



The e-commerce sector inquiry

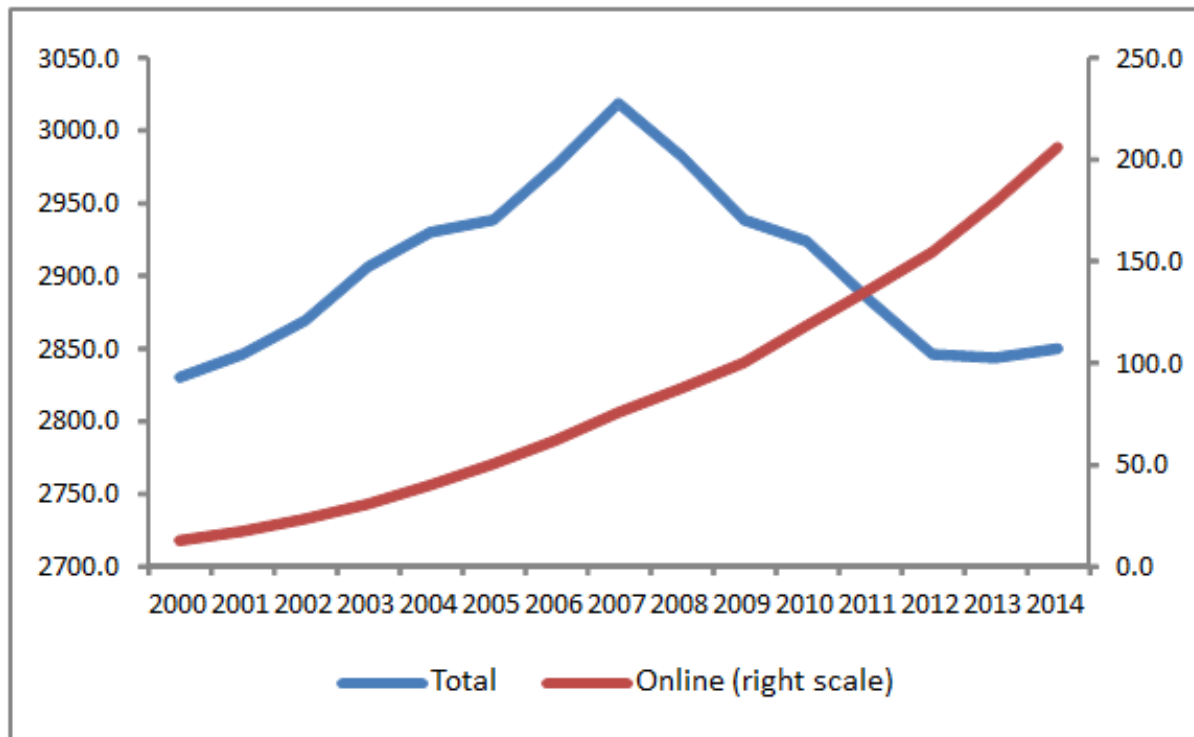
American-Hellenic Chamber of Commerce & Hellenic Competition
Commission

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DG Competition, DSM Taskforce

*The views expressed are those of the speaker and do not necessarily reflect those
of DG Competition or the European Commission

Total and Online Sales



Estimated evolution of the total and online retail sales in goods, 2000-2014 (in billion EUR, from Duch-Brown and Martens, JRC, 2015)



Timeline

- Launched May 2015 (together with other DSM initiatives)
- Questionnaires sent until Q2 2016
 - About 1 800 respondents
 - More than 8 000 distribution agreements
- Issues paper on geo-blocking published March 2016
- Preliminary Report published September 2016
- Stakeholder consultation – 65 responses received
- Final Report due first half 2017

Goals of the Sector Inquiry

- Gain a **more comprehensive understanding** of competition issues, market dynamics and business challenges in e-commerce
- Provide guidance to businesses through subsequent **enforcement**
- Look at the **legal framework** on online vertical restraints in the light of current market realities
- Broaden the **dialogue** with NCAs within the ECN to ensure consistent application of EU competition law
- Complement other **legislative** initiatives (under DSM-strategy)

