



WFA Position on the Digital Markets Act

The World Federation of Advertisers (WFA) is the voice of marketers worldwide, representing 90% of global marketing communications spend – over €800 billion per year – through a unique, global network of the world’s biggest markets and biggest marketers. WFA champions responsible and effective marketing communications worldwide.

We represent 128 brand owners and 60 national advertiser associations across the world. This includes national advertiser associations in 19 EU Member States and about 50% of the companies we represent are European.

Today, digital advertising constitutes the world’s largest advertising medium, representing just over 50% of global advertising spend in 2020¹. In Europe, this digital ad spend is worth over €50 billion per year, and it supports not only the EU economy, contributing to economic growth and acting as a major source of employment², but represents an essential driver of competition and innovation in the digital ecosystem.

However, the digital advertising market today is notoriously complex and opaque, which means that advertisers and businesses can struggle to access necessary data about their advertising from the companies that process and deliver it. As noted in the Digital Markets Act proposal, “the conditions under which gatekeepers provide online advertising services are often non-transparent and opaque”³.

In fact, according to a recent WFA survey, 79% of large global advertisers ([WFA corporate members](#)) said they encounter a lack of data sharing when working with large online platforms⁴. This can impact advertisers’ ability to measure the performance of online platforms’ advertising services against alternative providers, optimise advertising budgets and understand consumer behaviour to develop new products and services⁵. In the long term, this could increase prices for consumers, undermine competition in the digital advertising market and compromise the wellbeing of the wider digital economy.

WFA therefore believes the Digital Markets Act proposal is a significant step forward to addressing these concerns. In particular, we welcome the provisions relating to the transparency of online advertising services and access to data for business users of gatekeeper platforms.

At the same time, we feel that a number of changes to the Digital Markets Act proposal are needed to ensure that it is effective in its goal of ensuring that all businesses can compete on a level playing field and foster transparency in digital markets.

ACCESS TO RAW AND DETAILED AD MEASUREMENT DATA

One of the most important decisions advertisers and brands need to make is where to invest their advertising budget. In an EU market of €50 billion of digital advertising spend per year⁶, these decisions can have a major impact on the funding of the European digital economy: including publishers, independent advertising technology companies, large online platforms, journalism and entertainment.

In order to do this assessment, advertisers need objective, verifiable and accurate metrics about the performance of their advertising campaigns across different platforms, including the number of users which saw an ad, how many people engaged in some way with an ad and to what extent an ad led to

¹ Zenith (December 2020) Advertising Expenditure Forecasts

² Deloitte (2017) [The Economic Contribution of Advertising in Europe](#)

³ [2020/0374\(COD\)](#) Contestable and fair markets in the digital sector (Digital Markets Act).

⁴ WFA survey on Digital Advertising and working with partners, August 2020; Base: 50 responses

⁵ For more information on advertisers’ access to data in the digital advertising market, see WFA’s global position [here](#).

⁶ Zenith (December 2020) Advertising Expenditure Forecasts



people taking a particular action⁷. On the basis of this data, advertisers can then assess what type of platforms yield the best results and adapt future media investment decisions.

However, according to a recent WFA survey, 86% of large global advertisers ([WFA corporate members](#)) said they encounter difficulties accessing measurement data from large online platforms⁸. In particular, advertisers often raise concerns about having no direct unfiltered access to the raw data they need to measure ad performance, relying entirely on data provided by large online advertising platforms to carry out their assessments⁹.

This means that advertisers rely on independent auditing to verify that any data being provided to them is accurate. However, many of the biggest online advertising platforms only enable access to a limited number of third-party verification providers, and these are not always able to independently collect raw data from the source, having to rely instead on the data provided by the platforms themselves¹⁰.

This lack of transparency can mean that any deficiencies in the advertising services gatekeeper platforms provide could go unnoticed, limiting advertisers' ability to make fully informed decisions about where to allocate ad spend. This could have significant repercussions for competitiveness in the digital economy, potentially influencing which players in the market benefit from advertising spend.

Recommendation: WFA welcomes the introduction of obligations in the Digital Markets Act (Article 6(g)) for gatekeeper platforms to provide advertisers with access to their performance measuring tools as well as the information necessary for advertisers to carry out their own independent verification of ad inventory. However, as highlighted by the European Commission's economic expert report on the EU Digital Markets Act¹¹, gatekeeper platforms should also be required to provide unconditional access to measurement data in a raw/detailed fashion, and they should enable advertisers to use their own third-party verification and measurement tools to measure the performance of their ads.

ACCESS TO INFORMATION ABOUT HOW PRICES ARE DETERMINED AND AUCTIONS CARRIED OUT

Advertisers need to calculate whether advertisers' investment (i.e. cost of the marketing campaign) led to positive outcomes for the company (i.e. increase in purchases, or increase in brand recognition). Alongside detailed measurement data (see above), advertisers need information about how their ad spend is being attributed across the digital advertising supply chain and transparency about how the price of ad inventory is determined. This information enables advertisers to audit their spend in order to better optimise advertising budgets¹².

