



Competition Law Business Tracking Research

Competition & Markets Authority

May 2021



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1 Executive summary

Background and methodology

- 1.1 This report presents the findings from the 2021 competition law survey conducted by IFF Research on behalf of the Competition and Markets Authority (CMA). The findings are based on a representative sample of 1,200 UK private sector businesses. Comparisons are made to the previous waves of the survey conducted in 2018 and 2015.
- 1.2 The research was designed to measure current levels of understanding and awareness of competition law. The research covers businesses of all sizes and in all sectors of the UK.
- 1.3 The survey was conducted via telephone. Fieldwork took place between 13th January and 2nd March 2021. Respondents are senior individuals with responsibility for sales in their business.

Key findings

- 1.4 At the overall level, the results from this research present a similar picture to 2018. Familiarity with competition law remains relatively low (24% know it well), and only a minority (6%) feel they have a good understanding of non-compliance penalties or sanctions.
- 1.5 Similarly, only a minority (18%) of businesses are aware that the CMA is the body with current responsibility for enforcing competition law. There appears to be a gap opening up between smaller and larger businesses in terms of awareness of the CMA's role; a quarter (25%) of medium and large businesses were aware, compared with 18% of micro and small businesses.
- 1.6 Businesses that are aware of the CMA show higher awareness of sanctions for non-compliance and greater knowledge of anti-competitive behaviours vs. those unaware of the CMA. They also show a higher perceived risk of breaches of the law in their sector.
- 1.7 Positively, most UK businesses remain committed to complying with competition law, with a combination of 'pull' and 'push' factors seen as important by the majority of respondents. However, it is important to highlight the significant increase in perceived risk of breaching competition law in their sector being medium or high (37% vs. 31% in 2018 and 30% in 2015). There is evidence, however, that the more businesses know about competition law, the more risk they are likely to see: 43% of those who know the law well perceive there to be at least a medium risk of breaches in their sector, compared with 33% of those who do not know it well.
- 1.8 The impact of COVID-19 is affecting how businesses perceive competition in their sector. Businesses that said COVID-19 has had a negative impact on their financial performance were more likely to disagree that it's easier to enter new areas of business (44%) and that it's easier to expand in their existing area of business (48%) than it was five years ago. These businesses were also more likely to agree that it's harder to compete with larger companies providing the same products or services than it was five years ago (60%).
- 1.9 Use of third-party online platforms is low (12% currently use and a further 4% have in the past), however, over half (55%) of businesses that currently use them are dependent on them and only 37% of businesses that have ever used them agree they get a fair deal when selling via these platforms. This again highlights an area of importance, particularly as the market is

dominated by a few key players. Businesses that disagree that they get a fair deal from online platforms are more likely to think competition in their sector has become more unfair in the last 5 years (45% vs. 23% think they get a fair deal), which demonstrates that their experience of online platforms could be a contributing factor to their overall perceptions about the state of competition in their sector.

Awareness of competition law

- 1.10 Overall awareness of competition law remains low in 2021 with just under a quarter (24%) claiming to know the law well (very or fairly), and this proportion is consistent with 2018 (23%) and 2015 (23%). Around three in five respondents (58%) say they do not know the law well (not very or not at all), which is not significantly different from the 61% in 2018 and 58% in 2015.
- 1.11 As in previous years, Health and Safety (85%) and Employment Law (64%) are the most likely topics of compliance to have been discussed at a senior level. The proportion of businesses that have had discussions on Health and Safety has increased significantly since 2018 (85% cf. 77%), most likely due to the COVID-19 pandemic. Relative to other topics, senior level discussions on competition law remain fairly uncommon with only a fifth (20%) having discussed their compliance with legal requirements in the last 12 months; this proportion is unchanged from 2018 (18%) and 2015 (19%).
- 1.12 Over two thirds of businesses (69%) say they have a 'poor' awareness of the penalties for non-compliance with competition law. This is consistent with previous years (68% in 2018 and 70% in 2015).

Knowledge of anti-competitive behaviours

- 1.13 There has been a drop-off in awareness across most statements since 2018, the largest decrease being the proportion of businesses that know it is okay to tell suppliers the prices that other suppliers are quoting, as part of bargaining for a better deal (falling 10 percentage points since 2018). By taking into consideration the eight statements that were asked in both the 2018 and 2021 surveys, a comparative mean average can be derived to demonstrate the change in the overall level of knowledge of anti-competitive behaviours. On average, in 2021 businesses score a mean average of 3.5 correct answers, compared with 3.9 in 2018, demonstrating further the overall regression in awareness of anti-competitive behaviours.
- 1.14 The statement with the highest proportion of correct responses in 2021 is: 'a director of a company that breaches competition law can be disqualified from acting as a director' (identified as true by 65% of businesses). This was a new statement for the 2021 survey. A majority of businesses also know that:
- It is okay to tell suppliers the prices that other suppliers are quoting you, as part of bargaining for a better deal (53% identifying this as true); and,
 - It is okay for competitors to agree prices in order to avoid losing money (51% identifying this as false).
 - Resale price maintenance (RPM) remains the least understood area by UK businesses; the statement relating to this, 'it is unlawful to set the price at which others can resell your products', had the low proportion of correct responses, with 30% identifying this as true, compared with 34% in 2018.

Corporate commitment to compliance

- 1.15 As in previous waves, in 2021 the strongest factor for compliance with competition law is that it is the right thing to do ethically (33% cite this as the most important reason for complying). 'Pull' factors are more likely to be the main motivators for complying than 'push' factors (64% vs. 28%). The strongest 'push' factor was it being obligatory / the law to comply (the most important reason for 19% of businesses).
- 1.16 Around one in seven businesses (14%) think their sector is at a high risk of breaching competition law, similar to levels reported in 2015 and 2018. However, when taking into account those who consider a medium risk as well, the result is significantly higher (37% cf. 31% in 2018 and 30% in 2015).

Perceptions of the state of competition and experience of digital markets

Entering new businesses areas and expanding in existing area

- 1.17 The balance of opinion is that it has become more difficult to enter new areas of business and to expand within their existing area of business in recent years. A third (32%) of businesses agree that it is easier for companies like theirs to enter new areas of business than it was five years ago but a higher proportion disagree (41%). A third (33%) agree it is easier for companies like theirs to expand in their existing area of business than it was five years ago, but over two fifths (44%) disagree.

Changing their business model and competing with larger companies

- 1.18 Feelings are mixed in relation to whether it is becoming increasingly difficult for businesses to change their business model. Over a third (35%) of businesses agree that it is harder for companies like theirs to change their business model than it was five years ago, whilst over two fifths (43%) disagree.
- 1.19 Businesses with under 250 employees (which account for 99% of all UK businesses) were asked to provide a view on competing with larger companies providing the same products and services. Over half of such businesses (57%) believe it is harder to compete with larger companies than it was five years ago.

Ensuring a level playing field

- 1.20 The vast majority of businesses feel it is important that there is a level playing field in their sector and that all companies comply with competition law to allow this to happen. Nearly nine in ten businesses (89%) agree that it is important to have a level playing field in their sector so companies can compete fairly with each other, whilst only 5% disagree. Nine in ten (90%) agree it is important that all companies in their sector comply with competition law so they can compete on a level playing field, with only 4% disagreeing.

Changes to competition in their sector

- 1.21 When asked whether competition has become fairer or more unfair in their sector over the last five years, six in ten businesses (61%) say it has not changed. A quarter (25%) think it has become more unfair (12% a little and 13% a lot); whilst one in ten (11%) think it has become fairer (8% a little and 2% a lot).
- 1.22 Among those businesses that feel competition in their sector has become more unfair, the most common reason they mention is it being harder to compete with larger businesses (32%).

Third-party online platforms

- 1.23 One in six (16%) businesses have used third-party online platforms to sell products or services to customers; 12% do so currently and 4% having done so in the past. Most businesses (83%) have never used online platforms.
- 1.24 Of businesses that currently use online platforms to sell to customers, just over half (55%) say they are dependent on them (33% very and 22% quite dependent).
- 1.25 Businesses that have ever used online platforms (16%) were asked to what extent they feel they get a fair deal when selling products or services via these platforms. Findings show that views are mixed, with 37% agreeing they get a fair deal and 39% disagreeing. Around one in five (21%) are neutral on this issue.

Awareness and understanding of the CMA and its role

- 1.26 Unprompted, spontaneous awareness of the CMA remains low, with 62% of respondents reporting that they do not know who enforces competition law in the UK. Only 4% are aware it is the CMA.
- 1.27 When prompted with a list of bodies, a further 14% of businesses chose the CMA as the body responsible. Overall this means that 18% of businesses are aware of the CMA's primary role (prompted or unprompted), reflecting no change since 2018 (17% aware overall).
- 1.28 When asked how familiar they are with the CMA, around two-fifths (43%) of businesses say they have never heard of the CMA; this is an increase from the corresponding 2018 result (39%), although still a large improvement from 2015 when 57% of businesses had not heard of the CMA. The proportion of businesses that say they know the CMA either very or fairly well remains unchanged (3%).

2 Introduction

Background

2.1 The Competition and Markets Authority (CMA) is an independent non-ministerial department and has been operating since 2014. Its remit is to promote competition for the benefit of consumers, both within and outside of the UK. Promoting healthy competition and enforcing competition law ensures that consumers get better products at lower prices, which contributes to the wider success of the UK economy. The CMA has made a firm commitment to improve levels of compliance with competition law among businesses in the UK.

The CMA's responsibilities

2.2 The CMA's main responsibilities include:

- Investigating mergers between organisations, to make sure these do not hinder competition;
- Investigating markets where there are suspected competition or consumer problems;
- Taking enforcement action against businesses and individuals that partake in anti-competitive activities, such as cartels;
- Protecting consumers against unfair trading practices; and
- Encouraging the public sector and other regulators to use competition effectively on behalf of consumers

The Competition Law Survey

2.3 The CMA has previously carried out two waves of quantitative research into UK businesses' awareness and understanding of competition law; the first in 2015 and the latter in 2018. Ongoing monitoring of the research data enables the CMA to identify how awareness and attitudes have changed over time across different types of businesses, and help inform the CMA's priorities and strategic focus.

2.4 The key objectives of the survey are as follows:

- To measure current levels of understanding and awareness of competition law among UK businesses;
- To identify business subgroups (i.e. particular sectors, business sizes and regions) which exhibit the lowest rates of awareness; and,
- To measure awareness of the CMA and understanding of its role.

2.5 In addition to these long-standing objectives, the 2021 survey also explored UK businesses' perceptions of the state of competition and their experience of selling via third-party online platforms.

- 2.6 IFF Research, an independent market research agency, was commissioned to carry out the 2021 survey, having previously undertaken the 2015 survey. The 2018 survey was undertaken by ICM Unlimited.¹

Methodology

- 2.7 As a tracking research study there is an overriding need to maintain consistency so that robust comparisons can be made with previous surveys. This means that any measured differences can be attributed to changes in businesses' attitudes and behaviours rather than any differences in methodological approach. Thus, the methodology for the 2021 survey largely replicates that of the 2015 and 2018 surveys. An overview of the methodology is outlined below (further information can be found in the technical appendices).

Survey sampling, questionnaire design and fieldwork

- 2.8 The survey was designed to be representative of all UK private sector businesses with a least one employee (i.e. excluding sole traders and those who are self-employed). The survey covered businesses across all regions and sectors of the UK and businesses of different sizes.
- 2.9 Interview targets were set according to the size, sector and geographical profile using the latest Department for Business, Energy, and Industrial Strategy's (BEIS) Business Population Estimates available at the time of sampling.² More information on the sampling method and survey quotas can be found in Appendix A and information on statistical confidence in Appendix C.
- 2.10 In order to maintain comparability with previous surveys, it was important that the survey questions were kept as consistent as possible with those asked in previous surveys. However, some of the questions from the 2018 survey had to be removed to a) reduce the average length so that it was closer to the target average length of 15 minutes, and b) make space for additional questions exploring businesses' perceptions of the current state of competition as well as their experiences of selling products or services via third-party online platforms.
- 2.11 The survey was piloted between the 14th and 16th December 2020 to test questionnaire length and understanding of the new survey questions. A total of 14 pilot interviews were conducted. Following the pilot, some minor refinements were made to aid comprehension and reduce length. Overall, despite some reductions, the average interview length still ran at around 22 minutes for the mainstage survey. The final questionnaire can be found in Appendix E.
- 2.12 All interviewers were provided with a detailed face to face briefing on the questionnaire content, the aims of the research, and the background to the project. The survey process was monitored throughout fieldwork to ensure a high quality of interviewing. As with previous surveys in the series, interviewers were unable to disclose that the research was being conducted for the CMA in order to ensure awareness of the CMA could be tested within the survey.

¹ <https://www.gov.uk/government/publications/uk-businesses-understanding-of-competition-law>

² These are available here: <https://www.gov.uk/government/collections/business-population-estimates>

- 2.13 The COVID-19 pandemic brought about new challenges to fieldwork, due to the large increase in homeworking seen across UK businesses. To maximise response, IFF Research set up a process to capture details for appropriate respondents who were working from home. If it was not possible to obtain a telephone number for respondents from gatekeepers, an email address was collected instead and respondents were sent an email which introduced the research and linked respondents to a survey portal where they could submit a telephone number with contact details.
- 2.14 In some cases it was not possible to achieve all of the quotas set prior to the survey. This was particularly evident among large businesses, and businesses in the Arts and Other sector. As a result, targets in other 'quota' cells were increased to compensate (Tables 8.1 and 8.2 in Appendix A show the interviews achieved against the initial targets set).
- 2.15 Overall, 1,200 interviews were conducted with UK businesses with fieldwork taking place between 13th January and 2nd March 2021. Respondents are senior individuals with responsibility for sales in their business. The survey was conducted using Computer-Assisted Telephone Interviewing (CATI) and interviews lasted around 22 minutes on average. The survey achieved a response rate of 25% (more information on the response rate can be found in Appendix B).

Coding

- 2.16 Open ended responses to the survey were coded by IFF Research's internal coding team. To ensure consistency, a formal codeframe was developed and regularly reviewed during development by the research team.
- 2.17 Where respondents did not agree with the sector classification of their establishment, they were asked to give a description of the organisation's activities. This verbatim was coded to 4-digit Standard Industrial Classification (SIC) 2007, and subsequently grouped into the sector categories used for weighting, analysis and reporting.

Weighting

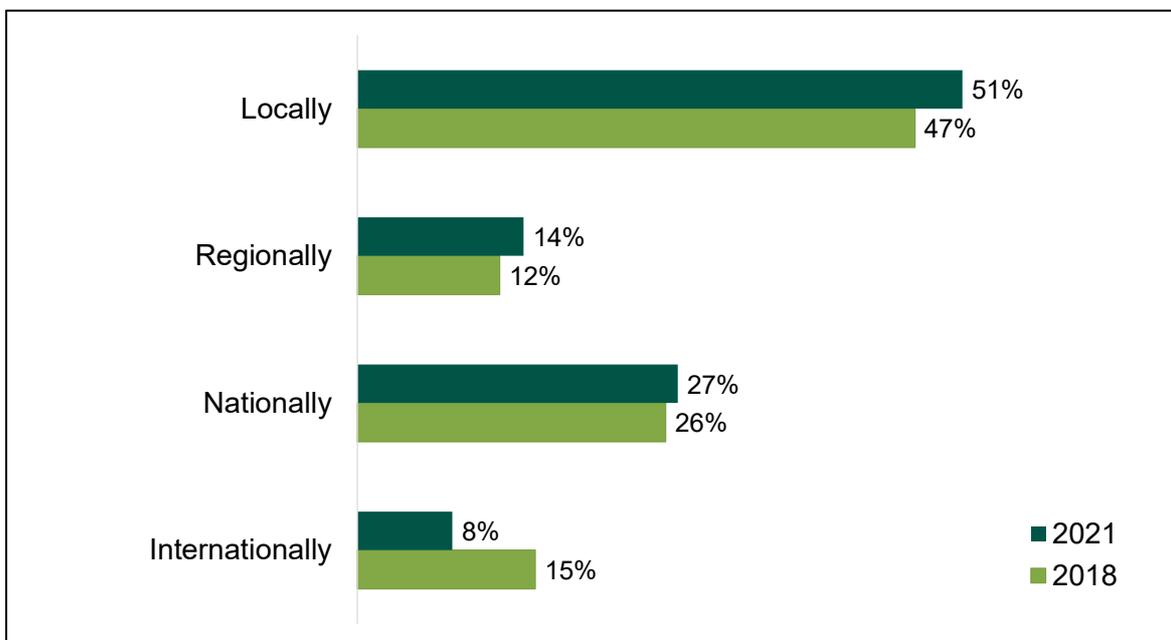
- 2.18 Survey data was weighted to the population of private sector UK businesses, using data from the BEIS 2020 Business Population Estimates.
- 2.19 The first stage of weighting ensured that data were representative by size and sector. Targets were set on a 10 sector and 4 size band grid, using the same definitions employed for sampling the population.
- 2.20 The second stage involved rim weights being applied to the data to ensure that it represented the business population by region (GOR in England, Northern Ireland, Scotland and Wales). Rim weights were used to ensure the survey population of each region matched the true population, but did not correct further for size and sector at this level.

Profile of businesses

- 2.21 The majority of businesses have been operating for 10 years or longer (73%). This is in line with the figure reported in 2018, however there are a larger proportion of new businesses in 2021; 6% have been operating for up to 3 years, double the proportion in 2018 (3%).

2.22 Just over half (51%) of businesses predominantly trade locally, compared with 14% at a regional level, 27% at a national level and 8% internationally. This contrasts with 2018, where a larger proportion of businesses had an international presence, as shown in Figure 2.1.

Figure 2.1 Geographical level at which businesses predominantly trade (2018-2021)



A4: Does your company predominantly trade at a local level, a regional level, nationally or internationally?

Base: All businesses: 2021 (1,200); 2018 (1,200)

2.23 The survey also asked businesses the extent to which COVID-19 had impacted their financial performance. Seven in ten businesses (71%) feel COVID-19 has had a negative impact, 15% feel it has had a positive effect and 12% say there has been no impact. Unsurprisingly, the Accommodation & Food sector are most likely to report a negative impact (91%).

Presentation and interpretation of the data

2.24 When percentages do not add to up 100, this may be due to rounding, the exclusion of 'don't know' categories, or multiple answers.

2.25 All differences noted in the commentary are significant to a 95% confidence level from the rest of the sample. Statistical differences are affected by both the unweighted base and the percentage figure. In charts, where there is a statistically significant change between 2018 and 2021 results, these are marked with arrows reflecting the direction of change.

2.26 The report often refers to differences between size categories: 'micro' businesses (1-9 employees); 'small' businesses (10-49 employees); 'medium' businesses (50-249 employees) and 'large' businesses (250+ employees). For brevity, the number of employees is not always specified where these differences are stated.