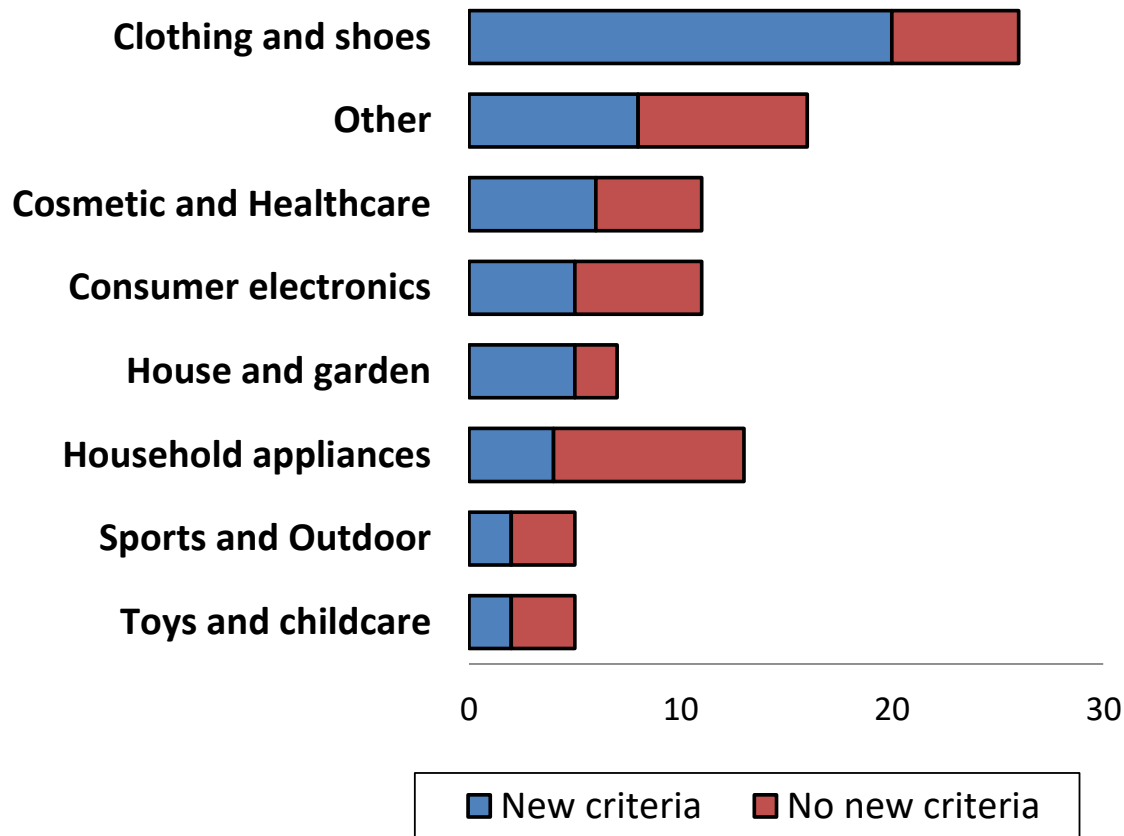
Key findings – goods

- Increased **price transparency** and **price competition**
 - Lower prices for customers

- Increased **abilities to monitor prices:**
 - Manufacturers can monitor price setting by retailers
 - Retailers can monitor competitors' prices

