Strategic market status investigation into Google's general search services

Proposed Decision

24 June 2025

Website: www.gov.uk/cma

The Competition and Markets Authority has excluded from this published version of the proposed decision information which the CMA considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act 2002 (specified information: considerations relevant to disclosure). The omissions are indicated by [✂]. Some numbers have been replaced by a range. These are shown in square brackets. Non-sensitive wording is also indicated in square brackets.

CONTENTS

APPENDICES

1. SUMMARY

1.1 On 1 January 2025 the Digital Markets, Competition and Consumers Act 2024 (the **Act**) established a new regime to boost competition in digital markets. The digital markets competition regime is designed to take a balanced and proportionate approach to driving greater competition in digital markets, unlocking opportunities for innovation and economic growth across the UK tech sector while protecting UK consumers and businesses from unfair or harmful practices. It is focused on a small number of firms which are very powerful in particular digital activities that are linked to the UK. Only those designated with 'strategic market status' (**SMS**) in such activities will be within scope of the regime.[1]

1.2 The Act gives the Competition and Markets Authority (**CMA**) the ability to designate a firm as having SMS. Before doing so, we must carry out an investigation to determine whether the tests in the Act are met. These are, in summary, that the firm has:

(a) turnover of more than £1 billion in the UK or £25 billion globally; and

(b) 'substantial and entrenched market power' and 'a position of strategic significance' in respect of a digital activity linked to the UK.

1.3 If we designate a firm as having SMS, we can then introduce measures to promote competition and protect consumers in relation to the relevant digital activity, subject to further procedural steps and always in line with the principle of proportionality.

1.4 On 14 January 2025 we began our first 'SMS investigation', into whether to designate Google as having SMS in general search and search advertising (together, **general search services**). We set out our grounds for launching the investigation in the notice we published on the same day (the **Investigation Notice**).[2]

1.5 We also published an invitation to comment (the **ITC**) in which we explained that we chose to launch our first SMS investigation in this sector because of the potential impact for people, businesses and the UK economy of effective competition in general search services.[3]

1.6 This Proposed Decision sets out our provisional view that Google has SMS in general search services under the digital markets competition regime.

---

[1] Digital markets competition regime guidance, December 2024 (**CMA194**), paragraphs 2.1-2.2.
[2] CMA's Investigation Notice to Google in relation to launch of initial strategic market status investigation dated 14 January 2025. Investigation Notice.
[3] Invitation to Comment, paragraphs 1-4.

1.7 Google is ‘synonymous with search’.[4] The term ‘to Google’ is commonly used to describe the act of web search, and ‘Google.com’ is one of the most common search queries on Bing, Google’s main search competitor.

1.8 Google Search accounts for more than 90% of all general search queries in the UK, with millions of people relying on it as a key gateway to the internet. It is also a critical route for UK businesses to reach customers – over 200,000 firms in the UK collectively spent more than £10 billion on Google search advertising last year.

1.9 These services matter to our economy and society, so it is vital that competition works well here.

1.10 Through our investigation thus far, we have heard widespread concerns, including:

(a) Google’s index of billions of websites, its access to trillions of historical searches, and its ecosystem of information, are extremely hard for others to replicate.

(b) Competition in search advertising is not working as effectively as it should. The amount spent by UK business entities for search advertising on Google last year was equivalent to more than £33,000 per advertiser. If competition was working well, we would expect these costs to be lower.

(c) Google may not consistently provide fair search ranking and is able to rapidly (and with limited transparency over when or why) introduce changes to ranking and presentation of results which affect businesses’ ability to reach customers.

(d) Google’s bargaining position can impact fair and reasonable terms for publishers, including fair payment terms for the use of their content. Insufficient controls about how their content is used in Google Search (including AI Overviews) also limits news publishers’ ability to monetise their content.

(e) Google’s deals with companies like Apple and Samsung to be the default search engine on their devices can make it more difficult for competitors to reach customers.

(f) Innovative businesses struggle to compete as people cannot easily share their search data with firms developing innovative new services which could benefit them.

[4] *United States and State of Colorado v Google LLC,* memorandum opinion of 5 August 2024, page 1.

Our proposed description and scope of the digital activity

1.11 A ‘digital activity’ is the provision of a service by means of the internet, or the provision of digital content.

1.12 We propose to describe the relevant digital activity as the provision of: a service that searches the world wide web, and can draw on other sources, to return information on any subject (**general search**); and a service that enables advertising to users of general search (**search advertising**) (together, **general search services**).

1.13 The Google products within the scope of general search services include Google Search, however it is accessed, and all information it returns including through AI Overviews. The scope also covers Google’s advertising services when engaged in search advertising.

1.14 We have considered whether Google’s Gemini AI assistant would also fall within the scope of general search services where users are asking it for information. The Gemini AI assistant uses Google Search results as one of many inputs to produce a response to a user prompt. It is being used in some cases, by some users, to perform a function akin to general search. However, the evidence is mixed, and the AI assistant sector is relatively small, nascent, and highly dynamic.

1.15 As such, we have provisionally decided that, based on how it is currently offered and used, the Gemini AI assistant should not be listed as a product within the scope of the relevant digital activity. However, we will keep this under careful review – as provided for in the legislation – as usage of Gemini develops. We would carry out a public consultation before deciding to bring the ‘search’ use cases[5] of the Gemini AI assistant within scope, and welcome views from stakeholders – both Google and others – as to the relevant factors we might take into account for these purposes.

Our provisional findings on whether Google has SMS in general search services

1.16 On the evidence we have seen to date, Google has had an unparalleled position in general search services for an extended period. Other traditional general search providers are significantly smaller than Google and have been for many years. Bing is the largest of these providers, but its current shares of queries and search advertising are both less than 5%. No traditional general search providers have materially grown relative to Google for at least fifteen years.

[5] Or, if relevant, ‘search advertising’.

1.17 Specialised search providers, such as Amazon, are a limited alternative to Google's general search services, and social media platforms are not an effective alternative.

1.18 Any designation decision would last for a period of five years, so we need to take account of possible future developments over that five-year period. In recent years developments in generative AI have led to the emergence of AI assistants such as ChatGPT, and we have carefully considered how these developments could affect Google's position. However, use of AI assistants is currently very low when compared to Google's general search products, and it is uncertain how the use of these products will evolve. Google is also well-positioned to ensure that AI assistants do not develop into a more sustained and significant competitive constraint to its general search services. For example, Google has incorporated generative AI features (such as AI Overviews) directly into its existing products, alongside developing its own Gemini AI assistant.

1.19 An important factor in the persistence of Google's strong position in general search services is the barriers that competitors face to developing an effective, alternative product. These barriers include Google's distribution agreements (which make it challenging for others to reach users), data advantages and scale in search advertising. Google's strong positions in general search and search advertising reinforce one another, with more users helping Google to monetise its general search services and to invest in its general search services.

1.20 Google's wider ecosystem of products also plays an important role – providing it with access to data with which it can tailor its products in ways that others cannot and providing it with influence over some important access points to users. For example, Android and Chrome give Google influence over access points to general search and provide Google with access to data which may not be available to others. Many of these barriers also apply to AI assistants that could compete with Google's general search services.

1.21 Accordingly, we have provisionally found that Google has substantial and entrenched market power in general search services. It also has a position of strategic significance, based on its significant scale and the very large number of other firms across the UK that rely on it.

Next steps

1.22 We therefore propose to designate Google as having SMS in general search services. We are now consulting on that proposal and will take account of responses to our consultation in making a final decision prior to the statutory deadline for our investigation in October.

1.23 A finding that Google has SMS does not imply that it has acted anti-competitively or that the CMA should intervene. If we designate Google as having SMS, it would then be open to us to seek to introduce interventions through Conduct Requirements or Pro-Competition Interventions to promote greater competition and protect consumers. Any such measures would themselves be subject to a further legal process, including further public consultation, prior to being imposed. We will only intervene where we can demonstrate that an intervention is effective and proportionate to address a clear concern.

1.24 The digital markets competition regime is uniquely designed to be flexible and highly targeted, with a participative engagement process – involving all stakeholders, from the largest firms to challengers and consumer groups. The CMA is also embedding our '4Ps' – Proportionality, Pace, Predictability and Process – into our approach, to avoid any action we take hampering innovation or creating uncertainty which could chill investment.

1.25 To support pace and predictability, alongside our SMS investigation we are looking in parallel at potential actions we might take were Google to be designated. Specifically, to provide greater predictability for Google and other market participants, we are going further than the legislation requires by publishing a Roadmap of how we propose to prioritise these actions during the first half of any designation period. If we reach a final decision that Google has SMS, we expect to consult on initial Conduct Requirements shortly after any decision to designate Google with SMS. In taking decisions on which measures to consult on, we will be guided by the CMA's prioritisation principles and the government's recent strategic steer.

1.26 We welcome consultation responses on this Proposed Decision by **22 July 2025**. We must reach a final decision on whether to designate Google as having SMS by 13 October 2025.

2. CONTEXT TO THE INVESTIGATION

Market background and previous CMA work

2.1 Google launched in 1998 and by 2000 had developed the world's largest search index. In the same year, one of its main rivals, Yahoo, agreed to make Google its default search results provider. When, in 2010, Ask.com refocused away from developing its own search technology, Google and Microsoft were the only two remaining large web-crawling English-language search engines.

2.2 Within its wider ecosystem, Google's main general search product – a service that can, in principle, respond to any type of search query – is Google Search. This 'crawls' the world wide web to create an index of websites and return a set of ranked, curated results from this 'web index' in response to queries. It also draws on other sources of information.

2.3 The only other search provider with a large-scale English-language web index is Microsoft's Bing. Brave also has its own index on a smaller scale. Other general search providers offering a similar service to users include DuckDuckGo and Yahoo, utilising syndicated search results. Recently, artificial intelligence (AI)-based services such as ChatGPT and Google's own Gemini AI assistant have emerged which can, among other things, also answer a wide range of queries.

2.4 Google monetises its general search service through advertising. Advertisers pay for an advertisement to appear alongside the results of a search, through auctions for placements based on specific search terms (hence 'search advertising').

2.5 The CMA has previously investigated Google's position in search, notably in its 2020 market study into online platforms and digital advertising (**DAMS**). We found then that each year between 2009 and 2019 Google generated more than 90% of UK search traffic and more than 90% of UK search advertising revenues.

2.6 We identified in the market study a number of market features preventing rival search engines competing effectively with Google:

(a) economies of scale and scope – the infrastructure to search the web (a web index and crawlers) represents a major cost and is subject to significant economies of scale;[6]

(b) network effects – users of search engines benefit from increased quality as the search engine acquires a greater number of users. This effect is driven by the importance of data;[7]

[6] Online platforms and digital advertising market study, July 2020 (DAMS), paragraphs 3.53-3.63 and 3.87-3.91.
[7] Online platforms and digital advertising market study, July 2020 (DAMS), paragraphs 3.59 and 3.64.

(c) importance of data – the data on what queries users make and subsequently click on (click-and-query data) allow search engines to improve the quality and relevance of search results. The greater scale of queries Google sees compared to its rivals means it is able to deliver more relevant search results, in particular in relation to uncommon and new queries;[8]

(d) role of defaults – Google has an extensive number of default positions on different kinds of devices and web browsers, in particular on almost all mobile devices in the UK. This limits rival search engines' ability to reach users, build scale and grow into stronger competitors over time;[9] and

(e) Google's wider ecosystem of products and services means it controls a number of routes through which general search services are accessed (for example browsers and operating systems), and in which it can therefore give its own general search service preferential treatment. Through this wider ecosystem of products and services, Google collects extensive data that gives Google a substantial competitive advantage over rivals in providing search advertising services.[10]

2.7 In the current SMS investigation we have built on our existing understanding from DAMS. However, we recognise that there have been important changes in the market since 2020, notably with the development in new generative AI tools, and have based our findings in this Proposed Decision on new evidence and analysis.

International context

2.8 Several competition authorities globally have investigated or taken action in relation to Google's general search services in recent years. Although our SMS investigation is focused on Google's activities in the UK, Google's search services operate globally, and we have sought to learn from international findings in conducting our own investigation. These include:

(a) **US District Court Case in relation to Google Search** – On 5 August 2024 the US District Court for the District of Columbia found that Google had acted illegally to maintain its monopoly position in the markets for 'general search services' and 'general search text advertising' in the US.[11] The Court is now proceeding to consider remedies in this case, with the US Department of Justice (**DOJ**) and Google having both made submissions on potential remedies. We refer to this as the **US Search Litigation**. The Court's forthcoming judgment will consider the range of remedies proposed by the

[8] Online platforms and digital advertising market study, July 2020 (DAMS), paragraphs 3.64-3.89.
[9] Online platforms and digital advertising market study, July 2020 (DAMS), paragraphs 3.93-3.128.
[10] Online platforms and digital advertising market study, July 2020 (DAMS), paragraphs 3.129-3.144.
[11] *United States and State of Colorado v Google LLC,* memorandum opinion of 5 August 2024. The Court defined these as relevant markets with a national geographic scope.

DOJ, which include distribution, syndication and structural remedies in relation to the relevant markets.[12] The Court will also a reach a decision on the extent to which these remedies should include Google's Gemini AI assistant.

(b) **The EU's Digital Markets Act** (**DMA**) – Google is a designated gatekeeper under the DMA for both its online search engine Google Search and its online advertising (including search advertising) services.[13] As a result Google is subject to a range of obligations in relation to its search activities.

(c) **Japanese Mobile Software Competition Act –** Google has been designated by the Japan Fair Trade Commission as a specified software operator under the Mobile Software Competition Act[14] and will therefore be subject to certain prohibitions and obligations in relation to the provision of smartphone software.[15]

(d) **Australian Competition & Consumer Commission (ACCC) Digital Platform Services Inquiry interim report –** In December 2024 the ACCC published a report revisiting competition and consumer issues arising in the supply of general search services in Australia.[16] It highlighted the continued need for regulatory reform to address digital platform-related competition and consumer harms.

Our investigation to date

2.9 Since launching our investigation, we have gathered a wide range of evidence from Google, stakeholders across the digital economy, and the public:

(a) At the outset of the investigation, we published the ITC inviting views on the scope and main avenues of the investigation. We received 50 ITC responses from third parties and published non-confidential responses on the case page.[17]

(b) Engagement with Google: Google commented on our emerging thinking in its response to the ITC, in a number of submissions, and during in-person meetings with CMA decision makers and several technical 'teach-ins' with the case team. We sent formal requests for information to Google, in

[12] *United States and State of Colorado v Google LLC*, Plaintiffs' Revised Proposed Final Judgment, filed 7 March 2025 and Plaintiffs' Remedies Pre-Trial Brief, filed 16 April 2025.
[13] Commission decision of 5.9.2023 designating Alphabet as a gatekeeper pursuant to Article 3 of Regulation (EU) 2022/1925 of the European Parliament and of the Council on contestable and fair markets in the digital sector.
[14] Act on Promotion of Competition for Specified Smartphone Software (Act No. 58 of 2024).
[15] Designation of Specified Software Operators under the Act on Promotion of Competition for Specified Smartphone Software | Japan Fair Trade Commission.
[16] Digital Platform Services Inquiry interim report - September 2024 | ACCC. The report revisits and reconsiders general search after it was previously considered in the ACCC's third Digital Platform Services Inquiry interim report in October 2021.
[17] SMS investigation into Google's general search .and search advertising services - GOV.UK.

response to which we obtained qualitative evidence, around 400 internal documents, and quantitative data.

(c) Evidence from other market participants: We received information from more than 80 market participants, including both qualitative and quantitative evidence. We held over 60 bilateral calls and meetings, and a series of roundtable events for groups of stakeholders (publishers, advertisers and specialist search services) to explore the issues and hear their views. Summaries of the roundtable discussions were published on our case page.

(d) Consumer market research and survey: we engaged an independent market research company (Thinks Insight and Strategy) to conduct qualitative research to inform the investigation, focused on understanding how consumers are using generative AI assistants for web search activities (the **consumer research**). A consumer survey was also undertaken by Accent, an independent market research agency, to understand the prevalence of AI assistant usage among consumers (the **consumer survey**).[18] The findings from these pieces of research are published on the case page.

(e) Views from experts and other regulators: we met with expert advisers and liaised with relevant regulators including Ofcom and the Information Commissioner's Office (**ICO**) in the UK.

[18] The Accent consumer survey of smartphone owners was commissioned as part of the SMS investigations into Apple and Google's mobile ecosystems. A question module on searching for information online was added to the survey for the purposes of this investigation. Findings specific to this investigation will be published on the case page.

3. THE UNDERTAKING AND TURNOVER CONDITION

The Google undertaking

3.1 The Act provides that the CMA may designate an 'undertaking' as having SMS in respect of a digital activity carried out by the undertaking (where the conditions in the Act are met).[19]

3.2 'Undertaking' has the same meaning as it has for the purposes of Part 1 of the Competition Act 1998.[20]

3.3 The concept of 'undertaking' covers any entity engaged in an economic activity, regardless of its legal status and the way in which it is financed. It is 'an economic unit even if in law that economic unit consists of several persons, natural or legal'.[21] An undertaking therefore does not correspond to the commonly understood notions of a legal entity or corporate group, for example under English commercial or tax law.[22]

3.4 Multiple persons (such as a parent company and its subsidiaries) will usually be treated as a single undertaking if they operate as a single economic entity. This will be the case where one exercises 'decisive influence' over another – for example, a parent company which decides the commercial policy of its subsidiaries.[23]

3.5 The Act requires us to describe the undertaking to which any SMS designation would relate.[24] Our guidance explains that where an undertaking comprises multiple companies, we will usually seek to identify the parent company and the main subsidiaries responsible for carrying on the digital activity, rather than providing an exhaustive list of the entities making up the undertaking at the relevant point in time.[25]

3.6 We provisionally consider that the Google undertaking we propose to designate as having SMS in respect of general search services includes Alphabet Inc., Google LLC, Google Ireland Limited, Google UK Limited and Google Commerce Limited[26] – respectively the parent company and the main subsidiaries responsible for

---

[19] Section 2(1) of the Act.
[20] Section 118(1) of the Act.
[21] C-97/08 *Akzo v Commission*, paragraphs 54-55.
[22] *Sepia Logistics Limited v Office of Fair Trading* [2007] CAT 13, paragraph 70.
[23] CMA194, footnote 2. Where a parent company holds all or virtually all of a subsidiary's share capital or all of its voting rights, there is a rebuttable presumption that it exercises decisive influence over, and therefore forms a single undertaking with, that subsidiary. See, for example, C-97/08 *Akzo v Commission*, paragraph 60; C-595/18 P *Goldman Sachs v Commission*, paragraphs 35-36.
[24] Section 15(3)(a) of the Act.
[25] CMA194, paragraph 2.104, footnote 78 and paragraph 2.90.
[26] We did not refer to Google Commerce Ltd in the Investigation Notice. We propose to include Google Commerce Ltd in our description of the Google undertaking in light of its involvement in providing search advertising for 'eligible non-business use': see below.

carrying on general search services, which form a single economic unit engaged in economic activity and therefore an undertaking within the meaning of the Act:

(a) Google LLC[27] provides Google Search to users based in the UK.[28]

(b) Google Ireland Limited[29] is the service provider for Google's Search Ads 360 (**SA360**) product and operates Google Ads for business customers.[30]

(c) Google UK Limited[31] is the employer of Google's personnel in the UK,[32] and provides intra-group services to other Google entities.[33]

(d) Google Commerce Limited[34] is the service provider for Google Ads where the customer has chosen 'eligible non-business use' as the purpose of use for its account.[35]

(e) Each of Google LLC, Google Ireland Limited, Google UK Limited and Google Commerce Ltd is ultimately wholly owned by Alphabet Inc.[36]

The turnover condition

3.7 The CMA may not designate an undertaking as having SMS in respect of a digital activity unless the 'turnover condition' is met in relation to the undertaking.[37]

3.8 The turnover condition is met in relation to an undertaking if the CMA estimates that:[38]

---

[27] A private limited company incorporated in Delaware, United States of America under registered number 3582691, with its registered office at 1600 Amphitheatre Parkway, Mountain View, CA 94043, United States of America.
[28] Google's consolidated response to the CMA's RFI.
[29] A private limited company incorporated in the Republic of Ireland under registered number 368047, with its registered office at Gordon House, 4 Barrow Street, Dublin, D04 E5W5, Ireland.
[30] Google's consolidated response to the CMA's RFI.
[31] A private limited company incorporated in the United Kingdom under registered number 03977902, with its registered office at 1 St. Giles High Street, London, WC2H 8AG, United Kingdom.
[32] Google's consolidated response to the CMA's RFI.
[33] Google UK Limited, Directors' Report and Financial Statements, Financial Year ended 31 December 2023, page 19 application-pdf. Google described Google UK Limited in similar terms in its consolidated response to the CMA's RFI.
[34] A limited liability company incorporated in the Republic of Ireland under registered number 512080, with its registered office at Gordon House, 4 Barrow Street, Dublin, D04 E5W5, Ireland.
[35] 'Eligible non-business use' means that a customer uses their search advertising account in connection with a political, non-profit, or charitable purpose related to their trade, business, craft or profession. Google's consolidated response to the CMA's RFI. Google clarified in its consolidated response to the CMA's RFI.
[36] A public listed company incorporated in Delaware, United States of America under registered number 5786925, with its registered office at 1600 Amphitheatre Parkway, Mountain View, CA 94043, United States of America. The corporate structure charts Google submitted (Google's consolidated response to the CMA's RFI; Google's consolidated response to the CMA's RFI indicate that each of Google LLC, Google Ireland Limited, Google UK Limited and Google Commerce Ltd is wholly owned by XXVI Holdings Inc., which is in turn 'Controlled by Alphabet Inc.' Although the structure charts do not indicate the proportion of voting rights or shares held by Alphabet Inc, a US regulatory filing from January 2025 states that Alphabet Inc. holds '100% equity interest and more than 99% voting interest in XXVI Holdings [Inc]' (Streamlined Submarine Cable Landing License Applications, 10 January 2025, Federal Communications Commission, bottom of page 2, SCL00509S.pdf). The presumption that Alphabet Inc. exercises decisive influence over XXVI Holdings Inc. (and therefore indirectly over each of Google LLC, Google Ireland Limited, Google UK Limited and Google Commerce Limited) therefore applies.
[37] Sections 2(3) and 7(1) of the Act.
[38] Section 7(2) of the Act.

(a) the total value of the global turnover of an undertaking or, where the undertaking is part of a group,[39] the global turnover of that group in the relevant period exceeds £25 billion (the **global turnover threshold**); or

(b) the total value of the UK turnover[40] of an undertaking or, where the undertaking is part of a group, the UK turnover of that group in the relevant period exceeds £1 billion (the **UK turnover threshold**).[41]

3.9 The 'relevant period', in each case, means:

(a) the most recent period of 12 months in respect of which the CMA considers that it is able to make an estimate of the total value of the relevant turnover of the undertaking or group; or

(b) if the CMA estimates that the relevant turnover of the undertaking or group in the period of 12 months prior to the period in (a) above was higher, that earlier period of 12 months.[42]

3.10 Further details on the methodology for estimating turnover are set out in the Digital Markets, Competition and Consumers Act 2024 and Consumer Rights Act 2015 (Turnover and Control) Regulations 2024 (the **Turnover Regulations**), Schedule 1.

3.11 Our guidance explains that the CMA's starting point for assessing relevant turnover will usually be the undertaking and/or group's latest published accounts.[43] Further, the CMA expects that the most recent period of 12 months in respect of which it is able to make an estimate of the total value of the relevant turnover of the undertaking or group will in most instances be the 12-month period covered by those accounts.[44]

3.12 For the reasons set out below, we provisionally consider that the global turnover threshold and the UK turnover threshold (either of which would suffice) are both exceeded – and therefore the turnover condition is met in relation to the Google undertaking:[45]

---

[39] An undertaking is part of a group if one or more bodies corporate which are comprised in the undertaking are members of the same group as one or more other bodies corporate. Two bodies corporate are members of the same group if (a) one is the subsidiary of the other, or (b) both are subsidiaries of the same body corporate (section 117 of the Act).
[40] Turnover relating to UK users or UK customers: section 8(3) of the Act. 'UK user' and 'UK customer' are defined in section 118(1) of the Act as meaning any user or, as the case may be, customer who it is reasonable to assume (a) in the case of an individual, is normally in the UK; and (b) in any other case, is established in the UK.
[41] In each case, turnover arising in connection with any activities is taken into account: section 8(2) and (3) of the Act.
[42] Section 7(6) of the Act.
[43] Where the CMA is assessing turnover for the purposes of the UK turnover threshold, this will include considering any geographic breakdown contained in the published accounts. See paragraph 2.37 of CMA194.
[44] See paragraph 2.39 of CMA194.
[45] Pursuant to section 7(2) of the Act, where the undertaking is part of a group, the turnover of the group should be considered. We have therefore considered the turnover of the Google group as a whole (with Alphabet Inc. as the ultimate parent company) rather than the turnover only attributable to the main subsidiaries responsible for carrying on the relevant digital activity.

(a) Alphabet Inc.'s most recent published accounts report revenues of $304.9 billion (£238.5 billion[46]) for the financial year ending 31 December 2024.[47]

(b) Alphabet Inc.'s published accounts also include a geographic breakdown of global revenues on a regional basis, based on the addresses of its customers. The UK is part of the EMEA (Europe, Middle East and Africa) revenue reporting region, which reported revenues of $82.1 billion (£64.2 billion[48]) for the financial year ending 31 December 2024.[49]

(c) While Alphabet Inc.'s published accounts do not include UK-specific revenue figures, Google estimates its UK revenues, based on the addresses of its customers, to be approximately $[✂] billion (£[10-20]billion).[50] Google has also confirmed that its UK turnover would exceed the UK turnover threshold if assessed under the Turnover Regulations.[51, 52]

[46] Using the UK Office for National Statistics' average exchange rate for USD vs GBP of 1.2783 for the period from 1 January 2024 to 31 December 2024.
[47] Source: Form 10-K for Alphabet INC filed 02/05/2025. Given the scale by which Google's reported turnover exceeds the global turnover threshold, we have not conducted a more detailed assessment of its global turnover based on the methodology specified in the Turnover Regulations.
[48] Using the UK Office for National Statistics' average exchange rate for USD vs GBP of 1.2783 for the period from 1 January 2024 to 31 December 2024.
[49] Source: Form 10-K for Alphabet INC filed 02/05/2025.
[50] Google's consolidated response to the CMA's RFI.
[51] Google's consolidated response to the CMA's RFI.
[52] We recognise there may be differences between the way a company accounts for UK turnover in its financial statements and the UK turnover threshold methodology set out in the Turnover Regulations. However, as Google has confirmed that its UK turnover would exceed the UK turnover threshold if assessed under the Turnover Regulations, we have not conducted a full assessment of turnover relating to UK users or UK customers.

4. THE DIGITAL ACTIVITY

4.1 The CMA may designate an undertaking as having SMS in respect of 'a digital activity carried out by the undertaking' where the conditions in the Act are met.[53]

4.2 For these purposes, 'digital activities' are:[54]

(a) the provision of a service by means of the internet, whether for consideration or otherwise;

(b) the provision of one or more pieces of digital content, whether for consideration or otherwise;

(c) any other activity carried out for the purposes of an activity within (a) or (b) above.

4.3 The Act provides that the CMA may treat (or 'group') two or more digital activities that are carried out by a single undertaking as a single digital activity where:[55]

(a) the activities have substantially the same or similar purposes, or

(b) the activities can be carried out in combination with each other to fulfil a specific purpose.

Summary of our proposed decision on the relevant digital activity

Our proposed description of the relevant digital activity

4.4 The Act requires us to describe the digital activity with respect to which the SMS designation would have effect.[56] The Act refers to this as the 'relevant digital activity'.[57]

4.5 Our guidance explains that identifying digital activities is a case-specific assessment and the CMA may vary its approach between investigations depending on the particular circumstances of a case;[58] and that our description of the relevant digital activity will set out its overall purpose.[59]

4.6 We propose to describe the relevant digital activity as the provision of:

[53] Section 2(1) of the Act.
[54] Section 3(1) of the Act.
[55] Section 3(3) of the Act. Explanatory notes to the Act, paragraph 103.
[56] Section 15(3)(b) of the Act.
[57] Section 118(1) of the Act.
[58] CMA194, paragraph 2.11.
[59] CMA194, paragraph 2.107.

A service that searches the world wide web, and can draw on other sources, to return information on any subject (**general search**);

and

A service that enables advertising to users of general search (**search advertising**)

together, **general search services**.

4.7 We consider that each of general search and search advertising is a digital activity within the meaning of the Act; and further, that they may be treated as a single digital activity (general search services) as they can be carried out in combination with each other to fulfil the specific purpose of providing a general search and search advertising platform.

The products within the scope of the relevant digital activity

4.8 Our guidance states that we will indicate which of the existing products offered by the firm we consider to be within the scope of the relevant digital activity at the point of making a decision to designate the firm as having SMS.[60]

4.9 Our guidance explains that in identifying a digital activity and considering which of the firm's products it may comprise, we will typically look at how those products are offered and consumed. For example, we may consider how the firm structures itself and its business model, how businesses and consumers use and access its products, and any interlinkages among them. In practice, this will largely focus on factual information and will not require an assessment of the competitive constraints on the firm or a market definition exercise.[61]

4.10 We propose to list the following Google products as within the scope of the relevant digital activity:

(a) Google Search:

(i) however it is accessed; and

[60] CMA194, paragraph 2.107.
[61] CMA194, paragraph 2.10.

(ii) including all information it returns through its underlying infrastructure (including generative AI features), including on its search engine results page (SERP); and

(b) Google Ads, SA360 and AdSense for Search when engaged in search advertising.

4.11 We consider that the following Google products are outside the scope of the relevant digital activity:

(a) Google's standalone specialised search services; and

(b) Google's 'ad tech' products when not engaged in search advertising – for example, Google Ad Manager which provides display advertising services to publishers, or any advertising sold through Google Ads which does not constitute search advertising (such as video advertising on YouTube).

4.12 We consider that Google's Gemini AI assistant is at least an access point to Google's general search: in certain contexts, it takes or allows the user to click through to the Google Search SERP. However, we do not consider that a Google product is within the scope of the relevant digital activity solely by virtue of functioning as an access point.

4.13 In assessing whether the Gemini AI assistant should be listed as a product within the scope of the relevant digital activity, we have carefully considered the evidence of how the Gemini AI assistant is currently offered and consumed.

4.14 On the supply side:

(a) The Gemini AI assistant is branded, accessed and monetised separately from Google Search.

(b) In some contexts, the Gemini AI assistant calls on Google Search through an application programming interface (**API**). We understand that this means the Gemini AI assistant submits a query to and receives results from Google Search. We consider that, in these contexts, the Gemini AI assistant is acting as a user of Google's general search. The Gemini AI assistant then incorporates those results into the context it uses to generate a response to a prompt. That response is an 'original' output based on a statistical estimation of what a satisfactory response should look like.

4.15 On the demand side:

(a) The Gemini AI assistant has many use cases that do not resemble general search, including generating creative content such as images, and responding to commands, such as to play music.

(b) At the same time, there is evidence to suggest that for some users, in some use cases, the Gemini AI assistant is beginning to be consumed in a way akin to general search. However, that evidence is mixed, and the overall proportion of such use is currently very low.

(c) The Gemini AI assistant operates in a nascent and highly dynamic sector, in which Google is not the market leader.

4.16 Determining the scope of the relevant digital activity in the context of this investigation requires us to exercise our judgement as to which products are comprised in Google's general search services. Taking the evidence in the round, we consider that the Gemini AI assistant should not currently be listed as a product within the scope of the relevant digital activity.

4.17 However, the Act allows us to give a revised SMS decision notice if we change our view of the relevant digital activity during the designation period.[62] As our guidance explains, we may do this, for example, to reflect changes in the way that the SMS firm carries out the relevant digital activity.[63]

4.18 Consistent with this, during the designation period we would carefully consider whether circumstances have changed such that, taking into account the way in which it is offered and consumed, the Gemini AI assistant may in future fall within the scope of the relevant digital activity. We welcome views from stakeholders – both Google and others – as to the relevant factors we might take into account for these purposes. We currently consider that they could, for example, include:

(a) The scale of the Gemini AI assistant's use for 'search', in absolute terms or relative to use of Google Search and/or to use of other AI assistants for 'search';

(b) The evolution of use cases for the Gemini AI assistant; and/or

(c) Developments in the technical functionality of the Gemini AI assistant and its interlinkage with Google's general search infrastructure.

4.19 We are not obliged to revise the SMS decision notice each time the SMS firm makes changes to the way it carries out the relevant digital activity – and there is an onus on the SMS firm to assess on an ongoing basis which of its products fall within the description of the relevant digital activity, for example as it adapts products over time, changes the functionality of products or introduces new products.[64]

[62] Section 15(4) of the Act.
[63] CMA194, paragraph 2.108.
[64] CMA194, paragraphs 2.107- 2.108.

4.20 However, we recognise the need for certainty as to the scope of an SMS designation, both for Google and for third parties, and the risk that a decision to include the Gemini AI assistant could have unintended consequences in this particular context. If, in light of the factors discussed above, we proposed to add the Gemini AI assistant to the list of Google products within the scope of the relevant digital activity, we would therefore first carry out a public consultation.[65]

4.21 For the avoidance of doubt:

(a) Such a proposal would only extend to bringing the Gemini AI assistant within the scope of the relevant digital activity for its 'general search' (or, if relevant, 'search advertising') use cases. We can issue a revised SMS decision notice only where the relevant digital activity remains substantially the same.[66] We therefore could not use a revised SMS decision notice to designate an undertaking as having SMS in respect of a different digital activity (such as the provision of AI assistant services generally). That would require a further, separate SMS investigation.

