



HOTREC follow-up on European Commission workshop on proposed compliance plans with regard to Google Search and Article 6(5) of the Digital Markets Act (DMA)

8 November 2024

The current document provides feedback to questions and issues identified during the European Commission workshop on proposed compliance plans with regard to Google Search and Article 6(5) of the Digital Markets Act (DMA)¹. It should be read together with HOTREC paper on this issue from December 2023 and June 2024.

HOTREC would like to again reiterate the importance of developing a compliant Google Search product that will take into account concerns of hospitality sector. Restaurant and hotel sector represent one of the backbones of the European economy and contributes almost 4% of EU GDP. Based on preliminary discussions with HOTREC members, these paradigm shifting changes will irreversibly change the way in which consumers book hotel rooms or dining tables.

Prices and rates

HOTREC has on numerous occasions underlined its strong objection to the removal of rates/prices and availabilities from Google Search. A transparent and easily accessible overview of prices represents an invaluable piece of information for consumers. HOTREC would also like to underline that restaurants and hotels offer a different final product (meal) /service (hotel room) therefore the solution for both sectors cannot be replicated.

We strongly believe that the price and availability needs to be kept for the following reasons:

- The purpose of the DMA is to achieve contestable and fair markets in the digital sector “to the benefit of business users and end users”.² Any measures implemented to ensure compliance “shall be effective in achieving the objectives of the Regulation and of the relevant obligation”³.
- Any solution that removes prices with availabilities from Google Search will worsen the negative effects of the current solution to the further benefit of OTAs/metasearch and harm to direct suppliers and consumers.
- The service which users search for is a hotel room, composed of both date and price. These elements are inseparable from one another. To simplify, a consumer never looks for a hotel room without wanting to know the price for a stay in a selected timeline.
- Date refinements ensure that the search results are relevant to the user’s travel dates, preventing irrelevant results for hotels that may not be available during the desired period.
- Similarly for restaurants, price ranges help users determine which establishment is most suitable for their budget option. It is therefore important these price ranges are kept and can be filtered by consumers. In contrast to hotel room bookings, it would be impossible

¹ 11 September 2024 workshop on Alphabet’s proposed compliance plans with regard to Google Search and Article 6(5) of the DMA

² Article 1.1 of the Digital Markets Act

³ Article 8.1 of the Digital Markets Act

to showcase precise prices due to long menu lists. Therefore range estimate is the only viable option for restaurant results.

- Removal of prices with availabilities will lead to irreparable situation which will only benefit OTAs/metasearch and harm direct suppliers and consumers.
- Finally, in line with Article 5.3 of the DMA Booking.com will no longer be allowed to impose wide and narrow price parity clauses across the EEA area. In addition, there has always been a unanimous consensus in Europe that wide price parity clauses are anti-competitive. For this reason, wide price parity clauses are also expressly excluded from the scope of the Vertical Block Exemption Regulation. Without the real time prices in Google Search, consumers will not be able to compare and choose the most economic rates.
- HOTREC believes that measures proposed by Google or other stakeholders must be evaluated by the Commission in light of the Regulations fundamental intent to be of benefit to business users and end users.

Map

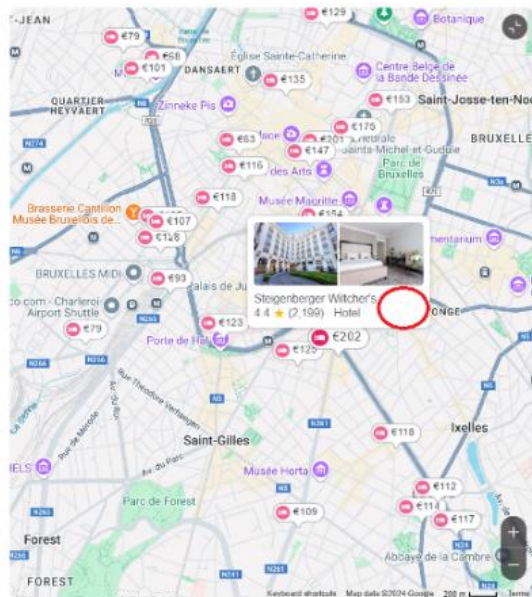
HOTREC has on multiple occasions underlined the importance of the map for hospitality businesses and consumers. HOTREC sees the map as paramount feature which allows businesses with lower investments in digital infrastructure and tools (i.e. restaurants and small hotels) to be found by consumers. It is also an essential part of the service which users search for (i.e. room or meal). For it to be useful, the map must include important functionalities which are user friendly and enables specific businesses to be found.

The current map does not meet these technical and practical requirements and should, at the minimum include the following elements:

- When users zoom in and out of the map, the list of hotels and restaurants visible in the hotel and restaurant list should adjust accordingly. This will ensure that hotels and restaurants which are initially not visible get an opportunity to be shown to consumers wanting to stay in a hotel or go to a restaurant in a particular area. The same adjustment principle should apply when user clicks on Hotels or restaurant box.
- It is vital that the map is kept in the hotel/restaurant box, as well as on the SERP (Search engine results page).
- When a user hovers over the map in the SERP, the hotel or restaurant profile should also include a link to a direct website (please see screenshot on next page).

Hotels | Brussels

Thu 14 - Fri 15 Nov - 2 guests



Screenshot I – Position for direct website link (marked in red circle) for both restaurants and hotels

Advertising

It is our understanding that advertising carousel will remain at the top of the SERP page. Consequently being visible in this space and, more importantly being able to compete for ad slots remains imperative. HOTREC would like to again reiterate that SMEs hotels and restaurants cannot compete with advertising spend of OTAs and can rarely be found in Google's ads box.

To accommodate these concerns, HOTREC would recommend the following:

- OTAs and metasearch engines advertising should not be visible after consumer decided to only view offers from direct suppliers (i.e. hotel box or restaurant box).
- In line with two separate boxes (hotel/restaurant box and VSS box) in general search, similar principle should also apply to advertising section. Google should be required to create a separate ad carousel where only direct supplier would be able to bid for space.

Reviews

HOTREC underlines the importance of trusted reviews to make informative decisions. For this reasons, we believe that reviews should remain included in various elements of Google Search product. Nevertheless, in a view of a compromise HOTREC is willing to accept that reviews cannot be used as filter.