

Microsoft joins group targeting Google-ITA deal

December 14 2010, By John Letzing

Microsoft Corp. has officially joined an industry group lobbying against rival Google Inc.'s proposed, \$700 million acquisition of travel-information software firm ITA Software Inc. on antitrust grounds.

The FairSearch.org coalition said Monday that Microsoft is among a handful of new members who will be demonstrating "concern around the world about the broader threat the Google-ITA deal poses to travel consumers."

[Google](#) announced in July that it plans to purchase ITA Software, which provides travel information technology to Microsoft, American Airlines and others.

That announcement drew concerns from rivals and critics who say Google could use its market power as a dominant search engine to hinder competition in the online travel industry.

Google controls about 66 percent of the U.S. [search market](#), according to comScore Inc. data, while Microsoft and Yahoo Inc. hold a combined, 28 percent share.

FairSearch.org has estimated that Google now provides over 30 percent of all search engine traffic to online travel sites, as "the primary way Internet users navigate to U.S. industries online."

In August, the U.S. Justice Department informed Google that it was

extending its initial, automatic antitrust review of the planned ITA Software merger, with a second request for information.

FairSearch.org said Monday that it "is urging the U.S. Justice Department to challenge Google's proposed acquisition of ITA Software, the flight search technology that powers many of the web's most popular travel sites."

Microsoft joins existing FairSearch.org members including Expedia Inc., Farelogix Inc. and Kayak.com.

A Microsoft spokesman said that, "As an ITA Software customer, Microsoft's ability to continue providing innovative ways for consumers to find the best flights at the lowest prices online rests on a competitive market for travel technology. Microsoft is joining FairSearch.org to help raise awareness of how the proposed Google-ITA merger could hurt travelers by slowing innovation and contributing to higher travel costs."

A Google spokesman countered in a statement that, "I'm not sure there are any surprises here. Microsoft is our largest competitor and lobbies regulators against every acquisition we make."

The Google spokesman also noted that Foundem, a search service which is joining FairSearch.org alongside [Microsoft](#), has long complained about its ranking in Google search results.

"It's disappointing but not surprising that established players are defending the status quo, while we plan to provide consumers with better flight search tools and more choices and drive more traffic to travel Web sites," the Google spokesman said.

In a posting on a company website in August, Google Senior Product Manager Andrew Silverman wrote that, "We're confident that the

(Justice Department) will conclude that online travel will remain competitive after this acquisition closes."

Silverman added that the deal "will benefit travelers as well as those seeking their business."

On Monday, Fairsearch.org countered that, "Acquiring ITA Software would give Google control over the software that powers most of its closest rivals in travel search and could enable Google to manipulate and dominate the online air travel marketplace. The end result could be higher travel prices, fewer travel choices for consumers and businesses, and less innovation in online travel search."

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