

Strategic Market Status Investigation:

Google's General Search and Search Advertising services - Invitation to Comment

UKHospitality comments

About UKHospitality

UKHospitality is the leading trade body for hospitality, representing more than 740 members and 130,000 venues across the UK. As a sector, hospitality contributes £93 billion to the economy, employs 3.5 million people and generates £54 billion in tax for the Treasury.

The body speaks on behalf of a wide range of leisure and 'out-of-home' businesses, from FTSE 100 enterprises to medium-size groups and independent single-site operators, as well as 6,000 affiliated operators.

Hospitality represented 10% of UK employment, 6% of businesses and 5% of GDP in 2019.

UKHospitality comments

- We welcome the opportunity to provide comments as part of the ITC, from a hotel and accommodation provider standpoint in particular, and appreciate the recent contact with the SMS search team and offer of a future meeting.
- At this stage, we restrict our comments to Q5 and Q6 within the ITC document as below.

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?

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?

- Re s.41(b) '*Measures to promote consumer awareness, engagement and choice in search*' – we would highlight negative experiences for hotel operators (and customers/users) in the European Union following changes in choice architecture post-introduction of the Digital Markets Act (DMA).

- European businesses and their representatives report that unintended consequences of the Act affecting Google search functionality has led to a risk of the DMA not achieving its objective of fairness with regard to the hotel sector, and its customers.
- In particular, the reduction in the ability for customers to search for accommodation businesses via dates of stay, price and location (map) has been particularly detrimental. These are key criteria for customers.
- We are of the view that the UK digital competition regime, under the DMCC Act, has the opportunity to avoid unintended consequences as seen in the EU regime, by ensuring that features of search ‘choice architecture’ can be both legally compliant and also fair to business search users, and customers themselves.
- We would be very happy to discuss the above points in more detail, and take part in future meetings or workshops exploring impacts of changes in search choice architecture on the UK hotel/accommodation sector and its customers.
