

---

## Tesco Booker: convenience store retailer research

---



**djs**  
research

*September 2017*

Prepared by:  
**James Hinde, Research Director**  
[jhinde@djsresearch.com](mailto:jhinde@djsresearch.com)

**David Marchant**  
**Senior Research Manager**  
[dmarchant@djsresearch.com](mailto:dmarchant@djsresearch.com)

3 Pavilion Lane, Strines,  
Stockport, Cheshire, SK6 7GH

+44 (0)1663 767 857  
[djsresearch.co.uk](http://djsresearch.co.uk)



JN4645



# 1. Contents

1.	Contents.....	2
2.	Executive summary.....	3
	Background and methodology.....	3
	Key findings .....	3
3.	Introduction .....	5
	Research objectives.....	5
	Methodology.....	5
	Sample .....	5
	Participation criteria .....	8
	Fieldwork .....	8
	Presentation of results .....	9
	Respondent profile .....	10
4.	Supply arrangements and local competition .....	12
5.	Monitoring, tracking and moving business between suppliers .....	25
6.	Knowledge of alternatives and ease of changing store affiliation .....	30
7.	Switching suppliers and response to Booker price increases .....	34
8.	Awareness and impact of proposed merger .....	46
9.	Appendix .....	47
	Appendix A – Questionnaire.....	47

## 2. Executive summary

### Background and methodology

The CMA is reviewing the proposed merger between Tesco and Booker.

Booker is a cash and carry company supplying independent stores and others, and they also own convenience store 'symbol group' brands such as Londis, Budgens, Premier and Family Shopper.

The CMA has identified overlaps between Tesco and Booker-supplied stores in local areas and is assessing the risk that competition may be reduced if, for example, Booker decides to change terms with the stores competing with a local Tesco.

Research is therefore required to inform the potential impact of competition of this proposed merger.

### Key findings

#### General business practices:

- Symbol stores opt for being part of a symbol group due in the main to **promotions, wholesale price** and **proximity of supplier**. Promotions is the single most valued benefit of being a symbol group member.
- Independent stores purchase from Booker in the main due to **proximity** or Booker being the **only wholesaler nearby**.
- Around a third of symbol stores and a fifth of independents **use Booker only**, and symbol stores spend a much **higher proportion of total spend with Booker** than independents.
- Independent stores are much less likely to have their **Booker order delivered** to the store; symbol stores are more likely to have total spend delivered than independent stores.
- Almost two fifths of both symbol and independent stores **never move business between suppliers**.
- While a large proportion of symbol stores consider it **easy to move symbol groups**, less than two fifths have ever **considered moving**. Even fewer have considered **becoming an independent trader**.

## Prices:

- Symbol stores are **most likely to respond to a 5% increase in Booker prices by switching away from Booker entirely**; independent stores are most likely to respond to a 5% increase in Booker prices by **switching some of their purchases away from Booker**. Approximately a fifth of both symbol and independent stores **would continue trading with Booker as usual**.
- The majority of those who would continue buying from Booker following a price increase of 5% would **raise their prices**, and most would raise retail prices in line with the Booker cost increase. A fifth of symbol stores and 1 in 10 independents would **absorb that increase**.
- Approximately two thirds of symbol and independent stores alike set most or all of their prices **using the RRP**.
- Almost half of all stores would **raise their prices in line with Booker's RRP increase of 5%**, even if wholesale prices were unchanged. A third of symbol stores and a quarter of independents **would not do anything**.

# 3. Introduction

## Research objectives

The overarching objective was to inform the potential impact on competition with stores' managers, by providing insight into current purchasing behaviour and how that might change as a result of the merger. More specifically, the purpose of the research was to:

- Ascertain reasons for selecting and retaining membership of a symbol group;
- Assess current arrangements with wholesale suppliers, and Booker in particular;
- Establish alternative symbol store affiliation and potential reasons for considering alternatives;
- Understand drivers to and attitudes toward switching wholesale suppliers whether in whole or in part.

## Methodology

A Computer Aided Telephone Interviewing technique (CATI) was chosen as an effective way to conduct this research.

A questionnaire was developed in partnership with the CMA, and, prior to main fieldwork commencing, a number of pilot interviews were conducted to check flow, length and content of the questionnaire.

Fieldwork took place between 15<sup>th</sup> August and 15<sup>th</sup> September 2017, and interviews lasted for an average of 15 minutes.

The overall response rate was 41%. This has been calculated as the total number of completed interviews as a percentage of the total number of eligible stores in the sample (estimated where unknown).

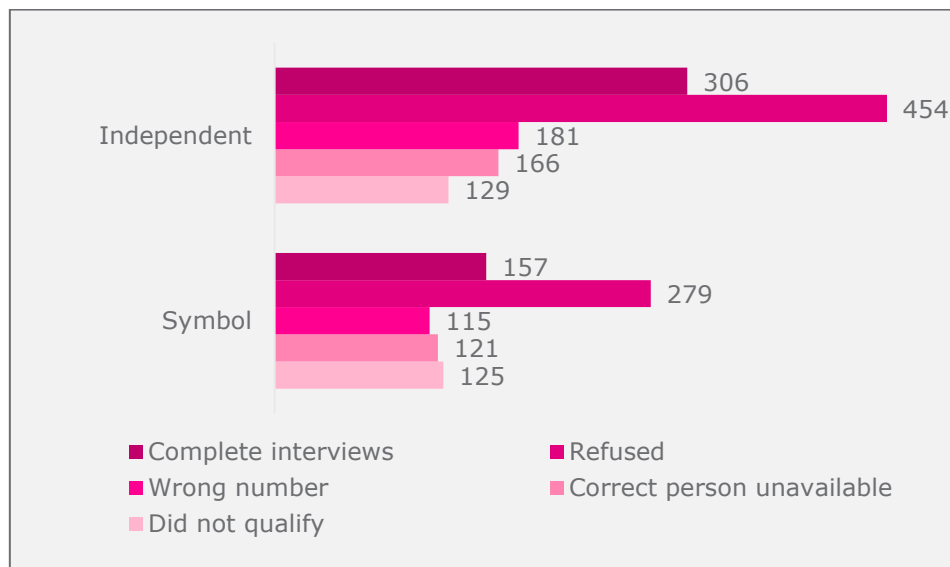
In total 463 telephone interviews were completed – 153 with Symbol stores, and 310 with Independents.

