



COMPETITION COMMISSION OF SOUTH AFRICA

In the matter of

ONLINE INTERMEDIATION PLATFORMS MARKET INQUIRY PUBLIC INQUIRY (OIPMI)

held at

***DTI Building
Sunnyside and virtually via MS TEAMS***

on

4 November 2021

PANEL: *James Hodge – Chairperson
And Doris Tshepe*

TECHNICAL TEAM

*Jonathan Womersley
Chrisine Searle
Lulama Mtanga
Agnieszka Moldach
Donnavan Linley
Hariprasad Govinda
Itumeleng Lesofe*

*Marcel Van de Ghinste
Rian Bornman
Damien Ranissoon
Rahma Leuner*

COMPANY: SA VENUES



Gauteng Transcribers
Recording & Transcriptions

PROCEEDINGS ON 04 NOVEMBER 2021

CHAIRPERSON: I think our next guest is Christine Chrisine Searle from SA Venues. We will just see if she is online yet. Welcome Christine. You are now live on YouTube too.

MS SEARLE: Very scary.

CHAIRPERSON: Christine, thank you very much for making time for us and I believe you have a rich amount of experience in this area. I am going to actually hand over to Donnavan, you have no doubt engaged with.

10 MS SEARLE: Yes, yes.

CHAIRPERSON: To just lead you through some questions. Just to introduce SA Venues, and some of your perspectives on the history and the panel may then come in with questions at different points.

MS SEARLE: Okay.

CHAIRPERSON: But I appreciate you making time, thanks. Over to you Donnavan.

MR LINLEY: Hi Chrisine.

MS SEARLE: I cannot see you. There we go.

MR LINLEY: Okay.

20 MS SEARLE: Hi.

MR LINLEY: If you do not mind, could you briefly provide a background to your business and give some context about SA Venues, and how it is started and how it has gone through the earth?

MS SEARLE: We started in, sorry. I am getting... it is repeating. It is very, okay. That is better. Okay, I cannot hear you but that is fine. Well,

we started in 1999. At the time we were involved in an event management business and our clients would ask us sort of where can I take my wife for the weekend and this sort of thing.

So that is really how SA Venues was born. We decided to make a website we could send these people to, to have a look you know, sort of for their private weekends away and that sort of thing and that is how it was started, is on a very small scale and very quickly guesthouses, hotels wanted to advertise with us.

At the time we were, it was an advertising model where we sold
10 space on the website at a fixed yearly fee. The public would then contact them and they would deal directly with the properties. Over the... it worked very well, for very many years, until I would say 2010, 2011. When the bigger players came in and started squeezing out the smaller guys.

We were then forced basically to change our model to a booking engine on a commission... with a pay on a commission basis because of the volume of sites that was suddenly springing up, specifically from overseas you know who they are... bookings.com, Expedia, etcetera, etcetera and Google was prioritising those who would pay for these ads
20 and we were being pushed down.

So, we had to very quickly change our business model to sort of fit in and then we spent three to four years trying to play catch up with our colleagues in the industry who had been doing that for many, many years. So, we were at a disadvantage at the time and it cost us a lot of money to build these engines. We were not bringing in the kind of

money that our opposition was in commissions because we were charging these very low annual advertising fees, which had worked very well for us up until that point.

So that is really where... why we had to change and here we are today. I do not know what more I can really say. If you can guide me ...[intervenes]

MR LINLEY: No no, it is fine. So, you mentioned that things changed about ten years ago.

MS SEARLE: Ja, ja.

10 MR LINLEY: And that is when these big platforms I presume booking.com and Expedia as you mentioned, entered the market.

MS SEARLE: Ja.

MR LINLEY: Can you give us some more specifics? I mean how did it make it sort of more difficult for you as domestic and at that point an established domestic platform to participate in this space.

MS SEARLE: Ja, it was not just bookings.com and Expedia that causes all these groups. It was... it really was because Google at that time then started to sell the advertising space and as we all know, if you are not on the first page of Google, you might as well not even be. So, they
20 started off very subtly with sort of one or two ad slots at the top and we all still managed.

