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Federal Trade Commission  
Office of the Secretary  
600 Pennsylvania Avenue NW  
Suite CC-5610 (Annex C)  
Washington, DC 20580

Re: Competition and Consumer Protection in the 21st Century Hearing, Project Number P181201

As the sales director at Hugo's Restaurant, I am greatly concerned about the Google Tax. Certain Google ads are available exclusively to third-party delivery services, which charge a commission to deliver a restaurant's food. Restaurant owners have no say as to whether or not these ads appear in their Google knowledge panel. This situation is unfair to restaurant owners, and it feels like we don't have any recourse. It feels like a monopoly, and I want that to change.

Our Google knowledge panel has our website, our phone number, a link to our menu, and some reviews. What the user ultimately sees depends on whether or not they're googling our restaurant on the phone versus the computer. On the computer, it usually has maps, and our restaurant comes up first. But when they google it on the phone--which most people do nowadays--it's a completely different experience: There is a link for a third-party delivery service. Then, we have to pay a percentage to this delivery service if the customer decides to order from them, rather than using our restaurant directly.

I am angry about the Google Tax because they have found a loophole and a way to take advantage of restaurants. We don't have a delivery service, but if we did, I wouldn't just be angry by the placement of this unwanted ad, I'd be enraged since that would be taking money away from our business. We should have a say on how information is presented on Google's knowledge panel. Having control over our information is essential. When that information is wrong, it creates a bad customer experience.

For instance, the delivery services might not do menu updates in a timely fashion. Then, someone may try to order something that is no longer on our menu. They don't blame the delivery service; they blame us. In a way, they are misrepresenting us because a lot of people feel like that's something that we're signed off on. But, I don't have control over how long it takes these services to update their menus and pricing. When we get someone coming in and finding that their item isn't available or the price is different than they expected, that reflects poorly on us and costs us money.

This situation is adding insult to injury. We feel really bad because we end up being customer service for the third-party delivery services. If those orders come late or jostled, for instance, we get the blame for it. We are the ones who get the poor reviews. We're getting two stars or even one star when it's not us, it's the delivery drivers, yet those customers are calling us saying, "Where's our food?" We're being held responsible for something that we're paying tooth and nail for. Because they are connecting to our Google knowledge panel, and because the average consumer isn't educated about the process, we are the ones who are paying for it--in more ways than one.

When it comes to the restaurant business, we're talking about a very thin profit margin as it is. I have no doubt that our restaurant has lost a portion of its revenues to third-party delivery services. When we first started going online, the commission structure was a certain way, but they keep raising it and raising it. They base it on tiers and we have to pay more to be at a certain tier. We're constantly seeing those numbers grow based on how much we want to pay to play. Something that started off a certain percentage is now up to 20, 25, or 30 percent. And that's just to be on the app. To me, this Google Tax seems like a strong-arm tactic.

You pretty much *have* to be on these apps because so many people are ordering this way and eating at home, rather than going out to restaurants. Here in California, with minimum wage being what it is, the profit margin in our restaurant is very tight. If you give up 30 percent of your profits, you're actually losing money on those orders. Keep in mind that we also have to pay for to-go packaging, which is very expensive. As much as you want to get more orders, you end up taking a loss because of the app! All you can do is hope that the person likes the food enough that the next time around they will get in their car and actually come in and dine at the restaurant.

Restaurant owners need to be given the ultimate say on what appears on their Google knowledge panels. It should be our menu, our location, and what we decide to put on there. It shouldn't include an ad for any third-party business unrelated to the restaurant itself. And, it *shouldn't* be represented as if the third party is a part of our business. Simply put, every restaurant's knowledge panel should be under its own control. I hope the FTC will ensure that happens.

Regards,

Christina Fauth  
Sales Director