## Sample

The CMA provided contact details and other information for both Booker affiliated symbol stores and independent stores. The survey covered a small subset of Booker's retailer customers, representing circa 3% of its symbol group customers and circa 0.2% of its independent customers. The survey sample was not randomly selected; it focused on retailers in areas perceived to have potentially fewer wholesale competitors and who typically spend a significantly higher than average amount with Booker.

An overview of the sample and outcomes of call attempts to the sample can be seen below (figure 1). Please note that four of the 157 stores interviewed from the original symbol store sample, classified themselves as independent stores.

**Figure 1: Sample overview**

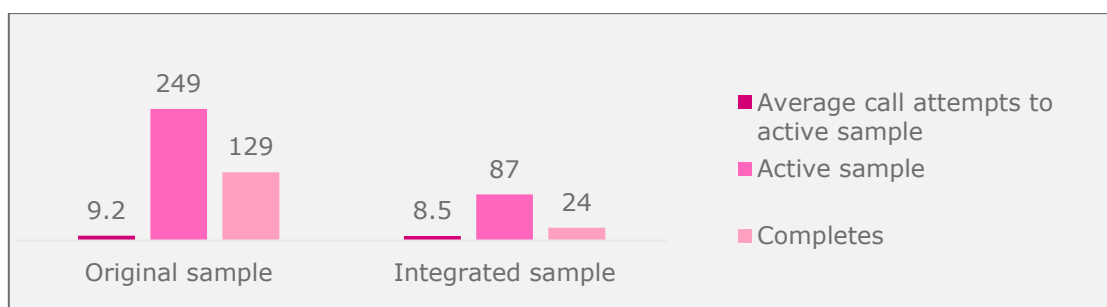


Symbol store sample was the priority and was therefore worked through first. In order to maximise responses on this sample during fieldwork, the research agency:

- Extended calling hours from 9am-4pm to 8am-8pm;
- Increased maximum number of calls to each number from 10 tries to 12 tries;
- Allocated interviewers with the highest ratio for completed interviews to symbol store numbers;
- Looked up new numbers where a NNR message was received;
- Requested and integrated new sample once the original sample was exhausted.

A summary of symbol store progress for both the original and integrated sample is shown below (figure 2).

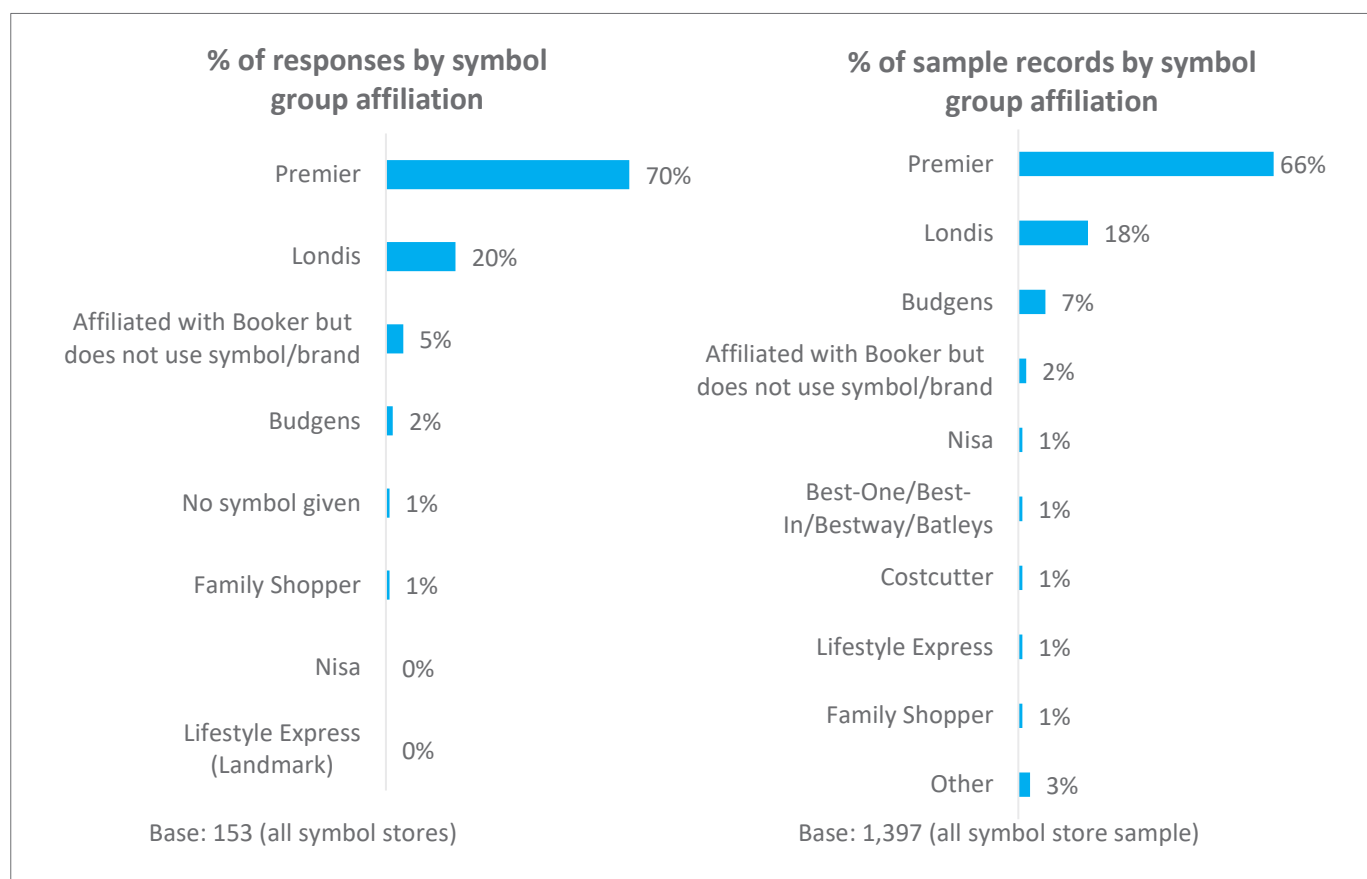
**Figure 2: Symbol store progress**



The quota for 300 independent store interviews was met without cause for any amends to the calling strategy.