But once they started adding their map packs and all these other things, effectively anyone who was not paying to be up in those top four slots, was sort of relegated to 10, 11, 12 in the search results and then of course you get to the second page and you might as well not be on

the internet.

So, I would like to lay the blame on Google, but the thing is it is their search engine and they need to make money too. So how do you compete in that market? You have got to pay for... you have got to pay Google to be out there, and for us with the small margins we were making at the time, it was just prohibitive.

If you look at costs, it can cost you at the time it was about R30-00 a click for someone to go to Cape Town accommodation and then you get there and the way people search, they say ag I do not like the
10 look of this and they go back. So, you have paid 30 bucks or someone to have 30 second look at your, ten second look at your page.

So, we had to change our business model to kind of getting more people, more properties on our side that the only way to do that was a commission model at that time. So that is how we got there. Does that answer your question? I am not sure.

MR LINLEY: Yes, it does thank you.

MS SEARLE: Okay.

MR LINLEY: And would you say that consumers have benefitted from these changes with Google coming into this space and the
20 ...[intervenes]

MS SEARLE: Would I say they benefitted? Probably yes. I do think so because what has effectively happened is anyone... by doing this they have weeded out a lot of flies by nights. It is not a bad thing. That is why I say I do not want to say it is wrong. I do not like it. I would rather be number one and not pay for it, but obviously you know,

business is business and ja, so I do believe the consumer has benefitted, ja.

MR LINLEY: And you said it is prohibitively expensive. So would you say that ...[intervenes]

MS SEARLE: It can be, it depends on the terms that have been [indistinct – 02:24:59]. Cape Town accommodation, Cape Town hotels, any very popular search term is obviously very expensive. Get to sort of accommodation in Put Sonder Water obviously costs a lot less, because less people are searching for those terms.

10 So prohibitively expensive, it depends how much money you are making out of it. If you are not making any money, then R30-00 is a lot. If you were making R1 000-00 out of that R30-00 click, then it is cheap you know. So, it is all relative and it depends what people are searching and what it costs.

MR LINLEY: But for sort of mainstream tourist destinations, Cape Town, Johannesburg... it is ...[intervenes]

MS SEARLE: If you are making good money then it is not expensive to bid, but if you are not making good money, it is prohibitive.

20 MR LINLEY: But would you say you would be able to afford those spaces in the top?

MS SEARLE: On the current model that we work on now, yes you can. You have to make it work but on our previous model no, it did not work at all.

CHAIRPERSON: Sorry Chrisine, can I just ask a question following that? I mean this is obviously a cost in your system so do your

commission fees that you charge, are they impacted to the extent of your search engine costs?

MS SEARLE: Sorry, I do not understand that question?

CHAIRPERSON: Do... does a search engine cost impact on the level of commission fees you charge?

MS SEARLE: No. We charge 15% commission inclusive of VAT, it was a decision that we made initially when we went into this model that we wanted to... you see, we previously always worked very closely with our properties and they liked us because of the model. It was inexpensive
10 for them and they got to keep all those commissions.

So, if they paid us at the time, let us say R2 000-00 per annum but they were making R20 000-00 in commission off bookings off our website, obviously they loved us and when we changed, we wanted... they did not love us anymore. Because now they had to pay us a commission on that R20 000-00 or that R20 000-00 in commission, they saw it as we would be getting that where as previously, they have been pocketing that money.

So, it was a very very difficult thing for us to do. We lost a lot of love from our clients at the time were the properties, not so much the
20 guest. We had to change and become guest focussed and manage that transition between being a loved portal by properties to becoming not so loved.

So, we tried to, we came in at a lower commission than our opposition in the [indistinct – 02:28:21] that market, in that space. We stuck with that and at no time, it has often been asked can we... if we

pay you more for example will you move us up the search results on your website.

We just have always maintained that we do not want to do that. I know it is a way that we could make more money but it just causes a whole lot of complications I do not really want to deal with. It is that simple.

