

# ANTICIPATED ACQUISITION BY JUST EAT OF HUNGRYHOUSE

## Statement of issues

**9 June 2017**

### The reference

1. On 19 May 2017, the Competition and Markets Authority (CMA), in exercise of its duty under section 33(1) of the Enterprise Act 2002 (the Act), referred the anticipated acquisition by Just Eat plc (Just Eat) of Hungryhouse Holdings Limited (Hungryhouse) (altogether ‘the merger’) for further investigation and report by a group of CMA panel members (the inquiry group).
2. In exercise of its duty under section 36(1) of the Act, the CMA must decide:
  - (a) whether arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and
  - (b) if so, whether the creation of that situation may be expected to result in a substantial lessening of competition (SLC) within any market or markets in the UK for goods or services.
3. In this statement of issues, we set out the main issues we are likely to consider in reaching our decisions, having had regard to the evidence currently available to us including evidence set out in the CMA decision to refer the anticipated acquisition by Just Eat of Hungryhouse for further investigation (the phase 1 decision).<sup>1</sup> This does not preclude the consideration of any other issues that may be identified during the course of our investigation.
4. Throughout this document, where appropriate, we refer to Just Eat and Hungryhouse collectively as the Parties.

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<sup>1</sup> See the [full text of the decision](#) on the case page.

## Background

5. On 15 December 2016, Just Eat announced that it had agreed the acquisition of Hungryhouse from Delivery Hero Holding GmbH (Delivery Hero) for an initial consideration of £200 million.
6. Both companies operate online marketplaces that enable consumers to search for takeaway restaurants in a given postcode area and to carry out transactions with those restaurants. We refer to the Parties' products and related services<sup>2</sup> as online takeaway ordering aggregation platforms (OTO aggregation platforms). Under the Parties' business model, the restaurants are typically responsible for the delivery of the food to consumers and are charged a percentage commission on each transaction. Consumers are not charged by either Party, except for a card payment fee of 50p per transaction for payments made by credit or debit card, which is charged directly to consumers ordering from one of the chains that source delivery from Just Eat. As explained in its phase 1 decision, the CMA believes that Just Eat operates the largest OTO aggregation platform in the UK, and that Hungryhouse is its closest competitor.
7. The Parties operate in a relatively new but fast growing industry. In the three years to December 2016, the number of orders made through the Parties' platforms increased by a compound annual growth rate of 43%. In addition, industry commentators have observed increasing consumer demand for food delivery orders more generally, both from traditional takeaway restaurants and from restaurants which have, to date, only supplied food on site.<sup>3</sup>
8. Three companies, Roofoods Limited (through its website Deliveroo),<sup>4</sup> Uber (via its UberEATS service) and Amazon (via its Amazon Restaurants service), provide platforms that combine delivery services with OTO aggregation services. Although the cost of the delivery services is charged to consumers through a flat fee, it is also taken into account in the commission charged to restaurants. We refer to these companies' products and services as delivery/OTO aggregation platforms.<sup>5</sup>
9. Finally, a number of takeaway restaurant chains, such as Domino's, only allow customers to buy their products from their own websites.<sup>6</sup> Other chains,

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<sup>2</sup> Other services offered to restaurants may include: portals, driver management solutions, white-label websites/services, online store/shop, menu printing services, co-marketing campaigns and delivery services.

<sup>3</sup> Morgan Stanley research, 8 March, 2017.

<sup>4</sup> Thereafter referred to as Deliveroo.

<sup>5</sup> We use the term 'OTO platform' to include both OTO aggregation platforms as described in paragraph 6 and delivery/OTO aggregation platforms as described in paragraph 8.

<sup>6</sup> They do not, however, offer customers access to other takeaway restaurants.

for example Papa John's, and independent takeaway restaurants may sell their products both through an OTO platform and through their own website. We use the term 'direct ordering' to include any ordering from a restaurant directly, either through that restaurant's own website, telephone contact, or on the restaurant's premises.

## **Market definition**

10. The purpose of market definition is to provide a framework for the analysis of the competitive effects of the merger. When defining the market, the aim is to include the most significant competitive alternatives available to the customers of the merger firms. Although market definition is a useful analytical tool, it is not an end in itself, and identifying the relevant market(s) involves an element of judgement.<sup>7</sup> Furthermore, when considering the competitive effects of the merger, we will also take into account constraints from outside the defined market.

