

Economic analysis

1. In this appendix we include evidence relevant to Sections 4, 5 and 6 of the report.

Churn

Emap Glenigan renewal rates including and excluding first year subscriptions

TABLE 1 **Emap Glenigan renewal rates (by volume of subscriptions) including and excluding renewals of first-year subscriptions**

Product	2002/03			2003/04			per cent
	Renewal rate for first year subscriptions	Renewal rate excluding first year subscriptions	Overall renewal rate	Renewal rate for first year subscriptions	Renewal rate excluding first year subscriptions	Overall renewal rate	
Tailored)
Bulletin							
Movers							
Total							

Source: Emap Glenigan.

TABLE 2 **Emap Glenigan renewal rates (by value) including and excluding 'maiden renewals' measured against ending subscription prices**

Product	2002/03			2003/04			per cent
	Renewal rate for first year subscriptions	Renewal rate excluding first year subscriptions	Overall renewal rate	Renewal rate for first year subscriptions	Renewal rate excluding first year subscriptions	Overall renewal rate	
Tailored)
Bulletin							
Movers							
Total							

Source: Emap Glenigan.

TABLE 3 Emap Glenigan renewal rates (by value) including and excluding 'maiden renewals' measured against new year prices

Product	2002/03			2003/04			per cent
	Renewal rate for first year subscriptions	Renewal rate excluding first year subscriptions	Overall renewal rate	Renewal rate for first year subscriptions	Renewal rate excluding first year subscriptions	Overall renewal rate	
Tailored	[]
Bulletin							
Movers							
Total							

Source: Emap Glenigan.

Analysis of Emap Glenigan churn rates by length of subscription

- We present here the results of the analysis of the renewal data provided to the CC by Emap Glenigan.

Description of the data

- Emap provided the names and subscription details for each of their customers whose subscription was due for renewal in each of the 12 months to March 2004. The details of the subscription included information on the type of product purchased (Bulletin, Tailored or Movers), the end price (the price of the subscription as it came up for renewal), the new price (the price of the subscription at renewal), the subscription ID, the subscription length (Emap variable), the date of the start of the subscription, the date of the start of any subscription this customer has had and the Thomson code for the industry in which the subscriber is operating.
- The actual subscription length was found by calculating the number of full years that had passed from the date of the start of the subscription to the end of the renewal month (for example, a customer who first subscribed on 31 March 2000 and whose subscription is up for renewal in March 2004 has subscribed for four years).

5. We identified the customers who did not renew their subscriptions using the list of customer cancellations between April 2003 and March 2004. According to this analysis, of the [X] customers whose subscriptions were due to be renewed during this period, [X] cancelled their subscriptions and [X] renewed ([X] per cent cancellation).
6. The information that Emap provided on the churn rate can be used to check the renewal data we have received. According to Emap, there were [X] subscriptions due for renewal between April 2003 and March 2004. Of these, [X] renewed their subscriptions so that the churn rate for this period was [X] per cent. The data provided by Emap contains [X] subscriptions that were due for renewal during this period. Of these, [X] were matched as having renewed so that the churn rate in this analysis was [X] per cent. This figure is lower than the churn rate reported by Emap, but it is not significantly different. Emap explained that the number of cancellations differs from the number of non-renewing customers because of mid-term cancellations and cancellations outside of the renewal period.

Results

7. The following tables and charts show the churn rate by length of subscription, for all products (Bulletin, Tailored and Movers) and separately for each of Bulletin and Tailored.
8. The errors in the tables (#N/A and #REF!) arise because we do not know the product type for a number of subscriptions. Seven customers had subscriptions which were due to be renewed within 12 months of start date. The length of these customers' subscriptions is taken to be 0 years.

TABLE 4 Churn rate by length of subscription (April 2003 to March 2004), all products

Subscription length (years)	Up for renewal	Renewed	Non-renewal	Churn rate %
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
24				
#N/A				
#REF!				

Source: CC calculations.

FIGURE 1

Churn rate by length of subscription (April 2003 to March 2004), all products



Source: CC calculations.

TABLE 5 Churn rate by length of subscription (April 2003 to March 2004), Bulletin product

Subscription length (years)	Up for renewal	Renewed	Non-renewal	Churn rate %
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
#N/A				
Grand total				

Source: CC calculations.