CHAIRPERSON: And sorry, can I just ask what those complications are?

MS SEARLE: The complications are, charging those sorts of
10 commissions to put you higher in a search result, I do not know. It does not sit well with me. It is then... then we are doing exactly what I do not like [indistinct – 01:29:21] does, where you can bid where if I am prepared to pay, so if my opposition is prepared to pay R40-00 for a click and I am only prepared to pay R30-00 for a click, they are going to give it to my competition, not because the competition is necessarily a better website, but because they are being paid more.

That does not sit well with me. So, it is just... it was a stance I took at the time and I stuck with it. We have stuck with it, and my business partner does not like it either. It is... we just do not like it. It is
20 that simple. There is no real technical reason for it. It is just not a practice that we like.

CHAIRPERSON: And is it necessary to be a profitable business?

MS SEARLE: No, I do not think so. I do not think so.

CHAIRPERSON: Right. You are profitable without that?

MS SEARLE: Ja. I am sure we could possibly be more profitable. We

could be more profitable just by increasing our commission to what our opposition charge. So, I still do not see the need for that. I could be making an extra two, you know everybody else is charging 15% excluding VAT.

So, they take home the 15%, we do not. Ours is 15% inclusive of VAT. So, we are already you know, charging less. So, if I wanted to compete, the first thing I would do and I have thought about is going excluding VAT. But I know that the back lash from our properties will be huge, so we have not done it.

10 MR LINLEY: Do you find properties try to you know, squeeze your standard commission?

MS SEARLE: Oh, my goodness, yes.

MR LINLEY: And why would you say that that is the case?

MS SEARLE: They the properties do not want to pay commission. They do not understand, sorry. I remember when prior... prior to us working on this model, the number of properties who would sort of confide in us and tell us, share their problems and tell us oh well, you know your opposition the other one that... the biggest one at the time that was charging 15% commission we would hear the stories about
20 how they felt it was too much money and it was... if you look at 15% on a small guest house, I remember at the time a small guest house was maybe charging R200-00 a night.

You take 15% off that, they felt it was exorbitant. They did not want to pay that and if they did not have to, they would avoid it. So, you had that, sorry I feel like I am not answering your question again.

MR LINLEY: No, carry on.

MS SEARLE: What was your exact question?

MR LINLEY: Well, if you... I mean you mentioned earlier that well, if... do you feel squeezed by you know, some properties say well ...[intervenes]

MS SEARLE: Oh, right.

MR LINLEY: If you do not give... give us less than 15% we will not listen.

MS SEARLE: Yes, yes. Okay, so that does happen where if we want
10 certain properties because we know they will get booked and the property will say to you well I am only going to pay you 12%. It is then up to us to say okay; we want that property. We feel we can sell it. We feel we can make enough money out of it, so therefore we will list it at 12%.

So no, not all our properties are paying us 15, we have 12%, 10% and I believe there is a handful of 9% and that is always inclusive of VAT in our... on our model. So, we have that happening and then of course we have those who come in well, I will pay you 25% if you put me at the top and that we do not do because we do not need to, but the
20 ones that are wanting to be on our website but will only pay 12, we usually accept them.

MR LINLEY: Okay, thank you and what about the sort of the bigger platforms in that regard. are they happy to pay higher commissions on the... have they turned around and said ja, if you do not give us this we will just go onto a B&B in booking.com and just ...[intervenes]?

MS SEARLE: Ja, no well the thing is they do not need us. The properties do not need us anymore. They do not need anyone of us I would say because they are getting their business off ABNB or booking.com because ABNB has built up a brand and booking.com have paid you know, they have very deep pockets to pay for, to be at the top of the search engine.

So, they get clicked on regardless and my feedback from properties is and this was very difficult for us in the beginning was booking.com came onto the South African market offering 12%
10 commission and of course there was no VAT. They were not paying any VAT at that time in South Africa.

