

PUBLIC VERSION

**NOTICE SEEKING CLEARANCE OF A BUSINESS ACQUISITION PURSUANT TO SECTION 66 OF
THE COMMERCE ACT 1986**

11 July 2017

The Registrar
Business Acquisitions and Authorisations
Commerce Commission
PO Box 2351
WELLINGTON

Pursuant to s 66(1) of the Commerce Act 1986 notice is hereby given seeking **clearance** of a proposed business acquisition.

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1. EXECUTIVE SUMMARY

- 1.1 Trade Me Limited ("**Trade Me**") seeks clearance to acquire, either directly or indirectly, 100% of the shares in Limelight Software Limited ("**Limelight**"), trading as Motorcentral ("**Motorcentral**") (the "**Acquisition**").
- 1.2 Trade Me's rationale for the Acquisition is to acquire a highly complementary software / technology business in an adjacent segment that aligns with Trade Me's core purpose of connecting parties and transactions.
- 1.3 Trade Me intends to continue to operate Motorcentral initially as a separate legal entity, and then as a standalone business unit, so that Motorcentral can continue to focus on its current growth strategy. In time, Trade Me will seek to combine its expertise with Motorcentral's in order to deliver more data rich, more targeted, and better offerings to motor vehicle dealers, including by providing better and more user-friendly information to motor vehicle dealers on advertising return on investment ("**ROI**") so that they can make more informed decisions about their advertising expenditure. The Acquisition will enable Trade Me to communicate advertising ROI to motor vehicle dealers more efficiently - including in order to better compete with Google and Facebook (which both currently provide ROI information to motor vehicle dealers).
- 1.4 Trade Me is confident that the Acquisition does not give rise to any competition concerns in respect of any part of either Trade Me's or Motorcentral's business. In particular:
 - (a) There is no material horizontal overlap between Trade Me and Motorcentral in the provision of motor vehicle advertising services;
 - (b) There is no material horizontal overlap between Trade Me and Motorcentral in the provision of dealer management system ("**DMS**") software, with Trade Me's DealerBase system being a free inventory aggregator that largely enables uploading to Trade Me Motors (ie it is not a full-function DMS), and is not a product that Trade Me markets to motor vehicle dealers as a DMS alternative;
 - (c) There is no material horizontal overlap between Trade Me and Motorcentral in the creation and provision of vehicle information reports (Motorcentral's DMS simply integrates with a third party provider – CarJam Online Ltd ("**CarJam**")); and
 - (d) There are no concerns as a result of vertical integration. In particular:
 - (i) Motorcentral operates in a highly competitive market with a number of competitors, and low barriers to entry and expansion;
 - (ii) other advertising providers will still be able to receive vehicle listing uploads directly from Motorcentral; and, in any event, there are number of alternative ways to receive dealer listing information (including website scraping, uploading of Excel / CSV files, manual uploading, etc) and a number of alternative ways to communicate ROI information to dealers (including via their own websites / media (as Google and Facebook do), and via other DMSs);

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- (iii) Trade Me will still have strong commercial incentives to receive listings from all other DMSs; otherwise that advertising revenue would simply be lost to competitors such as Google, Facebook, Autotrader, Driven, newspapers (which often offer bundles of print and online advertising), and other advertising providers. Trade Me will have strong commercial incentives to provide its ROI information to all dealers (irrespective of the DMS they use) in order to market the effectiveness of Trade Me advertising; and
- (iv) integration with a DMS is not material to the extent of competition in the provision of vehicle information reports.

As a result, Trade Me will have no ability, or incentive, to use its ownership of Motorcentral to lessen competition in the provision of motor vehicle advertising services, DMSs, vehicle information reports, or any other service. Any attempt to do so would harm the Motorcentral business, and undermine Trade Me's rationale for the Acquisition.

- 1.5 Accordingly, the Acquisition delivers a number of pro-competitive outcomes, such as providing better ROI information to motor vehicle dealers to enhance advertising expenditure efficiency and competition, without any detrimental impact on competition in any market.

TRANSACTION AND PARTY DETAILS

2. THE APPLICANT

Trade Me Limited

- 2.1 This notice seeking clearance is given by Trade Me Limited:

Trade Me Limited
Level 5
2 Market Lane
Wellington 6011

- 2.2 The contact person for Trade Me is:

Sarah Hard
Company Secretary
Trade Me Group Limited
Telephone: + 64 4 803 2676
Mobile: + 64 27 291 3035
Email: sarah.hard@trademe.co.nz

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2.3 All correspondence and notices in respect of the application should be directed at the first instance to:

Russell McVeagh
PO Box 8
Auckland 1140

Attention: Troy Pilkington (Partner) / Hannah Loke (Solicitor)
Telephone: 09 367 8108 / 09 367 8026
Email: troy.pilkington@russellmcveagh.com /
hannah.loke@russellmcveagh.com

2.4 Trade Me is a wholly-owned subsidiary of Trade Me Group Ltd, which itself is listed on the NZX.

2.5 Trade Me is an online marketplace and classified advertising platform, based in New Zealand. Relevant to the Acquisition, Trade Me operates the "Trade Me Motors" business division, which includes:

- (a) Trade Me Motors' provision of online vehicle classified advertising – for both motor vehicle dealers and private sellers (see: <http://www.trademe.co.nz/motors>);
- (b) AutoBase, which is an online vehicle classified advertising website that carries listings from motor vehicle dealers (see: <http://www.autobase.co.nz/>);¹
- (c) DealerBase, which is aggregator software for motor vehicle dealers to load and manage their inventory listings on Trade Me Motors and AutoBase; and
- (d) MotorWeb, which is an online business that packages and sells motor vehicle information and reports predominantly to finance companies, insurers, car dealers and the general public, as well as to vehicle parts shops [] and vehicle repairers, amongst others.²

¹ Trade Me acquired AutoBase in 2012. See: "Trade Me purchases AutoBase" (30 April 2012) Trade Me. Accessible at: <http://investors.trademe.co.nz/news/media-releases/2012/trade-me-purchases-autobase/>.

² Trade Me acquired MotorWeb in 2013. See: "Trade Me purchases vehicle data experts MotorWeb" (12 December 2013) Trade Me. Accessible at: <http://investors.trademe.co.nz/news/media-releases/2013/trade-me-purchases-vehicle-data-experts-motorweb/>.

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- 2.6 A list of Trade Me Motor's top ten motor vehicle dealer advertising customers by revenue is set out in Figure 1 below.

Figure 1 – Trade Me Motor's top ten motor vehicle dealer advertising customers by revenue³

[]⁴

3. THE VENDORS

The shareholders of Limelight Software Limited

- 3.1 The other parties to the Acquisition are the shareholders in Limelight, trading as Motorcentral, namely (directly or indirectly): Shane Mathew Breckon, Memphis Trust,⁵ Mark Anthony Greenfield, Gregory James Bardsley, Adam Charles Marshall, and Peter William Knight.

- 3.2 The contact details for the shareholders of Limelight are:

Mena Eskander

Limelight Software
Level 2
12 Hazeldean Road
Hazeldean Business Park
Addington
Christchurch 8024

PO Box 8444
Riccarton
Christchurch 8440
mena@motorcentral.co.nz

- 3.3 All correspondence and notices in respect of the application should be directed at the first instance to:

Webb Henderson
PO Box 105-426
Auckland 1143

Attention: Michael Gartshore
Telephone: + 64 21 792 4109
Email: michael.gartshore@webbhenderson.com

- 3.4 Limelight, trading as Motorcentral, supplies software and websites to motor vehicle dealers (see: <https://www.motorcentral.co.nz/motorcentral-dms>).

³ NB: Trade Me's financial year end is 30 June.

⁴ []

⁵ A trust linked to Motorcentral founder and current employee Mena Eskander.

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3.5 Motorcentral's primary business is the provision of DMS software. Motorcentral's DMS includes the following functionality:

- (a) Inventory management, including transaction (inventory purchasing / sales) management, automated creation of vehicle descriptions, downloading of vehicle data from import companies;
- (b) Customer Relationship Management ("**CRM**"), including lead tracking, scheduling tasks and reminders, automated follow-up letters / emails – see: <https://www.motorcentral.co.nz/ampd>;
- (c) Upload of inventory listings to online sites / portals - including dealers' own websites, Trade Me Motors, AutoBase, Autotrader, Driven, Drivesouth, Facebook, Handshake, ListSellTrade, CarMate, and Mad Motors;
- (d) Export of accounting information to Xero or MYOB;
- (e) Access to third party vehicle check reports (at present sourced from CarJam), including automatic uploading of the vehicle check information to the dealer's Motorcentral DMS – see: <https://www.motorcentral.co.nz/carcheck>;
- (f) Automated population / calculation of insurance rates (including integration with Autosure NZ and Protecta Insurance);
- (g) Automated responses to incoming customer email enquiries (known as *Auto Attendant*), including by providing further information about the vehicle they have enquired about – see: <https://www.motorcentral.co.nz/auto-attendant>;
- (h) Software that sends customers surveys asking them to rate dealerships in order to gather customer feedback metrics (known as *BuyerScore*) – see: <https://www.motorcentral.co.nz/buyerscore>;
- (i) *AdConnect*: software to automatically manage the advertising of vehicles to targeted audiences on platforms such as Facebook and Google - see: <https://www.motorcentral.co.nz/adconnect>; and
- (j) *Facebook plug-in*: software that automatically lists dealers' vehicles from their website on a separate tab within their Facebook page (provided they have a Motorcentral website) – see: <https://www.motorcentral.co.nz/dealer-websites/facebook>.

3.6 In addition to functionality within Motorcentral's DMS, Motorcentral offers:

- (a) *Websites*: Motorcentral designs / builds websites for motor vehicle dealers – see: <https://www.motorcentral.co.nz/dealer-websites/facebook>). Motorcentral offers this as a standalone offering, including to dealers that do not use the Motorcentral DMS (for example, []), but there are only approximately [] dealers that fall into that category; and
- (b) *Import Genie*: software that provides automated bidding on Japanese used vehicle auctions using algorithms of past sales of similar vehicles.