(b) Our proposal that the Gemini AI assistant should not currently be listed as a product within the scope of Google's general search services is specific to our analysis of the relevant digital activity carried out by Google for the purposes of this SMS investigation and should not be taken to imply that other AI assistants might not be providing general search services. As explained in section 5 of this Proposed Decision, we recognise the developing competitive relationship between traditional search providers and AI assistants generally.

General search

4.22 When we launched the investigation, we explained that our preliminary description of general search – 'a service that searches the world wide web and returns information' – reflected that Google's service allows users to search the world wide web through any medium and returns results in the form of information of any type (including but not limited to all the information on Google's SERP):[67]

(a) Google's general search 'crawls' the world wide web to create an index of websites and return a set of ranked, curated results from this web index in response to queries.[68] This is a key distinction between general and specialised search services, which generate results based on data feeds

[65] The Act does not provide for a formal process or for mandatory consultation prior to the CMA using the power in section 15(4) and we would not necessarily do so in every case.
[66] Section 15(4) of the Act.
[67] ITC, paragraph 21. Invitation to comment
[68] ITC, paragraph 17 Invitation to comment; Online platforms and digital advertising market study, July 2020 (DAMS), paragraphs 2.25, 2.28-2.29 and 3.6.

taken directly from providers and specialise in specific topics (such as travel or finance).[69]

(b) Google's general search can be accessed in numerous ways, including through web browsers, webpages, search apps, voice assistants and smart speakers; and through other means such as interaction with images.[70]

(c) Google's general search returns information in response to a user's query on any topic. For any user query, the information returned may include:[71]

(i) organic results (based on Google's web index and rankings);

(ii) paid results (see 'Search advertising' below); and

(iii) 'search features' such as Google's shopping 'carousel', in-set maps and video displays as well as integrated links to Google's specialised search services.[72] These search features contain specialised information which is available to users without leaving Google's SERP.

4.23 The first question we asked in our ITC was: 'Do you have views on the proposed scope of our investigation and candidate descriptions of Google's general search services?'[73]

4.24 Of the 50 third-party responses to our ITC, 19 addressed this question.[74] Those responses were broadly supportive of our proposed scope and descriptions. In particular, Checkatrade and Skyscanner supported the distinction between specialised and general search services, while agreeing that all results on the SERP should be included within the scope of general search.[75] Skyscanner noted that to the extent that Google's specialised search services (eg Google Flights) appear on the SERP, they should be captured by the CMA's proposed scope which it considered 'vital'.[76]

---

[69] ITC, paragraph 17 Invitation to comment; Online platforms and digital advertising market study, July 2020 (DAMS), paragraphs 3.9, 3.45-3.51, 3.129 and Appendix P, paragraphs 6-7 and 17.
[70] ITC, paragraph 18. Invitation to comment
[71] ITC, paragraph 20. Invitation to comment
[72] Features - How Google Search Works.
[73] ITC, Box 3 on page 11. Invitation to comment
[74] Public Interest News Foundation; Knight Georgetown Institute; Checkatrade; Skyscanner; Which?; Consumer Choice Center; Movement for an Open Web; News Media Association; Platform Leaders; Computer and Communications Industry Association; Raptive; European Publishers Council; [✂]; DMG Media; Professional Publishers Association; Fruugo; Open Markets Institute; Foxglove and [✂]. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services
[75] Checkatrade's response dated 31 January 2025 to the invitation to comment dated 14 January 2025, page 3; https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services Skyscanner's response dated 3 February 2025 to invitation to comment dated 14 January 2025, pages 2 and 3. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services.
[76] Skyscanner's response dated 3 February 2025 to the invitation to comment dated 14 January 2025, pages 2 and 3. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services.

4.25 Google submitted that our description should reflect the fact that its general search draws on multiple data sources in addition to the world wide web.[77]

4.26 Google explained that 'Google Search's infrastructure' – the 'fundamental building blocks of Google Search' – includes:[78]

(a) Collecting information – not only from crawling websites, but also from licences, data feeds provided by websites (for example from news publishers), user-submitted information (such as reviews), and Google's own observations of the physical world (for example in relation to local places or businesses).

(b) Indexing the collected information in databases, from which it can be retrieved at the time of a query.

(c) Analysing queries and user intent. This incorporates AI systems to decipher natural language and 'understand' what a user 'means' by a query so as to produce a meaningful response.

(d) Generative AI systems contributing to AI Overviews (see the following section).

(e) Matching and ranking results to respond to queries. This entails use of AI and machine learning systems to score the relative utility of results, based on (among other things) their relevance and quality.

(f) Organising and displaying results.[79]

4.27 Google did not explain the relative importance of the different information sources in (a) above, stating that it was hard to quantify their relative magnitude, with each source bringing different value to different query types.[80] Google did, however, explain that its web index contains around [20-30] billion websites and hundreds of billions of web pages.[81]

[77] Google's consolidated response to the CMA's RFI.
[78] Google's consolidated response to the CMA's RFI. See also the materials Google presented to the case team for the 'Search infrastructure technical teach-in'.
[79] Google also submitted that its general search infrastructure includes 'Search ads systems and associated technology that allow Google to surface search ads'; and 'Testing and development tools that allow Google to address technical issues (debugging) and perform analyses to maintain and improve its systems'. Google's consolidated response to the CMA's RFI. For the avoidance of doubt, we consider that these also form part of Google's general search. Search ads systems and associated technology would therefore form part of both Google's general search and search advertising, an interlinkage reflected in our proposal to group these digital activities: see below.
[80] Note of search infrastructure teach-in.
[81] Google's consolidated response to the CMA's RFI.

4.28 Google agreed that all information incorporated in its SERP is part of its general search;[82] and submitted that '[t]he type of data source that Google Search uses is not relevant to whether a search result is part of Google Search or not'.[83]

4.29 We continue to consider that 'searches the world wide web and returns information' is an accurate description of the overall purpose of general search, reflecting how Google's service is offered and consumed.

4.30 However, consistent with Google's submission that all the 'building blocks' of its general search serve the 'overarching purpose' of answering user queries in the best way it can,[84] we propose to adjust our description of general search to recognise that these other sources and processes form part of the infrastructure that produces the information returned by Google's general search. We also propose to adjust our description to reflect that (unlike specialised search services), Google's general search can provide information on any subject (as shown in bold below):

> 'A service that searches the world wide web, **and can draw on other sources**, to return information **on any subject**'

4.31 We consider that it is unnecessary to attempt to list exhaustively all the components of Google's general search infrastructure as it currently exists. The underlying infrastructure would include web crawling, indexing and ranking – but also the other 'building blocks' referred to above and any other processes and data sources that contribute to Google's provision of general search, both now and in the future.

4.32 We continue to consider that all information returned through the use of Google's general search infrastructure, in whatever medium (whether on Google's SERP or otherwise), forms part of its general search. This includes, but is not limited to:

(a) Organic and paid-for general search results;

(b) Search features such as links to specialised search services, videos and maps; and

[82] Google's consolidated response to the CMA's RFI: '[t]he results that Google Search returns in response to a query on its search results page (SERP) are part of Google Search, irrespective of the technology, data source, and display format used … all the search results that Google Search shows in response to queries are part of Google Search, irrespective of the display format'.
[83] Google's consolidated response to the CMA's RFI.
[84] Google's consolidated response to the CMA's RFI. See also Google's consolidated response to the CMA's RFI.

(c) The Google Discover feed.[85]

4.33 It also includes Google Search's AI Overviews and AI Mode[86] – as explained in the following section.

4.34 For the avoidance of doubt, Google's general search is provided to consumers and to businesses. The Act provides that 'user' includes any person, legal or natural, and, in relation to a digital activity, means any user of the relevant service or digital content; and that in relation to a service, 'using' includes 'interacting, or carrying out activities that interact, in any way, directly or indirectly, with the service'.[87] 'User' is 'to be understood in very broad terms to include a person or a business that interacts in any way with the relevant digital activity', at any level of the supply chain.[88] This means that, for example, Google's provision of 'syndicated' general search results to third parties[89,90] and its provision of access to its general search infrastructure through APIs would form part of Google's general search.

The relationship between AI and general search

4.35 Recent developments in AI have led to the evolution of Google's search products and tools to respond to user queries. Google has increasingly integrated AI features into its general search infrastructure, for example through the addition of AI Overviews to the search engine results page. We have also seen the

---

[85] Google described the Discover feed as 'a feed of queryless search results using the user's interests as an implicit query', including links to the websites where the user can access the relevant information 'together with some contextual information similar to other search results' (Google's consolidated response to the CMA's RFI.).
[86] Google describes 'AI Mode' in Search as 'combining the advanced capabilities of Gemini 2.0 with Google's best-in-class information systems.' Google states that AI Mode is rooted within its core quality and ranking systems but Google is testing the model's reasoning capabilities to improve factuality. Google will aim to show an AI-powered response as frequently as possible, but in cases where it does not have high confidence in the AI response's helpfulness and quality, the response will be a set of web search results. Google Announcement of 5 March 2025 'Expanding AI Overviews and introducing AI Mode'. Expanding AI Overviews and introducing AI Mode. Google rolled out AI Mode in the US on 20 May 2025. AI Mode in Google Search: Updates from Google I/O 2025 Google submitted that AI Mode is not yet available to UK users and [✂]. Google's response to the CMA's RFI.
[87] Section 118(1) of the Act.
[88] Explanatory notes to the Act, paragraph 533(f). 'For example, a user may include a business whose product depends on interoperating with the relevant digital activity'.
[89] Under these syndication agreements, Google agrees to provide search results and adverts to third parties, which then incorporate these into their own products, under their own branding. Some search engines rely on these syndication agreements and do not maintain their own at-scale index of webpages. Online platforms and digital advertising market study, July 2020 (DAMS), paragraphs 3.7 and 3.81. When asked to list Google products that draw on Google search infrastructure to respond to queries from users, Google listed Google's Programmable Search Engine (ProSE) which enables third-party website publishers to display Google-generated search results on their website as well as other forms of search syndication including Web Search Syndication (WSS). Google's consolidated response to the CMA's RFI.
[90] Google submitted that its ProSE and WSS products should not fall within the scope of the relevant digital activity, because they serve publishers rather than end users; and that the definition of 'user' in section 118 of the Act was relevant to the turnover condition and to conduct requirements but not to the scope of a digital activity (Google submission to the CMA). However, a digital activity is the provision of a service by means of the internet. The concept of a service implies a user. Section 118 is a provision of 'General interpretation' applying to Part 1 of the Act as a whole. Further, we consider that it would be logically incoherent for the definition of 'user' of a digital activity to be narrower for the purposes of designation than for interventions. However, for the avoidance of doubt, our proposal to include Google's general search syndication products within the scope of the relevant digital activity does not mean that third parties would be within scope of the designation – only that Google's provision of general search to those syndication partners would be.

emergence of AI assistants including Google's Gemini AI assistant, which enable users to receive responses to queries based on generative-AI models. We consider both these developments below.

AI incorporated in Google's general search infrastructure

4.36 As explained above, AI systems form part of Google's general search infrastructure:

(a) In the ITC, we explained that Google has developed and integrated AI into its general search in a variety of ways.[91] Google has further explained that it 'has been using machine learning and AI technology in Search for at least a decade'.[92]

(b) Google launched AI Overviews in the UK in 2024 as a search feature which provides a quick answer on the SERP in response to a user's query that is created by generative AI algorithms.[93] Google has also recently announced 'AI Mode', which will allow users to 'ask anything on [their] mind and get a helpful AI-powered response' and which will be built into Google Search.[94] AI Mode has now been launched to all users in the US as of 20 May 2025.[95]

4.37 Google agreed that AI Overviews and AI Mode form part of its general search[96] – stating that they are 'deeply embedded within the Search infrastructure and are directly powered by Search technologies'.[97]

4.38 Of those third parties who responded to the first question in the ITC, some agreed with the inclusion of AI Overviews. We did not receive any ITC responses which asked for the exclusion of AI Overviews or AI Mode from scope:

(a) A number of respondents to the ITC (DMG Media, European Publishers Council (**EPC**), Foxglove,[98] News Media Association (**NMA**), Open Markets Institute, the Professional Publishers Association (**PPA**) and Skyscanner) were supportive of the inclusion of AI Overviews within the scope of any

[91] ITC, paragraph 18. Invitation to comment
[92] Google's consolidated response to the CMA's RFI.
[93] Google's consolidated response to the CMA's RFI.
[94] Google Announcement of 5 March 2025 "Expanding AI Overviews and introducing AI Mode". Expanding AI Overviews and introducing AI Mode.
[95] Google Announcement of 20 May 2025, "AI in Search: Going beyond information to intelligence". AI Mode in Google Search: Updates from Google I/O 2025
[96] Google's submission to the DMBC Sub-Committee: 'We agree that information incorporated in our search engine results page, including AI Overviews and AI Mode, should be considered as part of Search.' Google's letter to the DMBC Sub Committee: 'AI Overviews are not a separable service; they are a response to queries that UK users put to Search. They are generated with Search technologies. And they serve the same purpose as our other search results'.
[97] Google's response to the CMA's RFI.
[98] While Foxglove 'welcome[s] the CMA's inclusion of Google's AI Overviews as one of the search features of Google's search engine results page' it stated that 'Google's AI Overviews is in a separate product market'. Foxglove's response dated 10 February 2025 to the invitation to comment dated 14 January 2025, page 1. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services.

designation, with one respondent (NMA) stating that Google's ability to 'integrate its FM applications into its search engine is dependent on the underlying web crawling that it conducts to create its traditional SERP'.[99]

(b) PPA stated that 'the definition of strategic market status must be comprehensive and inclusive of tools used within Google Search – particularly those which directly compete with and divert user engagement from publishing businesses'.[100]

(c) Raptive submitted that Google Search now consists of 'two separate products tied together with a common interface', ie web search (search results that are intended to describe or summarise a web page that might provide the information searched for) and zero-click search (described as AI-generated or otherwise obtained information within the SERP).[101]

4.39 We consider that AI Overviews form part of Google's general search. AI Overviews are an integral part of the product that is returned to a user of general search (they feature as part of the SERP), and Google has publicly described them as an evolution of search. We also consider that AI Mode would form part of Google's general search for the same reasons (although we note that it has not yet been launched in the UK).[102]

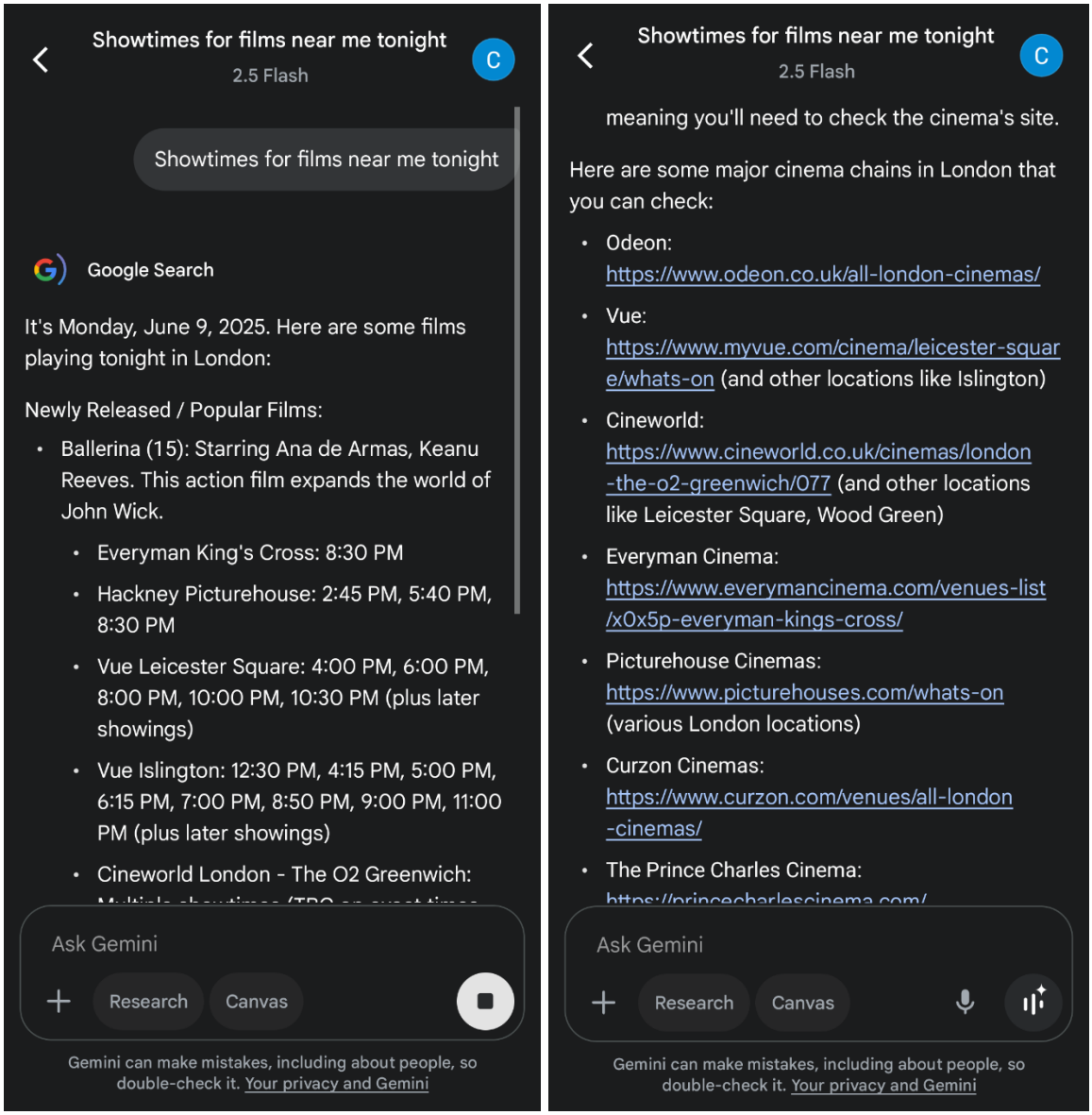
Google's Gemini AI assistant

4.40 When we launched the investigation, we explained that a particular avenue of inquiry would be 'the extent to which Google's AI interfaces which perform search-related activities, such as Gemini AI Assistant, should be included within the scope of any designated activity'.[103]

4.41 We have observed that sometimes, the response produced by the Gemini AI assistant appears very similar to the Google Search SERP and/or takes the user to the SERP. See, for example, the illustrations below:

[99] NMA's response dated 3 February 2025 to the invitation to comment dated 14 January 2025, page 1. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services.
[100] PPA's response dated 3 February 2025 to the invitation to comment dated 14 January 2025, page 2. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services.
[101] Raptive's response dated 31 January 2025 to the invitation to comment dated 14 January 2025, page 1. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services
[102] For example, see Google blog: AI in Search: Going beyond information to intelligence, May 2025.
[103] ITC, paragraph 25. Invitation to comment

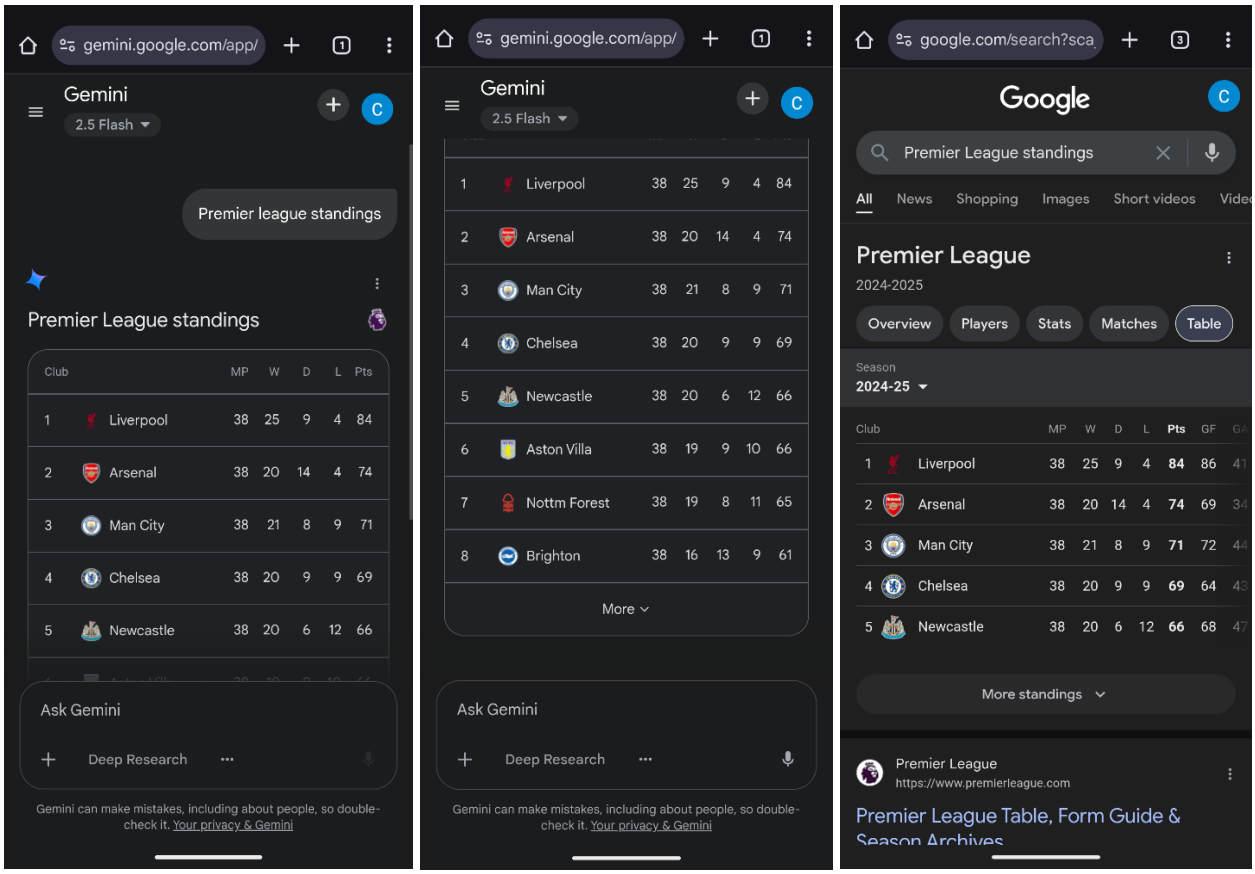
Figure 4.1: Interaction with Gemini AI assistant



Source: CMA screenshots[104]

[104] Screenshots taken by the CMA on the Gemini application (default version, 2.5 Flash), using a Google Pixel 9, 9 June 2025.

Figure 4.2: Interaction with Gemini AI assistant



Source: CMA screenshots[105]

4.42 In the first example above, the Gemini AI assistant displays a Google Search icon when processing a user prompt and includes links to webpages in its response.

4.43 In the second example above, the Gemini AI assistant returns a table of results in response to a user prompt. When the user clicks on the 'More' field, the user is taken to the Google Search SERP.

4.44 We therefore consider that Google's Gemini AI assistant can at least be characterised as an access point to Google's general search.[106]

4.45 Other Google products (for example, its Chrome browser and Home smart speakers) also allow users to access Google's general search. However, as explained above, we do not consider that a Google product would automatically be within the scope of the relevant digital activity simply by virtue of functioning as an

[105] Screenshots taken by the CMA on the Gemini web browser (default version, 2.5 Flash), using a Google Pixel 9, 9 June 2025.
[106] This is consistent with the approach proposed by the US DOJ in the US Search Litigation. The DOJ proposes to define a 'Search Access Point' as: 'any software, application, interface, digital product, or service where a user can enter a query or prompt and, in response to at least some user queries or prompts, receive (or be directed to a place to receive) a response that includes information from a GSE, including links to websites. Search Access Points include OS-level Search Access Points, browsers (including Search Access Points within browsers such as browser address bars), search apps, and GenAI Products that can retrieve and display information from a GSE, including links to websites.' Plaintiffs' Revised Proposed Final Judgment, page 6.

access point. We therefore do not propose to list such products as themselves within the scope of the relevant digital activity.

4.46 We have therefore carefully considered the evidence of how Google's Gemini AI assistant is offered and consumed, in order to reach a provisional view as to whether it should be listed as a product within the scope of the relevant digital activity.[107]

4.47 We set out below:

(a) The evidence we have seen to date on how Gemini AI assistant is currently offered, ie the supply side;

(b) The evidence we have seen to date on how Gemini AI assistant, and AI assistants more generally, are currently consumed, ie the demand side; and

(c) Our overall provisional conclusion.

The supply side

4.48 Google submitted that its Gemini AI assistant is distinct from Google Search in terms of:[108]

(a) access point and branding, as Gemini AI assistant is accessed through dedicated interfaces (such as the Google Gemini app and the Gemini web domain) which are separate from Google Search and from the SERP; and

(b) business model and organisational structure, with Gemini AI assistant being currently monetised through a subscription model.

4.49 Google also submitted that its Gemini AI assistant is distinct from Google Search in terms of technical infrastructure – Gemini AI assistant's, while 'standalone', is 'connected in various ways to input sources' including APIs, one of which is a Google Search API.[109]

4.50 Our proposal when launching the investigation – that the Gemini AI assistant would be in scope 'when using the Google Search infrastructure' – reflected Google's public statements that the Gemini AI assistant 'taps into Google search results' to provide responses to queries.[110] Our understanding of how this takes place has developed over the course of the investigation.

[107] CMA194, paragraph 2.10.
[108] Google's consolidated response to the CMA's RFI.
[109] Google's consolidated response to the CMA's RFI.
[110] ITC, paragraph 19. Invitation to comment

4.51 Google explained that a user-level product incorporating a generative AI model (such as the Gemini AI assistant) may rely on search results to increase the accuracy of responses and include reference to websites in its output. This is referred to as 'grounding' the output. Google clarified that its Gemini AI assistant 'grounds' by drawing on (or 'calling') a Google Search API[111] – alongside many other inputs – in a minority of cases ([✂] of prompts).[112]

4.52 Google explained that grounding 'typically involves generating a query that is sent to Google Search. Google Search will then generate search results based on the query and send those results back. These results are then taken into account in generating and validating the ultimate response that is shown to the user'.[113]

4.53 Google further explained that:[114]

'When the Search API receives the search queries created by Gemini AI assistant from the user's prompt, these are sent to Search, which in turn retrieves and ranks information from its index to produce a set of search results that it returns to Gemini AI assistant via the Search API. [✂]'.

4.54 However, Google explained that where the Search API is 'called', the information returned is incorporated into the 'context' Gemini uses to generate an original response.[115] Google submitted that its generative AI foundation models, such as the large language model (LLM) that underlies the Gemini AI assistant, 'do not operate as databases or retrieval systems. The model generates original responses based on a statistical estimation of what a satisfactory response should look like – it does not retrieve previously stored information'.[116]

4.55 We therefore understand that in those use cases where the Gemini AI assistant calls on Google's general search infrastructure, it acts as an intermediary between Google's general search and the end user: the Gemini AI assistant itself 'uses' Google Search and incorporates the results as an input into the context used to generate the 'original' output it delivers in response to a prompt.

4.56 The input provided by Google Search to the Gemini AI assistant would be within the scope of the relevant digital activity, as would be the case for any user of Google's general search. However, we do not consider that the operation carried out by the Gemini AI assistant in these 'grounding' use cases – of 'blending' that input with other inputs to inform an output generated by a statistical estimation of a

[111] There is [✂] 'Search API' made available for grounding with Google Search: Google provides [✂] Search API arrangements to Gemini AI assistant for grounding, [✂] API arrangements are made available to third parties on the Vertex AI platform via "Grounding with Google Search" (GWGS). [✂]. See Google's response to the CMA's RFI,
[112] Google's consolidated response to the CMA's RFI. See also Search Infrastructure technical teach-in call note. Google submission to the CMA.
[113] Google's consolidated response to the CMA's RFI. See also [✂].
[114] Google's submission to the CMA.
[115] Google's consolidated response to the CMA's RFI. See also 'Search Infrastructure technical teach-in' call note.
[116] Google's consolidated response to the CMA's RFI.

satisfactory response – is sufficient in itself to bring the Gemini AI assistant within the scope of the relevant digital activity.

The demand side

4.57 In identifying a digital activity and considering which of a firm's products it may comprise, we consider both how those products are offered and how they are consumed.[117] We have therefore also considered whether, from a demand side perspective, the Gemini AI assistant forms part of Google's general search.

4.58 Google submitted that its Gemini AI assistant operates in a broader competitive environment in which it has a comparatively small market share;[118] and that generative AI 'is a nascent space at an early stage of development and adoption.'[119] Computer & Communications Industry Association (CCIA) made a similar submission in response to the ITC.[120]

4.59 We recognise this point. As explained in section 5 below:

(a) The consumer research we commissioned, and the data on product usage we obtained, show that while consumers are using AI assistants, their overall usage is currently very low compared with use of traditional search engines.

(b) Although use of AI assistants is growing, when all types of queries submitted to all AI assistants (ChatGPT, Perplexity, Microsoft Copilot, Anthropic, Meta AI, [✂] and Google's Gemini AI assistant) are aggregated, they are equivalent to about [0-5]% of the volume of queries submitted to Google Search.

(c) The Gemini AI assistant itself accounts for a minority of those queries (equivalent to [less than 1]% of queries submitted to Google Search) in relation to non-business users.[121,122] ChatGPT is the market leader, with Gemini and Microsoft Copilot each used by less than a quarter of regular AI assistant users (see paragraph 5.41(b) below).

4.60 Google further submitted that the Gemini AI assistant is distinct from its general search in terms of purpose and functionality: 'It is predominantly focused on content generation, rather than on information retrieval. It has a wide range of use

[117] CMA194, paragraph 2.10.
[118] Google's consolidated response to the CMA's RFI. See also Sub-committee meeting with Google and Google's letter to the DMBC Sub Committee.
[119] Google's consolidated response to the CMA's RFI.
[120] CCIA's response dated 3 February 2025 to invitation to comment dated 14 January 2025, page 1. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services.
[121] Google's consolidated response to the CMA's RFI.
[122] We note that queries made on Google Search and AI assistants are not directly comparable. Google refers to queries on Gemini as 'prompts'. It defines a 'prompt' as 'a single statement, instruction or question that is given to Gemini Assistant to guide it towards generating a specific response'. Google's consolidated response to the CMA's RFI.

cases, including generating creative content (eg, conversational responses, creative text, images, code) and responding to commands (eg, to make calls, play music or control smart home devices), and thus serves a distinct end user demand'.[123]

4.61 We also recognise that the Gemini AI assistant has many use cases, not all of which would appropriately be characterised as general search. This is consistent with research reported in Google's internal documents, which found that although AI assistants are being used for some search-like tasks, they are more often used for answering complex questions, content creation (eg writing code) and idea generation.[124]

4.62 However, the consumer research and consumer survey we commissioned for this investigation indicated that, for some users and some use cases, AI assistants such as Gemini are beginning to be consumed in a way akin to general search.

4.63 The qualitative consumer research conducted by Thinks Insight and Strategy found that:

(a) AI assistant users are forming new habits, as the more they reported using AI assistants to 'search' (see sub-paragraph (b) below for the meaning of this term in context), the more they embedded them into their regular search behaviours.[125] With increased use over time, users reported becoming more proficient in the use of AI assistants and the ability to get more tailored responses.[126] The research found that most AI assistant users anticipate increasing their use of AI assistants for 'search' tasks in the future.[127]

(b) AI assistant users did not always distinguish between 'search' and content generation.[128] For example, a user might use an AI assistant to find a generic CV template and then get support with writing and proof-reading the user-specific content. Consumer use of AI assistants for 'search' is associated with tasks perceived as more complex or difficult, or which, when using a traditional search service, would involve multiple searches or reviewing multiple SERP links.[129] Using an AI assistant is seen as time- and effort-saving for these tasks. Users were, however, also observed using AI

[123] Google's consolidated response to the CMA's RFI. Google also submitted that Gemini AI assistant is distinct from Google Search in terms of access point/branding, business model/organisational structure, and technical infrastructure.
[124] Google's internal document; Google's internal document.
[125] Thinks Insight & Strategy qualitative consumer research report, Exploring consumers' search behaviour, paragraphs 1.9, 3.18, 4.3.
[126] Thinks Insight & Strategy qualitative consumer research report, Exploring consumers' search behaviour, paragraph 3.18.
[127] Thinks Insight & Strategy qualitative consumer research report, Exploring consumers' search behaviour, paragraph 6.6.
[128] Thinks Insight & Strategy qualitative consumer research report, Exploring consumers' search behaviour, paragraphs 3.22-3.24.
[129] Thinks Insight & Strategy qualitative consumer research report, Exploring consumers' search behaviour, paragraphs 1.10, 4.4, 4.8, 4.23.

assistants for more simple and factual queries, for example to find the best price to buy a product.[130]

4.64 However, there are factors that affect the inferences we can draw from the results of the qualitative consumer research:

(a) The research used neutral language to avoid influencing the responses. Terms such as 'look for' and 'find' were used in place of 'search for' – and these terms were intentionally left undefined so as to allow tasks to be interpreted intuitively and shaped by respondents' natural behaviour.[131] This means that we cannot assume participants necessarily had a consistent understanding of what it means to 'search'.

