





European Retail Associations call on European Commission to ensure the timely and adequate enforcement of the Digital Markets Act

12.03.2025

Dear President Ursula von der Leyen, Dear Executive Vice-President Ribera, Dear Executive Vice-President Virkkunen,

<u>Ecommerce Europe</u>, <u>EuroCommerce</u>, and <u>Independent Retail Europe</u> call on the Commission to swiftly advance its ongoing investigations and ensure timely enforcement of the Digital Markets Act (DMA) through balance solutions which preserve the viability of retailers online. We set out our rationale in this joint statement.

Beginning 7 March 2024, the DMA took effect, and digital gatekeepers were expected to put a stop to their anti-competitive practices and allow the creation of a fairer and more competitive environment.

However, in the months since, certain **gatekeepers have erected new barriers** and have demonstrated reluctance to comply with their new obligations. This is evidenced by the different investigations launched by the European Commission in 2024. To name a few examples, in March it was announced that non-compliance investigations are being launched against Alphabet, Apple and Meta¹, and in June it was announced that Apple would be subject to another non-compliance investigation².

In particular, the investigation surrounding Art. 6 (5) DMA and the associated question regarding the design of the Google search results page is extremely important for our sector. **The opportunity of online visibility and sales through offers being shown there is of vital for merchants.** Direct online sales channels are indispensable for retailers of all sizes as well as for many consumers. In the interest of fairness and competitiveness and in light of the original aim of the DMA, online visibility must continue to be ensured for all players, whether they are a Comparison Shopping Service (CSS) or a merchant.

¹ Commission opens non-compliance investigations against Alphabet, Apple and Meta under the Digital Markets Act; <u>https://digital-markets-act.ec.europa.eu/commission-opens-non-compliance-investigations-against-alphabet-apple-and-meta-under-digital-markets-2024-03-25_en</u> ² Commission sends preliminary findings to Apple and opens additional non-compliance investigation against Apple;

² Commission sends preliminary findings to Apple and opens additional non-compliance investigation against Apple; <u>https://digital-markets-act.ec.europa.eu/commission-sends-preliminary-findings-apple-and-opens-additional-non-compliance-investigation-2024-06-24_en</u>







We and our members want a balanced ecosystem where merchants and CSSs can both thrive without one business model prevailing over other ones. We view the DMA as an instrument that would achieve that and make markets in the digital sector fairer and more contestable for <u>all</u> parties (not only just for CSSs or Google).

Certain important aspects of the most recent proposal presented by Google in November last year regarding a possible future structure of the search result page were met with great reservations by our organisations. The latest suggestion for the organic results section (based on user choice between CSS and merchants) is a positive development and a possible path forward but we continue to have **concerns about the Product Listing Ads (PLA) space** pending further refining. All in all, this is therefore not a solution that in its current form meets with complete approval. Moreover, we were recently informed by Google that they started testing this solution on 10% of traffic coming from all EEA countries. This was also reported publicly by the Dow Jones Newswire and Market Watch³. We are closely monitoring these developments and their effects on the online retail sector, although the lack of transparency about the testing conditions will make it difficult to understand the effects in practice.

We therefore ask the Commission to progress and conclude the investigations according to the established timeline and, in case of a non-compliance finding, to propose targeted, effective and adequate enforcement measures and incentivise better behaviour. Any future solution or enforcement measure should aim to provide a <u>balanced</u> solution in the PLA for both CSS <u>and</u> merchants, while preserving the progress achieved for the organics results (based on user choice) so as to safeguard direct visibility of merchants. To ensure the DMA lives up to its initial promises, the Commission should steer the discussion towards a solution that does not lead to a loss of visibility for merchants and the creation of new dependencies on additional layers of intermediation (which would inevitably lead to higher intermediation costs, loss of customer data and a drop in conversion rates). In addition, it should avoid creating consumer confusion.

We are also concerned by recent reports⁴ of a possible relaxation in enforcement and we therefore **call on the Commission to keep up the momentum and act as a bulwark for European businesses and shield companies from the economic and geopolitical instability we face. Competitiveness online must be preserved for the future, and all players should be able to compete in the market under fair and transparent conditions.⁵**

This concern also extends to the parallel discussion regarding the **Core Technology Fee** (CTF). We fear that for retailers and wholesalers who have apps, the CTF may mean very high additional

³ Google Begins New Testing of Search-Results Display in EU; <u>https://www.marketwatch.com/story/google-begins-new-testing-of-search-results-display-in-eu-980d620d</u>

⁴ EU reassesses tech probes into Apple, Google and Meta; <u>https://www.ft.com/content/2c1b6bfd-ce73-451d-8123-0df964266ae8</u>

⁵ To this end, we echo views expressed by MEP Yon-Courtin, <u>https://x.com/s_yoncourtin/status/1877748592997175664</u>, and by the European Parliament's IMCO, <u>https://x.com/EP_SingleMarket/status/1882479625072492558</u>, to ensure the timely enforcement of the DMA and to meet the announced timelines.







costs per year (without considering additional commission fees) and deter investment by retail and wholesale in apps. Retail and wholesale operate with low margins (around or below 5%) and excessive costs as part of the CTF could deter many from investing in app development. **We believe that the CTF is not compliant with the DMA as it is not proportionate under Art. 6(4) of the DMA and should be abolished**.

We look forward to your response on this matter and expect decisive action to ensure a fair and competitive digital market in Europe to the benefit of all European citizens and businesses.