



## RESPONSE TO THIRD REQUEST FOR INFORMATION

2021MAY0010

(Competition Commission Inquiry Into Online Intermediation Platforms)

10 December 2021 - Google Search, Shopping and Travel

This submission sets out Google's response to questions 4, 5, 17, 24 and 27 (the **Tranche 4** submission) of the South African Competition Commission's information request dated 10 December 2021 in relation to Google Search, Shopping and Travel.

These responses are supplementary to the responses provided on 17 January 2022 in relation to questions 1, 2, 3, 6, 13, 18, 19, 20, 21, 22, 23, 33, 34, 35, 36.2, 37, 38, 39, 39.2.1, 40, 41, 42, 43, 44, 46, 47 and 48 (the **Tranche 1, 2 and 3** submissions).

Google has sought to provide the best information available in as short a time as possible. Responses to the remaining questions will follow as soon as possible.

Please note that this document and its annexes contain business secrets and otherwise sensitive information, and should therefore be considered strictly confidential. A CC7 Form and schedule will follow as soon as possible.

### Index of Annexes

Annex	Title
Annex 4.1	[REDACTED]
Annex 4.2	[REDACTED]
Annex 4.3	[REDACTED]
Annex 4.4	[REDACTED]
Annex 5.1	[REDACTED]
Annex 5.2	[REDACTED]
Annex 5.3	[REDACTED]
Annex 17.1	[REDACTED]

## ORGANIC SEARCH OVER TIME

4. Provide the Inquiry 10 years of annual data (2012-2021) on total organic Google Search click volumes and average click-through rates going to (a) e-commerce sites, and (b) travel and accommodation sites by consumers in South Africa, in total and by mobile and desktop separately.

4.1. [REDACTED]

[REDACTED] Nonetheless, in order to assist the SACC as much as possible, Google has relied on data from a third-party source, SimilarWeb, to identify “e-commerce” and “travel and accommodation” sites. Specifically, SimilarWeb classifies domains with desktop and mobile traffic in South Africa for the period of September 2021 – November 2021 into categories which appear to correspond to the SACC’s categories of “e-commerce” and “travel and accommodation”:

- 4.1.1. the domains listed in the SimilarWeb category “E-commerce and Shopping” correspond to “e-commerce” sites, and
- 4.1.2. the domains listed in the SimilarWeb categories “Accommodation and Hotels”, “Air Travel”, and “Travel and Tourism” correspond to “travel and accommodation” sites.<sup>1</sup>

4.2. Using this set of “e-commerce” sites and “travel and accommodation” sites from SimilarWeb (see the list **Annex 4.1** as a starting point, Google matched these sites with the sites that are in its internal databases to obtain the click volumes and average click-through rates (“CTR”) going to “e-commerce” and “travel and accommodation” sites in South Africa (based on user location).<sup>2</sup>

4.3. **Annex 4.2**, sheet “**Clicks volume**”, contains for the period 2012 – 2021, the annual number of organic clicks in South Africa (based on user location) for “e-commerce” sites and “travel and accommodation” sites separately. The organic<sup>3</sup> clicks<sup>4</sup> data are provided on an overall basis, and also broken out by

<sup>1</sup> These are the same SimilarWeb categories as those provided in paragraph 15.8 of Tranche 1 of Google’s Response to the SACC’s RFI dated 13 August 2021.

<sup>2</sup> The domains in the list from SimilarWeb in **Annex 4.1** are matched exactly with Google’s internal databases.

<sup>3</sup> Organic results are limited to those in a “blue-link” block, with each domain having a maximum of one result per block. For example, a Sitelinks block to takealot.com would count as a single result rather than several results.