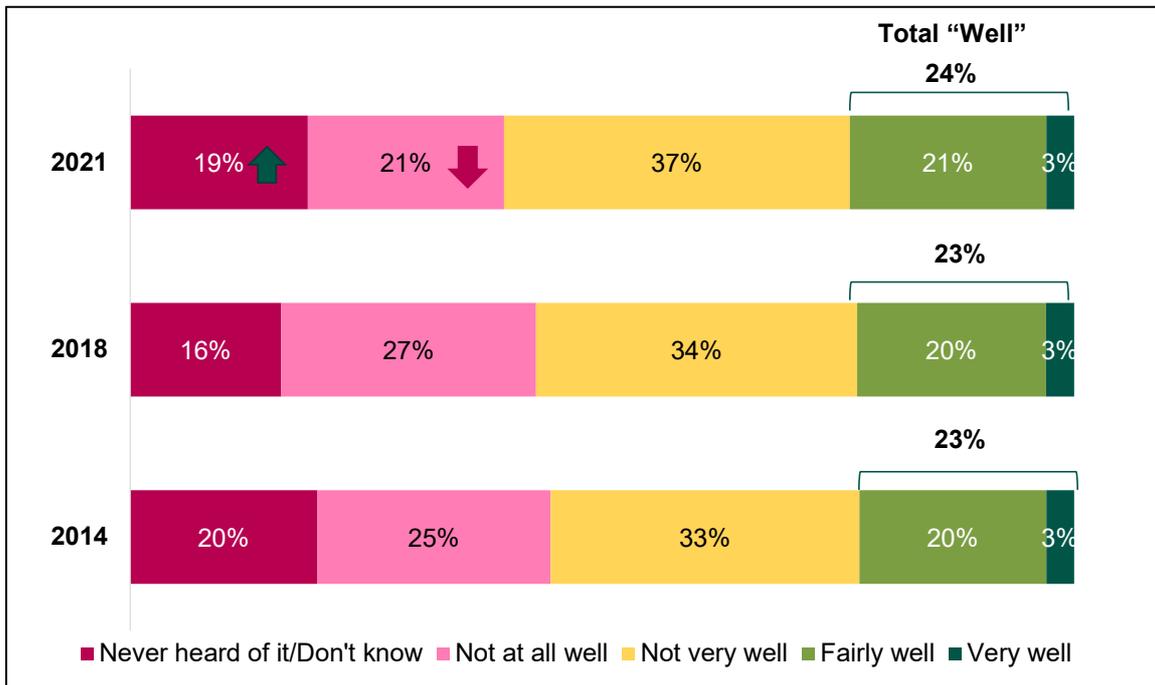
3 Awareness of competition law

- 3.1 Competition law is at the core of the CMA’s work, setting the boundaries of fair competition and outlining behaviours and practices which are anti-competitive. Tracking businesses’ awareness of competition law enables the CMA to target their resources more effectively.
- 3.2 This chapter provides an overview of UK businesses’ degree of awareness of competition law from various perspectives. First awareness in terms of personal familiarity with competition law is assessed and compared with previous years and among businesses with different characteristics. Then activity that might raise awareness of competition law, such as senior level discussions, is measured, and finally awareness of penalties for non-compliance is evaluated.

General awareness of competition law

- 3.3 Respondents were asked how familiar they are personally with competition law (see Figure 3.1). Overall awareness remains low in 2021 with just under a quarter (24%) claiming to know the law well (very or fairly), and this proportion is consistent with 2018 (23%) and 2015 (23%). Around three in five respondents (58%) say they do not know the law well (not very or not at all well, but have heard of it), which is not significantly different from the 61% in 2018 and 58% in 2015.

Figure 3.1 Awareness of competition law

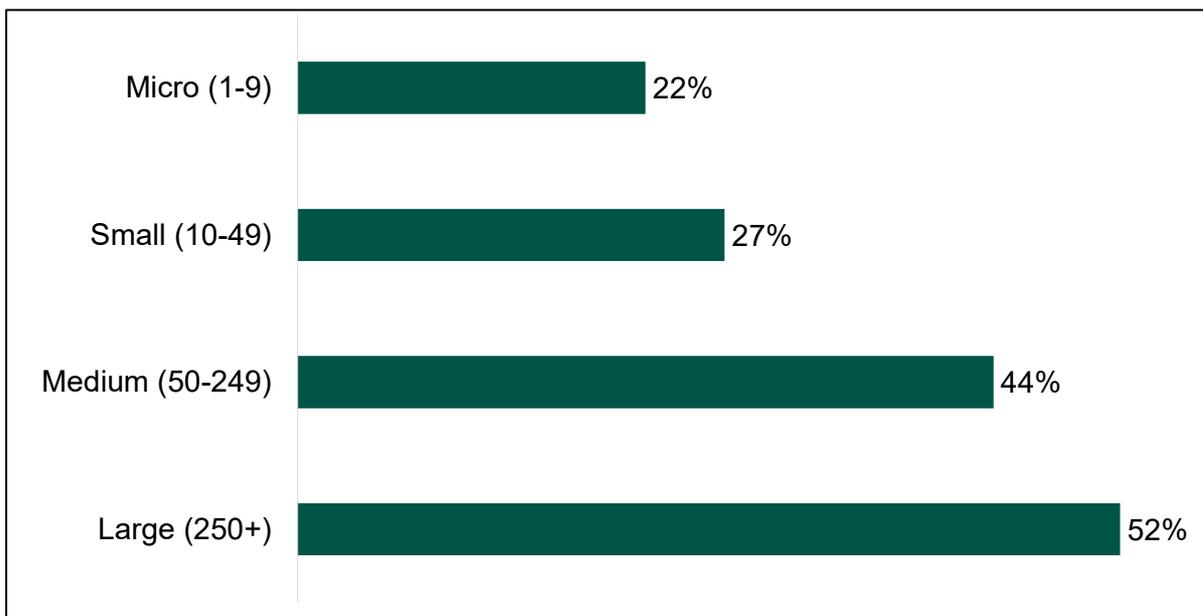


C5: Overall how familiar would you say you are personally with competition law? Would you say you know it...

Base: All businesses: 2021 (1,200); 2018 (1,200); 2015 (1,201)

3.4 To allow more robust analysis, rolling average data was calculated for 2015, 2018 and 2021 to compare differences at subgroup level.³ By business size, awareness of competition law is significantly higher among larger businesses; awareness ranges from 22% knowing it very or fairly well among micro businesses to 52% among large businesses (Figure 3.2).

Figure 3.2 Awareness of competition law (very / fairly well), by business size – rolling average (2015-2021)



C5: Overall how familiar would you say you are personally with competition law? Would you say you know it...(Very/Fairly Well)?

Base: All businesses: micro businesses (2,438); small businesses (602); medium businesses (314); large businesses (217).

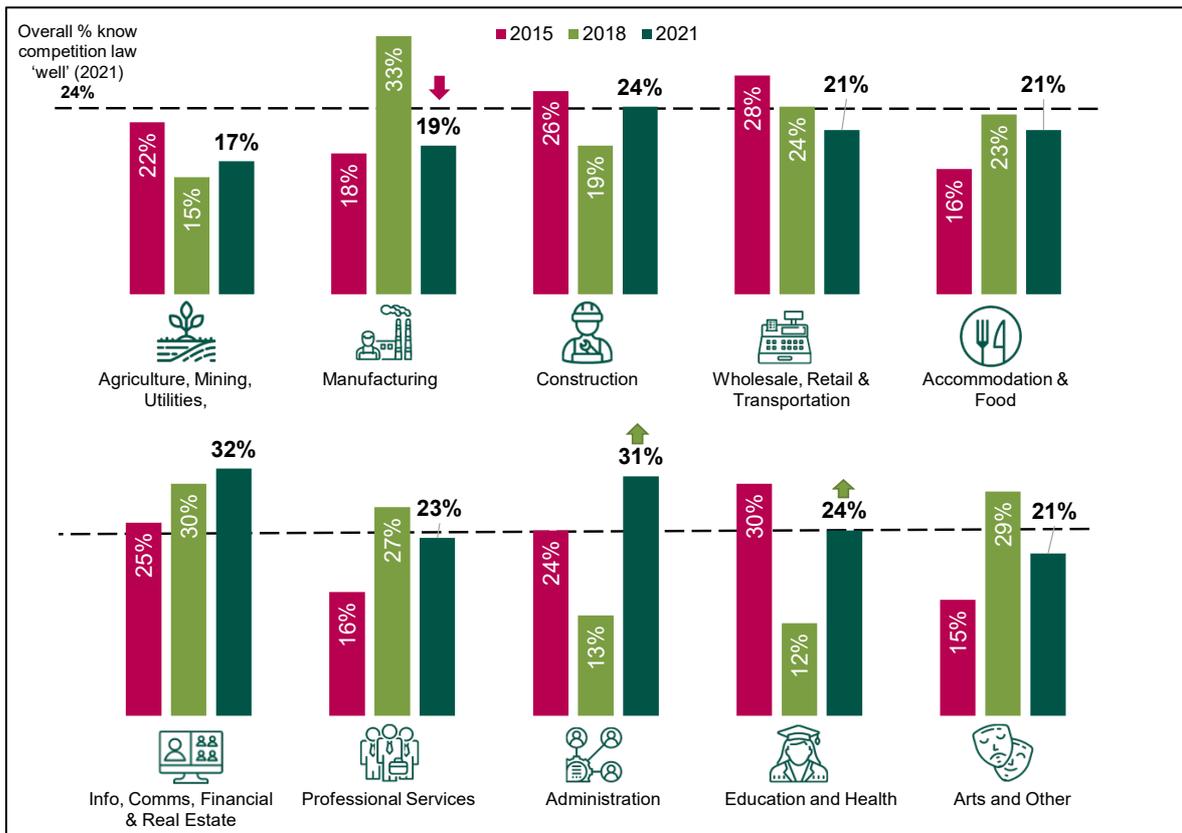
3.5 By sector, awareness of competition law is significantly higher among businesses operating in the Information, Communication, Financial & Real Estate sector, where 32% know it well. Figure 3.3 shows the full variation in awareness across different sectors.

3.6 The proportion who admit they have never heard of competition law also varies substantially by sector. It is significantly higher in Accommodation and Food (31%) and Wholesale, Retail and Transportation (24%). Conversely, businesses in Information, Communication, Financial & Real Estate (11%), Administration (11%) and Professional Services (9%) were less likely to say they have never heard of it.

3.7 Most of the changes in awareness over time, by sector, are not statistically significant. However, awareness of competition law has increased significantly in 2021 from the levels reported in 2018 in Administration (31% cf. 13%), and Education and Health (24% cf.12%). Whereas in the Manufacturing sector awareness has decreased in the last three years (19% cf. 33%).

³ Using rolling data increases the sample size, thus improving the statistical reliability of the changes reported.

Figure 3.3 Awareness of competition law (very / fairly well), by sector

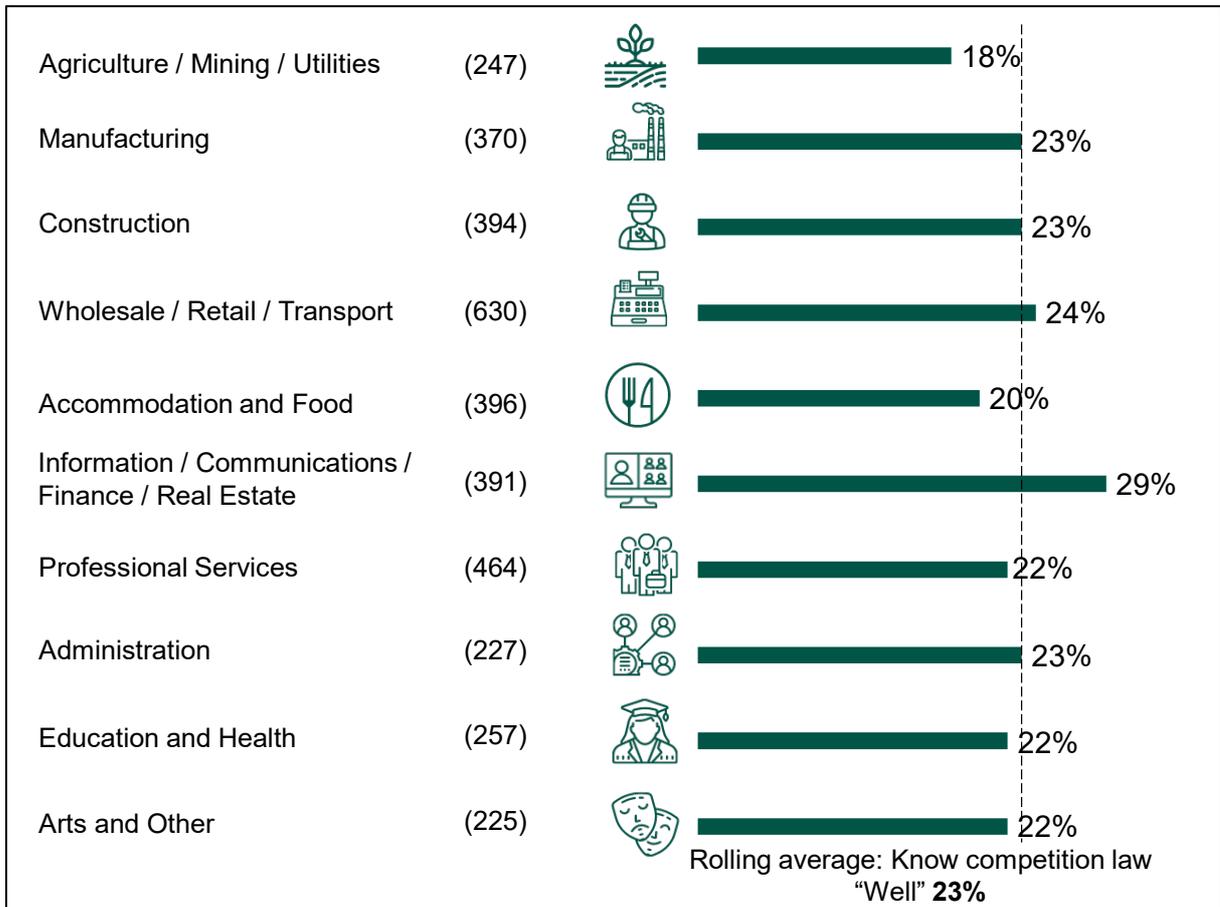


C5: Overall how familiar would you say you are personally with competition law? Would you say you know it...(Very/Fairly Well)?

For subgroup base sizes, see Appendix D.

3.8 Rolling average data by sector across the 2015 to 2021 period shows that those in the Information, Communications, Financial and Real Estate sector are more likely than other businesses to say they know competition law well (29%).

Figure 3.4 Awareness of competition law (very / fairly well) by sector – rolling average (2015-2021)



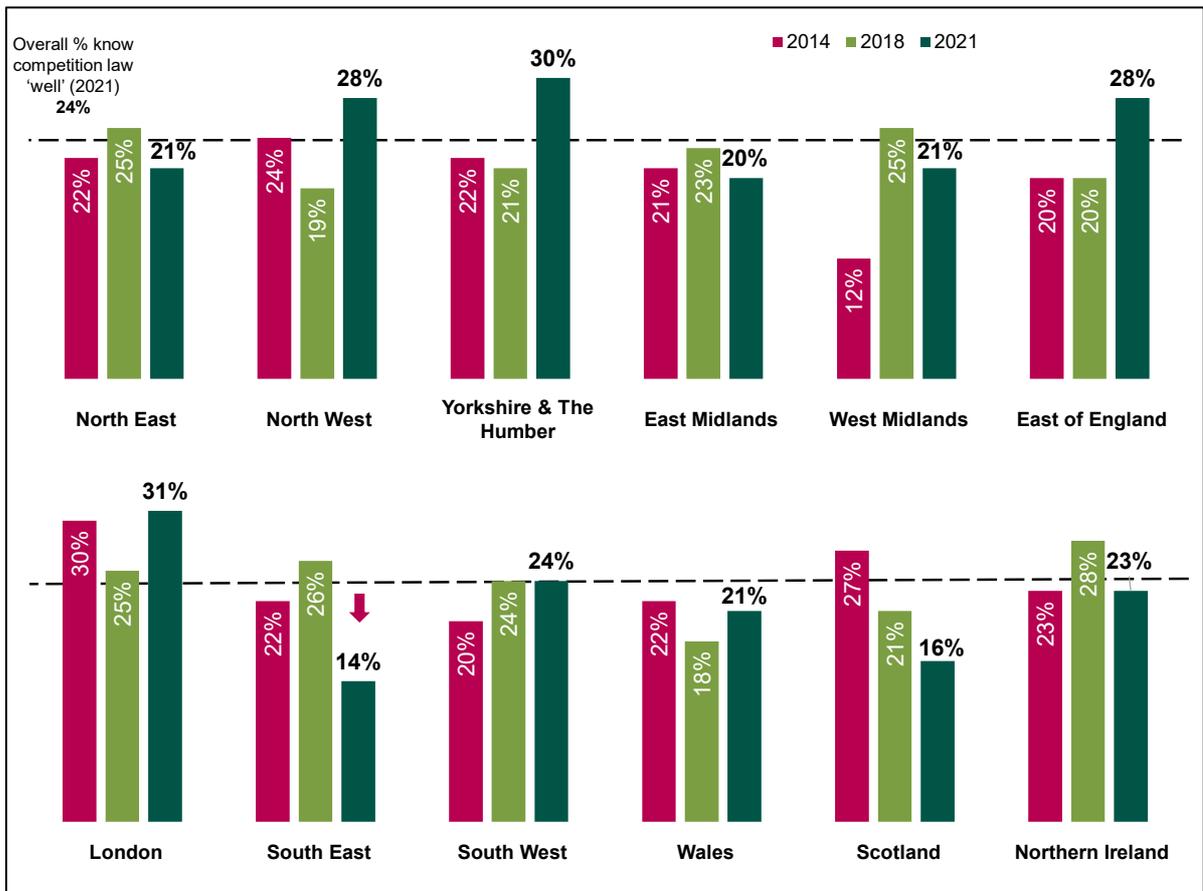
C5: Overall how familiar would you say you are personally with competition law? Would you say you know it...(Very/Fairly Well)?

Sector base sizes are shown in brackets in chart.

3.9 In 2021, the proportion who claim to know competition law well is significantly higher in London (31%) and significantly lower in the South East (14%).

3.10 Most of the variations observed over time, by region, are not statistically significant. However, in the South East the reduction from 26% in 2018 to 14% in 2021 is significant.

Figure 3.5 Awareness of competition law (very / fairly well), by region

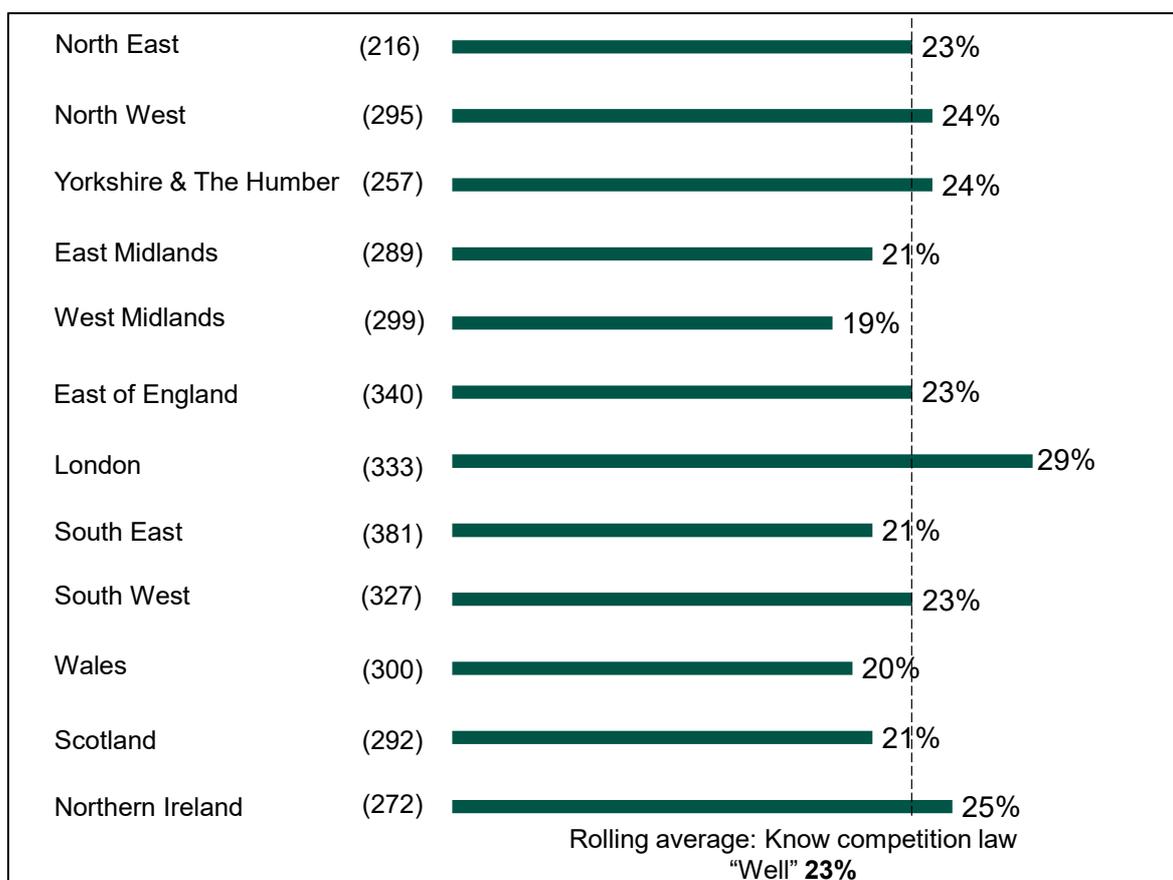


C5: Overall how familiar would you say you are personally with competition law? Would you say you know it...(Very/Fairly Well)?