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3.7 Motorcentral's DMS is used at approximately [] motor vehicle dealership locations in New Zealand by approximately [] registered motor vehicle dealers (often a dealer operates a dealership at more than one location).⁶ Trade Me estimates there are [] active motor vehicle dealers in New Zealand and,⁷ therefore, it estimates that Motorcentral has a DMS share of less than [] of active vehicle dealers. Of those [] dealers, Trade Me understands that, approximately [] use AdConnect, [] use the CRM functionality, [] use Auto Attendant, [] access the integrated vehicle information report service. However, precise numbers are difficult to obtain, particularly as different DMSs may define "dealers" differently (for example, by invoice name, by legal name, by location or otherwise).⁸ Approximately [] have Motorcentral websites, and [] use Import Genie. Motorcentral's pricing plans are outlined at <https://www.motorcentral.co.nz/pricing>, and are summarised in Figure 2 below.

Figure 2 – Average prices to Motorcentral customers for its various product offerings

[]

Source: Motorcentral. Average prices as at 1 March 2017.

3.8 A breakdown of Motorcentral's revenue by product offering is set out in Figure 3 below.

Figure 3 – Summary of Motorcentral's revenue by product offering for FY2017⁹

[]

3.9 A list of Motorcentral's top ten DMS customers by revenue is set out in Figure 4 below.

Figure 4 – Motorcentral's top DMS customers by revenue (for June 2017, listed in alphabetical order)

[]

3.10 In response to the Commission's request in the pre-filing discussion, examples of DMS customers that Motorcentral has won [] are set out in Figure 5 below.

[]

[]

3.11 []:

(a) [];¹⁰

⁶ Motorcentral invoices [] entities as at end of June 2017, since some entities may own multiple registered motor vehicle traders.

⁷ []

⁸ There are a number of different ways to count the number of dealers using a DMS, for example, by:

- Number of premises [];
- Number of physical dealership locations where cars are sold to customers [];
- The number of accounts [].

⁹ NB: Limelight's financial year end is 31 March. [].

¹⁰ []

(b) [].¹¹

- 3.12 Furthermore, the number of dealers that have switched to Motorcentral in the relatively short time since the business was launched demonstrates that Motorcentral would inevitably see rapid churn away from its DMS to competitors if it were to cease being price competitive, or cease meeting dealers' requirements, or if a better system were to enter the market.
- 3.13 An organisation structure diagram showing the pre-Acquisition ownership of Limelight is included at **Appendix Two**.

4. THE TRANSACTION DETAILS

Transaction Structure

- 4.1 Trade Me seeks clearance to acquire, either directly or indirectly, 100% of the shares in Limelight, trading as Motorcentral.¹²
- 4.2 An organisation structure diagram showing the proposed post-Acquisition ownership of Limelight is included at **Appendix Two**.

Rationale

- 4.3 Motorcentral is a software / technology business. As a technology-led, internet-based service provider, Motorcentral's business model aligns with Trade Me's core purpose of connecting parties and transactions. Accordingly, Trade Me has identified Motorcentral as a well-run business that is a good fit for the Trade Me Group.
- 4.4 Trade Me intends to continue to operate Motorcentral initially as a separate legal entity, and then as a standalone business unit for the foreseeable future, in order to not distract Motorcentral from its current growth path so that it can continue to move fast, be flexible, and keep innovating.
- 4.5 In addition, Trade Me has identified a number of synergies / benefits for it, and for motor vehicle dealers, from the acquisition of Motorcentral. These include the following:
- (a) *Better information for advertisers on ROI and advertising performance:* Motor vehicle advertisers have a plethora of advertising options to choose from, including dealers' own websites, Google, Facebook, print publications (NZME, Fairfax, Allied Press, numerous other regional / community newspapers), and other online trading platforms / portals (such as NZME's Driven and Bauer's Autotrader, as well as smaller competitors such as Allied Press's Drivesouth¹³ and Handshake;¹⁴ AA's

¹¹ []

¹² As part of the Acquisition, Trade Me will also be acquiring the business and assets of Finance Central Limited (which is currently owned by the same shareholders as Limelight). []. Trade Me is not seeking clearance for the acquisition of the business and assets of Finance Central Limited.

¹³ <http://www.drivesouth.co.nz/>

¹⁴ <https://www.handshake.co.nz/>

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Carfair;¹⁵ ListSellTrade;¹⁶ Mad Motors;¹⁷ Car Mate;¹⁸ and Zeanz's The CarYard).¹⁹ The key determinant / constraint for dealers in deciding how to apportion their advertising expenditure is deciding which channels will provide the greatest ROI. []:

(i) [];²⁰

(ii) []; and

(iii) []

[];

(b) [];²¹

(c) [];

(d) [].

4.6 Further details of the identified synergies / benefits are described in Schedule 7 of the sale and purchase agreement between Trade Me and Motorcentral. A copy of the May 2017 board paper that went to the Trade Me board in relation to the Acquisition is enclosed as **Confidential Appendix Four**.

5. COPIES OF TRANSACTION DOCUMENTS

5.1 A copy of the confidential sale and purchase agreement between Trade Me and the vendors is attached as **Confidential Appendix Five**.

5.2 [].

6. NOTIFICATION OF OTHER COMPETITION AGENCIES

6.1 This is a New Zealand-specific transaction. No other competition agencies will be notified of the Acquisition.

7. REQUESTED DETAILS

7.1 Trade Me's 2016 Annual Report can be accessed at <http://annualreport.trademe.co.nz/>.

7.2 Limelight's 2016 annual financial statements are enclosed as **Confidential Appendix Three**.

¹⁵ <http://www.aa.co.nz/cars/cars-for-sale/>

¹⁶ <https://listselltrade.co.nz/>

¹⁷ <http://madmotors.co.nz/>

¹⁸ <http://www.carmate.co.nz/>

¹⁹ <http://thecaryard.co.nz/>

²⁰ []

²¹ []

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7.3 The names and contact details (to the extent known) of the key competitors, and a cross-section of customers, of Trade Me Motors and Motorcentral are set out at **Appendix One**.

8. COUNTERFACTUAL

8.1 []:

- (a) [];
- (b) [];
- (c) [];
- (d) []; and / or
- (e) [].

8.2 []

8.3 []

8.4 []:

- (a) []:
 - (i) [];
 - (ii) [];
- (b) [];
- (c) []; and
- (d) [].

8.5 []

8.6 []

8.7 []

8.8 []:

- (a) [];
- (b) [].

8.9 []:

- (a) []; and

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(b) [].

8.10 [].

9. NO LESSENING OF COMPETITION

9.1 Trade Me is confident that the Acquisition does not materially lessen competition in any market.

9.2 In particular, there is only minimal horizontal overlap between Trade Me and Motorcentral's businesses. While there are, and will continue to be, vertical links between Trade Me's and Motorcentral's business, Trade Me is confident that those vertical links will result in a better product offering for customers and will not give rise to any competition concerns.

9.3 The reasons for Trade Me's views are set out below.

Market definition

9.4 In assessing the Acquisition, Trade Me considers the following to be the relevant markets:

(a) The national market for the supply of motor vehicle advertising to motor vehicle dealers: While the ACCC has historically defined a narrow market for the supply of online automotive classified advertising to dealers,²² that narrow market definition does not reflect the various competitive constraints that Trade Me faces in New Zealand; nor does it reflect the Commission's own observation of competition in the provision of advertising to motor vehicle dealers in its recent *Fairfax / NZME* decision.²³ In that decision, the Commission noted that motor vehicle dealers advised that they switch between print and digital alternatives - including newspapers, their own websites, Facebook, Google and/or Trade Me.

Trade Me agrees with the Commission's observations, and its in-market experience is that there is significant competition and substitutability between different advertising media and platforms in New Zealand for motor vehicle dealers' expenditure. For example, when Trade Me Motors has conversations with motor vehicle dealers about the performance and pricing of its platform, it is inevitable that motor vehicle dealers will compare Trade Me Motors' pricing and performance against a range of both online and non-online advertising alternatives. Dealers will compare Trade Me Motors to print newspaper options, Facebook, Google, Autotrader, Driven, etc. Coupled with that, many of the print competitors also have online motor vehicle advertising platforms (for example NZME with Driven, Bauer with both print and online Autotrader offerings, and Allied Press with DriveSouth and Handshake), and Trade Me believes those competitors will bundle print and online advertising as part of a single product offering.

In the face of those many media options and formats, motor vehicle dealers take the view that they have a certain amount of money to spend on vehicle advertising per month, and that they will switch between the various online and non-online advertising options in any given month depending on what they consider will deliver

²² ACCC *Carsales.com Limited - proposed acquisition of assets associated with Trading Post from Telstra Corporation Limited* (13 June 2013).

²³ *NZME Limited and Fairfax New Zealand Limited* [2017] NZCC 8 at [441].

them the maximum ROI for that amount of expenditure. Accordingly, Trade Me considers that its primary competitive constraints are demonstrating the ROI of Trade Me Motors advertising in comparison to other advertising formats, including print advertising, Google and Facebook, other online platforms, and other advertising formats (billboards, TV, radio).

As such, based on its in-market experience, Trade Me considers that the appropriate market for the purposes of this application is the national market for the supply of motor vehicle advertising to motor vehicle dealers.

- (b) *The national market for the supply of website development and maintenance services*: The Commission has previously defined a national market for the supply of IT services, with that market including IT management services, software development and integration, software maintenance and support, personnel education and training, and services relating to e-commerce, amongst a number of other IT services. The Commission noted that a "broad IT services definition is warranted given the existing high degree of supply side substitutability, and is further facilitated by fast technology changes in the IT sector". Trade Me agrees that there is high degree of supply side substitutability between businesses / personnel with IT services expertise. However, on the basis that Trade Me and Motorcentral only overlap in the provision of website development and maintenance, and on the basis that the specific market definition adopted is unlikely to be material to the analysis of the Acquisition, Trade Me adopts a national market for the supply of website development and maintenance services for the purposes of this application.
- (c) *The national market for the supply of DMS products*: The ACCC has previously found there to be a "national market for the supply of DMS products".²⁴ While, as noted above, the Commission has previously defined a broader IT services market that included software development and software maintenance (amongst other IT services), given the focus of Motorcentral's business, for the purposes of this application Trade Me considers that a national market for the supply of DMS products is an appropriate market definition.
- (d) *The national market for the supply of vehicle information reports*: In relation to an analogous, albeit slightly different product offering, the ACCC has previously found there to be a "national market for the supply of vehicle specification and valuation information".²⁵ That product offering was slightly different in that the vehicle information in question was "new and used car specification and valuation information", whereas the vehicle information reports relevant to the Acquisition include information on the legal status of a vehicle; for example, any money owing, whether it has been reported stolen, warrant of fitness status, certificate of fitness, odometer readings, possible accident damage, and customs alerts (eg flood damage on imports). By analogy with the ACCC market definition, Trade Me considers a national market for the supply of vehicle history, legal and financial status information reports (vehicle information reports for short) is the appropriate market definition for the purposes of this application.

