

ANTI-TRUST QUESTIONNAIRE - PORTUGAL

The Portuguese Competition Authority (AdC)'s mission is to ensure compliance with the competition rules in Portugal. For this purpose, the AdC has sanctioning, supervisory and regulatory powers, set out in its Statutes (approved by Decree-Law No. 125/2014, of 18 August) and in the Competition Act (Law No. 19/2012, of 8 May).

As part of its supervisory powers, the AdC has been following the digital sector.

In this context, **the AdC has published a call for information open to all interested parties.**

The answers to this call for information may help to identify barriers to entry or expansion, as well as potential behaviors that may be detrimental to competition in the digital sector, in Portugal.

You can find attached the call for information, which is also available in [this link](#).

We invite all interested parties to submit their comments and/or reports until December 16, 2021.

TEADS contacts:

- VNCONF - Dados pessoais - Chief Product Officer
- VNCONF - Dados pessoais - General Counsel and DPO

Questions

Barriers to entry and expansion, and exclusion strategies in the digital sector:

1. What are the main difficulties experienced in setting up firms and in expanding into new digital markets in Portugal?

- Establishing commercial relations with Portuguese publishers, clients and agencies to enter the market.
- Supporting features that would be specific to the Portugal market (e.g: Support Portuguese language to deliver contextual targeting and brand safety).
- Manage specific local specificities in terms of legal & financial flows.

2. Which products/services do you use and for which you consider there is a reduced capacity for substitution by other products/services (including the possibility of self-supply)?

- Measurement - e.g: Audience accuracy & GRPs (Nielsen mostly), Viewability (MOAT).
- Integration of Teads tag into publishers, mostly done through Google Tag Manager.
- Targeting (e.g: Web geo-targeting with Digital Element or MaxMind ; device targeting with DeviceAtlas).

3. If the respondent is a firm:

a. How does your activity depend on the products/services you identified in question 2?

We use these products and services to conduct our day-to-day operations.

b. What other alternatives are available in the market to the aforementioned services (including the possibility of self—supply)? What are your main advantages and disadvantages compared to the products/services your company uses?

See players listed in question 2.

Our advantages are relying on the utilization of these products and services within our end-to-end platform to deliver quality advertising at scale in the open-web.

c. Is the acquisition of these products/services preceded by negotiation? If so, please describe the negotiation of the terms and conditions associated with these products/services.

Not every time. It depends on the partner/client. When the latter wants to negotiate the terms, our Terms and Conditions form the basis of the negotiation.

In this case, Commercial terms are discussed and legal terms and conditions are reviewed and negotiated if need be.

d. Do you consider that the terms and conditions for the use of these products/services limit, in any sense, competition in the market?

No, the competition is rather limited by the massive adoption of these products/services.

e. Did the acquisition of these products/services imply any limitation in contracting alternative or related products/services (e.g., exclusivity clauses)?

No

f. Do you consider that the company that provides these products/services uses them to favor other products/services of its own? How? What is the impact of this favoring on your company's activity?

No

4. Do you consider that business activity in the digital sector is disturbed by any unnecessary legal or regulatory requirements? Why do you consider these requirements unnecessary?

We are concerned about the DSA Bill (European regulation) which creates a lot of friction with the GDPR. We believe that the user will be better protected if the privacy obligation is consolidated in one single regulation for the sake of clarity.

5. Do you consider there are switching costs in the digital markets that you are concerned about?

No

Which ones? What kind of intervention could reduce these costs and facilitate consumer Mobility?

N/A

6. Are there entry costs in the digital sector that you are concerned about? Which ones? Do you think these entry costs have a negative effect on competition? What kind of intervention could minimize this impact?

Not that we can think of.

Algorithms

7. Are there any examples of the use of algorithms by firms that you believe the AdC should pay attention to? If yes, why?

Ad auctions algorithms from SSP (e.g: Google Ad Exchange) that could be biased to provide a competitive advantage in the way auctions are being handled.

8. In your opinion, are there other pertinent benefits or concerns related to algorithms that you feel are important to highlight, in addition to those identified in this document?

No

9. With regard to the prevalence of monitoring and pricing algorithms, are the figures referred to, in this document, in line with your perception?

Pricing algorithms in digital advertising are mostly dynamic (e.g: bid strategy + auction mechanisms). The figure of '7.9% of companies indicated using algorithms that set prices automatically' is therefore underestimated for our industry.

10. How do you expect the use of these types of algorithms to evolve in Portugal?

We don't expect evolutions that would be specific to the Portuguese market. Machine Learning algorithms are in constant evolution to provide more precision and robustness.

11. Is there any situation that has raised competition concerns associated with the use of Algorithms?

As mentioned in question 7, ad auction algorithms and mechanisms have been on the spotlight for potential impacts in terms of open and fair competition.

12. Please share other relevant information

N/A