(b) The research also found that all consumers reported still using traditional search engines alongside AI assistants.[132] In other words, traditional search engines and AI assistants are perceived as complementary rather than fully substitutable. For example, although consumers do sometimes use AI assistants for 'search-like' tasks, they may resort to traditional general search engines to confirm that the output they receive is reliable, and/or carry out a 'follow-up' search task such as navigating to a website.[133]

(c) The sample of consumers used for the qualitative research was composed entirely of users of AI assistants – so is not necessarily reflective of the broader consumer landscape.[134]

4.65 The consumer survey carried out by Accent asked participants (who included both users and non-users of AI assistants) what tools they used to 'search the web' – defined as 'looking for something on the internet'. Participants were asked how they would search for particular types of information, and given the options of search apps, web browsers, voice assistants – and (for those participants who had previously indicated that they used them or were unsure whether they had) 'AI products' (including the Gemini AI assistant).[135]

4.66 The results are set out in full in the report published alongside this Proposed Decision. We set out below some illustrations from the report.

[130] Thinks Insight & Strategy qualitative consumer research report, Exploring consumers' search behaviour, paragraph 4.23 (inset 'Case study: Ameer').
[131] Thinks Insight & Strategy qualitative consumer research report, Exploring consumers' search behaviour, page 3.
[132] Thinks Insight & Strategy qualitative consumer research report, Exploring consumers' search behaviour, paragraphs 3.20-3.21.
[133] Thinks Insight & Strategy qualitative consumer research report, Exploring consumers' search behaviour, paragraphs 4.5, 4.26-4.28.
[134] Thinks Insight & Strategy qualitative consumer research report, Exploring consumers' search behaviour, page 3.
[135] Accent mobile consumer survey research report, Mobile Consumer Survey: Search Questions, pages 3 and 5.

Figure 4.3: which search method do consumers use most often across four uses cases (base: all respondents)[136]

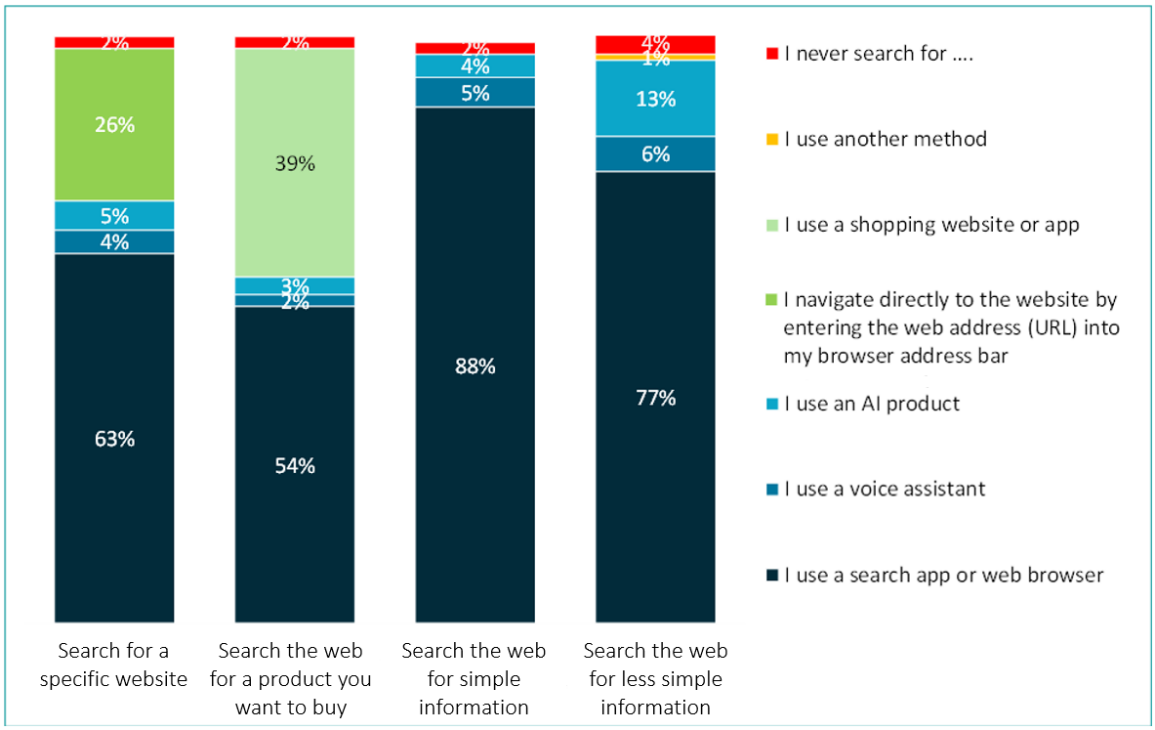
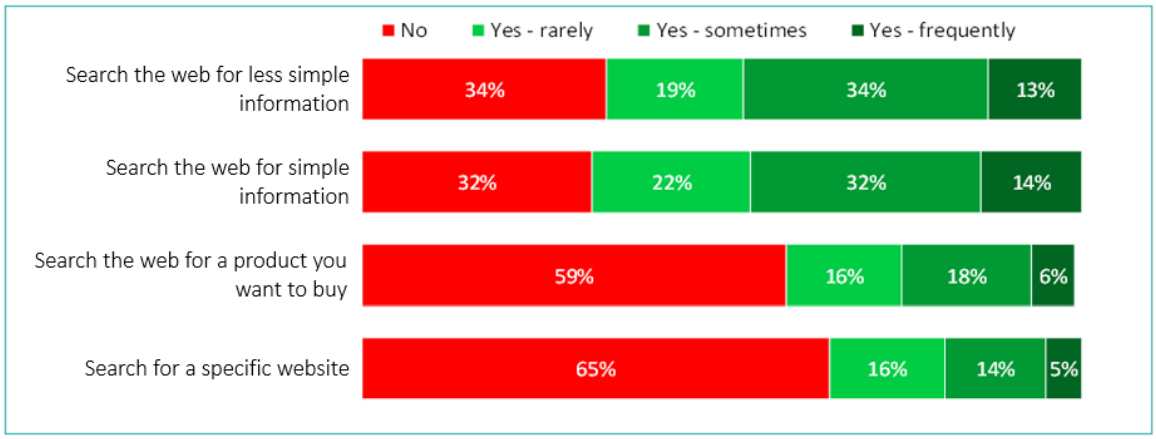


Figure 4.4: do consumers ever use AI products for particular search tasks (base: respondents who were AI product users but did not use an AI product 'most often' for the respective search tasks)[137]



Participants who were AI product users but did not use an AI product 'most often' for the respective search tasks were asked: 'You said an AI product would not be the method used most often for the web search task(s) below. Even though it is not the method used most often, do you ever use an AI product for these types of search tasks?

4.67 These results indicate that some users use AI assistants such as Gemini to carry out 'search-like' tasks. For example, the consumer survey found that for the tasks of searching for a product to buy, searching for 'simple information', and searching

[136] Accent mobile consumer survey research report, Mobile Consumer Survey: Search Questions, Figure 2.
[137] Accent mobile consumer survey research report, Mobile Consumer Survey: Search Questions, Figure 4.

for a specific website, AI assistants were used ‘frequently’ or ‘most often’ by between 5% and 9% of all consumers.[138,139]

4.68 Research reported in Google’s internal documents found that although AI assistants are more often used for answering complex questions, content creation (eg writing code) and idea generation, they are being used for some search-like tasks, [✂]. In particular:

(a) research found that [✂].[140] A [✂] noted that [✂] and that [✂].[141]

(b) a [✂] report shows that some monthly users of [✂].[142] [✂] Google submitted that the report also demonstrates that [✂], noting that the report found that [✂].[143]

(c) In one study, [✂].[144] However, Google submitted that we should not [✂]. Further, Google submitted that in context, [✂].[145]

Our provisional conclusion on Google’s Gemini AI assistant

4.69 On the evidence we have seen to date, we consider that:

(a) From the supply side, Google’s general search is an input to its Gemini AI assistant. Taken in isolation, we do not consider that this connection suffices by itself to bring the Gemini AI assistant within the scope of the relevant digital activity: in this context the Gemini AI assistant is itself a ‘user’ of Google’s general search.[146]

(b) From the demand side, there is evidence that some users are using AI assistants, including Gemini, in a way akin to general search. However, that evidence is mixed, and the overall proportion of such use is currently very low.

4.70 Taking the evidence in the round we consider that, while Google’s Gemini AI assistant can at least be characterised as an access point to Google’s general search, it should not be listed as a product within the scope of the relevant digital

[138] Accent mobile consumer survey data tables, Accent_Search specific data tables_weighted, table DV43r1-DV43r3.
[139] The percentages in this paragraph are lower than those in Figure 4.4 because they refer to the full sample from the survey, and thus convey the level of use across the population.
[140] Google’s internal document.
[141] Google’s internal document.
[142] Google’s internal document.
[143] Email from Google to the CMA. Google’s internal document.
[144] Google’s internal document.
[145] Email from Google to the CMA.
[146] Google also offers an enterprise development platform (Vertex AI) on which business customers can build and use AI. Part of this service can involve grounding the AI model developed by those customers using a service known as ‘grounding with Google Search’ (GWGS). Google has explained that [✂]. Google’s consolidated response to the CMA’s RFI. Google Search’s underlying infrastructure can therefore be used by Vertex AI, but we do not consider Vertex AI itself to be providing general search. As such, Vertex AI would not be in scope of our proposed designation.

activity. This is our current view, taking into account both the technological and end-user dimensions which are to some extent in tension, and in the context of a nascent and fast-evolving sector.

4.71 We will keep the point under careful review as the usage of Google's Gemini AI assistant develops (recognising Google's submissions that 'use cases are evolving as the technology and offerings based on it evolve'[147] and that 'designation would need to take account of dynamic and evolving search technologies').[148]

Search advertising

4.72 As we explained in DAMS,[149] search advertising usually involves an advertiser paying for an advertisement to appear next to the results from a consumer's search on an internet search engine.[150] As further detailed below, Google's search advertising on the SERP takes primarily one of two forms: text advertisements (which resemble organic search results but are labelled 'sponsored') and shopping advertisements (also known as product listing advertisements[151]). The sale of search advertising is primarily based on keyword bidding, where advertisers compete for advert placements based on specific search terms, with payment typically made if the consumer clicks on the advert, ie on a 'cost-per-click' basis.[152]

4.73 Google explained that advertisers can buy its search advertising through three channels – Google Ads, SA360, and through third-party interfaces using the Google Ads API:[153]

(a) Google Ads[154] is an advert buying tool which advertisers can use to display advertisements, service offerings, product listings, video content and generate mobile application installs within the Google advertising network which includes Google-owned inventory (eg Google Search and YouTube) and third-party websites.

(b) SA360[155] is a tool that helps advertisers buy and manage search marketing campaigns across multiple advertising platforms (including Google Ads as well as Microsoft Advertising, Baidu, Facebook and others[156]). While advertisers can manage their adverts directly through the 'front end' of each ad buying tool like Google Ads, SA360 offers enhanced enterprise-level

---

[147] Google's consolidated response to the CMA's RFI,
[148] Google letter to the Sub-Committee.
[149] Online platforms and digital advertising market study, July 2020 (DAMS), paragraph 5.6.
[150] Online platforms and digital advertising market study, July 2020 (DAMS), paragraph 2.44.
[151] Since March 2024, there are two types of shopping adverts: (1) standard shopping adverts that link to websites of the comparison shopping service website's merchant partners; (2) comparison shopping service ads that link directly to their websites. Google's consolidated response to the CMA's RFI.
[152] Online platforms and digital advertising market study, July 2020 (DAMS), paragraph 2.44.
[153] Google's consolidated response to the CMA's RFI.
[154] Originally named AdWords and launched in 2000.
[155] Previously known as DoubleClick Search and introduced after Google acquired DoubleClick in 2008.
[156] Google's website, Overview of supported advertising platforms - Search Ads 360 (new experience) Help.

features that enable agencies and marketers to manage ad campaigns, including search ad campaigns, across multiple advertising platforms.

(c) Google offers a Google Ads API which customers can use to integrate their campaign management tools with Google Ads and purchase Google search advertising through third-party interfaces. The API lets developers build applications that interact directly with the Google Ads server. Advertisers can therefore purchase Google's search advertising through third-party interfaces by relying on the Google Ads API.

4.74 Google has therefore built an extensive offering of tools which allow advertisers to reach users of its general search and it has provided options for advertisers to pool their advertising spend (including search advertising spend), eg through SA360.

4.75 Google has also extended its search advertising by syndicating access to its search adverts to other firms. Google syndicates its search advertising to third parties, including some third-party search engines, enabling them to monetise their own websites.[157] For example, AdSense for Search (a sell-side product targeted at publishers) is a syndicated search advertising product which allows publishers to monetise their website's search results pages by integrating Google Search text and shopping adverts: users searching on the website see search results including both content from the site and Google adverts, whilst publishers earn revenue when users click on the Google adverts displayed on the search results pages.[158]

4.76 When we began the investigation, we proposed to describe search advertising as 'a service that allows businesses to advertise to users of general search' – and explained that this would include all the business-facing functionality and services supporting Google's search advertising.[159]

4.77 Google did not submit any proposed amendments to the preliminary description of search advertising set out in the Investigation Notice. In response to the ITC, no third parties made any substantive comments on the scope of search advertising, although a limited number of respondents expressed general support for the proposed scope.[160]

---

[157] Ecosia's response to the CMA's RFI and Getting listed and advertising on Ecosia's search results - Ecosia Help Center.
[158] Google's website, "AdSense for Search (AFS)", accessed 29 April 2025. [https://support.google.com/adsense/answer/9879]. AdSense for Search enables website owners/publishers to monetise their on-site search engine, by letting Google display paid search results targeted to users' search queries (see Google web page: About Search ads - Google AdSense Help).
[159] ITC, paragraph 22. Invitation to comment
[160] NMA expressed support for the description of search advertising as set out in the Investigation Notice. News Media Association's response dated 3 February 2025 to invitation to comment dated 14 January 2025, page 1. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services; European Publishers Council stated that they support the scope of the investigation including search

4.78 With regards to the main Google products likely to be excluded from the scope of search advertising, we listed in the Investigation Notice 'Google's broader 'ad tech' products when not engaged in search advertising – for example, Google Ad Manager which provides display advertising services to publishers'.[161] While Google agreed that its 'ad tech' products (through which it provides intermediation services to both advertisers and publishers), when not engaged in search advertising, would be excluded, it submitted that we should clarify that 'ad tech products not engaged in Google search advertising should be similarly excluded'. For example, Google stated that SA360, when it is used by advertisers for the purposes of buying third-party ad inventory, should be excluded.[162]

4.79 We continue to consider that Google's sale of display advertising should not be in scope, and we agree that Google's search advertising does not cover the use of Google's products to buy and sell third-party search advertising inventory (eg the use of SA360 to buy search adverts on Bing). However, we consider that the scope should cover Google's own search advertising inventory where this is placed on third-party sites. We consider that limiting the scope of search advertising so as to exclude the use of Google's products to buy and sell Google search advertising inventory on third-party platforms would not reflect the reality of how Google's search advertising is offered and consumed.

4.80 Where Google sells search advertising on its 'Google Search Network', search adverts may appear on 'Google search partner' websites (including third-party websites) as well as Google's 'search sites'.[163] When an advertiser purchases search advertising on the Google Search Network, it will generally receive the same service regardless of whether the advertising appears only on Google's 'search sites' or also on 'Google search partner' websites, as both these search advertising placements are sold through the same interface and offered simultaneously by default.[164] They also follow the same auction and keyword-matching process.[165]

4.81 The scope of the relevant digital activity should therefore include Google's search advertising, as provided through Google's products such as Google Ads and

advertising. EPC's response dated 3 February 2025 to invitation to comment dated 14 January 2025, page 5. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services

[161] Investigation Notice, paragraphs 6b.

[162] Google's consolidated response to the CMA's RFI (emphasis original).

[163] The Google Search Network is a group of search-related websites and apps where adverts bought through Google Ads can appear. It includes 'Google search sites' and 'Google search partners' (which include non-Google websites, parked domains, as well as YouTube and other Google sites) About the Google Search Network - Google Ads Help

[164] Google web page: About the Google Search Network - Google Ads Help 'How to include or remove search partners'

[165] Google web page: About keywords in Search Network campaigns - Google Ads Help 'Where your ads appear - Google search and search partner sites'

SA360, including where Google search advertising is placed on third-party sites, for example through AdSense for Search.[166]

4.82 For the avoidance of doubt, we do not propose to include within the scope any advertising sold through Google Ads or SA360 which does not constitute search advertising (eg video advertising on YouTube). Similarly, Google's 'ad tech' products – when not engaged in search advertising – are excluded from the proposed scope.

4.83 Finally, we understand from Google's submissions that Google Ads also provides search advertising for 'non-business' use cases (eg a political, non-profit, or charitable purpose related to a trade, business, craft or profession).[167] To ensure that our description of search advertising covers those non-business use cases we propose to make a small amendment to our description of search advertising (as shown in bold below):

> 'A service that **enables advertising to** users of general search.'

Grouping general search and search advertising

4.84 When we began our investigation, we explained that Google's search engine is a two-sided platform, offering free services to consumers financed through the sale of advertising space.[168] We proposed to 'group' general search and search advertising to reflect this, 'as they can be carried out in combination with each other to fulfil the specific purpose of providing a search engine'.[169]

4.85 Google supported our proposal to 'group' general search and search advertising, since 'organic and paid results are inherently part of the same service'.[170] Google explained that 'Showing paid results is how Google is able to offer its search service to users for free, and search ads are therefore part of Google Search'.[171]

[166] Google submitted that AdSense for Search should not be within scope of the relevant digital activity, because it is a product provided to publishers (rather than to advertisers). Google's submission to the CMA. For the reasons discussed above in relation to general search syndication, we do not accept this submission. For the avoidance of doubt, as in relation to general search syndication, our proposal to include AdSense for Search in the list of products within the scope of the relevant digital activity does not mean that third parties would be within scope of the designation – only that Google's provision of search advertising to those parties would be.
[167] Google's consolidated response to the CMA's RFI. Google clarified in consolidated response to the CMA's RFI.
[168] ITC, paragraph 23. Invitation to comment See also Online platforms and digital advertising market study, July 2020 (DAMS), paragraphs 5.40-5.42.
[169] Investigation Notice, paragraph 5.
[170] Google's submission to the Sub-Committee.
[171] Google's consolidated response to the CMA's RFI.

4.86 Almost all of the third parties that responded to Question 1 of our ITC concerning scope also supported this proposal:[172]

(a) A number of respondents to the ITC highlighted the complementary nature of Google's 'user-facing' search service and associated search advertising service, suggesting that these activities should be considered together.[173]

(b) CCIA stated that it was appropriate to group general search and search advertising as this reflects the monetised service to advertisers and associated media offering to consumers.[174]

(c) NMA highlighted that Google would not be able to provide a search engine at the scale that it does if it did not carry out these activities in combination.[175]

(d) Skyscanner stated that the combination of both services is integral to Google's provision of general search services.[176]

(e) DMG Media stated that it agreed with our proposal 'to look at both sides of Search, ie both the consumer-facing side and the advertiser-facing side and as such consider this through a single digital activity'.[177]

(f) Open Markets Institute stated that the two activities were 'extremely interdependent' and 'Google's adtech business, which intermediates the buying and selling of digital ads that support most of news media, entirely depends on its success in search'.[178]

4.87 We continue to consider that each of general search and search advertising (as respectively described at the outset of this section of our Proposed Decision) is a

[172] Fruggo.com Ltd stated that, since one is a paid service and the other is not, it did not think that general search and search advertising should be considered as a single digital activity: Fruggo.com Ltd's response dated 3 February 2025 to invitation to comment dated 14 January 2025, page 3. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services
[173] Responses from Skyscanner (page 3), CCIA (page 1), European Publishers Council (page 5), NMA (page 1), Which? (page 1), Movement for an Open Web (pages 2-3), DMG Media (page 2), Open Markets Institute (pages 1-2) to invitation to comment dated 14 January 2025. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services
[174] CCIA's response dated 3 February 2025 to invitation to comment dated 14 January 2025 page 1. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services
[175] NMA's response dated 3 February 2025 to invitation to comment dated 14 January 2025, page 1. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services
[176] Skyscanner's response dated 3 February 2025 to invitation to comment dated 14 January 2025, page 3. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services
[177] DMG Media's response dated 3 February 2025 to invitation to comment dated 14 January 2025, page 2. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services
[178] Open Markets Institute's response dated 3 February 2025 to invitation to comment dated 14 January 2025, page 2. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services

digital activity within the meaning of section 3(1) of the Act: each is the provision of a service by means of the internet, whether for consideration or otherwise.

4.88 Further, we continue to consider that the digital activities of general search and search advertising may be treated as a single digital activity (referred to as general search services) within the meaning of section 3(3)(b) of the Act, as they can be carried out in combination with each other to fulfil a specific purpose:[179]

(a) Google explained that its general search infrastructure, in addition to the points listed in the sub-sections above, also includes 'Search ads systems and associated technology'.[180] This means that search advertising systems and associated technology in practice form part of both Google's general search and search advertising.

(b) Google also explained that 'Search engines operate a two-sided business model, with users on one side and advertisers on the other. The quality of a user's search experience – which captures the relevance of search results and the usefulness, number and placement of search ads – impacts whether users will use the search engine. And, in turn, whether advertisers will benefit from placing ads on the search engine for those users to see.'[181]

4.89 However, on reflection we consider that the specific purpose proposed in the Investigation Notice ('providing a search engine'), while reflecting the reality of Google's current business model, may be insufficiently flexible to allow for changes in how general search and search advertising are carried out. We therefore propose to adjust our description of the specific purpose for which the two digital activities can be carried out in combination, to focus on the substantive purpose rather than on its technical manifestation (as shown in bold below):

> 'We consider that each of general search and search advertising is a digital activity within the meaning of the Act; and further, that they may be treated as a single digital activity (general search services) as they can be carried out in combination with each other to fulfil the specific purpose of providing a **general search and search advertising platform**.'

[179] Compare the explanatory notes to the Act, paragraph 103; and CMA194, paragraph 2.15(d).
[180] Google's consolidated response to the CMA's RFI.
[181] Google's consolidated response to the CMA's RFI.

Link to the UK

4.90 The CMA may designate an undertaking as having SMS in respect of a digital activity carried out by the undertaking where the CMA considers that the digital activity is 'linked to the UK'.[182]

4.91 A digital activity is linked to the UK if:[183]

(a) the digital activity has a significant number of UK users;[184]

(b) the undertaking that carries out the digital activity carries on business in the UK in relation to the digital activity; or

(c) the digital activity or the way in which the undertaking carries on the digital activity is likely to have an immediate, substantial and foreseeable effect on trade in the UK.

4.92 Based on the below evidence, we provisionally consider that each of the conditions in the Act (any one of which would suffice) is satisfied and that therefore Google's provision of general search services is linked to the UK:

(a) Google's general search services have a significant number of UK users: in December 2024 Google Search had [60-70] million logged-in users on mobile devices and [20-30] million on desktops;[185]

(b) Google carries on business in the UK in relation to the provision of general search services: in 2024, Google's advertising from Google Search and Google Image Search generated £[10-20] billion of revenue in the UK (on the basis of user location where the user's IP address is in the UK);[186] and

(c) The way in which Google carries on general search services is likely to have an immediate, substantial and foreseeable effect on trade in the UK: in its ITC response, Google submitted that Google Search is a 'vital resource for UK businesses of all sizes'[187] and that 'Google Search and Google Ads have helped UK businesses export over £20 billion worth of goods and services across the world annually'.[188]

---

[182] Section 2(1)(a) of the Act.
[183] Section 4 of the Act.
[184] There is no quantitative threshold for how many UK users can be considered 'significant': the CMA's assessment may consider the firm's absolute position and/or the number of UK users it has relative to other undertakings (CMA194, paragraph 2.22).
[185] Google's consolidated response to the CMA's RFI. [✂]. Google's consolidated response to the CMA's RFI.
[186] Google's consolidated response to the CMA's RFI. Google [✂]. Google's consolidated response to the CMA's RFI.
[187] Google's response dated 3 February 2025 to invitation to comment dated 14 January 2025, page 1. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services
[188] Google's response dated 3 February 2025 to invitation to comment dated 14 January 2025, page 1. https://www.gov.uk/government/consultations/sms-investigation-into-googles-general-search-and-search-advertising-services

5. THE SMS CONDITIONS

5.1 Having described the undertaking and digital activity with respect to which a designation would have effect, in this section we address the substantive conditions set out in the Act for determining whether an undertaking has strategic market status (SMS).

5.2 The CMA may designate an undertaking as having SMS in respect of a digital activity carried out by the undertaking where the CMA considers that the undertaking meets 'the SMS conditions' in respect of the digital activity.[189]

5.3 The SMS conditions are that the undertaking has:[190]

(a) substantial and entrenched market power; and

(b) a position of strategic significance,

in respect of the digital activity.

5.4 For the reasons set out in this section, we provisionally consider that Google meets both SMS conditions in respect of general search services. On the basis of the evidence set out in this section, we also consider that Google meets both SMS conditions in respect of each of general search and search advertising as digital activities in their own right.

[189] Section 2(1)(b) of the Act.
[190] Section 2(2) of the Act.

Box 1: Summary of evidence that Google meets the SMS conditions in respect of general search services

- On the evidence we have seen to date, Google has had an unparalleled position in general search services for an extended period. Other traditional general search providers are significantly smaller than Google and have been for many years. Bing is the largest of these providers, but its current shares of queries and search advertising are both less than 5%. No traditional general search providers have materially grown relative to Google for at least fifteen years. Specialised search providers, such as Amazon, are a limited alternative to Google's general search services, and social media platforms are not an effective alternative.

- In recent years developments in generative AI have led to the emergence of AI assistants such as ChatGPT, and we have carefully considered how these developments could affect Google's position. However, use of AI assistants is currently very low when compared to Google's general search products, and it is uncertain how the use of these products will evolve. Google is well-positioned to ensure that AI assistants do not develop into a more sustained and significant competitive constraint to its general search services. For example, Google has incorporated generative AI features (such as AI Overviews) directly into its existing products, alongside developing its own Gemini AI assistant.

- An important factor in the persistence of Google's strong position in general search services is the barriers that competitors face to developing an effective, alternative product. These barriers include Google's distribution agreements (which make it challenging for others to reach users), data advantages and scale in search advertising. Google's strong positions in general search and search advertising reinforce one another, with more users helping Google to monetise its general search services and to invest in its general search services.

- Google's wider ecosystem of products also plays an important role - providing it with access to data with which it can tailor its products in ways that others cannot and providing it with influence over some important access points to users. Many of these barriers also apply to AI assistants that could compete with Google's general search services.

- Accordingly, we have provisionally found that Google has substantial and entrenched market power in general search services.

- It also has a position of strategic significance, based on its significant scale and the very large number of other firms across the UK that rely on it.

Substantial and entrenched market power

5.5 To assess whether an undertaking has substantial and entrenched market power in respect of a digital activity, the CMA must carry out a forward-looking assessment of a period of at least five years, taking into account developments that:[191]

(a) would be expected or foreseeable if the CMA did not designate the undertaking as having SMS in respect of the digital activity; and

(b) may affect the undertaking's conduct in carrying out the digital activity.

5.6 Our guidance explains the approach we will take and the types of evidence we may draw upon in assessing the first SMS condition.[192] In particular, our guidance explains that:

(a) While 'substantial' refers to the extent of market power and 'entrenched' is intended to ensure a firm is not designated where its market power is only transient, our assessment of each element will typically draw on a common set of evidence.[193]

(b) Where a firm operates a two-sided (or multi-sided) platform serving distinct but related customer groups, we will generally consider both customer groups and the alternatives available to each; and the interlinkages between the sides of the platform, including the role of network effects.[194]

(c) Where the CMA 'groups' two or more of the firm's digital activities into a single digital activity, the SMS assessment will relate to the grouped activity as a whole. In practice, we may consider evidence relevant to market power of individual products and whether and how any interlinkages between these may contribute to market power across the digital activity, for example whether the firm's position in one activity in the group reinforces its position in another.[195]

5.7 Our guidance also explains that when carrying out the assessment, we will consider developments that may affect the firm's market power, including (1) market developments such as emerging technology, innovation and new entrants and (2) regulatory developments.[196]

5.8 We will not seek to make precise predictions about the likely development of the industry. Instead, we will consider whether relevant developments are likely to be

[191] Section 5 of the Act.
[192] CMA194, paragraphs 2.50-2.65.
[193] CMA194, paragraph 2.54.
[194] CMA194, paragraph 2.52.
[195] CMA194, paragraph 2.65. See also paragraph 2.16.
[196] CMA194, paragraph 2.59.

sufficient in scope, timeliness and impact to eliminate the firm's market power.[197] Where the CMA has found evidence that the firm has substantial market power at the time of the SMS investigation, and where there is no clear and convincing evidence that relevant developments will be likely to dissipate the firm's market power, this will generally support a finding that market power is entrenched.[198]

5.9 Our overall assessment is of whether Google has substantial and entrenched market power in general search services, comprising general search and search advertising. Since general search and search advertising are offered to different customer groups (users and advertisers) we have considered evidence in relation to each. However, we have also considered the relationship between general search and search advertising and evidence which relates to the position of Google's general search services overall. Therefore, in the following sections, we set out:

(a) The evidence we have gathered in relation to:

(i) competition in general search;

(ii) competition in search advertising;

(iii) barriers to entry and expansion in general search services;

(iv) Google's profitability in general search services; and

(v) regulatory and other developments.

(b) Our proposed assessment on whether, in light of that evidence, Google has substantial and entrenched market power in respect of general search services.

Competition in general search

Introduction and Google's submissions

5.10 In this section we summarise the evidence regarding the competition Google faces in general search. As discussed in paragraph 4.22(b), Google's general search products (branded Google Search) can be accessed in a variety of different ways (eg from the Google Search website or from a browser location bar).[199] An important way in which Google provides general search to users is through its SERP. The exact layout of Google's SERP has changed over time,[200] but, as described in Section 4, generally consists of organic search results, paid-for

[197] CMA194, paragraph 2.60.
[198] CMA194, paragraph 2.62.
[199] Google's consolidated response to the CMA's RFI.
[200] Google's consolidated response to the CMA's RFI.

search results (search advertisements), as well as a range of other features such as maps, flights and hotels which are presented depending on the exact search query.[201] A notable recent addition was AI Overviews, launched in the UK in 2024,[202] and in May 2025 Google launched a new AI Mode in the US.[203]

5.11 Google submitted that the key dimensions it competes over in general search include: (a) relevance and quality of results, (b) speed of returning results, (c) usefulness of result format and presentation and (d) functionality and features that make it easy for users to get the results they are interested in.[204] Google submitted that it expects this to continue to be so although developments in AI 'will continue to influence the development of online search engines' over the next five years.[205]

5.12 Google submitted that the main direct competitors to Google Search are other traditional general search providers, and identified Bing as Google Search's main rival in the UK.[206] Other traditional general search providers follow a broadly similar model to Google (ie they present users with a SERP which incorporates various features).[207]

5.13 Google submitted that it experiences 'indirect competitive constraints' from the many 'alternative means through which users can search for and find information online.' In its submission Google specifically highlighted social media services such as [✂], [✂] and [✂].[208] Specialised search providers are another potential alternative, which, while not explicitly mentioned by Google, were considered in the US Search Litigation.[209] Specialised search providers allow users to search for, compare and purchase products or services in a particular sector. Examples include Skyscanner (flights), Booking.com (accommodation), Comparethemarket (finance) and retailers which enable users to search for products (eg Amazon).

5.14 Over the past three years, advances in generative AI have led to the emergence of AI assistants such as ChatGPT and Google's Gemini AI assistant.[210] Although AI assistants have a range of use cases, one such use case is as an alternative to traditional general search providers.[211]

---

[201] TDMP, 'A guide to Google's 2024 SERP features & how to appear for them', 02 October 2024, accessed by the CMA on 09 April 2025. A Guide to Google's 2024 SERP features - and how to appear for them | TDMP. Online platforms and digital advertising market study, July 2020 (**DAMS**), paragraph 3.5 and figure 3.1
[202] Google's consolidated response to the CMA's RFI.
[203] Google, 'AI Mode in Google Search: Updates', 20 May 2025, accessed by CMA on 11 June 2025, AI Mode in Google Search: Updates from Google I/O 2025.
[204] Google's consolidated response to the CMA's RFI.
[205] Google's consolidated response to the CMA's RFI.
[206] Google's consolidated response to the CMA's RFI.
[207] Online platforms and digital advertising market study, July 2020, paragraph 3.5 and figure 3.1.
[208] Google's consolidated response to the CMA's RFI.
[209] *United States and State of Colorado v Google LLC,* memorandum opinion of 5 August 2024, paragraphs 141-158.
[210] Google submitted that 'AI-powered search services' [✂]. Google also submitted that [✂]. Google's submission to the CMA.
[211] When asked about the extent to which users switch between Google Search and AI assistants, Google did not comment explicitly on this issue. Google submitted that generative AI 'is a nascent space at an early stage of development and adoption.' Google's response to the CMA's RFI.

