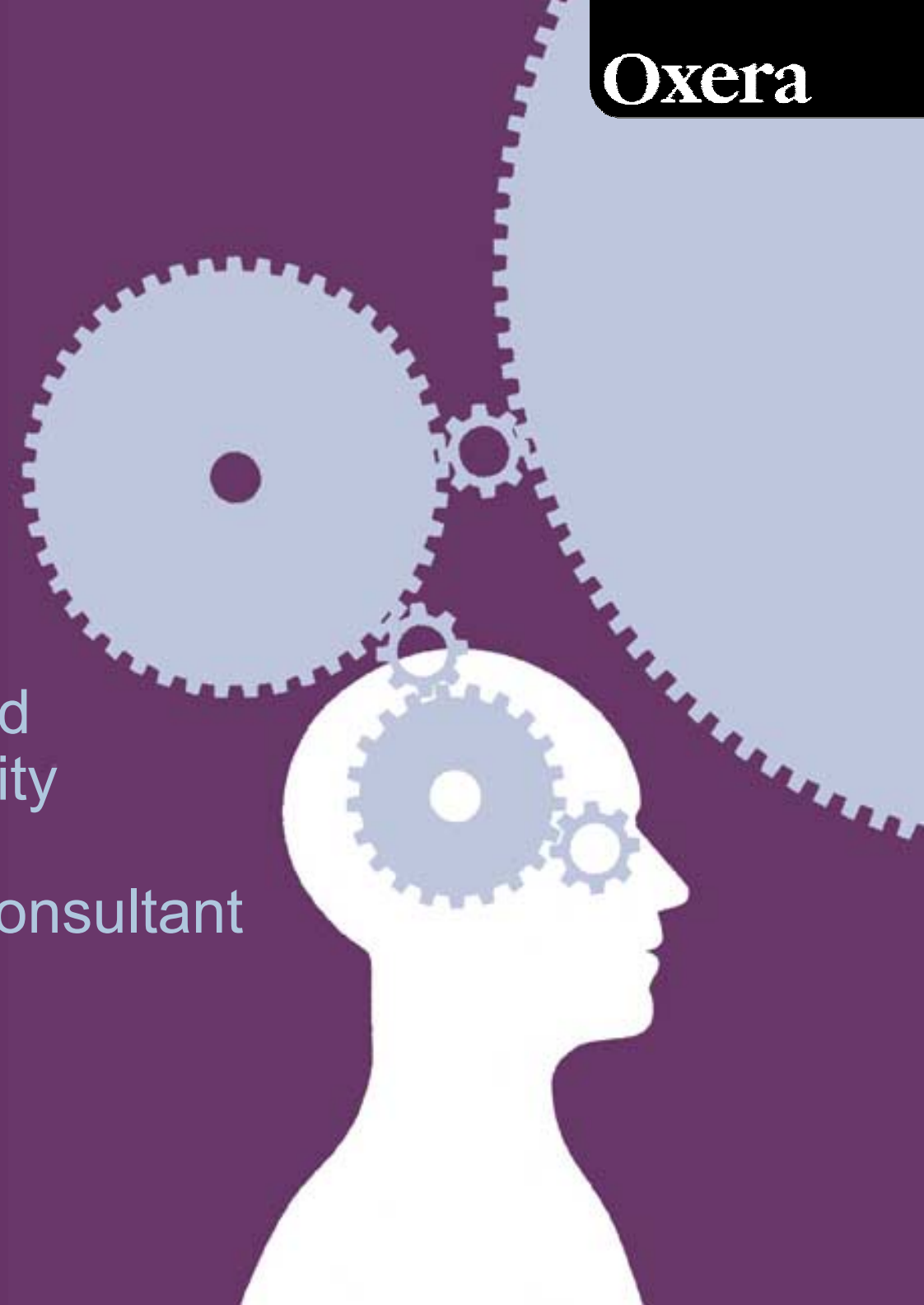


Analytical framework for the sector inquiry

Prepared for
the European Commission and
the EFTA Surveillance Authority

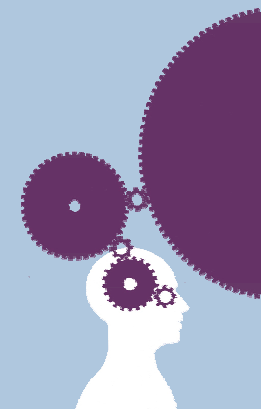
Dr Gunnar Niels, Managing Consultant

May 27th 2005



