# 22 November 2012: Advertising in directories

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Advertising agencies can now compete more effectively with the PagesJaunes advertising network for advertising space.



The Autorité de la concurrence issued a decision today, by which it accepts the commitments made by PagesJaunes and makes them mandatory. These commitments will allow agencies to offer advertisers the same services as those provided by the PagesJaunes advertising network in terms of advertising space purchases in print and online directories.

## Practices complained of by advertising agencies

To have an advert published in PagesJaunes directories, companies (advertisers) can deal directly with the PagesJaunes advertising network or go through an advertising agency which will act as an intermediary and advise them on how to optimise their campaign.

A dozen agencies<sup>1</sup> have referred the practices implemented by PagesJaunes to the Autorité de la concurrence. They criticise the former, in particular for denying them access to the statistical data used to give counsel to advertisers. They also highlighted cases of denigration, by PagesJaunes salespersons, of the quality and price of their services, and discrimination against them. In particular, they claim that advertising agencies had to respect several criteria for the publication of certain adverts while, in some cases, the sales force of PagesJaunes did not.

## **Competition concerns**

As a reminder, in December 2010 (see <u>decision 10-D-38</u>), the Autorité de la concurrence rejected the application for interim measures made by the requesting parties, considering that the conditions of urgency had not been met. On the other hand, they decided to carry on with the investigation on the merits of the case.

Last July, the investigation services informed PagesJaunes of their competition concerns, considering that certain practices complained of by the requesting parties could restrict competition in the market of the sale of advertising space in directories.

In response, PagesJaunes proposed commitments which were submitted for consultation by key players in the sector, on the Autorité's website (see <u>market</u> test of 31 July 2012).

#### The commitments proposed by PagesJaunes

PagesJaunes undertakes to:

- <u>provide agencies with statistics</u> on advert views identical to those available to the salespersons of PagesJaunes;
- pursue the provision, to agencies, of the software used to calculate advert insertion tariffs;
- put in place an external communication plan aimed at informing advertisers of the existence and role of advertising agencies. This plan must make it clear that a purchase of space via an agency or directly from PagesJaunes will not lead to any difference in pricing or treatment;
- put in place a <u>compliance program</u> comprising, in particular: the training of sales advisers and telesales operators in competition law, the introduction of an alert system, on the one hand, to collect and process any complaints from agencies relating to the behaviour of its sales force and, on the other, to respond to any question of the PagesJaunes personnel reporting concerns about

compliance with competition rules.

- ensure compliance with publication rules specific to adverts by its sales departments by setting up random checks on orders for headings said to be "risky" (such as, in particular, urgent home repair services, heating, plumbing and locksmiths) and by maintaining the systematic preliminary control of certain orders introduced in 2010, thus making it possible to ensure effective control over more than 4,000 of these orders a year.

#### The Autorité has made these commitments mandatory

The Autorité de la concurrence considered these commitments, undertaken for three years, to be relevant, credible and verifiable, and has made them mandatory.

Agencies, now having the same conditions of treatment as the PagesJaunes advertising network, will be able to effectively compete with it in their dealings with advertisers.

To verify the correct application of these commitments, PagesJaunes will send a report each year to the Autorité de la concurrence, in which it will provide an update on their effect (number of agencies requesting access to consultation statistics, number of agencies subscribing to a licence for statistics software) and results of the implementation of the compliance program (number of employees trained, number of alerts received, follow-up given to these alerts, etc.).

(1) NHK conseil, Agence I&MA conseils, Sudmédia conseil, OSCP, Audit Conseil Publicité Annuaires, Charcot.net, Agence Heuveline, Avycom publicité annuaire, Toocom, Ecoannuaires, Netcreative-Pages Annuaires.

- > Read full text of the decision 12-D-22 of 22 November 2012
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