

Merger proceedings

eBay Inc. / Adevinta ASA

Case report

BWB/Z-5420 and Z-5421

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1 Merger project

- (1) Adevinta ASA ("Adevinta") acquires from eBay Inc. ("eBay"; Adevinta and eBay together "the Parties") 100% of eBay's global online classifieds business (eBay Classifieds Group, "eCG").
 - This does not affect any Austrian online platform, but partly online platforms that are also used by Austrian users to a limited extent. This concerns, among others, www.ebay-kleinanzeigen.de and www.mobile.de.
- (2) eBay in exchange, among other things, acquires a non-controlling minority interest in Adevinta. The minority interest comprises 44% of the financial shares and 33% of the voting shares.
 - eBay operates the online marketplace www.ebay.at for the Austrian market, as well as the site www.ebay.de, which is also regularly visited by Austrian users.
 - Adevinta holds a 50% interest in and exercises joint control over the Austrian online classifieds' portal www.willhaben.at (operated by willhaben Internet Service GmbH; "Willhaben").
 - Until 06/02/2021, Adevinta was also represented on the Austrian market by the online classifieds' portal www.shpock.at (operated by Finderly GmbH; "Shpock").
- (3) In the course of the competition assessment of the merger by the Federal Competition Authority ("BWB") it became apparent that eBay and Willhaben are close competitors for Austrian users, in particular in the area of online sales by private individuals to other private individuals (*consumer-to-consumer* transactions; "C2C transactions"). In order to avoid disadvantages for users of online platforms for C2C transactions, the merger could only be approved after the Parties had submitted appropriate commitments.

2 Procedure for the merger assessment

- (4) The Parties initially approached the Federal Competition Authority and the Federal Cartel Prosecutor (together "the Official Parties") with questions regarding the obligation to notify the transaction in Austria. The Official Parties also submitted initial requests for information on the transaction to the Parties in the course of the pre-notification talks. In addition to Austria, the proposed merger was also filed in Germany and the United Kingdom and was subjected to a competition assessment.
- (5) At the end of November 2020, after the conclusion of the German proceedings, the Parties submitted their response to several requests for information to the Official Parties and filed the notification of the merger in Austria shortly before Christmas, on 12/07/2020. The notification was withdrawn on 01/08/2021 due to competition concerns raised by the Official Parties. The Parties subsequently approached the Official Parties with initial proposals for commitments, which, however, did not fully address the competition concerns.
- (6) A new notification of the merger was submitted in Austria on 05/20/2021. It was finally possible - within the four-week phase 1 review period - to eliminate the competition concerns by submitting suitable commitments and to clear the merger by the deadline of 06/17/2021.
- (7) As part of the competition assessment of the merger, the FCA conducted surveys of numerous market participants. A large number of (competing) Austrian platforms, both online classifieds portals and online marketplaces, submitted comments and information relevant to competition. Furthermore, a sample of Austrian users of the online platforms affected by the merger was surveyed regarding their market behaviour and their answers were taken into account in the competition assessment.
- (8) The Official Parties - with the consent of the Parties - cooperated closely with the competition authorities in Germany and in particular in the UK. The German Federal Cartel Office cleared the merger on 11/24/2020 without conditions, inter alia "as Shpock has only low turnover and very low market shares in Germany".¹ The UK Competition and Markets Authority ("CMA") announced on 02/16/2021 that the

¹

https://www.bundeskartellamt.de/SharedDocs/Meldung/DE/Pressemitteilungen/2020/24_11_2020_eBay_Adevinta.html

merger could result in a significant reduction of competition and that remedies would therefore be necessary or an in-depth investigation would be initiated. As of 06/02/2021, the CMA accepted proposed remedies in the UK proceedings. Among other things, the implementation of the merger was subject to a mandatory divestment of Findexer GmbH (owner of Shpock).²

3 The relevant markets for the transaction

- (9) Both eBay and Adevinta are involved in platforms on the Austrian market which are used by both business and private customers to initiate and, in some cases, also to complete online sales. However, according to the Parties' argumentation, eBay and Adevinta are not active on the same relevant markets in Austria. While eBay operates an online marketplace, Willhaben and Shpock (a fully owned subsidiary of Adevinta at the time of the merger notification) are online classifieds portals. Furthermore, a separate consideration of platforms for B2C and C2C transactions was not justified, as the offers were interchangeable. According to the Parties, the relevant market for online classifieds portals is national in scope.
- (10) Due to the existence of suitable commitments, the question of the relevant market did not ultimately have to be clarified by the Cartel Court and can be left open.
- (11) However, the BWB's investigation results speak in favour of a close competitive relationship between the Parties in online platforms for C2C transactions, in particular in platforms which are not specialised in the sale of a single product category ("horizontal online platforms" or "generalists"). The opinion that eBay and Willhaben have no (or only negligible) overlap of their activities on a relevant market could therefore not be followed.
- (12) The previous decision-making practice of the European Commission ("EC") has regularly considered online classifieds as a type of online advertising and therefore analysed them in relation to the online advertising market, but has not explicitly examined their relationship to online marketplaces. Online classifieds were therefore to be distinguished in particular from other types of online advertising such as *search advertising* or *display advertising*.³ It was stated in the EC's proceedings on Google Shopping that online marketplaces are also particularly

² <https://www.gov.uk/cma-cases/adevinta-ebay-merger-inquiry>

³ COMP/M.5727 - Microsoft/Yahoo Search Business.

active in the listing of used products by non-commercial sellers⁴, i.e., a core area of online classifieds portals.

- (13) The UK CMA concluded in its Phase 1 decision on the present transaction that the relevant market included both horizontal online classifieds portals and C2C online marketplaces.⁵
- (14) The BWB's analysis of internal documents of the Parties showed that
- eBay sees not only online marketplaces but also online classifieds portals in a competitive relationship to its own offering,
 - Willhaben sees not only online classifieds portals but also online marketplaces in a competitive relationship with its own offer, as well as that
 - Willhaben in particular also considers eBay as a close competitor.
 - The competitive situation for C2C is regularly analysed separately in terms of competitors, monetisation and strategic development.
 - The competition for non-commercial users is in the focus of the competition analysis of horizontal platforms in particular, while the competition for commercial customers is often in the focus for vertical platforms.⁶
- (15) In the course of the merger assessment, independent competitors were contacted with requests for information. 18 companies submitted responses to the FCA. On the question of whether online marketplaces and online classifieds portals were interchangeable from the perspective of C2C sellers, all respondents (apart from a few abstentions) indicated that they were clearly interchangeable or rather interchangeable. No company surveyed stated that they were rather or clearly not interchangeable. When asked about interchangeability from the perspective of B2C sellers, only two respondent companies stated that online marketplaces and online classifieds portals were rather or clearly not interchangeable.
- (16) With regard to the question of which customer needs (§23 of the Austrian Cartel Act) certain platforms cover, a convergence between online marketplaces and online classifieds portals can be observed. The market development shows that previously decisive separating characteristics between online classifieds portals

⁴ COMP/AT.39740 - Google-Search (Shopping), Fn 61

⁵ [https://assets.publishing.service.gov.uk/media/606de119d3bf7f401046b6ae/210216 - Adevinta-eCG-eBay - FINAL - Official-Sensitive .pdf](https://assets.publishing.service.gov.uk/media/606de119d3bf7f401046b6ae/210216_-_Adevinta-eCG-eBay_-_FINAL_-_Official-Sensitive_.pdf)

⁶ Vertical online platforms specialise in individual product categories, such as real estate, job advertisements or motor vehicles, and have been analysed several times in competition enforcement practice in Europe as relevant markets in their own right.

and online marketplaces are increasingly dissolving. This can be seen, among other things, in the fact that online classifieds portals are increasingly trying to monetise the transaction itself and in this context are introducing "marketplace" services such as shipping or payment via the platform. For example, one competitor interviewed stated that "marketplaces [...] are more transaction and fulfilment oriented, while online classifieds portals primarily generate leads. In recent years, however, the boundaries have become increasingly blurred as classifieds portals increasingly offer extended services such as escrow or shipping options. [...] The terms are becoming more and more blurred in the industry terminology; it is usually only referred to as marketplaces."

- (17) The survey of users of Willhaben, eBay and Shpock also confirms that users of online marketplaces also use online classifieds portals in parallel to cover the same need to an important extent and also often consider these online classifieds portals as the most important alternative. At the same time, users of online classifieds portals also use online marketplaces in parallel to meet the same needs to an important extent and also often consider these online marketplaces as the most important alternative.
- (18) The Parties' activities also overlap in the area of online advertising. Due to the comparatively weaker market position in this area, there was no need for an in-depth examination of this area and the definition of the relevant markets could be left open.

4 Competitive assessment

- (19) According to the Parties, no competition concerns were to be expected from the merger at hand, if only because online marketplaces and online classifieds portals - and thus also eBay and Willhaben - did not compete with each other (or only to a negligible extent). The BWB could not share this view, as set out in section 3. The Parties further argue that Adevinta and eBay are at best distant competitors that are subject to competitive pressure from numerous important market participants such as Facebook and Amazon in particular.
- (20) The BWB's investigation showed that the proposed merger affects an already concentrated market where the Parties must be classified as close competitors with few alternatives for customers to meet the same needs. This results in a risk of non-coordinated effects on prices, quality and innovation to the detriment of Austrian customers.