So, the properties were getting it at 12% and the properties used that. They said Well, I do not need you because booking.com I am getting most of my business from booking.com and they are only charging me 12%. Well, that was very nice for the properties until booking.com had the market and then upped their commissions and today I am not sure what the numbers are but my properties tell me they are, if they want to be on the first page, they are paying up to 25% commission.

20 Then there is sort of various schemes you can go on with bookings.com apparently. If you want to be shown more to certain things, then pay us 30% and we will do this for you and now if you want to be on our app you need to pay us more commission because the app is being used more.

So, this is the sort of thing that has been going on and we

cannot compete with that. You know, the if I say to one of our properties well, I want only 5% commission they will laugh at us and say bye bye. We will end up with no properties to sell. So, it puts us in a difficult situation.

MR LINLEY: Thanks. I am going to move back to Google Search. Google introduced its hotels product, Google Hotels which takes us often below the sort of pay for text.

MS SEARLE: Ja.

MR LINLEY: Ads, but often above the organic search results. It takes
10 up a large amount of this first search engine results page. I mean how has that affected traffic to SA Venues and how has that ...[intervenes]

MS SEARLE: [indistinct – 02:36:45]

MR LINLEY: Okay, can you just talk through that and how it might have affected, so the cost it might be involved in advertising, in the top ...[intervenes]

MS SEARLE: Ja.

MR LINLEY: And then your organic results which have been pushed down.

MS SEARLE: Well, you know and I have watched this over the years,
20 when first of all we had sort of bookings.com coming in and there were one or two slots at the top and we all still did fine because we were still sort of what they call above the fold you know, in the first space if you click on and you could still see us, today you have to really scroll to see our organic rankings.

I would actually be surprised if 10% of the public even click

below that above the fold and we know that there are studies. They are online. You can go and have a look what they are so ja, and every year when we have been pushed down further with these hotel products and all this stuff, of course it affects us and we have to become smarter, find other areas to advertise.

Promote ourselves in different ways and not rely on Google.

MR LINLEY: Will you say there are better ways to promote yourself than Google?

MS SEARLE: There are not better ways, there are other ways.

10 MR LINLEY: Then just also with your bidding or for your... the term of your platform, SA Venues. So that is the navigational search term, do you find that you have to bid on that ...[intervenes]

MS SEARLE: To advertise our brand, yes of course.

MR LINLEY: On Google?

MS SEARLE: Ja.

MR LINLEY: Okay. If you do not, what happens?

MS SEARLE: Well, they will put your opposition up there, whoever you know... bookings.com, whoever I do not know. It depends what the search is. If it is SA Venues, they will put something... anybody who has
20 got the word SA and venues in their text somewhere will appear up there. So ja, you have to.

They are inexpensive though. That, because people not many people would think to put SA Venues as a search term and bid against it, but they do. The company that manages that for us have you know they have reported back to us that so and so is bidding against your

term.

We did trademark SA Venues, but you know it is a difficult thing because it can be quite generic. It could be South Australia venues. So, you know, how do you regulate that. So, but those clicks are cheap so we just... we pay for it.

MR LINLEY: Sure, so that is just an expenditure you have to just ...[intervenes]

MS SEARLE: Ja, it is but it is not a big expenditure so we just deal with it.

10 MR LINLEY: Ja, I just want to check with the team if there are any other questions. Then just another thing, you have these big platforms. Global platforms operating in South Africa and they are making lots of commissions, lots of money. I mean, what happens to that money?

MS SEARLE: You tell me.

MR LINLEY: Well, I mean is that money firstly I mean you... it has been raised that a lot of these commissions are, a lot of commissions are being off shored.

MS SEARLE: Of course.

MR LINLEY: Ja.

20 MS SEARLE: Ja, and I as a South African, as a passionate South African, I have a problem with that. A huge problem but what do I do. What can I do about it? Not much. If a you know, I have a lot of ties to overseas still. If a German person buys a property here in South Africa on the Atlantic sea board, and they let it... they come once a year for a three week holiday and the rest of the time they are letting it out on Air

B&B, of course Air B&B is paying that money into a German bank account.

