



## DETERMINATION OF MERGER NOTIFICATION M/19/032 - BOYLESports/GT RETAIL (BRUCE BETTING)

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### Section 21 of the Competition Act 2002

### Proposed acquisition by BoyleSports Limited of entire issued share capital of GT Retail Limited trading as Bruce Betting

Dated 14 February 2020

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#### Introduction

1. On 8 November 2019, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed transaction whereby BoyleSports Limited (“BoyleSports”), would acquire the entire issued share capital and sole control of GT Retail Limited trading as Bruce Betting (“Bruce Betting”) (the “Proposed Transaction”).

#### The Proposed Transaction

2. The Proposed Transaction is to be implemented pursuant to a share purchase agreement (“SPA”) dated 5 November 2019, between the current shareholders of Bruce Betting, namely; [...] (the “Vendors”) and BoyleSports.
3. Following the completion of the Proposed Transaction, BoyleSports will have sole control of Bruce Betting.

#### The Undertakings Involved

##### *BoyleSports*

4. BoyleSports is a private unlimited company incorporated in the State. BoyleSports is a wholly-owned subsidiary of [...]. [...] is ultimately indirectly owned by [...]. [...] holds [...] % of the share capital of [...] while the remaining [...] share capital of [...] is held by [...]. BoyleSports controls the following firms in the State:

- [...];
- [...];
- [...];
- [...];
- [...];
- [...]; and,
- [...].



5. BoyleSports is a multi-channel betting and gaming company that offers betting, casino games, poker and bingo to consumers through the internet, mobile applications and by telephone. BoyleSports owns and operates 259 local betting offices (“LBOs”) located across the State. BoyleSports provides its online interactive betting and gaming services through boylesports.com, boylebingo.com, boylecasino.com, boylegames.com, boylelotto.com, boylepoker.com and boylevegas.com. BoyleSports provides its telephone betting services through Fon-A-Bet, a freephone 24-hour phone betting service and through BoyleSports mobile and android applications.
6. For the financial year ending 30 December 2018, the total gross turnover of BoyleSports Group (including subsidiaries) was [...] worldwide of which [...] was generated in the State.

#### *Bruce Betting*

7. Bruce Betting is a private limited company registered in the State. Bruce Betting does not have any subsidiaries. Bruce Betting provides online betting services (through Brucebetting.com) and telephone betting services. Bruce Betting also owns and operates 18 LBOs (“Target LBOs”) in 13 counties in the following locations in the State:

- Main Street, Edgeworthstown, Co. Longford;
- Earl Street, Longford, Co. Longford;
- Bridge Street, Kilcock, Co. Kildare;
- Main Street, Maynooth, Co. Kildare;
- Main Street, Kinnegad, Co. Westmeath;
- Main Street, Moate, Co. Westmeath;
- 27 Pierce Street, Mullingar, Co. Westmeath;
- Main Street, Enfield Co. Meath;
- 15 Cathedral Street, Enniscorthy, Co. Wexford;
- 66 Main Street, Middleton, Co. Cork;
- Main Street, Rush, Co. Dublin;
- 9 Thomas Street, Sligo, Co. Sligo;
- The Square, Templemore, Co. Tipperary;
- Main Street, Arvagh Co, Cavan;
- Main Street, Bagenalstown Co, Carlow;
- 111 Main Street, Clara, Co. Offaly;
- Loman Street, Trim, Co. Meath; and,
- 11 Main Street, Bray, Co. Wicklow.

8. For the year ended 31 December 2018, the total gross turnover of Bruce Betting was [...] of which [...] was generated in the State.

#### **Rationale for the Proposed Transaction**

9. BoyleSports states,

*“BoyleSports considers that the Proposed Transaction presents it with the opportunity to expand its network of LBOs as well as its online and telephone betting business in the country which will permit the BoyleSports group to attain*



*efficiencies which will benefit its customers. The Target Business will become part of the BoyleSports group and therefore will benefit from access to much greater resources and technology offered by the acquiring group which will benefit consumers. BoyleSports' intention is to invest in, and upgrade, each of the Target LBOs shortly after completion, and the customers of the Target Business' online platforms will be migrated over to the BoyleSports online platforms. As a result, consumers will benefit from an improved level of service and experience."*

### Third Party Submissions

10. No third party submission was received.

### Preliminary investigation

#### Market Enquiries

11. During its preliminary investigation, the Commission issued questionnaires to [...] the Parties' competitor in the provision of fixed-odds betting services. [...] did not raise any competition concerns regarding the Proposed Transaction. [...] submitted the following response to the Commission's information request regarding the effects of the Proposed Transaction in the State:

*[...]. "*

12. In particular, the [...] stated the following regarding the competitive constraint exerted by Bruce Betting, [...].
13. Regarding BoyleSports, [...] stated, "[...]."
14. The Commission also conducted site visits and obtained the views of the customers of the LBOs owned by Parties in Enniscorthy and Maynooth.