5.15 Given this context, in the following sections we present evidence on Google position in the provision of general search considering:

(a) Shares of queries;

(b) Bing and other traditional general search providers;

(c) AI assistants;

(d) Specialist search providers;

(e) Social media platforms; and

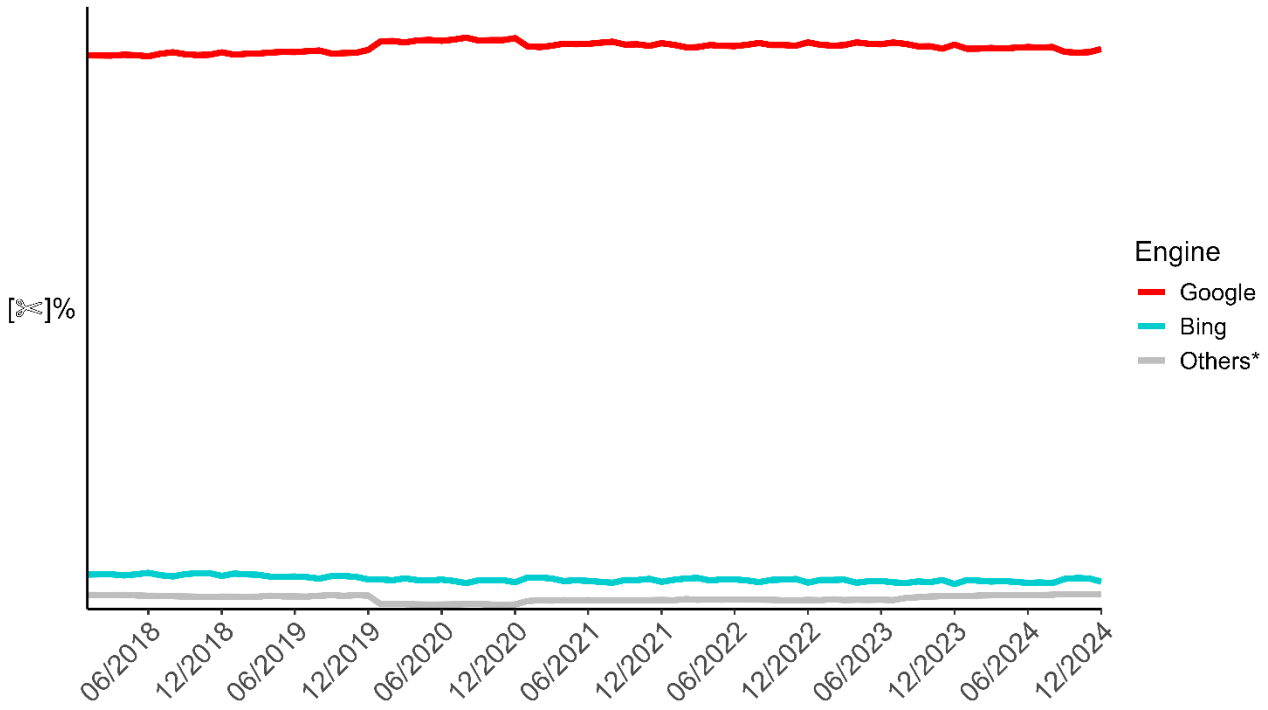
(f) Other potential alternatives to Google's general search.

Shares of queries

5.16 Google has accounted for a persistently very high and stable share of queries relative to other traditional general search providers such as Bing. As shown in Figure 5.1 below, Google's share of supply has been between [90-100]% and [90-100]% throughout the last seven years. Bing had the next highest share at approximately [0-5]%.[212]

[212] See [✂] responses to the CMA's RFI. See [✂] response to the CMA's RFI. See [✂] response to the CMA's RFI. Google's response to the CMA's RFI.
[✂] response to the CMA's RFI and [✂] response to the CMA's RFI.
[✂] response to the CMA's RFI and [✂] submission.

Figure 5.1 Shares of total queries for traditional general search providers in the UK (2018-2024)



Source: CMA analysis of parties' data.
**Others include Brave, DuckDuckGo, Ecosia, Mojeek and Yahoo*
Note: Not all traditional general search providers were able to provide data for the complete period. This accounts for the decline in the share of "Others" in 2020.

5.17 Mobile searches account for a high and growing proportion of queries to traditional general search providers: [70-80]% of all queries to these providers in the UK in 2024 were on mobile devices, up from [60-70]% in 2020.[213] Google's share of queries is very high in desktop ([80-90]%) and [90-100]% in mobile.[214, 215]

5.18 Since late 2022, AI assistants, such as ChatGPT, have emerged and some of these providers have seen rapid growth in their usage. To provide context for the evidence on AI assistants discussed below and to gauge the scale of the use of these AI assistants relative to use of Google's general search products, Figure 5.2 compares the volume of queries to traditional general search providers and AI assistants. It is important to note the following limitations:

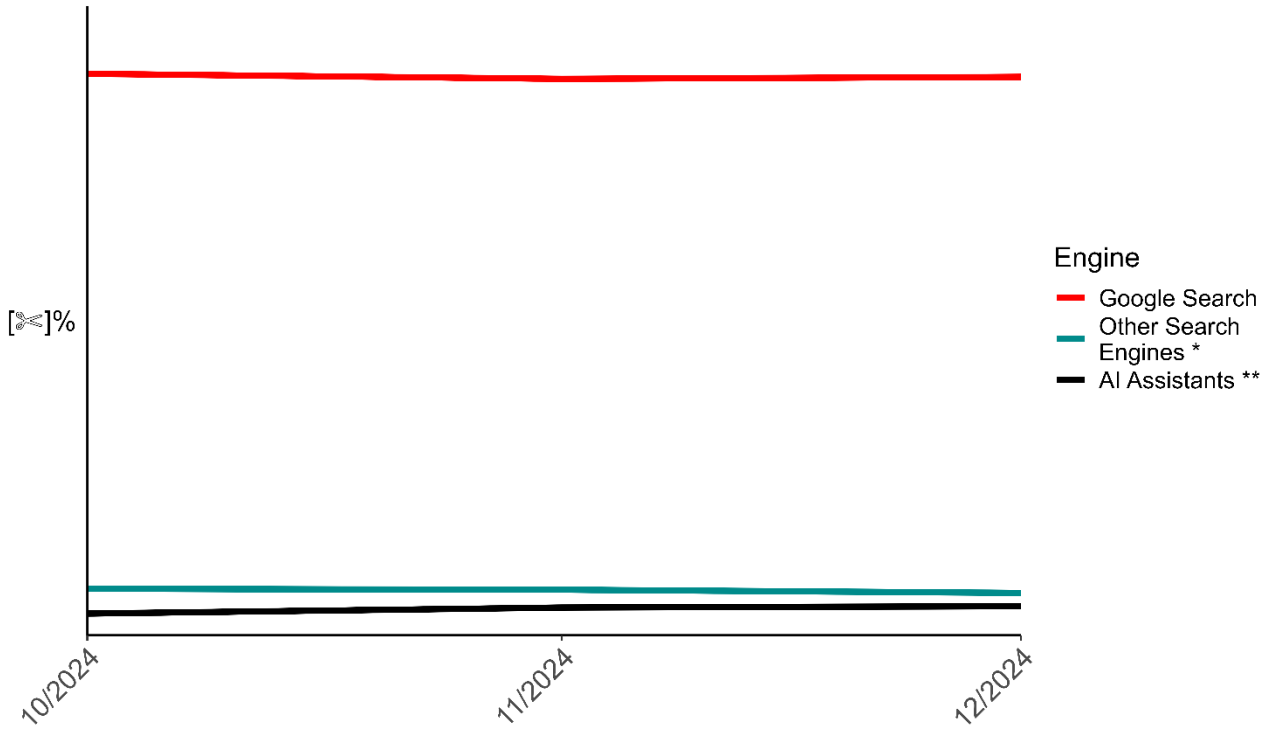
(a) This data is for all queries submitted to traditional general search providers and AI assistants. However, as discussed below, AI assistants have a variety of use cases and only some of these overlap with the use cases for general search.

(b) AI assistants have the ability to answer more complicated queries which would typically have taken multiple queries on a traditional general search

[213] See [✂] responses to the CMA's RFI. See [✂] response to the CMA's RFI. See [✂] response to the CMA's RFI.
[214] Google's consolidated response to the CMA's RFI.
[215] Figures for 2024.

provider, albeit Google is incorporating such functionality directly into its general search products.[216]

Figure 5.2 Shares of queries for traditional general search providers and AI assistants in the UK (October – December 2024)



Source: CMA analysis of parties' data.
** Other Search Engines include: Bing, Yahoo, Ecosia, DuckDuckGo, Brave and Mojeek*
***AI Assistants include: ChatGPT, Gemini, Perplexity, Copilot, Claude.ai, Meta AI and* [✂]

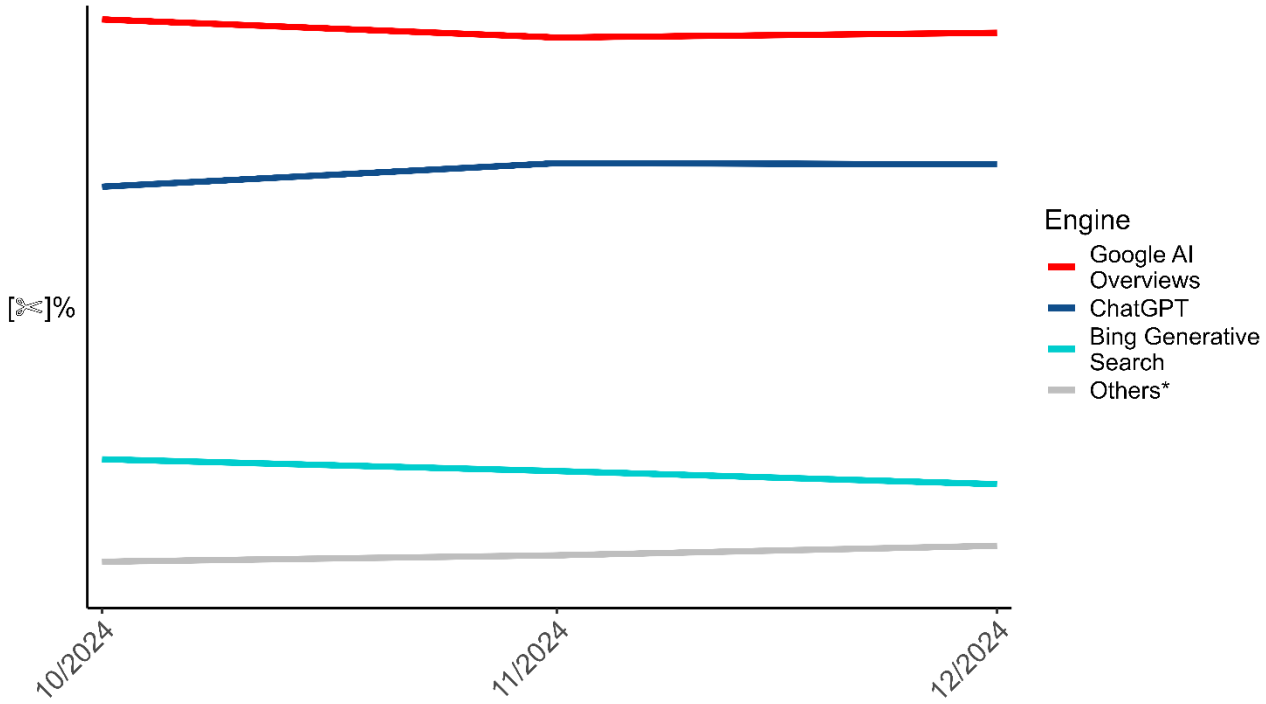
5.19 As Figure 5.2 above shows, Google still accounts for around a 90% share of queries to traditional general search providers and AI assistants combined in the UK. In December 2024 the volume of AI assistant queries was about [0-5]% of the volume of Google's general search queries, albeit that use of AI assistants has been growing quickly[217] with query volume on AI assistants growing by [20-30]% in the last three months of 2024.[218] Amongst AI assistants, we estimate that ChatGPT receives by far the greatest volume of queries in the UK, accounting for [80-90]% of UK queries to AI assistants in December 2024. In contrast, Google's Gemini AI assistant only accounted for [0-10]% of queries to AI assistants.[219]

5.20 Another way users engage with generative AI is when Google (as AI Overviews) and Microsoft (as Bing Generative Search) display AI summaries in response to

[216] See for example Google article 'AI Mode in Google Search: Updates', 20 May 2025, accessed by CMA on 11 June 2025, AI Mode in Google Search: Updates from Google I/O 2025 which states 'there's been a profound shift in how people are using Google Search. People are coming to Google to ask more of their questions, including more complex, longer and multimodal questions.'
[217] See [✂] responses to the CMA's RFI.
[218] See [✂] responses to the CMA's RFI.
[219] See [✂] responses to the CMA's RFI.

certain queries on their SERPs. Figure 5.3 shows that Google's AI Overviews are shown in response to more queries than ChatGPT receives.[220,221]

Figure 5.3 Share of queries for traditional general search engines including AI summaries and AI assistants in the UK (October- December 2024)



Source: CMA analysis of parties' data
**Others include: Gemini, Perplexity, Copilot, Claude.ai, Meta AI and* [✂]

Competition from Bing and other traditional general search providers

5.21 As set out above, Google submitted that other traditional general search providers are the most direct competitors to Google's general search products, with Bing being its main rival in the UK.[222]

5.22 Google's internal documents discussing its competitors in general search [✂].[223, 224] Furthermore, Google's latest US Information Satisfaction tests, carried out throughout 2024 and 2025, involved comparisons with Bing's search results [✂].[225, 226]

5.23 Another document also shows that consumers have much greater awareness of Google than other traditional general search providers. A 2023 Google study found

[220] We note that the figures for AI summaries are not included in 'AI Assistants in Figure 5.2'. This would result in double counting of the total queries as, by definition, these AI summaries must be shown in response to either a Google Search or Bing query.
[221] See [✂] responses to the CMA's RFI.
[222] Google's consolidated response to the CMA's RFI.
[223] Google's internal documents. Of the [✂] documents Google submitted related to competition on the user-side, [✂].
[224] [✂].
[225] Google's consolidated response to the CMA's RFI.
[226] Google's consolidated response to the CMA's RFI.

that [✂].[227, 228] The significantly greater consumer awareness of Google is reflected in the common use of "*to google*"[229] and the observation during the US Search Litigation that "*Google.com*" is one of the most common queries on Bing.[230]

5.24 Several other traditional general search providers identified Google as their main competitor or as one of their two main competitors alongside Bing.[231] Microsoft submitted that 'by far' Bing's main competitor for general search is Google and that [✂].[232] This is consistent with Microsoft's internal documents, most of which only discuss Google as its main competitor.[233]

5.25 Bing is the only other English-language traditional general search provider which has developed and maintains search infrastructure at scale. Almost all other traditional general search providers rely on syndication agreements to present organic results and/or advertisements.[234] [✂].[235, 236] [✂].[237] Such factors are likely to limit the ability of other traditional general search providers to compete effectively with Google and their ability to significantly expand their user numbers.

5.26 The above evidence is consistent with other traditional general search providers being a limited alternative to Google. In line with this, the US Search Litigation referred to evidence from a 2020 Google quality degradation, showing that Google would not lose significant search revenue if it were to significantly reduce the quality of Google's general search products.[238] The importance of Google as a traditional general search provider is consistent with comments from several [✂] specialised search providers that said they focus their efforts on optimizing for discoverability on Google Search (albeit the process for other traditional general search providers is largely the same),[239] and some [✂] said that they do not expect Bing's attractiveness as an alternative to Google's general search products to change in the next five years.[240]

---

[227] Google's internal document.
[228] [✂] Google's internal document.
[229] See for example Wikipedia, 'Google (verb)', accessed by the CMA on 1 May 2025 Google (verb) - Wikipedia.
[230] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, paragraph 132.
[231] [✂] response to the CMA's RFI; [✂] response to the CMA's RFI; [✂] response to the CMA's RFI; [✂] response to the CMA's RFI.
[232] Microsoft's response to the CMA's RFI.
[233] Microsoft submitted [✂] internal documents. Of these, [✂] documents discussed Google, while [✂] discussed other general search providers. Some key examples include: Microsoft's internal document, and Microsoft's internal document.
[234] For example, Brave and Mojeek do not syndicate results from Google or Microsoft Bing but use their own search infrastructure to show results to users. See paragraphs 5.171-5.178 below for a discussion on how Google's search infrastructure compares with those of other traditional search providers and AI assistants. Brave's response to the CMA's RFI; Mojeek's response to the CMA's RFI.
[235] [✂] said Google do not license organic web links for mobile devices in their responses to the CMA's RFI; and [✂].
[236] [✂].
[237] [✂] said Microsoft determines the ranking of their search results and ads in their response to the CMA's RFI; [✂].
[238] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, paragraph 134. pr24-59-Google.pdf
[239] See [✂] responses to the CMA's RFI; See [✂] response to the CMA's RFI.
[240] See responses to the CMA's RFI.

Generative AI and traditional general search providers

5.27 As noted at paragraph 5.11, Google submitted that generative AI is the development with potential to lead to the most significant change over the next five years. We have therefore assessed whether generative AI may affect competition between traditional general search providers over the next five years (we have considered the impact of AI assistants such as ChatGPT separately below).

5.28 Google's internal documents indicate that [✂] of Google's strategy [✂]. For example:

(a) A 2024 document providing an update to the Board of Directors describes the Search vision as: [✂].[241]

(b) Another internal document discussing Google's strategy for 2025-2027 talks about its plan to '[✂]'.[242] To achieve this strategy, the document discusses, among other steps, [✂].[243]

(c) The same document discusses [✂].[244]

5.29 Some [✂] traditional general search providers indicated that they intend to use generative AI to improve their products and compete with Google.[245] [✂] Microsoft said that [✂][246] and this is also reflected in Microsoft's internal documents, [✂].[247]

5.30 However, the incorporation of generative AI into the products of traditional general search providers has not yet impacted Google's position in general search, as shown by the share of queries analysis above. In this context, the evidence does not indicate that the use of generative AI by other traditional general search providers is a significant risk to Google's current position in general search. [✂] Google's internal documents [✂] and Microsoft said that its experience with Bing (and Copilot) demonstrates [✂].[248] It is also unclear how generative AI will significantly affect the barriers (see paragraphs 5.132 to 5.187) traditional general search providers face in competing with Google. For example, at this stage it is not clear how or whether generative AI will affect Google's wider ecosystem of products which give Google influence over access points to general search (eg Android and Chrome) and provide Google with access to data which may not be available to others.

[241] Google's internal document.
[242] Google's internal document.
[243] Google's internal document.
[244] Google's internal document.
[245] [✂] response to the CMA's RFI and [✂] response to the CMA's RFI.
[246] Microsoft's response to the CMA's RFI.
[247] For example, Microsoft's internal document; Microsoft's internal document; Microsoft's internal document.
[248] Microsoft's response to the CMA's RFI.

5.31 Overall, the evidence indicates that, amongst traditional general search providers, Bing is the best alternative to Google in general search. However, the evidence described above indicates that it is a limited alternative to Google's general search products and this has been the case for a number of years. Microsoft is incorporating generative AI into its search product but at this stage the evidence does not indicate that this is likely to significantly affect competition between Google and Bing in general search. Other traditional general search providers are much smaller than Bing (and Google). These smaller providers have not expanded their share of queries over a significant number of years and almost all of them depend on syndication agreements from Bing and Google which is likely to limit their ability to compete effectively with Google.

Competition from AI assistants

5.32 In addition to the incorporation of generative AI into traditional general search products discussed above, developments in generative AI have provided new ways for users to interact with products and have led to the emergence of AI assistants which have a range of use cases including some that have to date been fulfilled by traditional general search providers.

5.33 Although usage of AI assistants is currently low relative to use of Google's general search products (paragraphs 5.18 and 5.19), usage of these AI assistants, and especially ChatGPT, has grown very quickly. For example, ChatGPT was reported to have reached over 100 million users weeks after its launch and over 500 million users within 2 years of its launch.[249, 250] Furthermore, Apple's senior vice president of services (while testifying in the US Litigation) linked a decline in queries to Google through Apple's Safari browser to growth in the use of AI assistants.[251] Google has introduced features, most obviously AI Overviews and AI Mode, to general search that appear likely to be a response to the competitive threat from AI assistants.[252]

5.34 Amongst providers of AI assistants, OpenAI and Perplexity said that they compete with Google's general search products,[253] while Anthropic, Mistral and [✂] submitted that they do not compete with Google's general search products.[254] These submissions are consistent with [✂] and internal documents provided by

[249] Reuters, 'ChatGPT sets record for fastest growing user-base', dated 2 February 2023, accessed by the CMA on 11 June 2025, ChatGPT sets record for fastest-growing user base - analyst note | Reuters
[250] Forbes, 'ChatGPT Hits 1 Billion Users? 'Doubled In Just Weeks' Says OpenAI CEO', dated 12 April 2025, accessed by the CMA on 11 June 2025, ChatGPT Hits 1 Billion Users? 'Doubled In Just Weeks' Says OpenAI CEO. [✂].
[251] The Verge, 'Google searches are falling in Safari for the first time ever — probably because of AI', dated 7 May 2025, accessed by the CMA on 11 June 2025, Google searches are falling in Safari for the first time ever — probably because of AI | The Verge
[252] A Microsoft document also recognises the competitive threat to Google stating that '[✂]' Microsoft's internal document.
[253] OpenAI's response to the CMA's RFI and Perplexity's response to the CMA's RFI.
[254] Anthropic's submission to the CMA. Anthropic's response to the CMA's RFI; Mistral's response to the CMA's RFI; [✂] response to the CMA's RFI.

OpenAI and Perplexity.[255] Therefore, in this section we present evidence from Google's and third parties' internal documents and consumer research relating to AI assistants, particularly ChatGPT and Perplexity.

Google's internal documents

5.35 Google's internal documents show that Google monitors AI assistants and their potential impact on general search, particularly [✂]. Of the [✂][256] internal documents it submitted covering a period of two and a half years (July 2022 to January 2025) which discuss its competitors in search: about half [✂][257] mentioned [✂] (which was also discussed in a document discussing Google's strategy), followed by [✂],[258] [✂],[259] and [✂].[260, 261]

5.36 These documents indicate that Google perceives AI assistants and in particular [✂] as a competitive threat to its general search products.[262] For example, one [✂] study[263] conducted in the third quarter of 2024 to understand user sentiment for Google and competitors says that '[✂]'.[264][265]

5.37 However, Google's internal documents also indicate that [✂], and that [✂]. For example:

(a) Another [✂] study from July 2024 conducted on users in the [✂] and titled '[✂]' sets out that [✂].[266] It goes on to say that [✂].[267]

(b) A Google document from May 2024 states: '[✂]'.[268] The document says that [✂].[269] In terms of broader impact, the document sets out that [✂].[270]

5.38 Google's internal documents also indicate that [✂].[271, 272]

---

[255] OpenAI's internal document; Perplexity's internal document; Perplexity's internal document.
[256] Google's internal documents.
[257] Google's internal documents.
[258] Google's internal documents.
[259] Google's internal documents.
[260] Google's internal documents.
[261] As part of these, Google submitted four [✂] studies carried out in 2024, aimed at understanding user sentiment for Google and competitors [✂]. Some other AI assistants were mentioned in Google's Internal Documents much less frequently. For instance, [✂], [✂] were mentioned once. Google's internal documents, as was [✂], Google's internal documents.
[262] This is consistent with the testimony of Eddy Cue, Apple's senior Vice President of Services, who said that "Prior to AI…none of the others were valid choices. I think today there is much greater potential because there are new entrants attacking the problem in a different way." Google shares slide as Apple explores AI-powered search alternatives.
[263] The CMA understands that [✂] studies are a series of internal studies undertaken by Google.
[264] [✂]
[265] Google's internal document.
[266] Google's internal document.
[267] Google's internal document.
[268] Google's internal document.
[269] Google's internal document.
[270] Google's internal document.
[271] For example, Google's internal document; Google's internal document.
[272] The consumer survey also found that use of AI assistants was greatest amongst 16-24 year olds. Accent mobile consumer survey research report, chapter 3, p3.

5.39 Although Google has introduced its own AI assistant, Gemini, use of which is also growing quickly, it is currently little used in comparison to traditional means of using Google's general search products and in comparison to ChatGPT. For example, queries to Gemini AI assistant in December 2024 were only [less than 1]% of all queries to Google's general search, in relation to non-business users.[273, 274] Google's internal documents and its public announcements indicate that, alongside developing the Gemini AI assistant, an important element of its strategy is to incorporate generative AI into its traditional general search products, eg through AI Overviews and AI Mode.[275] Google's ability to integrate generative AI into its existing product with its established user base contrasts to competing AI assistants which must encourage users to change their behaviour to switch to begin using their products. For example, as discussed in paragraph 5.20, Google's AI Overviews are shown in response to more queries than queries ChatGPT receives.

5.40 Overall, Google's internal documents indicate that it is monitoring the competitive threat from AI assistants and in particular from [✂]. However, those documents do not indicate that at this stage Google considers that AI assistants will substantially disrupt Google's position in general search now or in the next five years.

Evidence from consumer research and survey

5.41 As described at paragraph 2.9(d), we commissioned a survey of smartphone owners and qualitative research of AI assistant users to understand how consumers use AI assistants for search-related use cases. The results of these two pieces of research are consistent with our analysis of query volumes and evidence from Google's internal documents. They show that:

(a) Usage of AI assistants is currently very low compared to Google Search. The consumer survey results show that a low proportion (17%) of people would 'most often' use an AI assistant for any of the four use cases we asked them about, while the equivalent figure for traditional general search providers was 97%.[276] The qualitative consumer research found that despite a trend of increasing usage of AI assistants among participants, the participants also reported using general search engines more frequently than AI assistants.[277]

[273] Google's consolidated response to the CMA's RFI.
[274] We note that queries made on Google Search and AI assistants may not be directly comparable. Google refers to queries on Gemini as 'prompts' and which it defines as 'a single statement, instruction or question that is given to Gemini Assistant to guide it towards generating a specific response'. Google's consolidated response to the CMA's RFI.
[275] For example, Google formally launched AI Mode in the US on 20th May 2025 – AI Mode in Google Search: Updates from Google I/O 2025. Also see: Google's internal document; Google's internal document.
[276] Accent mobile consumer survey data tables, tables DVany, DVanySE. The consumer survey asked respondents about four search 'use cases': i) search for a specific website; ii) search the web for a product that you want to buy; iii) search the web for simple information; iv) search the web for less simple information.
[277] Thinks Insight & Strategy qualitative consumer research report, paragraph 1.8, 3.6, 4.7.

(b) The consumer survey showed that ChatGPT is the most used AI assistant, with around three quarters of respondents who used an AI assistant using ChatGPT,[278] [✂].[279] Participants in the consumer research generally claimed to have heard about ChatGPT first and, as a result, ChatGPT was most often top of mind when thinking about AI assistants.[280]

(c) Consumers use AI assistants for some 'search-like' tasks, but usage varies by use case. The consumer survey results show that consumers are more likely to use an AI assistant when searching for 'less simple information' than for the other search tasks we tested.[281] This is consistent with the consumer research where participants typically opted to use AI assistants for tasks perceived as 'difficult' or 'complex'.[282] As outlined in paragraph 5.36 above, Google's internal research [✂] found that [✂].[283]

5.42 The qualitative research with AI assistant users also points to other factors which in aggregate suggest that use of AI assistants could increase in the future, but that traditional general search providers will likely continue to be used for a broad range of use cases:

(a) The research found that habit and experience were one of the drivers of AI users' choice of tool: an increase in use may therefore lead to further increases in use of AI assistants over time.[284] Since currently around 40% of consumers use AI assistants, this increase could be substantial.[285]

(b) However, even within 'search' tasks, users often have needs that are not satisfied by AI assistants. These include confirming that the output is true or reliable due to a lack of confidence in the AI output, and conducting a follow-up task such as navigating to a website to take action. Consumers often used traditional general search providers for these tasks.[286]

(c) For more complex search needs, consumers sometimes use AI assistants in combination with traditional general search providers to get the perceived benefits of both.[287]

---

[278] The quantitative survey indicated that around three-quarters (77%) of people who use AI assistants for any purpose (ie not just for search-related use cases) reported using ChatGPT, followed by Gemini and Microsoft Copilot which are each used by almost a quarter of respondents (25%). Accent mobile consumer survey research report, Figure 1, p4.Accent mobile consumer survey research report, Figure 1, p4.
[279] [✂].
[280] Thinks Insight & Strategy qualitative consumer research report, paragraphs 3.3, 3.8.
[281] 17% of respondents reported using these tools 'frequently' or 'most often' for this use case. For other use cases the proportion of consumers who use AI assistants 'frequently' or 'most often' is between 5% and 9%. Accent mobile consumer survey data tables, table DV43r1-DV43r4.
[282] Thinks Insight & Strategy qualitative consumer research report, paragraphs 1.10, 4.4, 4.8, 4.23.
[283] Google's internal document; Google's internal document.
[284] Thinks Insight & Strategy qualitative consumer research report, paragraphs 4.3, 4.14-4.16.
[285] Accent mobile consumer survey research report, chapter 3, p3.
[286] Thinks Insight & Strategy qualitative consumer research report, paragraphs 4.5, 4.26-4.28.
[287] Thinks Insight & Strategy qualitative consumer research report, paragraphs 4.24, 4.25.

5.43 Overall, the consumer research evidence indicates that consumers use AI assistants in general for a range of use cases, including to find information that they have historically found through traditional general search providers. However, their usage is currently low compared to use of Google's general search products, and although there is scope for this to increase in the future, AI assistants are likely to continue being used in tandem with traditional general search providers for some time.

Evidence from third parties

5.44 Both ChatGPT, which draws on its own and others' search infrastructure,[288] and Perplexity, which solely draws on its own search infrastructure,[289] said they compete with Google's general search products.[290] In contrast, other providers (Anthropic, Mistral and [✂]) do not consider that they compete with Google's general search products[291] and [✂].

5.45 In particular, OpenAI, developer of ChatGPT, has a strategy and ambition to compete directly with [✂] general search products. For example:

(a) One OpenAI document dated June 2024 is titled "Why are we solving 'Search'?" and sets out that "there's opportunity to give 1B+ users a better Search experience" and that although "the challenge is that Search covers a broad range of user needs", ChatGPT has "already expanded what is possible for parts of Search, [✂]". A slide titled "our competitors are also working on better Search with LLMs" [✂].[292]

(b) Another OpenAI document [✂] sets out that [✂] the intent is to [✂].[293]

5.46 Perplexity's internal documents [✂] support their submission above that they consider themselves a competitor to Google's general search products. For example:

(a) A company memo for investors (date is unknown) states that "Google (Search, Gemini, Search Generative Experience) and OpenAI (ChatGPT with Bing browsing) are the competitors to Perplexity's product". It states that [✂] and sets out that [✂] is instead about [✂].[294]

[288] OpenAI's response to the CMA's RFI.
[289] Perplexity's response to the CMA's RFI.
[290] OpenAI's response to the CMA's RFI; Perplexity's response to the CMA's RFI.
[291] Anthropic's submission to the CMA. Anthropic's response to the CMA's RFI; Mistral's response to the CMA's RFI; [✂] response to the CMA's RFI.
[292] OpenAI's internal document.
[293] OpenAI's internal document.
[294] Perplexity's internal document.

(b) Another undated document says that "the era has been defined by "search" engines, [✂].[295]

Summary of evidence on competition from AI assistants

5.47 Use of AI assistants, especially ChatGPT, has grown rapidly. AI assistants have a wide range of possible use cases but some AI assistants, including ChatGPT, have a strategy to compete with [✂] general search products. Google [✂] has responded to this competitive threat (eg through the introduction of generative AI into its general search products). However, although ChatGPT in particular has grown quickly, at this stage use of AI assistants (and especially AI assistants other than ChatGPT) is very low compared to use of Google's general search products.

5.48 Given the early stage in the development of these products, there is significant uncertainty regarding how use of these products will evolve and whether they will become a sustained and significant competitive threat to Google's general search products.[296] This is particularly so given the barriers to entry and expansion they face, as described at paragraphs 5.186 to 5.187 below. Indeed, developments in generative AI could also strengthen Google's position in general search as Google is well-positioned to respond to the competitive threat from AI assistants in general search and more generally embed generative AI into its products. For example, AI Overviews are already shown in response to more queries than the total number of queries received by ChatGPT in the UK.[297] Google has also developed Gemini AI assistant which could compete more directly with AI assistants such as ChatGPT, if substantial numbers of users were to begin to use AI assistants for general search use cases.

5.49 On this basis, we consider that, while AI assistants have the potential to compete with Google's general search products, currently they are a limited alternative to Google's general search products and it is uncertain whether they will substantially disrupt Google's position in general search in the next five years.

Competition from specialised search providers

5.50 While Google is by far the most-used traditional general search provider in the UK, there are also specialised search providers (eg Skyscanner, Booking.com and Amazon) which allow users to search for, compare and purchase products or services in a particular sector. We have therefore assessed the extent to which these providers are an alternative to Google's general search products.

[295] Perplexity's internal document.
[296] This is consistent with Google's submissions that generative AI 'is a nascent space at an early stage of development and adoption'. Google response to the CMA's RFI.
[297] And as noted, this includes all queries to ChatGPT in the UK regardless of use case.

5.51 Specialised search providers have important functional differences to general search providers such as Google.[298] By definition, specialised search providers focus on specific sectors or 'verticals' such as flights, hotels and shopping. They respond to queries using data that has been provided to them, and they do not search for information generally on the world wide web. In contrast, Google's general search products respond to a wide range of queries by providing organic links from the world wide web alongside other information.

5.52 These functional differences are reflected in differences in the responses general and specialised search providers present to queries. For example, the Amazon response to the query "Europe" focuses on products that can be purchased (eg travel books).[299] The Google response to the same query provides a range of information, including links to sources such as Wikipedia and the latest news.[300]

5.53 These differences mean that, if specialised search providers were to exercise a material competitive constraint on Google's general search products, this would be in aggregate, since each specialised search provider could be an alternative only in a specific sector.

5.54 There is evidence of some competition between Google's general search and specialised search providers in the specific verticals in which those specialised search providers compete:

(a) Google has developed several of its own specialised search products and presents results from these on the SERP in response to relevant queries.

(b) Many [✂] specialised search providers also reported that they compete with Google to attract users for their specific query segment.[301]

(c) In the consumer survey 39% of respondents said that they used a shopping website or app (ie a form of specialised search) when searching the web for a product to buy.[302]

5.55 However, the overall evidence shows that specialised search providers are a weak competitive constraint on Google's general search products both in isolation and in aggregate.