<sup>4</sup> Organic click data are only recorded if there are a minimum of 100 clicks per country/domain/date combination.

desktop and mobile.<sup>5,6</sup> Unlike the CTR data discussed below, no sampling is required as the clicks data provided here are collected in the normal course of business.<sup>7</sup>

- 4.4. **Annex 4.2**, sheet “**Clicks and CTR**” shows the total number of clicks and the average CTR in South Africa (based on user location) for the period February 2021 – January 2022 for “e-commerce” sites and “travel and accommodation” sites separately. CTR is calculated as total clicks / total impressions,<sup>8</sup> and is provided on an overall basis as well as broken out by desktop and mobile.
- 4.5. There are a large number of organic impressions. To ensure that data can be provided in a timely manner and that clicks and impressions are provided on a consistent basis to calculate CTR, Google has pulled a 1% sample of organic impressions and clicks data for the period February 2021 – January 2022.
- 4.6. Each ranking position of the first Google Search page (e.g. first organic result relative to all organic results on the page, above the fold versus below the fold, etc).
- 4.7. **Annex 4.3** presents the number of clicks and average CTR in South Africa (based on user location) for the organic results<sup>9</sup> in the (i) first, (ii) second, (iii) third, (iv) fourth, (v) fifth, and (vi) sixth and below positions on the first Google Search page for the period February 2021 – January 2022. This is presented separately for “e-commerce” sites and “travel and accommodation” sites. The data are also provided on an overall basis as well as broken out by desktop and mobile.
- 4.8. In order to provide data broken out by Search page and ranking position, Google needs to look at log level data. Writing the code to extract the necessary data is a manual task and running the code is extremely time consuming given the large number of queries which Google Search receives

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<sup>5</sup> For the rest of this response, unless stated otherwise, mobile refers to mobile phones only.

<sup>6</sup> Google’s internal dataset does not identify whether the clicks are from desktop or mobile for a small proportion of clicks. These clicks have been excluded completely from the data provided.

<sup>7</sup> Organic click data are only recorded if there are a minimum of 100 clicks per country/domain/platform (i.e. desktop or mobile)/date combination.

<sup>8</sup> As click data are based on click counts, it is possible for CTR to be more than 100%. For example, if there are ten impressions, and each impression has three clicks, the CTR would be 300%.

<sup>9</sup> Organic results are limited to those in a “blue-link” block, with each domain having a maximum of one result per block. For example, a Sitelinks block to takealot.com would count as a single result rather than several results.

every day. As a result, to ensure that data can be provided in a timely manner, Google has pulled a 1% sample of organic impressions and clicks data for the period February 2021 – January 2022.

- 4.9. To obtain an estimate of the total number of clicks, the number of clicks from the 1% sample is scaled up by 100.
- 4.10. CTR is calculated as total clicks / total impressions.<sup>10</sup>
- 4.11. **On different Google Search pages (e.g. search page 1, page 2, pages 3-10, pages > 11).**
- 4.12. **Annex 4.4** presents the number of clicks and average CTR on organic results<sup>11</sup> in South Africa (based on user location) in February 2021 – January 2022 for (i) SERP page 1, (ii) SERP page 2, (iii) SERP pages 3 – 10 and (iv) SERP pages 11 and above.<sup>12</sup> This is presented separately for “e-commerce” sites and “travel and accommodation” sites. The data are also provided on an overall basis as well as broken out by desktop and mobile.
- 4.13. In order to provide data broken out by Search page, Google needs to look at log level data. Writing the code to extract the necessary data is a manual task and running the code is extremely time consuming given the large number of queries which Google Search receives every day. As a result, to ensure that data can be provided in a timely manner, Google has pulled a 1% sample of organic impressions and clicks data for the period February 2021 – January 2022.
- 4.14. To obtain an estimate of the total number of clicks, the number of clicks from the 1% sample is scaled up by 100.
- 4.15. CTR is calculated as total clicks / total impressions.<sup>13</sup>

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<sup>10</sup> As click data are based on click counts, it is possible for CTR to be more than 100%. For example, if there are ten impressions, and each impression has three clicks, the CTR would be 300%.

<sup>11</sup> Organic results are limited to those in a “blue-link” block, with each domain having a maximum of one result per block. For example, a Sitelinks block to takealot.com would count as a single result rather than several results.

<sup>12</sup> Results pages other than the first results page will load only if the user clicks to the next page. For queries where the user only looks at results on the first page, only organic results on the first page will be counted as impressions. For queries where the user looks at results on the first and second pages, organic results on both pages will be counted as impressions.

<sup>13</sup> As click data are based on click counts, it is possible for CTR to be more than 100%. For example, if there are ten impressions, and each impression has three clicks, the CTR would be 300%.

