ANNEX F

Grocery Pricing Qualitative Research Report, prepared by BDRC Continental for the CMA, 12 June 2015

Grocery Pricing

Qualitative Research Report

Prepared by BDRC Continental for the CMA

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1. Executive summary

1.1 Background & Method

The CMA (Competition and Markets Authority) received a super complaint from Which? concerning opaque and misleading pricing practices in the grocery market. Amongst other concerns which were not included in this particular research, Which? highlighted confusing and misleading special offers and lack of easily comparable pricing due to the ways in which unit prices were used and presented.

The CMA commissioned BDRC Continental to conduct four focus groups with supermarket shoppers to explore how they shopped in supermarkets and the ways in which they responded to and used information on offers and unit pricing.

The research approach adopted included a series of 'shopping trips' where participants selected items from a given range of products in a particular category. For the first round of shopping no particular instructions were given other than to select products that they would normally choose. For the second round they were asked to select based on 'value for money'. On completion of the tasks, the moderators initiated a discussion of the reasons why participants had selected particular products, and about the information they had used to make their decision.

1.2 Findings

Participant behaviour was reported to vary considerably during their everyday shopping dependent upon the time available and the degree to which they enjoyed shopping. Even the same individual might use different behaviours for different products and product categories. A wide variety of different shopping strategies were mentioned, and there were few obvious patterns. This suggested that shopping behaviour generally was highly idiosyncratic.

Only a few participants per group reported using lists, and those who did reported writing down non-specific information such as, 'cereal', or 'eggs', although some did say that they had specific brands or products in mind whilst compiling such lists.

A wide range of factors were reported as influencing shoppers' decisions, including brand, product size, convenience and considerations around healthy eating for products considered to be high in fat or sugar content. Price and value for money (defined by shoppers in different ways and not universally based on price versus quality) were very important elements to some shoppers, but were not systematically the critical factors taken into consideration when selecting products.

It was observed that even in the highly simplified format provided by the shopping exercises in the research (compared with a large supermarket) shopping was a highly complex activity, with each choice of product involving a number of different factors including price, size, brand, quantity and packaging. Narrowing down the selection or reducing the choice to a small number of options in any category based on factors important to the individual participant (for example 'chilled orange juice without bits in' – rather than the entire juice category) was most often the first step taken. To choose from this tailored selection and in order to simplify the shopping process, participants were observed adopting the following four strategies:

- Defaulting to brand (whether these were well-established names or supermarket own brands); selecting something known and trusted and avoiding having to consider other brands or supermarket own brands and price decisions.

- Choice based on offers; selecting the product within a particular category that was on special offer in favour of other choices – (participants reported obtaining a sense of gratification based on making a 'good choice' or 'rewarding' themselves with brands that might normally be too expensive).

- Using their own methods to calculate value; rather than use unit pricing information, some shoppers performed their own calculations either based on weight per price (trying to replicate unit pricing via calculation) or using other more approximate methods of calculating value (judging items by weight or size or making assumptions based on prior observations (for example that own label products tend to be cheaper).

- Using unit price as a reference; only a minority of participants (one or two in each group) referenced using unit pricing or were observed using it in order to help them select products. Indeed some appeared either unwilling or unable to use this information.

Unit pricing was reported as being used only by a minority of participants who tended to refer to it for particular products or categories rather than systematically when shopping. However even those who regularly used unit pricing did not notice during the exercises (even when instructed to select products according to value for money) some of the inconsistencies in unit pricing represented in the examples shown. These inconsistencies included examples of unit pricing based on original rather than discounted price, or unit prices provided in different measures within the same product category.

Most participants stated that they were comfortable using unit pricing based on weight where this was the reference price (for produce bought loose or by weight). However, most reported finding unit pricing on goods sold on a per item basis more difficult to use and in some cases difficult to conceptualise. Within the focus group scenarios participants felt that by forcing them to select best value products and discussing unit pricing we were somehow subjecting them to a maths test of sorts. These participants felt that unit pricing was simply too abstract to be useful. They simply could not imagine or visualise what 100mg of mayonnaise or 100 sheets of toilet paper might look like and therefore discounted this information as unhelpful.

2. Background and methodology

2.1 Background

On 21 April 2015 the CMA (Competition and Markets Authority) received a super complaint from Which? entitled 'Misleading and opaque pricing practices in the grocery market'.

In its super-complaint, Which? identified the following areas of concern:

- Confusing and misleading special offers that make extensive use of price framing, including reference pricing, volume offers and free offers
- A lack of easily comparable prices because of the limitations of unit pricing
- Reductions in pack sizes without any corresponding price change, and
- Price matching.

In order to inform its response to the super complaint the CMA decided to conduct qualitative research amongst supermarket shoppers in order to explore and test some of the issues raised by Which?. BDRC were commissioned to conduct this research.

2.2 Objectives of the research

The overall objective of the qualitative research was for the CMA to better understand how consumers shop in supermarkets and their decision-making process, in particular the way they make use of the information available to them, with a focus on unit pricing.

More specifically, the following areas were explored in detail:

- Whether, and if so, how consumers used unit pricing information in supermarkets when deciding which products to purchase;
- The extent to which unit prices were understood in different settings, particularly in more complicated contexts (e.g. '3 for 2' offers);
- The problems consumers encountered when faced with gaps or inconsistencies in unit pricing information and what aspects in the way in which unit pricing was implemented made this information more or less helpful for consumers.

2.3 Methodology

BDRC Continental conducted four focus groups. Each group comprised of seven or eight participants who were all recruited on the basis that they were principal household shoppers, i.e. those who are solely responsible or jointly responsible for the household shopping and who do more than 50% of it[1]. Within each focus group, participants using a range of different supermarkets were selected, such that each group covered a range of the major supermarkets available in the geographical area selected for the research. Supermarkets used by participants included Sainsbury's, Tesco, Morrison's, Asda, Waitrose, Lidl, Aldi and Marks & Spencer. The full recruitment questionnaire is provided in Appendix #1.

Each focus group lasted ninety minutes and the groups took place on the 27th and 28th of May 2015. Two groups were conducted in Slough with respondents from BC1 social grades; one with women living with a family, and one with men living alone or with a partner. The two remaining groups took place in Leeds with respondents from C2D social grades; one with women living alone or with a partner and one with men living with a family.

The discussion guide contained an introductory section on shopping habits which included frequency of shopping trips, the time spent in the supermarket and in particular areas of stores and attitudes towards grocery shopping. The moderators also explored the degree to which shopping decisions in store were planned or spontaneous (for example, whether participants wrote shopping lists and, for those who did, the level of granularity of these lists). These upfront sections acted as catalysts for the discussion and were designed to place participants in the context of a shopping trip and to better understand and explore their decision-making processes. Findings from these introductory elements have been incorporated in the report wherever relevant to the findings and objectives of the research.

Participants were asked to imagine that they were in the process of a 'normal' shopping trip and were then asked to select products from those presented on a series of A2 boards (photographs of the stimulus can be found in Appendix #1). Participants were each provided with a shopping list and initially instructed to select from the products available 'as they would normally do when shopping' and given a limited amount of time in which to do this. On completion of this task, moderators explored the reasons why participants had chosen particular products and initiated a discussion around the meaning of value for money.

Respondents were then asked to complete this shopping exercise for a second time, and this time to focus on 'shopping wisely' and on obtaining best value for money. The objective of this

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[1] For the group of men with a family that took place in Leeds, the definition of principal shopper was extended to those who do between 30% and 50% of the household shopping.

exercise was to gently steer participants towards using the unit price information when making their decisions, in part to see whether consumers were able to understand and to interpret the information provided to them. Moderators subsequently elicited the information that respondents used to make these choices, and in particular the use they made of unit pricing information.

As a final exercise, participants were asked to create their ideal label for a specific product (in this instance, a six pack of yogurt on special offer) and to choose which information they would like see included on the label from amongst the following: the original price, the discounted price, the original unit price (pre-offer), the discounted unit price). This exercise was not the most successful as some participants defaulted to requesting all the information possibly available on the label, although they themselves indicated that they would not look at it.

3. How do consumers shop?

3.1 Understanding the decision-making process

3.1.1 Each individual choice is complex and involves many factors

A medium sized shopping trip on the scale described to us by participants typically involved a large number of decision points, each taking into account a range of factors including:

- Product
- Sub-product (e.g. tuna chunk or steak? Orange juice smooth or with bits?)
- Size of product
- Brand
- Quantity
- Packaging
- Price
- Offer(s)

From what was observed in the focus groups, the 'visual noise' generated by this information can be overwhelming. Processing all these factors in a logical, 'computational' way appeared to be both time-consuming and highly complex. In practice the authors found that participants resorted to a range of different strategies to assist them in making decisions quickly and easily. Many of the resulting decision-making processes appeared to occur below conscious awareness; participants were unaware that they were behaving in particular ways although the choices they made and their comments, indicated they were.

