



Google's Response to Working Paper #6: Cloud Gaming Services: Nature of Competition and Requirements for Native Apps on Mobile Devices

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Introduction & Summary

1. Google welcomes the opportunity to respond to the CMA's Working Paper on the nature of competition in cloud gaming and requirements for native apps on mobile devices (**WP6**).
2. The CMA's issues statement indicated that the CMA would focus on whether Apple's cloud gaming policies on iOS result in an adverse effect on competition (**AEC**). In line with that statement, WP6 notes that cloud gaming service providers "have a number of concerns about the application of Apple's App Review Guidelines (and, to a lesser extent, Google's Play Billing requirement)" (emphasis added), suggesting the concerns regarding Google's conduct are focused on the Google Play Billing requirement. WP6 recognises, however, that this is subject to a separate ongoing CMA investigation in which Google has proposed commitments.
3. Relatedly, we welcome WP6's finding that "*fewer concerns have been raised in relation to Cloud Gaming Services operating as native apps on the Google Play Store*" and its acknowledgement that "*[t]here are a number of active Cloud Gaming Services native apps on the Play Store.*"¹ Cloud gaming apps have significant flexibility as to how they distribute, promote, and monetise their apps on Android. Cloud gaming apps are available on—and fully supported by—Google Play, which does not impose equivalent restrictions on cloud gaming apps as other platforms.
4. WP6 also recognises that Google offers cloud gaming developers the option of offering in-app purchases or operating the app on a "consumption-only" basis, *i.e.*, without needing to use Google Play's billing system or pay service fees. WP6, however, raises questions about whether "consumption-only" apps "*might feature less prominently compared to apps offering in-game transactions on app stores generally*" and that the developer "*is not able to monetise the app and/or it leads to an inferior user experience.*"² These concerns appear to have been raised by one cloud gaming developer (Microsoft).

¹ WP6, ¶¶5.4 and 5.5.

² WP6, ¶5.5

5. These concerns lack evidential basis and do not result in an AEC. In fact, Google offers cloud gaming developers a number of monetisation options and they can choose the one best suited for their desired user experience. We explain below: (i) how Google supports cloud gaming apps on Android (**Section I**); and (ii) why the allegations made in respect of Google Play are inaccurate and therefore there is no AEC on Android (**Section II**).

I. Google Supports Cloud Gaming Apps on Android

6. **Cloud gaming developers have many options to distribute their apps to Android users.** While WP6 focusses on Apple's and Google's *app stores*, it is important to acknowledge that cloud gaming app developers (like all Android app developers) have several options to distribute their apps on Android besides Google Play. In other words, Android developers are not required to comply with Google Play's terms to reach Android users as there are other viable alternatives.
7. For example, Android supports several different app stores, such as Samsung's Galaxy Store, which is preinstalled on all Samsung devices. Users can also download apps directly from the internet via sideloading. In addition, Android supports progressive web apps (**PWAs**), which are not subject to the same limitations as on other platforms (e.g., as regards API access or the browser engine that can be used). There are several examples of successful PWAs on Android, including Tinder and X (formerly Twitter).
8. **Cloud gaming apps are fully supported on Google Play, and developers are free to choose how they offer their content to users.** WP6 acknowledges that Google Play does not impose equivalent restrictions on cloud gaming apps as Apple's App Store has done.³ On the contrary, cloud gaming apps have significant flexibility on Google Play, including how they offer their content to users and choose to monetise this:
 - **Google Play allows cloud gaming apps to offer a gameplay version of their app in the store.** Cloud gaming apps are not required to submit separate apps for each individual game available on their app, making it easy for them to offer their content to users.
 - **Cloud gaming apps have several options as regards monetisation.** Cloud gaming apps—like other apps on Play—have many options for monetising their apps. They can, for example, offer in-app transactions or subscriptions, or operate an ad-funded or “consumption only” model.

³ WP6, ¶3.11(a).

