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Summary on the European Commission's decision of 27th June, related to Google's abuse of dominance in the case of Google Shopping

On 27 June 2017, the European Commission fined Google 2,42 billion EUR for breaching EU antitrust rules. According to the Commission, Google abused its market dominance as a search engine by promoting its own comparison shopping tool service in its search results and demoting those of competitors. The Commission requires from Google to respect the principle of equal treatment in its search results for its own comparison shopping product and rival comparison shopping products. Google has 90 days to stop the illegal conduct and ensure equal treatment. Google will have to report regularly to the Commission, which will monitor Google's compliance.

The decision concluded that **Google is dominant** in each national European Economic Area (EEA) market for general internet search, with market shares exceeding 90% in most countries. Market dominance as such is not illegal under EU antitrust rules. However, dominant players have a special responsibility not to abuse their market position by restricting competition, either in the market where they are dominant or in separate markets.

Regarding Google Shopping, Google has given prominent placement to its own comparison shopping service at the top of the search results, not being subject to Google's generic search result algorithms. On the other hand, rival comparison shopping services have been subject to Google's generic search algorithms or to demotions as such, thus making them appear much further below on search results pages. The Commission states that this is not competition on the merits and is illegal under EU antitrust rules and is also detrimental to European consumers.

The Commission confirmed the **evidence that consumers click far more often on results that are more visible**, i.e. the results appearing higher up in Google's search results. Even on desktop, the ten highest-ranking generic search results on page 1 together generally receive 95% of all clicks on generic search results, with the top result receiving about 35% of all clicks. Thus with the different treatment of the own versus the competitor comparison shopping services, Google has given significant advantage to its own service.

The **Commission continuous to examine Google treatment in its search results of other specialised Google search services as well**. This decision is a precedent decision in the online search and comparison market, however, each market shall be assessed in a case-specific analysis.

ETTSA, the European Trade association grouping major travel technology companies (e.g. Expedia), <u>welcomed the Commission's decision</u> and said that the Commission shall require Google to leverage its dominant position in general search services into other vertical search markets as well, i.e. travel search.