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Research into merger between Celesio and Sainsbury's Pharmacy

Report prepared for:

Competition & Markets Authority

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Contents

1. Executive Summary

Background

DJS Research was appointed by the CMA (Competition & Markets Authority) to conduct interviews with pharmacy customers in Lloyds and Sainsbury's stores, in order to understand the potential impact of a merger between these two parties. This report details the findings of this research.

Methodology

Face to face interviews using a paper based questionnaire were carried out with customers within Lloyds and Sainsbury's pharmacies. Interviews were completed at 32 stores across 16 areas chosen by the CMA. The areas were carefully selected to include a disproportionate number of areas with a high concentration of the parties' pharmacies.

Fieldwork was carried out between 14th January and 1st February 2016. Interviews were carried out on various days of the week and at various times of the day (in line with store opening hours), to ensure the sample was representative of all customers.

A total of 2,167 interviews were completed in Lloyds, and 3,059 were completed in Sainsbury's.

Key findings

- The main reason that customers visit both pharmacies is to drop off or pick up a prescription.
- Lloyds' customers tend to collect more separate medicines than Sainsbury's customers, and they are more likely to be urgent.
- The majority of Lloyds' customers do not buy anything in addition to their prescriptions/OTC products, whereas Sainsbury's customers spend an average additional amount of £27.77 in the store.
- For many, a combined trip to the supermarket and pharmacy is a reason for choosing Sainsbury's pharmacy. Almost three quarters of Sainsbury's customers would still have visited the Sainsbury's that day if the pharmacy was closed.
- Overall, convenience is the primary reason why customers choose to visit Sainsbury's and Lloyds. More specifically, convenience tends to mean the location of the pharmacy (particularly for Lloyds' customers), although it also includes opening hours and car parking (particularly for Sainsbury's).
- Customers were asked what they would have done instead if they had known that the pharmacy was closed. In response, the proportion of customers who said that they would have gone to one of the merger party's pharmacies was notably higher in the surveyed stores in Beaconsfield, Cardiff, Surrey, Reading and Kidlington than in the other surveyed areas.

2. Background & Methodology

Introduction

The CMA work to promote competition for the benefit of consumers. Their aim is to make markets work well for consumers, businesses and the economy.

As part of this role, the CMA is responsible for investigating mergers which could restrict competition. The CMA is currently investigating the anticipated acquisition by Celesio of Sainsbury's pharmacy business.

Sainsbury's Pharmacy

Based within 278 larger stores

LloydsPharmacy

Celesio operates 1,500+ stores

As part of this investigation, DJS Research was appointed to conduct interviews with a sample of Lloyds and Sainsbury's customers, to understand the potential impact of the merger.

This report details the findings of these interviews with Lloyds and Sainsbury's customers. As part of the analysis, we applied significance testing at a confidence interval of 95%.

Research Objectives

The specific objectives of the research were:

- Understand the purchasing behaviour and characteristics of Lloyds and Sainsbury's pharmacy customers
- Understand the reasons why consumers use different pharmacies
- Understand the diversion ratios and how these vary depending on local market characteristics
- Identify the appropriate area over which competition takes place between relevant pharmacies

Methodology

Face to face interviews using a paper based questionnaire were carried out with customers within Lloyds and Sainsbury's pharmacies. The interview itself lasted between five and ten minutes.

More specifically, customers were defined as:

- being aged 18 or over;
- who visited the pharmacy to pick up/drop off a prescription, buy/pick up a product that can only be bought over the counter (p-meds) or use the services provided by the pharmacy;
- and those who, either themselves or their doctor, had chosen to visit that particular pharmacy.

Interviewers identified customers by standing in close proximity to the pharmacy counter, whilst maintaining enough distance so that their privacy was not compromised.

Interviews were completed at 32 stores across 16 areas chosen by the CMA. They were selected with reference to the Sainsbury's store as there are often multiple overlapping Lloyds stores. Due to the unavailability of other data (for calculating implied diversion ratios – see below) in Northern Ireland and Scotland, the survey was conducted at all Sainsbury's stores that overlapped with Lloyds in these areas. The remainder of stores were selected using a measure of the implied diversion between the parties based on the GP market share information received at the CMA's phase 1 inquiry. They were ranked by this measure and the resultant ordering is subsequently referred to as the 'competition gradient'. Separate gradients were constructed for conurbations and for urban/rural areas to ensure a mix of different types of areas in the sample.

This methodology allowed areas to be chosen where parties were likely to be close competitors, whilst still choosing some areas where they were not expected to compete closely. This was important as the survey results were intended to be used to test a number of potential filtering methodologies and as such a mix of areas were needed where the parties were close competitors and areas where they were not.

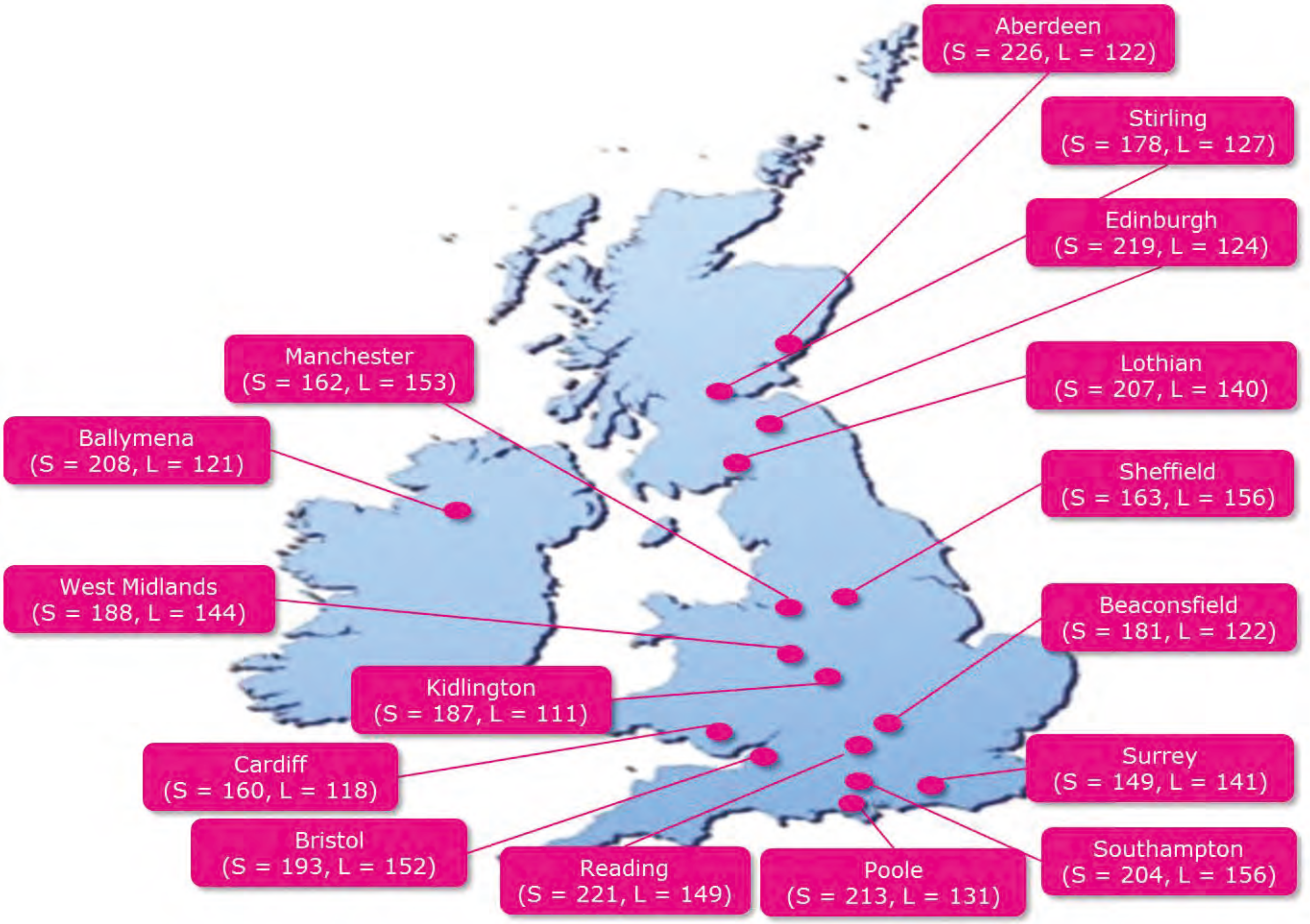
In order to choose the sample of stores from the competition gradient a logarithmic function was constructed which, when the input was divided into intervals, would produce a narrower interval of outputs in areas with a higher implied diversion ratio than in areas with a lower implied diversion ratio. For each competition gradient, a midpoint of each interval was found and the store selected at the corresponding location for the survey. In Wales a single store was chosen – the one that was judged to be the most problematic based on the information the CMA had at the time.

The overlapping Lloyds stores with the highest implied diversion ratio were chosen, subject to the surveyed Sainsbury's store being the closest Sainsbury pharmacy to this Lloyds. Where this was not true this Lloyds was discarded and repeated until the rule was satisfied.

Fieldwork was carried out between 14th January and 1st February 2016. Interviews were carried out on various days of the week and at various times of the day (in line with store opening hours), to ensure the sample was representative of all customers.

As many customers as possible were approached to take part in the research. The overall response rate, 53%, was high in comparison to other retail exit surveys. A total number of 2,167 interviews were completed in Lloyds, and 3,059 were completed in Sainsbury's, with more than 100 interviews being completed in each of the surveyed pharmacies. Figure 1 shows the number of completed interviews in each store, in each area.

Figure 1 - Number of completed interviews by area



The response rate for Lloyds, Sainsbury's and overall is shown in table 1.

Table 1 – Response rate

	Lloyds	Sainsbury's	Total
Complete interviews (n)	2,167	3,059	5,226
Refusals (n)	1,631	3,041	4,672
Response rate	**57%**	**50%**	**53%**

The gender and age of those that refused to participate was recorded, again to ensure that the sample was representative of all customers. The response rate by gender and age is broadly similar. Response rate by gender is shown in table 2 and a comparison of age is shown in table 3.

Table 2 – Response rate by gender

	Lloyds			Sainsbury's		
	Males	Females	Total	Males	Females	Total
Complete interviews (n)	879	1,285	**2,164**	1,008	2,046	**3,054**
Refusals (n)	750	863	**1,613**	1,311	1,730	**3,041**
Total (n)	1,629	2,148	**3,777**	2,319	3,776	**6,095**
Response rate (%)	**54**	**60**	**57**	**43**	**54**	**50**

Table 3 – Comparison of age*

	Lloyds				Sainsbury's			
	18-35	36-59	60+	Total	18-35	36-59	60+	Total
Complete interviews (n)	400	744	750	1,894	537	1,223	1,009	2,769
Complete interviews (% of total)	**21%**	**39%**	**40%**	**100%**	**19%**	**44%**	**36%**	**100%**
Refusals (n)	450	559	604	1,613	709	1,208	1,124	3,041
Refusals (% of total)	**28%**	**35%**	**37%**	**100%**	**23%**	**40%**	**37%**	**100%**

*As some participants refused to reveal their age, it is not possible to calculate an accurate response rate by age. Instead, we can compare the proportion of customers (complete interviews versus refusals) that fall into three age groups.

Fieldwork quality

The CMA carried out 11 spot-checks on interviewers, in the first week of interviewing. The following issues were identified:

- Interviewers were not always adhering to the stipulated shift times, and on occasion did not turn up to a shift without informing their supervisor
- Some interviewers were not using show cards where instructed to do so, and/or were prompting participants

As a result of this, DJS Research re-briefed the interviewers, reiterating the interviewer instructions.

DJS Research's regional supervisors subsequently undertook 22 spot-checks on interviewers to ensure that instructions were being followed. The feedback from these spot-checks was largely positive. The following issues were identified:

- One interviewer was slightly late for a shift due to traffic caused by bad weather conditions, but stayed later to compensate for this
- One interviewer did not always use show cards

In light of the second point (which was a recurring issue from the CMA spot checks), DJS Research re-briefed the interviewers again, reiterating the importance of using the show cards as instructed to do so.