## **Product market**

11. The CMA considered in its phase 1 decision that the relevant product frame of reference was for both the supply of OTO aggregation platforms and delivery/OTO aggregation platforms (ie for OTO platforms). More detail can be found in paragraphs 67 to 75 of the phase 1 decision.
12. The CMA's Merger Assessment Guidelines consider platforms to be two-sided products that intermediate between distinct and unrelated groups of customers. For these products, the implementation of the hypothetical monopolist test may be more complicated.<sup>8</sup> Competition between multi-sided platforms presents certain characteristics which drive both the assessment of the competitive effects of the merger and the product market definition. We explain how we will approach our investigation of the nature of competition in paragraphs 25 to 37 below.
13. In order to define the product market, we will consider substitutes for the Parties' OTO aggregation platforms, in relation to both types of customers that these platforms serve, ie takeaway restaurants on the one side and consumers of takeaway meals on the other. We will first carry out this analysis for each side of the platform, before examining interactions between

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<sup>7</sup> [Merger Assessment Guidelines](#), paragraphs 5.2.1 and 5.2.2.

<sup>8</sup> See [Merger Assessment Guidelines](#), paragraph 5.2.20. These reasons are that (i) there is no single price to both sets of customers to which to apply a small but significant and non-transitory increase in price (SSNIP); (ii) the effect of a SSNIP on the demand of one set of customers may be exacerbated by indirect network effects; and (iii) the constraints on the merger firms' products may come not only from other two-sided intermediaries but also from 'one-sided' firms serving one set of customers.

restaurants and consumers and the implications of such interactions for the boundaries of the relevant product market.

14. The narrowest possible product market in this case is the supply of OTO aggregation platforms. As set out in paragraphs 67 and 71 of the phase 1 decision, the Parties submitted that the appropriate product frame of reference should be wider. Other possible substitutes that we will be considering, as being potentially relevant to market definition and hence the impact of the anticipated merger on competition, include:
  - (a) delivery/OTO aggregation platforms (namely Deliveroo, UberEATS and Amazon Restaurants);
  - (b) direct ordering through the websites of chains and takeaway restaurants (whether they also have a presence on an OTO platform or not); and
  - (c) other forms of direct ordering from takeaway restaurants, for example by telephone.

### ***Geographic market***

15. Just Eat submitted that it would be appropriate to define the market as UK-wide in scope. The Parties noted that, to the extent that consumers have different choices in different regional areas, these variations should be taken into account in the analysis of competitive effects, rather than in defining the market.
16. The evidence received to date from third parties, the marketing activities of the parties and internal documents, however, indicate that, while the Parties' OTO aggregation platforms operate nationally, there are local elements to competition.
17. On the consumer side, a number of factors point towards the need to take account of differences in the likely effects of the merger at the local level, including:
  - (a) consumers' preferences for restaurants that are capable of delivering to their home address within a short timescale;
  - (b) variations in the relative strength of the Parties, with Hungryhouse being much smaller than Just Eat (in terms of restaurant numbers and order volumes) in some local areas;
  - (c) the presence of Deliveroo, UberEATS and Amazon Restaurants in some areas, but not in others;

- (d) the Parties' ability to target discounts or vouchers at consumers in different local areas; and
  - (e) non-national marketing activities, for example, out-of-home advertising in London.
- 18. On the restaurant side, again there are a number of reasons for considering the scope for local effects in our analysis, in particular:
  - (a) variations in the relative strength of the Parties, as above, which may make them more or less close substitutes in some areas;
  - (b) the presence of other OTO platforms, as above, although we note that these may not be an option for many restaurants in the near future; and
  - (c) Hungryhouse already targeting specific restaurants (which may well be those that are important or, in a sense, 'must have' in an area) with lower commission rates or sign-up fees<sup>9</sup> in some specific areas.
- 19. The above factors and the fact that new suppliers, such as Deliveroo and UberEATS, have been rolling out their services in targeted 'population centres', which may be the centres of large cities or entire towns, indicate that in principle it may be possible to capture differences in the likely effects of the merger by focusing the analysis of competitive conditions in such 'population centres'. However, in practice, defining 'population centres' would involve grouping postcode districts without easily defined rules for doing so, particularly with regard to suburbs of larger cities and rural areas. This would be more complex than defining catchment areas based on estimates of average travel times or distances from a physical facility.
- 20. Instead, our analysis will have regard to the factors identified in paragraphs 18 and 19 above, and is likely to distinguish between types of local areas where the impact of the merger on competition is likely to differ, rather than involving a detailed competitive assessment in relation to specific local areas. In particular, we are likely to distinguish between local areas, by taking into account whether:
  - (a) Hungryhouse and Just Eat are similar in size (in terms of restaurant numbers and/or order volumes);
  - (b) Just Eat is much stronger than Hungryhouse; and

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<sup>9</sup> One-off fee charged to list the restaurant on an OTO platform.

