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Radio urges action over tech titans' control of data

The commercial radio industry has raised concerns about Google and Facebook's increasing monopolisation of the collection and control of customer data harvested from ads and content on digital platforms operated by radio stations.

In its submission to the Australian Competition and Consumer Commission's Ad Tech Inquiry, Commercial Radio Australia urged the ACCC to look closely at any attempts by Google and Facebook to limit access to data in the ad tech chain, which would result in a concentration of data in the hands of the digital giants.

"The collection and use of consumer data by Google and Facebook makes it hard for traditional media platforms to compete on commercially equal terms, both in terms of competing for the advertising dollar and establishing new business models," the submission said.

The Ad Tech Inquiry flows on from the ACCC's report on digital platforms and is looking into competition and transparency issues in the digital advertising market.

CRA said radio, as a publisher, should receive more information about the pricing of services in the ad tech supply chain. Digital platforms should be required to disclose elements of commission or referral arrangements that could distort pricing structures.

"CRA urges the ACCC to investigate closely whether Google and Facebook are using their monopoly positions to distort the ad tech chain by using pricing, commission, referrals or bundling structures that unfairly favour certain parties over others," the submission said.

"It is vital that any such practices are exposed, to ensure that all media players operate on a level playing field in terms of attracting advertising revenue.

"Increased advertising revenue enables digital platforms to continue to invest, market more widely, buy up competitors and expand their monopolies and influence. In the long term, this is likely to be at the expense of Australian local media platforms and the provision of quality content."

The peak radio body also said Google and Facebook should be forced to use independent third parties to verify their audience reach claims in order to remove the potential for data distortion and create more transparency for advertisers.

The digital platforms sell advertising based on metrics that are "distorted, misleading and poorly understood", CRA said.

Digital impressions can be created automatically when content is sent from a server and no human has seen the content, there were instances of double counting and a lack of transparency and consistency in methodology.

"This practice must be stopped, as it unfairly disadvantages those players who have audited, standardised audience measurement processes," the submission said.

"The 'walled garden' approach to advertising metrics particularly impacts on clients likely to advertise on commercial radio, as the digital platforms' techniques tend to be effective in persuading small to medium sized businesses, such as local tradespeople and shops. These are businesses that provide the backbone of commercial radio advertising, particularly in regional areas."

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