

NOTICE UNDER SECTION 11(1) OF THE DIGITAL MARKETS, COMPETITION AND CONSUMERS ACT 2024 (THE ACT)

The Competition and Markets Authority (**CMA**) hereby gives notice as required by section 11(1) of the Act (the **Notice**) that it is commencing an initial strategic market status (**SMS**) investigation pursuant to section 9(1) of the Act (the **SMS Investigation**).

The Notice sets out the matters in respect of the SMS Investigation required by section 11(2) and (3) of the Act.

Purpose and scope of the SMS Investigation

1. The purpose of the SMS Investigation is for the CMA to decide whether to designate the undertaking known as Google (as described at paragraph 2 of this Notice) under section 2(1) of the Act as having SMS in respect of the digital activities carried out by Google as described in this Notice.

The undertaking to which the SMS Investigation relates

2. The Google undertaking includes:
 - a. Alphabet Inc., a public listed company incorporated in Delaware, United States of America under registered number 5786925, having its registered office at 1600 Amphitheatre Parkway, Mountain View, CA 94043, United States of America;
 - b. Google LLC, a private limited company incorporated in Delaware, United States of America under registered number 3582691, having its registered office at 1600 Amphitheatre Parkway, Mountain View, CA 94043, United States of America;
 - c. Google Ireland Limited, a private limited company incorporated in the Republic of Ireland under registered number 368047, having its registered office at Gordon House, 4 Barrow Street, Dublin, D04 E5W5, Ireland; and
 - d. Google UK Limited, a private limited company incorporated in the United Kingdom under registered number 03977902, having its registered office at 1 St. Giles High Street, London, WC2H 8AG, United Kingdom.

The digital activities to which the SMS Investigation relates

3. The SMS Investigation relates to Google's provision of the following services on smartphones and tablets (together referred to as **mobile devices**):
 - a. a mobile operating system or equivalent, which acts as an intermediary between hardware and software on the mobile device, enabling software applications (referred to as **applications** or **apps**) and services to run on the device (**Mobile Operating System**);
 - b. a service which enables the installation, distribution and operation of native apps on mobile devices, which are apps written to run on the Mobile Operating System (**Native App Distribution**); and
 - c. a mobile browser and mobile browser engine, which comprises:
 - i. the provision of a software application that enables users of mobile devices to access and search the internet and interact with web content; and
 - ii. the provision of a mobile browser engine, which is the underlying technology which native apps on mobile devices use to transform web page source code into content with which users can engage (collectively **Mobile Browser and Browser Engine**).
4. The CMA considers that the provision of each of: the Mobile Operating System; Native App Distribution; and the Mobile Browser and the Browser Engine, may constitute the provision of a service by means of the internet and/or the provision of one or more pieces of digital content, within the meaning of section 3(1)(a) and/or section 3(1)(b) of the Act respectively.
5. Further, the CMA considers that these digital activities may be treated as a single digital activity within the meaning of section 3(3) of the Act, as they can be carried out in combination with each other to fulfil the specific purpose of facilitating interactions between users and providers of digital content and services (as applicable) on mobile devices in order to allow users to access, view and engage with such content and services on their mobile devices (single digital activity referred to as the **Mobile Ecosystems Platform**).
6. Based on Google's current business model, the CMA considers that:
 - a. the main Google services and digital content likely to be included in the Mobile Operating System include the operating system currently known as Android, that is (i) used on Google's own mobile devices; and (ii) licensed by Google to certain third-party mobile device manufacturers (**OEMs**)