²⁴ See ACCC *Pentana Solutions Pty Ltd - completed acquisition of AutoLedgers & NOVA* (27 October 2009). Accessible at: <http://registers.accc.gov.au/content/index.phtml/itemId/899150/fromItemId/751043>.

²⁵ See ACCC *Carsales.com.au Limited – completed acquisition of Red Book* (13 August 2009). Accessible at: <http://registers.accc.gov.au/content/index.phtml/itemId/888204/fromItemId/751043>.

- (e) *The national markets for the supply of private motor vehicle insurance and private mechanical breakdown insurance*: The Commission has previously defined separate national insurance markets on an insurance product-by-product basis, for example a "national market for the insurance of private motor vehicles".²⁶ Applying that approach, the Commission might equally define a separate national market for the supply of private mechanical breakdown insurance. Accordingly, on the basis that certain automotive insurance products can be purchased via Motorcentral's DMS software, Trade Me considers that the national markets for the supply of private motor vehicle insurance and private mechanical breakdown insurance (together the "**insurance markets**") are appropriate market definitions for the purpose of this application.

9.5 Consistent with the previous Commission and ACCC market definitions referenced above, Trade Me considers that all relevant markets are national in scope because:

- (a) Almost all relevant competitors in each market compete for customers New Zealand-wide regardless of their location. Products such as online advertising, website development / maintenance, DMS software, vehicle information reports, and insurance can be offered to customers anywhere in New Zealand regardless of the physical location of the supplier;
- (b) The main print advertising, radio, and TV advertising competitors have nationwide (or close to nationwide) advertising footprints; and
- (c) In each relevant market, Trade Me is not aware of any regional variation in pricing offers to customers based on the number of competitors physically located in the region.

Motor vehicle advertising – no material horizontal overlap

9.6 As noted above, Trade Me provides online vehicle classified advertising to motor vehicle dealers and private sellers.²⁷

9.7 Aside from assisting motor vehicle dealers to develop their own websites (discussed further at paragraph 9.13 below), Motorcentral does not offer any motor vehicle advertising platforms itself and, therefore, there is no horizontal competitive overlap between Trade Me and Motorcentral in the provision of motor vehicle advertising.

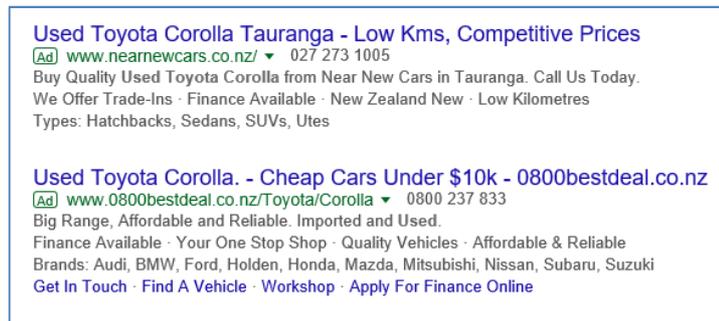
9.8 However, Motorcentral has plans to develop and launch a dealer-only online listings platform called "Need-a-Car". Motorcentral's build of Need-a-Car is largely complete, and its plan for Need-a-Car is that it includes better finance and insurance integration (eg pre-qualification searching by affordability), integration with other dealer services (eg servicing plans), and better promotion of the benefits for consumers of purchasing from dealers as opposed to purchasing from other members of the public. Nevertheless, irrespective of those plans to launch Need-a-Car, Trade Me Motors already competes in a highly competitive advertising market in which there are a range of alternative advertising options for motor vehicle dealers' advertising expenditure - including:

²⁶ *Re IAG (NZ) Holdings Ltd and Lumley General Insurance (N.Z.) Ltd* [2014] NZCC 12.

²⁷ Those advertising services are primarily provided on its Trade Me Motors website, but it also provides advertising to dealers on the AutoBase website (both referred to as Trade Me Motors for ease of reference).

- (a) Dealers investing in promoting, and directing traffic to, their own dealer websites;
- (b) Google and other search engines (Yahoo, Bing, etc). Dealers can purchase, for example, Google advertising to drive traffic (customer leads) to their own websites. Google advertising is a strong competitive constraint to classified advertising such as newspapers, Facebook, and online trading platforms. See, for example, the Google advertisements that are generated when a user searches for "used Toyota Corolla" in Google, as set out in Figure 6 below.

Figure 6 – Example of vehicle dealers using Google advertisements



- (c) Facebook and other social media. Facebook, for example, provides a platform for online classified advertising in a number of different ways:
 - (i) Private individuals and dealers can list vehicles for sale for free on their Facebook pages. See for example, the Facebook advertisement used by 2 Cheap Cars in Figure 7 below;

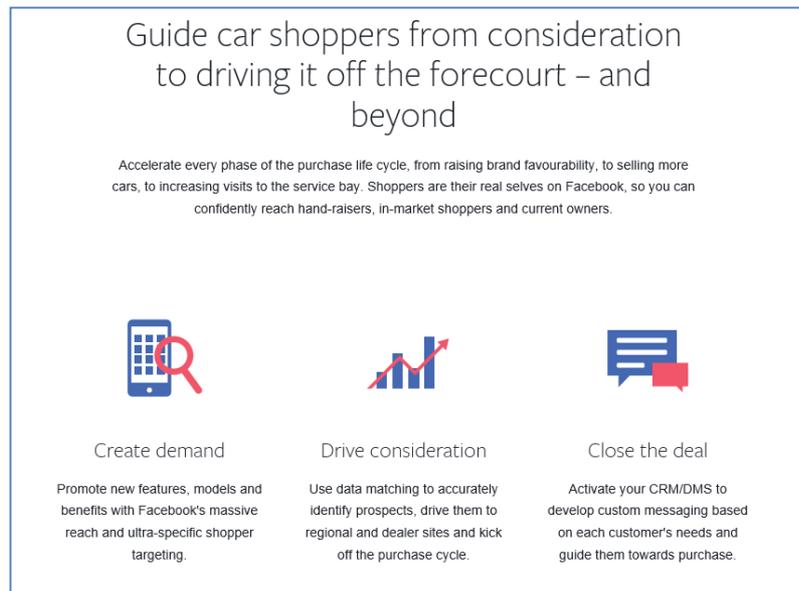
Figure 7 – Example of vehicle dealers using Facebook advertisements²⁸



²⁸ "2 Cheap Cars" Facebook. Accessible at: <https://www.facebook.com/2cheapcars/>.

- (ii) Dealers can also use a paid tool (eg BuddyBid) to assist in automating the listing process to Facebook. Once dealers have loaded their stock on Facebook, they are able to drive traffic to view vehicles they have for sale using Facebook advertising;
- (iii) Facebook markets itself directly to motor vehicle dealers with its "Facebook for auto" offering, which provides motor vehicle industry specific offerings to advertise vehicles and drive dealer site traffic. See Facebook's "Facebook for auto" marketing in Figure 8 below:

Figure 8 – Facebook's marketing of "Facebook for auto"



- (iv) In October 2016, Facebook launched "Facebook Marketplace" in New Zealand; a service that enables Facebook users to buy and sell goods via Facebook. While Facebook Marketplace is initially only available to private individuals, Facebook has indicated that businesses may be added in the future,²⁹ and, in any event, a motor vehicle dealer can list vehicles in Facebook's marketplace using a private individual account.
- (d) Print publications, such as titles from NZME, Fairfax, Allied Press, Bauer, including its print Autotrader magazine, and numerous other regional / community newspapers. [];
- (e) Other online trading platforms / portals, in particular, NZME's Driven and Bauer's Autotrader, as well as a number of smaller competitors such as Allied Press's

²⁹ Tony Field and Dianna Vezich "Facebook's Marketplace – a Trade Me killer?" (4 October 2016) Newshub. Accessible at: <http://www.newshub.co.nz/home/money/2016/10/facebook-marketplace---a-trade-me-killer.html>.

Drivesouth³⁰ and Handshake;³¹ AA's Carfair;³² ListSellTrade;³³ Mad Motors;³⁴ Car Mate;³⁵ and Zeanz's The CarYard.³⁶ Furthermore, Cox Automotive, which is a significant motor vehicle advertising and DMS competitor in Australia and the USA (including through CarsGuide.com.au,³⁷ SellMyCar.com.au³⁸ and Dealer Solutions)³⁹ has announced intentions to expand its product offerings into New Zealand as it has been identified a growth market.⁴⁰

As the CEO of Cox Automotive Australia, Gary has the leadership responsibility for the company's family of brands which include CarsGuide, Dealer Solutions, Manheim, Sell My Car, Dealer Solutions [sic] and soon to follow Xtime. While his focus will be on growing the current brands in the market place, one of his top priorities will be to explore the local introduction of other global Cox Automotive brands such as Autotrader and Kelley Blue Book...

"As a result of his time in the US working for Cox Automotive, Gary is well positioned to utilise his experience in the highly competitive global market and take advantage of the suite of Cox Automotive products and services which are already proven winners in the international marketplace, for inclusion within the Australian and New Zealand markets."⁴¹

...

"Cox Automotive has identified Australia and New Zealand as growth markets and the confidence in our people, our performance and our brands has enabled this significant investment in the future growth of our group of companies."

The company states that the announcement today perfectly illustrates their commitment to Cox Automotive's global vision of transforming the way the world buys, sells and owns vehicles. They will be in a position to offer a broad suite of products and services to their customers and consumers across Australia and New Zealand - Inventory Solutions (Manheim), Retail Solutions (Dealer Solutions) and Media Solutions (CarsGuide).⁴²

(f) Radio advertising (NZME and Mediaworks);

³⁰ <http://www.drivesouth.co.nz/>

³¹ <https://www.handshake.co.nz/>

³² "Cars for sale" AA. Accessible at: <http://www.aa.co.nz/cars/cars-for-sale/>.

