Senior Director of Mergers said:

Online advertising, including content recommendation, is a really important revenue stream for publishers, including news websites. Our merger investigation has found that the current competition between Taboola and Outbrain means publishers can negotiate better revenue share deals and contract terms. If the companies were to merge, this competition in content recommendation would be reduced, and publishers could lose out.

If the merging businesses are unable to offer remedies which address the CMA's concerns, the deal will be referred for an in-depth Phase 2 investigation.

For more information, visit the [Taboola / Outbrain merger case page](#).

For media queries, contact the CMA press team on 020 3738 6460 or press@cma.gov.uk.