

GLOBAL/GMG MERGER INQUIRY

Third party response to the provisional findings

Agency AW response to the Competition Commission's Provisional Findings on the completed acquisition by Global Radio (Global) of Real and Smooth Limited (RSL, formerly GMG Radio), as requested:

Provisional findings followed by Agency AW responses:

Advertisers use multiple types of media to meet their advertising needs and other media may be bought as a complement to radio or as a substitute for it.

Agency AW response: We do not use single types of media advertising for campaigns, it is used as part of multi-channel campaigns.

There are advertising campaigns for which radio advertisers cannot easily substitute other media;

Agency AW response: This would likely be true for certain retail organisations, but doesn't affect the organisations that we represent, or how we use radio advertising.

The main factors advertisers take into account when choosing between radio stations include:

- **Geographic coverage: radio stations are weaker substitutes where their geographic coverage is very different;**
- **Relative strength in terms of audience: stations with a large share of listeners are better placed to attract advertisers than those with a low share of listeners;**
- **Demographics: the greater the divergence between stations' audience, the weaker they are likely to be as substitutes for each other.**

Agency AW response: In choosing a radio station for advertising, the above is all taken into consideration, as well as the station's ability to interact with its audiences on a multi-platform basis. This is important for behaviour-changing campaigns, where reach alone without demonstrable interactivity with listeners will not be the main factor in choosing which radio station with which to place an advertising campaign.

The strength of an advertiser's bargaining position and the price he or she is likely to receive will be affected by the relative strength of the alternative options.

Agency AW response: Agree

For some advertisers a Global station is the closest alternative to a GMG station (and vice versa).

Agency AW response: Do not have a view on this.