

## Annex 6: Market data

The EU online political advertising market has been steadily growing in the past years. However, the data available is scarce and highly inconsistent, limiting its analysis. The main cause underlying this lack of data is linked to the opacity of the online platforms. Despite of being the main intermediaries in the online political advertising market, and the commitments undertaken towards more transparency, the information disclosed is rather poor. Political parties are also hesitant to provide any details disaggregating their expenditure in online political advertising. Thus, the present analysis is based mainly in the Ad Transparency Report published by Mozilla Foundation, which covers adverts placed via Google and Facebook, and Google Transparency. Other sources are used whenever possible to fill in data gaps. Any conclusion is therefore significantly hampered by these factors.

Estimates of the size of the EU online political advertising market ranged from EUR 100 million<sup>1</sup> to almost EUR 43 million<sup>2</sup> in 2019. Google's transparency report, which records data from 20 March 2019 to 20 April 2021, reported that EUR 16,029,000 were spent in political advertising in the EU<sup>3</sup>. Thus, Facebook seems to clearly dominate the market. The dates in which the data was recorded and the inclusion of one or more platforms influence the figures to a certain extent, but the differences are still substantial.

To put these numbers in an international context, the total amount spent on Google political advertising in these two years in the EU is on par with the amount spent in the state of Ohio for only a slightly longer period (30 May 2018 – 20 April 2021). The total spent on political advertising in the USA in the period 30 May 2018-20 April 2021 reached EUR 622 million (USD 751 million).<sup>4</sup> Note that this spending coincides with the 2020 US Presidential election.

The European Parliament spent EUR 3.3 million in Facebook ads, whereas the European Commission spent EUR 105,000 in the same period (beginning of March to the end of May 2019). The Parliament spending was fairly uneven across the EU MS. For each EUR 28 spent per ad seen in Romania, the Parliament spent EUR 1460 in Greece, EUR 1240 in Portugal, EUR 810 in Bulgaria<sup>5</sup>. Out of the 28 Member States back then, 13 represented more than 20% of the total invested in political ads on Facebook. It is worth noting that the European Parliament did not post any advert in Latvia, according to Google Transparency.

Pan-European parties spent EUR 449,000 in total on Facebook advertising; a figure close to the budget of some national parties<sup>6</sup>. The European Greens invested EUR 272,440 (plus EUR 20,951 by the European Free Alliance and EUR 2,065 spent on the Facebook page of the Europeans), totalling EUR 295,456. Volt and DiEM25 also spent a significant amount. ALDE expenditure was almost inexistent<sup>7</sup>.

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<sup>1</sup> According to analysis by the political tech firm, Worldacquire, political parties and organisations across Europe spent at least EUR 100 million to advertise on Facebook and Google for their election campaigns in 2019 <https://worldacquire.com/2019/12/30/which-political-parties-in-europe-spent-the-most-on-online-political-advertising-in-2019/>

<sup>2</sup> Mozilla Foundation

<sup>3</sup> Google transparency report, available at: [https://transparencyreport.google.com/political-ads/region/EU?hl=en&spend\\_by\\_geo=p:3&lu=spend\\_by\\_geo](https://transparencyreport.google.com/political-ads/region/EU?hl=en&spend_by_geo=p:3&lu=spend_by_geo)

