IT and electronic products distribution sector : The Autorité de la concurrence clears the takeover of Top Achat by LDLC

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On 25 February 2020, the LDLC group notified the Autorité its intention to acquire the sole control of the Top Achat business capital.

Parties to the transaction

The LDLC group is active in the retail of computer and electronic equipment sector through the *LDLC.com, materiel.net and hardware.fr* websites. It also has a network of over fifty stores under the "*LDLC.com*" banner, nine stores under the "*Materiel.net*" banner and fifteen stores under the "*Bimp*" banner. LDLC also offers computer configuration services.

Top Achat is active in the online distribution of customizable computers, computer components, peripherals and accessories sector via its website *topachat.com*. As part of these various activities, Top Achat offers an online computer configuration service, in particular through its "*Configomatic*" tool.

Markets examined

In order to analyse the impact of this takeover on competition, the Autorité de la concurrence questioned competitors of the parties to the transaction on these

markets. This consultation with market operators made it possible to deepen our knowledge of the structure and functioning of these markets and to identify new markets which should be subject to a particularly careful analysis. The Autorité notably identified, for the first time in this case, two relevant markets:

- First of all, the market for computer components, capable itself of being segmented according to each category of components and on which it is necessary to distinguish, in the same way as for household appliances, an upstream market supply and a downstream retail market;
- Then, the market for computer configuration services; this corresponds to the design of custom-made computers thanks to a computer configuration tool which ensures compatibility between the various components and assembly services; these services are intended for customers wishing to design a custom-made computer, making it possible to meet their requirements in terms of technology or performance of computer equipment, like certain professionals who wish to meet a specific need (example: choice of operating system, computer performance to support professional software) or video game enthusiasts./players

The Autorité also analysed the effects of this transaction on the markets for the distribution of household appliances. In these markets, the parties are simultaneously active in the upstream markets for the supply of household appliances to suppliers[1] and in the downstream markets for the retail distribution of this type of product, which bring distributors[2] and end consumers together. In order to fully appreciate the impacts of this transaction, the Autorité considered, for the first time, a specific segment of computer products intended for video game players. It also segmented the IT product market according to their range levels, the parties being particularly active in the high-end segment.

The transaction is not likely to harm competition

At the end of its investigation, the Autorité considered that the takeover of Top Achat by the LDLC group was not likely to restrict competition in the markets for household appliances, computer components and computer configuration services.

For the latter market, the Autorité noted that the transaction will allow LDLC to acquire the computer configuration tool from Top Achat. Although it enjoys a strong reputation with consumers, since it is the first tool of this type to have been developed, the new entity will continue to face significant competitors, such as Cybertek or PC Specialist. New operators are also likely to develop through marketplaces and offer an identical service to that of the new entity.

The Autorité also noted that the transaction was not likely to raise competition concerns in the upstream market for the supply of computer components, given the competition from computer manufacturers and the important power of negotiation of computer component manufacturers or wholesalers active in this market.

The Autorité has thus noted that the transaction does not have the effect of significantly strengthening the position of the new entity on all of these markets, in particular due to the presence of numerous other competitors and the parties' limited positions in affected markets.

The Autorité therefore cleared this transaction without subjecting it to specific conditions.

[1] *These are all types of grey products suppliers such as for example Dell, Apple, etc.*
[2] *Such as Fnac-Darty, Boulanger, Amazon, Cdiscount brands…*

regarding the sole control acquisition of Top Achat by LDLC group

See full text of the decision

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