



EUROPEAN COMMISSION
DG Competition

***Case M.8274 -
CINVEN / PERMIRA /
ALLEGRO / CENEO***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 21/12/2016

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EUROPEAN COMMISSION

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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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 parties

**Subject: Case M.8274 – Cinven / Permira / Allegro/Ceneo
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**

Dear Sirs,

- (1) On 23 November 2016, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which the undertakings Raiva sp. z o. o. and Adinan BidCo 2 sp. z o. o., investment vehicles under the indirect joint control of private equity funds managed or advised by Permira Holdings Limited, acting through Permira VI G.P. Limited (together, "Permira", Guernsey) and Cinven Capital Management (VI) General Partner Limited ("Cinven", Guernsey) acquire within the meaning of Article 3(1)(b) of the Merger Regulation control of Grupa Allegro sp. z o. o. ("Allegro") and Ceneo sp. z o. o. ("Ceneo") by way of purchase of shares (the "Transaction").³

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 445, 30.11.2016, p. 7.

- (2) Cinven and Permira are designated hereinafter as the "Notifying Parties". Allegro and Ceneo together are referred to as the "Target". Permira, Cinven, Allegro and Ceneo are collectively referred to as the "Parties".

1. THE PARTIES

- (3) Cinven is a private equity business engaged in the provision of investment management and advisory services to a number of investment funds. Cinven controls a number of portfolio companies which are active in a variety of sectors across a range of jurisdictions.
- (4) Permira is a private equity business engaged in the provision of investment management services to a number of investment funds. Permira controls a number of portfolio companies which are active in a variety of sectors across a range of jurisdictions.
- (5) Allegro is an operator of an online marketplace portal using the allegro.pl and allegro.de domain names. Allegro facilitates ecommerce transactions between online shoppers and vendors who offer various goods on its marketplace portal.
- (6) Ceneo is an operator of an online price comparison portal at the ceneo.pl domain name. Ceneo's portal allows online sellers to advertise their goods and services and users of the portal to compare prices and obtain information about the sellers' goods and services.

2. THE CONCENTRATION

- (7) Pursuant to a share and purchase agreement signed on 14 October 2016, Cinven and Permira will each acquire [Shareholding] of the Target.⁴ Each of Cinven and Permira will acquire decisive influence over the Target for the purpose of the Merger Regulation because:
- (a) Each of Cinven and Permira will be entitled to appoint [Number of directors] to the board of the holding company established for the purpose of the Transaction ("Holdco"), and [Number of directors] to customary board committees. Mid Europa will be entitled to appoint [Number of directors] of Holdco and [Number of directors] to the customary board committees. Decisions of the Holdco board [Voting threshold].
- (b) Each of Cinven and Permira will have a veto over certain reserved matters, including [Reserved Matters].
- (8) The Transaction therefore constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

⁴ The remaining [Shareholding] of the Target will be acquired by funds managed by Mid Europa, a private equity business. Mid Europa will however not acquire decisive influence over the Target for the purpose of the Merger Regulation.

3. EU DIMENSION

- (9) The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 000 million⁵ (Permira: EUR [Turnover]; Cinven: EUR [Turnover]; Allegro and Ceneo: EUR [Turnover]). Each of them has an EU-wide turnover in excess of EUR 250 million (Permira: EUR [Turnover]; Cinven: EUR [Turnover]; Allegro and Ceneo: [Turnover]), but they do not achieve more than two-thirds of their aggregate EU-wide turnover within one and the same Member State.
- (10) The Transaction therefore has a Union dimension within the meaning of Article 1(2) of the Merger Regulation.

4. RELEVANT MARKETS

- (11) The Transaction gives rise to overlaps between the Parties' activities in relation to the retail sale of non-food products. Furthermore, the Transaction creates a vertical relationship between the retail sale of non-food products and the provision of (i) hosting services, (ii) customer relationship management ("CRM") services; and (iii) enterprise application software ("EAS") services.

