

Google, Meta face EU-UK antitrust probes over online ads deal

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US Big Tech firms have been hit by antitrust probes and huge fines in Europe over their business practices.

The EU and Britain on Friday opened antitrust probes into a 2018 deal

between tech giants Google and Facebook owner Meta allegedly aimed at cementing their dominance over the online advertising market.

The European Commission said it was investigating the so-called "Jedi Blue" agreement that has also faced lawsuits in the United States as global regulators up their campaign to seriously limit the power of big tech.

The EU said its probe would explore whether the arrangement between the internet behemoths had been used to "restrict and distort competition in the already concentrated ad tech market".

The bloc's competition supremo Margrethe Vestager said if confirmed, the arrangement will have served to distort competition, squeezing rival ad tech companies, publishers "and ultimately consumers."

The UK's Competition Market Authority also launched its own investigation into the agreement and the two watchdogs will "closely cooperate" on the investigation, the EU said.

Chief Executive Andrea Coscelli said the CMA "will not shy away from scrutinising the behaviour of big tech firms... working closely with global regulators to get the best outcomes possible."

The two online advertising giants are under intense pressure from publishers and ad rivals as together they overwhelm the online advertising market in much of the world.

In a statement, Google said the "allegations made about this agreement are false" and that its deal with Meta "is a publicly documented, procompetitive agreement" that exists with other companies.

Meta said it would cooperate with the enquiries but that the

arrangements "deliver more value to advertisers and publishers, resulting in better outcomes for all".

US lawsuits

US Big Tech companies have been under intense pressure over their business practices in Europe, resulting in probes, huge fines and plans for EU-wide legislation to rein them in.

In the latest accusations, which also form the basis for lawsuits in the United States, the "Jedi Blue" deal served to oust competition by manipulating ad auctions.

These are the ultra-sophisticated system that determines which ads appear on web pages based on the anonymised profiles of internet users.

US court documents revealed that the top bosses of Google and Facebook were directly involved in approving the allegedly illegal 2018 deal.

The legal documents filed in a New York court clearly refer to Sundar Pichai, chief of Google's parent firm Alphabet, as well as Facebook executive Sheryl Sandberg and CEO Mark Zuckerberg—even if their names were redacted.

Google has further enraged publishers and online ad rivals with its plan to overhaul its ad tracking system on its world leading Chrome browser and Android smartphone operating system.

The internet giant made the move—which does away with personal online trackers known as "cookies"—to answer increasing pressure to better guarantee privacy for web users.

Critics see it as a way for Google to deny publishers and advertisers precious data and embolden the company's dominance in advertising.

Alphabet pulled in over \$60 billion in the fourth quarter of 2021 just in ad revenue, which makes up over 80 percent of its income.

Meta booked \$33.6 billion sales in the same period, mostly from advertising.

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