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Our Ref: TC/ADM838
3 February 2025

Dear Sirs,

Re: Movement for an Open Web submission on the CMA's SMS investigation into Google's general search and search advertising services

We write on behalf of the Movement for an Open Web ("**MOW**"). We comment on Google's strategic market status ("**SMS**"), and on the CMA questions regarding the potential interventions as remedies to the harms likely to be identified in the "**Investigation**"[1] (see the CMA's Invitation to Comment[2]).

We consider that the CMA needs to take swift action and demonstrate its effectiveness in supporting competition and growth by addressing restrictions on output with remedies now. The CMA has identified 3 key issues that can be addressed now:

1) Illegal revenue sharing deals. These can be declared to be illegal so that Google's anti-competitive revenue sharing and default setting agreements with Apple and others would be invalid and unenforceable, enabling the parties to them to operate without competitive constraint. Overnight change to the market is unlikely, but it can be expected that the considerable financial rewards Google has been paying out to prevent competition would cease and innovation and competition would emerge rapidly. For example, AT&T and Apple were highlighted in Judge Mehta's Opinion[3] in *USA v Google (Search)* [2020] as competitors currently restrained by contractual restrictions. Once freed of those obligations, they would have every reason to invest and compete.
2) Illegal foreclosure of competing search engines. It may be remedied by ordering access to Google's search index and its relevance engine (we provide more detail on a royalty free worldwide licence for the use of Google's intellectual property as the central element of the remedy in the copy of our submission in **Appendix 2**). Google currently offers such access provided the competing search business (access seeker) agrees to take the access together with Google's ad network. A remedy would need to uncouple the access to index and relevance engine from the obligation to use Google's ad network. This can be put in place swiftly. The CMA can act now following the finding of illegality under US law in August 2024 in a form that would be consistent with *USA v Google (Search)* [2020] Plaintiffs' Initial Proposed Final Judgment dated 20 November 2024. In **Appendix 2** we outline what needs to be accessed and how an effective remedy may be put in place.

[1] https://www.gov.uk/cma-cases/sms-investigation-into-googles-general-search-and-search-advertising-services
[2] https://assets.publishing.service.gov.uk/media/678524823ef063b15dca0f04/Invitation_to_Comment.pdf
[3] https://storage.courtlistener.com/recap/gov.uscourts.dcd.223205/gov.uscourts.dcd.223205.1033.0_3.pdf

3) The CMA identifies Google's practice of self-preference and self-promotion of its own products into its search engine results pages. As found by the EU Commisison in its 2017 Decision in *Google Search (Shopping)*[4] and supported and endorsed on Appeal at the General Court and then court of the CJEU on 10th September 2024, Google's practices should be more properly be called "discrimination" in relation to competing vertical search engines since they discriminated against rivals by treating them differently from its own products. It does not index or rank its own products but instead shows them at the top of search engine results pages when others would be more relevant. Since the introduction of the Universal Search algorithm in 2007/8, this practice applies to all Google products being News, Shopping, Maps, Images, Finance, Travel etc. It is the subject of European Digital Markets Act 2022 proceedings. To ensure that UK businesses and consumers do not endure anticompetitive harm, this practice can be enjoined now. Interim measures giving effect to injunctive relief, ordering the suspension of the activity pending the outcome of the CMA investigation, would be the most effective action in the short term.
4) Similarly to the approach in point 3, above Google should be ordered to stop discriminating in the presentation and display of AI answers and stop bundling its own AI overviews into its general search results.

Remedies also need to be considered while investigating harms so that evidence can be gathered that support remedies that are suitable to address the issues identified.

Google has SMS

1. Google provides general search – a facility that is used by people searching for many different things – some commercial and many not commercial. It is ultimately based on an index and series of algorithms that present relevant results to users in search engine results pages. Over time, that system has shifted from a mechanism for finding relevant websites to a vehicle for promotion of products and services by commercial organisations.[5]

2. We welcome and support the distinction between general and specialised search that is described in the CMA's Invitation to Comment (para 17) [6] and Investigation Notice (para 6.b.) and will support the testing of this description in the course of the CMA's Investigation.[7]

3. We further welcome and support the CMA's inclusion of the Google search engine's components (the underlying web crawling, indexing and ranking infrastructure, and the search engine results page)[8] as well as Google's search advertising products (including Google Ads and its campaign management tool SA360)[9].

CMA Specific Questions

Q1: Do you have views on the proposed scope of our investigation and candidate descriptions of Google's general search services?

[4] https://ec.europa.eu/competition/antitrust/cases/dec_docs/39740/39740_14996_3.pdf
[5] United States v. Google LLC, 20-cv-3010 (APM).
[6] Strategic Market Status Investigation into Google's General Search and Search Advertising services Invitation to comment
[7] See the Commission's Google Search (Shopping) Decision (2017), which assessed the difference between general search services versus specialised search services (see section page 31 of the decision available at https://ec.europa.eu/competition/antitrust/cases/dec_docs/39740/39740_14996_3.pdf)
[8] Invitation to Comment, para 17
[9] Invitation to Comment, para 22

4. We consider the scope to be reasonable provided it is not interpreted so narrowly as to exclude the context of the market structure and arrangements and agreements that Google has entered into to monopolise the market. These are detailed in Judge Mehta's opinion dated 5 August 2024 in the *USA v Google (Search)* [2020] case[10] and includes a set of agreements with browser owners, telecommunication companies and original equipment manufacturers that have changed the incentives of companies in related markets, limiting entry into search and restricting access to search access points such as browsers.

5. The scope needs to bear in mind that Google is an on-line advertising business, and its customers are advertisers. Users are a source of data and can be thought of as a type of asset.

6. The revenue sharing agreements are agreements about information sharing about users' interests between competitors. Google and Apple in particular limit data about users interests from being supplied to others to increase their data set for advertising. They effectively pool information about users interests and deny rivals from obtaining access to it. This increases the value of Apple's revenue share, which is a percentage of the advertising sales made by Google to advertisers on Google Search . Their Information Services Agreement need to be considered in this context.

7. Apple is incentivised to block users from being seen by and interacting with other search engines or publisher websites. This blocks knowledge about those users' needs, wants and desires from being available to other publishers and advertisers outside the Google walled garden. The deal enables Apple to feed Apple user data exclusively to Google to be monetised by Google. The DOJ found that the Information Services Agreement includes express restrictive clauses (such as the "substantially similar" clause where Apple is also restricted in its ability to innovate. This limits the usefulness of Apple's browser and system for advertising in competition with Google[11]).

8. The idea that a search engine is in some way divorced from a browser should also be examined carefully – the search engine only functions as a web viewer when coupled with a browser. For example, technically, the users' journey online starts with signing in to a computer and the computer uses a browser to enable the user to see web pages on that computer's screen. The Browser is designated as the "User's Agent" by the World Wide Web Consortium ("W3C")[12] but when once there were a choice of browsers presented to users before they took their journey online, now there is a Google search bar. Browsing the web and surfing the web by following links between websites was originally started by writing a URL into a browser. The search engine technically provides an overlay that allows the user to search without typing URLs, making browsing websites much easier. The relationship between search and browsing and contractual restrictions on by-passing search by using browsers as search access points thus need to be part of the investigation. We also submit that that browser settings which are used by Google are critical to its operation of search. At **Appendix 3**, we have included evidence relied on by the US DOJ in *USA v Google (Search)* [2020] which shows the "strategic value of Browser Home Page to Google". Annex B outlines Google's view that "users do not always make *a* deliberate choice of search engine…'choice' seems strongly influence by browser home page". It is clear that a failure

[10] https://storage.courtlistener.com/recap/gov.uscourts.dcd.223205/gov.uscourts.dcd.223205.1033.0_3.pdf (*USA v Google (Search)* [2020] opinion)
[11] *USA v Google (Search)* [2020], para 305
[12] "**Browser**
A user agent that allows a user to perceive and interact with information on the Web." https://www.w3.org/TR/2005/WD-di-gloss-20050118/#def-user-agent

to expand the scope to include browser would severely limit the ability of the CMA to address Google's underlying ability to monopolistically promote their own search functions to consumers.

9. On this point, Judge Mehta noted in *USA v Google (Search)* that, "Google also has a major, largely unseen advantage over its rivals: default distribution[13]." Google dominates in search largely due to its Anti-Competitive Agreements as cited by Judge Mehta, which allow for Google Chrome to come as the "out-of-the-box default"[14] for many products. We submit that the CMA should investigate these Anti-Competitive Agreements through the expansion of the investigation to include the browser. The interrelationship between search and browser requires a clear decision on browsers from the CMA.