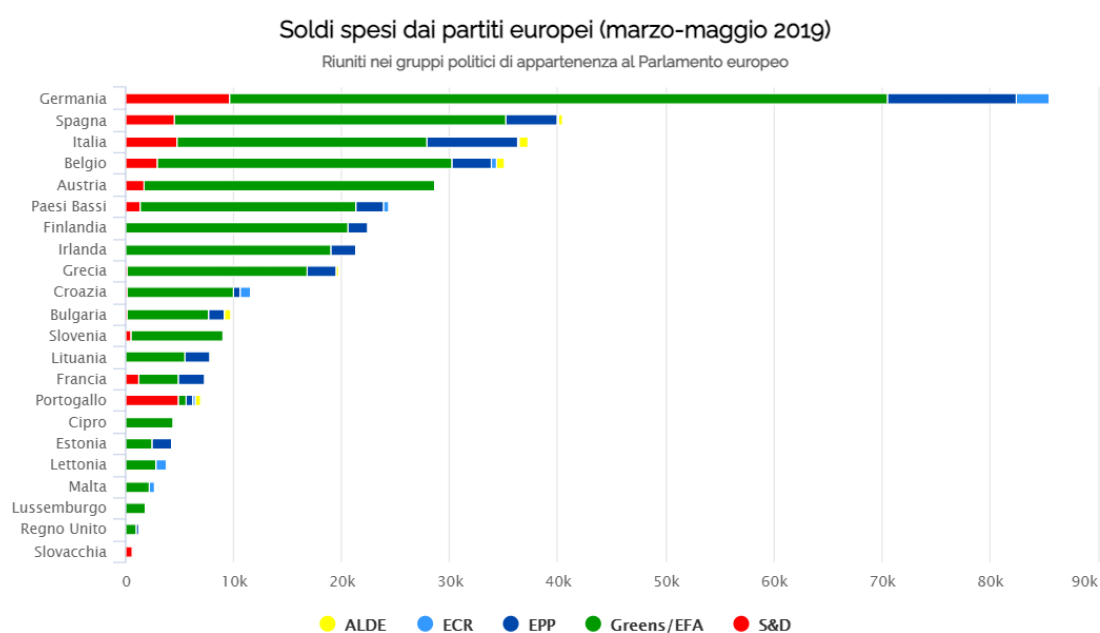
<sup>4</sup> Google transparency report available at <https://transparencyreport.google.com/political-ads/region/EU> last visited 20 April 2021

<sup>5</sup> European Data Journalism Network. How much did the European institutions and parties pay for ads on Facebook? [www.europeandatajournalism.eu/eng/News/Data-news/How-much-did-the-European-institutions-and-parties-pay-for-ads-on-Facebook](http://www.europeandatajournalism.eu/eng/News/Data-news/How-much-did-the-European-institutions-and-parties-pay-for-ads-on-Facebook), 17 June 2019

<sup>6</sup> 28 MS organisations that bring together MEPs of the same political orientation

<sup>7</sup> In an interview conducted during the study, the party indicated that the initial Facebook's ban of pan-European advertising and Twitter's blanked ban in political advertising led to minimise the investment in online political advertising to approximately EUR 100.

**Figure 1: Expenditure per EU political party and group in Member States**



Source: OBC Transeuropa

The table below shows the expenditure on online political advertising per Member States, including the number of advertisers, the number of adverts purchased/placed, the number of impressions (the metric that counts the total number of times digital advertisements display on someone's screen within the publisher's network) and the total amounts spent in each Member State.

**Table 1: Online political advertising figures in EU MS**

Country	Advertisers	Ads	Impressions	Spend (€)
Austria	1,545	13,089	199,000,000	1,870,000
Belgium	2,367	14,001	414,000,000	2,880,000
Bulgaria	830	3,162	43,800,000	136,000
Croatia	816	3,363	55,500,000	177,000
Cyprus	501	2,147	29,200,000	125,000
Czechia	1,067	7,945	103,000,000	414,000
Denmark	1,595	12,126	143,000,000	1,350,000
Estonia	579	2,545	25,000,000	139,000
Finland	1,320	7,744	97,800,000	997,000
France	3,400	14,577	283,000,000	2,310,000
Germany	4,605	43,231	499,000,000	5,520,000
Greece	1,526	9,241	272,000,000	1,010,000
Hungary	1,666	6,375	222,000,000	512,000

