

Search SMS Investigation

Specialised Search Services Roundtable

4 February 2025

Agenda

1. Overview of the Search SMS investigation
2. Landscape for specialised search providers
3. Relationship between Google and specialised search providers

Introduction

As part of its Strategic Market Status (**SMS**) investigation into Google's general search services, the CMA held a series of roundtable events for groups of stakeholders to explore the issues and hear their views.

Participants were reminded of the consequences of providing false or misleading information to the CMA in connection with its digital markets functions.

This note summarises the content of the roundtable held with specialised search services. The event was chaired by the CMA Director leading the SMS investigation and attended by CMA staff including the Senior Director, Digital Markets and the case team. Representatives from ten specialised search services and one trade association participated.

The views expressed in this note are those of the participants, which the CMA will consider as part of the body of evidence it gathers during the investigation.

Overview of the Search SMS investigation

The CMA thanked attendees for joining the roundtable and stressed the importance and value of their engagement with the case team during its SMS investigation and explained how the CMA intends to implement the participative approach to the digital markets competition regime.

CMA staff explained the scope and process of the SMS investigation, the issues the CMA intends to explore during the investigation, as set out in the [Invitation to Comment](#), and the expected timeline for the investigation. Attendees were then given an opportunity to ask questions.

Landscape for Specialised Search Providers

One participant opened the discussion by sharing its experiences of the impact of interventions by the European Union related to comparison shopping services (**CSS**). The participant stated that despite the interventions it believed it was still very difficult to compete with Google as a CSS, even with the introduction of links to CSS in Google's Product Listing Ads (**PLAs**) in the Search Engine Results Page (**SERP**). Further, the participant said that although this allows for a viable business model as an advertising agency, it does not help provide effective competition to Google's own CSS service.

Multiple participants said that Google is the largest source of traffic to their services, and there is not an effective alternative; and multiple participants stated they were concerned that Google can preference its own product within the SERP to the detriment of competitors.

A participant from a sector in which Google operates a competing service stated that it had significant brand recognition prior to Google offering a competing service and deemed it unlikely it would have been able to build this brand recognition had Google already offered its competing service when the participant's service launched. Several other participants who operate specialised search services for which Google offers a competing product also stated that they had seen a reduction in organic traffic and were having to spend more on paid search advertising as result. One participant said that its product is not performing as well as Google's competing product on the SERP, but it does not have a clear picture as to the criteria that would enable it to compete more effectively.

One participant stated that although it does not operate a specialised service in a vertical where Google offers a competing specialised service, it currently spends more of its digital advertising budget on recouping users who have searched for its service than acquiring new users, as it is required to bid on its own brand terms otherwise it would see a significant drop in traffic.

When prompted as to the potential impact of AI integration into Google's search services, participants stated that the impact was not yet clear, and had been limited to date but they would expect it to have a greater impact in the future.

Relationship between Google and Specialised Search Providers

The CMA reminded participants that any interventions must be evidence based and that the CMA does not have an obligation to act through imposing Conduct Requirements. However, it asked participants about which, if any, interventions it should consider pursuing if Google were designated as having Strategic Market Status under the Digital Markets Competition and Consumers Act

Participants expressed their view that it should be possible to increase competition with Google without degrading user experience, and rather than removing SERP integrations they would like to see increased competition for or within SERP integration features that Google might offer. Participants said that users being able to complete specialised searches within the SERP has a negative impact on specialised search providers, and despite arguments presented by Google and direct merchants in the process of implementing the EU's Digital Markets Act (**the DMA**), they submitted that there would be means to design a SERP that is equally fair to specialised search providers and direct suppliers.

Further, participants stated if the CMA were to intervene, they believe the CMA should adopt a more directive approach than the DMA, with more prescriptive requirements to ensure that any intervention addressed the self-preferencing concern effectively. In this context, one participant stated that the CMA should recognise the differences between general search services and specialised search services. In particular, they argued that specialised search services invest in infrastructure and relationships with direct suppliers to access proprietary information, rather than crawling and indexing the open web as general search services do.

Another participant stated its view that the worst result of CMA intervention for users would be 'one extra click', but that a solution requiring one 'extra click' was just one of a number of options that had been suggested to Google and the European Commission; and all the options which has been suggested could open a range of opportunities for innovation and competition to best serve the consumer.