We conclude that the effect of these issues is likely to be small. The scheduling of interviewer shifts meant that interviewing took place at varied times of day and days of week and small deviations from these would have little impact. The prompting of questions was mostly confined to factual questions where the impact of prompting is likely to be less problematic in comparison to opinion or future behaviour type questions. Equally, show cards were mainly used to aid factual questions and so the impact of not using them is small, if any.

Analysis of the survey data showed that one question - Q21 - was not always asked when it should have been. Most occurrences of this were in Lloyds stores where this question was more likely to be required. When calculating diversion ratios, these cases have been treated in the same way as ‘don’t know’ responses at Q21.

Coding

Within the diversion suite of questions, those customers who said that they would go to another pharmacy if the current one was closed were asked which one. The interviewers had a look up sheet with the names and addresses of other pharmacies in the local area and, in most cases, were able to code the response to one of these. However, in some cases this was not possible and the interviewer recorded any identifying details given by the respondent.

Some work was done by DJS to code these, where appropriate, to the pre-coded pharmacy lists. However, the CMA has a more comprehensive list of pharmacies and has subsequently done a more intensive and detailed recoding of these responses. This has, in some cases led to some changes which affect estimates of diversion ratios. All the estimates in the diversion ratio section of this report should therefore be regarded as provisional and might not be fully consistent with figures in other analyses produced by the CMA.

3. Profile of Participants

Gender

Participants were more likely to be female than male, especially in Sainsbury's. It may be that we see a higher proportion of females than males in Sainsbury's (than Lloyds) because more household shoppers are female than male, and many customers were combining their visit to the pharmacy with doing their grocery shopping (we discuss this later in the report). Table 4 shows the proportion of males and females that participated in the research.

Table 4 – Gender of participants
(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)

Gender	Lloyds (%)	Sainsbury's (%)
Male	41	33
Female	59	67

Age

The age of participants ranged from 18 years old to 89 years old (those under 18 years old were excluded from the research but there was no upper age limit). Table 5 shows the proportion of each age group that participated in the research.

Table 5 – Age of participants
(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)

Age	Lloyds (%)	Sainsbury's (%)
18-25	7	6
26-35	12	12
36-45	12	15
46-59	22	25
60-69	16	18
70-79	13	11
80-89	6	4
Refused	5	3

Employment status

The majority of Sainsbury's customers that participated in the research were working either full-time or part-time (55%) in comparison to less than half of Lloyds' customers that participated (43%). More Lloyds' customers were not working (13%) than Sainsbury's customers (5%). A third of Lloyds' customers were retired, this proportion being slightly higher than Sainsbury's customers (30%). It is not surprising that a relatively high proportion of participants were retired given the link between age and illness. Table 6 outlines the employment status of all participants.

Table 6 – Employment status of participants
(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)

Age	Lloyds (%)		Sainsbury's (%)	
Working full-time	29	**43%**	39	**55%**
Working part-time	14		16	
Not working – looking for work	5	**13%**	2	**5%**
Not working – not looking for work	8		3	
Full-time student	2	**2%**	3	**4%**
Part-time student	-		1	
Retired	33		30	
Retired unpaid voluntary work	-		-	
Looking after family/home	5		5	
Refused / Other	2		2	

4. The visit

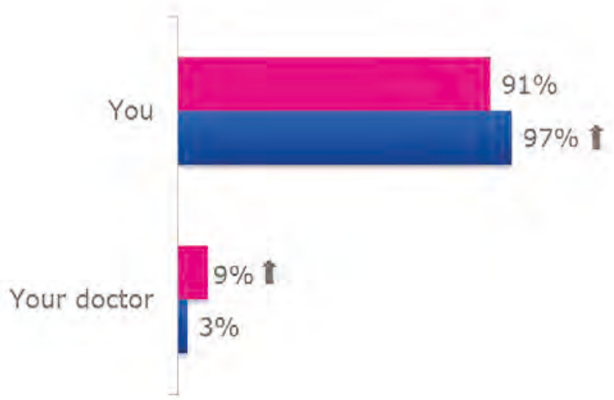
The vast majority of both Lloyds and Sainsbury's customers are responsible for choosing the particular pharmacy which they visit themselves, although a doctor is significantly more likely to be the decision maker for Lloyds' customers (9%) than Sainsbury's customers (3%). See figure 2.

Figure 2 – Pharmacy decision maker

(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)

Lloyds Sainsbury's

⬆ = Significantly higher than Lloyds/Sainsbury's



Q1. Who chose for you to come to this particular pharmacy today?

The most common reason for visiting both Lloyds and Sainsbury's pharmacy is to pick up/drop off a prescription (repeat or other). However, the proportion of Lloyds' customers picking up/dropping off a prescription is significantly higher than the proportion of Sainsbury's customers picking up/dropping off a prescription (89% versus 70%). Significantly more Sainsbury's customers visit to buy/pick up a product over the counter (p-meds) than Lloyds' customers (29% versus 11%).

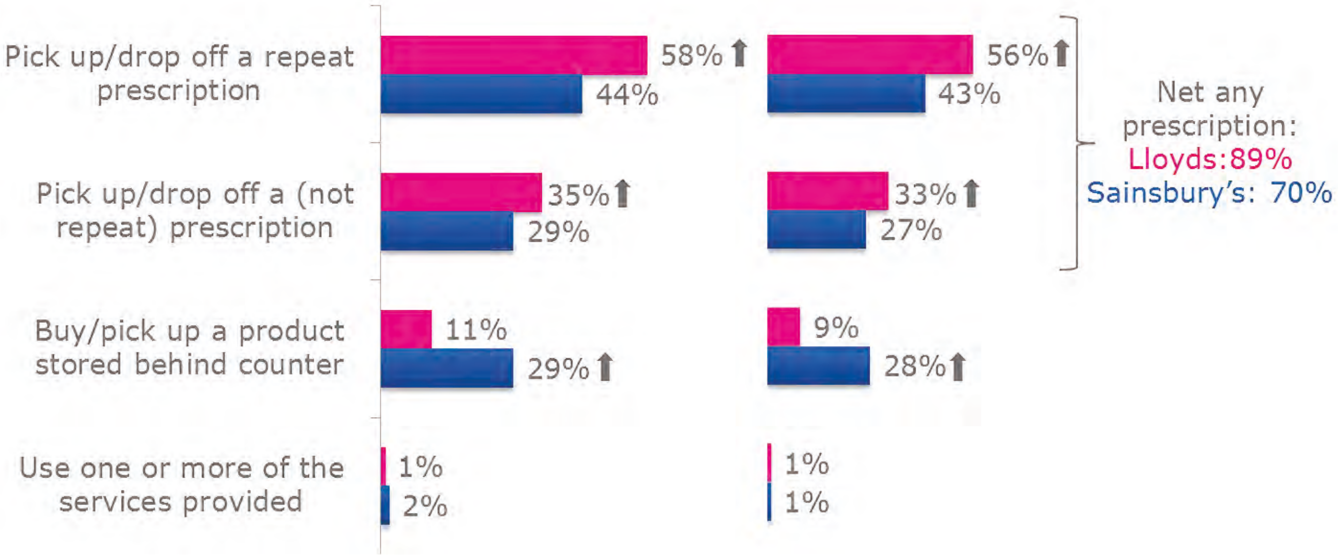
A very small proportion visit either pharmacy to use the services provided, such as smoking cessation or health screening. The majority of customers (both Lloyds and Sainsbury's) visit the pharmacy for one reason only. See figure 3.

Figure 3 – Reason for visit

(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)

Lloyds Sainsbury's

= Significantly higher than Lloyds/Sainsbury's



Q2a. Why did you visit the pharmacy counter today? (Multi-code) / Q2c. What was the _main_ *reason for visiting the pharmacy today?*
NB. In some stores, p-meds were not stored behind the counter, so this response was adjusted accordingly.

Lloyds' customers tend to pick up more separate medicines than Sainsbury's customers. The majority of Sainsbury's customers picked up one item (59%) in comparison to just less than half of Lloyds' customers picking up one item (48%). See figure 4.

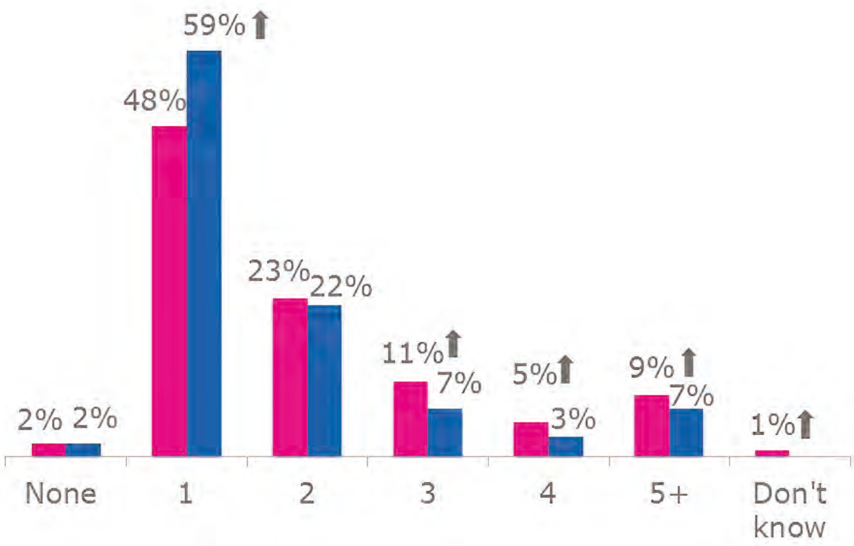
Lloyds' customers are also more likely to need one or more of the medicines urgently than Sainsbury's customers (55% versus 49%). See figure 5.

Figure 4 – Number of separate medicines

(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)

Lloyds Sainsbury's

⬆ = Significantly higher than Lloyds/Sainsbury's



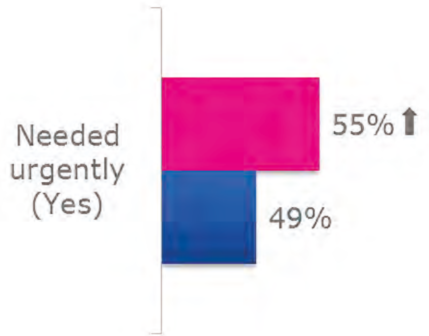
Q3. How many separate medicines did you get today?

Figure 5 – Urgency of medicine(s)

(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)

Lloyds Sainsbury's

⬆ = Significantly higher than Lloyds/Sainsbury's

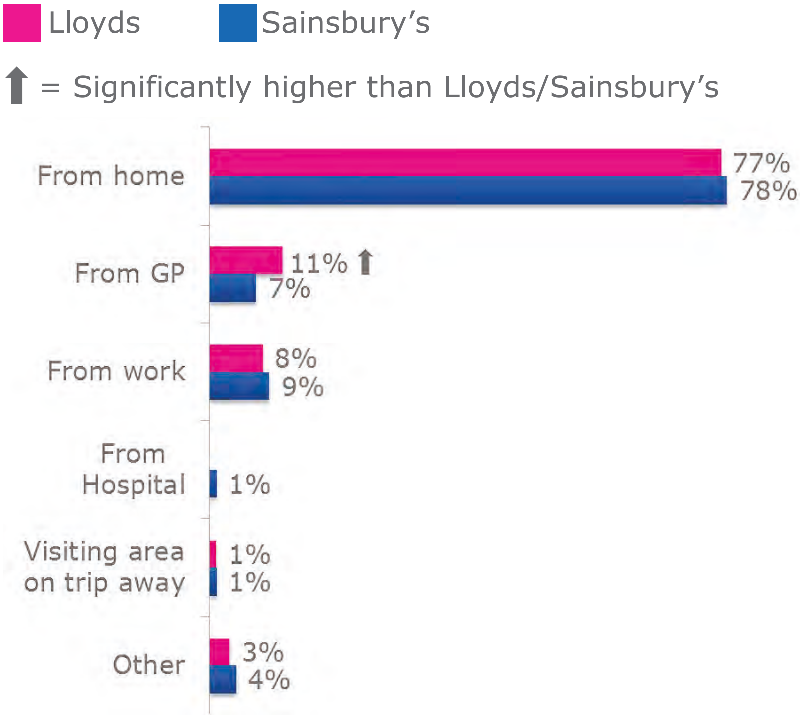


Q2b. Were any of these things needed urgently (i.e. a medicine that must be taken within 24 hours)?

