

3 new things in advertising: Amazon's fine, YouTube's new ad offerings, and Google's search growth

Article

1. Amazon was fined €746 million (\$850.6 million) in July for violating the EU's General Data Protection Regulation (**GDPR**) rules on using personal data to target ads, according to a disclosure statement from an Amazon **SEC filing**.

- The fine was levied by Luxembourg's National Commission for Data Protection (**CNPD**). In addition to a fine, the ruling would force Amazon to change some practices around processing personal data.
- Amazon, however, says it will “defend [itself] vigorously,” and **intends to appeal the decision**, according to the filing.
- The CNPD's decision bodes poorly for other Big Tech players and, by extension, for European advertisers that benefit from their ad targeting practices. It remains to be seen whether any EU agencies will take similar action against Apple, Facebook, and Microsoft as a result of the complaints—but it took three years for the Amazon ruling, so they're not out of the woods just yet.

2. In late July, YouTube announced several improvements to its connected TV (CTV) ad offerings, including better targeting and measurement capabilities.

- **Targeting:** Advertisers can choose CTV ad inventory based on **contextual signals like genre, length, and content type**. For example, those that want to associate a campaign with this summer's sporting events can select inventory under the “Sports” genre.
- **Measurement:** In the fall, YouTube will also partner with **Nielsen Catalina Solutions (NCS)** to provide **sales lift measurement** for CTV ads in the US.

3. Google's parent company Alphabet reported a **62%** year-over-year (YoY) revenue increase in Q2 2021, including **rapid growth to all three main segments of its ad business**, including **search**.

- Google reported an increase of **68%** in revenues for **Google search** and “other” on-property ads, to **\$35.85 billion**. This was significantly faster growth than we anticipated for the quarter. Search is still by far the largest segment of Google's ad business.
- On the earnings call, Alphabet CFO Ruth Porat **reported** that growth in search ad spending was broad-based but **particularly propelled by retail ad spending**.