



## DETERMINATION OF MERGER NOTIFICATION M/17/056 - BAY/RADIO NOVA

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### Section 21 of the Competition Act 2002

### Proposed acquisition by Bay Broadcasting Limited of sole control of Classic Rock Broadcasting Limited t/a Radio Nova

Dated 22 January 2018

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#### Introduction

1. On 20 October 2017, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (“the Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed transaction (the “Proposed Transaction”) whereby Bay Broadcasting Limited (“Bay”) would acquire sole control of Classic Rock Broadcasting Limited (“Classic Rock”) t/a Radio Nova.
2. Given that both Bay and Classic Rock carry on a “media business” within the State (as defined in section 28A(1) of the Act), the Proposed Transaction constitutes a “media merger” for the purposes of Part 3A of the Act.

#### The Proposed Transaction

3. The Proposed Transaction is to be implemented pursuant to a share purchase, loan note and loan purchase agreement between the vendors<sup>1</sup> and Bay dated 21 September 2017. Bay currently owns 38.4% of the entire issued share capital of Classic Rock. Following completion of the Proposed Transaction, Bay will acquire the remaining 61.6% of the issued share capital of Classic Rock.

#### The Undertakings Involved

##### *The Acquirer – Bay*

4. Bay, a private limited company incorporated in the State, is a non-trading company that holds shares in the following three radio stations in the State:
  - Choice Broadcasting Limited t/a Classic Hits 4FM (99%);<sup>2</sup>
  - Star Broadcasting Limited t/a Sunshine 106.8 (45.83%);<sup>3</sup> and

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<sup>1</sup> Vienna Investments Limited, Patrick McDonagh and Desmond Whelan.

<sup>2</sup> Bay has informed the Commission that it currently has sole control of Choice Broadcasting Limited t/a Classic Hits 4FM.

<sup>3</sup> Bay has informed the Commission that it does not control Star Broadcasting Limited t/a Sunshine 106.8.



- Classic Rock t/a Radio Nova (38.4%).<sup>4</sup>
- 5. Classic Hits 4FM is licensed by the Broadcasting Authority of Ireland (“BAI”)<sup>5</sup> to broadcast in the following areas of the State: the Dublin commuter belt<sup>6</sup> and counties Dublin, Cork, Limerick, Galway and Clare. Classic Hits 4FM’s target audience is the 45+ age group and its content is a mixture of music (“*gold, easy listening, smooth and classic songs*”<sup>7</sup>) and speech.<sup>8</sup>
- 6. Sunshine 106.8 is licensed by the BAI to broadcast in Co. Dublin. According to its Programme Policy Statement approved by the BAI, Sunshine 106.8 is “*a niche radio station...for adults who want easy listening music... [it] has a target audience of all adults in Dublin, with a core audience of 35-54 year olds.*” Sunshine 106.8 is marketed on its website as “*Dublin’s easy place to relax*”.<sup>9</sup>
- 7. For the financial year ending 31 March 2017, Bay’s worldwide turnover was approximately €[...], all of which was generated in the State.<sup>10</sup>

#### *The Target – Classic Rock*

- 8. Classic Rock, a private limited company incorporated in the State, operates Radio Nova which is licensed by the BAI to broadcast in “*Dublin city, county & commuter belt (incl. parts of Wicklow, Kildare and Meath).*”<sup>11</sup> According to its Programme Policy Statement which was approved by the BAI in November 2012, Radio Nova is a classic rock music radio station targeted at the 25-54 age group.
- 9. There are four shareholders in Classic Rock: Vienna Investments Limited (38.4%), Bay (38.4%), Patrick McDonagh (19.7%) and Desmond Whelan (3.5%). Bay has informed the Commission that Classic Rock is currently jointly controlled by Vienna Investments Limited and Patrick McDonagh.
- 10. For the year ending 31 December 2016, Classic Rock’s worldwide turnover was approximately €[...], all of which was generated in the State.

<sup>4</sup> Bay has informed the Commission that Classic Rock is currently jointly controlled by Vienna Investments Limited and Patrick McDonagh.