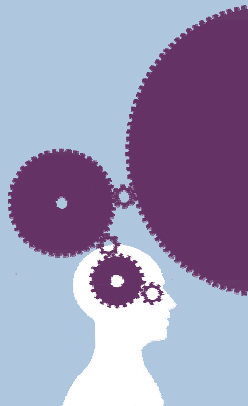
Outline

- framework to assess competition concerns
 -
- design of the questionnaire
- responses from market participants

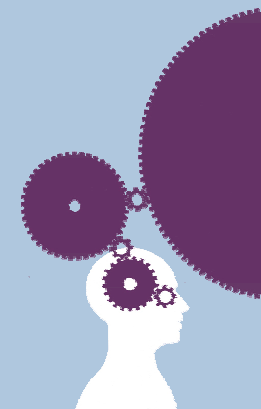
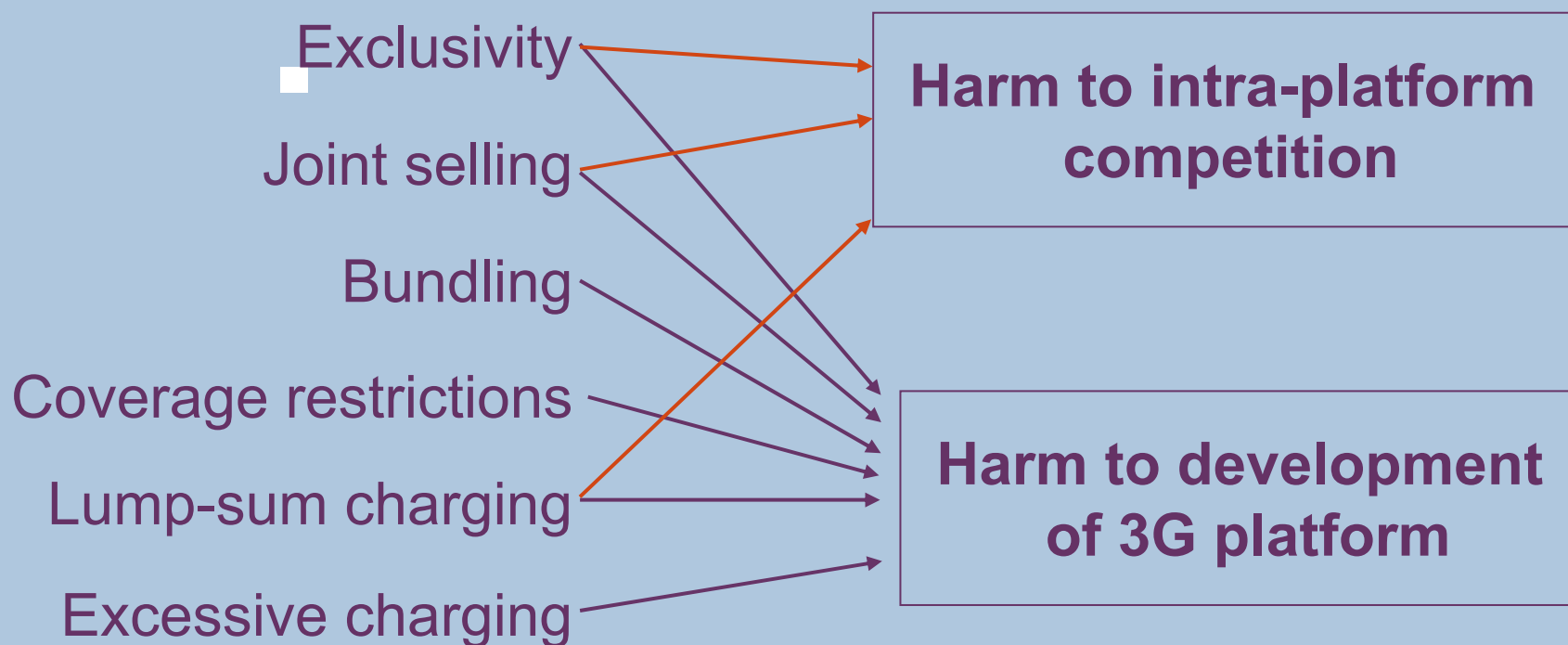