**5. Please also answer Question 4 in relation to the top 5 e-commerce searches and top 5 travel and accommodation searches in South Africa per annum over 2012-2021.**

5.1. Google has taken the following steps to identify the top 5 shopping commercial queries in South Africa (based on user location).

5.1.1. Google used its shopping ads pre-filter as a proxy for identifying shopping commercial queries in South Africa.<sup>14</sup> Google notes that this pre-filter does not capture all navigational queries<sup>15</sup> to shopping domains; such queries (e.g. “takealot”) can be considered shopping commercial queries as they reflect the user’s intent to access the specific shopping e-commerce site. To the extent that the Shopping Unit triggers less frequently for navigational queries than for non-navigational queries, this suggests that the proportion of shopping commercial queries that trigger the Shopping Unit as presented in the table below would be overstated.

5.1.2. After identification of shopping commercial queries using the shopping ads pre-filter, Google then identified the top 5 shopping commercial queries by query volume<sup>16</sup> in 2021 in South Africa (by user location). Query volumes are based on raw queries i.e. “shoe” is a different query from “shoes”.

5.1.3. [REDACTED]

5.2. Google has taken the following steps to identify the top 5 travel queries in South Africa (based on user location).

5.2.1. Using standard internal tools for determining top queries (which involve the use of a random sample), Google identified the top travel queries by query volume in 2021 in South Africa (by user location). Query volumes are based on raw queries i.e. “hotel” is a different query from “hotels.”

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<sup>14</sup> The pre-filter seeks to identify whether a query is a possible candidate for showing a Shopping Unit, and for which a Shopping ad auction should be run, even if the Shopping Unit does not ultimately show.

<sup>15</sup> As set out in paragraph 21.4 of the first tranche of Google’s response to the RFI dated 10 December 2021, a navigational search query is one where the user types in the name of the domain itself into a search engine.

<sup>16</sup> For completeness, Google notes that a subset of queries is removed from Google’s internal database because of user privacy policies. Hence, the query volumes are based only on queries which are not removed from Google’s internal database.

5.2.2. These queries were then run through a finer-grained internal Travel classifier to remove queries outside of the scope of SACC interest and the top 5 remaining were identified.

5.2.3. [REDACTED]

5.3. Using the combination of the top 5 shopping queries listed above with the set of “e-commerce” sites from SimilarWeb (see the response to Question 4 and the list of sites in **Annex 4.1** as a starting point, Google matched these sites with the sites that are in its internal databases to obtain the click volumes and CTR going to “e-commerce” sites in South Africa (based on user location).<sup>17</sup>

5.4. Similarly, using the combination of the top 5 travel queries listed above with the set of “travel and accommodation” sites from SimilarWeb (see the response to Question 4 and the list of sites in **Annex 4.1** as a starting point, Google matched these sites with the sites that are in its internal databases to obtain the click volumes and average CTR going to “travel and accommodation” sites in South Africa (based on user location).<sup>18</sup>

5.4.1. In order to provide the data filtered by top 5 queries as requested in this question, Google needs to look at log level data. Writing the code to extract the necessary data is a manual task and running the code is extremely time consuming given the large number of queries which Google Search receives every day. As a result, to ensure that data can be provided in a timely manner, Google has pulled a 1% sample of organic<sup>19</sup> impressions and clicks data for the period February 2021 – January 2022.

5.4.2. To obtain an estimate of the total number of clicks, the number of clicks from the 1% sample is scaled up by 100.

5.4.3. CTR is calculated as total clicks / total impressions.<sup>20</sup>

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<sup>17</sup> The domains in the list from SimilarWeb in **Annex 4.1** are matched exactly with Google’s internal databases.

<sup>18</sup> The domains in the list from SimilarWeb **Annex 4.1** are matched exactly with Google’s internal databases.

<sup>19</sup> Organic results are limited to those in a “blue-link” block, with each domain having a maximum of one result per block. For example, a Sitelinks block to takealot.com would count as a single result rather than several results.

<sup>20</sup> As click data are based on click counts, it is possible for CTR to be more than 100%. For example, if there are ten impressions, and each impression has three clicks, the CTR would be 300%.