4.1 Market concentration is high

- (21) In order to obtain an initial assessment of the market structure and the importance of the merging companies in the market, market shares and market concentration indices based on them are usually used. A frequently used market concentration index is the Herfindahl-Hirschman Index ("HHI"). For markets with cross-shareholdings, a modified HHI ("MHHI") has been developed. MHHI and HHI are identical in markets without cross-shareholdings. The MHHI (measured by newly posted offers by Austrian users) after the transaction, taking into account the sale of Shpock to a third party independent of Adevinta, is above 4000 with an MHHI delta of more than 450 for horizontal online platforms for C2C transactions in Austria, according to the BWB's investigations. These values are to be classified as high concentration.
- (22) According to the EC's Guidelines on the assessment of horizontal mergers ("HMGs")⁷, horizontal competition concerns generally do not arise in markets with an HHI above 2000 if the HHI delta is below 150. The EC also states that minority shareholdings may give cause for the application of a modified HHI that takes into account the shareholding structure in the market.⁸
- (23) In the context of the willhaben.at and ebay.at platforms affected by the merger, high market concentration also means that there are only a few relevant alternative providers with a corresponding reach and thus limited choices for Austrian users. The number of users on both sides of the market (buyers and sellers) is a decisive criterion for the market success of online platforms for C2C transactions.

4.2 Non-coordinated impacts

- (24) According to the HMGs, the most immediate effect of a merger is "loss of competition between the merging firms. For example, if prior to the merger one of the merging firms had raised its price, it would have lost some sales to the other merging firm. The merger removes this particular constraint".⁹ If no acquisition of control of the target company is acquired in the course of a merger, the competitive constraint is not completely removed by the merger, but (possibly significantly) reduced. While the focus in the quote from the HMGs is on prices as strategic variables of the companies, there are other competitive parameters besides price that can be changed in a non-coordinated way to the detriment of customers as a

⁷ [EUR-Lex - 52004XC0205\(02\) - EN - EUR-Lex \(europa.eu\)](#)

⁸ HMGs, Fn 25

⁹ HMGs, para 24

result of a merger. The ability of the companies involved in the merger to exercise increased market power can be strengthened by the transaction and, in addition to an increase in prices, can also result, for example, in a restriction of the variety and quality of the services offered or a restriction of investment and innovation incentives to the detriment of customers.

- (25) Image 1 shows model-based price effects of acquiring a stake in a direct competitor as a function of the shareholding level (based on exemplary model parameters). These results are based on a model market with differentiated products in which companies set their prices strategically with profit-maximising intent and the acquirer can co-determine the pricing policy of the target company in proportion to her financial stake.¹⁰

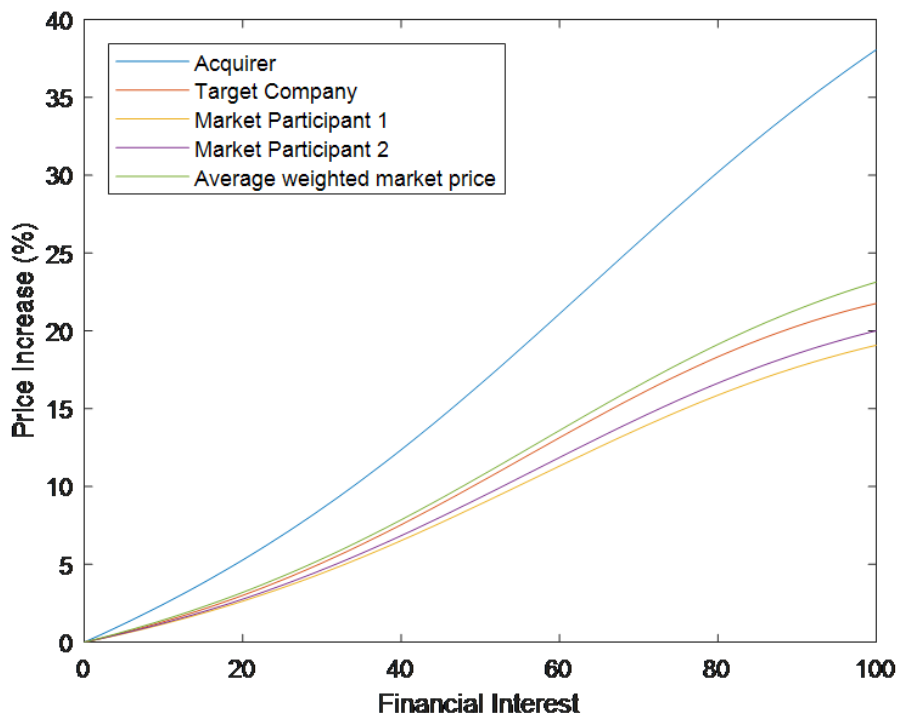


Image 1

Model-based price increases depending on the degree of financial participation

- (26) The effect of acquiring a 44% stake in a competitor on the average market price is significantly lower than the price effect of a full (100%) acquisition, but can nevertheless be significant depending on the underlying model parameters.
- (27) Noticeable non-coordinated effects of a merger are generally to be expected in particular if the companies involved in the merger have high market shares (see the

¹⁰ For the underlying model and assumed parameters, please refer to Appendix C.

comments on market structure and the level of market concentration in section 4.1), as well as if the companies involved in the merger, are close competitors.

4.3 eBay acquires a stake in a close competitor

- (28) Willhaben and eBay are close competitors in Austria, especially in horizontal online platforms for C2C transactions. This is shown by internal documents of the Parties, by information from competitors, as well as by responses to the survey of users of the Parties' online platforms by the BWB.
- (29) Internal documents of the Parties show that Willhaben in particular also considers eBay as a close competitor.
- (30) The responses of the surveyed competitors also show that eBay and Willhaben are predominantly seen as close competitors for Austrian platform users. Of the 11 competitors who provided an assessment on the question of competition between eBay and Willhaben, 64% rated it as intense or very intense and another 18% as light competition.
- (31) In a market with differentiated offers, the interchangeability of offers is regularly examined in the course of merger reviews. This assists in determining which offers are close competitors or less close competitors. The BWB surveyed the question of the interchangeability of the Parties' online platforms from the perspective of users. Austrian users of the platforms ebay.at, willhaben.at and shpock.at were randomly selected and asked to answer a short questionnaire on their behaviour on the aforementioned platforms and alternative platforms.
- (32) The user survey shows that apart from the platforms of eBay (ebay.at, ebay.de, ebay-kleinanzeigen.de) and Adevinta (willhaben.at, at the time of notification also shpock.at) there are only a few relevant competitors in the field of horizontal online platforms for C2C transactions in Austria and, in particular, that these are used significantly less frequently at the same time and are seen significantly less often as the closest alternative to the Parties' offer.
- (33) For example, 65% of the surveyed users of ebay.at state that they also use willhaben.at at the same time to sell products or services, 17% also use shpock.at, 13% Amazon marketplace, 9% ebay-kleinanzeigen.de and 8% Facebook Marketplace (see Image 2).

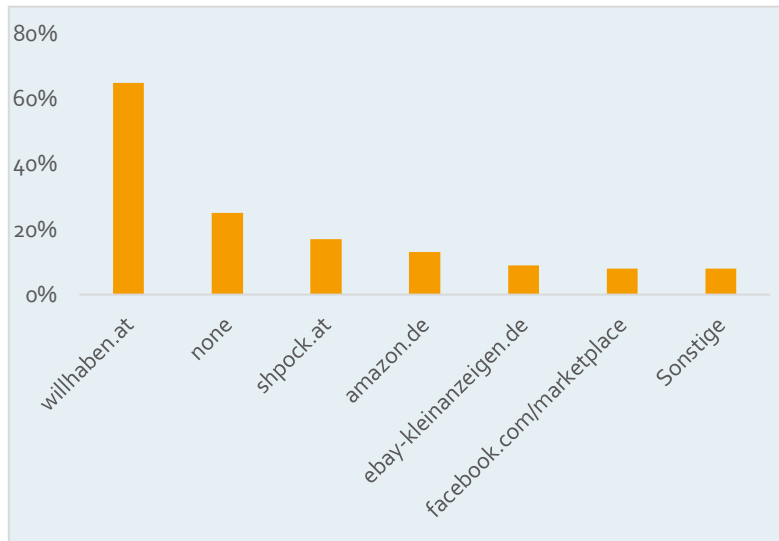


Image 2

Responses to the question: "Apart from ebay.at, which of the following internet platforms do you use to sell products or services?
(in % of the surveyed users who use eBay to sell)

- (34) When asked which online platform users of ebay.at would switch to, if necessary, in order to sell the same or similar products or services, as many as 70% cite willhaben.at as one of two possibilities. 15% mention shpock.at, 10% Facebook Marketplace, 9% Amazon Marketplace and 8% ebay-kleinanzeigen.de (see Image 3).

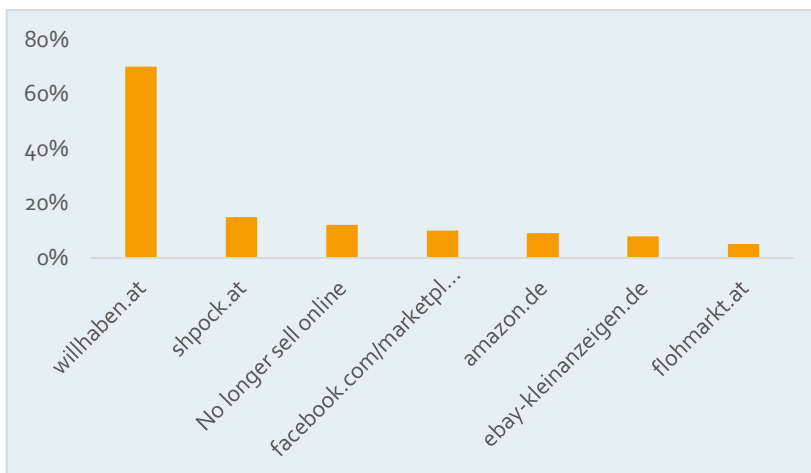


Image 3

Responses to the question: "If ebay.at/ebay.de were not available, which internet

platform would you use to sell the same or similar products or services? Please name a maximum of two platforms.”

(in % of surveyed users who use eBay to sell)

- (35) On the other hand, 56% of the Willhaben users surveyed do not currently use any other online platform to sell products or services. The two most frequently used platforms in parallel are again shpock.at with 18% and ebay.at with 16%, with 8% stating that they also sell on ebay-kleinanzeigen.de and 7% that they also sell on ebay.de. In addition, 9% use Facebook marketplace and 8% Amazon marketplace (see Image 4).

