



October 18th 2021

Parlement Européen
Bât. Altiero Spinelli
15G317
60, rue Wiertz
B-1047 Bruzelles

Dear Mr Benifei,

On behalf of the Mobile Games Intelligence Forum (MGIF), we are writing this letter in response to the Digital Services Act and its potential impact on the mobile games sector, which is on track to surpass €78 billion in consumer spending in 2021,¹ occupies 50% of all user-acquisition ad spending on mobile devices,² and generated €8.3 billion in Europe in 2020, accounting for 64.8% of all mobile app revenue.³

MGIF welcomes the initial proposals for transparency in advertising whilst maintaining that it is important to strike a balance between what information would be useful to consumers and what would be technically feasible. Still, MGIF believes the focus should remain as intended by the European Commission and be limited to online platforms as opposed to the broader and diverse digital ecosystem.

Unlawful or misleading advertisements are already governed by European and national law, which MGIF members comply with for instance by filtering out content they do not want to be shown to their audience (e.g., choosing not to display any imagery or messaging pertaining to alcohol and other regulated products, political messages, etc.). These advertisements are addressed in instruments such as, inter alia, the GDPR and ePrivacy Directive, competition law, consumer law, advertising laws and regulations.

Focusing on GDPR, the mobile games industry has implemented the necessary legal steps to ensure that users have control and knowledge about the processing of their personal data and exercise their data protection rights – by providing data-protection friendly interfaces on a range of applications, platforms and devices that feature simple, uniform and easily accessible buttons to exercise key choices. At the same time, we understand that providing user control is not enough. Users should be empowered to make educated decisions about how to control their data, especially as it relates to targeted advertising. Players should, as required under the GDPR, receive sufficient information about how their personal information is being processed in the advertising ecosystem. All parties in the value chain should comply with these legal obligations and ensure full transparency on where and how personal data from users' devices is processed and used for targeted advertising purposes. Existing rules must be enforced.

As for targeted advertising, it has been crucial for the development and economic growth of European SMEs. First, it helped companies to reach their often-niche audience that would be far more difficult to reach through contextual advertisement. Secondly, SMEs seldom have the budgets to compete with larger industry players in the industry. Any form of prohibition on targeted advertising would slow down the growth and competitiveness of European SMEs, as contextual advertisement is generally a less efficient and therefore more expensive way to reach a relevant audience while favouring data-rich companies.

Conclusion

MGIF believes that a responsible advertising system would benefit both the European public and European companies, by giving people clear and transparent information about, and full control over the processing of their data. MGIF supports a holistic and measured approach to advertising practices, based upon existing

¹ <https://newzoo.com/insights/trend-reports/newzoo-global-games-market-report-2021-free-version/>

² https://insights.adjust.com/?utm_source=earned%20media&utm_medium=press%20release&utm_medium=en-partner-benchmarks-2021

³ <https://sensortower.com/blog/european-app-revenue-and-downloads-2020>



advertising, privacy and consumer protection regulations. We have concerns that some of the suggestions of the IMCO and associated committees pose unintended consequences for mobile games companies, especially European based ones, that operate in a dynamic digital gaming ecosystem. Risks include the potential for conflation with existing and/or proposed regulations, as well as the threat posed to established models around user acquisition and free-to-play access which form the backbone of our industry; indeed, most mobile games companies rely on those concepts which in turn benefit the consumers and provide choice and free access. MGIF therefore supports the approach of the DSA on advertising as proposed by the European Commission. The DSA works most effectively as a horizontal framework addressing the digital services industry and not as a pathway to regulate advertising. Transparency is the key here and should not be used to regulate value chains in specific industries.

About MGIF

The Mobile Games Intelligence Forum was established in January 2020 to discuss and debate issues facing the sector and its place within the global video games industry. Rather than a representative body or a trade group, MGIF is a European focused participatory Forum, sharing mobile games insight and perspectives. A range of developers of differing sizes participate in the Forum, including King, Miniclip, Playrix, Playtika, Roblox, Rovio, Supercell, Wargaming, and Zynga. They have in common a passion for mobile games. This paper does not represent the views of any single company, rather it is a sum of knowledge shared between MGI and Forum participants.⁴

Thank you and kind regards,

Mobile Games Intelligence (MGI)

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