Sample achieved was broadly in line with the sample provided by the CMA (figure 3). It only differed to a greater degree for Budgens where sample provided was 2% of the total, whereas sample achieved was 7% of the total. This is because the CMA requested as many completes as possible for Budgens. The difference between the proportion of sample provided and the proportion of completes achieved with Budgens stores was therefore acceptable.

**Figure 3: Achieved sample (symbol stores)**



## Participation criteria

In order to ensure that respondents were relevant to the research, they had to satisfy certain participation criteria. Respondents had to:

- Be responsible for deciding what stock is purchased and where it is purchased from;
- Use the wholesale supplier Booker-Makro for at least a proportion of their supplies;
- Know if they are a symbol store or independent store and be responsible for choosing which symbol store group they are a part of.

## Fieldwork

A team of 20 in-house CATI interviewers were briefed by DJS Research across two consecutive days, on Thursday, 10th August and Friday, 11th August. The CMA participated in the first CATI interviewer briefing on Thursday, 10th August.


The CMA also reviewed the results of the pilot interviews which were conducted on Thursday, 10<sup>th</sup> August and Friday, 11<sup>st</sup> August. As a result of the pilot interviews, some minor questionnaire changes were suggested.

In particular in relation to codes used at questions Q10 (*When you chose to be a member of [INSERT SYMBOL FROM Q7], what are the most important reasons you chose them and not a different symbol group?*), Q11 (*And now that you have been with them for [INSERT LENGTH OF TIME FROM Q8] years, what do you particularly appreciate about being a member of [INSERT SYMBOL FROM Q7]? Anything else?*), Q12 (*Which one of the things you have just told me do you value most?*), Q25 (*What, if anything would make you consider moving to another symbol group? Anything else?*) and Q31 (*And still thinking about the purchases that you make from <PULL THROUGH CODE SELECTED AT Q02C> why do you buy them from <PULL THROUGH CODE SELECTED AT Q02C> rather than another wholesale supplier? Anything else?*). All CATI interviewers were re-briefed once changes to the questionnaire had been implemented.

The fieldwork process was monitored by DJS Research's CATI team leaders as well as members of the DJS research team. Interviews were subject to spot-checks by team leaders throughout the fieldwork phase, and all interviews were recorded for quality purposes.



## Presentation of results

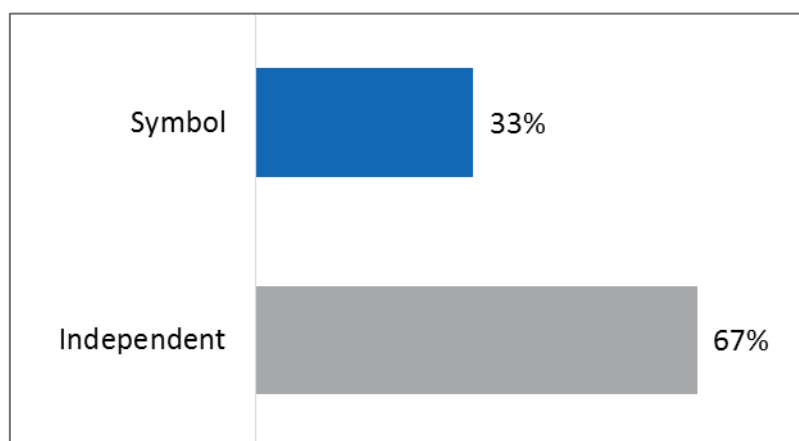
- The survey results have been tested for statistical difference on base sizes of 100 or more. Where data is shown in subsequent charts with an asterisk, this means a significant difference at a 95% level.
- Where there are significant differences between symbol stores and independent stores, these are denoted by dotted circles on a chart .
- Text relating to any significant differences is stated below the relevant chart and is displayed in a box.
- Significant differences are highlighted for variables collected during the fieldwork and as well as variables provided by the CMA, and include the following:
  - Size of store; large (*100m<sup>2</sup> or more*); small (*less than 100m<sup>2</sup>*)
  - Weekly spend; high (*greater than £15,000*); low (*£15,000 or less*)
  - History as symbol store; Recent (*5 years or less*); Longer ago (*more than 5 years*)
  - Fascia count; high (*5 or more*); low (*less than 5*)
  - Share of Tesco shops; high (*greater than 25%*), medium (*10.01% to 25%*), low (*smaller than or equal to 10%*)
  - Number of store brands with a share greater than 1%; high (*5 or more*); low (*less than 5*)
  - Booker wholesale share; high (*greater than 45%*); medium (*35.01% to 45%*), low (*smaller than or equal to 35%*)
- In the main, data in charts shows both symbol store and independent store results. Symbol store data is shown by blue colours and independent data by grey colours.
- The terms “symbol store” and “independent store” are used to describe respondents who self-classified as symbol store or independent store at Q03 (*Are you affiliated to a symbol group, or do you operate independently?*). Four stores listed on the original symbol store sample, classified themselves as independent stores.

## Respondent profile

A total of 463 respondents were interviewed, two thirds being independent stores and the remaining third being symbol stores (figure 4).

**Figure 4: Symbol vs Independent stores**

Base: all respondents (463)

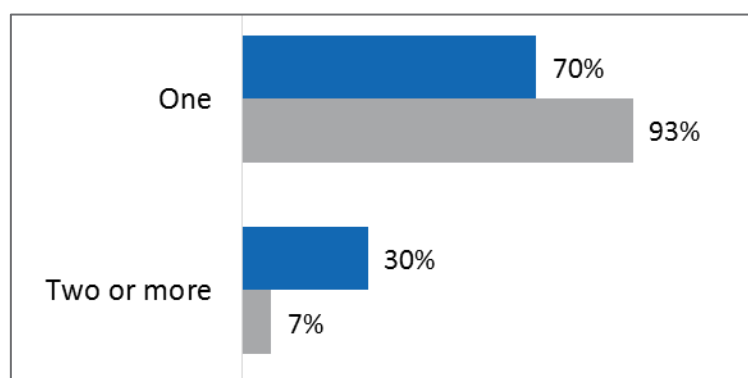


*Q03. Are you affiliated to a symbol group, or do you operate independently?*

The majority of independent stores run just one store while just under a third of symbol stores run two or more shops (figure 5).