The majority of customers (77% of Lloyds' customers and 78% of Sainsbury's customers) travel from home to the pharmacy. Although still a small proportion, significantly more Lloyds' customers travel to the pharmacy from their GP than Sainsbury's customers (11% in comparison to 7%). See figure 6.

Figure 6 – Where travelled from

(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)



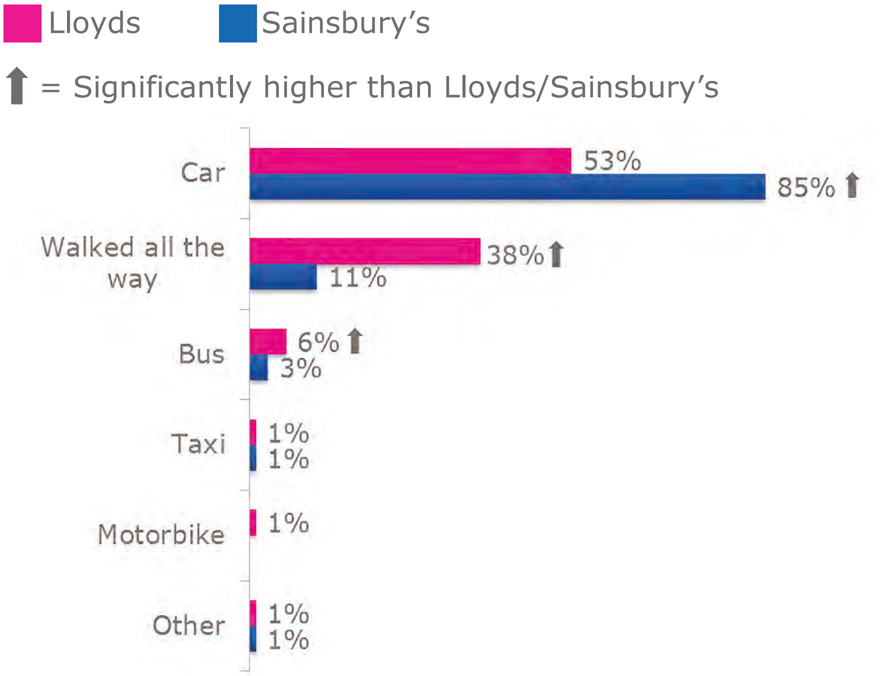
Q12. Where did you travel from to get here today?

Car is the most common mode of travel for both Lloyds' and Sainsbury's customers, although significantly more Sainsbury's customers use this mode of transport than Lloyds' customers (85% versus 53%). A higher proportion of Lloyds' customers walk all the way to and also travel by bus than Sainsbury's customers. See figure 7.

On average, Sainsbury's customers travel for a longer time to reach the pharmacy than Lloyds' customers. See figure 8.

Figure 7 – Mode of travel

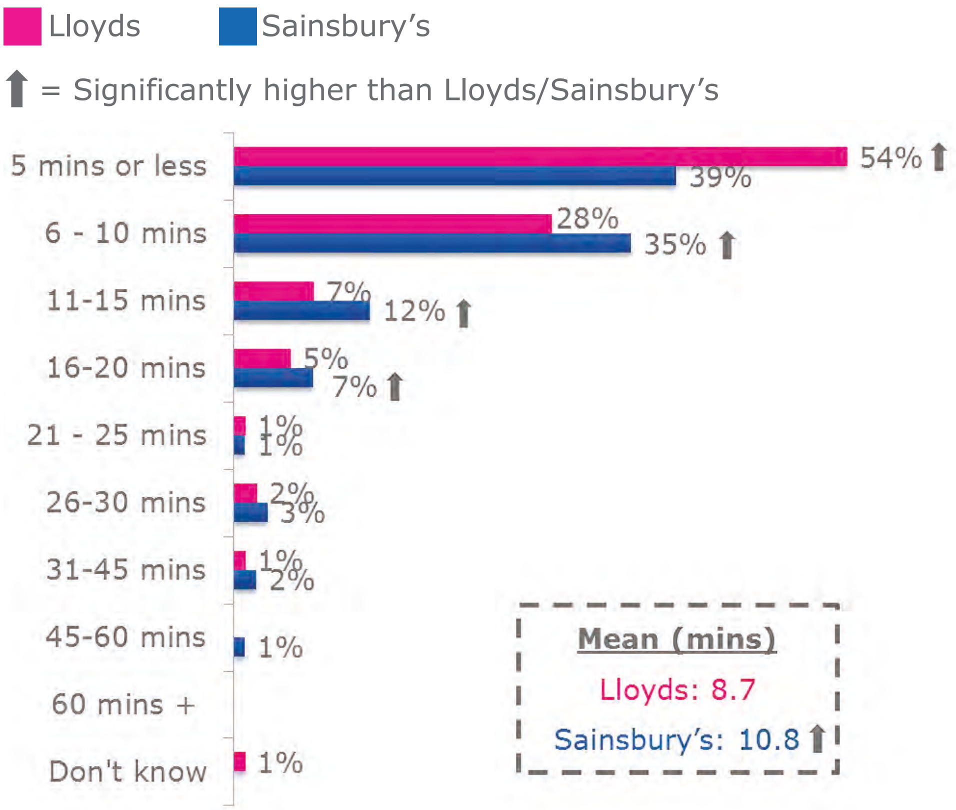
(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)



Q13. How did you travel to this pharmacy today?

Figure 8 – Time taken to travel

(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)



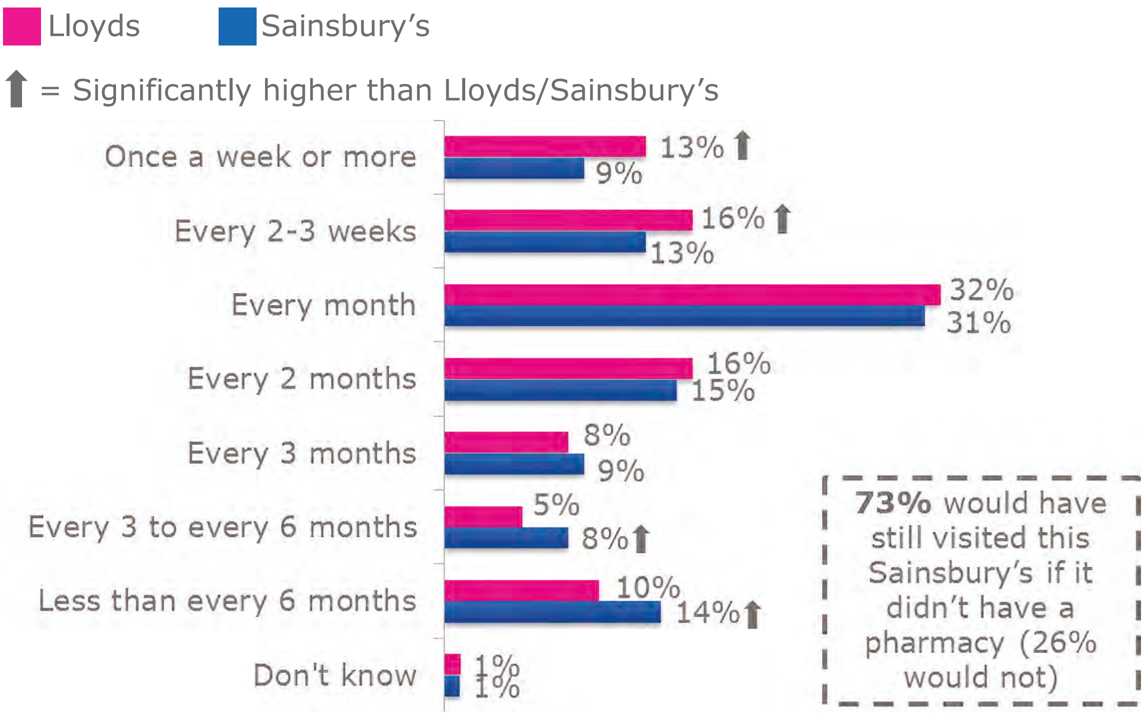
Q14. How long did it take you to travel to this pharmacy today?

We can infer that as Sainsbury’s customers are more likely to travel by car and are travelling for a longer time (versus Lloyds’ customers), that they are also travelling a longer distance, on average. This is not surprising given that larger Sainsbury’s stores tend to be located out of town and Lloyds’ stores tend to be located in town or village centres.

Lloyds’ customers visit the pharmacy more frequently than Sainsbury’s customers, with over one in ten (13%) Lloyds’ customers visiting at least once a week. Almost three quarters of Sainsbury’s customers (73%) would still have visited the Sainsbury’s store that day if it didn’t have a pharmacy (as Lloyds is purely a pharmacy, this question was not asked of Lloyds’ customers). See figure 9.

Figure 9 – Frequency of visits to this pharmacy

(Base - all participants, Lloyds n= 2,167, Sainsbury’s n= 3,059)

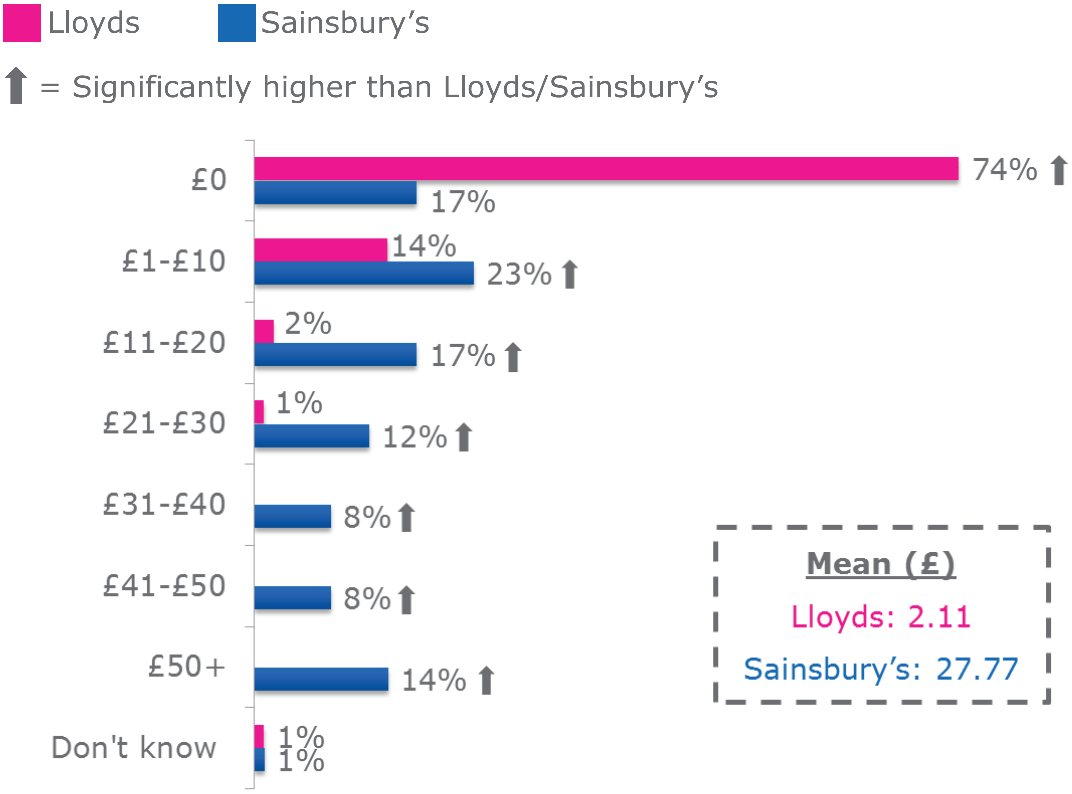


Q5. On average, how often do you visit *<u>this</u>* *pharmacy? / Q9. If this Sainsbury’s didn’t have a pharmacy, would you still have visited it today?*

On average, Sainsbury’s customers saidthat they expected their total spend excluding pharmacy spend to be £27.77, although 17% did not make any other purchases. Three quarters of Lloyds’ customers did not purchase anything in addition to prescriptions, p-meds or pharmacy services and so average spend excluding pharmacy spend was £2.11 See figure 10.