FIGURE 2

Churn rate by length of subscription (April 2003 to March 2004), Bulletin product



Source: CC calculations.

TABLE 6 Churn rate by length of subscription (April 2003 to March 2004), Tailored product

<i>Subscription length (years)</i>	<i>Up for renewal</i>	<i>Renewed</i>	<i>Non-renewal</i>	<i>Churn rate %</i>
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
24				
#N/A				
Grand total				

Source: CC calculations.

FIGURE 3

Churn rate by length of subscription (April 2003 to March 2004), Tailored product



Source: CC calculations.

TABLE 7 Churn rate by length of subscription (April 2003 to March 2004), Movers product

Subscription length (years)	Up for renewal	Renewed	Non-renewal	Churn rate %
0				
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
13				
#REF!				
Grand total				

Source: CC calculations.

Note: Figures should be interpreted with care because of the small number of subscribers to this product.

FIGURE 4

Churn rate by length of subscription (April 2003 to March 2004), Movers product



Source: CC calculations.

Pricing: examples of Emap Glenigan pricing covered at a meeting on 17 September 2004 at Emap Glenigan

Summary

9. The pricing model is used to generate the list price for Bulletin and the Tailored products.
10. There are fewer criteria for the Bulletin product so the pricing is relatively straightforward.
11. The complexity of the Tailored product and the near infinite varieties of customizations possible mean that the pricing of the Tailored product is more complex. Emap’s pricing model is not sufficiently sophisticated to cope with this

degree of complexity. As a result, in most cases the salesperson must adjust the price generated by the model in order to reach the final 'guide price'. This adjustment allows for a certain amount of flexibility in the pricing of new sales.

12. In nearly all of the examples we saw, the renewal price was less than the guide price would be for the equivalent new subscription. The guide or list price is the price generated by the pricing model.
13. Annual price increases for new sales are incorporated into the pricing model.
14. The renewal price is adjusted annually to incorporate the price rise. The customer may negotiate the price increase with the salesperson so that the full price rise is not always attained.
15. If the customer has chosen to amend the criteria of their subscription during the course of the subscription, the price may be amended to incorporate this. This will only occur if the criteria have changed to the extent that the price would be significantly different.
16. If the customer chooses to amend their criteria significantly at renewal, the price of the subscription will be amended to incorporate the change. The change of the price will be calculated according to new sales pricing model, but may be amended to reflect current subscription price.
17. The following results were observed from the sample chosen (30 customers):
 - (a) [X] of the sample had subscribed at list; [X] of the sample had received a discount on subscription. The subscription price compared with guide could not be accurately evaluated for the remaining [X] customers in the sample.

(b) [X] of the sample had renewed. Of these [X] had renewed in full with the remaining [X] receiving a discount. Of the other [X] in the sample, [X] were new sales which were not yet up for renewal and [X] were non-renewals.

(c) [X] out of the sample of [X] had either received a discount on initial subscription or on subsequent renewal.

(d) [X] out of the sample of [X] had paid the guide price on initial subscription and on renewal.

A detailed summary is at Appendix 1.

Emap selection: all new sales

18. The following customers were selected by Emap Glenigan. Emap Glenigan was asked to select five customers who had recently subscribed for the first time. These customers were to include one Bulletin customer, one Tailored customer with a subscription value under £10,000 and one customer over £10,000. Emap Glenigan chose the following customers, who had started new subscriptions within the last week (visit date 17 September 2004):

[X]

CC selection: renewals and new sales

19. The following customers were selected in advance of the meeting. The majority of these customers were chosen at random from the list of customers supplied by Emap and the majority are customers who have subscribed for more than one year:

[X]

