Online property advertising : the Autorité de la concurrence has examined the merger of two online platforms

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For the first time, the Autorité de la concurrence has examined the merger of two online platforms. After an in-depth examination, the Autorité unconditionally clears the acquisition of Concept Multimédia (Logic-Immo.com) by the Axel Springer Group (SeLoger.com).

Parties to the transaction

On 24 July 2017, the German group Axel Springer, which owns, in particular, the online property portal Seloger.com, notified the *Autorité de la concurrence* of its plan to acquire the French company Concept Multimédia, which itself publishes the portal "logic-immo.com" and the property advertising magazines “Logic-Immo” and “Lux Résidence”.

The *Autorité* had to, for the first time, issue a decision on a merger involving two online platforms. To do so, it had to take into account network cross-effects and took an interest in the importance of data in this transaction.

The Autorité based its review, in particular, on the results of a vast online questionnaire

The case lead to an in-depth examination, in view especially of the detailed assessment, which had to be carried to define the relevant markets for the

property advertisements on behalf of estate professionals; and of the parties' relatively high market shares (for instance of SeLoger).

On 11 September 2017, the *Autorité* thus opened an in-depth examination to evaluate, in particular, the capacity of the current competitors, such as Le Bon Coin, and of the potential competitors, such as Facebook, to stimulate competition in the face of the merger of two of the main operators in the French online property advertising market[1].

The *Autorité*'s analysis was based on a broad consultation of all of the professionals in the sector (portals, estate agents, and trade associations), on the analysis of numerous internal documents and, for the first time, on the results of an online questionnaire conducted by the *Autorité* on more than 30,000 estate agencies.

The transaction will not significantly modify the competition conditions in the market

Based on its examination, the *Autorité* considers that the transaction, which admittedly reinforces SeLoger market share, will not significantly harm competition.

Firstly, the transaction does not modify the incentives for the new entity to increase its prices, insofar as property agencies that could be brought to reduce their use of SeLoger or Logic-Immo following a price increase of one of those portals would rely - to a great extent - on other portals, primarily Le Bon Coin. After the transaction, Le Bon Coin will remain the leading market player in terms of audience and will be likely to exert growing competitive pressure, in particular due to the recent acquisition of the "AVendreALouer" portal. If the new entity was to raise its prices in the future, it would not necessarily be linked to the transaction.

Secondly, a significant elimination of competition through service offers coupled between the two portals could not be proved. If such an offer could lead to a

decrease in the number of advertisements and in the turnover of the new entity's competitors, this decrease would remain limited.

Lastly, the *Autorité* examined in detail the impact on the transaction that the development or the entry of GAFAs could have on the market for online property advertising by the industry . If it were cautious in the matter[2]; however, it noted the development of the portal "Bien'ici", created on the initiative of the property industry .

Under the terms of this decision, which took into account the different specificities of the platforms and markets concerned, the *Autorité* has thus concluded that the transaction would not be liable to harm competition in the markets in question and can therefore be cleared without condition.

1 See the press release.

2 The Autorité adopted a different approach in examining the takeover of Darty by Fnac, taking into account competition from Amazon in particular, insofar as the Autorité was able to acquaint itself with and analyse numerous converging information sources (internal documents, economic surveys, etc.). In the present case, the Autorité therefore took a cautious approach in view of the particularly high standards of evidence required regarding entry or development of potential competitors on a market.

See the full text of the decision 18-DCC-18