



EUROPEAN COMMISSION
DG Competition

***Case M.8201 - RANDSTAD HOLDING / MONSTER
WORLDWIDE***

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION
Date: 26/10/2016

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EUROPEAN COMMISSION

Brussels, 26.10.2016
C(2016) 7019 final

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 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 Where possible the information omitted has been replaced by ranges of figures or a general description.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

To the notifying party

Dear Sir/Madam,

**Subject: Case M.8201 - RANDSTAD HOLDING / MONSTER WORLDWIDE
Commission decision pursuant to Article 6(1)(b) of Council Regulation
No 139/2004¹ and Article 57 of the Agreement on the European Economic
Area²**

- (1) On 21 September 2016, the European Commission ("Commission") received a notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which Randstad Holding n.v. ("Randstad" or the "Notifying Party", the Netherlands) acquires within the meaning of Article 3(1)(b) of the Merger Regulation control of the whole of Monster Worldwide, Inc. ("Monster", United States of America) by way of public bid (the "Transaction").³ Randstad and Monster are collectively designated hereafter as the "Parties".

¹ OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.

² OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').

³ Publication in the Official Journal of the European Union No C 357, 29.9.2016, p. 33.

1. THE PARTIES

- (2) **Randstad** is a provider of temporary employment services, permanent employment services, human resources ("HR") consultancy services and other HR related services.
- (3) **Monster** is a provider of online job advertising and online recruitment services. Monster's services and solutions include: searchable job advertisements, resume database access, recruitment media solutions through its advertising network and partnerships, social job distribution, display advertising, certain HR consultancy services, and other career-related content.

2. THE CONCENTRATION

- (4) Under the terms of the Agreement and Plan of Merger of 8 August 2016 between Randstad and Monster, Merlin, an indirect wholly owned subsidiary of Randstad, will commence a tender offer to acquire Monster's shares. As a result, Merlin will be merged with and into Monster, with Monster surviving the Transaction as a wholly-owned subsidiary of Randstad.
- (5) As a result, Randstad will acquire sole control over Monster. Therefore, the Transaction constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

3. EU DIMENSION

- (6) The Transaction does not have EU dimension pursuant to Article 1(2) of the Merger Regulation. However, the undertakings concerned have a combined aggregate world-wide turnover of more than EUR 2 500 million (Randstad: EUR 19 219.1 million; Monster: EUR 601.1 million). In each of at least three Member States, the combined aggregate turnover is more than EUR 100 million. In each of these Member States, the aggregate turnover of each of the undertaking concerned is more than EUR 25 million ([...]). The aggregated EU-wide turnover of each of the undertakings concerned was more than EUR 100 million (Randstad: EUR [...]; Monster: EUR [...]), but they do not achieve more than two-thirds of their aggregate EU-wide turnover within one and the same Member State. The notified transaction therefore has a EU dimension pursuant to Article 1(3) of the Merger Regulation.

4. RELEVANT MARKETS

- (7) In previous decisions concerning the employment services sector, the Commission has considered four relevant product markets:
 - a. temporary employment services, i.e. posting of temporary workers to user firms for a temporary period of time;
 - b. permanent employment services, i.e. posting of workers who are expected to remain permanently employed by the user firm;

- c. HR consultancy services, including a range of services comprising, inter alia, payrolling services, HR IT processes, outplacement services, re-integration services and assessments, training and development advice; and
- d. online job board services, i.e. online services which seek to match employers to job seekers, which includes job board advertising, search functionalities through candidates' resumes and so forth; online job board services could be considered as a combination of online recruiting and online job advertising services, as discussed in Section 4.2.4 below.

4.1. Relevant product market

4.1.1. Temporary employment services ("TES")

- (8) TES providers bring together temporary agency workers and user firms with the aim of filling vacancies by temporarily posting workers at user firms. For the firm to be willing to accept the temporary agency worker, the firm needs to be confident that the agency worker is the right person for the job. For the agency worker to be willing to take the job, the agency worker needs to be confident that the job suits his abilities and goals.
- (9) The Commission has previously analysed whether TES should be segmented according to the degree of education or specialisation of the worker.⁴ The Commission considered distinguishing between "professional" TES involving higher-educated workers and specialists such as IT staff, and "general" TES involving lower-educated and lower-skilled workers.
- (10) In relation to a possible subdivision of the market into "general" and "professional" TES, the Notifying Party submits that no such distinction is relevant from a supply side perspective, as the skills required to operate in one segment are essentially the same as the skills required to operate in the other segment.
- (11) In previous decisions,⁵ the Commission has also analysed whether professional and general TES should be further segmented by reference to the workers' specialisation. Specifically, the Commission raised the question as to whether general staffing might be divided into specialised segments for office and administration (e.g. secretarial and clerical staff) and industry (e.g. technical and engineering staff). As regards professional staffing, the Commission considered a further segmentation by reference to the worker's specialisation (e.g. IT, engineering, finance, legal, medical, etc.). However, in both sectors, the Commission always left the question on a possible sub-segmentation of the market open.

