

## Competitive Neutrality of Network Platform in Keywords Advertising Markets

Tung, Chris Y. \*

Tsai, Diana H.A.

Chen, S.H.

### Abstract

Keywords advertising over the Internet has arguably become the most important source of revenue for the search engines, such as Google and Yahoo! Unlike the traditional advertisement, the location of an advertisement on the webpage not only depends on the monetary payment to the network platform, but also its quality. Because the quality is calculated differently by the respective algorithms provided by each network platform, it is difficult for advertisers to understand how quality is determined for each advertisement. Our study shows that network platforms may have incentives to manipulate the grades of quality to maximize their profits. Hence, when reviewing a case that is under investigation on whether the Fair Trade Law is violated, to assume that the network platforms are neutral, in the sense that they never temper the competition in the keywords advertising market, is unnecessary and leads to biased results.

Keywords: Network Platform, Keywords Advertising, Search Engine, Network Neutrality, Fair Trade Act.

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\* Tung, Chris Y., Associate Professor, Institute of Economics, National Sun Yat-sen University. Tsai, Diana H.A., Corresponding author, Professor, Institute of Business & Management, National Chiao Tung University, and Commissioner of Fair Trade Commission. Chen, S.H., Master, Institute of Economics, National Sun Yat-sen University.