**Figure 5: Number of shops run**

Base: all respondents (463)

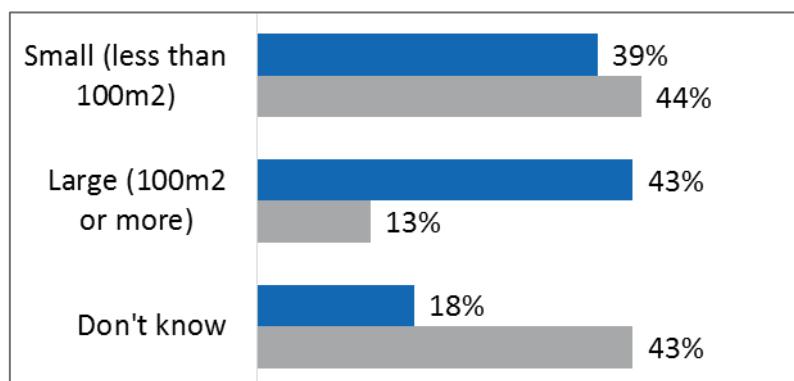


*Q05. How many shops do you run?*

Symbol stores have a clearer idea of the size of the sales area of their store; just over two fifths of independent stores don't know the size of the sales area of their store (figure 6).

**Figure 6: Size of sales area of store**

Base: all respondents (463)



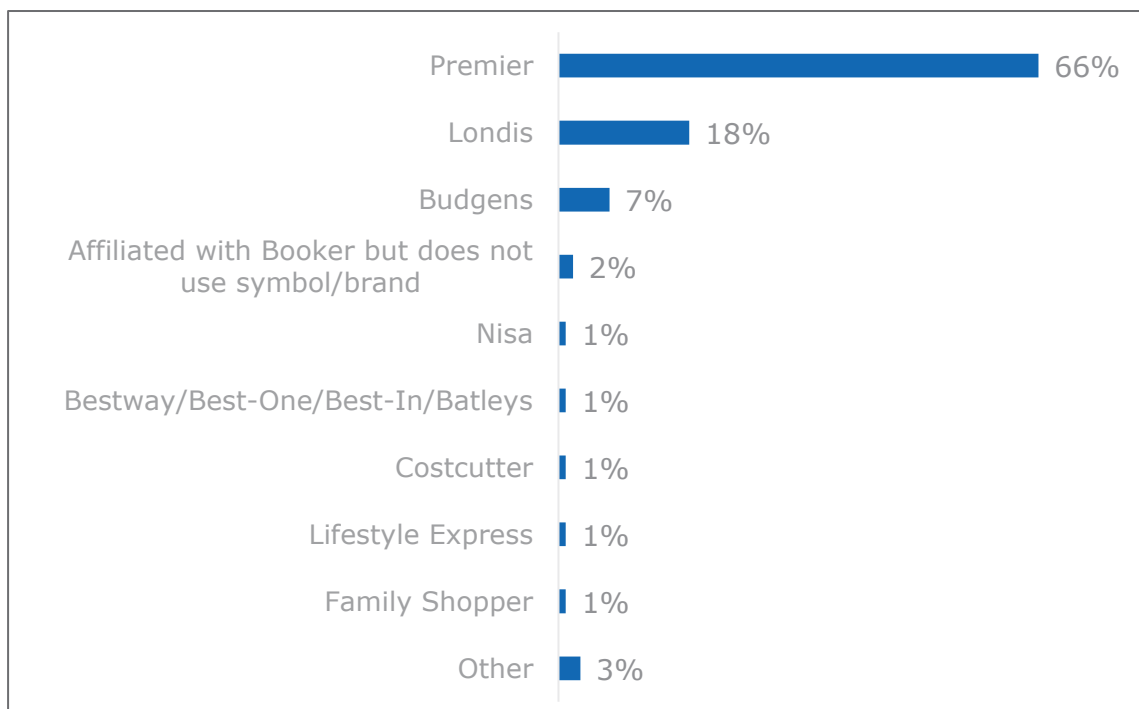
Q06. How big is the sales area of the store in m2 or sq ft?

## 4. Supply arrangements and local competition

In terms of affiliation to a particular symbol group, over two thirds of symbol stores spoken to are affiliated to Premier (figure 7).

**Figure 7: Stores' affiliation**

Base: all symbol stores (153)

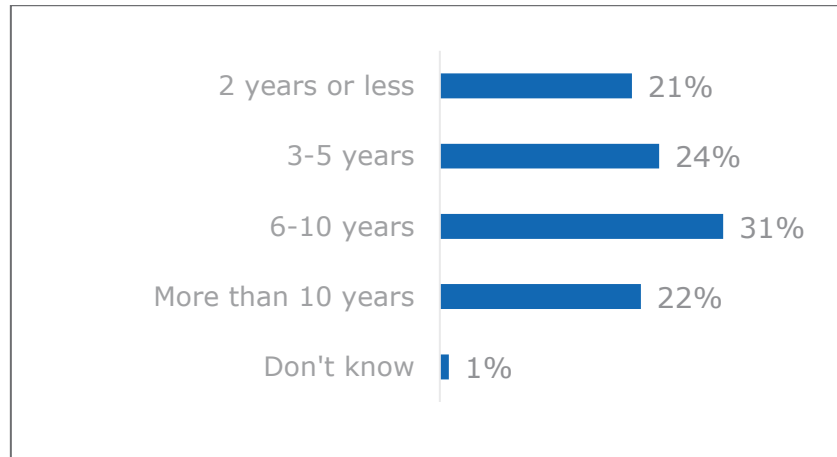


Q07. Which symbol group is this store affiliated to?

Affiliations tend to be long-standing with over three quarters stating a relationship of three or more years (figure 8).