II. The (Limited) Allegations in Respect of Google Play Cited in WP6 Do Not Withstand Scrutiny

9. The CMA's issues statement noted that it proposed "to focus [its] investigation on whether Apple's App Store policies effectively ban cloud gaming services from the App Store and whether this weakens competition in the distribution of cloud gaming."⁴ No issues relating to cloud gaming were identified about Google Play at that time nor in the earlier mobile ecosystems market study.
10. WP6 continues to focus on Apple's App Store and finds that Google Play does not impose equivalent restrictions. It nevertheless cites a submission from Microsoft that:
- It had chosen to offer its cloud gaming app on Google Play on a "consumption-only" basis so it did not need to pay Google Play service fees, which it considered made in-app purchases unviable for technical and economic reasons; and
 - It had concerns that the "consumption-only" option resulted in disadvantages because it could not "monetise the app and it leads to a 'broken user experience.'"
11. As regards the requirement to use Google Play billing for in-app purchases, WP6 acknowledges this is the subject of a separate investigation under the Competition Act 1998. The CMA is currently considering Google's proposed commitments involving offering developers alternative billing options to UK users to address the CMA's concerns. Accordingly, we do not comment further on this in this response.
12. In respect of the allegations regarding "consumption-only" apps:
13. **Google Play does not discriminate against "consumption-only" apps in terms of ranking and discoverability.** WP6 cites concerns that "*consumption-only apps might feature less prominently compared to apps offering in-game transactions on app stores generally.*"⁵ This is incorrect. Google Play does not discriminate between apps offering in-app purchases versus "consumption-only" apps. "Consumption-only" apps are ranked in the same way as all other apps on Google Play, based on factors including: (i) relevance to the user; (ii) quality of the app experience; (iii) editorial value; (iv) whether the developer has paid for advertising; and (iv) the overall user experience.⁶

⁴ CMA Issues Statement, ¶52.

⁵ WP6, ¶3.11(b).

⁶ See Google Play Console Help, [App discovery and ranking](#). Google constantly strives to improve its ranking and discoverability systems, for example through experiments and testing.

14. **Offering an app “consumption-only” is a viable and attractive way to reach users.** Many apps on Google Play operate successful “consumption-only” models, which enable developers to monetise their apps outside Google Play. Developers have many ways to operate a “consumption-only” model, such as through selling physical cards (e.g., in supermarkets) the value of which can be redeemed in the app or by selling subscriptions or (other items) on their website that can be accessed on their app through the user logging into their account. These include some of the most successful apps in the world, such as Netflix (which as of July 2024 had been downloaded over 1 billion times on Google Play globally), as well as popular UK media apps such as NOW UK.
15. Operating “consumption-only” is ultimately the app developer’s choice: should they wish to monetise the app in other ways (e.g., a free app funded through ads, an upfront charge or subscription for the app, in-app purchases, or a freemium model), they are free to do so. For completeness, Microsoft alleges that operating a “consumption-only” model leads to a “*broken user experience*.” This allegation is too vague for Google to interrogate and respond to. It is, however, clearly inaccurate to say that operating “consumption-only” is not viable from a user experience perspective, given the number of successful apps that operate this model and that apps like Netflix operate an arguably more enhanced user experience on mobile (which is “consumption-only”) by allowing the user to download movies and series to watch offline.

Conclusion

16. Google has always supported the distribution of cloud gaming apps on Android devices, and there are a number of different options for cloud gaming developers to reach Android users.
17. The number of successful cloud gaming apps operating on Android—whether distributed through Google Play or other stores, and whether “consumption-only” or with in-app purchases—demonstrates their usefulness and popularity for both developers and users. There is no requirement to use Google Play. But developers that do choose to distribute their cloud gaming apps through Google Play have a number of monetisation options, including monetisation through in-app purchases or through other channels. Google Play has policies in place to ensure that users have a consistent experience across all apps, whether “consumption-only” or with in-app purchases. There is therefore no AEC relating to Google’s app store policies in relation to cloud gaming apps.
18. We therefore suggest the CMA continues to focus its investigation on Apple’s cloud gaming policies as set out in the issues statement.

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