HUNGRYHOUSE/JUST EAT MERGER INQUIRY

Research conducted on behalf of: Competition and Markets Authority

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1 Introduction and objectives

1.1 Objectives

The anticipated acquisition by Just Eat of hungryhouse was referred to a full Phase 2 inquiry by the CMA on 19th May 2017. Just Eat is the largest supplier of online takeaway ordering (OTO) services in the UK; it operates nationally and currently covers over 700 towns; hungryhouse currently covers over 124 cities in the UK.

The two principal objectives of the project were to understand:

- how closely the parties compete for both consumers and restaurants
- to what extent they are constrained by other competitors (including other OTO platforms and OTO providers) or by direct ordering.

A survey was commissioned of both restaurants and customers to assist CMA. It was decided that most practical and effective methodologies would be telephone for the restaurant sample (talking to the manager on site) and an online survey direct to the consumers.

A full technical summary is in the Appendix of this document. In summary, parties supplied lists of restaurants on their platform:

1.2 Restaurants

Parties supplied lists of restaurants on their platform. These lists were then stratified by provider, recent joiner or not, and Deliveroo present. We initiated oversampling of smaller strata to provide at least 100 interviews in each. Restaurants using both platforms were left in hungryhouse sample, but replaced in Just Eat sample with another duplicate case matching on all stratification variables. Other details were:

- A questionnaire was drawn up between CMA and GfK, tested in small pilot
- A total of 973 telephone interviews were conducted, representing an effective response rate of 21%
- Interviewers were personally briefed
- Stratification weighting was used to correct for over-sampling of smaller strata.

1.3 Consumers

Parties supplied lists of those who had ordered from them in one recent week. All hungryhouse customers and a random 10% from Just Eat were sampled. This represented an over-sampling of hungryhouse customers. Other details were:

- A questionnaire was drawn up between CMA and GfK, tested in small pilot
- Email invitations sent out with an individual link to the survey, plus 2 reminders
- Under 18s were screened out, also those who said they had not used platform in last 8 weeks
- A total of 12,634 responses were received which represented a response rate of 4%
- Stratification weighting was used to correct for over-sampling of hungryhouse.

1.4 Reporting

The report first of all reviews the findings for restaurants and then moves on to consumers. In each section we discuss the general findings and then move onto the Diversion sections.

- Some percentages may add to more or less than 100% because of rounding
- Very small base sizes have been suppressed
- Restaurant Diversion: This section reports respondent's choices in the hypothetical event of: 1) an increase in the platform fee (price diversion) and; 2) a scenario where the party platform had closed down (forced diversion). Two sets of results are reported in this section. First, we look at responses from those who only used the one platform (single-homing restaurants) and then from all respondent (all restaurants).
- Consumer Diversion: Consumers were asked about their choice in a forced diversion scenario for their last order.

More information about the Diversion calculation and rationale for the above is given in the relevant sections.

2 Restaurants

2.1 Overall summary

Nearly all hungryhouse users are currently listed on Just Eat, whereas only half of Just Eat users are listed on hungryhouse.

The number of customers was the most common reason for choosing a platform, followed by brand reputation

There was a wide range of reasons for using only one platform. The main one cited was to keep cost down, but this was only mentioned by 16%.

Nearly all restaurants offer a delivery services, and these are predominantly managed by the restaurant themselves. Those who manage their own deliveries expressed some interest in an external delivery service

Only (just over) one in three restaurants have a website of their own, that customers can order through

On average revenue from OTO platforms makes up a significant proportion of restaurants' total revenues, accounting for 41% of total revenues, with no difference between parties on this.

Among Just Eat single-homing restaurants who knew what they would do in a price diversion scenario, most would either maintain the business with the party or leave and not replace the platform. Price diversion ratios among these restaurants were as follows: 31% would divert to hungryhouse, 11% to a third party, and 57% would not replace the platform.

In the forced diversion scenario, one in three Just Eat single-homing restaurants (35%) said they would not replace the platform, and one in five (20%) did not know what they would do. Where respondents said they would divert to another platform, more would divert to the merger party (17%) than to a third party (5%). 22% said they would divert to another platform but were not sure which one. Forced diversion ratios among these restaurants were as follows: 42% would divert to hungryhouse, 14% to a third party, and 44% would not replace the platform.

Looking at responses among all restaurants in the forced diversion scenario (including multi-homing restaurants), half of hungryhouse restaurants would not replace the platform and just 2% would divert to the merging party (noting that nearly all hungryhouse restaurants were already listed on Just Eat and therefore by definition could not divert there).

2.2 General profile and use of platforms

2.2.1 Online platforms used

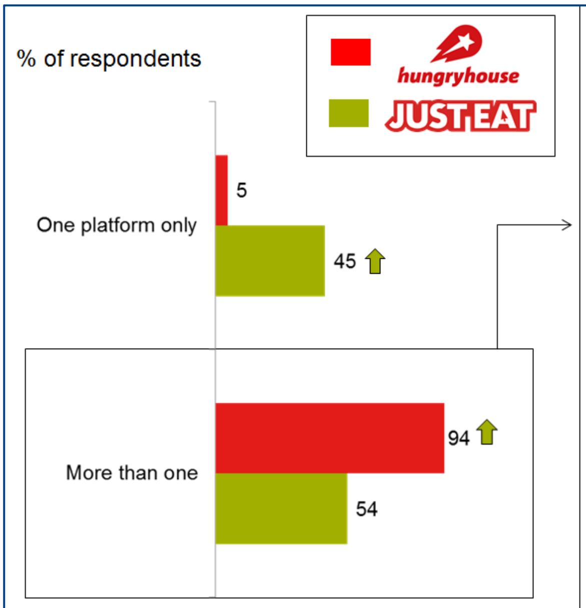
Restaurants were asked if they were listed on any other company's online ordering platform and, if so, which.

Five per cent of hungryhouse restaurants were using one online ordering platform only. In contrast a significantly larger proportion of Just Eat restaurants (45%) were using a single platform.

The 94% of hungryhouse restaurants using more than one platform were almost all listed with Just Eat (92%), while 11% mentioned UberEATS and 7% Deliveroo.

The 54% of Just Eat restaurants using more than one platform were most likely to be with hungryhouse (46%), while 7 % mentioned each of Deliveroo and UberEATS.

Chart 1 Online platforms used



	hungryhouse	JUST EAT
hungry house		46%
JUST EAT	92%	
Deliveroo	7%	7%
UberEATS	11%	7%
Amazon Restaurants	1%	1%
Scoffable	1%	2%
Takeaway.com	1%	2%
Chef online	1%	2%

Significantly higher result for one organisation compared to the other

Base: All (hungryhouse = 484; JUST EAT = 489)

A1. Is your restaurant listed on any other company's online ordering platform, if so, who?

2.2.2 Year established & status

Respondents were asked when the restaurant was established.

In both groups, the most common answer was more than 5 years ago (49% hungryhouse, 44% Just Eat). Around a fifth had been established within the last 6-12 months (16% hungryhouse, 18% Just Eat).

Chart 2 Year established

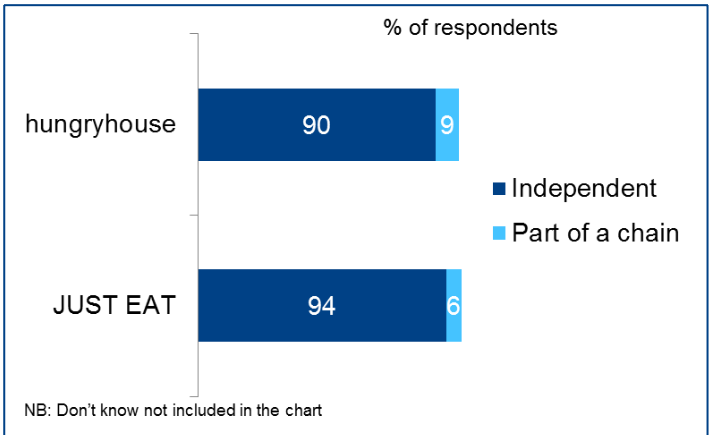
	hungryhouse	JUST EAT
Within the last six months	5%	6%
Within the last year	11%	12%
Within the last two years	13%	13%
Within the last five years	16%	21%
More than five years ago	49%	44%
Don't know	6%	3%

Base: All (hungryhouse = 484; JUST EAT = 489)

B3. When was the restaurant established? Single code only

Asked whether they were an independent retailer or part of a chain, the vast majority reported being independent (90% hungryhouse, 94% Just Eat).

Chart 3 Whether independent or part of a chain



Base: All (hungryhouse = 484; JUST EAT = 489)

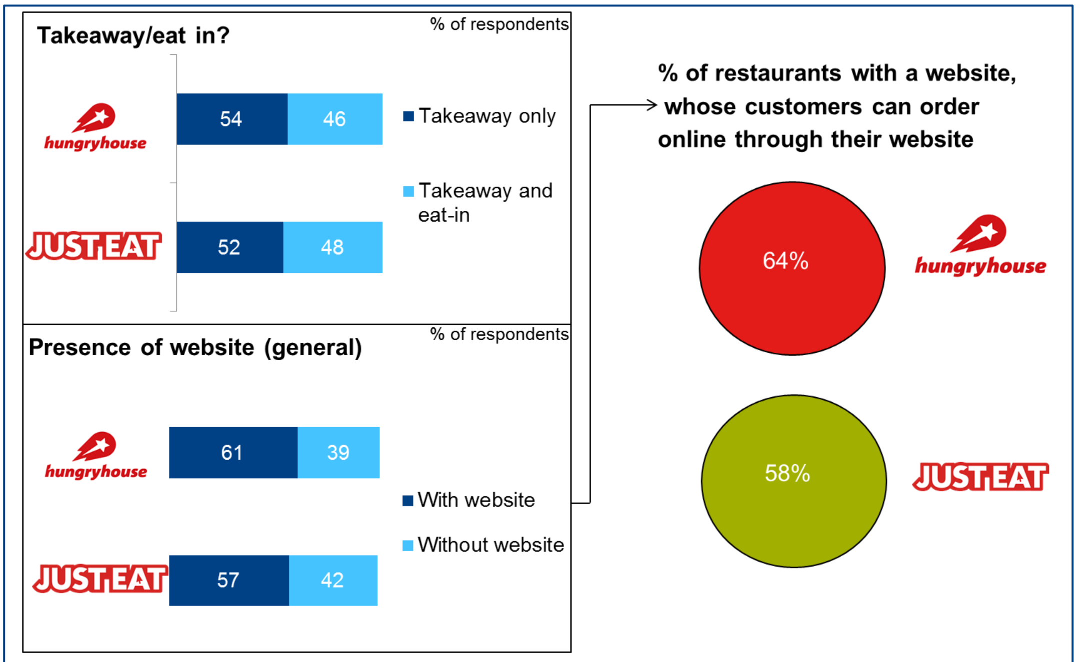
B3. When was the restaurant established? Single code only

2.2.3 Takeaway services and website availability/functionality

Respondents were asked whether they provided takeaway services only or takeaway and eat-in. Both restaurant groups were similar in that just over half provided takeaway only (54% of hungryhouse, 52% of Just Eat).

When asked if their restaurant had a website, a majority of respondents said yes (61% of hungryhouse and 57% of Just Eat). Those with a website were asked if their customers could order food via the website – this was the case for 64% of hungryhouse respondents and 58% of Just Eat respondents.

Chart 4 Takeaway services and website availability/ functionality



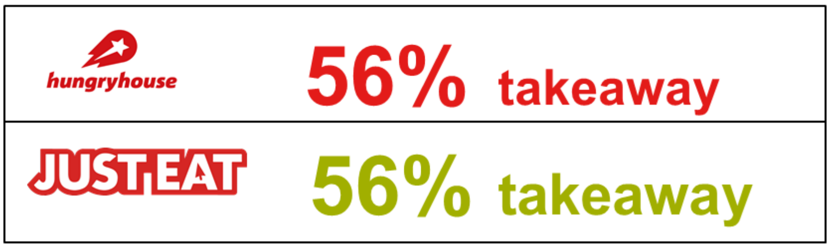
Base: All (hungryhouse = 484; JUST EAT 489); All who have their own website (hungryhouse = 285; JUST EAT = 279)

B4. Do you provide takeaway services only, or takeaway and eat-in? Single code only B5. Does your restaurant have its own website? Single code only B6 . Can your customers order food from your own website, or not? Single code only

2.2.4 Revenue

Respondents providing both takeaway and eat-in were asked how their revenue was split between eat in and takeaway orders. In both respondent groups, 56% of total revenue came from takeaway orders.

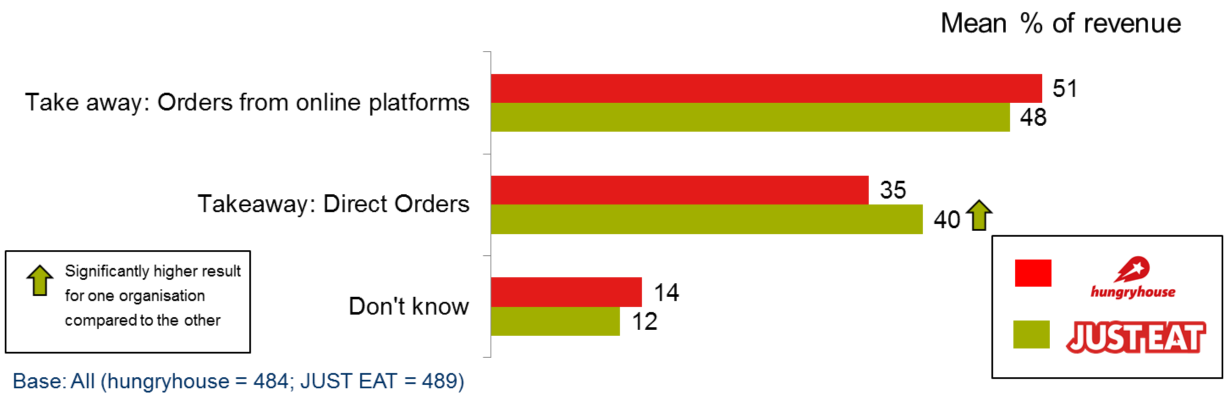
Chart 5 Takeaway revenue(restaurants providing both): mean % of total revenue (excluding don't know)



Base: All providing both (hungryhouse = 225; JUST EAT = 243)
B7. How is your revenue split between eat-in and takeaway orders? Please give a rough percentage for each.

All were asked to say how their takeaway orders were split between direct orders and those via an online platform. Amongst hungryhouse restaurants, half of their takeaway revenue was from online platform orders, 35% from direct orders and 14% did not know. For Just Eat restaurants, 48% of takeaway revenue was from online platform orders, 40% from direct orders and 12% didn't know.

Chart 6 By order type (takeaway only): % of revenue (mean)

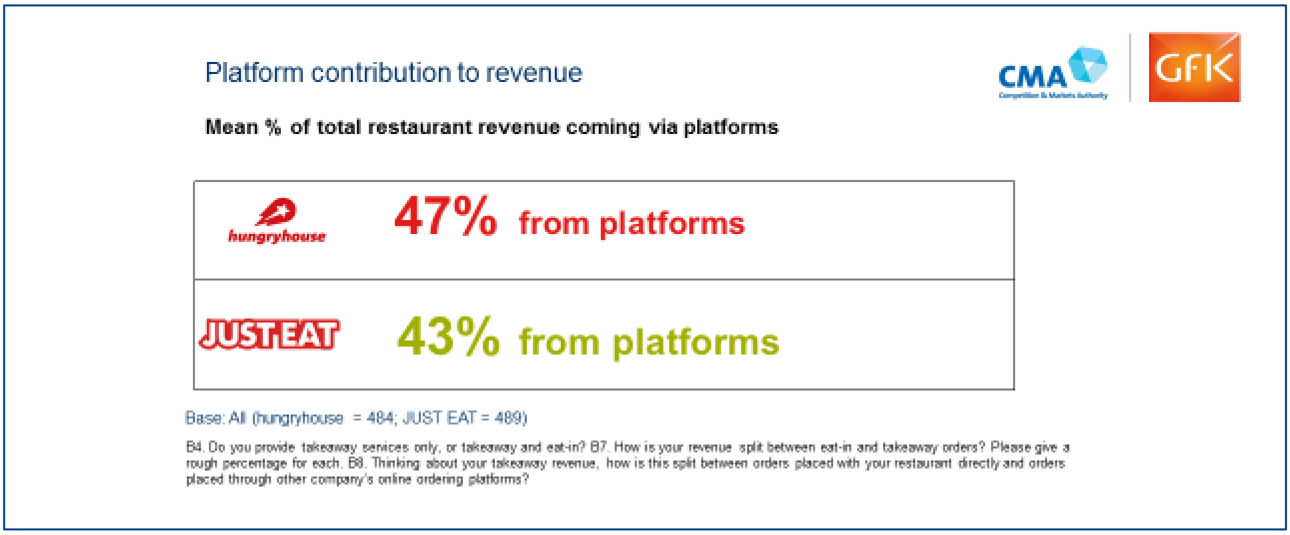


Base: All (hungryhouse = 484; JUST EAT = 489)
B8. Thinking about your takeaway revenue, how is this split between orders placed with your restaurant directly and orders placed through other company's online ordering platforms? Please give a rough percentage for each.

Combining the three questions on eat-in and takeaway, proportion of total revenue accounted for by takeaways, and proportion of takeaway revenue coming from platforms allows us to estimate what proportion of our sampled restaurants' total revenue comes from platforms. To do this we have had to exclude those who said "don't know" and repercentage, and we have also had to treat every restaurant as having equal revenue, so it must be stressed that these figures are estimates.

Overall, just under half of total restaurant revenue was sourced from online ordering platforms (47% for hungryhouse and 43% for Just Eat respondents).

Chart 7 Mean % of total revenue coming via platforms



2.2.5 Delivery services

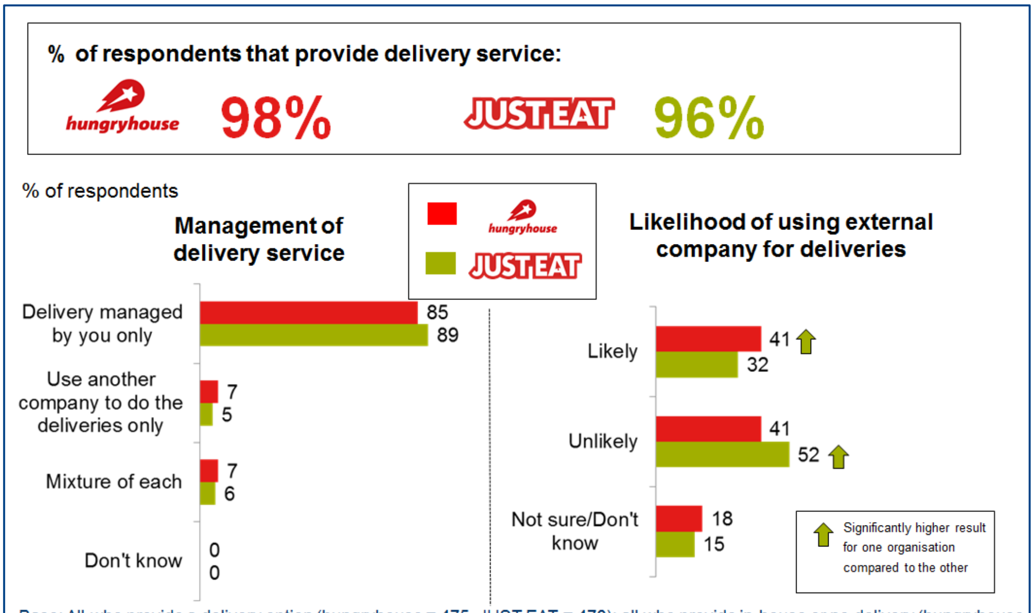
The overwhelming majority of restaurants provided a delivery service: 98% of hungryhouse and 96% of Just Eat respondents said their restaurant had a delivery service.

Those operating a delivery service were asked whether the staff undertaking the deliveries were managed by them or by another company. Over eight in ten respondents in both groups said that their delivery staff were managed in-house (85% of hungryhouse and 89% of Just Eat respondents).

Asked whether they were likely or unlikely to use an external company to do their deliveries within the next couple of years, hungryhouse respondents who managed their own delivery staff were divided in their opinion: 41% thought this was likely and 41% thought this was unlikely (18% were not sure/ didn't know).

Amongst Just Eat respondents who managed their own delivery staff, there was a clearer tendency towards thinking that outsourcing was unlikely in the next couple of years (32% said likely, 52% said unlikely, 15% were unsure/ didn't know). Therefore hungryhouse respondents were more likely than Just Eat respondents to think that outsourcing was likely.

Chart 8 Summary: delivery services



Base: All who provide a delivery option (hungryhouse = 475, JUST EAT = 470); all who provide in-house or no delivery (hungryhouse = 418; JUST EAT = 435)

B9. Does your restaurant provide a delivery option to customers? B10. Are the people who do the delivery managed by you, or do you use another company to do the deliveries? B11. Are you likely or unlikely to use an external company to do your deliveries within the next couple of years?

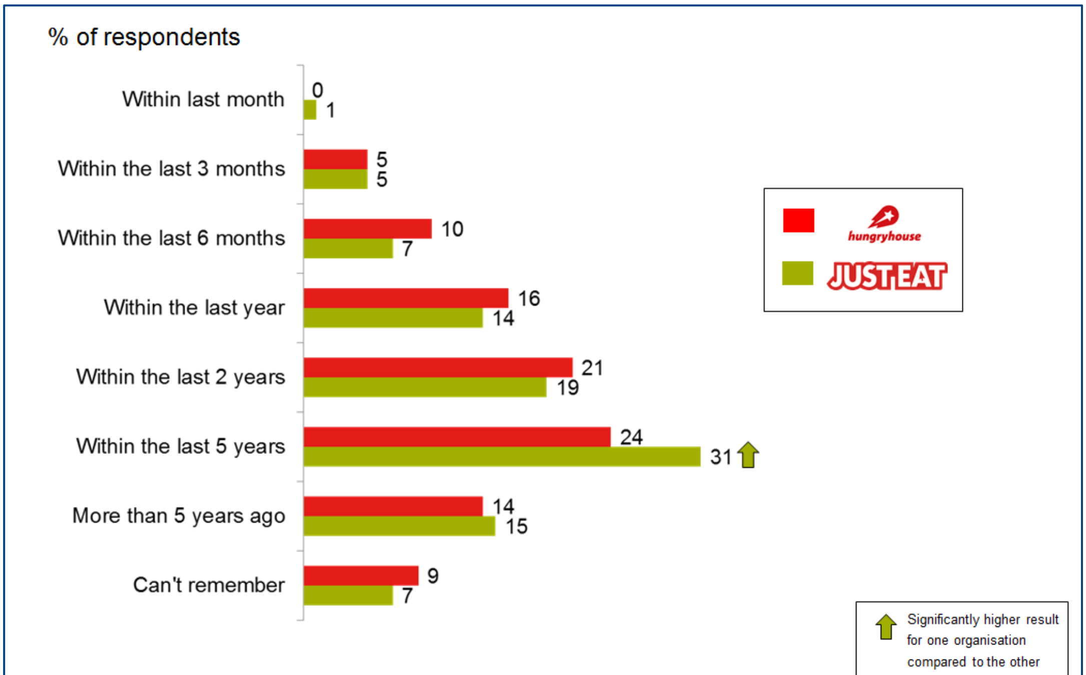
2.2.6 When joined platform

Respondents were asked when their restaurant joined the hungryhouse/ Just Eat platform.

Among hungryhouse respondents, around three in ten joined in the last 12 months (31%), while 21% joined within the last 2 years, and a quarter within the last five years (24%). Fourteen per cent had joined more than 5 years ago.

For Just Eat, 27% had joined within the last 12 months, 19% in the last 2 years, and a third (31%) in the last five years (this group was significantly more likely to have joined in the last five years than hungryhouse respondents). Fifteen per cent had joined more than 5 years ago.