<sup>5</sup> The BAI is an independent statutory organisation responsible for the regulation of broadcasting services (including radio) in the State under the Broadcasting Act 2009. For more information, please see <http://www.bai.ie/en/about-us/>

<sup>6</sup> The parties informed the Commission that the BAI, in its BAI Licensing Plan 2012-2013, defines the Dublin commuter belt as follows: “*The Commuter Belt is defined as locations in South Meath, North Kildare and North Wicklow that can be served by overspill coverage from Three Rock and/or supplemented by a small number of low power transmitter stations that are designed to serve a major population centre using a nominal ERP of 100 watts. North Kildare is broadly defined as the area north of a line drawn between Ballymore Eustace and Rathangan. This would include Newbridge and Naas but exclude Kildare town. South Meath is broadly defined as the area south of a line drawn between Bellewstown and Ballivor. North Wicklow is broadly defined as the area north of a line drawn between Blessington and Greystones.*”

<sup>7</sup> As described in Classic Hits 4FM’s Programme Policy Statement which was approved by the BAI in March 2017.

<sup>8</sup> The ratio of music to speech on Classic Hits 4FM is 50/50 during the period 7am to 7pm and 60/40 across the 24-hour broadcast day.

<sup>9</sup> For more information, please see <http://www.sunshineradio.ie/>

<sup>10</sup> This includes Choice Broadcasting Limited’s worldwide turnover of approximately €[...] for the year ending 31 December 2016 (all of which was generated in the State). As noted in footnote 2 above, Bay has informed the Commission that it currently has sole control of Choice Broadcasting Limited t/a Classic Hits 4FM. This does not, however, include the turnover generated by Star Broadcasting Limited t/a Sunshine 106.8, in which Bay currently has a non-controlling shareholding. Star Broadcasting Limited t/a Sunshine 106.8 generated worldwide turnover of approximately €[...] for the year ending 31 December 2016 (all of which was generated in the State).

<sup>11</sup> For more information, please see <https://www.nova.ie/about/>



### Rationale for the Proposed Transaction

11. The parties state the following in the notification:

*“The commercial objective sought to be achieved by Radio Nova by the proposed transaction is the continuity of its business as a going concern. The commercial objective sought to be achieved by Bay by the proposed transaction is the continuity of its future growth strategy.”*

### Preliminary Investigation (“Phase 1 investigation”)

12. The Phase 1 investigation involved various contacts with the notifying parties and market enquiries with third parties.

### Contacts with the Undertakings Involved

13. On 29 November 2017, the Commission served a Requirement for Further Information (“RFI”) on each of Bay and Classic Rock pursuant to section 20(2) of the Act. This adjusted the deadline within which the Commission had to conclude its assessment of the Proposed Transaction in Phase 1.
14. Upon receipt of all the responses to the RFI from each of Bay and Classic Rock, the “appropriate date” (within the meaning of section 19(6)(b)(i) of the Act) became 31 January 2017.<sup>12</sup>
15. During its investigation, the Commission requested and received, on an on-going basis, further information and clarifications from the notifying parties.

### Third Party Submissions

16. No submission was received.

### Market Enquiries

17. During the Phase 1 investigation, the Commission sent an informal request for information to Star Broadcasting Limited t/a Sunshine 106.8.<sup>13</sup> A full response was received from Star Broadcasting Limited.
18. During the Phase 1 investigation, the Commission also issued a questionnaire to Radio Nova’s biggest direct advertisers and advertising agency customers in 2016.
19. The Commission received a full response from most advertising customers of Radio Nova contacted by the Commission and, in each case, the Commission contacted those third parties by telephone and/or e-mail to seek further detail regarding those responses.

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<sup>12</sup> The “appropriate date” is the date from which the time limits for making both Phase 1 and Phase 2 determinations begin to run.

<sup>13</sup> As noted above, Bay currently owns a 45.83% shareholding in Star Broadcasting Limited.



## Competitive Analysis

### Horizontal Overlap

20. There is a horizontal overlap between the parties' activities since both Bay, through its shareholdings in Classic Hits 4FM and Sunshine 106.8, and Classic Rock are active in radio broadcasting and the sale of radio advertising in the State.
21. As noted by the Commission's predecessor, the Competition Authority (the "Authority"), in its merger determination in *M/13/006 – Clare FM and Terence and Gay Mangan/Tipp FM*,<sup>14</sup> an independent commercial radio station cannot legally broadcast in the State without a licence issued by the BAI. The licence sets out the nature of the radio service to be provided (e.g., the target age demographic, content, etc.) and the precise geographic area within which that service can be broadcast in the State (referred to as the "franchise area"). The BAI monitors compliance to ensure that a radio station does not deviate from the terms set out in its licence.

