



DETERMINATION OF MERGER NOTIFICATION M/24/020 – BAUER MEDIA / WKW FM LIMITED (BEAT 102 103)

Section 21 of the Competition Act 2002

Proposed acquisition by Bauer Media Audio Holding GmbH of sole control of WKW FM Limited (t/a *Beat 102 103*).

Dated 9 May 2024

Introduction

1. On 28 March 2024, in accordance with section 18(1)(b) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed acquisition whereby Bauer Media Audio Holding GmbH (“Bauer Media”), a subsidiary of Heinrich Bauer Verlag Beteiligungs GmbH and part of the Bauer Media group of companies (the “Bauer Group”),¹ would acquire the entire issued share capital, and thus sole control, of WKW FM Limited, t/a *Beat 102 103* (together with Bauer Media, the “Parties”) (the “Proposed Transaction”).
2. Given that the Bauer Group and WKW FM Limited each “*carries on a media business in the State*” (as defined in section 28A(1) of the Act), the Commission considers that the Proposed Transaction falls within a class of merger specified for the purposes of section 18(1)(b) of the Act² and 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 Agreement dated 22 March 2024 between South East Broadcasting Company Limited, Sappho Limited, Desmond Whelan (together, the “Sellers”), WKW FM Limited and

¹ Heinrich Bauer Verlag Beteiligungs GmbH is in turn owned by Heinrich Bauer Verlag KG.

² As specified by the Competition Act 2002 (Section 18 (5) and (6)) Order 2007 (S.I. 122/2007).



Bauer Media (the “SPA”). Pursuant to the SPA, Bauer Media will acquire the entire issued share capital, and thus sole control, of WKW FM Limited from the Sellers.

The Undertakings Involved

The Acquirer – Bauer Group

4. Heinrich Bauer Verlag KG is the ultimate parent of Bauer Media. The Bauer Group is a privately-owned German media business which operates in thirteen countries, including the State. The Bauer Group is active in three business areas: Publishing; Audio; and Online Comparison Platforms. Through various subsidiaries,³ the Bauer Group has a number of media related operations in the State, including:

- several radio stations (*Newstalk, Today FM, 98FM, Spin 1038, Spin South West, RedFM and iRadio FM*);
- the multi-platform sports media brand ‘*Off the Ball*’;
- the radio and digital content app ‘*GoLoud*’;
- ‘*AudioXi*’, an advertising platform; and
- Media Central Limited, which sells agency advertising on behalf of several local and national radio stations, including *Beat 102 103*, the radio station operated by WKW FM Limited.⁴

5. For the financial year ended December 2022, Bauer’s worldwide turnover was approximately €2.2 billion, of which €[...] was generated in the State.

The Target – WKW FM Limited

6. WKW FM Limited is a private company limited by shares incorporated in the State under registered number 347498, and is a subsidiary company of The Irish Times Designated Activity Company.⁵ WKW FM Limited operates the *Beat 102 103* radio

³ The Bauer Group entered the Irish radio broadcasting market in 2021 with its acquisition of Communicorp Group Limited.

⁴ Media Central Limited is incorporated in the State under registered number 535147.

⁵ The Irish Times Designated Activity Company is incorporated in the State under registered number 2514.



station, and associated *Beat 102 103* mobile app. *Beat 102 103* is a regional commercial radio station licensed by Coimisiún na Meán which broadcasts, pursuant to this licence, in County Carlow, County Kilkenny, County Wexford, County Waterford and South County Tipperary (together, these counties are referred to as the “South East Region”).⁶

7. For the financial year ended 31 December 2022, WKW FM Limited’s turnover was €[...], all of which was generated in the State.

Rationale for the Proposed Transaction

8. In the merger notification form, the Parties stated that:

“Bauer operates radio businesses in nine European countries. Bauer considers the Irish radio sector to be attractive and wishes to expand its presence in complementary areas of the State. Using its gained experience, Bauer believes that it can deliver an enhanced listener and advertising experience to listeners based in the South East Region through the acquisition of the Target.”

Third-Party Submissions

9. No third-party submissions were received.

Competitive Analysis

Horizontal Overlap

10. There is a potential horizontal overlap between the activities of the Parties as the national radio stations of the Bauer Group (*Newstalk* and *Today FM*) and WKW FM Limited’s south east-based *Beat 102 103* station can both be accessed by listeners in the South East Region. In the merger notification form, the Parties noted that operators active in radio broadcasting are also active in the sale of radio advertising

⁶ Coimisiún na Meán was established in 2023 and replaced the Broadcasting Authority of Ireland as the regulator for broadcasting in the State.



as it is typically through the sale of radio advertising that these operators generate revenue.

11. In relation to radio broadcasting, a commercial radio station cannot legally broadcast in the State without a licence issued by Coimisiún na Meán. 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 (which Coimisiún na Meán refers to as the “franchise area”).
12. In light of the above, the Parties submitted in the merger notification form that there is no actual horizontal overlap between the activities of the undertakings involved, either on the island of Ireland or in the State, as although both of the Parties carry out radio activities (i.e., radio broadcasting and the sale of radio advertising), these activities take place in different franchise areas in the State. The Commission’s conclusions on this issue are set out in its competitive analysis below.
13. The Commission and the Commission’s predecessor, the Competition Authority (the “Authority”), have considered that a distinction should be drawn between: (i) radio broadcasting; and (ii) the sale of radio advertising.⁷ In *M/17/056 – Bay/Radio Nova*, the Commission stated that:

*“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.”*⁸

⁷ See the determination of the Authority in [M/07/040 – Communicorp/SRH](#), [M/13/006 – Clare FM & Terence and Gay Mangan / Tipp FM](#), paragraph 25; and the determinations of the Commission in [M/17/056 – Bay / Radio Nova](#), paragraphs 20-26; [M/19/002 – Kerry FM / Clare Radio, Dreamglade](#), paragraphs 19-22; and [M/22/059 – Bauer Media / Siteridge Limited \(RedFM\)](#), paragraphs 13-15.

⁸ *M/17/056 – Bay/Radio Nova*, paragraph 30.



Despite drawing a distinction between radio broadcasting and the sale of radio advertising in this determination, the Commission only considered the sale of radio advertising in assessing the potential competitive effects of the proposed transaction.

14. The Commission sees no reason to depart from the approach adopted in *M/17/056 – Bay/Radio Nova*, i.e., it is appropriate to assess the competitive effects of the Proposed Transaction by reference to the sale of radio advertising.
15. Although the Parties are both involved in the sale of radio advertising, the Commission does not consider there to be a competitive overlap between the Parties.
16. As explained in paragraph 11 above, independent commercial radio stations cannot legally broadcast in the State without a licence issued by Coimisiún na Meán, which indicates the precise geographic area within which a radio station can broadcast in the State, pursuant to its Coimisiún na Meán licence. The Commission and the Authority have previously considered the sale of radio advertising and radio broadcasting in several determinations, including in the Authority's determinations in *M/03/033 – SRH/Capital Radio*⁹ and *M/07/040 – Communicorp/SRH*.¹⁰ The conclusions reached by the Authority and the Commission in their determinations indicate that local radio stations only compete (in terms of listenership and advertising) with other local radio stations that are targeted at the same franchise area. Any revenue generated through the sale of radio advertising is generally limited to the advertisement of services and events which are relevant to the locality. The Commission is of the view that this reasoning also applies on a regional basis.
17. WKW FM Limited's licence, granted by Coimisiún na Meán, restricts its broadcasting to the South East Region franchise area. Bauer does not have any radio station with a

⁹ [M/03/033 – SRH/Capital Radio](#)

¹⁰ [M/07/040 – Communicorp/SRH](#). See also the determination of the Authority in [M/13/006 – Clare FM & Terence and Gay Mangan / Tipp FM](#), paragraph 25; and the determinations of the Commission in [M/17/056 – Bay / Radio Nova](#), paragraphs 20-26; and [M/19/002 – Kerry FM / Clare Radio, Dreamglade](#), paragraphs 19-22; and [M/22/059 – Bauer Media / Siteridge Limited \(RedFM\)](#), paragraphs 13-15.



franchise area of the South East Region, nor does it own any local radio stations active in any of the individual counties which make up the South East Region.¹¹

18. Based on the Commission's understanding of market dynamics, all advertising is bought from WKW FM Limited with the aim of reaching customers exclusively in the South East Region. Advertisers will purchase either: (i) locally via WKW FM Limited's regional sales team; or (ii) indirectly using third-party agencies. WKW FM Limited does not sell radio advertising on a national basis as its radio station (i.e. *Beat 102 103*) cannot be received outside of the South East Region franchise area.

19. Although the Bauer Group's national radio stations, *Newstalk* and *Today FM*, can be received in the South East Region, they do not compete with *Beat 102 103* for advertisers. *Beat 102 103*'s main competitors in this respect are other radio stations with a Coimisiún na Meán franchise area of the South East Region or counties therein (such as *WLR FM*, which broadcasts throughout County Waterford; *Tipp FM*, which broadcasts throughout County Tipperary; and *KCLR 96 FM*, which broadcasts throughout County Kilkenny and County Carlow). This is because the Bauer Group's advertising revenue is generated from the sale of advertising either directly (to large advertisers) or indirectly (through agencies) for the purposes of either: (i) national advertising campaigns and targeting listeners throughout the State (*Today FM* and *Newstalk*); or (ii) local/regional advertising campaigns and targeting listeners in local areas which do not include the South East Region (*98FM* and *Spin 1038* in Dublin, *Spin South West* in County Kerry, County Limerick, County Clare, North County Tipperary and South West County Laois, *RedFM* in County Cork, and *iRadio FM* in counties in the north east, north west and midlands).¹²

¹¹ For completeness, the Commission notes that *Spin South West* broadcasts can be received in North County Tipperary but considers this to be a different local franchise area to South County Tipperary, where *Beat 102 103* broadcasts can be received.