Chart 9 When restaurant joined hungryhouse/ Just Eat



Base: All (hungryhouse = 484; JUST EAT = 489)

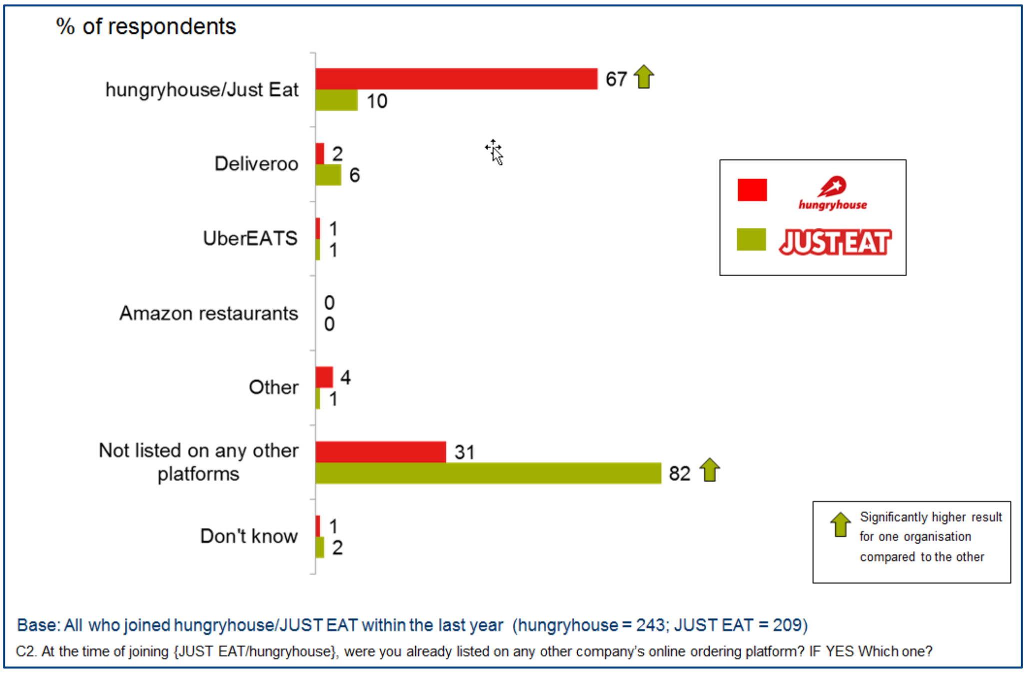
C1. Roughly when did your restaurant join {Just Eat/hungryhouse}?

2.2.7 Other platforms listed on at time of joining (recent joiners)

Respondents whose restaurant had joined hungryhouse/ Just Eat in the last 12 months were asked which other ordering platforms they were listed on at the time they joined, if any. Two-thirds (67%) of hungryhouse respondents were listed with Just Eat, 2% with Deliveroo and 1% with UberEATS at the time of joining.

In the case of Just Eat restaurants, 82% were not listed on any other platforms, and this group were far more likely to give that response than hungryhouse respondents (82% versus 31% respectively.). Ten per cent mentioned being listed with hungryhouse and 6% mentioned Deliveroo.

Chart 10 Other platforms listed on at time of joining hungryhouse/ Just Eat



2.2.8 Reasons for joining platform (recent joiners)

The main reason for recent joiners in both groups to join a platform was access to a larger number of customers; this was the reason given by 25% of hungryhouse and 39% of Just Eat respondents.

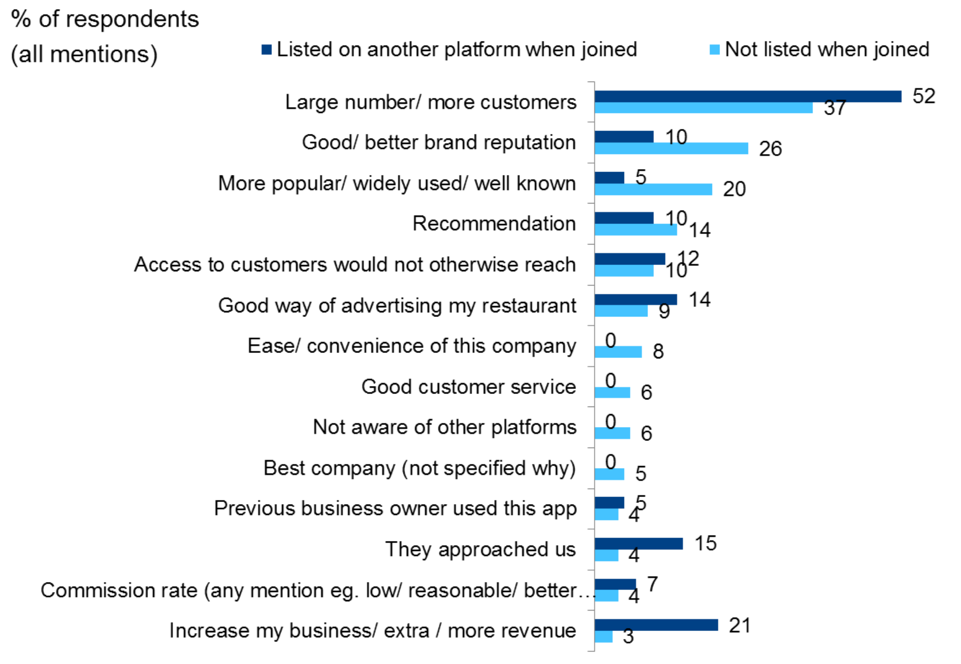
Chart 11 shows the findings split by whether respondents were a member of another platform at the time they joined and this is based on combined data from hungryhouse and Just Eat respondents. Because of the impact of weighting on the effective sample size for combined data these differences should be seen as indicative only. Bearing this in mind, those who **were** a member of another platform were more likely than those who were not to give the following reasons:

- Large number/more customers as their primary reason (52% versus 37%)
- Good way of advertising my restaurant (14% versus 9%)
- They approached us (15% versus 4%)
- Commission rate (7% versus 4%)
- Increase my business/ extra/ more revenue (21% versus 3%)

In contrast, those who were NOT listed with another platform at the time of joining were more likely to give the following reasons:

- Good/ better brand reputation (26% versus 10%)
- More popular/widely used/ well known (20% versus 5%)
- Ease/ convenience of this company (8% versus 0%)
- Good customer service (6% versus 0%)
- Not aware of other platforms (6% versus 0%)
- Best platform – unspecified reason (5% versus 0%)

Chart 11 Reasons for joining platform (recent joiners, combined data) by whether listed on another platform at time of joining



Base: All who joined in last year and were listed on another platform (239); All who joined in last year and were not listed on another platform (207)

C03. Why did you decide to join {JUST EAT/hungryhouse} rather than another online ordering platform at that time? C04 .Why did you decide to join {JUST EAT/hungryhouse} at that time?

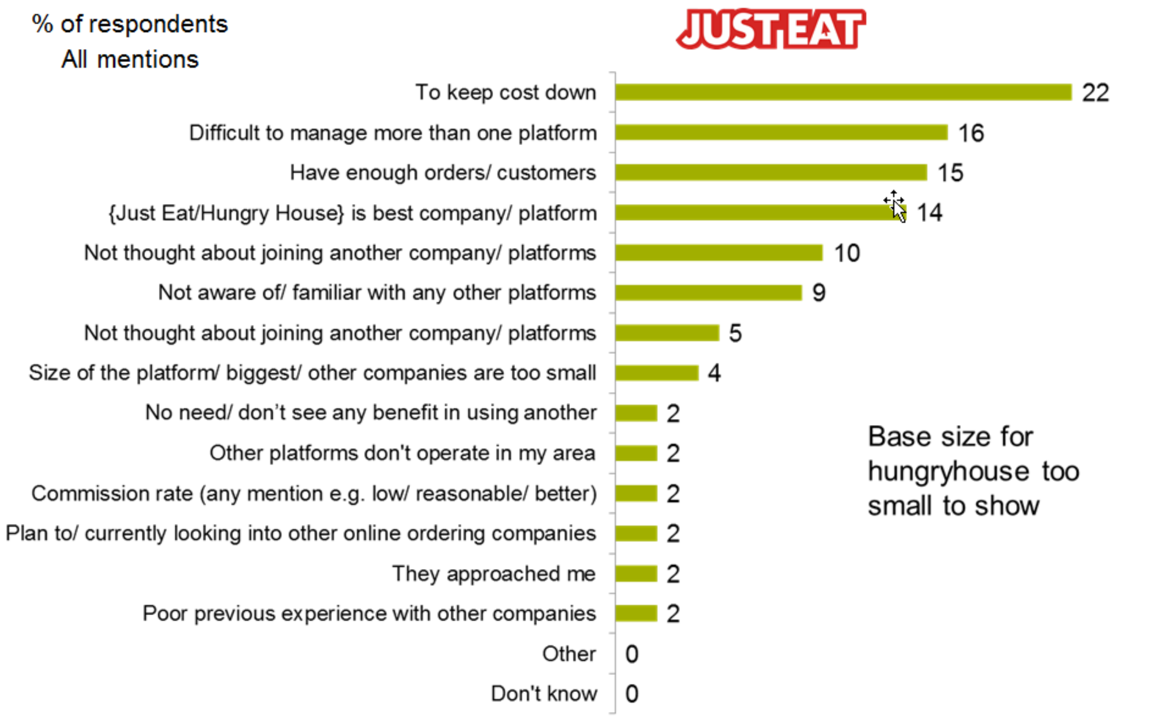
2.2.9 Reasons for using a single online ordering platform

Respondents who only used a single online ordering platform were asked why this was the case.

The chart below shows the results for Just Eat only the base size for hungryhouse restaurants using a single platform was too small to report on). The main reason, cited by 22% of this group, was to keep costs down. Other key reasons, cited by at least 10% of the group included:

- Difficult to manage more than one platform (16%)
- Have enough orders/ customers (15%)
- Just Eat is the best company/platform (14%)
- Not thought about joining another company/ platform (10%)

Chart 12 Reasons for single ordering platform use (Just Eat respondents only)



Base: All who only use Just Eat (JUST EAT = 227)

C5 You mentioned that you now use {JUST EAT} but no other companies. Why do you use only one online ordering company?

2.3 Diversion

This section reports respondent's choices in the hypothetical event of: 1) an increase in the platform fee (price diversion) and; 2) a scenario where the party platform had closed down (forced diversion). Two sets of results are reported in this section. First, we look at responses from those who only used the one platform (single-homing restaurants) and then from all respondent (all restaurants).

The rationale for this approach is that diversion questions asked the respondent what they would do in the event of a price increase or a shut down in the platform: whether they would stay with the platform (an option only with price diversion), leave the platform and join another platform, or leave the platform and not join another platform. However, by definition a multi-homing restaurant could not join another platform that they were already listed on, so care has to be taken interpreting responses from multi-homing restaurants. If a multi-homing restaurant said they would leave the platform, some of their business may have gone to another platform that they were already listed on (passive diversion), but we cannot say from the survey responses whether or not this would be the case. Hence interpretation of responses from multi-homing restaurants is more difficult.

So the judgement was made that results of most interest were those from single-homing restaurants. However, the number of single-homing hungryhouse restaurants interviewed in the survey proved to be too low for rigorous separate analysis, so had we only reported the diversion results from single-homing restaurants there would have been no evidence about diversion choices from hungryhouse customers.

We therefore have reported diversion choices from all restaurants, as well as from Just Eat single-homing restaurants. Whilst interpretation of the results from all restaurants is more difficult for the reasons described above, this does allow some comparison of results between the parties and gives some evidence about diversion choices among hungryhouse restaurants.

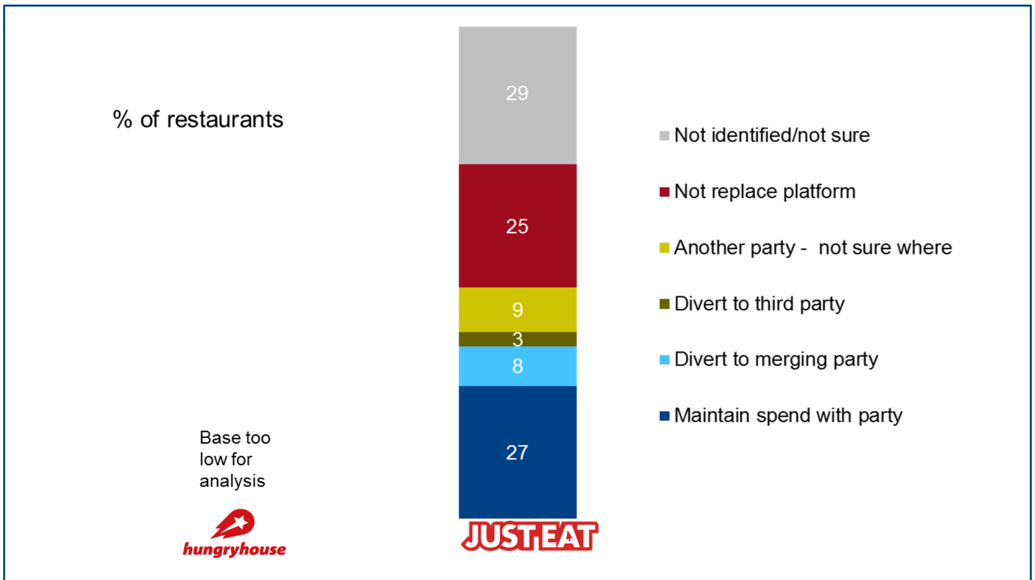
2.4 Just Eat single-homing restaurants - Price Diversion

Respondents were asked what commission they paid (where response was outside the 5% - 20% range this was checked with the respondent to ensure that the correct figure had been recorded). They were then described a scenario where the party increased the platform fee by one percentage point and asked what they would do (so for example, if they said they paid a commission fee of 13%, the question asked what they would do if the party increased the commission fee from 13% to 14%).

Those who did not know the commission fee they currently paid did not answer any further questions on price diversion (and therefore are not included in this analysis), as it was felt that little evidential weight could be given to price diversion responses from those restaurants who did not know the current platform fee.

So looking first at responses from Just Eat single-homing restaurants who knew the platform fee, a sizeable proportion (29%) said they did not know what they would do in the event of a one-point price increase. Of the rest most would either maintain the business with the party (27%) or leave and not replace the platform (25%). 8% would divert to the merger party, 3% to a third party , and 9% would divert to another platform but were not sure which one.

Chart 13 Price Diversion: single homing

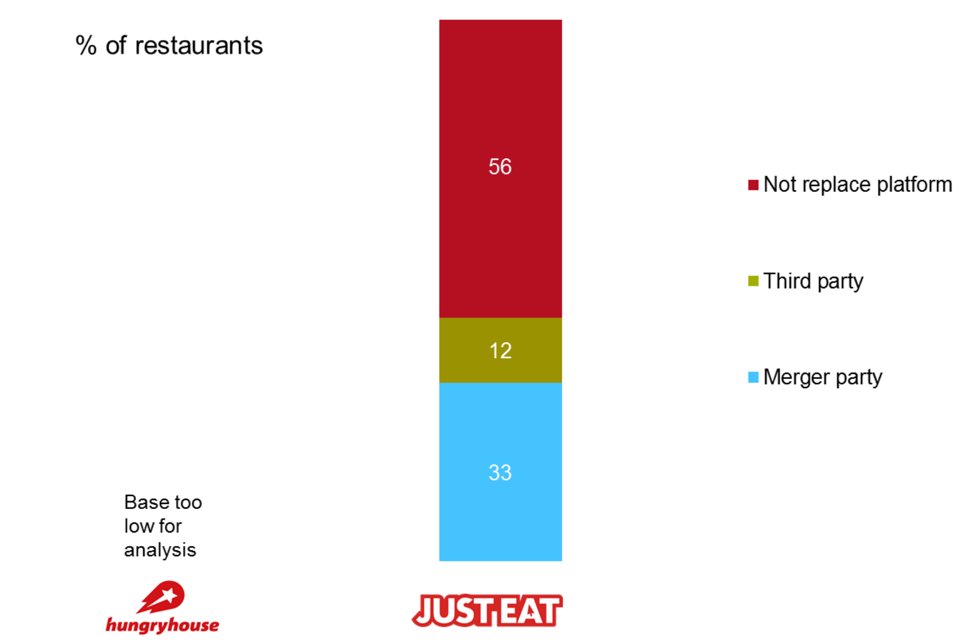


Base: All single homing restaurants who know the platform fee (JUST EAT = 211 UNWTD)

E1. Suppose {JUST EAT/hungryhouse} were to increase the commission they charge you from (value at D1/D2) to [value at D1/D2 plus 1%]. Would you continue to use {JUST EAT/hungryhouse), or would you leave them? E2. You say you would leave {JUST EAT/hungryhouse}. Would you join another company's online ordering platform instead, or NOT join another company? E3. Which other company's online ordering platform would you join instead?

The chart below shows the price diversion ratios calculated from these responses: 33% of restaurants who would move their business from Just Eat would divert to hungryhouse, 12% to a third party, and 56% would not replace the platform.

Chart 14 Price Diversion ratios: single homing



Base: All single homing restaurants who know the platform fee (JUST EAT = 214 UNWTD)

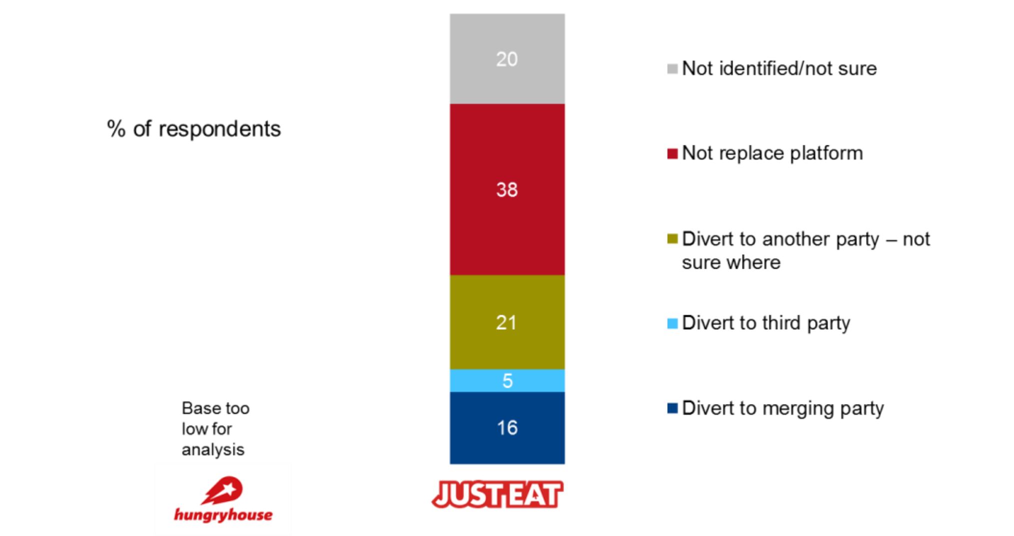
E1. Suppose {JUST EAT/hungryhouse} were to increase the commission they charge you from (value at D1/D2) to [value at D1/D2 plus 1%]. Would you continue to use {JUST EAT/hungryhouse), or would you leave them? E2. You say you would leave {JUST EAT/hungryhouse}. Would you join another company's online ordering platform instead, or NOT join another company? E3. Which other company's online ordering platform would you join instead?

2.5 Just Eat single-homing restaurants - Forced diversion

In the forced diversion scenario respondents were asked what they would do if the platform closed down permanently. The responses from various questions (filtered by when the restaurant joined the platform) have been combined to produce this analysis, which is taken from respondent's perception of what they would do now in the event of the platform closure.

Just over one in three (38%) said they would not replace the platform, and one in five (20%) did not know what they would do. Where respondents said they would divert to another platform, more would divert to the merger party (16%) than to a third party (5%). 21% said they would divert to another platform but were not sure which one.

Chart 15 Forced Diversion: single homing

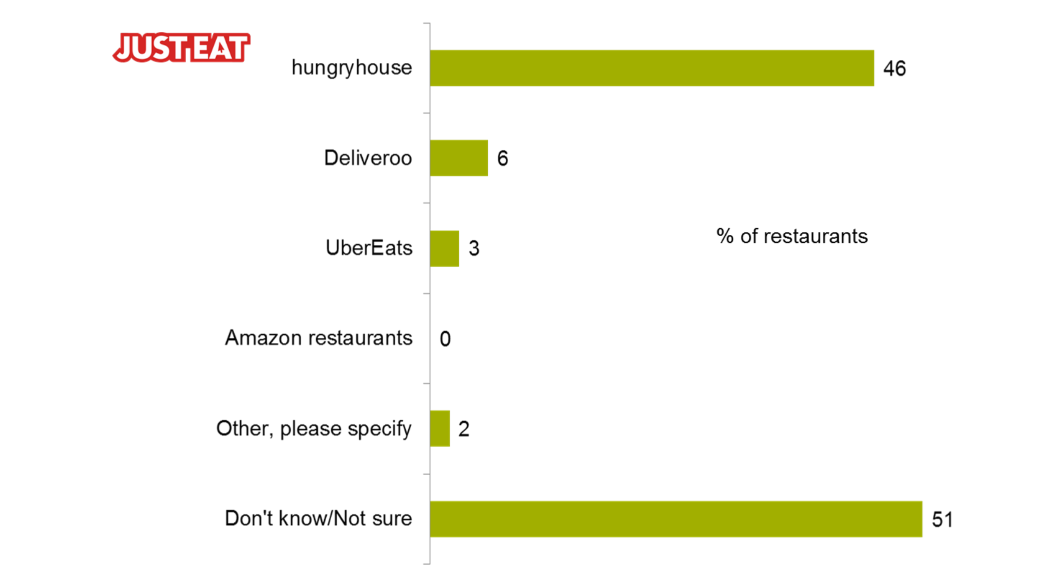


Base: All single homing restaurants (JUST EAT = 244)

E6. Suppose that {JUST EAT/hungryhouse} closed down permanently. Would you join another company's online ordering platform or not? E7. Which other company's online ordering platform would you join? E8. I would like you to think about the situation now instead of when you joined {JUST EAT/hungryhouse} – TEXT INFILL FROM C1 Suppose that {JUST EAT/hungryhouse} closed down permanently now. Would you join another company's online ordering platform or not? E9. Which other company's online ordering platform would you join?

The next chart shows the detail of which other platform would be joined if the respondent said they would divert to another platform. Most would either join the merger party (hungryhouse in this case) or did not know; only a few would divert to Deliveroo or UberEats.

Chart 16 Forced Diversion: other platform joined

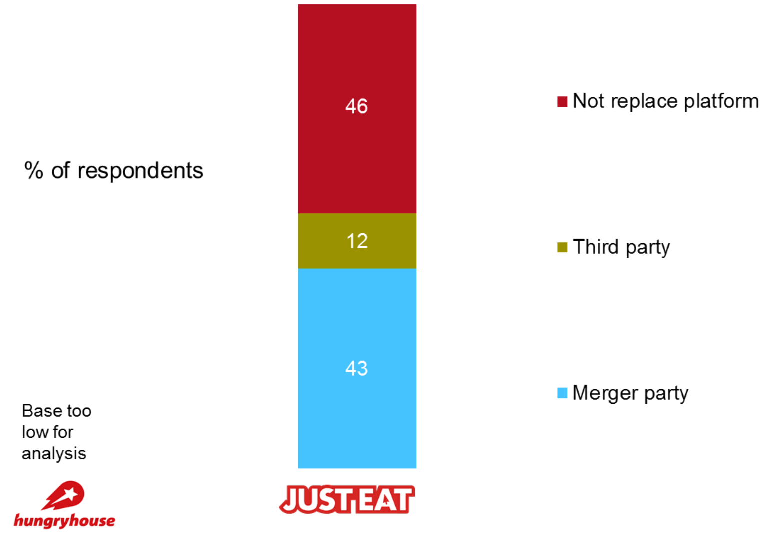


Base: Just Eat single homing restaurants who would leave and join another platform (110)

E5/E7/E9 Which other company's online ordering platform would you join instead?

The forced diversion ratios calculated from these responses are as follows: 43% would divert to hungryhouse, 12% to a third party, and 46% would not replace the platform.

