Challenging the Facebook-Google digital duopoly

Internet behemoths Facebook and Google collectively dominate the online ad market, so what chance do smaller businesses have in competing?

Facebook and Google are swallow­ing advertising whole.

The duopoly is not guaranteed to rule forever, says Ms Saturnino, "I don't think tech giants are." The competition authorities might challenge the next big thing, among the younger genera­tion, it's not seen as a cool, hip and trendy platform to be on."

ONLINE AD REVENUE GROWTH

<table>
<thead>
<tr>
<th>Year</th>
<th>Duopoly</th>
<th>Other (including Google Network Members)</th>
<th>Other (excluding Google Network Members)</th>
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<tbody>
<tr>
<td>2015</td>
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<td>2016</td>
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Google and Facebook's combined share of the global online advertising market in 2019, up from 56 per cent in 2018

Facebook to be subject to statutory regulation and branded the company "digital gangsters".

Stewart Easterbrook, chairman of data-driven media agency MIO and former chief executive of Starcom MediaVest, explains the duopoly's ascendancy as a matter of convenience. "Over recent years clients and media agencies have arguably become too reliant on the easy scale that Facebook and Google have provided them," he says. "It's a fric­tion-free way of communicating to very large audiences."

But platforms have a vested interest when advising clients, he argues, and media agencies must demonstrate their independence so clients trust them "to ensure that their money is distributed appropriately to reach the right customers", says Mr Easterbrook.

Such is the imbalance in data that Mr Visser, chief executive at Dutch­based ad marketplace JustPremium, calls for drastic measures. "The whole ecosystem, outside Google and Facebook, should collaborate on collecting data and making it widely available to anybody else," he says. "As long as we keep feeding the cookie monsters - Google and Facebook - we are not going to get them." Mr Visser claims there are limita­tions to the ad templates offered by Facebook's Creative Hub tool and Google, which clients should recogn­ise. "If you want to stand out, you need a bigger canvas," he says. "Creative­ity is most essential in the suc­cess of a campaign."

Digital news publishers have been especially hard hit by the duopoly, Tracy De Groose, executive chair of Newsworks, the marketing body for UK newspapers, points to Plan­ning for Profit, a research report highlighting the strengths of Pinterest, Chi­nese-owned video app TikTok and the live-streaming video platform Twitch, owned by other tech giant Amazon, which could make $1 billion in US ad revenues this year, according to eMarketer.

"Cookie monsters - Google and Facebook are swallow­ing an industry with more than 150 clients' share of the global online ad market in 2019, up from 56 per cent in 2018. The duopoly's $176.4 billion in forecasted ad revenues amounts to a 23 per cent increase on 2018. For everyone else, the future looks tough as internet advertising spend outside the duopoly is predicted to fall by 7.2 per cent.

Ian Burrell

Facebook and Google have in their sight the $11 billion in US ad revenues this year, according to eMarketer.

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