Participants said that their attention was likely to be lower during a 'big' shop due to the greater number of choices required. They believed that it was somewhat easier for them to focus on consciously evaluating product criteria when they were only shopping for a few items.

> '*I tend to find that I, if when it comes to looking at things like that, if we're doing a big shop we don't tend to look at the what we're saving and this and that, because you know you're going to be paying a lot of money anyway for your shopping. Whereas if you're doing like a basket shop, you probably look at it a bit more, because that's what I think anyway*.' (Leeds, man, family)

3.1.2 A wide variety of shopping experiences and behaviours

There is a huge variety of attitudes and experiences in supermarkets and participants reported behaving in subtly different ways when shopping (both generally and for specific items). One of the findings of this research is that, whilst there were general patterns of behaviour that were common across participants, a wide variety of strategies were used. There was also significant variation both between individuals and with respect to how individual participants shopped for different products.

For the majority of the participant included in this research, grocery shopping was considered a chore; something that they tried to get done as quickly as humanly possible.

> ‘*If know what I've got on my list, I know which aisles to bypass and just in and out. That's why if you go at like half eight, fingers crossed there's no one in the way! You just power through and get it done*.’ (Leeds, man, family)

However a minority of participants, including some of the women who did not work and therefore had more available time enjoyed supermarket shopping and found it therapeutic.

> *'I'm probably the same; with the kids I'm not going to rush and we'll stop in a café. I make a bit of an outing of it so we have some lunch in the café and then do the shop quite leisurely. Yes, I just try and make it fun*.' (Slough, woman, family)

> *‘I spend like 45 minutes. I've been known to sometimes, me and my friend just go to Tesco for the sake of going, and literally just walk round Tesco. We don't need anything*.’ (Leeds, woman, single/couple)

More generally, male participants reported that they were more focused on efficiency and speed when shopping, and that they were less prepared to spend time shopping or thinking about which products to purchase.

> ‘*It strikes me that one thing that everybody is saying is we all know where the bits are in the stores that we go to so therefore we don't need a plan. We know exactly where they are so we cut down the shortest distance between A and B and then go and get it and move on*.’ (Slough, man, single/couple)

Participants' behaviours varied considerably when it came to product selection: whilst some were very much focused on price and value, others did not even look at the price when selecting products.

Critically with regards to this research, participants' ability to calculate and work out what they considered as the best value for money was variable. The authors noticed a significant difference in likelihood (and willingness) to compare product prices between participants in BC1 social grades, and those in C2D social grades. The BC1 participants were much more focussed on getting value for money.

3.1.3 Shopping decisions were not only based on value for money

Research participants defined value for money in different ways:

- Getting more for less money;
- Thinking about 'how far money goes' (i.e. more food per meal, or fruits and vegetables that last longer);
- Paying less than one would normally pay for a typical shop;
- Buying good quality for a lower price, or better quality for the price of a product deemed to be of lower quality.

However the authors found that value for money was not always the most important consideration and that it would be wrong to assume that shopping decisions were primarily based on these criteria. Brand was a critical factor, particularly for products where one brand was perceived to be dominant in a category (Hellmann's mayonnaise, for example) or for products that were of particular importance to an individual participant (for example, a particular brand of shower gel with a certain scent).

For some products, size was also a key consideration, in some instances irrespective of the price. Participants mentioned that an item too bulky might not fit in the cupboard or fridge, or might go off before being eaten or might be dropped by children. On the other hand, it was reported by those who used a particular product a lot that they would automatically select a larger size in order to meet their needs. In the group exercises, mayonnaise provided an example of a product where size might be a primary factor for some shoppers.

> '*With Hellmann's, I always buy Hellmann's and I always just choose the biggest one. I don't look at price, I just go for the biggest one, because I use it on everything*.' (Leeds, woman, single/couple)

When buying items that they considered to be unhealthy, participants reported being wary of buying larger products on the basis that they were more likely to consume more of the product over a shorter time frame. During the group discussions, some parents mentioned avoiding the biggest jar of mayonnaise as they did not want their children to eat too much of it.

> ‘*The more you've got, the more that will get eaten - and mayo is quite high in calories…. So yes, I buy the medium one; they just have to make that do*.’ (Slough, woman, family)

> ‘*I don't buy the huge packs of crisps even though they're on offer because if I had a huge pack of crisps in my house they'd just all get eaten and they're obviously not good for you*.’ (Slough, woman, family)

Quality, or perceived quality, was also reported as being an important factor in shopping decisions, and was mentioned as mattering more for some products (such as meat) than others. Quality and design of branded packaging was reported as playing a role in building perceptions that a branded product was of ‘better quality’.

> ‘*I do buy Morrisons' own brand fruit juice because you get three for - I can't remember, maybe £2 but it's really good value and the packaging looks nice*.’ (Slough, woman, family)

> ‘*I don't have faith yet in the cheap value brands stuff. I think part of that is the packaging that they put on the cheap stuff, it looks cheap. Up your packaging a bit, it might make it look a bit more presentable, a bit more wanting to buy it*.’ (Leeds, man, family)

> ‘*It looks quite appealing as well, with the orange on the front. It looks like it's going to smell nice*.’ (Leeds, woman, single/couple)

When comparing two similar products, some participants reported taking into account the list of ingredients in order to assess how healthy each product was.

> *‘I would look at the ingredients and if I bought that and it was absolute shit then I would not buy it again, so then I would probably look to the next one to see whether that was better value because all in all, it wouldn't be as expensive but would we drink it?’* (Slough, woman, family)

Similarly, a number of participants stated a preference for loose fruit and vegetables regardless of any price differential because they could hand-pick these.

Other aspects reported as playing a role in shopping decisions included looking at the use-by-date, and specific product attributes that were deemed worth paying extra for. Examples of these attributes included squeezy bottles of mayonnaise and re-sealable packets of cheese. Although some participants recognised that these items were more expensive they were willing to pay a premium for these product features, indicating that their decisions were on occasion driven by particular aspects of products they valued above and beyond price.

When conducting an analysis of participants' choices, it was therefore important for the research team to take all these factors into account, as price was reported as being only one element of participants' decision-making processes. As already mentioned, it was observed that the shopping decisions of participants in lower social grades (C2D) were often less driven by cost considerations than those of BC1 shoppers.

> '*I'm really bad for not looking at prices. I wouldn't be able to tell you the price of any of the things I've just chosen*.' (Leeds, woman, single/couple – C2D)

> '*I'm going to sound like a complete arse, but I don't… I have a budget in my head, but I will not shop according to what I can afford on that particular day. I believe in buying the best that I can buy because at the end of the day it's going in my body and my kids and I want the best products for them to have a healthy lifestyle which then goes back to the point of not frozen foods, not pre-packed foods, I like fresh stuff..*' (Leeds, man, family – C2D)

3.1.4 Perceptions around product size

The researchers observed a widespread reluctance amongst participants to extract information from the supermarket shelf labels. Instead of looking at the size of the product indicated on the label, many participants inferred this from the apparent size of the product or from their experience when they had previously bought the product (i.e. how much they got out of it, how long it lasted). Rather than thinking in terms of weight, shoppers tended to think of the product of being the unit, i.e. a bottle of orange juice or a tin of tuna (whereas in practice the weight in each tin of tuna varied considerably in the stimulus shown). On occasions this led to an incorrect assumption of the size (and therefore the relative value) of a particular product. The most thorough participants tended to look for information on size on the product packaging rather than on the label.

‘*I suppose when you're shopping though the things are on the shelf, so you can pick them up and look... Do you know what I mean? Like the size of things, you just look with your eyes, don't you?*’ (Leeds, woman, single/couple)

Size also appeared to influence perceptions of value as larger products or multi-packs were often assumed to be cheaper. During the group discussions, participants indicated on a number of occasions having chosen a product because of its size, making an assumption that this would be better value (without checking the details). When choosing mayonnaise for instance, some respondents picked the large squeezy container (price: £3.98 for 750ml) instead of the smaller one (reduced price: £1 for 430ml) without realising that the large squeezy mayonnaise was considerably more expensive (on a unit cost basis). Similar assumptions were made when picking orange juice and toilet tissue during the shopping exercises, in some cases incorrectly.