- 5.5. **Annex 5.1** shows the total number of clicks and the average CTR in South Africa (based on user location) for the period February 2021 – January 2022. This is presented separately for (i) “e-commerce” sites which appear in organic results in the top 5 shopping queries of 2021 in South Africa and (ii) “travel and accommodation” sites which appear in organic results in the top 5 travel queries of 2021 in South Africa. The data are provided on an overall basis as well as broken out by desktop and mobile.
- 5.6. **Annex 5.2** presents the number of clicks and average CTR in South Africa (based on user location) for the organic results in the (i) first, (ii) second, (iii) third, (iv) fourth, (v) fifth, and (vi) sixth and below positions on the first Google Search page for the period February 2021 – January 2022. This is presented separately for (i) “e-commerce” sites which appear in organic results in the top 5 shopping queries of 2021 in South Africa and (ii) “travel and accommodation” sites which appear in organic results in the top 5 travel queries of 2021 in South Africa. The data are also provided on an overall basis as well as broken out by desktop and mobile.
- 5.7. **Annex 5.3** presents the number of clicks and average CTR on organic results in South Africa (based on user location) in February 2021 – January 2022 for (i) SERP page 1, (ii) SERP page 2, and (iii) SERP pages 3 – 10.<sup>21</sup> This is presented separately for (i) “e-commerce” sites which appear in organic results in the top 5 shopping queries of 2021 in South Africa and (ii) “travel and accommodation” sites which appear in organic results in the top 5 travel queries of 2021 in South Africa. The data are also provided on an overall basis as well as broken out by desktop and mobile.

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<sup>21</sup> Results pages other than the first results page will load only if the user clicks to the next page. For queries where the user only looks at results on the first page, only organic results on the first page will be counted as impressions. For queries where the user looks at results on the first and second pages, organic results on both pages will be counted as impressions.

## IMPACT OF RANKING ALGORITHMS ON CSSS

17. **Provide annual data on the distribution of organic rankings on consumer searches of comparison shopping services (“CSSs”) in South Africa over the last 5 years (2017-2021). In your response, stipulate which CSSs were included and between which dates they have been included.**

17.1. **Annex 17.1** presents the organic impressions of CSSs in each of the first 10 organic positions on the first SERP page, as well as all other organic positions beyond the first 10 organic positions on the first SERP page in South Africa (by user location) for the period February 2021 – January 2022.

17.1.1. The CSSs included in this analysis are (i) oneshop.co.za, (ii) pricecheck.co.za, (iii) pricena.com, (iv) shopmania.co.za, and (v) smartprice.co.za.

17.1.2. In order to provide the data on organic rankings of CSSs in South Africa as requested in this question, Google needs to look at log level data. Writing the code to extract the necessary data is a manual task and running the code is extremely time consuming given the large number of queries which Google Search receives every day. As a result, to ensure that data can be provided in a timely manner, Google has pulled a 1% sample of organic<sup>22</sup> impressions by position on the SERP page in South Africa (by user location) for the above CSSs for the period February 2021 – January 2022.

17.1.3. To obtain an estimate of the total number of organic impressions in each position on the SERP, the number of impressions from the 1% sample is scaled up by 100.

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<sup>22</sup> Organic results are limited to those in a “blue-link” block, with each domain having a maximum of one result per block. For example, a Sitelinks block to takealot.com would count as a single result rather than several results.

**GOOGLE SHOPPING UNIT TRENDS**

**24. Provide data on the percentage of times that the Google Shopping Unit is shown relative to all e-commerce Google searches in South Africa over the last 5 years (2017-2021), in total and by mobile and desktop separately.**

24.1. Google has used its shopping ads pre-filter as a proxy for identifying shopping commercial queries in South Africa (based on user location).<sup>23</sup> Google notes that this pre-filter does not capture all navigational queries<sup>24</sup> to shopping domains; such queries (e.g. “takealot”) can be considered shopping commercial queries as they reflect the user’s intent to access the specific shopping e-commerce site. To the extent that the Shopping Unit triggers less frequently for navigational queries than for non-navigational queries, this suggests that the proportion of shopping commercial queries that trigger the Shopping Unit as presented in the table below would be overstated.

