

Is Competition Only One Click Away? The Digital Markets Act Impact on Google Maps

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This Paper

- ▶ Impact of change in search results presentation as mandated by Digital Markets Act (DMA) on consumer behavior
- ▶ Context - Google's presentation of Google Maps in search results in the EU
- ▶ Congratulations to the authors for a quick time to market!
- ▶ Important policy question
- ▶ Clean identification

Major Comments

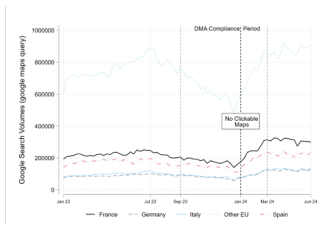
$$Pr(\textit{Switching}) = \begin{cases} 1, & \text{if } \Delta_{\textit{quality}} - \textit{switching cost} > 0 \\ 0, & \text{if } \Delta_{\textit{quality}} - \textit{switching cost} < 0 \end{cases}$$

- ▶ Google Maps has a dominant position in maps (approx. 82% market share globally)¹
- ▶ E.g. presence of high quality alternatives

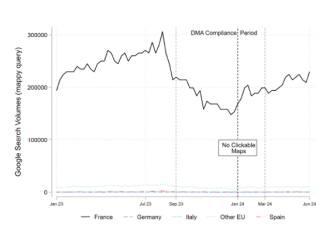
¹Source: <https://www.statista.com/statistics/220534/googles-share-of-search-market-in-selected-countries/> (Accessed: January, 8, 2025)

What happens where Google Maps is not quite so dominant?

- ▶ What happens in markets where Google Maps is not quite as dominant?
- ▶ Pre-DMA search volumes suggest Mappy is popular in France
- ▶ Using France (only) as the treated country, what is the effect on consumer search for and website traffic to:
 - Google Maps
 - Mappy - Do competing services benefit?



Google Maps



Mappy

What is driving the results?

1. Priming and/or reminding
 - Google maps still presented in the search results page, although it is less interactive.
 - Mere presence could prime or remind consumers about Google Maps resulting in increased search over competition?
 - **Sadly, I have no solution to this**
2. Google has other tools to promote Google Maps e.g. organic search results rank, sponsored listings.
 - **Does ranking of Google Maps in search results change after the policy change?**

Other Comments

- ▶ Consumers have strong preference for Google Maps and the effects of design change might not be visible in the short run
 - Examine more long-run effects by collecting data over subsequent months.
- ▶ Reduce tech giants ability to use their market power to direct consumers to their lower-quality (potentially) services. Does this policy change in design lead Google to improve the quality of Google Maps?
 - Using data on reviews of Google Maps on App Store and Play Store.

Thank you for the opportunity to discuss this paper!

- ▶ Hope these thoughts are useful
- ▶ Best of luck with the paper!