### Contacts with the Undertakings Involved

15. On 13 December 2019, the Commission served a Requirement for Further Information ("RFI") on the Parties pursuant to section 20(2) of the Act. This adjusted the deadline within which the Commission had to conclude its assessment of the Proposed Transaction in Phase 1.

### Competitive Analysis

#### Horizontal overlap

16. There is a horizontal overlap between the activities of the Parties since BoyleSports and Bruce Betting offer: (i) betting services in LBOs, online and by telephone; and (ii) online gaming services in the State.

#### Product market





17. The Commission defines the markets to the extent necessary depending on the particular circumstances of a given case. The potential narrow product markets affected by the Proposed Transaction is the provision of betting services in: (i) LBOs; (ii) online; (iii) by telephone, and; (iv) the provision of online gaming.
18. In the current analysis, however, the Commission does not need to come to a definitive view on the precise relevant product market but assessed the likely competitive effects of the Proposed Transaction by considering the narrow potential markets.

**(i) *The provision of betting services in (a) LBOs, (b) online and (c) by telephone***

19. In respect to the provision of betting services, the relevant product market can be defined either narrowly (e.g., the provision of betting services in LBOs, online and by telephone separately) or broader (e.g., a single market combining all channels for betting such as telephone, online and LBOs). The Commission is also cognisant that the provision of betting services can be segmented further into the provision of: (i) fixed-odds betting services and (ii) exchange betting services.
20. However, in the current assessment the Commission did not need to assess whether the provision of online fixed-odds betting services is in the same product market as the provision of exchange betting services since the Parties only provide fixed-odds betting services. Therefore, the provision of fixed odds betting services is the narrowest possible market likely to be affected by the Proposed Transaction.
21. In the current analysis, the Commission did not deviate from its previous Determinations<sup>1</sup> and although the Commission did not conclude on the relevant product market, the Commission analysed the impact of the Proposed Transaction by reference to the following narrowest potential relevant product markets:
  - The provision of fixed-odds betting services in LBOs;
  - The provision of online fixed-odds betting services, and;
  - The provision of fixed-odds betting services by telephone.

**(ii) *The provision of online gaming services***

22. In respect to the provision of online gaming services, Bruce Betting does not provide online poker gaming services and therefore, the Commission did not need to assess the likely competitive effects of the Proposed Transaction in respect of the provision of online poker gaming services.
23. In line with previous assessments<sup>2</sup> and as applied in the recent decision, in M/18/090-William Hill Holdings Limited/Mr Green & Co AB Merger (“William Hill/Mr Green”), the

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<sup>1</sup> M/17/061 BoyleSports/Bambury Bookmakers.

<sup>2</sup> Refer to M/15/059 Paddy Power/Betfair, M/16/007 Ladbrokes/Gala Coral, M/18/038 Star Group/Sky Betting (Cyan Blue).



Commission assessed the effect of the Proposed Transaction in the provision of online gaming services.

#### Geographic market

24. The Commission has previously assessed the provision of gaming and betting services in a narrow possible geographic market as well as on a national basis. In the current analysis the Commission does not need to come to a definitive view on the precise relevant geographic market. However, in order to determine whether the Proposed Transaction might result in a substantial lessening of competition, the Commission analysed the characteristics of the local areas and assessed the competitive effects by reference to the narrowest possible relevant geographic market. In line with its previous Determinations, the Commission also assessed the impact of the Proposed Transaction on a national basis.

#### **(i) The provision of fixed-odds betting services in LBOs**

25. In M/18/007-BoyleSports/JP Bookmakers (“BoyleSports/JP Bookmakers”),<sup>3</sup> the Commission stated that customers use LBOs located within a given travel time from their point of origin. Therefore, from a customer’s perspective, the degree of competition between LBOs depends on the distance that customers are prepared to travel to alternative LBOs. In the report on the proposed merger between Ladbrokes Plc and certain businesses of Gala Coral Group Limited,<sup>4</sup> dated 26 July 2016, the United Kingdom’s Competition and Markets Authority (“CMA”) reached the following conclusion on the relevant geographic market for the supply of gambling products in LBOs, “As a starting point, a catchment area of 400m was appropriate for the assessment of the competitive effects of the transaction.”

26. In the BoyleSports/JP Bookmakers merger, the Commission assessed the competitive impact of the Proposed Transaction both on a narrow 400m basis and on a wider catchment area of 3km from the target LBOs. The Commission does not make a definitive conclusion on the relevant geographic market but the Commission assessed the effects of the Proposed Transaction on the narrow geographic market encompassing a radius of 400m from each of the Target LBOs. In addition, the Commission also assessed the competitive impact of the Proposed Transaction in a wider catchment area within a radius of 3km from each of the Target LBOs.

#### **(ii) The provision of online fixed-odds betting services**

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<sup>3</sup>The Determination can be accessed at <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m18007-boylesportsjp-bookmakers/> also see M/17/061 BoyleSports/Bambury Bookmakers <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m17061-boylesportsbambury-bookmakers/>.