under agreements referred to in this Notice as the Android Licence Agreements.¹

- b. the main services and digital content likely to be included as part of Native App Distribution include:
 - i. the pre-installation, placement and defaults settings of Google's own apps on Android mobile devices by OEMs;
 - ii. the process for users to 'sideload' native apps onto Android mobile devices; and
 - iii. the installation, distribution and operation of third-party native apps through the Play Store, including but not limited to associated services such as the supply of application programming interfaces (**APIs**) to app developers for the purpose of listing on the Google Play Store; and the provision of editorial content and the app discovery and ranking features within the Google Play Store (as applicable).
 - c. the main services and digital content likely to be included in the Mobile Browser and Browser Engine include: the mobile browser currently known as Google Chrome and the browser engine currently known as Blink.
7. The CMA may change its view of the scope of the SMS Investigation. If it does so, it will give Google a revised version of this Notice in accordance with section 11(4) of the Act.
8. In accordance with section 9(1) of the Act, the CMA has reasonable grounds to consider that it may be able to designate Google as having SMS in respect of the provision of the digital activities described in paragraphs 3 to 6 of this Notice in accordance with section 2 of the Act. Those reasonable grounds are set out in the Annex to this Notice in accordance with section 11(2)(a)(i) of the Act.

Closure of SMS Investigation before reaching a final view

9. In accordance with section 12 of the Act, the CMA may close the SMS Investigation at any time before it has reached a final view on the matters mentioned in paragraphs (a) and (b) of section 2(1) of the Act, by giving notice to Google to that effect.

¹ These agreements include but are not limited to the European Mobile Application Distribution Agreement, under which Mobile Device manufacturers license APIs needed for many apps to run, and the Android Compatibility Commitment under which Mobile Device manufacturers agree to maintain a certain minimum level of compatibility with a baseline version of Android; the latter is set out in the Compatibility Definition Document. See Mobile Ecosystem Market Study (**MEMS**), Appendix E, in particular at paragraphs 4-5 and 19-30.

The SMS Investigation Period

10. In accordance with section 14(2) of the Act, if the CMA does not close the SMS Investigation under section 12 of the Act, the CMA must give Google a notice setting out its decisions as a result of the SMS Investigation on or before the last day of the period of nine months beginning with the date of this Notice, being 22 October 2025 (the **SMS Investigation Period**), unless the SMS Investigation Period is extended.

Circumstances for extension of the SMS Investigation Period

11. In accordance with section 104 of the Act, the CMA may publish a notice extending the SMS Investigation Period:
 - a. where the CMA considers that there are special reasons for doing so, by up to three months; or
 - b. where the CMA considers that: a person has failed to comply with any requirement of a notice under section 69 of the Act, or a notice under section 72 of the Act, which was given in relation to the SMS Investigation; and the failure is preventing the CMA from properly discharging the digital markets functions to which the SMS Investigation relates, until that person gives the information in question to the CMA or, as the case may be, answers questions and provides explanations to the satisfaction of the CMA.

Publication of this Notice

12. As soon as reasonably practicable after giving Google this Notice, the CMA will, in accordance with section 11(5) of the Act:
 - a. publish this Notice on its website; and
 - b. give a copy of this Notice to the Financial Conduct Authority, the Office of Communications, the Information Commissioner, the Bank of England and the Prudential Regulation Authority.

Competition and Markets Authority

23 January 2025

Annex: Reasonable Grounds

13. For the purposes of sections 11(2)(a)(i) and 9(1) of the Act, the CMA sets out below **its reasonable grounds to consider that:**

Google may meet the turnover condition (sections 2(3) and 7 of the Act)

14. The turnover condition may be met in relation to Google pursuant to section 2(3) and section 7 of the Act as the CMA estimates that the total value of the global turnover of Google in the most recent period of 12 months, in respect of which the CMA considers that it is able to make an estimate of Google's relevant turnover, exceeds £25 billion: Google's published accounts indicate that its 2023 turnover was US\$307.4 billion.²

Google may meet the SMS conditions and its digital activity may be linked to the UK in respect of the provision of the Mobile Operating System

Google's Mobile Operating System may be linked to the United Kingdom (UK) for the purposes of section 2(1)(a) and 4 of the Act

15. The Mobile Operating System may be linked to the UK for the following reasons:
- a. Mobile devices using Android are used by a significant number of UK users and Google's Android is the only licensed Mobile Operating System in the UK. In 2021, there were [30-40] million active Android smartphones and [5-10] million active Android tablets in the UK.³
 - b. Google carries on business in the UK in relation to the provision of its Mobile Operating System as it supplies this on mobile devices that are sold to consumers in the UK.
 - c. As the provider of one of two main operating systems in the UK for mobile devices and the only significant licensable Mobile Operating System available to OEMs, the effect on trade in the UK from Google's licensing of its Android Mobile Operating System is likely to be immediate, substantial and foreseeable.