⁴ Commission Decision in case M.7949 - *Norwegian / Shiphold / Osm Aviation* of 31.05.2016; Commission Decision in case M.6908 - *Randstad/USG Assets* of 06.06.2013; Commission Decision in case M.5009 – *Randstad/Vedior* of 17.04.2008; Commission Decision in case M.5626 – *Adecco/Spring*, 16.10.2009; Commission Decision in case M.5699 – *Adecco/MPS Group*, 17.12.2009.

⁵ Commission Decision in case M.7949 - *Norwegian / Shiphold / Osm Aviation* of 31.05.2016; Commission Decision in case M.6908 - *Randstad/USG Assets* of 06.06.2013; Commission Decision in case M.5009 – *Randstad/Vedior* of 17.04.2008; Commission Decision in case M.5626 – *Adecco/Spring*, 16.10.2009; Commission Decision in case M.5699 – *Adecco/MPS Group*, 17.12.2009.

- (12) In any event, the Commission considers that, for the purposes of the present decision, the exact definition of the product market for TES can be left open, since no serious doubts as to the compatibility of the Transaction with the internal market arise under any plausible alternative product market definition.

4.1.2. *Permanent employment services ("PES")*

- (13) PES refer to the employment services where a firm handles the recruitment and selection of personnel to be directly hired by the client and workers are expected to remain permanently employed by the user firm.

- (14) The Commission has in the past concluded that the market for PES constitutes a market separate from TES. Similarly to TES, the Commission has left open whether PES should be further sub-divided according to the specialisation of workers, by distinguishing between (i) a market for executive search (recruitment of employees for the top end of the market) and (ii) a market for regular permanent placement (recruitment of employees for the middle and lower end of the market).⁶

- (15) In any event, the Commission considers that, for the purposes of the present decision, the exact definition of the product market for PES can be left open, since no serious doubts as to the compatibility of the Transaction with the internal market arise under any plausible alternative product market definition.

4.1.3. *HR consultancy services*

- (16) HR consultancy services include payrolling services, HR information and communication technology ("ICT") processes, outplacement services, reintegration services and assessments, training and development advice. In previous decisions,⁷ the Commission considered that the provision of HR consultancy services may be part of the larger market for the provision of management consultancy.

- (17) In any event, the Commission considers that, for the purposes of the present decision, the exact definition of the product market for HR consultancy services can be left open, since no serious doubts as to the compatibility of the Transaction with the internal market arise under any plausible alternative product market definition.

4.1.4. *Online job board services*

- (18) In the case M.2057 - *Randstad/VNU/JV*, the Commission considered that online recruitment services could be distinguished from offline recruitment services, but ultimately left the market definition open. In the same decision, the Commission also considered the market for online job advertisement as a separate market from general advertising, but also ultimately left the definition open.

⁶ Commission Decision in case M.7949 - *Norwegian / Shiphold / Osm Aviation* of 31.05.2016; Commission Decision in case M.6908 - *Randstad/USG Assets* of 06.06.2013; Commission Decision in case M.5009 – *Randstad/Vedior* of 17.04.2008.

⁷ Commission Decision in case M.7949 - *Norwegian / Shiphold / Osm Aviation* of 31.05.2016; Commission Decision in case M.6908 - *Randstad/USG Assets* of 06.06.2013; Commission Decision in case M.5009 – *Randstad/Vedior* of 17.04.2008.

- (19) The Parties submit that the central functionality of online job boards is to match employers to job-seekers. Employers can find job seekers by offering vacancies on the online job board or searching through candidates' CVs based on a number of search criteria. Hence, online job boards combine the features of online recruiting and online advertising services, and cannot provide these services separately. Therefore the Parties submit that the market for job board services should also not be further segmented into online recruitment services and online advertising services.
- (20) In any event, the Commission considers that, for the purposes of the present decision, the exact definition of the product market for online job board services can be left open, since no serious doubts as to the compatibility of the Transaction with the internal market arise under any plausible alternative product market definition.

4.2. Relevant geographic market

4.2.1. Temporary employment services

- (21) In previous decisions,⁸ the Commission has considered that the relevant geographic market for the provision of TES services is not wider than national. The main conditions for establishing and operating a temporary employment agency are generally similar per country, such as: national permits and legislation; administrative procedures; conditions for setting up a branch; language and culture of the temporary employees; education levels of the temporary employees.
- (22) The Notifying Party submits that the geographic scope of the TES market is national.
- (23) For the purposes of the present decision, the Commission considers that it is not necessary to conclude on the exact geographic market definition as no serious doubts as to the compatibility of the Transaction with the internal market arise under any plausible alternative geographic market definition of TES.

4.2.2. Permanent employment services

- (24) The Notifying Party submits that the geographic scope of the PES market is likely to be national since factors identified for TES above should also apply to PES.
- (25) For the purposes of the present decision, the Commission considers that it is not necessary to conclude on the exact geographic market definition as no serious doubts as to the compatibility of the Transaction with the internal market arise under any plausible alternative geographic market definition of PES.