5.56 First, the intrinsic functional differences between Google's general search products and specialised search providers described above limit the nature of the constraint that specialised search providers exert on Google's general search products. Google attracts users to its general search products on the premise that it can

---

[298] The CMA also noted these differences in the Online Platforms and Digital Advertising Market Study, July 2020, paragraph 3.46.
[299] See example Amazon.co.uk search for 'Europe': Amazon.co.uk : europe
[300] See example Google.com search for 'Europe': europe - Google Search
[301] See [✂] responses to the CMA's RFI.
[302] Accent mobile consumer survey research report, Figure 2. Accent mobile consumer survey research report, Figure 2.

meaningfully respond to a broad range of queries. In contrast, specialised search providers focus on a more specific purpose (eg a particular purchase). The ability to reliably respond to a broad range of queries is one reason users are attracted to Google[303] – including as a means of accessing specialised search providers and for navigational queries where a user may have been able to navigate to the desired website fairly easily. This fundamental difference between Google's general search products and specialised search providers is reflected in the following:

(a) The consumer survey found that a majority of consumers 'most often' use traditional general search providers for all four of the use cases they were asked about, including the task of searching the web for a product to buy.[304]

(b) There are a significant number of circumstances in which there is no specialised search provider which could usefully respond to an important subset of queries. For example, there is no specialised search provider who can respond to navigational (ie locating websites) queries.

(c) Specialised search providers are not offered as an option on search engine default choice screens and only a narrow set of specialised search providers can be set as a default search option from the URL bar on a limited number of smaller browsers.[305] Notably Google does not offer any specialised search providers as a default option in its Chrome browser.[306]

(d) Google's distribution agreements with OEMs contain restrictions on the installation, placement and/or promotion of 'alternative search services' which are typically defined as any service that is 'substantially similar' to Google.[307] In one case [✂].[308] As a result, we understand that that whilst these agreements restrict the installation, placement and promotion of products such as Bing, the same restrictions do not apply to specialised search providers.

---

[303] In this respect the judgment in US Search litigation noted that 'the GSE [General Search Engine] is performing a unique function: It is both a reservoir of information and a conduit to other sources on the web. And it serves that purpose over and over again. No SVP [specialised search provider] or social media platform can meet user needs in the same way. They therefore are not functionally interchangeable with GSEs.' See: United States and State of Colorado v Google LLC, memorandum opinion of 5 August 2024, pages 143 and 144. pr24-59-Google.pdf
[304] Although 39% of respondents said that they used a shopping website or app when searching for a product to buy, this was less than the 54% who selected a traditional search provider. Accent mobile consumer survey research report, Figure 2. Accent mobile consumer survey research report, Figure 2.
[305] Mozilla submitted that users can set eBay and Wikipedia as pre-installed defaults in the Firefox URL bar. Opera browser enables users to set Amazon and Wikipedia as defaults. Firefox's response to the CMA's RFI. Mozilla's submission to the CMA; Opera's response to the CMA's RFI.
[306] Google's consolidated response to the CMA's RFI.
[307] Google's response to the CMA's RFI.
[308] Google's response to the CMA's RFI.

5.57 Second, Google is an important source of traffic for specialised search providers. Specialised search providers we contacted received on average [30-40]% of their traffic in 2024 from Google's general search products.[309]

5.58 This relationship means that changes to Google's SERP can significantly affect the traffic to specialised search providers.[310] For example, Skyscanner reported that in 2024 it received a lower share of its user traffic from Google's organic search results which it attributed to a number of changes made by Google.[311]

5.59 In line with the above, the US Search Litigation referred to evidence from Google that the use of specialised search providers is complementary to Google rather than substitutable. For instance, a 2019 Google study found that users who were engaged with specialised search providers (such as being Amazon Prime members) were more likely to enter queries into Google.[312]

5.60 Third, Google's internal documents [✂]. [✂] Google's internal documents[313] and Amazon said that it competes with Google as it aims to 'attract consumers [✂] and compete for customers' attention [✂]'.[314]

5.61 [✂] Google's internal documents discussing competitors [✂][315] and these documents indicate that any competitive constraint from [✂] for users is [✂].[316] For example:

(a) A 2024 study indicates that there is [✂] overlap in the top user needs for Google Search and [✂]: while the top three user needs on [✂] are to [✂], the equivalent on Google Search are to [✂].[317]

(b) Another document from 2020, submitted as evidence in the US Search Litigation, entitled 'Amazon App Usage and Impact' says that 'as expected Amazon users are also more likely to be regular and frequent Google users' and that there is 'no evidence of negative impact on Google.com' from Amazon app adoption.[318]

5.62 Any competitive constraint from Amazon specifically on Google's general search products is [✂] likely to be limited because:

---

[309] CMA analysis of parties' data. The largest share of traffic from Google being [90-100]% and the smallest [0-10]%.
[310] See responses to the CMA's RFI. See response to the CMA's RFI.
[311] Skyscanner's response to the CMA's RFI.
[312] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, paragraph 157. pr24-59-Google.pdf
[313] Google's internal documents.
[314] Amazon's response to the CMA's RFI.
[315] [✂]: Google internal document; and Google internal document.
[316] [✂]. Google's internal document.
[317] Google's internal document.
[318] Google, 'Amazon App Usage and Impact', published on Antitrust Division, U.S. Department of Justice, dated October 2020, accessed by the CMA on 01 May 2025. Trial Exhibit - PSX00562: U.S. and Plaintiff States v. Google LLC

(a) Any competition from Amazon applies to a minority of queries inputted on Google' general search products, namely queries related to categories of products that are available on Amazon Marketplace.

(b) Amazon also receives from Google a [✂] proportion ([30–40]%) of its traffic and Google accounts for a [✂] proportion ([50–60]% of' Amazon Marketplace's total) of Amazon's advertising spend.[319]

5.63 Finally, we asked traditional general search providers to describe the changes they currently anticipate occurring over the next five years in relation to their main competitors in general search. None of the respondents specified that they anticipate specialised search providers to grow over this period.[320] Furthermore, we have not seen any other evidence (eg in Google's internal documents or from other sources) which suggests otherwise.

5.64 Overall, the evidence shows that specialised search providers are a limited alternative to Google's general search products both in isolation and in aggregate. This is due, among other things, to their functional differences and relationship with Google's general search products. [✂] specialised search provider [✂] in Google's documents and these documents indicate that any competition for users from [✂] is [✂]. The evidence also does not indicate that specialised search providers are likely to become a significantly more effective alternative to Google's general search in the next five years.

Competition from social media platforms

5.65 In light of Google's submissions as set out in paragraph 5.13, we have assessed whether social media platforms exercise a competitive constraint on Google in general search.

5.66 First, while Meta submitted that it competes with a "wide range of online services, including Google's, to attract users and advertisers to Meta's platforms",[321] TikTok submitted that it does not provide a "meaningful competitive constraint" on Google Search.[322]

5.67 Second, there are some similarities between specialised search providers and social media platforms in terms of the functional differences vis-à-vis Google's general search products. Social media platforms also focus on providing information based on the content provided to them rather than using content from the world wide web. These differences in functionality are reflected in the fact that

[319] Amazon's response to the CMA's RFI.
[320] See [✂] responses to the CMA's RFI. See [✂] response to the CMA's RFI.
[321] Meta's response to the CMA's RFI.
[322] TikTok's response to the CMA's RFI.

we are not aware of any browser (including Google Chrome) offering users the ability to select a social media platform as a default.[323]

5.68 Third, Google's internal documents do consider social media platforms but show that, [✂]. For example:

(a) In the internal documents that consider social media, Google benchmarks consumer awareness and usage of Google Search mostly against [✂] ([✂]), followed by [✂] and to a much more limited extent [✂], [✂] and [✂].[324]

(b) Google's internal documents indicate that Google's general search products and social media platforms generally [✂]. For instance, a 2024 [✂] study assessing user sentiment on Google and its competitors found that [✂].[325, 326] Further, a '[✂]' document containing results of a survey from February 2024 indicates that Google Search was [✂].[327, 328]

(c) Google's internal documents also indicate that [✂].[329] For example, a document setting out the results of Google's [✂] study from July 2024 found that for [✂],[330] [✂].[331] Further, Google's '[✂]' document sets out how '[✂]'[332].[333] Part of Google's [✂] is built around trying to meet these needs. For instance, Google set out how it plans to [✂].[334]

5.69 Finally, we asked traditional general search providers to describe the changes they currently anticipate occurring over the next five years in relation to their main competitors in general search. Almost none [✂] of the respondents specified in their response that they anticipate social media platforms to grow as a competitive constraint over this period.[335]

5.70 Overall, the evidence shows that social media platforms are not an effective alternative to Google in general search. The evidence also does not indicate that the competitive constraint that social media platforms exercise on Google's general search is likely to significantly change in the next five years.

---

[323] Responses to the CMA's RFIs.
[324] Google's internal document.
[325] [✂] was designed to understand how users use and perceive Search and competing platforms. See: Google's internal document.
[326] Google's internal document.
[327] Information use cases included tasks such as getting a quick fact or fixing a problem.
[328] Google's internal document.
[329] This is consistent with the findings of our qualitative research where younger participants in the research were more likely to report using social media as part of their daily routine and where they might search for information. Thinks Insight & Strategy qualitative consumer research report, paragraph 4.19.
[330] Such as getting a recommendation or exploring new ideas
[331] Google's internal document.
[332] [✂].
[333] Google's internal document.
[334] Google's internal document.
[335] See responses to the CMA's RFI. Only [✂] said social media may provide future competition saying users may utilise social media platforms 'for certain categories of searches'. [✂] response to the CMA's RFI.

Competition from other potential alternatives to Google's general search

5.71 It has been reported that [✂][336] and Apple[337] have been developing elements of AI-powered search. We have therefore assessed the extent to which they could become credible alternatives to Google in general search.

5.72 Google has evaluated and monitored the potential of Apple entering the search market. For instance, in his testimony in the US Search Litigation, Google's CEO Sundar Pichai confirmed that Google has discussed this possibility.[338]

5.73 Apple started developing some elements of search infrastructure in 2013, which it uses within its Spotlight[339] and Apple's Suggestions[340] features. However, Apple submitted that it 'has not and has never intended to develop a general web search engine function'.[341] Apple's web-index is a fraction the size of Google's (approximately [✂] billion URLs indexed compared to '100s of billions'). Apple's annual costs associated with its search infrastructure are also significantly smaller (around £[✂] compared to £[✂] billion)[342] and Apple's [✂] internal documents show [✂] with Google. These observations are consistent with Apple using its search infrastructure in a [✂] way which is not [✂] to Google's general search products.[343]

5.74 Additionally, Google currently pays Apple a revenue share for default status on Apple devices. As noted by the judge in the US Search Litigation, Apple would lose this revenue if it were to introduce a competing product. By Apple's own projections, even in a best-case scenario, it would lose over $12 billion in revenue during the first five years.[344]

5.75 Overall, although Google monitors Apple as a potential competitive threat, at this stage we have not seen evidence that [✂]. We discuss the role of defaults on Apple's devices further in our consideration of barriers to entry and expansion.

---

[336] [✂]
[337] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, paragraphs 300-311. pr24-59-Google.pdf
[338] Google's response to the CMA's RFI.
[339] Spotlight can be accessed by a downward swipe, presenting a search bar that enables users to search their device and the web. Apple, 'Use Spotlight Search on your iPhone, iPad, or iPod touch', 18 March 2025, accessed by the CMA on 7 May 2025. Use Spotlight Search on your iPhone, iPad, or iPod touch - Apple Support
[340] Suggestions, directly navigates users to a third-party site, skipping the Google SERP entirely, when users enter a navigational query into, Siri, Spotlight, or Safari. *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, paragraph 303. pr24-59-Google.pdf
[341] Apple's response to the CMA's RFI.
[342] Apple's response to the CMA's RFI. Google submitted that the total cost of operating Search globally in 2024 was approximately £[✂] billion in 2024. Of this we attribute £[✂] billion to the maintenance of their search infrastructure based on the categorisations provided. Google's consolidated response to the CMA's RFI. Note currency conversions made using Bank of England annual average Spot exchange rate, US $ into Sterling as of 31 December 2024.
[343] Apple's internal document; Apple's internal document; Apple's internal document; Apple's internal document; Apple's internal document.
[344] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, pages 241 and 242. pr24-59-Google.pdf

5.76 Google is also monitoring the developments of [✂]. [✂] is mentioned in [✂][345] of the [✂][346] internal documents submitted by Google related to competition in general search. For example, a document from May 2024 on the impact of LLMs on search notes that '[✂]'.[347]

5.77 [✂].[348] Consistent with this, one [✂] internal document (dated September 2024) states that '[✂]'.[349] Two other [✂] documents indicate [✂]:

(a) A document from May 2024 states that [✂].[350]

(b) Another document from January 2025 discusses [✂] '[✂]' for 2025 in terms of [✂]. It goes on to say that '[✂]'.[351]

5.78 [✂] started [✂] and at the end of the year, had [✂]. Therefore, [✂] (100s of billions). Similarly, [✂] investment in [✂], which is [✂] compared to Google's investments to maintain its search infrastructure (around £ [✂] billion per year).[352]

5.79 Therefore, we consider that [✂], and it is currently unclear how [✂] will develop and whether [✂] will become a meaningful alternative to Google's general search products.

Summary of evidence on competition in general search

5.80 Google has accounted for a share of queries amongst traditional general search providers of over 90% in the UK for at least fifteen years.[353] In this context, significant changes in the competitive dynamics are likely to be needed to significantly impact Google's strong and established position in general search. The competitive landscape has been evolving, in particular in the last three years, due to the launch of AI assistants. In order to assess the competitive landscape and understand how this may evolve in the next five years, we have examined current and potential competitive constraints on Google's general search products.

5.81 Overall, the evidence shows that Bing is currently the best alternative to Google's general search products amongst traditional general search providers. However, the evidence indicates that it is only a limited alternative to Google and this has been the case for a number of years. Microsoft is incorporating generative AI into

[345] Google's internal documents.
[346] Google's internal documents.
[347] Google's internal document.
[348] [✂]
[349] [✂] internal document.
[350] [✂] internal document.
[351] [✂] internal document.
[352] [✂]5.172(a). Google's consolidated response to the CMA's RFI; Google's consolidated response to the CMA's RFI. Note currency conversions made using Bank of England annual average Spot exchange rate, US $ into Sterling as of 31 December 2024; [✂].
[353] See paragraph 5.16 for data based on total queries to traditional general search providers since 2018 and Online platforms and digital advertising market study, July 2020, Figure 3.3 for a longer time-series based on page referrals to 2009.

its search product but at this stage the evidence does not indicate that this is likely to significantly affect competition between Google and Bing in general search.

5.82 Use of AI assistants, especially ChatGPT, has grown rapidly and some AI assistants, including ChatGPT, have a strategy to compete [✂] in general search. Google has responded to this competitive threat (eg through the introduction of generative AI into Google Search). However, despite their rapid growth, use of AI assistants is currently very low (and extremely low for providers other than ChatGPT) compared to Google's general search products.

5.83 Furthermore, AI assistants have a wide range of use cases, only some of which could overlap with Google's general search products. Currently, use of AI assistants for general search is most prevalent in specific user segments ([✂]) and a subset of specific use cases ([✂]).

5.84 While these providers, and particularly ChatGPT, have the potential to disrupt Google in general search, at this stage the development and success of AI assistants is still highly uncertain. Indeed, developments in generative AI could also strengthen Google's position in general search as Google is well-positioned to respond to the competitive threat from AI assistants in general search and more generally embed generative AI into its products. For example, AI Overviews, generative AI features embedded into Google's general search product, are already shown in response to more queries than the total number of queries received by ChatGPT in the UK.[354] Google has also developed Gemini AI assistant which could compete more directly with AI assistants such as ChatGPT, if substantial numbers of users were to begin to use AI assistants for general search use cases. Therefore, there is significant uncertainty at this stage as to whether AI assistants will become a sustained and significant competitive threat to Google in the next five years, although we have considered this further when considering barriers to entry and expansion in general search below.

5.85 Similarly, we found that specialised search providers (both in isolation and in aggregate) are a limited alternative and social media platforms are not an effective alternative to Google's general search products. The evidence does not indicate that the competitive constraint that specialised search providers and/or social media platforms exercise on Google's general search is likely to significantly change in the next five years.

5.86 Lastly, although Google monitors Apple [✂] in relation to its general search products, at this stage the evidence does not indicate that Apple [✂] (by comparison to Google). The development of [✂] and it is currently unclear how

[354] And as noted, this includes all queries to ChatGPT in the UK regardless of use case.

[✂] will [✂] and whether [✂] will become a material competitor to Google's general search products.

Competition in search advertising

Introduction and Google's submissions

5.87 In this section we summarise the evidence regarding the competition Google faces in search advertising. Google's search advertising takes primarily one of two forms:[355] text advertisements (which resemble organic results but are labelled 'sponsored') and shopping advertisements[356] (also known as product listing advertisements).[357] Text adverts can be purchased by any advertiser, while shopping adverts are a type of advert that only 'comparison shopping services' can use.[358] Comparison shopping services are a type of specialised search provider that 'collect product offers from different merchants and allow users to compare prices and features'.[359] In 2024, Google derived [✂]% and [✂]% of its UK search advertising revenue from text adverts and shopping adverts, respectively.[360]

5.88 Google sells search advertising via the Google-owned platforms – Google Ads and Search Ads 360 (SA360). Search advertising on Google's general search products can also be purchased through third-party interfaces that utilise Google Ads API.[361]

5.89 Google submitted that over the next five years AI [✂].[362] Consistent with this submission Google is already incorporating AI into its search advertising products, eg:

(a) Performance Max (part of Google Ads),[363] allows advertisers to set objectives for their advertising campaign with Performance Max allocating spend across all Google advertising channels accordingly (including outside of Google Search).[364]

---

[355] Other types of advertisement displayed on Google's SERP include local adverts, hotel adverts and Comparison Shopping Service (CSS) adverts. Google's consolidated response to the CMA's RFI.
[356] Since March 2024, there are two types of shopping or PLA ads: (1) standard PLAs that link to websites of the comparison shopping service website's merchant partners; (2) comparison shopping service ads that link directly to their websites. [✂].
[357] In 2024, text ads account for [✂]% of all adverts displayed and [✂] % of all advert clicks on Google Search. Shopping ads accounted for [✂]% of all adverts displayed and [✂]% of all advert clicks.
[358] Google's consolidated response to the CMA's RFI.
[359] Google Merchant Center Help, 'Comparison Shopping Services (CSS)', accessed by the CMA on 01 May 2025. Comparison Shopping Services (CSS) - Google Merchant Center Help
[360] Google's consolidated response to the CMA's RFI.
[361] Google's consolidated response to the CMA's RFI.
[362] Google's consolidated response to the CMA's RFI.
[363] Google Ads, 'Google Ads', accessed by the CMA on 01 May 2025. Google Ads
[364] Google Ads, 'About Performance Max campaigns', accessed by the CMA on 30 April 2025. About Performance Max campaigns - Google Ads Help

(b) In May 2025 Google introduced AI Max for Search and Smart Bidding Exploration, features which both use AI.[365]

5.90 Google submitted that because advertisers measure the success of their campaigns by reference to their return on investment, this is the key dimension of competition and Google competes with a variety of different providers.[366] It stated that its main competitors in search advertising are general search providers (eg [✂]), specialised search providers (eg [✂], [✂], [✂]), marketplaces such as [✂], social media platforms, and offline media such as television.[367]

5.91 The evidence is broadly consistent with Google's submission that return on investment is an important factor when advertisers decide how to allocate advertising spend.[368] However, it does not follow that if advertisers maximise return on investment then a provider of one particular type of advertising cannot have market power. Rather, if a provider offers a form of advertising that is significantly more effective than other forms of advertising then advertisers maximising return on investment will initially prefer this more effective form of advertising. As a result, they will purchase more of the more effective advertising and will be reluctant to switch substantial expenditure to other forms of advertising. This will give the provider of the more effective form of advertising market power.

5.92 Therefore, in the following sections we have assessed the effectiveness of the alternatives to Google's search advertising by considering evidence relating to:

(a) Market outcomes;

(b) Bing and other traditional general search providers;

(c) Specialised search providers; and

(d) Display advertising and social media platforms.

5.93 At this stage, AI assistants do not offer advertising that could be an alternative to Google's search advertising. However, in view of the developments of AI assistants in general search, we have also assessed whether they are likely to compete with Google's search advertising now and/or in the next five years.[369]

---

[365] Google Ads, 'Unlock next-level performance with AI Max for Search campaigns', dated 6 May 2025, accessed by the CMA on 9 June 2025. Introducing AI Max for Search campaigns; Google Ads, 'Expand your universe of conversions with Smart Bidding Exploration', dated 21 May 2025, accessed by the CMA on 9 June 2025. Google announces Smart Bidding Exploration

[366] Google's consolidated response to the CMA's RFI.

[367] This represents an indicative subset of the competitors listed by Google in this category. The list of competitors in this category is available in Google's consolidated response to the CMA's RFI.

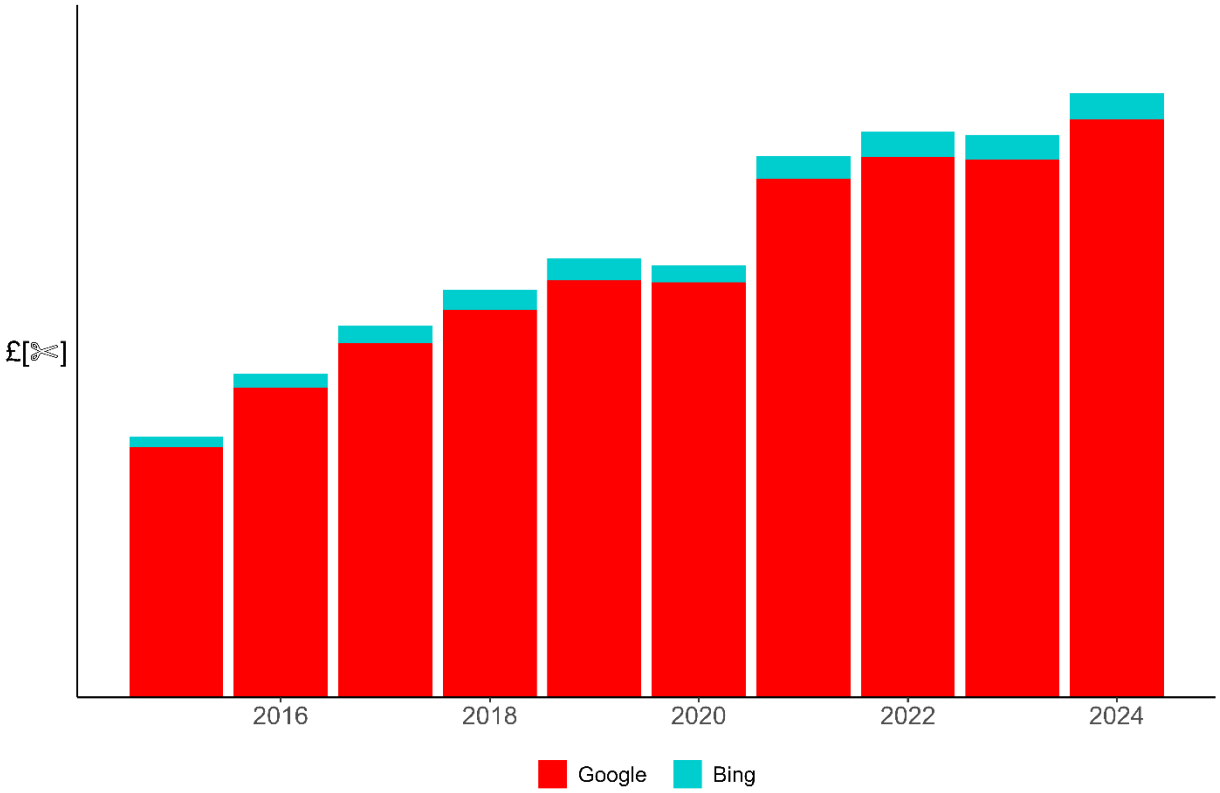
[368] For example, see [✂] response to the CMA's RFI. See responses to the CMA's RFI. See responses to the CMA's RFI. Google's internal document.

[369] No AI assistants offered a material advertising service during the time period covered by our requests for information, hence it is unsurprising that advertisers and media agencies did not identify these as current alternatives to advertising on Google Search.

Market outcomes

5.94 Google has accounted for a persistently very high share of UK search advertising revenue by providers of general search. As shown in Figure 5.4 below, Google's UK inflation-adjusted search revenues grew from £[5-10] billion in 2015 to £[10-20] billion in 2024, reflecting a compound annual growth rate of [5-10]%.[370,371] Google has continued to account for more than [90-100]% of UK search advertising by providers of general search, an order of magnitude greater than its next closest rival, Bing.

Figure 5.4 Estimated Google and Bing real UK search advertising revenue by year (2015-2024)



Source: CMA analysis of parties' data.
Notes:
(1) [✂]
(2) We do not include revenue generated by Google and Bing via search advertising to their syndication partners. [✂]*.Our analysis of the search advertising revenues of these search engines between 2020-2024 indicates that even after including these revenues, Google's market share has exceeded [90-100]% in every year since 2020.*

5.95 The increase in Google's real total UK revenue over time is substantial and in part explained by growth in the total number of searches. However, revenue per search

[370] Google's and Bing's revenue figures are in real terms, adjusted to 2024 GBP using Office of National Statistics, 'CPI Index', accessed by the CMA on 12 June 2025. ONS CPI Index.
[371] Google's consolidated response to the CMA's RFI; [✂]; Google's response to the CMA's RFI; Microsoft's response to the CMA's RFI.

has also grown over time from £[0.030-0.040][✂] p per search in 2015 to [0.05-0.06][✂] p per search in 2024.[372]

5.96 This increase could be due to changes in (a) ad load; (b) click-through rates; and (c) advertising prices (eg as measured by average cost-per-click). Ad load has increased over time: between 2015 and 2024, when an advert is shown, the average number of adverts has increased from over [✂] to just under [✂] in 2024.[373, 374] Click-through rates also appear likely to have increased over time: in 2015 the number of clicks was [✂]% of the number of queries that displayed an advert and this has increased to [✂]% in 2024.[375]

5.97 In contrast, Google's real average cost-per-click has varied over time staying within a price band of £[✂] to £[✂] since 2010. While the real average cost-per-click has generally declined since 2015, it has also remained relatively stable since 2020.[376,377]

5.98 It is unclear what conclusion can be drawn from these changes in real average cost-per-click for an assessment of Google's market power since the composition of Google's search advertising has changed significantly over time. Specifically, the average cost-per-click combines prices on both desktop and mobile devices. These prices have shown different trends over time and an increasing proportion of revenue is accounted for by searches on mobile devices where cost-per-click has been consistently lower than those on desktop devices.[378] Average cost-per-click also mixes text and shopping advertisements and in recent years the proportion of clicks accounted for by shopping advertisements, which have a lower cost-per-click than text advertisements, has also been increasing.[379, 380]

5.99 In summary, Google's real search advertising revenues have increased significantly over an extended period of time. This increase is a result of both an increase in the total number of searches but also an increase in revenue per search.

---

[372] Google's consolidated response to the CMA's RFI; Google's response to the CMA's RFI.
[373] Google's consolidated response to the CMA's RFI; Google's response to the CMA's RFI.
[374] This average is calculated using only the subset of searches that respond with at least one advert. We note that this also includes shopping advertisements, not all of which are immediately visible to a user since they are presented in a carousel.
[375] Google's consolidated response to the CMA's RFI; Google's response to the CMA's RFI.
[376] Real average CPC also increased by [5-10]% between 2020 and 2021. However, we can likely attribute part of this increase in average ad prices to an upturn in demand relative to 2020, in which demand for advertising was depressed by the economic impact of the onset of the Covid-19 pandemic.
[377] Google's consolidated response to the CMA's RFI. Google's response to the CMA's RFI.
[378] Our analysis shows that the real average CPC in the UK on mobile devices has fallen by [10-20]% since 2017, it has increased by [5-10]% on desktop devices. Annual average CPC on mobile devices has consistently been [✂]p-[✂]p cheaper than on desktop devices therefore, the increasing weight of mobile CPC over time will mechanically lead to a decrease in the average CPC across device types.
[379] Our analysis shows that monthly average CPC for shopping adverts has consistently been [✂]p-[✂]p cheaper than for text adverts since April 2022. Our analysis also shows that in the period between April 2022 and December 2022, shopping adverts accounted for [✂]% of total ads clicks on Google Search, compared to [✂]% in 2024.
[380] Google's consolidated response to the CMA's RFI; Google's consolidated response to the CMA's RFI.

Competition from Bing and other traditional general search providers

5.100 As shown in the discussion of competition in general search, Google is by far the most-used traditional general search provider in the UK. The main alternative traditional general search provider is Bing and almost all other traditional general search providers rely on syndication agreements to buy organic results and/or advertisements.[381] Moreover, as set out above, Google accounts for the vast majority of search advertising revenue from these providers in the UK.

5.101 Businesses that advertise on Google generally indicated that they see advertising on Bing as the closest alternative to Google's search advertising.[382, 383] Although around half of the advertisers [✂] identified some advantages in using Bing's search advertising,[384] nearly all respondents [✂] recognised disadvantages of using Bing compared to Google's search advertising.[385] Most respondents highlighted Bing's lower scale and reach [✂][386] – indicating the importance of attracting users in order to monetise effectively. Several also told us that Bing was only complementary to Google [✂],[387] which is consistent with evidence from the US Search Litigation.[388]

5.102 Evidence from Microsoft was consistent with the evidence from advertisers and media agencies. Microsoft submitted that Google is 'by far' its main competitor and a 'must have' for advertisers. Microsoft submitted that, as a result, its strategy is [✂].[389] This submission is consistent with some of Microsoft's internal documents.[390]

5.103 Google[391] [✂][392] agreed that [✂]. Microsoft has already started deploying generative AI capabilities in search advertising and it plans [✂].[393] However, the evidence did not indicate that the deployment of generative AI was likely to

---

[381] Brave is the only other search engine that entirely sells its search advertising independently. Brave's response to the CMA's RFI.
[382] Bing is used by all the businesses that advertise on Google [✂], and half [✂] mention only Microsoft Ads (which can also include other search engines such as DuckDuckGo) as an alternative. See responses to CMA's RFI. See response to CMA's RFI. See responses to CMA's RFI.
[383] While half [✂] mention other traditional general search providers as alternatives, this is nearly always in the context of purchasing advertising through syndication agreements. See responses to CMA's RFI; responses to CMA's RFI. Note that only one respondent ([✂]) mentions traditional general search providers outside of the syndication agreements (these were Baidu and Yandex).
[384] See responses to the CMA's RFI; response to the CMA's RFI; responses to the CMA's RFI; response to the CMA's RFI.
[385] See responses to the CMA's RFI.
[386] See responses to the CMA's RFI; responses to the CMA's RFI; response to the CMA's RFI.
[387] See responses to the CMA's RFI; response to the CMA's RFI; responses to the CMA's RFI.
[388] The judgment sets out how 'advertisers consistently testified that shifting significant ad spend from Google to Bing would be ineffective (and unwise) because of Bing's lack of scale'. United States and State of Colorado v Google LLC, memorandum opinion of 5 August 2024, paragraph 233. pr24-59-Google.pdf
[389] Microsoft's response to the CMA's RFI.
[390] For example, one undated document titled 'Bing Product & Business Overview' states that due to Google's position '[✂]'. Microsoft's internal document.
[391] This is discussed in some of Google's internal documents. For example, Google's internal document; Google's internal document.
[392] [✂] response to the CMA's RFI.
[393] Microsoft's response to the CMA's RFI. Example documents are Microsoft's internal document; Microsoft's internal document.

materially change competition between Microsoft and Google in relation to search advertising, and some of the advertisers [✂] told us that Microsoft's position has not changed as a result of this.[394]

5.104 In summary, the evidence shows that, amongst traditional general search providers, Microsoft is the best alternative to Google's search advertising, but it currently exerts a limited competitive constraint. Bing's significantly smaller scale in general search substantially limits the extent to which Microsoft can attract advertisers and hence compete with Google for search advertising budgets. Although Microsoft [✂], at this stage the evidence does not indicate that this is likely to significantly affect competition between Microsoft and Google in search advertising now and/or in the next five years.

Competition from specialised search providers

5.105 Many specialised search providers also show advertising to users. For example, Amazon shows users 'sponsored' ads which generated £[0-5] billion in search advertising revenue in the UK in 2024.[395] As noted above, Google submitted that its search advertising competes with specialised search providers and several third parties also referred to advertising on specialised search providers. Therefore, we have assessed the extent to which advertising on specialised search providers is an alternative to Google's search advertising.