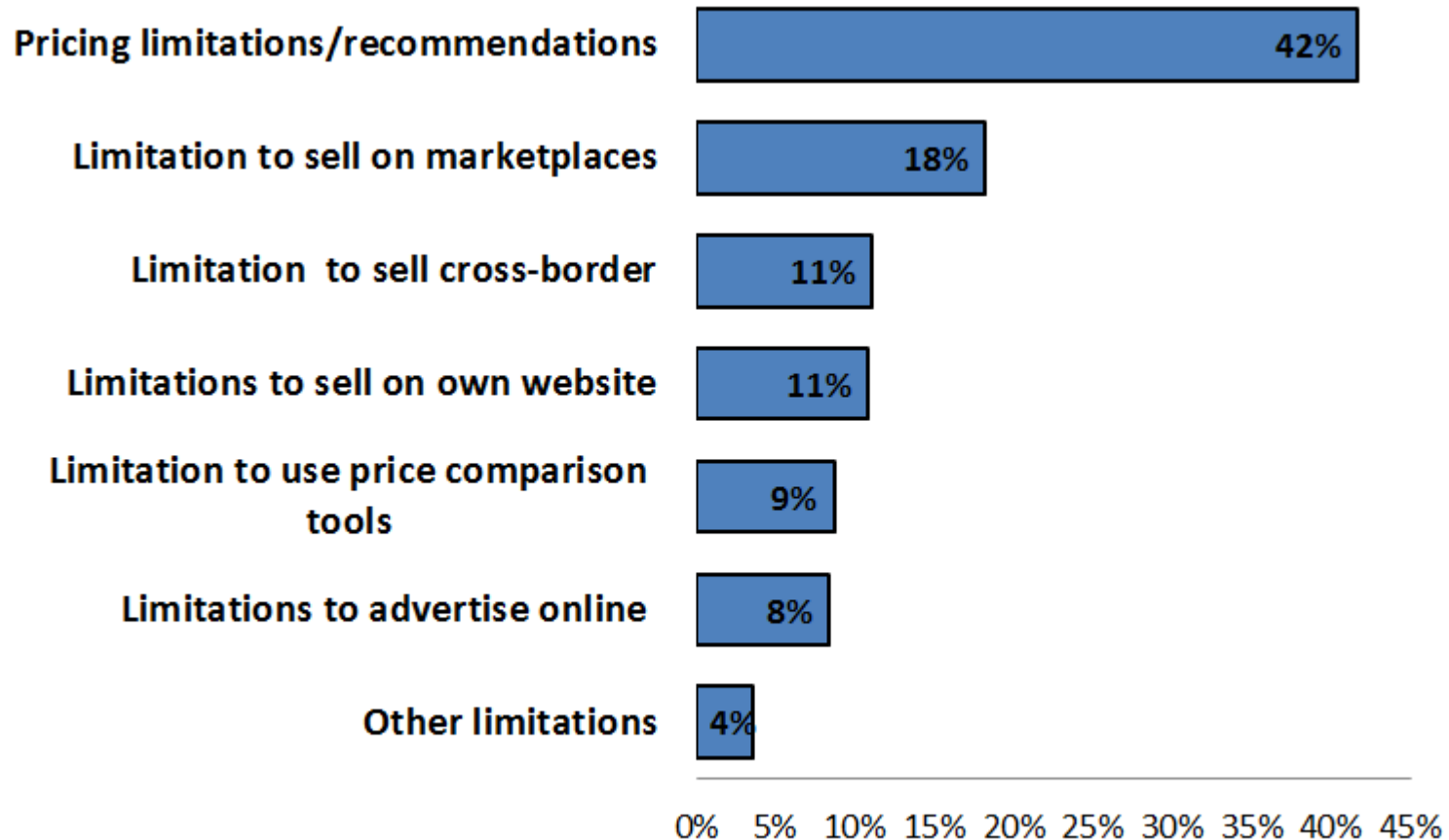
- Impact on manufacturers' **distribution strategies:**
 - Increased retail activities of manufacturers
 - Keep tighter control over distribution activities (price, brand image and positioning); address free-riding
 - Recourse to selective distribution
 - Recourse to vertical restraints