4.1. Retail sale of non-food products

4.1.1. *Relevant product markets*

4.1.1.1. Introduction

- (12) Allegro is an online marketplace portal, which primarily operates in Poland through its allegro.pl website. In June 2016, Allegro expanded its business to Germany, where it operates an online marketplace portal under the domain name allegro.de.
- (13) The Allegro online market place portal provides a route to market for vendors selling a wide range of products, including electronics, homewares, fashion, automotive, media, children's products, health and beauty and sports. Most sales on the Allegro Portal are made by third party vendors. However, Allegro is also active as a seller of non-food products to consumers in its own right through the Allegro E-Shop, which uses the Allegro Portal as a sales channel.
- (14) Ceneo offers a service called "Buy via Ceneo" on its price comparison website, which enables consumers to buy the goods and services displayed on Ceneo's price comparison website directly from the vendor via Ceneo.⁶ All of the sales of non-food products to consumers through Ceneo are made by third party vendors.
- (15) While none of the Notifying Parties' portfolio companies operate an online marketplace portal, multi-brand e-shop or online price comparison portal,

⁵ Turnover calculated in accordance with Article 5 of the Merger Regulation.

⁶ The revenues from Ceneo's activities related to purchases through the "Buy via Ceneo" option are included in those of the Target in the horizontal assessment.

certain of the Permira and Cinven portfolio companies produce non-food products and are active in sales of these products to consumers, both online and offline.⁷

4.1.1.2. Notifying Parties' view

- (16) The Notifying Parties note that in its previous decisional practice in relation to distance retail selling, the Commission has concluded that there are separate markets for the retail of food products and the retail of non-food products.⁸ The Commission has also considered, but ultimately left open, separate product categories and sales channels.
- (17) The Notifying Parties submit that it is possible to consider that there is a market for the retail of non-food products. A large number of both offline and online retailers sell products in various categories which indicates that there is a certain degree of supply-side substitutability between them and therefore, that the overall market for the retail of non-food products should be considered as the relevant product market.
- (18) The Notifying Parties however recognise that the market could be segmented on the basis of product categories because (i) there are a number of market players that are specialised in one or more of these segments and (ii) demand-side substitutability is likely to be limited. The Notifying Parties also considered a possible segmentation according to sales channel.
- (19) The Notifying Parties conclude that the exact definition of the relevant product market can be left open as the Transaction would not raise serious doubts under any plausible product market definition.

4.1.1.3. Commission's assessment

- (20) In past decisions in relation to distance retail selling⁹, the Commission's starting point was the distinction between food and non-food items in the retail sector. The Commission has considered further segmentations by separate product categories and sales channels.
- (21) In relation to product categories, the Commission considered, based on the results of its market investigation in *Otto / Primondo Assets*¹⁰ that the non-food retail segment could be divided according to the following product categories:

⁷ These companies are: for Permira, Dr Martens (sale of footwear, as well as clothing and accessories), Atrium Innovations (development, manufacturing, and commercialisation of dietary supplements), and John Masters Organics (beauty products); for Cinven: Kurt Geiger (sale of footwear and accessories), SLV (sale of lighting for indoor and outdoor use).

⁸ Commission decision of 21 February 1991 in Case M.70 – Otto/Grattan, recital 10; Commission decision of 25 April 1991 in Case M.80 – La Redoute/Empire, recital 10.

⁹ Commission decision of 21 February 1991 in Case M.70 – Otto/Grattan, recital 10; Commission decision of 25 April 1991 in Case M.80 – La Redoute/Empire, recital 10.

¹⁰ Commission decision of 16 February 2010 in Case M.5721 – Otto / Primondo Assets, recitals 19 and 30.