### Figure 8: Length of affiliation

Base: all symbol stores (153)

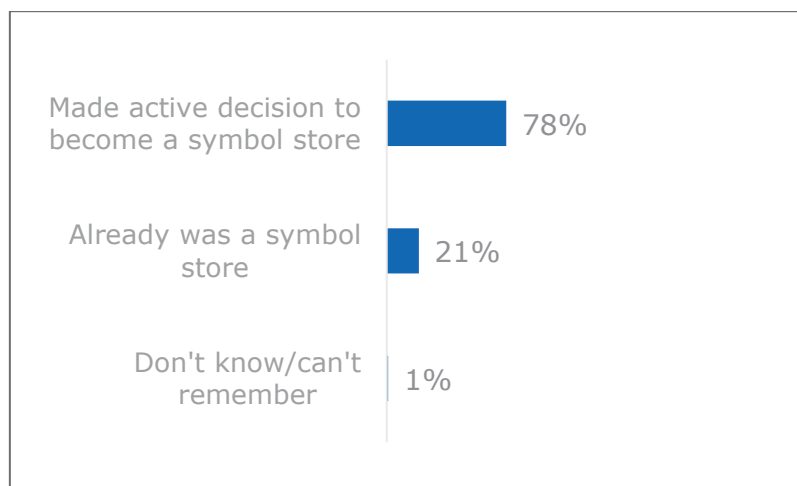


*Q08. How long has this store been part of [symbol group store is affiliated to]?*

When asked about their decision to become a symbol store, over three quarters stated that they made the active decision to become a symbol store (figure 9).

### Figure 9: Decision to become a symbol store

Base: all symbol stores (153)



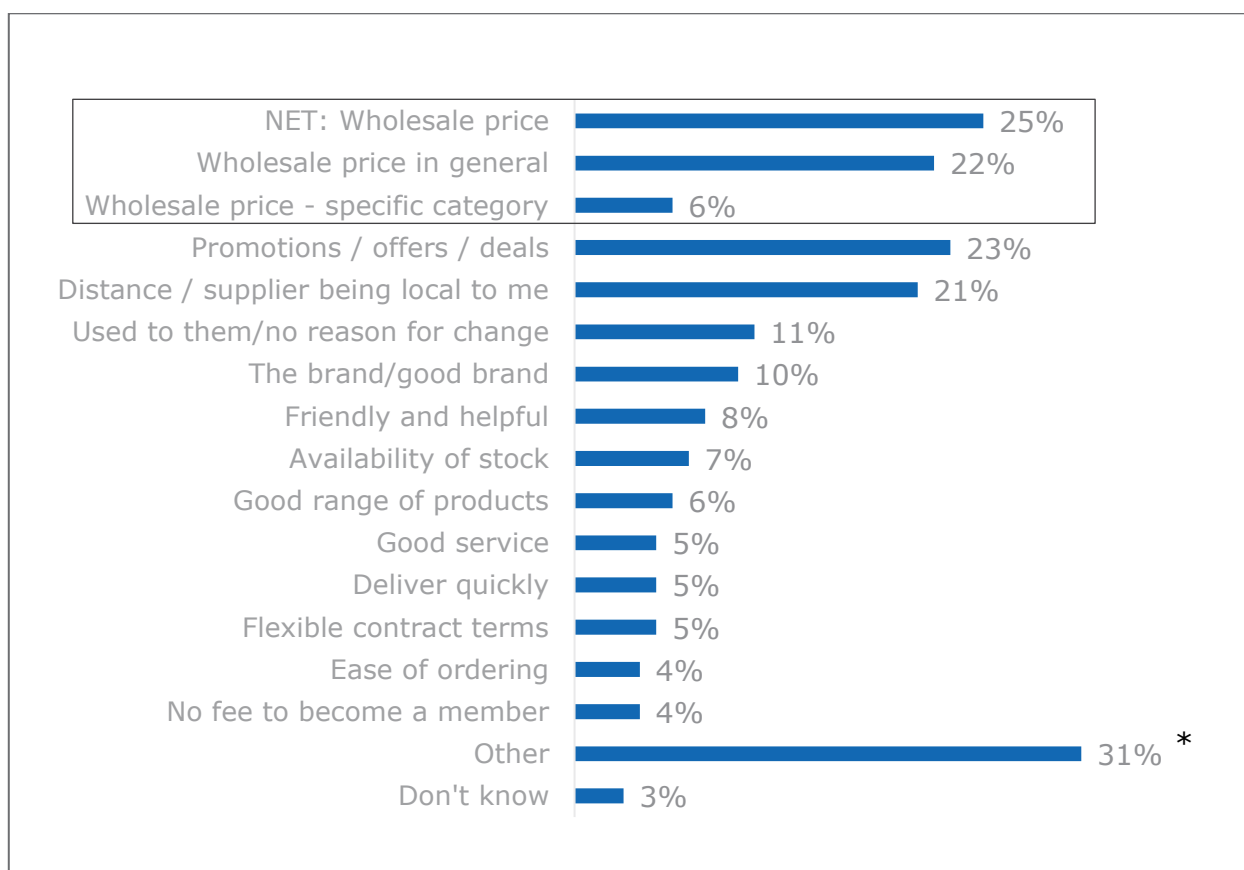
*Q09. Did you make the decision to become a symbol store or was it already a symbol store when you took over?*

This decision was largely driven by wholesale prices, promotions and distance to the wholesaler (figure 10).

### Figure 10: Reason for becoming a symbol store

Base: all respondents who made an active decision to choose a symbol store (120)

NB. \* 'Other' include Support from local manager, Reliability, Quality own label products, Free delivery, Financial support, etc.



*Q10. When you chose to be a member of a symbol store, what are the most important reasons you chose them and not a different symbol group?*

The wholesale price – overall/general/no specific category is mentioned significantly more frequently by symbol stores where the Booker share is medium (36%), than where the Booker share is high (16%) or low (15%).

Promotions/offers/deals are mentioned more frequently by symbol stores where the fascia count is low (28%), than where the fascia count is high (13%).