Selective Distribution



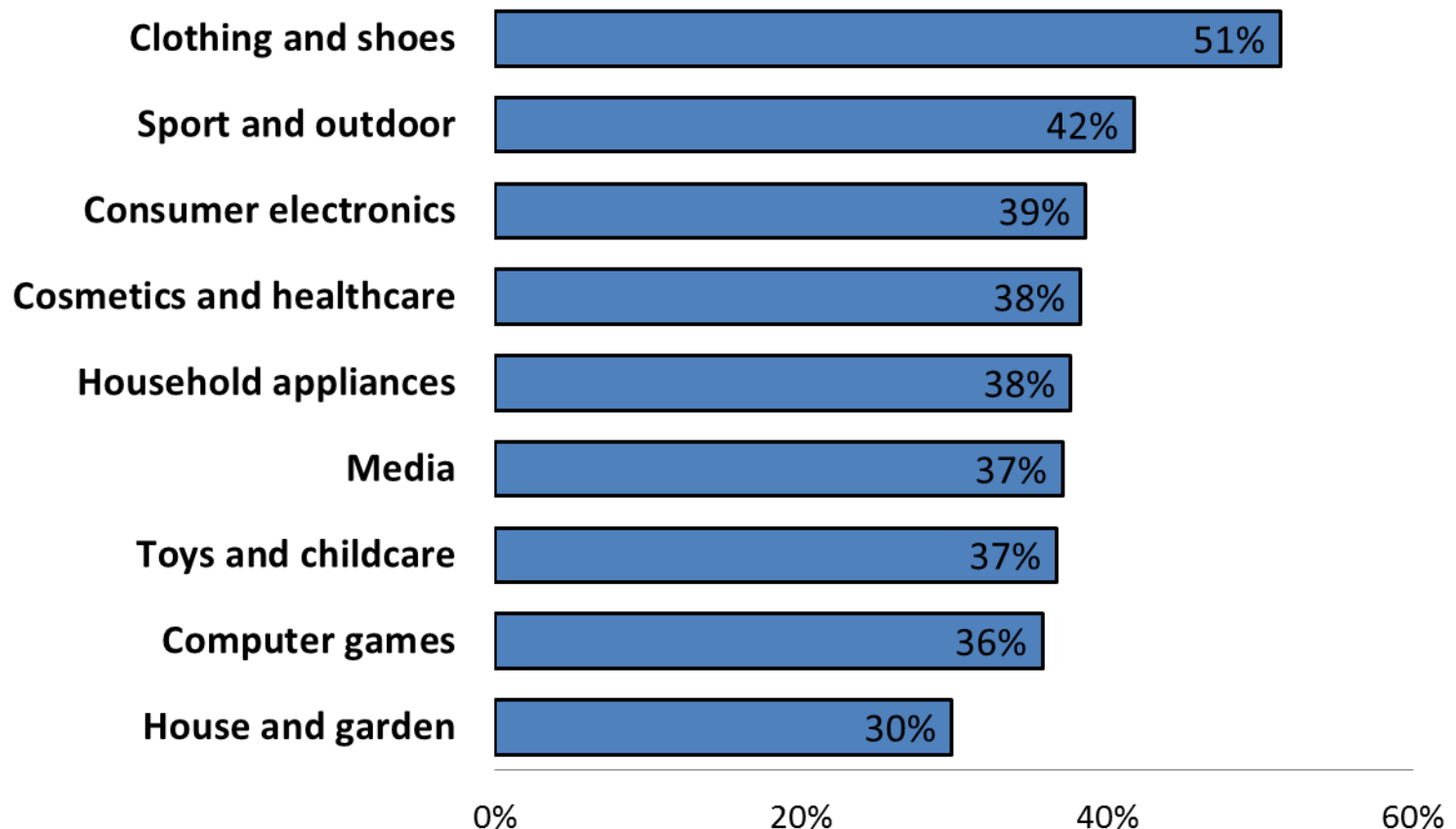
B. 32: Number of respondent manufacturers that sell via selective distribution and introduced new selection criteria in the last 10 years

