



Duck Duck Go, Inc.
20 Paoli Pike • Paoli, PA 19301
267.337.6846 • duckduckgo.com

Megan Gray

General Counsel & Policy Advocate
Washington, DC
megan@duckduckgo.com
202-468-8869

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Digital Platforms Inquiry
Australian Competition & Consumer Commission
Level 20 | 175 Pitt St Sydney NSW 2000
Australia
platforminquiry@accc.gov.au

To Whom It May Concern:

DuckDuckGo is an Internet privacy company that provides tools and technologies to help people control their personal information online. One of these tools is DuckDuckGo Search, a private search engine that allows you to search the web without being tracked. Another is DuckDuckGo Privacy Browser, a mobile browser that provides all the privacy essentials needed to browse the web more privately.

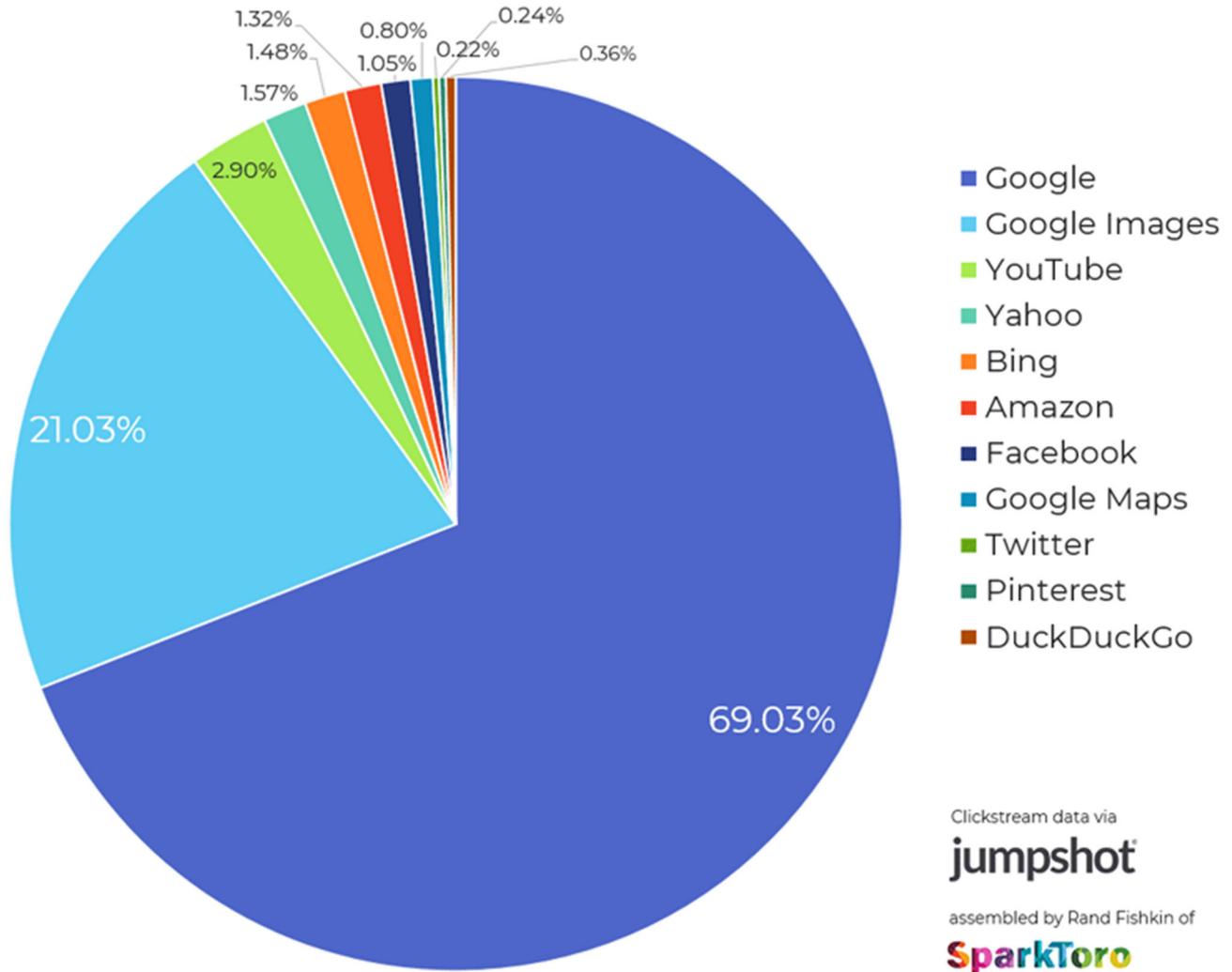
DuckDuckGo Search launched worldwide in 2008 at duckduckgo.com, and, as of February 2019, answers approximately 35 million search queries daily. According to StatCounter, DuckDuckGo Search is the Number 3 search engine in Australia (0.54% market share) as of January 2019. SimilarWeb identifies duckduckgo.com as one of the top-50 sites in Australia.