Chart 17 Forced Diversion ratios: single homing



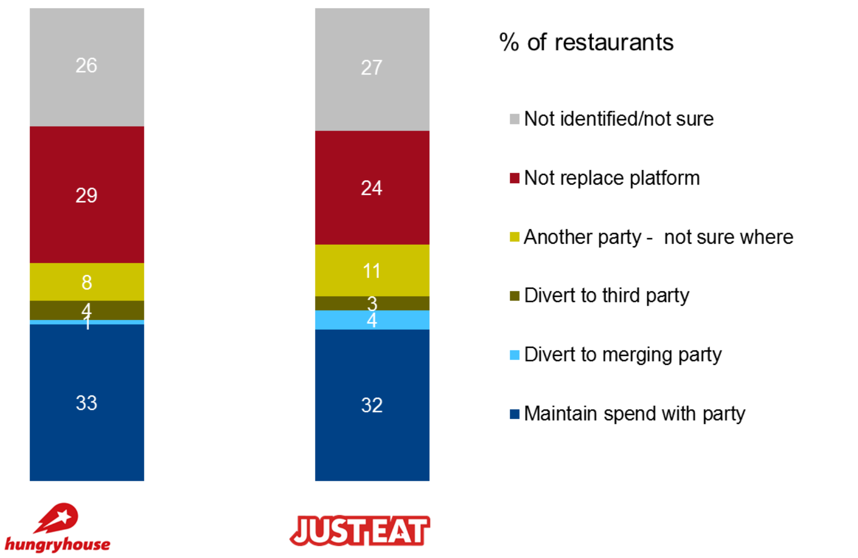
Base: All single homing restaurants who know when they joined the platform (JUST EAT = 232)

E6. Suppose that {JUST EAT/hungryhouse} closed down permanently. Would you join another company's online ordering platform or not? E7. Which other company's online ordering platform would you join? E8. I would like you to think about the situation now instead of when you joined {JUST EAT/hungryhouse} – TEXT INFILL FROM C1 Suppose that {JUST EAT/hungryhouse} closed down permanently now. Would you join another company's online ordering platform or not? E9. Which other company's online ordering platform would you join?

2.6 All restaurants - Price Diversion

Response from hungryhouse restaurants was similar to Just Eat restaurants with most who could say what they would do either maintaining business with the party or not replacing the platform. There was little diversion from hungryhouse to Just Eat, reflecting the fact that the vast majority of hungryhouse restaurants were already listed on the Just Eat platform (and therefore by definition could not divert there as a new joiner).

Chart 18 Price Diversion: all

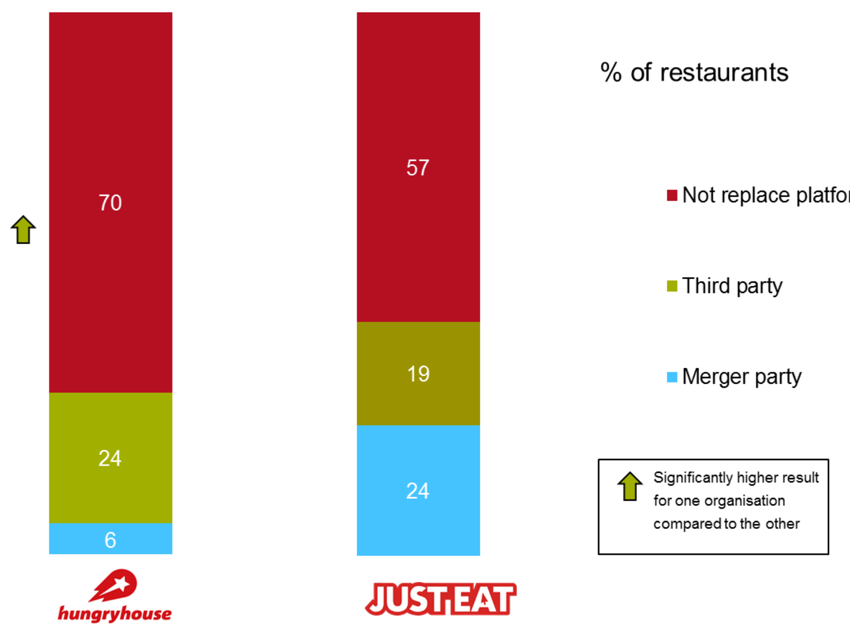


Base: All restaurants who know the platform fee (hungryhouse = 393; JUST EAT = 419)

E1. Suppose {JUST EAT/hungryhouse} were to increase the commission they charge you from (value at D1/D2) to [value at D1/D2 plus 1%]. Would you continue to use {JUST EAT/hungryhouse), or would you leave them? E2. You say you would leave {JUST EAT/hungryhouse}. Would you join another company's online ordering platform instead, or NOT join another company? E3. Which other company's online ordering platform would you join instead?

The same point explains why the price diversion ratio to the merger party is much lower among hungryhouse than Just Eat restaurants. The highest proportion in each case would not replace the platform, but more hungryhouse restaurants said this than Just Eat ones.

Chart 19 Price Diversion Ratios: all



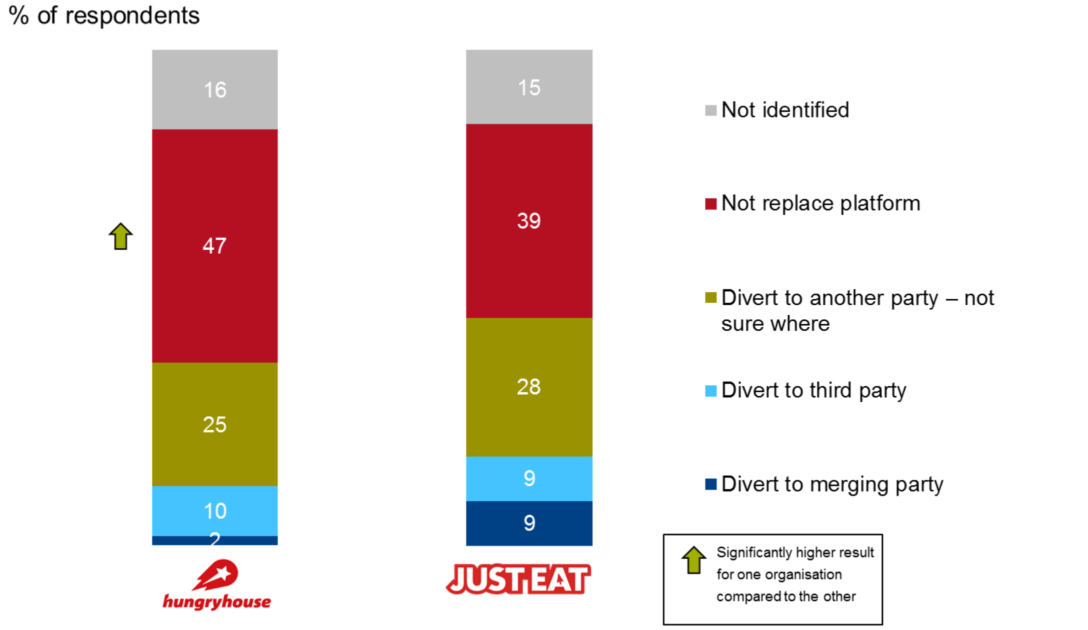
Base: All restaurants who know the platform fee (hungryhouse = 393; JUST EAT = 419)

E1. Suppose {JUST EAT/hungryhouse} were to increase the commission they charge you from (value at D1/D2) to [value at D1/D2 plus 1%]. Would you continue to use {JUST EAT/hungryhouse), or would you leave them? E2. You say you would leave {JUST EAT/hungryhouse}. Would you join another company's online ordering platform instead, or NOT join another company? E3. Which other company's online ordering platform would you join instead?

2.7 All restaurants - Forced diversion

In the forced diversion scenario, half of hungryhouse restaurants would not replace the platform. Just Eat restaurants would be more likely than hungryhouse restaurants to divert to the merger party (as this was an option for more of them), but diversion to a third party was at the same level as among hungryhouse restaurants.

Chart 20 Forced Diversion: all

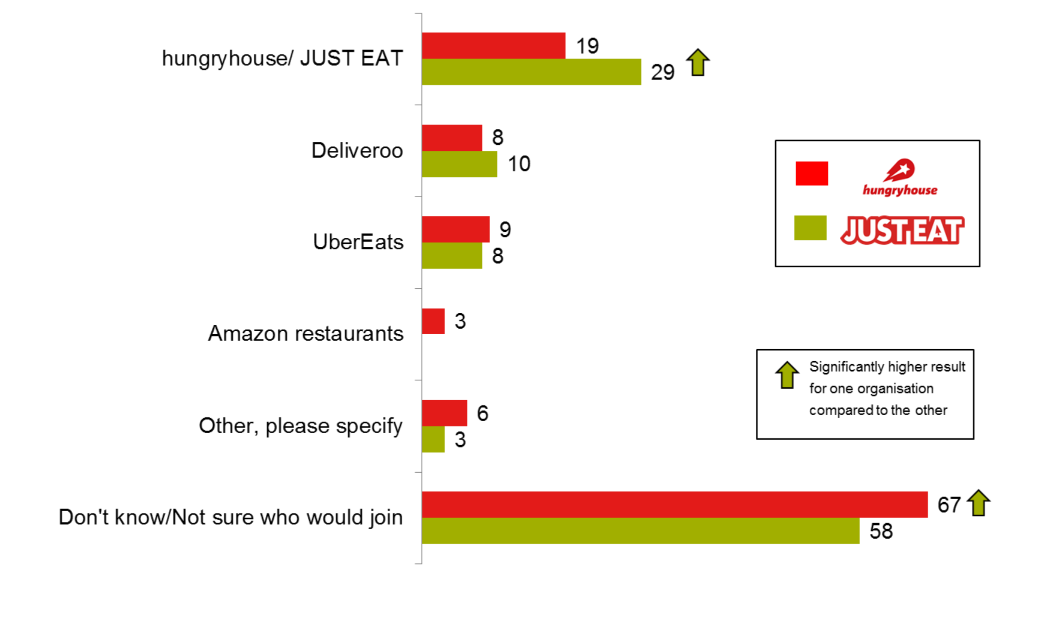


Base: All restaurants (hungryhouse = 484; JUST EAT = 489)

E6. Suppose that {JUST EAT/hungryhouse} closed down permanently. Would you join another company's online ordering platform or not? E7. Which other company's online ordering platform would you join? E8. I would like you to think about the situation now instead of when you joined {JUST EAT/hungryhouse} – TEXT INFILL FROM C1 Suppose that {JUST EAT/hungryhouse} closed down permanently now. Would you join another company's online ordering platform or not? E9. Which other company's online ordering platform would you join?

The chart below shows the detail of which other platform would be joined if the respondent said they would divert to another platform. Most were not sure, or at a lower level would divert to the merger party. Mentions of Deliveroo and UberEats were at similar levels (around 10% each) across each of the merger parties.

Chart 21 Forced Diversion: other platform joined

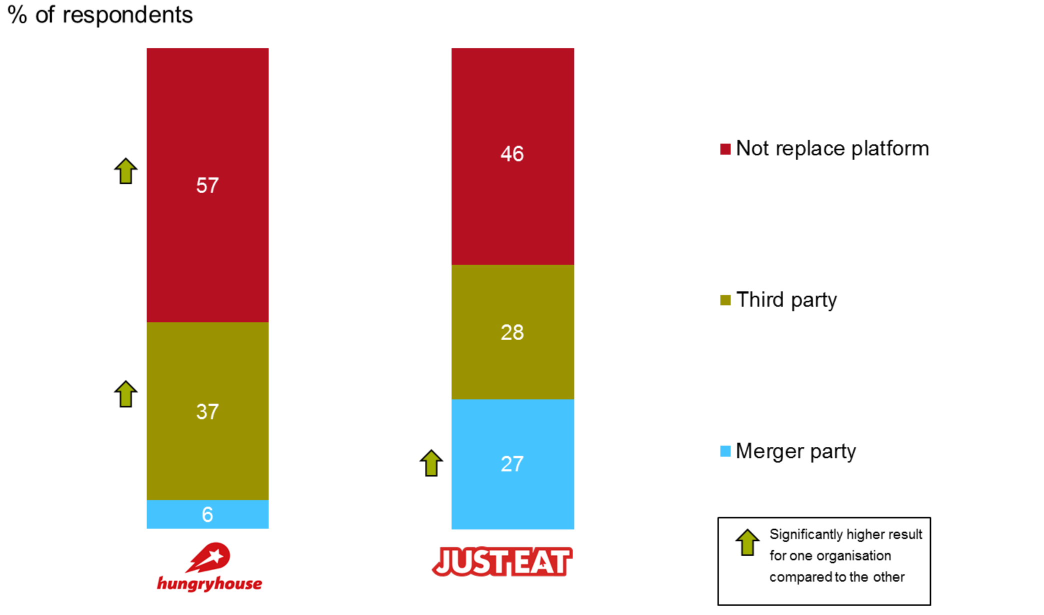


Base: All restaurants who joined another platform (hungryhouse = 204; JUST EAT = 248)

E5/E7/E9 Which other company's online ordering platform would you join instead?

Looking at the forced diversion ratios, hungryhouse restaurants were less likely than their Just Eat counterparts to divert to the merger party (although this 6% figure for hungryhouse represents the majority of those not already listed on Just Eat), and more likely to either divert to a third party or not replace the platform.

Chart 22 Forced Diversion ratios: all



Base: All restaurants (hungryhouse = 484; JUST EAT = 489)

E6. Suppose that {JUST EAT/hungryhouse} closed down permanently. Would you join another company's online ordering platform or not? E7. Which other company's online ordering platform would you join? E8. I would like you to think about the situation now instead of when you joined {JUST EAT/hungryhouse} – TEXT INFILL FROM C1 Suppose that {JUST EAT/hungryhouse} closed down permanently now. Would you join another company's online ordering platform or not? E9. Which other company's online ordering platform would you join?

3 Consumers

3.1 Overall summary

Both parties have broadly the same profile, characterised by being younger, and heavier internet users, than the population as whole.

Four in ten respondents use a platform at least once a week, and platforms are the main way of ordering takeaways.

Ease of placing an order was the main reason for using a platform, followed by the wish to browse menus. Similar reasons were given for brand choice, and the range and number of restaurants was not a significant driver of brand choice.

Customers tend to use the platform with either a specific or set/type of restaurant in mind, and most had used the restaurant before.

A majority recognised there is no price difference between ordering via an OTO platform and direct from the restaurant.

As for other OTO platforms, Deliveroo was used more often by hungryhouse users than by Just Eat ones.

Nearly all Just Eat users go straight to the website/app, while hungryhouse users are much more likely to visit other sites/apps, in particular Just Eat

Consumers were asked about their choice in a forced diversion scenario for their last order. Hungryhouse customers were much more likely to divert to the merger party (47%) than Just Eat customers (23%). More Just Eat customers would choose to order directly from the restaurant (55% vs. 38% of hungryhouse customers).

Experience of having used the merger party was a significant influence on forced diversion choices. For both hungryhouse and Just Eat, multi-homing customers (those who had used both merger parties in the last 12 months) were much more likely to say they would have diverted to the merger party than single-homing customers.

Diversion to a third party was much more prevalent among customers where there was a Deliveroo available in the local area, with about one in ten making this choice in these areas. The pattern was the same for both party customers.

Whether or not the customer had a specific restaurant or set of restaurants in mind when they made their last order was also an influence on diversion choices. Those who had a specific restaurant in mind were much more likely to have ordered directly from the restaurant in the forced diversion scenario, whilst those who had neither a specific restaurant nor a set of restaurants in mind (i.e. browsing without any preconceived ideas about which restaurant to choose) were much more likely to divert to the merger party.

Consumers were asked what they would have done if the restaurant they chose for their last order had not been listed on the platform. The majority would have ordered from a different restaurant using the same platform, and this was true for both parties. All those who would have ordered by a different method (i.e. not the platform used) were asked which other ordering method they would have used instead. The majority of Just Eat customers (nearly three in four) would have ordered directly from the restaurant, mostly by phone or visit. In contrast, hungryhouse customers were more likely (about half) to say they would have ordered through the merger party platform.

3.2 Profile

3.2.1 Consumer universe and respondents

The profile of the issued sample and respondents differed slightly, as shown in Table 3.1. While average last spend was in line for both (£18.70 issued sample versus £18.72 for respondents), respondents reported a slightly higher average annual spend (at £537 versus £480 for the issued sample) as well as slightly more orders per year (31 versus 27 amongst the issued sample).

15% of respondents had joined in 2017 (compared with 9% of the issued sample), and 15% had joined before 2012 (versus 24% of the issued sample).

Compared to all customers, the respondents thus have a slight over-representation of more frequent and longer-standing customers.

Table 3.1: Consumer universe and respondents

	Issued sample	Respondents
Average last spend	£18.70	£18.72
Average annual spend	£480	£537
Average orders per year	27	31
Joined in 2017	9%	15%
Joined before 2012	24%	15%

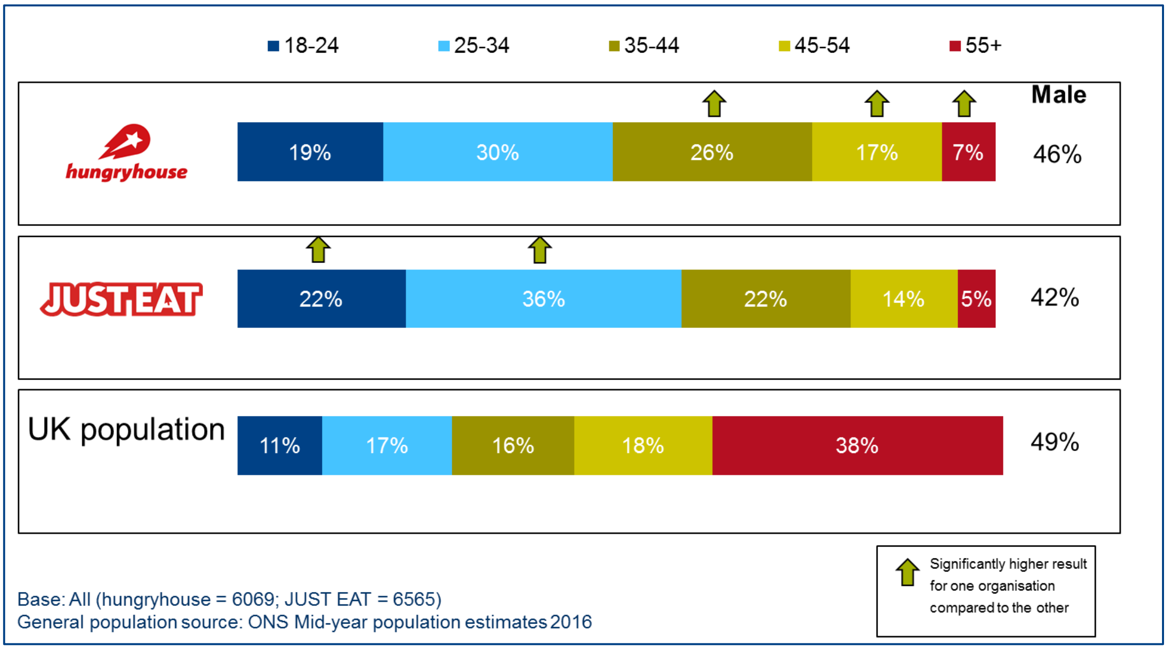
3.2.2 Respondent age and gender

There was a small difference in the age profile between the two platforms, with Just Eat respondents slightly younger: 58% were aged under 35, compared with 49% of hungryhouse respondents; and 19% were over 45 compared with 24% of hungryhouse.

When these figures are compared to the latest ONS mid-year population estimates, the differences between the two platforms are dwarfed by the differences between both samples and the general population, of whom just 28% are under 35.

The gender balance was broadly similar in both groups: 46% of hungryhouse respondents were male versus 42% of Just Eat respondents (the general population figure is 49%).

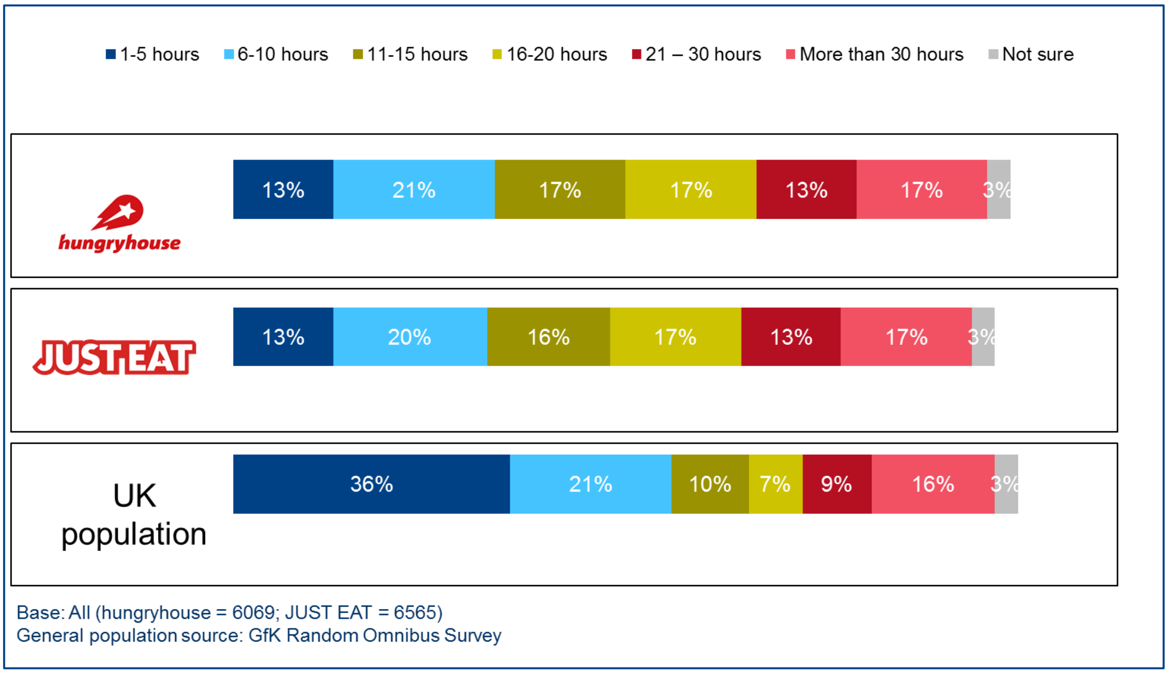
Chart 23 Age and gender



3.2.3 Internet usage (hours per week)

Use of the internet, in terms of hours per week, was similar for both hungryhouse and Just Eat respondents, with three in ten (30%) of each customer group using the internet for 21+ hours a week. Thirteen per cent of hungryhouse and Just Eat respondents used the internet for only 1-5 hours per week – this contrasts with 36% of those in the general population who ever use the internet reporting a similar level of use, confirming that hungryhouse and Just Eat respondents are heavier than average internet users.

Chart 24 Internet usage, hours per week

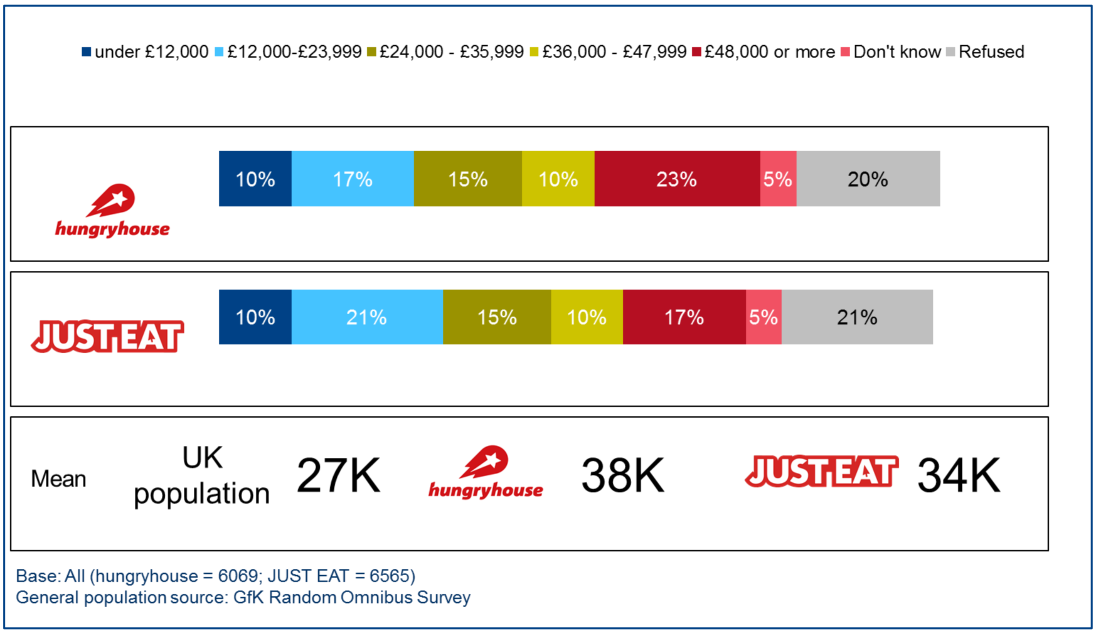


3.2.4 Household income

Annual household income levels were similar for both customer groups: 42% of hungryhouse respondents and 46% of Just Eat ones had an annual household income of less than £36,000, while the figures for annual income of £36,000 or more were 33% and 27% respectively (a quarter didn't know or refused to say).

