

# **CMA'S STRATEGIC MARKET STATUS INVESTIGATION INTO GOOGLE'S PROVISION OF GENERAL SEARCH SERVICES**

## **Summary of Oral Representations made by Google on 28 July 2025 from 3:30pm to 6pm**

### **Introduction**

1. The purpose of the meeting was to provide an opportunity for Google to make oral representations to the Digital Markets Board Committee sub-committee on its Proposed Decision (PD) in respect of its current strategic market status (SMS) investigation into Google's provision of general search services.

### **Overarching points**

2. Google noted that the boundaries of any designation in general search services were important as they would be the foundation of the next steps on conduct requirements and had resource implications for Google. Google expressed that it does not want the designation to disadvantage it unfairly compared to its peers, with whom Google submitted that it is competing vigorously.
3. Google stated that it is enthusiastic about the promise of the UK regime being targeted, proportionate and predictable. Google noted that this will support its investment in the UK and will enable Google to release, at pace, cutting edge features within the UK.

### **General search – Scope of designation**

4. Google broadly agreed with the provisional conclusions set out in the PD in relation to general search, subject to a few areas in which it considered that the scope could be refined.
5. Google confirmed that the CMA's description of general search is largely correct. Google explained that it agrees with the CMA's view that AI Overviews and AI Mode are part of Google Search and as such are within scope of any potential designation. Google also agreed that Gemini AI assistant is distinct from Google Search and should not fall within the scope of any designation. In support of these conclusions, Google highlighted differences in the use cases that these products address, in the ways they are branded, in their access and monetisation and how they interact with Google's search infrastructure.

6. Google considered that additional precision is needed in terms of the scope of designation in relation to the following areas:
- the PD's definition of general search should be limited to services whose 'primary purpose' is general search;
  - any re-assessment of whether Gemini AI assistant falls within the scope of designation should be made on the basis of the same factors the CMA used in reaching its provisional conclusion, as set out in the PD, that Gemini AI assistant should currently be excluded from the scope of any designation. Any reassessment of Gemini AI assistant should further be done in light of persuasive evidence of changes in those relevant factors, and on the basis of factors related to Gemini AI assistant's status as a standalone service.

### **General search – substantial and entrenched market power (SEMP) assessment**

7. Google stated that it disagrees with the PD's analysis of defaults, which it does not consider to be a barrier to entry for general search in the UK, including for AI assistants. Google stated that the PD:
- fails to take proper account of user choice (including choice screens presented on Android devices and the distinction to be made for Android between pre-installation agreements as opposed to default agreements) and users choosing Google because it offers a high quality product;
  - overstates the difficulty of switching (including because the CMA's consumer survey did not account for the existence of the Android choice screen and evidence of switching on Windows devices where Bing is the default); and
  - does not sufficiently account for broader market changes (eg the rise of AI assistants which Google argued have grown rapidly, secured significant funding and won distribution deals in the UK - Google argued the PD does not address this in the context of barriers to entry).
8. Google argued that the PD's claims that access to data presents a barrier to entry are overstated in relation to general search, and are particularly inapplicable to AI assistants, which have been able to grow, innovate and ground their models successfully.
9. Google stated that any findings on defaults or data as a barrier to entry should explicitly not extend to AI assistants, for which it argues there is no compelling evidence.

## **Syndication – scope of designation**

10. Google argued that its syndication products were distinct from general search, since they offer a business-to-business (B2B) enterprise service to publishers, not end-users. Google further stated that the majority of the use of syndication services in the UK is not for general web search but for site-specific search functions.
11. Google argued that its search syndication services (Programmable Search Engine (ProSE) and Web Search Syndication (WSS)) do not meet the description of general search in the PD. It argued that these products provide a technical component of search to other businesses via an application programming interface, but not general search.
12. Google stated that its ads syndication service (AdSense for Search) is a B2B product which allows websites (not just general search websites) to include advertising slots on their own websites within their specifications and Google shares in the revenue if a user clicks on one of these search ads. Google argued this does not fit within the description of search advertising in the PD. Moreover, Google stated that advertisers had a distinct option whether to feature their ad on the Search Partner Network and therefore evaluated its performance separately from ads featured on Google Search.
13. Google argued that if the CMA applied the same criteria as it had in the PD in relation to Gemini AI assistant, then Google's syndication products should similarly be excluded. Google also stated that if its proposed 'primary purpose' test were to be considered for Google's syndication products, the CMA would conclude that these products should be excluded from the scope of any designation.

## **Syndication – SEMP assessment**

14. Google stated that whilst the CMA included Google's syndication products within the scope of the PD, it did not adequately take account of Google's market position for these products within its SEMP analysis.
15. Google highlighted the presence of competitive alternatives and new entrants in search and search ads syndication. Google argued it does not have SEMP in syndication based on its share of supply in the UK; that customers use multiple suppliers; and the relatively small size of its syndication business compared to its search advertising business in the UK.

## **Search advertising – SEMP assessment**

16. Google noted that it is incentivised to display search ads in a way that is beneficial for both end users and advertisers, as otherwise end users can become blind to ads (i.e. choosing not to click on them).
17. Google stated that it considers that the PD makes some factual errors in assessing competition in search advertising. This included how the CMA considers advertisers' return on investment (ROI), references to ad load (the share of queries which show an ad) vs ad depth (how many ads are shown for a query), cost-per-click, click-through rates (likelihood that a user clicks on an ad) and increases in ad revenue.
18. In particular, Google argued that high ROI is not a sign of market power but of quality and advertiser preference: Google submitted that if market power led to uncompetitive outcomes, ROI would decline over time, which is not observed in Google's data.
19. Google observed that real average cost-per-click has remained stable. Google stated that the increase seen in revenue per query or increased click-through rates are due to showing better, higher quality ads, with a higher ROI for advertisers, not due to ad load and ad depth, neither of which had increased. Google presented data showing an improvement in how long end users spend on landing pages for ads to support this.