DuckDuckGo Privacy Browser launched in January 2018 on iOS and Android, and, while we do not have reliable numbers for its browser market share in Australia, according to AppAnnie, DuckDuckGo Privacy Browser consistently ranks in Australia within the top 100 utility apps on iOS and in the top 50 tool apps on Android.

The Google search engine is nonetheless a behemoth. Although not Australia-specific, SparkToro's detailed analysis of the search engine market is illuminating. See <https://sparktoro.com/blog/2018-search-market-share-myths-vs-realities-of-google-bing-amazon-facebook-duckduckgo-more/> Based on objective data, SparkToro demonstrates that Google occupies more 90% of the search engine market. For this reason, Google's February 19, 2019 Submission in Response to the ACCC's Preliminary Report (pgs. 30, 34), claiming that Google faces "fierce" search market competition is absurd.

Privacy, simplified.™

US Search Market Share September 2018



We write in support of the ACCC’s Preliminary Recommendation 3 – “choice of browser and search engine.” In particular, we believe adoption of this recommendation is the most effective regulatory remedy to fairly increase competition in the search and browser markets within Australia, or in any country for that matter.

Increasing competition in these markets will, in turn, produce more competition in the digital media and digital advertising markets. The search advertising market is directly linked to the general search market



and comprises a large portion of the overall digital advertising market. Further, the browser market is directly linked to the search market by the search engine setting within the browser. And digital media consumption is largely driven by both search engines and browsers.

Ample evidence exists (see below) that, if consumers are able to switch to a search engine or browser that doesn't track them, and, critically, that those consumers can readily effectuate that switch on device setup, then both search engine and browser market share would quickly and significantly diversify.

This remedy already has precedents, both for browsers in the EU and for search engines in Russia. This remedy works because it simultaneously informs consumers of viable alternatives and provides consumers the opportunity to choose one of those alternatives at a critical point of adoption: device setup. This decision point directly and immediately results in increased competition.

Over the past several years, we have conducted primary research on consumer adoption of privacy tools and technologies. We publish this research at spreadprivacy.com/tag/research/). Consumer interest in privacy increased dramatically in 2018 and continues to grow substantially in 2019. Consumers, for example, routinely report privacy to be the #1 reason overall for why they would consider switching to a new search engine. Consumers list their most-desired search engine attribute to be a search engine that "doesn't collect personal information" – those consumers rank that attribute as even more important than "better search results" or "fewer ads." In fact, privacy routinely ranks as the #1 reason for approximately a third of consumers in these surveys.

Other privacy research shows similar mainstream trends. For example, a recent Harris Poll in the U.S. recently found "privacy of data" as the "most pressing issue" on the minds of Americans (see <https://www.usatoday.com/story/money/2018/11/09/americans-more-concerned-data-privacy-than-healthcare-study-says/1904796002/>), ranking as a more pressing concern than even healthcare.