² Alphabet Inc [2023 10-K](#), consolidated statement of income for the year ended 31 December 2023, page 52. There are reasonable grounds to consider that the turnover condition may be met notwithstanding any adjustments through applying the methodology set out in the Digital Markets, Competition and Consumers Act 2024 and Consumer Rights Act 2015 (Turnover and Control) Regulations 2024.

³ [MEMS final report](#), paragraph 3.159.

Google may have substantial and entrenched market power (SEMP) in respect of its Mobile Operating System (sections 2(2)(a) and 5 of the Act)

16. Google may have *substantial market power* in respect of its Mobile Operating System for the following reasons:
- a. Google's version of Android is currently the only licensable Mobile Operating System in the UK. Apple's iOS mobile operating system is the only other mobile operating system with any material presence in the UK, but is only available on Apple mobile devices. ⁴
 - b. In 2021, Android mobile devices comprised around [40-50]% of active smartphones and [30-40]% of active tablets in the UK. ⁵
 - c. There is limited effective competition between Android and iOS mobile devices given significant segmentation of the smartphone market between Android and iOS mobile devices and the presence of material perceived barriers to switching. ⁶
 - d. Rival operating systems face material barriers to entry and expansion as a result of factors such as: (i) strong indirect network effects and economies of scale in the development and maintenance of its Mobile Operating System; (ii) significant barriers in encouraging other manufacturers to license a third-party mobile operating system; and (iii) the challenge of overcoming barriers to switching away from their current Mobile Ecosystem Platform. ⁷
 - e. Given these barriers to entry and the fact that Android is the only licensable Mobile Operating System in the UK, manufacturers appear to have no credible alternative option but to license the Android Mobile Operating System. ⁸
 - f. Between at least 2011 and 2021, Google has consistently earned substantial profits from its Mobile Ecosystem Platform with very high margins and returns on capital employed (i.e. the annual return made on the investments needed to run the business). ⁹
17. The CMA has reasonable grounds to consider that Google's position in the provision of its Mobile Operating System may be *entrenched*. The strength of

⁴ MEMS Appendix L, paragraph 67.

⁵ MEMS Final Report, paragraphs 3.18 and 3.24.

⁶ MEMS Final Report, paragraph 3.121 and MEMS Appendix L, paragraph 75.

⁷ MEMS Final Report, paragraph 3.178 and MEMS Appendix L, paragraph 76.

⁸ MEMS Appendix L, paragraph 77.

⁹ MEMS [Final report summary](#), p.6.

Google's market power and level of profitability, as outlined in the previous paragraph, is indicative of its likely position in the coming years. The CMA is not aware of any potential future technological and/or other changes that would materially alter Google's position over the proposed designation period, particularly given the strength of its market power and the substantial barriers to entry which reinforce its position.

Google may have a position of strategic significance (POSS) in respect of its Mobile Operating System (sections 2(2)(b) and 6 of the Act)

18. Google may have POSS in respect of its Mobile Operating System for the following reasons:
- a. In relation to the condition in section 6(a) of the Act:
 - i. Google has achieved a very significant size and scale in the supply of its Mobile Operating System, with its services and digital content being used by a very high proportion of the population. In 2021, Android mobile devices comprised around [40-50]% of active smartphones.¹⁰
 - ii. In 2021, Android mobile devices comprised around [30-40]% of active tablets in the UK.¹¹
 - b. In relation to the condition in section 6(b) of the Act: Mobile devices using Google's Android Mobile Operating System provide a key gateway through which many businesses provide content and services to mobile users in the UK.¹² Through its agreements with, and payments to, manufacturers of mobile devices, Google is in a position to influence the pre-installation of its own apps and services on Android mobile devices and certain design choices such as the placement and default settings for those apps and services. This includes: (i) the Play Store; and (ii) Google Chrome and Google Search, which are key gateways for the provision of web content and general search services.
 - c. In relation to the condition in section 6(c) of the Act: Google is in a position to extend its market power into other areas of its Mobile Ecosystem Platform, as set out in the paragraph above.¹³
 - d. In relation to the condition in section 6(d) of the Act: Google's control over its Mobile Operating System and its various first party apps and services

¹⁰ MEMS Final Report, paragraphs 3.18 and 3.24.

