

20 April 2020

By e-mail

Competition and Markets Authority  
The Cabot  
25 Cabot Square  
London E14 4QZ  
United Kingdom

FAO: [REDACTED]

Dear Sirs –

Amazon.com, Inc. / Rooffoods Ltd. (Deliveroo)

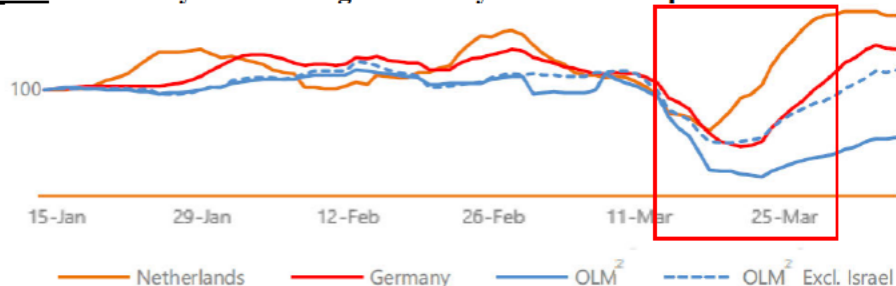
We hope that you are well in these uncertain times. Thank you for the invitation to comment on your review of the proposed transaction between Amazon.com and Deliveroo. [REDACTED]

We were encouraged to see the CMA [REDACTED] take timely action on the Amazon.com transaction with Deliveroo. We strongly believe that in a fast-moving sector like online food delivery, timely regulatory action is essential as these businesses seek to adapt to the changes driven by the COVID-19 pandemic.

However, we were disappointed to see the Amazon.com transaction provisionally approved on the basis of COVID-19's impact on Deliveroo when this approval could have dramatic long-term implications for competition in the sector. We ask you to consider some of the following data before finalizing your views on the Amazon.com investment in Deliveroo.

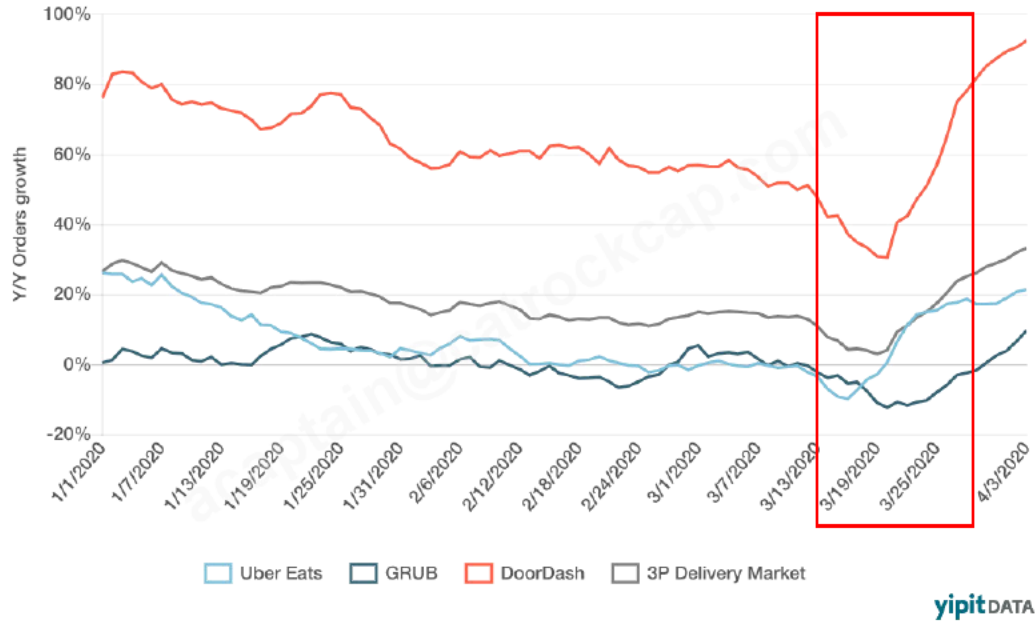
- 1) **COVID-19 Impact on Deliveroo Revenue Trajectory:** The 'Summary of Provisional Findings' document uses the presumption that "Deliveroo has...experienced a significant decline in revenue" in supporting its conclusion that Deliveroo needs the Amazon.com investment to remain solvent. We think it is critical that the CMA assess whether the negative COVID-19 impact on Deliveroo's revenue persisted beyond an initial 1-2 week lock-down period, since the COVID-19 pandemic has actually *increased* revenue for online food delivery companies globally beyond this initial period. Takeaway.com, for example, provided the following chart in its first quarter order update:

**Exhibit 1: Takeaway.com Rolling Seven Day Order Development in Jan. – Mar. 2020**



It is clear from this data that while COVID-19 caused a significant decline in orders in the third week of March, this decline was short-lived and quickly reversed. We have observed similar data in the United States for logistics players UberEats and DoorDash:

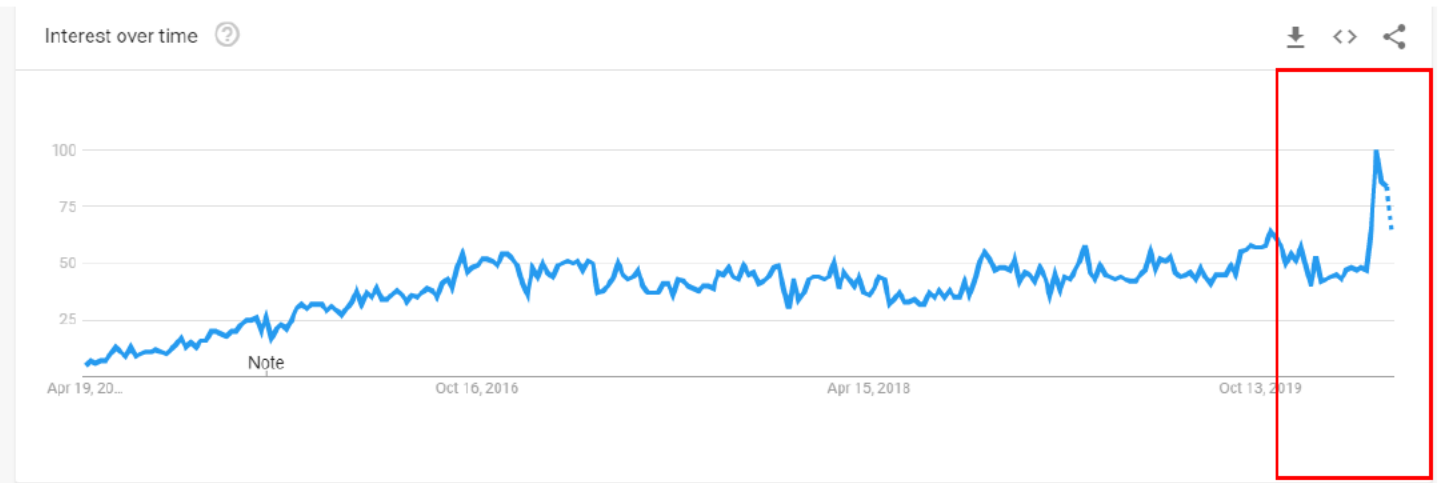
**Exhibit 2: Estimated Order Growth by Delivery Platform (YipitData Email Receipt Analysis)**



The data from other countries clearly shows that orders and revenue deteriorate upon the initial implementation of a quarantine, then actually accelerate as consumers move past the initial disruption of the quarantine.

In fact, there is strong evidence that Deliveroo has experienced a massive *increase* in interest as a result of COVID-19. Google Trend search interest, for example, has almost doubled in recent weeks.

**Exhibit 3: Deliveroo Google Trends in the United Kingdom (sourced 17 April 2020)**



The CMA has provisionally approved the Amazon.com investment in Deliveroo because it seems that COVID-19 has driven a “significant decline” in Deliveroo’s revenue. If Deliveroo in fact *benefits* from the changes in customer behavior resulting from COVID-19, Deliveroo would not face financial difficulties or fail to secure alternative funding any more than it would prior to the emergence of the COVID-19 pandemic.

**We therefore urge the CMA to confirm that Deliveroo in fact continues to experience a “significant decline” of revenue in recent weeks before finalizing its provisional finding in this case.**

- 2) **Amazon.com Relationship with Deliveroo:** The COVID-19 pandemic has only strengthened Amazon.com's dominant position in e-commerce and grocery delivery around the world and in the United Kingdom.

[REDACTED]

The CMA may be forced to approve the Amazon.com investment without a comprehensive review because the COVID-19 pandemic puts Deliveroo in an untenable position. However, the CMA is not forced to approve this transaction unconditionally. In fact, the COVID-19 pandemic only underscores the need for vibrant competition in the markets for e-commerce, online food delivery, and online grocery as a matter of public safety.

**In light of the COVID-19 pandemic's impact on this review process, we urge the CMA to establish strict safeguards that limit Amazon.com's ability to exercise control over Deliveroo, integrate its services with Deliveroo, or collaborate with Deliveroo in this market.**

Thank you for considering our views and reviewing the data that we have provided. We hope you find some of it helpful, and please do not hesitate to reach out to discuss it with us.

Best Regards,

[REDACTED]