10. The CMA refers to Google's search engine results page being made up of organic results based on its web index and rankings (para 20, Invitation to Comment). The CMA should ensure to gather extensive evidence on the workings and algorithms of these rankings to ensure that (a) they do not discriminate against third parties, and (b) they are not used by Google to manipulate rankings in organic search so that media owners must spend more on paid advertising, often paid search (also owned by Google, as referred to by the CMA in the same paragraph).[15] Any agreements that exist with third parties (such as Reddit, etc.) should also not discriminate against rivals in appearing in Google's rankings.

Q2: Do you have submissions or evidence relevant to the avenues of investigation set out in paragraphs 26-28?

11. Yes, and we will provide them as part of the CMA's investigation in due course.

Q2 (continued): Are there other issues we should take into account, and if so why?

12. We have addressed this point above.

Q3: Do you have views on how Google's general search services might be affected by the development of AI interfaces providing alternative means of returning information

13. AI overviews are a separate product in a separate market – Large Language Model (LLM) answer machines that provide responses to specific, often non-commercial search queries (n.b. Google allows LLMs to perform commercial search queries). They differ from general search in that general search provides an index of the web, enabling the use of the web for general searching of websites on the Open Web. This is supported by Judge Mehta's Opinion in the DOJ Search Case.

14. Google remains dominant in search and AI is not a substitute. As is stated with approval by the CMA, AI is not substituting for search:

> "The emergence of AI foundation models may affect Google's conduct in carrying out general search services, and foreseeably the sector more generally. However, the United States District Court found that: 'Currently, AI cannot replace the fundamental building blocks of search,

[13] *USA v Google (Search)* [2020] opinion), page 2
[14] *Ibid.,* page 101
[15] See Commission Decision in *Google Search Shopping* (27 June 2017) regarding Google's use of algorithms to demote rivals in comparison shopping services, and did not apply the same algorithm to its own comparison shopping service. It also refers to rivals attempting to alleviate demotion in organic search by going to paid search

including web crawling, indexing, and ranking … AI may someday fundamentally alter search, but not anytime soon'.[16]

15. This is reinforced by Google's increased income levels that remain unaffected by any competitive pressure – up by 15% to $88 billion in the last reported quarter of 2024. We agree that Google's position over search advertising has increased since 2020.[17]

16. From a technical perspective, there is very little marginal cost associated with Search functionality compared to AI-generated responses. However, as AI models evolve, the quality of the AI-generated response is directly proportional to the amount of computing time available. Thus, higher quality responses require more computing time (not necessarily elapsed time as computers are very good at doing things in parallel) and thus, higher cost. This is an important economic difference between the search and AI products.

17. As the CMA already notes in para 39(b) of its Invitation to Comment, that it seeks to prevent Google's leveraging of market power. The CMA should ensure to investigate AI capabilities that Google is developing as well as partnering with or investing in (see for example, the recent Amazon/Anthropic and Microsoft/Inflection CMA cases). In addition, Google's capability in the tech layer of AI capabilities (such as data centres and chips) should also be considered by the CMA.

Q4: Do you have views on whether the issues outlined in this section are the right ones for the CMA to focus on, or whether there are others we should consider?

18. We agree with the issues that the CMA has outlined and provide some comments below. We also refer the CMA to our letter to the US Department of Justice on 28 August 2024 in relation to remedies in *USA v Google (Search)* [2020] case and how to ensure that they are effective in the face of fast moving technological changes (see **Appendix 2**).

19. We welcome the CMA including the revenue share agreements as part of the issues to address in this investigation. We want to flag that it is not just the revenue sharing and the placement within these agreements that cause the issues. The DOJ found that the information sharing agreement between Google and Apple had a "substantially similar"[18] clause that restricted Apple's ability to develop and innovate its browser, Safari. Any such restrictive clauses should be reviewed by the CMA.

20. Google is a monopolist and exerts monopsony power on advertisers, imposing costs on UK businesses that are passed on to UK consumers in the form of higher prices:

    a. The CMA's notice refers to section 6(b) of the Act that a significant number of other undertakings use Google's general search services in carrying on their business: in 2019 the total number of UK-served advertisers was '[200,000- 250,000]' for Google Ads, with those advertisers spending '£[6-8 billion]' on an estimated '[7-10 million]'

[16] CMA Investigation Notice, para 17.e.
[17] DAMS also found that Google accounted for more than 90% of UK search advertising revenues in 2019, an order of magnitude greater than its next closest rival, Bing.29 Google's UK search advertising revenues may have continued to increase since DAMS given Ofcom's finding that in 2022 a 'large majority' of the UK's £13.1 billion search advertising revenue was generated by Google.
[18] USA v Google (Search) [2020] opinion at https://storage.courtlistener.com/recap/gov.uscourts.dcd.223205/gov.uscourts.dcd.223205.1033.0_3.pdf, para 304-305

campaigns and '[0.5-2 trillion]' ad impressions.31 20. This understates the impact on the UK economy.

b. The CMA should investigate the fact that, as found by Judge Mehta, Google can raise prices for advertising using its "pricing knobs" and has done so on a regular basis over time. The raising of prices to advertisers is a cost to the businesses that advertise; but they need to be found on Google otherwise their business suffers. So, they have no alternative but to pay the higher prices. For example, News Publishers saw a 40% reduction in prices where, from 2014-2018 they found a way to by-pass Google's anti-competitive practices. Where the businesses cannot find an alternative, they pass the costs on as cost to the consumer. In markets that are more competitive, it is possible that some increased costs are borne by parts of the supply chain, but for important areas of everyday spend, such as utilities, the utility has nowhere else to advertise and the utility can pass the cost on to the consumer in the form of higher charges. We suggest that the CMA investigate these monopsony aspects of Google's impact on markets in the UK that have caused considerable harm to different sectors.

21. We note the CMA's consideration of promoting consumer awareness and engagement in search through choice screens.[19] In summary, we outline the following four key issues with choice screens:

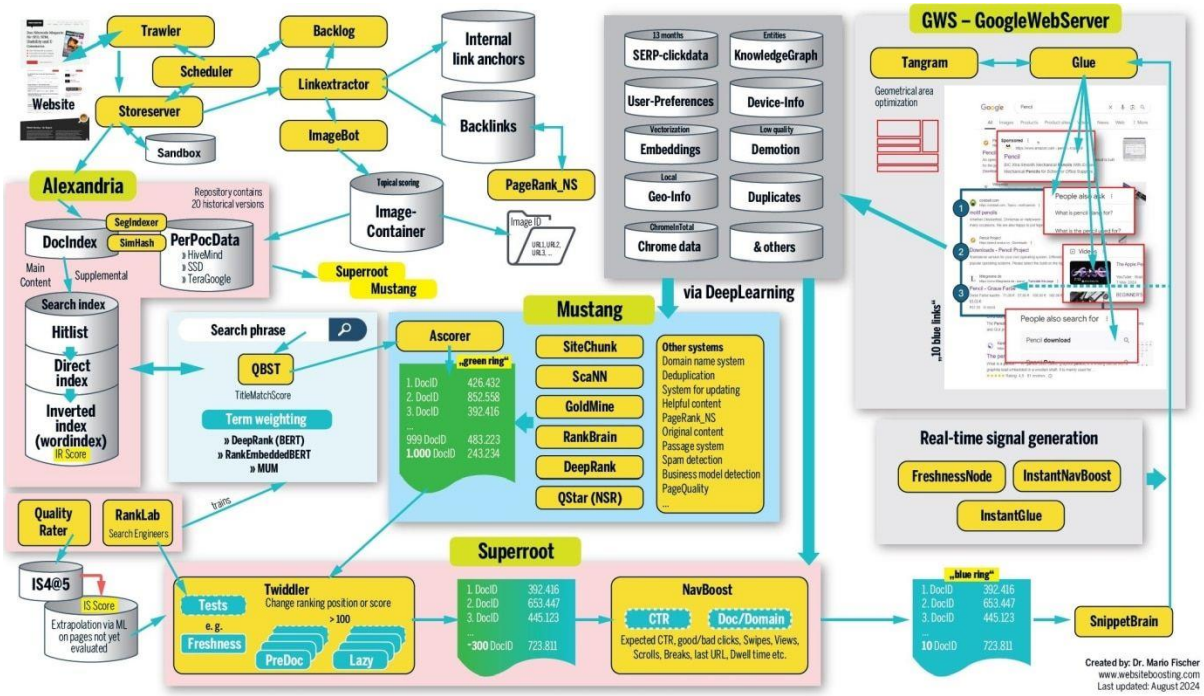
    a. When offering an integrated product (such as the browser) within an operating system (such as a mobile device or tablet), this combination means that the two become a single integrated product and thus, the illusion of a choice screen becomes irrelevant as it does not address features and functionality.
    b. Consumers compare and choose between differentiated products (preferred colours, features and functionalities). They do not directly compare competing products when they are identical and not when the choice includes dominant players within an already distorted market. For example, a browser is a rendering engine that renders websites and the ability to differentiate is limited to certain features such as privacy, speed, and a positive seamless user experience. A search engine offers other functionalities.
    c. A choice screen adds friction that ultimately, frustrates the consumer's user experience, which already experiences "pop-up" fatigue due to privacy laws requiring people to provide consent for low-risk data processing. In addition, the format of the choice screen can be easily manipulated to favour one browser over another. The bigger browsers such as Chrome and Safari benefit from higher brand recognition that quickly translates into brand preference.
    d. Even if the aforementioned were to be overcome once a reasonable number of choices exist, then it becomes impractical to display them all in a single view, particularly on a small screen mobile device. Thus, the operator of the user interface can nudge the consumer to make certain choices over others based on the mechanism used to present the responses.

