



**Chamber of Progress Submission in
Competition and Markets Authority SMS investigation into
Google's general search and search advertising services
3 February 2025**

On behalf of Chamber of Progress – a tech industry association supporting public policies to build a more inclusive society in which all people benefit from technological advancements – I write to respond to the Competition and Markets Authority (CMA) invitation to comment on the SMS investigation into Google's general search and search advertising services.¹ The below submission focuses on two questions raised in the Invitation to Comment,² namely: (1) rising competition between Google's general search services and AI interfaces providing alternative means of returning information (Question 3.3), and (2) lessons the CMA should draw from measures imposed in relation to general search services in the European Union (EU) (Question 4.6).

Dynamic Competition for Services Returning Information to End-Users

When the CMA completed its market study into search in 2020, generative AI services were not yet publicly available.³ The CMA's market study did not mention generative AI, and contained only a limited assessment of voice assistants in concluding that “existing rivals to Google and prospective entrants face a series of self-reinforcing barriers to expansion, limiting the competitive threat faced by Google.”⁴ In the model of competition foreseen by the CMA at the time of the report, the rise of generative AI services, like ChatGPT (from OpenAI), Claude (from Anthropic), Perplexity (from PerplexityAI), xAI (from X), DeepSeek (DeepSeek), and Le Chat (Mistral AI), was impossible. And yet, OpenAI has 300 million weekly active users and is aiming for 1 billion weekly active users in 2025.⁵ All of these companies are challenging Google in providing information to users, and have forced Google to improve its services and respond accordingly. Google only launched its own Generative AI service publicly in response to the competitive threat.

¹ CMA - SMS investigation into Google's general search and search advertising services (14 January 2026), available [here](#).

² CMA - Invitation to Comment (14 January 2025), available [here](#).

³ CMA - Online platforms and digital advertising Market study final report (1 July 2020), available [here](#).

⁴ *Id.*, para. 3.150.

⁵ CNBC - “OpenAI's active user count soars to 300 million people per week” (4 December 2024), available [here](#).

Generative AI services are *rapidly* changing the way users interact with information on the internet, and increasingly becoming the starting point for information-related services, in direct competition with Google's general search services. Chamber of Progress applauds the CMA's understanding of the need to undertake qualitative research focused on how consumers are using generative AI for web search activities, as acknowledged in the opening of the investigation.⁶ I urge the CMA to consider how it reached its previous conclusions on the state of dynamic competition in the market, and to revise its framework for assessment accordingly.

Correctly understanding underlying competitive dynamics is fundamental to good, pro-consumer, market interventions. While at the time of the CMA's market study many industry players pointed out how competitive the market *actually* was,⁷ these economic and contextual factors were largely dismissed, or entirely ignored by the CMA. Now that the CMA has the responsibility of wielding its far-reaching powers under the Digital Markets, Competition and Consumer Act 2024 (DMCCA),⁸ I hope the CMA follows-through on its desire to understand the underlying competitive dynamics for the benefit of UK consumers.

Consumer Harm Caused by the EU's Digital Markets Act (DMA)

The CMA should consider the example set by the EU with the DMA, and look at the impact on consumer services, and the costs that the regulation has imposed. In particular, Chamber of Progress recently prepared a report showing that the DMA has led to degraded apps and services, less safe and private services, and delayed or unavailable innovations.⁹

The most striking example with respect to search is the added user friction that has been confirmed by several independent reports, amounting to millions of unnecessary additional searches and time wasted.¹⁰ Harms have not been limited to consumers however. One separate study found that DMA implementation has resulted in a 30% decrease in traffic volume for hotels.¹¹

⁶ See fn. 1,

⁷ See for example, Computer & Communications Industry Association submission to the consultation on the Interim Report (17 February 2020), available [here](#).

⁸ Digital Markets, Competition and Consumers Act 2024 (DMCCA), available [here](#).

⁹ Chamber of Progress "Europe's Digital Curtain: How the Digital Markets Act Is Turning Europeans into Second-Class Digital Citizens" (December 2024), available [here](#).

¹⁰ *Id.*, pgs. 9-15.

¹¹ Mirai "DMA implementation sinks 30% of clicks and bookings on Google Hotel Ads" (7 May 2024), available [here](#).

These harms from implementation are possible because the DMA is not concerned with consumer welfare, and it does not have a provision for consumer benefits. In contrast, the DMA does not have a “countervailing benefits” exemption like that contained in the DMCCA.¹² Nor does the DMA explicitly have a proportionality requirement for its conduct requirements, unlike the approach taken by the CMA.¹³ These are comparative advantages for the CMA, and should be used to avoid the worst outcomes found elsewhere.

According to Google, its Search service “helped to provide an estimated £118 billion in economic activity in 2023 in the UK, supporting over a million businesses across the country. Google Search and Ads are also helping UK businesses to export over £20 billion worth of goods and services across the world.”¹⁴ The CMA should make efforts to ensure that the benefits of Google Search are not diminished as a result of its interventions.

Concluding Remarks

Chamber of Progress urges the CMA to acknowledge the rapidly evolving nature of competition in search-related services, particularly the surge of generative AI offerings that challenge traditional assumptions of market dominance. The EU’s experience with the DMA highlights how well-intended regulation can unintentionally diminish consumer benefits and degrade user experiences. This risk is heightened in dynamic and competitive markets like the ones under review.

In light of these risks, Chamber of Progress reminds the CMA of its obligation to keep conduct requirements under continual review,¹⁵ ensuring they remain proportionate and aligned with changing market realities. Rigorous oversight will protect consumers from potential harm while preserving the innovative and economic advantages provided by services such as Google Search.

By closely monitoring the impact of any interventions, the CMA can swiftly recalibrate measures if they inadvertently stifle competition or harm end-users. Chamber of Progress stands ready to work with the CMA to promote balanced, pro-consumer policies. Thank you for your consideration of these comments.

¹² DMCCA, Section 29

¹³ CMA Digital markets competition regime guidance CMA194 (19 December 2024), para. 3.33-3.36, available [here](#).

¹⁴ Google “The CMA’s assessment of Google Search” (14 January 2025), available [here](#).

¹⁵ DMCCA, Section 25