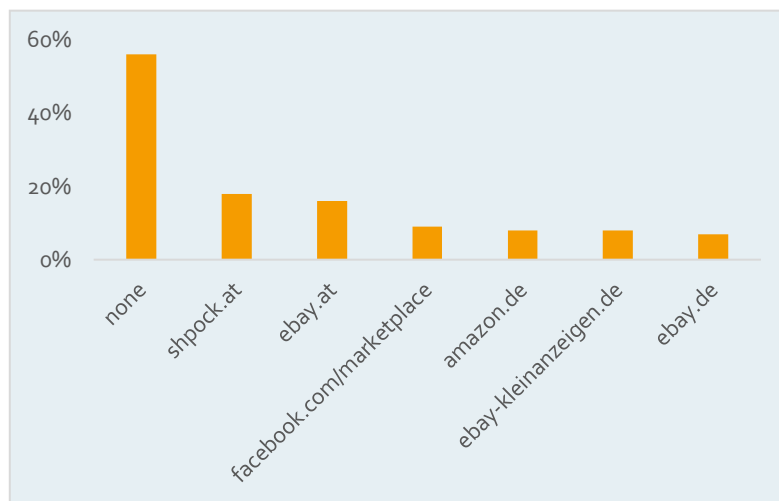


Image 4

Responses to the question: "Apart from willhaben.at, which of the following internet platforms do you use to sell products or services?"

(in % of the surveyed users who use Willhaben to sell)

- (36) When asked which online platform users of willhaben.at would possibly switch to in order to sell the same or similar products or services, 35% mention shpock.at and 29% ebay.at. In addition, 10% cite ebay-kleinanzeigen.de and 7% ebay.de as one of two possibilities. 17% mention Facebook Marketplace and 8% flohmarkt.at (see Image 5).

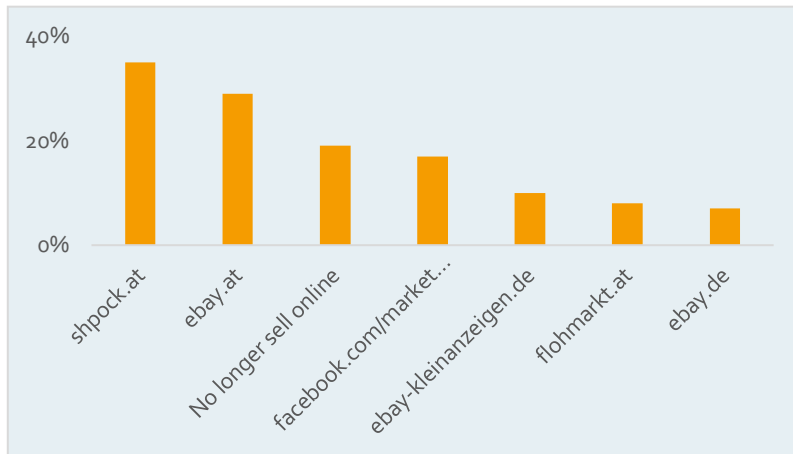


Image 5

Responses to the question: "If willhaben.at were not available, which internet platform would you use to sell the same or similar products or services? Please name a maximum of two platforms.

(in % of surveyed users who use eBay to sell)

(37) For further detailed results of the user survey, please refer to Appendix A.

4.4 Conclusions

(38) From the BWB's point of view, the strength of the market position and the closeness of competition between eBay and Willhaben neither exclude the incentive nor the ability to profitably implement price increases for Austrian users or restrictions on quality and innovation competition between eBay and Willhaben.

(39) In view of eBay's acquisition of a minority stake in Adevinta and the resulting increase in concentration on a market that was already concentrated prior to the transaction, concerns therefore arise with regard to a reduction in mutual competitive pressure and an accompanying deterioration in conditions for Austrian users of horizontal online platforms for C2C transactions. Adevinta holds a 50% stake in Willhaben in Austria and eBay operates the Austrian eBay marketplace. After the transaction, eBay benefits from the revenue generated by Willhaben. This reduces eBay's incentive to win customers from Willhaben through competitive behaviour.

(40) At the same time, the transaction may give eBay influence over the business activities of Adevinta and Willhaben, for example through participation and voting rights in the owners' meetings and decision-making bodies of the respective companies or by influencing decisions on personnel issues. The exchange of

competitively sensitive information may also promote coordinated market behaviour by eBay and Adevinta to the detriment of customers.

5 Commitments

5.1 Explanations

- (41) In view of the competition concerns raised by the BWB, the Parties signed commitments which are suitable to prevent impairments of competition to the detriment of Austrian customers.
- (42) The commitments require the Parties to reduce eBay's economic interest in Adevinta to 33% or less within 18 months, thereby reducing eBay's effective interest in Willhaben to 16.5% or less. This will limit incentives for reduced price, quality and innovation competition after the transaction is implemented and counteract the non-coordinated effects of the transaction.
- (43) Furthermore, the commitments limit eBay's ability to influence Willhaben and thus prevent eBay from influencing Adevinta's market behaviour (in particular that of Willhaben) to the detriment of Austrian customers.

5.2 Wording of the commitments

The commitments proposed by the Parties are as follows:

Preamble

In the merger proceedings concerning the acquisition of a minority interest in Adevinta ASA ("**Adevinta**") by eBay Inc. ("**eBay**", together "**the Parties**") in the course of the sale of eBay Classifieds Group to Adevinta, the Federal Competition Authority (BWB) conducted extensive investigations into the possible effects of the proposed merger on competition in the affected markets. In the opinion of the Federal Competition Authority and the Federal Cartel Prosecutor (together "**the Official Parties**"), in view of the

acquisition of the minority shareholding, there are concerns with regard to a deterioration of the conditions for Austrian users of online platforms for private sales (including willhaben.at and ebay.at) through a reduction in mutual competitive pressure. eBay will benefit from the revenues generated by Adevinta's Austrian operations¹¹ after the merger and may gain the ability to influence Adevinta's activities in Austria in its favour. Due to the strength of the market position and the closeness of competition between eBay and Willhaben, incentives and the ability to profitably impose price increases on users or restrictions on quality and innovation competition between eBay and Willhaben cannot be excluded.

In order to remove the concerns, the Parties undertake to comply with the following commitments, which are aimed at

- reducing eBay's economic exposure to Willhaben after the transaction in order to eliminate *incentives* for anti-competitive behaviour, as well as
- limiting eBay's ability to influence Willhaben and thereby eliminate the *ability* to engage in anti-competitive behaviour.

Commitments

Measure to reduce eBay's economic stake in Willhaben to eliminate incentives for anti-competitive behaviour

1. eBay reduces its financial interest in Adevinta to 33% or less within a period of 18 months from the closing of the transactions.

Measures to reduce eBay's economic influence on Willhaben to prevent its ability to engage in anti-competitive behaviour

2. Without prejudice to the general legal framework, any exchange of information between the Parties (and their affiliates, e.g., Willhaben) with respect to eBay's and Adevinta's Austrian business activities is prohibited. Any influence by eBay on Adevinta's Austrian business activities is also prohibited. In particular,
 - a. all members of the Adevinta Board of Directors appointed by eBay waive their right to vote on resolutions of the Adevinta Board of Directors on matters relating to Adevinta's Austrian business activities. This shall in any event include
 - (i) decisions on personnel or budgetary matters relating to Adevinta's Austrian business activities; and
 - (ii) decisions with an impact on Adevinta's Austrian business activities in the context of strategic orientation, pricing, other terms and conditions for users, as well as on investments in existing or new business areas, research and development expenses.

¹¹ Following the sale of Finderly GmbH (owner of shpock.at) in the course of the British merger control proceedings (CMA/ME/6897/20), Adevinta's Austrian business activity currently consists of the 50% shareholding in willhaben internet service GmbH & Co KG.

- b. Adevinta will not exercise its contractual right to appoint a managing director of willhaben internet service GmbH.
- c. Adevinta will not exercise its contractual right to appoint three members to the advisory board of willhaben internet service GmbH.
 - (i) One of the three Advisory Board members delegated by Adevinta shall be replaced by a person who is independent of and not affiliated with Adevinta and eBay.
 - (ii) The two other advisory board members of willhaben internet service GmbH delegated by Adevinta remain vacant or are likewise replaced by persons who are independent of and not affiliated with Adevinta and eBay.

Sanctions

- 3. Infringements of the commitments are subject to sanctions pursuant to section 29(1)(a) in conjunction with section 17(1) of the Austrian Cartel Act.

Implementation period and validity

- 4. The commitments will remain in effect as long as eBay appoints at least one director to Adevinta's board and eBay's financial or voting interest in Adevinta is 25% or more, but no longer than 10 years from the closing of the transaction.

Monitoring by independent monitoring trustee

- 5. The Parties agree to appoint an independent monitoring trustee ("**the Monitoring Trustee**") to monitor compliance with the commitments for the purposes of the preamble and the regulatory framework for the duration of the effectiveness of these commitments (the "**Mandate**").
- 6. Upon proposal of the Parties, a person shall be appointed as monitoring trustee in agreement with the Official Parties. For this purpose, the Parties shall submit a three-party proposal to the Official Parties. Persons with a special economic or personal close relationship to the Parties are excluded as monitoring trustee. The mandate and the remuneration of the monitoring trustee shall be set out in a separate agreement, which shall be communicated to the official Parties as soon as possible, but not later than six weeks after closing of the transaction. The scope of the mandate shall include the following rights and duties of the monitoring trustee:
 - a. eBay is obliged to develop a concept for the implementation of the reduction (with verifiable milestones) pursuant to item 1 in consultation with the monitoring trustee within three months of the closing of the transaction and to submit it to the Official Parties for approval. The monitoring trustee shall submit a report every three months, initially four months after closing, on the implementation of the commitment pursuant to item 1, in particular with reference to the milestones defined in the concept.