'Added-value' strategy

20. In December 2002, Emap Glenigan embarked on its 'added value' strategy in which it tied additional products and services to its core Bulletin and Tailored products and attempted to increase the price of subscriptions by [REDACTED] to customers buying a subscription to the Tailored product in excess of £[REDACTED].
21. Emap told us that since 2001/02 it had invested £[REDACTED] in the 'added-value' strategy and further investment is planned post-merger.
22. The 'added-value' strategy involves tying a monthly 16-page newsletter *Projection* to both the Bulletin and the Tailored products. The newsletter contains analysis and commentary on important or significant new construction projects in the UK and Europe and includes statistical and editorial analyses of sectors of the construction industry together with case studies of best sales and marketing practices. Subscribers also receive unlimited access (charged at national call rates) to the *Information Hotline*, which gives immediate response to enquiries related to any detail on any project.
23. In addition to the *Projection* newsletter and the *Information Hotline*, subscribers to the Tailored product also receive *Key Specifiers* and *Key Projects*. These are quarterly publications that list the top specifiers and projects by value using information on major projects drawn from the sales leads database.
24. Tailored customers will also receive copies of the Advantage software. This is a basic CRM programme that allows customers to process their sales leads. It is a limited and cut-down version of the TrackBase software supplied by ABI and the Advantage software [REDACTED].

25. Emap Glenigan has provided the CC with estimates of the value of the elements of the 'added-value' strategy to customers. These are:

Advantage	£[redacted]
Hotline	£[redacted]
Key projects	£[redacted] (if each lead were separately paid for)
Key specifiers	£[redacted] (if each lead were separately paid for)
Projection	£[redacted]
Total value to Tailored customers	£[redacted]
Hotline	£[redacted]
Projection	£[redacted]
Total value to Bulletin customers	£[redacted]

26. The costs incurred by Emap associated with these 'added-value' elements in 2002/03 and 2003/04 were:

	2002/03 £	2003/04 £
Hotline	([redacted])	[redacted]
Newsletter		
Specifiers		
Total		

Source: Emap Glenigan.

27. Emap told the CC that the price increase was to reflect the added value of the services and the purpose of the strategy was to increase the value to the customer to prevent churn.

28. The 'added value' programme is a strategy to tie additional products to the sale of the Bulletin and Tailored products, because if a customer wishes to purchase the Tailored or Bulletin product from Emap Glenigan, it now has to take the relevant additional products as well as the data.

29. A strategy of tying products rather than selling them separately is usually used to extract surplus from customers by forcing them to take other products in order to get

the service they want, or in order to get them to use products that would have the effect of locking them in.

CC survey responses on price sensitivity

30. In this section we include information relevant to our analysis of the CC survey responses on price sensitivity.
31. The formal estimation of the impact of a uniform 10 per cent price increase by a hypothetical monopolist requires accurate estimates of the price elasticity of demand and the background churn, as well as certain information about costs.
32. In attempting to model this we considered a number of alternative approaches to estimating the price elasticity of demand based both on the survey results and on the historic data, but have not been able to calculate it with any certainty. As a result, we have not been able to estimate the impact of a uniform 10 per cent price increase by a hypothetical monopolist with any confidence.
33. To interpret the responses to the hypothetical monopolist test question in the survey for the purpose of showing whether customers would switch in response to a price rise, we first need to take out those customers who responded that they would stop subscribing following a 10 per cent price rise, but who would nonetheless have stopped subscribing for non-price reasons. These customers were not separately identified in this question.
34. Historic data provides estimates of the background level of churn, the proportion of customers who would cancel their subscriptions for non-price reasons. There are, however, problems with using the historic data.

35. Emap argued that if adjusting for churn were necessary, using historic data to estimate the price elasticity of demand and model the impact of a 10 per cent price increase by a hypothetical monopolist is flawed, as these results were based on periods when the guide price increases were under 10 per cent. (Realized price changes would be lower still, and additionally, some customers who did not cancel their subscriptions might reduce the value of their subscriptions.) This would suggest that the price elasticity of demand is higher. On the other hand, the historic data gives an estimate of the firm-specific elasticity (or residual elasticity) because the switching is in response to an increase in the price by just one provider of PICD. The market elasticity of demand would be lower than this firm elasticity because a customer faced with a price rise by one provider has the opportunity of switching to alternative providers of PICD. This would suggest that the price elasticity of demand is lower.
36. The CC survey provides an alternative measure of the background level of churn and the price sensitivity of customers. The survey collected information on respondents' reservation prices—the price at above which they would stop subscribing. Background churn could be inferred from respondents' stated reservation prices, being that proportion of respondents whose reservation price was equal to current prices.
37. [✂]
38. However, there are a number of reasons for concern with the responses to the questions in the survey that were intended to capture a measure of customers' price sensitivity.

