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U.S. Justice Department files antitrust lawsuit against Google, travel brands brace for proceedings

By Linda Fox (/Linda-Fox) | October 20, 2020

The U.S. Government has filed its long-expected **antitrust suit against Google** (<https://apnews.com/article/google-justice-department-antitrust-0510e8f9047956254455ec5d4db06044>).

The Justice Department is claiming that Google has abused its dominant position in search and advertising to keep competition down.

The move follows an investigation into the search giant by the DOJ, which began about a year ago.

It will leave many travel executives pondering what it will mean for them.

A piece published in June by PhocusWire, written by tech executive and angel investor Mario Gavira, **explores some of the implications (<https://www.phocuswire.com/Google-antitrust-US-likelihood>)** both for Google itself and the travel industry.

Already, big online travel companies have made noises about pulling back from Google following reductions in their revenue, which they blamed on a weakness in SEO volumes.

Combined, **Booking Holdings and Expedia Group invested \$11 billion in marketing in 2019 (<https://www.phocuswire.com/booking-holdings-expedia-group-marketing-spend-2019>)**, most of it with Google.

In May of this year, Peter Kern, Expedia Group's new CEO, said **the OTA had been "over-reliant" on Google (<https://www.phocuswire.com/expedia-group-q1-2020>)**, adding that the pandemic was a chance to reset.

Expedia Group's marketing spend for the first quarter of 2020 was \$1.2 billion, down 20% year-on-year.

Meanwhile, Steve Kaufer, CEO of Tripadvisor, said in February that **the company had seen "stronger-than-expected SEO channel headwinds in our Q2 and Q3 earnings, as Google continues to siphon off high-quality traffic that would otherwise have visited Tripadvisor." (<https://www.phocuswire.com/tripadvisor-q4-full-year-2019>)**

At this stage it is unknown how far-reaching the DOJ suit will be and whether it will extend to both display and search advertising.

Gavira says the latter could "reshuffle the industry cards in the most important acquisition channels for travel Google Ads and Google Hotel Ads."

Certainly Google, alongside Facebook, has been **the subject of increased criticism, with accusations that the company has been unwilling to share the pain (<https://www.phocuswire.com/Google-open-letter-France>)** brought on by the pandemic, leveled at it from many corners of the travel industry.

But even before the pandemic, **many in travel warned of search giants increasing their hold over the industry (<https://www.phocuswire.com/Rethinking-Google-entry-online-travel>)**.

A Google spokesperson says:

"Today's lawsuit by the Department of Justice is deeply flawed. People use Google because they choose to -- not because they're forced to or because they can't find alternatives."

A fuller statement from the search giant is expected later today.

The coming of the suit adds to the recent woes of Big Tech - Amazon, Apple, Facebook and Google, which were accused of having too much power by U.S. lawmakers earlier this month.

However, **those same tech giants continue to grow in power**

(<https://www.phocuswire.com/sounding-off-84-tech-giants>), armed with the resources to meet traveler expectations at every step of the journey.

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