5.106 The evidence shows that specialised search providers can be a limited alternative to Google's search advertising.

5.107 First, as we noted in the context of general search, since specialised search providers focus on particular sectors, they can only be an alternative to Google's search advertising for advertisers in those sectors. For example, a hotel provider will not view a sponsored result on Amazon as an alternative to Google's search advertising. This limits the competitive constraint that any individual specialised search provider can impose on Google's search advertising. Consistent with this observation, several advertisers told us that specialised search providers are not relevant for their activities [✂].[396]

5.108 Second, for the respondents for whom specialised search providers are relevant [✂], most [✂] said that they are not an alternative to Google's search advertising.[397] In particular, the limited reach and scale was identified by many of these advertisers [✂] as a key disadvantage compared to Google.[398] Some of

[394] See responses to the CMA's RFI; responses to the CMA's RFI.
[395] Amazon's response to the CMA's RFI.
[396] See [✂] responses to the CMA's RFI; responses to the CMA's RFI.
[397] See responses to the CMA's RFI; response to the CMA's RFI; see responses to the CMA's RFI; response to the CMA's RFI.
[398] See responses to the CMA's RFI; response to the CMA's RFI; responses to the CMA's RFI.

these advertisers [✂] told us that advertising on specialised search providers was complementary to, rather than an alternative for, Google's search advertising.[399]

5.109 Third, advertisers were generally of the view that the constraint from specialised search providers on Google's search advertising is unlikely to materially change in the next five years, with only a few [✂] suggesting that specialised search providers may become stronger alternatives over the next five years (for example, by enhancing their capabilities and targeting through AI).[400]

5.110 Fourth, the evidence from advertisers is consistent with the evidence from media agencies, who said that specialised search providers, particularly Amazon, can offer good capabilities but that they also come with limitations. Specifically:

(a) Some [✂] said that specialised search providers have generally become more competitive in the past few years,[401] and they all [✂] mentioned Amazon as an alternative to Google's search advertising services.[402] Specifically for Amazon, some positives were that it is large (for example that it has 'more searches than Google for certain types of query')[403] and that it attracts high-intent customers (for example, 'consumers who are ready to make a purchase, leading to stronger performance outcomes').[404]

(b) All media agencies identified that specialised search providers were limited in their reach/scale [✂],[405] for example because they are only available to sellers of specific products relevant to that specialised search provider [✂].[406] The limitations on who can purchase advertising were also recognised in relation to Amazon [✂],[407] as well as its limited reporting/insight options.[408]

5.111 Fifth, Google [✂] in its internal documents. [✂][409] [✂][410] [✂]. For example:

(a) A Google email chain from February 2020 sets out that '[✂]' with [✂]% of advertisers expecting to [✂]. The same email chain also sets out that [✂].[411]

[399] See responses to the CMA's RFI; response to the CMA's RFI; response to the CMA's RFI.
[400] See responses to the CMA's RFI; response to section 69 notice. All others suggested that it is unlikely to change.
[401] [✂] response to the CMA's RFI; [✂] response to the CMA's RFI.
[402] See [✂] responses to the CMA's RFI.
[403] See [✂] responses to the CMA's RFI.
[404] See [✂] responses to the CMA's RFI.
[405] See [✂] responses to the CMA's RFI.
[406] See [✂] responses to the CMA's RFI.
[407] See [✂] responses to the CMA's RFI.
[408] [✂] response to the CMA's RFI.
[409] Google's internal document; Google's internal document; Google's internal document.
[410] Google's internal documents.
[411] Google's internal document.

(b) One quarterly update from October 2024 to the Board of Directors on [✂].[412] However an earlier board update in July 2024 [✂].[413]

5.112 The above suggests that Amazon is likely to exercise a stronger competitive constraint on Google's search advertising than other specialised search providers. However, this constraint is limited in a number of ways, including by the fact that shopping represents [✂] of Google's search advertising revenue; and that Amazon could only be an alternative for a minority of advertisers (see paragraphs 5.107, 5.108, and 5.110(b)). Additionally, Amazon's search advertising is only available to firms who sell their products through Amazon's marketplace.[414] This means that Amazon's advertising is not an alternative for many firms.[415] Furthermore, Amazon also purchases [✂] of search advertising (both text and shopping advertisements) from Google.[416,417] This would appear to be unnecessary if Amazon's advertising was a good alternative to Google's search advertising.

5.113 Lastly, we asked advertisers and media agencies how they currently anticipate the competitive constraint from specialised search providers will change over the next five years. Some advertisers [✂][418] and several media agencies [✂][419] suggested that specialised search providers may become a more attractive alternative to Google's search advertising in the future. However, the remaining majority of respondents did not indicate that they anticipate changes to this option, and two respondents even suggested that the attractiveness of specialised search providers would decrease in the future because of the increased use of AI assistants making decisions on behalf of consumers.[420] Furthermore, Google's internal documents did not indicate that Google expects the competitive constraint from specialised search providers to change in the future.

Specialised search and Google's shopping adverts

5.114 As described above, Google sells two main types of search advertising, text and shopping adverts. Shopping adverts are shown in response to certain commercial queries. Since specialised search providers tend to focus on commercial transactions, it is possible that specialised search providers (eg Amazon) could be a more effective alternative to Google's search advertising. For this reason, and

[412] Google's internal document.
[413] Google's internal document.
[414] Amazon's response to the CMA's RFI.
[415] For example, the leading purchasers of Google's search advertising in the UK include [✂] who do not sell through the Amazon Marketplace.
[416] There was an inconsistency in the data provided by Amazon and Google. However, Amazon's data indicated that it purchased £[200-300] million of Google's shopping ads in the UK in 2024 which accounted for [30-40]% of Amazon's total advertising expenditure and [60-70]% of their search advertising expenditure on Google.
[417] Amazon's response to the CMA's RFI.
[418] See responses to the CMA's RFI; responses to the CMA's RFI.
[419] See responses to the CMA's RFI.
[420] See responses to the CMA's RFI.

because shopping adverts account for approximately [✂]% of Google's search advertising revenue,[421] we have assessed whether specialised search providers could be a more effective alternative to Google's shopping adverts.

5.115 Some evidence suggests that some specialised search providers may be a more effective alternative to Google's shopping advertisements than for text advertisements:

(a) Shopping adverts are cheaper than text adverts which could be consistent with greater competition. In December 2024 the real average cost-per-click for shopping adverts was £[✂], compared to £[✂] for text adverts.[422,423]

(b) Most of the media agencies we contacted [✂] considered that there are differences in the alternatives that are available between the different types of advert.[424] For example, [✂] said that Amazon is a 'considerably more significant competitor to Google' in shopping adverts and that they expect that online retailers will provide a stronger alternative to Google in shopping adverts than in text adverts,[425] while [✂] said that for shopping and retail-based objectives retail platforms such as Amazon and Google Shopping work best.[426]

5.116 We also note that in the US Search Litigation, the judge found that the competitive conditions for shopping adverts are different,[427] and specifically highlighted competition from Amazon. The judge found that, notwithstanding Google's leading market share (74%), the recent history of new entrants and their growth (such as Amazon, Target and Walmart) show that barriers to entry and expansion are not so high.[428]

5.117 However, we found limited evidence that Google faces materially stronger competition in relation to shopping adverts than text adverts:

(a) When asked, most businesses that advertise on Google [✂] did not identify any material differences in the alternatives available to them for different

[421] Google's consolidated response to the CMA's RFI; Google's consolidated response to the CMA's RFI.
[422] Products and services advertised through shopping and text ads are likely to be significantly different. This different product/service mix could also, at least in part, explain the different price level observed between shopping and text ads. Our analysis also shows that text ads are considerably more expensive than shopping ads even when comparing the two ad formats on desktop and mobile devices separately.
[423] Google's consolidated response to the CMA's RFI.
[424] See [✂] responses to the CMA's RFI.
[425] [✂] response to the CMA's RFI.
[426] [✂] response to the CMA's RFI.
[427] The judge found that while text advertisement prices had been increasing, shopping advertisement prices remained largely flat. He concluded that "Google's ability to profitably raise text ads prices is surely due in part to the lack of any meaningful competition in that submarket—Microsoft is its only true competitor. The competitive conditions for PLAs are very different. Amazon, as discussed, is a major competitor." *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, pages 180-185. pr24-59-Google.pdf
[428] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, pages 180 to 185. pr24-59-Google.pdf

types of Google search advertising.[429] Some of the respondents explained that the alternatives they list to Google's search advertising would not differ for different types of search advert [✂].[430] One respondent said that there is 'no dependency as we would expect to prioritise Google advertising regardless of the type of search advertisement concerned'.[431]

(b) We specifically sought views from Google's top 10 UK customers for shopping adverts, who together accounted for [10-20]% of shopping advert revenue in the UK in 2024.[432] We asked these customers the extent to which advertising on specialised search providers is an alternative to Google's search advertising and whether this depends on the type of advertising (ie text, shopping adverts). None of those that responded said that specialised search providers are an effective alternative to Google, with several [✂][433] not using them and others identifying limitations such as their limited scale [✂][434] and the siloed nature of their inventory [✂].[435]

(c) As set out in paragraph 5.111 above, Google's internal documents [✂].

(d) Many of the factors (see paragraphs 5.107 to 5.110) which limit the extent to which specialised search providers are an alternative to Google's search advertising in general apply equally to Google's shopping adverts.

Summary of evidence in relation to specialised search

5.118 Overall, we consider that specialised search providers (both in isolation and in aggregate) are a limited alternative to Google's search advertising. They are relevant only in certain sectors, where advertisers and media agencies often see them as complementary rather than alternatives to Google's search advertising because of their more limited reach and scale. Amazon is likely to be a more effective alternative to Google's search advertising both in general and more specifically in shopping adverts. However, this constraint is still limited by the fact that shopping represents [✂] of Google's search advertising revenue. We have also not seen evidence that the competitive constraint that specialised search providers exercise, in isolation or in aggregate, on Google's search advertising is likely to significantly change in the next five years.

[429] See responses to the CMA's RFI; responses to the CMA's RFI; responses to CMA's RFI.
[430] See responses to the CMA's RFI; response to CMA's RFI.
[431] [✂] response to the CMA's RFI.
[432] Google's consolidated response to the CMA's RFI.
[433] See responses to the CMA's RFI; response to the CMA's RFI.
[434] See responses to the CMA's RFI.
[435] [✂] response to the CMA's RFI.

Competition from display advertising (including social media)

5.119 The evidence we have seen indicates that display advertising (including that on social media platforms) is a limited alternative to Google's search advertising.

(a) The majority of businesses that advertise on Google [✂] indicated that search and display advertising are generally not direct substitutes but are complementary to each other.[436] TikTok also gave this view.[437] All these respondents explained that search and display have different purposes to each other, and a few [✂] mentioned that they have different positions in the advertising 'funnel'.[438]

(b) A minority of respondents [✂] identified social media platforms, such as TikTok and Meta, as being alternatives to Google's search advertising.[439] These respondents described several advantages of social media, including a diverse range of advert formats[440] and significant user reach,[441] in particular with younger user segments.[442]

(c) However, most [✂] of these respondents also indicated drawbacks for advertising through these social media platforms,[443] including that users on them have limited purchasing intent[444] and that it is harder to achieve KPIs through them.[445] For example, one media agency stated that Meta is a 'walled garden' with an 'inability to target keyword searches' and that the other platforms have more 'inspirational' or 'educational' search behaviour 'meaning that performance KPIs harder to achieve'.[446]

(d) Google's internal documents indicate that Google views [✂][447] and, contrary to Google's submissions, there is little indication in some of Google's internal documents that Google perceives display advertising as exercising a material competitive constraint on its search advertising.[448] In line with this, the US Search Litigation described how part of Google's reasoning for launching a new advertising product known as Demand Gen (or Discovery Ads) was

---

[436] See responses to the CMA's RFI; responses to the CMA's RFI; responses to the CMA's RFI; response to the CMA's RFI.
[437] TikTok's response to the CMA's RFI.
[438] See responses to the CMA's RFI; response to the CMA's RFI. Note that this is consistent with findings in DAMS (see Online platforms and digital advertising market study, July 2020 (**DAMS**), paragraph 5.23) and in the US Search litigation (United States and State of Colorado v Google LLC, memorandum opinion of 5 August 2024, paragraph 218. pr24-59-Google.pdf
[439] See responses to the CMA's RFI; responses to the CMA's RFI; response to the CMA's RFI.
[440][✂] response to the CMA's RFI.
[441] Skyscanner's response to the CMA's RFI; [✂] response to the CMA's RFI.
[442] [✂] response to the CMA's RFI.
[443] See responses to the CMA's RFI; responses to the CMA's RFI.
[444] See responses to the CMA's RFI; response to the CMA's RFI.
[445] See responses to the CMA's RFI.
[446] [✂] response to the CMA's RFI.
[447] Google's internal document. Also see: Google's internal document. Also see: Google's internal document. Google's internal document.
[448] [✂]. Google's internal document. Also see: Google's internal document.

because Google lacked a direct competitor to Meta's social media advertising.[449]

(e) When specifically asked, the majority of respondents [✂] did not identify social media platforms as alternatives to Google's shopping adverts.[450]

5.120 Overall, we consider that display advertising and social media platforms are not an effective alternative to Google's search advertising. The evidence also does not indicate that social media advertising is likely to become a materially stronger competitor to Google's search advertising in the next five years.

Competition from advertising on AI assistants

5.121 Google did not identify AI assistants as being a current competitor to its search advertising,[451] which likely reflects that no AI assistants currently offer a material level of advertising. However, in view of the developments of AI assistants in general search, we have also assessed the extent to which they are likely to compete with Google's search advertising in the next five years.

5.122 We asked AI companies whether they are planning to monetise their products through digital advertising and over half [✂] of them have no plans to do so.[452] This includes [✂] who said with respect to [✂] that it 'does not currently have plans to monetise through advertising'.[453] However we understand from other evidence that [✂].[454] [✂]:

(a) Perplexity said that it has started [✂][455] and indicates in its internal documents that it is [✂], including [✂].[456]

(b) [✂].[457]

(c) Microsoft said that it is currently monetising Copilot through Microsoft Advertising, and that it is planning to [✂].[458]

5.123 Therefore, at this stage AI assistants are not monetising their products with advertising that could be a meaningful alternative to Google's search advertising. Furthermore, it is currently unclear how these providers will monetise any alternatives to Google's general search services and indeed whether they will do

[449] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, pages 71 and 173. pr24-59-Google.pdf
[450] See responses to the CMA's RFI.
[451] Google's consolidated response [✂].
[452] See [✂] responses to the CMA's RFI.
[453] [✂] response to the CMA's RFI.
[454] [✂] internal document.
[455] Perplexity's response to the CMA's RFI.
[456] [✂].
[457] [✂] response to the CMA's RFI.
[458] Microsoft's response to the CMA's RFI.

so successfully. This contrasts to Google which is already showing advertisements in AI Overviews in the US and is experimenting with advertisements in AI Mode.[459]

5.124 We sought information from purchasers of Google's search advertising on the potential for AI assistants to develop into an alternative to Google's search advertising. The majority of businesses that advertise on Google [✂] said that AI assistants have the potential to become an alternative to Google's search advertising in the next five years, although some noted that this was still uncertain.[460] In particular:

(a) There were a variety of views given about what advertising on AI assistants might offer. For example, one advertiser said that AI assistants will 'present a significant opportunity to reach targeted audiences with personalised product recommendations',[461] but another advertiser [✂] said that 'AI-ads are likely to have less commercial intent than search'[462] and another that 'any emerging AI-based solution is likely to be only an addition or complement' to Google's search advertising.[463]

(b) Some respondents [✂] said that it is difficult to predict the role AI will play in search advertising.[464] For example, Farfetch said that 'it is hard to speculate what advertising on AI assistants will actually look like and whether it will be a true alternative to Google's search advertising'.[465]

(c) Some respondents [✂] suggested that they would advertise on AI interfaces if there was a shift from customers to using them more.[466] For example, Boohoo Group said that this advertising 'might become more relevant if AI assistants become a major part of how people search, but for now it is very early days'.[467]

5.125 Overall, AI assistants are not currently an alternative to Google's search advertising and whether they will successfully develop to become a material alternative to Google's search advertising in the next five years is unclear.

Summary of evidence on competition in search advertising

5.126 As a result of Google's strong position in general search, Google has been able to attract advertisers and monetise its general search products through search

[459] Google Ads & Commerce Blog, 'More opportunities for your business on Google Search', dated 21 May 2025, accessed by the CMA on 10 June 2025. New ways AI in Search helps your business
[460] See responses to the CMA's RFI; responses to the CMA's RFI; response to the CMA's RFI; responses to the CMA's RFI.
[461] Lovehoney Group's response to the CMA's RFI.
[462] [✂] response to the CMA's RFI.
[463] [✂] response to the CMA's RFI.
[464] See responses to the CMA's RFI; response to the CMA's RFI.
[465] Farfetch's response to the CMA's RFI.
[466] See responses to the CMA's RFI; response to the CMA's RFI; responses to the CMA's RFI.
[467] Boohoo Group's response to the CMA's RFI.

advertising. Indeed, Google has accounted for over [90-100]% of UK search advertising by traditional general search providers since at least 2015[468] and Google has continued to grow its real search advertising revenues throughout this period.[469] Given this context, we have assessed whether and the extent to which current and potential competitive constraints could significantly impact Google's strong position in search advertising now and in the next five years.

5.127 In summary, we found that currently Microsoft is the best alternative to Google's search advertising amongst traditional general search providers. However, the competitive constraint from Microsoft is limited, in particular by its significantly smaller scale.

5.128 There is some evidence that specialised search providers, and particularly Amazon, are an alternative to Google's search advertising. However, overall specialised search providers are a limited alternative to Google's search advertising. They are relevant only in certain sectors, where advertisers and media agencies often see them as complementary rather than alternatives to Google's search advertising because of their more limited reach and scale.

5.129 The evidence indicates that display advertising and social media platforms are not an effective alternative to Google's search advertising. AI assistants are also not currently an alternative to Google's search advertising because these firms do not currently offer advertising to a meaningful extent.

5.130 Notably, and consistent with the above summary of the evidence, several respondents suggested either that there are no viable alternatives to Google's search advertising [✂][470] or that other options would only be complements rather than substitutes for Google [✂].[471] Google also accounted for a significant proportion of all advertising spend with the advertisers (around [60-70]%) and media agencies (around [20-30]%) we contacted.[472]

5.131 AI assistants may introduce advertising in the future and some third parties said that they have the potential to become an alternative to Google's search advertising in the next five years. At this stage, the development and deployment of advertising on AI assistants is still uncertain but the evidence does not indicate that AI assistants will become a good alternative to Google's search advertising in the next five years. The evidence also does not indicate that other forms of advertising (eg advertising on Bing or through specialised search providers) are

[468] See paragraph 5.94 for data from 2015-2024.
[469] See paragraphs 5.97 where we discuss how Google's real cost-per-click has declined in this between 2017 and 2024 and paragraph 5.98, where we discuss how it is unclear what conclusions can be drawn from this observation.
[470] See [✂] responses to the CMA's RFI. [✂] response to CMA's RFI.
[471] See [✂] responses to the CMA's RFI.
[472] CMA analysis of advertiser and media agency data submissions to question requesting their advertising spend.

likely to exert a materially stronger competitive constraint on Google's search advertising over the next five years.

Barriers to entry and expansion in general search services

5.132 The preceding sections have presented evidence on competition in general search and search advertising, separately. This section discusses evidence relating to barriers to entry and expansion that are relevant to Google's position across general search services and that may affect the competitive constraint from Google's current and potential competitors in general search services currently and in the next five years. Our assessment focuses on the following barriers which the evidence indicated are of most relevance:

(a) Access to users and default positions;

(b) Data advantages;

(c) The costs of developing and maintaining search infrastructure; and

(d) Barriers to monetisation.

5.133 When assessing these barriers to entry and expansion we have considered the role of Google's wider ecosystem of products. Google's products and services range from user facing products, such as YouTube and Gmail, to advertiser products, such as Google Ad Manager, to products for website owners, such as Google Analytics.[473] Many of these products have large user bases.[474] As we discuss further below, these products (eg Android and Chrome) give Google influence over access points to general search and provide Google with access to data which may not be available to others, and which could act as a barrier to entry and expansion in general search services.

User access and default positions

Introduction and Google's submission

5.134 Users can access general search products from a range of different access points. The owners of these access points will often set and/or allow users to select the default general search provider. Therefore, we have considered whether and how these default positions might act as a barrier to entry and expansion.

5.135 Google submitted that original equipment manufacturers (OEMs), browsers and users select the default for search access points 'they consider provide the best

[473] Google's products and services - About Google
[474] For example, an update from January 2023 to Google's Board shows that in December 2022 there were [3-4] billion daily active users on Android, [3-4] billion on YouTube and [2-3] billion on Search. Google's internal document.

experience'[475] and 'the revenue share that OEMs and browsers receive from selling their default space is a function of the quality of the search service'.[476] Google also submitted that the relative importance of different access points 'may evolve over time' and although this is difficult to predict,[477] it highlighted:

(a) The Android choice screen means that 'virtually every user in the UK has positively chosen their search engine for Android devices';[478]

(b) Emerging technologies (for example AI) enabled 'search providers to differentiate their offerings';[479] and

(c) the ways 'users access information have diversified'.[480]

5.136 Lastly, Google submitted that AI assistants have ample distribution opportunities, including through mobile app store distributions, popular extensions to become the default search engine on Chrome and partnership with global payment providers.[481]

5.137 Below, we consider evidence on:

(a) The relative importance of different access points and whether the relative importance of these access points might change;

(b) The default positions currently held;

(c) The importance of default positions to competition; and

(d) The ability of others to compete for default positions.

5.138 Given the importance of a provider's scale (eg in terms of number of users) to competition (discussed further below) we have considered evidence regarding default positions across various jurisdictions (including the EEA and US as well as the UK).

[475] Google's consolidated response to the CMA's RFI.
[476] Google's consolidated response to the CMA's RFI.
[477] Google's consolidated response to the CMA's RFI.
[478] Google's consolidated response to the CMA's RFI.
[479] Google's consolidated response to the CMA's RFI.
[480] Google's consolidated response to the CMA's RFI.
[481] Google's submission to the CMA.

The relative importance of different access points

5.139 Currently browsers ([70-80]% of Google's queries)[482, 483] and mobile devices ([70-80]% of Google's queries)[484] are the most common means by which users access Google's general search products in the UK.

5.140 We have considered whether and how the relative importance of access points might change over the next five years, including the emergence of new access points such as AI assistants. Consistent with Google's submission (paragraph 5.135), the evidence indicates that the relative importance of access points could change over time but it is currently unclear whether any changes will be significant. Specifically:

(a) Most [✂] competing traditional general search providers expect the relative importance of their access points to change somewhat over the next five years but there was no clear agreement regarding what changes might occur.[485]

(b) Some third parties stated that development of AI may lead to shifts in the relative importance of access points.[486]

(c) However, in contrast, Perplexity said that it does not expect the relative importance of its current main access points (web-browser and apps) to change significantly over the next five years.[487] Perplexity's decision to launch a web browser in the UK[488] and [✂] submission that it is exploring developing a browser[489] are consistent with browsers continuing to be an important means of accessing users.

5.141 Therefore, at this stage there is no clear evidence that the use of different access points will change significantly over the next five years. Additionally, while a significant change in the use of different access points could be a competitive threat to Google (for example increased use of AI assistants for general search could lead to an increase in use of ChatGPT), there is also evidence that Google may be well placed to respond should such a shift in consumer behaviour occur and that access to users could continue to be a barrier to entry and expansion for Google's rivals. Specifically:

---

[482] Google's consolidated response to the CMA's RFI.
[483] Bing received [90-100]% of its queries from browsers in 2024 (Microsoft's response to the CMA's RFI), ChatGPT received [40-60]% of its queries via browsers in 2024 (OpenAI's response to the CMA's RFI).
[484] Google's consolidated response to the CMA's RFI.
[485] [✂] responses to the CMA's RFI.
[486] [✂] responses to the CMA's RFI.
[487] Perplexity's response to the CMA's RFI.
[488] Perplexity's response to the CMA's RFI.
[489] [✂] response to the CMA's RFI.

(a) Google's 'revenue sharing agreements' (RSAs) with OEMs contain obligations relating [✂].[490] These provisions (or similar) could be applied to promote Google's Gemini AI assistant as an access point to Google Search.

(b) Google has recently signed a separate distribution agreement with Samsung in relation to the distribution of Gemini AI assistant. Under this agreement Samsung receives a fixed monthly payment as well as share of Gemini advertising revenue in exchange for preinstalling Gemini [✂].[491]

(c) Several of Google's existing agreements (either globally or outside the UK) contain restrictions on the installation, placement and/or promotion of 'alternative search services' which are typically defined as any service that is 'substantially similar' to Google.[492] As set out in more detail at paragraphs 5.146 to 5.152, the evidence shows that holding default positions is important to compete in general search services. This is in line with examples from the US Search Litigation of how these arrangements have affected the ability of others to distribute their products. In that case the judge found that the RSA restrictions on preinstalling 'alternative search services' caused potential distribution partners to be hesitant to integrate Branch, which had developed a search-adjacent technology, with full functionality.[493, 494]

(d) Consistent with the above, some third parties expressed concerns that Google could use distribution agreements to lock rivals out. For example, [✂].[495] Similarly, [✂] said that 'Google can leverage its broad commercial relationships with OEMs and other distributors to ensure that Google's AI receives preferred treatment in ways that create competitive challenges for newer entrants, such as [✂]. [496]

5.142 In summary, mobile devices and browsers are currently the most important access points to general search and, although there is the potential for this to change, there is no clear evidence that the use of these different access points will change significantly over the next five years. Therefore, in what follows we have focussed on default positions on mobile devices and browsers.

---

[490] For example in the [✂]. Google's response to the CMA's RFI.
[491] Google's response to the CMA's RFI.
[492] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, paragraph 385. pr24-59-Google.pdf
[493] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, pages 244 to 246. pr24-59-Google.pdf
[494] Dmitry Shevelenko, co-founder and Chief Business Officer of Perplexity, also testified that OEMs and carriers are frightened about retaliation from Google for negotiation with nascent competitors. *United States and State of Colorado v Google LLC*, Plaintiffs remedies post-trial brief of 21 May 2025, pages 23, 65 and 66. gov.uscourts.dcd.223205.1358.0_3.pdf
[495] [✂] response to the CMA's RFI.
[496] [✂] response to the CMA's RFI.

Default positions held

5.143 Google is set or is selected as the default on many mobile and desktop devices in the UK and globally. Specifically:

(a) Google is the default on Apple mobile and desktop devices in several territories including the UK, EEA and US. In return for this default status, Google pays Apple a percentage of its search advertising revenue on Safari and Chrome on iOS.[497] Apple mobile devices accounted for [30-40]% of all queries to traditional general search providers in the UK in 2024.[498]

(b) Prior to 2019 in the UK and EEA, Google's agreements with Android mobile phone OEMs and Mobile Network Operators (MNOs) meant that Google was set as the default on Android mobile devices.[499]

(c) Since August 2019, following the European Commission's *Google Android* decision, Google has introduced choice screens for general search providers on all new Android phones[500] in the European Economic Area (EEA) and UK.[501, 502] However, data provided by Google shows that in every month since April 2020, a large majority ([✂]%) of UK users have selected Google Search as their default when presented with the Android choice screen.[503]

(d) Google's agreements with Android mobile phone OEMs and MNOs mean that Google continues to be set as the default on Android mobile devices in the US.[504]

(e) On desktop devices, Google Search is set as the general default search provider on Google's browser, Chrome, globally.[505] Chrome is the most commonly used desktop browser in the UK.[506]

5.144 In contrast, Google's rivals hold fewer default positions and those they do hold are on less commonly used access points. For example, Bing is the default search provider on Edge, the default browser on Windows PCs, as well as Amazon Kindle Fire Tablets and a primary default option for a long tail of smaller OEMs and

---

[497] Google's response to the CMA's RFI; *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, paragraphs 290-299. pr24-59-Google.pdf
[498] CMA analysis of parties' data. See [✂] responses to the CMA's RFI.
[499] See for example, Online platforms and digital advertising market study, July 2020 (**DAMS**), paragraphs 3.97-3.100 and Appendix H.
[500] Including tablets.
[501] Android, 'About the choice screen', last updated 12 June 2023, accessed by the CMA 20 May 2025. Android Choice Screen.
[502] The choice screen is used to select the default in the home screen search box and Chrome. Android, 'About the choice screen', last updated June 12 2023, accessed by the CMA 20 May 2025. Android Choice Screen
[503] Google's consolidated response to the CMA's RFI.
[504] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, paragraph 59. pr24-59-Google.pdf
[505] Google's consolidated response to the CMA's RFI.
[506] Statcounter Global Stats for December 2024. See Statcounter UK Desktop Browser Shares. Accessed 03/06/2025.

Independent Software Vendors.[507] While ChatGPT is available as an alternative to general web search in Apple's Siri, this is only for Siri users with iOS or iPadOS 18.2 or later or macOS 15.2 or later.[508] Both ChatGPT and Perplexity are available to be set as the default search engine on Chrome, but only via an extension, and neither are presented as options on the current Android choice screen.[509]

5.145 Consequently, it is clear that Google is set or selected as the default on the most important access points to general search both in the UK and globally.

Importance of default positions to competition

5.146 The evidence consistently shows that default positions are important to compete in general search services since they are an important means by which providers can reach users and can thus act as a barrier to entry and expansion.

5.147 First, the high level of compensation paid by Google to access point providers demonstrates that it values default positions highly. In 2024 Google paid around £[3-4] billion for default positions in the UK alone. This figure was [30-40]% of Google's total annual search revenues in the UK.[510] The substantial majority of the total default payments were paid to Apple ([✂]).[511] In the US Search Litigation, Sundar Pichai, CEO of Alphabet, confirmed that default placement is valuable to Google despite costing billions of dollars a year.[512]

5.148 Second, our analysis of Google's data shows that a significant proportion of Google's queries are through an access point where Google is set as the default. In every month since March 2022, approximately more than half ([✂]%) of the total queries to Google Search were through an access point where Google was set as the default and approximately an additional [✂] were through an access point where the user selected Google Search as their default via a choice screen.[513]

5.149 Third, several Google internal documents indicate the value of default positions to Google:

[507] Microsoft's response to the CMA's RFI. Microsoft Support, 'Change your default search engine in Microsoft Edge', accessed by the CMA on 2 June 2025. Link; Sam Patwegar, Techbout, 'How to Change Default Browser in Windows 11/10', 14 December 2024, accessed by the CMA on 2 June 2025. Link.
[508] Apple's response to the CMA's RFI.
[509] OpenAI's response to the CMA's RFI. Perplexity's response to the CMA's RFI.
[510] Google's consolidated response to the CMA's RFI; Google's consolidated response to the CMA's RFI.
[511] Google's consolidated response to the CMA's RFI; Google's consolidated response to the CMA's RFI; Google's consolidated response to the CMA's RFI.
[512] Reuters, 'Google CEO acknowledges importance of being default search engine in US trial', dated 31 October 2023, accessed by the CMA on 4 June 2025. Link.
[513] Google's consolidated response to the CMA's RFI.

(a) A Google document from June 2019 sets out how [✂]. The document describes plans to [✂].[514]

(b) Another Google internal document from 2020 contains [✂].[515] [516] [517]

5.150 Fourth, responses from all competing traditional general search providers[518] indicate that holding default positions is important to compete in general search services. Furthermore, OpenAI submitted that Google's agreement to be the default on Apple devices [✂];[519] with Perplexity saying that [✂] are constraints on its growth.[520] Similarly, in the US Search Litigation, OpenAI described being locked out of mobile distribution by Google as an 'existential fear', and Nick Turley, OpenAI's Head of Product, described distribution as critical to improving ChatGPT.[521] Perplexity's co-founder and Chief Business Officer, Dimitry Shevelenko, estimated that a great majority of his focus is on obtaining distribution deals with OEMs and carriers,[522] highlighting the importance of such deals to Perplexity.

5.151 Fifth, there is also evidence indicating that defaults impact user behaviour, in particular because users rarely change the default.

(a) A Google document from February 2023 discusses the results of an online survey carried out among smartphone users in January. In this survey, [✂]% of UK users had not changed their default search engine. Of this group, [✂]% were not aware they even could change, [✂]% never thought about changing, and [✂]% were happy with their default search provider.[523]

(b) DuckDuckGo said that 'consumers seldom change their default search engine' and that 'consumer inertia in changing search defaults is compounded by friction inserted into the choice architecture of operating systems like Android which makes it difficult or impossible for users to switch search defaults'.[524]

---

[514] Google's internal document.
[515] Google's internal document.
[516] We asked Google to provide all internal documents produced since 1 January 2022 discussing the impact of Google losing or Google being unable to acquire default positions across Access Points. [✂]. Google's consolidated response to the CMA's RFI.
[517] Another Google internal document from 2014 estimated that the introduction of Apple Suggestions on Apple devices led to a [✂]. Another internal document from 2016 appears to show that Google assume that [✂]. Google's consolidated response to the CMA's RFI; Google's consolidated response to the CMA's RFI.
[518] [✂] responses to the CMA's RFI.
[519] OpenAI's response to the CMA's RFI.
[520] Perplexity's response to the CMA's RFI.
[521] *United States and State of Colorado v Google LLC*, Plaintiffs remedies post-trial brief of 21 May 2025, pages 25, 30, and 45. gov.uscourts.dcd.223205.1358.0_3.pdf
[522] *United States and State of Colorado v Google LLC*, Plaintiffs remedies post-trial brief of 21 May 2025, page 23. gov.uscourts.dcd.223205.1358.0_3.pdf
[523] Google's internal document.
[524] DuckDuckGo's response to the CMA's RFI.

