

## GLOBAL/GMG MERGER INQUIRY

### Third party response to the provisional findings

26 March 2013

The CC's Provisional Findings are based on an assessment of evidence that indicates:

- 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 BC said: This is correct*

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

*Agency BC said: This is correct*

- The main factors advertisers take into account when choosing between radio stations include:
  - o Geographic coverage: radio stations are weaker substitutes where their geographic coverage is very different;

*Agency BC said: This is correct to some extent, but this can sometimes be a positive thing if you're trying to reach those different geographic areas.*

- o 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;

*Agency BC said: This is correct*

- o Demographics: the greater the divergence between stations' audience, the weaker they are likely to be as substitutes for each other.

*Agency BC said: This isn't entirely correct, as you may want to reach different groups or you may just want to reach huge numbers of the same types of people. It all entirely depends upon the campaign objectives.*

- 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 BC said: This is correct*

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

*Agency BC said: This is correct*