- a. Clothing and footwear;
 - b. Furniture and furnishings;
 - c. Electronics and appliances;
 - d. DIY¹¹, home improvement and garden centres;
 - e. Health and beauty;
 - f. Toys and games; and
 - g. Sports goods and camping.
- (22) In *Otto / Primondo Assets*¹², the Commission also examined whether the above-mentioned product categories should be further divided into sub-categories. The Commission ultimately left the product market definition open.
- (23) As regards segmentation according to sales channel, the Commission has recognised the growing importance of multi-channel retailing and the increasing ease with which customers can change between various sales channels. While the Commission acknowledged in *Otto/Primondo Assets* that there are differences between online and offline retailing, from a retailer and customer perspective, it did not reach a conclusion on this point. As suggested in that decision, and in previous and subsequent decisions,¹³ it is possible that the level of inter-relation between offline retailing and home shopping retailing can depend on the product category. The Commission has noted, for example, that in relation to electrical goods, customers often browse online and buy offline and vice versa.
- (24) For the purpose of this Decision, the exact product market definition can be left open, since the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible market definition.

4.1.2. *Relevant geographic market*

- (25) The Notifying Parties submit that the geographic market is at least national in scope because the online retailer is not linked to any particular location within a given Member State and delivery services operate nationally.
- (26) In the past, the Commission has considered the geographic market for home-shopping (including online shopping) to be national in scope.¹⁴ This was due to factors such as language differences, costs and delays associated with placing

¹¹ DIY stands for Do-It-Yourself.

¹² Commission decision of 16 February 2010 in Case M.5721 – *Otto / Primondo Assets*, recitals 19 and 30.

¹³ Commission decision of 29 June 2006 in Case M.4226 – *DGSI/Fotovista*, recital 13; and Commission decision of 25 June 2014 in Case M.7259 – *Carphone Warehouse/Dixons*, recital 20.

¹⁴ Commission decision of 16 February 2010 in Case M.5721 – *Otto / Primondo Assets*, recital 32.

international orders, price differences between countries and the fact that promotional campaigns are sometimes targeted at specific countries.

- (27) For the purpose of this Decision, the exact geographic market definition can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible market definition.

4.2. Hosting services

4.2.1. Introduction

- (28) Cinven is active in the provision of hosting services through its portfolio company Host Europe Group.¹⁵ Host Europe Group is a provider of hosting and domain services to consumers and small and medium-size enterprises ("SMEs"), primarily in Germany and the UK. It provides basic co-location services, shared and dedicated hosting and managed services to outsource complex enterprise applications and support infrastructure.
- (29) The Target is a customer of hosting services in Poland. The Target does not currently procure hosting services in Germany. Allegro.de is hosted in Poland. However, it is possible that it may procure such services in the future.

4.2.2. Notifying Parties' view

- (30) The Notifying Parties submit that it is not necessary for the Commission to reach a definitive conclusion on the relevant product market for hosting services since the Transaction would not raise serious doubts, irrespective of how the product market is defined.
- (31) The Notifying Parties consider that the relevant geographic market in relation to hosting services is at least national and possibly EEA- or worldwide, as the supply and purchase of such services are not restricted by physical boundaries.

4.2.3. Commission's assessment

4.2.3.1. Relevant product market

- (32) In *Vodafone/Kabel Deutschland*,¹⁶ the Commission defined internet hosting services as "*the operation of servers, through which organisations and individuals serve their content to the Internet. By using Internet hosting services, organisations outsource their internal IT applications and infrastructure.*"
- (33) In other cases, the Commission has considered that there is a market for web-hosting services, which could possibly be divided into four segments based on

¹⁵ Shortly after the notification of the Transaction, Cinven has agreed to sell Host Europe Group. See: <http://www.cinven.com/mediacentre/pressreleases.aspx?mediaid=764>. The Commission has still assessed the potential vertical relationship in this Decision, as the sale of Host Europe Group was not completed at the time of the notification.

¹⁶ Commission decision of 20 September 2009 in Case M.6990 Vodafone Kabel Deutschland, recital 199.

the range of services/products offered by providers to meet customers' specific needs:¹⁷

- a) the supply of basic co-location services (connectivity, power, and the facilities);
 - b) the supply of shared and dedicated hosting;
 - c) the national, possibly cross-border regional supply of managed services to outsource complex enterprise applications and support infrastructure; and
 - d) the national supply of content delivery services such as streaming content delivery services and static content delivery products.
- (34) For the purpose of this Decision, the exact product market definition can be left open, since the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible market definition.

