

Digital Comparison Tools Market Study:

Update Paper - Response form

1. Thank you for taking the time to respond to the questions in the Update Paper for our Market Study of Digital Comparison Tools (DCTs), published on our [website](#) on 28 March 2017.
2. Please download and save this form before completing it. Please submit your response by **5pm on Monday, 24 April 2017**, 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 Update Paper 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*	Mr
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Forename	Mark
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Surname*	Attwell
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Email*	
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What is your role / profession*	Managing Director
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Are you representing yourself or an organisation?*	An organisation
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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?*	N/A
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If you are representing an organisation:

(a) What is the organisation's name?*	DMC Digital Ltd
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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?*
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DMC Digital is a travel comparison business. Our primary website is www.dealchecker.co.uk. For this study the sector of most interest is Flights.

Consumers

1. Should we focus our attention on the consumer groups we identify in Chapter 5 (see paragraphs 5.82 to 5.95) and if not, what groups should we focus on?

In your segments, it wasn't clear which group focused on users who use DCT's solely for information but do not purchase directly through the DCT channel. For example, a user might see a flight price on a DCT but then decide to transact through a cashback site or use the price to haggle on the phone with a travel agent.

2. In which sectors do DCTs not currently play a major role but could in principle offer substantial benefits to consumers? Why have they not become established in these sectors?

The main sectors of the travel industry are represented by DCTs.

3. How has the growing use of DCTs affected suppliers' offers to consumers who do not use DCTs in our case study sectors and more broadly? What impact have DCTs had on suppliers' ability to discriminate between active and inactive consumers? What are the implications for vulnerable consumers?

Consumers continue to have a wide range of options when purchasing their travel products. Leading travel agents have realised they can provide a more personalised and tailored approach to certain travel products and have continued to be successful offline. In some cases, certain travel suppliers have decided to support agents as their main channel and have become "trade only"

4. What factors, if any, have we missed that may be holding back consumers from using DCTs?

We don't believe there are any further factors to consider

5. What, if anything, should be done about consumers' concerns about data sharing and the extent to which they feel in control?

All online businesses, not just DCT's, should be clear to consumers about how they use data.

6. What actions, if any, are needed to improve the way consumers use DCTs – including multi-homing and using DCTs' functionalities such as filtering and ranking?

Improved attribution from suppliers would highlight the wider impact that DCT's play in the purchasing process. By understanding consumer behaviour in a more detailed way, suppliers could change the way they work with DCT's, widening their participation, and thus encouraging more multi-homing.

Inputs to DCTs

7. Have we captured the range of issues that might prevent DCTs from operating effectively?

We believe you have captured the main issues

8. Do the issues identified materially affect DCTs' ability to operate effectively and deliver good consumer outcomes?

We believe that DCT's in our sector continually look to provide better outcomes for consumers and where there are barriers we have all looked to remove them

9. Are current or planned initiatives sufficient to address the issues found?

We believe our current plans to improve the flight journey align to our desired goals. Encouraging suppliers, to provide the data is our biggest challenge.

Competition

DCTs' market position and barriers to entry and expansion

10. What explains the strong position of a specific DCT in each of our case study sectors? What do DCTs do to grow their business in sectors where they appear to be relatively small compared to the leading DCT of the sector?

DCT's should continue to innovate, improve their customer service, work closely with the suppliers, and always continue to explore growing the user base. This is true for leaders in the sectors and those in the chasing pack.

11. What are the barriers, if any, for DCTs to enter or expand into sectors where they currently do not provide comparison services or where they are currently relatively small?

Knowledge within a sector is a key factor to expansion. Our team's expertise lies in travel and for us to move into another sector and provide a good customer experience would require expertise in that space.

Agreements between DCTs and suppliers

12. What has been the impact of the removal of wide MFNs in the private motor insurance sector?

N/A

13. What has been the impact of narrow MFNs in the sectors where we have observed them (home insurance, private motor insurance, credit cards, broadband and flights)?

dealchecker does not have any narrow MFN's with suppliers.