39. We were very concerned that the results of the SSNIP question in the customer survey are inconsistent with the responses to another question which established respondents' reservation prices.¹ 12 per cent of respondents who said that they would continue to subscribe to the products supplied by the parties if a hypothetical monopolist were to increase the price by 10 per cent also reported reservation prices that were less than 10 per cent higher than the price they were currently paying. Similarly, 35 per cent of the respondents who said that they would not continue to subscribe if the price were to increase by 10 per cent also reported reservation prices that were more than 10 per cent higher than the price they were currently paying. This suggests that respondents tended to report greater price sensitivity when reporting their reservation price than when responding to the price increase by a hypothetical monopolist.
40. These results might imply that the SSNIP question was rather complex and not fully understood by all respondents. Certainly, a large proportion of respondents (30 per cent) said that they 'didn't know', which might tend to suggest some difficulty in answering this question.
41. This inconsistency in responses also suggests that the reported reservation prices must be interpreted with a great deal of caution. Robson Rhodes has also raised concerns about these results.
42. Emap said that 'there are inconsistencies in the answers to almost any survey, and overall the responses to these two questions are very consistent as they both show that a significant proportion of customers would stop subscribing if prices rose by the amount specified in the SSNIP test'.

¹RSM Robson Rhodes cleaned this data.

43. A second concern is the low awareness of the current value of the subscription among respondents.² The questions that were intended to capture respondents' price sensitivity were based on the current cost of each respondent's subscription. This required an accurate recollection of the annual cost of their subscription in the first place, and would be open to error. Robson Rhodes advised us that there was a relatively low awareness among respondents of the current cost of their subscription.
44. Finally, a customer survey is intended to be a broad-brush approach to gain insight into customer behaviour in response to a hypothetical situation. As such, any inference of estimated price elasticity demand must be treated with care. There is also a tendency for respondents in customer surveys to overestimate their self-reported price-elasticity of demand, which will result in a downward bias to the estimates.
45. In addition to the difficulties with the data that are discussed above, there were further problems with attempting to model the impact of a price rise. For example, the only data available to us is from a period when prices (and quality) were changing. This causes difficulties not only for the churn rate, as discussed above, but also because we need to make an assumption about new sales. New sales are an important source of turnover in a market such as this one with high customer turnover. The historic data already includes a price and quality effect and so may not be an appropriate input into the model. A further difficulty is that we are using firm-specific data to determine whether a 5 to 10 per cent price rise by a hypothetical monopolist would be profitable or not. The implications of this for the price elasticity of demand have already been discussed above.

²396 respondents out of the base of 480 were asked this question.

Pricing

46. Emap and ABI both set their prices according to the criteria and categories that the customer has selected, with some discounting at the discretion of the sales person.
47. Emap uses a spreadsheet model to generate the prices of each of its customers. Sales staff input the customer requirements and produce a price that will be quoted to the customer and [✂].³ Emap tries to price the bespoke services (the tailored product) according to the amount of the database that is searched once the criteria are applied, and according to the type of data. There are additional surcharges for payment method and the number of recipients.
48. This pricing model is not strictly a price list as it is not a published document. Customers placing a subscription face to face with a salesman will be walked through the questions (inputs) in the spreadsheet by the salesman and customers subscribing over the telephone will have the price changes generated by their selection of criteria described to them.
49. Similarly, ABI has a pricing matrix that sets the price of the product according to the criteria selected by the customer.
50. New sales of Emap's tailored product to large national companies are made by field account managers, and internal account managers oversee the sales to smaller companies. Emap sales people undertake a 'fact find' procedure when they receive a new sale enquiry. This procedure is intended to establish whether the potential customer should have an appointment or be sold the product over the telephone. During this process the salesperson gathers information including company turnover,

³[✂]

nature of the products sold, the size of the sales force, the infrastructure of the sales and marketing departments, who they sell to and how they gain new business. This information is collected and attached to the appointment in the diary of the field sales person. It is not clear whether this information is currently stored in the customer database and is therefore also available at the time of renewal, but it could certainly be collected and made available at renewal times in the future.

