

CLASSIFIED DIRECTORY ADVERTISING SERVICES MARKET INQUIRY

On 5 April 2005, the Office of Fair Trading made a reference to the Competition Commission (CC) under section 131 of the Enterprise Act 2002 for an investigation into the supply of classified directory advertising services in the UK. For the purpose of the reference ‘classified directory advertising services’ means the undertaking and performance of engagements to publish advertisements in printed directories which: (a) show suppliers of goods and services classified by reference to the goods and services supplied; and (b) are distributed wholly or mainly to consumers.

The CC would like to adopt a framework to help identify which publications are of the type described in the terms of reference. In its analysis of the relevant market and wider assessment of competition, the CC is likely to consider a variety of potential competitive constraints such as newspapers and online directories. The CC’s current thinking is that a publication is of the type described in the terms of reference if the following criteria are satisfied:

- (a) It is a printed publication (ie publication of advertisements in online directories does not fall within the definition of the reference services).
- (b) It is a directory (ie a ‘book listing alphabetically or thematically a particular group of individuals (e.g. telephone subscribers) or organizations with various details’—*Concise Oxford Dictionary*) that shows suppliers of goods and services classified by reference to the goods or services supplied. It is the CC’s view that the following are examples of the type of publications that are likely to fall outside the scope of the reference:
 - documents containing significant editorial material such as a newspaper or magazine;
 - local reference guides to clubs, community organizations and services containing some advertisements;
 - publications that sort suppliers by location or alphabetically; and
 - apparently random lists of suppliers or advertisements (though publications of this type that contain a classified index would be regarded as classified directories as the index enables consumers to use them as a directory).
- (c) It contains advertisements, including paid-for enhanced entries (a directory that only contains lists of businesses without advertisements is not within the scope of the reference).
- (d) It is distributed wholly or mainly to consumers. The CC is considering whether publications that are collected (from outside shops, for example) by consumers fall within the scope of the reference. The following are likely to fall outside the scope of the reference:
 - business-to-business publications; and
 - publications sold in retail outlets.

- (e) It covers a range of goods and services rather than being limited to one or two classifications. A list of local restaurants and hotels, or example, would not constitute a directory.

If you have any comments on the CC's current thinking, please write to:

The Inquiry Secretary
(Classified Directory Advertising Services Market inquiry)
Competition Commission
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Southampton Row
LONDON
WC1B 4AD

Or email: classified.directories@competition-commission.gsi.gov.uk