<sup>4</sup> The CMA’s report can be accessed at <https://assets.publishing.service.gov.uk/media/5797818ce5274a27b2000004/ladbrokes-coral-final-report.pdf>.





27. The European Commission has previously considered the provision of online betting services<sup>5</sup> and has noted the following in relation to the scope of the geographic market for such services, *“The Commission has consistently taken the view in previous decisions that the geographical scope of betting markets is national due to differences in terms of demand across national territories and in the national regulatory systems, in particular with regard to the granting of licences.”*<sup>6</sup>
28. In the William Hill/Mr Green Merger<sup>7</sup> the Commission assessed the geographic market for the provision of online betting services on a national basis by considering the effects of the transaction in the State. For the current analysis, the Commission does not need to come to a definitive view on the precise relevant geographic market or deviate from its previous assessments and thus, the Commission assessed the effects of the Proposed Transaction in the provision of online fixed-odds betting services in the State.

**(iii) The provision of fixed-odds betting services by telephone**

29. The Commission assessed the market for the provision of telephone betting services on a national basis in the M/16/007-Ladbrokes/Gala Coral (“Ladbrokes/Gala”) merger.<sup>8</sup> Since the Commission does not need to come to a definitive view on the precise relevant geographic market, in the current analysis, the Commission followed its decision in Ladbrokes/Gala Coral merger. Therefore, the Commission assessed the effects of the Proposed Transaction in the provision of fixed-odds betting services by telephone on a national basis.

**(iv) The provision of online gaming services**

30. In its various Determinations<sup>9</sup> the Commission consistently assessed the provision of online gaming services on a national basis by considering the effects of the transaction in the State. The Commission does not need to come to a definitive view on the precise relevant geographic market in the current analysis and will follow its previous Determinations. Therefore, the Commission assessed the effects of the Proposed Transaction in the provision of online gaming services in the State.

**Conclusion on relevant markets**

31. For the current analysis the Commission assessed the possible competitive effects of the Proposed Transaction on the following potential markets:

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<sup>5</sup> Please see Case M.8640 -CVC/Blackstone/Paysafe which can be viewed accessed at [http://ec.europa.eu/competition/mergers/cases/decisions/m8640\\_106\\_3.pdf](http://ec.europa.eu/competition/mergers/cases/decisions/m8640_106_3.pdf)

<sup>6</sup> Please see paragraph 32 Case M.8640 -CVC/Blackstone/Paysafe which can be accessed at [http://ec.europa.eu/competition/mergers/cases/decisions/m8640\\_106\\_3.pdf](http://ec.europa.eu/competition/mergers/cases/decisions/m8640_106_3.pdf)

<sup>7</sup> Determination can be accessed at <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m-18-090-william-hill-mr-green/>

<sup>8</sup> The Determination can be accessed at <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m16007-ladbrokes-gala-coral/>.

<sup>9</sup> Please see M/18/090-William Hill/ Mr Green, M/16/007-Ladbrokes/Gala Coral, M/18/038-Stars Group/Sky Betting (Cyan Blue) and M/15/059-Paddy Power/Betfair.



- The provision of fixed-odds betting services in LBOs within; (i) a 400m and (ii) a 3km radius of the Target LBOs, and (iii) on a national basis;
- The provision of online fixed-odds betting services in the State;
- The provision of fixed-odds betting services by telephone in the State; and,
- The provision of gaming services in the State.

#### Competitive Effects analysis

#### The narrowest possible geographic market (provision of fixed-odds betting services in LBOs)

32. Bruce Betting owns 18 LBOs as listed in paragraph 7 above. BoyleSports owns and operates 259 LBOs located throughout the State.
33. There is no geographic overlap in the activities of the Parties in the provision of fixed-odds betting services in LBOs in 10 local areas.<sup>10</sup> The Commission, therefore, considers that the Proposed Transaction is not likely to raise competition concerns in any of these local areas. No further discussion of the likely effect on competition in these local areas is contained in the rest of this Determination.
34. There is geographic overlap in the activities of the Parties in the provision of fixed-odds betting services in LBOs in 8 local areas. Of these, the Proposed Transaction is likely to reduce the number of fascia from 5 to 4 in two local areas;<sup>11</sup> 4 to 3 in three local areas;<sup>12</sup> and, 3 to 2 in three local areas.<sup>13</sup> In each of the local areas where the Proposed Transaction is likely to reduce the number of fascia from 3 to 2, the Commission has considered factors such as: the nature of competition between LBOs in the local area; closeness of competition between the Parties; barriers to entry; and, customers' ability to switch between LBOs.
35. In the current analysis the Commission found very specific market conditions in the local areas including that: all towns will have at least one competitor who is geographically close to the LBOs of the Parties; pricing and discounts are done on a national basis; there is good competition on the national market; brand loyalty is low and entry barriers are low in the local areas.
36. In light of the factors identified above and the analysis in the following paragraphs, the Commission considers that the Proposed Transaction is not likely to raise competition concerns in the provision of fixed-odds betting in LBOs in any of the 8 local areas cited in paragraph 34, above.