51. Emap told us that when renewing a subscription, the sales person would have information showing the customer's current selection, the total number of projects delivered to each recipient and the customer care log and details amendments, together with any details of complaints and enquiries. They will also know for how long the customer has subscribed.
52. Sales representatives from ABI will pay two visits a year to existing customers with order values in excess of £2,000 and all customers will receive calls from the Customer Support Department to discuss their subscription. ABI aims to contact all customers every four months and appointments will be provided on request for those customers with products under £2,000.
53. [✂]
54. Emap told the CC that its sales teams [✂].
55. The spreadsheets do not capture all the facets of the possible order terms so the salesperson must make adjustments to determine the guide price. We found that discounts are sometimes applied in excess of the guidelines above. As a result, the actual price to the customer frequently deviates from the list price determined by the

pricing model. It appears that in general the policy is that discounts are greater on new sales than renewals.

Switching

56. Emap has presented analysis of the switching between the parties that shows only a very small percentage of customers switching between them.
57. Emap told us that customers who ended subscriptions to ABI or Glenigan were unlikely to switch to the other of the two providers. The main evidence in support of this was the switching analysis between the two companies. By matching up Glenigan and ABI's sales databases, Emap looked for examples of customers switching between the two. Its analysis of the incidence of switching shows that only a small percentage of customers terminating their subscriptions with Emap Glenigan switch to purchasing from ABI and vice versa (this analysis was based on a comparison of the subscriber databases for ABI and Glenigan in the three years prior to the merger). Of the [REDACTED] customers which left Emap Glenigan in the last three years, Emap found that [REDACTED] became customers of ABI within three months of cancellation and [REDACTED] became customers within the three years reviewed. Of the [REDACTED] customers which left ABI in the last three years, [REDACTED] became customers of Emap Glenigan within three months of cancellation and [REDACTED] became customers of Emap Glenigan within the three years reviewed. All of the switches identified were related to PICD products, and information on switching in the Static Contact Lists sub-segment is not available because these purchases are generally made on a one-off basis.

Alternative providers of these products (niche competitors)

58. In this section we compare the products supplied by other providers of PICD with those supplied by Emap Glenigan and those supplied by ABI. The alternative

providers all have PICD sales of less than £700,000 a year compared with the combined PICD sales of Emap Glenigan and ABI of £[X] million. No other individual supplier has more than a 4 per cent share of the market for PICD and the combined market share of Emap Glenigan and ABI is [X] per cent. We consider that the PICD market is characterized by two large firms, Emap Glenigan and ABI, plus a number of smaller players who do not at present individually or jointly place a significant constraint on Emap Glenigan and ABI.

59. Companies operating in the PICD market differentiate their products in a number of different ways, for example by specializing in particular sectors or by providing services with a limited regional coverage. These companies also differ in the way in which they collect and research the leads they supply—Emap Glenigan, ABI, EGi, Contact Information Services (CIS) and Contract Data Services (CDS) use planning applications whilst the other companies rely on alternative sources of project information.
60. There are four suppliers of PICD with national coverage other than Emap Glenigan and ABI. These are EGi, Contract Data Services, CIS and Construction Leads. At present, these suppliers of PICD do not provide products with the same depth and breadth of coverage as those supplied by Emap Glenigan and ABI.
61. Through its Planning Service, Estates Gazette Interactive (EGi) provides ‘comprehensive coverage of planning applications throughout the UK, including telecommunications’. ABI told the CC that EGi only provided information on major UK conurbations and suggested that this was different from the service provided by ABI. The service provides contact details for the major players related to any given development and is searchable by a number of parameters—type of development, size range, location and company name of major players.