- b. The monitoring trustee shall send the Official Parties a report on the implementation of the measures pursuant to items 2b and 2c three months after closing.
 - c. After careful examination, the monitoring trustee shall send the Official Parties an annual report on the implementation of the measures set out in item 2, for the first time twelve months after closing. In order to verify item 2a, the monitoring trustee shall in particular consult the minutes of all meetings and resolutions of the Adevinta Board.
 - d. The monitoring trustee is entitled and obliged to answer questions from the Official Parties regarding compliance with the commitments (in accordance with the preamble) without delay and to obtain any necessary information from the Parties for this purpose.
 - e. In the event of ambiguities regarding the interpretation of individual items of the present commitments, the monitoring trustee is obliged to submit to the Official Parties a proposal for interpretation in the sense of the preamble.
 - f. The monitoring trustee shall be entitled to
 - (i) question the relevant management bodies and employees of the Parties in writing and/or by telephone about compliance with the commitments; and
 - (ii) require the Parties to produce all documents necessary for the performance of its duties.
7. The Parties will each nominate a contact person whom the monitoring trustee may contact to coordinate these review activities.

Amendment clause

8. In the event of any change in the circumstances material to the making or acceptance of these commitments, the Official Parties will enter into discussions with the Parties with a view to amending or withdrawing the commitments.

Appendix A: Results of the user survey

Execution

- (44) An online survey of Austrian users of online platforms for C2C transactions of the companies involved in the merger was carried out from Friday, 05/21/2021 to Sunday, 05/30/2021.
- (45) A random sample of 4,000 people was drawn from all Austrian users of the platforms www.willhaben.at, www.ebay.at and www.shpock.at who had at least one activity (e.g., login, transaction, opening the mobile app) in November/December 2020. The response rate among all contacted users was 11.5%, whereby the participation of Willhaben and eBay users was higher at 14.0% and 13.3% respectively.

Platforms used in parallel

- (46) Sellers use several channels in parallel. They most often use a different platform of the companies involved in the merger

The most important platforms used in parallel for		
eBay sellers	Willhaben sellers	Shpock sellers
willhaben.at	shpock.at	willhaben.at
shpock.at	ebay.at	facebook.com/marketplace

- (47) Multihoming is less common among Willhaben users than among users of other platforms. Almost 60% say that they only use Willhaben for sales.

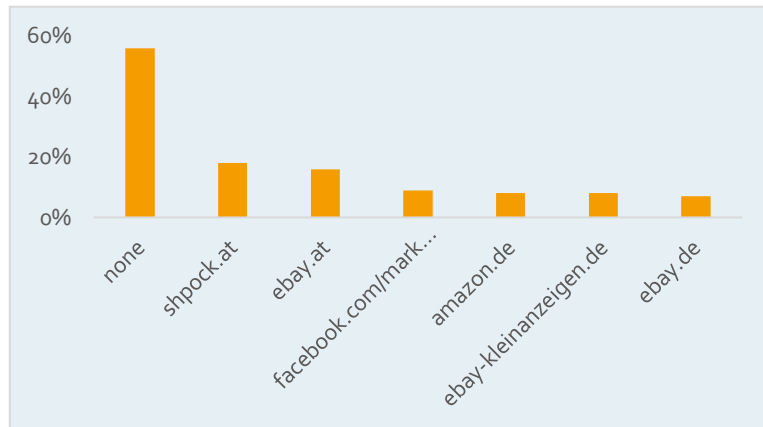


Image 6

Apart from willhaben.at, which of the following internet platforms do you use to sell products or services?

(in % of the surveyed users who use Willhaben to sell)

- (48) For sellers on ebay.at, Willhaben.at is named as the most frequent second platform with over 60%, followed by Shpock.at for multihomers.

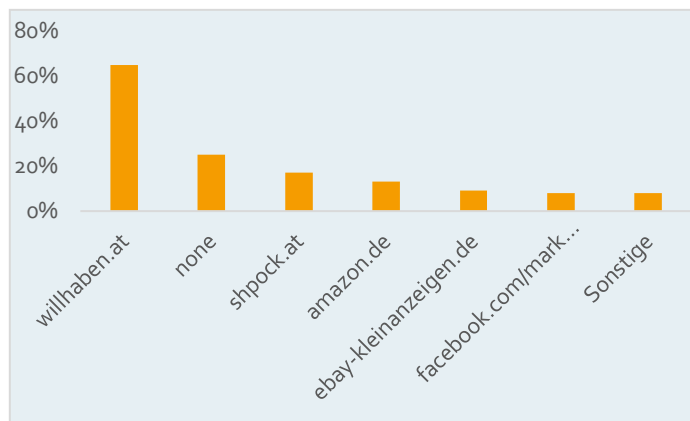


Image 7

Apart from ebay.at, which of the following internet platforms do you use to sell products or services?

(in % of surveyed users who use eBay to sell)

- (49) Among Shpock sellers, Willhaben.at is the most popular option.

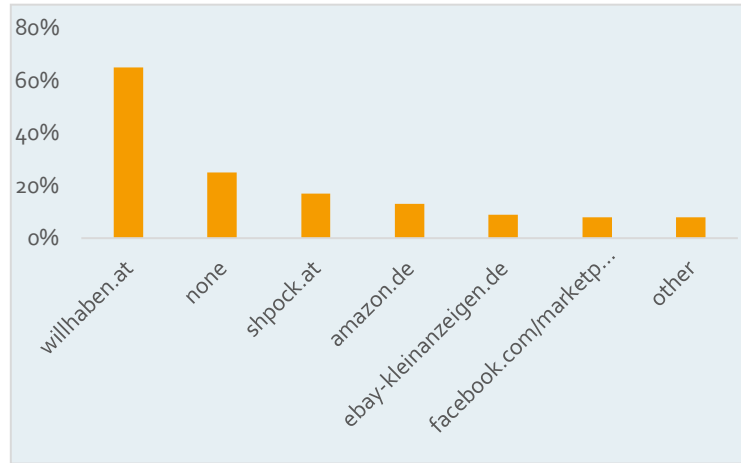


Image 8

Apart from shpock.at, which of the following internet platforms do you use to sell products or services?

(in % of the surveyed users who use Shpock to sell)

- (50) Buyers also use several channels in parallel. They most often use another platform of the companies involved in the merger or Amazon.

The most important platforms used in parallel for		
eBay buyers	Willhaben buyers	Shpock buyers
willhaben.at	amazon.de	willhaben.at
amazon.de	ebay.at	amazon.de

- (51) Among the buyers surveyed on Willhaben, a preference for Amazon emerges most frequently. This is followed by eBay and Shpock.

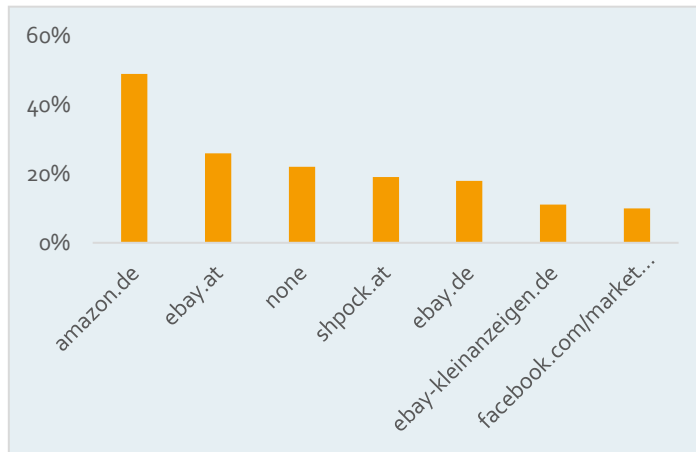


Image 9

Apart from willhaben.at, which of the following internet platforms do you use to buy products or services?

(in % of the surveyed users who use Willhaben to buy)

(52) For eBay buyers, on the other hand, Willhaben is again in first place, followed by Amazon.

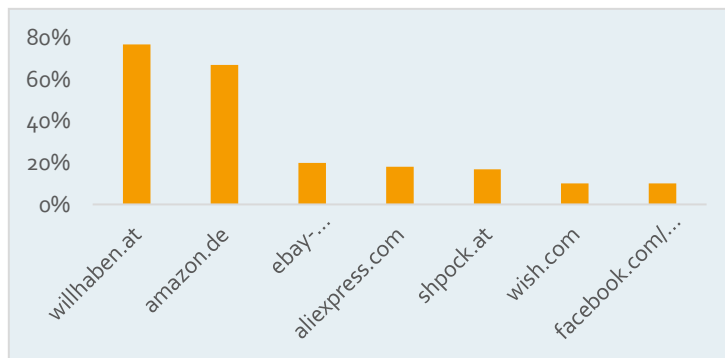


Image 10

Apart from ebay.at, which of the following internet platforms do you use to buy products or services?

(in % of the surveyed users who use eBay to buy)

(53) The same picture emerges among Shpock respondents.

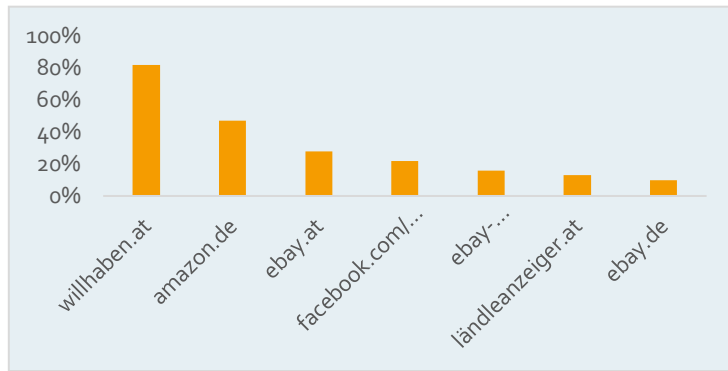


Image 11

Apart from shpock.at, which of the following internet platforms do you use to buy products or services?

