



**Düsseldorf Institute
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(Online) Search and Competition

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The Google Case(s) - Allegations

- **Search Bias:** Organic search results are biased so that Google's own content (youtube, Google Maps, Google Shopping etc.) are favoured,
- **Google shopping is advertised too heavily/prominently in response to generic search questions,**
- Google is a gatekeeper/essential facility/bottleneck/unavoidable trading partner – question of linkage dominance?
- Original search data is not accessible for competitors (scale economies as a barrier to entry? – how important are scale economies?)
- Google makes it difficult for other search engines to access/index Google content (such as youtube, Google books etc.),
- Displacement of vertical (specialised) search engines,
- Barriers against multi-homing of advertising clients,
- **Google products are used as default on various devices (in combination with Android).**

Does Google have a dominant position?

European Commission: “Google has a dominant position in providing general online search services throughout the EEA, with market shares above 90% in most EEA countries.”

Search Engine	USA	GER	UK	FRA	Japan	China	RUS	AUS
Google	71.0%	97.0%	93.0%	96.0%	38.0%	24.6%	34.5%	92.8%
Yahoo!	14.5%	1.0%	2.1%	1.3%	51.0%	-	-	2.3%
Bing	9.8%	1.2%	3.5%	2.1%	-	-	-	3.2%
Baidu	-	-	-	-	-	73.0%	-	-
Yandex						-	62.0%	-
Other	4.7%	0.9%	1.5%	0.6%	11.0%	3.4%	3.5%	1.7%

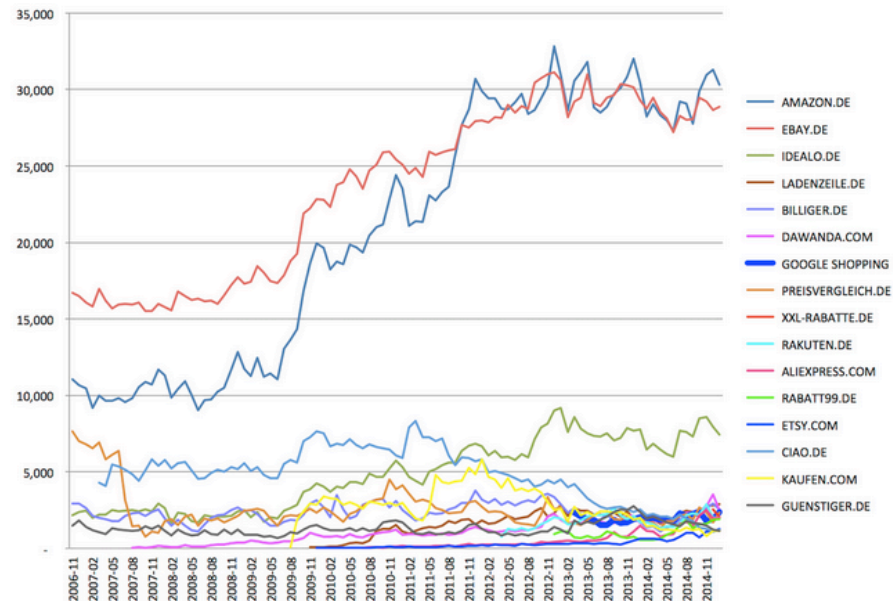
Market Definition for Search Engines

- Of course, Google is a multi-sided market / platform,
- Users (who search) and webpages are not charged any money (for generic search), which makes the SSNIP test practically impossible,
- Is there a distinct product market for general search? How would consumers substitute away from Google? (interchangeability)
- Are Amazon, Wikipedia, IMDb, eBay, Facebook, LinkedIn, booking.com, inomics etc, search engines?
- Do people search for webpages (“general search”) or do they search for information (or entertainment) (“content sites”)?
- The Commission focuses on technical aspects (e.g., in general versus specialised search) when delineating the market rather than (potential) consumer behaviour.

The Market for Comparison Shopping Services

- Comparison shopping services versus specialised search services
- Comparison shopping services versus online retailers
- Comparison shopping services versus merchant platforms /market places

Shopping Sites in Germany (unique visitors, '000s)



Abuse in the Market for Comparison Shopping Services

- Is displaying (effective) advertisements for Google shopping abusive?
- Crucial: What is the consumers' view? Do they realise this is advertisement? – Consumer protection versus competition policy
- Is Google shopping an essential facility / bottleneck?
- Why has the European Commission picked Google Shopping as its showcase against Google?

Does Google bias (generic) search results?

- Of course, this is utterly difficult to determine.
- But: At least at the margin Google should have an incentive to favour its own content / web pages.
- Has a used car dealer incentives to tell you the truth, the whole truth and nothing but the truth?
- But: Google's incentives to bias search results may actually be lower than those of its rivals.
- In principle, larger search engines probably have lower incentives to bias their results as it will be discovered and spread more easily (thru media coverage etc.) (who is interested in a tiny little webpage biasing results? – unlikely to be widely reported)

Potential Remedies

- Requirement to display other comparison shopping sites / online market places in the same way as Google Shopping (free of charge?),
- Vertical separation: Require Google to sell youtube etc. and do not provide any content (Q: Is Amazon dominant in the market for book searches?),
- Access to (anonymised) historical search data,
- Search neutrality,
- The great search regulator,
- Independent ombudsperson,
- Government-owned search engines,
- Increased transparency (for links to Google content).

Conclusions

- Unclear whether a distinct market for generic search exists.
- (Potential) substitution between generic and vertical search not clear.
- Also unclear why market places are not substitutes for comparison shopping sites.
- Dominance of Google shopping is not unambiguous.
- But: Incentive to bias search should exist, at least at the margin, but not necessarily a competition law problem (rather consumer protection).
- Is Google (Shopping) a bottleneck/essential facility?
- Remedies are difficult to impose, and can be highly political.

Thank you for your attention!

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