

Competition and Markets Authority – SMS Investigation into Google’s general search and search advertising services

Comments provided by International Airlines Group (IAG)

This paper offers brief comments on the CMA’s investigation with reference to air travel.

IAG is the parent company of Aer Lingus, British Airways, Iberia, LEVEL and Vueling which together carry more than 115 million customers a year. As such IAG has considerable interest in the distribution of its airlines’ tickets.

Our overriding concern is to ensure that our airlines’ customers have transparent, clear information about their purchases whichever channel they are buying through.

Google Flight Search (GFS) plays an important role in the market but we do not have currently have a concern about their Strategic Market Status (SMS) in respect of its provision of general search and search advertising services. GFS provides customers with a transparent price comparison tool that allows them to find cheaper prices and choose between suppliers and intermediaries.

We suggest that if the CMA should consider the wider online ecosystem to ensure that customers have the transparency they require when making bookings.

In one respect, this means ensuring they have an understanding as to whether they are buying directly from an airline/supplier or through and intermediaries. They must also have sufficient confidence that they are being given the necessary information about the services and products included with their purchase and any additional costs, as well as the level of post-sales customer service to which they are entitled.

We note that the online market can be confusing for a customer who might only travel once or twice a year. The differentiation between the airlines own sites and those of intermediaries such as travel agencies is not always clear or easy to find. Customers at times can also mistake online travel agencies for objective price comparison sites, unaware of additional fees they might incur. In particular we are concerned with some practices we have seen from certain online travel agencies, such as 'bait and switch' pricing (that is, attracting traffic by advertising lower rates, but increasing them through mark-ups on ancillaries) adding unexpected fees or charging fees for services that are free with the airlines.

We encourage the CMA to consider these factors in its investigation.