‘*I'm looking for value particularly with the orange juice. A bigger bottle is better value than a smaller bottle. If you get two small bottles you'd be paying an awful lot more than one bigger bottle*.’ (Slough, man, single/couple)

‘*I originally got the four rolls, so the Morrisons' one, but if I'm doing value for money then I'd buy more rolls. I didn't check, but I assumed*.’ (Leeds, woman, single/couple)

3.2 A typology of shopping behaviours

Whilst each and every shopping decision is different, the researchers identified four general types of shopping behaviour; four strategies for making product selection in supermarket shopping more straightforward and faster. It is not suggested that each individual shopper is characterised by his or her use of a particular strategy. Rather that each shopper can adopt any of these strategies when shopping for a particular type of product. For example, a person who enjoys eating tuna might default to a particular brand when buying this product (shopping behaviour #1), but look instead for value when purchasing cheese, either by resorting to offers (shopping behaviour #2) or conducting his/her own calculations (shopping behaviour #3). This simplified model nevertheless aims at providing a clearer understanding of the different strategies observed during the research.

In most cases, the first step taken by shoppers is to narrow down choice to a smaller selection of products that they can then (if they choose) consider in more detail.

3.2.1 The first step: narrowing the selection

Habit plays a strong role in grocery shopping. Participants reported that they tended to default to the products that they had already purchased and had been satisfied with.

> '*Like most people, I have the same requirements, feeding the same numbers of mouths etcetera every week so you tend to get the things that you buy that are the same size*.' (Slough, woman, family)

> '*I would buy the same each time, so I know what size, what brand and how many that would last for that week. How much we use, consume in our house, how much the kids will drink, how much I drink*.' (Leeds, man, family)

Even when they varied their choices, this was within a sub-category of products: participants started by narrowing down the options available to them.

For instance if someone was shopping for orange juice, it was likely that his/her thought process would resemble the following logic:

1. Do I want orange juice from the chilled compartment or not; smooth orange juice or juice with bits in?
2. Which brands am I familiar with and prepared to buy from?

In other words (logically) participants very quickly discounted brands and sizes they did not want from their consideration set. In addition to allowing them to identify which products were more suitable to their needs, this narrowing down process also simplified choice and made comparisons easier and quicker.

> '*For shower gel I would chose on what it's giving me, so if I wanted a shower gel that smelt really nice then I'd look at the different scents and I'd have a smell, and pick one based on that. At the moment I'm picking a shower gel with moisture, so that's why... So I basically look at ones with moisture and see which ones are on best offer. That's what I do ordinarily*.' (Leeds, woman, single/couple)

Thus from the full range of produce available on the aisle of a large supermarket, participants reported quickly narrowing down their choices to less than a handful of options that they were willing to consider.

This practice of narrowing down the options available to a reduced number of products was often the first step taken by participants in the four following shopping behaviours observed during the research. When choosing from this tailored selection, participants would adopt other strategies, either systematically or when buying particular products.

3.2.2 Shopping behaviour #1: it's all about the brand

In this scenario, the participant would go straight to the brand of his or her choice, seemingly regardless of the price of the item, its comparative value or current offers.

> '*I'm a bit of a stickler for not trying new things really. Once I find something I like, a product that I like, I tend to go with it.*' (Leeds, woman, single/couple)

This type of behaviour was particularly observed for products which were very strongly associated with a specific brand. Amongst the product categories that were tested during the research, Hellmann's mayonnaise and John West tuna (both used as stimulus), and Heinz baked beans (not included) were mentioned on numerous occasions.

> '*So I've just gone for John West in brine, pack of four. That's what I've always bought you see.*' (Leeds, man, family)

Picking products purely based on brand was reported as being the quickest and easiest way to simplify a decision. Brands acted as a proxy for quality, with well-established names being associated with good quality, particularly when compared to supermarkets own brand products.

> *'It's a good quality name isn't it?'* (Leeds, man, family)

There were also strong links between brand and perceived price of the product: well-known brands were assumed to be more expensive than supermarket own brands.. When participants were looking for cheaper items or better value, they were therefore more likely to direct their attention towards supermarket own brands.

For some of the male participants involved in the research, picking products based on brands was reported as being the easiest way to shop quickly and efficiently. They indicated a preference for choosing the same brand repeatedly (or asking for a partner's view on brand) and therefore paying less attention to offers and pricing. The authors also observed that participants in lower social grades (C2D) tended to be more loyal to brands.

> '*I go for brands and if they don't have a brand then I won't buy it. I like, my family likes a certain bread and a certain baked bean and a certain this and if they don't have that then I won't buy it. Then I'll possibly go somewhere else to try and find it. I sound right Yorkshire, I like what I like and I don't like what I don't like*.' (Leeds, man, family)

3.2.3 Shopping behaviour #2: drawn to the offers

Offers were reported as acting as powerful attention-catchers and very quick ways for participants to make a decision. They were also reported as disrupting the selection narrowing down process to some extent, perhaps bringing another similar product into consideration or else making this more attractive than others selected.

This said, some participants said that they were sceptical of special offers and were aware that although buying products on offer made them *feel* that they were getting a good deal, these were not necessarily offering best value for money.

> '*If it's something that I've always got and I'm happy with it, then even more, if it's on offer than even better*.' (Leeds, woman, single/couple)

> '*You look for offers. If something is half price or two for one, probably not the usual brand you get or something you might take them rather than what you usually buy.*' (Slough, man, single/couple)

> *'I would buy whichever's on offer. We've had a Davidstowe before and an Anchor. In fact, we've had all of those branded ones.'* (Leeds, woman, single/couple)

We observed, both through the participants' behaviour and the discussions which followed the shopping exercises, that an offer on a product led participants to select products quickly without calculating whether the offer price was in fact best value amongst the products they would consider. A more detailed discussion on the role and impact of offers follows in section 4.

3.2.4 Shopping behaviour #3: finding alternative methods to calculate value

Participants used a variety of methods to calculate which product offered the best value without referring to the unit pricing information which was provided. Instead of having to take into consideration all of the items offered, these techniques allowed them to compare one product against another.

In this scenario as in the previous one, the participant began by selecting a couple of items that they preferred, according to brand and price (amongst other factors). S/he then 'calculated' which one offered the best value. Most commonly, shoppers used the (perceived) size of a product and its price to compare it against another.

> '*Well you buy two for £5 so for a fiver you're getting 800 grams and for a fiver you're getting 625 grams so you're getting 20 per cent more for the same price*.' (Slough, man, single/couple)

> '*There's that many rolls in a bag for that much and there's that many rolls in a bag for that much, I don't look at per sheet, I don't care*.' (Leeds, man, family)

> '*In comparison with the other ones, so then if they're £4 and then you've got nine rolls for £3.50*' (Slough, woman, family)

> '*I just checked how big it was compared to the other one. I didn't check what kind of unit, you know. I didn't look at anything underneath*.' (Leeds, woman, single/couple)

These calculations sometimes acted as a form of unit price measurement, although shoppers tended to take as a unit a single item (e.g. a bottle of juice, or a roll of toilet tissue) rather than a set quantity expressed by weight or volume (100g or 100ml). These techniques were also more or less exact, with some participants being able to compare products quite precisely, whilst others did this very quickly and not at all accurately. The authors observed that participants in C2D social grades encountered more difficulty when comparing products in this way and more often resorted to visual (size) and physical (perceived weight) cues than information or calculation.

3.2.5 Shopping behaviour #4: the unit price as a reference

Only a minority of participants[2] used the unit price indicated on the label to help them choose a product. In each of the focus groups, irrespective of location, gender, family situation or social grade, one or two participants spontaneously mentioned using unit price during the discussion. A detailed discussion of the circumstances and the ways in which participants used unit pricing information follows in Section 5.1.1.

[2] The moderators observed that this was the case of one or two participants per group. Although the methodology used for this research was qualitative and these numerical results should not be generalised to the overall population, it is sufficient evidence to conclude that this is minority behaviour.

4. The role and impact of offers

4.1 The impact of offers

Offers are, primarily, highly visible. The use of colours to differentiate them from normal prices in supermarkets was reported as making them instantly recognisable and very eye-catching.

> '*These yellow ones where they draw your eye to making you think immediately 'good deal', that's a good value; I'll buy it*.' (Slough, woman, family)

Offers also appeared to act as a proxy for good value and simplified the decision-making process for participants as most said that they were unlikely to look any further if the offer was on a product that they would be prepared to buy. Indeed when they saw an offer, most participants reported making the assumption that it was a 'good deal'. This perception that they were getting 'good deal' was reported as providing an instant feeling of satisfaction, self-congratulation or gratification, enabling them to leave the supermarket with the impression of having saved money.

