

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.
 - Or by post to: Digital Comparison Tools Market Study
Competition and Markets Authority
7th 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.

Your details

(Fields marked * are required)

Title*	CEO
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Forename	Hugo
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Surname*	Burge
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Email*	[✕]
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What is your role / profession*	CEO – investor, entrepreneur
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Are you representing yourself or an organisation?*	An organisation <i>(please delete as appropriate)</i>
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If you are representing yourself rather than an organisation would you be content for us to include your name when we publish your response?*	Yes / No <i>(please delete as appropriate)</i>
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If you are representing an organisation:

(a) What is the organisation's name?*	Momondo Group Limited
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(b) Please could you briefly explain the role of your organisation, including the sectors in which it operates or has most interest?*

We are a travel search business, operating the Cheapflights & momondo online brands.

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 are confused about where to find all the options and the best prices. To our best ability we provide a comprehensive, **unbiased** aggregation of sellers for flights and hotels - online travel agents (OTA's), airlines & other suppliers. We believe that consumers like and trust our products and aim to only work with those suppliers that help us maintain that trust. We have positive net promoter scores, strong direct and repeat user traffic. Our category of search within travel – known as meta-search – is recognised for the loyalty and trust that it creates with users due to the fact that meta-search displays results based on the cheapest price (or whichever filter the user selects).

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

They are free to search as many as they like and would hear about them via press coverage, online marketing, TV advertising or through personal recommendations.

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

Consumers expect DCT's to provide a wide variety of options covering the majority of suppliers, ranked according to criteria they as consumers have set. This should allow them to quickly and easily make a well-informed decision about their purchase, based on their own needs. We also believe that they expect a better experience from a DCT than visiting one supplier or OTA on its own and we are able to exceed expectations on this account.

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 DCT's are a recognised trusted sector in travel and consumers benefit a lot from them – saving themselves the time and stress involved in conducting extensive online research themselves, and by helping them to find the 'best' (value for money) deal. Indeed, some suppliers try to push back from the transparency DCTs create. Areas of focus are: accuracy of pricing from partners (this is good generally), comprehensiveness (this is good generally), clarity that we do not sell product ourselves (this is good but can occasionally cause some confusion), taxes & fees (this is good and we strive to include all compulsory fees).

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?

For suppliers, we are a profitable marketing channel and a good value alternative acquisition source to Google as an incremental source of extra bookings. Suppliers will generally choose to work with DCT's who have meaningful traffic volumes and high-quality users (i.e. are likely to make a purchase). Some suppliers worry about becoming reliant on DCT's and would prefer to obfuscate the market, to try to reach consumers directly without full market knowledge.

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

We are an important marketing channel for hundreds of suppliers, many of whom are new generation OTA's that have grown to compete in a digital marketing landscape. Without us some would not exist. We offer suppliers the ability to display their offerings to a significant user base with no upfront charge to advertise on our websites and mobile apps.

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

This is harder for us to comment, but I believe that DCT is a force for transparency and more open competition in the industry.

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

Regulations with regards to maximum credit card fees & charges. Laws governing the accessibility of prices published in the marketplace to allow unrestricted access.

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?

The area that we police are the imposition of fees late in the purchase funnel, which are obfuscated or hidden from the consumer until the last-minute.

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?

There is significant competition between DCT's in travel – it is a highly competitive and global industry. DCT's look to differentiate themselves from each other on all the factors listed above.

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

Data can be held back by suppliers – especially airlines and increasingly hotels too. This risks leading to a lack of competition and transparency.

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

I do not see any.

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.

13. Are there any areas of regulation or self-regulation applying to DCTs that lack clarity, certainty, consistency, or enforcement?

We self-regulate: accuracy of prices given by suppliers, reasonable and transparent fee levels with our suppliers. We think this is adequate but welcome regulations in this area for suppliers. We would welcome regulation on the accessibility of pricing from suppliers to help us make our product as accurate, comprehensive, trusted and transparent as possible. Our desire is there, but we can be restricted by suppliers trying to distort the market.

14. Do there appear to be any areas where DCTs may not be meeting competition or consumer protection requirements?

Not in my opinion.

15. Do any aspects of regulatory approaches to DCTs need to change and, if so, why?
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Not in my opinion.

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?

A focus on ensuring that big consolidated suppliers don't get to distort the market and that transparent pricing is maintained by laws on transparent tax & fee charging.

Other comments and further contact

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

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

Yes
(please delete as appropriate)

Thank you for taking the time to complete this form.

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Or post it to:

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