Recourse to vertical restraints



B. 36: Proportion of retailers having contractual restrictions, per type of restriction

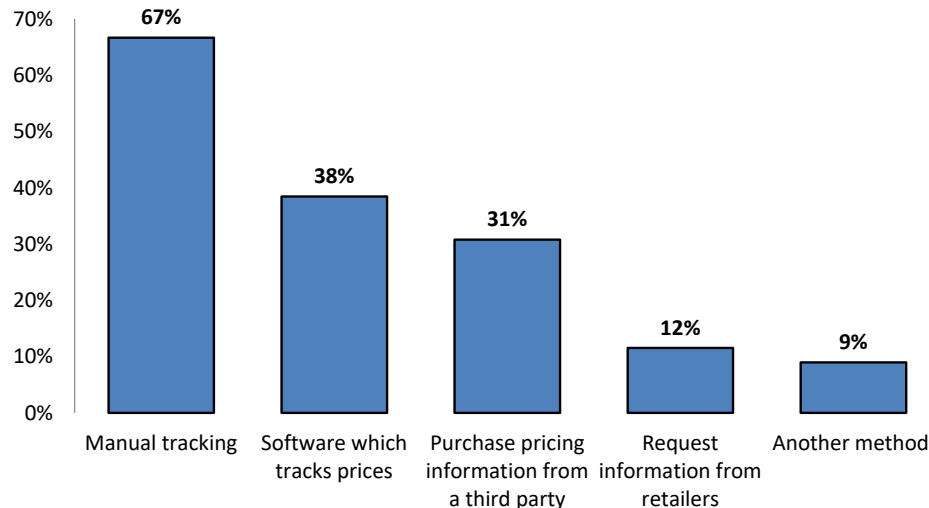
Pricing Restrictions



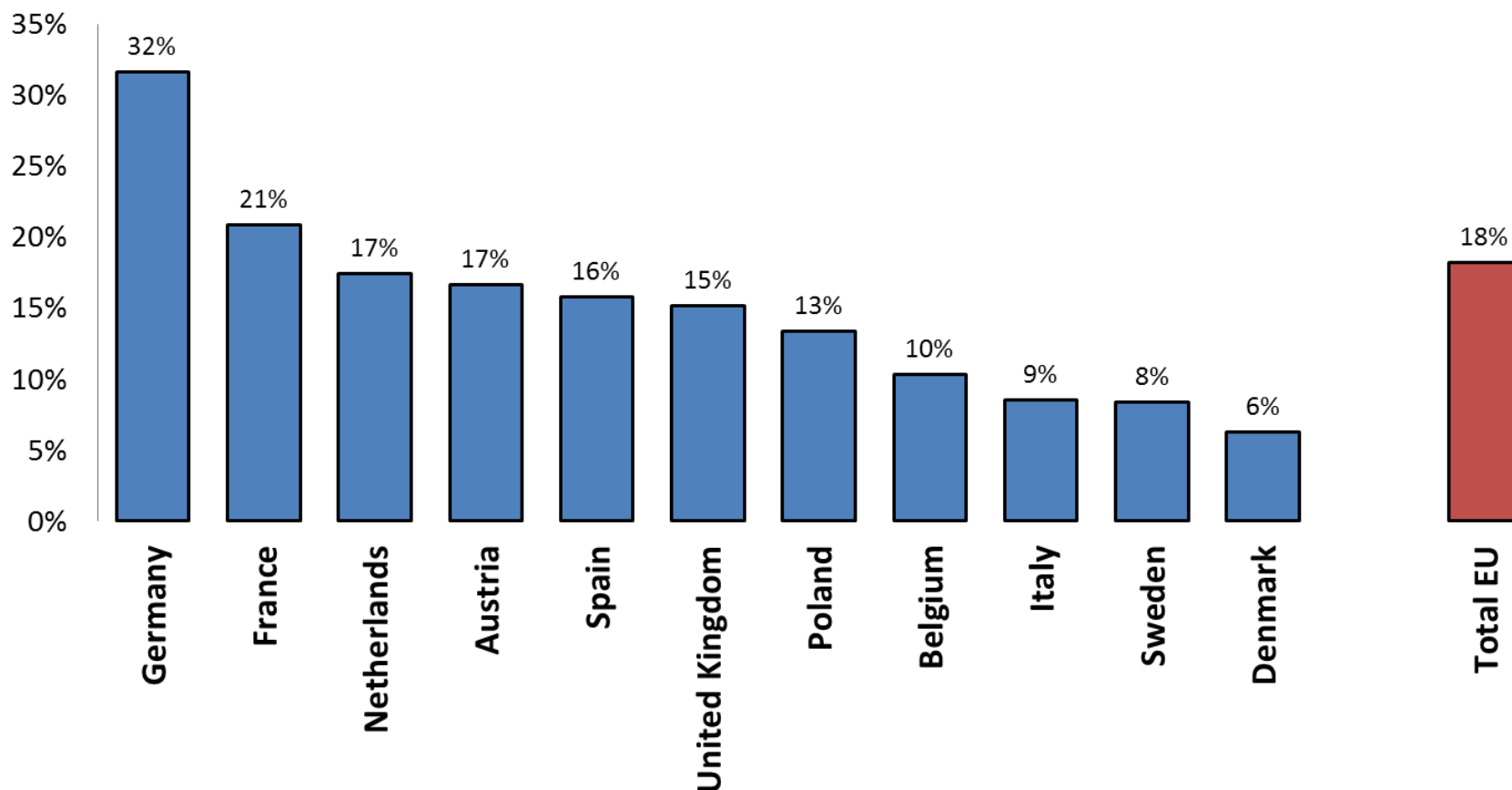
B. 75: Proportion of retailers that reported pricing restrictions/recommendations per product category