Figure 10 – Total expenditure excluding pharmacy spend

(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)



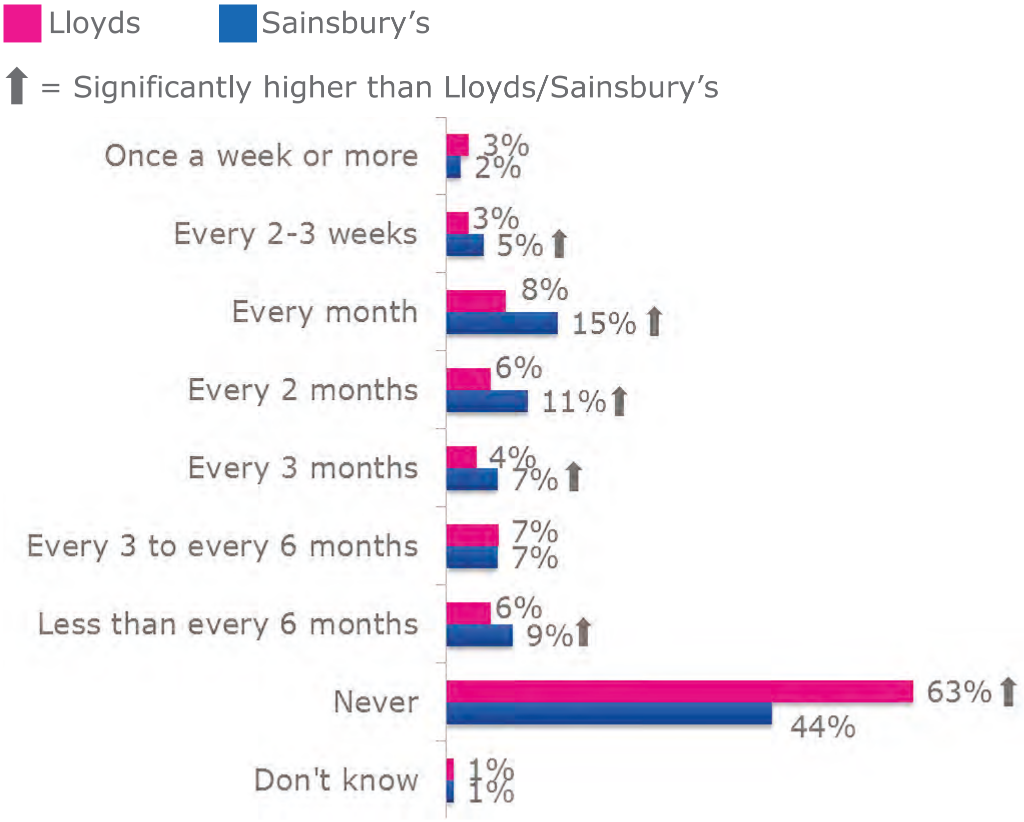
Q11. Approximately, how much do you expect your total spend at Sainsbury's/Lloyds to be today exc. any spend at the pharmacy on prescriptions, products that are stored behind the pharmacy counter that you have to ask for or pharmacy services?

Lloyds' customers tend to be more loyal than Sainsbury's pharmacy customers, with almost two thirds not visiting any other pharmacies in the last six months (in comparison to only 44% of Sainsbury's customers not visiting any other pharmacy in the last six months). See figure 11.

Boots is the most common alternative pharmacy visited for both Lloyds and Sainsbury's customers. Sainsbury's customers are more likely to have visited Lloyds (24%) than Lloyds' customers are to have visited Sainsbury's (16%). See figure 12.

Figure 11 – Frequency of visits to other pharmacies

(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)



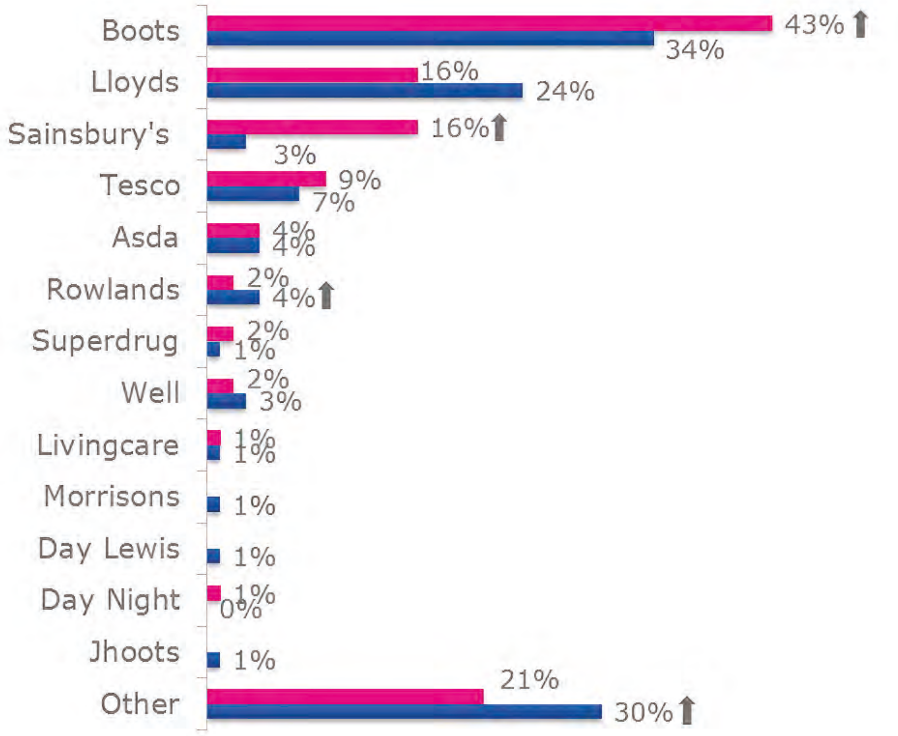
Q6. Thinking about the last 6 months, how often have you visited pharmacies other than this one?

Figure 12 – Other pharmacies visited (CAUTION: Surveyed stores were not selected randomly)

(Base - all participants that have visited another pharmacy in last 6 months, Lloyds n= 649, Sainsbury's n= 1,411)

Lloyds Sainsbury's

⬆ = Significantly higher than Lloyds/Sainsbury's



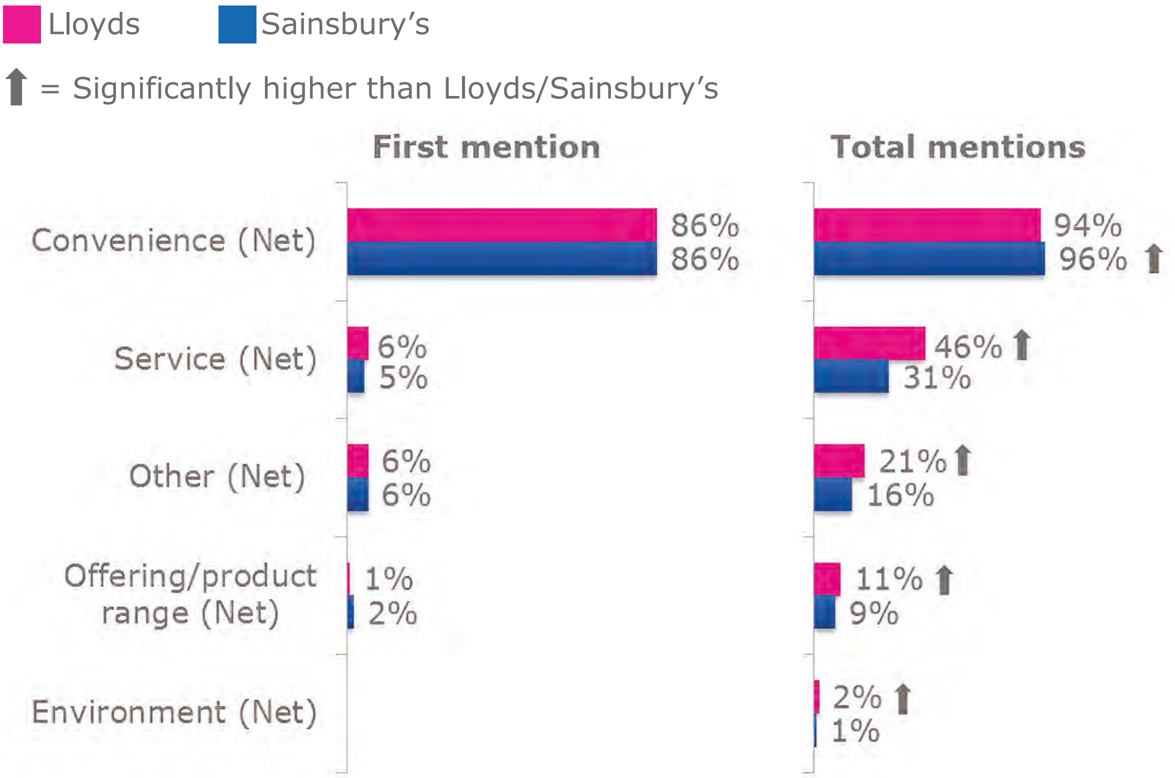
Q7. Which pharmacies have you visited in the past 6 months?

5. Choosing a pharmacy

Convenience is the main reason that both Lloyds' and Sainsbury's customers cite spontaneously for choosing the pharmacy that they did. Service is also a reason, but to a much lesser degree than convenience. See figure 13.

Figure 13 – Reason for choice (Net of all responses)

(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)



Q15. Why did you choose this pharmacy today?

More specifically, convenience was described as:

- The pharmacy's close proximity to home/work or GP/hospital/clinic (more so for Lloyds' customers than Sainsbury's customers)
- Being able to combine the pharmacy visit with a supermarket trip (for Sainsbury's customers)
- Extended opening hours (for Sainsbury's customers)
- Easy parking (more so for Sainsbury's customers than Lloyds)

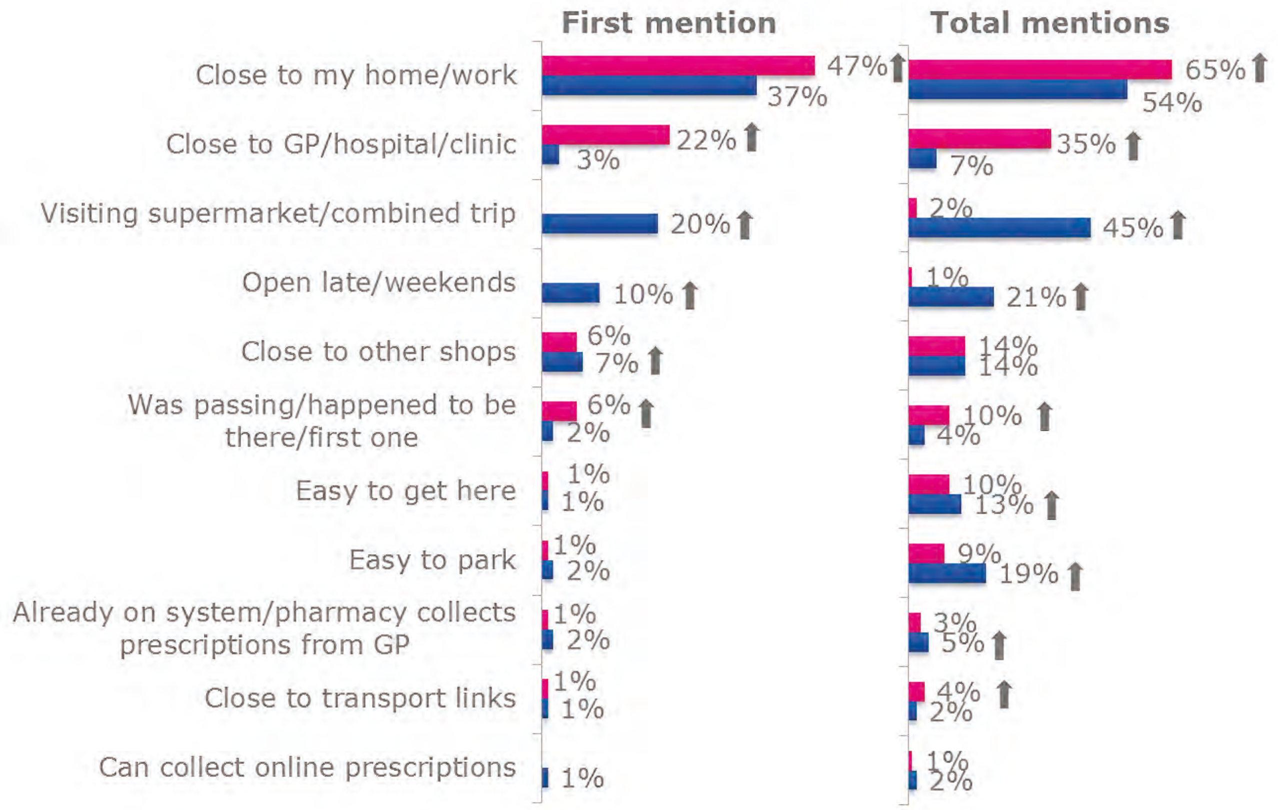
Figure 14 outlines all of the convenience factors.