> '*You're believing that you're getting the best value. Yes, whether you're getting it or not is irrelevant as long as I believe I'm getting good value for money I can live with that. I know that's a very selfish attitude but I don't really care about anyone else*.' (Slough, man, single/couple)

> *'Tropicana is two for £3.50 but I didn't work it out but it could be possible to get it cheaper just buying the value size one if that makes sense, but if you see a deal you think oh great just throw it in.*' (Slough, man, single/couple)

Offers on well-known brands, which were usually more expensive, made these more affordable. Participants said that possibility of being able to buy products which were 'better' for the same price as more ordinary ones made them feel that they were treating and rewarding themselves.

> '*I prefer three of the Tesco value ones to the Copella one and that's half price I think in terms of value. If the Copella was a bit cheaper I'd probably go for that just as a bit of luxury*' (Slough, man, single/couple)

As a result of these effects, participants reported that products which they did not intend to purchase (those that were not on their list for those who make a list) were quite likely to be added to the trolley when on special offer.

‘*I'd buy something else, but I've got to have, that's the core. If there's something on offer, I'll quite happily pick something else up if it takes my fancy. Depends what they entice you with. Fajitas, anything where it's like, two for one or something like that*’. (Leeds, man, family)

In a sense, it appeared to matter less to some participants whether, in fact, they had achieved best value from using special offers. The key thing was that special offers made them feel that they got a good deal and value for money.

4.2 Scepticism towards offers

Although most participants reported being drawn to special offers and relying on them when making decisions, many were sceptical about the real value provided by offers, and suggested that in some instances the supermarkets were ‘creating the illusion’ of a good deal.

‘*It's that illusion; they're creating the illusion*.’ (Slough, woman, family)

Similarly some participants stated that they had previously realised that multi-buy offers were not always as good value as they had assumed:

‘*I've done that a few times where it's not actually cheaper to buy the two for one especially beers, they're the worst. A crate of 20 Buds will be a tenner or two crates with 15 for £30 or something like that. It's cheaper to buy the not on offer ones if that makes sense.*’ (Slough, man, single/couple)

‘It’s not always such a good deal and you don't necessarily tend to have the time to work out the figures. I remember looking at a deal recently and it worked out a couple of pence but I could've ended up buying two and spending more than I would have originally and just saved a few pennies rather than a few pounds.’ (Slough, woman, family)

‘*Sometimes they trick you with that and if you do the maths, the two single things work out cheaper than what they're offering*.’ (Slough, woman, family)

Some participants were also wary of offers because they thought that supermarkets sometimes increased the price before putting the product on offer.

‘*I know a lot of the time the supermarket will one week put up the price of something then the next week it's half price. So you think you're getting a better deal but…*’ (Slough, man, single/couple)

‘*My thing with wine is I always worry that the price is inflated, so is it really a third off?*’ (Slough, woman, family)

Finally participants were expressed doubts on the real price of products when observing that products that had been on offer for a long time or were regularly on offer returned to their normal price (wine was provided as an example).

The authors observed a greater awareness of such issues and a greater degree of scepticism of offers amongst participants in higher social grades (BC1).

When participants had realised that an offer did not actually provide the ‘best deal’, they reported being more likely to look into it more carefully on subsequent shopping trips, or to start using unit prices to make comparisons. However, most participants said that their attitude to shopping was only likely to be altered for the first few minutes of their next shopping trip. In the long term, they themselves expect to return to their previous shopping habits.

‘*I might next time I go take a little bit more time, but then probably after that I won't*.’ (Leeds, woman, single/couple)

4.3 The hierarchy of offers

There were different types of offers under consideration in the research including reduced prices using a reference price (either from £x to £y or x% off) and multi-buy offers (buy-one-get-one-free, 3 for the price of 2 or 3 for £x). These offers had different effects on the cost and contents of a participants’ basket, but also resulted in different levels of understanding or confusion.

Participants were observed as having a preference for offers that were easier to understand and which more obviously provided immediate savings. Reduced prices were therefore highly valued: when a product which used to be sold for £3 had been reduced to £2, they could easily relate to the suggestion that they were saving £1, irrespective of whether or not they would otherwise have purchased the product.

‘*I'm drawn to that; it's just because straightaway it's very clear to know that there's going to be more money off those*.’ (Slough, woman, family)

Participants also reported that buy-one-get-one-free (BOGOF) offers were attractive as they were considered fairly straightforward, although they might not be as valuable for a shopper who was not willing to buy two items, either because they would not use the product enough, or because they could not or did not want to store it.

Multi-buy offers (such as ‘3 for the price of 2’ and ‘2 for £3’) were felt to be a lot more confusing and participants reported facing difficulties when they tried to compare the respective value of these products against others (either not on offer or on different offers). Participants said that this was particularly challenging when the original price of each individual item included in the offer was different (for example breakfast cereal offers which are three for the price of two – but where all the cereals are individually priced and you need to read the small print to see that the two highest value items would be charged).

> ‘*Five for three, you've got start working out all the figures*.’ (Slough, man, single/couple)

Finally, when there were multiple offers within the same product category (for instance reduced price and multi-buy offers on orange juice), it appeared to become too complicated for many participants to quickly work out which offers were the best.

Identifying the deal that provided best value required time. Indeed in the focus groups participants said (and this was observed) that they were spending much more time than they normally would when shopping. One respondent mentioned a hierarchy of offers, which in a sense represented his own simplification strategy when faced with a number of different offers:

> ‘*I think the best offer is 50 per cent off. That's the best value. Then it's buy one get one free. If you're getting 50 per cent off but you have to buy another if you see what I mean and then it will go down three for the price of two and then it will go into the big multiples…*’ (Slough, man, single/couple)

5. The use of the unit price in shoppers' decision-making process

5.1 How and when do shoppers use the unit price information?

5.1.1 A minority of shoppers regularly use the unit price

A minority of participants referred spontaneously to the unit price during the group discussion. These participants said that they tended to look at unit pricing for particular items such as fruit and vegetables, dishwasher tablets, coffee and tinned products. A couple of participants claimed to use unit pricing to select each and every product, however most said that they only relied on unit price for specific products, often those on which they had observed a significant difference in the past or for products that they were highly engaged with.

As discussed in the previous section a few participants mentioned having observed in the past that offers did not always provide the best value, and were somewhat wary of them. This scepticism towards offers led them to rely more strongly on the unit price information.

> '*I don't really go for offers, I'll do that, you know where it will say per litre, 50 pence per litre, or 86 pence per 100 gram and I'll look at that rather than what make it is… they deceive you don't they with how much things are. They'll turn around and say, 'Buy two, get one free', but if you look at per 100 gram, a big one for that is coffee I think. Coffee, they sting you on coffee. So I'll always look, you'll think that's a good deal on coffee, that's really cheap, but then you look at per 100 gram and you might be paying 60 odd pence more for one brand and then you'll think, I'm better off buying Douwe Egberts than buying the Nescafe or whatever… If I see an offer, I think they're trying to pull the wool over my eyes with this one, so then I check out the other things*.' (Leeds, man, family)

> '*Most of them say per 100 grams or per 100 millilitres so you have a point of comparison and then some basic maths - or sometimes quite difficult maths as well - when there are multi-buys and things like that*.' (Slough, woman, family)

> '*I tend to go for value but it depends because I know how I tend to shop. So with orange juice I don't tend to drink that much of it so I tend to go for the lowest unit cost because just one orange juice I know I'll get through it rather than two bottles and not get through it, but I always try and work out which is cheapest which is why I always spend ages in the aisles just looking up and down. It's really misleading so I can't help that. I just have to process all that information before I make my decision*.' (Slough, man, single/couple)

5.1.2 Unit price is challenging for some to conceptualise

This research showed that only a minority of participants regularly referred to the unit price to compare products. The majority appeared to adopt other strategies which involved either not looking at this information or not using it.

The research suggests that one of the key reasons why some participants ignored the unit pricing when shopping was because they found unit pricing quite difficult to conceptualise. It was observed that these participants tended to think in terms of individual products (i.e. a bottle, a tin, a jar or a roll), and not in grams or millilitres.

Participants reported thinking about products in practical terms rather than measurements. For instance someone who eats a lot of mayonnaise might know how long a jar would last, but 100ml of mayonnaise is, in some respects, an abstract concept; it's not a spoonful, or a jarful or a sandwich full!

Similarly, when comparing different toilet tissues, some participants noticed that the unit price was provided per 100 sheets and found this information very confusing. Although this is an objective way of comparing prices, shoppers preferred to think in terms of number of rolls when buying toilet tissues and simply could not conceptualise what 100 sheets would look like. Some also voiced concerns that as 'the number of sheet per roll varies depending on the brand, it was impossible to determine which item offered better value.'