For subgroup base sizes, see Appendix D.

3.11 Looking at regional differences in awareness of competition law using rolling data for 2015, 2018 and 2021 revealed that awareness was significantly higher among businesses located in London (29%).

Figure 3.6 Awareness of competition law (very / fairly well) by region – rolling average (2015-2021)



C5: Overall how familiar would you say you are personally with competition law? Would you say you know it...(Very/Fairly Well)?

Regional base sizes are shown in brackets in chart.

3.12 Those trading nationally are more likely to say they know competition law well (29%), while those trading locally are less so (20%). Businesses with a turnover of over £1m are more likely to know competition law well (31%) than those with a turnover below £1m (23%).

Discussions on competition law

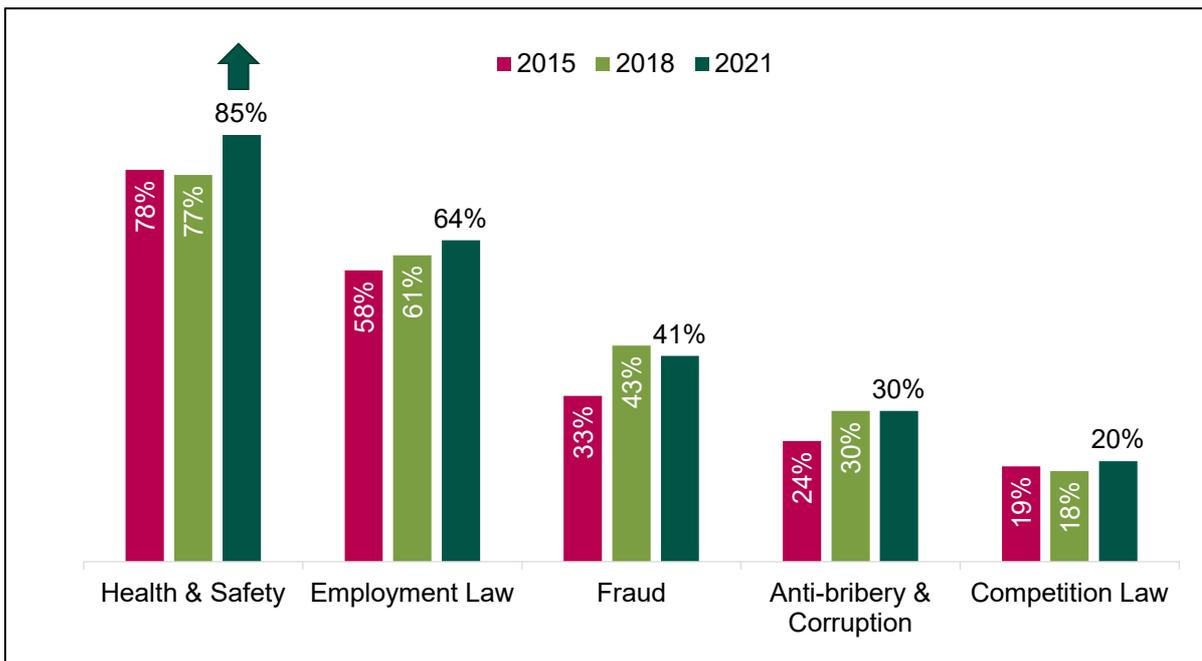
3.13 Businesses were asked whether they have had any senior level discussions in the last 12 months on topics such as Health and Safety, Fraud, Anti-bribery and Corruption, Employment Law alongside Competition Law. The majority of businesses (89%) have discussed at least one of the topics.

3.14 As in previous years, Health and Safety (85%) and Employment Law (64%) are most likely to have been discussed. The proportion of businesses that have had discussions on Health and Safety has increased significantly since 2018 (85% cf. 77%), most likely due to the COVID-19 pandemic.

3.15 Relative to other topics, senior level discussions on competition law remain fairly uncommon with only a fifth (20%) having discussed their compliance with legal requirements in the last 12 months; this proportion is unchanged from 2018 (18%) and 2015 (19%).

- 3.16 Senior level discussions on competition law are significantly more common in larger businesses (44% of medium/large businesses cf. 19% of micro/small). Three in ten businesses with a turnover of over £1m have discussed it in the last 12 months (31%), compared with 18% among those with a turnover below £1m. By trading area, those trading locally are less likely to have discussed competition law (16%), while those trading nationally (24%) or internationally (29%) are more likely. Businesses that said they know competition law well are more likely to have discussed competition law (44%), demonstrating that, as one might expect, those discussions increase awareness and knowledge.
- 3.17 Competition law is the only discussion topic which has not had a significant increase since 2015. This was true across all business sizes and sectors. The highest increase since 2015 was observed in discussions about Fraud (+8p.p.), Health and Safety (+7p.p.) and Anti-bribery & Corruption (+7p.p.).
- 3.18 Businesses were given the opportunity to mention any other areas of compliance they have discussed, whereby there were spontaneous mentions of discussions on data protection/security (6%), industry specific regulations (4%), COVID-19 (4%), financial industry/services (2%), Brexit (1%), money laundering (1%), and environmental (1%) regulations.

Figure 3.7 Senior level discussions in the last 12 months



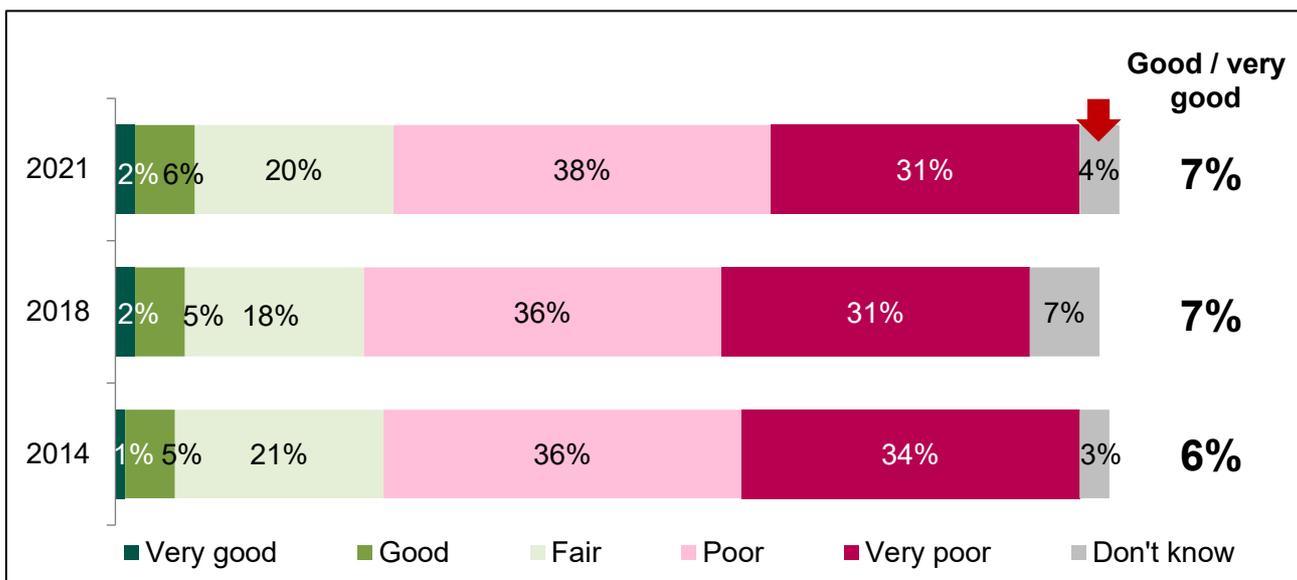
C1: Now I'd like you to think back to senior level discussions you have had within your company in the last 12 months. In which of the following areas, if any, have you discussed your company's compliance with legal requirements?

Base: All businesses: 2021 (1,200); 2018 (1,200); 2015 (1,201). Arrows indicate a statistically significant change since 2018.

Awareness of penalties

3.19 When asked to describe their awareness of the penalties for non-compliance with competition law, over two thirds (69%) describe it as either poor or very poor ('net' poor); this is consistent with previous years (68% in 2018 and 70% in 2015). Only 7% describe their awareness as good or very good ('net' good) – again unchanged from previous years (see Figure 3.8).

Figure 3.8 Awareness of penalties for non-compliance with Competition Law



C7: And how would you describe your own awareness of the penalties for non-compliance with Competition Law? Would you say your awareness was...?

Base: All businesses: 2021 (1,200); 2018 (1,200); 2015 (1,201). Arrows indicate a statistically significant change since 2018.

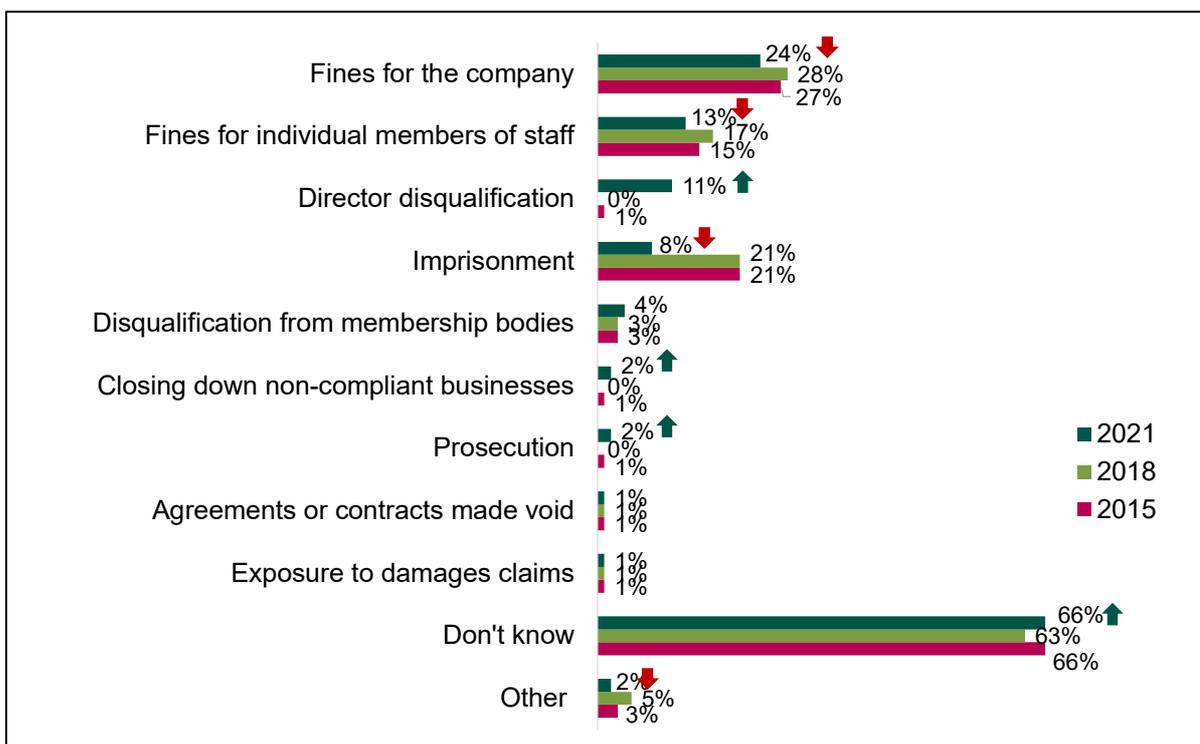
3.20 Unsurprisingly, businesses who believe they have greater familiarity with competition law are more likely to report having a good awareness of the penalties: 14% among those who know the law well compared to only 4% among those who do not know the law well. Similarly, those that have held senior level discussions around compliance with competition law are more likely to say they have a good awareness of the penalties (12%) than those who have not held such discussions (6%).

3.21 Awareness of penalties is significantly higher among businesses with more employees: 13% among medium businesses and 20% among large businesses, (compared to 7% among small or micro businesses). Awareness of penalties is above average in the Accommodation and Food sector (12%), and in the Transportation sector (13%).

3.22 Meanwhile, awareness of penalties is significantly more likely to be considered poor in the Agriculture, Mining and Utilities sector (81%), among businesses that have been operating for more than 10 years (71%) and those with an annual turnover below £1m (72%).

3.23 All businesses were asked, without prompting, to outline the sanctions for non-compliance with competition law. Similar to previous years, two thirds admit that they don't know (66%). Company fines remain the most commonly penalty mentioned (24%), followed by fines for an individual member of staff (13%). Awareness of director disqualification is increasing, following the CMA's communication of this (11%). Other sanctions are each mentioned by fewer than one in ten, as Figure 3.9 shows.

Figure 3.9 Awareness of sanctions for non-compliance

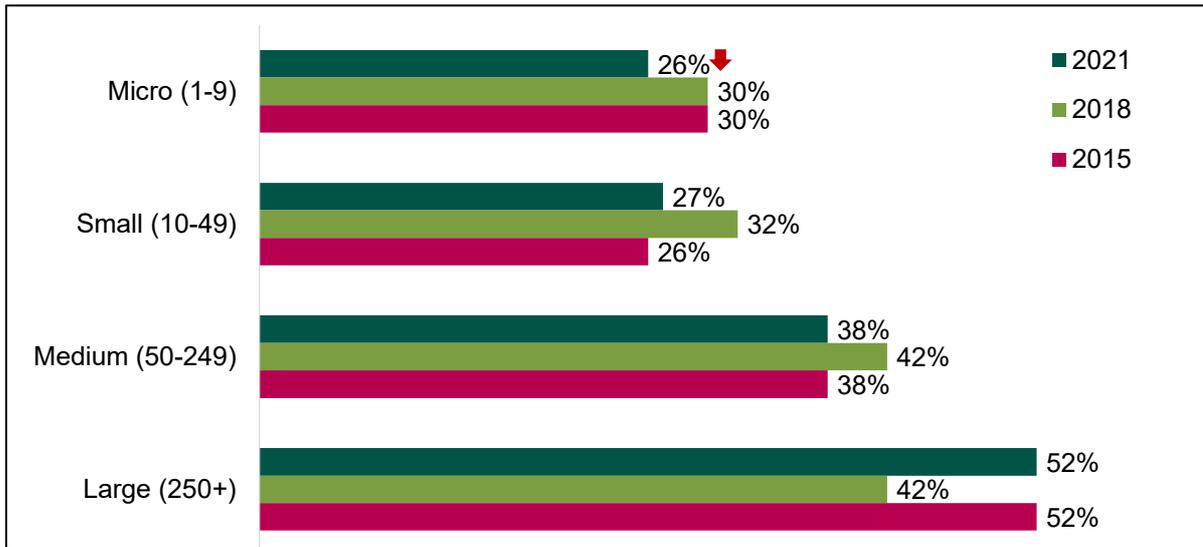


C8: From your knowledge, could you briefly outline for me what the sanctions for non-compliance with Competition Law are? (unprompted).

Base: All businesses: 2021 (1,200); 2018 (1,200); 2015 (1,201). Arrows indicate a statistically significant change since 2018.

3.24 Grouping together any financial sanctions (fines for the company, fines for an individual member of staff and exposure to damages claims), Figure 3.10 shows how awareness of these is higher among larger than smaller businesses. In 2021, 52% of large businesses are aware of any financial sanctions, 38% of medium businesses, falling to 27% of small businesses and 26% of micro businesses. (This pattern is consistent with previous years; the only significant change over time is a reduction in awareness of financial sanctions among micro businesses between 2018 and 2021).

Figure 3.10 Awareness of any financial sanctions for non-compliance, by business size

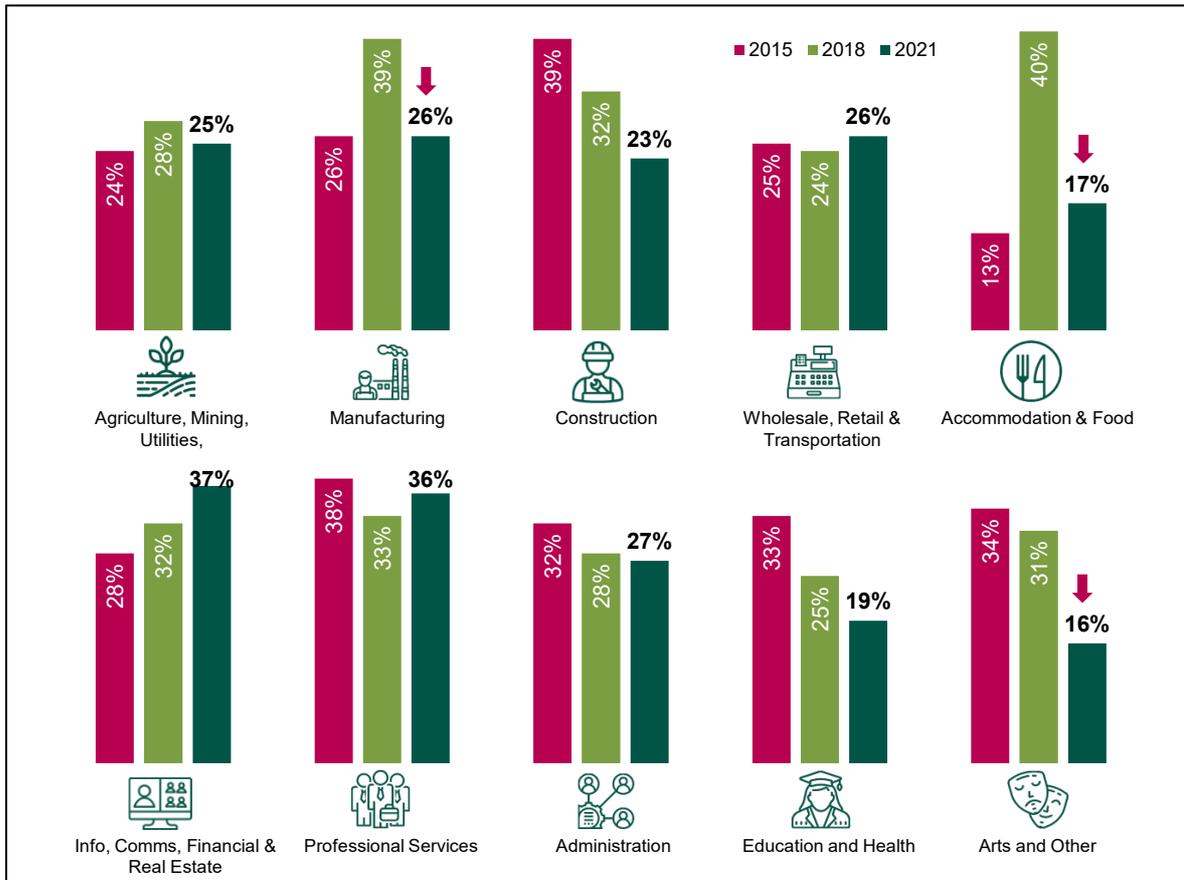


C8: From your knowledge, could you briefly outline for me what the sanctions for non-compliance with Competition Law are? % of respondents who identified any financial sanctions.

Base: All businesses: 2021/ 2018/ 2015 Micro (807/ 827/ 804); Small (215/ 193/ 194); Medium (104/ 91/ 119); Large (74/ 89/ 84).

- 3.25 Still focusing on financial sanctions, Figure 3.11 shows how awareness of these varies by sector. In 2021, awareness of any financial sanctions is significantly higher among the Information, Communication, Financial and Real Estate sector (37%) and Professional Services sector (36%) and significantly lower among the Accommodation and Food sector (17%).
- 3.26 There are a few significant trends by sector over time, as Figure 3.11 shows. Awareness of financial sanctions has trended down since 2015 in the following sectors: Construction, Administration, and Arts and Other. Whilst for Manufacturing, and Accommodation and Food awareness has fallen from highs in 2018.

Figure 3.11 Awareness of any financial sanctions for non-compliance, by sector



C8: From your knowledge, could you briefly outline for me what the sanctions for non-compliance with Competition Law are? % of respondents who identified any financial sanctions. For subgroup base sizes, see Appendix D. Arrows indicate a statistically significant change since 2018.