(c) In the consumer research, although most respondents were aware that they could change their default search provider on the device they used, only a handful of respondents were able to do this readily. Others were typically not very confident in tackling the task and often admitted that they did not know how to switch the default search engine.[525]

(d) Evidence in the US Search Litigation, including Google's internal documents, showed that the vast majority of searches are carried out by users out of habit and that users do not typically make an active, deliberate choice of search engine.[526]

5.152 Finally, the finding that defaults are impactful in search is consistent with research from other settings, as the power of default settings is an area of behavioural economics that has been well researched and is well-evidenced across a wide range of settings.[527]

Ability of others to compete for default positions

5.153 An important reason why defaults can act as a barrier to entry and expansion is because Google's rivals have a limited ability to compete for default positions in general search. In particular:

(a) Google's total default payments made in relation to UK search traffic in 2024 were approximately [✂] times greater than the payments made by Bing.[528]

(b) A Microsoft internal document dated [✂] states that Microsoft faces 'significant obstacles in mobile distribution' as their competitors (ie Google) 'own the platform (and/or dominate thanks to default search agreements)'.[529] Microsoft also submitted that it [✂].[530]

(c) All smaller traditional general search providers told us that they struggle to compete for default placement.[531]

(d) OpenAI said that the payments made by Google to Apple are [✂] that it makes it '[✂].[532] OpenAI submitted that [✂].[533]

---

[525] Thinks Insight & Strategy qualitative consumer research report, Exploring consumers' search behaviour, paragraphs 5.18, 5.19.
[526] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, paragraph 66 to 73. pr24-59-Google.pdf
[527] Online platforms and digital advertising market study, July 2020 (DAMS), paragraph 3.112 to 3.114. Mobile browsers and cloud gaming final report, paragraphs 8.246-8.270.
[528] Google's consolidated response to the CMA's RFI; Microsoft's response to the CMA's RFI.
[529] Microsoft's response to the CMA's RFI.
[530] Microsoft's response to the CMA's RFI.
[531] [✂] responses to the CMA's RFI.
[532] OpenAI's response to the CMA's RFI.
[533] [✂] response to the CMA's RFI.

(e) Perplexity submitted that it is developing a browser where the Perplexity answer engine will be the default because it is [✂].[534]

(f) In an email chain from 2020, Google executives said [✂].[535]

(g) In the US Search Litigation, the judge referenced Google analysis calculating what Microsoft would need to pay Apple to win the Safari default. This showed that Microsoft would have to pay Apple 122% of Bing's revenue share just to equal Google's revenue share.[536] Similarly, OpenAI's Nick Turley explained that OpenAI's distribution discussions with Android OEMs had stalled as the OEMs believed that OpenAI could not pay them as much as Google.[537]

Summary of evidence relating to default positions

5.154 In summary, the evidence shows that mobile devices and browsers are currently the most important access points to general search and Google is currently set or selected as the default on many of these access points both in the UK and globally. The choice of default is important to competition because consumers are likely to use the default they have chosen or which is set on their device. Google's rivals have a limited ability to compete for default positions in general search. As a result, defaults are an important barrier to accessing users and therefore an important barrier to entry and expansion to rivals of Google's general search products.

Data advantages

Introduction and Google's submissions

5.155 A variety of data sources are relevant to both general search (ie the user-facing products) and search advertising and, therefore, to general search services as a whole. Examples of such data are:

(a) Search infrastructure data – data collected from crawling the web and from other sources (eg YouTube data) required to build web-indices and broader search infrastructure.

(b) Click-and-query data – data on consumer queries and activity (eg links they clicked on).

[534] Perplexity's response to the CMA's RFI.
[535] Google's internal document.
[536] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, paragraph 328. pr24-59-Google.pdf
[537] *United States and State of Colorado v Google LLC*, Plaintiffs remedies post-trial brief of 21 May 2025, page 25. gov.uscourts.dcd.223205.1358.0_3.pdf

(c) Data from other products – user data collected from Google's ecosystem of products including volunteered data (data intentionally provided by the user), observed data (information recorded about the user and what they do) and inferred data (information derived or deducted from other data).

(d) Data on user behaviours on other websites and apps – user data collected from analytical tools such as Google Analytics for advertising verification, attribution and measurement of effectiveness.

5.156 Google receives far more queries than other traditional general search providers and AI assistants[538] and, as described at paragraph 5.133 above, Google has a wider ecosystem of products. Consequently, Google has access to a significantly greater volume and variety of data than its rivals. Therefore, we have assessed whether and the extent to which these types of data sources are a barrier to entry and expansion in general search services.

5.157 Although Google acknowledged that its search algorithms use a variety of information (including from its wider ecosystem) to tailor organic search results,[539] it also submitted that the role of data in the ability to show high quality search results to users is overstated.[540] Google stated that data is subject to diminishing returns and that there are often other ways to improve relevance.[541] To illustrate this Google presented the results of a 2022 study which reduced the amount of data used by its main ranking systems.[542,543]

5.158 With regard to AI assistants, Google said that AI assistants do not need access to a large volume of click and query data to compete in search and that new entrants, such as [✂], are able to innovate and compete on relevance for tail queries without access to click and query data. Google also said that ability to successfully answer 'fresh' queries depends primarily on identifying high-quality data sources, not data scale.[544]

5.159 In relation to search advertising Google submitted that keyword matching is the most important signal in search advertising.[545] It also said that as a result the role of user data in targeting search adverts is limited.[546] However, Google also submitted that where a user has consented to advert personalisation it may also

[538] In the Online Platforms and Digital Advertising market study, the CMA conducted a more detailed analysis of how these differences in scale meant that while Google observed many of Bing's infrequent "tail" queries the opposite was not the case (paragraphs 3.68-3.73).
[539] Google's response to the CMA's RFI.
[540] Google's consolidated response to the CMA's RFI.
[541] Google's consolidated response to the CMA's RFI. Google's submission, [✂].
[542] The experiment assessed two scenarios: "Low Mobile" whereby data was reduced to 4.86% of Google's total traffic and a "High Mobile" scenario where data was reduced to 6.43% of Google's traffic. Google's submission, [✂].
[543] Google's submission to the CMA.
[544] Google's submission to the CMA.
[545] Google's response to the CMA's RFI.
[546] Google's response to the CMA's RFI.

use information about the user's activity and demographic information to target adverts.[547]

5.160 Below we have considered:

(a) Google's use of data; and

(b) Third party evidence on the importance of data.

Google's use of data

5.161 Despite Google's submissions that the role of data is overstated, Google's actions indicate the importance of a range of data to its general search services.

5.162 First, Google uses various types of data at different points when providing its general search services including:[548]

(a) Crawling – user data allows Google to optimise its web crawling, eg by understanding which pages to crawl and the frequency with which to crawl those pages;[549]

(b) Indexing – user data, particularly query data, plays a key role in determining what content is included in Google's index and where it is placed within it, with the index organised into tiers based on content freshness;[550]

(c) Interpreting queries and identifying relevant results – Google must interpret queries (eg accounting for misspellings) and effectively match queries to results. To do this Google has developed a range of tools, such as RankBrain, BERT and MUM,[551] and the development of these tools depends, in part, on the availability of data;[552]

(d) [✂].[553]

(e) Advertising and monetisation – data allows Google to understand the effectiveness of different adverts, eg ensuring that irrelevant adverts are not shown.[554] Google's wider ecosystem, in particular Google Analytics, also

---

[547] Google's response to the CMA's RFI.
[548] Google's consolidated response to the CMA's RFI discusses these different elements of providing Google's general search service.
[549] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, paragraph 91. pr24-59-Google.pdf
[550] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, paragraph 92. pr24-59-Google.pdf
[551] See How AI powers great search results
[552] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, paragraphs 93, 97 and 98. pr24-59-Google.pdf
[553] Google's internal document.
[554] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, page 230. pr24-59-Google.pdf

allows Google to provide advertisers with information regarding the performance of their advertisements.[555]

5.163 Second, Google retains user data, with some data fields stored for up to 18 months. It incurs the costs of storing this data, demonstrating the value and importance of it to Google's general search services.[556]

5.164 Third, Google's internal documents also indicate that data (including both the volume and variety of data) is (and will continue to be) important, which is consistent with Google's recent announcements (such as the launch of AI Mode) which acknowledge the importance of data, in particular from the wider ecosystem, and personalisation.[557]

(a) A 2018 document portrays a 'virtuous cycle' of increased scale: with 'better results' and 'better result previews' resulting in 'happier users and more informed user interactions'. This in turn 'improves the training data for models used in ranking and language understanding'. This results in 'better models' and improves results.[558]

(b) A Google document from 2024 sets out Google's strategy for [✂].[559]

(c) In a 2025 document outlining Google's three-year search strategy for 2025 to 2027, Google says [✂][560].[561]

5.165 Regarding Google's 2022 experiment that reduced the amount of data used by its main ranking systems:[562]

(a) Google submits that this experiment shows that the wide difference in quality between Google and Bing could not be explained by Google having access to a higher volume of data.[563] However, if access to data at scale is not important one would expect Google to respond to this experiment by reducing the volume of data it uses accordingly. Therefore, Google's business decisions are consistent with a finding that access to large volumes of data are beneficial when providing search results.

(b) There are important limits on the extent to which the experiment can measure the effects of Google's data advantages. For example, the experiment focuses on retraining certain components of Google's ranking

---

[555] See Customer Analytics Tools and Insights - Google Ads
[556] See How Google retains data we collect – Privacy & Terms – Google; *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, paragraph 105. pr24-59-Google.pdf
[557] AI Mode in Google Search: Updates from Google I/O 2025
[558] Trial Exhibit-UPX1115: U.S. and Plaintiff States v. Google LLC
[559] Google's internal document.
[560] Google's internal document.
[561] Google's internal document.
[562] Google's consolidated response to the CMA's RFI.
[563] Google's submission to the CMA.

process using less data. It does not consider the role Google's greater scale and data may have played in its ability to develop those components in the first place. Similarly, the experiment reduces the amount of data available to only some components of Google's ranking process. [564] However, as explained above, data is not only used when ranking results to users but at several other points, for example from optimising web-crawling to monetizing search results.

Evidence from third parties

5.166 Third-party evidence also consistently indicates that scale in data is important and a barrier to entry and expansion to compete with Google's general search services.

(a) Microsoft said that greater scale, and click and query data, improves the relevance of results and the quality of the search engine and enables Google to serve more relevant adverts.[565] It explained that Google's algorithms improve their accuracy and relevance as users undertake more queries (direct network effects) and a larger user base attracts more advertisers seeking to reach that audience (indirect network effects).[566] [✂].[567]

(b) Ecosia said that the scale and quality of data held by a search engine plays a 'vital' role in their ability to serve high quality search results and adverts.[568] DuckDuckGo and Yahoo said that competing search engines face issues competing with Google, due to their smaller user base and lower amounts of data on what users are searching for and which results they find useful.[569]

5.167 Consistent with this, in the US Search Litigation it was found that Google 'has used its scale advantage to improve the quality of its search product' and that at every stage of the search process 'user data is a critical input that directly improves quality'.[570] The judgment also sets out how the magnitude of Google's query volume compared to rivals is 'startling'. For instance, users enter nine times more queries on Google than on all rivals combined, and this increases to 19 times on mobile devices. Furthermore, one of Google's core ranking models,

[564] Google's submission to the CMA.
[565] Microsoft's response to the CMA's RFI.
[566] Microsoft's response to the CMA's RFI,
[567] [✂]. In the US Search litigation, the judgement [✂] identified discussions of the importance of data advantages from a Microsoft internal document. See: *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, page 231. pr24-59-Google.pdf
[568] Ecosia's response to the CMA's RFI.
[569] DuckDuckGo's response to the CMA's RFI. Yahoo's response to the CMA's RFI.
[570] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, paragraph 90. pr24-59-Google.pdf

NavBoost, runs on 13 months of Google's click-and-query data, which is equivalent to over 17 and a half years of Bing data.[571]

5.168 Consistent with this, Brave, which has its own search infrastructure, said that data is important to build an index and that it took them 15 years to achieve independence from third party indexes.[572] Yahoo explained that more user data helps providers to 'determine which sites to crawl, learn what users are looking for, understand user queries, and determine the order of results'.[573]

5.169 Traditional general search providers also indicated that a variety of user data is important to compete in general search services. For example, [✂] said that location data is important to improve the relevance of results and advertising shown to users.[574] However the relevance of specific types of data may vary for certain competitors. For example, Yahoo said that click and query data is more important than location data for improving their service due to the small portion of location-relevant queries entered to their platform.[575]

Summary on data advantages

5.170 Overall, the evidence summarised above indicates that access to a variety of data is important in enabling Google to tailor its search results and in Google's provision of search advertising. This can act as a barrier to entry and expansion to Google's rivals since Google has access to significantly more data and a greater variety of data given its greater scale in general search and search advertising, and its wider ecosystem of products.

Costs of search infrastructure

5.171 To provide a general search product to users, providers must either invest in or gain access to search infrastructure. As set out above, Google collects large amounts of data to compose its search indices and its search infrastructure and uses user data to optimise crawling to quickly and efficiently return search results to users. As a result of these efforts Google has developed a large web index, containing around [20-30]billion websites and hundreds of billions of webpages[576] (Google's web index contained [500-600] billion webpages in 2019).[577]

---

[571] *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, page 230. pr24-59-Google.pdf
[572] Brave's response to the CMA's RFI.
[573] Yahoo's response to the CMA's RFI.
[574] [✂] response to the CMA's RFI.
[575] Yahoo's response to the CMA's RFI.
[576] Google's consolidated response to the CMA's RFI.
[577] Online platforms and digital advertising market study, July 2020 (**DAMS**), Appendix I, paragraph 75. Appendix I: search quality and economies of scale

5.172 Both Google and Microsoft make very significant expenditures to maintain their search infrastructure:

(a) Google submitted that the total cost of operating Search globally was approximately £[✂] billion in 2024.[578] Of this we attribute £[✂] billion to the maintenance of its search infrastructure based on the categorisations provided.[579] This is composed of £[✂] billion associated with 'Machine/Network' costs and £[✂] billion of 'Direct Product Engineering Costs' categorised under Operating Expenses.[580]

(b) Microsoft submitted the total cost of operating Bing globally in 2024 was approximately £[✂] billion. Of this we attribute £[✂] billion to the maintenance of its search infrastructure based on the categorisations provided.[581] This is composed of £[✂] billion of 'Operating Expenses' and £[✂] billion of 'Costs of Goods Sold'.[582]

5.173 The significance of these costs is illustrated by the fact that Bing is the only English-language provider to have developed search infrastructure which is comparable to Google's. As shown in the table below, all third parties, both traditional general search providers and AI assistants, which have developed their own search infrastructures have a web-index which is a fraction the size of Google's and Bing's and which costs a fraction of the sum spent by Google and Microsoft to maintain.

[578] Google's consolidated response to the CMA's RFI.
[579] These categories have been selected to clearly represent the cost of maintenance of the search infrastructure and ensure comparability with equivalent submissions from other respondents, particularly Bing. The categories selected for Google may be excessively narrowly defined, with the costs of their search infrastructure maintenance potentially higher. The categories selected for Google exclude most costs associated with Search, including search advertising, the indirect costs attributed to Google Search and some further costs associated with their search infrastructure maintenance like Indirect Product Engineering costs. Even with this narrower definition Google's costs are significantly higher than any other search engine.
[580] Analysis of Google's consolidated response to the CMA's RFI. Costs calculated as sum of 'Machine/Network Costs' and 'DirectEngPM costs'.
[581] These categories have been selected as those most clearly representing the cost of maintenance of the search infrastructure and ensuring comparability with equivalent submissions from other respondents, however do include some costs within Operating Expenses that are excluded from Google's figures (eg sales and marketing, people costs).
[582] Microsoft's response to the CMA's RFI.

Figure 5.5 Web index size and search infrastructure maintenance costs for general search providers and AI assistants

Company	Web Index size (number of webpages)	2024 search infrastructure spend (GBP)[583]
Google[584]	'Hundreds of billions'	£[✂] billion
Microsoft[585]	[✂] billion	£[✂] billion
Mojeek[586]	[✂] billion	[< 1 million]
DuckDuckGo[587]	[<1 million]	-
[✂][588]	[✂]	[✂]
Apple[589]	Approximately [✂] billion URLs indexed	Around [✂]
OpenAI[590]	[✂] billion	[✂] million
Perplexity[591]	[✂] billion	-

Source: Data submitted by parties.

5.174 The substantial cost involved in developing and maintaining search infrastructure is a significant barrier to entry and expansion for rivals. Consistent with this several traditional general search providers [✂] said that developing and maintaining search infrastructure is a barrier to entry due to the large levels of financial requirements.[592] [✂] also said that it is unable to build a comparable web index to Google partly because of the richness of Google's index, which includes data from other sources like images, videos, maps and local data.[593]

5.175 Beyond these financial barriers, there are also technical barriers that competitors need to overcome in order to build their search infrastructure. Consistent with the CMA's findings in DAMS,[594] Mojeek[595] and OpenAI said that crawl restrictions which certain websites impose can act as a barrier to entry. OpenAI estimated that its index currently has approximately [✂]% of the URLs and content contained in Google's results, and that a [✂] proportion of this gap is due to [✂].[596] OpenAI also said that [✂].[597]

---

[583] 2024 investment figures were provided by Google, Microsoft, and Apple in USD. These figures have been converted to GBP using the Bank of England USD:GBP 2024 average spot exchange rate.
[584] Google's web index contained 581 billion webpages in 2019. Online platforms and digital advertising market study, July 2020 (**DAMS**), Appendix I, paragraph 75. Appendix I: search quality and economies of scale**.** Google's consolidated response to the CMA's RFI and Analysis of Google's consolidated response to the CMA's RFI. Costs calculated as sum of 'Machine/Network Costs' and 'DirectEngPM costs'.
[585] Microsoft's response to the CMA's RFI.
[586] Mojeek's response to the CMA's RFI.
[587] DuckDuckGo's response to the CMA's RFI.
[588] [✂] response to the CMA's RFI.
[589] Apple's response to the CMA's RFI.
[590] OpenAI's response to the CMA's RFI.
[591] Perplexity's response to the CMA's RFI.
[592] [✂] responses to the CMA's RFI.
[593] [✂] response to the CMA's RFI.
[594] Online platforms and digital advertising market study, July 2020 (DAMS), page 90 and 91.
[595] Mojeek's response to the CMA's RFI.
[596] OpenAI's response to the CMA's RFI.
[597] OpenAI's response to the CMA's RFI.

5.176 Website owners also engage in significant efforts to optimise their websites to be discoverable by Google.[598] Search engine optimisation (SEO) has become a large industry, with an estimated UK revenue of £22.3 billion in the last financial year (2024-25)[599] and Google publishes a large amount of documentation on how to improve and monitor how websites appear on Google's general search products.[600] By increasing website discoverability, SEO aligns the incentives between website owners and Google, enabling Google to harness its scale on the user side to more effectively crawl the web and build a high-quality index.

5.177 As a result of the financial and technical barriers associated with building and developing search infrastructure, most other traditional general search providers syndicate organic and/or paid-for search results from Google or Bing. These syndication agreements and their contractual terms also act as a barrier to these providers expanding and playing a more substantial role in competition for general search services.[601] Furthermore, [✂].[602,603]

5.178 Overall, Google is the provider with the largest search infrastructure, which it spends a substantial amount of money to maintain. Competitors face a number of barriers in building and running search infrastructure, including both financial and technical barriers, which leads to them operating search infrastructure that is a fraction of the size of Google's.

Barriers to monetisation

5.179 To develop and maintain a competitive general search product, providers must be able to monetise their product effectively (eg to cover the costs of the search infrastructure described above). The primary means by which most existing providers monetise their products is advertising and specifically search advertising. The evidence indicates that there are a number of challenges which must be overcome, and which therefore act as a barrier to entry and expansion, to monetising effectively.

5.180 First, several third parties highlighted the importance of scale in general search (ie the user side) as a barrier to developing an effective search advertising product. In particular:

---

[598] Almost all [✂] publishers, advertisers and SSPs said that they optimise their websites to be crawled and discoverable on Google Search. [✂] responses to the CMA's RFI.
[599] IBISWORLD, 'SEO & Internet Marketing Consultants in the UK – Market Research Report (2014-2029), November 2024, accessed by the CMA on 03 April 2025. SEO & Internet Marketing Consultants in the UK - Market Research Report (2014-2029)
[600] Google Search Central, 'Explore Google Search documentation to improve your sites SEO', undated, accessed by the CMA on 03 April 2024. Documentation to Improve SEO | Google Search Central | Google for Developers
[601] Brave and Mojeek do not syndicate results from Google or Microsoft Bing but use their own search infrastructure to show results to users. Brave's response to the CMA's RFI; Mojeek's response to the CMA's RFI.
[602] [✂] response to the CMA's RFI.
[603] [✂] response to the CMA's RFI.

(a) Brave explained that a lack of user scale meant they are not attractive to small advertisers.[604]

(b) DuckDuckGo described a 'reinforcing feedback loop' where more users creates better results and attracts more advertisers, leading to greater revenue, enabling Google to buy more default positions which increases users on the platform.[605]

(c) Ecosia said that advertisers will go where they can reach their target audience best, and that is Google and Microsoft given that their share in the online search market is >90%.[606]

(d) Mojeek said that it had started to develop its own advertising platform, though its company size (at this time) and its below critical mass level of traffic presented barriers.[607]

(e) As discussed for example at paragraph 5.101, advertisers indicated that scale is important and that providers' limited scale on the user side makes them less attractive alternatives to Google's search advertising.

5.181 This third-party evidence is consistent with statements in Google's internal documents (see paragraph 5.164 above).

5.182 Second, third parties also indicated that Google's wider ecosystem provides Google with an advantage because data gathered through Google's wider analytics and analysis offerings provide Google with advantages in the measurement of search advertising effectiveness. Specifically:

(a) Several [✂] alternative traditional general search providers considered that limited interoperability of these products with their own search advertising presents barriers to the expansion of their offerings.[608] In particular, Microsoft highlighted [✂] Google's unmatched scale with respect to conversion information.[609] Microsoft submitted that Google has developed SA360 to [✂].[610] Brave said that Google's ownership of attribution and analysis platforms such as Google Analytics and SA360 are a barrier to building its own search engine advertising product.[611]

(b) Some businesses that advertise on Google [✂] also cited Google's access to superior data drawn from its wider ecosystem relative to other providers

[604] Brave's response to the CMA's RFI.
[605] DuckDuckGo's response to the CMA's RFI.
[606] Ecosia's response to the CMA's RFI.
[607] Mojeek's response to the CMA's RFI.
[608] See [✂] responses to the CMA's RFI.
[609] Microsoft's response to the CMA's RFI.
[610] Microsoft's response to the CMA's RFI.
[611] Brave's response to the CMA's RFI.

and also that the need for such data inhibited their ability to switch to rivals.[612]

5.183 In summary, the evidence indicates that Google's rivals face a number of barriers to effectively monetising their products in order to compete with Google. In particular, the evidence highlights Google's significantly greater scale and the role of its wider ecosystem in providing data to advertisers.

Summary of barriers to entry and expansion

5.184 Overall, we found that there are a number of significant barriers to entry and expansion faced by competitors. In particular:

(a) Google continues to hold significant default positions, especially in relation to Apple devices (including in the UK), Android devices in the US and the Chrome browser, that act as a significant barrier to expansion for rivals, by limiting their ability to access consumers, build their scale and grow into stronger competitors over time.

(b) Access to different sources of data, including search infrastructure data, click-and query data, and data from a wide ecosystem of products, continues to be an important factor affecting the ability of others to compete effectively with Google's general search services.

(c) The costs and technical requirements necessary to develop and maintain the infrastructure required to compete effectively with Google in general search services continues to be substantial. As a result, several traditional general search providers syndicate organic and/or paid-for results which limit their ability to expand.

(d) Competitors also face barriers to effectively monetise their general search products due to their limited reach on the user side which makes them less attractive alternatives to Google's search advertising.

(e) Google's extensive wider ecosystem is an important element of several of these barriers to entry and expansion. In particular, control of Chrome and Android provides Google with influence over some important access points and its wider set of products also provides it with access to data with which it can tailor its search products in ways that others cannot.

5.185 Several of these barriers to entry and expansion reflect the presence of network effects (for example see paragraphs 5.166 to 5.170, 5.176 and 5.180) whereby scale in one element of Google's general search services reinforces Google's

[612] See [✂] responses to the CMA's RFI.

position and acts as a barrier to entry and expansion for rivals. More specifically, the evidence indicates that:

(a) Scale in general search (the user side) provides access to data to improve the delivery of search results, making it easier to attract and retain those users.

(b) Scale in general search is a factor in attracting businesses to use Google's search advertising and therefore to effective monetisation. However, without effective monetisation it is difficult for providers to make the investments in search infrastructure needed to attract users.

5.186 Finally, given the recent growth in use of AI assistants we have specifically considered the extent to which they face the same barriers to entry and expansion that traditional general search providers face in general search services. The evidence indicates that access to users and default positions, scale of search infrastructure and sources of data are also important barriers to AI assistants:

(a) Access to users and default positions – OpenAI said that Google's distribution agreements with OEMs and Apple act [✂] and that they lack comparable default positions to Google's general search products.[613]

(b) Scale of search infrastructure – building a web-index comparable to Google's in coverage, size and quality in a reasonable time is extremely difficult and AI assistants have only been capable of building significantly smaller search infrastructure. As a result, OpenAI currently also relies on access to third party APIs, including Bing's, which they said is [✂].[614]

(c) Access to a range of data – Google's access to many types of data is one of the reasons that explain the significant competitive advantage that Google has over OpenAI in relation to the size and quality of its search infrastructure.

5.187 Furthermore, there is evidence that access to data may become a more important barrier to entry and expansion over the next five years and, as a result, a more significant barrier for AI assistants. As discussed in paragraph 5.164(c), [✂]. It follows that user data is likely to be an important input to be able to offer personalised general search services and that Google's wide ecosystem of products and services will be a significant competitive advantage over rivals, such as AI assistants, that do not have access to a wide range of data sources.

[613] OpenAI's response to the CMA's RFI.
[614] OpenAI's response to the CMA's RFI.

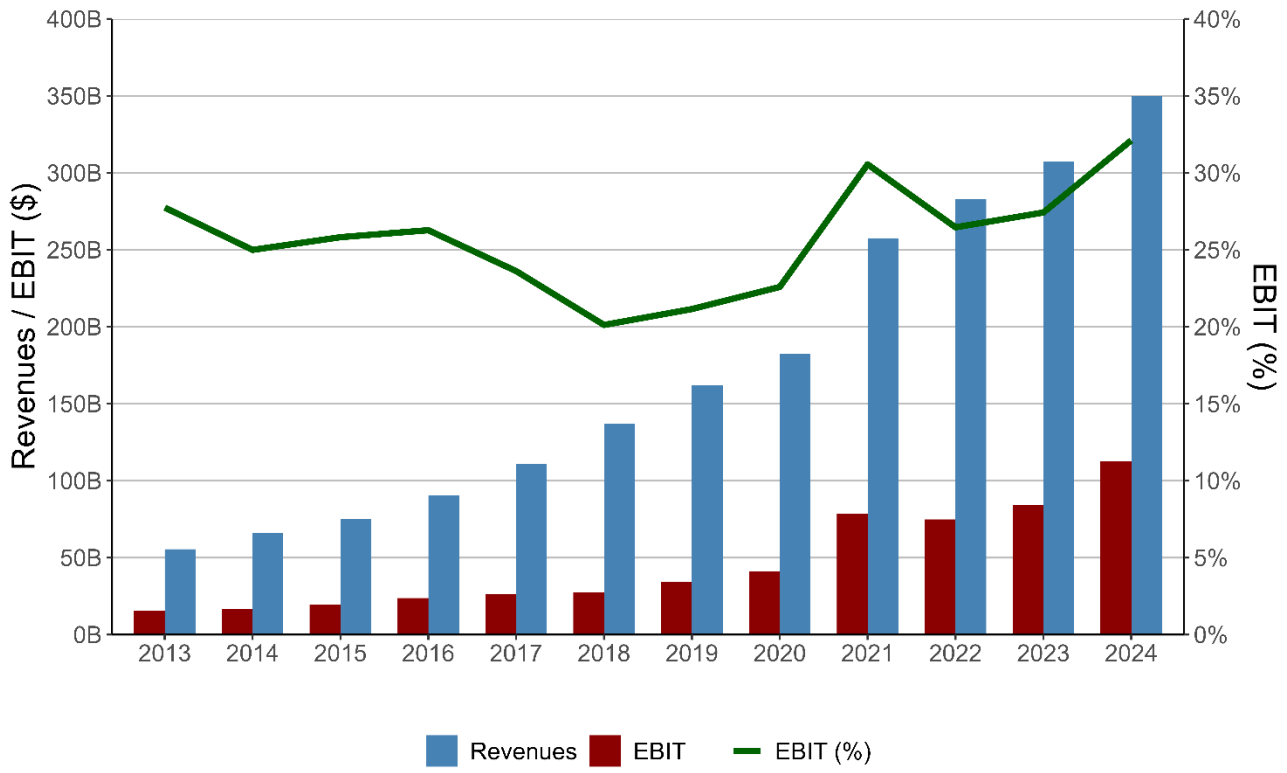
Profitability

5.188 This section summarises our analysis of profitability for both Alphabet Group (Google's parent company) and Google's general search services.[615] Our analysis is set out in more detail in Appendix C.

5.189 Since our SMS assessment relates to Google's market position in the UK, we are interested in the profitability of Google's UK general search services. However, to help inform this assessment we have started with global figures, recognising that the digital activities we are assessing are global in nature, and because Google did not provide information on the profitability of its general search services at a UK level.[616] Our analysis is therefore based on global data from Google supplemented by information we obtained from Google to enable more detailed breakdowns and UK specific analysis where appropriate.

5.190 Our profitability analysis shows that Google generates substantial profits and operating cashflows in absolute terms. As shown in Figure 5.6 below, Alphabet Group's earnings before income and tax (EBIT) have remained consistently high and the profit margin has been above 25% for each of the last four years.[617] [618]

Figure 5.6 Alphabet Group Revenue and Profit between 2015 and 2024



[615] See CMA194, paragraph 2.55(e).
[616] Google's consolidated response to CMA's RFI.
[617] CMA analysis of Form 10-K for Alphabet INC filed 02/05/2025.
[618] EBIT is based on Google's Income from Operations as reported in its Consolidated Statements of Income in published accounts. Form 10-K for Alphabet INC filed 02/05/2025, page 53.

Source: CMA analysis of Alphabet Group 10k data[619]

5.191 Google's[620] profitability, when measured as a percentage ROCE (return on capital employed), is around 40%, compared with our estimate of Google's WACC (weighted average cost of capital) of [10-15%], based on Google's own estimation of WACC for the Alphabet Group.[621] This profitability estimate remains high even when adopting a conservative sensitivity analysis, for example in relation to intangible assets.[622]

5.192 We have also found that Google has for many years been making higher operating profit margins from its general search services than for its overall business:

(a) The Google Search & Other revenue reporting segment was the largest contributor to Google's global revenues, with reported revenues of $198 billion for the financial year ending 31 December 2024.[623]

(b) This segment includes the Google Search business, which is made up of Google's revenue-generating 'Search Ads' business and its free 'Search Organic' business'.[624]

(c) Google Search generated global revenues and operating profit of $[✂] billion and $[✂] billion in the financial year ending 31 December 2024,[625] and UK revenues of $[✂] billion (£[10-20] billion).[626,627] Its global operating profit margin of [✂]%[628] [629] is high compared to 40%[630] for the overall Google Services segment and 32%[631] for the total Alphabet Group.[632]

5.193 Taking into consideration that Google's operating profit margins for its general search services are higher than for its business as a whole, we consider Google's general search services are at least as profitable as the Alphabet Group.

---

[619] Form 10-K for Alphabet INC filed 02/05/2025.
[620] We have considered the profitability both of the Alphabet Group and the Google Services segment, which is the reporting segment that Google's general search services are part of.
[621] We estimate that Google has been able to generate an average ROCE of 38% over the last ten years, and that this has been trending higher in the last few years Our analysis is set out in more detail in Appendix C
[622] For example, we have conducted a sensitivity analysis to our ROCE based profitability analysis to test the sensitivity of our profitability findings to changes in intangible assets relating to Google's R&D expenditure.
[623] Revenues disaggregated by type, as presented on page 88 of Form 10-K for Alphabet INC filed 02/05/2025.
[624] Google's consolidated response to the CMA's RFI
[625] Google's consolidated response to the CMA's RFI. Google's stated global revenue and operating figures include other, smaller, O&O properties (e.g. Shopping, Gmail, Travel) as per the categories reported in Google's 10-K, as well as AdSense relating to search advertising.
[626] Figure converted from GBP to USD the UK Office for National Statistics' average exchange rate for USD vs GBP of 1.2783 for the period from 1 January 2024 to 31 December 2024.
[627] Revenue figure based on Google's own accounting methodology for segmental reporting, determined on the addresses of its customers. This figure differs from the CMA's estimate of UK revenues generated based on UK users (clicks by users) rather than a customer's registered address or billing address.
[628] Google's consolidated response to the CMA's RFI.
[629] Google's consolidated response to the CMA's RFI.
[630] CMA analysis of segment results on page 88 of Form 10-K for Alphabet INC filed 02/05/2025.
[631] CMA analysis of segment results on page 88 of Form 10-K for Alphabet INC filed 02/05/2025.
[632] Google told us that this [✂]. Google's consolidated response to the CMA's RFI.

5.194 Given the global nature of Google's cost reporting structures, and having seen no evidence that Google's UK general search services have materially higher operating costs [✂],[633] we estimate that Google's UK general search services are generating economic profits over and above Google's cost of capital.

5.195 We estimate that this high return means that Google was able to earn at least £3-4 billion of profits in 2024 from its UK general search services over and above a return based on Google's estimate of the weighted average cost of capital for the Alphabet Group of [10-15]%.[634]

5.196 Based on our review of Google's own financial projections relating to future revenues and profitability, we have seen no evidence that these high levels of profitability would not continue.

Regulatory and other developments

5.197 In the sections above, we have considered the scope for market developments, including emerging technology, innovation and new entrants, to affect Google's provision of general search services over at least the next five years.