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<sup>10</sup> Edgeworthstown, Co. Longford; Kilcock, Co. Kildare; Kinnegad, Co. Westmeath; Moate, Co. Westmeath; Enfield Co. Meath; Rush, Co. Dublin; Templemore, Co. Tipperary; Bagenalstown Co, Carlow; Clara, Co. Offaly; and Arvagh Co, Cavan.

<sup>11</sup> Mullingar, Co. Westmeath; and Bray, Co. Wicklow.

<sup>12</sup> Trim, Co. Meath; Sligo Town, Co. Sligo; and Longford Town, Co. Longford.

<sup>13</sup> Middleton, Cork; Maynooth, Co Kildare; and Enniscorthy, Co. Wexford





The provision of fixed-odds betting services in LBOs in Trim, Co. Meath

37. Table 1 below shows firms that provide fixed-odds betting services in LBOs within the 3 km catchment area from the Target LBO located in Loman Street, Trim, Co. Meath.

**Table 1: The fixed-odds betting service providers in LBOs within 3 km catchment area from the Target LBO at Loman Street, Trim, Co. Meath**

Market participants	Address	Distance from the Target LBO
BoyleSports	High Street, Trim	265m
Paddy Power	Market Street, Trim	468m
Fox Bookmakers Limited ("Fox Bookmakers")	Emmet Street, Trim	727m

Source: The Parties

38. Table 1 shows that BoyleSports is the only other provider of fixed-odds betting services within a 400m radius of the Target LBO in Trim. However, taking into account the 3km radius, there are two additional LBO providers namely Paddy Power and Fox Bookmakers within the catchment area of the Target LBO in Trim.
39. In light of the above, the Commission considers that the identified competitors are likely to continue to pose a competitive constraint on the BoyleSports following the implementation of the Proposed Transaction. Therefore, the Commission is of the view that the Proposed Transaction is not likely to raise any horizontal competition concerns in relation to the provision of fixed-odds betting services in LBOs in Trim, Co. Meath.

The provision of fixed-odds betting services in LBOs in Mullingar, Co. Westmeath

40. Table 2 below shows firms that provide fixed-odds betting services in LBOs within the 3 km catchment area from the Target LBO in Mullingar, Co. Westmeath.

**Table 2: The fixed-odds betting service providers in LBOs within 3 km catchment area of the Target LBO at 27 Pierce Street Mullingar, Co. Westmeath**

Market participants	Address	Distance from the Target LBO
BoyleSports	Dominick Street, Mullingar	443m
Paddy Power	Castle Street, Mullingar	94m
	Patrick Street, Mullingar	574m
Fox Entertainment (Trim) Limited ("Fox Bookmakers")	Mount Street, Mullingar	151m
Ladbrokes plc ("Ladbrokes")	Dominick Street	497m
	Austin Friar Street, Mullingar	272m

Source: The Parties

41. Table 2 shows that the closest BoyleSports LBO from the Target LBO in Mullingar is on Dominick Street, Mullingar 443m from the Target LBO, therefore, there is no geographic overlap in the activities of the market within the 400m radius from the Target LBO, Mullingar. However, within the 3km radius, there is a geographic overlap in the Parties' activities with the BoyleSports' LBO on Dominick Street. Other competitors within the





3km radius include Paddy Power, Fox Bookmakers and Ladbrokes who each own and operate a number of LBOs within the 3km catchment area.

42. In light of the above, the Commission considers that Paddy Power, Ladbroke and Fox Bookmakers are likely to continue to pose a competitive constraint on BoyleSports following the implementation of the Proposed Transaction. Therefore, the Commission is of the view that the Proposed Transaction is not likely to raise any horizontal competition concerns in relation to the provision of fixed-odds betting services in LBOs in Mullingar Town, Co. Westmeath.

The provision of fixed-odds betting services in LBOs in Sligo town, Co. Sligo

43. Table 3 below shows firms that provide fixed-odds betting services in LBOs within the 3 km catchment area from the Target LBO at 9 Thomas Street, Co. Sligo.

**Table 3: The fixed-odds betting service providers in LBOs within 3 km catchment area of the Target LBO at 9 Thomas Street, Co. Sligo**

Market participants	Address	Distance from the Target LBO
BoyleSports	Rockwood Parade, Sligo	170m
	John Street, Sligo	245m
Paddy Power	Castle Street, Sligo	133m
Ladbrokes	High Street, Sligo	258m
	Holborn Street, Sligo	325m

Source: The Parties

44. Table 3 shows that in the narrow 400m catchment area, BoyleSports operates two LBOs in Rockwood Parade and John Street, Sligo. Other competitors within the 400m catchment area, from the Target LBO, are Ladbrokes (which owns two LBOs within the 400m catchment area) and Paddy Power (which owns one LBO which is located 133m from the Target LBO). Therefore, there are a number of competitors within the 400m radius of the Target LBO in Sligo Town. If the catchment area is expanded to 3km, the number of LBOs does not change.