³³ <https://listselltrade.co.nz/>

³⁴ <http://madmotors.co.nz/>

³⁵ <http://www.carmate.co.nz/>

³⁶ <http://thecaryard.co.nz/>

³⁷ <https://www.carsguide.com.au/>

³⁸ "How it works" Sell My Car. Accessible at: <https://www.sellmycar.com.au/how-it-works>.

³⁹ <http://www.dealersolutions.com.au/>

⁴⁰ "Cox Automotive Australia makes a strong statement by appointing two automotive industry heavyweights (media release, 3 February 2017) Cox Automotive. Accessible at: <https://www.coxautoinc.com/2017/02/03/cox-automotive-australia-makes-a-strong-statement-by-appointing-two-automotive-industry-heavyweights-2/>.

⁴¹ [Ibid.](#)

⁴² "Cox Automotive Australia consolidate with strategic mergers" (9 August 2016) Voxy. Accessible at: <http://www.voxy.co.nz/business/5/259615>.

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- (g) Digital display advertising, including online video (eg Youtube); and
- (h) Other traditional media channels such as billboards and television (for example, 2 Cheap Cars uses both television and billboard advertising).

9.9 Given the vast array of advertising alternatives outlined above, Trade Me is aware of numerous motor vehicle dealers that do not use Trade Me Motors at all, and instead choose to focus their advertising expenditure on competitors such as Facebook, print newspapers, or other online media.

9.10 While it is difficult to provide estimates of market shares across these various different advertising alternatives, excluding expenditure with Google, Facebook, Allied Press, dealers' own websites, and other smaller online competitors, Trade Me estimates that it receives at most approximately [] of vehicle classified advertising expenditure in New Zealand (including both dealer and consumer classified advertising) – as shown in Figure 9 below. As noted, this estimate excludes numerous key competitors, and once motor vehicle dealers' expenditure with those competitors is factored in, that figure would be much smaller again.

Figure 9 – Estimates of New Zealand motors classified advertising revenue (excluding Google, Facebook, Allied Press, and smaller competitors)

[]

9.11 Furthermore, while the key conditions to becoming a material competitor in the motor vehicle advertising market is achieving awareness among advertisers and growing an audience (as the investment required to establish a website itself is very low), there are already a number of competitors that have significant awareness among advertisers and significant audiences that they could leverage to grow even further in the motor vehicle advertising market – for example, Google, Facebook, NZME / Driven, Bauer / Autotrader, Fairfax, and Allied Press / DriveSouth. [], and NZME launched its Driven platform comparatively recently, in 2015, and added consumer vehicle listing in 2016 to its dealer listings on that platform.⁴³ Accordingly, Trade Me's motor vehicle advertising market share is under constant threat from further expansion from those competitors, as well as the threat of new entry from overseas competitors such as Cox (which has announced intentions to expand its product offerings into New Zealand – see paragraph 9.8(e) above) and disruptive overseas business models that have demonstrated the ability to generate inventory listings and audience within a short space of time overseas, such as:

- (a) CarGurus:⁴⁴

The business has completed its first year of trading in the UK and Steinert said the business has Auto Trader and second-placed Motors.co.uk in its sights following an 11-fold increase in visitors in the past 12 months –from 100,000 to 1.1m – in the past 12 months.

⁴³ "NZME's Driven Launches Vehicle Buy/Sell Platform" NZME (press release, 15 June 2016). Accessible at: <http://www.scoop.co.nz/stories/BU1606/S00401/nzmes-driven-launches-vehicle-buysell-platform.htm>.

⁴⁴ "Profit 'not an issue' as CarGurus guns for Auto Trader" (17 November 2016) AMOnline. Accessible at: <http://www.am-online.com/news/digital-marketing/2016/11/17/profit-not-a-concern-as-cargurus-guns-for-auto-trader>.

The UK site currently features 200,000 cars from 3,500 dealers, placing CarGurus third in terms of stock, behind Auto Trader and Motors, and they are aiming to grow that number quickly.

(b) Carsnip:⁴⁵

Carsnip aims to provide a means for buyers to see a much bigger percentage of the vehicles available by positioning itself as a kind of “Google” for the industry. “We are a search engine, not a portal,” says Campbell.

Essentially Carsnip is building a universal search engine for the car market. To that end, the company is sending out web crawlers to extract data from dealer sites, portals and marketplaces to identify car ads. Once identified by the crawlers, the ads are checked and verified manually by a team in Bangladesh and are then added to the search engine database. “We are on track for half a million cars by February,” Campbell says.

...

Carsnip’s ambition to be the ‘go to’ universal search engine of the car market has been underlined by a recent announcement that six high profile “tech angels” have backed the company, including Google Head of Special Ops, Adrian Aoun.

9.12 Accordingly, in the context of a highly competitive advertising market, in particular where key competitive constraints include:

- (a) the strong competitive constraint from Google and Facebook, which both offer strong ROI tracking information based on click through rates to dealers’ websites;
- (b) the strong competitive constraint from newspaper classified advertising (which account for approximately similar motor vehicle advertising as Trade Me Motors);
- (c) the numerous other providers of online vehicle listings – in particular NZME’s Driven and Bauer’s Autotrader, as well as smaller competitors such as Allied Press’s Drivesouth and Handshake; AA’s Carfair; ListSellTrade; Mad Motors;⁴⁶ Car Mate;⁴⁷ and Zeanz’s The CarYard;
- (d) the communication of ROI to dealers in comparison to those numerous alternative advertising options; and
- (e) the threat of expansion by those numerous existing competitors or expansion by a disruptive overseas business model,

⁴⁵Trevor Clawson "Car Wars: UK Startup Aims To Be A Google For The Used Car Market" (18 January 2016) Forbes. Accessible at: <https://www.forbes.com/sites/trevorclawson/2016/01/18/car-wars-uk-startup-aims-to-be-a-google-for-the-used-car-industry/#2b755a5c799a>.

⁴⁶ <http://madmotors.co.nz/>

⁴⁷ <http://www.carmate.co.nz/>

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Trade Me is confident that the acquisition of a potential new provider of online vehicle listings will not give rise to any material lessening of competition.

Development and maintenance of websites – no material horizontal overlap

- 9.13 Both Trade Me and Motorcentral provide website development and maintenance services to motor vehicle dealerships. Trade Me provides such services to approximately [] dealers,⁴⁸ and had revenue of []. As noted at paragraph 3.7 above, Motorcentral provides such services to approximately [] dealers. Nevertheless, Trade Me and Motorcentral are both very small competitors in the development and maintenance of websites in New Zealand; it is a highly competitive industry with a myriad of New Zealand and international competitors; and Trade Me, in any event, only provides such services as a complement to its core advertising services (with Motorcentral only providing such services to [] dealers that do not also purchase other DMS services from Motorcentral). Accordingly, Trade Me is confident that the acquisition of another provider of website development / maintenance services will not give rise to any material lessening of competition.

Dealer Management Systems – no material horizontal overlap

- 9.14 As outlined at paragraph 3.5 above, Motorcentral's DMS is a software system for motor vehicle dealers that is purchased by dealers on a subscription basis and offers a range of features and functionality – including inventory and transaction management, downloading of vehicle data from import companies, CRM features and lead tracking, uploading of inventory listings to online sites / portals, export of accounting information to Xero or MYOB, access to third party vehicle check reports, automated population / calculation of insurance rates, email enquiry response functionality, and customers survey functionality. Motorcentral's prices start from approximately ~\$1,000 for setup, to ~\$60 - \$120 per month.
- 9.15 By contrast, Trade Me's DealerBase aggregator software is provided for free as a dealer upload interface. It has very limited functionality, as it is simply Trade Me Motors' listing upload channel, as opposed to being a DMS in its own right. DealerBase only has a very basic inventory management function (there is no ability to record prices) and no sales management function – for example, there is no place in DealerBase where dealers can record purchases, or sales, of vehicles (which is a core offering of functional DMSs). As a result, most dealers that use DealerBase will also use separate DMSs, because the DealerBase dealer interface software is not a substitute for a functional DMS. To the extent that there are some dealers that are so small that they can manage their inventory and operations on a basic excel spreadsheet, they may only use DealerBase and other simple tools, but that does not mean DealerBase is a substitute for a DMS for the balance of the market.

- 9.16 Trade Me also notes in this regard:

(a) []; and

(b) [].

- 9.17 While in theory Trade Me might be regarded as a potential entrant in the provision of DMSs [], there are already a number of DMS competitors and there are no material barriers to entry / expansion:

⁴⁸ Trade Me also operates a separate website development business: Face.co.nz. However, Face.co.nz is a legacy business, and is not taking on any new customers.

- (a) Number of other DMS competitors: In addition to Motorcentral, there are a number of other specialist DMS suppliers to dealers in New Zealand, including:
- (i) Webdesign Ltd (trading as "**CarUpdater**"): CarUpdater is an Auckland-based provider of DMS software that enables inventory management, automatic uploading of listings to Trade Me Motors and Autotrader, and real time interface with the NZTA's fuel data system.⁴⁹ For example, Moyes⁵⁰ and Team Hutchinson Ford⁵¹ are understood to use CarUpdater's DMS. Trade Me estimates that at least [] dealers in New Zealand use the CarUpdater DMS.
 - (ii) Revolution Software Services (trading as "**Revolution**"): Revolution is marketed as a fully featured dealer management system that provides "a complete process & system solution from accounting, sales, service, parts, CRM and much more"⁵²... "whether you run a small rural dealership or a large multi-site, multi-franchise enterprise operation, the Revolution DMS is the solution your business and customers deserve".⁵³ Trade Me estimates that at least [] dealers in New Zealand use Revolution's DMS.
 - (iii) AutoPlay Automotive Ltd ("**AutoPlay**"): AutoPlay is an Auckland-based business that specialises in the provision of DMSs to motor vehicle dealers, including exporting to dealers in Australia and Indonesia.⁵⁴ European Motor Distributors, Manukau Toyota, John Andrew Ford, and Silvester Motor Company are understood to be AutoPlay DMS customers.⁵⁵ Trade Me estimates that approximately [] dealers in New Zealand use AutoPlay as their DMS.
 - (iv) Zeanz Cloud Solution Ltd's "Autocloud": Autocloud is a cloud-based DMS that "delivers stock and sales visibility anytime, anywhere", will "manage your stock in real time from any device", and "will send your stock to all forms of web advertising you wish with the touch of a button".⁵⁶ Trade Me estimates that at least [] dealers in New Zealand use Zeanz's Autocloud DMS.
 - (v) Fasttrac Systems Ltd (product called TopGear): TopGear is "an integrated Vehicle Stock Management, Sales Processing and Accounting System designed for Motor Vehicle Dealerships."⁵⁷ Trade Me estimates that at least [] dealers in New Zealand use TopGear. Trade Me understands that TopGear has a fulsome set of functionality (including integration with accounting and workshop functions). []

⁴⁹ "About CarUpdater" CarUpdater. Accessible at: <http://www.info.carupdater.com/about-carupdater/>.