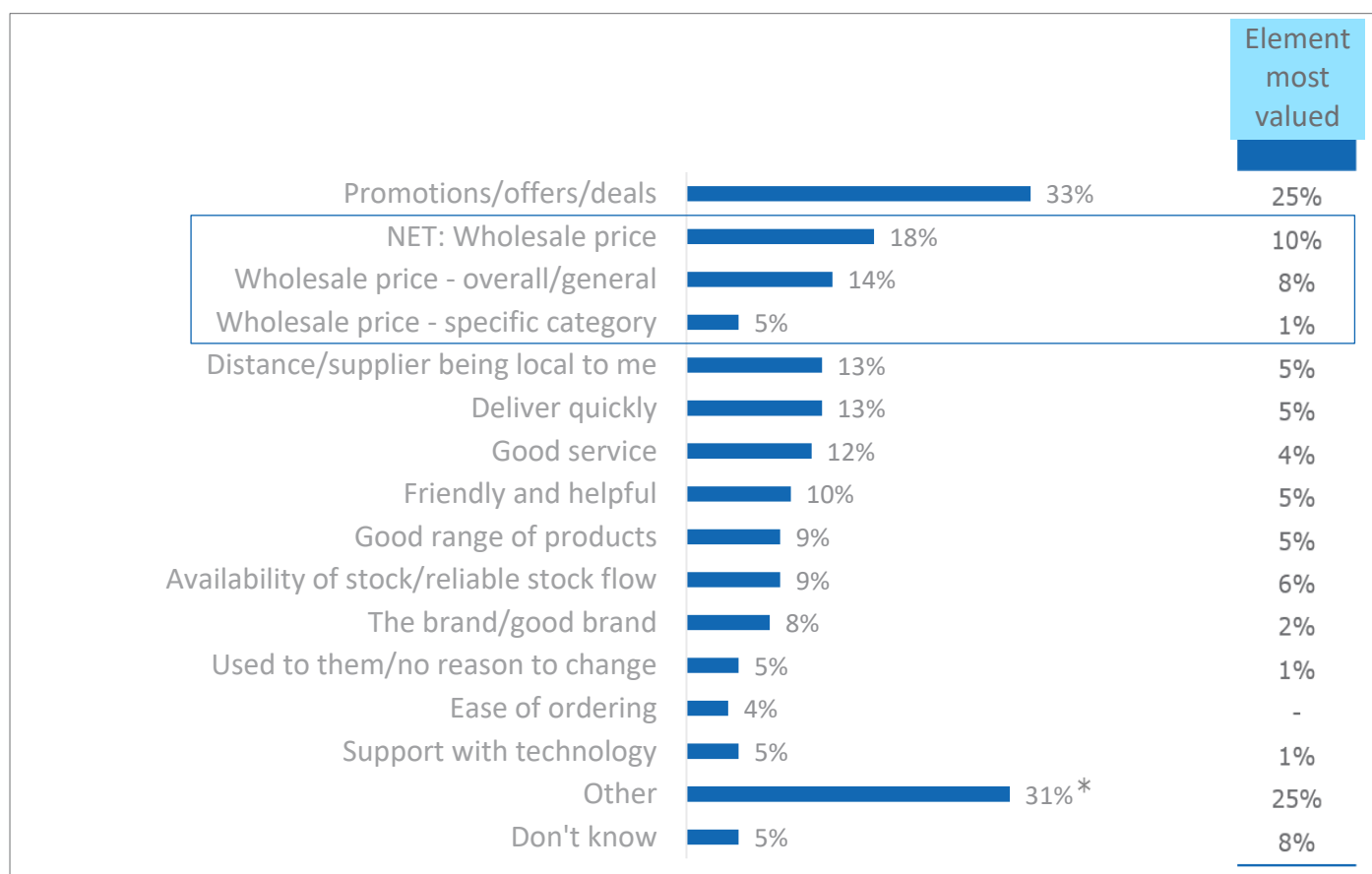
Symbol stores were asked what they particularly appreciated about being a member of a symbol store, and which they valued most.

Promotions, deals and offers are appreciated by more than a third of symbol stores (figure 11), and deemed the most valued benefit of being a member of a symbol store by a quarter of respondents (figure 11).

### Figure 11: Elements appreciated and most valued by symbol stores

Base: all symbol stores (153)

NB. \* 'Other' include Support from local manager, Reliability, Quality own label products, Free delivery, Financial support, etc.



Q11. And now that you have been with them for [length of time] years, what do you particularly appreciate about being a member of [symbol store]?

Q12. Which one of the things you have just told me do you value most?

Q11. Promotions/offers/deals are mentioned significantly more frequently as a reason for appreciating membership of a symbol group by symbol stores where the share of Tesco is high (43%), than where it is medium (23%).

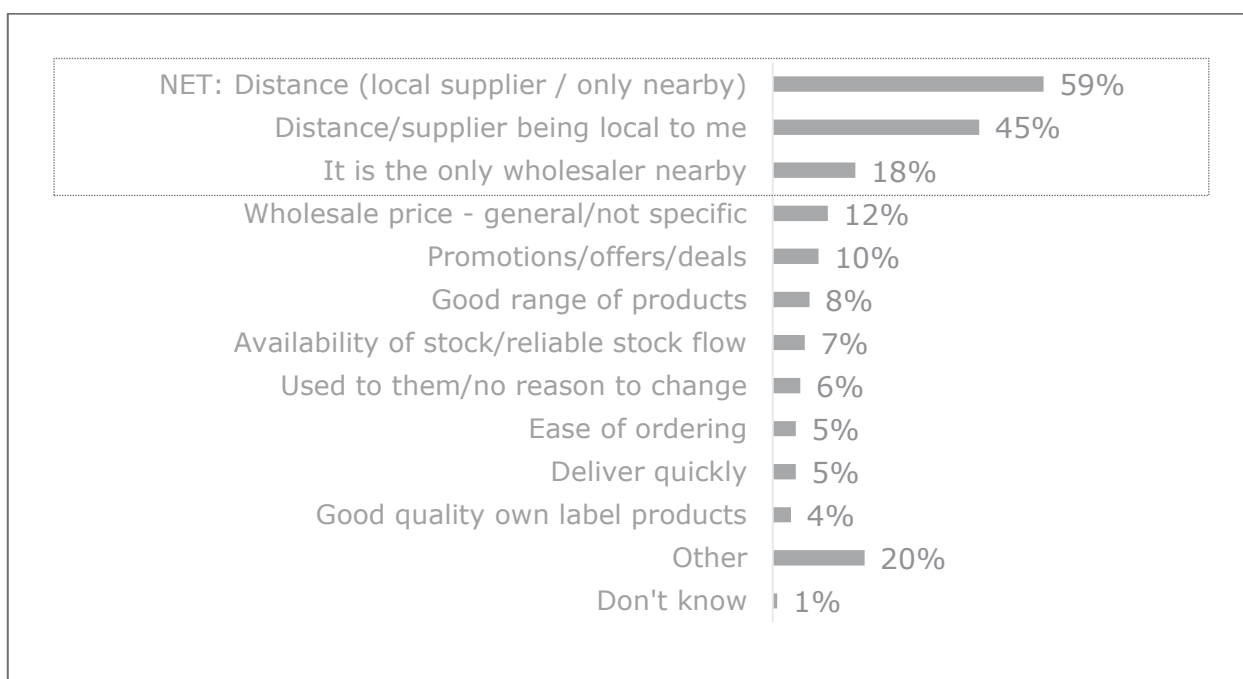
Q11. Brand (12%) and good range of products (17%) are significantly more likely to be mentioned by larger stores. Friendly and helpful is significantly more likely to be mentioned by smaller stores (18%) and those that joined longer ago (15%).

