

Italian regulator investigates Google over digital ads

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This July 19, 2016 file photo shows the Google logo at the company's headquarters in Mountain View, Calif. Italian regulators opened an investigation Wednesday, Oct. 28, 2020 into Google over alleged abuse of its dominant role in the country's online ad market, adding to the global scrutiny that the Silicon Valley company is facing. (AP Photo/Marcio Jose Sanchez, File)

Italian regulators opened an investigation Wednesday into Google over alleged abuse of its dominant role in the country's online ad market, adding to the global scrutiny that the Silicon Valley company is facing.

The Italian Competition Authority said it suspects the U.S. tech giant of using the vast amounts of data it collects through its various services to prevent rivals in the digital advertising market from competing effectively.

The [watchdog said](#) it carried out a joint inspection of Google's offices with Italian tax police on Tuesday.

Italian authorities are focusing on the availability and use of data for display ads—the space that publishers and website owners make available to sell advertising content.

The authority said Google allegedly used tracking elements that allowed its ad broker services "to achieve a targeting capability that some equally efficient competitors are unable to replicate."

It is also alleged to have discriminated against competitors by refusing to let them use third-party tracking tools. Advertisers use these tools to determine how effective their ad campaigns are by measuring how many views and clicks an online ad gets.

Google said it was abiding by the European Union's data privacy rules.



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"We'll continue to work constructively with the Italian authorities on these important areas so that everyone can make the most of the web," it said in a statement.

Reduced competition in the digital ad market could be bad for consumers, the authority said. It could starve news sites and publishers of resources, resulting in lower quality online content. It could also discourage innovation in new, less-intrusive advertising technologies.

Italy's online advertising market was worth more than 3.3 billion euros (\$4.9 billion) last year, with display ad revenue accounting for 1.2 billion euros of the total, the authority said.

The investigation comes a week after the U.S. Justice Department filed an antitrust lawsuit against Google, including allegations that the company's "exclusionary" conduct stifles competition in search advertising, thus harming advertisers. Last year, EU regulators fined Google 1.49 billion euros for freezing out rivals in the online ad market.

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