3.27 Looking in more detail at *specific* sanctions, Table 3.1 details the differences by subgroup.

Table 3.1 Subgroup differences on awareness of specific sanctions

Sanction	More likely to be mentioned	Less likely to be mentioned
Fines for the company (24% overall)	<ul style="list-style-type: none"> Large businesses (52%) Information, Communication, Financial and Real Estate (33%) Professional Services (34%) Businesses trading nationally (30%) Businesses with a turnover of up to £1m (27%) 	<ul style="list-style-type: none"> Accommodation and Food (15%) Businesses trading locally (21%)
Fines for an individual member of staff (13% overall)	<ul style="list-style-type: none"> Medium businesses (23%) Large businesses (29%) Businesses with a turnover of up to £1m (15%) 	
Director disqualification (11% overall)	<ul style="list-style-type: none"> Information, Communication, Financial and Real Estate (21%) Administration sector (19%) Businesses trading nationally (17%) Businesses in the East Midlands (20%) 	<ul style="list-style-type: none"> Accommodation and Food sector (4%) Businesses trading locally (8%) Businesses with a turnover of over £1m (18%)
Imprisonment (8% overall)	<ul style="list-style-type: none"> Large businesses (25%) Information, Communication, Financial and Real Estate (14%) Businesses in the East of England (15%) 	
Disqualification from membership bodies (4% overall)	<ul style="list-style-type: none"> Agriculture, Mining and Utilities (10%) Information, Communication, Financial and Real Estate (8%) Businesses in Yorkshire and the Humber (9%) Businesses with a turnover of up to £1m (5%) 	<ul style="list-style-type: none"> Businesses with a turnover of over £1m (1%)
Closing down the non-compliant company (2% overall)	<ul style="list-style-type: none"> Education and Health (5%) 	
Prosecution (2% overall)	<ul style="list-style-type: none"> Agriculture, Mining and Utilities (6%) Businesses trading internationally (5%) Businesses in the South East (4%) Businesses with a turnover of over £1m (5%) 	

Sanction	More likely to be mentioned	Less likely to be mentioned
Agreements or contracts made void (1% overall)	<ul style="list-style-type: none"> • Agriculture, Mining and Utilities sector (6%) • Businesses in Yorkshire and the Humber (4%) 	
Exposure to damages claims (e.g. being sued by disadvantaged companies) (1% overall)	<ul style="list-style-type: none"> • Manufacturing (3%) • Businesses in Yorkshire and the Humber (4%) • Businesses trading nationally (2%) 	

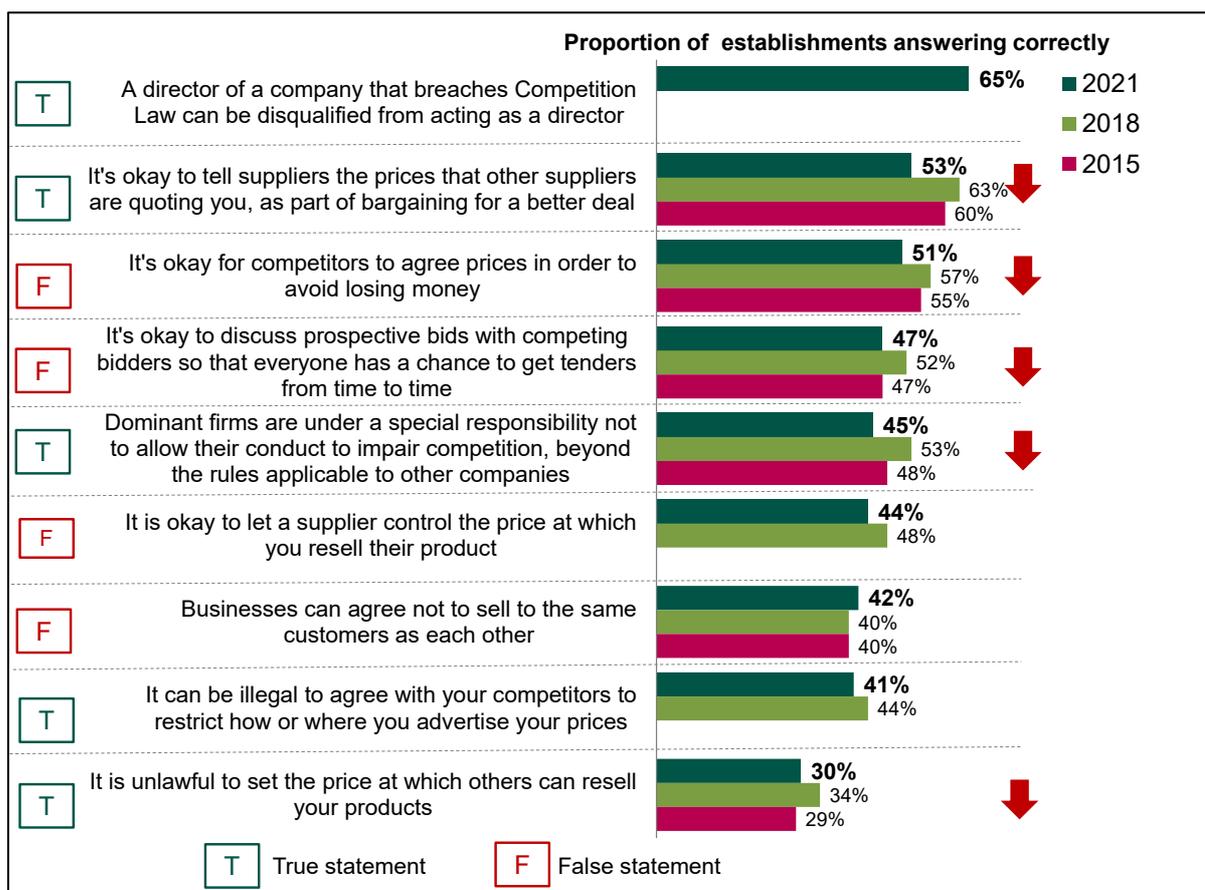
4 Knowledge of anti-competitive behaviours

4.1 While self-reported levels of familiarity with competition law discussed in the last chapter give an important insight into businesses' awareness of competition law, testing their knowledge about what is and is not permissible under competition law provides a better indication of their actual knowledge. With this in mind, businesses were prompted with a series of true-false statements on business practices to test awareness of anti-competitive behaviours.

4.2 Figure 4.1 shows the nine statements businesses were prompted with, ranked in order of the proportion of businesses that answered these statements correctly. The statement with the highest proportion of correct responses is: 'a director of a company that breaches competition law can be disqualified from acting as a director' (identified as true by 65% of businesses). This was a new statement for the 2021 survey. A majority of businesses also know that:

- It is okay to tell suppliers the prices that other suppliers are quoting you, as part of bargaining for a better deal (53% identifying this as true); and,
- It is okay for competitors to agree prices in order to avoid losing money (51% identifying this as false).

Figure 4.1 Proportion of businesses answering anti-competitive behaviour statements correctly



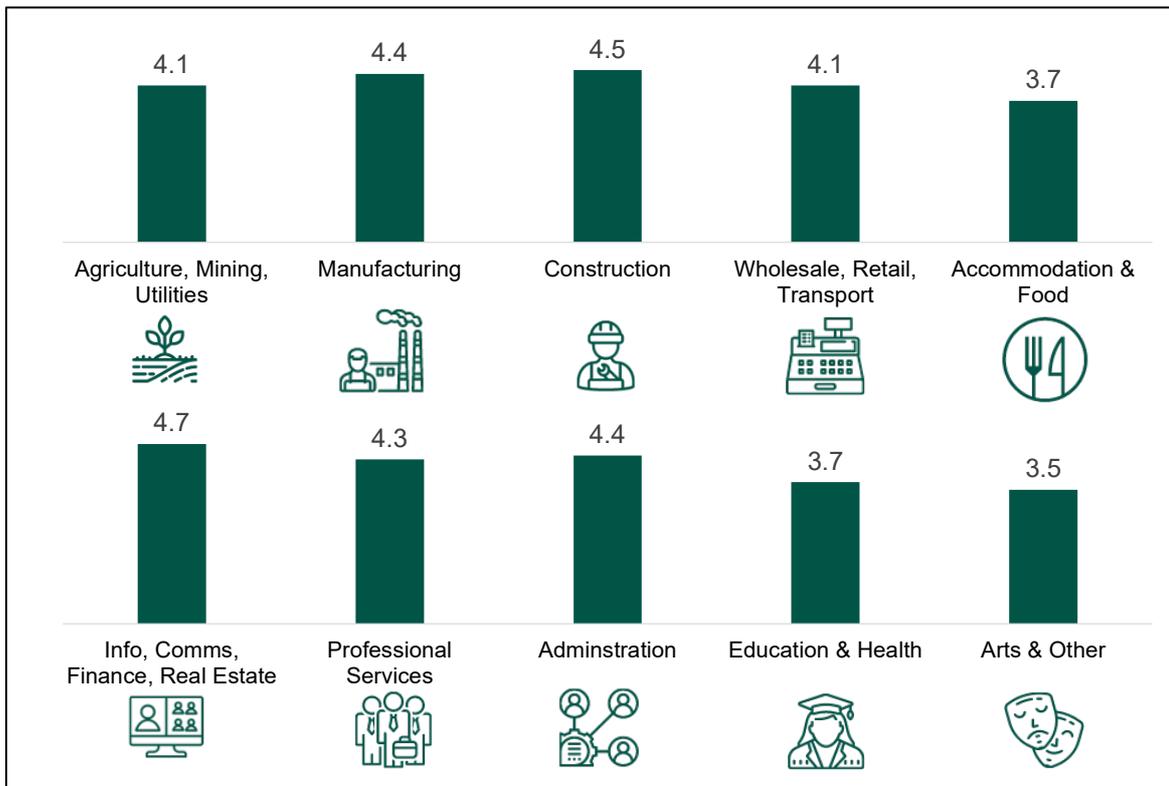
C6: Under UK Competition Law rules, do you think it is true, false or are you unsure that...?

Base: All businesses: 2021 (1,200); 2018 (1,200); 2015 (1,201). Arrows indicate a statistically significant change since 2018.

- 4.3 Mirroring results in previous waves of the study, businesses are least aware that it is unlawful to set the price at which others can resell products. Knowledge of this rule is particularly low among small businesses (23%).
- 4.4 While the ranking of these statements from most to least correctly answered has changed very little since 2015, there has been a drop-off in awareness across most statements, as is demonstrated in Figure 4.1. There is a large decrease in the proportion of businesses that know it is okay to tell suppliers the prices that other suppliers are quoting, as part of bargaining for a better deal (falling 10 percentage points since 2018). There is also a relatively large decrease in the proportion of businesses that are aware that competitors are not allowed to agree prices in order to avoid losing money (down 6 percentage points from 2018).
- 4.5 By taking into consideration the eight statements that were asked in the both the 2018 and 2021 surveys (these eight statements are shown in Figure 4.1), a comparative mean average can be derived to demonstrate the change in the overall level of knowledge of anti-competitive behaviours. On average, in 2021 businesses score a mean average of 3.5 correct answers, compared with 3.9 in 2018, demonstrating further the overall regression in awareness of anti-competitive behaviours.⁴
- 4.6 Overall, the mean number of correct responses among businesses in the 2021 survey across *all* statements is 4.2. Understanding of the specific elements of competition law increases with size; micro and small businesses answer around 4 statements correctly on average (mean score of 4.2), compared with an average of around 5 correct statements for medium and large businesses (mean score of 5.2). By sector, the Information, Communication, Finance and Real Estate sector score highest (4.7) while Arts & Other give the fewest correct answers (3.5) followed by the Accommodation & Food and Education & Health sectors (both 3.7). Full sector results are shown in Figure 4.2.

⁴ These changes may be partly down to the changing profile of businesses. For example, a higher proportion of businesses in the 2021 survey have an operating history of 0 to 3 years (6% vs. 3% in 2018) and this group answered fewer questions correctly on average than those with a longer operating history (3.5, compared with 4.2 among businesses operating for longer than 3 years).

Figure 4.2 Anti-competitive practices: mean number of correct answers – sector breakdown



C6: Under UK competition law rules, do you think it is true, false or are you unsure that...?

Base: All businesses: sector base sizes are shown in Appendix D.

4.7 Unsurprisingly, businesses that say they know competition law well (either ‘very’ or ‘fairly well’) are more likely to be aware of the specific elements on competition law covered in the prompted statements. Their average score is 5.2, compared with 3.9 among businesses that are unfamiliar with, or have never heard of competition law. Around a fifth of businesses (22%) claim to know competition law well but answered fewer than four statements correctly; this may suggest these businesses are overstating their familiarity with competition law. ‘Overstating’ knowledge in this way is more common among Wholesale, Retail and Transportation businesses (34%).

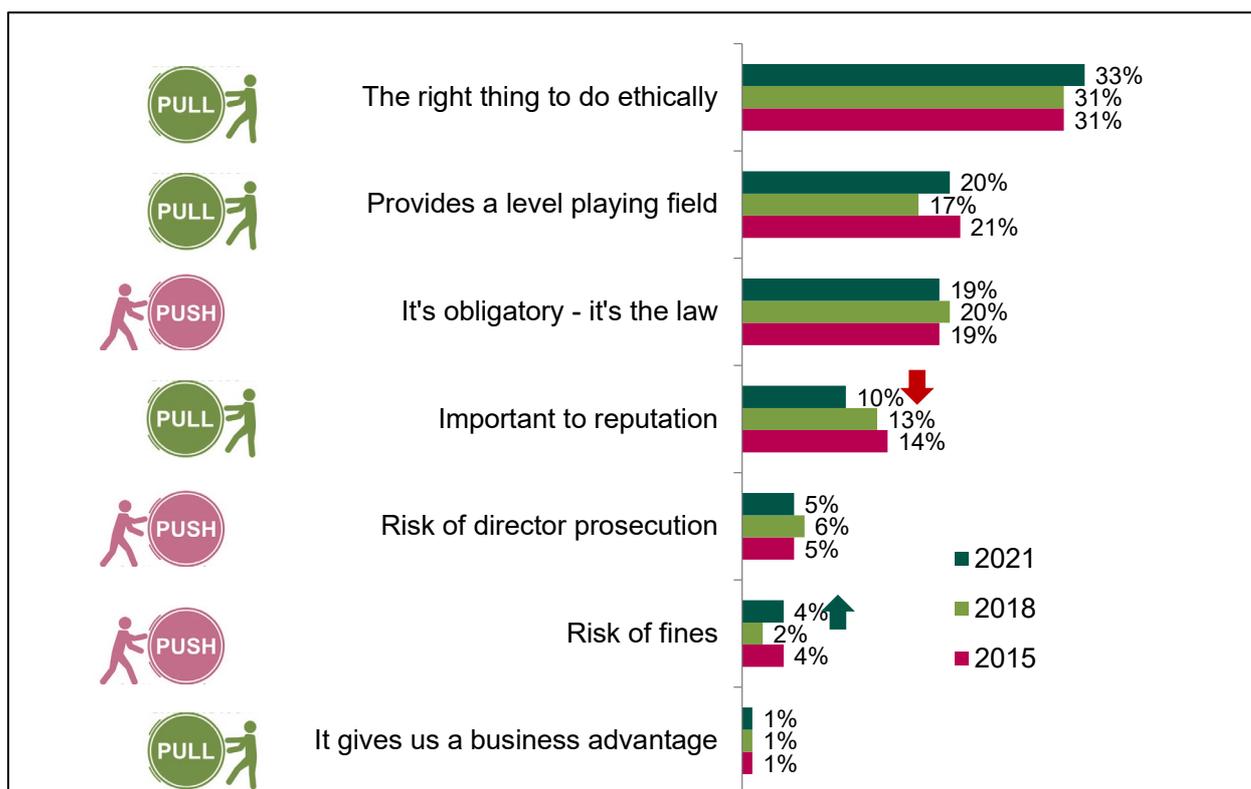
5 Corporate commitment to compliance

- 5.1 As well as tracking awareness and knowledge of competition law, this research also explores businesses' motivations for compliance with the law – both 'pull' and 'push' factors – and the perceived degree of risk of businesses in their sector breaching competition law.

Motivations for compliance

- 5.2 Businesses were prompted with a list of reasons for complying with competition law, and asked which were important to them personally, and then of the reasons they cited which one was the most important.
- 5.3 For analysis, the reasons were designated either 'push' or 'pull' factors; the former included 'it's obligatory – it's the law', 'non-compliance leads to the risk of fines' and 'non-compliance risks directors being prosecuted'. Pull factors include compliance being 'the right thing to do ethically', 'important to reputation', and the perceptions that complying with competition law 'provides a level playing field for everyone in the market' and 'gives a business advantage'.
- 5.4 The most common reason for complying is that it is the right thing to do ethically (89%), followed by it being important to reputation (88%) and it providing a level playing field (86%). As noted above, these are all considered 'pull' factors, which overall were slightly more likely to motivate businesses than push factors (96% of businesses mentioned at least one pull factor and 93% mentioned at least one push factor).
- 5.5 The rank order of motivations shows greater differentiation when businesses were asked to select the one motive that was the most important to them (see Figure 5.1). The top motive is 'it's just the right thing to do ethically' (33%), followed by 'it provides a level playing field in the market' (20%) and 'it's obligatory – it's the law' (19%). The other motives are each chosen by no more than one in ten businesses as their most important factor: 'it's important for our reputation' (10%), 'non-compliance risks directors being prosecuted' (5%), 'non-compliance leads to the risk of fines' (4%) and 'it gives us a business advantage' (1%).

Figure 5.1 Most important motive for compliance with competition law



D1a: And of those reasons you just gave, which is the most important to you?

Base: All businesses: 2021 (1,200); 2018 (1,171); 2015 (1,201). Arrows indicate a statistically significant change since 2018.

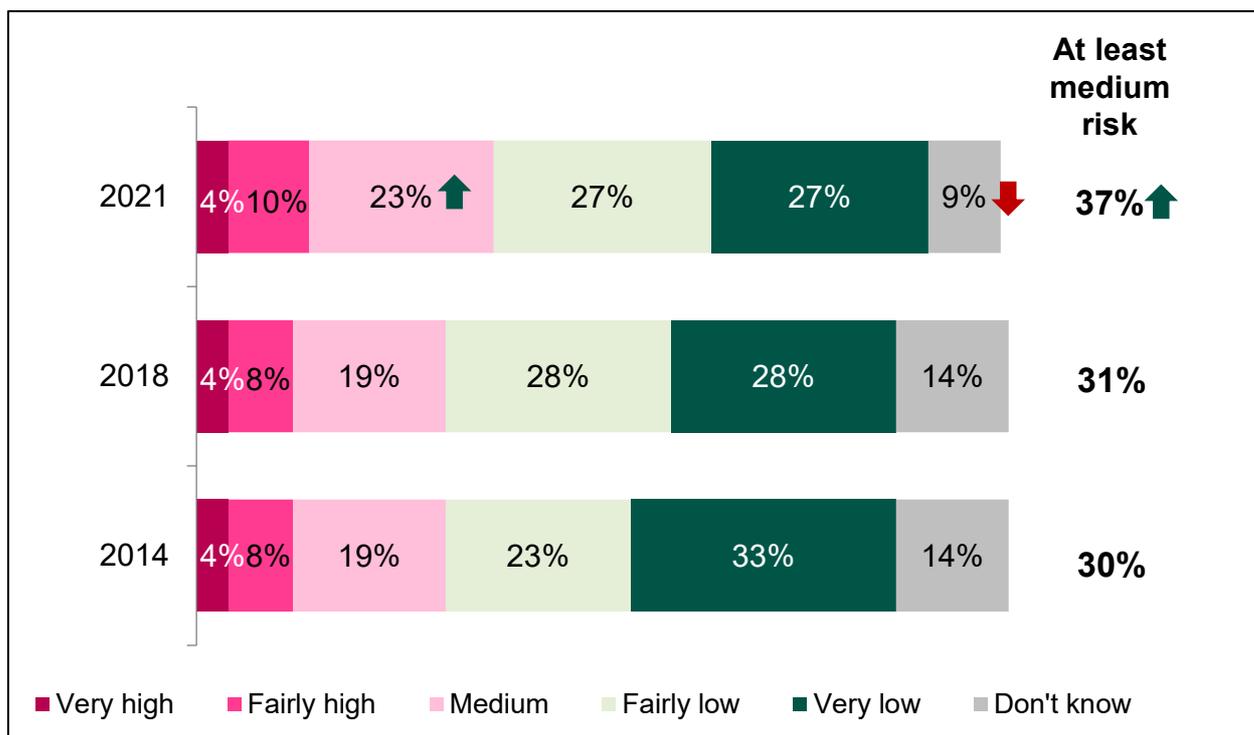
- 5.6 In 2021, the most important factor to them personally is clearly more often a 'pull' factor (64%) than a 'push' factor (28%). Of the top three answers, two are pull factors ('it's the right thing ethically' and it provides a level playing field') whilst one is a push factor ('it's obligatory').
- 5.7 The rank order of the most important motive is very similar to previous years; the only significant differences are that in 2021 fewer businesses cite 'it's important for our reputation' as their most important motive (10%) than in 2018 (13%) or 2015 (14%); whilst more cite 'non-compliance leads to the risk of fines' in 2021 than in 2018 (4% vs. 2%).
- 5.8 When focusing on businesses' most important reason for compliance there are some observable differences among businesses with different characteristics.
- 5.9 The most common motive is more likely to be a pull factor than a push factor, regardless of business size. However, the proportion citing a push factor increases with increasing business size, from 27% of micro businesses, to 35% of small, 39% of medium and 38% of large businesses; the proportion for micro businesses being significantly lower.
- 5.10 There are significant variations on specific motives by business size too. On the pull factors, micro businesses are more likely to say 'it provides a level playing field for everyone in the market': 21% of micro businesses, 16% of small, 12% of medium and 15% of large; and less likely to say 'it's important for our reputation': 9% of micro businesses, 13% of small, 17% of medium and 12% of large.