4.2.3.2. Relevant geographic market

- (35) The Notifying Parties consider that the relevant geographic market in relation to hosting services is at least national in scope and possibly EEA-wide or worldwide, as the supply and purchase of such services are not restricted by physical boundaries.
- (36) In previous cases,¹⁸ it was considered whether the market for hosting services is national in scope or possibly as wide as the EEA or worldwide. The Commission left the precise geographic market definition open in those cases.
- (37) For the purpose of this Decision, the exact geographic market definition can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible market definition.

4.3. CRM services

4.3.1. Introduction

- (38) Permira is active in the provision of CRM services through its portfolio company Genesys. Genesys provides CRM software to facilitate the management by enterprises of their customer interactions over the telephone, computer/web and/or mobile devices. Genesys is active worldwide, but primarily in the United States. Genesys does not provide any services to online retailers or marketplace portals in Germany or Poland.

¹⁷ Commission decision of 16 January 2002 in Case M.2648 KPNQWEST/EBONE/GTS, recital 19; Commission decision of 11 October 2013 in Case M.6967 BNP Paribas Fortis/Belgacom/Belgian Mobile Wallet, recitals 115, 116 and 119.

¹⁸ Commission decision of 16 January 2002 in Case M.2648 KPNQWEST/EBONE/GTS, recital 21 to 23; and Commission decision of 11 October 2013 in Case M.6967 – BNP Paribas Fortis/Belgacom/Belgian Mobile Wallet, recitals 123 and 124.

- (39) The Target is active in the procurement of CRM services in Poland. The Target does not currently procure CRM services in Germany. However, it is possible that it may procure such services in the future.

4.3.2. *Notifying Parties' view*

- (40) The Notifying Parties note that in previous decisions, the Commission considered that CRM software solutions form a distinct product market and that this market should not be further subdivided on the basis of the functionality of the software, the industry sector or the mode of deployment. The Notifying Parties submit that the product market definition can in any case be left open as the Transaction would not raise serious doubts in CRM services, irrespective of how the product market is defined.
- (41) The Notifying Parties submit that the relevant geographic scope is worldwide, because manufacturers distribute the same products to all customers regardless of their location. Furthermore, language requirements, jurisdictional-specific needs and transport costs do not constitute significant limitations to cross-border trade.

4.3.3. *Commission's assessment*

4.3.3.1. Relevant product market

- (42) The Commission previously considered the market for the provision of CRM software solutions in *Oracle/Siebel*, where it identified CRM as a distinct product market within the overall category of EAS.¹⁹ In that case, the Commission found that CRM software solutions are a separate product market as opposed to other software categories (or “pillars”) within EAS. The Commission left open the question whether the market for CRM software solutions could be further segmented on the basis of (i) functionality of the software, such as sales force automation or marketing automation; (ii) industry sector in which the customer is active; (iii) mode of deployment, that is to say installation on the premises or host-based deployment (“SaaS”); or (iv) customisation, i.e. custom-built solutions as opposed to standardised software.²⁰
- (43) The Commission considered CRM software solutions as a relevant product market, without further segmentations, also in more recent cases.²¹
- (44) For the purpose of this Decision, the exact product market definition can be left open, since the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible market definition.

¹⁹ Commission decision of 22 December 2005 in Case M.3978 – Oracle/Siebel, recitals 11-16.

²⁰ Commission decision of 22 December 2005 in Case M.3978 – Oracle/Siebel, recital 16.

²¹ Commission decision of 27 November 2007 in Case M.4944 – SAP/Business Objects, recital 7; Commission decision of 4 January 2008 in Case M.4987 – IBM/Cognos, recitals 7-9; Commission decision of 20 July 2010 in Case M.5904 – SAP/Sybase, recital 21; Commission decision of 29 August 2014 in Case M.7334 – Oracle/Micros, recital 9.

