Outdoor accommodation industry: The Autorité clears the acquisition of the Vacanceselect Group by the ECG Group, subject to conditions

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Background

The *Autorité de la concurrence* clears the acquisition by the ECG Group, which is active in the outdoor accommodation sector, of the Vacanceselect Group, owner of the Vacanceselect and Tohapi brands.

For the first time, the Autorité had the opportunity to examine two new relevant markets: first, a market for the activity of tour operator, which consists of a campsite making some of its pitches available to a third party campsite (known as a "tour operator") so that this third-party operator can operate them on its own behalf; and second, a market for online travel agency services specialising in camping offers.

The Autorité's analysis led it to identify risks of harm to competition on the markets for the operation of camping pitches at the local level. To prevent these risks, ECG committed to divest a campsite in the Les Prés du Verdon area (in the Alpes de Haute-Provence department) and to enter into a contract with a third-party campsite to operate 27 high-end serviced pitches in the La Croix du Vieux Pont (Aisne).

Parties to the transaction

ECG and Vacanceselect are two groups active in the outdoor accommodation sector. They rent out camping pitches to consumers, either on their own campsites (i.e. directly and entirely owned by the groups) or on sites owned by third-party campsites, which they operate under a tour operator contract.

In France, the ECG Group owns the Homair, Eurocamp, Roan, Marvilla and Palmier Océans brands, as well as the CampingVision platform, which allows campsites to be booked online.

The Vacanceselect Group owns the Vacanceselect and Tohapi brands and the Vacanceselect, Canvas Holidays and Selectcamp platforms.

Two new markets identified by the Authority

This decision was first of all an opportunity for the *Autorité* to look at two new markets. First, the *Autorité* has identified a market for the activity of tour operator, which consists of a campsite making some of its pitches available to a third party campsite (known as a "tour operator") so that this third-party operator can operate them on its own behalf.

Second, the *Autorité* has considered a market for online travel agency services specialising in camping offers, due to the existence of a specific demand from campsites for this type of service.

The *Autorité* based its considerations on the information gathered through market tests and interviews with the parties' competing campsites.

In this case, the *Autorité* focused mainly on the markets for the operation of camping pitches. In view of the parties' activities, the analysis mainly focused on the market for the operation of serviced campsites, particularly in the high-end segment. The information gathered from third parties has established that (i) tourist residences, (ii) holiday villages, (iii) leisure residential parks constitute credible alternatives to equipped pitches in high-end campsites (3, 4 and 5 stars).

With regard to the geographic markets, the interviews with third parties also confirmed the need for a local analysis of the effects of the transaction on the markets for the operation of campsite pitches. Consultations with operators in

the sector indicated that, at the local level, the relevant geographic market was 10 km for campsites located (i) in seaside resorts, (ii) on the coast, (iii) by the sea/ocean/lake and (iv) in a town. Lastly, the market tests indicated that this market was 30 minutes for (i) the mountains, (ii) Corsica and (iii) inland France.

The Autorité considered that there was a risk of harm to competition on the markets for the operation of campsites at the local level.

The risks of harm to competition could be ruled out on the tour operator market and the market for online travel agency services specialising in camping offers, particularly considering the market shares of the parties, the competitive pressure of sufficiently significant operators and the possibility for the parties' partner campsites to terminate their tour operator contracts in order to market their sites directly or through online travel agencies specialising in camping offers.

The *Autorité* was also able to rule out competition problems resulting from the transaction on the markets for the operation of campsites at the national level, given the parties' moderate market shares and the presence of a very large number of national players, such as the Capfun, Yellow Village, Siblu and Sandaya groups.

Following its analysis, the *Autorité* however considered that the transaction posed risks of harm to competition in the two catchment areas surrounding the Les Prés du Verdon campsite (04) and the La Croix du Vieux Pont campsite (02).

In these areas, the transaction was likely to reduce competitive pressure given the position of the new entity after the transaction, and could lead to price rises or a reduction in the diversity of the offering, to the detriment of consumers.

To resolve the identified competition issues, ECG has committed to divest a campsite located in the Les Prés du Verdon area and to enter into a contract with a third-party campsite to operate 27 high-end serviced pitches in the La Croix du Vieux Pont area.

These commitments will reduce the market shares of the new entity to a reasonable level for the Les Prés du Verdon area and restore the competitive situation that existed prior to the transaction for the La Croix du Vieux Pont area. They will also enable competing campsites to strengthen their presence or become established in the areas concerned and so compete with the new entity.

The buyers presented will have to be approved by the *Autorité*, which will ensure that they are independent of the new entity and able to stimulate competition. An independent trustee approved by the *Autorité* will ensure the implementation of these commitments.

FULL TEXT

The full text of the decision will soon be published on the Autorité's website

Access the merger control decisions

Contact(s)

Valentin Py
Communication officer
01 55 04 00 54
Contact us by e-mail