By removing narrow MFN's in the flights market, the direct channel could also encourage consumers to not shop around. For example, messages such as "come direct to find the best deal" might be used aggressively to encourage consumers to not shop around on DCT's, OTA's and offline travel agents.

14. What is the commercial rationale for the non-brand bidding and negative matching agreements we have observed (in all of our case study sectors) and what is their commercial and competitive impact?

Suppliers are looking for DCT's to demonstrate they have a user base that is not built just on brand bidding. This fosters longer term relationships and introduces a different audience to the supplier.

15. What is the commercial rationale for the non-resolicitation agreements we have observed (in home insurance and energy) and what is their commercial and competitive impact?

N/A

16. In which other sectors, if any, are (i) wide or narrow MFNs; (ii) non-brand bidding or negative matching; or (iii) non-resolicitation agreements in place? What impacts do they have in these sectors?

Non brand bidding/negative matching agreements are prevalent in the online affiliate marketing space. This puts similar restrictions on online marketing channels such as cashback/voucher code sites, expert blogs, lead generation businesses, etc...

17. Are there any other agreements in place that may affect the effectiveness of DCTs and/or the effectiveness of competition between DCTs (and competition between DCTs and other sales channels)?

We are not aware of any other agreements

Unbundling and hollowing out

18. How has the growth of DCTs affected product features and/or the product mix in our case study sectors over time? What specific evidence/examples indicate these changes?

Innovation in selling flight seats has been constant in the sector, even before DCT's were created. Airlines and OTA's are continually looking for new ways to sell their product and DCT's provide great transparency in enabling businesses to constantly analyse their competitors' offering is and where they might be winning.

19. How widespread is the use of product reviews and ratings on DCTs and what has been the impact, if any, of the use of these tools?

For less well known brands, good reviews/ratings can be a help when competing with well-established suppliers. Reviews have also helped us to understand customer service issues that occur from time to time

20. What needs to be in place to prevent or mitigate any harmful impact of product unbundling or hollowing out and what can DCTs do about it?

Further clarity from the supplier site on what is included and what isn't. Some users may want the stripped-down product but extras should not be hidden in terms and conditions or inaccessible to the DCT.

Regulation

21. What are your views on the issues we list in Table 8.1 and at paragraphs 8.13 to 8.42 of Chapter 8 and how could they be addressed?

This study has highlighted the wide disparity within the comparison space with many different businesses comparing many different products. We have seen through participating in this study that different practices are prevalent in different industries. Should regulation be introduced for DCT's, we would like to see the guidelines being inclusive to cover all those in the comparison – from the the largest broadband comparison, to the small business comparing ski transfers to the blog providing comparison advice on exotic pet insurance.

22. What is the balance between potential benefits and risks in introducing a cross-sector approach? What would be the most effective approach(es), and why?

We would like to see an approach which can allow small comparison business to flourish alongside the larger companies within the space.

23. How could a cross-sector approach interact with existing regulatory frameworks?

We believe this is a significant challenge as existing regulators are very different in their approach and remits.

The future of DCTs

24. What future developments outlined in Chapter 9 are likely to have the greatest impact in driving engagement? If there are any important developments we have missed, what are they and why are they important?

Improved attribution analytics by suppliers would show the importance DCT's play in the customer journey. For example, many suppliers do not attribute those users who get information on a DCT but then purchase through a different. Advertisers only recognise those who provide the last click but others may have helped in the sales funnel.

25. What future DCT-related technologies might affect or assist vulnerable consumers?

You have covered the most important areas

Other comments and further contact

We welcome submissions on any of the issues we address in our update paper from interested parties. We would particularly like to hear views, supported wherever possible by evidence, on the following themes if not already addressed above:

- a) What DCTs do and the benefits they can offer.
- b) Consumers' views on and use of DCTs.
- c) Inputs to DCTs.
- d) Competition between DCTs and between DCTs and the suppliers whose services they compare.
- e) Regulation of DCTs.
- f) The future of DCTs.
- g) The focus of the second part of the market study.

Do you have any other comments you would like to add?
We have no further comments

Would you be willing for us to contact you to discuss your response?*	Yes
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Thank you for taking the time to complete this form.

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WC1B 4AD**