> '*Toilet roll will say 17 pence per sheet and then one roll will have so many sheets per roll and then another roll with have 50 sheets more or 25 sheets more, so you can't work it out. No matter how hard you try*.' (Leeds, man, family)

In addition, when reduced to 100g or 100ml, the price difference between two products based on these quantities seemed insignificant to some participants. For instance the unit price for the Waitrose mayonnaise in the exercises was 21.2p/100ml, whereas it was 20p/100ml for the Sainsbury's jar. The difference (1.2p – *per 100ml)* appeared inconsequential to participants.

> '*I can't imagine buying the one that I didn't want because I thought there was four grams more in it, or it worked out 0.7 pence per litre cheaper. It's like, I just can't imagine, how long's it going to take? In the mayonnaise it could be in two years' time by the time you finally work you, do you know what, that sandwich cost me 0.4 pence less every day for*

getting that one. I am very sad, but that, there's a limit to my sadness and I don't go that far.' (Leeds, man, family)

In the research it was observed that in a context where shoppers were faced with a wide range of factors to take into consideration in a limited timeframe, unit price competed with the price of the product for participants' attention. For loose fruits or vegetables the main price customers considered was the unit price. However, for a packaged product, the main focus was on the price of the particular item. In the latter case, the sales price (the actual price paid for the item) was larger and clearer than the unit price.

Considering the number and complexity of decisions involved in shopping and the amount of 'visual noise' experienced when trying to look for best value amongst a (limited) number of products with different offers and values, it was observed that many participants were only willing (and able in some cases) to base their shopping decisions on one or two pieces of information; often the most visible and 'loudest'. The unit price tends to be dominated in size by the item price for the majority of products that are not sold by weight or volume. As a result participants reported knowing that the unit pricing was there, but without understanding or thinking about its significance.

5.1.3 Shoppers' strategies that do not involve using unit price

Although unit price is meant to make comparisons easier, for many participants it seemed to add an additional complicating factor into a context where they were trying to simplify decision making.

With the exception of those who did use and understood unit pricing, most worked out their own 'shorthand' strategies which avoided the perceived 'painful' process of having to use and understand the unit price information included on the label. Whilst some participants were reluctant to admit that they either did not understand unit pricing or were unable to use it, the moderators saw clear evidence that this was the case from both their choices and their comments.

In the focus groups, participants from C2D social grades in particular appeared to be more challenged by the discussion around unit pricing and found different ways to justify their selections on criteria which avoided the use of the unit pricing:

> *'Out of my comfort zone this is …. It's like one of them [maths question] so and so set off from so and so at one point on the train, where did the trains meet?'* (Leeds, man, family)

Although one might have expected claimed usage of unit pricing to be over-stated during a group discussions, on the contrary, there appeared to be a clear division between the minority of shoppers who did refer to unit pricing, and mentioned this spontaneously and those who did not and were happy to recognise that they did not:

> '*With the tuna ones, I couldn't do the whole price and look at the weight and then try and work it all out because that just wouldn't happen, what I just did there.*' (Slough, woman, family)

> ''*I'd have a quick look, but I couldn't be bothered getting a calculator out and working it out.*' (Leeds, woman, single/couple)

5.1.4 The four degrees of information usage

In the research four categories of participants according to their usage of unit pricing were identified:

1. Those who fully understood unit pricing (and observed omissions in offer pricing where these occurred). To these people unit pricing was genuinely useful in decision making.
2. Those who were aware of unit pricing and used it on occasion, but who also had the capacity to work out value based on relative sizes and costs of product. These shoppers could calculate unit pricing in their heads (at least to some extent) and favoured this strategy over direct usage of the unit pricing on labels.
3. Those who were aware of unit pricing, but who found information in this format challenging to conceptualise. They were comfortable with cost per kilo on loose items or items sold by weight (such as vegetables or cheese), but much less comfortable with unit pricing when it referred to seemingly abstract information such as price per 100g or per 100 sheets.
4. Those who never actually looked at unit pricing when they shopped, either because they didn't want to or could not understand it.

Within categories three and four there was a lack of awareness of unit pricing combined with a lack of willingness to take this information into consideration. Although they knew that there was a number written down on the label and were able to read it (legibility did not seem to be an issue), they did not know how to use it and assumed that using unit pricing would over complicate (rather than simplify) their comparisons.

5.2 What information should be provided on the supermarket shelf labels?

5.2.1 Issues around pricing inconsistencies

Inconsistencies in pricing were picked up in a number of cases. In all groups, bananas were the most heavily debated category as the price for loose bananas was provided per kilo whereas the unit price for packaged bananas indicated the cost per banana. Although most assumed that the loose bananas would be cheaper, all respondents recognised that it was impossible to be certain of this without weighing them.

> *'Bananas, I would have gone for loose because I think they're cheaper loose, I think, yes?'* (Leeds, woman, single/couple)

> *'Well they are cross-priced effectively because one is priced per unit and one is priced per weight. So what would help me is a consistency in terms of the labelling.'* (Slough, man, single/couple)

The unit pricing of toilet tissue also appeared inconsistent to some participants. In this case the unit price measure was cost per 100 sheets which allowed comparisons to be made between toilet rolls of different sizes (i.e. with a different number of sheets per roll). However, some participants did not understand how the unit pricing information could be used. Indeed they thought that it was actually impossible to use the unit price information to usefully compare the products since the number of sheets per roll was not consistent across brands.

However across all four focus groups, no single participant spontaneously picked up the inconsistency in unit pricing between the different mayonnaise products with some unit pricing provided per 100g and other unit pricing per 100ml. Even those who used unit pricing to make decisions had not realised this, perhaps due to the importance of brand and size considerations when choosing mayonnaise. Once moderators pointed out these different unit measures, most shoppers were surprised.

> '*I didn't realise that they did mayonnaise in grams and millilitres, that is, it's just a smoke screen*.' (Leeds, man, family)

Finally, some participants spontaneously mentioned that the unit price was on occasion based on the standard price and in other cases, on the discounted price.

‘*It gets complicated when you get three for two or stuff like that because quite often they don't give you the new amount. So they give you the price per gram or something at the normal price then you get the three for two and they don't give you that and then it gets really complicated.*’ (Slough, woman, family)

Amongst those who had noticed this happening in supermarkets, there was a degree of confusion as to the cause of these perceived ‘errors’ in unit pricing. Although participants were mainly interested in knowing what the discounted unit price (i.e. the price that they would pay) was, when thinking about unit pricing in more detail, they also understood that for multi-buy offers the unit price for individual items was still required.

‘*Sometimes if they're doing a buy one get one free, then you start doubting yourself because you're thinking, is it 30, what was it saying for the toilet roll, 20 pence per sheet?... If it says 20 pence per sheet and you're paying 10 pence per sheet because you're getting two for the price of one, or you're paying… I'd hope that it's based on what you're getting when you buy it, not a price that they've thought we've once sold it at 20 pence per sheet. Now we're saying it all is… Buy one get one free, surely it'll be price per sheet on one pack because the other pack's free. So, although that's wrong…’* (Leeds, man, family)

During the course of the focus group tasks, participants were presented with some unit prices based on offer prices and others on original prices. It was salient that none of the participants picked up the inconsistencies in the usage of unit pricing amongst the examples shown. This was the case during both shopping tasks, even when participants were instructed to look for best value for money.

5.2.2 Simplification is the key word

As mentioned above, unit pricing sometimes only provided partial information when products were on offer, especially for multi-buy offers. When participants compared products thoroughly using the unit price this could be very confusing for them and required both awareness of what the unit price was actually based on and a willingness to calculate what the value would be under the discount if the unit price for this was not provided. Such calculations were beyond that which most participants were prepared to do (or able to do) – certainly without the use of a calculator and a notebook. There was therefore an appetite amongst some participants for unit pricing to be included for the offer price as well as the standard price on labels:

‘*Actually, the price per unit, but if you're getting three-for-two the price per unit comes down, doesn't it? So you want to know, because they put the three-for-two off to one side often, so underneath that bit you want your offer price per unit and then you want your standard, don't you?’* (Leeds, woman, single/couple)

However most participants (who did not regularly use unit pricing) were more concerned about having a clearer view of the price that they were paying for a particular product relative to any previous price (without further ‘complication’). For these including additional information was felt likely to add to their confusion and would not make unit pricing more useful.

‘*I personally don't care how much it costs per millilitre, how much is the bloody jar, that's all I want to know. I don't care how much it was*’. (Leeds, man, family)

‘*I just want it quite straightforward; what it was and what it is now, so you can see what you're saving*.’ (Leeds, woman, single/couple)

Overall the authors found that there was a greater desire for simplification than for additional or more comprehensive information.