Why would they not, and if you... if it was you, why would you not want your money paid into your bank account? So I get all that, but it is hurting our economy. Not just... that is just the, you know you can argue the point that that tourist who comes in, although that accommodation booking, money is being paid in Germany that tourist is still spending money in South Africa.

So we do kind of benefit from it. My problem is more with the
10 commissions that are being paid to overseas, where if you look at some of our opposition, we are a small company by choice, but we have opposition that are big and who employ hundreds of people and who have had to cut back because of these global platforms and all this commission that goes off shore where it should really be staying in South Africa, so that the South African platforms can employ more people and grow their businesses.

That is very... has been very difficult in the last six, seven years.

MR LINLEY: Do you ...[intervenes]

MS SEARLE: Because of those commissions going off shore as
20 opposed to coming in, staying in the country.

MR LINLEY: So these massive commissions going off shore would you say that global platforms like booking.com are actually actively investing in South Africa, in small medium enterprises?

MS SEARLE: Please show me where and then I will retract my... I will change my opinion of these companies. Please show me where. I will

show you how they are performing on the stock exchange and let us compare. They are not investing in our country as they should be. Sorry, I get very upset about this.

MR LINLEY: No, it is fine.

MS SEARLE: We did and our local opposition do and did, by providing employment for big numbers of people and I know that they have been retrenching for years. The last five to six years have been difficult for all of us in this space because of this very thing.

MR LINLEY: Thank you, and maybe if you want to, can you speak to
10 some of... sort of the initiatives that you have had in the past, in terms of investing into local communities and developing local accommodation providers to get onto your platform?

MS SEARLE: Ja. Again, you know when we were building SA Venues and while we were doing extremely well, we again dealing with Germans and my background as a German, I have family who live in Germany and who come here on holidays regularly. So you know and since I have been a child they have been coming to visit.

So I have grown up with this, and I know how interesting for them the South African people are and the cultures and all of this. So
20 for us it was a bit of a project to try and get, and bring them onto our website to expose them to overseas people who were interested in this and who felt more comfortable say booking into a guesthouse in a township if it was already on a portal and they could see there were reviews, the portal seemingly endorses them by having them on the website.

So we went out and we looked for places. The very first one we found who touch wood today, is still going and is still on our website, we encouraged them to list with us. We did it for free. We helped them along the way sort of you know they would have questions and how do we do this and how do we do that so we would help them along the way.

So we have had those in the Cape. We did it in Soweto in Gauteng because it was very interesting for the overseas visitor to do a township tour. To go and visit Soweto, to see the sites. To mingle with the people.

10 It is interesting for them and we felt it was a value add for our guests, and of course it helped them tremendously. The local communities and I would still love to do a lot more of that sort of thing because it is interesting for people overseas but with one or two unpleasant things happening that were blown up in the news, again there is that resistance to it.

Also, with us people are not searching for Guguleto accommodation or Khayalitsha accommodation. They are looking for experiences in that sort of... I am rambling now, I know I am. I am going off the topic.

20 MR LINLEY: No, carry on.

MS SEARLE: Are you sure? Okay.

MR LINLEY: Hundred percent sure.

MS SEARLE: So you know, the tour operators that we helped that are also still on the site we still do not charge them. Because it just would not... I do not think it will really be fair and it is difficult for us to monitor

anyway. So they are still there, they are still going, but we do not have the funds today anymore to go out and look for these people and actively promote them.

We are just, we are not making enough money especially the last two, three years have been as you all know very difficult. So it is kind of we would love to be doing more of it, because I feel it is great for the country but it is also great for the visitor to South Africa to experience South Africa and not just the Atlantic sea board.

That is it in a nutshell.

10 MR LINLEY: Thanks, and do you see there is a lot of opportunity, especially I mean you mentioned the experiences space and also just in communities and listing properties in communities where people can do house shares. I mean, even for domestic, local, South African.

MS SEARLE: Ja, ja.

