



Ad blocking, Whitelisting and Advertiser Competition

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The article's main strengths

- A **fresh and relevant** look into the question of the welfare effects of ad blockers (introduction of product market competition)
- A **parsimonious model**
- The **novel, most interesting case is not far fetched**
- **Well written:**
 - The literature review is informative, engaging and positions the paper's contribution
 - The figures and tables help following the solving and intermediate results
 - Nice progression in complexity from the model without ad blocker to the extensions

Clarifications

- Is total welfare including the ad blocker's and the publisher's welfares?
 - It looks like $TS=AS+CS$ (cf. Figure 3)
 - Or is this because ad blocker's and publisher's surplus is always fully extracted?
- Is the case with i) upfront ad blocker installation ii) limited cognition and iii) retail price discrimination studied?

Small suggestions

- A more **explicit and upfront presentation of the RQ** (“Do ad blockers allowing for whitelisting increase consumer and advertiser welfare?”) **and your main contribution** (introducing the effect of ad blocking and publisher whitelisting on product market competition)
- You can **say that the model assumes that two symmetric publishers optimize their ad load** at one ad each (\approx footnote 7). This could explain why consumers don’t change the settings of ad blockers to see no ads at all
- Some **key conditions** could benefit from **adding an intuition** of their meaning. For example:
 - $\pi^w + 2\pi^{nw} < (3 - \alpha) \pi^d$ is the condition for both publishers to buy whitelisting
→ What is this condition telling us?
 - In Figure 3, the y-axis, $\frac{v-c}{t}$, could be used to better interpret the welfare outcomes in terms of the intensity of competition in the product market

Food for thought

- **Generalization of results**
 - With linear transportation costs, the two cases in which each advertiser buys a slot never apply
 - This rules out the novel case in which advertiser A buys a slot from the whitelisted publisher and advertiser B buys a slot from the non-whitelisted one
 - It would be interesting to have some insights on the micro-foundations of competition that allow for the novel case to take place
- **Sequential advertising decisions by publishers**
 - Could this be modelled as an auction by each publisher or by a third party?
- **Imperfect multi-homing**
 - Would it lead to qualitatively different results?

Thank you



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