Objectives of the research

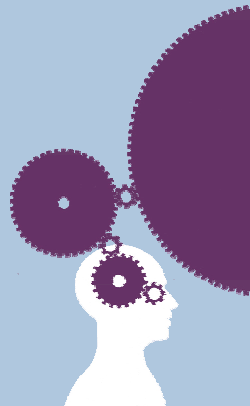
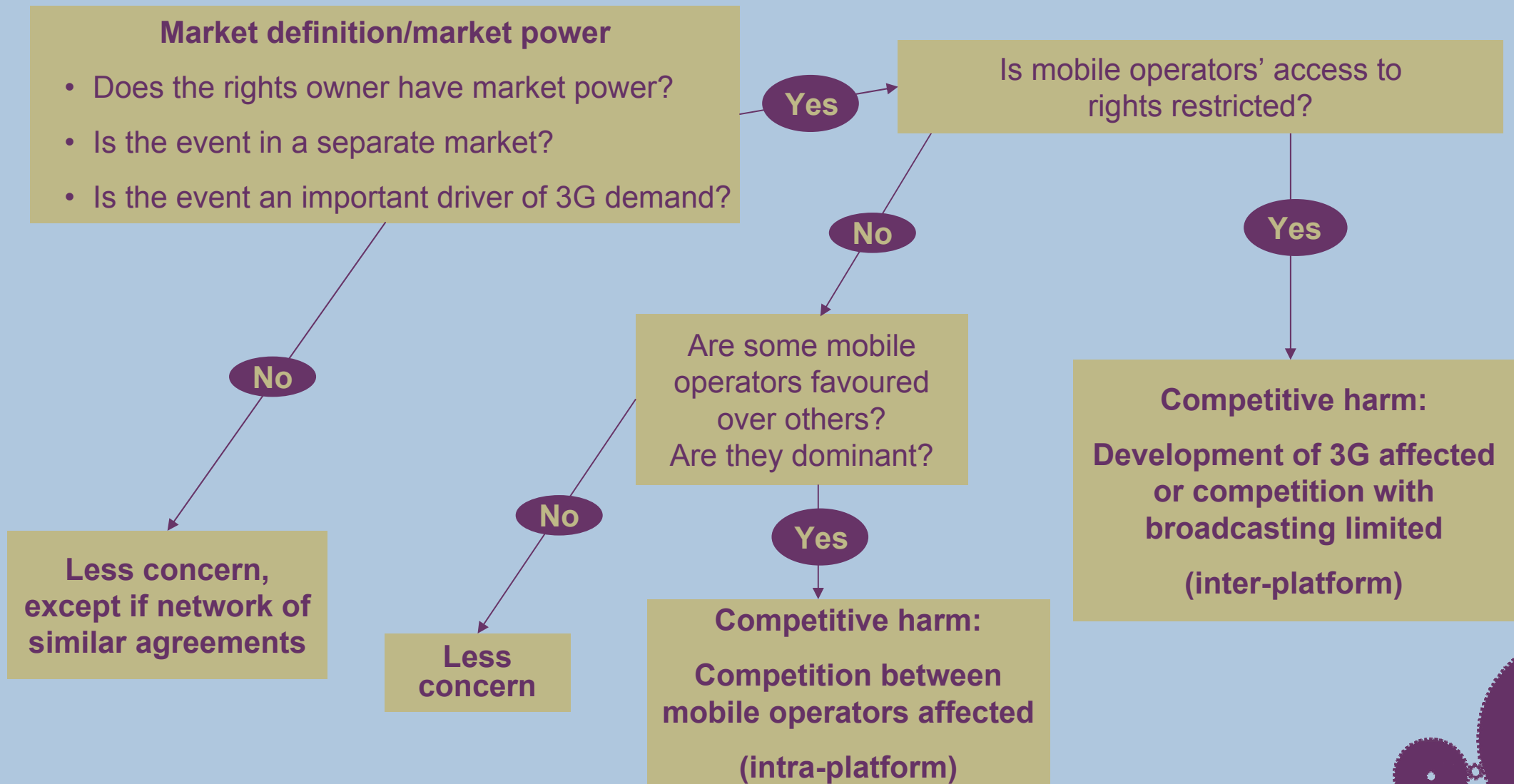
- obtain information from all relevant industry participants on market developments across 25 EU and 3 EFTA countries
- allow the Commission and the ESA to be proactive, raising awareness among industry
- allow the Commission and the ESA to systematically identify potential competition concerns