22. A remedy that would be more effective would be one that provides the supply of differentiated products at wholesale level (i.e., at the level of browsers themselves and their development) such as an access remedy to the relevance search engine on FRAND terms and/or the data available to the browser owners.

[19] Invitation to Comment, para 41(b)

Q5: Do you have views on whether the potential interventions are likely to be effective, proportionate and have benefits for users, including consumers and business search users? Are there other measures the CMA should consider that would be more effective or proportionate, or that would deliver greater benefits for users?

23. We welcome the CMA's consultation process under the legislation for the potential interventions, due to the complex nature of the technology. Google outlines how its Google Search works on its website[20] and describes its Search Index to be like a "library"[21]. Google also describes its systems analysing content to assess whether it contains relevant information.[22] As mentioned above, the CMA notes the various components of search[23] but in reality, this is composed of even further components (see image below).[24]



24. The CMA refers to providing access to available key data (for example, Google's web index and/or click and query data) to competitors. We urge the CMA to devote focus to this type of access remedy as it should be provided on FRAND terms to help ensure greater interoperability between Google and third parties.

25. The CMA should consider these components and granting third parties access to them. For example, third parties could be provided with non-discriminatory access to (1) the Search Index (the library or directory of resources) and (2) the Search Relevance Engine unbundled from Google's proprietary products, which are interweaved into Google's search results on the search engine results page (SERP). This would enable the creation of new businesses engaged in

[20] https://www.google.com/search/howsearchworks/
[21] https://www.google.com/search/howsearchworks/how-search-works/#:~:text=Our%20Search%20index%20is%20like%20a%20library%2C
[22] https://www.google.com/search/howsearchworks/how-search-works/ranking-results/#relevance:~:text=Next%2C%20our%20systems%20analyse%20the%20content%20to%20assess%20whether%20it%20contains%20information%20that%20might%20be%20relevant%20to%20what%20you%20are%20looking%20for.
[23] Invitation to Comment, para 17
[24] https://searchengineland.com/how-google-search-ranking-works-445141?utm_source=twitter&utm_medium=social&utm_campaign=hootsuite&utm_content=editorial

presenting search results to users in competition with Google (i.e., there would be presentation of the SERP to the end user). The opportunity for SERPs businesses would also be for those businesses to present search results linked to advertising so would be free at the point of use. This would have the benefit of helping to constrain advertising prices for search text ads. Users would then be presented with a larger choice of SERP presentation according to their needs. Additionally, for those people that do not wish to experience advertising while using a search product and are prepared to pay to remove the advertising, SERPs businesses to meet these requirements would become possible.

Q6: What are the key lessons the CMA should draw from measures imposed in relation to general search services in other jurisdictions? Are there specific areas where imposing a similar measure in the UK is more or less important for their overall effectiveness?

26. There have been choice screen remedies in the EU cases, which have been ineffective. Please see the Microsoft case where the EU Commission identified the abuse Microsoft's tying of its web browser to its Windows software. Other browsers were not shown to end users as alternatives.[25] The basic lack of visibility of alternatives was the problem facing the end user and a choice screen was superficially attractive as a remedy, but it was not tested for efficacy. As Megan Grey observed in "Choice Screen Fever Dream"[26]: "First, the Microsoft choice screen probably was irrelevant, given that no one noticed it was defunct for 14 months due to a software bug (Feb. 2011 through July 2012)."[27] The Microsoft case exemplifies the ineffectiveness of the choice screen.

27. In addition, please see the Commission's Google Android case,[28] where the Commission found Google acted anticompetitively by tying Google Search and Google Chrome to other services and devices and required a choice screen presenting different options for browsers.[29] It has been ineffective [30]. The CMA itself in its 2020 Report[31] also identified failures in design choices and recognized that display and brand recognition are key factors to test for choice screen effectiveness.

We outline further issues for the CMA to consider below:

Extension of market power and foreclosure of competition in separate but related markets

28. The CMA refers to section 6(c) of the Act and Google power to extend its market power to a range of other activities such as specialised search services through various mechanisms, and in the press release that:

> "*This will include investigating whether Google is using its position in the market to self-preference its own services, for example specialised search services covering shopping and travel.*"

[25] Commission Decision Case COMP/C-3/39.530) – *Microsoft (tying)*, 16 December 2009. Available at: https://ec.europa.eu/competition/antitrust/cases/dec_docs/39530/39530_2671_3.pdf
[26] https://www.techpolicy.press/choice-screen-fever-dream-enforcers-new-favorite-remedy-wont-blunt-googles-search-monopoly/
[27] Commission still fined Microsoft for non-compliance (2013); see ec.europa.eu/commission/presscorner/detail/en/IP_13_196.
[28] *Google Android* [Case AT.40099] (2018): https://ec.europa.eu/competition/antitrust/cases/dec_docs/40099/40099_9993_3.pdf.
[29] See: https://www.android.com/choicescreen/; see also: https://www.hausfeld.com/en-us/what-we-think/perspectives-blogs/google-finally-amends-choice-screen-remedy-to-prevent-non-compliance-proceedings-in-eu-android-case/
[30] https://searchengineland.com/googles-search-choice-screen-had-virtually-no-effect-on-search-market-share-perhaps-by-design-346167
[31] CMA, *Online Platforms and Digital Advertising Market Study*

29. From the perspective of the findings in the parallel EU caselaw the issue is *discrimination*[32] in the application of the Google algorithms that promote its own product over those of more relevant rivals. As a matter of technology, it is clear that discrimination is taking place where Google's own products are not subject to the same web index, ranking system and relevance engine as rivals. We understand that this is the case for all of Google's products: News, Maps, Images, Shopping, Finance etc. All are outside Google's index of webpages, and are promoted and displayed in a discriminatory way as they are not subject to the same ranking and relevance engine as are rivals. Google thus inevitably discriminates against rivals by promoting its own products on a different basis.

30. We consider that specialised search services include preferencing its own vertical search services (such as Google Maps, News, Shopping, Images, Finance and Hotels) over similar rival services and refer the CMA to the parallel non-compliance investigation of the EU Commission for breach of the DMA.

Using rivals' data to improve its own services[33]

31. This is similar to the position that can arise in other network industries – for example, with relation to data available between competing telecoms operators at wholesale level, where access to that data can give rise to competitive advantage and market distortion. However, it is also significantly different because the data that is important for advertising is derived from interactions with end users and Google's information services agreement and arrangement for the exclusive access to data from Apple device users need to be within the scope of the investigation.

32. We welcome the CMA's press release's clarification that the investigation will include:

> "**whether Google is able to shape the development of new AI services and interfaces**, including 'answer engines', in ways which limit the competitive constraint they impose on Google Search." **(emphasis added)**

33. We see the issues as including the anti-competitive self-preference, discrimination and bundling of Google's own AI overviews into the search results pages in the same way that it illegally promoted and displayed its own shopping results over those of rivals in *Google Search (Shopping)* which was decided by the Commission in June 2017 and finally determined by the CJEU in September 2024.

Potential exploitative conduct

34. We welcome the investigation and have compiled evidence of Google's abuse in this regard which is attached in **Appendix 1**. We welcome the clarification:

> "***This will include investigating the collection and use of large quantities of consumer data without informed consent, and the use of publisher content without fair terms and conditions (including payment terms).***"

[32] Google LLC and Alphabet Inc. v European Commission (Case C-48/22 P) and Case T-612/17.
[33] 32 28 Ofcom Online Nation 2024 Report, page 29. 29 DAMS final report, paragraph 5.46. 30 Ofcom Online Nation 2023 Report, page 29. 31 DAMS final report, paragraph 5.11 and Appendix N, paragraph 9. 32 DAMS final report, paragraphs 3.129 to 3.144 and paragraph 3.152. 9 21

35. We would be delighted to share our analysis of Google's exploitative terms with the CMA, starting with its misuse of sign in processes to require consumers to share data that is then used for multiple products on a combined basis, which may also be in breach of overlapping data protection law.

