

**Competition and Markets Authority**  
**By email: [searchsms@cma.gov.uk](mailto:searchsms@cma.gov.uk)**

## **Consultation on SMS investigation into Google's general search and search advertising services (non – confidential version)**

To whom it may concern,

Trainline welcomes the opportunity to share a response on the proposed designation decision and corresponding roadmap by the Competition and Markets Authority's (the "**CMA**") of strategic market status for Google's general search services under the Digital Markets, Competition and Consumers Act (the "**Act**").

Trainline is a British listed tech innovator, offering customers around the world a leading independent travel platform to purchase rail & coach tickets from over 270 operators across 40 countries. Through our highly rated website and mobile app, people can seamlessly search, book and manage their journeys all in one place. We help customers find the best value fares for their journey, alongside smart, real time travel information. Independent online retailers like Trainline play a crucial role in driving the transition to sustainable mobility, expanding consumer choice and driving economic growth, due to substantial investment in digitalisation, innovation and online marketing.

For Trainline, like many other independent retailers, this includes significant investment on performance marketing and advertising to ensure visibility on the Google search engine results page (SERP), crucial to its viability in a market already plagued by an imbalance of competitive power held by train operating companies. General search engines remain an important means of customer acquisition for third parties.

Like many digital businesses seeking opportunities to grow in the UK and beyond, Trainline is encouraged by the potential of the Act to create a more level playing field and introduce

accountability for anti-competitive behaviour by dominant platforms which otherwise has the potential to stifle British tech innovation; such behaviour not only endangers the future of competition in rail but also constrains innovation for consumers. Based on Trainline's experience to date with the parallel EU process via the Digital Markets Act, it is imperative the CMA leverage the enhanced enforcement toolkit provided by the Act to ensure not only contestability in general search as we know it today but also forward looking as AI fundamentally shifts the landscape.

### **Strategic market status ("SMS") & Proposed Scope**

Trainline believes that effective regulation is essential to incentivizing investment and innovation – when used correctly, strong and interventionist regulation can create certainty for investment, promote healthy competition and support growth when entities with SMS threaten to overtake the market. This must also of course sit in parallel without undue burden and introducing complexity.

A consequence of successful utilisation of the powers granted by the Act is to redress the balance between SMS and challenger firms to ensure a level playing field in which challenger firms can fairly compete, driving innovation and investment in the market which ultimately benefits consumers. Sustained investment and innovation in the UK digital markets is only possible with effective safeguards on competition.

Trainline is therefore generally aligned with the proposed scope of the designation and the due consideration it gave to the breadth of impact of Google's size and influence on the consumer but also the broader ecosystem; we would like to highlight a few additional points for consideration.

### **Evolution of SERP**

Trainline supports the definition of general search as proposed in the designation, in particular the inclusion of paid results, specialized search services links, videos, maps and AI Overview/AI Mode; however we also re-emphasize two points noted by others: (i) the importance of search advertising as a combined digital activity with search and (ii) the distinction between specialized and general search and the importance of capturing in scope any of Google's specialized search services which appear on the SERP (like Google Trains or Google Flights), beyond just links to such services. On (i), Trainline supports the updated focus on substantive purpose rather than technical manifestation of search advertising as a digital activity, as it will enable future flexibility as search and ad tech continue to evolve.

On (ii), the disintermediation risk for third party specialized search services which compete with Google's own channels remains a material challenge given its SMS status. When searching for a specific train route on Google Search, users are now shown a module - a box which lists

available rail travel options including: the corresponding rail carrier logo, journey planning information such as duration/date/time/station, booking options and for some routes, prices. The module contains a mix of direct carrier booking options from train operating companies together with independent third party retailers. Rollout of the module appears phased, with varying levels of functionality and availability across Europe and the user experience is also quite variable. The module is unable to provide critical information and may list journey combinations that don't reflect minimum connecting times, suggesting journeys which are practically unfeasible and offer limited protections for the customer. It also lacks the ability to accurately display the unique journey combinations and price savings offered by third party retailers like Trainline. Overall, it reduces consumer choice, brings organic results even further from view, sometimes removing them completely and leaving the user only with the module and paid advertising. The module performs the same primary function as Trainline by providing a very specific response to the search query of how/where/when a passenger can travel. This goes beyond a general search result, which would simply direct the user to direct and indirect booking options best equipped to address their query.

The proposed decision would benefit from greater clarity on the interplay of Google's standalone specialized search services (currently outside the scope) when such services appear and are preferenced on the SERP to the detriment of third party services.

### **The Relationship between AI and General Search**

Trainline welcomes the forward looking ambition of the Act to consider the implications of AI on search and Google's SMS designation. The inclusion of AI Overview and AI Mode within the scope of the designation would accurately reflect the increasing role the functionality plays in Google's general search infrastructure today and the overall objective to retain consumers on the SERP for as long as possible rather than directing them to the appropriate site or publisher. This is reflected as well in the unanimous support for inclusion as part of the ITC response.

While Trainline acknowledges the relative nascency of AI Assistants in search queries – the pace of change in consumer behaviour is undeniable and must be noted. The pivot to AI as a search replacement is happening at an incredible rate across the industry. It may be premature to include Gemini in scope but further investigation must be conducted to understand the impact of AI assistants on search, customer relationship and the overall digital economy; Trainline would welcome the opportunity to further engage on this important topic. The Act must be used as a vehicle to protect the UK digital economy from another future winner take all scenario that results in a further decrease or abandonment of local innovation.