‘*It might save a lot of people time if they just put this is the absolute cheapest milk we sell, this is the most expensive milk and then if people want the cheapest they can just go and instead of getting a calculator out and spending an hour doing it*.’ (Slough, man, single/couple)

‘*I've just rather every manufacturer had to say, right we'll make one half a litre, one, one litre, this is the price, you choose. You can have it in a plastic thing or a glass thing, but your glass thing at one litre is £2 with one, £1.50 with the other, take your pick*.’ (Leeds, man, family)

6. Appendix #1: Recruitment and research materials

6.1 Recruitment screener

CMA Grocery Pricing Mini-Groups Recruitment Screener

RESPONDENT NAME: ______________________________

ADDRESS: ______________________________

____

____

POSTCODE: ______________________________

TELEPHONE No.: ______________________________

GROUPS 1 & 4: 27TH OF MAY AT 6.15 AND 8PM IN SLOUGH

GROUPS 3 & 2: 28TH OF MAY AT 6.15 AND 8PM IN LEEDS

8 RESPONDENTS PER GROUP.

	Group 1	Group 4	Group 3	Group 2
Location	Slough		Leeds	
Date	27th of May 6.15	27th of May 8pm	28th of May 6.15	28th of May 8pm
Gender Q4	Women	Men	Women	Men
Household	Family	Single / couple	Single / couple	Family
Social grade	BC1	BC1	C2D	C2D

INTRODUCTION:
Good morning/afternoon/evening. My name is . . . from BDRC Continental, an independent market research company.

We are not trying to sell anything, and all answers are held in strictest confidence and will only be used for research purposes.

Our client is interested in understanding the way people shop in supermarkets and their reasons for choosing particular products. We would like to invite you to participate in a group discussion along with other people with a similar profile.

Firstly, I would just like to ask a few questions as we need to speak to people with particular circumstances and attitudes, and of course if you took part in the research we would provide you with a token of our appreciation in recognition of your valuable time....

S1 Could you tell me whether you or any of your close family work in any of these types of company or jobs?

READ OUT ONE AT A TIME. PROBE ANY HESITATIONS. CLOSE IF CONNECTED WITH ANY OF CATEGORIES 3-8.

IT	1	**CONTINUE**
Manufacturing	2	
Marketing	3	**CLOSE**
Market Research	4	
Advertising	5	
Journalism	6	
Retail	7	
Consumer association	8	
Financial services	9	**CONTINUE**
None of these	10	

S2 Have you taken part in any research groups or discussions or any depth interviews for research in the past year? EXPLAIN WHAT RESEARCH GROUPS OR DEPTH INTERVIEWS ARE IF/AS NECESSARY

If so, how many? (PLEASE RECORD)

0 1 2 3 4 5 6 7 8 9+

CLOSE IF RESPONDENT HAS ATTENDED *ANY* GROUP DISCUSSIONS / DEPTH INTERVIEWS IN THE PAST YEAR

Q1 How do you most often do your main household shopping?

In supermarkets	1	
Online	2	**CLOSE**

NONE TO DO THEIR MAIN HOUSEHOLD SHOPPING ONLINE (THEY CAN DO SOME GROCERY SHOPPING ONLINE BUT THEIR MAIN WEEKLY SHOP MUST BE IN STORE).

Q2 Who is the person mainly responsible for your household grocery shopping?

I am solely responsible for the household shopping	1	
I am jointly responsible for the household shopping and do more than 50% of it	2	
I am jointly responsible for the household shopping and do between 30% and 50% of it	3	**CLOSE***

I occasionally do some of the household shopping but overall less than 30% .... 4 **CLOSE**

ALL TO CODE 1 OR 2
GROUP 2: ALLOW CODE 3, BUT ENSURE THAT AT LEAST 3 CODE 1 OR 2.

Q3 Which, if any, of these shops have you personally visited and bought something from in the last two weeks? **CODE ALL THAT APPLY.**

Aldi	1	
Asda	2	
Booths	3	
Budgens	4	
Co-operative	5	
Lidl	6	
Iceland	7	
Marks and Spencer	8	
Morrisons	9	
Sainsbury's	10	
Spar	11	
Tesco	12	
Waitrose	13	
None of these	14	**CLOSE**

ENSURE A MIX: AT LEAST 1 FOR EACH GROUP WHO SHOPS IN ASDA, 1 IN MORRISONS, 1 IN TESCO AND 1 IN SAINSBURYS, AND A MIX OF OTHERS IN EACH OF THE GROUPS.

AT LEAST 3 PER GROUP MUST HAVE VISITED AND SHOPPED IN MORE THAN ONE SUPERMARKET IN THE LAST 2 WEEKS.

Q4. Code Gender

Female	1
Male	2

GROUPS 1 & 3: FEMALES

GROUPS 2 & 4: MALES

Q5 Could I just ask, what was *your* age on your last birthday?

ALL TO BE BETWEEN 25 AND 55.

Q6 Who do you live with?

On your own 1
With your partner / spouse 2
With your partner / spouse and children....................................... 3
Alone with children... 4
With friends... 5 **CLOSE**
With relatives .... 6 **CLOSE**

GROUPS 1 & 2: ALL LIVING WITH CHILDREN. MIN 2/MAX 2 PER GROUP LIVING ALONE WITH CHILDREN.

GROUPS 3 & 4: HALF OF EACH GROUP LIVING ALONE AND HALF LIVING WITH PARTNER.

Q7. What is the occupation of the chief wage earner in the household? (IF NECESSARY EXPLAIN: This is the person in your household with the largest income, whether from employment, pension, state benefits, investments or any other source). PROBE FULLY FOR DETAILS OF TRAINING / QUALIFICATIONS / NO. OF PEOPLE RESPONSIBLE FOR ETC. - WRITE IN AND CODE BELOW

OCCUPATION:.. WRITE IN

- A .... 1 **CLOSE**
- B 2
- C1 3
- C2 3
- D 4
- E .... 5 **CLOSE**

GROUPS 1 & 4: ALL TO BE BC1
GROUPS 2 & 3: ALL TO BE C2D

Q8. And are you

Employed full time (30+ Hours per week)	1
Employed part time (under 30 Hours per week)	2
Self-employed full time	3
Self-employed part time `	4
Home maker	5
Full time student	6
Part time student	7
Unemployed	8
Retired	9

IF WORKING
Occupation: ______________________

ENSURE A MIX OF OCCUPATION WITHIN EACH GROUP

MAX ONE STUDENT PER GROUP

MAX 2 SELF-EMPLOYED PER GROUP

GROUPS 1 & 3: MAX 2 WOMEN TO BE HOME MAKERS IN EACH GROUP AND THEIR SPOUSE / PARTNER MUST BE IN FULL-TIME EMPLOYMENT

If recruited:

I'd like to invite you to take part in some research for us.

This will involve a 90 minute focus group on INSERT DATE AND TIME:

Please note that this discussion will be audio and video recorded and some people from our client may be observing to hear your views first hand.

In order to thank you for taking part, you will receive £50.

INTERVIEWER'S DECLARATION:

I certify that this interview was conducted with a person previously unknown to me and the interview was conducted according to the provisions of the MARKET RESEARCH SOCIETY'S 'CODE OF CONDUCT' and the briefing instructions.

INTERVIEWER'S SIGNATURE:______________________________________

DATE:____

6.2 Discussion guide

Grocery Pricing

Topic Guide 90 minutes

1. **INTRODUCTION [5 minutes]**

- **Introduce:** BDRC as independent researchers, etc.
- **Explain purpose:** We want to talk about the way people shop in supermarkets and their reasons for choosing products.
- **Reassurances:**
  - I am **not going to sell you anything** - this is purely research. You are assured that there will be no sales follow-up to you as a direct result of participation in this research.
  - I'm not going to ask you any sensitive questions about your finances or other personal details.
  - [If applicable] mention the presence of observers, who are keen to hear consumers' opinions.
  - [If applicable] mention audio & video recording and what happens to these recordings.

- **Introduction in pairs.** Ask your partner:
  - First name
  - Household set up – i.e. wife + 2 kids
  - Where they do their grocery shopping in a typical week/month?
  - Why they use this store / these stores?
  - Name one item that is always in your weekly/monthly shop that would tell us something about you/ your family?

- **MODERATOR:** Probe on their typical supermarket usage.
  - How often do they shop (e.g. series of regular "top-ups" or a few larger planned shops)?
    - Get them to describe these different types of shop – i.e. time taken / their state of mind etc.
  - How do they decide which stores to visit? Do they use different stores for different purposes or types of shop and if so why?