The effect of Google on distorting supply chain behaviour

36. The CMA notes (with reference to section 6(d) of the Act) that Google's market power in search allows it:

> *"to determine or substantially influence the ways in which other undertakings conduct themselves: firms may have strong incentives to design their products and services in order to be discoverable on Google Search – for example, the DAMS final report noted that significant resources [known as Search Engine Optimisation (SEO) professionals] are devoted to optimising the positioning of web pages in Google search results and publishers engage in paid search activity to increase their prominence on Google Search*."

37. We suggest that the focus of this part of the investigation should be on a comparison between internal and external interoperability. Google provides systems and services and uses data internally in ways that discriminate in favour of owned and operated products when compared with rivals. The mechanism at the centre of the system is differential access to data and interoperability between Google products and those of rivals. That discrimination in software inputs and APIs affects design choices.

38. At the start of the user's journey is the browser and discrimination in the functions and use of the browser at the heart of the competition issues. It should also be noted that while the search function may be presented by Google as the first step of a user's journey online, it is in fact the third step following operating system choice, browser choice and often also, almost mandatory "sign in". Without the operating system and browser, the search engine does not work.

39. We consider that since Google is the focus on the enquiry the Information Services Agreement with Apple should be considered as a mechanism through which Google generates a considerable economic incentive for Apple to promote and prefer Google search and enhance the value of Google search advertising, by, for example blocking the data available to rival advertisers. The same impact on incentives applies to Google's arrangements with other third parties.

40. In terms of any remedies (conduct requirement or pro-competition interventions), the CMA should ensure to have robust control over the monitoring of compliance to these remedies.

If you have any questions about this response, or would like to speak further, please let us know.

Yours faithfully,

Preiskel & Co LLP

Appendix 1
Evidence of Google's Exploitative Conduct

Google's privacy sandbox is a modification to Google's Chrome browser, which transforms how online data is collected by Google, and the terms on which it is available to third parties[34]. Google announced the Privacy Sandbox in 2019[35]. The below table provides a chronologic sequence around Google's impact on data availability:

Source of data	Google's changes under Google Privacy Sandbox
2008-2009 **Double Click IDs** (advertising IDs)	Google acquired DoubleClick in early 2008. From 2009, Google encrypted the Double Click ID match keys that were previously used widely in the industry, thereby reserving to itself the quality-of--service benefit arising from their use.
2015 **Header Bidding** (used by publishers to allow non-Google ad exchanges to bid for ad inventory)	Google blocked the underlying functionality and disabled rivals' ability to compete via Last Look. Then, from 2015, Accelerated Mobile Pages ("AMP")[36] Unified Pricing rules.
2017 **Open Bidding**	The DOJ noted that the effect of driving rival systems to rely on cookie files for match key synchronisation[37]. Google began to prevent rivals access via JavaScript to the cookie files containing common match keys when used in a third-party context.[38]
2019 **Open Web Data and Cookies**	In August 2019[39], Google announced its Privacy Sandbox changes[40]. Privacy Sandbox has offered more than 30 proposals to date (including a plan to eliminate rivals' ability to use cookies, and other Open Web data sources)
2022 **Google Advertising IDs (in Android)**	In 2022[41], Google announced its further withdrawal of match keys across its Android OS, which are called Mobile Advertising IDs or MAIDs (Privacy Sandbox in Android)[42].
2023 **Open Web Data and User Agent String ("UAS")**	UAS is a line of code that identifies the browser, version of the browser, model and type of device and operating system it is running on.

[34] https://blog.google/products/chrome/building-a-more-private-web/ Google's announcement of GPS in August 2019.
[35] https://www.chromium.org/Home/chromium-privacy/privacy-sandbox/ Chromium project blog in August 2019 stating that GPS will replace functionality.
[36] Google introduced "Accelerated Mobile Pages" (AMP). The effect of this extra step gave Google's Ad Systems two advantages: greater scale and faster matching for any new browsers visiting publishers' properties - given its systems could continue to rely on real-time transport with access to a locally stored match key. The network effect of scale here cannot be isolated from the scale analysis in the **US Search** case.
[37] Instead of using the open web data available for Header Bidding, publishers were faced with a much more limited technical solution, where Google imposed additional fees for integration, with restricted data and limited interoperable information. Google portrayed Open Bidding as an improvement to Header Bidding that created a real-time bidding auction with multiple ad exchanges, like Header Bidding, but on Google's servers to reduce latency: thereby placing rival exchanges at a technical and economic disadvantage. Once more, the barrier to entry this caused cannot be ignored in the context of network effects in **Search**.
[38] See https://developers.google.com/search/blog/2020/01/get-ready-for-new-samesitenone-secure
[39] https://blog.google/products/chrome/building-a-more-private-web/
[40] https://developers.google.com/privacy-sandbox/overview
[41] https://trackiercom/blog/everything-you-need-to-know-about-gaid "Google announced in March that GAID, their user identification for marketers, will be deprecated by Android, the most popular operating system in the world, by 2024."
[42] https://developer.android.com/design-for-safety/privacy-sandbox

	In October 2023[43], Google started to block access to the UAS of data[44]. Google is offering an impaired alternative, 'User Agent Client Hints', which instead offers users a higher latency product and, in time, will in practice remove the web data when "Privacy Budget" is implemented.
November 2023 **Open Web Data URLs**	Since November 2023, Google has begun testing the interference with the practice of decorating URL links (which Google refers to as "link decoration" when its Ad Systems rely on this, but "bounce tracking" when rivals' ad solutions rely on this real-time communication mechanism).[45]
2024 **Cookies**	Google imposed a default requirement on websites to attribute in the website code on 'SameSite' cookies[46]. This has the effect of disabling third-party cookies which do not specify the attribute[47]. Google had announced a change of direction with GPS and Cookies in July of this year[48], however, the blog updates detail makes clear that Google will still make irreversible change to third party cookies[49]. Framed as a choice, the decision to not turn to Chrome's data will restrict the choice of functionality and interoperability available in Search and Search Advertising.
November 2024 **Search Rankings**	Google promised the UK CMA that it will not directly use participation in the GPS to adjust a site's rankings in organic Search. However, Google has worded its promise to allow for indirect use of participation to achieve the same anticompetitive effect.[50]

[43] https://developers.google.com/privacy-sandbox/blog/user-agent-reduction-oct-2022-updates

[44] https://chrome-developer.pages.dev/en/articles/user-agent-client-hints/#:~:text=User-Agent%20Client%20Hints%20have%20been%20default,enabled%20in%20Chrome%20since%20version%2089.,

[45] We can provide you with MOW's submission to the CMA on this matter (provided on request).

[46] https://blog.chromium.org/2019/05/improving-privacy-and-security-on-web.html

[47] MOW had also engaged the CMA in this matter, and filed a formal complaint dated 23 November 2020 and to the W3C on 25 January 2023.

[48] https://privacysandbox.com/news/privacy-sandbox-update/

[49] Per the blog, Anthony Chavez, the VP of the Privacy Sandbox - "*Instead of deprecating third-party cookies, we would introduce a new experience in Chrome that lets people make an informed choice that applies across their web browsing, and they'd be able to adjust that choice at any time.*". In practice, the terms on which this choice is made amounts to a leveraging of Google's monopoly in Search and Search Advertising.

[50] CMA, CMA update report on implementation of the Privacy Sandbox commitments (11 November 2024): "*Google has confirmed to us that Google* ***Search will not use a site's decision*** *to opt-out of the Topics API* ***as a ranking signal.***" (emphasis added) https://assets.publishing.service.gov.uk/media/6731ffb00d90eee304badaff/CMA_s_Q2_to_Q3_2024_report.pdf

Appendix 2
Letter from Preiskel & Co. LLP to the US Department of Justice dated 28 August 2024

PREISKEL & CO

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U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington
DC 20530-0001

For the attention of:
[redacted]

By email only

Our Ref: TC/ADM838
28th August 2024

Dear [redacted]

Re: Google Search Remedies – Effective Remedies and Addressing Technological Change

[redacted] how to avoid technology changes being used to circumvent the aims of antitrust remedies. I understood one issue being the problem of writing an order to a monopoly tech company to provide access to XYZ or supply XYZ interface, and the day after the order being written a technical change (or simply version control) making the order technically outdated and pointless.