It is difficult to make a detailed comparison with the general population, because of different question wording and don't know levels in different surveys, but there is no doubt that both hungryhouse and Just Eat respondents had a higher average household income per year than the UK general population. A rough mean income for hungryhouse customers is £38,000, and for Just Eat £34,000 versus the UK average of around £27,000.

Chart 25 Household income



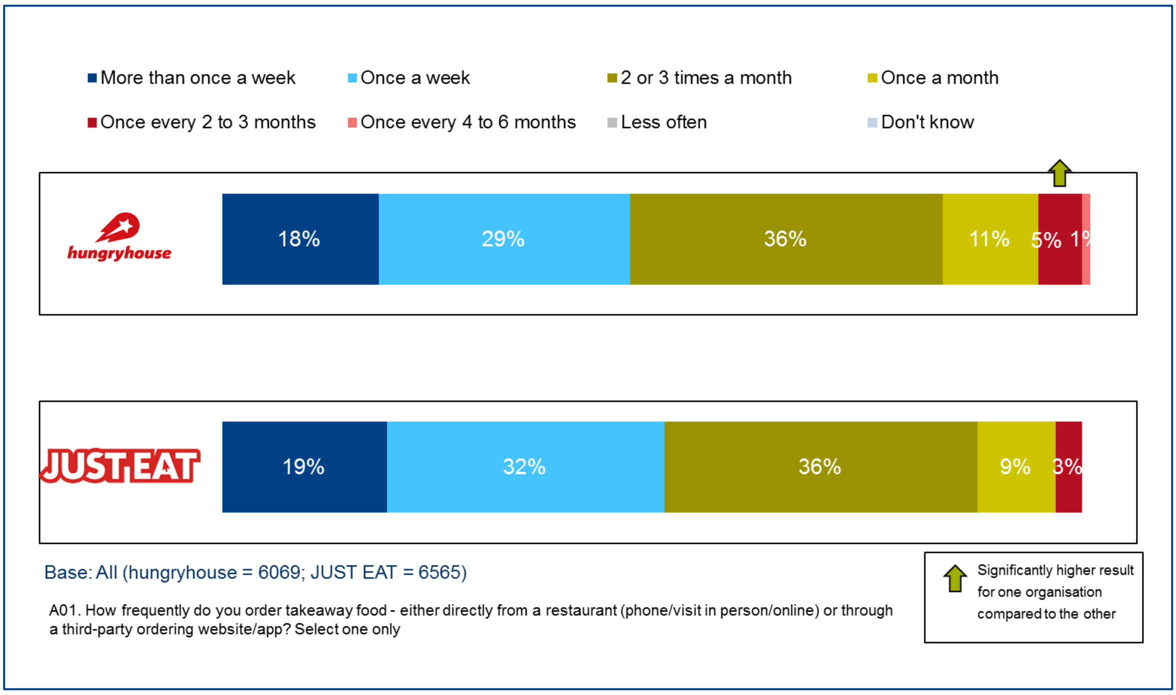
3.3 General behaviour

3.3.1 Frequency of ordering takeaway food (directly or via a third party)

Respondents were asked 'How often do you order takeaway food – either directly from a restaurant (phone/visit in person/online) or through a third-party ordering website/app?'

Forty seven per cent of hungryhouse respondents ordered a takeaway directly from hungryhouse or using another OTO platform at least once a week, while 36% ordered 2 or 3 times per month, 11% ordered once a month, 5% ordered once every 2 to 3 months, and 1 % ordered less often. Amongst Just Eat respondents, 51% ordered at least once per week, 36% 2 to 3 times a month, 9% once a month and 3% less often. Frequency of ordering was very similar for both customer groups.

Chart 26 Frequency of ordering takeaway food



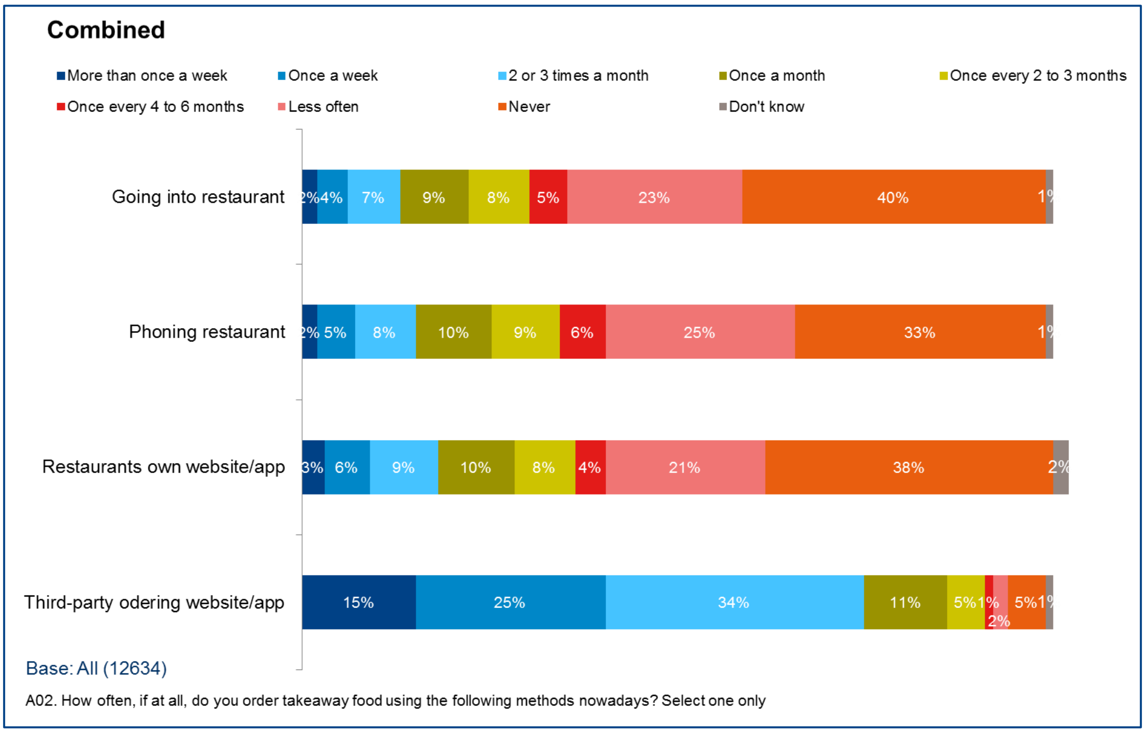
3.3.2 Frequency of ordering takeaway food by various methods (combined results)

Respondents were asked 'How often, if at all, do you order takeaway food using the following methods nowadays?' and for this question the findings for hungryhouse and Just Eat respondents were combined.

It is clear that amongst those who use a third-party website or app to order takeaway, this is by far their most common method of ordering takeaways. A third never use restaurants' own websites/apps, a similar proportion never phone the restaurant, and 40% never go into a restaurant to order takeaway. A further quarter use any of these methods less often than once every 4-6 months

It is also clear that hungryhouse and Just Eat customers are frequent takeaway consumers, with 40% ordering from an OTO platform at least once a week.

Chart 27 Frequency of ordering takeaway food by various methods (combined results)



3.3.3 Use of other third party ordering websites or apps

Respondents were asked which, if any, other third-party ordering websites or apps they had used in the last 12 months.

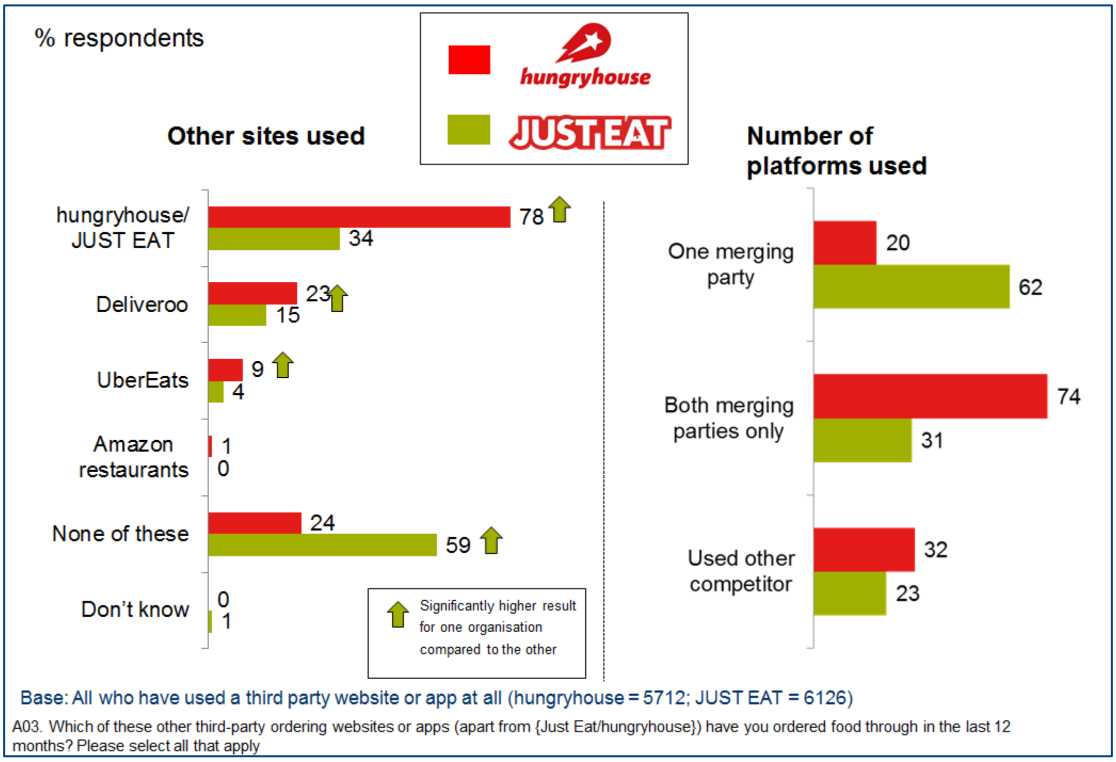
While a quarter of hungryhouse respondents (24%) had not used another website or app for ordering takeaway in the last year, over three-quarters (78%) had used Just Eat, 23% mentioned Deliveroo, 9% had used UberEats and 1% had used Amazon restaurants.

Just Eat respondents were much more likely not to have used another ordering platform in the last 12 months (59%), while only 34% mentioned hungryhouse, 15% Deliveroo and 4% UberEats.

Thus hungryhouse respondents were thus much more likely than Just Eat respondents to mention having used the other party in the last 12 months.

Combining the two sets of respondents emphasises this same point: nearly two-thirds of Just Eat customers used only one of the merging parties (62%) compared with just 20% of hungryhouse customers using only one. Conversely, hungryhouse customers were far more likely to us both merging parties (74% compared with 31%). They were also more likely than Just Eat customers to use a third party (32% compared with 23%).

Chart 28 Use of other third party ordering websites or apps



Analysis by the number of restaurants registered with other OTO platforms in the local area (no chart shown) provides **some** evidence that the greater the number of restaurants registered with a particular platform, the more likely the respondent was to have ordered using that particular platform in the last 12 months – although the pattern was not consistent across platforms or within customer group. For example, amongst hungryhouse respondents, those with 70+ Deliveroo restaurants locally were significantly more likely to have ordered using this platform in the last 12 months than those with fewer Deliveroo restaurants in the local area (48% versus 25% or less). However, the number of Just Eat restaurants in the locality did not have a similar impact on the likelihood of using Just Eat.

Just Eat respondents were more likely to use Deliveroo when there were more Deliveroo restaurants available locally, but to a much lower extent than shown above for hungryhouse customers: 38% of those with 70+ Deliveroo restaurants locally had ordered using Deliveroo in the past 12 months, compared with 28% or less of those with fewer Deliveroo restaurants.

There was, however an association for Just Eat customers between the number of hungryhouse restaurants and the likelihood of ordering from them, but it was not a strong one: 42% of those with 70+ hungryhouse restaurants locally had ordered using hungryhouse in the past 12 months, compared with 34% or less of those with fewer hungryhouse restaurants.

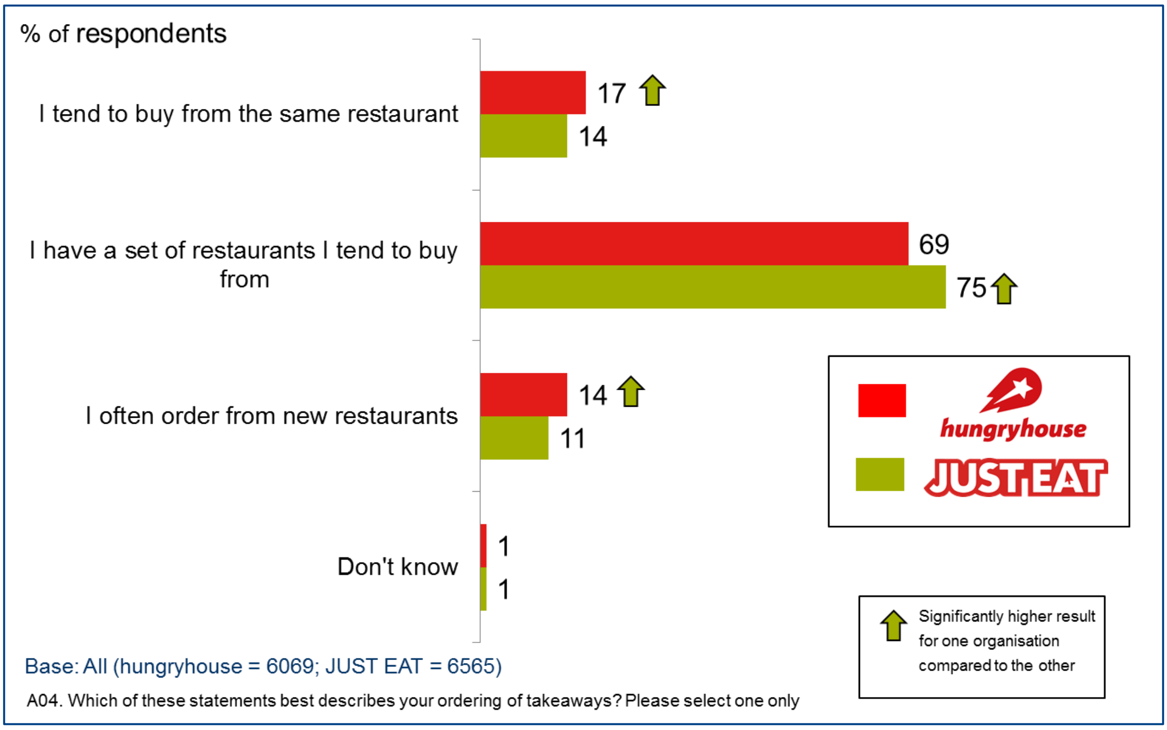
3.3.4 Ordering habits

Respondents were shown a number of statements and asked which best described their ordering of takeaways.

A comparison of the two groups showed that Just Eat respondents were more likely than the hungryhouse group to say they had a set of restaurants they tended to buy from (75% compared with 69%), while hungryhouse respondents were slightly more likely than Just Eat respondents to say that they ordered from the same restaurant (17% and 14% respectively). Conversely, they were also slightly more likely to order from new outlets (14% and 11%).

Amongst Just Eat respondents, analysis by the volume of Just Eat restaurants in the local area suggested that the smaller number of Just Eat restaurants, the greater the respondent was to say that they tended to buy from the same place (22% of those with 1-20 Just Eat restaurants locally gave this response versus 13% of those with a greater volume of Just Eat restaurants in their locality). However this association was not present for hungryhouse customers.

Chart 29 Ordering habits



3.4 Details of the last order

3.4.1 Value and method of placing order

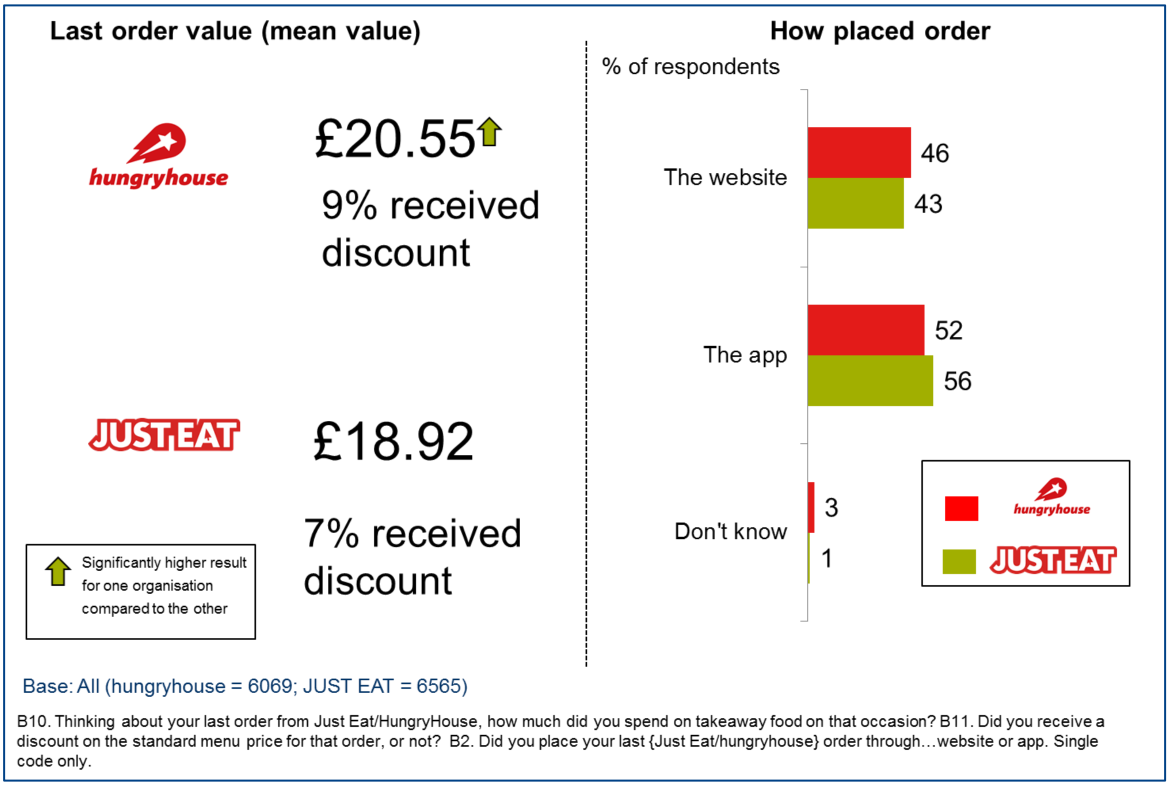
In relation to their last order placed through hungryhouse or Just Eat, respondents were asked:

- The value of the order;
- Whether they received a discount on the standard menu price for the order; and
- Whether the order was placed through the website or the app

The average value of the most recently placed hungryhouse order was £20.55, which was significantly greater than that for Just Eat (£18.92). Nine per cent of hungryhouse respondents received a discount from the standard menu price on their last order, while the same was true for 7% of Just Eat respondents.

In terms of how their last order was placed, the results were similar for hungryhouse and Just Eat: 46% of hungryhouse and 43% of Just Eat customers placed their order through the website, while 52% of hungryhouse and 56% of Just Eat customers placed the order via the app.

Chart 30 Value and method of placing last order



3.4.2 Reason for choosing online ordering

Respondents were asked why they chose to order online rather than by phoning or visiting the restaurant, and they were permitted to choose as many reasons as they wished from a pre-defined list.

Looking first at all reasons given, convenience/ ease of ordering was the most popular reason for ordering online, mentioned by 67% of hungryhouse respondents and 73% of Just Eat respondents (with the latter proportion being significantly greater than the proportion of hungryhouse respondents giving this reason).

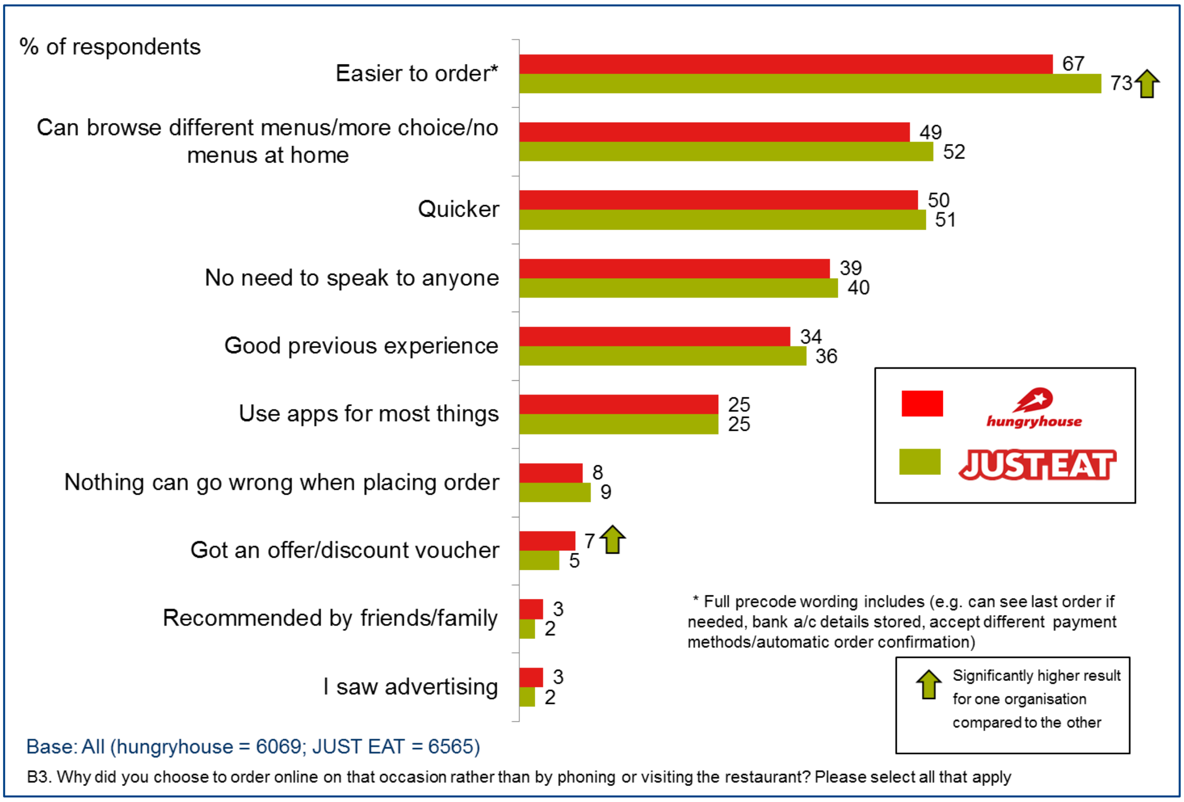
The next most popular mentions were the ability to browse different menus/more choice/no menus at home (mentioned by 49% of hungryhouse and 52% of Just Eat respondents), and that it was quicker (mentioned by 50% of hungryhouse and 51% of Just Eat respondents).

Around four in ten respondents in both groups mentioned that ordering online meant that there was no need to speak to anyone (39% of hungryhouse and 40% of Just Eat respondents), while around a third in each case mentioned having had a previously good experience of this method (34% of hungryhouse and 36% of Just Eat respondents). A quarter of hungryhouse and Just Eat respondents (25% in each case) said that they used apps for most things.