Figure 14 – Reason for choice: Convenience (breakdown of responses)

(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)

Lloyds Sainsbury's

⬆ = Significantly higher than Lloyds/Sainsbury's

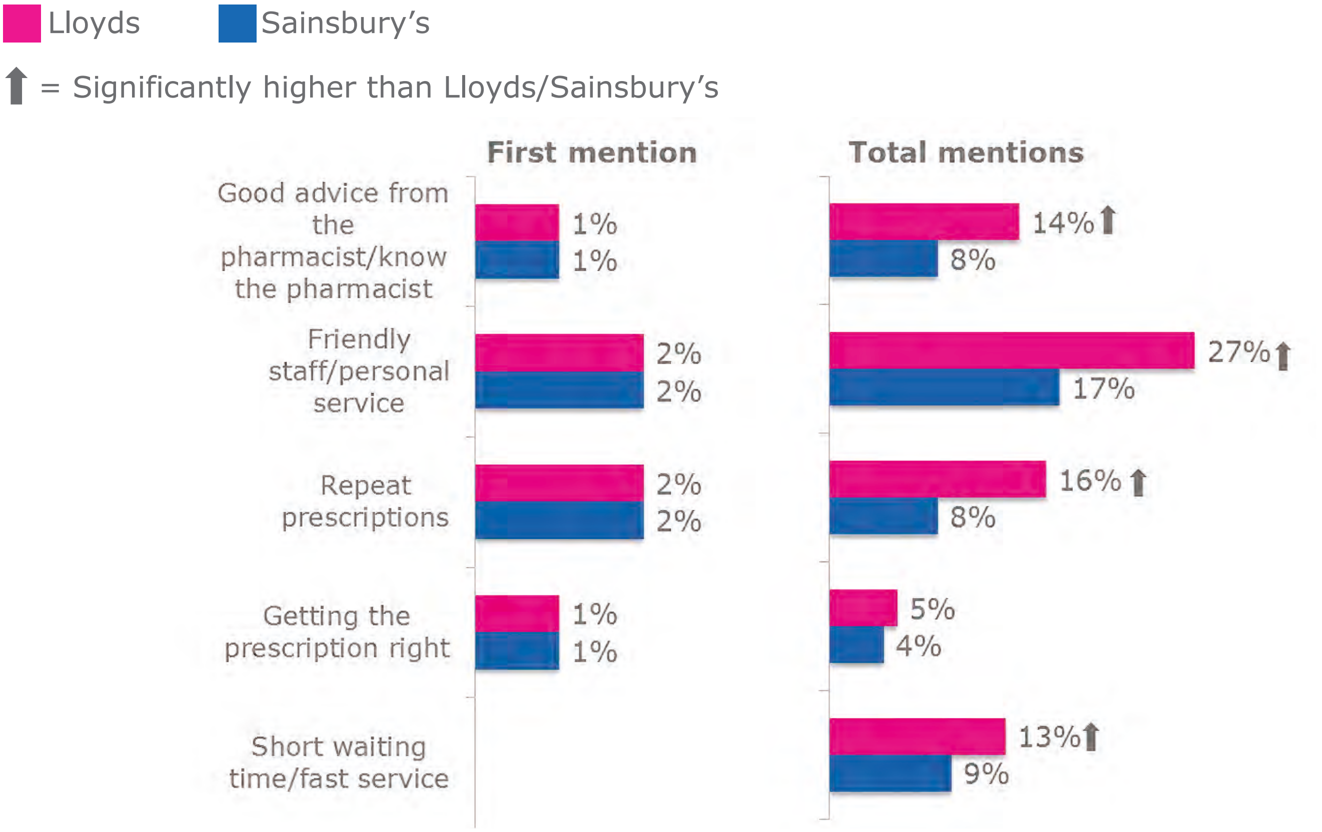


Q15. Why did you choose this pharmacy today?

Service was more of a factor for Lloyds' customers than Sainsbury's customers when deciding on which pharmacy to visit, with just over a quarter (27%) of Lloyds's customers mentioning 'friendly staff/personal service' as a reason for their choice of pharmacy (versus 17% of Sainsbury's customers), followed by 'repeat prescription' service mentioned by 16% of Lloyds' customers (versus 8% of Sainsbury's customers and 'good advice' cited by 14% of Lloyds' customers (versus 8% of Sainsbury's customers. See figure 15 for all of the service factors.

Figure 15 – Reason for choice: Service (breakdown of responses)

(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)

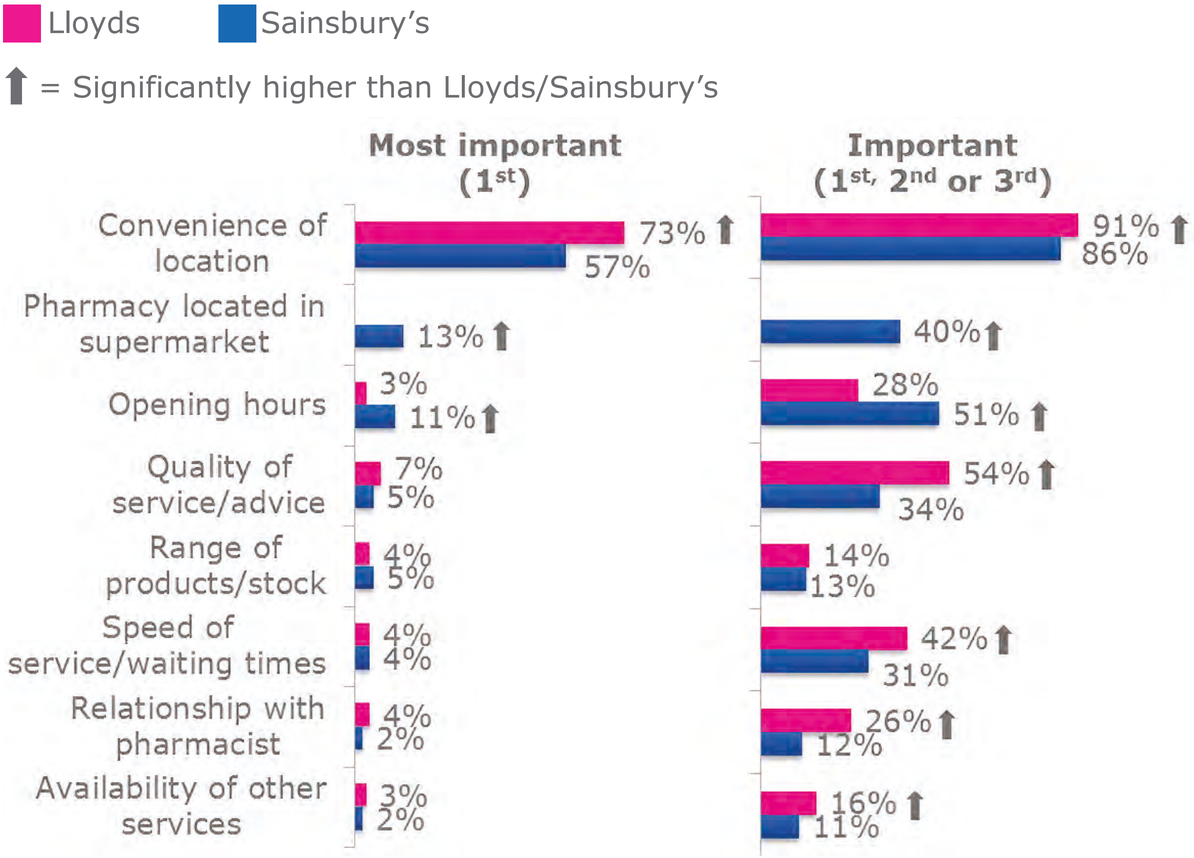


Q15. Why did you choose this pharmacy today?

When participants were asked to select their top three factors from a list in terms of importance when deciding which pharmacy to visit, again, convenience of the location was highest both as being the single most important factor (i.e. given a '1') and also in the top three factors. See figure 16.

Figure 16 – Important factors when deciding which pharmacy to visit

(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)



Q17. Which of these factors are most important to you when deciding which pharmacy to visit? Please tell me your top 3 in order of importance, with 1 being the most important.

6. Diversion behaviour

Note that the figures in this section are all provisional estimates – see the methodology section of this report for more details.

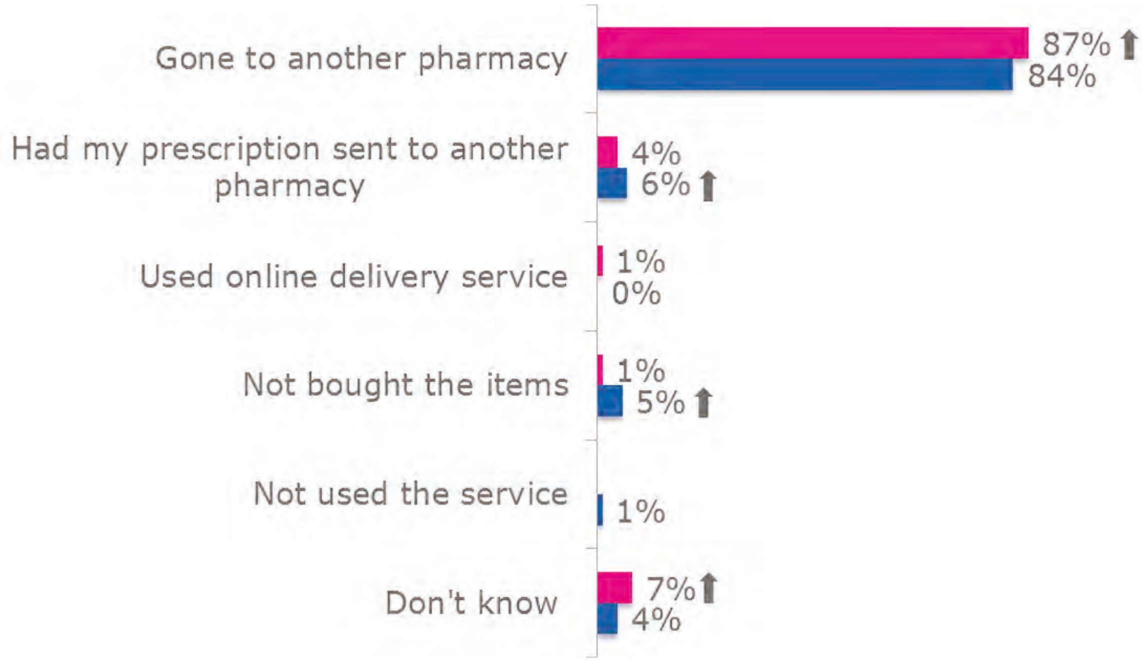
The majority of Lloyds' and Sainsbury's customers would have gone to another pharmacy if the current one was closed; a not unexpected result given the nature of the products/services that the customers are looking to obtain.

