

Google probed over potential abuse of dominance in ad tech

- CMA launches second investigation into Google's practices in ad tech, following launch of probe into Google and Meta's 'Jedi Blue' agreement.

Advertising technology intermediation, also known as the 'ad tech stack', is a complex set of services which facilitate the sale of online advertising space between sellers (publishers, like online newspapers and other content providers) and buyers (advertisers). In 2019, UK advertisers spent around £1.8 billion on this kind of online advertising. The market is important because millions of people across the UK use websites that rely on advertising revenue to offer high-quality, free content.

Google has strong positions at various levels of the ad tech stack, charging fees to both publishers and advertisers.

The Competition and Markets Authority (CMA) is examining 3 key parts of this chain, in each of which Google owns the largest service provider:

- Demand-side platforms (DSPs) allow advertisers and media agencies to buy publishers' advertising inventory (i.e. the space they have for advertising) from many sources.
- Ad exchanges provide the technology to automate the sale of publishers' inventory. They allow real-time auctions by connecting to multiple DSPs, collecting bids from them.
- Publisher ad servers manage the publisher's inventory and decide which ad to show, based on the bids received from different exchanges and/or direct deals between publishers and advertisers.

The CMA is assessing whether Google's practices in these parts of the ad tech stack may distort competition. These 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.

The CMA is also concerned that Google may have used its publisher ad server and its DSPs to illegally favour its own ad exchange services, while taking steps to exclude the services offered by rivals.

Andrea Coscelli, the CMA's Chief Executive, said:

We're worried that Google may be using its position in ad tech to favour its own services to the detriment of its rivals, of its customers and ultimately of consumers.

This would be bad for the millions of people who enjoy access to a wealth of free information online every day.

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.

It's vital that we continue to scrutinise the behaviour of the tech firms which loom large over our lives and ensure the best outcomes for people and businesses throughout the UK.

This case follows on from the CMA's [market study into online platforms and digital advertising](#) which identified significant issues and made an assessment of possible solutions to address market power in ad tech. The CMA will consider these further in the course of its investigation. The CMA has subsequently opened a competition investigation into [Google and Meta's 'Jedi Blue' agreement](#) in relation to header bidding services, which are a part of the wider ad tech stack. The CMA is also monitoring compliance with [commitments Google made in relation to its Privacy Sandbox proposals to remove third-party cookies and other functionality from Google's Chrome browser](#).

A draft Bill to give the CMA more powers to govern the behaviour of big tech firms, through the Digital Markets Unit, was recently announced in the Queen's Speech.

Until this legislation is in place, the CMA will forge ahead using its existing powers in the tech sector, including probes into [Apple's App Store](#), [Meta's use of data](#) and [Apple and Google's mobile ecosystems](#) over competition concerns.

The CMA maintains a joined-up approach across all related cases to ensure the best outcomes for people and businesses throughout the UK.

The European Commission (EC) has launched its [own investigation into Google's practices in the ad tech sector](#). Google practices are also the subject of [a complaint by the State of Texas](#) (and other US States) currently in the US courts. In July 2021, the French Autorité de la Concurrence closed [a similar case against Google](#) having imposed a fine and secured commitments.

Find out more about the CMA's investigation [on the case page](#).

1. The competition legislation relevant to the CMA's investigation is the Competition Act 1998. This case concerns Chapter II prohibition (which makes it illegal for a company that holds a dominant position from behaving to the detriment of competition).
2. "Google" refers to Google UK Limited, Google LLC and Alphabet Inc.
3. The CMA may launch an investigation under the Competition Act 1998 if it has reasonable grounds to believe that there has been an infringement of competition law. If the CMA decides that there has been a breach of competition law then it can impose a fine up to 10% of Google's worldwide turnover, as well as issue legally binding directions to bring

the breach to an end.

4. No conclusion should be made that the law has been broken. The CMA has made no decision that Google's conduct needs to change.
5. All enquiries from journalists should be directed to the CMA press office by email on press@cma.gov.uk or by phone on 020 3738 6460.
6. All enquiries from the general public should be directed to the CMA's General Enquiries team on general.enquiries@cma.gov.uk or 020 3738 6000.