Potential competition concerns

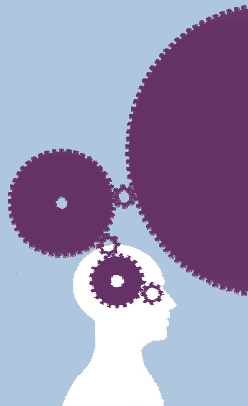


Framework for assessing these concerns



Use of a market questionnaire

- industry is primary source of information
- opportunity for market participants to present their views
 - many extensive responses
- no direct information from consumers
 - but some market participants are customers of others
 - consumer evidence limited due to novelty of service



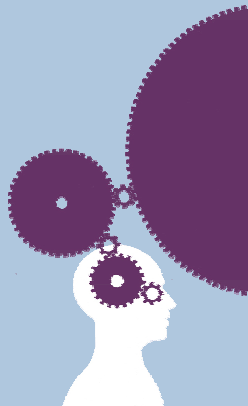
Phased approach to questionnaire

Phase 1

- 61 'larger' or 'more established' players
- focus on factual evidence on current practice

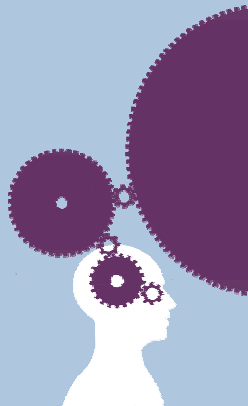
Phase 2

- more in-depth questions to phase 1 respondents
- a total of 227 respondents
- focus also on understanding commercial rationale behind current practice



Focus of the questions

- which sports were important
- which services compete with 3G services
- the factual situation
 - which rights are currently licensed, by whom, to whom and with what restrictions
- patterns of sub-licensing
- how the rights were packaged and licensed
 - eg, by platform, bundled, exclusively
- the motivations for how the rights were sold
- difficulties experienced by the mobile operators in accessing rights



Respondents

EU first round

Mobile operators	21
Rights owners	16
TV operators	9
Total	46

EU second round

Mobile operators	77
Rights owners	73
TV operators	53
Content aggregators	10
Total	213

EFTA first round

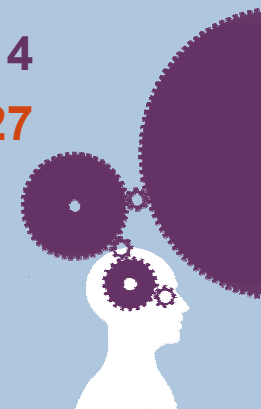
Mobile operators	7
Rights owners	4
TV operators	4
Total	15

EFTA second round

Mobile operators	5
Rights owners	4
TV operators	4
Content aggregators	1
Total	14

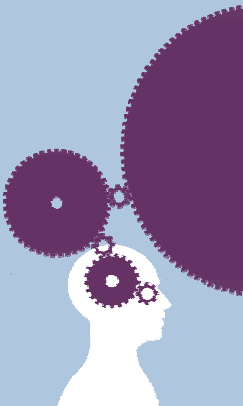
Total EU + EFTA 61

Total EU + EFTA 227



Conclusions

- market questionnaire is a useful tool for the first stage of sector inquiries
- extensive contributions from market participants
- questionnaire designed in line with analytical framework allows effective identification of potential competition concerns



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