(in % of the surveyed users who use Shpock to buy)

Proximity of competition from the user's perspective

(54) Willhaben is by far the most important alternative for sellers on eBay to sell the same or similar products.

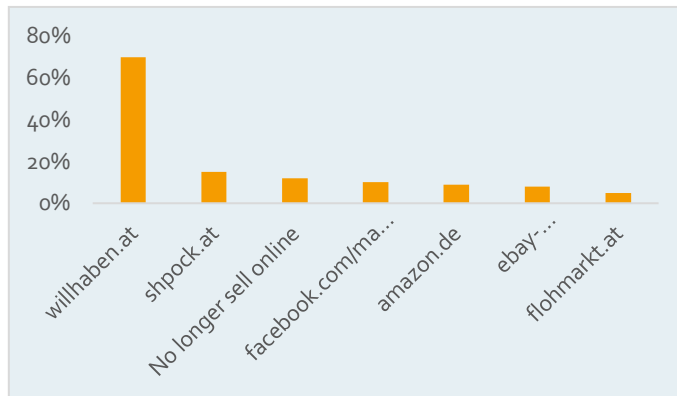


Image 12

If ebay.at/ebay.de were not available, which internet platform would you switch to in order to sell the same or similar products or services? Please name a maximum of two platforms.

(in % of surveyed users who use eBay to sell)

(55) Shpock and eBay are the most important alternatives for sellers on Willhaben. In addition, the platforms ebay-kleinanzeigen.de and ebay.de are also named fifth and seventh most frequently, respectively.

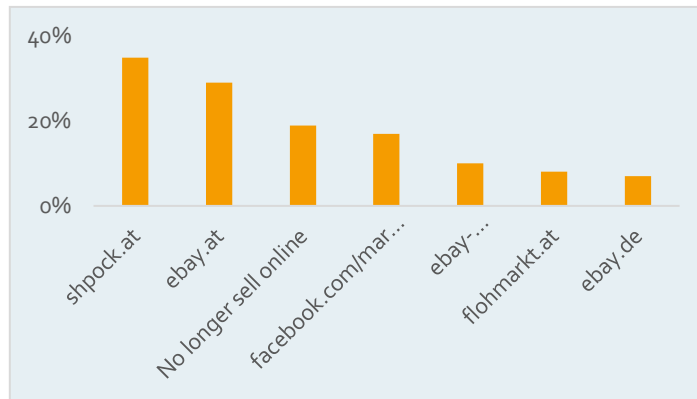


Image 13

If willhaben.at were not available, which internet platform would you use to sell the same or similar products or services? Please name a maximum of two platforms.
(in % of surveyed users who use Willhaben to sell)

(56) Willhaben is by far the most important alternative for sellers on Shpock.

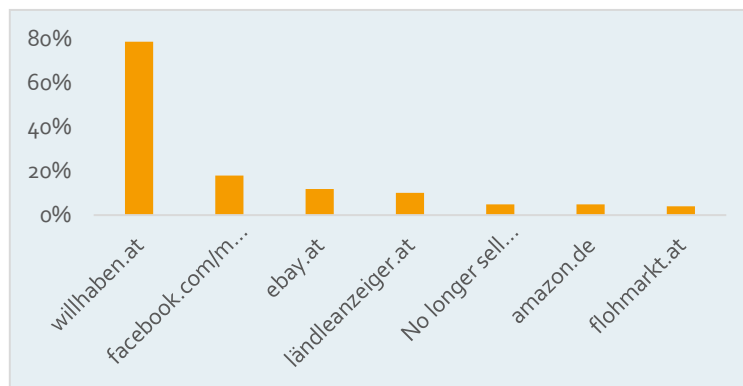


Image 14

If shpock.at were not available, which internet platform would you switch to in order to sell the same or similar products or services? Please name a maximum of two platforms.
(in % of the surveyed users who use Shpock to sell)

(57) Willhaben and Amazon are by far the most important alternatives for buyers on eBay.

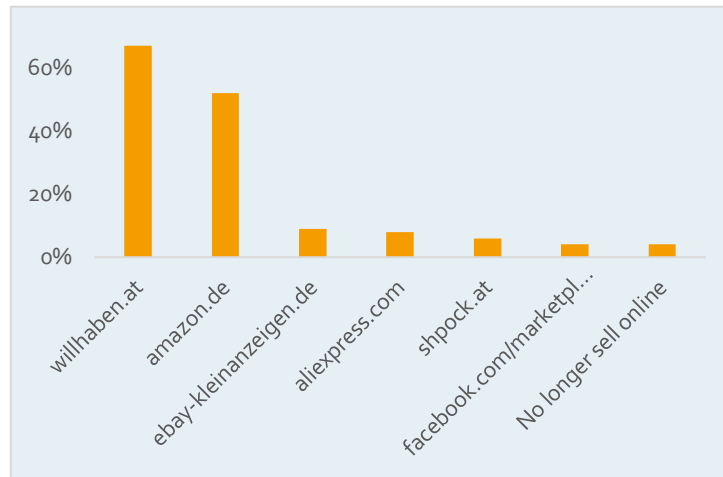


Image 15

If ebay.at/eBay.de were not available, which internet platform would you switch to in order to buy the same or similar products or services? Please name a maximum of two platforms.

(in % of surveyed users who use eBay to buy)

(58) Amazon and eBay, and with some distance Shpock, are the most important alternatives for buyers on Willhaben.

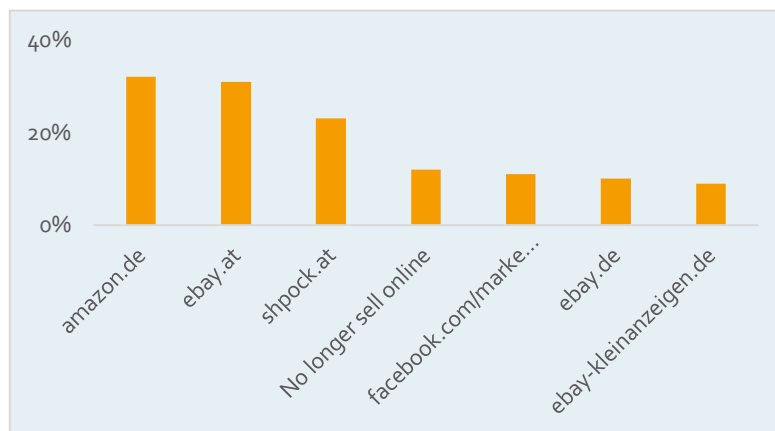


Image 16

If willhaben.at were not available, which internet platform would you switch to in order to buy the same or similar products or services? Please name a maximum of two platforms.

(in % of surveyed users who use Willhaben to buy)

(59) Willhaben is by far the most important alternative for buyers on Shpock.

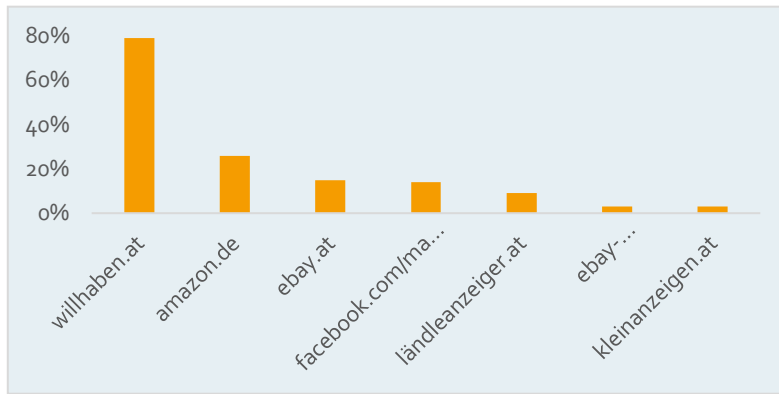


Image 17

If shpock.at were not available, which internet platform would you switch to in order to buy the same or similar products or services? Please name a maximum of two platforms.

(in % of the surveyed users who use Shpock to buy)

Further results

(60) The purchase and sale of products or services is clearly in the foreground for the surveyed users of all three platforms. Differences can be seen in sales, which play a slightly stronger role for the Willhaben users surveyed.

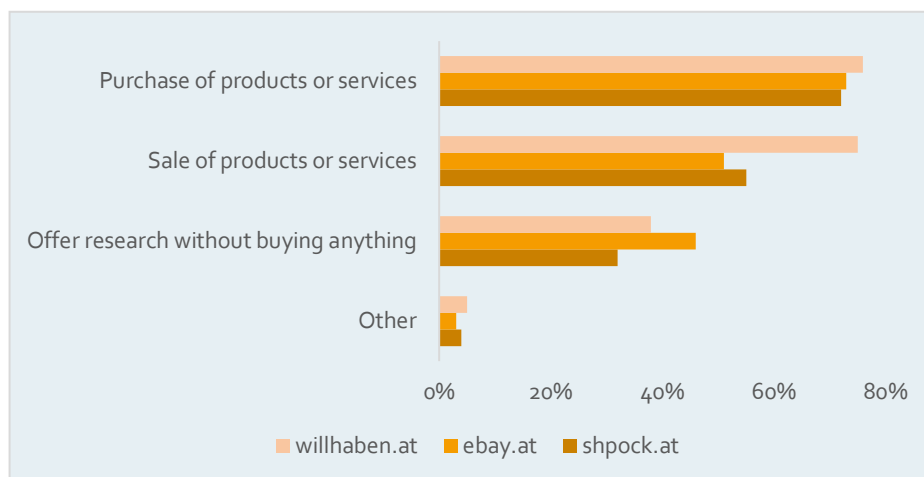


Image 18

For what purpose do you use willhaben.at/ebay.at/shpock.at?

(61) When asked which products or services are sold on the platforms, second-hand products are clearly in the lead among the users of all surveyed platforms. Only about 20% sell new products.

