

Virtual Roundtable: The rise on the ban on target advertising

The time is right for an honest discussion on targeted ads with legislators, startups, SMEs, and NGOs.

We can not wait for the next digital dossier and keep the future of online advertising uncertain. Therefore Danish Entrepreneurs took the lead and invited key stakeholders for an honest talk with both real case stories and policy makers. The virtual event showcased real-life growth stories of entrepreneurs and NGO's leading to the panel debate.

The premise that targeted ads form the backbone of the growth journey was well established by the startups and Save the Children. The engagement at our event showed a sincere interest in searching for a solution with respect to the balance between privacy and keeping Europe as a competitive place to create new innovation and winners.

Now we know for a fact that...

Throughout the event, it became clear and exemplified that the whole lifecycle of a company is paved by targeted ads. From validating a prototype to reaching proof of concept in the early stages to penetrating new markets in the critical-mass stage and finally, as today's speaker Michael Ewald Hansen and Lakrids By Bülow, by scaling up to become a global brand..

Targeted ads are a fundamental part of SMEs' and startups' business models. By their very nature these companies do not have the marketing budgets necessary to reach their customers through mass-media marketing or non-targeted advertising, nor do they have the brand recognition necessary for customers to come on their own.

Our renowned startup speaker at the event Petra Sundell from the Swedish company UpBeater summed it up very clearly:

"If we can't use targeted ads, our clients would have to waste money, money they don't have."

Although this is a concern we also see positive resonance in the act to phase out the dark patterns and thereby incorporate more free choice. As today's speaker Michał Boni (Former Digitalisation Minister and MEP, Spokesperson for the CDA of SMEs) said "*The center of the discussion should be the model and not targeted ads*". Both startups and SMEs share the responsibility to which their customers are not tricked into making undesirable decisions that later have logically negative consequences.

Our future concerns

The upcoming European Parliament amendments on targeted ads will in the worst case if adopted, strip SMEs and startups of building their dreams and vastly increase barriers of entry.

Higher acquisition costs would make it harder for companies to reach global target groups. We hope that the parliament will stick to the compromise which the committee approved in December. Both to make sure that no startup, SME, or NGO ecosystem is left in uncertainty but also to make sure that the parliament's negotiation strength is not weakened when moving on into the trilogies.

We - startups and organizations - urge you to keep growth and innovation in mind when voting on the amendments and the final DSA text and we call on you to recognise the value of the EU's existing legal framework for privacy and data protection and to avoid the inclusion of provisions that would undermine it. At last, we urge the European Parliament to have startups', SMEs', & NGOs' interests at heart and recognize the importance of targeted advertising.

Many thanks to today's online participants and a special thanks to speakers who took time out of their calendar to discuss this very important matter.

- Christel Schaldemose, Rapporteur & MEP, S&D
- Henna Virkkunen, MEP, EPP
- Patrick Breyer, MEP, Greens/EFA
- Michał Boni, Former Digitalisation Minister and former MEP, Spokesperson CDA of SMEs
- Trine Angeline Sig, Partner, HeartCup
- Petra Sundell, CEO & Founder, Upbeater
- Michael Ewald Hansen, Ecommerce Director, Lakrids By Bülow
- Merete Gotsæd Falkenstrøm, Director of Fundraising & Marketing, Save the Children
- Benedikt Blomeyer, Director EU Policy, Allied For Startups

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