Country	Advertisers	Ads	Impressions	Spend (€)
Ireland	1,200	5,426	70,200,000	458,000
Italy	5,363	20,999	534,000,000	2,700,000
Latvia	646	2,643	24,800,000	107,000
Lithuania	707	3,432	50,800,000	208,000
Luxembourg	791	3,618	22,300,000	130,000
Malta	845	4.91	56,400,000	316,000
Netherlands	1,734	7,901	142,000,000	1,160,000
Poland	1,885	9,418	205,000,000	622,000
Portugal	1,277	4,800	55,900,000	189,000
Romania	1,396	7,115	379,000,000	786,000
Slovakia	897	7,638	132,000,000	845,000
Slovenia	702	3,009	23,700,000	127,000
Spain	2,348	27,997	612,000,000	4,440,000
Sweden	2,075	12,368	216,000,000	1,860,000
United Kingdom	5,381	56,748	932,000,000	11,500,000

Source: Mozilla Foundation

United Kingdom (EUR 11.5 million), Germany (EUR 5.5 million) and Spain (EUR 4.4. million) were the countries that spent the most in online political advertising during 2019. Eleven countries (AT, BE, DK, FR, DE, EL, IT, NL, ES, SE and the UK) have seen spending on political ads in the excess of EUR 1 million. Finland almost reaches this mark too. Conversely, six countries appear to have a smaller market during this time period of under EUR 150,000 (BG, CY, EE, LV, LT, and SI).

Considering only Facebook (1 March to 26 May 2019), Germany spent EUR 3.46 million, UK EUR 3.31 million, and Spain EUR 2.72 million. Covering a longer period of time, Google Transparency shows that the country with the most spending was Romania (EUR 2.7 million), followed by Germany (EUR1.5 million) and the Netherlands (EUR 1.3 million)<sup>8</sup>. This is likely to reflect the electoral cycle, since Romania, the Netherlands and Germany all oversaw elections during this period, in addition to the 2019 European elections (presidential and legislative elections, general election in 2021, and elections in eight out of the 16 federated states (Länder) respectively).

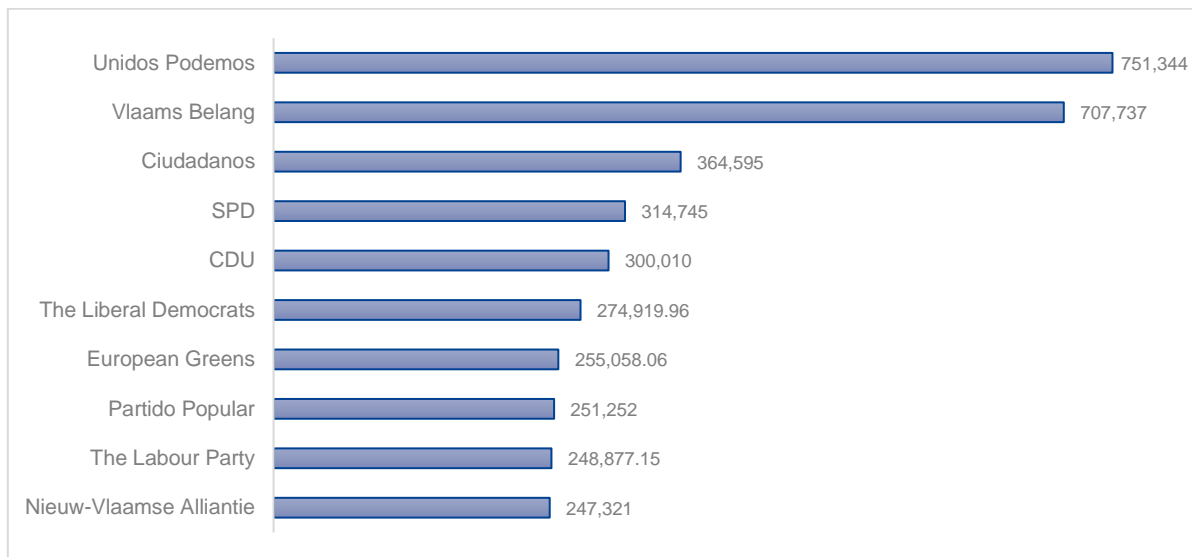
Except for the European Parliament, Unidas Podemos (ES), Vlaams Belang (BE) and Ciudadanos (ES) ranked first in terms of total spending in Facebook, Figure 2. All three parties are rather new, which may support the literature arguing for the potential of targeted online advertising<sup>9</sup> for disruptive political parties to reach audiences<sup>10</sup>.