5.198 In this section, we consider the scope for other developments – in particular, legislation, regulatory action and litigation – to affect Google's market power in general search services over the same timeframe.[635]

5.199 Google has significant global operations and it is not possible to anticipate every such development; however, we have set out below the regulatory and other developments (both within the UK and internationally) that we consider have the most potential relevance to our assessment of whether Google has substantial and entrenched market power in general search services.

Developments in the UK

5.200 Within the UK:

(a) Google is currently the subject of another investigation under Part 1 of the Act in relation to the provision of mobile ecosystem services (the **Mobile SMS investigation**);

(b) Google is also currently the subject of an ongoing CMA investigation under the Competition Act 1998 into whether it has abused a dominant position through its conduct in ad tech (the **CA98 Investigation**);

---

[633] [✂].
[634] CMA analysis using: Google's consolidated response to the CMA's RFI and Alphabet Inc.'s consolidated financial statements, which can be found on pages 48-91 of Form 10-K for Alphabet INC filed 02/05/2025.
[635] CMA194, paragraph 2.59.

(c) collective proceedings claims have been brought in the Competition Appeal Tribunal against Google in relation to its general search services;[636] and

(d) the UK government recently consulted on how it can ensure the UK's legal framework for AI and copyright supports UK creative industries and the AI sector.[637]

5.201 We do not consider that any of these developments is likely to be sufficient in scope, timeliness and impact to eliminate Google's market power in general search services in at least the next five years. In particular:

(a) each of the Mobile SMS Investigation and the CA98 Investigation concerns activities that, although related (eg mobile devices and browsers are an important access point for Google's general search services), are separate from Google's general search services; and

(b) moreover, the outcome of each of these developments is uncertain, since:

(i) the CMA has not yet reached a decision on whether to designate Google as having SMS in the Mobile SMS Investigation (and such a designation would be necessary for any interventions to be imposed on Google);

(ii) the CA98 Investigation is ongoing[638] and no decision has been made as to whether Google has committed an infringement or, if so, what action the CMA should take;

(iii) at the time of this Proposed Decision there can be no certainty as to the outcome of the collective proceedings claims (both in terms of whether the claims will succeed and what, if any, remedies may be ordered); and

---

[636] Including *Nikki Stopford v Alphabet Inc, Google LLC, Google Ireland Limited and Google UK Limited* (Case No: 1606/7/7/23) (which alleges that Google has abused its dominant position in the online search market and certain adjacent markets concerning mobile device functionality); *Or Brook Class Representative Limited v Google Inc & Others* (Case No: 1720/7/7/25) (which alleges that Google has abused its dominant position in general search and search advertising to overcharge advertisers and exclude competitors, resulting in supra-competitive advertising prices); *Mr Roger Kaye KC v Alphabet Inc & Others* (Case No: 1733/7/7/25) (which alleges that Google has abused its dominant position in search advertising, resulting in inflated costs and reduced competition); and the Google Shopping Proceedings (Case Nos: 1424/5/7/21 (T); 1589/5/7/23 (T); 1596/5/7/23; and 1636/5/7/24) (which allege that Google abused its dominant position in general search to prevent, restrict or distort competition on the comparison shopping market).

[637] Copyright and Artificial Intelligence - GOV.UK. The consultation, which ran between 17 December 2024 to 25 February 2025, sought views on potential interventions which would (i) support right holders' control of their content and ability to be remunerated for its use; (ii) support the development of world-leading AI models in the UK by ensuring wide and lawful access to high-quality data; and (iii) promote greater trust and transparency between the sectors.

[638] In September 2024, the CMA issued a statement of objections provisionally finding that Google had abused its dominance by 'self-preferencing' its own ad exchange (CMA objects to Google's ad tech practices in bid to help UK advertisers and publishers - GOV.UK).The CMA is considering Google's representations on the Statement of Objections.

(iv) the UK government has not yet published its response to the recent copyright and AI consultation.

International developments

5.202 In addition to the developments within the UK, the following are taking place internationally:

(a) Alphabet Inc., together with its subsidiaries, has been designated as a 'gatekeeper' under the EU's Digital Markets Act[639] (the DMA) in respect of certain 'core platform services', including its online search engine (Google Search) and its online advertising services (which include Google Ads, SA360 and AdSense for Search)[640] and is therefore subject to certain obligations;[641]

(b) remedies are being considered after Google has been found to have violated antitrust law in two separate cases brought by the US Department of Justice (i) the US Search Litigation;[642] and (ii) in relation to the open-web display publisher ad server market and the open-web display ad exchange market;[643] and

(c) Google has been designated by the Japan Fair Trade Commission as a specified software operator under the Mobile Software Competition Act[644] and will therefore be subject to certain prohibitions and obligations in relation to the provision of smartphone software.[645]

5.203 We also do not consider that any of these developments is likely to be sufficient in scope, timeliness and impact to eliminate Google's market power in general search services in the UK in at least the next five years. In particular:

---

[639] Regulation (EU) 2022/1925 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act) [2022] L 265/1.
[640] European Commission decision of 5 September 2023 addressed to Alphabet Inc.
[641] The prohibitions and obligations for gatekeepers are set out in Articles 5, 6 and 7 of the DMA. Google's obligations include: (i) allowing third parties to interoperate with Google's services; (ii) allowing business users to access data generated by using Google's services; (iii) providing companies advertising on Google's platform with the tools and information necessary to allow them to carry out their own independent verification of Google's advertisements; (iv) allowing business users to promote their offer and conclude contracts with their customers outside of Google's platform; (v) not treating Google's products and services more favourably in ranking than similar third-party services or products; (vi) not preventing consumers from linking up to businesses outside Google's platforms; (vii) not preventing users from uninstalling any pre-installed software or app; and (viii) not tracking end users outside of Google's core platform services for the purpose of targeted advertising, without effective consent having been granted.
[642] *United States and State of Colorado vs Google LLC* Cases 20-cv-3010 (APM) and 20-cv-3715 (APM). DoJ Proposed Final Judgment, 20 November 2024. Plaintiffs' Initial Proposed Final Judgment: U.S. and Plaintiff States v. Google LLC [2020]
[643] *United States of America, et al v Google LLC* Case 23-cv-108 (LMB/JFA). united-states-of-america-et-al-v-google-llc-memorandum-opinion-2025.pdf
[644] Act on Promotion of Competition for Specified Smartphone Software (Act No. 58 of 2024).
[645] Google's designation specifically relates to its basic operation software, app store, browser and search engine: Designation of Specified Software Operators under the Act on Promotion of Competition for Specified Smartphone Software | Japan Fair Trade Commission

(a) in relation to the DMA:

(i) the effect of Google's obligations under the DMA on its provision of general search services in the UK are, and will remain, unclear, since the territorial reach of the DMA does not extend to the UK.[646] Google may therefore carve out the UK from any response to the DMA requirements, resulting in different compliance measures or solutions in the UK from those offered in the EEA;

(ii) even if Google were to extend its responses to the DMA to the UK voluntarily, these obligations do not seek to eliminate Google's market power directly. Instead, they seek to ensure that the sectors in which its core platform services operate are, and remain, contestable (ie undertakings are able to overcome barriers to entry and challenge Google on the merits of their services) and fair (ie others can capture fully the benefits of their own contributions);[647] and

(iii) there remains some uncertainty as to the nature of Google's obligations under the DMA, since the European Commission has made preliminary findings that Alphabet failed to comply in certain respects, because certain features and functionalities of Google Search would treat Alphabet's own services more favourably compared to rival ones. The outcome of these proceedings remains uncertain;[648]

(b) in relation to the US antitrust cases:

(i) the second US litigation relates to Google's online display advertising services, which are distinct from Google's general search services;

(ii) at the time of this Proposed Decision, there can be no certainty as to the outcome of these cases, or the nature, scope[649] or impact of any remedies that may be imposed, because no decision has been reached on the remedies in either case and Google has publicly indicated that it will appeal both US judgments – in conjunction with appealing any remedies;[650] and

(c) in relation to Japan's Mobile Software Competition Act:

---

[646] The DMA applies to core platform services 'provided or offered by gatekeepers to business users established in the [European] Union or end users established or located in the [European Union]' (Article 1(2)).
[647] DMA, recitals (11), (27), (32) and (33).
[648] European Commission's Press Release, Commission sends preliminary findings to Alphabet under the Digital Markets Act, 19 March 2025. Press corner | European Commission.
[649] Including the extent to which they will apply to Google's provision of general search services in the UK.
[650] See, for example, Google's articles 'Our remedies proposal in DOJ's search distribution case': https://blog.google/outreach-initiatives/public-policy/google-remedies-proposal-dec-2024/ and 'Our remedies proposal in the DOJ ad tech case': https://blog.google/outreach-initiatives/public-policy/our-remedies-proposal-in-the-doj-ad-tech-case/

(i) the effect of Google's obligations on its provision of general search services in the UK is unclear, since Google may carve the UK out of any response to the requirements under the legislation, resulting in different compliance measures or solutions in the UK from those offered in Japan; and

(ii) even if Google were to extend its responses to the UK voluntarily, the obligations and prohibitions provided for in the Mobile Software Competition Act that relate to search will focus upon the display of search results to 'smartphone users' rather than all of Google's general search services.[651]

Summary on regulatory and other developments

5.204 On the basis of the available evidence, we consider that although regulatory developments may in principle affect Google's conduct in carrying out general search services, they are not likely (whether individually or in combination) to be sufficient in scope, timeliness and impact to eliminate Google's market power in at least the next five years.

Our provisional conclusion on whether Google has substantial and entrenched market power in general search services

5.205 In the preceding sections we have presented the key points of evidence in relation to our assessment of whether Google has substantial and entrenched market power in general search services. In this section we present our overall assessment and provisional conclusion based on that evidence. In doing so and in line with our guidance, we have first assessed whether Google has substantial market power in general search services and then, if we find that this is the case, whether the market power is entrenched and is not likely to dissipate in the next five years.[652]

5.206 Google currently has, and has persistently had, a strong position in general search facing limited competition.

5.207 Google has accounted for a share of supply amongst traditional general search providers of over 90% in the UK for at least 15 years.[653] Other traditional general search providers are significantly smaller than Google and have been for many years. Bing is the largest of these providers but its current share of queries is approximately [0-5%] and the evidence indicates that it is only a limited alternative

[651] See, for example, the draft guidance on the Mobile Smartphone Competition Act published for consultation by the Japan Fair Trade Commission: MSCA_SubordinateLegislations_and_Guidelines.pdf
[652] CMA194, paragraph 2.62.
[653] See paragraph 5.16 for data based on total queries to traditional general search providers since 2018 and Online platforms and digital advertising market study, July 2020, Figure 3.3 for a longer time-series based on page referrals to 2009.

to Google's general search products.[654] No traditional general search providers have materially grown relative to Google for at least 15 years.

5.208 Google submitted that it experiences 'indirect competitive constraints' to its general search services from the 'many alternative means through which users can search for and find information online'.[655] However, both specialised search providers and social media platforms have important functional differences which limit the extent to which they are an alternative to Google's general search products. Specialised search providers can only respond to queries on specific topics and social media platforms currently focus on providing information based on the content provided to them. This contrasts to Google's ability to provide information in response to a wide range of queries using a range of sources including information from the world wide web.

5.209 Consequently, while specialised search providers and social media platforms may be alternatives to Google's general search in some circumstances, these circumstances are limited, and this is reflected in the range of evidence described at paragraphs 5.50 to 5.64 for specialised search providers and 5.65 to 5.70 for social media platforms.

5.210 Recent advances have enabled the emergence of AI assistants which provide new ways for users to interact with products including general search. Use of these AI assistants has grown quickly and one of the possible use cases for AI assistants is as an alternative to Google's general search products. ChatGPT and Perplexity in particular have intentions to compete with Google's general search products (see paragraph 5.45 to 5.46). Google is [✂] (paragraph 5.36).

5.211 However, at this stage, the use of AI assistants is very low when compared to Google's general search products.[656] Furthermore, AI assistants have a wide range of possible uses, only some of which could overlap with Google's general search products (for example paragraphs 5.37, 5.41 and 5.42). There is significant uncertainty as to how use of these products will evolve[657] and at this stage the evidence indicates that they are currently a limited alternative to Google's general search products (paragraphs 5.37 and 5.38). We have further considered the competitive threat from AI assistants as part of our forward-looking assessment below.

5.212 Similarly, Google's search advertising currently has, and has persistently had, a strong position facing limited competitive constraints.

---

[654] See paragraphs 5.21-5.31.
[655] Google's consolidated response to the CMA's RFI.
[656] In December 2024 the volume of queries to AI assistants was equivalent to about [0-10]% of the volume of queries to Google's general search products. CMA analysis of parties' data.
[657] Google has also recognised the early stage of the development of AI assistants stating that generative AI "is a nascent space" at an early stage of development and adoption". Google's consolidated response to the CMA's RFI.

5.213 As with general search, other traditional general search providers are significantly smaller than Google in search advertising and this has been the case for many years. Google has accounted for over [90-100]% of UK search advertising by traditional general search providers since at least 2015[658] and Google has continued to grow its real search advertising revenues throughout this period.[659] Microsoft's Bing is the best alternative to Google's search advertising, but it currently exerts a limited competitive constraint (paragraphs 5.100 to 5.104). In particular, Bing's significantly smaller scale in general search substantially limits the extent to which Microsoft can attract advertisers and hence compete with Google for search advertising budgets. Consequently, our view is that alternative traditional search providers are at most a limited competitive constraint on Google's search advertising.

5.214 Google has submitted that specialised search providers are also an alternative to its search advertising.[660] There is some evidence of specialised search providers, particularly Amazon, being an alternative to Google's search advertising (see paragraphs 5.110 to 5.111). However, overall the evidence shows that specialised search providers are a limited alternative to Google's search advertising because:

(a) Specialised search providers only focus on specific sectors meaning that they are not a viable alternative for many advertisers (paragraph 5.107);

(b) Even where a specialised search provider could be an option, many third parties did not view them as an alternative to Google's search advertising, eg because of their more limited reach, and some viewed specialised search providers as complementary to Google's search advertising (paragraph 5.108 and 5.110);

(c) [✂] (paragraph 5.111). [✂] (paragraph 5.112).

(d) The overall evidence did not indicate that Google faces materially stronger competition in relation to shopping adverts (where it is plausible that specialised search providers are a better alternative) than in relation to search advertising generally (paragraphs 5.114 to 5.117.)

5.215 Google also submitted that social media platforms are an alternative to its search advertising.[661] The evidence shows that display advertising (which includes social media platforms) is not an effective alternative to Google's search advertising. In particular, many third parties indicated that it was not directly substitutable for

[658] See Figure 5.4 for data from 2015-2024.
[659] See paragraph 5.97, where we discuss how Google's real cost-per-click has declined in this between 2017 and 2024 and paragraph 5.98 where we discuss how it is unclear what conclusions can be drawn from this observation.
[660] Google's consolidated response to the CMA's RFI.
[661] This represents an indicative subset of the full competitors listed by Google in this category. The full list of competitors in this category is available in Google's consolidated response to the CMA's RFI.

Google's search advertising with some indicating that it could be complementary This is consistent with Google's internal documents [✂] (paragraph 5.119(d)).

5.216 Finally, at this stage AI assistants do not offer advertising and therefore are not an alternative to Google's search advertising. We have further considered the competitive threat from AI assistants as part of our forward-looking assessment below.

5.217 An important factor in the persistence of the strong position of Google's general search and search advertising products is the existence of a number of significant barriers to entry and expansion. In particular:

(a) Google's extensive wider ecosystem provides it with access to data with which it can tailor its search products in ways that others cannot (paragraph 5.133 and 5.156). This wider ecosystem (specifically control of Chrome and Android) provides Google with influence over some important access points to users (paragraph 5.143)

(b) Google continues to hold significant default positions, especially in relation to Apple devices (including in the UK), as a result of significant payments to Apple that Google has been willing and able to make over many years while continuing to be highly profitable. Google continues to hold significant default positions also on Android devices in the US and the Chrome browser on desktop devices. In cases where users are presented with a choice regarding their default, the data indicates that Google continues to be overwhelmingly set as the default. These factors significantly affect the ability of alternatives to access users and to achieve scale (see paragraphs 5.139 to 5.154).

(c) Access to different sources of data, including search infrastructure data, click-and query data, and data from a wider ecosystem of products, continues to be an important factor affecting the ability of others to compete effectively with Google's general search services (see paragraphs 5.161 to 5.170).

(d) Competitors face a number of barriers in building and running search infrastructure, including both financial and technical barriers. As a result, only a few of them operate search infrastructure which is a fraction of the size of Google's, while most traditional general search providers syndicate organic results and/or search advertising which limits their ability to expand (see paragraphs 5.171 to 5.178).

(e) Competitors also face barriers to effectively monetise their general search products due to their limited reach on the user side which make them less attractive alternatives to Google's search advertising (paragraphs 5.179 to 5.183).

5.218 Furthermore, Google's strong positions in each of general search and search advertising reinforce one another (paragraph 5.185), In particular, attracting more users of general search provides Google with scale which attracts advertisers to its search advertising. More users and advertisers provides Google with more data with which to refine its organic search results and to target adverts. This improves Google's ability to monetise its general search services, which then allows Google to make investments, eg in search infrastructure and payments for default status to search access point owners such as Apple. These investments then allow Google to maintain scale creating a virtuous cycle. As a result, we found that Google was able to earn at least £3-4 billion of profits in 2024 from its UK general search services over and above a return based on Google's estimate of the WACC for the Alphabet Group of [10-15]%.[662]

5.219 Overall, our provisional view is that the combination of the currently strong position of Google's general search and search advertising products and the way in which these positions reinforce each other means that Google currently has a position of **substantial market power** in respect of general search services.

5.220 The persistence of the position of Google's general search services and the scale of the barriers to entry and expansion described above are consistent with Google having entrenched market power in respect of general search services. In this context, significant changes in the competitive dynamics would be required to significantly impact Google's strong and established position and to dissipate Google's substantial market power in general search services the next five years. Therefore, we have considered whether there are any expected or foreseeable developments that may lead to such outcome.

5.221 Our current view is that, although there are a number of possible regulatory developments, each of these developments and their possible impact on Google's general search services in the UK is highly uncertain (paragraphs 5.197 to 5.204).

5.222 As we have described above, AI assistants have developed more recently and Google has responded to the competitive threat to its general search services from these new products. However, at this stage use of AI assistants is very low compared to use of Google's general search products. Furthermore, AI assistants have a number of use cases, of which being an alternative to Google's general search services is only one. It is currently uncertain which of these use cases will be adopted and it is currently unclear how AI assistants will monetise any alternatives to Google's general search services and indeed whether they will be able to successfully do so. Therefore, the degree to which AI assistants will

[662] CMA analysis of: Google's consolidated response to the CMA's RFI; and Alphabet Inc.'s consolidated financial statements, which can be found on pages 48-91 of Form 10-K for Alphabet INC filed 02/05/2025.

develop into an effective alternative to Google's general search services is highly uncertain.

5.223 Furthermore, Google is well-positioned to ensure that AI assistants do not develop into a more sustained and significant competitive constraint to its general search services. Indeed, developments in generative AI could also strengthen Google's position. Google is able to incorporate generative AI features (such as AI Overviews and AI Mode) directly into its existing products which users are already familiar with using. This contrasts with AI assistants which must encourage users to switch to their products. For example, Google's AI Overviews are displayed in response to more queries in the UK than queries ChatGPT received.[663]

5.224 AI assistants must also overcome many of the barriers to entry which apply to traditional general search providers if they are to become an effective alternative to Google. In particular, AI assistants will need to incur the costs of developing and maintaining the necessary infrastructure, face similar barriers to distribution and volume and range of data and therefore similar challenges to achieving scale. In particular, increasing personalisation of search products ([✂]) may affect the ability of AI assistants to grow for general search use cases given the narrow ecosystem of products that these providers have compared to Google's.

5.225 Additionally, if substantial numbers of users begin to use AI assistants for general search use cases, then Google has also developed the Gemini AI assistant which can compete more directly with AI assistants such as ChatGPT. Gemini AI assistant can benefit from access to Google's general search services (eg via the Search API) and integration with Google Android in ways that are not available to others, meaning that there are material barriers to competition faced by other suppliers that do not apply to Google.

5.226 For these reasons we consider that, although AI assistants represent a competitive threat to Google's general search services and one which Google is responding to, at this stage it is unclear that AI assistants will develop to become a sustained and significant competitor to Google's general search services. Furthermore, it is also uncertain whether these developments will strengthen Google's position given its strategy to embed generative AI into its existing products with a large user base as well as the development and launch of Gemini AI assistant.

5.227 There is no clear and convincing evidence that indicates that other developments are likely to dissipate Google's market power in general search services in the next five years. [✂].

[663] And noting that this includes queries to ChatGPT across all use cases and not just use cases where Google's general search products could be an alternative.

5.228 Therefore, our provisional view is that Google's substantial market power in general search services is **entrenched** as at this stage there is no clear and convincing evidence that Google's current position of substantial market power will likely dissipate over the next five years.[664]

5.229 For these reasons and on the basis of the above, our provisional view is that Google has substantial and entrenched market power in respect of general search services.

Position of strategic significance

5.230 As explained above, the SMS conditions are that the undertaking has:[665]

(a) substantial and entrenched market power; and

(b) a position of strategic significance,

in respect of the digital activity.

5.231 Both conditions must be met for the CMA to designate an undertaking as having SMS. In this section we assess whether Google has a position of strategic significance in general search services.

5.232 An undertaking has a position of strategic significance in respect of a digital activity where one or more of the following conditions is met:[666]

(a) the undertaking has achieved a position of significant size or scale in respect of the digital activity;[667]

(b) a significant number of other undertakings use the digital activity as carried out by the undertaking in carrying on their business;

(c) the undertaking's position in respect of the digital activity would allow it to extend its market power to a range of other activities;

(d) the undertaking's position in respect of the digital activity allows it to determine or substantially influence the ways in which other undertakings conduct themselves, in respect of the digital activity or otherwise.

---

[664] Digital markets competition regime guidance, December 2024 (CMA194), paragraph 2.62.
[665] Section 2(2) of the Act.
[666] Section 6 of the Act.
[667] A position of significant size could refer to the number of users in relation to the relevant digital activity. A position of significant size or scale may also depend on the undertaking's size relative to the digital activity. There is no quantitative threshold for when size or scale can be considered 'significant'. Explanatory notes to the Act, paragraph 114. See also CMA194, paragraph 2.70.

5.233 Our guidance provides further details as to how the CMA will assess each condition.[668]

Our provisional assessment

5.234 We provisionally consider that Google has a position of strategic significance in respect of general search services, because we consider that at least the first two conditions (significant size or scale and a significant number of other undertakings using the digital activity), either of which would suffice, are satisfied. This is on the basis of the evidence described below which we consider shows that:

(a) Google's general search services are used on a daily basis by a very large number of users (eg as a means of navigating the Internet) and businesses in the UK (eg as a means of reaching those users); and

(b) Google's general search services are important to a wide range and large number of other businesses in the UK.

5.235 While we have received evidence indicating that the third and fourth factors may also be satisfied,[669] given the above provisional finding, and since only one factor is sufficient, we have not considered the third and fourth factors in detail.

Significant size or scale

5.236 Our guidance notes that there is no quantitative threshold for when size or scale can be considered 'significant'. This condition can be assessed using a range of absolute or relative metrics, which could include the number of users, number of purchases or transactions made, and the revenue generated from the digital activity.[670]

5.237 A very large proportion of the UK population uses Google's general search products multiple times on a daily basis with Google acting as the gateway to the Internet for many people.[671] For example:

(a) In 2024, UK users inputted a total of [100-300] billion queries on Google's general search products, meaning an average of just over [5-10] daily queries per UK citizen.[672, 673] As set out paragraph 5.16 above, Google had a

---

[668] CMA194, paragraphs 2.68-2.75.
[669] Ie that Google's position in respect of general search services (a) would allow it to extend its market power to a range of other activities and (b) allows it to determine or substantially influence the ways in which other undertakings conduct themselves, in respect of the digital activity or otherwise.
[670] CMA194, paragraphs 2.68-2.70. See also explanatory notes to the Act, paragraph 114.
[671] As set out in the US Search Litigation. See, *United States and State of Colorado v Google LLC*, memorandum opinion of 5 August 2024, page 140. pr24-59-Google.pdf
[672] Google's consolidated response to the CMA's RFI.
[673] Based on a UK population estimate of 68,265,200 for mid-2023. See: ONS, 'United Kingdom population mid-year estimate, 08 October 2024, accessed by the CMA on 03 April 2024. United Kingdom population mid-year estimate - Office for National Statistics

share of more than [90-100]% of all UK queries for traditional general search providers in 2024.[674]

(b) In the UK in December 2024, Google had more than [60-70] million logged-in users of its general search services on mobile and just under [20-30] million logged-in users on desktop.[675] This is significantly greater than Bing's logged-in users on both mobile (under [0-5] million) and desktop (around [10-20] million).[676] Although a single individual may account for multiple logged-in users,[677] to put these figures into context, in mid-2023 the UK population was around 68 million.[678]

(c) Ofcom found that Google Search remains the highest-reaching search engine, reaching 83% of UK online adults in May 2024, with just under half (49%) visiting the search engine daily.[679]

5.238 A significant proportion of UK businesses use Google's search advertising, and a significant proportion of the UK population is exposed to Google's search advertising on a daily basis:

(a) In 2024, just over [800-900] billion search advertisements were displayed by Google in the UK. Further, in 2024 approximately [40-50] billion responses to Google general search queries displayed at least one search advertisement, generating approximately [20-30] billion search advertising clicks for Google.[680] This equates to an average of around [20-30] Google search advertising clicks per person per month in the UK in 2024.[681] In comparison approximately [500-1000] million Bing search advertisements were clicked on in 2024.[682] This equates to an average of just under [0-5] Bing search advertisement click person per month in the UK in 2024.[683]

---

[674] See paragraph 5.16
[675] Google's consolidated response to the CMA's RFI.
[676] Microsoft's response to the CMA's RFI.
[677] Logged-in users is an imperfect, but the best available, measure of the total number of individuals using Google Search in the UK. It is imperfect because (a) individuals can use Google Search without being logged-in (leading logged-in users to underestimate the total number of users) and (b) a single individual may account for multiple logged-in users (leading logged-in users to overestimate the total number of users).
[678] ONS, 'United Kingdom population mid-year estimate, 08 October 2024, accessed by the CMA on 03 April 2025. United Kingdom population mid-year estimate - Office for National Statistics
[679] Ofcom, 'Online Nation – 2024 Report', published on Ofcom.org.uk, dated 28 November 2024, accessed by the CMA on 24 April 2025. Online Nation 2024 report
[680] In 2024, the number of clicks was [✂]% of the number of queries that displayed an ad. In comparison, [20-30] billion adverts were displayed on Bing in 2024, with [500-1000] million clicks in the same period. CMA analysis of Parties' data.
[681] Based on a UK population estimate of 68,265,200 for mid-2023. See: ONS, 'United Kingdom population mid-year estimate, 08 October 2024, accessed by the CMA on 03 April 2024. United Kingdom population mid-year estimate - Office for National Statistics
[682] Microsoft's response to the CMA's RFI.
[683] Based on a UK population estimate of 68,265,200 for mid-2023. See: ONS, 'United Kingdom population mid-year estimate, 08 October 2024, accessed by the CMA on 03 April 2024. United Kingdom population mid-year estimate - Office for National Statistics

(b) In 2024, around [200,000-300,000] unique entities advertised using Google's search advertising in the UK.[684] If each of these entities is a unique business then this is equivalent to [10-15]% of all UK businesses.[685]

(c) Google has generated substantial revenues from its general search services. In 2024, Google generated £[10-20] billion of search advertising revenue from users in the UK, which is significantly greater than the search advertising revenue generated by Bing in 2024 (£[500-600] million).[686] As shown in Figure 5.4, Google accounts for more than [90-100]% of UK search advertising by providers of general search.[687] The cost of Google's search advertising in the UK is equivalent to nearly £400 per household per year.[688]

5.239 The extent to which people and businesses use Google's general search products, as described above, means that Google's actions can have significant impacts on virtually all people and businesses in the UK. We therefore provisionally consider that Google has a position of significant size and scale in respect of general search services.

A significant number of other firms use Google's general search services

5.240 Our guidance explains that this condition can be assessed, for example, by reference to the number of businesses, products and services 'hosted' on the firm's platform, and/or the proportion of other firms' sales it facilitates.[689]

5.241 Google's general search services are an important means by which other firms, across a wide variety of sectors, access customers, facilitate transactions, and therefore carry out their business. For instance:

(a) As set out in paragraph 5.238(b) above, a significant proportion of UK businesses use Google's search advertising. In 2024, around [200,000-300,000] unique entities use Google's search advertising in the UK.[690]

(b) Google submitted that Google Search is a 'vital resource for UK businesses of all sizes' and that 'Google Search and Google Ads have helped UK business export over £20 billion worth of goods and services across the world annually'.[691]

---

[684] Google's consolidated response to the CMA's RFI.
[685] Based on the number of businesses in the UK registered for VAT and/or PAYE, as of March 2024 (2.72 million). See: ONS, 'UK business; activity, size and location: 2024', 25 September 2024, accessed by the CMA on 10 April 2025. UK business; activity, size and location - Office for National Statistics
[686] Google's consolidated response to the CMA's RFI. Microsoft's response to the CMA's RFI.
[687] Google's consolidated response to the CMA's RFI. Bing's response to the CMA's RFI.
[688] CMA analysis of Google's internal data and ONS 'Families and households'.
[689] CMA194, paragraphs 2.71-2.72. See also explanatory notes to the Act, paragraph 115.
[690] Google's consolidated response to the CMA's RFI.
[691] Google's response to the CMA's RFI.

(c) Google has developed a wide range of features for its general search services that facilitate users' interactions and business transactions. These features cover a wide variety of different industries, showing that Google is an important route to customers for businesses across the economy. For example, Google has developed the following features (several of which it also offers as products in their own right) that it has incorporated into its general search services (eg via the SERP):

(i) Google Maps, a mapping service, which is important for a range of local businesses such as restaurants.[692]

(ii) Similarly, Google also has developed a feature that lists local businesses related to a specific query or location. This feature displays essential information such as business names, addresses, phone numbers and reviews.[693]

(iii) Google Flights and Google Hotel Finder, respectively flight comparison and hotel comparison tools.[694]

(iv) Google Shopping for retailers.[695]

(d) In 2024, the top 10 sectors receiving traffic from Google's general search services in the UK covered a wide variety of different areas including [✂]. These sectors were responsible for just over [✂] of all Google's UK queries in 2024.[696]

(e) Google is also an important source of traffic for specialised search providers, although this varies significantly depending on the sectors in which these providers are active. On average, specialised search providers rely on Google for a significant part of their traffic ([30-40]% in 2024).[697]

(f) Finally, we have also received evidence that changes to Google's general search services (eg changes to the display of the SERP) can have significant impacts on a range of businesses. For example, we received several [✂] responses to our ITC from specialised search services and associated trade associations[698] who expressed concern about Google's ability to provide

---

[692] Google, 'A look back at 15 years of mapping the world' 06 February 2020, accessed by the CMA on 08 April 2025. Google Maps' biggest moments over the past 15 years
[693] TDMP, 'A guide to Google's 2024 SERP features & how to appear for them', 02 October 2024, accessed by the CMA on 09 April 2025. A Guide to Google's 2024 SERP features - and how to appear for them | TDMP
[694] Online platforms and digital advertising market study, July 2019 (DAMS), paragraph 3.129.
[695] CED Commerce, 'The A – Z of Google Shopping History', 27 September 2021, accessed by the CMA on 08 April 2025. Google Shopping History: Story of Google for Shopping
[696] Google's consolidated response to the CMA's RFI. The full list is (percentage of Google Search's total UK traffic in brackets): [✂].
[697] See [✂] responses to the CMA's RFI.
[698] See 4 responses to invitation comment dated 14 January 2025: Skyscanner, Checkatrade, [✂] and AITO. SMS investigation into Google's general search and search advertising services - GOV.UK

more favourable treatment to its own specialist search services through the design of its SERP and the manipulation of the ranking of results appearing on the SERP. Similarly, a majority of [✂] specialised search providers[699] we spoke to indicated that changes to the presentation of Google's SERP have had an impact on either user behaviour or click-through rates in relation to their products in the last five years. The *Google Shopping* case also provided evidence of how changes to Google's SERP can have significant effects on the traffic received by third parties.[700]

5.242 The importance of Google's general search services as a means by which businesses from a wide range of sectors reach consumers and the impact that changes made by Google can have on these businesses can reduce certainty of businesses and affect their incentives to invest.

5.243 We therefore provisionally consider that a significant number of other undertakings use Google's general search services in carrying on their business.

[699] See [✂] responses to the CMA's RFI.
[700] *Google and Alphabet v Commission (Google Shopping)*, C-48/22 P, ECLI:EU:C:2024:72, section 7.2.3. 39740_14996_3.pdf

6. NEXT STEPS

6.1 For the reasons set out in this document, we propose to designate Google as having strategic market status in respect of the provision of general search services.

6.2 We invite Google and other interested parties to comment on our proposed decision before we make our final decision.[701] Anyone wishing to do so should submit their views in writing to searchsms@cma.gov.uk by no later than **5pm (UK time) on 22 July 2025**.

6.3 Google, as the subject of this SMS investigation, will have the opportunity to make oral representations on this proposed decision.

6.4 We will consider any responses, evidence and representations we receive before taking the final decision by the statutory deadline of 13 October 2025.

[701] Under section 13(1) of the Act, the CMA has a duty to carry out a public consultation on any decision that it is considering making as a result of an SMS investigation.