Figure 17 – Diversion behaviour

(Base - all participants, Lloyds n= 2,167, Sainsbury's n= 3,059)

Lloyds Sainsbury's

⬆ = Significantly higher than Lloyds/Sainsbury's

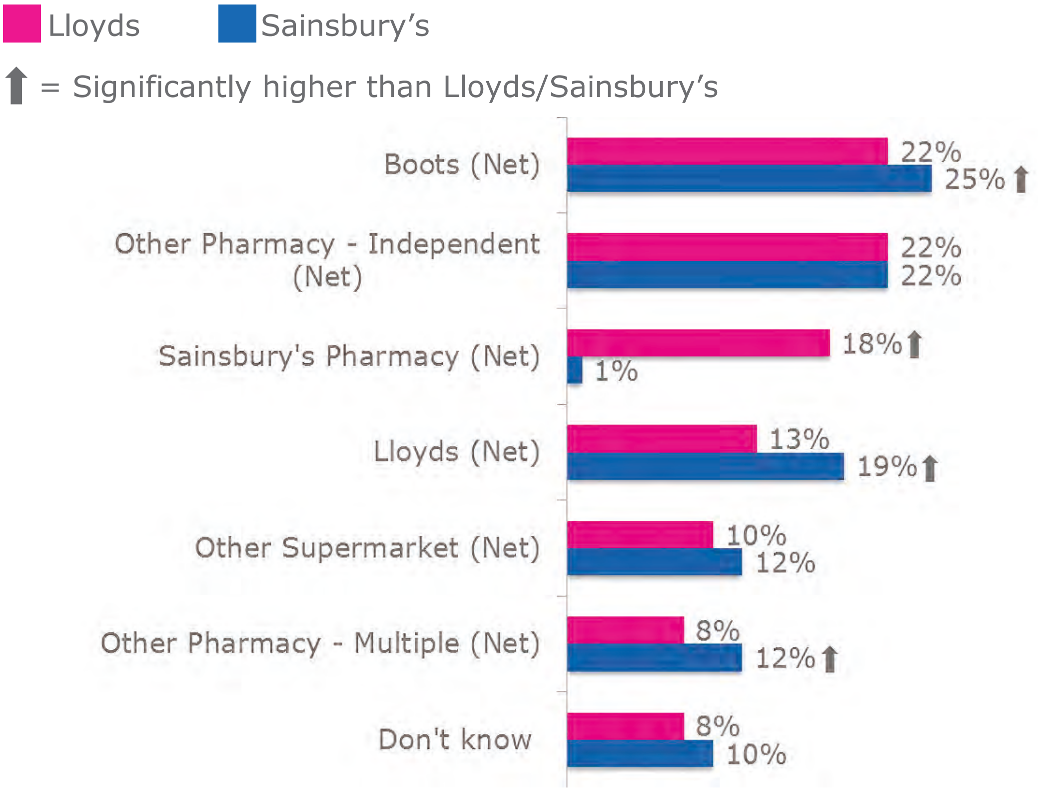


Q18. Imagine that you had known before setting out today that this pharmacy was permanently closed. What would you have done instead of visiting this pharmacy today?

Boots is the most common alternative pharmacy for both Lloyds and Sainsbury's customers in the surveyed stores (note, as before, that these were not selected randomly and are therefore not a representative sample of all the parties' stores), followed by an independent pharmacy (net), should their current pharmacy close. For Lloyds' customers, the next alternative is a Sainsbury's pharmacy with just under a fifth (18%) of Lloyds' customers diverting here. Similarly, just under a fifth (19%) of Sainsbury's customers would divert to a Lloyds. Over one in ten Lloyds' customers would divert to another Lloyds pharmacy (13%), but very few Sainsbury's customers would divert to another Sainsbury's pharmacy – this is not surprising given the higher concentration of Lloyds stores in a single area versus Sainsbury's pharmacies (which tend to be more dispersed). See figure 18.

Figure 18 – Diversion behaviour: stores diverted to (CAUTION: Surveyed stores were not selected randomly)

(Base - all participants who would have gone to another pharmacy, Lloyds n= 1,973, Sainsbury's n= 2,754)



Q19. Which other pharmacy would you have used?

The proportion of Lloyds' customers diverting to another Lloyds store is pronounced in the West Midlands, Surrey, Kidlington and Beaconsfield in comparison to other areas. See table 7.

Table 7 – Own party diversion (CAUTION: Surveyed stores were not selected randomly) (Base - all participants who would have gone to another pharmacy, Lloyds n= 1,973)

	TOTAL	MANCHESTER	SHEFFIELD	WEST MIDLANDS	SURREY	BRISTOL	SOUTHAMPTON	POOLE	KIDLINGTON	READING	BEACONSFIELD	ABERDEEN	EDINBURGH	STIRLING	LOTHIAN	BALLYMENA	CARDIFF
Lloyds customers diverting to Lloyds (Net) %	13	10	6	37	40	3	7	2	40	4	26	3	10	11	0	2	12

Q19. Which other pharmacy would you have used?

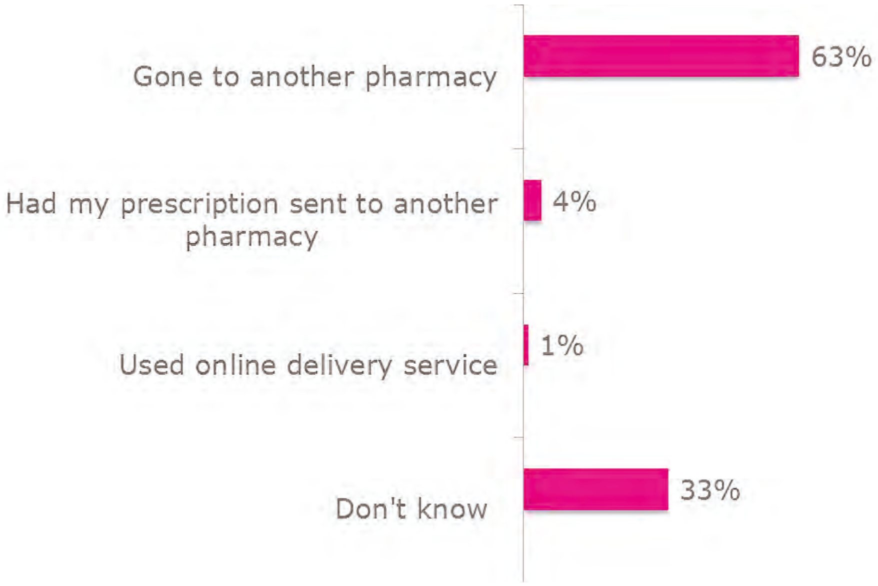
If <u>all</u> Lloyds stores were closed, those that originally said they would divert to another Lloyds store would be most likely to divert to Boots (33%) followed by Sainsbury's (25%) and then another independent pharmacy (22%). See figure 19.

Figure 19 – Diversion behaviour: stores diverted to not allowing for own party diversion (CAUTION: Surveyed stores were not selected randomly / Low base size)

(Base - all Lloyds' customers who would have gone to another Lloyds, n= 129)

Lloyds Sainsbury's

⬆ = Significantly higher than Lloyds/Sainsbury's



Q21. Now imagine that <u>all</u> Lloyds/Sainsbury's (ask as appropriate) pharmacies were permanently closed. What would you have done instead of using this pharmacy today?

The proportion of customers diverting to one of the merger party's pharmacy is known as the diversion ratio. The survey enables us to calculate two conceptually different versions of these ratios. The first calculates the proportion of survey respondents who said that they would divert to one of the merger party's pharmacies if the surveyed store had been closed. These are shown in figure 20. The second calculates the same ratio, but if the customer had been told that all of the stores (Lloyds or Sainsbury's, depending on where their interview took place) had been closed. These are shown in figure 21.

Diversion ratios vary a lot between areas, from 0% in some surveyed stores to over 80% in the Kidlington and Reading Lloyds (all store closure version of the diversion ratios. Diversion from Sainsbury's to Lloyds tend to be higher in the same areas in which diversion from Lloyds to Sainsbury's was high, notably the surveyed stores in Reading, Kidlington, Surrey, Beaconsfield and Cardiff.

Figure 20 – Diversion ratio – single store closed (DV6)