### *The Sale of Radio Advertising in County Dublin*

22. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case.
23. With respect to the relevant product market, the Authority has concluded in previous merger determinations that radio advertising constitutes a different product market to other media advertising platforms (e.g., television, newspaper and online).<sup>15</sup> The Commission sees no reason to depart from this view for the purpose of assessing the likely competitive impact of the Proposed Transaction in any geographic market within the State. The market for the sale of radio advertising is the narrowest relevant product market that will be affected by the Proposed Transaction.
24. With respect to the relevant geographic market for the sale of radio advertising, the Authority noted the following in its 2007 decision in *M/07/040 – Communicorp/SRH*:

*"Radio advertising may be conducted on a national, regional or local basis depending on the type of broadcasting license held by the radio station. Advertisers use radio stations with national/regional coverage to target a national/regional audience while a local radio station is used to target an audience located in that specific geographic area."*<sup>16</sup>

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<sup>14</sup> This determination can be accessed at

<https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m13006-clare-fm-terence-gay-mangan-tipp-fm/>

<sup>15</sup> See, for example, paragraphs 3.2-3.37 of the Authority's merger determination in *M/07/040 – Communicorp/SRH* which can be accessed at <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m07040-communicorp-srh/>

<sup>16</sup> Paragraph 3.40 of the Authority's merger determination in *M/07/040 – Communicorp/SRH* which can be accessed at <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m07040-communicorp-srh/>



25. The franchise areas of Classic Hits 4FM, Sunshine 106.8 and Radio Nova overlap geographically in Co. Dublin. This is the narrowest geographic market that is likely to be affected by the Proposed Transaction.<sup>17</sup>
26. The Commission will therefore assess the competitive impact of the Proposed Transaction in the potential market for the sale of radio advertising in Co. Dublin.

#### *Competitive Assessment*

27. For the reasons set out below, the Commission considers that the Proposed Transaction raises no competition concerns in the potential market for the sale of radio advertising in Co. Dublin.

#### Small Increase in Market Share

28. The Proposed Transaction will lead to a relatively small increase in Bay's share of the potential market for the sale of radio advertising in Co. Dublin.
29. In order to measure market shares in the potential market for the sale of radio advertising in Co. Dublin, the Commission used Joint National Listenership Research ("JNLR")<sup>18</sup> data for Dublin City and County covering the period October 2016 to September 2017.<sup>19</sup> The market shares for each radio station are based on "a station's share of all minutes listened to Irish commercial radio."<sup>20</sup>
30. In the State, advertisers rely on JNLR data to decide on which radio station or combination of radio stations to advertise. Similarly, radio stations use JNLR data to promote their radio service to advertisers. Radio stations satisfy the needs of both listeners and advertisers. Any assessment of the nature of competition between radio stations requires a consideration of the interaction between advertisers and listeners. This type of assessment is typically carried out in the context of a two-sided market analysis. In a two-sided market, two groups interact through a particular medium (e.g., a radio station) that enables them to achieve inter-related objectives.
31. In this instance, radio stations wish to attract advertisers on one side and listeners on the other side to form an audience for advertisers. An advertiser's demand for advertising airtime on a radio station depends on, amongst other things, the coverage area, the size of the radio station's listenership and the demographics of its target audience.
32. Table 1 below sets out market shares based on JNLR listenership data in the potential market for the sale of radio advertising in Co. Dublin. It includes all radio stations licensed by the BAI to broadcast in Co. Dublin, including radio stations whose franchise

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<sup>17</sup> In paragraph 3.41 of its determination in *M/07/040 – Communicorp/SRH*, the Authority concluded that for the purpose of assessing that proposed transaction (which also involved radio stations broadcasting in Co. Dublin) there was a relevant market for "radio advertising in Dublin City and County". This determination can be accessed at

<https://www.cccpc.ie/business/mergers-acquisitions/merger-notifications/m07040-communicorp-srh/>

<sup>18</sup> JNLR is a joint industry research project conducted on behalf of the radio industry in the State. It is commissioned and controlled by the JNLR Management Committee with representation from Radio Telefis Éireann, Today FM, Independent Broadcasters of Ireland, BAI and the advertising industry. For more information, please see <http://info.ipsosmrbi.com/jnlr>

<sup>19</sup> This data was published in the JNLR/Ipsos MRBI report on 26 October 2017 and can be accessed at [http://info.ipsosmrbi.com/assets/files/jnlr/top-line\\_data/16-084841-Oct'17-Press%20Release%20\(Final\).pdf](http://info.ipsosmrbi.com/assets/files/jnlr/top-line_data/16-084841-Oct'17-Press%20Release%20(Final).pdf)

<sup>20</sup> For more information, please see <http://www.espri.ie/support-docs/JNLR-Terms-Definitions.pdf>



area is wider than Co. Dublin (e.g., national radio stations such as RTÉ Radio 1, Newstalk, etc.).