<sup>8</sup> Google transparency report, available at: [https://transparencyreport.google.com/political-ads/region/EU?hl=en&spend\\_by\\_geo=p:3&lu=spend\\_by\\_geo](https://transparencyreport.google.com/political-ads/region/EU?hl=en&spend_by_geo=p:3&lu=spend_by_geo)

<sup>9</sup> All adverts in Facebook have basic targeting criteria, but these are not disclosed.

<sup>10</sup> Jarusch, J. (2020) Defining Online Political Advertising.

**Figure 2: Top 10 advertisers on Facebook during the European elections campaign**



Source: Local Focus NL

*Note: Excluding the EU parliament (€3m), Facebook (€1.4m) and all the ads without a disclaimer (€1.2m). From the 1st of March to the last election day, Sunday, 26 May. In euro.*

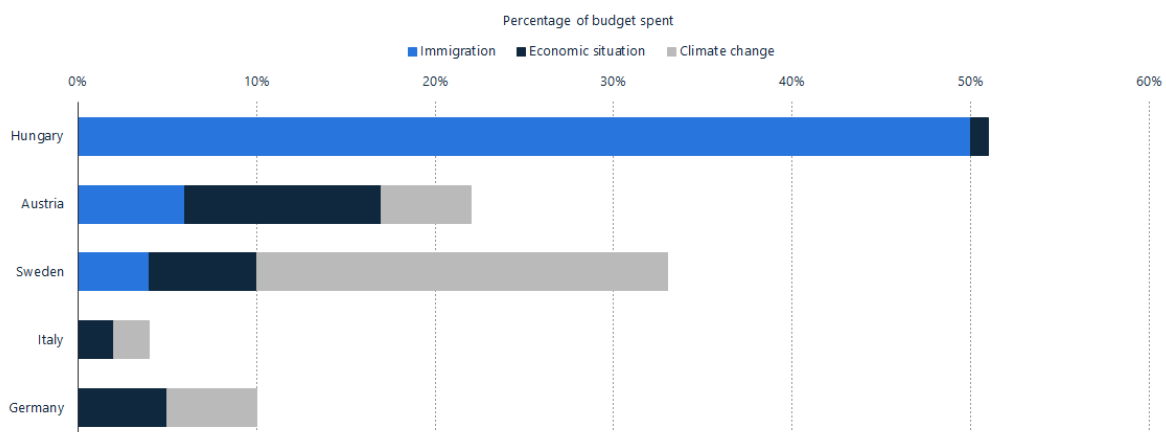
The fragmentation of the ads amongst different branches of the political parties and the potential difficulty to analyse the overall figures is worth highlighting.

Figure 3 shows the share of Facebook advertising budget spent on immigration, economy and climate topics by the European People's Party (EPP Group) in some countries. The comparison between Hungary and Sweden concerning immigration and climate change is likely to, to an extent, reflect different national narratives or discourse in the political debates across Europe. However, the figure shows that political parties engage in issue-based campaigning, going beyond the 'core' campaigning directly aimed at the mobilisation of the vote.