Much smaller proportions mentioned:

- Nothing can go wrong when placing an order (8% of hungryhouse and 9% of Just Eat respondents)
- Having an offer/ discount voucher (7% of hungryhouse and 5% of Just Eat respondents; this was a significant difference)
- Recommended by family/ friends (3% of hungryhouse and 2% of Just Eat respondents)
- Advertising (3% of hungryhouse and 2% of Just Eat respondents)

Chart 31 Reasons for ordering online



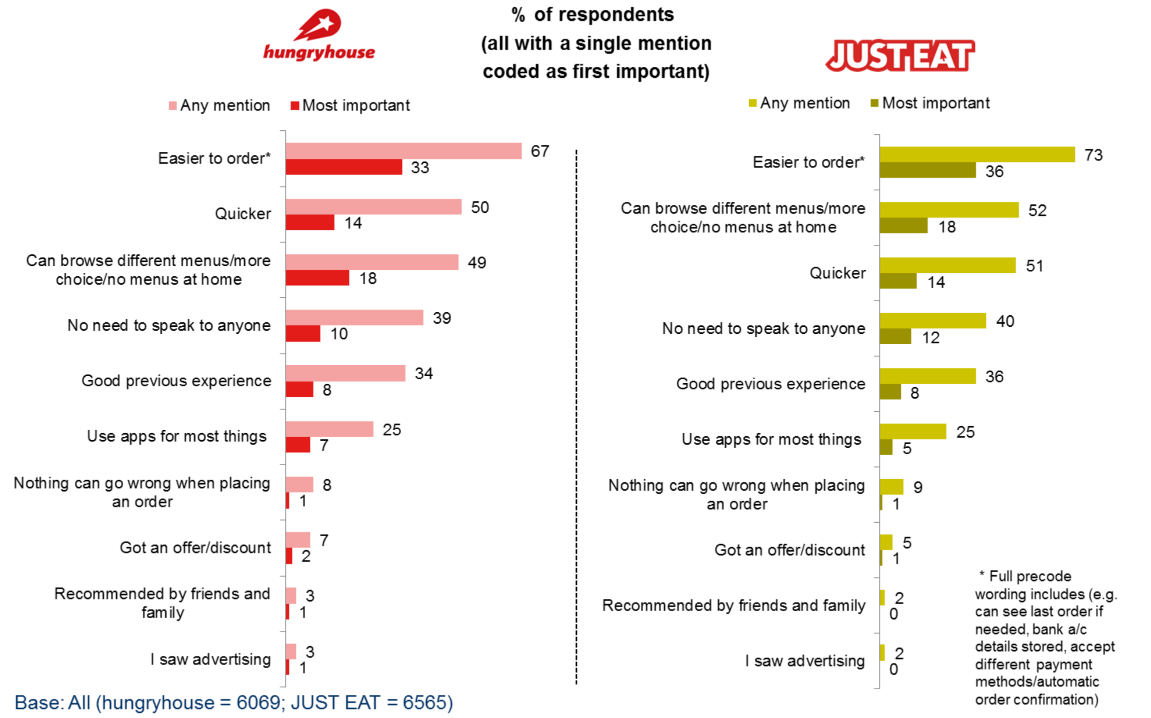
Respondents who gave more than one reason were then asked to give the top three reasons in rank order. For both providers, the top three most important reasons were:

1. Easier to order online (33% hungryhouse, 36% Just Eat)

2. Can browse different menus/more choice/no menus at home (18% hungryhouse, 18% Just Eat)

3. Quicker (14% hungryhouse, 14% Just Eat).

Chart 32 Top three reasons for ordering online (rank order)



Base: All (hungryhouse = 6069; JUST EAT = 6565)

B3. Why did you choose to order online on that occasion rather than by phoning or visiting the restaurant? Please select all that apply. B4. And which was **most important** to you in deciding to order online? Please rank the three most important aspects (RANK 1 USED IN CHART)

3.4.3 Choice mindset

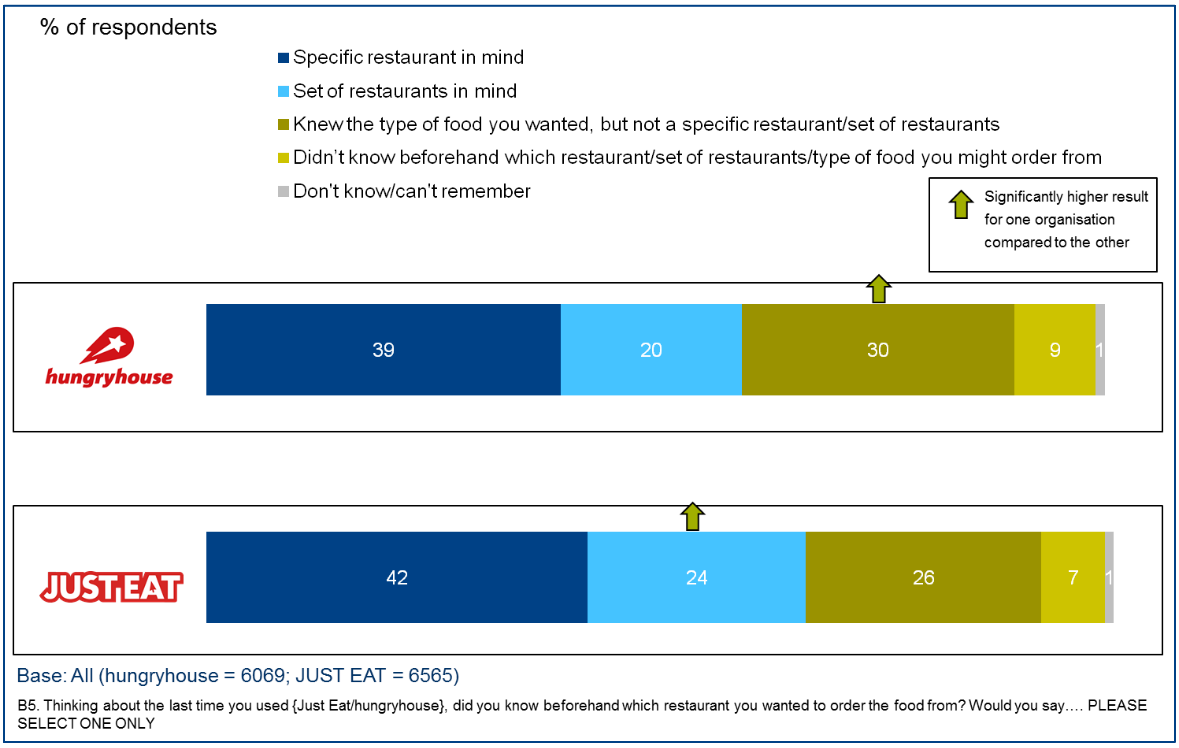
Respondents were asked to choose one of a list of statements that best described to what extent they knew beforehand which restaurant they wanted to order their food from when they last used the hungryhouse/ Just Eat service.

Around four in ten respondents in both groups had a specific restaurant in mind (39% of hungryhouse and 42% of Just Eat respondents), while 20% of hungryhouse respondents had a set of restaurants in mind - this figure was slightly but significantly higher amongst Just Eat respondents at 24%.

Thirty per cent of hungryhouse respondents knew the type of food they wanted but not the specific or set of restaurants; this figure was slightly but significantly higher than the 26% of Just Eat respondents who chose this answer.

Similar proportions in both groups said that they didn't know beforehand which restaurant/ set of restaurants or type of food they would order (9% hungryhouse and 7% Just Eat).

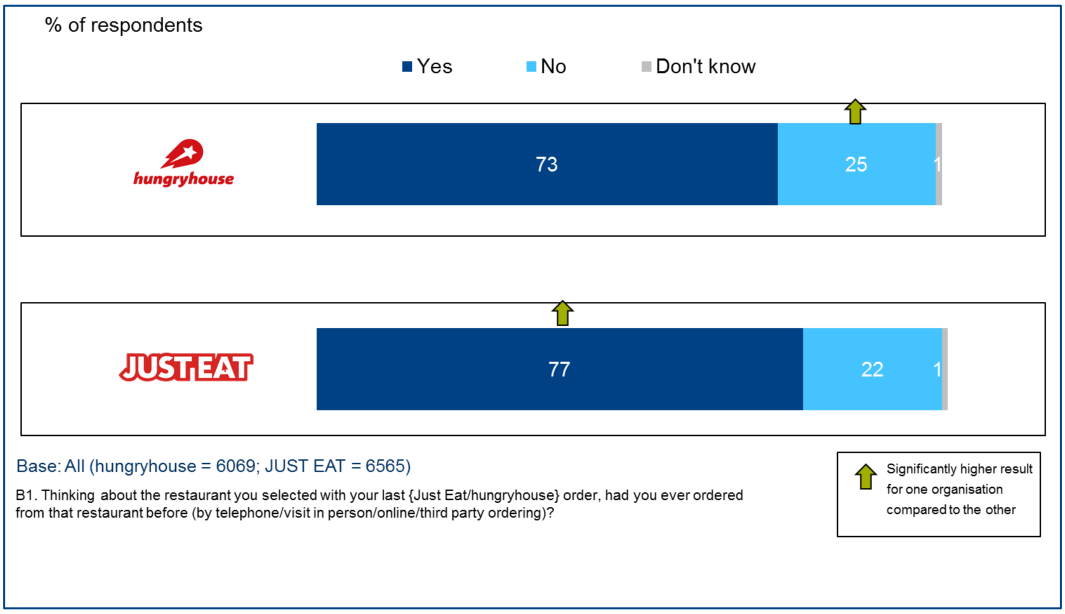
Chart 33 Choice mindset before placing last order



3.4.4 Ordered from restaurant before

Asked whether they had ordered from the restaurant previously, 73% of hungryhouse and 77% of Just Eat respondents said that they had (the difference between these proportions is significant).

Chart 34 Ordered from last restaurant chosen before



3.4.5 How ended up on hungryhouse or Just Eat

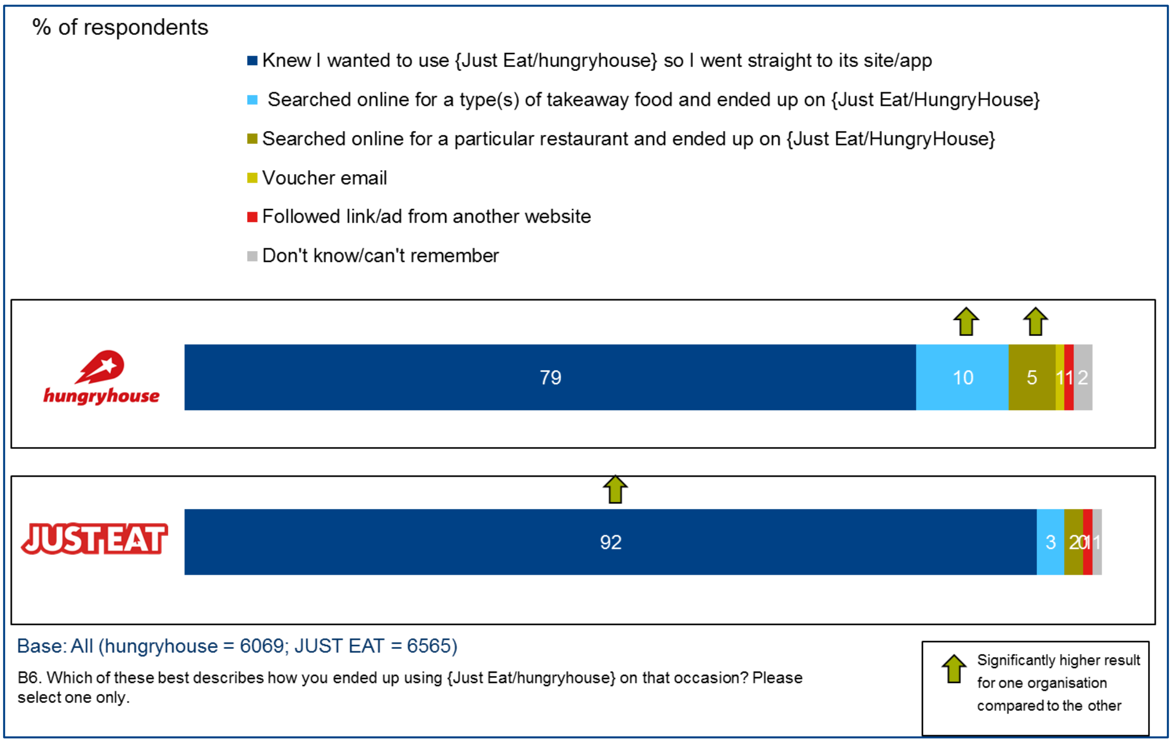
Respondents were asked which of a list of statements best described how they ended up using the hungryhouse or Just Eat service.

In the case of hungryhouse, around eight in ten respondents (79%) said that they knew they wanted to use that website/app and went straight to it; 10% searched online for a type of takeaway food and ended up on hungryhouse; 5% searched online for a specific restaurant and ended up on hungryhouse; 1% had a voucher and 1% followed a link from an email or website.

Amongst Just Eat respondents, 92% said that they knew they wanted to use that website/app and went straight to it; 3% searched online for a type of takeaway food and ended up on hungryhouse; 2% searched online for a specific restaurant and ended up on hungryhouse; and 1% followed a link from an email or website.

Just Eat respondents were thus significantly more likely than hungryhouse respondents to have known they wanted to use that service and gone straight to it, while hungryhouse respondents were significantly more likely than Just Eat respondents to have searched for a type of food or restaurant and ended up on that provider's website.

Chart 35 How ended up on hungryhouse or Just Eat

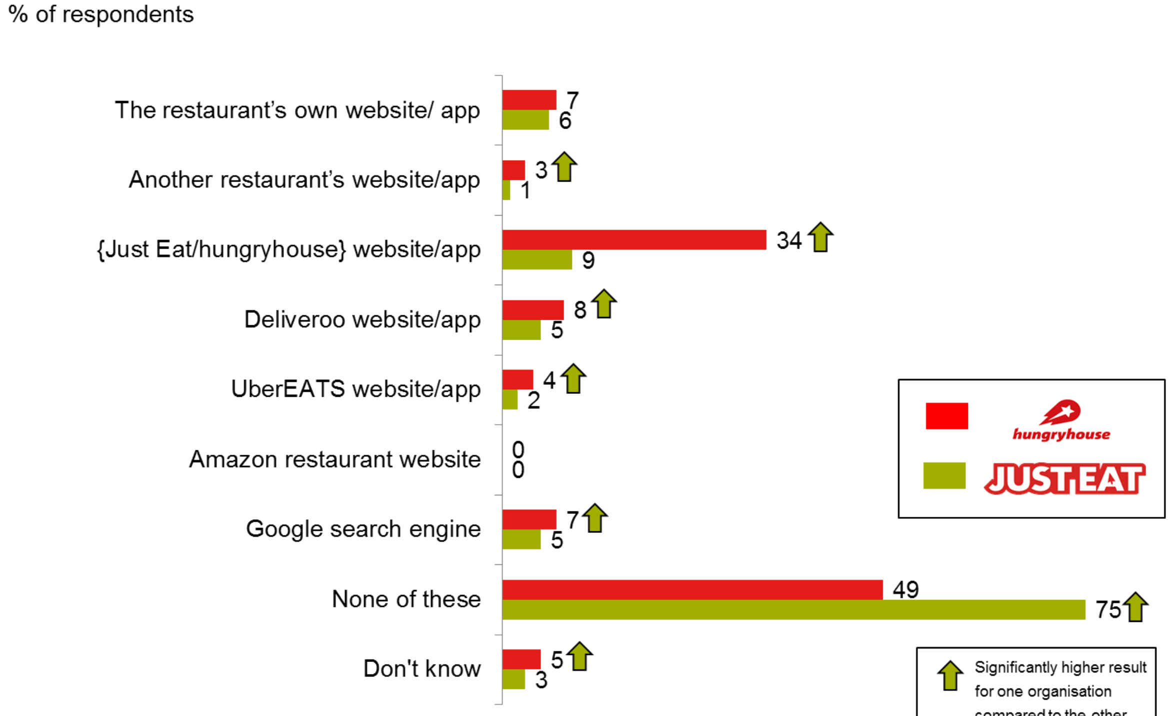


3.4.6 Use of other websites/ apps before order

Respondents were asked to reflect whether they had used other websites/ apps to search for a takeaway before they placed their last order with hungryhouse/ Just Eat.

Nearly all Just Eat users went straight to the website/ app (75%), and Just Eat users were significantly more likely to do this than hungryhouse users (49%). Conversely, hungryhouse users were more likely to visit the Just Eat site than Just Eat users were to have visited hungryhouse (34% versus 9%) and also more likely than Just Eat users to mention searching using the following before placing their order: Deliveroo (8% hungryhouse versus 5% Just Eat); UberEATS (4% versus 2%); and Google search engine (7% versus 5%).

Chart 36 Use of other websites/apps before order placed



Base: All (hungryhouse = 6069; JUST EAT = 6565)

B7. Before you placed your last order from { Just Eat/hungryhouse}, did you use any of these other websites/apps to search for a takeaway? Please select all that apply

Analysis by the volume of restaurants per OTO platform in the local area provided some indication that the higher the volume of Deliveroo restaurants locally, the more likely the respondent was to have used the Deliveroo website/app before placing their order. Amongst hungryhouse respondents, 17% of those with 70+ Deliveroo restaurants locally reported using the Deliveroo website/app before finally placing their order compared with 10% or less of those with a lower volume of Deliveroo restaurants locally. Amongst Just Eat respondents, 16% of those with 70+ Deliveroo restaurants locally had used the Deliveroo website/app before placing their order, compared with 8% or less of those with fewer Deliveroo restaurants in the locality. However the volume of Just Eat/hungryhouse restaurants locally did not make people more likely to have used the other party additionally

3.4.7 Reason for choosing hungryhouse/ Just Eat

Respondents were asked why they chose to use hungryhouse or Just Eat the last time they placed an order and were allowed to give as many answers from a precoded list as they wished.

Amongst hungryhouse users, the main reasons were a good previous experience (42%), easier to order (39%), had an account/app (28%) and good range of restaurants (22%). For Just Eat users, the main reasons were easier to order (52%), good previous experience (50%), had an app (40%) and good range of restaurants (28%).

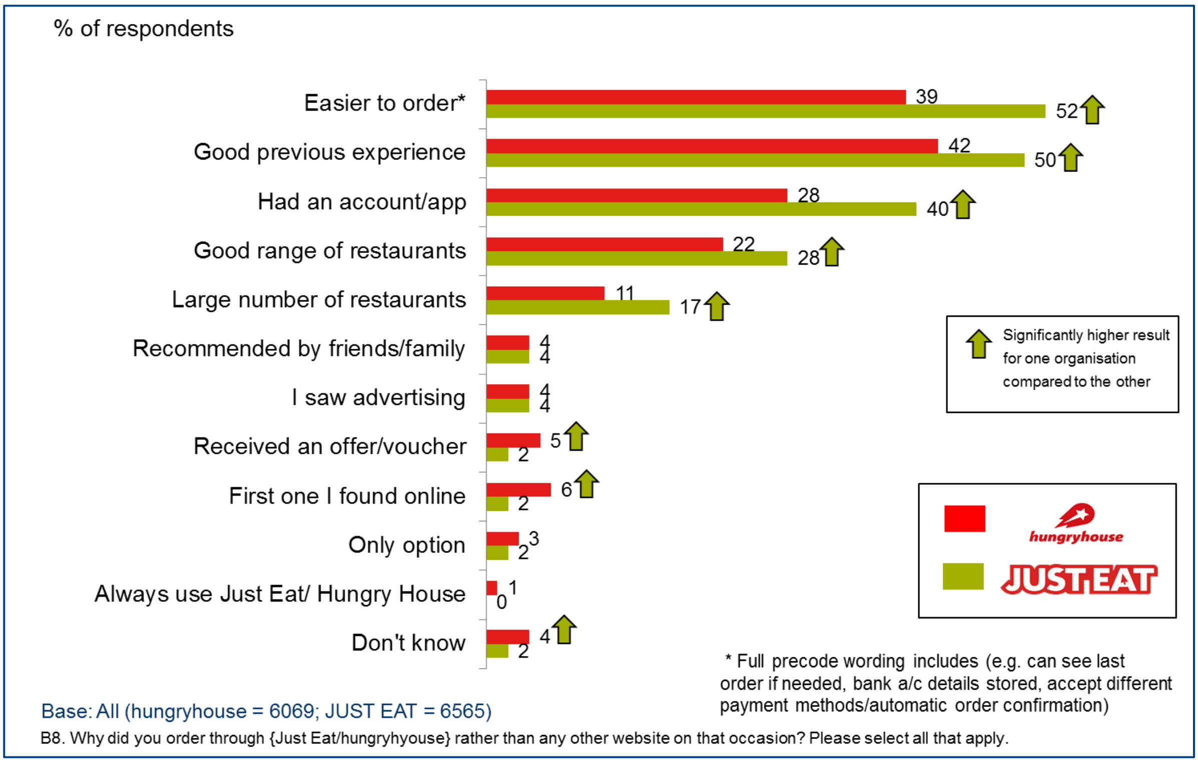
Just Eat respondents were significantly more likely than hungryhouse respondents to mention

- easier to order (52% versus 42%)
- good previous experience (50% versus 39%)
- had an account/ app (40% versus 28%)
- good range of restaurants (28% versus 22%)
- large number of restaurants (17% versus 11%)

On the other hand, hungryhouse respondents were significantly more likely than Just Eat respondents to mention:

- received an offer/ voucher (5% versus 2%)
- first one I found online (6% versus 2%)

Chart 37 Reasons for choosing hungryhouse/Just Eat to place order

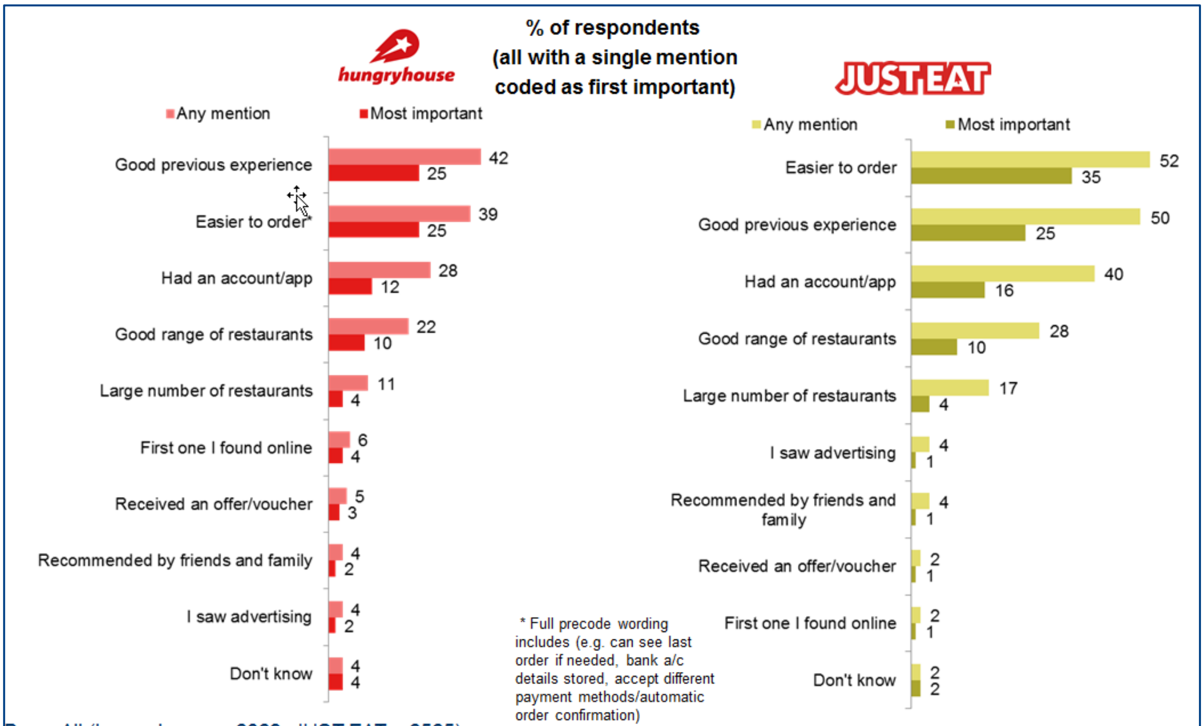


Respondents were then asked to say which were the three **most important** of their reasons for deciding to use hungryhouse or Just East, in rank order. For both providers, the top three most important reasons were[1]:

- Easier to order online (25% hungryhouse, 35% Just Eat)
- Good previous experience (25% hungryhouse, 25% Just Eat)
- Had an account/app (12% hungryhouse, 16% Just Eat).