4.3.3.2. Relevant geographic market

- (45) In previous cases, the Commission considered that trade patterns of CRM solutions do not vary to any significant extent across different geographic regions of the world and that there were no indications that CRM solutions would be made either specific for the EEA region or specific to any other world region.²²
- (46) For the purpose of this Decision, the exact geographic market definition can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible market definition.

4.4. EAS services

4.4.1. Introduction

- (47) Permira is active in the provision of EAS services through its portfolio companies Informatica and P&I Personal & Informatik ("P&I").
- (48) Informatica is a provider of enterprise data integration software. These services are used by businesses to access, integrate and manage their data. It is active in Germany and, to a very minor extent, Poland.
- (49) P&I is a provider of enterprise data integration software, specifically HR software solutions. It is active in the EU, including in Germany. However, it had no turnover in Poland in 2015.
- (50) The Target is active in the procurement of enterprise data integration software in Poland. The Target does not currently procure data integration software in Germany. However, it is possible that it may procure such services in the future.

4.4.2. Notifying Parties' view

- (51) The Notifying Parties consider that it is not appropriate to further segment the EAS market, as the software industry is constantly evolving and software solutions defy neat categorisation. Moreover, potential sub-categories are often closely interrelated and software producers frequently create solutions which offer more than one functionality.
- (52) The Notifying Parties submit that the relevant geographic market should be at least EEA-wide, because P&I and the majority of the other providers offer their products and services in several countries in the EEA.

4.4.3. Commission's assessment

4.4.3.1. Relevant product market

- (53) Previously, the Commission found that business application software comprises software programs that address some aspect of planning, execution or collaboration in a business, government or other organisation. The Commission

²² Commission decision of 22 December 2015 in Case M.3978 – Oracle/Siebel, recital 18.

noted that this software was distinguished from consumer software. The Commission found that, within business application software, a distinction could be drawn between personal productivity applications (word processing, spreadsheets and client-side collaborative applications), as opposed to EAS.²³

- (54) In previous cases²⁴, the Commission considered that EAS can be further broken down into the following subdivisions: ERP (Enterprise Resource Planning), CRM (Customer Relationship Management), SRM (Supplier Relationship Management), SCM (Supply Chain Management), PLM (Product Lifecycle Management) and BA (Business Analytics).
- (55) The Commission has not previously assessed in which segment data integration software would fall.
- (56) According to previous Commission decisions, HR software solutions²⁵ fall under the ERP segment of EAS. The Commission has also considered that the segment for HR software solutions can be further divided into two sub-segments: (i) HR high function software solutions (for large corporations) and (ii) HR software solutions for the middle market segment (for medium and small enterprises with an annual turnover of less than approx. EUR 1bn).²⁶
- (57) For the purpose of this Decision, the exact product market definition can be left open, since the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible market definition.

4.4.3.2. Relevant geographic market

- (58) For the purpose of this Decision, the exact geographic market definition can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible market definition.

5. COMPETITIVE ASSESSMENT

- (59) While the Transaction gives rise to horizontal or vertical relationships between the Parties' activities in the markets described above, these relationships only amount to a horizontally affected market on the potential markets for (i) online retail sale of non-food products in Poland and two of its sub-segments, namely the market for (ii) online retail sale of clothing and footwear in Poland and (iii)

²³ Commission decision of 26 October 2004 in Case M.3216 – Oracle/Peoplesoft, recital 15.

²⁴ Commission decision of 27 November 2007 in Case M.4944 - SAP/Business Objects, recital 7.

²⁵ Also referred to Human Resource Management Systems (HRMS), Human Capital Management (HCM) and Employee Relationship Management (ERM) applications; Commission decision of 26 October 2004 in Case M.3216 – Oracle/Peoplesoft, recital 7.