**Figure 3: Share of Facebook advertising budget spent by topic by the EPP in selected MS**

European Elections: share of Facebook advertising budget spent on immigration, economy and climate topics by the European People's Party (EPP) in selected European Union countries from March to May 2019\*

Facebook advertising spend priorities by EPP parties in selected EU countries 2019



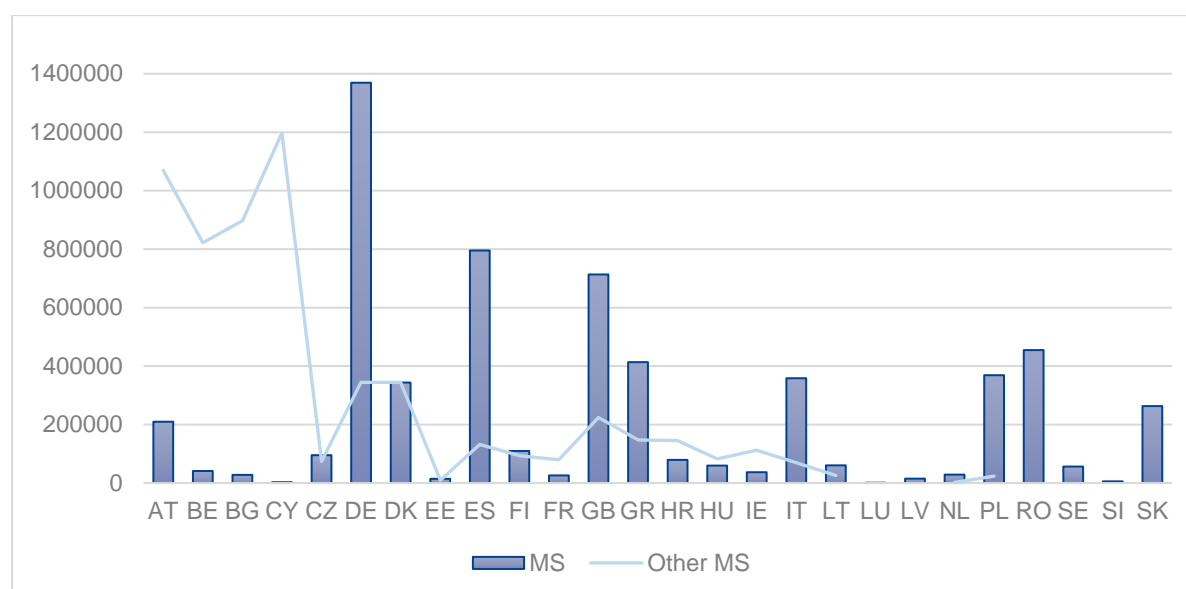
Source: Statista

A number of well-known NGOs such as Greenpeace or Save the Children also appear among the top advertisers. This is relevant to the issue-based advertising trends discussed as part of political advertising.

### Cross border

Figure 4 illustrates the expenditure on political advertising within the MS and coming from other MS based on the analysis of the information available in Google Transparency. The total amount of cross border online political advertising reached EUR 6,193,950.00 approximately<sup>11</sup>.

**Figure 4: Cross-border political advertising<sup>12</sup>**



Source: author's elaboration based on Google Transparency.

The cross-border activity is conducted by political parties, political candidates and companies. However, the identification of the advertiser is not always clear. In the case of Greece and Cyprus, the name of advertisers is sometimes a sequence of symbols, which seems to indicate an error when extracting data in Latin-alphabet. Some of the companies cannot be clearly identified because they share the name with other businesses or there is little information available on the Internet. This could raise certain questions about the legitimacy of the companies.

Interviewed public authorities explained that information published in online ad libraries does not necessarily reflect the amount of money spend on online political advertising at the national level<sup>13</sup>. Similarly, financial rules for political parties do not always demand that the expenditure is presented disaggregated, making impossible to know how the budget spent in online political advertising was allocated among online platforms and techniques (e.g., microtargeting). This is also applicable when the services are channelled through communication agencies or consultancies, or when third parties are paying for advertising on behalf of a political party, whether this is aware or not.

The most prominent bilateral cross-border activity in terms of expenditure can be found in Table 2.