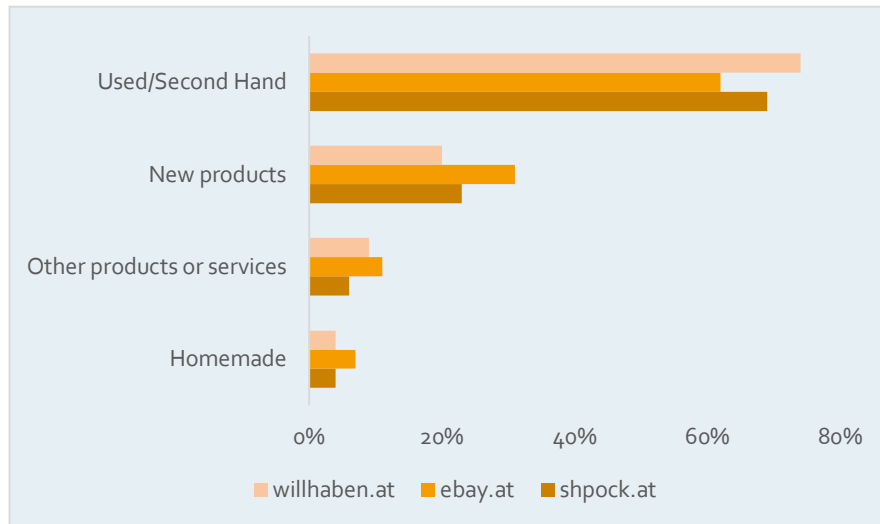


Image 19

What products or services do you sell on willhaben.at/ebay.at/shpock.at?

- (62) The distribution of purchases for willhaben.at users is similar. On ebay.at, on the other hand, the share of used products and new products is relatively equal (50% and 51%). These values are averages formed from a Likert scale (never, very rarely, rarely, frequently, very frequently).

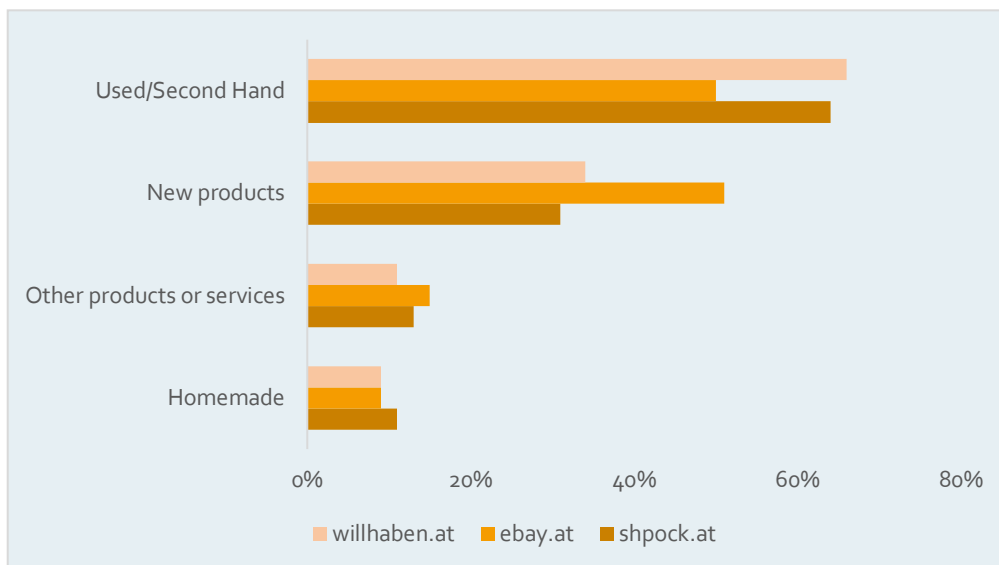


Image 20

Which products or services do you buy on willhaben.at/ebay.at/shpock.at?

- (63) Amazon is an important competitor on the buyer side (much less on the seller side). However, users predominantly buy other (especially new) products on Amazon.

Do you buy the same or similar products as on **willhaben.at**? Multiple selection per platform possible.

The same or similar products Other products

Image 21

Do you buy the same or similar products on the following platforms as on Willhaben?

(64) Electronics and household appliances are the most used category of products sold or bought on all platforms. Furthermore, the platforms are slightly differentiated with regard to the focus areas.

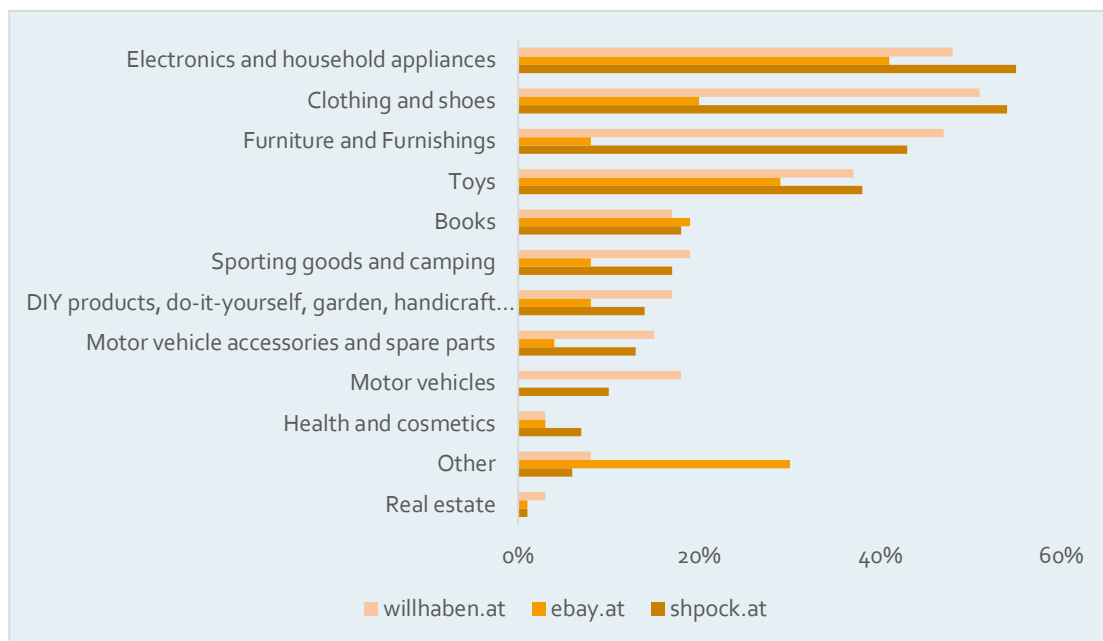


Image 22

In which categories do you predominantly sell products or services on willhaben.at/ebay.at/shpock.at

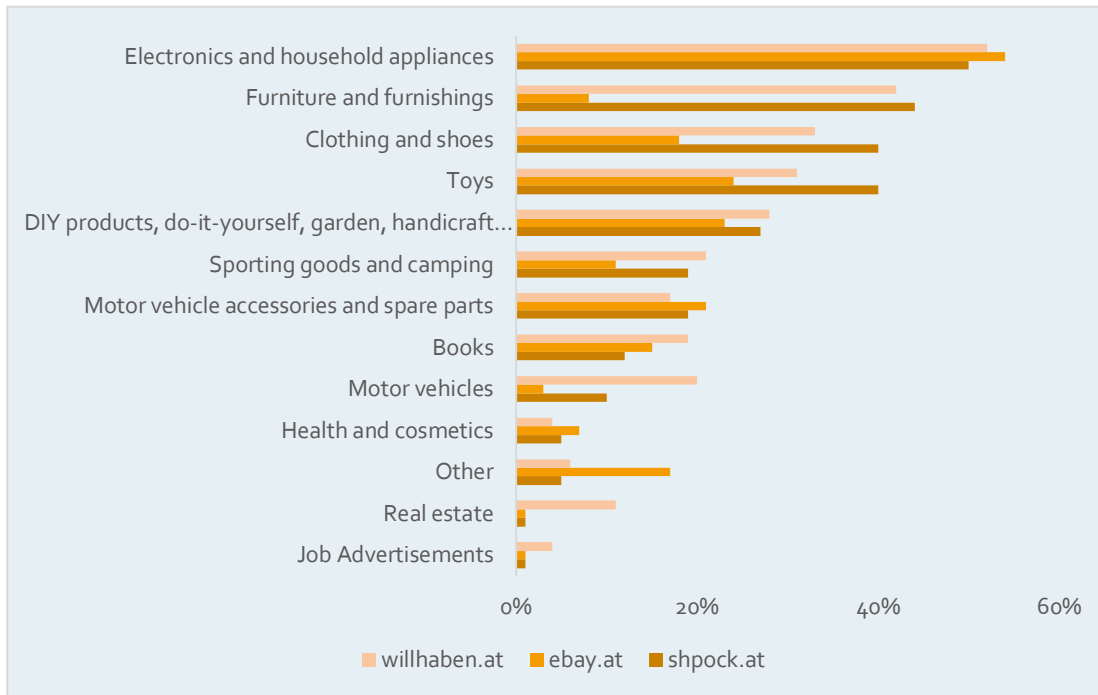
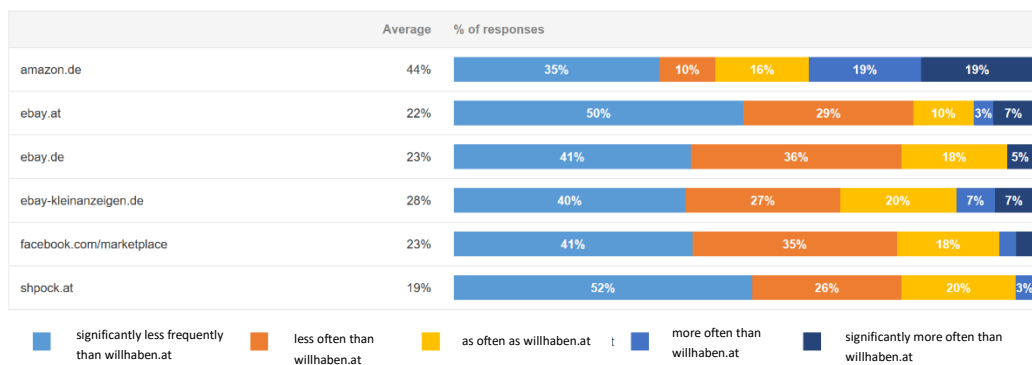


Image 23

In which categories do you predominantly buy products or services on willhaben.at/ebay.at/shpock.at

(65) Image 24 shows the results on the frequency of use of other platforms by Willhaben users.