²⁶ Commission decision of 26 October 2004 in Case M.3216 – Oracle/Peoplesoft, recitals 18 and 20; Commission decision of 29 August 2014 in Case M.7334 – Oracle/Micros, recital 13.

online retail sale of furniture and furnishings in Poland.²⁷ These markets will be discussed in Section 5.1.

- (60) The Transaction also gives rise to vertically affected markets as there is a potential vertical relationship between the markets listed in paragraph (59) and the markets for (i) hosting services, (ii) CRM services; and (iii) EAS services, which will be discussed in Section 5.2. to 5.4.

I. Horizontal assessment

5.1. Online retail sale of non-food products in Poland

5.1.1. Notifying Parties' view

- (61) In relation to the online retail sale of non-food products, the Notifying Parties submit that they are only present in limited segments of the online retail sale of non-food products and thus have a *de minimis* market share in the overall market for retail of non-food products. Although the Target and the Notifying Parties have a combined market share of more than 20% in relation to the potential market for the online retail sale of non-food products in Poland, the market share increment is [0-5%] and the HHI increment is minimal.
- (62) The Notifying Parties submit that the same arguments hold true for the possible sub-segments of the online retail sale of non-food products where the Parties' activities overlap, namely the online retail sale of clothing and footwear in Poland as well as the online retail sale of furniture and furnishing in Poland.
- (63) The Notifying Parties therefore submit that the horizontal overlaps between the activities of the Target and of the Notifying Parties in relation to (i) the online retail sale of non-food products in Poland; (ii) the online retail sale of clothing and footwear in Poland, and (iii) the online retail sale of furniture and furnishing in Poland do not raise serious doubts.

5.1.2. Commission's assessment

- (64) For the reasons set out below, the Transaction does not raise serious doubts as to its compatibility with the internal market with respect to online retail sale of non-food products in Poland, regardless of any possible segmentation.
- (65) First, the increments brought by the Transaction are *de minimis* in a possible overall market for the provision of online retail sale of non-food products in Poland.
- (66) Second, even if this possible market were to be segmented by product category, the increment brought by the Transaction would be minimal for the product categories where the Parties' products overlap, namely clothing and footwear; and furniture and furnishing.

²⁷ In the potential wider market encompassing both online and offline retail, the Parties' combined market shares are similar or below the market shares presented for online retail sales. The Target has no market presence in offline retail sales. The assessment therefore focuses on online retail sales.

- (67) Table 1 shows the Parties' market shares in each of the online retail markets where the Parties' activities overlap in Poland.

Table 1: Parties' market shares in online retail sale of non-food products and possible sub-segments in Poland – 2015

	Online retail of non-food products	Online retail of clothing and footwear	Online retail of furniture and furnishing
Target	[30-40%]	[30-40%]	[40-50%]
Portfolio companies of the Notifying Parties	[0-5%] ²⁸	[0-5%] ²⁹	[0-5%] ³⁰
Combined	[30-40%]	[30-40%]	[40-50%]
HHI deltas	[HHI delta]	[HHI delta]	[HHI delta]

II. Vertical assessment

5.2. Hosting services

5.2.1. Notifying Parties' view

- (68) The Notifying Parties submit that no serious doubts can arise as a result of the vertical relationship between Host Europe Group and the Target. Host Europe Group's market share is too low to raise input foreclosure concerns and, in respect of customer foreclosure, the Target will have neither the ability nor the incentive to foreclose a rival supplier of hosting services, particularly given that there is no actual vertical relationship between Host Europe Group and the Target, demonstrating that the Target is not a "must have" customer.

5.2.2. Commission's assessment

- (69) For the reasons set out below, the Transaction does not give rise to serious doubts as regards its compatibility with the internal market with respect to any vertical relationships between the possible hosting services market and any of the possible online retail markets discussed in Section 5.1.
- (70) First, there is no actual vertical relationship between Host Europe Group and the Target.³¹

²⁸ Each of the portfolio companies had the following market shares: Dr. Martens: [0-5%]; Atrium Innovations: [0-5%]; Kurt Geiger: [0-5%]; SLV: [0-5%].