Q12. Promotions/offers/deals are mentioned significantly more frequently as being valued most by symbol stores where the share of Tesco is high (34%), than where it is medium (17%) or low (13%).

When asked about reasons for wholesale supplier preference, almost half of independent stores choose to buy from Booker because of it being in close proximity. Approximately half state that Booker is the only wholesaler nearby (figure 12). Independents using cash and carry only mention **distance** more frequently (67%) than those using delivered only wholesalers (38%).

## Figure 12: Reasons for wholesale supplier preference

Base: all independent stores (310)



Q31. And still thinking about the purchases that you make from [Booker-Makro/Booker/BRP/other], why do you buy them from [Booker-Makro/Booker/BRP/other] rather than another wholesale supplier?



Q31. Distance of supplier is significantly more likely to be cited by independents in areas where the share of Tesco is low (51%) than where it is medium (35%)

Q31. It is the only wholesaler nearby is more likely to be cited by independents in areas where the share of Tesco is medium (24%) than where it is low (14%)

In terms of the wholesalers used, symbol stores are more likely to use delivered and independent cash and carry suppliers (table 1).

**Table 1: Cash and carry vs. delivered wholesale supplier**

Base: all respondents (463)

	Cash & carry wholesale supplier	Delivered wholesale supplier
Symbol	73%	93%
Independent	92%	60%

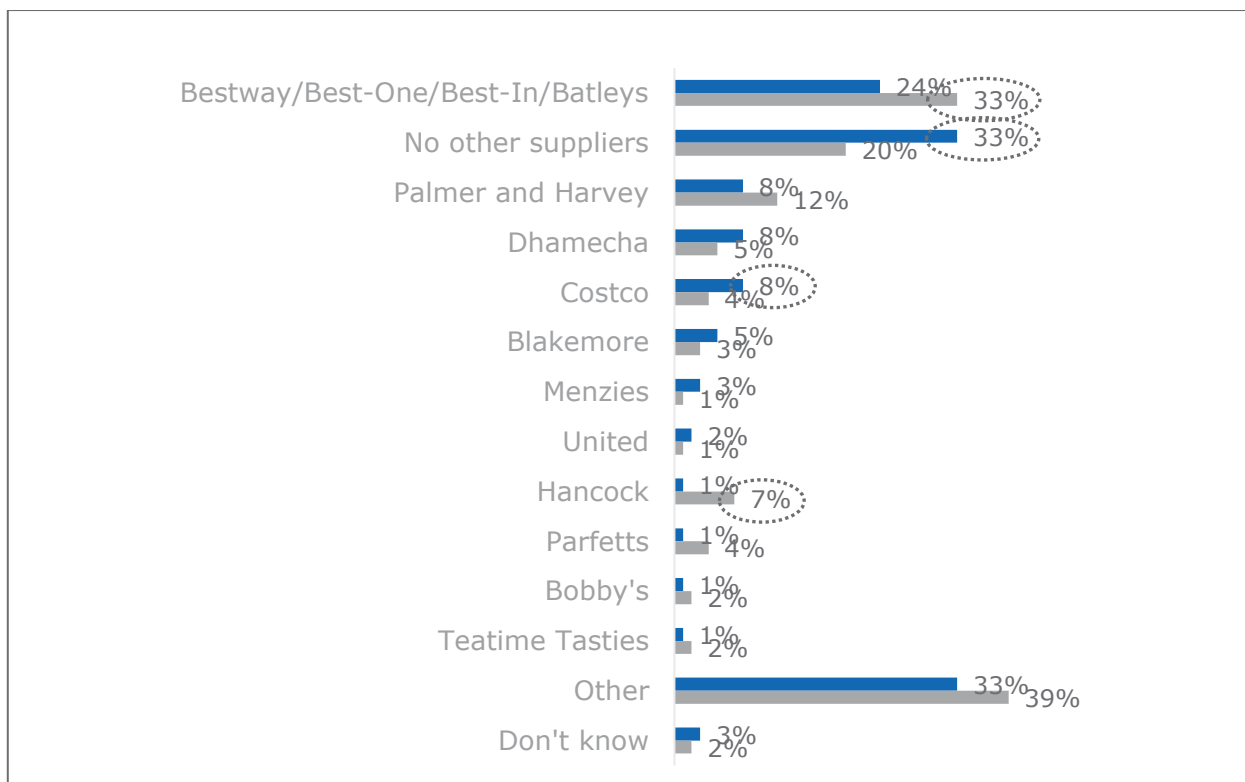
Q13. Which types of wholesale supplier do you use?

Q13. Delivered wholesalers are significantly more likely to be used by larger independents (83%) than smaller independents (57%).

Around a third of symbol stores and a fifth of independents use Booker only (figure 13). Bestway are used more frequently by symbol stores in areas where the Booker share is medium (38%) or high (26%) than where it is low (8%).