- (c) both Parties and other OTO platforms, in particular, Deliveroo and UberEATS, are present.

## **Assessment of the competitive effects of the merger**

### ***Counterfactual***

21. We will assess the potential effects of the merger on competition compared with the competitive conditions in the counterfactual situation (ie the competitive situation that would be likely to prevail absent the merger).
22. In making our assessment of the counterfactual, we will consider possible alternative scenarios and decide upon the most likely counterfactual situation based on the facts available to us and the extent to which events or circumstances and their consequences are foreseeable. We will examine a range of evidence and analysis, including:
- (a) Hungryhouse's business model and cost structure;
  - (b) its past performance and forecasts;
  - (c) the operational drivers of the business and actions taken by the Hungryhouse management team to grow the business;
  - (d) the wider context in which Delivery Hero took the decision to divest Hungryhouse; and
  - (e) evidence on the sales process and other similar transactions.
23. In reaching a view, we will attach significant weight to, among other things, contemporaneous evidence, including board documents, analysis and email exchanges.
24. We recognise that Hungryhouse and Just Eat operate in a relatively new industry experiencing significant growth (as explained in paragraph 7) and that their business models and those of their competitors may change in the future. We will seek to take this into account, in so far as such changes may be foreseeable based on the evidence available. This may include the following considerations:
- (a) The role of delivery services and extent to which they may become a necessary element of all OTO platforms' offerings; and
  - (b) The way in which the business models of OTO aggregation and delivery/OTO aggregation platforms may evolve.

## ***Nature of competition***

25. As explained in the phase 1 decision, an OTO platform provider needs to attract two types of customers: takeaway restaurants and consumers. The nature of such a platform may therefore be characterised by indirect network effects, as the utility (or value) that customers on one side derive from the platform may depend on the number (and/or variety) of customers on the other side. This can generate feedback loops between them.
26. When considering the nature of competition and the effects of the merger, we will seek to understand whether and if so to what extent, the interlinked demand between the two customer groups, ie restaurants and consumers, affects competition. This will depend on the strength of indirect network effects, and there should be no presumption that indirect network effects are strong in relation to OTO platforms, nor that the indirect network effects are equally strong in both directions (ie it is possible that restaurants gain more value from high numbers of consumers being on a platform than consumers do from high numbers of restaurants). This is something that we will seek to establish using a range of evidence and analysis.
27. We will adopt a pragmatic approach to this assessment, first considering competitive constraints on each side of the platform separately and then capturing and factoring in indirect network effects, to the extent that they are material to the behaviour of OTO platform providers. In particular, we will consider the strength of feedback loops in order to examine whether market power on one side of the platform exacerbates market power on the other side or whether competition from one side might constrain the OTO platform supplier's behaviour on the other.
28. The starting point for our assessment will be to seek evidence on the behaviour of customers on each side of the platform, and in particular the extent of single-homing and multi-homing, as this can provide an indicator of a platform's likely market power on each side.
29. When more than one platform is available, customers can decide to either single-home or multi-home.<sup>10</sup> Typically, a high proportion of single-homing customers on one side of the platform is a source of market power for the

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<sup>10</sup> Customers (restaurants or consumers) are described as 'single-homing' when they only use one platform, whereas 'multi-homing' refers to customers using more than one platform. In this context, we consider that restaurants are multi-homing when they are listed on more than one platform. On the consumer side, a consumer may have an account with more than one platform, but this may not necessarily be an example of multi-homing. A consumer may have access to more than one platform, but may use them for different purposes. Strictly speaking, multi-homing on the consumer side only occurs if a consumer uses more than one platform in making a purchasing decision, for example searching for restaurants on two platforms and then deciding which one to order through.

platform operator on the other side, as the platform becomes the only way to access these customers. Platforms therefore have an incentive to try to push customers on one side towards single-homing.

30. The single- or multi-homing behaviour of customers on either side of the platform has implications on how competition takes place, as summarised in Table 1 below.