62. EGi told the CC that it provided information only for the targeted sector of commercial and residential development across the UK and Northern Ireland. It reports on proposed commercial developments of 5,000 sq ft (464.5 sq m) and over and proposed residential developments of 15 units and over. These proposals are monitored only at the application stage—EGi does not monitor these projects any further in the planning or construction process—and does not supplement information from planning applications with its own research with architects and specifiers etc.
63. Contract Data Services tracks over 150,000 projects throughout their life cycle and liaises with decision-makers at each stage of a project. It supplies ‘all the necessary information ... to make a direct approach for the available contracts—... project details and names, addresses and contact numbers of decision-makers who need your company’s services or products’. It provides targeted leads tailored to suit the customer’s requirements. These leads are by contract value, project value and by location and coverage is UK-wide.
64. The service provided by Contract Data Services differs from Emap Glenigan and ABI in a number of ways. First, the service it offers is not as tailored as that provided by Emap Glenigan and ABI. Second, it limits the number of companies that it supplies with leads to one company per trade, industry sector or profession.
65. CIS describes the services it supplies as fully detailed and up-to-the minute information on property and construction projects. CIS covers only large projects and excludes infrastructure projects. The information is sourced from ‘all the leading data banks’ and includes projects at initial planning stage to final completion. Researchers monitor projects at all stages (plans submitted, plans refused, plans awarded, tender and contract award) and have ten building categories for new

construction sites (industrial commercial, public retail, medical leisure, refurbishment, refits extensions, residential and others).

66. Construction Leads provides a subscription service for consultants in the construction industry (architects, engineers, surveyors and building suppliers). It provides over 1,000 UK and Irish leads a year. A premium subscription costs £250 and gives the subscriber fortnightly and controlled web access to the online database of current and past leads and faxed copies of OJEC notices when required, together with a fortnightly email of Construction Leads. For the standard subscription of £200, the subscriber receives Construction Leads by email every fortnight.
67. The products supplied by the remainder of the alternative providers of PICD differ from those supplied by Emap Glenigan and those supplied by ABI in that they supply leads only for a certain sector or in a particular region. A number of these PICD providers resell data licensed from ABI.
68. These niche suppliers can provide an effective and realistic substitute product for those customers that operate only in the given sector or region (and not necessarily in relation to construction). For example, Protel supplies PICD related specifically to capital expenditure within the process sectors (food and drink, chemicals, pharmaceuticals and energy) and laboratories. The primary interest of its customers is for process engineering projects and requirements for process and scientific equipment rather than civil construction projects and requirements for construction materials and services. Protel provides information on the whole of the UK and does not offer information on a regional basis. Protel told us that it considered that the data it provided would be a 'favourable substitute' for users requiring more process or scientific-oriented data, but a 'poor substitute' for users requiring construction-oriented data. Protel resells ABI data.

69. There are a number of other suppliers of PICD providing leads covering a specific sector or area of interest. Qualified Sales Leads (QSL) identifies UK companies that are about to invest in new premises, plant and equipment.⁴ CityOffices.net is aimed at international real estate companies and corporate end-users. It provides 'real time' information and research on city offices markets in the UK and continental Europe. BDS Marketing and Research told us that it supplied planning and sales leads information on a number of sectors in the construction industry including minerals, waste, concrete, house building, sports facilities, golf courses, swimming pools, food stores, non-food stores and land protection schemes. The reports cover the UK and can be made available to subscribers on a regional basis either as hard copy, email or in database format.
70. Lead-In Research, UTL Research and Wendover Corporation supply relocation information—leads detailing companies that are relocating their offices.
71. Maritime Contracts Journal describes itself in its publications as providing 'the only weekly business information bulletin dedicated to contracts, tenders and business opportunities in the maritime industry'.
72. DataServe Direct is a supplier of PICD providing leads with a specific geographic coverage—London, the South-East and the Midlands.
73. A number of suppliers of PICD operate by supplying information on public sector contracts or are based on tender information only. These include BiP, the Builders' Conference, Geo-Uk Ltd and Win Contracts.

⁴QSL's researchers acquire this information from a range of sources including news agencies, City finance sites, online databases, DTI and Regional Government Offices, trade associations, regional, national and trade publications.