¹¹ MEMS Final Report, paragraphs 3.18 and 3.24.

¹² MEMS Final Report Summary, p.3.

¹³ MEMS Appendix L, paragraph 85 and 86.

allows it to determine the ‘rules of the game’ for manufacturers and developers.¹⁴ For instance, Google can determine the extent to which manufacturers can differentiate their versions of Android, by requiring manufacturers wanting to license any of Google’s other apps and services to enter Google’s Android Compatibility Commitment under which they agree to maintain compatibility with a baseline version of Android.

Google may meet the SMS conditions and its digital activity may be linked to the UK in respect of Native App Distribution

Google’s provision of Native App Distribution services may be linked to the UK for the purposes of section 2(1)(a) and section 4 of the Act

19. Google’s provision of Native App Distribution services may be linked to the UK for the following reasons:
- a. Google carries on business in the UK in relation to the provision of Native App Distribution services as it provides them in the UK.
 - b. Google’s Play Store is pre-installed on the vast majority of Android mobile devices. In 2021, Google generated £[200-400] million of revenue in the UK from apps downloaded from the Play Store.¹⁵
 - c. While some OEMs have their own app stores, as one of the two main platforms for Native App Distribution in the UK on mobile devices, the effect on trade in the UK from Google’s Native App Distribution is likely to be immediate, substantial and foreseeable.

Google may have SEMP in respect of its Native App Distribution (sections 2(2)(a) and 5 of the Act)

20. Google may have *substantial market power* in Native App Distribution for the following reasons:
- a. The Play Store accounted for [90-100]% of downloads on Android mobile devices in every year since at least 2017 until 2022, which was when the CMA published its MEMS final report.¹⁶
 - b. Alternative Android app stores face material barriers such as indirect network effects and Google’s agreements which lead to the pre-installation and prominent placement of the Play Store.¹⁷

¹⁴ MEMS Appendix L, paragraph 84.

¹⁵ MEMS Appendix L, paragraph 102.

¹⁶ MEMS Appendix L, paragraph 96.

¹⁷ MEMS Appendix L, paragraph 97.

- c. The competitive constraint from alternative Native App Distribution methods within Google’s Mobile Ecosystem Platform is limited, since pre-installation of apps is not a viable alternative for the vast majority of third-party app developers, and “sideloading” is rarely used due to the process users have to follow.¹⁸
 - d. Web apps, which are separate apps that can be saved to a user’s home screen from a browser, are generally not considered by app developers to be a realistic alternative to listing native apps through an app store, due to the limited features and functionalities available for web apps.¹⁹
 - e. There is limited competition from Apple and its App Store for either app developers or users. In order for Android user to access the App Store, they would be required to purchase an iOS Mobile Device, and such switching is limited as explained above at paragraph 20(c). Most developers tend to develop an app for both the App Store and the Play Store.²⁰
 - f. There is a limited competitive constraint from alternative devices such as PCs, laptops or games consoles. These devices are primarily used for different purposes and are mainly viewed by users as complements rather than substitutes for the use of native apps on mobile devices.²¹
21. The CMA has reasonable grounds to consider that Google’s position in Native App Distribution may be *entrenched*. The strength of Google’s market power, as outlined in the previous paragraph, may be indicative of its future position. For instance, and as noted above, the Play Store accounted for [90-100]% of downloads on Android mobile devices in every year since at least 2017 until 2022, and significant barriers exist for alternative native app distribution. The CMA is not aware of any potential future technological and/or other changes that would materially alter Google’s position over the proposed designation period, particularly given the strength of its market power and the substantial barriers to entry which reinforce its position.