**Table 1: Single- and multi-homing and the effect on platform competition**

Consumers	Restaurants	
	Single-homing	Multi-homing
<b>Single-homing</b>	Platforms compete on the consumer side and on the restaurant side – ‘competition for the market’	Platforms compete on the consumer side; platforms have market power on the restaurant side
<b>Multi-homing</b>	Platforms compete on the restaurant side; platforms have market power on the consumer side	Platforms may try to push restaurants (or consumers) towards single-homing

31. The degree of multi-homing versus single-homing on both sides of the market also has implications for the strength of any indirect network effects and the likelihood of demand ‘tipping’ towards one platform or another, ie resulting in one platform establishing and maintaining a particularly high market share.
32. Finally, the two-sided nature of an OTO platform has implications for the overall profitability of the operator across both sides of the platform: first, in terms of the scale at which it is profitable to operate an OTO aggregation platform; and, second, in terms of how demand on one side of the platform reacts to the operators’ actions targeted at services on the other side of the platform.
33. We set out below the types of questions we will seek to answer on consumer behaviour, restaurant behaviour and feedback loops between the two customer groups.

*Consumer side*

34. On the consumer side, we will seek to understand the range of ‘consumer journeys’ that lead to the purchase of a given meal from a given restaurant on a given OTO platform by investigating and collating information on the various ways in which different consumers behave, in particular:
- (a) what channels they use to order online takeaways and how frequently;
  - (b) whether and how consumers’ behaviour varies depending on the way they access a platform (for example, website vs app);



- (c) if, and to what extent, local OTO platform competition exists from the consumer perspective;
- (d) the extent to which consumers know in advance the type of food or the restaurant they are going to order from when using an online platform;
- (e) whether and if so, the extent to which, for a given purchasing decision, consumers compare restaurant offerings on more than one OTO platform;
- (f) whether and if so, the extent to which customers view direct ordering (either on a restaurant website or on the phone) as an alternative to using an OTO platform; and
- (g) whether consumers can be segmented (for example, based on socio-demographic characteristics).

#### *Restaurant side*

35. On the restaurant side, we will seek to understand restaurants' behaviour and incentives, in particular:
- (a) what makes an OTO aggregation platform attractive to a restaurant;
  - (b) what are the relative costs of multi-homing and benefits of reaching additional customers, ie whether restaurants have an incentive to multi-home;
  - (c) restaurants' share of orders derived from OTO platforms and the role of OTO platforms in widening restaurants' customer base;
  - (d) restaurants' ability to divert consumers and sales from OTO platforms to direct ordering;
  - (e) restaurants' willingness to outsource delivery services to a delivery/OTO aggregation platform, particularly if they currently carry out such services themselves; and
  - (f) the ability of restaurants to pass on a price increase imposed by an OTO platform to customers, particularly where most-favoured-nation clauses are in place (ie when restaurants are not allowed to charge lower prices on direct orders than on orders received through the OTO platform).

#### *Feedback loop*

36. To assess the strength and impact of indirect network externalities and feedback loops, we will consider how sensitive restaurants and consumers

are to changes in relative prices. The stronger the reaction to a change in price, the greater the impact of the feedback loop. We will also examine the responsiveness of demand on one side to participation rates on the other side. This will provide an indication of how a response on one side of the OTO aggregation platform to a change in price will affect demand on the other side of the OTO aggregation platform.

37. We will seek evidence on consumers' responses to a change on the restaurant side of the OTO platform, for example how they would react if a specific restaurant which they have ordered from were no longer available on the platform, for example whether they would choose another restaurant or order from the original restaurant directly.

### ***Theories of harm***

38. Theories of harm describe the possible ways in which an SLC could arise as a result of the merger and provide the framework for our analysis of the competitive effects of the merger. We have set out below the theories of harm which we are currently minded to investigate. However, we may revise our theories of harm as our inquiry progresses. Also, the identification of a theory of harm does not preclude an SLC being identified on another basis following further work by us, or the receipt of additional evidence. We welcome views on all the theories of harm set out below.
39. Our analysis will focus on each side of the platform separately before considering the links between the two.