74. CMPi's Barbour Index operates a telephone enquiry service that puts buyers and specifiers of construction products in touch with the suppliers of construction products and services. Construction industry suppliers register themselves for a fee and buyers and specifiers currently involved in a construction project seeking to purchase products contact the enquiry service indicating the type of good or service that they are seeking to procure. The enquiry service then provides the buyers or specifiers with the contact details of the appropriate businesses that have registered with them.
75. BiP Solutions describes itself as Europe's leading provider of public sector contract information, some of which will involve construction projects. It offers suppliers and buyers access to a database of current open contract opportunities including OJEC/TED. BiP provides a number of PICD products in the UK through its Tendermatch service. Contrax Weekly is a Government Opportunities publication providing public sector contract notices. An annual subscription to this weekly magazine costs £880. Tendermatch also provides a Contrax Weekly National Online product that allows subscribers to access the database of UK and Irish contracts and search using their own criteria.
76. The Builders' Conference is a non-profit-making trade association that provides tender and market information to the construction industry. Membership includes main contractors, subcontractors, suppliers and consultants of all sizes. The Builders' Conference does not provide a service based on planning applications from local authorities. It has a team of researchers who collect information on tenders and contract information on a national basis. It provides tender and contract-awarded information with national coverage, leads on tenders reported, leads on contracts awarded, details of subcontractors, suppliers and specialist contractors, details of private and public sector work, details of types of works available, details of project

managers, architects, quantity surveyors etc and networking facilities. The information that the Builders' Conference collects is available to members (who pay a fee) and is currently sold to ABI.

77. Geo-UK Ltd supplies a construction PICD product in the form of a twice-weekly email bulletin of contract information. The information is sourced from the EU Official Journal and gives details of notices relevant to building, construction and property in the UK and Ireland.
78. Win Contracts Information provides online-only access to public and private sector business contracts in the UK. It supplies access to contracts and tenders in four areas: independent contracts; public contracts supplied under licence from OJEC; subcontracts; and an archive of previous tenders.

Potential entrants

79. In its submission to the CC, Emap identified a number of companies that it believed had the resources, expertise and assets required to enter the market with a service similar to that provided by Emap Glenigan and ABI. These companies are currently providing information services in the construction industry and Emap believed that they could potentially expand to supply products that would compete with Emap Glenigan and ABI. The companies that Emap believed had the resources, expertise and assets to launch a similar service to Emap Glenigan/ABI are discussed in detail below.
80. Reed Elsevier owns Reed Construction Data, which is the market leader active in the Americas, Australia and Scandinavia according to Emap. Reed Elsevier owns Reed Business Information (RBI) in the UK. RBI publishes *Contract Journal*, which has a weekly controlled circulation of around 30,000 in the UK. RBI has identified itself as

both a customer of ABI and a competitor of Emap Construction. Reed Elsevier buys from ABI project information and contact data. This information is reprinted in its *Contract Journal*, which competes with Emap Construction's publication, *Construction Journal*, though the information is not sold by Contract Journal to its readers.

81. RBI also owns Estates Gazette Group including EGi, which supplies planning data and has a UK research function. The Estates Gazette Group is active in the commercial property sector. EGi is an online information service to the property development and commercial property sector.
82. RBI told us that launching into supplying data comparable to that available from Emap and ABI would be a difficult and costly operation because of the high costs of expansion. Based on company accounts for ABI and Glenigan, RBI estimated that the required annual cost would be £3.5–£4 million with a staff base in excess of 120 employees to operate a national service on the same basis as Emap or ABI. [REDACTED]
83. McGraw Hill US owns Dodge, the leading US contract leads provider, and used to own ABI. This company is active in the UK through Standard & Poor's and has said that it intends to expand its operations in Europe. [REDACTED]
84. McGraw Hill told us that [REDACTED]. The CC was advised by McGraw Hill that ABI was owned by a subsidiary of the company for three years (from November 1989 to November 1992).
85. UBM last year acquired Builder Group and Barbour Index for £79 million. Emap believed that the Barbour Index was already active in the provision of contract leads.

UBM also owns the construction publications *Building* and *Barbour Compendium*, together with the magazines *Building Design* and *Construction Manager*. [REDACTED]

86. Emap told us that through its subsidiary, Landmark, DMGT was active in the provision of information to prospective property purchasers including planning data purchased from ABI. [REDACTED] Emap believed that DMGT had the skills to run an information business [REDACTED].
87. DocuGroup is headed by Sture Wigart, who used to own ABI and is understood by Emap to be actively considering entry in the UK. DocuGroup provides similar services to those supplied by Emap and ABI, in Germany, Sweden, Switzerland and Austria.
88. [REDACTED]