**Table 1: Share of Minutes Listened, All Adults Aged 15+, October 2016-September 2017, Co. Dublin**

Radio Station	Market Share (%)
RTÉ <sup>21</sup>	42.5 <sup>22</sup>
FM104	12.1
Newstalk	9.9
Spin1038	7.4
98FM	6.5
Q102	6.3
<b>Sunshine 106.8</b>	<b>5.1</b>
<b>Radio Nova</b>	<b>4</b>
Today FM	3.8
<b>Classic Hits 4FM</b>	<b>2.1</b>
Total	100

Source: The Commission, based on JNLR data published on 26 October 2017.

33. Bay, through its shareholding in Sunshine 106.8 and ownership of Classic Hits 4FM, currently has a 7.2% share of radio listenership in Co. Dublin.<sup>23</sup> Following completion of the Proposed Transaction, Bay's share of radio listenership in Co. Dublin will increase to 11.2%.<sup>24</sup>
34. It could be argued that the listenership shares presented in Table 1 above underestimate Bay's share of the potential market for the sale of radio advertising in Co. Dublin since Table 1 includes radio stations whose franchise area is wider than Co. Dublin. Advertisers seeking to target only listeners located in Co. Dublin are likely to advertise on radio stations whose franchise area is limited to Co. Dublin.
35. Table 2 below sets out radio listenership market shares, based on JNLR listenership data, in the potential market for the sale of radio advertising in Co. Dublin, including only those radio stations whose franchise area is limited to Co. Dublin.<sup>25</sup>

<sup>21</sup> While RTÉ operates ten radio stations in the State (three national FM stations and seven digital stations), only the following three are commercial radio stations that sell advertising airtime and are therefore included in the JNLR data: RTÉ Radio 1, RTÉ 2FM and RTÉ Lyric FM.

<sup>22</sup> This is the combined listenership share of RTÉ Radio 1, RTÉ 2FM and RTÉ Lyric FM.

<sup>23</sup> This excludes radio listenership share attributable to Bay through its current shareholding in Radio Nova. It also overstates the radio listenership share attributable to Bay through its current shareholding in Sunshine 106.8 since Bay does not currently own a 100% shareholding in Sunshine 106.8. Based on its current 45.83% shareholding in Sunshine 106.8 and 38.4% shareholding in Radio Nova, the actual radio listenership shares attributable to Bay through Sunshine 106.8 and Radio Nova are 2.34% and 1.54%, respectively. Thus, the actual current radio listenership share attributable to Bay is 5.98%.

<sup>24</sup> This is the maximum radio listenership share attributable to Bay following completion of the Proposed Transaction. Based on its current 45.83% shareholding in Sunshine 106.8, the actual radio listenership share attributable to Bay following completion of the Proposed Transaction is 8.44%.

<sup>25</sup> It therefore excludes all radio stations licensed by the BAI to broadcast in Co. Dublin but whose franchise area is wider than Co. Dublin, including Classic Hits 4FM whose franchise area comprises the commuter belt and counties Dublin, Cork, Limerick, Galway and Clare. The one exception is Radio Nova whose franchise area also includes the commuter belt (which, as described in footnote 6 above, includes parts of counties Wicklow, Kildare and Meath). However, most of the total turnover generated by



**Table 2: Share of Minutes Listened, All Adults Aged 15+, October 2016-September 2017, Co. Dublin**

Radio Station	Market Share (%)
FM104	29.2
Spin1038	17.9
98FM	15.7
Q102	15.2
<b>Sunshine 106.8</b>	<b>12.3</b>
<b>Radio Nova</b>	<b>9.7</b>
Total	100

Source: The Commission, based on JNLR data published on 26 October 2017.

36. Bay, through its shareholding in Sunshine 106.8, currently has a 12.3% share of radio listenership in Co. Dublin.<sup>26</sup> Following completion of the Proposed Transaction, Bay's share of radio listenership in Co. Dublin will increase to 22%.<sup>27</sup>
37. The Commission considers that, following completion of the Proposed Transaction, the increase in Bay's share of the potential market for the sale of radio advertising in Co. Dublin is relatively small, even taking into account the listenership shares of radio stations whose franchise area is limited to Co. Dublin, as set out in Table 2 above.

