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FairSearch Europe survey:
Google's commitment offer makes for an unlevel playing field

- **One in five clicked on Google Shopping links, only one in 200 on rival links**
- **More than half of 1,888 surveyed didn't know "Google Shopping" is paid content**
- **Proposed commitments fail to restore competition in search**
- **Better placement & presentation of Google content than rivals create problems**

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EDITORS NOTE: This release consists of the press release, followed by a statement from Thomas Vinje, and a separate file with the study and screen shots

BRUSSELS, 17 July 2013– Google's proposed commitments to the European Commission attract the vast majority of searchers to the company's own products, and discourage them from visiting rivals, a survey commissioned by trade group FairSearch Europe has found.

Google benefits from better placement, richer graphics and better visuals than it permits competitors, the study by two academics found. As a result, one in five surfers clicked on Google's commercial web services, such as "Google Shopping", but only one in 200 clicked on those of its rivals.

More than half of those surveyed did not realize Google Shopping links were paid for, highlighting an issue raised by European consumer group BEUC in its response to the Google proposals: "consumers trust search results to be impartial and based solely on relevance to their query, without manipulation of the order or results."
http://www.consumerwatchdog.org/resources/beucgoogle052413.pdf

FairSearch Europe spokesman Thomas Vinje called Google's offer to label its results a fundamentally flawed solution: "Google's proposed commitments across the board retard rather than promote competition; they do more harm than good."

Competition Commissioner Joaquin Almunia said in May 2012 that Google appeared to be abusing its dominance by giving favourable treatment to its own specialised web services, compared to others offering similar information about restaurants, hotels, or products. Google proposed commitments to remedy the problems.

Google formally submitted its commitments in April 2013. One proposal was to label its "Google Shopping" boxes, which appear above ordinary search results. It also said three rivals could purchase small blue links at the bottom of the Google Shopping box.

The on-line searchers made their choice on a mock-up page matching Google's proposals. They had the choice of clicking on cameras in the Google Shopping box, or on rivals' three small blue links at the bottom of the box, or they could click on ordinary search results.

"We conclude that the 'three rival' links remedy proposed by Google would not draw consumer attention to rival websites," said the study conducted by University of Illinois professor David Hyman and University of San Francisco professor David Franklyn.

The researchers also tested mobile surfing-style screens and found the disparity between clicks on Google services and others even more pronounced than for desktop search. Only one in 1,000 surfers clicked on a small blue box labelled “other links.”

UNLIKELY TO WORK

FairSearch Europe submitted the study as part of its response to the European Commission’s market test of Google’s proposed commitments. It was to help demonstrate that the proposals were unlikely to restore competition against Google Shopping or Google Places.

The study found problems because rival links did not appear “in a manner that is comparable to the manner in which Google Shopping results are normally displayed”.

The labelling of Google Shopping was supposed to solve any confusion with natural -- that is, unpaid -- search, but the survey showed it did not.

“Relatively few people understand that Google Shopping is paid content. Only 34 per cent of respondents correctly responded that the content in Google Shopping represents paid ads. More than 50 per cent of respondents thought Google shopping was unpaid content,” they said.

Hyman and Franklyn ran their Internet survey in Britain between 18 and 22 June 2013 and received 1,888 valid responses. Their findings, detailed in a series of charts, showed that the proposals offered by Google “would have no significant impact and may in fact further confuse consumers.”

Vinje said: “The Hyman / Franklyn study provides the hard, unbiased evidence for what seemed obvious: if Google gives itself prime placement and rich graphics on the search landing page -- while relegating rivals to small links -- then Google’s own products will prevail.”

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STATEMENT

THOMAS VINJE, SPOKESMAN FOR FAIRSEARCH EUROPE

Google's proposed commitments intended to resolve the search bias concerns are ineffective by design, and we have asked the Commission to reject them in their entirety. Google’s proposed commitments across the board retard rather than promote competition. As we’ve said often, they are worse than nothing. Similarly, Google failed to propose effective remedies for scraping content from competing sites, locking advertisers into exclusivity arrangements and limiting the portability of ad campaigns.

The Hyman / Franklyn study provides the hard, unbiased evidence for what seemed obvious: if Google gives itself prime placement and rich graphics on the search landing page -- while relegating rivals to small links -- then Google’s own products will prevail.

We also learned that if Google is required to compete fairly against its rivals, as European law requires, then the winner will be based on the merits.

OUTSIDE THE BOX

In our observations on the proposed commitments, we have also expressed concerns that they fail to address Google searches outside of the Google Search Box such as browser search boxes, address bars, and the Google toolbar. In addition, the proposed commitment exclude searches made outside EEA domains.

Google would have an incentive to steer users to these other domains, and avoid the Google Search Box, because it is a way to avoid the commitments.

Requiring Google's competitors to bid for inclusion in the Google Shopping site is effectively a way of raising rivals' costs. Dominant companies are prohibited by European law from raising rivals' costs.

Moreover, Google's proposals give Google a myriad of other ways to avoid compliance because of ambiguous language and built-in exceptions.

These days, Google is crucial for many businesses because more and more retail is going on line. Nine out of 10 Europeans who surf use Google. Therefore, businesses have no alternative but to use it as a gateway no matter how they may feel about Google – that is the meaning of dominance.

AGAINST THEIR WILL

Regarding Google's longstanding practice of siphoning off content without permission from competing businesses such as Yelp and Tripadvisor, these proposals require businesses to choose between having Google take their content for its own purposes, without paying, or disappearing entirely from Google. They must allow content to be used against their will. This is not a remedy, and it is not a choice, because businesses have to be on Google.

There are other concerns as well. For example, Google's proposal gives it wide discretion to prevent advertisers from porting their advertising campaigns from Google to rivals.

In addition, Google reserves the right to circumvent its proposed commitments with respect to its exclusivity obligations.

We discuss these and other proposed Google commitments in our submission to the European Commission. We hope this information is helpful to the Commission as it examines Google's proposals.

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Contact: David Lawsky, david.lawsky@fipra.com, +322 613 28 24, mobile +32 472 91 47 48
Daniel Furby, daniel.furby@fipr.com, +322 613 2840
secretariat@fairsearcheurope.org