

Claudio Lombardi  
Assistant Professor  
KIMEP, School of Law



# DIGITAL NEWS FOR A RAVE NEW WORLD

---

COMPETITION AND PUBLIC INTERESTS IN THE  
SCRAMBLE OVER DATA

# Advertising in News-Media

---

## Capturing attention

- Benjamin Day's the New York Sun in 1833
- Radio
- Television
- Internet: 'paradigm shift'?



# Algorithmic curation + OBA

---

## **Algorithmic curation**

News feed algorithm utilises hundreds of variables

Predicts what is relevant for each user

Based on 'relevance scores' which are able to predict what a user will 'like', comment, share, hide, click or mark as spam.

## **Online Behavioural Advertising**

A sophisticated form of targeted advertising

1. On site targeting
2. Network targeting

Segmentation: interests are added to an 'audience segment' (pigeonholing)

Data tracking

Predictive analytics

# Empirical analysis

---

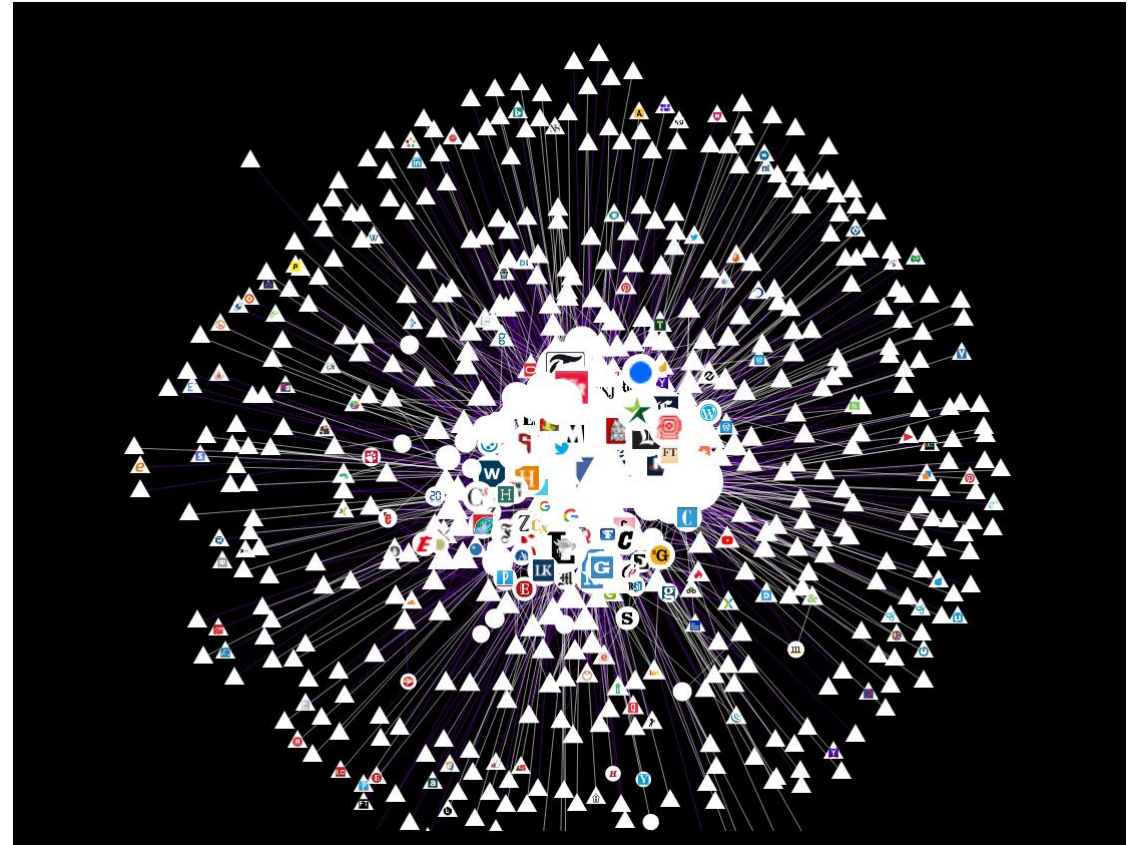
Recorded all tracking cookies and other links

Captured by visiting 100 newspapers websites

Detected connections to 693 third parties

2 Models:

- Doubleclick.net: 230 connections
- Facebook: 98 connections



# Online News Market (?)

% change in average weekday and Sunday circulation



Source: IAB, 2016



Source: IAB Europe

# 'Curating' the advertising market

---

1. In 2015, the 65% of all revenue from digital advertising was earned by 4: Google, Facebook, Yahoo, Microsoft and Twitter
  - \$38.5 billion out of \$59.6 billion of total revenue of the entire industry (in US)
3. Horizontal competition: dissemination of news
  - 62% of U.S. adults receives news from social media. In particular, 66% of Facebook users admitted taking news from the website and 59% of Twitter users did the same.
  - Competition for data and information
2. Vertical competition: role of platforms as disseminators of news and bottlenecks of the chain
3. Not only advertising dollars: reduction of quality (NAA, Reuters Institute, IAB)
  - content oriented vs bait-clicking
  - investigative journalism and local newspapers suffering

# Ideas as vehicles for advertising goods

---

1. Illusion of a marketplace for ideas
2. Competition in online advertising: impact on pluriformity of press and right to information

Solutions or palliatives?

1. Block exemptions (Germany, US NAA)
2. Case selection criterion
3. Interpretation in accordance
4. Objective justification
5. Direct application