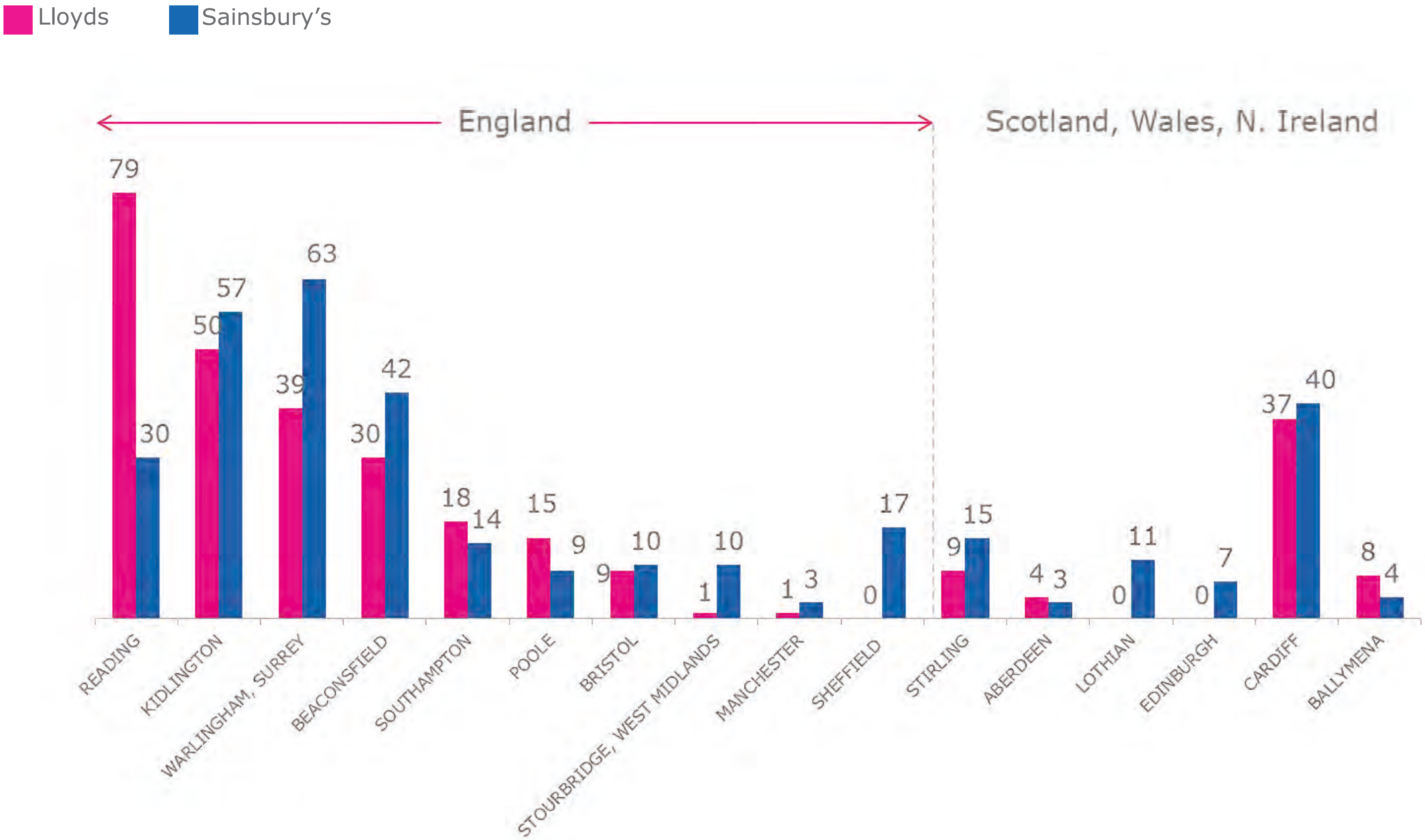
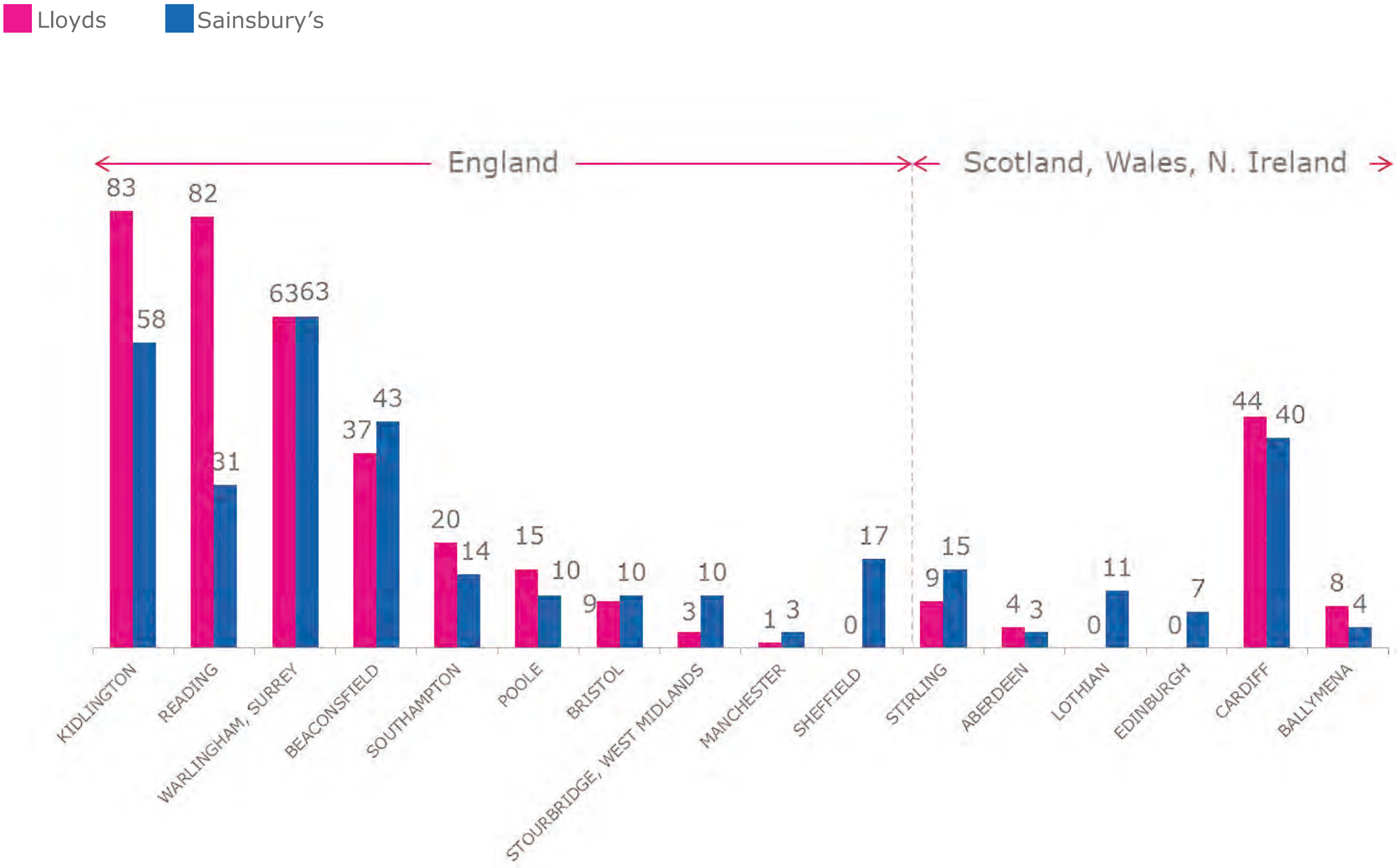


Figure 21 – Diversion ratio – all parties stores closed (DV7)



7. Appendix

Questionnaire

DJS Research Ltd, 3 Pavilion Lane, Strines, Stockport, Cheshire, SK6 7GH Tel 01663-767857

CMA - Sainsbury's Pharmacy / Lloyds customer survey | JN 3442
QUESTIONNAIRE

I declare that this interview was carried out according to instructions, within the MRS Code of Conduct and that the respondent was not previously known to me.			
Interviewer name:		Signature:	
Interview location and shift time (e.g. Sainsbury's, Sheffield, 10.00-16.00):			
Start time of interview:		End time of interview:	

Participant name (Mr/Mrs/Miss/Ms):..

Telephone Number (inc STD Code) ....

Email address..

Address..

Introduction

Good morning/afternoon/evening. My name is .... (SHOW ID CARD) from DJS Research Ltd, an independent market research company. Today we are carrying out some research about pharmacies. We won't ask you anything about your health condition.

Results of this survey are confidential. You will not be identified personally as having taken part in the survey. Your name and details will not be passed onto any other organisation. This is not a sales exercise.

DJS Research Ltd adheres to the Market Research Society Code of Conduct. If you want to verify that we are a bona fide agency, I can give you the Freephone number of the Market Research Society to ring. GIVE NUMBER IF REQUIRED (+44 (0) 500 396 999).

INT NOTE: record respondents details on the front page for quality control purposes.

IF PARTICIPANT ASKS WHO COMPETITION AND MARKETS AUTHORITY (CMA) ARE: The CMA is a non-ministerial Government department that works to promote competition for the benefit of consumers, both within and outside the UK. The aim of the CMA aim is to make markets work well for consumers, businesses and the economy.

S1. Can I just check that you're aged 18 or over and if so, do you have 10 minutes to take part in the survey please?

- ❑ Yes – CONTINUE
- ❑ No – THANK AND CLOSE

Survey

ASK ALL

Q1. Who chose for you to come to this particular pharmacy today? SHOW CARD A / CODE ALL THAT APPLY

1	**You**	❑
2	**Your doctor**	❑
3	Someone else – THANK AND CLOSE	❑
4	None of these – THANK AND CLOSE	❑

ASK ALL

Q2a. Why did you visit the pharmacy counter today? SHOW CARD B / CODE ALL THAT APPLY

1	**Pick up or drop off a repeat prescription**	❑
2	**Pick up or drop off other (not repeat) prescription**	❑
3	**Buy or pick up a product that is stored behind the pharmacy counter that you have to ask for**	❑
4	Buy or pick up a product off shelf (not behind the pharmacy counter)- THANK AND CLOSE	❑
5	**Use one or more of the services provided by the pharmacy (e.g. vaccination, smoking cessation etc.)**	❑
6	Speak to the pharmacist/ask their advice – THANK AND CLOSE	❑
7	None of these – THANK AND CLOSE	❑

IF NOT CODED 1, 2, 3 OR 5 - THANK AND CLOSE.

ASK ALL

Q2b. Were any of these things needed urgently? (i.e. a medicine that must be taken within 24 hours). SINGLE CODE

1	Yes	❑
2	No	❑
85	Don't know (SINGLE CODE)	❑

ASK ONLY IF CODED MORE THAN ONE OPTIONS IN BOLD (1, 2, 3, 5) AT Q2a

Q2c. What was the main reason for visiting the pharmacy today? SINGLE CODE / REFER BACK TO RESPONSES GIVEN AT Q2a AND PROMPT FOR MAIN REASON

1	Pick up or drop off a repeat prescription	❑
2	Pick up or drop off other (not repeat) prescription	❑
3	Buy or pick up a product that is stored behind the pharmacy counter that you have to ask for	❑
4	Use one or more of the services provided by the pharmacy (e.g. vaccination, smoking cessation etc.)	❑

ASK Q2d ONLY IF CODED 5 (PHARMACY SERVICE) AT Q2a

Q2d. Which pharmacy service did you use? SHOW CARD C / CODE ALL THAT APPLY

1	Smoking cessation	❑
2	Health screening/testing	❑
3	Vaccination	❑
80	Other	❑
86	Prefer not to say	❑
85	Don't know (SINGLE CODE)	❑

ASK ALL

Q3. How many separate medicines did you get today? (This is the total number of prescription medicines that are free on the NHS, prescription medicines that you paid for and any other over –the –counter medicines) SINGLE CODE

1	None	❑
2	1	❑
3	2	❑
4	3	❑
5	4	❑
6	5 or more	❑
85	Don't know (SINGLE CODE)	❑

NO Q4

ASK ALL

Q5. On average, how often do you visit <u>this</u> pharmacy to pick up prescriptions, buy or pick up a product that is stored behind the pharmacy counter that you have to ask for or use services provided by the pharmacy? SHOW CARD D / SINGLE CODE

1	Once a week or more	❑
2	Every 2-3 weeks	❑
3	Every month	❑
4	Every 2 months	❑
5	Every 3 months	❑
6	Every 3 months to every 6 months	❑
7	Less than every 6 months	❑
85	Don't know (SINGLE CODE)	❑

ASK ALL

Q6. Thinking about the last 6 months, how often have you visited pharmacies **other than this one** to pick up prescriptions, buy or pick up a product that is stored behind the pharmacy counter that you have to ask for or use the services provided by the pharmacy? SHOW CARD D / SINGLE CODE

1	Once a week or more	❑
2	Every 2-3 weeks	❑
3	Every month	❑
4	Every 2 months	❑
5	Every 3 months	❑
6	Every 3 months to every 6 months	❑
7	Less than every 6 months	❑
8	Never	❑
85	Don’t know (SINGLE CODE)	❑

.

ASK ONLY IF CODED 1, 2, 3, 4, 5, 6 OR 7 (VISITED ANOTHER PHARMACY) AT Q6

Q7. If you can remember, which pharmacies have you visited in the past 6 months? DO NOT PROMPT / CODE ALL THAT APPLY

1	Andrews Pharmacies	❑
2	Asda	❑
3	Boots	❑
4	Cohens	❑
5	Cube Pharm	❑
6	Day Lewis	❑
7	Day Night	❑
8	Garners	❑
9	H Carson	❑
10	Insync Health	❑
11	Jhoots Pharmacy	❑
12	Livingcare	❑
13	Lloyds	❑
14	Mid Counties CoOp	❑
15	Morrison’s	❑
16	PCT Health	❑
17	Pill & Potion	❑
18	PillBox	❑
19	Poolearth	❑
20	Rowlands	❑
21	Sainsbury’s	❑
22	Tesco	❑
23	Superdrug	❑
24	Vucak	❑
25	W R Evans	❑
26	Well	❑
27	An online store	❑
80	Other (please specify)____	❑
85	Don’t know (SINGLE CODE)	❑

NO Q8

ASK IN SAINSBURYS ONLY

Q9. If this Sainsbury's didn't have a pharmacy, would you still have visited it **today**? SHOW CARD E

1	Yes, definitely	❑
2	Yes, maybe	❑
3	No	❑
85	Don't know (SINGLE CODE)	❑

NO Q10

ASK ALL

Q11. Approximately, how much do you expect your total spend at Sainsbury's/Lloyds (ASK AS APPROPRIATE) to be today, **excluding** any spend at the pharmacy on prescriptions, products that are stored behind the pharmacy counter that you have to ask for or pharmacy services? If you don't know the exact amount, your best estimate will do? RECORD FIGURE TO NEAREST POUND AND CODE BANDING

£___________

1	£0	❑
2	£1-£10	❑
3	£11-£20	❑
4	£21-£30	❑
5	£31-£40	❑
6	£41-£50	❑
7	More than £50	❑
85	Don't know (SINGLE CODE)	❑

ASK ALL

Q12. Where did you travel **from** to get here today? SINGLE CODE ONLY / DO NOT PROMPT

1	Travelled from home	❑
2	Travelled from work	❑
3	Travelled from GP	❑
4	Travelled from Hospital	❑
5	Travelled from Clinic	❑
6	Visiting area on trip away	❑
80	Other (please specify)____	❑
85	Don't know (SINGLE CODE)	❑