[1] Note: hungryhouse users gave the same ranking to easier to order and good previous experience

Chart 38 Top three reasons for ordering online (rank order)



Base: All (hungryhouse = 6069; JUST EAT = 6565)

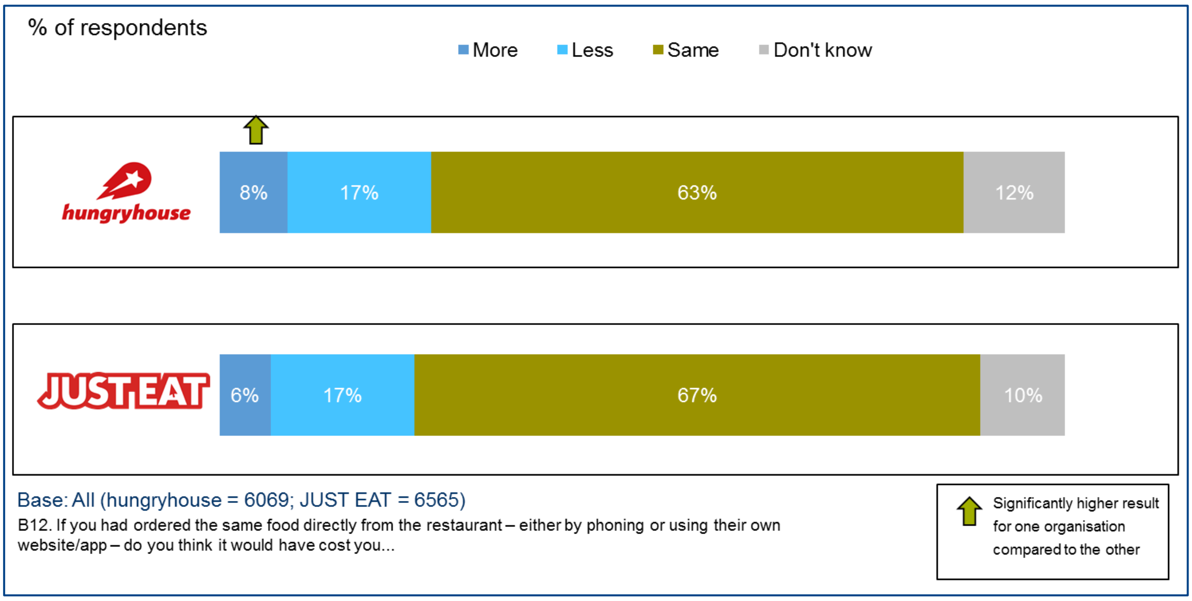
B8. Why did you order through Just Eat/hungryhouse rather than any other website on that occasion? Code all that apply. B9. And which was **most important** to you in deciding to order through {Just Eat/hungryhouse}? Please rank the three most important aspects aspects (RANK 1 USED IN CHART) .

3.4.8 Whether would expect order to cost more/ less if ordering direct

Respodnents were asked if they thought it would cost more, less or the same if they had ordered the food directly from the restaurant in question.

In each group, a majroty thought that it would cost the same (63% hungryhouse, 67% Just Eat), while 17% in both groups thought it would cost less. Only 8% of hungryhouse users and 6% of Just Eat users thought it would have costed more to have ordered directly from the restaurant.

Chart 39 Whether expect order to cost more/ less if ordering direct from restaurant



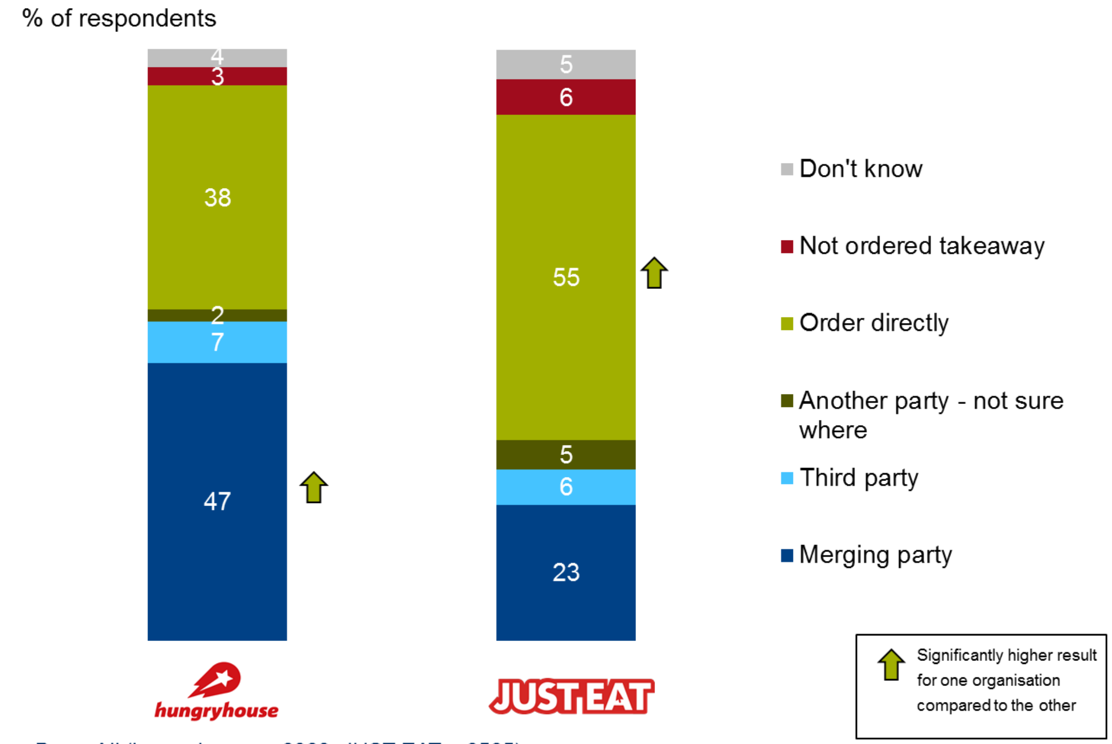
3.5 Diversion

3.5.1 Forced Diversion

Consumers were asked about their choice in a forced diversion scenario for their last order.

Hungryhouse customers were much more likely to divert to the merger party (47%) than Just Eat customers (23%). More Just Eat customers would choose to order directly from the restaurant (55% vs. 38% of hungryhouse customers).

Chart 40 Forced Diversion

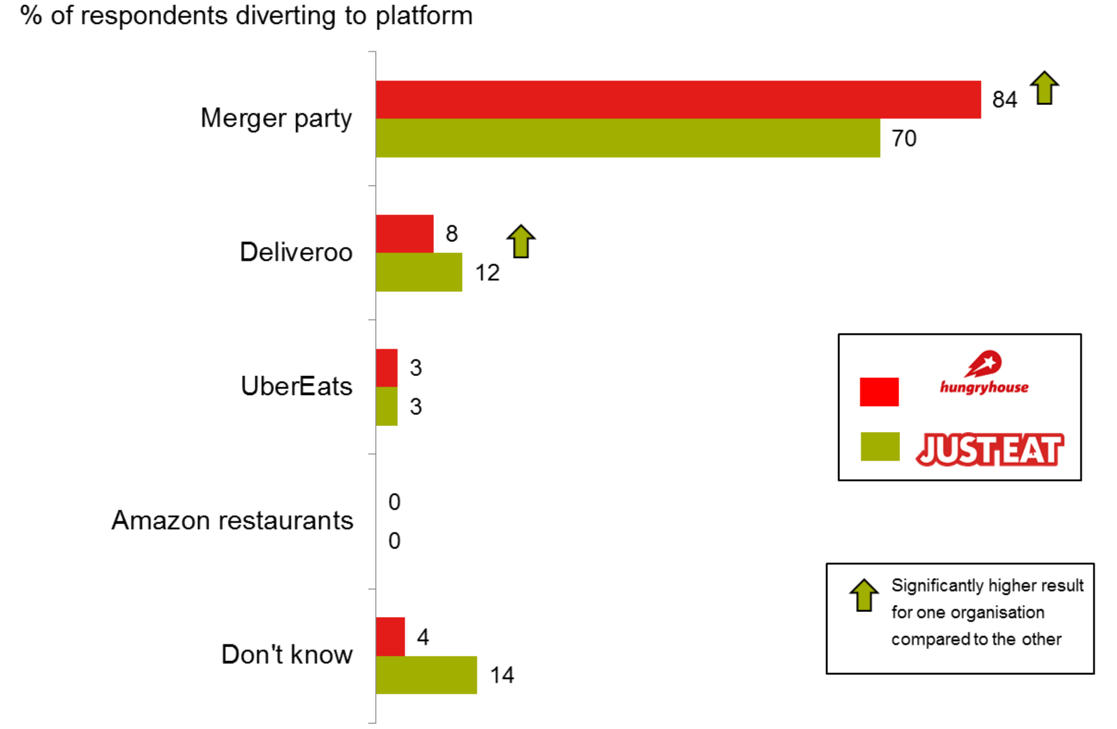


Base: All (hungryhouse = 6069; JUST EAT = 6565)

C01. Thinking about your last order from {Just Eat/hungryhouse}, suppose you had known beforehand that {Just Eat/hungryhouse} had closed down. Would you have..? C02. Which other third party ordering website or app would you have used instead?

The chart below shows the detail of which other platform the customer would have used instead (among those who said they would have diverted to another platform). The great majority of hungryhouse customers would have chosen the merger party, and whilst this was also of Just Eat customers they were more likely than hungryhouse customers to have diverted to Deliveroo.

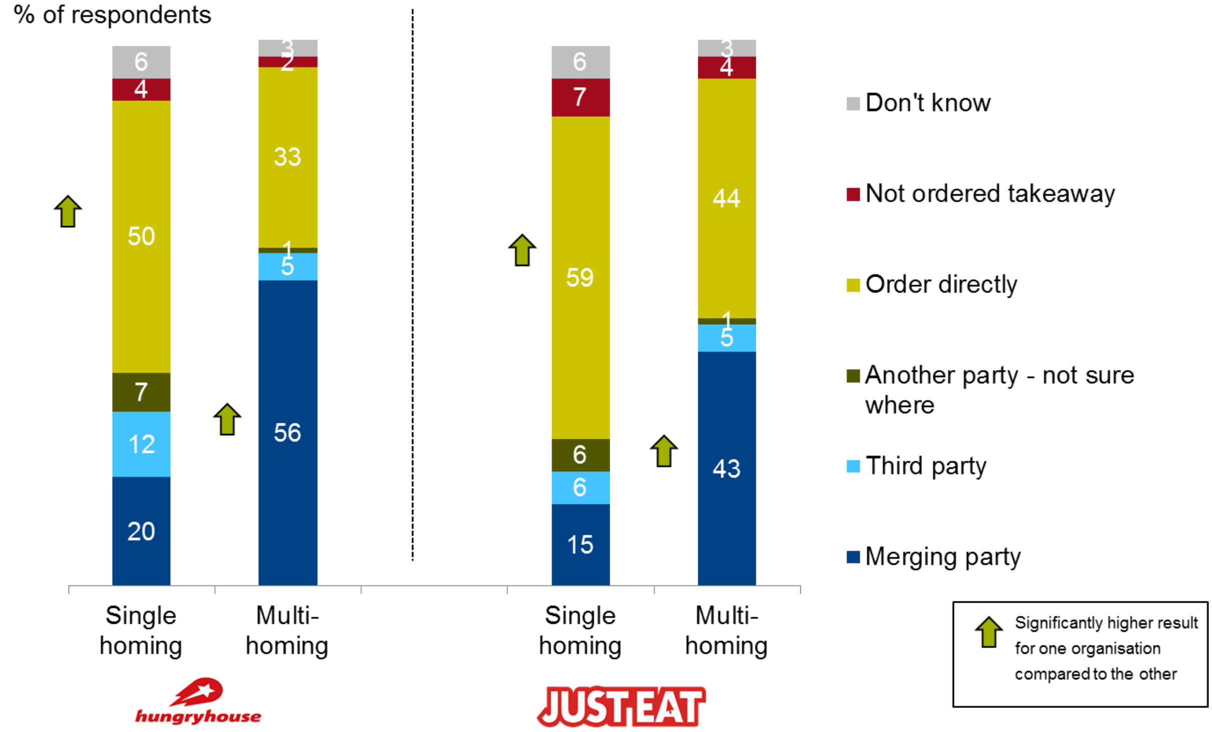
Chart 41 Other platform used instead



Base: All who would order a takeaway from another platform (hungryhouse = 3383; JUST EAT = 2188)
C02 Which other third party ordering website or app would you have used instead?.

Experience of having used the merger party was a significant influence on forced diversion choices. In the chart below we show the difference in choices between single-homing customers (those who had only used the one platform in the last 12 months) and multi-homing customers (who had used both merger party platforms in the last 12 months). For both hungryhouse and Just Eat, multi-homing customers were much more likely to say they would have diverted to the merger party than single-homing customers.

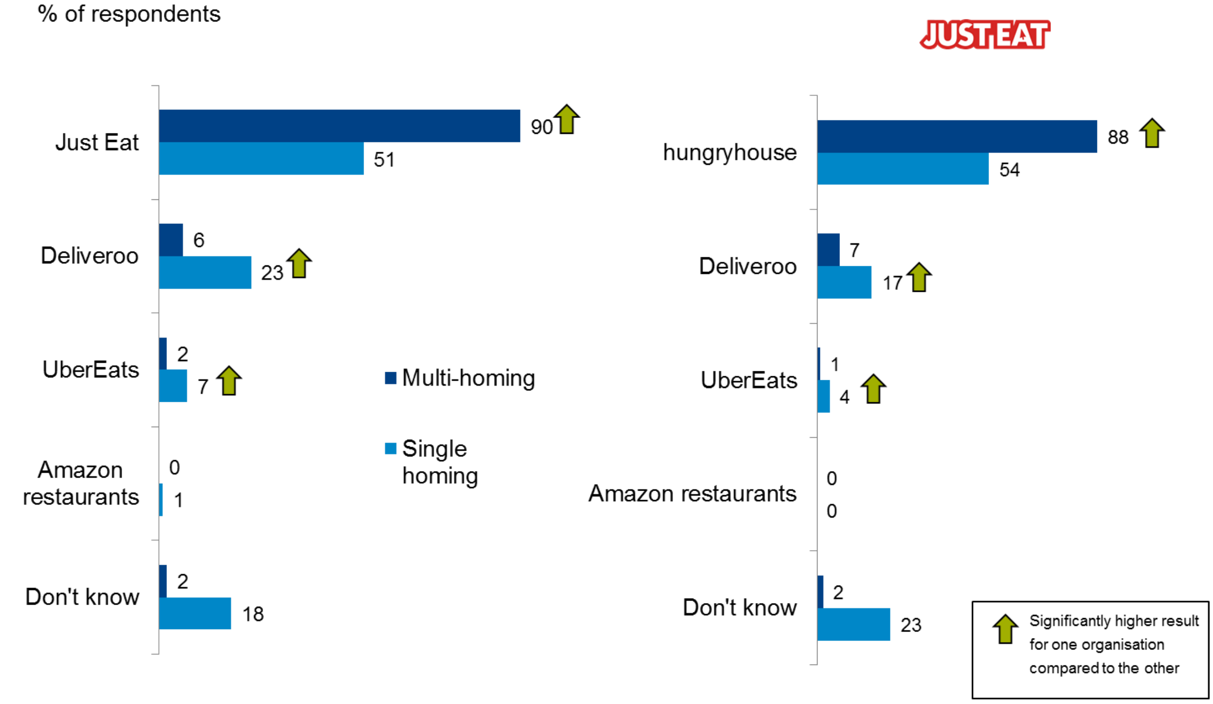
Chart 42 Forced Diversion: Last order



Base: All (hungryhouse: Single homing 1229, Multi-homing 4483; JUST EAT: Single homing 4072, Multi-homing 2054)
C01. Thinking about your last order from {Just Eat/hungryhouse}, suppose you had known beforehand that {Just Eat/hungryhouse} had closed down. Would you have..? C02. Which other third party ordering website or app would you have used instead?

This influence is also seen when analysing the detail of which other platforms customers would have chosen; multi-homing consumers were more likely than single-homing to divert to the merger party. Deliveroo would have been chosen more often by single-homing than multi-homing customers, and this is true of both hungryhouse and Just Eat customers.

Chart 43 Other platform used instead (by single/multi homing)

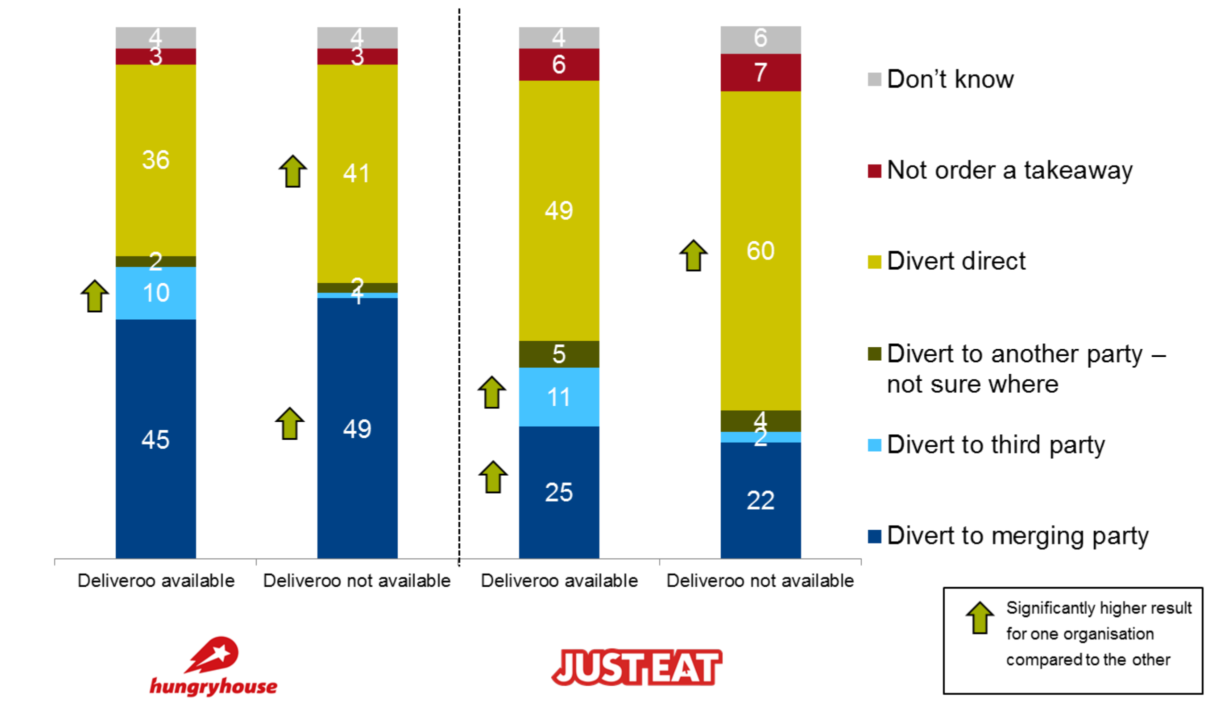


Base: All who would have ordered takeaway from another third party website/app (hungryhouse: Single homing 483, Multi-homing 2800; JUST EAT: Single homing 1119, Multi-homing 1005)

C02 Which other third party ordering website or app would you have used instead?

Diversion to a third party was much more prevalent among customers where there was a Deliveroo available in the local area (defined as a Deliveroo restaurant present within the postcode district where the customer lived), with about one in ten making this choice in these areas. The pattern was the same for both party customers.

Chart 44 Forced Diversion: Last order (availability of other platforms)



Base: All (hungryhouse: Deliveroo available 3826, Deliveroo not available = 2243; JUST EAT: Deliveroo available = 2718, Deliveroo not available = 3847).

C01. Thinking about your last order from {Just Eat/hungryhouse}, suppose you had known beforehand that {Just Eat/HungryHouse} had closed down. Would you have..? C02. Which other third party ordering website or app would you have used instead?

The chart below shows the details of which other platform would have been chosen among hungryhouse customers who said they would divert to another platform in the forced diversion scenario, analysed by competitor presence.

As one would expect, the more Deliveroo restaurants were present in the respondents' locality, the more likely they were to say they would divert to Deliveroo. The same was not true, however, for diversion to Just Eat, where there was no clear relationship between number of Just Eat restaurants and likelihood to divert there.

Chart 45 Other platform used by number of competitor restaurants: hungryhouse customers

% of respondents

	Number of restaurants - Deliveroo					Number of restaurants - Just Eat				
	None	Any	1 to 20	21 to 70	more than 70	None	Any	1 to 20	21 to 70	more than 70
Unwtd Base	1170	2209	366	723	1120	Too low for reporting	3379	59	677	2643
Just Eat	94%	78%	94%	87%	68%		84%	95%	91%	82%
Deliveroo	1%	12%	2%	7%	19%		8%	3%	5%	9%
UberEats	0	4%	1%	1%	7%		3%	-	0	4%
Amazon restaurants	0	0	-	0	1%		0	-	-	0
Don't know	4%	5%	3%	4%	5%		4%	2%	4%	4%

Base: as shown
Shaded column – base size too low for reporting
C02 Which other third party ordering website or app would you have used instead?

Similarly, when analysing the choices of Just Eat customers by competitor presence, we see that they too are more likely to divert to Deliveroo the more Deliveroo restaurants there are locally, and there is again no clear relationship between number of hungryhouse restaurants locally and diversion to hungryhouse.

Chart 46 Other platform used by number of competitor restaurants: Just Eat customers

% of respondents

	Number of restaurants - Deliveroo					Number of restaurants - HungryHouse				
	None	Any	1 to 20	21 to 70	more than 70	None	Any	1 to 20	21 to 70	more than 70
Unwtd Base	1073	1115	264	406	445	Too low for reporting	2169	390	974	805
Hungry House	78%	62%	73%	65%	53%		70%	68%	74%	66%
Deliveroo	4%	21%	14%	17%	28%		13%	10%	10%	17%
UberEats	1%	5%	2%	4%	7%		3%	1%	1%	6%
Amazon restaurants	0	0	-	0	1%		0	-	0	0
Don't know	15%	12%	11%	13%	11%		13%	19%	14%	10%

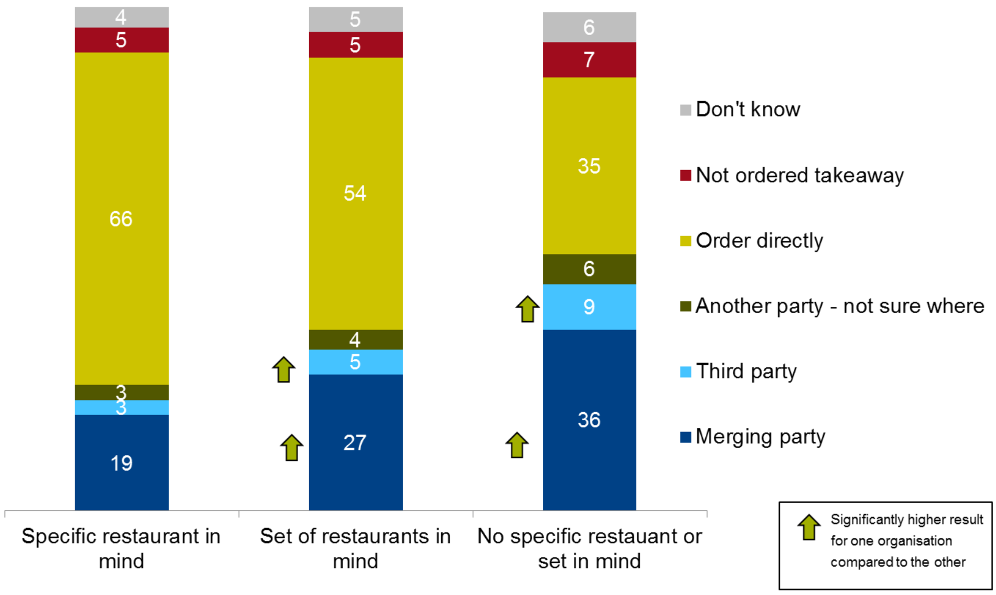
Base: as shown
Shaded column – base size too low for reporting
C02 Which other third party ordering website or app would you have used instead?

Whether or not the customer had a specific restaurant or set of restaurants in mind when they made their last order was also an influence on diversion choices. Those who had a specific restaurant in mind were much more likely to have ordered directly from the restaurant in the forced diversion scenario, whilst those who had neither a specific restaurant nor a set of restaurants in mind (i.e.

browsing without any preconceived ideas about which restaurant to choose) were much more likely to divert to the merger party.