- 5.11 Turning to the push factors, smaller businesses are less likely to say 'it's obligatory – it's the law': 18% of micro businesses, 23% of small, 27% of medium and 34% of large. 'Non-compliance leads to the risk of fines' is more likely to be cited by medium businesses (10%), than by others; whilst 'Non-compliance risks directors being prosecuted' is more likely to be cited by small businesses (9%).
- 5.12 The most common motive for compliance is also more likely to be a pull factor than a push factor, regardless of business sector. However, there are some significant variations in the proportion citing specific reasons by sector. On the pull factors, Transport sector businesses are far less likely than others to say 'it's just the right thing to do ethically' (14%), whilst those in the Information, Communication, Financial and Real Estate sector are significantly more likely to cite this (44%). 'It provides a level playing field' is significantly more often cited by Wholesale, Retail and Transportation businesses (24%) and significantly less so by Information, Communication, Financial and Real Estate businesses (11%). 'It's important for our reputation' is significantly more often chosen by the Accommodation and Food sector (19%) and significantly less so by the Agriculture, Mining and Utilities sector (2%). 'Business advantage' is more often mentioned by the Accommodation and Food sector (4%).
- 5.13 Turning to the push factors, 'Non-compliance leads to the risk of fines' is significantly more likely to be cited by Food Services businesses (9%) than others. 'Non-compliance risks directors being prosecuted' is more likely to be cited by the Professional Services (13%) and Education and Health (10%) sectors.
- 5.14 The following sectors are more likely than others to say none of the listed reasons motivate them to comply: Agriculture, Mining and Utilities (6%) and Transportation (5%).

Perceived risk of breaching competition law

- 5.15 Businesses were asked the extent to which the commercial activities of all businesses in their sector place them at risk of breaching competition law.
- 5.16 Around one in seven businesses (14%) think their sector is at a high risk of breaching competition law, similar to levels reported in 2015 and 2018. However, when taking into account those who consider a medium risk as well, the result is significantly higher (37% cf. 31% in 2018 and 30% in 2015).

Figure 5.2 Perceived risk of commercial activities breaching competition law for businesses in their sector



D2: Thinking of all the businesses in your sector, to what extent do you think that their commercial activities place them at risk of breaching competition law? Would you say the risk of breaching is...
 Base: All businesses: 2021 (1,200); 2018 (1,200); 2015 (1,201). Arrows indicate a statistically significant change since 2018.

- 5.17 The proportion of businesses that feel there is at least a medium risk of commercial activities in their sector breaching competition law (medium, high or very high risk) varies by sector. The Wholesale, Retail and Transportation sector is significantly more likely than others to perceive at least a medium risk (45%), rising to 63% among just Transportation. Conversely the following sectors are significantly less likely to perceive at least a medium risk to commercial activities being non-compliant in their sector: Agriculture, Mining and Utilities (21%), Professional Services (25%) and Manufacturing (26%).
- 5.18 Businesses based in London are more likely than those located in other regions to believe that the commercial activities of businesses in their sector face at least a medium risk of breaching competition law (54%).
- 5.19 The smaller their trading area, the more likely businesses are to perceive at least a medium risk of breaching competition law: those trading locally are more likely to report this (41%), while those trading internationally are less likely (24%). Newer businesses are more likely than more established businesses to perceive at least a medium risk of breaching competition law. Businesses operating for up to 3 years (52%) or between 3 and 10 years (43%) are more likely to report at least a medium risk, while those that have been operating for over 10 years are less likely (34%).

5.20 Businesses that are better informed are more likely to believe there is at least medium risk of businesses in their sector breaching competition law: 43% of those who know the law well, compared with 33% of those who do not know it well. Similarly, 47% of those who have held senior level discussions on competition law recently report at least a medium risk compared to 34% of those who have not.

6 Perceptions of the state of competition and experience of digital markets

6.1 In the 2021 survey businesses' attitudes towards the state of competition in their sector were explored, including some perceptions of how things have changed over the last five years. The use of third-party online platforms (such as Amazon and eBay) to sell goods and services was also measured, and users' degree of dependency upon these platforms and their perceived fairness. Additional subgroup analysis in this chapter is not always illustrated, but further supporting data can be provided on request.

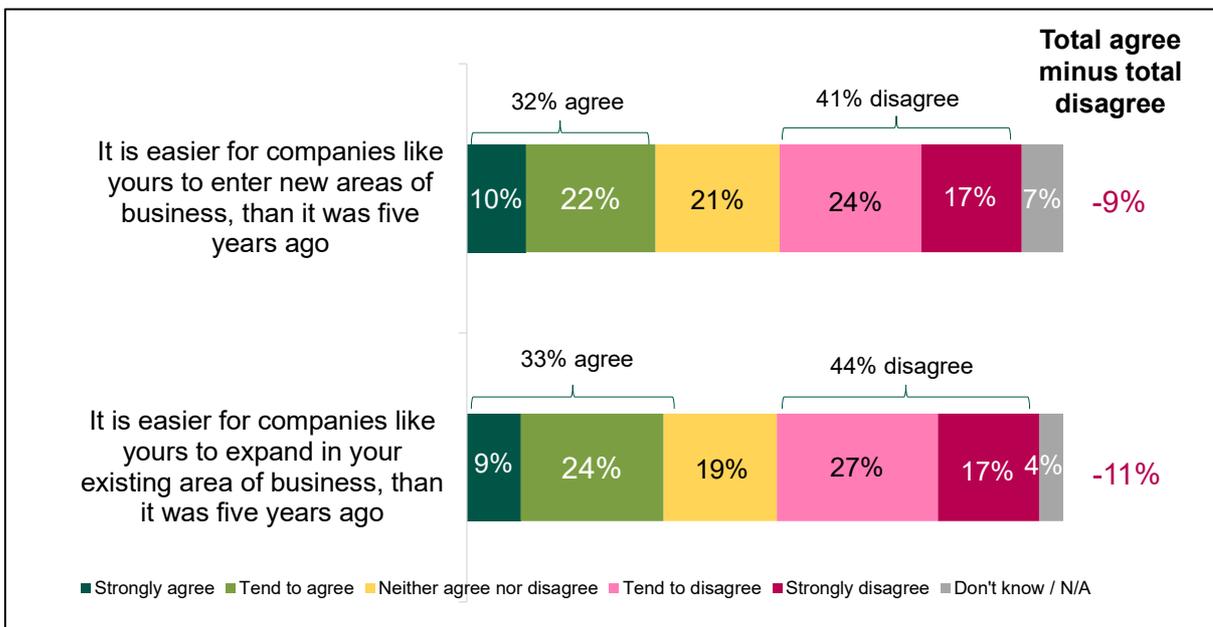
Views on competition in their market and sector

6.2 Businesses were asked the extent to which they agree or disagree with a variety of statements regarding their market and sector.

Entering new businesses areas and expanding in existing area

6.3 As Figure 6.1 shows, the balance of opinion is that it has become more difficult to enter new areas of business and to expand within their existing area of business in recent years. A third (32%) of businesses agree that it is easier for companies like theirs to enter new areas of business than it was five years ago but a higher proportion disagree (41%). A third (33%) agree it is easier for companies like theirs to expand in their existing area of business than it was five years ago, but over two fifths (44%) disagree.

Figure 6.1 Extent of agreement that it is easier to enter new areas of business and expand in their existing area of business than 5 years ago



H1_1: Agree or Disagree: It is easier for companies like yours to enter new areas of business, than it was five years ago.

H1_2: Agree or Disagree: It is easier for companies like yours to expand in your existing area of business, than it was five years ago.

Base: All businesses in 2021 (1,200)

6.4 In terms of entering new areas of business, there is a linear correlation by size of business (shown in Figure 6.2). Micro businesses are more likely to disagree that it is easier to enter new areas of business than it was five years ago (42%), whereas medium and large businesses are less likely to disagree (30% and 26% respectively).

Figure 6.2 Proportion of businesses disagreeing that it is easier for businesses like theirs to enter new areas of business than it was five years ago, by size of business



H1_1: Agree or Disagree: It is easier for companies like yours to enter new areas of business, than it was five years ago.

Base: All businesses in 2021 (1,200); micro (807), small (215), medium (104), large (74)

6.5 Businesses in the Agriculture, Mining and Utilities sector are more likely to disagree that it is easier for companies like theirs to enter new areas of business than it was five years ago (59%). The same is true of those in Northern Ireland (53%), businesses that have discussed competition law (47%) and businesses that said COVID-19 has had a negative impact on their financial performance (44%).

6.6 Businesses that said COVID-19 has had a negative impact on the financial performance of their business are also more likely to disagree that it is easier for companies like theirs to expand in their existing area of business, than it was five years ago (48% disagree compared to 31% among those who said COVID-19 has had a positive impact). Similarly, micro businesses are more likely to disagree (46%), as are those in the Wholesale, Retail & Transportation sector (51%). In terms of locality, businesses in the South West (55%) and Scotland (65%) are more likely to disagree.

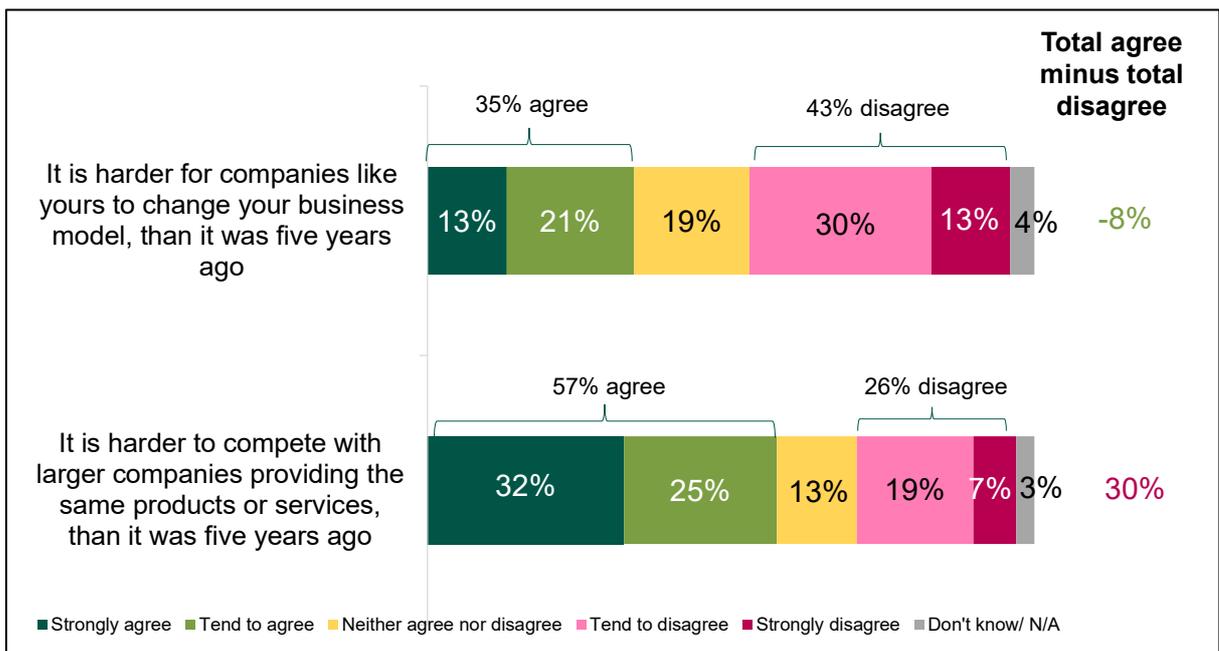
Changing their business model and competing with larger companies

6.7 Feelings are mixed in relation to whether it is becoming increasingly difficult for businesses to change their business model. Over a third (35%) of businesses agree that it is harder for companies like theirs to change their business model than it was five years ago, whilst over two fifths (43%) disagree (Figure 6.3).

6.8 Businesses in the Education and Health sector are significantly more likely than others to agree that it is harder to change their business model than it was five years ago (50%). Conversely, businesses in the Information, Communication, Financial and Real Estate sector are less likely to agree (23%), as are those located in the South East (27%). Large businesses and those with a turnover above £1m are also less likely to agree with the statement (19% and 28% respectively).

- 6.9 Businesses with under 250 employees were asked to provide a view on competing with larger companies providing the same products and services. Over half of such businesses (57%) believe it is harder to compete with larger companies than it was five years ago. This feeling is more prevalent among those that said COVID-19 has had a negative impact on the financial performance of their business (60%).
- 6.10 In terms of business size, micro businesses are more likely to agree (58%), whereas small businesses (50%) and medium businesses (45%) are less likely to agree that is the case.
- 6.11 Businesses in the Wholesale, Retail & Transportation sector (67%) and Accommodation & Food sector (68%) are more likely agree that it is harder to compete with larger companies, while those in Information, Communication, Financial & Real Estate sectors (48%) and the Professional Services sector (45%) are less likely.
- 6.12 Businesses trading locally (61%) and those situated in Northern Ireland (73%) are also more likely to agree that it is harder to compete with larger companies.

Figure 6.3 Extent of agreement that it is harder to change their business model and compete with larger companies than 5 years ago



H1_3: Agree or Disagree: It is harder for companies like yours to change your business model, than it was five years ago.

Base: All businesses in 2021 (1,200)

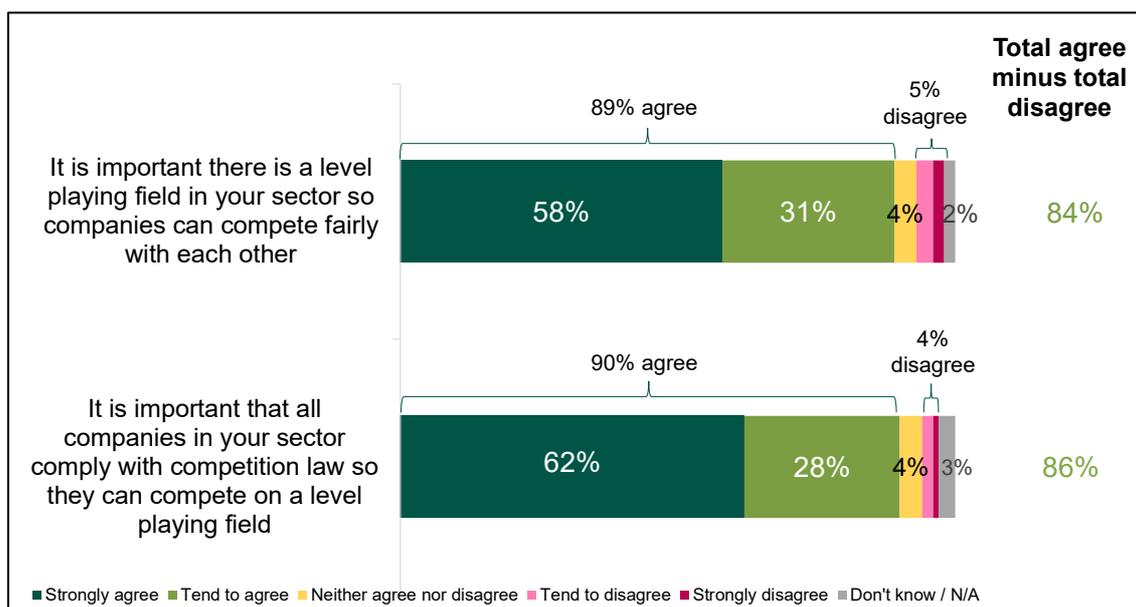
H1_4: Agree or Disagree: It is harder to compete with larger companies providing the same products or services, than it was five years ago.

Base: All businesses with less than 250 employees in 2021 (1,126)

Ensuring a level playing field

6.13 The vast majority of businesses feel it is important that there is a level playing field in their sector and that all companies comply with competition law to allow this to happen, as Figure 6.4 shows. Nearly nine in ten businesses (89%) agree that it is important to have a level playing field in their sector so companies can compete fairly with each other, whilst only 5% disagree. Nine in ten (90%) agree it is important that all companies in their sector comply with competition law so they can compete on a level playing field, with only 4% disagreeing.

Figure 6.4 Extent of agreement that it is important there is a ‘level playing field’ so companies can compete fairly with each other and that all companies comply with competition law to allow that to happen



H1_5: Agree or Disagree: It is important there is a level playing field in your sector so companies can compete fairly with each other.

H1_6: Agree or Disagree: It is important that all companies in your sector comply with competition law so they can compete on a level playing field.

Base: All businesses in 2021 (1,200)

6.14 Businesses that had discussed competition law are more likely to agree with both statements than businesses that had not (94% for both statements).

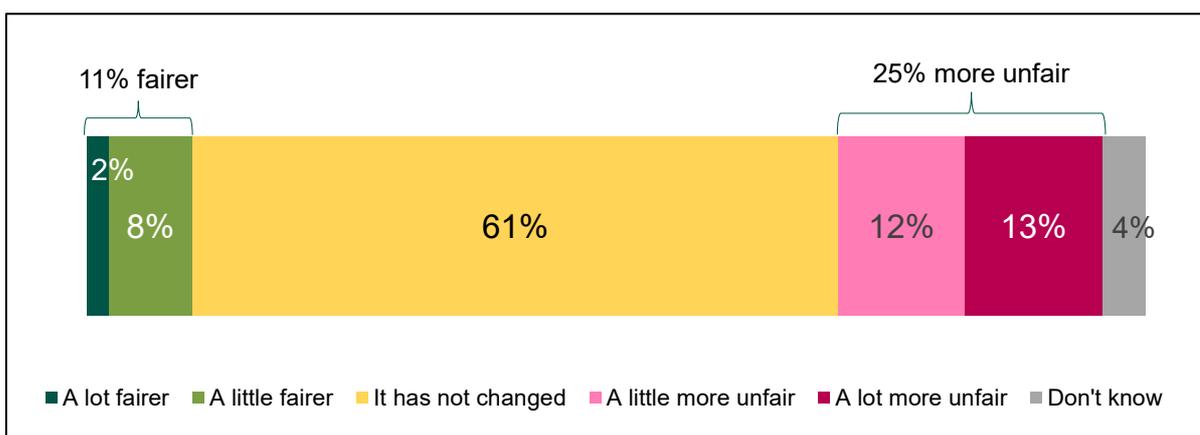
6.15 However, businesses in Agriculture, Mining and Utilities are more likely to disagree that it is important that there is a level playing field in their sector (17%).

6.16 Businesses in the Arts and Other sector are more likely to disagree that it is important that all companies in their sector comply with competition law (9%). Those situated in the North East (10%) and Yorkshire & The Humber (10%) are also more likely to disagree.

Changes to competition in their sector

6.17 When asked whether competition has become fairer or more unfair in their sector over the last five years, six in ten businesses (61%) say it has not changed, as presented in Figure 6.5. A quarter (25%) think it has become more unfair (12% a little and 13% a lot); whilst one in ten (11%) think it has become fairer (8% a little and 2% a lot).

Figure 6.5 Perceived change to fairness in competition in their sector over the last 5 years



H2: Fair competition means businesses can compete with each other on a level playing field. Over the last 5 years, would you say that competition in your sector has become ...?

