



Determination No. M/05/026 of the Competition Authority, dated 1st July 2005, under Section 21 of the Competition Act, 2002

Notification No. M/05/026 – Proposed acquisition by Kerry Acquisitions Limited of Midland Radio Group Limited

Introduction

1. On 2nd June 2005 the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby Kerry Acquisitions Limited (“Radio Kerry”) would acquire Midland Radio Group Limited (“Midland Radio”). The Authority advised the parties and the Minister that it considers the transaction to be a “media merger”, within the meaning of Section 23 of the Act.

The Parties

2. Radio Kerry is a local commercial radio station, licensed by the Broadcasting Commission of Ireland (“the BCI”) and broadcasts in and throughout the County of Kerry. Its programme style is focused on news/current affairs and music with a strong local identity targeting an audience of 18+ years adults.
3. Midland Radio operates two local commercial radio stations both of which are licensed by the BCI: Shannonside 104FM and Northern Sound Radio.
4. Shannonside 104FM broadcasts pursuant to its licence in the Leitrim South, County Longford and County Roscommon Region. Its programming style places a strong emphasis on local news, information and current affairs, Irish, country, middle-of-the-road and contemporary music targeting an audience of 18-55years adults.
5. Northern Sound Radio broadcasts in the Cavan and Monaghan regions pursuant to its licence, providing programming with a strong emphasis on local news, information and current affairs, Irish, country, middle-of-the-road and contemporary music and targets an audience of 18-55 years adults.

Analysis

6. As set forth by the parties and in prior Authority Determinations¹, there is a market for the sale of advertising slots on radio. Advertising may be conducted on a national or local basis. Radio Kerry is licensed to broadcast in a different franchise area than either of Midland Radio’s two radio Stations, Shannonside 104FM and Northern Sound Radio. There is no overlap of listenership between Radio Kerry and Midland Radio. To that extent, there is

¹ Determination No. M/03/033 – Scottish Radio Holdings/FM 104 of 5th February 2004; Determination No. M/04/003 – Radio 2000/News 106 Limited of 5th March 2004 and Determination No. M/04/078 – Ulster Television plc. and Coderidge of 21st January 2004, under Section 21 of the Competition Act, 2002.



no geographical overlap in the licensed franchise areas. Advertisers wishing to advertise in and around the County of Kerry would not place advertising with Midland Radio (Shannonside 104FM and Northern Sound Radio). Similarly, advertisers wishing to place local advertising to attract business from the Leitrim South, County Longford and County Roscommon Region (Shannonside 104FM) or in the Cavan and Monaghan regions (Northern Sound Radio) would not place advertising with Radio Kerry. As a consequence, there is no overlap in local radio advertising.

7. Radio advertising may be conducted on a national or local basis. Advertisers seeking to advertise nationally will generally choose one of the national radio stations (the RTE stations and Today FM) or may choose a grouping of local stations represented by a sales agency. Radio Kerry and Midland Radio (Shannonside 104FM and Northern Sound Radio) all sell national advertising through Independent Radio Sales (IRS). IRS is a central sales agency which sells national advertising on behalf of its members, individually and/or collectively, to advertising agencies and advertisers. Members of IRS are made up of approximately fourteen local commercial radio stations. IRS may also sell advertising space on behalf of IRS members and other local commercial radio stations on a collective basis stations in a specialised advertising form.
8. Since there is no geographic overlap in the respective licensed areas of the Radio Kerry and Midland Radio, no overlap in respective of national advertising arises. National advertising broadcast on Radio Kerry and Midland Radio is complementary, since the national advertisers choosing Radio Kerry will also need to advertise in the local areas covered by Midland Radio.

Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by Radio Kerry of Midland Radio will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect subject to the provisions of Section 23(9)(a) of the Act.

For the Competition Authority

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Member of the Competition Authority