45. The Commission considers that Paddy Power and Ladbrokes are likely to pose a competitive constraint on BoyleSports following the implementation of the Proposed Transaction. Therefore, the Commission is of the view that the Proposed Transaction is not likely to raise any horizontal competition concerns in relation to the provision of fixed-odds betting services in LBOs in Sligo Town, Co. Sligo.

The provision of fixed-odds betting services in LBOs in Bray, Co. Wicklow

46. Table 4 below shows firms that provide fixed-odds betting services in LBOs within the 3 km catchment area of the Target LBO at 11 Main Street, Bray, Co. Wicklow.

**Table 4: The fixed-odds betting service providers in LBOs within the 3 km catchment area of the Target LBO at 11 Main Street, Bray, Co. Wicklow**

Market participants	Address	Distance from the Target LBO
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<b>BoyleSports</b>	<b>30 Vevay Road, Bray</b>	<b>1.4km</b>
Paddy Power	48 Main Street, Bray.	376m
Pat Toolan Bookmakers ("Toolan Bookmakers")	23 Dublin Road, Bray	632m
	89a Main Street, Bray	187m
Ladbrokes	6 Quinsboro Road, Bray	62m
	31A Vevay Road, Bray	1.4km

Source: The Parties

47. Table 4 shows that there is no geographic overlap in the activities of the Parties within the 400m as the closest BoyleSports LBO is located 1.4km from the Target LBO in Bray. However, within the 400m radius from the Target LBO in Bray there are LBOs from Paddy Power, Pat Toolan Bookmakers (89a Main Street) and Ladbrokes (6 Quinsboro Road). Overall within the 3km radius, there will be five LBOs owned by competitors including, Paddy Power's LBO (48 Main Street), Toolan Bookmakers (23 Dublin Road) and Ladbrokes (31A Vevay Road),. These competitors will continue to pose a competitive constraint on BoyleSports following the implementation of the Proposed Transaction.
48. The Commission is of the view that the Proposed Transaction is not likely to raise any horizontal competition concerns in relation to the provision of fixed-odds betting services in LBOs in Bray, Co. Wicklow.

The provision of fixed-odds betting services in LBOs in Longford Town Centre, Co. Longford

49. Table 5 below shows firms that provide fixed-odds betting services in LBOs within the 3 km catchment area of the Target LBO on Earl Street Longford, Co Longford.

**Table 5: The fixed-odds betting service providers within 3 km catchment area of the Target LBO on Earl Street Longford, Co Longford**

Market participants	Address	Distance from the Target LBO
BoyleSports	Market Square, Longford	125m
	Dublin Street, Longford	187m
Paddy Power	Ballymaloe, Longford	185m
Ladbrokes	Dublin Street, Longford	232m

Source: The Parties

50. There is an overlap in the activities of the Parties within a 400m radius from the Target LBO as BoyleSports owns an LBO 125m from the Target LBO. Within the 400m radius catchment area there is a Paddy Power and Ladbrokes LBO. Furthermore, even if the radius is extended to 3km the number of competitors within the 3km radius remains the same. These competitors will continue to provide a competitive constraint on BoyleSports following the implementation of the Proposed Transaction.
51. The Commission is of the view that the Proposed Transaction is not likely to raise any horizontal competition concerns in relation to the provision of fixed-odds betting services in LBOs in Longford Town Centre, Co. Longford.

The provision of fixed-odds betting services in LBOs in Enniscorthy, Co. Wexford





52. Table 7 below shows firms that provide betting services in LBOs within the 3 km catchment area of the Target LBO on Cathedral Street, Enniscorthy, Co. Wexford.

**Table 7: The fixed-odds betting service providers within 3 km catchment area of the Target LBO on Cathedral Street, Enniscorthy Co. Wexford**

Market participants	Address	Distance from the Target LBO
BoyleSports	Templeshannon Quay	418m
	Duffry Hill Enniscorthy	75m
	Rafter Street Enniscorthy	203m
Paddy Power	Duffry Hill Enniscorthy	73m

Source: The Parties

53. Table 7 above shows that BoyleSports owns two LBOs within the 400m catchment area of the Target LBO. Paddy Power is the other competitor in the catchment area which owns an LBO, 73m from the Target LBO in Enniscorthy. However, if the catchment area is extended to a 3km radius of the Target LBO, BoyleSports will have three LBOs which includes the LBO on Templeshannon Quay. The location of the various LBOs in Enniscorthy is shown in Figure 1 below.