The Australian Community Attitudes to Privacy Survey 2017, produced by the Office of the Australian Information Commissioner, reports similar attitudes among Australians (see <https://www.oaic.gov.au/engage-with-us/community-attitudes/australian-community-attitudes-to-privacy-survey-2017>). For example, in Table 2, *Measures taken by Australians to protect their personal information*, the survey reported that 48% of Australians said they "clear [their] browsing and search history." Thus, we reasonably expect that at least 10% of Australians would switch to DuckDuckGo (or another private search engine or browser) within the next five years, assuming those consumers are easily able to switch.

The most effective way to effectuate significant competition in the general search and browser markets is to mandate choice of search engines and browsers on device setup. This remedy is similar to the one imposed by the European Union in the Microsoft competition case. As a result of that case, Microsoft



was required between 2010 and 2014 to offer consumers a choice of web browsers. Microsoft presented this choice on a screen that listed 10-12 browsers in two tiers (based on market share) and became known as the web browser “ballot box.” Microsoft presented this ballot box to anyone who was using the default browser (Internet Explorer at the time) and Microsoft initially made that ballot box available via a Windows Update. See <https://en.wikipedia.org/wiki/BrowserChoice.eu> for more details.

After that change, market share for smaller browsers immediately increased. Critics may point out that those same small browsers eventually lost most of these market share gains, but that was due to reasons untethered to the ballot box opportunity (e.g., failure to provide long-term compelling differentiation against the Chrome browser). In contrast, our unique feature differentiator – privacy – is compelling and enduring.

A similar remedy for the search engine market occurred recently in Russia. In April 2017, Google was forced to offer consumers an explicit choice of search engines. See <https://www.reuters.com/article/us-tmt-conference-yandex/yandex-aims-for-50-percent-mobile-search-share-in-russia-cfo-idUSKBN1DG379> & <https://russiansearchmarketing.com/yandex-catches-google-on-android-in-russia/>. Since then, the Russian search engine Yandex has reported dramatic and consistent market share growth, from 38.2% in Q2 of 2017 to 41.2% in Q3 of 2017, and then, one year later, to 49.5% in September 2018. Indeed, Yandex has reported its market share now surpasses Google’s on Android for the first time ever. See <https://russiansearchmarketing.com/yandex-search-market-share-increase-during-q3/> & <https://www.fool.com/investing/2018/09/07/yandex-overtakes-google-as-russias-top-search-engi.aspx>. These gains have continued through Q4 2018 (see <https://markets.businessinsider.com/news/stocks/yandex-announces-fourth-quarter-and-full-year-2018-financial-results-1027956247>).

In the Russia example, a third search engine, Mail.ru, did not see similar increases, but that does not negate the power of the remedy. It just means that consumers chose to switch to Yandex over Mail.ru, most likely because Mail.ru did not persuade consumers that it was materially better than the more well-known Yandex search engine.

The Commission could implement similar remedies to these examples that would likely replicate these results. We suggest an implementation that gives consumers a choice between the top search engines or browsers, determined by market share for a particular type of device (i.e., smartphone vs. tablet; iOS vs. Android).

For search engine market share, this should be calculated from publisher clicks, as compiled by objective third parties (e.g., StatCounter, <http://gs.statcounter.com/search-engine-market-share/all/australia>). For browser market share, this should be calculated from a composite metric of app downloads and active userbase sizes, as compiled by objective third parties (e.g., AppAnnie).



The Commission should implement a solution that allows participating search engines and browsers to supply a short narrative along with their product name and logo, describing their distinctive features such that consumers can evaluate what product best serves their needs. This is similar to the earlier Microsoft remedy, in which Microsoft was required to present a short description of the alternative browsers (as drafted by those browsers). Given the inherent screen and scroll limitations on mobile, such narratives could be character-limited.

With these short descriptions, smaller companies (like us) have an opportunity to convince consumers to select their products – that opportunity would help overcome brand-awareness disparities. For example, consumers may be unreasonably biased toward products that have benefitted sustained market dominance simply due to brand familiarity; allowing a short description will help overcome this bias.

Additionally, the proposed remedy would incentivize companies to spend more on brand advertising within the Australian market. If this recommendation is adopted, we certainly would invest significant money to raise our overall brand awareness and market share within the Australian market. We have ongoing advertising campaigns within Australia, and would readily expand them under these circumstances.

The Commission should also require device and browser manufacturers to perpetuate the consumer's search engine and browser selection throughout all functionality of the device or browser. For example, the consumer's search engine choice should automatically extend to the default search widget that is currently shipped with most versions of Android as part of the Google search app. The search widget is the easiest and most commonly used search tool on mobile devices (Google refers to it as a widget, and Apple has named it Spotlight Search).

Specifically, the Commission should require Google to emulate Apple's functionality in this regard. The Safari search engine setting on iOS works like this: when the consumer changes that setting to DuckDuckGo, then DuckDuckGo also completes web searches made within the OS-level Spotlight Search bar (the iOS equivalent to the Android default search widget). Below my signature is a visual depiction.

In other words, if there is any search or browsing functionality, it should, by default, be served by the consumer's choice of search engine or browser, and not by another search engine or browser, regardless of whether it is a proprietary feature built-in to that device or browser.

Some quarters may voice concern with this remedy on the grounds that it may impact the business models of smaller browsers or operating systems that depend on default-search-engine deals. However, this impact can be mitigated by restricting the remedy to just Google products, singling them out because of their unique monopoly market position.



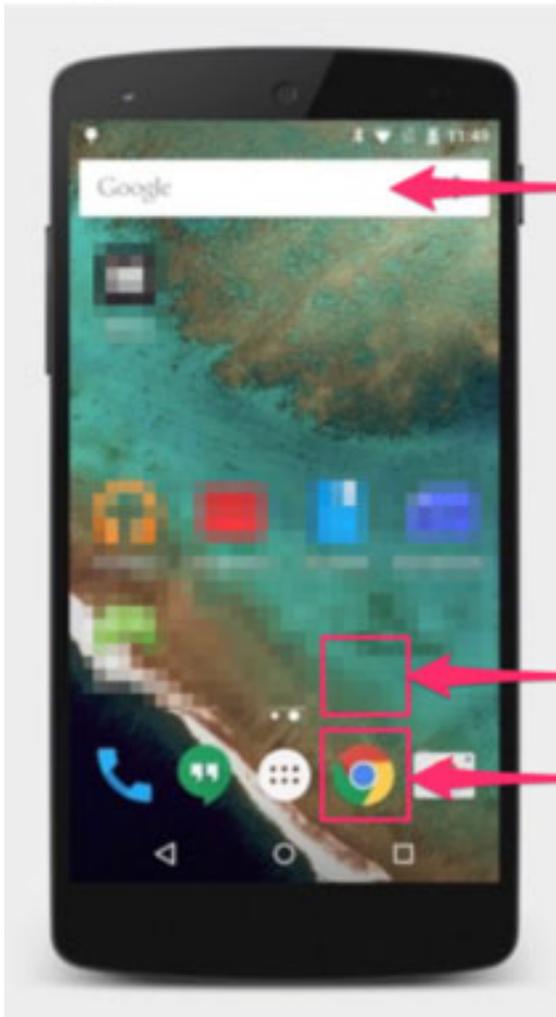
We thank you for your interest and effort in this subject, and are pleased to answer any additional questions you may have.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be "MG" or similar initials, written in a cursive style.

Megan Gray

Typical Android Home Screen



← **Google search widget**

← **Theoretical DuckDuckGo app**

← **Google's Chrome browser**