Online prices: increased transparency and monitoring

- ~ 50% of retailers track online prices of competitors
 - ~ 70% of those use (also) software
 - some adjust their own prices automatically (no manual intervention)
- ~ 30% of manufacturers track systematically online retail prices of their products sold by independent distributors

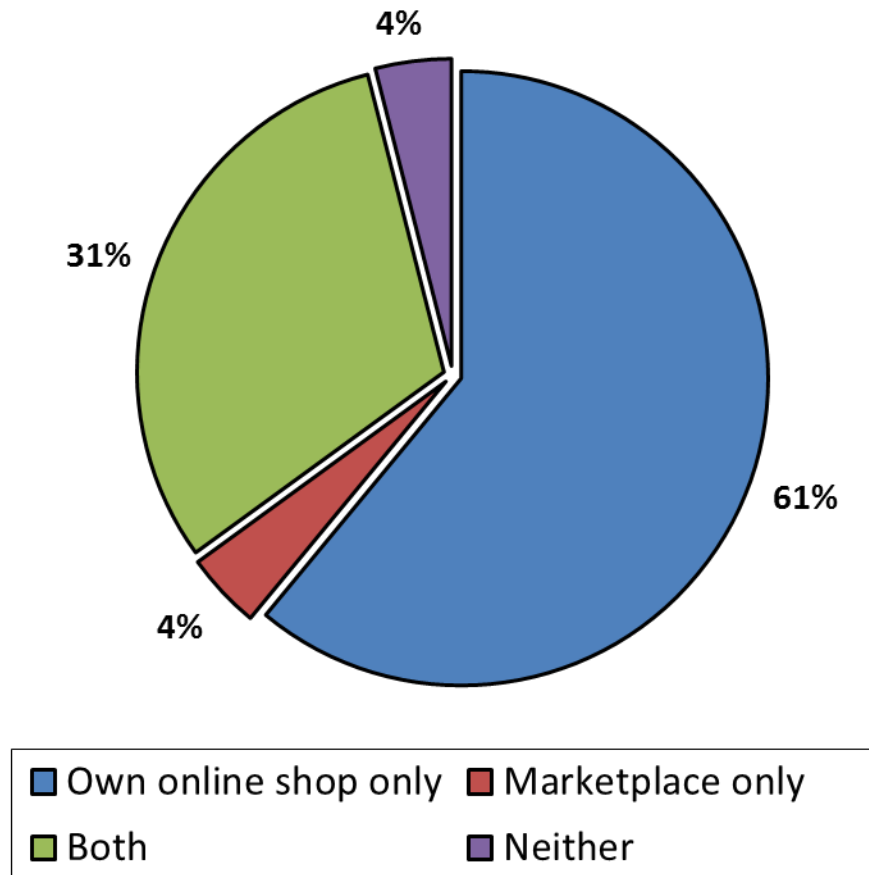


Marketplace Sales Restrictions