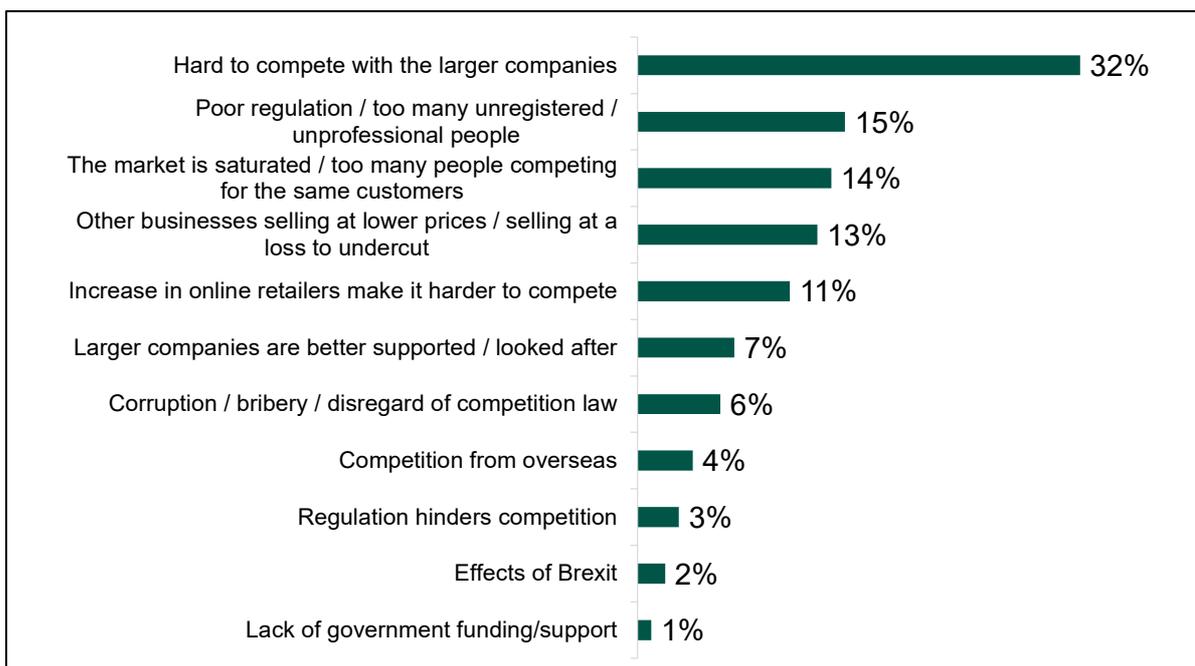
Base: All businesses in 2021 (1,200)

6.18 Subgroup analysis again shows that the COVID-19 pandemic could be impacting responses. Those that said COVID-19 has had a negative impact on their financial performance are more likely to feel that competition in their sector has become more unfair (28%). Businesses in the Wholesale, Retail & Transportation sector are also more likely to consider competition to be more unfair (33%), sectors which will have been negatively affected by the COVID-19 pandemic.

6.19 Micro businesses (26%) and those trading locally (27%) are more likely to deem competition in their sector as more unfair compared to five years ago. This was also true of businesses situated in the East Midlands (34%) and Scotland (33%). Those which believe businesses in their sector are at least a medium risk of breaching competition law are also more likely to say that competition has become more unfair (35%).

6.20 The quarter of businesses who think competition in their sector has become more unfair over the last 5 years were asked why they feel that way. Their responses were subsequently coded into themes, as presented in Figure 6.6.

Figure 6.6 Reasons why competition has become more unfair in their sector over the last 5 years



H2a: Why do you think competition in your sector has become more unfair? (unprompted).

Base: Those who think competition in their sector has become more unfair in 2021 (285)

6.21 The most common response related to the feeling that it is harder to compete with larger companies, cited by a third (32%). Responses here include the belief that larger companies are able to bend the rules, larger companies have more money/ buying power, are able to market themselves better, and can benefit from economies of scale. Businesses in Wholesale, Retail & Transportation (46%) are more likely to report this.

“Economy of scale. The size of the business means that it’s more difficult for smaller businesses to compete at the same level as large businesses - because they have deeper pockets and as a result better bargaining power.”

Micro business in Wholesale, Retail & Transportation sector

“There’s a lot of big companies out there squeezing everything they can out of other businesses. Little room for smaller businesses, particularly at the moment due to COVID-19.”

Micro business in Information, Communication, Financial & Real Estate sector

6.22 Around one in seven businesses that believe competition in their sector has become more unfair say this is due to poor regulation and too many unregistered or unprofessional people (15%). This is significantly more likely to be cited by those who know competition law well (22%).

“Being a bespoke shed service with tradesmen, we are being smothered by other companies masquerading to give the same artisan service with mediocre materials sourcing and assemblage.”

Micro business, Wholesale, Retail & Transportation

“Lots of people come into the industry thinking it is easy and don't follow any regulations or the rules, and don't pay for insurances for example. They then disappear or the company changes names at the end of each financial year.”

Small business, Administration

6.23 Around one in eight businesses (13%) report that other businesses selling at lower prices or selling at a loss to undercut others has made competition more unfair. This is significantly more likely to be mentioned by businesses with a turnover above £1m (23%) than by businesses with turnover below £1m (10%).

“People are desperate to get work. They will waive their fees and not make any money just so they are able to sell their products and services. This makes it harder for us as we cannot match their prices, therefore we cannot make any profit.”

Micro business, Professional Services

“We tender with the local authority for work, but national companies have come into our area with lower prices.”

Medium business, Education & Health

6.24 One in ten businesses (11%) feel that the increase in online retailers make it harder to compete. This is more likely to be felt among businesses in the Wholesale, Retail & Transportation sector (22%) and those trading locally (15%).

“Internet players do not have same regulation as physical suppliers.”

Micro business, Education & Health

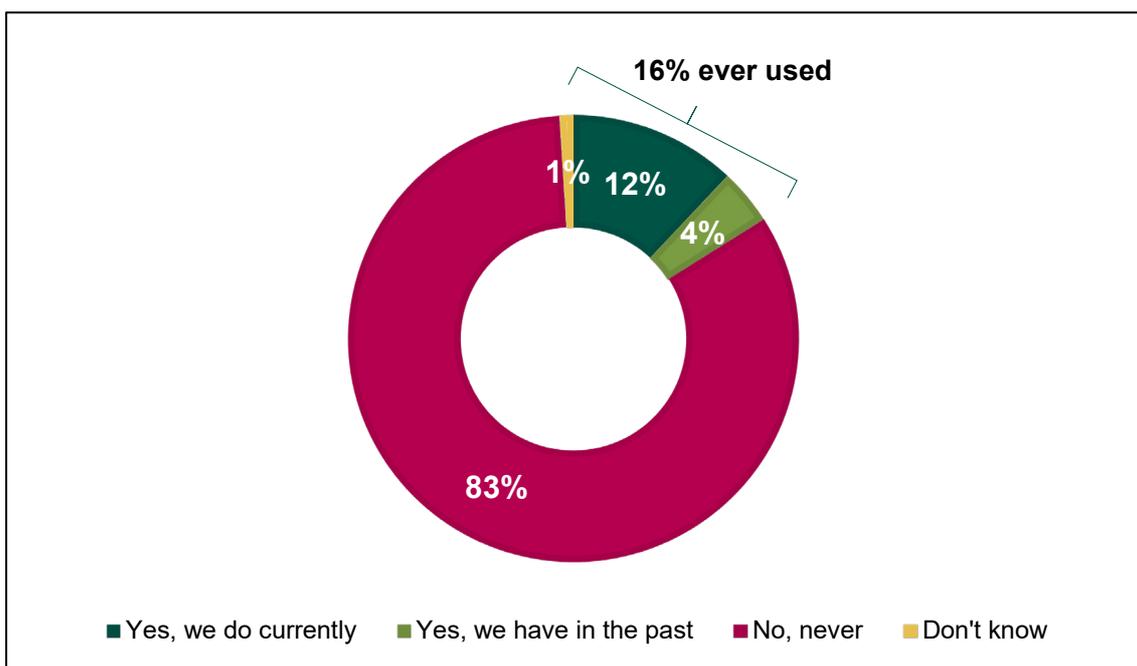
“People tend to compare prices online and some online providers offer a huge discount because they don't have overheads. My overheads crucify me with all my bills to pay for staff and rates for my shop etc.”

Micro business, Professional Services

Third-party online platforms

6.25 Businesses were asked whether they have sold products or services on third-party online platforms, either currently or in the past. As illustrated in Figure 6.7, one in six (16%) businesses have used third-party online platforms to sell products or services to customers; 12% do so currently and 4% having done so in the past. Most businesses (83%) have never used online platforms.

Figure 6.7 Use of third-party online platforms to sell products or services to customers



H3: Has your business sold products or services on third-party online platforms, either currently or in the past? The term 'online platform' refers to third-party websites and apps which allow you, alongside other businesses, to sell products to customers. Examples include sites such as Amazon and eBay.

Base: All businesses in 2021 (1,200)

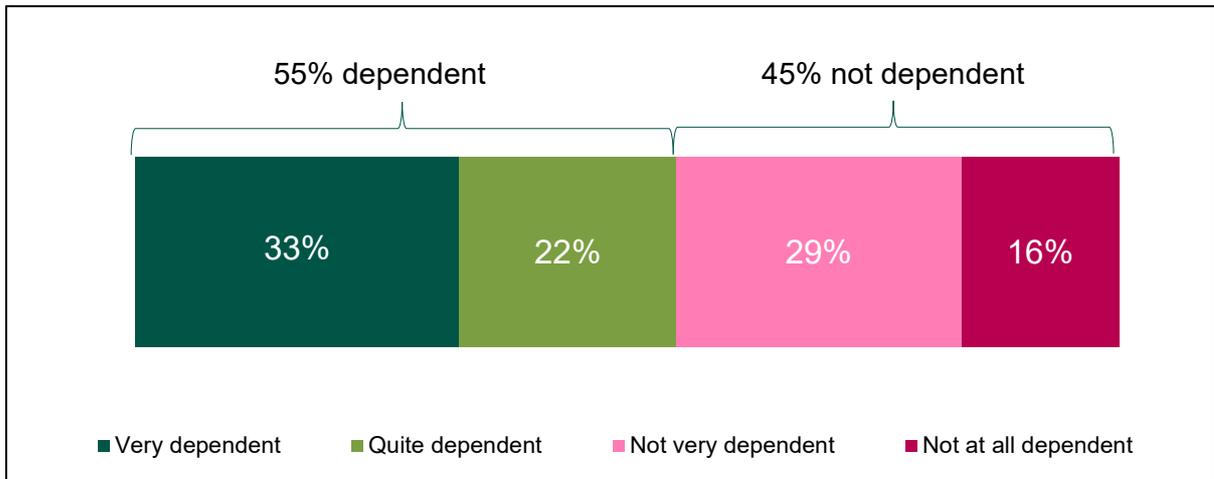
6.26 Businesses with more employees are significantly more likely than others to report having ever used third-party online platforms to sell to customers: 35% of medium and 31% of large businesses.

6.27 The wider their trading area, the more likely businesses are to have ever used online platforms. Those trading nationally or internationally are significantly more likely to use these platforms (22% and 27% respectively) than those trading regionally or locally (8% and 13% respectively).

6.28 Unsurprisingly, online platform use varies by business sector. Businesses operating in the Accommodation and Food sector (28%) and Wholesale, Retail and Transportation sector (22%) are significantly more likely to have used online platforms to sell to customers. Conversely, those in Agriculture, Mining and Utilities (5%), Construction (7%) and Education and Health (8%) are significantly less likely.

6.29 The 12% of all businesses who currently use third-party online platforms to sell to customers were asked how dependent they are on these platforms to sell their products or services. Figure 6.8 shows that just over half (55%) say they are dependent on them (33% very and 22% quite dependent). Businesses operating in the Accommodation & Food sector are significantly more likely to be dependent on online platforms to sell their products and services (71%).

Figure 6.8 Dependency on use of third-party online platforms to sell products or services to customers

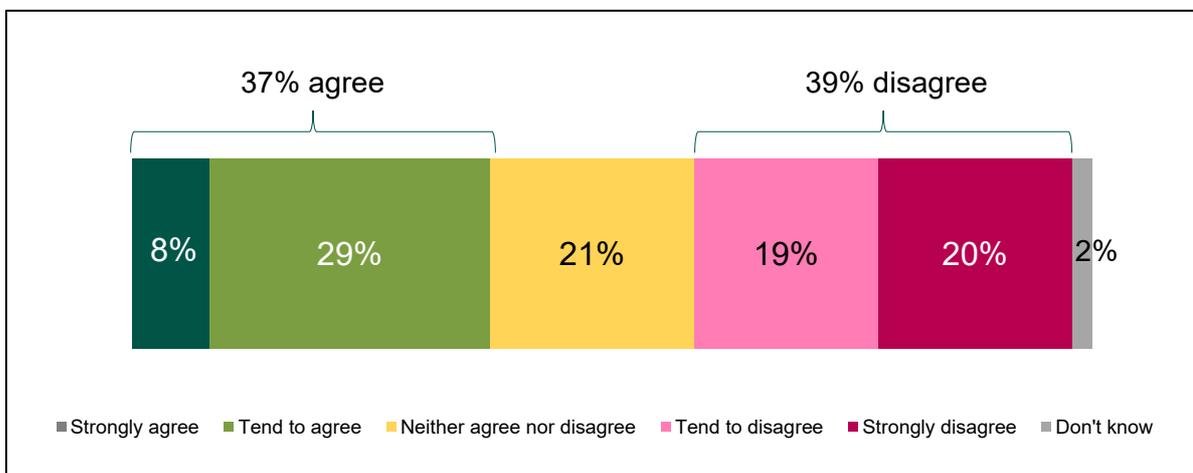


H4: How dependent, if at all, would you say you are on using third-party online platforms to sell your products or services? Are you...?

Base: Those who currently use online platforms in 2021 (157)

6.30 Businesses that have used online platforms in the past (16%) were asked to what extent they feel they get a fair deal when selling products or services via these platforms. Findings show that views are mixed, with 37% agreeing they get a fair deal and 39% disagreeing. Around one in five (21%) are neutral on this issue (see Figure 6.9).

Figure 6.9 Whether businesses similar to theirs get a fair deal from third-party online platforms when selling products or services via these platforms



H5: And to what extent do you agree or disagree that businesses like yours get a fair deal from third-party online platforms, when selling products or services via these platforms?

Base: Those who have ever used online platforms in 2021 (213)

- 6.31 The proportion who disagree that they get a fair deal varies significantly by trading area and familiarity with competition law. Businesses trading locally are more likely to disagree (53%), while those trading nationally (28%) or internationally (23%) are less likely. Those who say they do not know competition law well are more likely to disagree that they get a fair deal from these platforms (46%) than those who say they know competition law well (28%).
- 6.32 Businesses that disagree that they get a fair deal from online platforms are more likely to think competition in their sector has become more unfair in the last 5 years (45% vs. 23% think they get a fair deal), which demonstrates that their experience of online platforms could be a contributing factor to their overall perceptions about the state of competition in their sector.

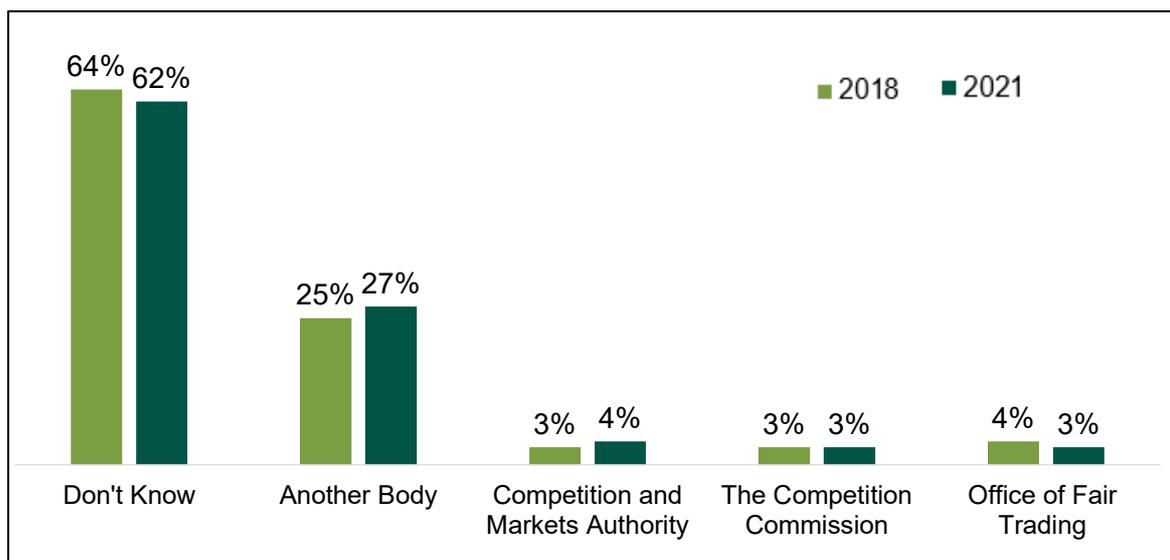
7 Awareness and understanding of the CMA and its role

7.1 The CMA was formed in April 2014 by combining certain responsibilities of the Office of Fair Trading (OFT) and the Competition Commission. This chapter explores whether businesses are aware that the CMA is currently the body responsible for enforcing competition law, as well as the level of familiarity with the CMA as an organisation and what it does.

Awareness of the CMA

7.2 Levels of spontaneous awareness of the CMA remain low. Businesses were initially asked, unprompted, which official body is currently responsible for enforcing competition law in the UK. Most businesses (62%) do not know which body is responsible and only 4% of businesses are aware that it is the Competition and Markets Authority (CMA). A similar proportion of businesses think that the Competition Commission (3%) and the Office of Fair Trading (3%) are responsible despite these departments being dissolved. A quarter (27%) mention other bodies, which include among others: DTI, BEIS, Monopolies and Mergers Commission, industry specific regulators or ombudsmen.

Figure 7.1 Body responsible for enforcing Competition Law in the UK – unprompted awareness

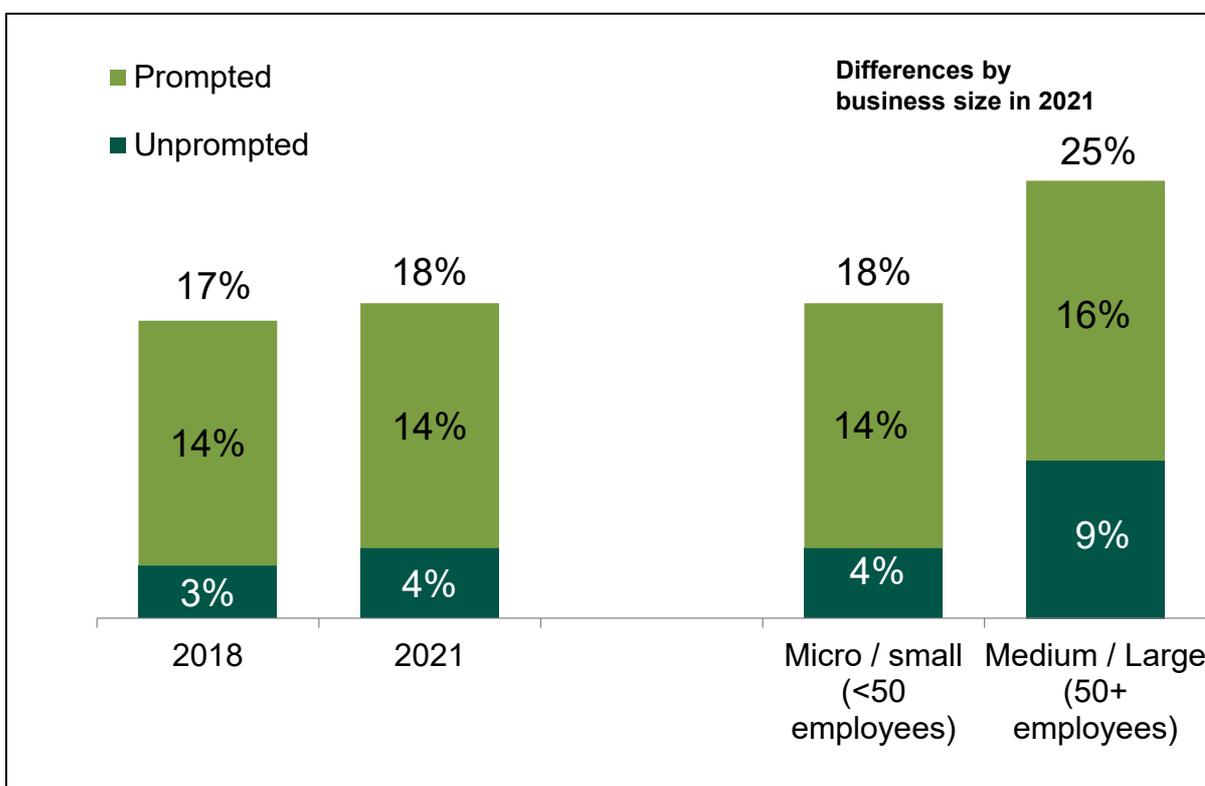


E3a: Which official body do you think is currently responsible for enforcing Competition Law in the UK?