Google may have POSS in respect of Native App Distribution (sections 2(2)(b) and 6 of the Act)

¹⁸ MEMS Appendix L, paragraph 97.

¹⁹ MEMS Appendix L, paragraph 99.

²⁰ MEMS Appendix L, paragraph 99.

²¹ MEMS Appendix L, paragraphs 95-100.

22. Google may have POSS in respect of Native App Distribution for the following reasons:
- a. In relation to the condition in section 6(a) of the Act: the Play Store is pre-installed and placed prominently on almost all Android mobile devices, with on average between [1.5-2.5] million users downloading at least one Native App through the Play Store in the UK on any given day during a short period in 2022. ²²
 - b. In relation to the condition in section 6(b) of the Act: Google's Play Store is an important access point or gateway to users for a diverse and large range of businesses. Nearly 1 million app developers had [3-3.5] million native apps on the Play Store in the UK in 2021. ²³
 - c. In relation to the condition in section 6(c) of the Act: Google is in a position to extend its position of market power in relation to the Play Store to gain a competitive advantage in other activities. In particular, Google may gain preferential access to Native App Distribution for its first party apps and services, which may not have to sufficiently follow the same terms and fees as third-party apps. ²⁴
 - d. In relation to the condition in section 6(d) of the Act: Google is able to determine the 'rules of the game' for app developers seeking to distribute apps on Android by setting the terms of access to the Play Store and by influencing key aspects of Native App Distribution on Android mobile devices (for example, through the Android Licence Agreements between Google and OEMs). App developers seeking to distribute apps on Android have little choice but to accept Google's terms of access. ²⁵

Google may meet the SMS conditions and its digital activity may be linked to the UK in respect of the provision of the Mobile Browser and Browser Engine

Google's provision of Mobile Browser and Browser Engine may be linked to the UK for the purposes of section 2(1)(a) and section 4 of the Act

23. Google's provision of Mobile Browser and Browser Engine may be linked to the UK for the following reasons:
- a. Google's Chrome has a significant number of users in the UK: it had a UK share of supply of 77% on Android mobile devices in 2023. ²⁶ In 2021, Chrome had a UK share of supply of 74% on Android mobile devices. ²⁷

²² MEMS Appendix L, paragraph 102.

²³ MEMS Appendix L, paragraph 103.

²⁴ MEMS Appendix L, paragraph 105.

²⁵ MEMS Appendix L, paragraph 104.

²⁶ Mobile browsers and cloud gaming market investigation provisional decision report (MBCG MI PDR), paragraph 3.139.

²⁷ MEMS Final Report, paragraph 5.31.

- b. Google carries on business in the UK in relation to the provision of its Mobile Browser and Browser Engine as it supplies them in the UK.
- c. As one of the two main mobile browsers and browser engines in the UK, and the only one available to those OEMs that license Google's Mobile Operating System, the effect on trade from Google's provision of its Mobile Browser and Browser Engine is likely to be immediate, substantial and foreseeable.

Google may have SEMP in respect of the provision of the Mobile Browser and Browser Engine (sections 2(2)(a) and 5 of the Act)

24. Google may have *substantial market power* in respect of the provision of its Mobile Browser and Browser Engine for the following reasons:

- a. In 2023, Google's mobile browser, Chrome, had a UK share of supply of 77% on Android mobile devices.²⁸ In 2024, Chrome had a UK share of supply of 46% across all mobile devices.²⁹ In 2021, Chrome had a 74% UK share of supply on Android mobile devices.³⁰
- b. In 2023, Google's browser engine, Blink, had a UK share of supply of 95% on Android, with Firefox being the only notable mobile browser available on Android that uses a different engine.³¹ In 2021, Blink had a UK share of supply of 95% on Android.³²
- c. As a result of the Android Licence Agreements between Google and OEMs, Google's Chrome is pre-installed, prominently placed, and set as the default mobile browser for many Android devices, creating barriers to entry and expansion for competing mobile browsers.³³
- d. Other factors contributing to Google's market power include: (i) network effects caused by web developers seeking to develop content that is compatible with the most widely used browser engine;³⁴ and (ii) a lack of understanding and engagement on the part of consumers about how to choose which mobile browser they are using on mobile devices (and/or change which mobile browser is set as default).³⁵

²⁸ MBCG MI PDR, paragraphs 3.139.