**Table 2: Bilateral cross border expenditure in the 2019 EP elections**

Direction of the expenditure	Total	Direction of the expenditure	Total
Germany to Austria	€ 190,500	Ireland to United Kingdom	€ 145,600

<sup>11</sup> This figure excludes pan-European political parties, the European Parliament, and other sources which MS could not be clearly identified.

<sup>12</sup> NB: "MS" represents the expenditure within the MS, while "other MS" indicates the expenditure coming from other MS.

<sup>13</sup> See section 2.2.3 for a further discussion on the difficulties faced by Member States' authorities to oversee spending in online political advertising.

Direction of the expenditure	Total	Direction of the expenditure	Total
<b>The Netherlands to Belgium</b>	€ 348,300	<b>Slovakia to United Kingdom</b>	€ 145,150
<b>Poland to Germany</b>	€ 135,800	<b>Slovenia to Croatia</b>	€ 130,300
<b>Sweden to Denmark</b>	€ 239,400	<b>The Netherlands to Ireland</b>	€ 112,350

Source: author's elaboration based on Google's Transparency Report

As it can be observed, most of the cross border flows of money happened between neighbouring countries. One of two exceptions is Slovakia and the United Kingdom. In total volume of bilateral expenditure, the Netherlands tops the list with EUR 462,000 spent in Belgium, Germany, and Ireland. Slovakia follows with EUR 259,850 spread in Czechia, Greece, Hungary and Poland. Sweden ranks third with EUR 239,400, all spend in Denmark.

The case of Romania is relevant. National advertisers spent € 164,100 across nine Member States, namely: Bulgaria, Germany, Spain, United Kingdom, Greece, Croatia, Hungary, Italy, and The Netherlands. The receipt countries are a mix of neighbours and Member States where there is a big community of nationals from Romania. Reaching potential voters living abroad seem to be one of the main drivers explaining these expenses. In this respect, Romania and Slovakia were the two Member States with the most companies among political advertisers. However, since the Slovakian diaspora is not as prominent as the Romanian one, the price of Facebook ads or even the service providers can explain this.

Although the total expenditure is not as high, most likely due to the lower costs of advertising, it is worth mentioning the flows registered in the Baltic countries. Latvia posted advertising in Estonia (EUR 1,250) and Lithuania (€ 13,750), but none of these seem to have spent anything in political advertising in Latvia nor between themselves. The Visegrad Group (Poland, Czechia, Hungary and Slovakia) also registered a significant amount of cross border money flows<sup>14</sup>.

Luxembourg seems to be the only MS that did not engage in cross border activity in any direction. Interestingly, no adverts were posted in Latvia, Romania, Sweden, Slovenia and Slovakia from other MS.

As regards as political candidates, it is relevant to mention the European wide coverage of the Polish political campaign. The current president of Poland Andrzej Duda (*Komitet Wyborczy Kandydata na Prezydenta Rzeczypospolitej Polskiej Andrzej Dudy*), which spent EUR 212,100 in 10,918 ads across 23 Member States, namely: AT, BE, BG, CZ, DE, DK, ES, FI, FR, GB, GR, HR, HU, IE, IT, LT, LU, NL, PL, PT, RO, SE, SK. No ads were published in CY, EE, LV, and SI. The coalition in the opposition (*Koalicyjny Komitet Wyborczy Koalicja Obywatelska PO. N iPL Zieloni*) spent approximately half of the money EUR 109,750 in almost double of the ads 22,787 in 19 Member States: AT, BE, CY, CZ, DE, DK, ES, FR, GB, GR, HR, IE, IT, NL, PL, PT, RO, SE, SK. This