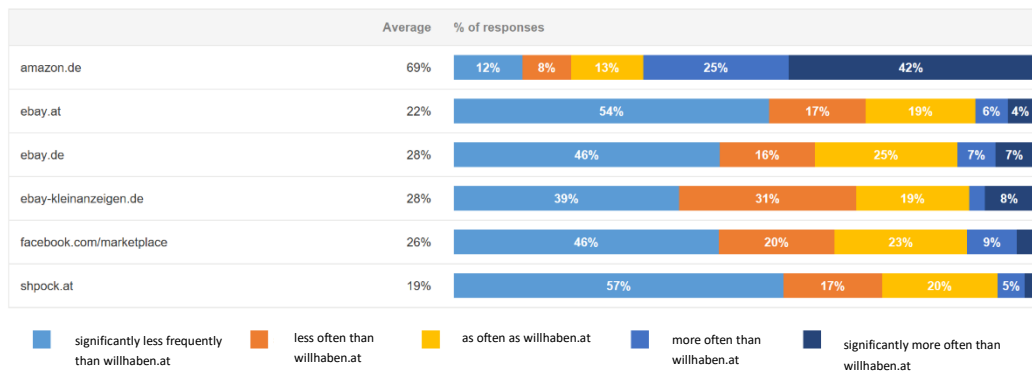


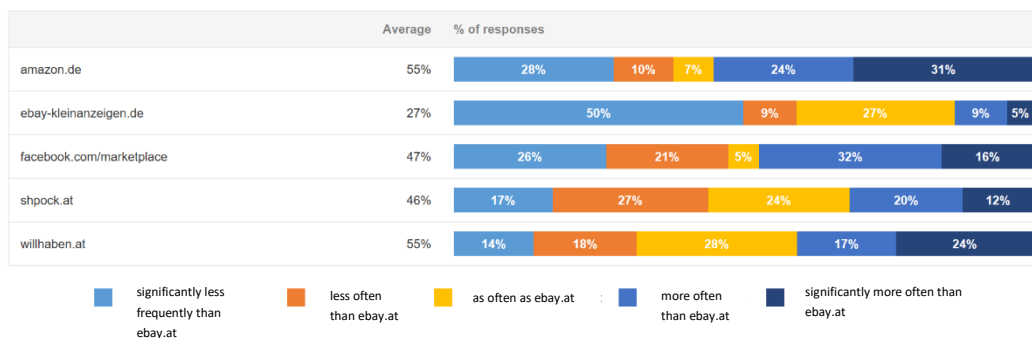
Image 24

How often do you use the following internet platforms to sell (first panel) / buy (second panel) products or services?
(In each case in % of the surveyed users who use Willhaben to sell / buy)

Alternative text:

Image 24, panel 1 presents the evaluation of the question: "How often do you use the following internet platforms to sell products or services" asked to willhaben users. Panel 2 shows the evaluation of the question: "How often do you use the following Internet platforms to buy products or services" asked to willhaben users. The following platforms were available: amazon.de, ebay.at, ebay.de, ebay-kleinanzeigen.de, facebook-marketplace, shpock.at. The frequency choices were: significantly less often than willhaben.at, less often than willhaben.at, about the same as willhaben.at, more often than willhaben.at, significantly more often than willhaben.at.

(66) Image 25 shows the results on the frequency of use of other platforms by eBay users.



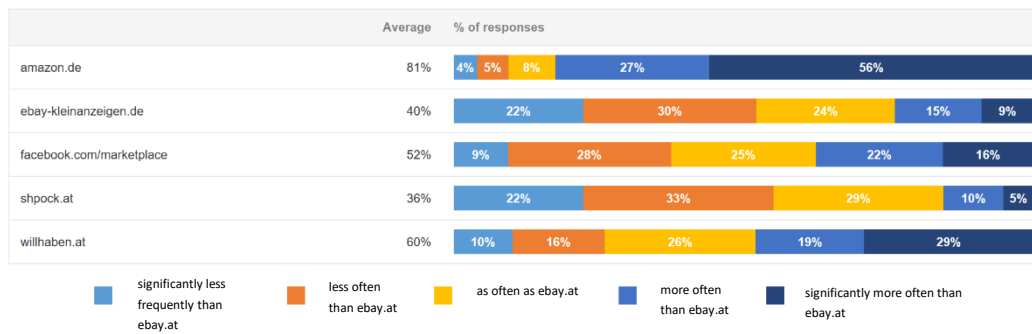


Image 25

How often do you use the following internet platforms to sell (first panel) / buy (second panel) products or services?
(In each case in % of the surveyed users who use eBay to sell / buy)

Appendix B: Description of the relevant online platforms in Austria

(67) The following section describes the online platforms relevant for the assessment of the merger, including in particular online classifieds portals and online marketplaces (for this distinction see also section 4).

Willhaben

- (68) Willhaben was founded in 2006 and is a 50/50 joint venture between Adevinta and Styria Media Group. Willhaben is a horizontal classifieds platform, which has a superior market position in Austria based on its average user frequency. Willhaben generates revenues from three different sources, namely fees from commercial sellers (B2C), fees from private sellers (C2C) and online advertising.
- (69) The product range of advertisements includes the following broad categories: Real Estate, Jobs & Careers, Car & Motors and Marketplace. With 9.358 million ads, the Marketplace category occupies a special position.¹² The following categories can be found in the Marketplace: Antiques/Art, Baby/Child, Beauty/Health/Wellness, Boats/Yachts/Jet-skis, Books/Movies/Music, Computer/Software, Services, Leisure Time/Instruments/Culinary, Games/Consoles, Home/Garden/Workshop, Cameras/TV/Multimedia, Car Accessories/Motorbike parts, Fashion/Accessories, Smartphones/Telephony, Playing/Toys, Sports/Sports equipment, Animals/Pet supplies, Watches/Jewellery, Living/Household/Gastronomy, For free.
- (70) In addition to these categories, in which frequently used articles are offered by private persons for private persons (C2C), there are also the categories dealer offers and dealer shops. This is where offers from dealers to private individuals (B2C) can be found.
- (71) Private sellers can post ads on Willhaben for free in the Marketplace and Car & Motors categories. However, ads in the Real Estate and Jobs & Careers categories are only available as paid ads. For commercial sellers, Willhaben offers different subscription packages on the basis of which they can publish a certain maximum number of ads within a period of 12 months. In addition, private sellers as well as

¹² Figures retrieved on 06/11/2021, other categories: Jobs & Careers 13,517 ads, Auto & Motors 160,039 ads, Real Estate 62,623 ads.

commercial sellers can purchase certain additional services (e.g., highlighting of their ads, pre-ranking of ads or extension of the period for which they are placed).

- (72) Online advertising revenues are generated from the sale of online advertising space on Willhaben to commercial advertisers for various types of online advertising (mainly display advertising). Online advertising is displayed, for example, at the top of the Willhaben home page on the right-hand side of the page and embedded in the middle of the page (under "Current Trends").
- (73) Willhaben has recently introduced PayLivery. This is a payment and shipping service through which Willhaben becomes more involved in the execution of the transaction. This service is free of charge for sellers. Buyers bear the delivery costs and the costs of buyer protection. For the delivery costs, one can choose between shipping companies and the costs for these are listed. The cost of buyer protection is 4%, but at least € 0.99 of the purchase price. Buyer Protection is essentially a secure payment transfer service that ensures that payment is not released to sellers until buyers have received the items they have purchased and those items match the description of the ad, and buyers confirm this via a click or email.
- (74) Willhaben is also the owner and operator of car4you, a classifieds platform exclusively for car ads.

eBay

- (75) eBay is a US multinational e-commerce company that facilitates consumer-to-consumer (C2C) and business-to-consumer (B2C) sales through its e-commerce platforms. The platforms ebay.at, ebay.de and ebay-kleinanzeigen.de are particularly relevant for Austrian users.

ebay.de

- (76) eBay.de is a horizontal Internet marketplace operating in Germany. In principle, the placement of offers is free of charge for users. As with other eBay marketplaces, the majority of the revenue generated by eBay.de comes from sales commissions, which are charged to sellers when they sell an item through the online marketplace. This fee is also known as the "final value fee" and is usually calculated as a percentage of the gross value of the goods.
- (77) In addition, eBay.de generates revenue from sellers from listing fees, promoted listings, eBay Shop fees and fees for additional features, as well as from third-party advertising. eBay.de does not charge buyers any fees, but buyers have the option to join the "eBayPlus" programme for an annual subscription fee.

ebay.at

- (78) eBay.at and eBay.de are not easily distinguishable in terms of their ads. Most of the ads on eBay.de are also found on eBay.at and vice versa. A large proportion of the ads come from Germany, and this is also true for eBay.at. However, ads from Austria can also be found on eBay.de. eBay.de and eBay.at also offer payment and logistics solutions and focus primarily on new goods sold by professional retailers.

ebay-kleinanzeigen.de

- (79) eBay Kleinanzeigen is a horizontal classifieds platform on which private users can advertise (and sell) goods free of charge and which also does not charge buyers any fees. In addition, the portal also offers paid services for commercial sellers. The eBay Classifieds offer for commercial sellers consists of the subscription packages "eBay Classifieds for Real Estate Professionals" for real estate agents and the service "eBay Classifieds PRO" aimed at small and medium-sized businesses.
- (80) eBay Kleinanzeigen is mainly active in Germany and also offered certain transaction services there. Payment and shipping functions can be performed for a fee to be paid by the buyers.