⁸ Commission Decision in case M.7949 - *Norwegian / Shiphold / Osm Aviation* of 31.05.2016; Commission Decision in case M.6908 - *Randstad/USG Assets* of 06.06.2013; Commission Decision in case M.5009 - *Randstad/Vedior* of 17.04.2008; Commission Decision in case M.5626 - *Adecco/Spring*, 16.10.2009; Commission Decision in case M.5699 - *Adecco/MPS Group*, 17.12.2009.

4.2.3. *HR consultancy services*

- (26) The Notifying Party submits that the geographic scope of the market for HR consultancy services is national since factors identified in the PES and TES markets above also apply to the provision of should also apply to the provision of HR consultancy services.
- (27) For the purposes of the present decision, the Commission considers that it is not necessary to conclude on the exact geographic market definition as no serious doubts as to the compatibility of the Transaction with the internal market arise under any plausible alternative geographic market definition of HR consultancy services.

4.2.4. *Online job board services*

- (28) The Notifying Party submits that the market for online job board services is most likely national, as factors identified in the PES and TES markets above also apply to the provision of job board services.
- (29) For the purposes of the present decision, the Commission considers that it is not necessary to conclude on the exact geographic market definition as no serious doubts as to the compatibility of the Transaction with the internal market arise under any plausible alternative geographic market definition of online job board services.

5. COMPETITIVE ASSESSMENT

- (30) The Transaction gives rise to very limited horizontal overlaps in the market for HR consultancy services and in the market for online job board services in some Member States, which, however, do not give rise to affected markets. These markets will not be further discussed.
- (31) The vertical links between the Parties' activities give rise to vertically affected markets (online board services upstream and TES downstream), as Randstad has over 30% market share in some hypothetical TES markets. However, the Commission considers that these vertical links would not raise competition concerns given Monster's limited presence upstream and the presence of a number of competitors both upstream (online job board services) and downstream (TES).
- (32) The Transaction leads to certain limited vertical overlaps in Austria, Belgium, France, Germany, Italy, Luxembourg, Netherlands, Norway, Spain, Sweden and the United Kingdom since: (a) Monster provides online job board services (upstream market), and (ii) Randstad purchases online job board services (downstream market) as an input to TES or PES.
- (33) Randstad's market shares in the TES and PES markets in 2015 are below 30% except in Spain, where the Notifying Party's market share exceeds 30% ([30-40]%) in the most narrowly defined market which is "Industry General TES" which is a sub-segment of the General TES market segment. In Greece and Portugal, Randstad's market share is also above 30% in some market segments of TES in 2015 ([40-50]% in overall TES in Greece and [40-50]% in "Industry General" TES

in Portugal), but Monster is not active in those countries. There is therefore no actual vertical link in Greece and Portugal.

- (34) It should therefore be assessed whether the Transaction could reinforce the ability and incentive of the merged entity to either foreclose other providers of TES in Spain to use Monster's online job board services (input foreclosure) or foreclose online job board services in Spain by providers other than Monster from being used in the TES by Monster (customer foreclosure).
- (35) The Commission does not consider that the Transaction would give rise to any risk of input or customer foreclosure.
- (36) First, Monster is a very small player in the job board market in Spain (market share of [0-5]% in terms of number of job listings in 2015, with sales of only USD [0-5] million). The online job board services market in Spain is currently very fragmented, with the presence of strong competitors, such as Infojobs, LinkedIn, Tecnoempleo, Jobijoba, etc.⁹
- (37) Second, the Commission notes the presence of strong competitors in the TES market in Spain, such as Adecco or Manpower Group.¹⁰
- (38) Third, there is currently no direct vertical relationship between the Parties as Randstad is not using Monster's services in Spain and is instead using services from Monster's competitors.
- (39) Fourth, due to the nature of TES markets, the merged entity is likely to have an incentive to use a variety of online job board services, as that will maximise the likelihood of finding the right candidate at the shortest possible delay. Likewise, the merged entity is unlikely to have an incentive to exclude job postings from competing providers of TES in its online job board services, as candidates expect to see the widest possible range of job vacancies.
- (40) Moreover, only about [20-30]% of Randstad's total spend on job boards relates to the TES market; the rest pertains to the non-TES segments (in which market shares of the Notifying Party are significantly below 30%).
- (41) Finally, no respondent to the market investigation expressed concerns in relation to the impact of the Transaction on the markets of TES and online job board services.¹¹
- (42) In any event, the only affected market that arises from the Transaction does not refer to the overall TES market, but to the "industry" segment of the TES market in Spain. Therefore, the Commission notes that only this segment would be affected should any competition concerns arise from the Transaction.

⁹ Form CO, page 43 and paragraph 144.

¹⁰ Form CO, paragraph 120.

¹¹ Responses to the Commission's email of 22 September 2016 to customers and competitors. Minutes of Commission's call of 3 October 2016 with a competitor of Monster.

- (43) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market due to input or customer foreclosure of competitors in relation to online job board services.

6. CONCLUSION

- (44) For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation and Article 57 of the EEA Agreement.

For the Commission
(Signed)
Margrethe VESTAGER
Member of the Commission