Base: All businesses: 2021 (1,200); 2018 (1,200).

- 7.3 Those who had not heard of the CMA spontaneously, were then prompted with a list of bodies including the United States' Federal Trade Commission and the now defunct Competition Commission and Office of Fair Trading, and asked to identify which of these is currently responsible for enforcing competition law in the UK. A further 14% of businesses chose the CMA as the body responsible when prompted. Overall this means that 18% of businesses are aware of the CMA's primary role (prompted or unprompted), reflecting no change since 2018 (17% aware overall).
- 7.4 Larger businesses are more likely than smaller businesses to be aware that the CMA is the body responsible for enforcing Competition Law. As shown in Figure 7.2, a quarter (25%) of medium and large businesses were aware (prompted or unprompted), compared with 18% of micro and small businesses. In contrast, there were no statistically differences by size in 2018; suggesting that smaller businesses are falling behind in terms of awareness.

Figure 7.2 Awareness that the CMA is the body responsible for enforcing Competition Law in the UK – unprompted, prompted and overall awareness



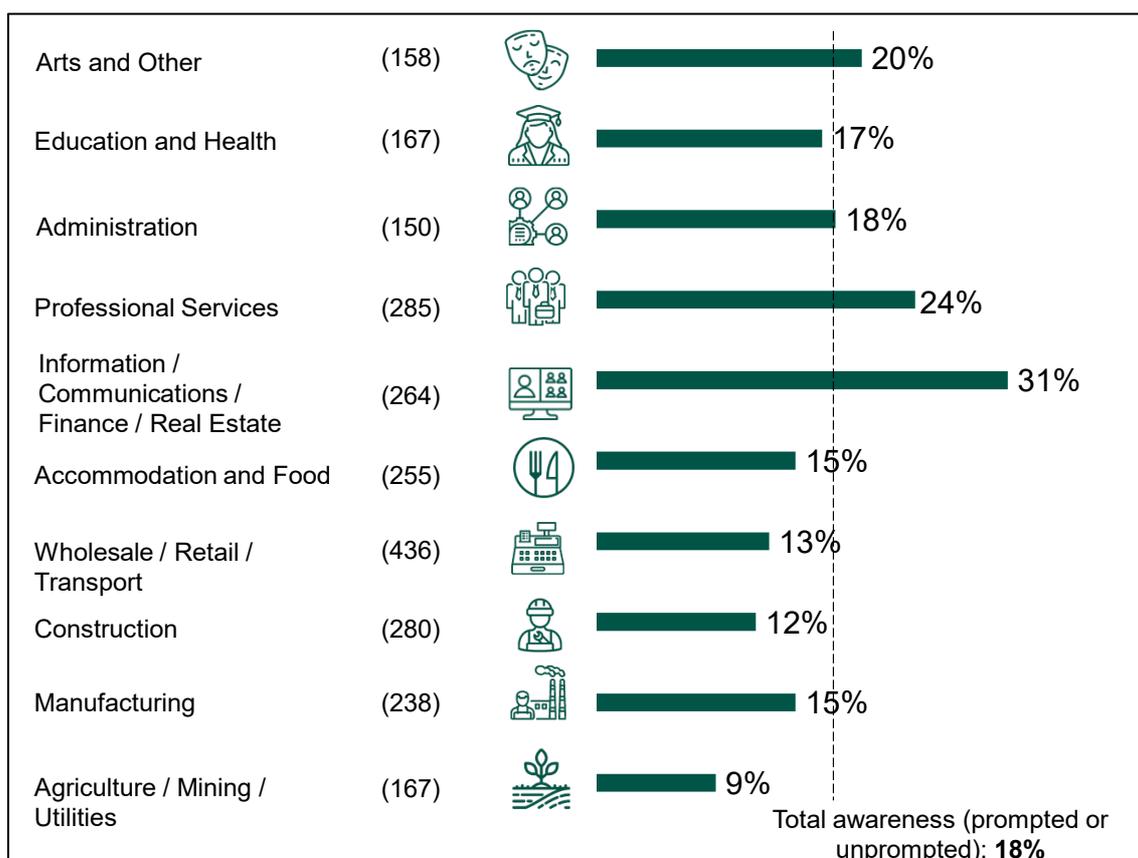
E3a: Which official body do you think is currently responsible for enforcing Competition Law in the UK? (unprompted)

E3: Which of these do you think is the body with current responsibility for enforcing Competition Law in the UK? (prompted)

Base: All businesses: 2021 (1,200); 2018 (1,200). 2021 size groups: Micro / small (1,022); Medium / large (178).

7.5 There are also notable differences by sector in terms of overall awareness that the CMA is the body responsible for enforcing competition law. As presented in Figure 7.3, rolling average data for 2018 and 2021 shows the Information, Communication, Financial and Real Estate (31%) sector and the Professional Services sector (24%) are most likely to be aware (prompted or unprompted) that the CMA is responsible for enforcing competition law. In contrast, awareness levels are low among the Agriculture, Mining and Utilities (9%), Construction (12%) and the Wholesale, Retail and Transportation (12%) sectors. There are no statistically significant differences by region.

Figure 7.3 Overall (prompted or unprompted) awareness of the CMA, by sector (rolling average for 2018 and 2021)



E3a: Which official body do you think is currently responsible for enforcing Competition Law in the UK?

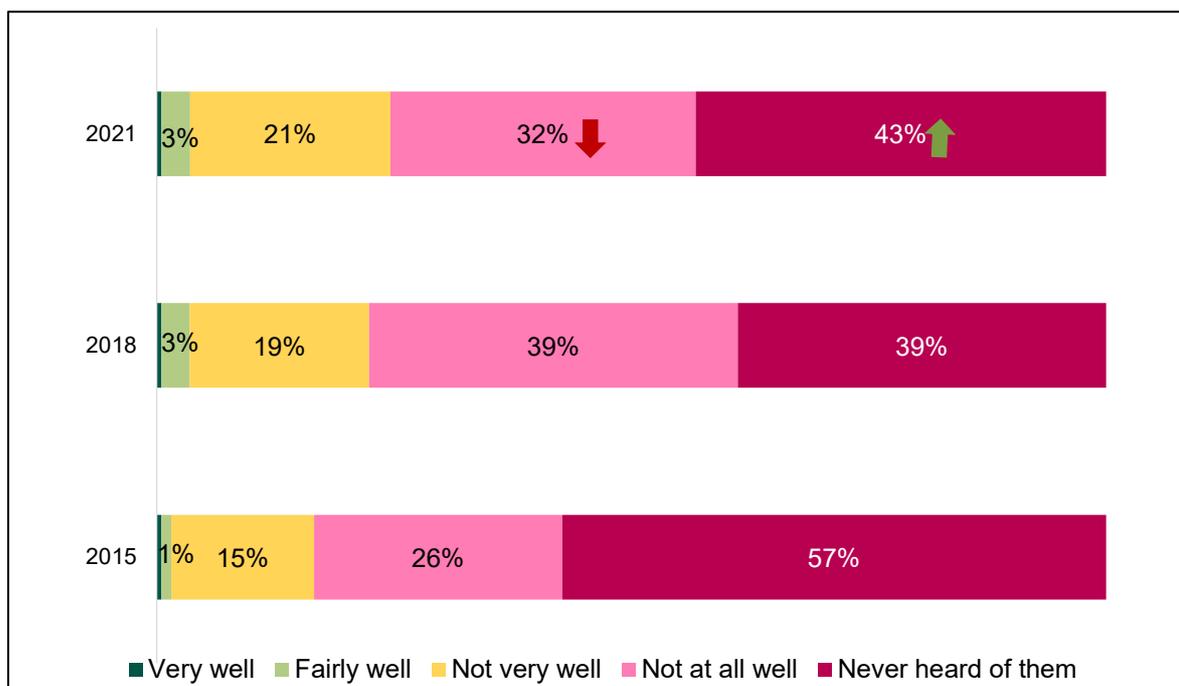
E3: Which of these do you think is the body with current responsibility for enforcing Competition Law in the UK? (prompted)

Sector base sizes are shown in brackets in chart.

7.6 In addition to lacking awareness that competition law falls under the remit of the CMA, businesses also lack wider awareness of the CMA. Around two-fifths (43%) of businesses say they have never heard of the CMA; this is an increase from the corresponding 2018 result (39%), although still a large improvement from 2015 when 57% of businesses had not heard of the CMA. The proportion of businesses that say they know the CMA either very or fairly well remains unchanged (3%), as shown in Figure 7.4.

7.7 Familiarity with the CMA increases with size; 3% of micro and small businesses say they know the CMA very of fairly well, compared with 7% of medium businesses and 9% of large businesses. By sector, awareness is highest in Administration (7%), however there is little variation by region. Unsurprisingly, businesses that perceive themselves to know competition law well are also more likely than those unfamiliar with competition law to say they know the CMA well (8% vs. 2%), although this is still only true for a small minority of those businesses.

Figure 7.4 Level of familiarity with the CMA



E4: How familiar are you with the Competition and Markets Authority, also known as the CMA? Would you say you know them...

Base: All businesses: 2021 (1,200); 2018 (1,200); 2015 (1,201). Arrows indicate a statistically significant change since 2018.

Awareness of the CMA's responsibilities

7.8 Businesses were asked, without prompting, what it is that the CMA does as an organisation. Among those that are aware that the CMA as the body responsible for enforcing competition law, the most common activity mentioned was ensuring there is a level playing field and fair trading (30%). Around a quarter think that the CMA checks that companies are compliant with regulations (23%) and one in six (17%) think the CMA implements competition law. All other reasons mentioned by 5% of businesses or more are shown in Figure 7.5.

“They monitor competition law and compliance and take action and investigate as required. They handle complaints about anti-competitive behaviour. They are involved with putting forward the case for legislative change as required.”

Micro Business; Information, Communications, Financial and Real Estate

“They police what companies do in regard to competition in the market. They can step in to stop a deal in public interest.”

Micro business; Administration

Figure 7.5 Perceptions about the role of the CMA



E5: What do you think the Competition and Markets Authority does?

Base: All businesses aware that the CMA is responsible for enforcing competition law: 2021 (230)

8 Appendix A: Sampling method

8.1 The survey used a quota sampling methodology with quotas based on industry sector, size of business and region. The UK business population is highly skewed towards smaller organisations, with 82% being micro sized businesses (1-9 employees), compared to only 1.6% being large businesses (250+ employees). Therefore, it was important to over-sample small (10-49 employees), medium (50-249 employees) and large businesses (250+ employees) to ensure sufficient sample sizes were achieved for subgroup analysis. In addition, overall targets were set for region (as opposed to interlocking size by sector targets); again, these were set to be broadly representative of the regional distribution in the UK population, but adjusted to target a minimum of 50 interviews were achieved in each region and 100 interviews in each devolved nation. The targets by size, sector and geography are shown in Table 8.1 and Table 8.2.

Table 8.1 Size and sector quotas vs. interviews achieved

Survey group	Target	Achieved
Micro (1-9 staff)	800	807
Small (10-49 staff)	200	215
Medium (50-249 staff)	100	104
Large (250+ staff)	100	74
Agriculture, etc.	65	63
Manufacturing	95	117
Construction	140	135
Wholesale, Retail, Transport	260	261
Accommodation & food	125	123
Info, Comms, Finance & Real Estate	130	133
Professional Services	125	125
Administration	110	102
Education & Health	80	88
Arts & Other	70	53

Table 8.2 Geographical quotas vs. interviews achieved

Region	Target	Achieved
North East	50	39
North West	100	88
Yorkshire & The Humber	75	62
East Midlands	75	88
West Midlands	100	95
East of England	100	114
London	150	145
South East	150	169
South West	100	110
Wales	100	103
Scotland	100	96
Northern Ireland	100	91

- 8.2 Contact details were obtained by taking a stratified random sample from Market Location's business database, stratifying on industry sector and size of business. The sample was drawn at a 30:1 ratio. This was a larger ratio than in previous waves of the Competition Law survey due to the potentially negative effects of COVID-19 on the response rate.
- 8.3 The screening questions ensured that we spoke to a senior person within the company with responsibility for sales. For smaller businesses this was commonly the managing director or equivalent, while for larger businesses this tended to be sales directors. Staff in legal or financial roles were not interviewed, as the CMA specifically wanted to assess the awareness of those individuals whose day-to-day role meant engaging in competitive practices on a frequent basis.

9 Appendix B: Response rate

- 9.1 IFF Research called a total of 36,952 records in order to achieve the total sample of 1,200 businesses.
- 9.2 Table 9.1 breaks down the fieldwork outcomes. Overall, the survey achieved a response rate of 25%. The response rate was calculated as the number of achieved interviews as a proportion of 'total complete contacts', where a final outcome was reached (this includes those respondents who completed the interview, refused to take part or quit during the interview).

Table 9.1 Fieldwork outcomes and response rates

Survey outcome	Unadjusted response rate		Adjusted response rate	
	Number	%	Number	%
Completed	1,200	3.2	1,200	24.9
Refused	3,611	9.8	3,611	75.1
Respondent unavailable during fieldwork	352	1.0	-	-
Did not meet quota / screening failure	2,211	6.0	-	-
Unobtainable / wrong number	3,522	9.5	-	-
No reply / answer phone / ongoing contact	26,056	70.5		--
TOTAL CONTACTED RECORDS	36,952	100.0	4,811	100.0

10 Appendix C: Sampling error and statistical confidence

- 10.1 Sampling errors for the survey results overall and for key subgroups are shown in Table 10.1. Figures have been based on a survey result of 50% (the ‘worst’ case in terms of statistical reliability) and have used a 95% confidence level. Where the table indicates that a survey result based on all respondents has a sampling error of $\pm 2.8\%$, this should be interpreted as follows: ‘for a question asked of all respondents where the survey result is 50%, we are 95% confident that the true figure lies within the range 47.2% to 52.8%’.
- 10.2 As a note, the calculation of sampling error has taken into account the finite population correction factor to account for cases where we are measuring a significant portion of the population universe (i.e. even if two sample sizes are the same, the sampling error will be lower if in one case a far higher proportion of the population was covered).
- 10.3 These confidence intervals are based on the assumptions of random probability sampling and a normal distribution of responses.⁵

Table 10.1 Sampling error (at a 95 per cent confidence level) associated with findings of 50 per cent, by size, sector and region

Survey group	Interviews achieved	Population	(Maximum) sampling error
Overall	1,200	1,412,745	± 2.8
Micro (1-9 staff)	807	1,156,925	± 3.4
Small (10-49 staff)	215	211,845	± 6.7
Medium (50-249 staff)	104	36,140	± 9.6
Large (250+ staff)	74	7,835	± 11.3
Agriculture, etc.	63	60,600	± 12.3
Manufacturing	117	87,965	± 9.1
Construction	135	177,895	± 8.4
Wholesale, Retail, Transport	261	291,205	± 6.1
Accommodation & food	123	137,225	± 8.8
Info, Comms, Finance & Real Estate	133	155,870	± 8.5
Professional Services	125	195,820	± 8.8
Administration	102	132,005	± 9.7
Education & Health	88	79,625	± 10.4
Arts & Other	53	94,535	± 13.5
North East	39	40,825	± 15.7
North West	88	140,865	± 10.4
Yorkshire & The Humber	62	103,610	± 12.4

⁵ While these figures assume a simple random possibility sample design with no design effects; in reality, with quota surveys these are likely to occur and widen the margin of error, so this should be treated as a guide.

East Midlands	88	98,280	±10.4
West Midlands	95	121,840	±10.1
East of England	114	141,245	±9.2

Survey group	Interviews achieved	Population	(Maximum) sampling error
London	145	244,800	±8.1
South East	169	208,765	±7.5
South West	110	124,540	±9.3
Wales	103	55,820	±9.6
Scotland	96	96,730	±10.0
Northern Ireland	91	35,425	±10.3

11 Appendix D: Subgroup base sizes

Table 11.1 Achieved sample by size of business

Size	2021	2018	2015
Micro (1-9)	807	827	804
Small (10-49)	215	192	194
Medium (50-249)	104	91	119
Large (250+)	74	89	84

Table 11.2 Achieved sample by business sector

Sector	2021	2018	2015
A B D E - Agriculture, Mining, Utilities	63	104	80
C - Manufacturing	117	121	132
F - Construction	135	145	114
G H - Wholesale, Retail & Transportation	261	175	194
I - Accommodation & Food	123	132	141
J K L – Information, Communication, Financial & Real Estate	133	131	127
M – Professional Services	125	160	179
N – Administration	102	48	77
P Q - Education & Health	88	79	90
R S - Arts and other	53	105	67

Table 11.3 Achieved sample by business locality

Region	2021	2018	2015
North East	39	90	87
North West	88	89	118
Yorkshire & The Humber	62	103	92
East Midlands	88	97	104
West Midlands	95	109	95
East of England	114	98	128
London	145	108	80
South East	169	119	93
South West	110	109	108
Wales	103	93	104
Scotland	96	101	95
Northern Ireland	91	84	97

12 Appendix E: Survey questionnaire

S Screener

ASK TELEPHONIST

S1 **Good morning / afternoon. My name is NAME and I'm calling from IFF Research. Can I just check, is this [COMPANY NAME FROM SAMPLE]?**

Yes – correct	1	CONTINUE
No – company name wrong	2	TAKE CORRECT COMPANY NAME AND CONTINUE
Hard appointment	3	MAKE APPOINTMENT
Soft appointment	4	
Refusal	5	CLOSE
Refusal – company policy	6	
Refusal – taken part in recent survey	7	
Refusal – reasons related to COVID-19	8	
Refusal – reasons related to Brexit	9	
Residential Number	10	
Company closed	11	
No reply / answer phone	12	
Not private sector (e.g. public sector or charity)	13	
Respondent working from home – can provide email but not telephone number	14	
Respondent working from home – no details provided	15	ARRANGE CALL BACK A WEEK LATER
Temporary site closure due to COVID-19	16	ARRANGE CALL BACK A WEEK LATER
Needs reassurances	17	GO TO REASSURANCE PAGE
Request reassurance email	18	TAKE EMAIL ADDRESS

Terminate interview	19	CLOSE
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ASK ALL

S2 **We are currently conducting an important study for a large government department exploring how businesses operate and remain competitive in the UK market.**

IF MICRO OR SMALL COMPANY (SIZE=1/2): **Please can I speak to the most senior person with overall responsibility for sales within your business? ADD IF NECESSARY: This may be the Owner, Managing Director, Commercial or Sales Director**

IF MEDIUM OR LARGE COMPANY (SIZE=3/4): **Please can I speak to a senior person in the business with responsibility for sales? ADD IF NECESSARY: This may be the Owner, Managing Director, Commercial or Sales Director**

ADD IF NECESSARY: **We don't mention the name of the department to begin with as this could bias your opinion, but I will confirm towards the end of the survey who has commissioned the research.**

Transferred	1	CONTINUE
Referred to other establishment / head office NAME (IF AVAILABLE) _____ JOB TITLE (IF _____ TELEPHONE _____	2	
Hard appointment	3	MAKE APPOINTMENT
Soft Appointment	4	
Refusal	5	CLOSE
Refusal – company policy	6	
Refusal – Taken part in recent survey	7	
Refusal – reasons related to COVID-19	8	
Refusal – reasons related to Brexit	9	
Nobody at site able to answer questions	10	
Not available in deadline	11	
Engaged	12	
Residential Number	13	

Dead line	14	
Company closed	15	
Not private sector (e.g. public sector or charity)	16	
Respondent working from home – can provide email but not telephone number	17	TAKE EMAIL ADDRESS
Respondent working from home – no details provided	18	ARRANGE CALL BACK A WEEK LATER
Temporary site closure due to COVID-19	19	ARRANGE CALL BACK A WEEK LATER
Needs reassurances	20	GO TO REASSURANCE PAGE
Request reassurance email	21	TAKE EMAIL ADDRESS

ASK ALL

S3 **Good morning / afternoon, my name is NAME, calling from IFF Research, an independent market research company. We're currently conducting an important study on behalf of a large government department exploring how businesses operate and remain competitive in the UK market. The survey gives you an opportunity to share your views on how fair competition is in your sector.**

Depending on your answers the interview *can* take up to 15 minutes to complete, but we can always begin now, see how far we get, and if you need to go at any point, we can easily set an appointment to call back.