Shpock

- (81) Shpock (SHop in your POCKet) is a horizontal classifieds platform founded in Austria in 2012. The users of Shpock mainly carry out C2C transactions on the platform. According to its own definition, Shpock is "...a marketplace where registered users can offer, sell and buy goods and services of all kinds (hereinafter referred to as "goods"), The offering of real estate by private individuals for rent or sale to private individuals is equally included....".
- (82) The use of Shpock services is free in the basic version. A user can purchase various additional products (e.g., Hot, VIP, Top) or subscriptions (e.g., Premium membership) via app stores for a fee. Users have to register to use most of the functions.
- (83) Shpock generated its revenue through optional in-app shopping options, through special services for commercial sellers who can pre-list or highlight their offers and a larger number of ads that can be managed through a web tool, as well as through the sale of online advertising space. Outside of Austria, Shpock is currently active in the UK and Germany.

(84) As a horizontal classifieds' portal, Shpock is best compared to the Willhaben marketplace. Here, too, mainly second-hand goods are offered, although Willhaben has the significantly larger coverage and user frequency in Austria.

Selected other platforms active on the market

Facebook Marketplace

(85) Facebook Marketplace is an online shopping channel where Facebook users can sell and buy or give away products for free and browse through other users' offers and buy and sell on a local level. The only requirement for Facebook Marketplace is a Facebook account. There are generally no fees for buying or selling.

Amazon Marketplace

(86) Independent marketplace merchants can offer items on the Amazon marketplace, which are suggested to customers in the search alongside offers from Amazon itself. The marketplace merchants pay Amazon a fee for this. Amazon.de only deals with new goods, whereas Amazon Marketplace sellers can offer both new and used goods. For example, Amazon's own B-goods sales company "Amazon Warehouse Deals" also acts as a Marketplace seller. Amazon Warehouse Deals is a trade name of Amazon EU S.à.r.l. under which returned, opened and used goods are offered at reduced prices.

Aliexpress

(87) AliExpress.com is an online retail platform that enables small businesses in China and other countries to offer products to online shoppers internationally. The platform was founded in 2010 and belongs to the Alibaba Group. Internet searches could not find any C2C offers from Austrian retailers. The platform is therefore not seen as a close competitor to Willhaben.

Wish

(88) Like Aliexpress, Wish is a platform where online shops from all over the world sell their products. Most of the sellers come from China. Wish itself does not offer goods, but only acts as an intermediary. A search on Wish's platform also revealed that no C2C offers could be found and also no offers from Austrian merchants. This platform is therefore not seen as a close competitor to Willhaben.

Bazar.at

(89) Bazar is an Austrian classifieds platform based in Vienna. BAZAR Zeitungs- und Verlagsges.m.b.H. & Co. KG has been publishing a classified ad paper of the same name in Austria since 1983 and also operates bazar.at, an online portal for regional and national classified ads with a fixed price. It is a subsidiary of the Hamburg-based Bauer Media Group. In Germany, Bazar has been represented with the German platform bazar.de since May 2012. Bazar.at offers all common classified ad categories (home & garden, animals, clothing, music, furniture, movies or books, musical instruments, computers and electronics, among others). In addition, a portal for real estate (ImmoBAZAR) and motor vehicles (MotorBAZAR) are offered in Austria.

Flohmarkt.at

(90) Flohmarkt.at is an online portal based in Laakirchen (Upper Austria) with a focus on classified ads (all common categories) and flea market calendar (i.e., flea markets are listed with event duration and thematic focus for the whole of Austria). All services offered are free of charge for both private and commercial vendors.

Kleinanzeigen.at

(91) Kleinanzeigen.at is an online portal officially based in Dubai. The focus of this platform (by number of active ads) is on real estate and motor vehicles. Online classifieds in the common categories of a horizontal platform play a subordinate role here. The platform is therefore seen as a subordinate competitor of the generalists in the area of horizontal online platforms for C2C transactions.

LändleAnzeiger.at

(92) LändleAnzeiger.at is an online portal for classified ads in Vorarlberg and a 100% subsidiary of Russmedia Digital GmbH based in Schwarzach (Vorarlberg). LändleAnzeiger.at offers all common classified ad categories (home & garden, animals, clothing, music, furniture, movies or books, musical instruments, computers and electronics, among others) plus ads for real estate, motor vehicles and jobs & business. Due to its regional structure and limited reach throughout Austria, LändleAnzeiger.at is only a close regional competitor to Willhaben and eBay.

Kleiderkreisel.at / Vinted.at

(93) Kleiderkreisel.at is a classifieds portal with a focus on clothing. Kleiderkreisel.at is a subsidiary of the Lithuanian company Vinted, a classifieds portal that operates in 10 EU countries and the UK. Kleiderkreisel.at has been operating as vinted.at since the beginning of 2021. Due to its limited range of clothing, Kleiderkreisel.at is seen

as a competitor of the generalists in the field of horizontal online platforms for C2C transactions, covering only a sub-segment.

Kronehat.at

(94) Kronehat.at is a 100% subsidiary of Krone Multimedia GmbH & Co KG based in Vienna. Kronehat.at is a horizontal platform with the categories Auto & Motors, Real Estate, Jobs and Marketplace. The online classifieds portal contains all common categories, but the focus of the platform is on Auto & Motors, Real Estate and Jobs. Due to this focus and a low reach, Kronehat.at is not seen as a close competitor to the generalists in the area of horizontal online platforms for C2C transactions.

Etsy

(95) Etsy is an online portal that specialises in buying and selling handmade, vintage and artist products. The company was founded in 2005 and is headquartered in New York (USA). The range of products includes art, photography, fashion, jewellery, cosmetics, toys and more. The website went live in 2005. In 2010, Etsy opened a branch in Berlin. Etsy charges a 5% commission on sales made through the website.

Chrono24.at

(96) Chrono24 is a German online platform that was founded in Karlsruhe, Germany in 2003 and specialises in buying and selling wristwatches. The platform offers buyer protection and an authenticity guarantee for the watches sold. When selling, a commission is deducted from the seller. Due to its specialisation, Chrono24.at can only be seen as a competitor of the generalists in the field of horizontal online platforms for C2C transactions to a limited extent.

refurbed.at

(97) refurbed.at is an online marketplace where professional merchants can offer completely refurbished smartphones, tablets or laptops. The products are up to 40% cheaper than new products and come with a 12-month warranty. The company was founded in Vienna in 2017 and currently operates in Austria, Germany, Italy and Poland. Due to its specialisation in a small area of a horizontal platform and a lack of a C2C structure, refurbed.at cannot be seen as a close competitor to Willhaben.

myhammer.at

(98) myhammer.at is an online marketplace where private and commercial users can advertise and award craft and service contracts, as well as a business directory with company profiles of craft and service businesses. The company is based in Berlin.

In 2017, the portal recorded almost 3.1 million registered clients and 19,500 registered businesses. The portal was founded in 2005 as a subsidiary of Abacho AG. Due to its structure as a vertical platform, myhammer.at is primarily to be seen as a competitor in the area of specialised online platforms.

Appendix C: Bertrand-Nash Competition with differentiated goods and minority holdings

(99) In the case of a minority-controlled industry, the objective function of company j , $f_j(p)$, to be maximised, includes not only the aggregate profit of company j but also the aggregate profits of all companies that hold control in company j . Subsequently, γ_{kj}^u denotes the degree of ultimate control of company k in company j , ϕ_{kg}^u the degree of ultimate financial participation of company k in company g , where the term ultimate refers to the inclusion of all existing and indirect participation structures. p_j denotes the price, q_j the quantity sold and c_j the variable costs of company j . The following can therefore be formulated for company j

$$f_j(p) = \sum_{k \in J} l_{kj} \pi_k = \sum_{k \in J} \gamma_{kj}^u \Pi_k = \sum_{k \in J} \gamma_{kj}^u \sum_{g \in J} \phi_{kg}^u (p_g - c_g) q_g(p)$$

(100) All companies n choose their prices so that they maximise their objective functions, i.e., $\max_{p_j} f_j(p) \forall j \in J$. The derivation of the objective function (first-order condition or FOC) of company j in the case of minority stakes with control yields

$$\frac{\partial f_j(p)}{\partial p_j} = l_{jj}^u q_j(p) + \sum_{g \in J} l_{jg}^u (p_g - c_g) \frac{\partial q_g(p)}{\partial p_j} = 0$$

(101) The following optimising price of company j can be derived from the FOC

$$p_j = c_j - \frac{q_j(p)}{\frac{\partial q_j(p)}{\partial p_j}} - \sum_{g \in J \setminus j} \frac{l_{jg}^u}{l_{jj}^u} (p_g - c_g) \frac{\frac{\partial q_g(p)}{\partial p_j}}{\frac{\partial q_j(p)}{\partial p_j}}$$

(102) If $w_{jg} = \frac{l_{jg}^u}{l_{jj}^u}$ is the weighted participation rate and $DR_{gj} = -\left(\frac{\partial q_g(p)}{\partial p_j}\right) \left(\frac{\partial q_j(p)}{\partial p_j}\right)^{-1}$ is the diversion ratio, equation (8) can be rewritten as

$$p_j = c_j - \frac{q_j(p)}{\frac{\partial q_j(p)}{\partial p_j}} + \sum_{g \in J \setminus j} w_{jg} (p_g - c_g) DR_{gj}$$

(103) The model results presented in Image 1 were derived from the model presented using the following exemplary market structure assumptions: 4 market participants

(market share MS acquirer 17%, MS target 57%, MS 1st other market participant 15%, MS 2nd other market participant 7%); diversion ratios are assumed proportional to market share; all market participants set similar prices in the initial situation and achieve a profit margin of 40%; no consideration of any efficiencies in the form of variable cost savings from the merger; the degree of control corresponds to the degree of financial participation.

Bundeswettbewerbsbehörde
Radetzkystraße 2, A-1030 Vienna
+43 1 24 508-0
wettbewerb@bwb.gv.at
bwb.gv.at