Chart 47 Forced Diversion by mindset

% of respondents (hungryhouse and Just Eat combined)



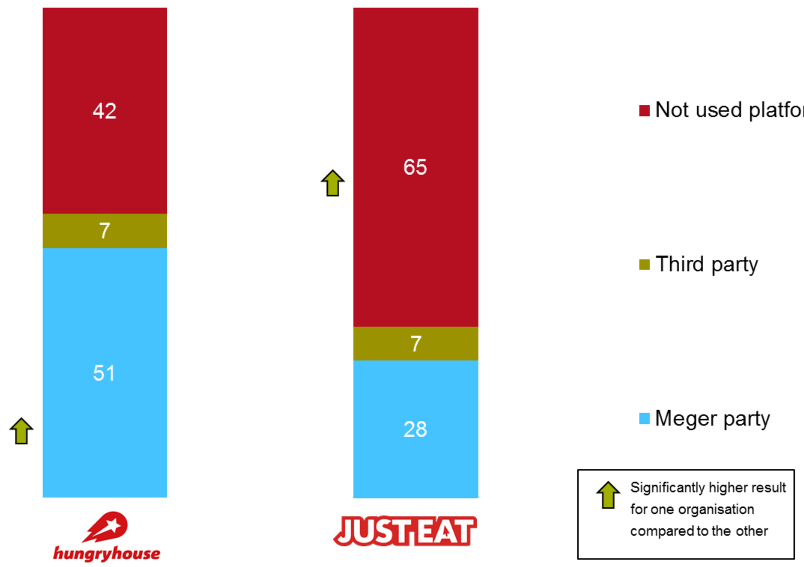
Base: All hungryhouse and Just Eat combined (specific restaurant = 5145; set of restaurants = 2825; no specific restaurants = 4546)

C01. Thinking about your last order from {Just Eat/hungryhouse}, suppose you had known beforehand that {Just Eat/hungryhouse} had closed down. Would you have..? C02. Which other third party ordering website or app would you have used instead?

Looking at the forced diversion ratios (for the customer's last order), the diversion to the merger party ratio was much higher among hungryhouse than Just Eat customers.

Chart 48 Forced Diversion: ratios

% of respondents

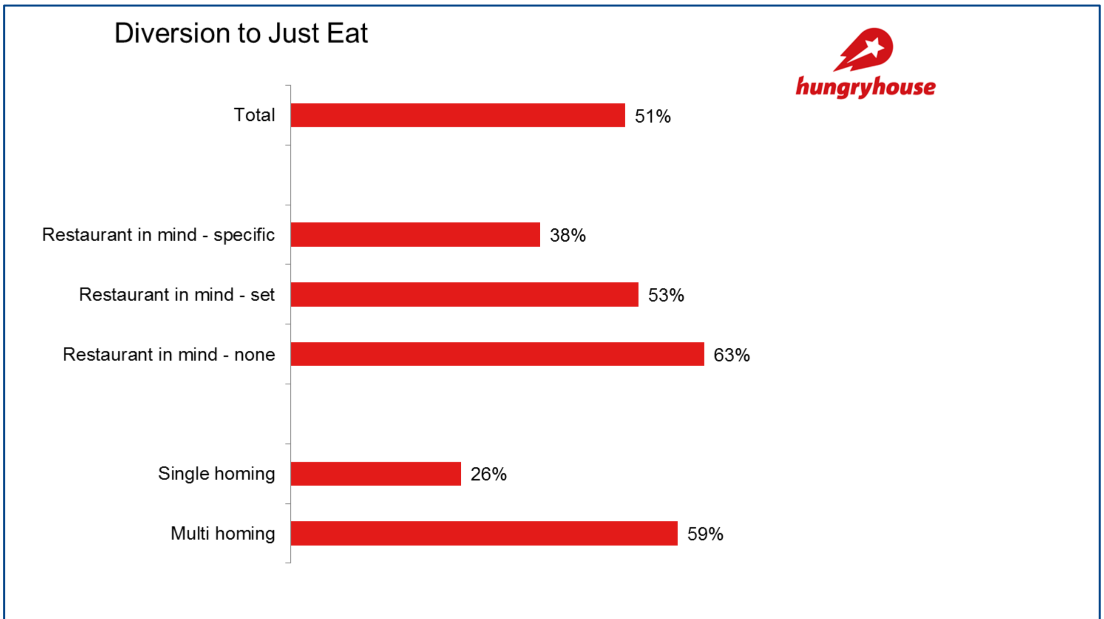


Base: All restaurants (hungryhouse = 6069; JUST EAT = 6565)

E6. Suppose that {JUST EAT/hungryhouse} closed down permanently. Would you join another company's online ordering platform or not? E7. Which other company's online ordering platform would you join? E8. I would like you to think about the situation now instead of when you joined {JUST EAT/hungryhouse} – TEXT INFILL FROM C1 Suppose that {JUST EAT/hungryhouse} closed down permanently now. Would you join another company's online ordering platform or not? E9. Which other company's online ordering platform would you join?

The next chart shows the percentage diversion to Just Eat among hungryhouse customers, broken down by whether or not the customer had a specific restaurant or set of restaurants in mind for their last order, and by single/multi-homing customers. Those who had no preconceived idea about which restaurant to choose were more likely to divert to Just Eat, as were multi-homing customers.

Chart 49 Forced Diversion ratio by restaurant mindset (hungryhouse customers)

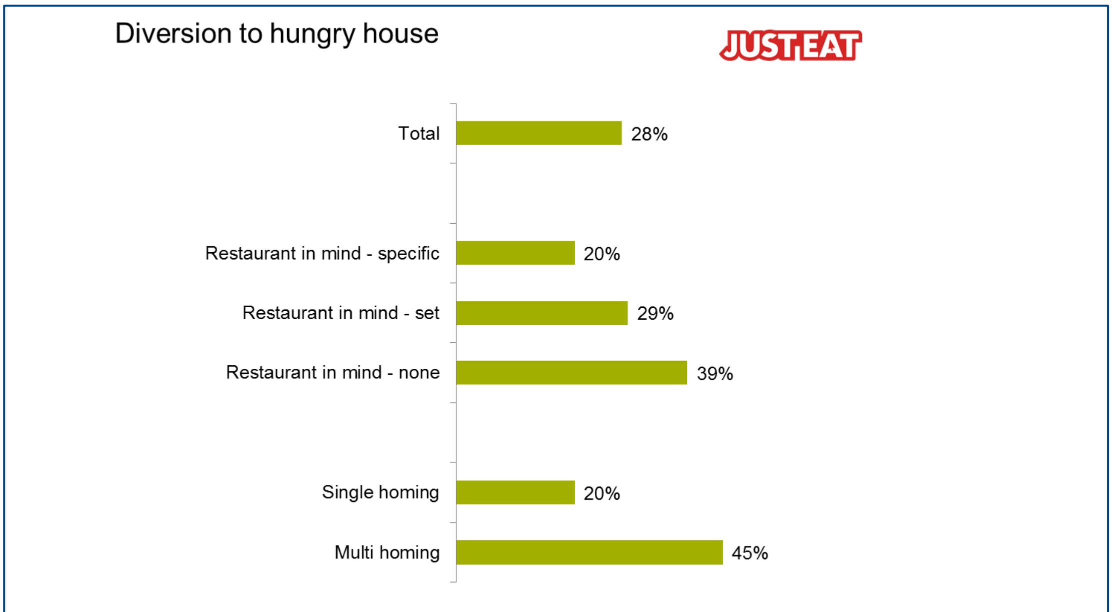


Base: All (Total = 6069, restaurant in mind – specific 2397, restaurant in mind – set 1223, restaurant in mind – none 2378, Single homing 1229, Multi homing 4483)

C01. Thinking about your last order from {Just Eat/hungryhouse}, suppose you had known beforehand that {Just Eat/hungryhouse} had closed down. Would you have..? C02. Which other third party ordering website or app would you have used instead?

This pattern was also evident among Just Eat customers (diverting to hungryhouse).

Chart 50 Forced Diversion ratio by restaurant mindset (Just Eat customers)

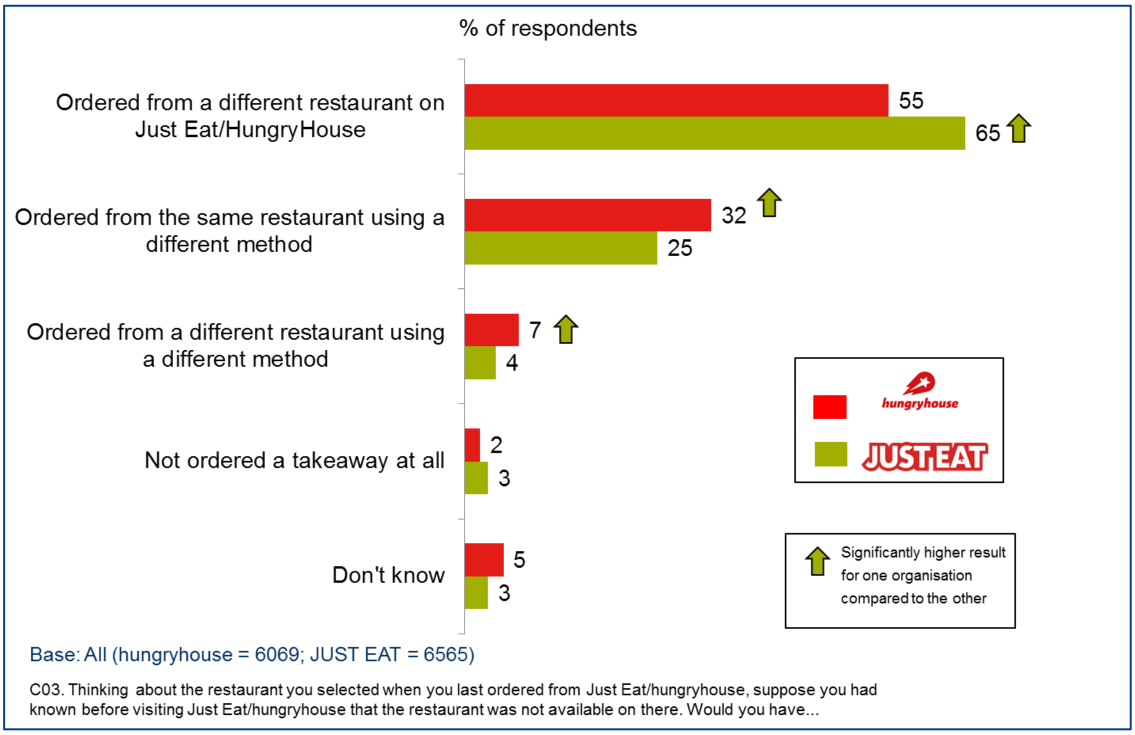


Base: All (Total = 6065, restaurant in mind – specific 2748, restaurant in mind – set 1602, restaurant in mind – none 2168, Single homing 4072, Multi homing 2054)

C01. Thinking about your last order from {Just Eat/hungryhouse}, suppose you had known beforehand that {Just Eat/hungryhouse} had closed down. Would you have..? C02. Which other third party ordering website or app would you have used instead?

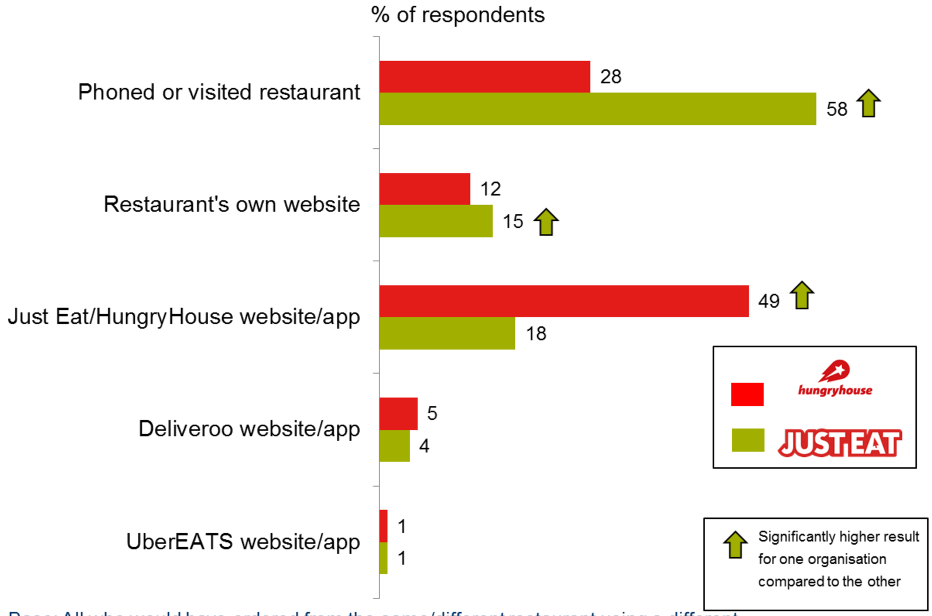
Consumers were also asked what they would have done if the restaurant they chose for their last order had not been listed on the platform they had used. The majority would have ordered from a different restaurant using the same platform, and this was true for both parties although for a larger majority in the case of Just Eat.

Chart 51 Diversion if chosen restaurant on platform



All those who would have ordered by a different method (i.e. not the platform used) – selecting the same or a different restaurant - were asked which other ordering method they would have used instead. The majority of Just Eat customers (nearly three in four) would have ordered directly from the restaurant, most likely by phone/visit or at a lower level via the restaurant website. In contrast, hungryhouse customers were more likely to have ordered through the merger party platform, with half saying they would have ordered through Just Eat.

Chart 52 Alternative ordering method



Base: All who would have ordered from the same/different restaurant using a different method (hungryhouse = 2326; JUST EAT = 1878)

C04. Which other ordering method would you have used instead?

4 Appendix

4.1 Technical note

4.1.1 Restaurants Survey

Sampling

The parties supplied lists of all restaurants on their platforms. The universe sizes were:

- 25,955 restaurants from Just Eat
- 10,670 restaurants from hungryhouse

The sample was designed to ensure sufficient coverage for analysis in the key cells based on the presence or absence of Deliveroo in the same postcode, and whether the restaurant had joined the platform in the last 12 months, or longer ago. The original intention had been to subdivide still further by the relative strength of hungryhouse as a source of orders for the restaurant, but it proved impossible to find a meaningful split. Thus the final stratification, and the target numbers of interviews in each cell, is shown in the table below.

Table 4.1: Sample/stratification

	Deliveroo Present	Deliveroo not Present
Just Eat joined recently	100	150
Just Eat not joined recently	100	150
hungryhouse joined recently	100	150
hungryhouse not joined recently	100	150

With each stratum restaurants were sorted by size before the sample was drawn.

A large number of restaurants were known to be listed on both parties' platforms, and so some de-duplicating of the sample was needed to avoid the same restaurants being contacted twice. Because of the considerable disparity of size of the two universes, and the differing levels of overlap, a special approach had to be taken to deal with duplicates.

The first stage was to draw the full sample, based on the estimated response rates, and then a search was made for any restaurants that were in both the Just Eat and the hungryhouse one. This itself was not a simple procedure because sometimes a restaurant appeared with slightly different names, and the parties did not supply full address details, only postcode. This meant duplicates had to be identified by a combination of telephone number and postcode.

Whenever a duplicate was found that restaurant was left in the hungryhouse sample, and a replacement was found to go in the Just Eat sample. This was done by identifying the next restaurant in the same stratum that was an exact match in terms of ALL of the following:

- Whether Deliveroo was present
- Whether the restaurant joined Just Eat recently
- Whether the restaurant joined hungryhouse recently

The first match located was then added to the Just Eat sample to replace the one that had been removed as a duplicate.

The questionnaire

Starting from a list of information topics needed by the investigation a draft of the questionnaire was drawn up via a meeting of CMA staff and GfK researchers, and a series of subsequent emails and telephone calls.

Once agreed the questionnaire was tested in a small pilot exercise. Interviewers were briefed by the research team, and 19 interviews were conducted in total. Recordings of all pilot interviews were listened to by the research team.

Following the pilot, recommendations were made for amendments, and a final questionnaire produced following a further round of discussions with the CMA.

Interviewing

Interviewing was conducted by telephone, using experienced interviewers at GfK's telephone centre in Luton. Interviewing commenced on June 22nd, and continued until July 9th. Interviewers were briefed by a GfK researcher before starting work, alongside a CMA representative. Some interviews were monitored by the CMA after the briefing, and as well as the standard GfK process of a sample of interviews being monitored by a team leader, GfK researchers also listed to recordings of some of the early interviews. Some additional general instructions were given to all interviewers, as well as personal additional briefing of some interviewers on particular questionnaire points.

Where contact emails were supplied as part of the sample an advance email was sent to the named contact, explaining the purpose of the survey and encouraging response.

The sample leads were a mixture of named sample and cases simply labelled "The owner" or "The manager". Interviewers were only able to interview a different person at the restaurant if the sample person had left or was unavailable for the whole of fieldwork.

Only one telephone number was supplied by hungryhouse, but two were provided by Just Eat, usually one landline and one mobile number. The mobile number was tried first but if no contact was made after 5 or more attempts the landline number was attempted instead.

In total 973 interviews were conducted, representing an effective response rate of 21%. Full details of response are shown below.

Chart 53 Response breakdown: Restaurants survey

	Just Eat	hungryhouse	Total
Sample issued	3500	3500	7000
Ineligible – closed down, wrong number, duplicate cases	500	661	1161
Out of quota	510	796	1306
Effective sample	2490	2043	4533
Refusals	606	597	1203
No reply after multiple attempts	834	626	1460
Other non-response	561	336	897
Interviews	489	484	973
Response rate	20%	24%	21%

Analysis

Because some of the smaller strata were over-sampled to produce suitable numbers for analysis stratification weighting was required to ensure the total sample was representative of the universe of restaurants supplied by the parties. This was achieved by weighting cases from each stratum to the proportion that stratum represented in the sample universe. As well as correcting for the differential probabilities of selection this weight also compensated for any differential response between restaurants in the different strata.

Weighting the entire sample in this way reduced the effective sample size by 50%. The main cause of this large reduction in effective sample size was the disparity of the universes of Just Eat and hungryhouse restaurants, and to avoid this separate tables were run for Just Eat restaurants and for hungryhouse ones. The result of this revised weighting was to reduce the effective sample size for Just Eat by 21% and for hungryhouse by 26%

A specification was agreed with the CMA for a set of standard crossbreaks, and all survey variables were analysed by these crossbreaks. Derived variables were produce, mainly for diversion calculations, and these too were agreed with the CMA before tables were produced.

4.1.2 Customer Survey

Sampling

The parties supplied complete lists of customers who had ordered via the app or website in two weeks recent (in the case of Hungry House) or just one recent week (in the case of Just Eat).

For the survey only Hungry House customers who had ordered in the more recent of the two weeks were included, and all of those groups were invited to take part in the survey.

Because of the much larger number of customers of Just Eat every tenth customer was sampled for inclusion in the survey.

The questionnaire

Starting from a list of information topics needed by the investigation a draft of the questionnaire was drawn up via a meeting of CMA staff and GfK researchers, and a series of subsequent emails and telephone calls.

Once agreed the questionnaire was tested in a small cognitive pilot exercise. Ten interviews with Just Eat customers were conducted, using sample provided by Just Eat. As the sample of customers was not yet available from Hungry House ten respondents were found by a variety of types of networking.

Interviews were conducted by all three members of the GfK research team. As there had not been time to script the online questionnaire a Word version of the questionnaire was emailed to respondents, and they went through the questionnaire in a telephone interview with the researcher – reading the questions to themselves and then reading out their answer so the researcher could control the routing.

Respondents were encouraged to say if there was anything they found unclear, or difficult to answer. In addition there were a number of scripted probes to test respondent understanding of some of the terminology.

Following the pilot, recommendations were made for amendments, and a final questionnaire produced following a further round of discussions with the CMA.

Data Collection

All sampled customers were sent an email explaining the purpose of the survey, encouraging them to take part, and including a link to the online survey, with a unique url.

Invitations were sent out on June 29th and 30th, and reminders were sent on July 5th, with a second reminder on July 10th. Data collection continued until July 12th.

Those who were aged under 18, and those who had not ordered from the platform in the last eight weeks were screened out and treated as ineligible.

A total of 12,634 responses were received, representing a response rate of 4% once invalid email addresses and screening failures have been removed from the total. In line with standard practice it has been assumed that the proportion of ineligible cases will be the same among those who did not respond as among those who did.

	Just Eat	hungryhouse	Total
Emails sent	153888	163457	317345
Invalid address	2343	3144	5487
Screening failure	431	945	1376
Valid sample	141496	140140	281636
Responses received	6069	6565	12634
Response rate	4.3%	4.7%	4.5%

Analysis

Because only one in ten Just Eat customers had been sampled, but all the hungryhouse ones had been, stratification weighting was required to ensure the total sample was representative of the universe of customers supplied by the parties. This was achieved by weighting achieved cases from each party to the proportion that party represented in the sample universe. As well as correcting for the differential probabilities of selection this weight also compensated for any differential response between customers of the two parties.

The net effect of this stratification weighting was to reduce the effective sample size by 30%.

A specification was agreed with the CMA for a set of standard crossbreaks, and all survey variables were analysed by these crossbreaks. Derived variables were produce, mainly for diversion calculations, and these too were agreed with the CMA before tables were produced.

4.2 The Questionnaires

4.2.1 The restaurant questionnaire

III. INTRODUCTION

Good morning/afternoon. Please can I speak to [NAMED CONTACT].

(IF NO NAMED CONTACT, OR NAMED CONTACT NO LONGER WORKS AT ESTABLISHMENT, OR NAMED CONTACT NOT AVAILABLE DURING FIELDWORK PERIOD, SAY:

Please can I speak to the owner or manager of the restaurant.

IF QUERIED ABOUT WHO WE MEAN SAY:

I'd like to speak to the person who is responsible for making decisions about the different ways people can order food from you.

My name is ….. and I'm calling from GfK, an independent market research agency. We are carrying out a short survey amongst restaurants on behalf of the Competition and Markets Authority, an independent public body.

The survey will take about 10 minutes to complete – is it convenient to talk now?

ADD REASSURANCES AS NECESSARY:

- Everything you say is confidential and no responses will be attributed to you
- There will be no attempt to sell you anything, either during or as a result of the survey
- Your contact details were provided to us by the Competition and Markets Authority (ADD IF NECESSARY – who obtained them from {JUST EAT/HUNGRYHOUSE})
- The interview will be recorded, but this is for our own quality assurance purpose and the recording will not be kept
- The survey is about how consumers order takeaway food from restaurants
- The Competition and Markets Authority is an independent body that investigates how well markets are operating for consumers

IV. SCREENER

Base: all respondents

S01. Can I just check, are you the person responsible for making decisions about how you sell takeaway food from your restaurant?

- Yes – GO TO S03
- No – ASK S02

Base: all who are NOT the decision maker about the marketing of takeaway food from your restaurant

(No at S01)

S02 Is there anyone else at your restaurant you could refer us to who makes these decisions and would be able to answer this survey?

1. Yes – TAKE CONTACT NAME AND DETAILS, AND EITHER TRANSFER OR CALL BACK
2. No – THANK AND TERMINATE – CODE AS NO DECISION-MAKER AT ESTABLISHMENT

SCRIPTER: IF CODE 2 SCREEN OUT

SCRIPTER: ASK SO3 IF CODE 1 (YES) AT S01 OR S02

Base: all who are the decision maker about the marketing of takeaway food from your restaurant

(Yes at either S01 or S02)

S03 The survey is about your use of companies that provide online takeaway ordering platforms. These platforms list different restaurants and enable consumers to order takeaway food through them from any of the listed restaurants.

According to our records, your restaurant is listed on {JUST EAT/HUNGRYHOUSE} . Is that correct?

- Yes
- No - CLOSE
- DK - CLOSE

SCRIPTER:

SCREEEN OUT IF: NO/DK AT S02 OR SO3

CONTINUE IF: YES AT S01 OR S02 AND S03

V. MAIN QUESTIONNAIRE

A Online Ordering Platforms

Base: all respondents

A1 [M]. Is your restaurant listed on any other company's online ordering platform? IF YES; Which one?