²⁹ Dr Martens and Kurt Geiger respectively had *de minimis* sales in Poland, so that they each had a market share [0-5%] in 2015.

³⁰ SLV achieved small sales in Poland in 2015, giving it a market share of [0-5%].

- (71) Second, Host Europe Group's activities in Poland are very limited and amounted to [Turnover] for all of its activities in Poland, which encompass not only hosting services but also other services. Host Europe Group has a market share of [0-5%] in the market for the provision of hosting services in Poland. Even in relation to each of the narrower segments of basic co-location services, shared and dedicated hosting and managed services to outsource complex enterprise applications and support infrastructure, in which Host Europe Group is active, the Notifying Parties estimated that its market share in Poland was [0-5%].
- (72) Third, on the basis of the data provided by the Notifying Parties, the Target has a very limited position in the world-wide or EEA-wide market for the procurement of hosting services ([0-5%] market share). Many companies other than online retailers require hosting services. For these reasons, the Commission considers that customer foreclosure would be unlikely.

5.3. CRM services

5.3.1. Notifying Parties' view

- (73) The Notifying Parties submit that no competitive concerns can conceivably arise as a result of the vertical relationship between Genesys and the Target. Genesys' market share is too low to raise input foreclosure concerns and, in respect of customer foreclosure, the Target will have neither the ability nor the incentive to foreclose a rival supplier of CRM services, particularly given that there is no actual vertical relationship between Genesys and the Target, demonstrating that the Target is not a "must have" customer.

5.3.2. Commission's assessment

- (74) For the reasons set out below, the Transaction does not give rise to serious doubts as regards its compatibility with the internal market with respect to any vertical relationships between the possible CRM services markets and any of the possible online retail markets discussed in Section 5.1.
- (75) First, there is no actual vertical relationship between Genesys and the Target.
- (76) Second, Genesys has a market share of [0-5%] in the market for the provision of CRM services in EEA and worldwide and is not active in Poland. The Notifying Parties estimated that Genesys' market share would not be substantially different when considering the possible narrower segments for the provision of CRM services, either on the basis of functionality or industry.
- (77) Third, on the basis of the data provided by the Notifying Parties, the Target has a very limited position in the worldwide or EEA-wide market for the procurement of CRM services ([0-5%] market share). Many companies other than online retailers require CRM services. For these reasons, the Commission considers that customer foreclosure would be unlikely.

³¹ The Target is a customer of hosting and domain services in Poland. It currently procures colocation and hosting services from three main providers, namely [Service provider 1], [Service provider 2] and [Service provider 3].

5.4. EAS services

5.4.1. Notifying Parties' view

(78) The Notifying Parties submit that no competitive concerns can conceivably arise as a result of the vertical relationship between Informatica or P&I and the Target. Informatica's and P&I's market shares are too low to raise input foreclosure concerns and, in respect of customer foreclosure, the Target will have neither the ability nor the incentive to foreclose rival suppliers, particularly given that there is no actual vertical relationship between Informatica or P&I and the Target, demonstrating that the Target is not a "must have" customer.

5.4.2. Commission's assessment

(79) For the reasons set out below, the Transaction does not give rise to serious doubts as regards its compatibility with the internal market with respect to any vertical relationships between the possible EAS services market and any of the possible online retail markets discussed in Section 5.1.

(80) First, there is no actual vertical relationship between Informatica or P&I and the Target.

(81) Second, Informatica and P&I hold a limited market position in the EAS market, regardless of the exact scope of the geographic market. This holds even when looking at the segments of EAS services: data integration software, master data management software, data security software and HR software solutions.

(82) Third, on the basis of the data provided by the Notifying Parties, the Target has a very limited position in the market for the procurement of EAS services ([0-5%] market share regardless of the relevant product or geographic market). Many companies other than online retailers require EAS services. For these reasons, the Commission considers that customer foreclosure would be unlikely.

6. CONCLUSION

(83) For the above reasons, the 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