### ***Loss of competition in the supply of OTO aggregation platforms to restaurants***

40. The concern under this theory of harm is that, as a result of the merger, Just Eat would have the incentive and ability to increase commissions or other fees to restaurants or otherwise worsen other elements of its offering, as compared with its and Hungryhouse's pre-merger offerings.
41. In general, for this theory of harm to hold, two conditions need to be met:
  - (a) the merging firms are close competitors (ie they are considered to be good alternatives by customers); and
  - (b) other suppliers cannot replicate the competitive constraint that the merging firms exert on one another.
42. The evidence set out in the phase 1 decision indicated that the Parties were likely to be the closest competitors for the following reasons:

- (a) They have similar business models involving a sign-up fee and commission rates charged to restaurants, which typically provide delivery services to consumers themselves.
  - (b) They charge similar commission rates to restaurants.
  - (c) There are significant overlaps between their customer bases, both in terms of the types of restaurants they have signed up and geographic coverage.
- 43. We will seek further evidence on the closeness of competition between the Parties' OTO aggregation platforms, and in particular:
  - (a) the extent to which the Parties take each other's actions into account in making business decisions or target each other's restaurant customers;
  - (b) the extent to which restaurants perceive them as alternatives; and
  - (c) the impact of any changes in the offering of one of the two merging parties on the customer base of the other, and in particular on growth.
- 44. The evidence received during the phase 1 investigation indicated that the constraint exerted by other suppliers may be significantly weaker. For instance, in terms of geographic coverage, while Deliveroo is the leading delivery/OTO aggregation platform, the internal documents submitted by Just Eat indicate that it considers Deliveroo's offering to be geographically differentiated from its own. UberEATS and Amazon Restaurants' geographic coverages are currently extremely limited. Overall, in nearly 70% of the postcode districts where both Parties operate, none of Deliveroo, UberEATS and Amazon Restaurants is present.
- 45. In order to understand better the nature and extent of competition between the Parties' OTO aggregation platforms and delivery/OTO aggregation platforms, we will commission a telephone survey of restaurants and examine other type of evidence, seeking to establish:
  - (a) the extent to which restaurants consider delivery/OTO aggregation platforms as alternatives to the Parties' aggregation platforms;
  - (b) the extent to which restaurants listed on the Parties' aggregation platforms switch to, or multi-home with, delivery/OTO aggregation platforms; and
  - (c) the extent to which the Parties take the actions of delivery/OTO aggregation platforms into account in making business decisions or targeting restaurant customers.

46. Finally, Just Eat's post-merger incentive to worsen the conditions offered to restaurants might also depend on whether restaurants' ability to divert consumers to direct ordering is a material source of constraint on its behaviour. In considering the importance of platforms as compared with direct orders, we note that looking at simple shares of orders coming through the Parties' platforms at the restaurant level may:
- (a) understate the importance of the platform, if it is an important means by which restaurants attract new customers, who are then migrated to direct ordering for subsequent orders; or
  - (b) overstate the importance of the platform, if a proportion of the consumers ordering through it would have ordered directly if the restaurant had not been on the platform.
47. The Parties have argued that, at the aggregate level, telephone orders are more important for restaurants than orders received via OTO platforms. The data they are relying on, however, may not be representative of the consumer population that is ordering through the Parties' platforms.
48. We will therefore seek to obtain data via a telephone survey of restaurants and an online survey of consumers on:
- (a) the relative importance of OTO aggregation platforms and direct orders for restaurants and the extent to which the two channels are considered to be substitutes; and
  - (b) the extent to which consumers would divert to direct ordering if a restaurant were not present on the OTO aggregation platform(s) they use.

*Loss of competition in the supply of OTO aggregation platforms to consumers*

49. The removal of one Party as a competitor could provide an incentive for the merged entity to deteriorate elements of its competitive offering in the UK. These could include:
- (a) an increase in the price paid by consumers, whether directly through a price rise or through increased transaction fees, or indirectly through a removal of discounts and vouchers offered to consumers; and/or
  - (b) a reduction in platform functionality and user experience, including, for example, the types of payment methods accepted; the ability to track orders; the number and range of local restaurants listed on the platform, etc.

50. The evidence that we have seen so far implies that the Parties may be close competitors on the consumers' side, given that:
  - (a) they offer access to a similar set of restaurants, as demonstrated by the significant restaurant and geographical overlap; and
  - (b) they provide a very similar service and consumer experience.
51. Assessing the closeness of competition between the Parties requires determining the extent to which they serve or target the same consumers and how similar consumers consider the Parties' propositions to be.
52. During the phase 1 investigation, the Parties submitted an econometric analysis implying that delivery/OTO aggregation platforms, together with Domino's, impose a constraint on Just Eat on the consumer side. In order to assess the strength of this constraint, however, we need to gather information on the extent to which consumers consider delivery/OTO aggregation platforms as substitutes for OTO aggregation platforms.
53. Finally, if consumers consider that ordering directly from a restaurant is a close alternative to using the Parties' OTO aggregation platforms, the scope for harm to consumers as a result of the merger would be reduced. This is because a reduction in the functionality of Just Eat's platform or in the quality of service may induce customers to use the platform less frequently, thus decreasing the parties' profits.
54. In this respect, we note that simply observing the shares of orders made through the Parties' platforms or placed directly to restaurants may:
  - (a) understate the importance of the platform, if it is an important means by which consumers search for restaurants and find out what options are available before ordering directly from the restaurant, either through its website or by telephoning it; or
  - (b) overstate the importance of the platform, if a proportion of the consumers ordering through it would have ordered directly if the restaurant had not been listed on the platform or if the platform had not been available.
55. The Parties have argued that, at an aggregate level, telephone ordering is still more common than the use of online platforms. In the course of the phase 1 investigation, however, we received evidence of a steady increase in online ordering and a corresponding decline of orders placed by telephone. Moreover, online ordering is more common than telephone ordering among younger customers, suggesting that this trend towards online ordering is likely to continue.