Having a closer look into service providers, as disclosed by Google's Transparency Report, there were companies with a widespread activity across the EU Member States. Magnet Media, a media company with offices in Estonia and Latvia, spent EUR 20,750 in 946 political ads in AT, BE, CZ, DE, ES, EU, FI, FR, HU, IE, IT, PL, RO, and SK. None of the ads seems to have been posted in Estonia. The company has 8 employees and works in traditional and online advertising<sup>15</sup>. mmb media Agentur hr, a marketing & advertising Croatian company that belongs to a Swiss conglomerate, spent EUR 22,250 in 2,781 ads in AT, BE, CZ, DE, ES, EU, FR, GB, HR, HU, IT, NL, PL, RO, SE, SI, SK. It has seven employees<sup>16</sup>. Amerisoft SRL, a Romanian digital marketing and publishing company, spent EUR 147,000 in 6,719 ads in AT, BE, BG, DE, ES, EU, FR, GB, HU, IT, LT, NL, PL, PT, and RO. Information about the number of employees is unavailable<sup>17</sup>. The Romanian political party Partidul Mișcarea Populară was among its

<sup>14</sup> Google Transparency Report

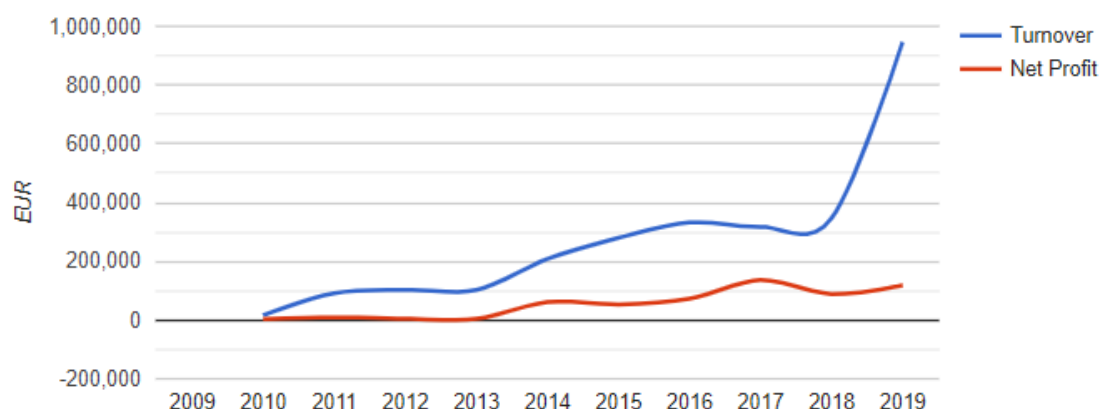
<sup>15</sup> Magnet Media: <https://en.magnetmedia.ee/>

<sup>16</sup> <https://mmb-media.hr/about-us/?lang=en>

<sup>17</sup> <https://www.romanian-companies.eu/amerisoft-srl-24975371/>

clients<sup>18</sup>. Another Romanian company, Atelierul de Internet SRL, spent EUR 603,750 on 2,497 ads posted in AT, BE, DE, ES, EU, FR, GB, HU, IE, IT, NL, RO. It employed seven people in 2019<sup>19</sup>. The correlation among its turnover and the 2019 elections is depicted in the Figure below.

**Figure 5: Atelierul de Internet SRL turnover and net profit 2009-2019**



Source: Romanian-Companies, Own elaboration

Other organisations that paid for online advertising are Momentum Institute, a Austrian think tank, Fazit Communication, a digital platform with journalistic content linked to the German Federal Foreign Office, or the Friedrich Naumann Foundation, or COBOLT, s.r.o., a Slovak company of construction.

Although difficult to estimate, the size of the cross-border online political advertising market is rather significant. In addition to European elections, the free movement of European citizens, especially in those Member States with an important diaspora, also constitute an important part of the business. National elections have transcended borders. As shown above, some of the companies involved in the provision of online advertising services are micro-enterprises, with less than 10 employees.

<sup>18</sup> <https://finantarepartide.ro/wp-content/uploads/2020/08/ANEXA-19-PMP-Alegeri-26-mai-2019-1.pdf>

<sup>19</sup> <https://www.romanian-companies.eu/atelierul-de-internet-srl-27224522/>