PROMPT: Which others? PROMPT TO NEGATIVE

DO NOT READ OUT BUT CODE ALL THAT APPLY

1. HUNGRYHOUSE [if sampled for JUST EAT]/JUST EAT [if sampled for HUNGRYHOUSE]
2. Deliveroo
3. UberEATS
4. Amazon restaurants
5. Other, please specify
6. No – not listed on any other platform
7. Don't know/not sure

B Online Ordering Platforms

Base: all respondents

B1[S]. Are you an independent restaurant or part of a chain?

1. Independent – *GO TO B3*
2. Part of a chain – *GO TO B2*

Base: all who are part of a chain (CODE 2 AT B1)

B2[S]. How many restaurants are in the chain?

1-5

6 to 10

11+

Base: all respondents

B3 [S]. When was the restaurant established?

DO NOT READ OUT BUT PROBE TO PRECODES

INTERVIEWER NOTE: Please note if restaurant is part of a chain we are referring to when the site was established not when the chain was established

1. Within the last month
2. Within last three months
3. Within last 6 months
4. Within last year
5. Within last 2 years
6. Within last 5 years
7. More than 5 years ago
8. Don't know/Can't remember

Base: all respondents

B4[S]. Do you provide takeaway services only, or takeaway and eat-in?

1. Takeaway only
2. Takeaway and eat-in

Base: all respondents

B5[S]. Does your restaurant have its own website?

1. Yes – *GO TO B6*
2. No – *GO TO INSTRUCTION BEFORE B7*

Base: all who have their own website (code 1 at B5).

B6 [S]. Can your customers order food from your own website, or not?

1. Yes
2. No

SCRIPTER: ASK B7 IF CODE 2 AT B4. EVERYONE ELSE GO TO B8

Base: all who provide takeaway and eat-in (code 2 at B4)

B7. How is your revenue split between eat-in and takeaway orders? Please give a rough percentage for each.

Eat in ____________%

Takeaway _______________%

SCRIPTER ADD CHECK THAT SUMS TO 100%

Base: all respondents

B8. Thinking about your takeaway revenue, how is this split between orders placed with your restaurant directly and orders placed through other company's online ordering platforms? Please give a rough percentage for each.

READ OUT IF NECESSARY – Direct orders includes all those from customers visiting the restaurant, phoning the restaurant, or ordering from your own restaurant website

TYPE IN %

Direct orders____________ %

Orders from online platforms _____%

SCRIPTER ADD CHECK THAT SUMS TO 100%

Base: all respondents

B9[S]. Does your restaurant provide a delivery option to customers?

1. Yes – *GO TO B10*
2. No – *GO TO INSTRUCTION BEFORE B11*

Base: all who provide a delivery option (code 1 at B9).

B10[S]. Are the people who do the delivery managed by you, or do you use another company to do the deliveries?

1. Delivery managed by you only
2. Use another company to do the deliveries only
3. Mixture of each
4. Don't know

SCRIPTER: ASK B11 IF CODE 2 AT B9 OR CODE 1 AT B10. EVERYONE ELSE GO TO C1

Base: all who provide in house delivery or no delivery (code 2 at B9 OR CODE 1 AT B10). Everyone else go to C1

B11 [S]. Are you likely or unlikely to use an external company to do your deliveries within the next couple of years?

1. Likely
2. Unlikely
3. Not sure/depends
4. Don't know

SCRIPTER: GO TO C1

C Joining Just Eat/HungryHouse

Base: all respondents

C1 [S]. Roughly when did your restaurant join {JUST EAT/HUNGRYHOUSE}?

DO NOT READ OUT BUT PROBE TO PRECODES

1. Within the last month – GO TO C2
2. Within last 3 months – GO TO C2
3. Within last 6 months – *GO TO C2*
4. Within last year – *GO TO C2*
5. Within last 2 years – *GO TO INSTRUCTION BEFORE C5*
6. Within last 5 years – *GO TO INSTRUCTION BEFORE C5*
7. More than 5 years ago – *GO TO INSTRUCTION BEFORE C5*
8. Can't remember – *GO TO INSTRUCTION BEFORE C5*

SCRIPTER: ASK C2 IF A CODE 1, 2, 3 OR 4 AT C1. IF CODES 5 TO 8 AT C1 GO TO INSTRUCTIONS BEFORE C5

Base: all who joined Just Eat/HungryHouse within the last year (codes 1 or 2 or 3 or 4 at C1)

C2 [M]. At the time of joining {JUST EAT/HUNGRYHOUSE}, were you already listed on any other company's online ordering platform? IF YES Which one? PROMPT: Which others? PROMPT TO NEGATIVE

DO NOT READ OUT BUT CODE ALL THAT APPLY

1. HUNGRYHOUSE [if sampled for JUST EAT]/JUST EAT [if sampled for HUNGRYHOUSE]
2. Deliveroo
3. UberEATS
4. Amazon restaurants
5. Other, please specify
6. No – not listed on any other platforms
7. Don't know

SCRIPTER: ASK C3 IF CODE 6 AT C2. REST GO TO INSTRUCTION BEFORE C4

Base: all who were NOT listed with any other companies when joined {Just Eat/HungryHouse} (code 6 at C2) and joined within the last year (codes 1,2,3 or 4 at C1)

C3. Why did you decide to join {JUST EAT/HUNGRYHOUSE} rather than another online ordering platform at that time? PROMPT: Why else? PROMPT TO NEGATIVE. DO NOT READ OUT BUT PROBE TO PRECODES.

IF RESPONDENT SAYS BETTER/BEST COMPANY/PLATFORM, PROMPT WITH: Why was it the best company/platform?

CODE FIRST AND OTHER MENTIONS SEPARATELY

Commission rate (any mention e.g. low/reasonable/better etc.)

Sign-up fee (any mention e.g. low/reasonable/better etc).

Good/better brand reputation

Large number/more customers

Access to customers would not otherwise reach

Best company (not specified why)

Recommendation

Good way of advertising my restaurant

Saw {JUST EAT/HUNGRY HOUSE} advertising

Not aware of other platforms

Other (WRITE IN)

Don’t know

SCRIPTER: ASK C4 IF CODE 1,2,3,4 OR 5 AT C2. EVERYONE ELSE GO TO INSTRUCTION BEFORE C5

Base: all who were listed with another company when joined {Just Eat/HungryHouse} (code 1,2,3,4 or 5 at C2) and joined within the last year (codes 1,2,3 or 4 at C1)

C4. Why did you decide to join {JUST EAT/HUNGRYHOUSE} at that time? PROMPT: Why else? PROMPT TO NEGATIVE. DO NOT READ OUT BUT PROBE TO PRECODES.

CODE FIRST AND OTHER MENTIONS SEPARATELY

Commission rate (any mention e.g. low/reasonable/better etc.)

Sign-up fee (any mention e.g. low/reasonable/better etc).

Good brand reputation

Get more customers

Access to customers would not otherwise reach

Recommendation

Good way of advertising my restaurant

Saw {JUST EAT/HUNGRY HOUSE} advertising

Other (WRITE IN)

Don’t know

SCRIPTER: ASK C5 IF CODE 6 AT A1. EVERYONE ELSE GO TO D1

Base: if only uses Just East/HungryHouse (code 6 at A1) ask C5. Everyone else go to D1

C5. You mentioned that you now use {JUST EAT/HUNGRY HOUSE} but no other companies. Why do you use only one online ordering company? PROMPT: Why else? PROMPT TO NEGATIVE.

INTERVIEWER DO NOT READ OUT BUT PROBE TO PRECODES.

CODE FIRST AND OTHER MENTIONS SEPARATELY.

1. Not thought about joining another company/platforms
2. Have enough orders/ customers
3. To maintain good share of direct orders
4. To keep cost down
5. Difficult to manage more than one platform
6. Not aware of/familiar with any other platforms
7. Other platforms don’t operate in my area
8. {Just Eat/Hungry House} is best company/platform
9. Other, write in
10. Don’t know

D Commission

Base: all respondents

D1. What is the percentage commission you pay to {JUST EAT/HUNGRYHOUSE}?

TYPE IN %

Don't know

SCRIPTER: ASK D2 IF AT D1 ANSWER IS LESS THAN 5% OR MORE THAN 20%. EVERYONE ELSE GO TO E1

Base: if response is less than 5% or more than 20% ask D2. Everyone else go to E1

D2[S]. Can I just check, that's a bit higher/lower than most people have been telling us. Are you sure that's right?

1 Yes correct

2 No – enter revised %

E Diversion

Base: all respondents

E1 [S]. Suppose {JUST EAT/HUNGRYHOUSE} were to increase the commission they charge you from (value at D1/D2) to [value at D1/D2 plus 1%]. Would you continue to use {JUST EAT/HUNGRYHOUSE}, or would you leave them?

1. Continue to use – *Go to instruction before E3*
2. *Leave – Go to E2*
3. Not sure – *Go to instruction before E3*

SCRIPTER: ASK E2 IF CODE 2 AT E1. EVERYONE ELSE GO TO INSTRUCTION BEFORE E4

Base: all who would leave (code 2 at E1) ask E2. Everyone else go to instruction before E4

E2 [S]. You say you would leave {JUST EAT/HUNGRYHOUSE}. Would you join another company's online ordering platform instead, or NOT join another company?

1. Join another company – Go to E3
2. Not join – Go to instruction before E4
3. Not sure – Go to instruction before E4

SCRIPTER: ASK E3 IF CODE 1 AT E2. EVERYONE ELSE GO TO INSTRUCTION BEFORE E4

Base: all who leave and join another company (code 1 at E2) ask E3. Everyone else go to instruction before E4

E3[S]. Which other company's online ordering platform would you join instead? [Exclude those they are already a member of from the list below]

DO NOT READ OUT, SINGLE CODE ONLY

1. HUNGRYHOUSE [if sampled for JUST EAT]/JUST EAT [if sampled for HUNGRYHOUSE]
2. Deliveroo
3. UberEATS
4. Amazon restaurants
5. Other, please specify
6. Don't know/not sure

SCRIPTER: ASK E4 IF CODE 1,2, 3 OR 4 AT C1. EVERYONE ELSE GO TO E6

Base: all joined in the last year (codes 1,2,3 or 4 at C1) ask E4. Everyone else go to E6

E4[S]. Thinking back to the time you were deciding to join {JUST EAT/HUNGRYHOUSE}, imagine that {JUST EAT/HUNGRYHOUSE} had not existed then. Would you have joined another company's online ordering platform at that time, or not?

1. Yes – joined another platform – *Go to E5*
2. No – not joined – *Go to instruction before E6*
3. Don't know/Not sure – *Go to instruction before E6*

SCRIPTER: ASK E5 IF CODE 1 AT E4. EVERYONE ELSE GO TO INSTRUCTION BEFORE E6.

Base: all who would join another platform (code 1 at E4) ask E5. Everyone else go to instruction before E6

E5 [S]. Which other company's online ordering platform would you have joined?

DO NOT READ OUT, SINGLE CODE ONLY

1. HUNGRYHOUSE [if sampled for JUST EAT]/JUST EAT [if sampled for HUNGRYHOUSE]
2. Deliveroo
3. UberEATS
4. Amazon restaurants
5. Other, please specify
6. Don't know/not sure

SCRIPTER: ASK E6 IF CODE 5,6,7,OR 8 AT C1. EVERYONE ELSE GO TO INSTRUCTION BEFORE E8.

Base: all respondents who joined more than a year ago (or not sure when) (codes 5,6,7 or 8 at C1)

E6 [S}. Suppose that {JUST EAT/HUNGRYHOUSE} closed down permanently. Would you join another company's online ordering platform or not?

1. Join another platform
2. Would not join another platform
3. Don't know/not sure

SCRIPTER: ASK E7 IF CODE 1 AT E6. EVERYONE ELSE GO TO INSTRUCTION BEFORE E8

Base: all who joined another platform (code 1 at E6) ask E7. Everyone else go to instructions before E8

E7 [S]. Which other company's online ordering platform would you join? [Exclude those they are already a member of from the list below]

DO NOT READ OUT, SINGLE CODE ONLY

1. HUNGRYHOUSE [if sampled for JUST EAT]/JUST EAT [if sampled for HUNGRYHOUSE]
2. Deliveroo
3. UberEATS
4. Amazon restaurants
5. Other, please specify
6. Don't know/not sure

SCRIPTER: ASK E8 IF CODE 2,3,4 AT C1. EVERYONE ELSE GO TO F1.

Base: all respondents who joined within the last year, but not within the last month (codes 2,3,4 at C1)

E8 [S}. I would like you to think about the situation now instead of when you joined {JUST EAT/HUNGRY HOUSE} – TEXT INFILL FROM C1. , Suppose that {JUST EAT/HUNGRYHOUSE} closed down permanently now. Would you join another company's online ordering platform or not?

1. 1.Join another platform
2. Would not join another platform
3. Don't know/not sure

SCRIPTER: ASK E9 IF CODE 1 AT E8. EVERYONE ELSE GO F1

Base: all who joined another platform (code 1 at E8) ask E9. Everyone else go to F1

E9 [S]. Which other company's online ordering platform would you join? [Exclude those they are already a member of from the list below]

DO NOT READ OUT, SINGLE CODE ONLY

1.HUNGRYHOUSE [if sampled for JUST EAT]/JUST EAT [if sampled for HUNGRYHOUSE]

2.Deliveroo

3.UberEATS

4.Amazon restaurants

5.Other, please specify

6.Don’t know/not sure

SCRIPTER: GO TO F1

F Final

Base: all respondents

F1 [S}. Are you aware that JUST EAT is proposing to buy HUNGRYHOUSE?

1. Yes – *Go to F1*
2. No - *thank and close*

Base: all aware of acquisition of HUNGRYHOUSE (code 1 at F1) ask F2.

F2. What impact, if any, do you think this would have on your restaurant?

COLLECT AND REPORT VERBATIM OR CODE NONE

4.2.2 The consumer questionnaire

III. INTRODUCTION

Please give us 10 minutes of your time to help us with this important survey.

This survey is being conducted on behalf of the Competition and Markets Authority (CMA), which is an independent public body carrying out an inquiry into how takeaway services are supplied in the UK.

The information will be used by the CMA for the purposes of its Inquiry. Please be assured that any publication or disclosure of data by the CMA will ensure that no responses are identifiable to you individually. Nor will there be any attempt to sell you something as a result of this research.

Your details have been passed on to the CMA by {Just Eat/HungryHouse}.

You can access the survey by clicking on the hyperlink below.

[Link to survey]

We would be grateful if you completed the survey by 9th July.

IV. SCREENER

Base: all respondents

So firstly

S01a. How old are you?

Please select within age bands

1. Under 18 – CLOSE
2. 18-24
3. 25-34
4. 35-44
5. 45 -54
6. 55-64
7. 65+
8. Prefer not to say – CLOSE

Now a few questions about how you order takeaway food.

By takeaway food, we mean meals that are ordered **from a restaurant or a takeaway** and either collected by the customer or delivered to them.

S01. Have you ordered takeaway food through {Just Eat/HungryHouse} in the last 8 weeks?

1. Yes
2. No - CLOSE
3. DK - CLOSE

V. MAIN QUESTIONNAIRE

A Purchasing Behaviour

Base: all respondents

Note on phrases used in this survey:

- the word 'restaurant' is used as a shorthand for 'restaurant or a takeaway' throughout
- Websites/apps like JUST EAT are described as "third-party ordering websites or apps" – such websites/apps provide a list of different restaurants and a facility to order takeaway food from any restaurant you choose from the list

A01. How frequently do you order takeaway food - either directly from a restaurant (phone/visit in person/online) or through a third-party ordering website/app?

1. More than once a week
2. Once a week
3. 2 or 3 times a month
4. Once a month
5. Once every 2 to 3 months
6. Once every 4 to 6 months
7. Less often
8. Don't know

Base: all respondents

A02. How often, if at all, do you order takeaway food using the following methods nowadays?

a)By going to the restaurant to place your order:

More than once a week

Once a week

2-3 times a month

Once a month

Once every 2-3 months

Once every 4-6 months

Less often

Never

b) By phoning the restaurant:

More than once a week

Once a week

2-3 times a month

Once a month

Once every 2-3 months

Once every 4-6 months

Less often

Never

c) From restaurant's *own* website or app:

More than once a week

Once a week

2-3 times a month

Once a month

Once every 2-3 months

Once every 4-6 months

Less often

Never

d) From a third-party ordering website or app:

More than once a week

Once a week

2-3 times a month

Once a month

Once every 2-3 months

Once every 4-6 months

Less often

Never

SCRIPTER: ASK A3 IF CODES 1 TO 7 AT A2D. EVERYONE ELSE GO TO A4.

Base: all who have used a third party website or app at all at A2d (codes 1 to 7)

A03. Which of these other third-party ordering websites or apps (apart from {Just Eat/HungryHouse}) have you ordered food through in the last 12 months? Please select all that apply

1. {Just Eat/HungryHouse}
2. Deliveroo
3. UberEats
4. Amazon restaurants
5. Other, please specify
6. None of these

Base: all respondents

A04. Which of these statements best describes your ordering of takeaways? Please select one only

1. I tend to buy from the same restaurant
2. I have a set of restaurants I tend to buy from
3. I often order from new restaurants
4. Don't know

B Last Order

Base: all respondents

The next few questions are about your last order from {Just Eat/HungryHouse}.

B1. Thinking about the restaurant you selected with your last {Just Eat/HungryHouse} order, had you ever ordered from that restaurant before (by telephone/visit in person/online/third party ordering)?

1. Yes
2. No
3. Don't know

Base: all respondents

B2. Did you place your last {Just Eat/HungryHouse} order through:

1. The {Just Eat/HungryHouse} website
2. The {Just Eat/HungryHouse} app
3. Don't know/can't remember

Base: all respondents

B3. Why did you choose to order online on that occasion rather than by phoning or visiting the restaurant? Please select all that apply.

1. Use apps for most things
2. No need to speak to anyone
3. Quicker
4. Can browse different menus/more choice/no menus at home
5. Easier to order (e.g. can see last order if needed, bank a/c details stored, accept different payment methods/automatic order confirmation)
6. Nothing can go wrong when placing order
7. Got an offer/discount voucher
8. Good previous experience
9. Recommended by friends/family
10. I saw advertising
11. Other, please specify
12. Don't know

SCRIPTER: ASK B4 IF GAVE TWO OR MORE REASONS AT B3. OTHERS GO TO B5

Base: all who gave two or more reasons at B3

B4**.** And which was **most important** to you in deciding to order online? Please rank the three most important aspects

(RANK UP TO TOP 3 MENTIONS)

Most important	
2nd	
3^{rd}	

Base: all respondents

B5. Thinking about the last time you used {Just Eat/HungryHouse}, did you know beforehand which restaurant you wanted to order the food from? Would you say…. PLEASE SELECT ONE ONLY

1. You had a specific restaurant in mind
2. You had a set of restaurants in mind
3. You knew the type of food you wanted, but not a specific restaurant/set of restaurants
4. You didn't know beforehand which restaurant/set of restaurants/type of food you might order from
5. Don't know/can't remember

Base: all respondents

B6. Which of these best describes how you ended up using {Just Eat/HungryHouse} on that occasion? Please select one only.

1. I knew I wanted to use {Just Eat/HungryHouse} so I went straight to its site/app
2. I searched online for a type(s) of takeaway food and ended up on {Just Eat/HungryHouse}
3. I searched online for a particular restaurant and ended up on {Just Eat/HungryHouse}
4. I had a voucher email
5. I followed a link or an ad from another website
6. Other (specify)
7. Don't know/can't remember

Base: all respondents

B7. Before you placed your last order from { Just Eat/HungryHouse}, did you use any of these other websites/apps to search for a takeaway? Please select all that apply.

1. The restaurant's own website/ app
2. Another restaurant's website/app
3. {Just Eat/HungryHouse} website/app
4. Deliveroo website/app
5. UberEATS website/app
6. Amazon restaurant website
7. Google search engine
8. None of these
9. Don't know/can't remember

Base: all respondents

B8. Why did you order through {Just Eat/HungryHouse} rather than any other website on that occasion? Please select all that apply.

1. Large number of restaurants
2. Good range of restaurants
3. Easier to order (e.g. could see last order, bank a/c details stored, accepted preferred payment method)
4. Had an account/app
5. Received an offer/voucher
6. First one I found online
7. Good previous experience
8. Recommended by friends/family
9. I saw advertising
10. Other, please specify

SCRIPTER: ASK B9 IF GAVE TWO OR MORE REASONS AT B8. EVERYONE ELSE GO TO B10

Base: all who gave two or more reasons at B8

B9**.** And which was **most important** to you in deciding to order through {Just Eat/HungryHouse}? Please rank the three most important aspects.

Most important	
2nd	
3rd	

Base: all respondents

B10. Thinking about your last order from {Just Eat/HungryHouse}, how much did you spend on takeaway food on that occasion? Please round the amount to the nearest pound.

1. Less than £10
2. £10 – £15
3. £16 - £20
4. £21 - £25
5. £26 - £30
6. £31 - £40
7. £41 - £50
8. £51 - £75
9. More than £75

Base: all respondents

B11. Did you receive a discount on the standard menu price for that order, or not?

1. Yes
2. No
3. Not sure

Base: all respondents

B12. If you had ordered the same food directly from the restaurant – either by phoning or using their own website/app – do you think it would have cost you.….

1. More
2. Less
3. About the same
4. Don't know

C Diversion

Base: all respondents

C1. Thinking about your last order from {Just Eat/HungryHouse}, suppose you had known beforehand that {Just Eat/HungryHouse} had closed down. Would you have… Please select one only

1. Chosen the same restaurant but ordered from them directly (by phone, visit in person, or through their own website/app)
2. Chosen a different restaurant and ordered from them directly
3. Ordered a takeaway using another third-party ordering website or app
4. Not ordered a takeaway
5. Don't know

SCRIPTER: ASK C02 IF CODE 3 AT C1. EVERYONE ELSE GO TO C3

Base: all who would have ordered a takeaway from another third party website/app

C02. Which other third party ordering website or app would you have used instead?

1. {Just Eat/HungryHouse}
2. Deliveroo
3. UberEats
4. Amazon restaurants
5. Other, please specify
6. Don't know

Base: all respondents

C3. Thinking about the restaurant you selected when you last ordered from {Just Eat/HungryHouse}, suppose you had known before visiting {Just Eat/HungryHouse} that the restaurant was not available on there. Would you have...

1. Ordered from a different restaurant on {Just Eat/HungryHouse}
2. Ordered from the same restaurant using a different method
3. Ordered from a different restaurant using a different method
4. Not ordered a takeaway at all
5. Don't know

SCRIPTER: ASK C4 IF CODES 2 OR 3 AT C3. EVERYONE ELSE GO TO D1.

Base: all who would have ordered from the same restaurant or a different restaurant using a different method (codes 2 or 3 at C3)

C4. Which other ordering method would you have used instead?

1. Phoned or visited restaurant
2. Restaurant's own website
3. {Just Eat/HungryHouse} website/app
4. Deliveroo website/app
5. UberEATS website/app
6. Amazon restaurants website/app
7. Other, please specify
8. Don't know

D Classification

Finally, we would like to ask a few questions about you. This information will help us analyse responses to this survey.

Base: all respondents

D1. Roughly how many hours do you spend each week using the internet for your personal use (i.e. excluding work related)? Please select one only.

1. 1-5 hours
2. 6-10 hours
3. 11-15 hours
4. 16-20 hours
5. 21 – 30 hours
6. 31- 50 hours
7. More than 50 hours
8. Not sure

Base: all respondents

D04. Are you…

1. Male
2. Female
3. Other
4. Prefer not to say

Base: all respondents

D4. Please write in the first half of the postcode of your home address (this will be used for analysis purposes only).

TYPE IN OR TICK 'PREFER NOT TO SAY' BOX

Base: all respondents

D5. What is your household's total income before tax and other deductions? This includes earnings from wages, benefits and pensions.

You can answer in annual, weekly or monthly terms – whichever is easiest for you. If you're not sure, please give your best estimate.

Annual	**Monthly**	**Weekly**
Under £12,000	Under £1,000	Under £230
£12,000 - £23,999	£1,000 - £1,999	£231 - £460
£24,000 - £35,999	£2,000 - £2,999	£461 - £692
£36,000 - £47,999	£3,000 - £3,999	£693 - £924
£48,000 - £59,999	£4,000 - £4,999	£923 - £1,153
£60,000 - £71,999	£5,000 - £5,999	£1,154 – 1,384
£72,000 or more	£6,000 or more	£1,385 or more
Don't know		
Refused		