**Figure1: The geographic depiction of the LBOs within the relevant catchment area of 400m up to 3km of the Target LBO in Enniscorthy, Co. Wexford**



Source: The Parties

54. The Parties submit that the catchment area in Enniscorthy is narrow given the local competitive dynamics in the area which are dictated by the location of amenities and residential estates in the area. According to the Parties, from a customer's perspective, the degree of competition between LBOs depends on the distance between the amenities surrounding the LBOs.
55. From a supply-side perspective, there are no area specific differentiation and/or discrimination in terms of prices and promotions. The prices/odds are determined nationally and applied uniformly across all LBOs.



56. The Commission considered the local competitive characteristics that are specific to this area to determine the likely competitive impact of the Proposed Transaction. The Commission conducted a site visit and observed that services offered in the LBOs are similar across providers. The Commission observed that the Parties' LBOs offered services such as free Wi-Fi and coffee facilities.
57. Customers informed the Commission that they tend to choose LBOs which are convenient to them at a particular time relating to, e.g., parking, closest LBO on the walking route, and nearest to the shop. The Commission found that brand loyalty is not an important consideration and that customers are able to switch between the different LBOs. Therefore, in Enniscorthy, Paddy Power, being the other competitor in the location, is likely to continue to pose a competitive constraint on BoyleSports following the implementation of the Proposed Transaction.
58. In addition, the Parties' LBOs are company owned and, although service delivery is important, there were no areas of specific differentiation and/or discrimination in terms of service delivery and/or promotions at a regional level. The Parties did not have any marketing or strategic documents that dealt with regional or LBO specific competitive strategies for the Enniscorthy LBOs.
59. Another factor considered by the Commission was barriers to entry and the Commission found that the barriers to entry are low. Particularly in Enniscorthy, during a site visit, the Parties identified to the Commission a property adjacent to the Target LBO which the Parties stated already possessed the requisite planning permission to operate an LBO.
60. In light of the above, the Commission is of the view that the Proposed Transaction is not likely to raise any horizontal competition concerns in relation to the provision of fixed-odds betting services in LBOs in Enniscorthy.

The provision of fixed-odds betting services in LBOs in Maynooth, Co. Kildare

61. Table 8 below shows firms that provide fixed-odds betting services in LBOs within the 3 km catchment area from the Target LBO on Main Street, Maynooth, Co. Kildare.

**Table 8: The fixed-odds betting service providers within the 3 km catchment area of the Target LBO in Maynooth, Co. Kildare**

Market participants	Address	Distance from the Target LBO
Boyle Sports	GlenRoyal Shopping Centre	279m
Paddy Power	Main Street, Maynooth	142m

Source: The Parties

62. Table 8 shows that BoyleSports and Paddy Power are the only other firms that own LBOs within the 400m catchment area from the Target LBO in Maynooth. If the catchment area





is extended to 3km, the number of LBOs does not change. Figure 2 shows the location of the LBOs in Maynooth.

Figure2: The geographic depiction of the LBOs within the relevant catchment area of 400m from the Target LBO in Maynooth



Source: The Parties

63. The Parties submit that the competitive dynamics in Maynooth are the same as Enniscorthy as, from an LBO perspective, the customers choose the LBOs based on the amenities available closest to the LBO. The Parties further stated that since the prices/odds at the LBOs are determined nationally, based on data from companies such as Satellite Information Services (“SIS”), location and service delivery are the important considerations for competition in Maynooth.
64. The Commission considered the local competitive characteristics that are specific to this area to determine the likely competitive impact of the Proposed Transaction. During the site visit, the Commission observed that the Parties’ LBOs offered services such a free Wi-Fi and coffee facilities. Also as indicated in paragraph 58 above, Parties’ LBOs are company owned which neither offer local area specific promotions nor discriminate in terms of service delivery and/or promotions. In addition, the Parties did not have any marketing or strategic documents specific to the Maynooth LBOs.
65. In terms of barriers to entry, the Parties stated that barriers to entry are low. In Maynooth there are several properties available that already possess the prerequisite planning permission to operate as an LBO. In relation to the properties that do not have the prerequisite planning permission, the Parties stated that a change of use permission can be obtained within 12 to 14 weeks. In relation to cost of entry, the Parties stated that the cost is low for a new LBO since they will not incur the cost of having to pay high rents, given the availability of suitable premises at market rents.
66. The Target LBO is located on the same street as Paddy Power on Main Street in Maynooth. Paddy Power and the Target LBO are located on opposite ends of Main Street, Maynooth



surrounded by a number of amenities that include pubs, restaurants, banks and barber shops, amongst others with limited parking areas. Main Street is within walking distance to the University and residential estates and as such, customers tend to walk through Main Street to get to the various facilities. The Commission did not observe any impediment to customers' ability to switch between LBOs in Maynooth.