²⁹ [Statcounter, Mobile & Tablet Browser Market Share United Kingdom](#), accessed 10 January 2025.

³⁰ MEMS Final Report, paragraph 5.31.

³¹ MBCG MI PDR, paragraph 3.139.

³² MEMS Final Report, paragraph 5.31.

³³ MEMS Appendix L, paragraph 116.

³⁴ MEMS Appendix L, paragraph 116; MEMS Final Report, paragraphs 5.78-5.79.

³⁵ MEMS Final Report, paragraph 5.97.

25. The CMA has reasonable grounds to consider that Google's position in relation to the provision of the Mobile Browser and Browser Engine may be *entrenched*. The strength of Google's market power outlined in the previous paragraph is indicative of its likely future position. The CMA is not aware of any potential future technological and/or other changes that would materially alter Google's position over the proposed designation period, particularly given the strength of its market power and the substantial barriers to entry which reinforce its position.

Google may have POSS in respect of the provision of the Mobile Browser and Browser Engine (sections 2(2)(b) and 6 of the Act)

26. Google may have POSS in respect of the provision of its Mobile Browser and Browser Engine for the following reasons:
- a. In relation to the condition in section 6(a) of the Act: mobile browsers are a key gateway through which UK smartphone users access and search the internet. UK smartphone users spend an average of three hours a day using their mobile devices.³⁶ Approximately 8% of user time spent on mobile devices in 2022 consisted of interacting with standalone mobile browser apps.³⁷ In 2023, Google's mobile browser, Chrome, had a share of supply of 77% on Android mobile devices.³⁸ In 2021, Chrome had a 74% UK share of supply on Android mobile devices.³⁹ In 2024, Chrome had a share of supply of 46% across all mobile devices.⁴⁰
 - b. In relation to the condition in section 6(b) of the Act: mobile browsers are apps which provide the primary gateway for users to access the web on their mobile devices, and hence for businesses to reach users with their content and products. Chrome is therefore an important access point or gateway to users for a diverse and large range of businesses. This includes both online content providers and search engine providers.⁴¹
 - c. In relation to the condition in section 6(c) of the Act: Google can use its position in Mobile Browser and Browser Engine to extend its market power into other activities. For example, without sufficient regulatory scrutiny and oversight, Google is in a position to influence the supply of digital advertising products and services, for example by retaining the

³⁶ [OFCOM Online Nation 2022](#), page 4.

³⁷ [Statista, Share of global time spent on browsers and apps 2022](#), accessed on 10 January 2025. Although the figure relates to Android users, it is likely to be similar for iOS users.

³⁸ MBCG MI [PDR](#), paragraphs 3.139.

³⁹ MEMS Final Report, paragraph 5.31.

⁴⁰ [Statcounter, Mobile & Tablet Browser Market Share United Kingdom](#), accessed 10 January 2025.

⁴¹ MEMS Appendix L, paragraph 120.

functionality associated with user tracking for Google, whilst restricting this functionality for third parties (including by giving users the choice to restrict third-party cookies).⁴²

- d. In relation to the condition in section 6(d) of the Act:
- i. Google's position in Mobile Browser and Browser Engine, and the impact of network effects due to web developers seeking to develop content that is compatible with the most widely used browser engines, may allow it to have a significant influence on web standards.
 - ii. This could allow Google, among other things, to support its preferred implementations of these web standards, which must then be followed by competing mobile browsers.⁴³

⁴² MEMS Appendix L, paragraph 121-122; CMA [Investigation into Google's 'Privacy Sandbox' browser changes](#) case page.

⁴³ MBCG MI PDR, paragraph 2.120.