However, according to a recent WFA survey, 81% of large global advertisers who responded said they lack data about how intermediaries in the advertising supply chain are remunerated¹³. Moreover, as noted in the Digital Markets Act proposal, advertisers lack information about the "conditions of the advertising services they purchased"¹⁴. In fact, a recent WFA survey showed that 65% of large global advertiser respondents also encounter difficulties accessing data related to the way auctions are carried out and prices determined on large online advertising platforms¹⁵.

⁷ For further information on what type of data advertisers need to measure the performance of their ads see [WFA's position on advertiser access to data in the digital advertising market](#).

⁸ WFA survey on Digital Advertising and working with partners, August 2020; Base: 50 responses.

⁹ WFA position on [advertiser access to data in the digital advertising market](#).

¹⁰ WFA position on [advertiser access to data in the digital advertising market](#).

¹¹ [The EU Digital Markets Act: A report from a Panel of Economic Experts](#) argues that while article 6(g) "makes sense", it "seems more important that advertisers/publishers should be able to access data in a raw/detailed fashion so that they can use third party verification and measurement tools.

¹² WFA position on [advertiser access to data in the digital advertising market](#).

¹³ WFA survey on Digital Advertising and working with partners, August 2020; Base: 50 responses.

¹⁴ [2020/0374\(COD\)](#) Contestable and fair markets in the digital sector (Digital Markets Act).

¹⁵ WFA survey on Digital Advertising and working with partners, August 2020; Base: 50 responses.

The lack of transparency regarding (1) the amount of ad spend being retained by each intermediary in the ad tech supply chain¹⁶, and (2) how online advertising platforms determine the price of ad inventory means that advertisers are often unable to evaluate the advertising services they are receiving. This also limits their ability to audit ad spend and effectively evaluate the relative merits of different providers in the market.

In the long term, this could reduce transparency and accountability in the market and undermine advertisers' ability to switch between different providers based on independent and verifiable analysis, to the detriment of competition in the digital advertising market¹⁷.

Recommendation: WFA welcomes the introduction of obligations in the Digital Markets Act (Article 5(g)) aimed at driving more transparency regarding the advertising services gatekeeper platforms provide. In particular, WFA supports obligations for gatekeeper platforms to provide advertisers and publishers with pricing information, including the remuneration of other advertising intermediaries, regarding the display of ads and platforms' advertising services. However, we believe that gatekeeper platforms should also be required to share detailed information about the way prices are determined and auctions carried out so that advertisers can effectively audit their ad spend.

ACCESS TO DATA GENERATED IN THE CONTEXT OF THE USE OF THE GATEKEEPERS' SERVICES

The success of the digital economy is built on data-driven ecosystems which enable relevant, useful and personalised content to be offered to people through a wide range of online services. In order to develop new products, fuel innovation, build new services and provide users with a better online experience, companies and advertisers need insights into consumer behaviour and trends. Such data includes what kind of content is trending, trends in shopping behaviour, engagement with different products and services, demand for certain products or services and consumer preferences¹⁸.

While large online advertising platforms are able to generate and access large amounts of data about people that use their services and leverage them to their own advantage, other companies that partner with platforms but sit outside their data-driven ecosystems are unable to develop a similar level of insight and consumer understanding to enhance and improve their own products and services¹⁹.

In many cases, advertisers are incentivised by platforms to share insights and data about their products and customers. But 70% of WFA members say that platforms do not share this type of data with them in a detailed manner, limiting their ability to develop consumer insights that they can build into their future marketing campaigns and product innovation²⁰.

Recommendation: WFA welcomes obligations put forward in the Digital Markets Act (Article 6(i)) requiring gatekeeper platforms to provide business users with access and use of aggregated and non-aggregated data that is provided for or generated in the context of the use of the platforms' services, as well as interaction and engagement by end-users with business users' products or services. However, we believe the Digital Markets Act should be clarified to require gatekeeper platforms to share **all** data generated in the context of the use of the platforms' services, so as to ensure a level playing field and a fair European digital ecosystem.

¹⁶ A [recent study conducted by UK advertiser association ISBA](#) found that just 51% of advertising spend on digital advertising inventory went to working media, and that 15% of advertiser spend is completely unattributable. This means it has become practically impossible for an advertiser to determine with certainty the amount of ad spend being retained by each intermediary in their ad tech supply chain.

¹⁷ [2020/0374\(COD\)](#) Contestable and fair markets in the digital sector (Digital Markets Act).

¹⁸ WFA position on [advertiser access to data in the digital advertising market](#).

¹⁹ WFA position on [advertiser access to data in the digital advertising market](#).

²⁰ WFA survey on Digital Advertising and working with partners, August 2020; Base: 50 responses.