This issue is now of increased relevance following *USA v Google (Search)*. Any remedy first needs to stop the infringement, prevent its reoccurrence and restore competition[1]. So, the core problem now is to restore competition to the Google search monopoly. This means finding a competing consumer facing solution that uses an ad-funded search solution so that "free at the point of use" search can provide competitive pressure on Google. A possible option, using an ad funded access solution, is canvassed below.

In relation to Google Search, the two-sided nature of the market means any effective solution needs to create consumer facing competition with Google Search pages and business facing competition for Google's Search Text Advertising offering. The starting point for remedies is the prohibition of the mechanisms used by Google that restricted competition from rivals. This means prohibiting the set of revenue sharing and default setting deals with Apple and other technology and telecoms companies that have acted as a moat to protect Google's Search "castle". However, restoring effective competition

[1] T. Cowen, July 2024, European regulatory transformation—A case study: competition, remedies, and Google available at https://academic.oup.com/antitrust/article-abstract/12/2/213/7649334

going forward also means enabling the **use** of data inputs and alternative access points[2] (such as the browser).

The proposal below is inspired by the BT Openreach settlement. BT proposed an access remedy, which applied to both the local loop and is known as functional separation. Non-discriminatory access to BT's local loop (Openreach) business was supplied to third parties on the same terms as it was supplied to downstream parts of BT. The obligation applied to the BT Group of companies and its internal divisions, and corporate structure was subject to non-discrimination both on supply and use[3]. This improved upon the AT&T divestiture remedy, which was in operation in the USA at the time. Avoiding the risk of technology change also means taking account of an often-overlooked Consent Decree which was agreed among BT/MCI/Concert and the DOJ in 1994.[4] That decree broke new ground as it imposed a non-discriminatory "***use***" obligation on the recipient of services supplied by the monopoly supplier. A similar obligation on non-discriminatory use of inputs could apply to the use by Google of inputs and would apply overtime irrespective of the technical means of supply. The approach would aim to prevent Google from continued monopolisation and restore effective competition in search.

Restoring effective competition thus means addressing:

(1) Scale of Google's data inputs and sunk investments.
(2) Third party access to data inputs and access points to support effective competition in "free at the point of use search results."
(3) Availability of distribution deals with Google's revenue sharing partners.
(4) A proposed access remedy.
(5) How the proposal addresses technology changes over time.

(1) Scale of Google's data inputs and sunk investments costs.

The current reality is that Google has monopolized online search for many years. It now has unrivalled scale in data acquired from billions of users millions of times per day when they interact with Google's many products. That data is obtained from its ownership of Chrome, the dominant web browser, providing Google with unrivalled browser history data. It also uses other interoperable code (such as that stored in cookies) to check which websites browsers have visited and has an unparalleled understanding of consumers interests and purchasing behavior. Data from billions of search histories provides it with "uniquely strong signals" [5] of intent to purchase data that is combined with all data from all other interactions with all of Google's many products (see trial exhibit of Google presentation: Google is magical[6]). Its knowledge from all data inputs is combined to provide it with high quality information for advertising. The DOJ's judgment in *USA v Google (Search)* recognizes that "more users mean more advertisers and more advertisers mean more revenues[7]", and "more users on a GSE means

[2] See page 31 *USA v Google (Search)* Judgment [5 Aug 2024] under "Other Search Access Points". See also para 80 regarding the bookmarks page, para 296 which states "65% of searches are entered into Safari's default access point, which is the integrated search bar" and para 192 which states that 45% of Googles markets share "comes from text ads that are displayed in response to a query entered into a default search access point covered by Google's distribution agreements."
[3] See especially the definition of Equality and equivalence of Inputs that includes the use of the systems and processes with same degree of reliability and performance as competitors at https://www.ofcom.org.uk/siteassets/resources/documents/consultations/uncategorised/8691-statement_tsr/statement/statement.pdf?v=331906
[4] Revised copy of consent decree available at https://www.justice.gov/atr/case-document/file/492561/dl
[5] See para 169 *USA v Google (Search)* Judgment [5 Aug 2024], which states that "Search ads are the product of a uniquely strong signal because they are delivered in response to a user's query. See UPX910 at 753 ("The vast majority of our profits come from search ads, because the signal from a query is s[]o strong."). "The big idea is that when you search for a product or service, chances are you're interested in purchasing that product or service." UPX428 at .010."
[6] https://www.justice.gov/d9/2023-09/416665.pdf
[7] See page 6 *USA v Google (Search)* Judgment [5 Aug 2024]

more queries, which in turn means more ad auctions and more ad revenue[8]". These positive feedback loops suggest increasing returns to scale[9] and returns to the scope of a range of products offered over the same platform using artificial intelligence as part of its systems. It has built one of the most recognized and valuable brands in the world (para 130 of *USA v Google (Search)* Judgment [5 Aug 2024]).

The costs facing any competitor to Google search are now enormous. This is referenced in evidence as the "Herculean problem" (see paras 50-58 of the *USA v Google (Search)* Judgment [5 Aug 2024]). Reference is made to the many billions of dollars that would be needed by Apple to build a new search engine.

Any restoration of competition in search will now have to overcome these very considerable advantages and sunk costs, while at the same time competing with Google as the established, and well-known supplier of the best[10] search engine in the world.

It should be recognized that the judgement refers to the uniqueness of Google's Search and its production facilities many times.[11] Access to these unique facilities should now be considered as a proportionate remedy.

2) Third party access to data inputs, match keys and access points to support effective competition in "free at the point of use search results businesses."

Data inputs are combined from multiple consumer interactions with media owners' digital content and services and have established the basis for Google's ability to charge high prices for its search text ads. Google's Search engine consists of at least three key components: (1) an index of media owner content cataloged by a web crawler, (2) a "relevance engine" to match consumer input to this catalog, (3) ranking and monetization of the search engine results. At a technical level, the online display advertising system relies on match keys that enable the matching of demand for ad inventory to match a supplier of ad inventory. The antitrust ad tech case alleges Google's dominance in publisher ad server (DFP) and ad exchange (AdX) markets. Third party advertising technology solutions for advertisers would need access to the data inputs uniquely available to Google from which it derives purchasing intent. Alternative advertising technology companies could then employ the input data and match keys to match inventory supporting display advertising and competing search page results businesses using Google's relevance engine.

Access points for search businesses include the browser. Unbundling the search bar access on Apple devices would be necessary. Once unbundled, the issue of access to and use of the Chrome browser can be addressed in obligations addressed to Google. Imposing obligations on Safari would be more challenging as a non-party to the proceedings. However, conditioning access to relevance engine results on any party thereto, opening up access to their browser would potentially enable the obligation to apply to Apple and Safari given Apple's likely commercial need to provide its users with search in the future. It is also likely that if access to Google's relevance engine were part of the remedy, the lower cost of entry that would provide for Apple to resell Google's relevance engine results may facilitate an incentive for Apple to enter and compete in search.

[8] See para 173 *USA v Google (Search)* Judgment [5 Aug 2024]
[9] See para 86 to 126 *USA v Google (Search)* Judgment [5 Aug 2024]
[10] See section under Internal Quality Studies of the *USA v Google (Search)* Judgment [5 Aug 2024], page 48 et seq.
[11] See in particular, page 146 of the *USA v Google (Search)* Judgment [5 Aug 2024]

Currently, 80% of the SERP is composed of advertising of one sort or another. Enabling competition in the provision of search results could encourage both quality and price competition. The proportion of the page available for advertising would be open to competition and alternative search businesses could be expected to innovate in the way that they provide ads; consumers would benefit considerably if smaller proportions of the results pages were composed of advertising. Competing search results businesses could achieve this objective. More relevant results from competing search engines who had access to Google's relevance engine would be more valuable for advertising so new entrants would swiftly be able to finance their businesses.

3) Availability of distribution deals with Google's revenue sharing partners

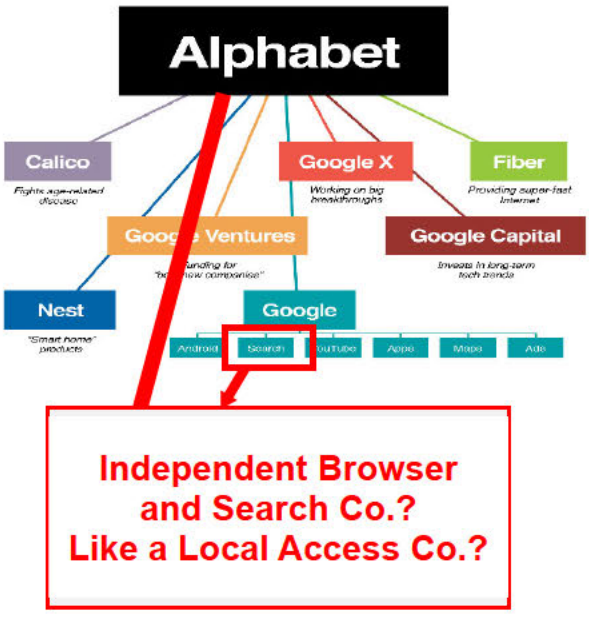
The current agreements between Google, Apple, OEMs and telecoms carriers operate as exclusive agreements. They contain contractual restrictions in the form of default settings and revenue sharing payments, which incentivize the parties to promote Google's products. The scale of the payments operates as a disincentive to prevent parties from building and competing with Google in search.