¹² *iRadio FM* broadcasts can be received in the following locations in the State: County Cavan, County Donegal, County Galway, County Kildare, County Laois, County Leitrim, County Longford, County Louth, County Mayo, County Meath, County Monaghan, County Offaly, County Roscommon, County Sligo, and County Westmeath.



20. Therefore, the Commission considers that there is no overlap between the Bauer Group and WKW FM Limited in respect of the sale of radio advertising, nationally or in the South East Region.

Conclusion

21. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in relation to the sale of radio advertising nationally, or in the South East Region.

Vertical Relationship

22. There is an existing vertical relationship between the Parties as:
- (i) *Newstalk* (operated by the Bauer Group) is a provider of wholesale news services to radio stations in the State, including *Beat 102 103*;
 - (ii) *AudioXi* (operated by the Bauer Group) sells digital audio advertising for some third-party radio stations in the State, including *Beat 102 103*; and
 - (iii) Media Central Limited (operated by the Bauer Group) sells agency advertising on behalf of some third-party radio stations in the State, including *Beat 102 103*.
23. In the merger notification form, the Parties have submitted that the revenue generated by the Bauer Group from *Newstalk* supplying wholesale news services to *Beat 102 103* is *de minimis* and does not form a material vertical relationship. In 2023, the annual income derived by *Newstalk* from *Beat 102 103* for national news services was €[...]. During its engagement with the Commission's case team, the Bauer Group stated that it generated a combined revenue of €[...] through *Newstalk* supplying wholesale news services to three local radio stations whose broadcasts can be received in counties within the South East Region, namely *WLR FM*, *Tipp FM*, and *KCLR 96 FM*. The information provided to the Commission by the Bauer Group suggests that *Beat 102 103* (i.e., WKW FM Limited), *WLR FM*, *Tipp FM*, and *KCLR 96 FM* [REDACTED] by *Newstalk* in this regard. Furthermore, during its engagement with the Commission's case team, WKW FM Limited stated



that WKW FM Limited “sources and delivers most of its news and sport internally, as it has an in-house full time news and sports team.” WKW FM Limited noted that it has access to the 24-hour service provided by [breakingnews.ie](https://www.breakingnews.ie) [REDACTED],¹³ and it will sometimes purchase copy from CCC.NUACHT TEORANTA in respect of relevant court cases.¹⁴

24. The Parties also submitted that the total “revenue shareback”¹⁵ generated by the Bauer Group through *AudioXi* selling digital audio advertising in the State was €[...] in 2023 and the total “revenue shareback” derived from *AudioXi* selling digital audio advertising to WKW FM Limited in the same year was €[...]. During its engagement with the Commission’s case team, the Bauer Group stated that *AudioXi* generated €[...] through selling digital audio advertising to *WLR FM*, *Tipp FM*, and *KCLR 96 FM* in 2023. The information provided to the Commission by the Bauer Group suggests that, in terms of revenue generated by *AudioXi*, *Beat 102 103* (i.e., WKW FM Limited) accounts for [REDACTED] than *WLR FM* and [REDACTED] than both *Tipp FM* and *KCLR 96 FM*.
25. In the merger notification form, the Parties have submitted that the Bauer Group, through Media Central Limited, derived an income of €[...] from WKW FM Limited for advertising services in the South East Region in 2023. During its engagement with the Commission’s case team, the Bauer Group stated that Media Central Limited does not sell advertising on behalf of any other radio stations in the South East Region.
26. During its engagement with the Commission’s case team, WKW FM Limited stated that *Beat 102 103* does not purchase digital audio advertising from any providers other than *AudioXi* and Media Central Limited.

¹³ [breakingnews.ie](https://www.breakingnews.ie) is also a subsidiary of The Irish Times Designated Activity Company.

¹⁴ CCC.NUACHT TEORANTA is a private company limited by shares, incorporated in the State under registered number 461314.

¹⁵ During its engagement with the Commission’s case team, the Bauer Group defined the term “revenue shareback” as “the process by which *AudioXi* generates revenue for radio station customers (and itself). Revenue generated by *AudioXi* from advertisers (for its radio station customers) is shared on a 50:50 basis with that radio station customer and it [sic] the ‘revenue share back’ figure refers to the revenue received by that radio station.”



27. Given the small absolute scale of the existing vertical relationships between the Bauer Group and WKW FM Limited, the Commission considers that the Proposed Transaction is unlikely to give rise to vertical foreclosure concerns following implementation of the Proposed Transaction.
28. In light of the above, the Commission considers that the Proposed Transaction is unlikely to give rise to vertical foreclosure concerns in relation to:
 - the sale of radio advertising nationally, or in the South East Region.

Conclusion of Competitive Analysis

29. 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

22. 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 acquisition whereby Bauer Media Audio Holding GmbH would acquire the entire issued share capital, and thus sole control, of WKW FM Limited, t/a *Beat 102 103*, 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) of the Competition Act 2002, as amended.

For the Competition and Consumer Protection Commission

Úna Butler

Member

Competition and Consumer Protection Commission