67. As already indicated in paragraph 57, brand loyalty is not an important consideration and customers are able to switch between the different LBOs. In Maynooth, Paddy Power is likely to pose a competitive constraint on the Target LBO given that both LBOs are on the same street.
68. In contrast, the Parties stated that the customers that go to the BoyleSports LBO mostly drive to the centre as they are customers of the shopping centre and adjacent facilities. The Commission observed that the BoyleSports LBO is located in a self-contained shopping centre which offers free 2 hour parking, a grocery store as well as other retail stores. There is also a hotel with a café opposite the BoyleSports LBO. The shopping centre also has a leisure club.
69. In light of the above, the Commission is of the view that the Parties are not each other's closest competitor in this local area. The Commission considers that Paddy Power is likely to continue to pose a competitive constraint on the BoyleSports following the implementation of the Proposed Transaction. Therefore, the Commission considers that the Proposed Transaction is not likely to raise any horizontal competition concerns in relation to the provision of fixed-odds betting services in LBOs in Maynooth.

The provision of fixed-odds betting services in LBOs in Midleton, Co. Cork

70. The Parties have submitted in the notification that BoyleSports owns two LBOs within the 3km catchment area of the Target LBO in Midleton, one is 115m from the Target LBO and the other is 715m from the Target LBO. Paddy Power is the only other competitor in the catchment area, with an LBO located 264m from the Target LBO at 14 Main Street Midleton. The distances indicated above are shown in Table 9 below.

**Table 9: The estimated distances between the LBO operators and Target LBO in Midleton.**

Market participants	Address	Distance from the Target LBO
BoyleSports	37 Main Street, Midleton	115m
	Mill Road, Midleton	715m
Paddy Power	14 Main street, Midleton	264m

Source: The Parties

71. Figure 3, shows the location of LBOs located in Midleton, as submitted by BoyleSports.

**Figure3: The map depiction of the LBOs within the relevant catchment area (400m and 3km) of the Target LBO at 66 Main Street Midleton, Co. Cork**





**Indicators:**

 BoyleSports;  Paddy Powers Betfair;  Bruce Betting

Source: The Parties

72. The Parties submit that entry into the market for fixed-odds betting services in LBOs in Midleton is sufficiently easy as the market is characterised by low cost and low regulatory barriers to entry. The Parties further state that there are a number of vacant retail properties in the vicinity of the Target LBOs.
73. The Commission did not find any evidence contrary to the Parties' submission regarding possible entry into the market for fixed-odds betting in LBOs in Midleton. The Commission identified a number of vacant properties in close proximity to the Target LBO in Midleton which are available for new entrants.
74. The Commission also notes that there were no area specific differentiation and/or discrimination in terms of service delivery, prices, and promotions with respect to the Parties' Midleton LBO's. The Parties did not have any marketing or strategic documents that dealt with regional or LBO specific competitive strategies for the Midleton LBOs. The Commission did not find any evidence that suggests that BoyleSports is likely to deviate from its national pricing and promotions strategy for the Target LBO in Midleton post-merger.
75. Customers have the ability and can easily switch between LBO operators. The Commission notes that Paddy Power is likely to continue to provide a competitive constraint on BoyleSports, following the implementation of the Proposed Transaction.
76. In light of the above, the Commission is of the view that the Proposed Transaction is not likely to raise any horizontal competition concerns in relation to the provision of fixed-odds betting services in LBOs in Midleton.

Provision of fixed-odds betting services in LBOs on a national basis



77. On a national level, the Proposed Transaction does not raise competition concerns in relation to the provision of fixed-odds betting services in LBOs. The Parties have stated in the notification that the total market size for fixed-odds betting services in LBOs in the State is 820 LBOs with a combined revenue of €2,881,562,953. The Parties further stated in the notification, that BoyleSports currently own 259 LBOs and following the implementation of the Proposed Transaction BoyleSports will own 277 LBOs, through the acquisition of the 18 Target LBOs, of the 820 LBOs in the State.
78. There are a number of competing firms in the provision of betting services in LBOs in the State. Table 10, below shows the estimated market shares of the various competitors (including the Parties), as provided by the Parties in the notification.

**Table 10: The estimated market shares for the provision of fixed-odds betting services in LBOs in the State**

Market participants	Estimated turnovers in €	Estimated market shares based on revenues
BoyleSports	[...]	[...]
Target LBOs	[...]	[...]
Combined market share of Parties	[...]	[...]
Paddy Power	[...]	[...]
Ladbrokes	[...]	[...]
Bar-One Racing Limited	[...]	[...]
Tully Bookmakers Management Limited	[...]	[...]
The Track Bookmakers	[...]	[...]
Others	[...]	[...]
Total	[...]	[...]

Source: The Parties' estimates<sup>14</sup>

79. According to Table 10, the Proposed Transaction is likely to result in a [...] market share accretion in the provision of fixed-odds betting services in LBOs in the State. BoyleSports' market share accretion on a national level, in the potential market for the provision of betting services in LBOs in the State as a result of the Proposed Transaction will be minimal. For this reason, the Commission considers that, on a national basis, the Proposed Transaction is not likely to substantially lessen competition for the provision of betting services in LBOs in the State.