Removal of only the contractual default setting is likely to be insufficient to end the anticompetitive effect of the agreements and go no way to restoring competition. The sharing of revenue from Google search advertising must end if competition between new search advertising players is to be established.

Ending the current distribution deals on a revenue sharing basis should not provide room for or permit Google to enter similar agreements based on volume of product sold (with Google search embedded in the handset). If Google products are to compete on their merits no restriction at all should be imposed on distributors.

4) A proposed access remedy.

A remedy could be put into effect via providing access to an independent browser (access point) and search relevance engine:



When considering the issue further, it is important to appreciate that:

- Google's relevance engine and index are currently both organizationally and technically separate from Google ads and its ad network organization.
- Google optimizes search in a search business and operates an advertising business that is fed into the relevant results in the form of text and other ads.
- It has a products business whose products (news, maps, images, shopping, etc.) are interweaved between relevant search results when the page is presented to end users. An effective remedy could build on these existing organizational and business boundaries.

If third party competitors could access Google's relevance engine and its index on non-discriminatory terms, they may be able to create effective competition between new "Search Engine Results" businesses. Those businesses would:

- Access the substantial sunk investments already made in optimizing search relevant to users' needs and overcome the substantial brand value of Google. Since much of that value has been obtained illegally, compensation for use is a lesser issue than otherwise might be assumed[12].
- Access to the relevance engine for competing search results businesses would use Google's relevant results overcoming the considerable barrier to entry of a new entrant seeking to build its own relevance engine and attracting new users. This is prohibitive even for Apple.

Moreover, Google currently offers access to its relevance engine to companies (like Duck Duck Go) that would resell them, so cannot easily suggest that the above proposal is unworkable.[13]

To operate effectively there would need to be additional oversight, so Google's use of the relevance engine and third parties use are subject to non-discrimination obligations applicable to all recipients of relevance engine results.

5) How the proposal addresses technology changes over time.

Google has broken the law by denying rivals access to data inputs, assess points and hence, deprived them of scale. Access to the same data that Google now has is a starting point from which free at the point of use services, can be funded by advertising. No other players have sufficient scale to replicate that position. The solution is access to the Google IDs and the data inputs that Google uses to fund its search business. Obligations can be crafted to access data feeds for non-discriminatory ***use of whatever Google uses***.

To be clear, there are two critical data feeds that will be needed for competitors to function:

[12] Setting aside those costs that are sunk and have been incurred in circumstances of illegality ongoing maintenance costs in a post-remedy competitive world might command a maintenance contribution in the form of an access fee that could be strictly limited to such costs. There is then a question about whether, in the context of a remedy to a long term abuse that has reaped huge rewards and dividends whether third parties should have to contribute to the costs of Chrome/Search. Part of remediation could be for an equivalent period of time for which the abuse took place. This is fair and reasonable since the harm in the *USA v Google (Search)* [2020] is from Revenue sharing contracts that have excluded rivals from the market. The judgment suggests that the exclusionary impact and has been more severe since say 2010 so perhaps a 15 year contribution holiday could be justified.

[13] However, the current offer for access to the relevance engine is bundled with an obligation to use Google's advertising network. That bundling would have to be undone so that any advertising network could be combined with any Search Engine Results business, for those offerings to be made free at the point of use to the user.

- Access to the Google relevance engine. This would enable competitors to offer a highly relevant search product. Results would be from a proven and established, world renowned and high-quality source.
- Access to Google's data inputs and advertising IDs and match key data, which Google uses to identify purchasing intent that can be matched with available advertising inventory.

As a matter of US law and practicality, a non-discrimination obligation on usage can be contained in an order addressed to Google as the user of a search engine or data source. As a ***usage-based*** obligation, it is materially different from a requirement to supply. There is less of a risk of it offending the case law that defers to businesses deciding whether and with who they contract – it is instead a requirement not to discriminate between what is received by Google and what is received by third parties. If Google's monetization of search results uses no inputs from its relevance engine or data hoard then it would have no obligation to supply.[14]

Note that this approach better overcomes the issue of technology change over time. The more usual divestiture order and access obligation suffers from technology being defined at the time the order is written. Since it must be written as a remedy to a defined problem and so if the harm was bundling of interoperability or lack of access to XYZ APIs, then the order mandates unbundling and a requirement to supply XYZ APIs. If a new API is invented that achieves a same end by different means, or a new technology is introduced, there will not have been any case against the defendant for abuse with relation to that new API or technology and no order can easily force the supply of the new API. By contrast, where the addressee of the order is in the same group as the supplier, an order can be crafted in terms of non-discrimination in the use of the monopoly asset or functionally separate business.

Conclusions

This outline addresses the core problem for effective remedies identified in *USA v Google (Search)*. Any remedy needs to mitigate and neutralise the anticompetitive scale of Google's data inputs and sunk investments. This is remedied by providing third party access to data inputs and access points to support effective competition in "free at the point of use search results." The current distribution deals with Google's revenue sharing partners need to be prohibited. The proposed access remedy enables the creation of competition between rival search engine results businesses, imposing market discipline on the promotion and presentation of search results. The proposal addresses technology changes over time by drawing on lessons learned from divestiture in telecommunication and from ensuing that non-discrimination in usage of key inputs is the focus of the remedy.

Additionally, allowing the defendant to continue to own the browser and search assets means that capital funding will continue to be in the interests of the Alphabet group. Divestiture would otherwise place monopoly assets in others' hands with incentives to raise price and degrade quality for all those seeking use. Funding of divested assets that are currently cost centres in a vertically integrated business would otherwise be a major issue to overcome. Here, the proposed non-discrimination remedy bites in a different way – so that technology change is not a problem with this type of remedy.

[14] The approach is inspired by the BT Openreach settlement where BT was seeking the removal of a regulatory restriction on its ability to provide broadcast services. BT proposed an access remedy, known as functional separation, to focus regulatory control on the monopoly. Non-discriminatory access to BT's local loop (Openreach) business was supplied to third parties in the same terms as it was supplied to downstream parts of BT. This improved upon the AT&T divestiture remedy which was in operation in the USA.

The approach described here would need to be coupled with transparency obligations such that third parties have visibility of what the Google Search Co receives so that they can make comparisons. Agreements between different divisions of Alphabet – whether partially in separate ownership or otherwise – can be entered into between different corporate entities within Alphabet to more effectively enable oversight across both a corporate and technical boundary. If done carefully, addressing technology, financial and commercial terms, the scope for technology change over time circumventing the aim of the remedy can be addressed. In effect, it would aim to make the remedy future proof.

[redacted]

Yours sincerely,

Tim Cowen
Preiskel & Co LLP

Appendix 3
DOJ Evidence: On the Strategic Value of Browser Home Page to Google

On the Strategic Value of Browser Home Page to Google

PMetrics Team

Bill Heavlin, Ellen Konar, Mike Meyer, Amir Najmi,
Deirdre O'Brien, Daryl Pregibon, Chris Roat, Dan Russell,
Wael Salloum, Nitin Sharma, Diane Tang, Hal Varian

4/2/2007 2:26 PM

Google

Ex. No.
UPX0960
1:20-cv-03010-APM

Redacted

Executive Summary

- Users do not always make a deliberate choice of search engine
  - "Choice" seems strongly influenced by browser home page
  - Effect appears to overwhelm product quality and brand

- Setting the browser home page to Google is crucial
  - Users do *15% more searches* after home page set to Google
  - Searches *decrease 27%* if home page changed
  - Effect much stronger than from toolbar install

- Pursue setting home page as a strategy to gain market share?
  - On neutral turf, G dominates; with a Y! home page, G is distant second
  - Y!'s 25% home page share (3x G's) significantly constrains G's growth

**All data as of first week of Mar'07*

Google

Browser Home Page

- The first web page to load when a browser starts up
  - Configurable by user but very few know/care to change it
  - Most stay with defaults set by ISP/OEM/browser

- Key strategy question
  - Does browser home page affect the choice of a search engine?
  - If so, by how much?

A $15B question: but not an easy one to answer

Google

Our Approach

Use two new sources of home page data:

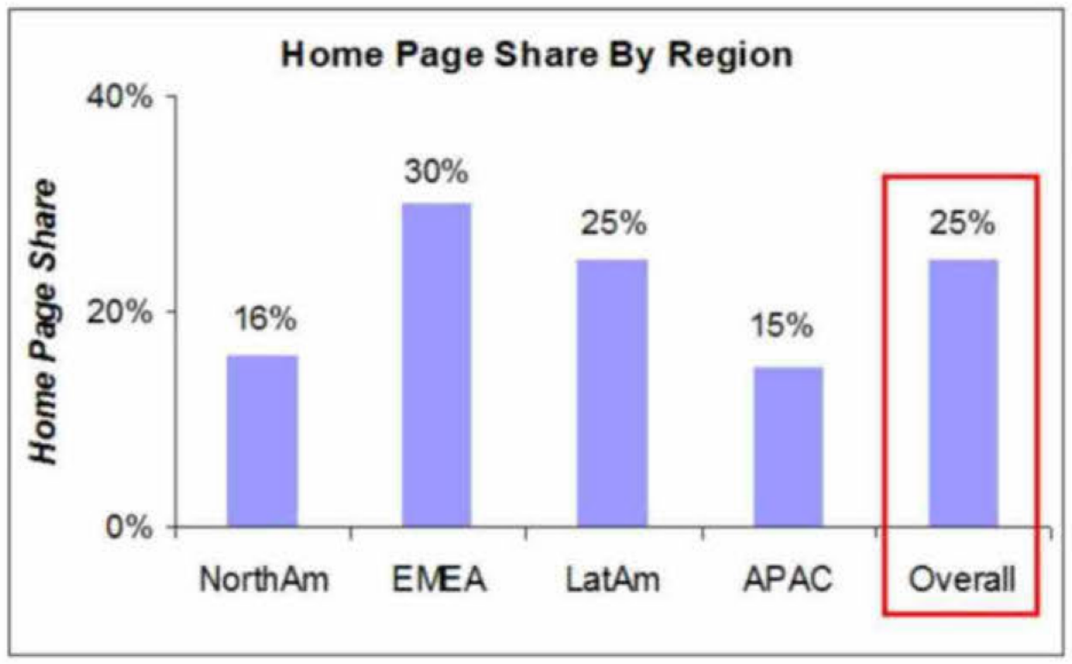
1. Recent logging change allows partial home page tracking
   - "Is current page the home page?"
   - Can tell if home page set to Google, but not "Is Yahoo the home page"

2. CUP panel allows unique peek into user behavior
   - Tracks desktop settings
   - *All* web behavior (on-Google and off-Google)
   - Big representative panel in 4 countries (~4000 users each)

Google

Browser Home Page Share*

- 25% world-wide, strong in EMEA, weak in APAC, NA

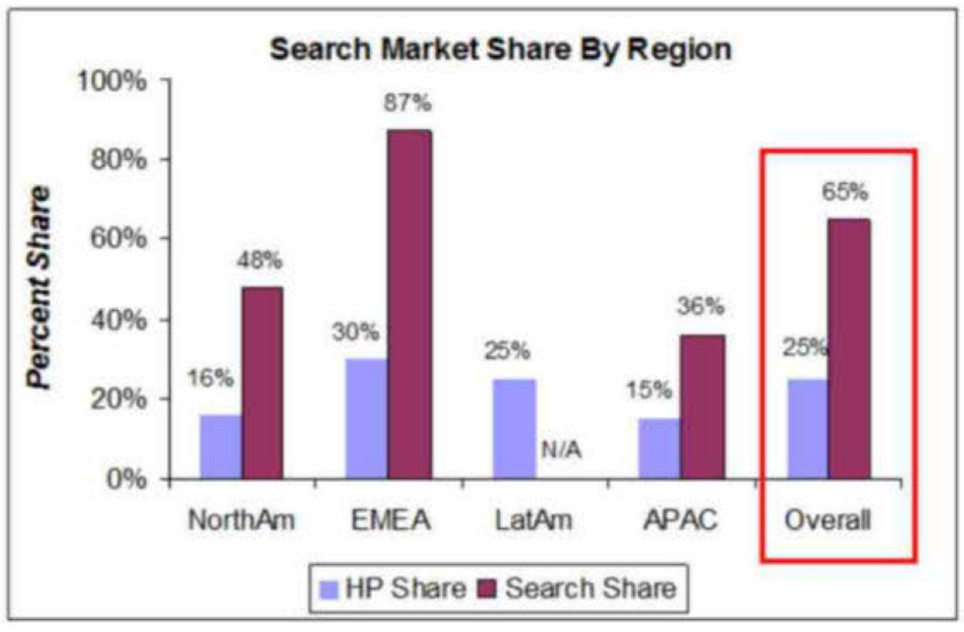


*Source: Google Web Logs

Google

Strong Correlation With Search Share

- Almost linear relationship
  - $Y = 2.98 * X$



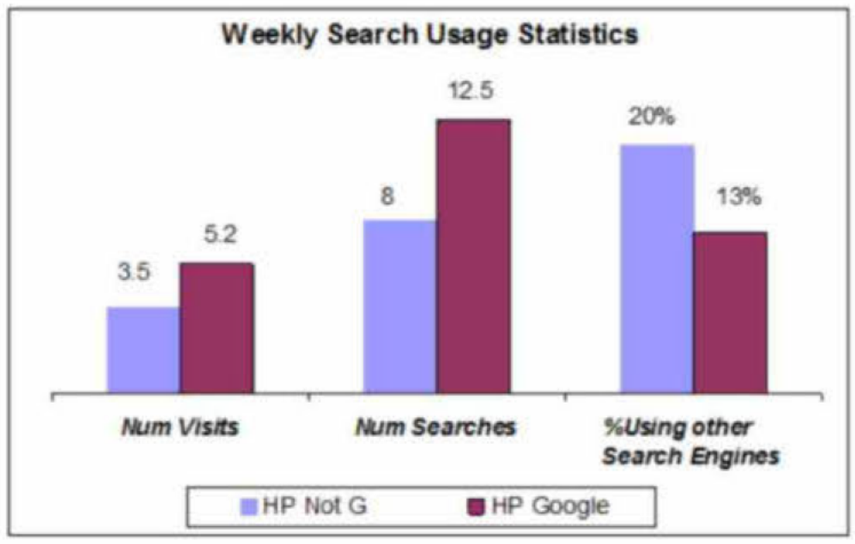
Sources: Home Page share – Google logs
Search Market share – Comscore

Google

Scatter plot?

Home Page and Searches on Google*

- Users with Google as home page have:
  - 50% more search visits, 55% more searches in a week
  - Fewer visits to competitor search engines



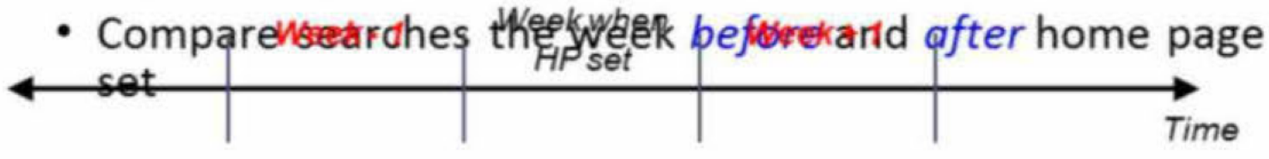
Correlation or Causation?

**Source: Google logs, unless mentioned otherwise*

Google

Is Home Page the Cause or Effect?

- Which way does causality go?
  - Home page → More searches? Or more searches → Home page
- Identify users who set their home page to Google
  - Home page on day N was not Google…
  - …but within a week from N, it was set to Google (and stayed set)
- Do a pre vs. post analysis
  - Compare searches the week *before* and *after* home page was set



Google

Graphic..

