

***Case No COMP/M.2057 -
RANDSTAD / VNU / JV***

Only the English text is available and authentic.

**REGULATION (EEC) No 4064/89
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION
Date: 30/08/2000

*Also available in the CELEX database
Document No 300M2057*



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 30/08/2000
SG(2000)D/106449

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EEC) No 4064/89 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying parties

Dear Sirs,

Subject: Case No COMP/M.2057 - Randstad / VNU / JV

Notification of 31.07.2000 pursuant to Article 4 of Council Regulation No 4064/89

1. On 31.07.2000 the Commission received a notification of a proposed concentration by which Randstad and VNU will acquire joint control of a newly created, full-function joint venture, "NewMonday.com".
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of the Merger Regulation and that the concentration does not raise serious doubts as to its compatibility with the common market and with the EEA agreement.

I. THE PARTIES

3. **Randstad Holding N.V.** ("Randstad") is an international staffing (temporary employment) organisation, active in most European countries (The Netherlands, Belgium, Germany, France, UK, Spain, Denmark, Luxembourg, Italy and Switzerland) as well as the United States and Canada. Randstad also offers cleaning and security services. It is registered in The Netherlands and is listed on the Amsterdam Stock Exchanges ("AEX").
4. **VNU N.V.** ("VNU") is a publishing and information company active in the provision of consumer and business information. The company's most important operations include consumer magazines, professional magazines, telephone directories and information services, educational textbooks, marketing information services and entertainment. VNU is active throughout Europe (mainly in The Netherlands), in the

US, Canada, South Africa and India. It is registered in The Netherlands and is listed on the AEX, and the stock exchanges of Brussels and Luxembourg.

5. **NewMonday.com N.V.** will be active in the field of online job advertising through various websites that will be exploited in each country in which it will be active. NewMonday.com's websites shall, however, be primarily employed to offer online recruiting services, namely the provision of selected lists of qualified candidates to employers by means of an online matching system.

II. THE OPERATION

6. VNU will transfer its entire online job advertising business into a separate legal entity named NewMonday.com N.V. Subsequently, Randstad will acquire 50% of the issued share capital of this company.

III. CONCENTRATION

7. The transaction involves the acquisition of joint control by Randstad and VNU of NewMonday.com, a company which will have a dedicated management and which will perform on a lasting basis all the functions of an autonomous economic entity. It is therefore a full function joint venture within the meaning of the Merger Regulation and the transaction therefore constitutes a concentration within the meaning of Article 3(1)b of the Merger Regulation.

IV. COMMUNITY DIMENSION

8. The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 billion¹ [Randstad €5,565 million; VNU €2,756 million]. Each of Randstad and VNU have a Community-wide turnover in excess of EUR 250 million [Randstad €4,176 million; VNU €1,558 million], but they do not achieve more than two-thirds of their aggregate Community-wide turnover within one and the same Member State. The notified operation therefore has a Community dimension.

V. COMPETITIVE ASSESSMENT

9. The joint venture company, NewMonday.com, will be active on two product markets: the online recruitment market and the online job advertisement market. However, it is not necessary to define these as relevant markets for the purposes of this decision, since, however the markets are defined, the concentration raises no competition concerns.
10. Likewise, it is not necessary to decide upon the precise boundaries of the relevant geographic markets since, even on the narrowest possible basis, the concentration does not threaten to create or to strengthen any dominant position.

¹ Turnover calculated in accordance with Article 5(1) of the Merger Regulation and the Commission Notice on the calculation of turnover (OJ C66, 2.3.1998, p25). To the extent that figures include turnover for the period before 1.1.1999, they are calculated on the basis of average ECU exchange rates and translated into EUR on a one-for-one basis.

A Online recruitment market

11. The parties argue that online recruitment services should be distinguished from the traditional offline recruitment services, in particular since certain aspects of the offline recruitment process, such as face to face interviews, will be unable to be carried out online.
12. If assessed on the narrowest possible product market, namely online recruitment services, there would be no affected markets at national or a European level. On a European basis, the parties forecast that NewMonday.com's market share will be [0-10]%, and will not exceed [5-15]% in any individual Member State. NewMonday.com will be a new entrant to the online recruitment market. Furthermore, the market is expected to grow rapidly, and NewMonday.com will face a significant level of competition from existing players and potential entrants. An example of the type of company currently active in online recruitment is futurestep.com, which is owned by the Wall Street Journal and an offline head-hunter, Korn Ferry and which is active in at least the United States, the UK, The Netherlands and Belgium. The parties also indicate that there are several large US players which could expand into Europe, such as AOL, which has an exclusive relationship with Monster.com (the leading job-site in the US), Webhire which is aligned with Yahoo!, and leadersonline.com which is owned by an offline head-hunter, Heidrick and Struggles.
13. In the light of the low market shares and the high levels of existing and potential competition, the concentration does not threaten to create or strengthen any dominant positions in relation to its activities on recruitment markets, even when assessed on the narrowest possible basis.

B Online job advertisement market

14. Through its web-sites the joint venture will be active in providing online advertising, some of which will be job-specific advertising, some of which will be general advertising. The parties argue that in accordance with previous Commission decisions² online advertising should be distinguished from offline advertising and the markets should be considered as national markets. In the context of this operation, a market for providing online advertising could be further divided into the online provision of job advertising and the online provision of general advertising. However, it is not necessary to decide upon the precise boundaries of either the relevant product or geographic markets since, even on the narrowest possible basis, the concentration does not threaten to create or to strengthen any dominant position.
15. If assessed on the narrowest possible product market, namely the provision of online job advertising, the parties estimate that during 2001 (its first full year of operation) NewMonday.com's share of the market will be less than [10-20]% in each of the Member States in which it will be active (UK, Germany, France, Netherlands, Belgium, Spain and Italy), and just [0-10]% on a European level. NewMonday.com's most likely competitors for the supply of space for job advertising will be those companies mentioned above that are also active in online recruitment. If a wider product market definition were to be taken the resulting market shares would be even lower since NewMonday.com would be competing with a far wider cross-section of companies

² See for example, Case IV/JV.1, Scandinavian On Line; IV/JV.11, @Home Benelux BV

wanting to supply online advertising space. The concentration therefore does not threaten to create or strengthen a dominant position on any online advertising markets, however they are defined.

VI. CONCLUSION

16. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EEC) No 4064/89.

For the Commission,
Günter VERHEUGEN
Member of the Commission