⁵⁰ <http://www.moyes.co.nz/used>

⁵¹ <http://www.teamhutchinsonford.com/used-cars/>

⁵² <http://www.rev.com.au>

⁵³ "Automotive" Revolution. Accessible at: <http://www.rev.com.au/automotive>.

⁵⁴ <https://www.autoplay.co.nz/Default.aspx>

⁵⁵ "Our Customer Stories" AutoPlay. Accessible at: <https://www.autoplay.co.nz/Our-Customers.aspx>.

⁵⁶ <http://autocloud.co.nz/>

⁵⁷ <http://www.fasttrac.co.nz/topgear.htm>

- (vi) Grant Day Software Ltd ("Grant Day"): Grant Day is a Whangarei-based provider of DMS software that "covers all the functions required to run your business. Whether you need vehicle management software, workshop management, stock management, company financial management, vehicle finance loan management, cashbook management - we have it all".⁵⁸ Trade Me estimates that at least [] dealers in New Zealand use Grant Day's DMS, but it []. [].
- (vii) Orion Dealer Management IT (part of the TSI Group): Orion's DMS is a "comprehensive management system specifically built for Automotive industry businesses", with sales, lead prospecting, parts, CRM, marketing, and financial reporting functionality.⁵⁹ Orion's dealer customers are understood to include West City Holden,⁶⁰ Southern Vehicle Services,⁶¹ and Cyclespot Group.⁶² Trade Me knows of at least [] dealers in New Zealand that use Orion's DMS. Orion is particularly strong with motorcycle dealers, and would be well placed to expand further into motor vehicle dealers more generally if market opportunities were to arise. Orion's parent group, TSI Group, also distributes Autoline in New Zealand, which is "the world's most successful Dealer Management System",⁶³ with "thousands of installations world-wide and twenty five years of progressive development behind it".⁶⁴ TSI Group markets itself as "New Zealand's largest provider of specialist business software and systems to the automotive and related industries".⁶⁵
- (viii) Datamotive NZ: Datamotive NZ is part of Carsales.com.au, a leading provider of online vehicle advertising in Australia. Datamotive is Carsales.com.au's DMSs, which has expanded to New Zealand. There are over 3,500 dealerships using Datamotive's DMS across Australasia, with Trade Me knowing of at least [] dealers in New Zealand that use Datamotive's DMS.
- (ix) Comsol's F2 DMS: Comsol's F2 DMS is marketed as "the Best Dealer Management System (DMS) for Dealers across New Zealand & Australia... With our powerful, easy to use, and integrated set of tools, dealership staff can attract, engage, and delight customers by delivering prompt and efficient service. Dealerships can implement CRM and marketing processes that are relevant, helpful, and personalised".⁶⁶ Comsol's customers are understood to include Waikato Motor Group and

⁵⁸<http://www.grantday.co.nz/software.html>

⁵⁹ "Our Systems" Orion. Accessible at: <http://orionsoftware.co.nz/our-systems>.

⁶⁰ "West City Holden" Orion. Accessible at: <http://orionsoftware.co.nz/case-studies/31-west-city-holden>.

⁶¹ "Southern Vehicle Services" Orion. Accessible at: <http://orionsoftware.co.nz/case-studies/52-sothern-vehicle-services-svs>.

⁶² "Cycle Sport" Orion. Accessible at: <http://orionsoftware.co.nz/case-studies/37-cycle-spot>.

⁶³ "About Us" Systime. Accessible at: <http://www.systime.co.nz/aboutus/>.

⁶⁴ "Autoline DMS" Systime. Accessible at: <http://www.systime.co.nz/ourproducts/autolinedms/>.

⁶⁵ "TSI Systime becomes Autoline DMS distributor for Australia" (29 December 2011) TSI Group. Accessible at: http://www.tsinz.co.nz/news/index_dynamic/news/25.

⁶⁶ "We launched F2 with a vision to reinvent Dealership Software" Comsol. Accessible at: <http://f2dms.com/about-us/>.

North Harbour Hyundai.⁶⁷ Trade Me knows of at least [] dealers in New Zealand that use Comsol's F2 DMS, although Trade Me believes this number is likely to be substantially higher.

- (x) Ecobase NZ Ltd (trading as Idris): Idris is marketed as "a fantastic management system software deal - a great stock, web & customer management system, software that's easy to learn and which offers the kiwi car dealer tremendous tools to be successful". Trade Me estimates that at least [] dealers in New Zealand use Idris's DMS.⁶⁸
- (xi) A number of other smaller competitors (for example Jaytech)⁶⁹ and in-house alternatives.

Based on Trade Me's estimates of the number of dealers using each DMS option, the estimated market shares for these providers are outlined in Figure 10 below.

[]⁷⁰

[]

The DMS providers identified above have proven track records in supplying motor vehicle dealerships in New Zealand, and there would be no material barriers to them expanding further if market opportunities were to arise (see further below).

- (b) No material barriers to entry / expansion: As evidenced by the large number of DMS competitors in New Zealand (outlined above), including small competitors, there are no material barriers to entry / expansion in the provision of DMSs in New Zealand. The rapid growth of Motorcentral is also a good example of the lack of any barriers to entry / expansion. Motorcentral only launched in 2011, and by developing an attractive product offering and investing in sales (3 full time sales people), Motorcentral was able to achieve "a customer base of over 100 used car dealers in [its first] 18 months",⁷¹ and now has [] dealer customers. Motorcentral has achieved that growth with only a small number of staff and limited capital expenditure. Even since then, new providers can enter the market at increasingly lower cost, due to:
 - (i) cloud services and technologies which charge fees on a per-use model removing the costs associated with owning infrastructure, which means that critical mass is not required for financial viability;
 - (ii) high commoditisation of many products, services and components such as software code libraries and the relative ease of outsourcing; and
 - (iii) the readiness of motor vehicle dealers in market to consider and adopt new technologies – in particular as smart devices (such as smart phones) have

⁶⁷ "Our customers" Comsol. Accessible at <http://f2dms.com/our-customers/>.

⁶⁸ <http://www.idris.co.nz/>

⁶⁹ <http://www.jaytech.co.nz/Sitemap.htm#>

⁷⁰ []

⁷¹ Richard Edwards "New source site launches" (10 October 2012) Autotalk. Accessible at: <http://autotalk.co.nz/news/new-sourcing-site-launches>.

become a tool for almost all business and made business owners accustomed to using (and understanding the benefits of) technology.

Trade Me estimates that a new entrant could achieve a similar product offering and market position to Motorcentral by making [] of investment, []. In that context, costs to enter the market are not material in comparison to the revenue that would be available for successful operators.

There are also a number of cloud-based DMS providers located overseas which are achieving rapid growth and could readily expand to New Zealand if market opportunities arose. For example:

- (iv) As noted at paragraph 9.8(e) above, Cox Automotive, which is a significant motor vehicle advertising and DMS competitor in Australia and the USA, has announced intentions to expand its product offerings into New Zealand; and
- (v) Titan DMS,⁷² "a leading Australian developer and supplier of cloud based automotive dealer software", founded in 2009, has since expanded to South Africa (in 2010) and the United Kingdom (in 2013).⁷³

9.18 Accordingly, in the context of a highly competitive DMS market, in particular where there are no material barriers to entry or expansion, Trade Me is confident that the Acquisition will not give rise to any material lessening of competition.

Vehicle information reports – no material horizontal overlap

9.19 As noted at paragraph 2.5(d) above, Trade Me operates MotorWeb, an online business that packages and sells motor vehicle information and reports predominantly to finance companies, insurers, car dealers and the general public. MotorWeb provides information on the legal status of a vehicle; for example, any money owing, whether it has been reported stolen, warrant of fitness status, certificate of fitness, odometer readings, possible accident damage, and customs alerts (eg flood damage on imports).⁷⁴ The revenue attributable to MotorWeb's vehicle information reports business for the last financial year was [].

9.20 Motorcentral does not operate its own business that creates vehicle information reports business – rather, its DMS simply allows integration to a third party provider, CarJam, and resale of CarJam reports.

9.21 Therefore, there is no material horizontal overlap between Trade Me and Motorcentral in the creation and provision of vehicle information reports.

9.22 Furthermore, there are a number of other competitors providing vehicle information reports; demonstrating that there are no material barriers to entry or expansion, including because any access seeker can obtain the bulk of the same source data from the NZTA and other relevant government / public sources, such as the PPSR and Motor Vehicle Register, for the same

⁷² <http://titandms.com.au/>

⁷³ "Titan DMS Expands Cloud Based Dealer Management System to the United Kingdom" (29 June 2017) PRWeb. Accessible at: <http://www.prweb.com/releases/2013/7/prweb10905064.htm>.

⁷⁴ "Company Overview" MotorWeb. Accessible at: <https://www.motorweb.co.nz/press/Information>.

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input prices and, subject to compliance with the same requirements of privacy, security, etc.⁷⁵
Those competitors include:

- (a) Checka Ltd ("**Checka**");⁷⁶
- (b) Lemoncheck Ltd ("**Lemoncheck**");⁷⁷
- (c) Centrix's Motor Vehicle Reports;⁷⁸
- (d) That Car Ltd ("**That Car**");⁷⁹
- (e) Equifax, using the product names MotoChek and AutoPlus;⁸⁰ and
- (f) InfoLog.⁸¹

9.23 Accordingly, Trade Me is confident that the Acquisition does not give rise to any horizontal lessening of competition concerns.

Motor vehicle advertising – no vertical issues

9.24 While DMSs are used to automatically upload / populate listings to dealers' websites and other online vehicle advertising portals, Trade Me is confident that the Acquisition does not give rise to any vertical competition concerns.

9.25 The Commission's Merger & Acquisition Guidelines set out that a transaction can only give rise to "input foreclosure" vertical concerns where:

- (a) a firm has market power at an upstream level of the supply chain; and
- (b) a firm has the ability to foreclose competitors from accessing services at that level of the supply chain by virtue of its market power; and
- (c) a firm has the incentive to foreclose competitors from accessing services at that level of the supply chain – ie that an increase in profits in a downstream market will exceed a loss in profits in that upstream market.

