

ICOMP Business Roundtable: Openness and the Internet

6th October 2009, Brussels

Event Summary

As Lord Watson, ICOMP Chairman, explained in his welcome speech, this roundtable saw the launch of ICOMP's first White Paper *Openness and the Internet*, focusing on transparency issues in crucial areas of the online marketplace. This will be the first in a series of White Papers exploring areas/qualities which ICOMP believes are imperative to a healthy online marketplace and the organisation recently presented a list of these Imperatives to EU Commissioner Viviane Reding (for more details see blog entry [ICOMP launches Internet Imperatives and Transparency Paper in Brussels](#)).

David Wood, ICOMP legal counsel, outlined in his introductory speech that ICOMP has found stakeholders regularly raise the transparency challenges they encounter in terms of search and online advertising. Wood went on to state that what we build today will determine the shape the Internet tomorrow; this is especially important in relation to search and online advertising as the former acts as a gateway to the Internet, whilst the latter is the 'engine room' that enables us to enjoy high quality online content for free (see *Openness & The Internet* Introduction, p. 7)

Wood explained that ICOMP sees its role as a forum for industry debate, in which the necessary questions are asked and complexities are explained. The whitepaper is therefore based on formal discussions held in a workshop with key industry executives in June and has focused on explaining the economics of search and online advertising, where there are imbalances and asking how these might be overcome. The paper looks at three key areas:

1. What transparency means in the context of the Internet and why it is important in advertising and search
2. An analysis of transparency challenges in the context of:
 - a. Key word pricing
 - b. Search rankings
 - c. Data
 - d. Online publishing
3. Conclusions and critical questions in overcoming these challenges

Three speakers then followed this introduction to the whitepaper:

- Brendan Tansey, CEO, Wunderman UK
Wunderman is a leading direct marketing company. Tansey outlined in his presentation how an opaque work critically affects online advertising campaigns, creating a drain on resources.
- Shivaun Raff, co-Founder of Foundem, a leading UK vertical search engine, shared her experience of how a lack of transparency in search and online advertising can harm companies (see Case Study on Foundem in *Openness & The Internet* p. 14)
- Ben Edelman, Assistant Professor, Harvard Business School, shared his proposed 'Bill of Rights' for advertisers, which he believes will lead to a more transparent and competitive

Internet (see <http://www.benedelman.org/advertisersrights/advertisersrights.pdf> - Towards a Bill of Rights for Online Advertisers). These rights include:

- an advertiser's right to know where its ads are shown
- an advertiser's right to meaningful, itemized billing
- an advertiser's right to use its data as it sees fit
- an advertiser's right to enjoy the fruits of its advertising campaigns
- an advertiser's right to resolve disputes fairly and transparently

These presentations were followed by live debate. Questions and conclusions reached by the audience participants included:

- There are important similarities between the transparency consumers ask for, which are now consumer law, and the transparency businesses are asking for in the online marketplace.
- The current dominance of online search and advertising exacerbates these problems as a dominant player has no incentive to improve its transparency practices
- A lack of transparency is potentially a significant barrier to the Internet living up to its promise of innovation and value as:
 - Potential investors cannot know what will happen to their business due a 'black box' around the operation of Internet services which are crucial to reaching customers - search and online advertising
 - Advertisers themselves cannot access basic data, e.g. where their adverts are placed, in order to understand whether they are achieving ROI