

## Digital Comparison Tools Market Study:

### Response form

1. Thank you for taking the time to respond to the questions in the Statement of Scope for our Market Study of Digital Comparison Tools (DCTs), published on our [website](#) on 29 September 2016.
2. Please download and save this form before completing it. Please submit your response by **5pm on Monday, 24 October 2016**, either by:
  - Email to: [comparisontools@cma.gsi.gov.uk](mailto:comparisontools@cma.gsi.gov.uk).
  - Or by post to: Digital Comparison Tools Market Study  
Competition and Markets Authority  
7<sup>th</sup> floor  
Victoria House  
37 Southampton Row  
London WC1B 4AD
3. Please note:
  - You can choose which questions to respond to, but we ask all respondents to provide a small amount of background information at the start of this form. The boxes will 'expand' to accommodate long responses if required.
  - We are particularly keen to receive evidence in support of responses. If you are able to supply evidence please attach this with your response.
  - We intend to publish responses to our Statement of Scope in full. If you wish to submit information that you consider to be confidential, this should be indicated to us clearly and an explanation given as to why you consider it to be confidential.
  - The CMA may use the information you provide for the purposes of facilitating the exercise of any of its statutory functions. This may include the publication or disclosure of the information. Prior to publication or disclosure, in accordance with its statutory duties under Part 9 of the Enterprise Act 2002, the CMA will have regard to (among other considerations) the need to exclude, so far as is practicable, any information relating to the private affairs of an individual or any commercial information relating to a business which, if disclosed, would or might, in our opinion, significantly harm the individual's

interests or, as the case may be, the legitimate business interests of that business (confidential information). Further information about how the CMA will use information submitted during the Market Study can be found on our [website](#).

4. If you have any questions about our Market Study or this online form please contact the team at [comparisontools@cma.gsi.gov.uk](mailto:comparisontools@cma.gsi.gov.uk).

## Your details

(Fields marked \* are required)

<b>Title*</b>	Mr
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<b>Forename</b>	Mark
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<b>Surname*</b>	Attwell
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<b>Email*</b>	[✕]
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<b>What is your role / profession*</b>	Managing Director
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<b>Are you representing yourself or an organisation?*</b>	An organisation
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<b>If you are representing yourself rather than an organisation would you be content for us to include your name when we publish your response?*</b>	N/A
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### If you are representing an organisation:

<b>(a) What is the organisation's name?*</b>	DMC Digital Ltd
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<b>(b) Please could you briefly explain the role of your organisation, including the sectors in which it operates or has most interest?*</b>
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DMC Digital Ltd operate the website dealchecker.co.uk. We operate in the following travel verticals – flights, car hire, holidays, cruise and hotels. We also send out travel deals through our email database and social media channels.

## Theme 1: Consumers' perceptions, use and experience of DCTs

We will analyse consumers' awareness, understanding and perceptions of DCTs – for instance, how well consumers understand and/or trust DCTs, and what this means for whether they use them.

We also want to understand consumers' behaviour and experiences with DCTs, including what consumers expect to get from DCTs compared with what they actually receive. We will also look at whether they use DCTs just to compare products and suppliers or also to switch; how many DCTs they use; how successfully they use them; and the benefits they derive from doing so. We will also want to understand what happens when something goes wrong and consumers' expectations are not met (knowingly or otherwise). We also plan to understand whether increased use of DCTs results in excessive focus on price, to the exclusion of other factors and to the detriment of consumers' overall decision-making.

### **1. When and why do consumers use DCTs? To what extent do they trust them?**

Consumers have grown increasingly savvy in their purchases and many will spend time looking online for the best deal on their travel products. DCTs help facilitate this process. There is a trust element present as users associate our brand with the suppliers who appear on our site. They let us know when their experience with these suppliers falls short of expectations and that is valuable feedback for us in deciding whether to continue to feature that provider.

### **2. How do consumers choose which and how many DCTs to use?**

The majority of consumers are influenced by marketing in their choice of DCT. Whether that is through high profile television adverts or more targeted online marketing such as Google Adwords, Facebook ads or the DCTs' own email database.

### **3. What are consumers' expectations of DCTs – for instance in terms of market coverage and the relationships between DCTs and the suppliers they list?**

Our users are looking for a good range of suppliers to help them with their travel choices and can see we do not show the whole market. Most users who contact us also acknowledge that we are remunerated by suppliers. We are looking at ways to make this more transparent as we believe it is important to show we are independent from our partners and differentiates us from other similar sites in the marketplace.

**4. What are consumers' experiences of using DCTs? Do they benefit from using them and, if so, how? What works well and what could be improved?**

We believe that consumers benefit from using DCT's as they are made aware of brands that they perhaps would have not considered. We deeplink into supplier websites ensuring that consumers do not re-input their travel details a number of times, saving them time in researching and also taking them through to the relevant travel product. The constant challenge we have is integrating these suppliers and getting the right information from them to provide a good experience for our users.

## **Theme 2: Impact of DCTs on competition between suppliers of the services they compare**

A critical test of DCTs' impact is whether they are improving or hindering competition between suppliers. A major way of improving competition is increasing engagement through reducing search costs. We plan to understand this effect and whether anything may be hindering it.

We also want to explore the relationships between DCTs and suppliers and to know whether DCTs are having effects on supplier behaviour. For example, we want to explore the impact of DCTs on the range, quality and pricing of their services, and the extent to which this leads to better or worse outcomes for consumers. We also want to understand the extent to which DCTs facilitate supplier entry or expansion.