9.26 None of those conditions are met in this case.

No market power – range of competitors, and no barriers to entry or expansion

9.27 Firstly, for the reasons outlined at 9.17 and 9.18, Motorcentral does not have any market power in the provision of DMSs. While Motorcentral has achieved good growth to date by offering an attractive product, at an attractive price point, if it were to seek to raise prices above

⁷⁵ In addition to NZTA and PPSR data, Motorweb and CarJam reports also include more detailed "vehicle attribute" information (eg that "model XYZ has two turbo chargers, not one"). Trade Me has not researched for the purpose of this application the extent to which equivalent information is available on the reports of all other competitors, [].

⁷⁶ <https://checka.co.nz/>

⁷⁷ <http://www.lemoncheck.co.nz/>

⁷⁸ <https://www.centrix.co.nz/>

⁷⁹ <https://thatcar.nz/>

⁸⁰ "Motor Vehicle" Equifax. Accessible at: <https://www.equifax.co.nz/business-enterprise/products/motor-vehicle>.

⁸¹ "Infolog's datasets- your instant data repository" Infolog. Accessible at: <http://infolog-info.co.nz/you-win-with-infolog/>.

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competitive levels, or reduce quality below competitive levels, it would simply lose sales to any one of the number of other DMS competitors, or encourage new entry / expansion.

No ability to foreclose

9.28 The fact that Motorcentral could not be regarded as having any market power also demonstrates that Trade Me would not have any ability to foreclose dealers' ability to upload listings to other online vehicle advertising portals. Any attempt by Trade Me to, for example, restrict the ability of Motorcentral to automatically upload vehicle listings to other online vehicle advertising portals would:

- (a) only provide a short-term inconvenience to dealers rather than a barrier. Dealers would still be able to export their listings and find other means of loading them to Autotrader, Driven, etc. For example:
 - (i) Even putting listing uploading functionality to one side, a core function of a DMS, including Motorcentral, is the creation of stock reports (typically in CSV file or Excel spreadsheet format). Stock reports need to be created for a number of reasons, including inventory management and integration with accounting / financial records. To be a credible DMS, Motorcentral will need to continue to have that functionality. Autotrader, Driven, etc would simply be able to accept listings in the form of those CSV files or Excel spreadsheets (eg sent by email), instead of by automatic listing upload.
 - (ii) Almost all motor vehicle dealers also display their inventory for sale on their own website. It would be inexpensive, and relatively easy, for Autotrader, Driven, etc to develop a "website scraping" functionality to automatically obtain listings from those websites and place them on their advertising platforms. Indeed an online advertising platform in New Zealand, ListSellTrade, already performs that function – as described in the screenshot from its website below.

Figure 11 – ListSellTrade's marketing of its website listing scraping functionality

Motor Vehicle Dealerships

List Sell Trade Vehicle Listings
It's business as usual - we do all the work for you!

We set up all your vehicle listings to import from your website or webpage and update daily on List Sell Trade.
We send buyers directly from each of your vehicle listings displayed on List Sell Trade to the same vehicle on your website/web listings page.
We create a storefront for your Dealership, accessible from each listing.

\$20.00 per month - TOTAL - No success fees

Source: [ListSellTrade](#)

- (iii) There are existing businesses that specialise in automatically uploading listings to online advertising platforms. For example, in New Zealand:

- (aa) CarUpdater "updates hundreds of websites daily and imports and exports thousands of cars to other car websites and systems such as AutoBase, Autotrader and Trade Me";⁸² and
- (bb) AutoPlay's Data & Web Tool Package "features a range of solutions designed to minimise the amount of time it takes dealerships to advertise vehicles online, and maximise the amount of enquiry generated".⁸³

Those businesses would continue to be incentivised to find ways to enable uploading functionality between Motorcentral and other online advertising platforms.

- (iv) Motor vehicle dealers, Driven, and/or Autotrader, etc, will be able to readily develop alternative ways to receive listings. By way of illustration, DealerBase does not automatically integrate with Autotrader or Driven, but many DealerBase users automatically (as far as Trade Me is aware) load their listings on Autotrader or Driven from DealerBase, and it would be relatively easy for others to do the same.⁸⁴ Alternatively, Autotrader / Driven could develop new functionality that provides dealers with alternative attractive / convenient ways to upload listings, for example mobile apps.
- (v) Manual uploading of listings. Trade Me estimates that, on average, dealers add one new vehicle listing to an online portal per day – so manual uploading would not be particularly time consuming or costly;
- (b) cause the significant majority of Motorcentral dealers to churn to alternative platforms [] due to negative perception towards Trade Me / Motorcentral. Trade Me estimates that []. For example, Motorcentral has advised that []; and/or
- (c) encourage other competitors to enter and/or expand to win Motorcentral dealers' customer base – including by encouraging Autotrader and/or Driven etc to more closely work with those alternative DMS providers and/or by subsidising them to win greater DMS market share or encourage new entry from overseas DMS providers.

9.29 In these circumstances, Trade Me would have no ability to remove or degrade the ability of Motorcentral to automatically upload or integrate with other online vehicle advertising portals.

No incentive to foreclose

9.30 Furthermore, even if Trade Me had the ability to remove or degrade the ability of Motorcentral to automatically upload or integrate with other online vehicle advertising portals (which it would not), it would not have any incentive to do so given:

⁸² "About CarUpdater" CarUpdater. Accessible at: <http://www.info.carupdater.com/about-carupdater/>.

⁸³ "Data & Web Tool Package" AutoPlay. Accessible at: <https://www.autoplay.co.nz/Automotive-Data-And-Web-Tool.aspx>.

⁸⁴ For example, large dealers such as AutoLink (<http://www.autotrader.co.nz/used-cars-for-sale/sellername-autolink+cars>), Brendan Addis Ltd (<http://www.autotrader.co.nz/used-cars-for-sale/sellername-brendan+addis+Ltd>), and Millars Car Centre (<http://www.autotrader.co.nz/used-cars-for-sale/sellername-millars+car+centre>).

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- (a) as outlined above, dealers can easily find alternative methods to upload their listings to alternative advertising platforms; and
- (b) within a very short period of time, due to negative sentiment towards Trade Me Motors:
 - (i) Motorcentral would lose DMS customers and revenue as dealers churn to alternative DMS providers, which would defeat the purpose of Trade Me's rationale for the Acquisition (which includes demonstrating ROI information to dealers, and []);
 - (ii) there would be no revenue upside for Trade Me if it tried to force dealers to upload to Trade Me Motors. While such a move could result in a very short term reduction in revenue for other advertising platforms, it is unlikely that dealers (even in the short term) would increase expenditure with Trade Me Motors, and dealers are very likely to very quickly find ways of directing their expenditure to the advertising channels of their choice, such as Google, Facebook, Autotrader, Driven, etc, irrespective of any such conduct.

9.31 Demonstrating this, as noted at paragraph 4.4 above, Trade Me intends to continue to operate Motorcentral as a standalone business unit for the foreseeable future.

9.32 Accordingly, Trade Me is confident that its vertical integration with Motorcentral will not have any material effect on competition in the downstream vehicle advertising market. In particular, given:

- (a) the range of alternative options that Driven, Autotrader, and other online advertising platforms would have to obtain vehicle listings, including from dealers that use Motorcentral as their DMS; and
- (b) those other online advertising platforms would be able to implement those options without needing to deal with Trade Me at all (for example, direct acceptance from dealers of CSV / Excel files, website scraping, development of alternative ways to receive listings, and manual uploading),

there would be no ability or incentive for Trade Me to seek to raise its advertising competitors' costs, nor any need for those competitors to negotiate with Trade Me for DMS uploading integration. Those market features mean that any potential vertical concerns raised by the ACCC in *Carsales.com / Telstra* in relation to DMS vertical integration do not apply to the current Acquisition.⁸⁵

9.33 Furthermore, Trade Me is confident that its communication of ROI information to dealers via Motorcentral will not cause any vertical issues in the vehicle advertising market. In particular:

- (a) The Acquisition will not enable the provision of wholly new Trade Me Motors ROI information to dealers; rather, it will simply increase the user-friendliness and efficiency of receipt of that information by presenting it within a DMS. Dealers can already access similar Trade Me Motors ROI data – including:

⁸⁵ ACCC *Carsales.com Limited - proposed acquisition of assets associated with Trading Post from Telstra Corporation Limited* (13 June 2013).

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- (i) via Trade Me's DealerBase system, where ROI information is provided free. Trade Me will have strong incentives to continue to provide that information to all dealers through DealerBase given dealers often base their decisions on advertising channel based on perceptions of maximum ROI;
- (ii) by seeking to replicate Trade Me Motors ROI information using other tools, for example:
 - (aa) surveying consumers that inquire about their vehicles as to whether they viewed the vehicle on Trade Me Motors or on other channels; and
 - (bb) using third party tools like AutoPlay's Sales Pipeline Package;⁸⁶
- (b) Google and Facebook currently already communicate their ROI information to vehicle dealers through their own media, and will continue to do so post-Acquisition;
- (c) Other advertising platform competitors, such as Autotrader and Driven, could similarly enter into ROI information communication arrangements with other DMS providers (Trade Me's best estimate is that less than [] of all active motor vehicle dealers in New Zealand use Motorcentral), including by aggregating data, and/or including contractual controls, to manage any privacy issues in exchanging that information with a third party;
- (d) To the extent other advertising platform competitors, such as Autotrader and Driven, wish to communicate ROI information via Motorcentral, Trade Me would have no incentive to prevent that, as:
 - (i) Autotrader, Driven, and other competitors have alternative ways to communicate their ROI information – for example, they could create their own channels / websites for dealers to view their advertising ROI information (in the same way that Trade Me does via DealerBase, and Google and Facebook do via their own media); and
 - (ii) including that information within Motorcentral would enhance the functionality of Motorcentral and, therefore, increase Motorcentral's attractiveness. Demonstrating those incentives, Motorcentral already displays some Trade Me ROI information, including the number of views, as well as Google and Facebook ROI information, and it will need to continue to do so in order to meet dealer expectations.

