European antitrust officials declare Google gives own services an "illegal advantage" in search results-- and as a result the European Commission fines the search giant €2.42 billion.



The illegal advantage in question pertains to the Google Shopping search comparison service. Google is accused of not only giving prominent placement to its own comparison shopping service when consumers enter a query in the Google search engine, but also demoting rival services in its search results. According to the officials even the most highly ranked rival service appears on page 4 of Google search results, and others appear further down.

Furthermore, such illegal practices are said to have boosted traffic to Google Shopping "significantly," at the expense of rivals suffering "very substantial" traffic losses. For instance, certain rivals have experienced sudden traffic losses of 85% in the UK, up to 92% in Germany and 80% in France-- and such drops cannot be explained by other reasons.

"Google has come up with many innovative products and services that have made a difference to our lives. That's a good thing," commissioner in charge of competition policy Margrethe Vestager says. "But Google's strategy for its comparison shopping service wasn't just about attracting customers by making its product better than those of its rivals. Instead, Google abused its market dominance as a search engine by promoting its own comparison shopping service in its search results, and demoting those of competitors.

The decision is arguably the most significant antitrust ruling in Europe since the 2004 Microsoft decision. As for the size of the sum, it was calculated according to the revenue from the comparison shopping service in the 13 EEA (European Economic Area) countries covered by the investigation.

Google must stop the illegalities within 90 days, or face additional penalty payments reaching up to 5% of the average daily global turnover of parent company Alphabet for each day of non-compliance.

The EC has two ongoing formal investigations into Google-- one concerning its search advertising practices, the other how Google bundles own products in the Android mobile OS. Vestager says the EC is making "good progress" on the inquiries, and suggests both represent further breach in EU antitrust regulation.

Go Antitrust: Commision Fines Google €2.42 billion for Abusing Dominance as Search Engine