Google’s antitrust infringement continues ‘unabated’, Google Shopping competitors tell European Commission

Comparison shopping engines aren’t satisfied with Google’s response to the European Commission’s demand that the search giant give equal treatment to competitors.

“Google’s current remedy proposal has been in operation for more than four months, and the harm to competition, consumers and innovation caused by the infringement established by the Decision has continued unabated,” a group of Google competitors wrote in an open letter [pdf] to Commissioner for Competition Margrethe Vestager at the European Commission this week.

After the European Commission levied a record nearly $3 billion fine against Google in an antitrust ruling for favoring its own Shopping ads and squeezing out rivals, Google established Google Shopping as a separate business unit to compete in the ad auction against other comparison shopping engines (CSEs).

That change was supposed to take effect last fall, but ads from competitors have been slow to appear and remain scarce. We’ve recently reported on competitor ads beginning to show occasionally in the UK. In the tweet below, Head of SEM at Bloofusion Martin Roettgerding, said they remain rare in Germany and shared an example of links to competing shopping engines appearing at the end of the carousel.

> *Here’s the German situation:*
> *– There are some CSEs but their visibility is low & examples are hard to find.*
> *– At the end of the carousel, G may link to CSEs (“More from”). Included are all CSEs shown in the carousel + additional ones. May even happen if none were shown.* *#ppcchat pic.twitter.com/QxAL5EcQPP*
>
> *– Martin Roettgerding (@bloomarty)* *February 27, 2018*

In the letter to Commissioner Vestager, the group cited three reasons why Google’s remedy is non-compliant with the Commission’s decision:

1. The fact that the new EU Google Shopping unit remains

owned by its parent company means its “participation in the auction is essentially meaningless”.
2. When an auction is fully- or over-subscribed, it “inevitably leads to competing services being charged a fee that has the equivalent object or effect as the infringement established by the Decision”.
3. Google is still favoring the aggregation of product ads that “in itself constitutes a comparison shopping service” in its search results.

That last point gets to a primary complaint by the rival CSEs that Google Shopping’s switch to an auction-based paid service away from an organic relevance-based system “has terrible consequences for consumers”.

“We respectfully urge the Commission to reject Google’s current remedy proposal and to hold Google to an effective remedy that complies with the principles of equal treatment set out in the Prohibition Decision,” said the 19 signatories, which includes the British comparison site Foundem whose complaints initiated the Commission’s investigation, Twenga and Yroo among others.

Google says it is complying with the decision even as it disputes it and is appealing the ruling.

A spokesman for the European competition authority told Reuters, “The letter raises several arguments that the Commission has already been looking at as part of its ongoing assessment of Google’s measures.”

About The Author

As Third Door Media’s paid media reporter, Ginny Marvin writes about paid online marketing topics including paid search, paid social, display and retargeting for Search Engine Land and Marketing Land. With more than 15 years of marketing experience, Ginny has held both in-house and agency management positions. She provides search marketing and demand generation advice for ecommerce companies and can be found on Twitter as @ginnymarvin.

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