The Future of Online Advertising

October 10, 2023
About CDT

The **Center for Democracy & Technology (CDT)** is the leading nonpartisan, nonprofit organization fighting to advance civil rights and civil liberties in the digital age. We shape technology policy, governance, and design with a focus on equity and democratic values. Established in 1994, CDT has been a trusted advocate for digital rights since the earliest days of the internet. The organization is headquartered in Washington, D.C. and has a Europe Office in Brussels, Belgium.
Reminders
● Please share your name/pronouns/affiliation in Zoom chat
● Chatham House Rules
● CDT presentation will be recorded

Agenda
● Why this project?
● How we’d like to work together
● Open discussion
Why are we thinking about the future of online advertising?
Online advertising isn’t working for most of its stakeholders…

- Advertisers
- Publishers
- Internet Users
- Content Creators

entrepreneur.com  digitalinformationworld.com  coe.int  about.fb.com
Advertisers

- Brand safety
- Fraudulent ‘made for advertising’ sites
- Unwillingly funding hate/extremist groups
- Platform monopolies
Publishers

- Includes news media: central to democracy
- Loss of revenue
- Lack of control over ad content
Internet Users

- Surveillance-based targeting, lacking transparency and control
- Harmful ads
- Advertising to children
- Youth mental health crisis
Content Creators

- Inequitable revenue-sharing schemes
- Negative impacts of demonetization and brand safety efforts
The Future of Online Advertising

... and the policy environment is evolving from an unsustainable status quo

EU Regulation

Competition

US Regulation

Industry Norms

unsplash.com

istockphoto.com

istockphoto.com

hubspot.com
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The Policy Environment in Europe

- GDPR: Procedural Regulation (2023)
- Digital Services Act
- Digital Markets Act
- Political advertising regulation
- Various court cases
- Targeted ad ban in Norway (EFTA Country)

Potential Proposals
- Online Advertising Regulation (2024)
Competition considerations

- Importance of competition for a healthy online advertising marketplace
- Effects resulting from technological innovation
- Effects from concentration – network effects
- Effects from monopolistic practices – restrictive practices in the ad stack
- Antitrust enforcement actions – Justice Department, State AGs, UK, private suits
- US legislation
US Privacy Legislation & Regulation

- Growing number of state privacy laws
- FTC rulemaking process
- Federal privacy legislation
- Policymaker desire to “regulate Big Tech”
  - But little agreement about how or to what end
Changing industry norms

- Users are blocking ads
- Browsers are blocking tracking mechanisms
  - Cookies, fingerprinting and others
- Platforms limiting tracking
  - App Tracking Transparency
  - Privacy Sandbox
Multistakeholder work on more privacy-preserving advertising

- Measurement and attribution
- Aggregate analytics
- Targeting based on interests or groups
- Fraud and abuse prevention
Envisioning *The Future of Online Advertising*

- Quarterly working group calls
- Joint working papers with partners
- Continued engagement with:
  - internet standards bodies
  - policymakers in US and Europe
- Open to suggestions!
Open Discussion
Questions

- What are some **themes** you’d like CDT to examine?
  - Is there something you’d be excited to work on with us?

- What **perspectives and voices** should we make sure to include?

- What would you like to see **change** in the online advertising ecosystem in the next 5 years?