#### The provision of online fixed-odds betting services in the State

80. The Parties have stated in the notification that BoyleSports and Bruce Betting have market shares of [...] and [...], respectively, in the provision of online fixed-odds betting services in the State, and as such, the Proposed Transaction will only result in an incremental increase in market share in the provision of online betting services in the State. Table 11 below shows the estimated market shares of competitors in the provision

<sup>14</sup> <https://www.gov.ie/en/collection/dc3850-budget-2020-tax-strategy-group-papers/>.





of online fixed-odds betting services in the State, as provided by the Parties in the notification.

**Table 11: The estimated market shares of the market participants in the provision of online fixed odds betting services on the State**

Market Participants	Estimated Market Shares based on revenues (total [...])
BoyleSports	[...]
Bruce Betting	[...]
Combined	[...]
Paddy Power	[...]
Ladbrokes	[...]
Bet 365	[...]
William Hill Bookers	[...]
Sky Bet	[...]
Others	[...]
Total	[...]

Source: The Parties' estimates.<sup>15</sup>

81. The Parties have stated in the notification that there are many competitors that offer online betting services to customers located in the State, including Paddy Power with [...] market share and Ladbrokes with [...] market share in the provision of online fixed-odds betting services. These competitors will continue to exert competitive pressure on the Parties following the implementation of the Proposed Transaction.
82. In light of the above, the Commission is of the view that the Proposed Transaction is not likely to raise any horizontal competition concerns in relation to the provision of online fixed-odds betting services in LBOs in the State.

#### The provision of online gaming services in the State

83. The Parties submitted in the notification that BoyleSports and Bruce Betting have market shares of [...] and [...], respectively, in the market for the provision of online gaming services. As such, the Proposed Transaction will only result in a minimal incremental increase in market share. In addition, the Parties have submitted in the notification that there are a number of competitors that offer online gaming services to customers located in the State such as Paddy Power [...] and Ladbrokes [...], which will continue to exert significant competitive pressure following the implementation of the Proposed Transaction.
84. In light of the above, the Commission is of the view that the Proposed Transaction is not likely to raise any horizontal competition concerns in relation to the provision of online

<sup>15</sup> <https://www.gov.ie/en/collection/dc3850-budget-2020-tax-strategy-group-papers/>.



gaming services in the State, given the low market share accretion and existing competitors in the market following the implementation of the Proposed Transaction.

The provision of fixed-odds betting services by telephone in the State

85. On a national level, the Proposed Transaction raises no competition concerns in the market for the provision of fixed-odds betting services by telephone in the State as the Parties will continue to face competition from competitors identified in Table 14 below. Table 14 shows the estimated market shares as supplied by the Parties in the notification.

**Table 12: The estimated market shares for the operators that provide fixed-odds betting services by telephone in the State**

Market participants	Estimated revenues in €	Estimated market shares
BoyleSports	[...]	[...]
Bruce Betting	[...]	[...]
Combined	[...]	[...]
Paddy Power	[...]	[...]
Ladbrokes	[...]	[...]
Bet365	[...]	[...]
Others	[...]	[...]
Total	[...]	[...]

Source: The Parties' estimates.

86. Table 12 shows that the Proposed Transaction will result in a minimal market share increase of [...] in the provision of fixed-odds betting services by telephone in the State.
87. In light of the above, the Commission is of the view that the Proposed Transaction is not likely to raise any horizontal competition concerns in relation to the provision of fixed-odds betting services by telephone in the State.

Vertical Relationship

88. The Parties have stated in the notification that there is no vertical relationship between BoyleSports and Bruce Betting. The Commission has not identified any vertical relationship between the Parties. Therefore, the Proposed Transaction does not raise any vertical competition concerns in the State.

Conclusion

89. In light of the above, the Commission considers that the Proposed Transaction is not likely to substantially lessen competition in any market for goods or services in the State.

**Ancillary Restraints**

90. No ancillary restraints were notified to the Commission. [...] The duration of the non-compete obligations exceeds the maximum duration acceptable to the Commission to be





considered necessary to the implementation of the Proposed Transaction.<sup>16</sup> [...] The Commission is of the view that this geographical scope is wider than is necessary to the implementation of the Proposed Transaction. Since the non-compete obligations were not notified they are not addressed further in this Determination. The Commission notes that the non-compete obligations will not benefit from the protection offered by sections 4(8) and 5(3) of the Act.

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<sup>16</sup> In this respect, the CCPC follows the approach adopted by the EU Commission in paragraphs 20 and 26 of its “Commission Notice on restrictions directly related and necessary to concentrations” (2005). For more information see [http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN).



### **Determination**

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby BoyleSports Limited would acquire the entire issued share capital of GT Retail Limited trading as Bruce Betting, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission.

**Brian McHugh**

**Member**

**Competition and Consumer Protection Commission**