MR LINLEY: Through to you know, bring in a more sort of inclusive ...[intervenes]

MS SEARLE: Absolutely.

MR LINLEY: Another set of tourist experiences.

20 MS SEARLE: Absolutely. I do not know if you remember Mzoli's Meat in Guguletho? We were the first people to put them on our website and they because they were quite close to the guesthouse that we listed, the first one that we listed, so they were right nearby and it created this it was wonderful you know, to see South Africa going into these areas and having a great time.

Learning more about each other. So of course there is a... it is a

huge market not just for overseas people but for locals as well. Of course.

MR LINLEY: I am aware of Mzoli's.

MS SEARLE: Ja, so you know them.

MR LINLEY: Ja. Then just, I think just one area we have not covered is sort of pricing. Do you find that a lot of platforms, I mean a lot of accommodation providers list on SA Venues and then they go onto their own website and charge a lower price. Does it happen frequently? I mean could you give some kind of sort of extent to which this would
10 happen?

MS SEARLE: it has become even bigger in the last two years during the pandemic because everybody is trying to get business from where ever they can, so it is become very big and the public are more and more aware that actually if they get hold of a property directly, they are probably going to get a discount.

So we you know, we make... we put all our effort into promoting them and advertising them and then people will find them on our website, Google them and go directly. That happens a lot. What can we do about that? Not much. There is not much we can do. We can
20 only keep branding ourselves and the public knows that if there is a problem, they have got someone at least they can shout at and we are that someone, if they book through us.

Whereas if they book directly they are on their own. So you know there are advantages both sides. So it is something we just have have to deal with but it has become a big problem in the last two years.

The other thing that is a problem, is yes. The other thing that is a problem is if they do not get enough business from us, they say well just take me off your website and if we do not have the sort of a number , I mean it makes sense.

You are not going to go into a shop with empty shelves. You are going to go into the shop that has got fully stocked shelves because you are going to get a good choice. So we have that problem where properties will say well, I am getting all my business from bookings.com now so I do not actually need you.

10 Please just take me off your website. That is a problem.

MR LINLEY: But would you not say the downside for these accommodation providers is that there is no downside. I mean if they list on you and bookings.com, I mean the cost is marginal. The incremental cost of them remaining on your platform is small.

MS SEARLE: Zero, ja. It is very difficult when I hear myself. Okay, now it is gone. Ja, there is no downside for them. They can play us all up against each other. I get most, and they have been doing this for 20 years. This is not new. I get much better, I get more business from Safari Now, so just take me off your website you know.

20 If they get a bad review on our website, you know we feel obliged to keep that live. Oh, just take me off your website then you know, so that the review disappears. That type of thing. There is nothing we can do about that you know. We play... it is a fine line we play with them and with our position, etcetera.

MR LINLEY: I think just to one of the prior questions about people

searching on SA Venues.

MS SEARLE: Ja.

MR LINLEY: And you know, finding accommodation and going directly to the website. Can you give a ball park, like a number? How frequent. What percentage of your bookings or platforms ...[intervenes]

MS SEARLE: That happens.

MR LINLEY: Ja, and then how do you monitor this?

MS SEARLE: You cannot monitor it. You can only we know it happens because great properties will tell you, ten years ago they would phone you up and say you know, this guy enquired on your website, he has phoned me and confirmed, send me an invoice. Today they do not do that.

They just, they will not tell you. I do not think they even ask the guests anymore. They do not care. Because the market has become so huge and so saturated everybody is fighting for that business. There are a very few properties that will actually phone you up and say send me an invoice.

They do not. What percentage is that? I think it is much bigger than we are all aware of, but I cannot give you an exact number. I do not know. I just know that it goes on. We also get oh, that place that you recommended was just terrible. Say well, we do not have a booking for you.

No, I phoned them directly but I found them on your website. You know we phoned them directly but I found them on your website. We get that all the time as well and the opposite, oh we had a wonderful

stay where can I leave a review. Well you did not book it with us, oh yes you know, I found it on your website and booked directly so we know it happens.