24.2. As the shopping ads pre-filter is only available for all queries in 2021,<sup>25</sup> Google has pulled data for 2021 only. The table below shows the proportion of shopping commercial queries that trigger the Shopping Unit in South Africa (based on user location) in 2021. This is provided on an overall basis as well as broken out by desktop and mobile.<sup>26</sup>

**Table 1**  
**Proportion of shopping commercial queries that trigger the Shopping Unit in South Africa (based on user location), 2021**

	<b>Overall (Desktop + Mobile)</b>	<b>Desktop only</b>	<b>Mobile only</b>
<b>Proportion of shopping commercial queries that trigger the Shopping Unit in South Africa</b>	██████	██████	██████

Source: Google.

<sup>23</sup> The pre-filter seeks to identify whether a query is a possible candidate for showing a Shopping Unit, and for which a Shopping ad auction should be run, even if the Shopping Unit does not ultimately show.

<sup>24</sup> As set out in paragraph 21.4 of the first tranche of Google’s response to the RFI dated 10 December 2021, a navigational search query is one where the user types in the name of the domain itself into a search engine.

<sup>25</sup> Prior to 2021, the shopping ads pre-filter is only available for a subset of queries.

<sup>26</sup> For the rest of this response, unless stated otherwise, mobile refers to mobile phones only.

27. **Send the Inquiry 5 years of annual data (2017-2021) on click volumes to merchants on the Google Shopping Unit by mobile and desktop separately<sup>27</sup>.**
- 27.1. **In order to compare this to total e-commerce clicks, provide data on all click volumes on Google for e-commerce searches per annum over the last 5 years (2017- 2021), in total and by mobile and desktop separately<sup>28</sup>.**
- 27.1.1. Google has used its shopping ads pre-filter as a proxy for identifying shopping commercial queries in South Africa (based on user location).<sup>29</sup> Google notes that this pre-filter does not capture all navigational queries<sup>30</sup> to shopping domains; such queries (e.g. “takealot”) can be considered shopping commercial queries as they reflect the user’s intent to access the specific shopping e-commerce site. To the extent that the Shopping Unit triggers less frequently for navigational queries than for non-navigational queries, this suggests that the proportion of clicks on shopping commercial queries that are in the Shopping Unit would be overstated.
- 27.1.2. In order to limit data to shopping commercial queries, Google needs to look at log level data. Writing the code to extract the necessary data is a manual task and running the code is extremely time consuming given the large number of queries which Google Search receives every day. As a result, to ensure that data can be provided promptly, Google has pulled a 1% sample of clicks data for shopping commercial queries for the period February 2021 – January 2022. To obtain an estimate of the number of clicks, the number of clicks from the 1% sample is then scaled up by 100.
- 27.1.3. The table below shows the total clicks from shopping commercial queries and of these, the number of clicks in the Shopping Unit for the period February 2021 to January 2022. The data is provided on an overall basis as well as broken out by desktop and mobile.

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<sup>27</sup> The total clicks to merchants has been provided in Google’s submission on 17 July 2021: Table 6.4C.

<sup>28</sup> These should include clicks on advertisements, the Shopping Unit, and Shopping and other properties, and organic search.

<sup>29</sup> The pre-filter seeks to identify whether a query is a possible candidate for showing a Shopping Unit, and for which a Shopping ad auction should be run, even if the Shopping Unit does not ultimately show.

<sup>30</sup> As set out in paragraph 21.4 of the first tranche of Google’s response to the RFI dated 10 December 2021, a navigational search query is one where the user types in the name of the domain itself into a search engine.

**Table 2**  
**Number of clicks on shopping commercial queries, and of these, number of clicks in the Shopping Unit, February 2021 – January 2022**

<b>Source</b>	<b>Clicks in the Shopping Unit</b>	<b>Total number of clicks in the SERP for shopping commercial queries</b>
<b>Desktop only</b>	██████████	██████████
<b>Mobile only</b>	██████████	██████████
<b>Total (Desktop + Mobile)</b>	██████████	██████████

Source: Google.

27.1.4. Finally, Google notes that the data that it provided in the submission on 17 July 2021 (Table 6.4C) show clicks in Google’s Shopping Property and not the Shopping Unit.