9.34 Accordingly, Trade Me is confident that provision of Trade Me ROI information via Motorcentral will not have any material detrimental effect on competition in the motor vehicle advertising market. To the contrary, by providing better information to dealers, in a more user-friendly way, the Acquisition will:

- (a) enable dealers to efficiently make more accurate decisions on the efficacy of their advertising, which will enhance advertising expenditure efficiency and encourage

⁸⁶ "Sales Pipeline Package" AutoPlay. Accessible at: <http://www.autoplay.co.nz/automotive-sales-pipeline.aspx>.

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Trade Me and competitors to continually invest in maximising the ROI they offer motor vehicle dealers, or otherwise maximise the price attractiveness of their offerings, and invest in the ways in which they communicate their ROI information to dealers;

- (b) enable Trade Me to better respond to the competition from Google and Facebook, both of whom currently provide ROI information to motor vehicle dealers via their own media.

9.35 []. All other advertising competitors will have other channels to provide for the purchase and promotion of their advertising options – including directly via their own portals (as they and Trade Me Motors do at present), [].

9.36 Accordingly, Trade Me is confident the provision of better ROI information [], in a more user-friendly way, will enhance competition in the motor vehicle advertising market.

9.37 In addition, Trade Me is confident that its ownership of Motorcentral will not provide it with any information about dealers' advertising / expenditure with Trade Me's competitors that provides Trade Me with any material competitive advantage over those competitors that could give rise to competition concerns. First and foremost, Motorcentral's DMS receives no information from Autotrader, Driven, and other such advertising platforms about dealers' expenditure or advertising performance on those platforms through the uploading of listings. The only information that Motorcentral's DMS receives about advertising platforms in uploading listings is:

- (a) their FTP details (ie server address details) for the dealers' information in the Motorcentral DMS to be used to upload listings by that dealer to that advertising platform;
- (b) how many vehicle details have been uploaded from Motorcentral to that server address.

9.38 However, during that upload process Motorcentral dealers do not enter any advertising listing information in the Motorcentral DMS and, accordingly, Motorcentral does not capture any information about the number of listings that actually end up being advertised on those advertising platforms, expenditure on listings, listing performance, nor the platform's pricing. Furthermore, invoices for such listings are processed outside of Motorcentral – for example within a dealer's accounting software package (such as MYOB or Xero). Therefore, Motorcentral does not have, and will not have, access to any sensitive pricing or revenue information of Trade Me's advertising competitors.

9.39 To the extent Motorcentral's knowledge of the number of vehicle details being uploaded to those platforms could provide information about the number of listings that a dealer is uploading to a competitor, that is information that Trade Me could, in any event, reverse engineer if it so wished as that information is, in effect, public information []. Equally, it is currently open to Trade Me's competitors to review Trade Me Motors' website to identify dealers using Trade Me Motors and to then approach those dealers with promotional offers to encourage switching.

9.40 To the extent those advertising platforms wished to enter into commercial arrangements with Motorcentral in the future to communicate their ROI information via Motorcentral (or some

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other integration type arrangement), those advertising platforms would be able to include confidentiality restrictions on the use of information in those arrangements or choose to exclude the most sensitive information from that arrangement [].

- 9.41 []. Furthermore, as the Commission would readily appreciate, it would be a significant privacy and misuse of confidential information concern if Motorcentral tried to use Auto Attendant's review of incoming emails for any purpose other than assisting dealers in managing their emails, and any suggestion Motorcentral was scanning emails for any other reason (eg to find out information to try to benefit Trade Me) would likely result in significant negative reaction from dealers.
- 9.42 In relation to Google and Facebook, Motorcentral does currently receive some information about dealer advertising activity on those platforms. For example, Motorcentral can view the prices that dealers offer to pay Google "per click" (Google does not have set advertising prices as such; rather, dealers make offers on what they are willing to pay "per click", which determines how much priority they get in Google search results). [] that information will not have any material effect on competition because:
- (a) [];
 - (b) [];
 - (c) [];
 - (d) [].
- 9.43 Accordingly, Trade Me cannot see any way in which the vertical integration could lessen the significant competitive constraint from Google and Facebook on its Trade Me Motors business.
- 9.44 Finally, Trade Me is confident that it would not be able to alter the respective pricing of the Motorcentral DMS in a way that leads to a lessening of competition in the motor vehicle advertising market. In particular, Motorcentral's average price is [] per month. Even a 50% or 100% discount off that price to, say, incentivise dealers to advertise with Trade Me Motors is unlikely to be substantial enough to drive material changes in the advertising market when one considers that an average dealer is likely to spend []⁸⁷ per month on advertising. (ie a 50% discount off the Motorcentral DMS would only amount to [] of the average dealer's monthly advertising expenditure, and other advertisers would be able to respond with advertising discounts of their own). Furthermore, the starting point under the Commerce Act is that lower prices are presumptively pro-competitive. Lower prices can only be a concern under the Commerce Act where they remove competing firms from the market, or deter entry, and the firm that has charged the low prices can then recoup losses by charging prices above competitive levels. In the context of a highly competitive advertising market, where Trade Me faces competition from a number well-resourced competitors such as Google, Facebook, NZME, Fairfax, Allied Press, and Bauer, and where dealers constantly make decisions on where to allocate advertising expenditure based on assessment of ROI, there would be no prospect of Trade Me ever being able to remove competitors in order to then charge advertising prices above competitive levels.

⁸⁷ Trade Me's best estimate.

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9.45 Accordingly, Trade Me is confident that the Acquisition will not give rise to any vertical competition concerns in the motor vehicle advertising market.

Dealer Management Systems – no vertical issues

9.46 While Trade Me Motors is a popular online advertising platform, Trade Me is also confident that its vertical integration with a DMS provider will not give rise to any vertical concerns in the provision of DMSs.

9.47 In particular, there is no way in which Trade Me could profitably restrict access to Trade Me Motors' advertising platform to just Motorcentral DMS customers in order to distort competition in the DMS market – including for the following reasons:

- (a) Trade Me Motors operates in a highly competitive market where it faces advertising competition from a number of alternative providers – including dealers' own websites, Google, Facebook, numerous other online platforms (including Driven, Autotrader, etc), and print newspapers (which often offer a bundle of print plus online advertising options) – and therefore does not have any market power in the provision of motor vehicle advertising;
- (b) The fact that Trade Me Motors does not have market power demonstrates that it would not have any ability to foreclose dealers' ability to use other DMSs by restricting access to Trade Me Motors. Any attempt by Trade Me to do so:
 - (i) would be a complete departure from Trade Me's current business model of trying to obtain advertising from as many dealers as possible (including dealers with no DMS); and
 - (ii) would simply result in the vast majority of motor vehicle dealers that do not use Motorcentral as their DMS (being, in Trade Me's best estimate, more than [] of all active dealers) redirecting their advertising expenditure to alternative advertising mediums, such as their own websites, Facebook, Google, print newspapers, Driven, Autotrader, etc;
- (c) Furthermore, Trade Me would have no incentive to do so given the ability of dealers to allocate their advertising expenditure to alternative providers. Trade Me Motors currently makes [] of advertising revenue per year from motor vehicle dealers, whereas Motorcentral has total trading revenue of []. In those circumstances it is obvious that Trade Me would not have any commercial incentive to put its larger advertising revenue at risk to try to achieve an upside in a significantly smaller market. That is particularly the case given:
 - (i) any such conduct would result in significant negative sentiment towards Trade Me Motors and, therefore would be:
 - (aa) unlikely to result in any material numbers of new dealers switching to Motorcentral's DMS;
 - (bb) likely to result in some dealers that use Motorcentral switching to alternative DMSs;

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- (cc) likely to result in all dealers looking to allocate more of their expenditure with alternative advertising providers;
 - (dd) likely to result in a loss of Trade Me Motors advertising that far outweighs any possible (at most minimal) increase in DMS revenue;
 - (ii) franchise dealers,⁸⁸ who are typically higher advertising revenue customers than second-hand / import dealers, [] they prefer DMSs, such as Revolution, that provide the ability to manage common franchise dealership functions such as workshop management and scheduling tools that second-hand / import dealers often do not require. Such conduct would therefore place those higher revenue franchise dealer customers at significant risk, [].
- 9.48 Furthermore, to the extent that Trade Me invests in enhancing the functionality of Motorcentral, for example by enabling better ROI reporting [], it will be open to other DMS providers to respond with their own enhancements.
- 9.49 In particular, while the Acquisition will enable Trade Me to communicate Trade Me Motors' ROI information to dealers via a vertically integrated Motorcentral, Trade Me will still have strong commercial incentives to make ROI information available to as many other dealers as possible, including via other DMS providers that wish to communicate ROI information to dealers (subject to agreement on appropriate security and privacy protections and commercial terms), []. This is because dealers often decide on their selection of advertising channel based on perceptions of maximum ROI; so Trade Me will continue to have strong incentives to communicate that information via as many channels as possible – including via other DMSs. That will best enable Trade Me to compete with Google and Facebook, which currently communicate ROI information to vehicle dealers through their own media. Demonstrating Trade Me's incentives to maximise availability of that information for dealers is the fact that:
- (a) Trade Me provides ROI information (number of views, watchlist additions and email enquiries for each vehicle) free to all dealers via its DealerBase system; and
 - (b) In July 2017, Trade Me plans to launch a paid product that offers richer ROI information (eg demographic breakdown of watchlisters) via its DealerBase system, which is available to all dealers regardless of which DMS they use.
- 9.50 Trade Me sees more efficient and user-friendly communication of this Trade Me Motors ROI information, which is most efficiently achieved via vertical integration, as pro-competitive, because:
- (a) it will enable dealers to make more accurate decisions on the efficacy of their advertising (for example, by being able to compare Trade Me ROI information to Google and Facebook ROI information, which is already provided to dealers); and

⁸⁸ Franchise dealers are dealers that are authorised by vehicle manufacturers (eg Toyota) to resell new vehicles of that manufacturer. Franchise dealers sell both new vehicles, as well as used vehicles, and typically have higher revenue than dealers that sell used cars only.