- Are there 'Trigger' occasions / products which lead them to particular shops e.g. major stock up / when friends coming round / petrol needed

2. Shopping trip behaviour

Aim of this section is to get as much unprompted information as possible around how people decide what to buy, in particular what, if any, role unit pricing is playing in their decisions.

I'd like you to think for a moment about your last shopping trip. Think about a time when you bought more than just a couple of items.

Picture yourself getting ready to go shopping, arriving at the supermarket, walking around the supermarket and taking items from the shelves. Try to recall what you bought and why you selected those items.

- Who writes a list and who doesn't?
- How do you write your list? What do you have in your head when you write a list?
  - i.e. is it a list of meals for the week/ a visual tour through the local supermarket / a picture of a full fridge or cupboard?
- What do you write on your list?
  - Probe on:
    - Is it just, bananas, rice, cereal, meat?
    - Brands or brand names?
    - Quantities / weights / sizes – i.e. 'large chicken' / 10 apples
- For those of you who don't write a list, how do you know what to buy? Do you have a list in your head or a specific aim to buy 'something for dinner' etc.
- How do you decide what you actually put into your trolley or basket when you're in the store, when looking at:
- Are there any areas of the shop where you spend more time? What are they? (If spend more time in some areas) Why do you think you spend longer in some areas?

3. Shopping Trip 2.

Aim of this section is to explore how people use / ignore information when they're choosing items based on preferences (with no directed cost / value pressure)

We're now going to send you on a shopping trip. You'll notice that around the walls we have put up some displays of various categories you may buy in a supermarket. We'd like you to imagine that these are the ones available the next time you go to the supermarket, and choose for each category, which item you would be most likely to buy. I know we're not offering you as many choices as you'd have in real life, for example in some stores you might have a choice of own brands or supermarket premium brands, but we don't have a board big enough for that. Where you do see own brand products, imagine that these are the brand of one of the supermarkets you usually use. For example if you see a Tesco own brand product, please imagine that it's a Sainsbury's product if you normally go to Sainsbury's.

Please don't confer with each other at this stage, we want to find out what you've picked as individuals first.

AFTER RESPONDENTS HAVE COMPLETED THE EXERCISE:

- How did you choose the items? What did you take into account?
- Why did you choose them?
- How difficult was it to choose between items? Why?
- Are there any boards where in reality you wouldn't have bought from the selection given? Why? **PROBE:** Do they sometimes wait for special offers? On what kind of products?

4. **Shopping Trip 3**

Aim of this section is to explore how people use information when they are forced to consider price / value.

- **IF NOT RAISED SPONTANEOUSLY:** Thinking about value for money, tell me what that means for you?
    - **ENSURE FOLLOWING DIMENSIONS ARE COVERED**
        - Brand – i.e. whether brand is worth more in some categories
        - Bulk buying / convenience – i.e. whether buying more / larger packs at the same time saves time / makes life easier
        - Differences by category
        - How they assess value – i.e. whether they have guide prices for some products
        - Price reductions and offers / BOGOF / 3 for 2 etc.
        - Own label buying behaviour – regular or when brand not on offer?

This time, I'd like you to select from the same products, but we want you to focus on trying to get the best value selection from each category.

AFTER RESPONDENTS HAVE COMPLETED THE EXERCISE: COVER EACH OF THE BOARDS ONE BY ONE (REFERRING TO THE PARTICULAR PRODUCTS)

- Which selection is the best value here? Why?
- How did you decide what to select?
- How easy was it to select the best value product?
- What, if anything, made it harder for you?
- What, if anything helped you to choose / made it easier?
- What if anything did you do differently here to what you would normally do? How? Why?
- What are the differences between these examples and 'real life' – **PROBE** For example the ways supermarkets display process of products on packs / edges of shelves

5. **Offers / unit pricing**

USE EXAMPLES FROM STIMULUS PROVIDED BY CMA TO DESCRIBE THE DIFFERENT TYPES OF OFFER

I'd like to ask you some questions about different types of offers:

If you notice, this item is not on special offer but the shelf edge label tells you the cost per item or the cost per weight or volume. This is known as a unit price. **POINT OUT EXAMPLE**

- Did you notice these when you did the exercise? Do you notice them in the supermarkets you use? Does it vary, depending on what you're buying? How?
- Do you also look at price and quantity information on products? Which ones?
- How much attention do you pay to unit pricing when they go shopping? (A lot, a little, not much) Why? Why not?
  - To what extent do **you** look at these figures telling you the cost per item or cost per weight when you go shopping?
  - How useful do you find them? Are there particular items or categories where you find it useful to have the unit price on the label **CAPTURE EXAMPLES**. Are there items/categories where you find it less useful?
- What information do you find more useful / less useful?

These items are on special offer. They're reduced. **(SHOW EXAMPLES)**

- Tell me about the kinds of things that you buy that are reduced like this?
  - Are they always good value?
  - How do you decide whether offers like this are good value or not?
  - Does the unit price help? How does it help? - **DO THEY NOTICE THAT THE UNIT PRICING ONLY REFERS TO THE STANDARD PRICE!**
- Have you noticed that in these examples the unit pricing is there for the standard price, but not for the offer price?
- Does that help you to decide whether they are good value or not?
- What do you think about this?

Here are some slightly different examples that are on special offer (**SHOW 3 FOR 2 STYLE AND 2 FOR £5 EXAMPLES)**

- Tell me about the kinds of things that you buy that are on these offers?
  - Are they always good value?
  - How do you decide whether these offers are good value or not?
  - Does unit pricing help here - **DO THEY NOTICE THAT THE UNIT PRICING ONLY REFERS TO THE STANDARD PRICE!**
- Have you noticed that in these examples the unit pricing is there for the standard price, but not for the offer price?
- Does that help you to decide whether they are good value or not?
- What do you think about this?

When you have some products of a particular type that are sold by weight and others by item **(SHOW EXAMPLES)**, how do you decide what to buy?

- Tell me about the kinds of things that you buy where this happens
  - How do you choose in these situation? Are some choices more difficult than others? Which?
  - **PROBE ON ANY ASSUMPTIONS – I.E. DO THEY ALWAYS ASSUME THE LOOSE PRICE WILL BE LOWER?**

These examples are of large packs? **(SHOW EXAMPLES)**

- Tell me about the kinds of things that you buy in bulk offers
  - Are they always good value?
  - How do you decide whether these offers are good value or not?

Finally, I'd like to show an example where there are lots of different types of offers for the same kind of product. **(SHOW EXAMPLES)**

- Have you seen examples like this when you've been shopping? Where?
  - How do you decide which offer is the best value?
  - Is there anything that stops you from picking the best value item?
  - What, if anything might help you to make sure you picked the best item?

IF NOT ALREADY ASKED / COVERED:

- Did you notice where the unit pricing was given for the standard price, but not the offer price?

- What would be the result, for you, if it was included? Why?

6. Shelf Labels

We've been looking at a lot of shelf labels this evening. I'd like you to help me by designing some shelf labels for a couple of products that are on special offer. We'd like you to use the cut out papers to show what you think is really important in terms of pricing information

I'd like you to work in pairs and mock up a label for a six pack of yoghurts that is on special offer.

PROVIDE SHELF LABEL SIZED CARDS AND DIFFERENT TYPES OF INFORMATION INCLUDING PRICE, PREVIOUS PRICE, UNIT COST, WEIGHT / VOLUME ETC.

- What have you included? Why?
- **PROBE ON UNIT PRICING USE / IE WHETHER TO INCLUDE UNIT PRICING AT ALL OR HAVE IT FOR OFFER PRICE ONLY OR FOR BOTH STANDARD AND OFFER PRICE**

7. Final Thoughts

- What are your thoughts about what we've been talking about this evening?
- Have you learned anything new? What?
- How, if at all, will it change how you shop next time you're in the supermarket?

THANK AND CLOSE

6.3 Stimulus used during the focus groups


ANCHOR
ANCHOR
Slowly Matured
MATURE CHEDDAR
DAVIDSTOW
MATURE CHEDDAR
CORNISH CLASSIC
DAVIDSTOW
MATURE CHEDDAR
CORNISH CLASSIC
wyke farms
Rich & Creamy
mature cheddar
£4.00
£4.00
NEW EASY OPEN
NEW EASY OPEN
CATHEDRAL CITY
MATURE
...get mellow
CHEDDAR
£5.00
mature
British Cheddar
by Sainsbury's
mature
British Cheddar
by Sainsbury's
mature
British Cheddar
by Sainsbury's
basics
full flavour
Cheddar cheese
basics
full flavour
Cheddar cheese
basics
full flavour
Cheddar cheese
£5.00


£1.35
Bananas
Bananas
Bananas
99p
68p


NEW BIGGER BOTTLE
COPELLA
ORANGE JUICE
SMOOTH
£2.00
£2.00
FAMILY SIZE
Tropicana
PURE PREMIUM
NO BITS
SMOOTH
Orange with No Bits
2 for
£3.50
£3.50


smooth
1.5L
family
size
innocent
orange juice
smooth
£3.28
100% FRUIT
ORANGE JUICE
3 for
£3.00
TESCO
Everyday Value
pure
orange juice
£0.65

(Toilet tissue was added after the first two groups and was only tested in Leeds)

6.4 Shopping list provided to respondents for the tasks

GROCERY SHOPPING LIST

Please tick the product of your choice within each category and indicate how many units you would purchase.