#### Competing Radio Stations in Co. Dublin

38. Following completion of the Proposed Transaction, Bay will face competition in the potential market for the sale of radio advertising in Co. Dublin from Communicorp Group Limited (which owns and operates Spin1038 and 98FM) and Wireless Group Limited (which owns FM104 and Q102). As illustrated in Tables 1 and 2 above, all four radio stations have bigger listenership shares in Co. Dublin than either Classic Hits 4FM, Sunshine 106.8 or Radio Nova.
39. Furthermore, if one includes all radio stations who are licensed by the BAI to broadcast in Co. Dublin, Bay will face competition in the potential market for the sale of radio advertising in Co. Dublin from RTÉ (which sells radio advertising on RTÉ Radio 1, RTÉ 2FM and RTÉ Lyric FM), Communicorp Group Limited (which owns and operates Newstalk, Spin1038, 98FM and Today FM) and Wireless Group Limited (which owns FM104 and Q102).
40. The Commission contacted Radio Nova's biggest advertising customers in the State during the Phase 1 investigation. All respondents to the Commission's questionnaire

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Radio Nova from the sale of radio advertising for the year ending 31 December 2016 was accounted for by customers seeking to only target listeners in Co. Dublin.

<sup>26</sup> This excludes radio listenership share attributable to Bay through its current shareholding in Radio Nova. It also overstates the radio listenership share attributable to Bay through its current shareholding in Sunshine 106.8 since Bay does not currently own a 100% shareholding in Sunshine 106.8. Based on its current 45.83% shareholding in Sunshine 106.8 and 38.4% shareholding in Radio Nova, the actual radio listenership shares attributable to Bay through Sunshine 106.8 and Radio Nova are 5.64% and 3.72%, respectively. Thus, the actual current radio listenership share attributable to Bay is 9.36%.

<sup>27</sup> This is the maximum radio listenership share attributable to Bay following completion of the Proposed Transaction. Based on its current 45.83% shareholding in Sunshine 106.8, the actual radio listenership share attributable to Bay following completion of the Proposed Transaction is 15.34%.



expressed the view that the Proposed Transaction will have no impact on competition in the sale of radio advertising in Co. Dublin. One advertising agency expressed the following view to the Commission:

*“98FM, FM104 and Q102 are the dominant stations [in Co. Dublin].”*

#### Closeness of Competition

41. The Commission assessed the closeness of competition between Classic Hits 4FM, Sunshine 106.8 and Radio Nova in the potential market for the sale of radio advertising in Co. Dublin.
42. Neither Classic Hits 4FM nor Sunshine 106.8 is a close competitor of Radio Nova in the potential market for the sale of radio advertising in Co. Dublin. As noted above, Radio Nova is a classic rock music radio station targeted at the 25-54 age group in Co. Dublin. In contrast, both Sunshine 106.8 and Classic Hits 4FM play a much broader range of music<sup>28</sup> and the latter’s target demographic (45+) is older than the majority of Radio Nova’s target demographic (25-54).<sup>29</sup>
43. The JNLR listenership data published on 26 October 2017 illustrates that Radio Nova attracts a younger age demographic than either Classic Hits 4FM or Sunshine 106.8. For the period October 2016 to September 2017 in Co. Dublin, Radio Nova’s share of radio listenership in the 15-24 age group (which is not part of its target demographic) was 3.9% whereas Classic Hits 4FM and Sunshine 106.8 had listenership shares of only 1.2% and 1.8%, respectively, in the 15-24 age group in Co. Dublin for the same period.
44. Classic Hits 4FM’s share of radio listenership in the 15-34 age group for the period October 2016 to September 2017 in Co. Dublin was only 1.7%, rising to 2.2% in the 35+ age group. In contrast, for the same period in Co. Dublin, Radio Nova’s share of radio listenership in the 15-34 age group was 5.2% but was only 3.6% in the 35+ age group.
45. One respondent to the Commission’s questionnaire expressed the view that Radio Nova is not a close competitor of either Classic Hits 4FM or Sunshine 106.8 in the potential market for the sale of radio advertising in Co. Dublin:

*“[Radio] Nova and Sunshine [106.8] cater to two different audiences ([Radio] Nova more male-biased and Sunshine [106.8] more female-biased). Both have relatively low listenership and would be considered supplementary stations to reach a Dublin audience rather than main audience drivers (98FM, FM104 and Q102 all fall into this category and would be direct competitors to one another). The inclusion of either [Radio] Nova or Sunshine [106.8] to a media plan would be*

<sup>28</sup> For example, Classic Hits 4FM, according to its Programme Policy Statement, plays “gold, easy listening, smooth and classic songs” while Sunshine 106.8, according to its Programme Policy Statement, plays “country cross over, classic soul, Irish and complementary music”.