We don't mention the name of the department to begin with as this could bias your opinion, however it will become clear as we go through the interview, and I will confirm towards the end of the survey who has commissioned the research.

ADD IF NECESSARY: This is not a sales call. Your company has been selected at random from a commercially available sample provider, Market Location. We are trying to speak with companies of varying sizes and from different industries across the UK, so that our results are representative of the broad UK business population.

ALL:

Please note that all data will be reported anonymously and your answers will not be reported to our client in any way that would allow you to be identified.

Would it be OK to continue with this now?

Continue	1	CONTINUE
Referred to someone else at establishment / organisation NAME	2	TRANSFER AND RE-INTRODUCE

JOB TITLE _____ TELEPHONE _____		
Hard appointment	3	MAKE APPOINTMENT
Soft appointment	4	
Refusal	5	THANK AND CLOSE
Refusal – company policy	6	
Refusal – taken part in recent survey	7	
Refusal – reasons related to COVID-19	8	
Refusal – reasons related to Brexit	9	
Not available in deadline	10	
Not private sector (e.g. public sector or charity)	12	
Show reassurances	11	GO TO REASSURANCE PAGE
Wants reassurance email	10	Collect email address and arrange appointment DS: Send automatic email

ASK ALL

S3a Before we begin, I need to read out a quick statement regarding GDPR legislation.

I want to reassure you that all information collected will be treated in the strictest confidence. You have a right to a copy of your data, to change your data or withdraw from the research at any point. In order to guarantee this, and as part of our quality control procedures, all interviews are recorded. Is that okay?

Yes – agree to continue	1	
Refuse to continue	2	THANK AND CLOSE

ASK ALL

S4 **Can I just check,**

IF MICRO OR SMALL COMPANY (SIZE=1/2): **are you the most senior person with overall responsibility for sales within the business?**

IF MEDIUM OR LARGE COMPANY (SIZE=3/4): **are you a senior person with responsibility for sales and the commercial operations of your business?**

Yes	1	CONTINUE
One of the most senior/share this responsibility with others	2	
No	3	TRANSFER AND REINTRODUCE AT S2

ASK ALL

S5 **Would you classify your company as one...?**

READ OUT. SINGLE CODE

MAINLY seeking to make a profit (i.e. private sector)	1	CONTINUE
A charity or voluntary sector organisation or a social enterprise	2	THANK AND CLOSE
A local-government financed body	3	
A central government financed body	4	
DO NOT READ OUT: None of the above	5	

REASSURANCES TO USE IF NECESSARY

The interview will take around 15 minutes.

Please note that all data will be reported in aggregate form and your answers will not be reported to our client in any way that would allow you or your company to be identified.

It is important that we are able to talk to companies of different sizes and sectors so that we achieve interviews across a broad sweep of the business population.

If respondent wishes to confirm validity of survey or get more information about aims and objectives, they can call:

- **MRS: Market Research Society on 0800 9759596**
- **IFF: X**

A Background to Company

ASK ALL

A1 **To begin with, we'd like to know a bit more about [COMPANY NAME FROM SAMPLE]. For the rest of the survey, I shall refer to this as the 'company'.**

Firstly can I ask, how many employees does your company currently employ across all sites in the UK, excluding owners and partners?

- PLEASE DO NOT INCLUDE TEMPORARIES/CASUALS OR AGENCY STAFF
- INCLUDE FULL AND PART TIME EMPLOYEES
- EXCLUDE SELF-EMPLOYED
- EXCLUDE OWNERS/PARTNERS, BUT OTHER DIRECTORS COUNT AS EMPLOYEES

WRITE IN [DS AUTOMATICALLY FORCE TO A1RAN RANGE]		
Don't know	1	PROMPT WITH RANGES AT A1RAN
Refused	2	THANK AND CLOSE
None - Sole Trader	3	

IF DON'T KNOW EXACT NUMBER AT A1 PROMPT WITH RANGES. OTHERWISE INTERVIEWER TO CODE TO RANGE

A1RAN **Is it approximately...?**

1	1	Micro (1-9)	CHECK QUOTAS BEFORE CONTINUING	
2-4	2			
5-9	3			
10-24	4	Small (10-49)		
25-49	5			
50-99	6	Medium (50-249)		
100-249	7			
250+	8	Large (250+)		
Don't know	9			THANK AND CLOSE
Refused	10			

None – Sole Trader	11		
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ASK ALL

A2 **I have [READ OUT SECTOR DESCRIPTION FROM SAMPLE] as a general description of your company’s principal activity. Bearing in mind this is a general description only, does this sound correct?**

Yes	1	
No	2	
Don’t know	3	

IF DISAGREE WITH SAMPLE SECTOR (A2=2/3)

A3 **What is the main business activity of your company?**

INTERVIEWER PROBE FOR THE FOLLOWING - START WITH FIRST PROBE AND ONLY USE THE OTHERS IF NECESSARY TO GET CLEAR INFORMATION

What is the main product or service of this establishment?
 What exactly is made or done at this establishment?

WRITE IN. TO BE CODED TO 4 DIGIT SIC 2007.
--

ASK ALL

A4 **And does your company predominantly trade at a local level, a regional level, nationally or internationally?**

DO NOT READ OUT. SINGLE CODE

Local	1
Regional	2
National	3
International	4

ASK ALL
A5 Thinking of your customers, which of the following do you sell goods and/or services to?
 READ OUT. MULTICODE

ONLY ENTER ONE RESPONSE PER OTHER CODE.

ALL WHO GAVE MORE THAN ONE ANSWER AT A5
A6 And which of these would you regard as your most important customer?
 READ OUT IF NECESSARY. SINGLE CODE.DS: ONLY SHOW THOSE ANSWERS SELECTED AT A5.

	A5	A6
Direct to the general public or consumers	1	1
Businesses	2	2
Government or public sector customers	3	3
Charities or the third sector	4	4
(1) Any other types of customer (PLEASE SPECIFY)	5	5
(2) Any other types of customer (PLEASE SPECIFY)	6	6
(3) Any other types of customer (PLEASE SPECIFY)	7	7
DO NOT READ OUT: Don't know	8	8

ASK ALL
A7 I'm going to read out a list of ways in which you may sell your products and services. Which of these channels are important for your company?

INTERVIEWER NOTE: WE ARE LOOKING SPECIFICALLY AT THE WAY IN WHICH EMPLOYERS SELL THEIR PRODUCTS.

READ OUT. MULTICODE

ONLY ENTER ONE RESPONSE PER OTHER CODE.

DS: RANDOMISE ORDER OF CODES 1-12

Via a retail store or showroom, e.g. on the high street	1
Company website	2
Social media	3
TV	4
Radio	5
Email / direct marketing	6
By mail order	7
By phone	8
Face to face	9
Through formal written proposals/responses to tender	10
Selling directly to people in their homes	11
Events / conferences	12
Any other channel (PLEASE SPECIFY)	13
DO NOT READ OUT: Don't know	16

C Awareness of Competition Law

ASK ALL

- C1 **Now I'd like you to think back to senior level discussions you have had within your company in the last 12 months. In which of the following areas, if any, have you discussed your company's compliance with legal requirements?**

READ OUT. MULTICODE.

DS: PLEASE RANDOMISE

	C1
_1 Health and Safety	1
_2 Fraud	2
_3 Competition Law	3

_4 Anti-bribery and corruption	4
_5 Employment Law	5
_6 Any other areas (PLEASE SPECIFY)	6
_7 SINGLE CODE: None of these	7
_8 DO NOT READ OUT: Don't know	8

ASK ALL

- C5 **Overall, how familiar would you say you are personally with Competition Law? Would you say you know it...?**
 READ OUT. SINGLE CODE.

Very well	1
Fairly well	2
Not very well	3
Not at all well	4
Never heard of it / Don't know	5

ASK ALL

- C6 **We would now like to ask a few questions about Competition Law. Please tell me for each one whether you think the statement is true, false or whether you are unsure either way.**

So, under UK Competition Law rules, do you think it is true, false or are you unsure that...

ADD IF NECESSARY: (if respondent feels they cannot answer the question): **Don't worry if you can't answer, as some of the questions may not be relevant to you and your business.**

INTERVIEWER NOTE: In simple terms, a cartel is an agreement between two businesses not to compete with each other.

READ OUT. SINGLE CODE FOR EACH STATEMENT.

DS: RANDOMISE ORDER

	TRUE	FALSE	DK	Refused
It's okay for competitors to agree prices in order to avoid losing money.	1	2	3	4

It's okay to discuss prospective bids with competing bidders so that everyone has a chance to get tenders from time to time.	1	2	3	4
It's okay to tell suppliers the prices that other suppliers are quoting you, as part of bargaining for a better deal.	1	2	3	4
It is unlawful to set the price at which others can resell your products.	1	2	3	4
Dominant firms are under a special responsibility not to allow their conduct to impair competition, beyond the rules applicable to other companies.	1	2	3	4
Businesses can agree not to sell to the same customers as each other.	1	2	3	4
It can be illegal to agree with your competitors to restrict how or where you advertise your prices	1	2	3	4
It is okay to let a supplier control the price at which you resell their product	1	2	3	4
A director of a company that breaches competition law can be disqualified from acting as a director	1	2	3	4

ASK ALL

C7 **And how would you describe your own awareness of the penalties for non-compliance with Competition Law? Would you say your awareness was...?**

READ OUT. SINGLE CODE

Very good	1
Good	2
Fair	3
Poor	4
Very poor	5
DO NOT READ OUT: Don't know	6

ASK ALL

C8 **From your knowledge, could you briefly outline for me what the sanctions for non-compliance with Competition Law are?**

DO NOT READ OUT. MULTICODE

Fines for the company	1
Fines for an individual member of staff	2

Imprisonment	3
Disqualification from membership bodies	4
Agreements or contracts made void	5
Exposure to damages claims (e.g. being sued by disadvantaged companies)	6
Director disqualification	7
Other (Please specify)	8
Don't know	9
Refused	10

D Corporate commitment to compliance

ASK ALL

D1 **From the following list of reasons why companies might comply with Competition Law, please can you tell me which are important to you personally?**

READ OUT FULL LIST. MULTICODE

ONLY ENTER ONE RESPONSE PER OTHER CODE

DS: RANDOMISE ORDER OF CODES 1-7.

IF MORE THAN ONE REASON CHOSEN AT D1

D1a **And of those reasons you just gave, which is the most important to you?**

PROMPT IF NECESSARY. SINGLE CODE

DS: ONLY SHOW OPTIONS SELECTED AT D1

	D1	D1a
It's just the right thing to do ethically	1	1
It gives us a business advantage	2	2
It's obligatory – it's the law	3	3
It provides a level playing field for everyone in the market	4	4

It's important for our reputation	5	5
Non-compliance leads to the risks of fines	6	6
Non-compliance risks directors being prosecuted	7	7
(1) Some other reason (Please specify)	8	8
(2) Some other reason (Please specify)	9	9
(3) Some other reason (Please specify)	10	10
DO NOT READ OUT: None of the above	11	-
DO NOT READ OUT: Don't know	12	12
DO NOT READ OUT: Refused	13	13

ASK ALL

D2 Thinking of all the businesses in your sector, to what extent do you think their commercial activities place them at risk of breaching Competition Law? Would you say the risk of breaching it is very high, fairly high, medium, fairly low, or very low? SINGLE CODE.

Very high	1
Fairly high	2
Medium	3
Fairly low	4
Very low	5
DO NOT READ OUT: Don't know	6

H Perceptions of the state of competition and experience of digital markets

ASK ALL

H1 I'm now going to read out to you a list of statements about competition in your market or sector, and I would like you to tell me, for each statement, whether you agree strongly, tend to agree, neither agree nor disagree, tend to disagree or disagree strongly. Even if the statement doesn't directly apply to your business we are interested in your opinions.

READ OUT. SINGLE CODE PER ROW. ROTATE STATEMENTS.

	Strongly agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Strongly disagree	DO NOT READ OUT: Don't know	DO NOT READ OUT: Not applicable
1_ It is easier for companies like yours to enter new areas of business, than it was five years ago	1	2	3	4	5	6	7
2_ It is easier for companies like yours to expand in your existing area of business, than it was five years ago	1	2	3	4	5	6	7
3_ It is harder for companies like yours to change your business model, than it was five years ago	1	2	3	4	5	6	7
4_ IF <250 EMPLOYEES (A1RAN=1-7): It is harder to compete with larger companies providing the same products or services, than it was five years ago	1	2	3	4	5	6	7
5_ It is important there is a level playing field in your sector so companies can compete fairly with each other	1	2	3	4	5	6	7
6_ It is important that all companies in your sector comply with competition law so they can compete on a level playing field	1	2	3	4	5	6	7

ASK ALL

H2 **Fair competition means businesses can compete with each other on a level playing field. Over the last 5 years, would you say that competition in your sector has become...?**

READ OUT. SINGLE CODE.

A lot fairer	1
A little fairer	2
A little more unfair	3
A lot more unfair	4
Or has it not changed?	5
DO NOT READ OUT: Don't know	6

IF COMPETITION HAS BECOME MORE UNFAIR (H2=3/4)

H2a **Why do you think competition in your sector has become more unfair?**

WRITE IN		
Don't know	1	

ASK ALL

H3 **Has your business sold products or services on third-party online platforms, either currently or in the past? The term 'online platform' refers to third-party websites and apps which allow you, alongside other businesses, to sell products to customers. Examples include sites such as Amazon and eBay.**

READ OUT. SINGLE CODE. ONLY CODE 2 IF CODE 1 DOESN'T APPLY.

Yes, we do currently	1
Yes, we have in the past	2
No, never	3
DO NOT READ OUT: Don't know	4

IF CURRENTLY USE ONLINE PLATFORMS (H3=1)

H4 **How dependent, if at all, would you say you are on using third-party online platforms to sell your products or services? Are you...?**

READ OUT. SINGLE CODE.

Very dependent	1
Quite dependent	2
Not very dependent	3
Not at all dependent	4
DO NOT READ OUT: Don't know	5

ASK ALL WHO HAVE USED ONLINE PLATFORMS (H3=1-2)

H5 **And to what extent do you agree or disagree that businesses like yours get a fair deal from third-party online platforms, when selling products or services via these platforms?**

READ OUT. SINGLE CODE.

Strongly agree	1
Tend to agree	2
Neither agree nor disagree	3
Tend to disagree	4
Strongly disagree	5
DO NOT READ OUT: Don't know	6

E Awareness and understanding of CMA and its role

ASK ALL

E3a **Which official body do you think is currently responsible for enforcing Competition Law in the UK?**

DO NOT READ OUT. SINGLE CODE.

ASK ALL

E3 **Which of these do you think is the body with current responsibility for enforcing Competition Law in the UK?**

READ OUT. SINGLE CODE.

DS: RANDOMISE ORDER

Competition and Markets Authority (CMA)	1
Office of Fair Trading (OFT)	2
The Competition Commission	3
Federal Trade Commission	4
Another body (Please specify)	5
DO NOT READ OUT: Don't know	6

ASK ALL

- E4 **How familiar are you with the Competition and Markets Authority, also known as CMA? Would you say you know them...**
 READ OUT. SINGLE CODE.

Very well	1
Fairly well	2
Not very well	3
Not at all well	4
Or have you never heard of them	5

ASK ALL

It is in fact the Competition and Markets Authority who have commissioned us to carry out this research. As I mentioned earlier, nothing you tell me will be directly attributable to you or your company.

- E5 **What do you think the Competition and Markets Authority does?**

WRITE IN		
Don't know	1	

F Additional firmographics

ASK ALL

F1 **Before we finish, I'd just like to ask a few more general questions about you and your company. How many years has your company been operating?**

WRITE IN DS: ALLOW 0-999 [DS AUTOMATICALLY FORCE TO F1RAN RANGE]		
Don't know	1	PROMPT WITH RANGES AT F1RAN

IF DON'T KNOW EXACT NUMBER AT A1 PROMPT WITH RANGES. OTHERWISE INTERVIEWER TO CODE TO RANGE

F1RAN **Is it approximately...?**

PROBE FOR BEST ESTIMATE. SINGLE CODE

Under 1 year	1	
1-3 years	2	
Over 3 years up to and including 5 years	3	
Over 5 years up to and including 10 years	4	
Over 10 years up to and including 20 years	5	
Over 20 years	6	
Don't know	7	

ASK ALL

F8 **And what was the approximate total annual turnover of your company in your last financial year?**

READ OUT AND CODE TO SINGLE RANGE.

Up to £50,000	1
£50,001 to £100,000	2
£100,001 to £250,000	3
£250,001 to £500,000	4
£500,001 to £1,000,000	5
£1,000,001 to £2,000,000	6

£2,000,001 to £5,000,000	7
£5,000,001 to £10,000,000	8
£10,000,001 to £25,000,000	9
Over £25,000,000	10
DO NOT READ OUT: Don't know	11
DO NOT READ OUT: Refused	12

ASK ALL

F9 **How has the coronavirus (COVID-19) pandemic affected the financial performance of your business? Has the impact on your financial performance been...?**

READ OUT. SINGLE CODE.

Largely positive	1
Somewhat positive	2
Somewhat negative	3
Largely negative	4
Or has it had no impact?	5
DO NOT READ OUT: Don't know	6

G Re-contacting and closing interview

ASK ALL

G1A **We are coming towards the end of the survey. Thank you very much for taking the time to speak to us today. Would you be willing for us to call you back to clarify any of the information provided in this survey?**

READ OUT. MULTICODE.

Yes	1
No	2

ASK ALL

G1 **We may be conducting further research relating to this topic. Would you be willing to be re-contacted by any of the following about this research if it were necessary in the next 2 years?**

READ OUT. MULTICODE

The CMA	1
IFF Research, on behalf of the CMA	2
Another market research agency on behalf of the CMA	3
(SINGLE CODE) DO NOT READ OUT: None of these	4

IF CONSENT TO RECONTACT (G1A=1 OR G1=1-3)

G2 **And could I just check, is [NUMBER] the best number to call you on?**

Yes	1
No - write in number	2

IF CONSENT TO RECONTACT (G1A=1 OR G1=1-3) COLLECT DETAILS

IF ASK WHY POSTCODE REQUIRED: **Your postcode will only be used for analysis purposes so that the CMA can explore any differences in responses by region.**

Name: RECORD DETAILS OF RESPONDENT WHO COMPLETED INTERVIEW	
Job title:	
Email address:	
(ALL) Postcode:	

SAY TO ALL

Just to confirm, we'll be keeping your anonymised responses to the interview for analysis purposes and if you'd like a copy of your data, to change your data or for your data to be deleted then please get in contact with X via competitionsurvey@iffresearch.com

You also have a right to lodge a complaint with the Information Commissioners Office (ICO) and you can do so by calling their helpline on 0303 123 1113.

“

IFF Research illuminates the world for organisations businesses and individuals helping them to make better-informed decisions.”

Our Values:

1. Being human first:

Whether employer or employee, client or collaborator, we are all humans first and foremost. Recognising this essential humanity is central to how we conduct our business, and how we lead our lives. We respect and accommodate each individual's way of thinking, working and communicating, mindful of the fact that each has their own story and means of telling it.

2. Impartiality and independence:

IFF is a research-led organisation which believes in letting the evidence do the talking. We don't undertake projects with a preconception of what "the answer" is, and we don't hide from the truths that research reveals. We are independent, in the research we conduct, of political flavour or dogma. We are open-minded, imaginative and intellectually rigorous.

3. Making a difference:

At IFF, we want to make a difference to the clients we work with, and we work with clients who share our ambition for positive change. We expect all IFF staff to take personal responsibility for everything they do at work, which should always be the best they can deliver.



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