

# Bauer's takeover of radio businesses raises competition concerns

The Competition and Markets Authority (CMA) has been investigating Bauer Media's completed takeover of radio businesses it bought from Celador Entertainment Limited (Celador), Lincs FM Group Limited (Lincs), UKRD Group Limited (UKRD) and The Wireless Group Limited (Wireless).

The CMA's primary concern is how these transactions could affect the future viability of First Radio Sales Limited (FRS). FRS currently sells radio advertising on behalf of over 100 independent local radio stations across the UK, and is the only firm providing these stations with access to national advertisers.

Following its initial, Phase 1, investigation, the CMA has found that FRS may not be able to continue to stay in business after Bauer Media buys up a large number of the stations that currently make up its customer base. Without FRS, independent local radio stations could lose access to revenues from national radio advertising sales, which could, in turn, make it more difficult for them to compete at the local level. As a result, customers for radio advertising could face higher prices and a lower quality service.

The CMA also found competition concerns as a result of Bauer acquiring some of the key rivals to their existing local radio stations in the West of England, West Midlands and Yorkshire regions.

Colin Raftery, Senior Director of Mergers, said:

About 90% of adults listen to the radio every week, and local radio remains an important way for advertisers to reach potential customers.

FRS is particularly important for independent local radio stations because it's currently the only realistic way for them to reach national advertisers. That's why we're concerned that Bauer's buy ups, which could lead to FRS exiting the market and local stations losing access to national advertisers, could damage competition.

If the merging businesses are unable to address the CMA's concerns, the deal will be referred for an in-depth Phase 2 investigation, to be carried out by a group of independent CMA panel members.

Further details can be found on the following case pages: