



CRA Announcement Competition

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CRA economists advise on Zillow/Trulia merger

CRA economists advised counsel to Trulia throughout a review by the US Federal Trade Commission (FTC) of its proposed \$2.5 billion merger with Zillow. The FTC closed its Second Request investigation on February 19, 2015 noting that the combined entity will still face substantial competition.

CRA economists analyzed whether the merger would reduce the incentive to attract home shoppers to the Zillow and Trulia sites and whether it would create upward pricing pressure on the rates charged to real estate agents who purchase advertising on Zillow and Trulia.

A critical component of the economic analyses involved determining whether real estate portals constitute a relevant antitrust market or, alternatively, whether they compete in a broader market. In a statement explaining the FTC's decision to close the investigation, Commissioners Ohlhausen, Wright, and McSweeney noted that even though the two websites "compete closely" for consumer traffic and advertising, "there is evidence that real estate agents use numerous methods in addition to the platforms operated by Zillow and Trulia to attract customers." Further, the Commissioners noted "...the balance of evidence reviewed does not suggest that a hypothetical monopolist of real estate portals could profitably impose a price increase on agent advertising."

In its statement, the three FTC Commissioners also indicated that the combined entity would have "strong incentives" to develop new features to grow its consumer base and increase advertising revenues.

CRA's team was led by [Professor Michael Salinger](#) and [Jeffrey Prisbrey](#) and included [Paul Labys](#).

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CRA's Competition Practice is an acknowledged leader in providing economic analysis, advice, and testimony for antitrust and merger cases worldwide. Our clients include government agencies as well

as law firms and their clients. Our merger engagements include work with parties to the Office Depot/OfficeMax, International Paper/Temple-Inland, Caterpillar/MWM, Texas Instruments/National Semiconductor, Google/Motorola Mobility Holdings, NBCUniversal/Comcast, BATS Trading/Chi-X Europe, CVS Caremark/Universal American, Live Nation/Ticketmaster, and Hertz/Dollar Thrifty transactions. We advised Sprint in its challenge to the AT&T/T-Mobile merger. We have also assisted Amcor, Intel, and Micron in non-merger-related antitrust proceedings. Whether before a court or a regulatory agency, CRA consultants set a high standard for the clear communication of sophisticated economic analysis in complex cases. Read more about the practice [here](#).

Contact

Michael Salinger

Senior Academic Adviser

+1-617-425-3383

msalinger@crai.com

Jeffrey Prisbrey

Vice President

+1-202-662-3816

jprisbrey@crai.com

www.crai.com/antitrust



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