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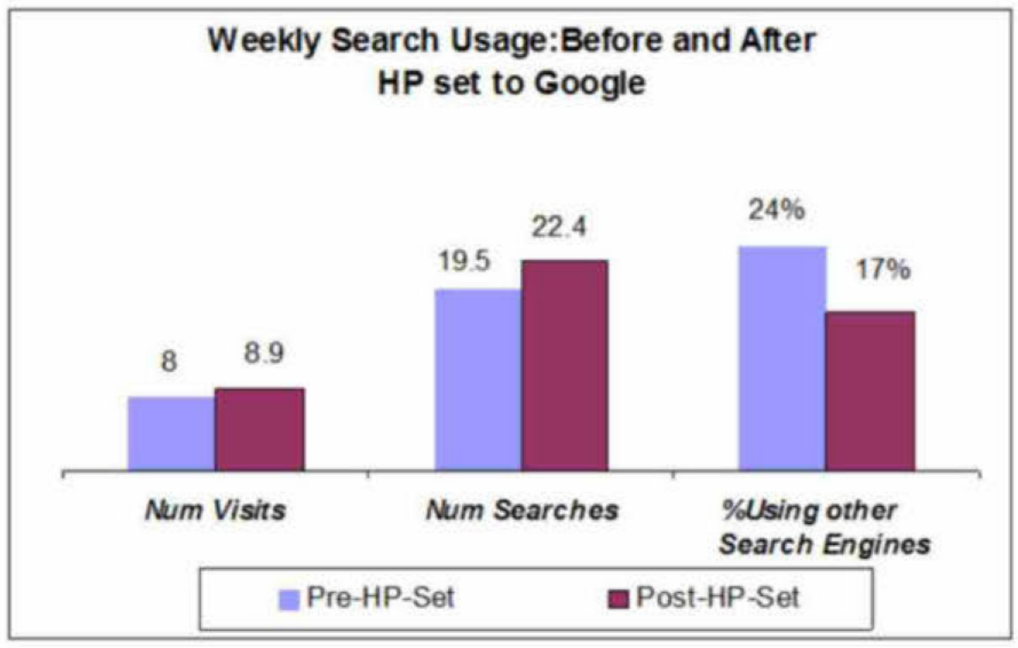
Users Search More After Home Set to G

- 11% more visits, 15% more searches



Google

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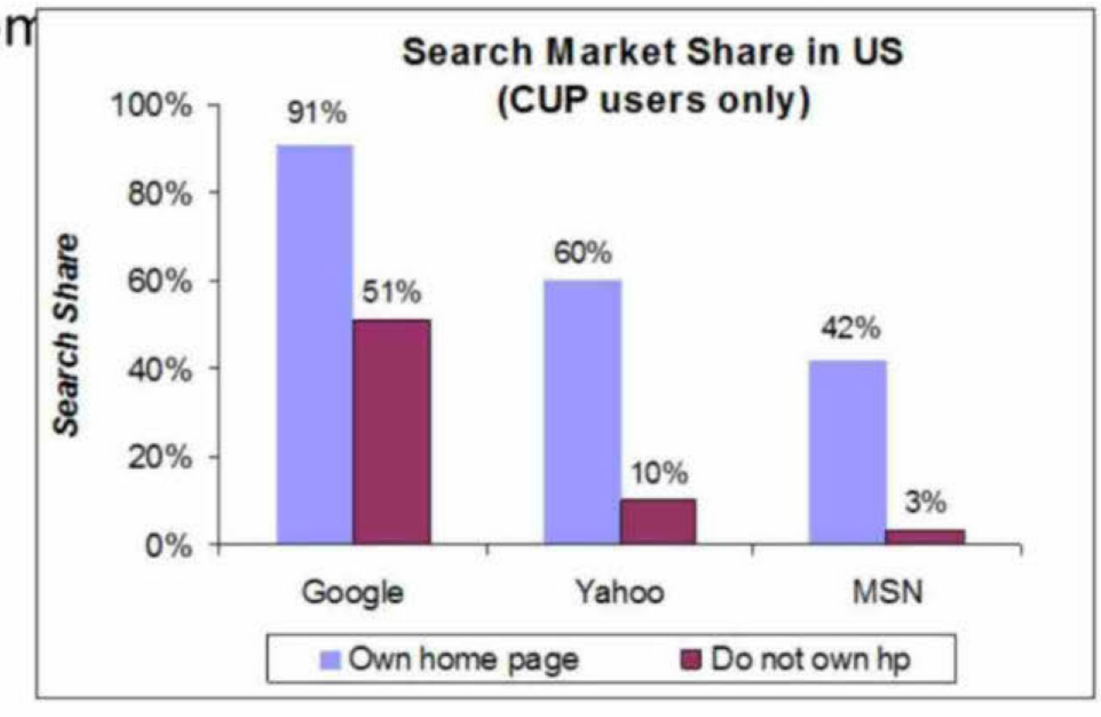
Home Page Strongly Affects Search Share

- 2-14x more searches if search engine also owns hom



Google

Show overall share differently?

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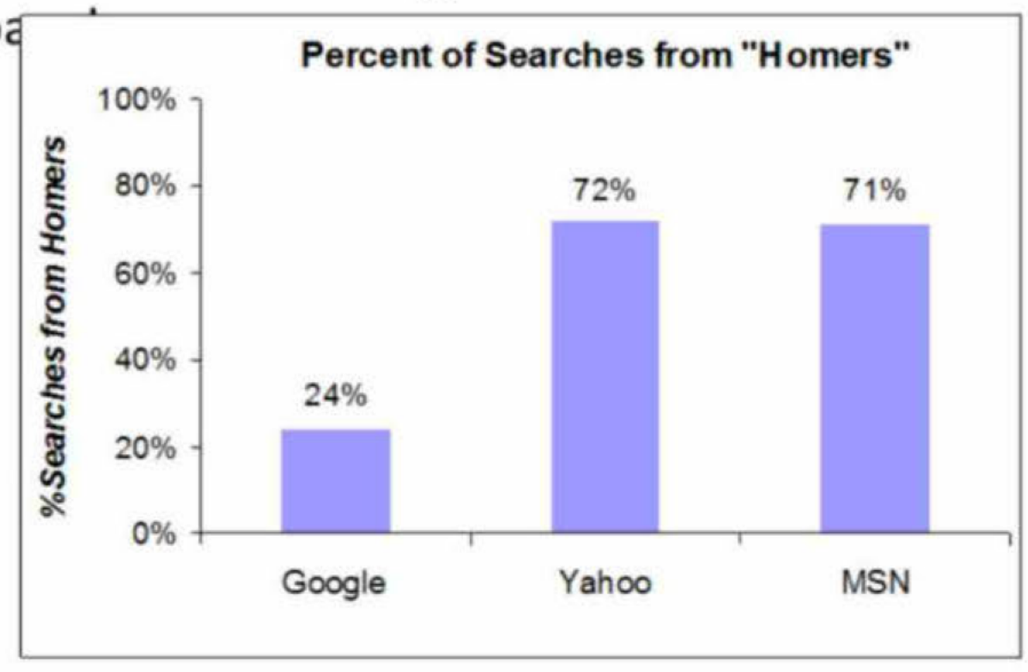
How Vulnerable are Search Engines to Home Page Settings?

- Google least vulnerable, but it could still lose a big share
- Could be devastating for Yahoo & MSN to lose home pa



Google

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Summary

- Data suggests that:
  - Users do not always make a deliberate choice of search engine
    - Choice seems influenced by handy access to search box
    - 50% users stay with pre-configured browser home page
  - Product quality/brand seems to temper effect of browser home page
    - Google still preferred even if Google not the home page
    - Yahoo, MSN strongly dependent on home page setting for search share
  - Browser home page can be a powerful strategic weapon in the Search battle
    - Could be the Achilles heel for Yahoo and MSN
    - Biggest opportunity for growing share in APAC and North Am

Google

So How Much is a Home Page Worth?

- Estimated *incremental* life time value: ~$3 per user
  - Value is roughly $6 in US due to higher RPM's

- Assumptions:
  - Avg #searches/user/week = 9.2
  - Incremental searches/week = 15% of 9.2
  - Avg RPS = 3 cents
  - Avg lifetime of Home page = 71 weeks (1.4% users unset/week)
  - Same RPM on the incremental queries

Google

4/

Potential Tactical Steps

- Home page share should be key business metric?
- More prominent "Make Google my home page" promo?
  - Increased focus on iGoogle? More engaging hp? Themes?
- Partner more aggressively with ISP's and OEM's?
  - The upcoming renewal of SBC Y! deal an opportunity?
- Provide an option to set home page with downloads of Google apps?
  - Toolbar, Earth, Gtalk, Picasa and others
- Promote non IE browsers more aggressively?

Google

4/

Open Questions

- What influences choice of a browser home page?
- What's the best way of partnering with ISP's & OEM's?
- How to create incentives for users to set G as home?
- How to counter the IE 7 threat?
- How to best target competitor's vulnerabilities?

Google

4/

Key Takeaways

- Users do not always make a deliberate choice of search engine
  - "Choice" seems strongly influenced by browser home page
  - Effect appears to overwhelm product quality and brand

- Setting the home page to Google is crucial
  - Users *search 15% more* after home page set to G
  - Users *search 27% less* after home page changed from G

- Home page could help us gain significant market share
  - Especially in North America and APAC
  - Gains could be as high as 15% market share ($2.2 B annually)
  - Could be used to target a vulnerability for Yahoo, MSN

Google