Category	Product	Choice	Reason for choosing this product
Cheese	Cathedral City Cheddar Mature 350g		
	Davidstow Mature Cornish Cheddar		
	Anchor Mature Cheddar		
	Wyke Farms Mature Cheddar		
	Sainsbury's British Mature Cheddar		
	Sainsbury's Basics Full Flavour Cheddar Cheese		
Bananas	Loose bananas		
	Bananas 5 pack		
	Bananas 10 pack		
Orange juice	Copella Orange Juice Smooth 1.5L		
	Copella Orange Juice Smooth 900ml		
	Tropicana Orange Juice Smooth 1.75L		
	Tropicana Orange Juice Smooth 1L		
	Innocent Orange Juice Smooth 1.5L		
	Asda Pure Squeezed Orange Juice Smooth 1L		
	Tesco Everyday Value Orange Juice 1L		
Mayonnaise	Hellmann's Real Mayonnaise 400g		
	Hellmann's Real Mayonnaise 600g		
	Hellmann's Real Mayonnaise 800g		
	Hellmann's Real Mayonnaise Squeezy 430g		
	Hellmann's Real Mayonnaise Squeezy 750g		
	Essential Waitrose Mayonnaise		
	Sainsbury's Mayonnaise		
Tuna	John West Tuna Steak in Spring Water		
	John West Tuna Steak in Spring Water pack of 3		
	John West Tuna Chunks in Brine		
	John West Tuna Chunks in Brine pack of 4		
	Morrisons Tuna Chunks in Spring Water		
	Morrisons Tuna Chunks in Spring Water pack of 3		
	Morrisons Tuna Steak in Spring Water		
Shower gel	Original Source Shower Gel Lime		
	Radox Revive Shower Gel		

	Sainbury's Energise Shower Gel		
	Sanex Pro Hydrate Shower Gel		
	Sanex Shower Gel Dermo Protector		
Toilet tissue*	Andrex Toilet Tissue 4 Roll White		
	Andrex Classic White Toilet Rolls 9 Rolls		
	Andrex Classic White Toilet Rolls 16 Rolls		
	Velvet Toilet Tissue White 4 Rolls		
	Velvet Toilet Tissue White 9 Rolls		
	Velvet Toilet Tissue White 16 Rolls		
	Tesco Luxury Soft Toilet Tissue White 4 Rolls		
	Tesco Luxury Soft Toilet Paper 9 Rolls White		
	Tesco Luxury Soft Toilet Tissue White 18 Rolls		

*Toilet tissue was added after the first two groups and was only tested in Leeds.

7. Appendix #2: Analysis of products chosen by respondents during the tasks

The methodology adopted for this research was qualitative. The table below is only provided for the Competition and Market Authority's record but does not intend to provide any quantitative assessment and should not be used to reach conclusions on which products are most likely to be purchased.

In the first task column is indicated the number of participants who chose this product during the first task, i.e. when they were asked to shop as they would normally.

In the second task column is indicated the number of participants who chose this product during the second task, i.e. when they were asked to get the best value for money.

Category	Product	First task	Second task
Cheese	Cathedral City Cheddar Mature [350g, £4.18, (Any 2 for £6), £11.94/kg]	8	1
	Davidstow Mature Cornish Cheddar [350g, £4, £11.43/kg]	3	
	Anchor Mature Cheddar [500g, £5, £10/kg]	3	1
	Wyke Farms Mature Cheddar [350g, £4, £8/kg]		
	Sainsbury's British Mature Cheddar [400g, £3, (2 for £5) £7.50/kg]	15	22
	Sainsbury's Basics Full Flavour Cheddar Cheese [625g £5 £4.64/kg]		3
Bananas	Loose bananas [68p/kg]	22	21
	Bananas 5 pack [99p, 19.8p each]	4	2
	Bananas 10 pack [£1.35, 13.5p each]	2	6
Orange juice	Copella Orange Juice Smooth 1.5L [£2, (~~£3)~~, £0.13/100ml]	8	4
	Copella Orange Juice Smooth 900ml [£2, £0.22/100ml]		
	Tropicana Orange Juice Smooth 1.75L [£3.50, £0.20/100ml]	4	
	Tropicana Orange Juice Smooth 1L [£2.48, (2 for £3.50), £0.25/100ml]	5	2
	Innocent Orange Juice Smooth 1.5L [£3.28, 21.9p/100ml]	1	
	Asda Pure Squeezed Orange Juice Smooth 1L [£1.40, (3 for £3), 21.9p/100ml]	8	9
	Tesco Everyday Value Orange Juice 1L [65p, £0.07/100ml]	4	12
Mayonnaise	Hellmann's Real Mayonnaise 400g [£1.89, 47.3p/100g]	1	
	Hellmann's Real Mayonnaise 600g [£2.49, 41.5p/100g]	4	
	Hellmann's Real Mayonnaise 800g [£2.50, (~~£2.99)~~, 37.4p/100g]	6	2
	Hellmann's Real Mayonnaise Squeezy 430g [£1, (~~£2.49)~~, 57.9p/100ml]	12	7
	Hellmann's Real Mayonnaise Squeezy 750g [£3.98, 53.1p/100ml]		2

	Essential Waitrose Mayonnaise 750ml [£1.59, 21.2p/100ml]		5
	Sainsbury's Mayonnaise 500ml [£1, 20p/100ml]	4	10
Tuna	John West Tuna Steak in Spring Water 120g [£1.79, (2 for £3), £1.49/100g]	3	
	John West Tuna Steak in Spring Water pack of 3 120g [£3, 83.3p/100g]	5	1
	John West Tuna Chunks in Brine 160g [£1.49, 93p/100g]	3	2
	John West Tuna Chunks in Brine pack of 4 160g [£4, (~~£4.99~~), 62.5p/100g]	7	5
	Morrisons Tuna Chunks in Spring Water 185g [99p, 53.5p/100g]	2	6
	Morrisons Tuna Chunks in Spring Water pack of 3 80g [£1.69, 70.4p/100g]	6	7
	Morrisons Tuna Steak in Spring Water 200g [£1.19, 59.5p/100g]	3	6
Shower gel	Original Source Shower Gel Lime 250ml [£1.80, (2 for £3), 72p/100ml]	2	1
	Radox Revive Shower Gel 250ml [85p, (~~£1.90~~), 34p/100ml]	22	11
	Sainbury's Energise Shower Gel 250ml [75p, (~~£0.90~~), 30p/100ml]		5
	Sanex Pro Hydrate Shower Gel 500ml [£3.19, 63.8p/100ml]	2	
	Sanex Shower Gel Dermo Protector 500ml [£3.19, (3 for £4), 79.7p/100ml]	1	
	Tesco Fruity Shower Gel 500ml [70p, 14p/100ml]	2	9
Toilet tissue	Andrex Toilet Tissue 4 Roll White [£2, (2 for £3.50), £0.23/100sheet]	1	
	Andrex Classic White Toilet Rolls 9 Rolls [£4.50, £0.23/100sheet]	2	1
	Andrex Classic White Toilet Rolls 16 Rolls [£7.49, £0.21/100sheet]	1	1
	Velvet Toilet Tissue White 4 Rolls [£2.25, £0.34/100sheet]		1
	Velvet Toilet Tissue White 9 Rolls [£4.50, £0.30/100sheet]		
	Velvet Toilet Tissue White 16 Rolls [£7.75, £0.29/100sheet]	1	
	Tesco Luxury Soft Toilet Tissue White 4 Rolls [£1.75, £0.20/100sheet]	3	
	Tesco Luxury Soft Toilet Paper 9 Rolls White [£3.35, (2 for £6.00), £0.17/100sheet]	2	
	Tesco Luxury Soft Toilet Tissue White 18 Rolls [£6, £0.15/100sheet]	5	9

* (Toilet tissue was added after the first two groups and was only tested in Leeds)