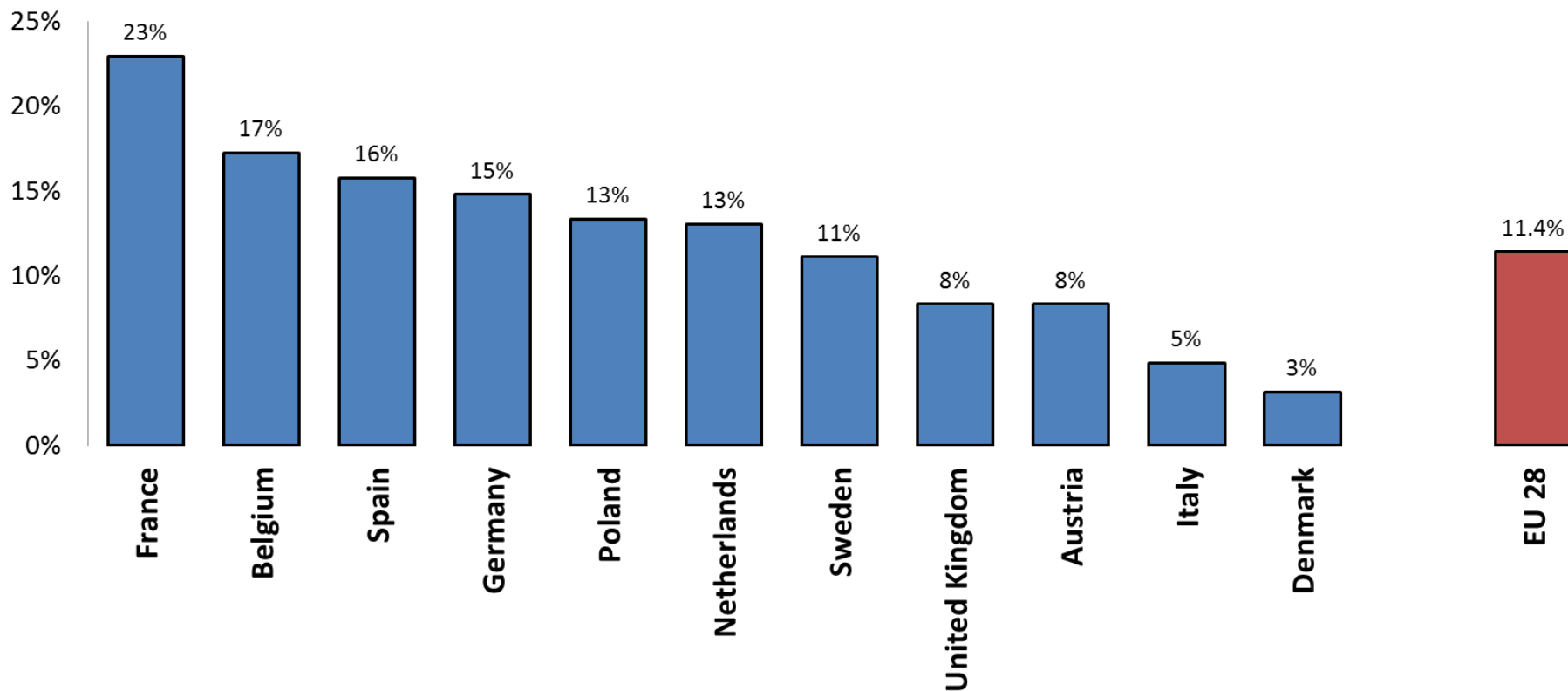
B. 64: Proportion of retailers in each Member State that have agreements containing marketplace restrictions

Relevance of Marketplaces



B. 55: Proportion of retailers using different sales channels for selling online

Territorial Sales Restrictions



B. 53: Retailers that have contractual restrictions to sell cross-border in at least one product category, by Member State