<sup>29</sup> It is also significant that Classic Hits 4FM’s franchise area (comprising the Dublin commuter belt and counties Dublin, Cork, Limerick, Galway and Clare) is much wider than that of Radio Nova which comprises Co. Dublin and the commuter belt. As a result, Classic Hits 4FM, unlike Radio Nova, applies a discount off its advertised ratecard prices to those advertisers who only wish to target listeners based in Co. Dublin.





*as a result of trying to reach a niche audience in the Dublin market and as they have very different niche audiences, I would not see them as close competitors. Because of the footprint of [Classic Hits] 4FM in the main urban areas, it is best used as either an addition to a national radio plan to broaden reach, or as part of a Media Central package. In either case it would not be considered a close competitor to either [Radio] Nova or Sunshine [106.8].”*

46. One respondent to the Commission’s questionnaire expressed the view that Radio Nova is attractive for advertisers wishing “to target an older Dublin male market” and that Radio Nova, Classic Hits 4fm and Sunshine 106.8 are not close competitors in the sale of radio advertising as they “provide complementary audiences”.

### Conclusion

47. The Proposed Transaction will lead to a modest increase in Bay’s share of the potential market for the sale of radio advertising in Co. Dublin. All three radio stations (Classic Hits 4FM, Sunshine 106.8 and Radio Nova) have relatively small listenership shares in Co. Dublin (as illustrated in Tables 1 and 2 above). There is no evidence to suggest that either Classic Hits 4FM or Sunshine 106.8 is a close competitor of Radio Nova in the potential market for the sale of radio advertising in Co. Dublin. Following completion of the Proposed Transaction, Bay will face competition in the potential market for the sale of radio advertising in Co. Dublin from RTÉ (which sells radio advertising on RTÉ Radio 1, RTÉ 2FM and RTÉ Lyric FM), Communicorp Group Limited (which owns and operates Newstalk, Spin1038, 98FM and Today FM) and Wireless Group Limited (which owns FM104 and Q102). Finally, all respondents to the Commission’s questionnaire expressed the view that the Proposed Transaction will have no impact on competition in the sale of radio advertising in Co. Dublin.
48. In light of all the evidence described above, the Commission considers that the Proposed Transaction raises no competition concerns in the potential market for the sale of radio advertising in Co. Dublin.<sup>30</sup>

### Vertical Overlap

49. There is no identifiable vertical relationship between Bay and Classic Rock in the State. Therefore, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

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<sup>30</sup> There is also a horizontal overlap between Classic Hits 4FM and Radio Nova in the sale of radio advertising in the geographic area comprising the commuter belt (which, as described in footnote 6 above, includes parts of counties Wicklow, Kildare and Meath) since both radio stations are licenced to broadcast in this franchise area. This horizontal overlap, however, raises no competition concerns for the following reasons. First, both Classic Hits 4FM and Radio Nova generate a very small level of revenue from the sale of radio advertising to customers seeking to only target listeners in the commuter belt. It is also significant in this regard that no radio station currently operating in the State is licensed by the BAI to broadcast only in the commuter belt. Second, following completion of the Proposed Transaction, Bay will face competition in the sale of radio advertising in the commuter belt from RTÉ (which sells radio advertising on RTÉ Radio 1, RTÉ 2FM and RTÉ Lyric FM) and Communicorp Group Limited (which owns and operates Newstalk and Today FM). Third, no respondent to the Commission’s questionnaire expressed any competition concerns about the likely impact of the Proposed Transaction on competition in the sale of radio advertising in the commuter belt.



### **Conclusion**

50. In light of the above, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

### **Ancillary Restraints**

51. No ancillary restraints were notified.



### **Determination**

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed transaction whereby Bay Broadcasting Limited would acquire sole control of Classic Rock Broadcasting Limited t/a Radio Nova will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect subject to the provisions of section 28C(1)<sup>31</sup> of the Competition Act 2002.

For the Competition and Consumer Protection Commission

**Brian McHugh**  
**Member**  
**Competition and Consumer Protection Commission**

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<sup>31</sup> Section 28C(1) of the Competition Act 2002, as inserted by section 74 of the Competition and Consumer Protection Act 2014.