56. To assess the closeness of competition between the Parties, and the constraints imposed by delivery/OTO aggregation platforms and by direct ordering on the Parties' OTO aggregation platforms, we will seek to use the following sources of evidence:
- (a) An online survey of consumers, which we are commissioning and which will allow us to estimate the diversion ratios to other platforms and direct ordering under different scenarios (for example, the absence from the platform of the restaurant a customer ordered from, or the unavailability of the platform).
  - (b) Data on consumer online behaviour (for example, data on the terms searched before and after visiting a platform's website, or data on consumers' behaviour on the parties' platforms).
  - (c) A quantitative analysis of the Parties' and other relevant suppliers' sales data to assess the relationship between each Party's order volume at the local level and (i) the presence of restaurants listed on the other Party's platform; and (ii) the presence of delivery/OTO aggregation platforms.

*Implications of feedback loops between the two sides of OTO aggregation platforms*

57. To assess the strength and impact of indirect network effects and feedback loops, we will seek to use the following sources of evidence:
- (a) Internal documents.
  - (b) Our surveys of restaurants and consumers.

**Countervailing factors**

58. We will consider whether there are countervailing factors which are likely to prevent or mitigate any SLC that we may find. In particular, we intend to consider entry and expansion as well as efficiencies resulting from the merger.
59. Given that the customers of the Parties are, on one side of the platform, consumers and, on the other side, mainly independent takeaway restaurants, many of which may not have access to platforms other than those of the Parties, due to the geographic coverage and business models of the other OTO platforms, our preliminary view is that buyer power is unlikely to be a relevant factor for us to examine in this case.

## ***Entry and expansion***

60. We will consider whether entry or expansion by competitors could be expected to be timely, likely and sufficient to prevent any SLC that might otherwise arise. In doing so, we will draw on a range of evidence including the two surveys that we are commissioning. We will also consider the business models of market participants and any barriers that might exist to entry or expansion, having regard to the history of entry and expansion in the supply of OTO platforms<sup>11</sup> to date and any evidence relating to likely further developments. In particular, we will seek to understand:
- (a) the horizon over which OTO platforms are able to plan and anticipate developments;
  - (b) the scale at which it is profitable to operate an OTO platform;
  - (c) the expansion plans of OTO platforms, both geographically and in terms of the types of customers they expect to target in the future;
  - (d) how the business models of different industry participants may evolve; and
  - (e) the implications of the above for the likely evolution of competition between the Parties and other OTO platforms.

## ***Efficiencies***

61. We will examine any submissions made in relation to efficiencies arising from the merger. In particular, we will examine whether any potential efficiencies are rivalry-enhancing and could be expected to offset any loss of competition.

## **Possible remedies and relevant customer benefits**

62. Should we provisionally conclude that the merger may be expected to result in an SLC in one or more markets, we will consider whether, and if so what, remedies might be appropriate, and will issue a further statement.
63. In any consideration of possible remedies, we will take into account whether any relevant customer benefits might be expected to arise as a result of the merger and, if so, what these benefits are likely to be and which customers would benefit.

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<sup>11</sup> ie OTO aggregation platforms and OTO delivery/aggregation platforms.

## Responses to the issues statement

64. Any party wishing to respond to this statement of issues should do so in writing, by no later than **5pm on 23 June 2017**. Please email [JustEat.Hungryhouse@cma.gsi.gov.uk](mailto:JustEat.Hungryhouse@cma.gsi.gov.uk) or write to:

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Just Eat/Hungryhouse merger inquiry  
Competition and Markets Authority  
Victoria House  
Southampton Row  
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WC1B 4AD