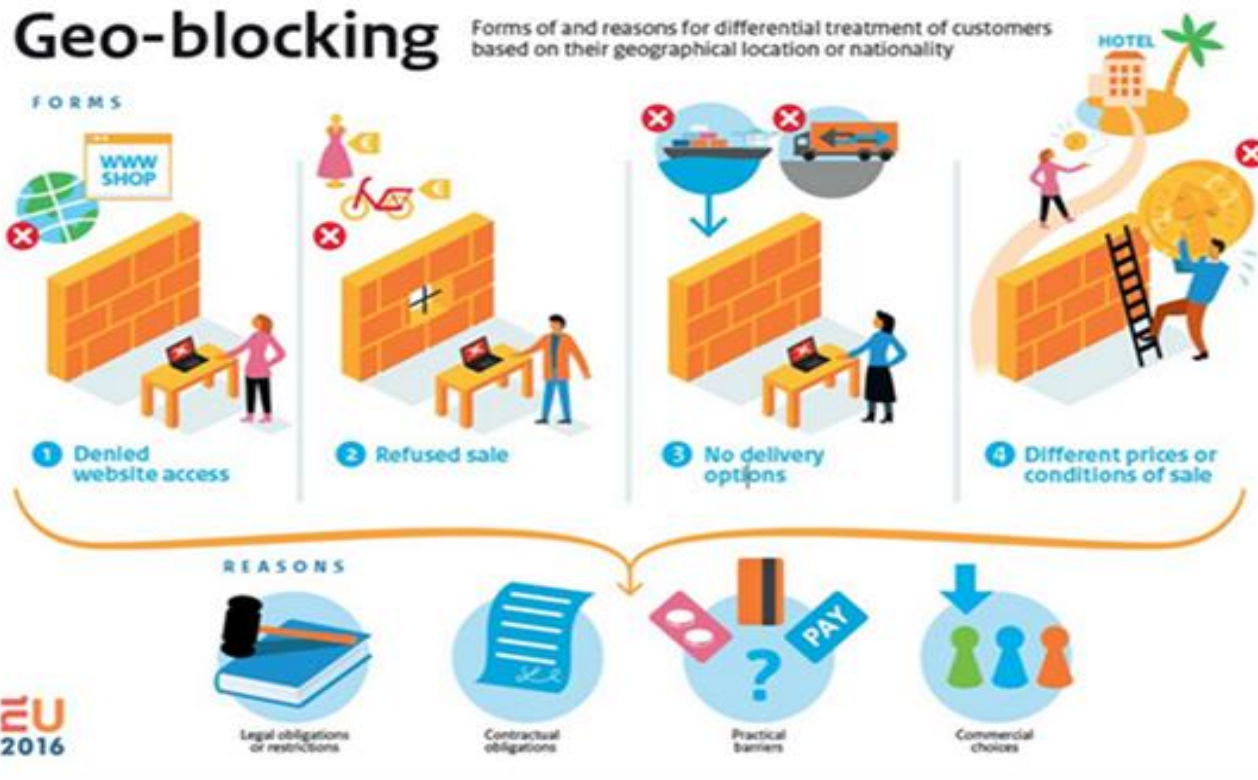
Geo-blocking

- Geo-blocking prevents users from accessing/purchasing consumer goods/digital content services online based on location/place of residence
- Geo-filtering refers to different terms (in particular prices) depending on the location/place of residence



European
Commission

How can geo-blocking take place?



EU
2016

Source: https://pbs.twimg.com/media/CbfRhExUkAAzx_m.png:large

Other Commission workstreams

- **Enforcement:** openings of proceedings in three cases (February 2017). Suspected conduct:
 - RPM / territorial restrictions in consumer electronics
 - Geo-blocking practices in the sales of PC videogames
 - Hotel price discrimination based on customers' nationality/ country of residence

- **Legislative** initiatives:
 - Portability regulation (adopted)
 - Geo-blocking regulation (ongoing)

Thank you!