### **5. What factors influence suppliers' use and choice of DCTs and why?**

The key factor for a supplier in advertising with a DCT is their return on investment. Suppliers who do not see this will either not continue their advertising or alternatively agree different commercials. Other factors for suppliers to consider will include whether they can integrate their offering into a DCT and whether they meet any minimum requirements set by that DCT for featuring. DMC Digital looks at every direct partner before they are featured on our site and continually monitors them whilst they feature on our digital channels.

### **6. To what extent do DCTs make it easier for suppliers to enter the market, attract more consumers and engage more effectively with them?**

DCTs make it easier for smaller brands to compete with larger, established, household names. Digital marketing is evolving rapidly and travel brands are looking to grow outside of their traditional marketing channels (travel agents, print media, etc.). DCT's give exposure to traffic from new areas of digital marketing. Suppliers realise that to get the best conversion from DCTs, they have to improve their own websites to capture sales and given the transparency of pricing they have to provide the right supporting information to give the consumer confidence to book with them.

### **7. How have DCTs affected competition between suppliers? What impact has this had on the price, quality and range of products offered by suppliers?**

We believe DCTs have had a positive impact on competition within the travel space. New brands have been able to enter into the marketplace and compete with long established travel brands and in some cases do a better job than them. Travel providers have also diversified into other sectors. For example, flight agents are now heavily investing in package holidays and cruise to augment their traditional businesses. We have also seen suppliers expand into new countries. Travel advertisers continually test new destinations with us and will expand their range based on the traffic we can generate for them. Most importantly, suppliers have now recognised that they cannot only compete on price but their whole offering needs to be at a higher standard. We see suppliers improving the information on the site; working on their call centre experience or online booking journey; and developing their post booking experience.

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**8. What are the barriers, if any, to DCTs increasing competition between suppliers, and how can these be overcome?**

The quality of information provided by travel suppliers can sometimes limit us providing a better search experience to our users. By providing greater access to API's and improving the information within would enable DCT's to improve their user experiences and improve competition between suppliers.

**9. In what ways, if any, have DCTs changed suppliers' approach to consumers - for instance in terms of whether they treat consumers who use DCTs differently to those who do not?**

We see suppliers adopting different customer strategies across all the digital channels they operate. Whether it be a discount code for a customer on their own mailing list to free breakfast at a hotel if they book direct; suppliers are understanding each digital channel they are operating in and developing strategies to achieve the best conversion.

### Theme 3: Competition between DCTs

We will aim to establish whether DCTs are competing effectively with each other, as well as facilitating competition between suppliers of the services they compare. If not, we will explore what may be holding back competition in any particular market.

We will explore how DCTs compete both for consumers and for suppliers. We will assess what well-functioning DCT competition looks like, and the potential for DCTs or suppliers to engage in practices that limit this.

**10. In what ways do DCTs compete with each other – for instance in terms of coverage, the savings consumers can make, the services they provide, their ease of use, transparency and how they protect consumers' data?**

DCT's aim to have as wider coverage as feasibly possible. By having significant coverage, you are more likely to help users find the right travel product to match their requirements. DCT's continually are evolving their sites to make them easy to use and provide a clear path to book with a supplier. Hopefully the customer will like the experience and the wide choice and return to use the DCT for their future travel plans. From a supplier perspective, they get a better ROI and continue to advertise. Travel DCT's do use price saving messages and lead in prices and this can be helpful to help narrow the choice for the user and help them find the right travel product.

**11. What factors influence how effectively DCTs can compete – for example, whether they can secure the necessary consumer data, supplier information or other data?**

DCTs work on different models. Some focus on their brand to drive traffic through large television campaigns and strong offline marketing. Others focus on online channels to generate traffic to their site. For our business the quality of supplier information is very important in generating marketing campaigns.

**12. If there are barriers to competition between DCTs, how significant are these and how can they be overcome?**

We do not see any barriers to competition. Some of our direct competitors have more spend and greater resources than us whilst new entrants are always looking to join the market and compare travel in different ways. Our challenge is to develop our proposition and offering making us useful to customers save money on their travel.



## Theme 4: The regulatory environment

There is a range of regulation of DCTs in place across our sectors of interest, from full regulation in financial services to voluntary accreditation in the telecoms and energy sectors. We will provide an overview of the different approaches to regulation being adopted and assess whether there are lessons to be learnt from comparing approaches.

<b>13. Are there any areas of regulation or self-regulation applying to DCTs that lack clarity, certainty, consistency, or enforcement?</b>
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There are no areas of regulation which we believe need further clarification
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<b>14. Do there appear to be any areas where DCTs may not be meeting competition or consumer protection requirements?</b>
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We are not aware of any areas where DCTs are not meeting competition or consumer protection requirements.
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<b>15. Do any aspects of regulatory approaches to DCTs need to change and, if so, why?</b>
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There are no aspects which we believe need changing.
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In relation to all of the themes and issues set out earlier, we will look at both the current situation and the effect of likely future developments in the DCT sector.

**16. Finally and in relation to all of the issues above, what likely developments over the next three years should we take into account and why?**

Within the travel space there is lots of consolidation, especially in the airline industry. There is a potential danger that airline groups will restrict agents utilising fares within the DCT sector which would limit choice with customers.

**Other comments and further contact**

**Do you have any other comments you would like to add?**

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**Would you be willing for us to contact you to discuss your response?\***

Yes

**Thank you for taking the time to complete this form.**

**Please email it to: [comparisontools@cma.gsi.gov.uk](mailto:comparisontools@cma.gsi.gov.uk).**

**Or post it to:**

**Digital Comparison Tools Market Study  
Competition and Markets Authority  
7th floor  
Victoria House  
37 Southampton Row  
London  
WC1B 4AD**