



Anticipating Change: The Implications of a Future EU's Adtech Regulation.

Remy Takang Arrey

Jikoodigital.com

<https://www.linkedin.com/in/remy-takang-arrey-capal-m-m-sc-857ba531/>

Worried about the present status quo of the EU advertising industry, the European Commission solicited the services of a data rights agency *AWO* to carry out an investigative study. According to [Luca Bertuzzi](#), the appetite to regulate this sector became evident during negotiations on the Digital Markets Act and Digital Services Act, when a coalition of left-to-center EU lawmakers tried to push a total ban on targeted ads. The study assigned by the Commission aimed at gathering information about the digital advertising industry to guide potential policy options for promoting a more equitable digital advertising environment. Upon completion, the [study](#) published on January 30, 2023, suggests a "**strong case**" exists to reform digital advertising as the current system is *unsustainable* for individuals, publishers and advertisers. Furthermore, using personal data, tracking, and profiling can negatively impact data protection rights, security, democracy and the environment.

There is also an accountability crisis where individuals have to navigate a complex web of companies to control the ads they see online. According to AWO's study, the revenues of the biggest European publishers have remained the same for the past ten years. However, Google and Meta have seen a rise of over 500% because they serve as publishers and advertising technology services providers. Therefore, European publishers find it difficult to compete for digital advertising revenue as large platforms (Google and Meta) since they have greater access to data than they do. However, as tweeted on Instagram by Nick Botton, the co-author of the report and Senior Policy Associate at AWO, "users have limited control over how their personal data is used in digital advertising". He adds that "ad preference tools provided by Google, Facebook, and Your Online Choices are not easily accessible, comprehensible, or user-friendly".

The study points to regulatory gaps that could enable these issues to persist, and there is a need to increase transparency and accountability, give individuals greater control over their personal data, and address obstacles that make it difficult for advertisers and publishers to understand their audience and enjoy a level playing field. In this article, we will look at the issues that a future Ad-tech Regulation looks

forward to addressing and the likely implications that the Regulation will have on online advertising.

Issues to be addressed.

The anticipated EU Adtech regulation will address several issues related to online advertising technology. The Regulation is still in the process of being developed, but it is likely to address the following areas:

Privacy:

The Regulation is expected to address the privacy concerns arising from collecting and processing personal data for targeted advertising purposes. Companies may require explicit user consent before collecting and using their data.

Transparency:

The Regulation may require companies to provide more transparency around the data they collect and how they use it for advertising purposes. This may include requirements to give users more information about how their data is being used and more control over their data.

Competition:

The Regulation may also address concerns around competition in the Adtech industry. This could involve measures to promote fair competition and prevent monopolies or other anti-competitive practices. An example would be the edge that Google and Meta have over the EU's most prominent publishers, such as RTL Group (Germany), Canal+ (France), ProSiebenSat.1Media (Germany), Axel Springer (Germany), Mediaset (Italy), Hubert Burda Media (Germany), and TF1 Group (France).

Accountability:

The Regulation may also include measures to hold companies accountable for using personal data and compliance with privacy regulations. This could include fines or other penalties for non-compliance.

The vision of the policymakers is that the anticipated EU Adtech regulation is expected to provide more protections for user privacy and promote more transparency and accountability in the online advertising industry.

The implication of future Regulation on online advertising

Based on industry trends and concerns, the anticipated EU Adtech regulation may require digital marketing and advertising companies to do the following:

Increased transparency:

The Adtech industry should be required to be more transparent about how they collect and use personal data and be clear about who has access to this data. This could include mandatory disclosures of data collection and use practices and implementing a consent management framework that makes it easy for users to understand and manage their consent preferences.

Strengthened data protection:

The Regulation should require that Adtech companies implement robust data protection measures to ensure the security and confidentiality of user data. This could include encryption, access controls, and regular data security audits.

Limitations on data sharing:

The Regulation could restrict how Adtech companies share user data with third parties and require that companies obtain explicit user consent before sharing any personal data.

Greater user control:

The Regulation should prioritize the rights of individuals to control their data and provide users with mechanisms to access, edit, and delete their personal data. Additionally, users should be allowed to opt out of certain types of tracking and advertising.

Increased enforcement:

The Regulation should include robust enforcement mechanisms to ensure Adtech companies comply with the new rules. This could include fines and penalties for non-compliance and regular audits to ensure that companies follow the rules.

Improved accountability:

AdTech companies should be required to take responsibility for any harm caused by their data collection and use practices and be held accountable for any Regulation violations.

In conclusion, the goal of the anticipated EU Adtech regulation should be to balance the interests of businesses with the rights and privacy of individuals. Though the anticipated Regulation might impose greater accountability on companies, by implementing strong data protection measures, increasing transparency, and prioritizing user control, the Regulation can help create a more trustworthy and sustainable Adtech industry.