ASK ALL

Q13. And how did you travel here? CODE ALL THAT APPLY / DO NOT PROMPT

1	Car	❑
2	Bus	❑
3	Rail	❑
4	Taxi	❑
5	Underground	❑
6	Tram	❑
7	Motorbike	❑
8	Walked all the way (SINGLE CODE)	❑
80	Other (please specify)____	❑
85	Don't know (SINGLE CODE)	❑

ASK ALL

Q14. How long did it take you to travel here? WRITE IN MINUTES AND CODE RANGE

______ minutes

1	5 minutes or less	❑
2	6 – 10 minutes	❑
3	11 – 15 minutes	❑
4	16 – 20 minutes	❑
5	21 – 25 minutes	❑
6	26 - 30 minutes	❑
7	31 –45 minutes	❑
8	46 – 60 minutes	❑
9	Over an hour	❑
85	Don’t know (SINGLE CODE)	❑

ASK ALL

Q15. Why did you choose this pharmacy today? DO NOT READ OUT / CODE ALL RESPONSES / RECORD FIRST ANSWER AND OTHERS / PROMPT UNTIL CANT THINK OF ANYMORE

		FIRST (SINGLE CODE)	**OTHERS** (MULTI CODE)
	Convenience		
1	Close to my home/work	❑	❑
2	Close to other shops	❑	❑
3	Close to transport link	❑	❑
4	Close to GP/hospital/clinic	❑	❑
5	Was passing/first one I came to/happened to be there	❑	❑
6	Easy to get here	❑	❑
7	Easy to park	❑	❑
8	Visiting Supermarket/Combined trip with supermarket	❑	❑
9	Open late/at weekend	❑	❑
10	Already on system/this pharmacy collects prescriptions from my GP	❑	❑
11	Can collect online prescriptions	❑	❑
12	Offers home delivery	❑	❑
	Offering/product range		
13	Good stock of medicines/knew they always stock what I came for	❑	❑
14	Good stock of other things	❑	❑
15	Good promotions on other products	❑	❑
16	Services available	❑	❑
	Environment		
17	Attractive store	❑	❑
18	Privacy	❑	❑
19	Seating	❑	❑
	Service		
20	Good advice from pharmacist/know the pharmacist	❑	❑
21	Short waiting time/fast service	❑	❑
22	Friendly Staff/personal service	❑	❑
23	**Repeat prescriptions**	❑	❑
24	Getting the prescription right	❑	❑
	Other		
25	**Always go there**	❑	❑
26	**Had to come back to get rest of prescription**	❑	❑
27	Doctor recommended/wrote the pharmacy on the prescription	❑	❑
28	Trusted/reliable brand	❑	❑
80	Other (please specify)____	❑	❑
85	Don't know (SINGLE CODE)	❑	❑

ASK IF CODED 23 (REPEAT PRESCRIPTIONS), 25 (ALWAYS GO THERE), OR 26 (HAD TO COME BACK TO GET REST OF PRESCRIPTION) AT Q15

Q16. Why did you choose this pharmacy in the first place? WRITE IN

____
____
____
____

ASK ALL

Q17. Which of these factors are the most important to you when deciding which pharmacy to visit? Please tell me your top 3 in order or importance, with 1 being the most important. SHOW CARD F / NUMBER 3 OPTIONS

		WRITE IN (1,2, 3)
1	Convenience of location	__
2	Range of products/products always in stock	__
3	Opening hours	__
4	Availability of other services (eg repeat prescription, e-prescriptions, vaccinations or smoking cessation)	__
5	Quality of service/advice	__
6	Speed of service/Waiting times	__
7	Relationship with pharmacist	__
8	Pharmacy located in the supermarket (SAINSBURYS ONLY)	__
85	Don't know (SINGLE CODE)	__

ASK ALL

Q18. Imagine that you had known before setting out today that this pharmacy was permanently closed. What would you have done instead of visiting this pharmacy today? SHOW CARD G / SINGLE CODE

1	**Gone to another pharmacy**	❑
2	**Had my prescription sent to another pharmacy**	❑
3	Used online delivery service	❑
4	Used an online pharmacy	❑
5	Not bought the items/Not got the items	❑
6	Not used the service (if using service)	❑
85	Don't know (SINGLE CODE)	❑

ASK IF CODED 1 OR 2 (GONE TO ANOTHER PHARMACY/HAD MY PRESCRIPTION SENT TO ANOTHER PHARMACY AT Q18

Q19. Which other pharmacy would you have used? DO NOT PROMPT / RECORD REF NUMBER FOR PHARMACY NAME AND ADDRESS / INTERVIEWER REFER TO PHARMACY LOOK UP CARD TO CLARIFY DETAILS (DO NOT SHOW PARTICIPANT) / SINGLE ANSWER

WRITE IN DETAILS OF PHARMACY ON LOOKUP:

REF NUMBER____

NAME____

ADDRESS____

IF STORE NOT ON LOOKUP/NOT EASILY IDENTIFIABLE FROM LOOKUP:

NAME____

ADDRESS (AS MUCH DETAIL AS POSSIBLE) ______________________________________

____

OTHER DETAILS____

____

OR:

85	Don't know (SINGLE CODE)	❑

ASK IF CODED 4 (ONLINE PHARMACY) AT Q18

Q20. Which website would you have used? DO NOT PROMPT / CODE ALL THAT APPLY

1	Boots	❑
2	Chemist Direct	❑
3	Cohen's Direct	❑
4	Courts Pharmacy	❑
5	Instachem	❑
6	Jardines	❑
7	Lloyds	❑
8	LP.COM	❑
9	Pharmacy 2 U	❑
10	Practice Pharmacy Direct	❑
11	Rowlands	❑
12	Weldricks	❑
13	Whitworth Chemists	❑
14	Other – please specify_______________________________	❑
85	Don't know (SINGLE CODE)	❑

ASK ONLY IF CODED ANOTHER LLOYDS (IF IN LLOYDS) OR ANOTHER SAINSBURYS (IF IN SAINSBURYS) AT Q19

Q21. Now imagine that all Lloyds/Sainsbury's (ask as appropriate) pharmacies were permanently closed. What would you have done instead of using this pharmacy today? SHOW CARD G / SINGLE CODE

1	Gone to another pharmacy	❑
2	Had my prescription sent to another pharmacy	❑
3	Used online delivery service	❑
4	Used an online pharmacy	❑
5	Not bought the items/Not got the items	❑
6	Not used the service (if using service)	❑
85	Don't know (SINGLE CODE)	❑

ASK IF CODED 1 OR 2 AT Q21

Q22. Which other pharmacy would you have used? DO NOT PROMPT / RECORD REF NUMBER FOR PHARMACY NAME AND ADDRESS / INTERVIEWER REFER TO PHARMACY LOOK UP CARD TO CLARIFY DETAILS (DO NOT SHOW PARTICIPANT) / SINGLE ANSWER

WRITE IN DETAILS OF PHARMACY ON LOOKUP:

REF NUMBER____

NAME____

ADDRESS____

IF STORE NOT ON LOOKUP/NOT EASILY IDENTIFIABLE FROM LOOKUP:

NAME____

ADDRESS (AS MUCH DETAIL AS POSSIBLE) ____

____

OTHER DETAILS____

____

OR:

85	Don't know (SINGLE CODE)	❑

ASK IF CODED 4 (ONLINE PHARMACY) AT Q22

Q23. Which website would you have used? DO NOT PROMPT / CODE ALL THAT APPLY

1	Boots	❑
2	Chemist Direct	❑
3	Cohen's Direct	❑
4	Courts Pharmacy	❑
5	Instachem	❑
6	Jardines	❑
7	Lloyds	❑
8	LP.COM	❑
9	Pharmacy 2 U	❑
10	Practice Pharmacy Direct	❑
11	Rowlands	❑
12	Weldricks	❑
13	Whitworth Chemists	❑
80	Other – please specify____	❑
85	Don't know (SINGLE CODE)	❑

Demographics

Finally, I'd like to ask you a few questions that will be used for classification purposes only.

RECORD FOR ALL

Q24. GENDER (DO NOT ASK)

1	Male	❑
2	Female	❑
86	Prefer not to say	❑

ASK ALL

Q25. How old are you? WRITE IN AND CODE / SHOW CARD H

_____YEARS

1	18-25	❑
2	26 - 35	❑
3	36 – 45	❑
4	46 – 59	❑
5	60 – 69	❑
6	70 – 79	❑
7	80 – 89	❑
8	90 or above	❑
86	Refuse	❑

ASK ALL

Q26. What is your employment status? SHOW CARD I / SINGLE CODE

1	Working full-time (30+ hours a week)	❑
2	Working part-time (8-29 hours a week)	❑
3	Not working – looking for work	❑
4	Not working – not looking for work	❑
5	Full-time student	❑
6	Part-time student	❑
7	Retired	❑
8	Retired unpaid voluntary work	❑
9	Looking after family/home	❑
80	Other – please specify____	❑

ASK ALL

Q27. Please can we have you postcode? This is for analysis purposes only. WRITE IN.

NOTE TO INTERVIEWER: IF RESPONDENT REFUSES, TRY TO GET AS MUCH OF POSTCODE AS POSSIBLE – REMIND THEM THAT THIS IS FOR ANALYSIS PURPOSES ONLY

POSTCODE: ___________________

Thanks very much for your time, it is really appreciated by DJS Research and the CMA.

GIVE OUT THANK YOU CARD

INT NOTE: Ensure participant details are recorded on the front page for quality control purposes.

CLOSE

Stores visited within each area (1 of 2)

Area	Lloyds Address	Sainsbury's Address
Manchester	LLOYD STREET, ALTRINCHAM, CHESHIRE	52 BOWLAND ROAD, BAGULEY, GREATER MANCHESTER
Sheffield	ARCHER ROAD, SHEFFIELD, SOUTH YORKSHIRE	30 ADDY STREET, UPPERTHORPE, SOUTH YORKSHIRE
West Midlands	SANDRINGHAM WAY, BRIERLEY HILL, WEST MIDLANDS	173A HIGH STREET, LYE, WEST MIDLANDS
Surrey	631 LIMPSFIELD ROAD, WARLINGHAM, SURREY	46-48 THE GREEN, WARLINGHAM, SURREY
Bristol	FOX DEN ROAD, BRISTOL, AVON	STOKES MEDICAL CENTRE, BRAYDON AVENUE, BRISTOL, LITTLE STOKE, AVON, ENGLAND
Southampton	TOLLBAR WAY, SOUTHAMPTON, HAMPSHIRE	TOWNHILL FARM SHOPPING CENTRE, TOWNHILL WAY, HAMPSHIRE
Poole	ALDER ROAD, POOLE, DORSET	ROSEVIEW, ROSEMARY ROAD, POOLE, ROSEVIEW, DORSET
Kidlington	289 OXFORD ROAD, KIDLINGTON, OXFORDSHIRE	18 THE PARADE, KIDLINGTON, OXFORDSHIRE
Reading	BATH ROAD, READING, BERKSHIRE	27 HIGH STREET, THEALE, BERKSHIRE
Beaconsfield	MAXWELL ROAD, BEACONSFIELD, BUCKINGHAMSHIRE	30-32 LONDON END, BEACONSFIELD, BUCKINGHAMSHIRE
Aberdeen	BERRYDEN ROAD, ABERDEEN, ABERDEENSHIRE	453/455 GREAT NORTHERN ROAD, , ABERDEENSHIRE

Stores visited within each area (2 of 2)

Edinburgh	9-10 MORAY PARK, EDINBURGH, MIDLOTHIAN	7 CRIGHTON PLACE, LOTHIAN
Stirling	DRIP ROAD, STIRLING, STIRLINGSHIRE	12 BARNTON STREET, STIRLING, FALKIRK
Lothian	STRAITON MAINS, LOANHEAD, MIDLOTHIAN	2 FERNIE HILL ROAD, GILMERTON, LOTHIAN
Ballymena	4 LARNE ROAD LINK, BALLYMENA, COUNTY ANTRIM	31 BROUGHSHANE STREET, COUNTY ANTRIM
Cardiff	EXCALIBUR DRIVE, CARDIFF, SOUTH GLAMORGAN	44 STATION ROAD, LLANISHEN, MONMOUTHSHIRE, WA

Contact us…

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