MR LINLEY: But not, to what extent?

MS SEARLE: To what extent I cannot tell you. I can only tell you that my properties that we are still friendly with and have good relations with, they tell us that it is about, they say it is a big number. I would guess it at between 10 and 20%.

MR LINLEY: I mean you might be aware and it is subject to sort of
10 global debate. How big booking, big accommodation platforms engage what is called pricing parity.

MS SEARLE: Yes.

MR LINLEY: In other words, and they enforce. They enforce this pricing parity in terms... suggesting that accommodation providers cannot provide lower prices on competing platforms as well as their own website. Now how has the fact that platforms such as booking.com engaging in what is known as wide parity here?

MS SEARLE: Ja.

MR LINLEY: How would you say that has affected your business. In
20 other words you cannot find, I mean you cannot have accommodation provide a cheaper price on your platform versus the price that can be given on booking.com.

MS SEARLE: Ja, that is of course also a huge problem and you can go onto, I mean you can go to Lekkeslaap and do a search, and get a price and we know the public do this and then you go to booking.com and get

a price and nine times out of ten, the price will be less. Sorry, and nine times out of ten the price will be less on bookings.com.

They even advertise well, if you can get it at a better price elsewhere tell us and we will match it or beat it. We cannot fight... we cannot compete with that because they are charging 20% commission upwards. The 15% we earn inclusive of VAT, once you take VAT, all the bank charges... bank commissions etcetera, we are left with maybe 9% to work with.

So you know it is just we cannot do it.

10 MR LINLEY: So what you are saying is that even with the high commissions that booking.com might charge, you cannot actually lower the price down because accommodation providers you know, will not give you the cheapest price.

MS SEARLE: I would not, if generalising yes you are correct. If we are generalising yes, then you are correct. Our margins are small so we cannot... it is not necessarily the property that is giving that discount that you see on booking.com, it is bookings.com giving that discount to make the customer book with them rather than with us and we are talking small you know, it could be a small discount.

20 5%, whatever. We cannot afford to do that because it would cost us money but bookings.com can and just to get the client, because once the client has actually booked with them, chances are the client will download the app. Then they have got the app on their phone and Google is completely out of the picture.

You know, so there are all these things that go on.

MR LINLEY: Then on credit card fees, I mean how does that affect your business?

MS SEARLE: It is huge. Like I say the credit card, you can negotiate with the banks but there is still, it is a fixed cost. It is not just the bank, the commission. You are also paying the bank all kinds of fees. Our largest expense is banking.

MR LINLEY: I am just going to check with the team if they have any other further questions.

MS SEARLE: Okay.

10 MR LINLEY: None of the team have further questions. Great, thank you. Thank you for your time.

MS SEARLE: Thank you. Can I go?

MR LINLEY: Ja.

CHAIRPERSON: You can go. Thank you very much Chrisine and thank you for your time.

MS SEARLE: Most welcome.

CHAIRPERSON: So that does bring a close to our morning session. We will resume at two o'clock with Flightsite and then we also have a 17H30 PM session with Google Search, Travel and Shopping. Thank
20 you.

MS SEARLE: Okay, bye.

SESSION ENDED

CERTIFICATE OF VERACITY

I, the undersigned, hereby certify that, *in as far as it is audible*, the foregoing is a **VERBATIM** transcription from the soundtrack of proceedings, as was ordered to be transcribed by Gauteng Transcribers and which had been recorded by the client

<u>Case No</u>	<u>Competition Commission</u>
OIPMI	SA VENUES

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PLEASE NOTE:

- 1. Parties sometimes unclear, therefore the "indistinct"***
- 2. Mr Keth is recorded very softly and sometimes speaks unclear, which leads to indistinct in the transcript.***



Gauteng Transcribers
Recording & Transcriptions

41 Alexandra Road,
Irene Centurion
TEL: 012 941 0587 FAX: 086 742 7088
MOBILE: 066 513 1757
info@gautengtranscribers.co.za
www.gautengtranscribers.co.za