

Study on Competitive Analysis of Multinational Technology Companies in Major Digital Advertising Markets: Focusing on Advertising Resources

Abstract

Keywords : Mutlinaltional Technology Companies, digital advertising markerters, antitrust laws

With the development of the Internet and changes in consumers' usage habits in recent years, the social media platforms ran by multinational technology companies collected a large amount of user data, including addresses, emails, phone numbers and other information, which can be analyzed using big data. It has become a trend that industries conducting advertisement through social media platforms such as Meta (Facebook) and Google to select the target audience for advertising. For example, in 2020, Google's global online advertising business will generate US\$147 billion in revenue, more than any other company in the world, and has a market share of more than 90% in all aspects of the entire advertising value chain. Since 2006, the oligopolistic business model involved in a restrictive competition by collecting information of potential competitors or conducts joint behaviors is an important factor leads to restrictive competition in the market, governments around the world have noticed that those companies not only seriously threaten the operation of traditional advertising companies, but also affects the normal operation of the advertising market because of its oligopoly. Therefore, corresponding policies or direct penalties have been implemented one after another. The relevant measures and legislative trends are worth studying in our country.

The research team uses the literature analysis method to collect documents related to fair trade in the advertising market by multinational technology companies, such as the Fair Trade Commission, the British Competition and Markets Authority, and the Australian Competition and Consumer Commission. The relevant reports put forward by the ACCC, as well as the research on the digital economy and digital transformation development by OECD and other international organizations, help the agency to deepen the understanding of the current industrial structure of multinational technology companies in the allocation of advertising market resources in various countries, and qualify sections such as "United States" , "European Union" and our country's illegal cases, especially restrictive competition, analyze the important issues and policy implementation of competition law for multinational technology companies in the advertising market, and deeply analyze the structure of the upstream, midstream and downstream industries and important issues for future development.

Regarding the industry survey and in-depth interviews, the research team first conduct a questionnaire survey on representatives of important industries affected by the allocation of digital advertising resources by multinational technology companies, including the Digital Marketing Management Association (DMA), advertisers, audio-visual platforms, and satellite TV associations, Magazine Association, Newspaper Association, etc., collect the opinions of important representatives of the industry and related groups, summarize questionnaire survey results and host an in-depth seminar with domestic scholars and industry representatives from law, communications and economics

backgrounds. Through the results of the questionnaire survey on the status quo of industrial development and the compensation mechanism for disaster losses, supplemented by interpretations and suggestions from participants from both academia and industry, the impact of multinational technology companies on our country's advertising market and the prospects of industry representatives on the management mechanism were finally formed.

The research team learnt from the industry survey and in-depth interviews that the digital advertising market involves both content platform operators and advertising agencies. Content platform operators/publisher place more emphasis on the content compensation mechanism (whether through price negotiation, copyright amendment or compensation mechanism for the news content), but advertising agencies emphasizes the promotion of fair competition in the face of the unequal status of the multinational technology giants/digital platform, rather than just considering the content compensation mechanism, otherwise the market mechanism may be distorted.

Specifically, it is of the research team's opinion that the core premise of responding to competition policy is to confirm whether a considerable causal relationship can be established between the decline of Taiwan's traditional media industry and the rise of the multinational big digital platforms. For example, in the process of digital transformation of traditional media, it is of importance to know whether the publisher is facing a natural decline caused by the competition from original digital media, or whether the publisher is encountering unfair or unreasonable partnerships with the multinational big digital platforms, causing

difficulties for the publishers within the traditional media industries to convert their content into profits.

Therefore, it is advisable that the investigators should have an in-depth understanding of the competition and cooperation within media industries and the digital marketing industries, as well as the cooperation relationship between digital platforms and content publisher, so as to have a complete understanding of the business model and operation of the media industries and digital marketing industries. In addition, it is advisable to pay attention to the development of Taiwan's news content, including the quantity and quality of news supply, editorial policy, depth of news reports, self-production rate, news diversity, categories, number of reports, number and ratio of employees, etc. From the perspective of digitalization and quantification, we could, therefore, understand whether there is a decline in quality and a reduction in choices under the influence of multinational digital platforms.

In conclusion, by studying the influence of multinational technology companies in the advertising markets of the United States, Europe, Asia and our country, and the allocation of resources, this study compares the differences in the advertising markets of various countries and the market impact of multinational technology companies. By analyzing the law enforcement cases of multinational technology companies in the advertising market, especially restrictive competition, we can understand the background reasons for the occurrence of restrictive competition, further guide efficient market competition and prevent possible future unfair competition, effectively taking into account the law

enforcement reference framework of "fair competition and consumer rights", and the subsequent fairness conferences and courts will be more realistic and effective in enforcing the Fair Trade Law against multinational technology giants.

Through the implementation of this research, it will help the commissioning agency to deepen the understanding of multinational technology companies in the advertising market and competition law while taking into account fair competition/restrictive competition and consumer rights, which will help the competition law authority to formulate appropriate regulations for related industries in the future Legislative framework and law enforcement thinking.