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- (b) to the extent dealers value the provision of ROI data via Motorcentral, it is likely that other DMS providers will look to replicate / exceed the enhancements made by Motorcentral, including by:
- (i) negotiating access to ROI information from Trade Me, Autotrader, and Driven; and
 - (ii) enhancing other aspects of their DMS offerings. DMSs compete on a number of other features as well - including the ability to manage parts inventory, workshop scheduling, integration with other suppliers such as used car importing and compliance systems, and accountancy and reporting functions.
- 9.51 [].
- 9.52 In addition, Trade Me would have no ability or incentive to offer lower advertising prices on Trade Me Motors for dealers that use Motorcentral in order to artificially distort competition in the DMS market. In particular, a number of Trade Me Motor's largest [] customers operate businesses that are unlikely to want to use the Motorcentral DMS, for example:
- (a) []; and
 - (b) [].
- 9.53 If customers of that nature were to become aware, which they inevitably would, that Trade Me was granting special advertising discounts to Motorcentral customers, there would likely be significant adverse reaction from those customers, and they would ask, and expect, Trade Me to offer the same discounts to them. Therefore, such a move would put Trade Me Motor's much higher advertising revenue at risk in comparison to Motorcentral's much lower DMS revenue, so Trade Me would have no incentive to do so. Trade Me does not consider there is any scenario in which it could use such a strategy to increase its DMS revenues in a way that would exceed reductions in its advertising revenue. Furthermore, in the context of a highly competitive DMS market where there are no barriers to entry or expansion, there would be no prospect of Trade Me charging lower advertising prices in the short term with the ability of profitably being able to recoup supra-competitive DMS returns in the long term (any pricing above competitive levels would inevitably lead to dealers switching DMS providers and / or new DMS entry and expansion).
- 9.54 Finally, the Acquisition will not provide Motorcentral, via its vertical integration with Trade Me, with any relevant information about its DMS competitors that would enable it to gain a particular competitive advantage in the DMS market. In particular, the only information about the DMS market that Trade Me receives in its capacity as an advertising provider is that it has some view on which dealers use which DMSs (and, even then, that view is incomplete given many dealers use an intermediary, such as AutoPlay, between their DMS and loading listings onto DealerBase). Nevertheless, Motorcentral already, in effect, has that information from its own market intelligence. [].
- 9.55 Accordingly, Trade Me is confident that vertical integration between Trade Me and Motorcentral will not have any material detrimental effect on competition in the DMS market – and in fact, will result in pro-competitive outcomes.

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Insurance – no vertical issues

9.56 While Motorcentral's DMS enables automated population / calculation of insurance rates (including integration with Autosure NZ and Protecta Insurance), Trade Me is confident that the Acquisition does not give rise to any vertical concerns in relation any insurance markets.

9.57 In particular:

- (a) as the Commission will be aware from having examined insurance markets in other transactions, integration with any DMS (including Motorcentral) is not material to the extent of competition in any insurance market;
- (b) furthermore, while Trade Me is a distributor of insurance (under the brand Trade Me Insurance), it is not an insurance underwriter itself,⁸⁹ and does not distribute mechanical breakdown insurance (being the main insurance product that is automatically calculated/populated within Motorcentral); and
- (c) in any event, less than [] of active motor vehicle dealers are estimated to use Motorcentral as their DMS.

9.58 Accordingly, Trade Me is confident that its vertical integration with Motorcentral will not have any material effect on competition in any insurance market.

Vehicle information reports – no vertical issues

9.59 While Motorcentral's DMS currently integrates with CarJam's vehicle information reports, as with motor vehicle advertising discussed above, Trade Me is confident that the Acquisition does not give rise to any vertical concerns in relation to the provision of vehicle reports.

9.60 []:

- (a) [];
- (b) [];
- (c) [];
- (d) [];
- (e) []; and
- (f) [].

9.61 Accordingly, Trade Me is confident that its vertical integration with Motorcentral will not have any material effect on competition in the vehicle information report market.

⁸⁹ Trade Me Insurance is underwritten by Tower. See: <https://www.trademeinsurance.co.nz/>.

CONFIDENTIALITY

10. Reasons for seeking confidentiality

10.1 Confidentiality is sought in respect of the information in this application that is contained in square brackets. Confidentiality is sought for the purposes of section 9(2)(b) of the Official Information Act 1982 on the grounds that:

- (a) the information is commercially sensitive and valuable information which is confidential to the participants; and
- (b) disclosure would be likely unreasonably to prejudice the commercial position of the participants, as the parties providing the information.

Trade Me and Limelight request that they are notified of any request made to the Commission under the Official Information Act 1982 for release of the confidential information. Trade Me and Limelight also request that the Commission seek and consider Trade Me and Limelight's views as to whether the information remains confidential and commercially sensitive at the time responses to such requests are being considered.

10.2 The foregoing equally applies in respect of any additional information provided to the Commission that is expressed to be confidential.

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DECLARATION

I, **Lucy Elwood** have prepared, or supervised the preparation, of this notice seeking clearance.

To the best of my knowledge, I confirm that:

- all the information specified by the Commission has been supplied;
- if the information has not been supplied, reasons have been included as to why the information has not been supplied;
- all information known to me that is relevant to the consideration of this notice has been supplied; and
- all information supplied is correct as at the date of this notice.

I undertake to advise the Commission immediately of any material change in circumstances relating to the notice.

I understand that it is an offence under the Commerce Act to attempt to deceive or knowingly mislead the Commission in respect of any matter before the Commission, including in these documents.

I am a director / officer of the company and am duly authorised to submit this notice.

Lucy Elwood

Signature

Date

APPENDIX ONE

KEY SUPPLIERS, CUSTOMERS, AND INDUSTRY ASSOCIATIONS

Name of entity	Contact details
Suppliers of motor vehicle advertising	
Facebook	2711 Centerville Road, Suite 400, Wilmington De 19808, United States of America www.facebook.com Contact: Kensington Swan 89 The Terrace Wellington Central Wellington 6011
Google	c/o Corporation Service Company, 2711 Centreville Road, Suite 400, Wilmington De19808 United States of America www.google.com Contact: Google New Zealand Limited Simpson Grierson, Level 27, 88 Shortland Street Auckland
Bauer Media / Autotrader	Bauer Media Bauer Media New Zealand Head Office Private Bag 92512 Auckland 1036 New Zealand T: +64 (0) 9 308 2700 F: +64 (0) 9 308 2878 www.bauermedia.co.nz Trader Classifieds Terry Williams King (General Manager) twilliamsking@bauertrader.co.nz T: +64 (0) 9 308 2799 F: +64 (0) 9 358 4111
NZME	NZME Publishing (09) 379 5050 2 Graham Street Auckland 1010 Private Bag 92198 Victoria Street West Auckland 1142 http://www.driven.co.nz/ driven@nzme.co.nz
Fairfax	Contact details vary for each region. See http://advertise.fairfaxmedia.co.nz/classified-advertising/ For Auckland: (09) 525 2100 clsad@snl.co.nz For Wellington: (04) 474 0000

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	emailads@dompost.co.nz
AA Carfair	(09) 966 8800 0800 CARFAIR (0800 227 3247) Level 16, 99 Albert Street Auckland 1010 PO Box 5 Shortland Street Auckland 1140 http://www.aa.co.nz/cars/cars-for-sale/
The Car Yard	(07) 928 5544 63 Hull Road Mount Manganui Tauranga 3116 http://www.thecaryard.co.nz/sales@zeanz.com
Allied Press	+64 3 477 4760 corporate@alliedpress.co.nz https://www.alliedpress.co.nz PO Box 517 Dunedin 9054
Car Mate	021 487 282 info@carmate.co.nz https://www.carmate.co.nz
Mad Motors	info@madmotors.co.nz http://madmotors.co.nz
Dealer management systems	
AutoPlay	(09) 361 1505 Level 2, 38 Ireland Street Freemans Bay Auckland 1011 https://www.autoplay.co.nz/Default.aspx sales@autoplay.co.nz
TopGear	Fastrac Systems Ltd (09) 845 6640 110 St Lukes Road Sandringham Auckland 1025 http://www.fastrac.co.nz/
CarUpdater	(09) 537 2066 PO Box 260096 Howick East Auckland support@carupdater.com http://www.info.carupdater.com/
Zeanz	(07) 928 5544 63 Hull Road Mount Manganui Tauranga 3116 http://www.zeanz.com/#1 sales@zeanz.com
GrantDay	0800 355 2300 7/30 Rauiri Drive Marsden Cove Marina Ruakaka Whangarei 0118 http://www.grantday.co.nz/sales@grantday.co.nz
DataMotive	(09) 488 0511 Chris Wenzlick (Managing Director) (09) 420 3090

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	<p>027 277 0070 c.wenzlick@lemoncheck.co.nz</p> <p>Level 2, 20 Northcroft St PO Box 33215 Takapuna Northshore Auckland 0740 http://www.datamotive.co.nz/ info@datamotive.co.nz</p>
Orion Dealer Management	<p>(09) 583 2451 485 Great South Road Penrose Auckland 1061 http://orionsoftware.co.nz/ info@sam.co.nz</p>
Consol F2	<p>0508 266 765 2/20 Daly Street Lower Hutt 5010 http://f2dms.com/ sales@comsolf2.com</p>
Idris	<p>Ecobase NZ Limited 0272889822 14 Wayne Place Methven Mount Hutt Village 7730 http://www.idris.co.nz/ njm@idris.co.nz</p>
Vehicle information reports	
Checka	<p>(09) 889 9046 20 Heather Street PO Box 37-246 Parnell Auckland 1151 https://checka.co.nz/</p>
Lemoncheck	<p>(09) 420 3090 Level 5, 64 Khyber Pass Road Grafton Auckland</p> <p>PO Box 301957 Albany North Shore City 0752 http://www.lemoncheck.co.nz/Default.aspx info@lemoncheck.co.nz</p>
Centrix	<p>(09) 966 9706 PO Box 62512 Greenlane Auckland 1546 https://www.centrix.co.nz/ admin@centrix.co.nz</p>
That Car Ltd	<p>PO Box 105013 Auckland City 1143 https://thatcar.nz/ info@thatcar.nz</p>
Equifax / MotorChek	<p>0800 698 332 publicaccess.nz@equifax.com www.equifax.co.nz</p>
Infolog	<p>09 414 4001 sales@infolog.co.nz http://infolog-info.co.nz/</p>
Industry associations	
Motor Industry Association	<p>(04) 972 5663</p>

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CONFIDENTIAL APPENDIX THREE

Limelight Software Limited 2016 Annual Report

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CONFIDENTIAL APPENDIX FOUR

Trade Me Board Paper May 2017

CONFIDENTIAL APPENDIX FIVE

Sale and Purchase Agreement – Trade Me and Limelight Software