**Figure 13: Wholesalers used**

Base: all respondents (463)

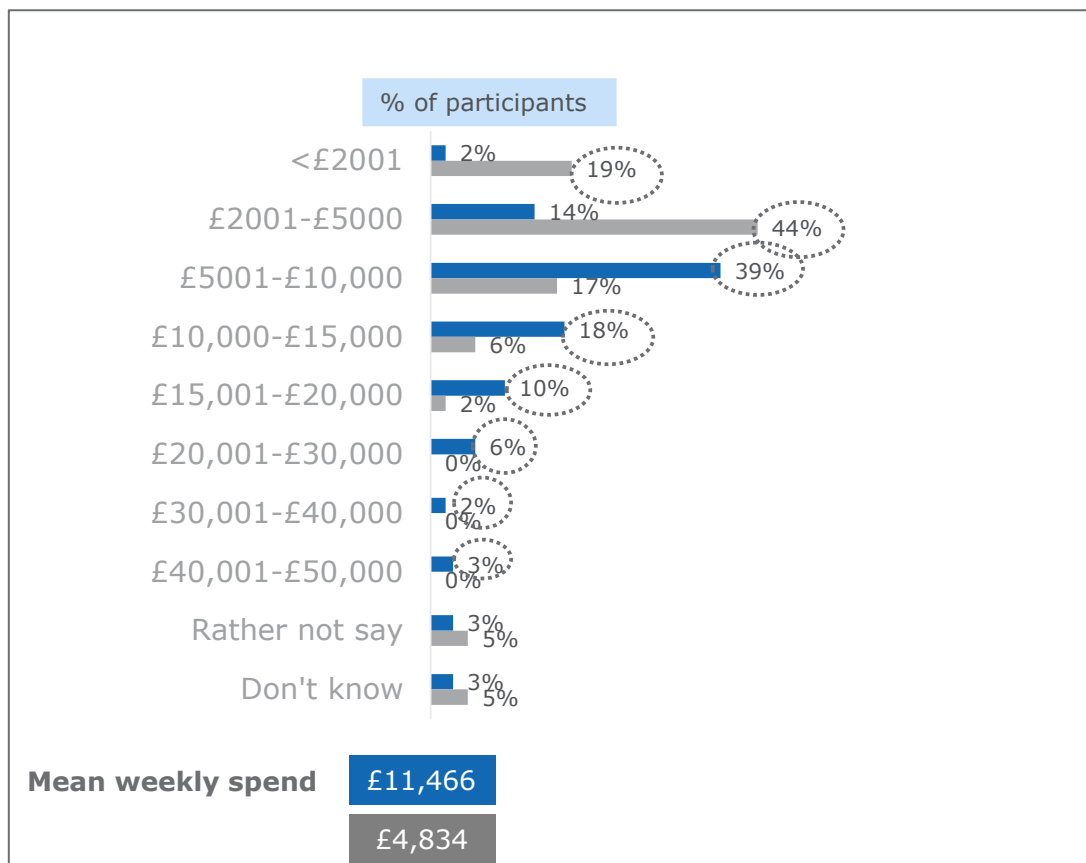


Q14. Which wholesale suppliers do you use (other than Booker)?

In terms of value of purchases, the majority of independents spend less than £5000 whereas the majority of symbol stores spend over £5,000 in a typical week (figure 14).

**Figure 14: Weekly spend**

Base: all respondents (463)



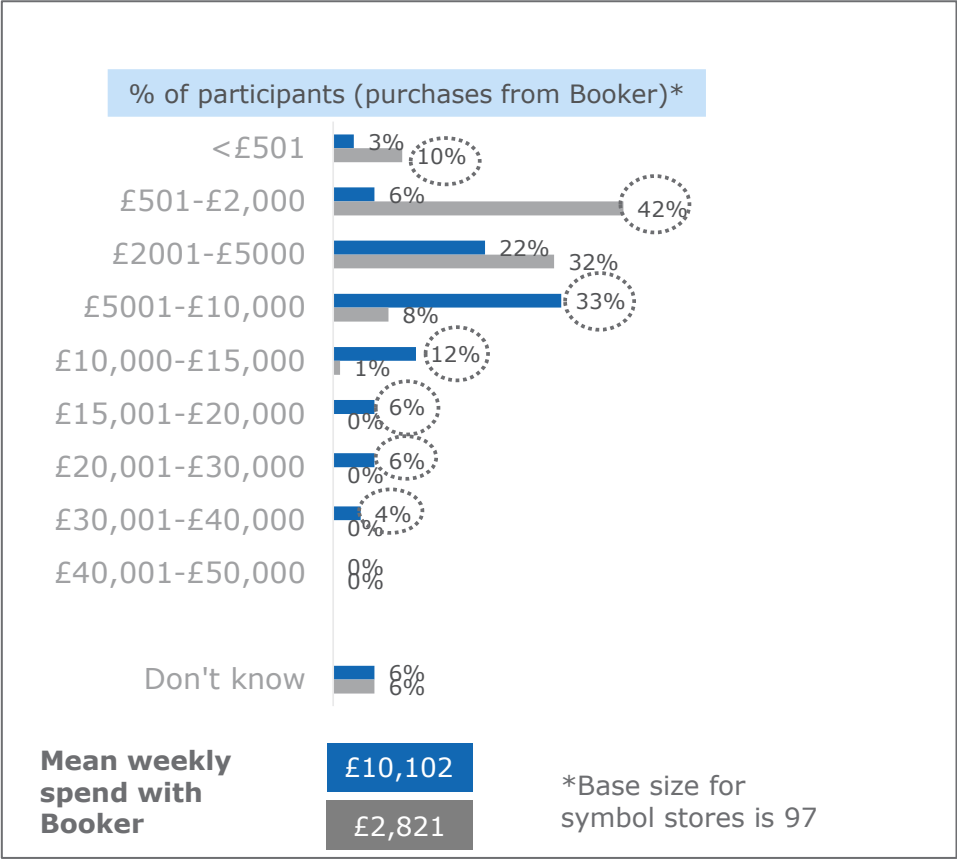
Q15. Now thinking about the purchases for this store, what is the approximate value to the nearest £1,000, of all purchases you would make in a typical week?

Q15. Larger stores are significantly more likely to code £10,000+ than smaller stores. Smaller stores are significantly more likely to code <£5,000 than larger stores.

When looking at Booker specifically, more than two thirds of symbol stores who buy from a minimum of two wholesalers spend more than £5,000 with Booker (figure 15).

**Figure 15: Value of purchases**

Base: all respondents who buy from Booker and at least one other company (337)



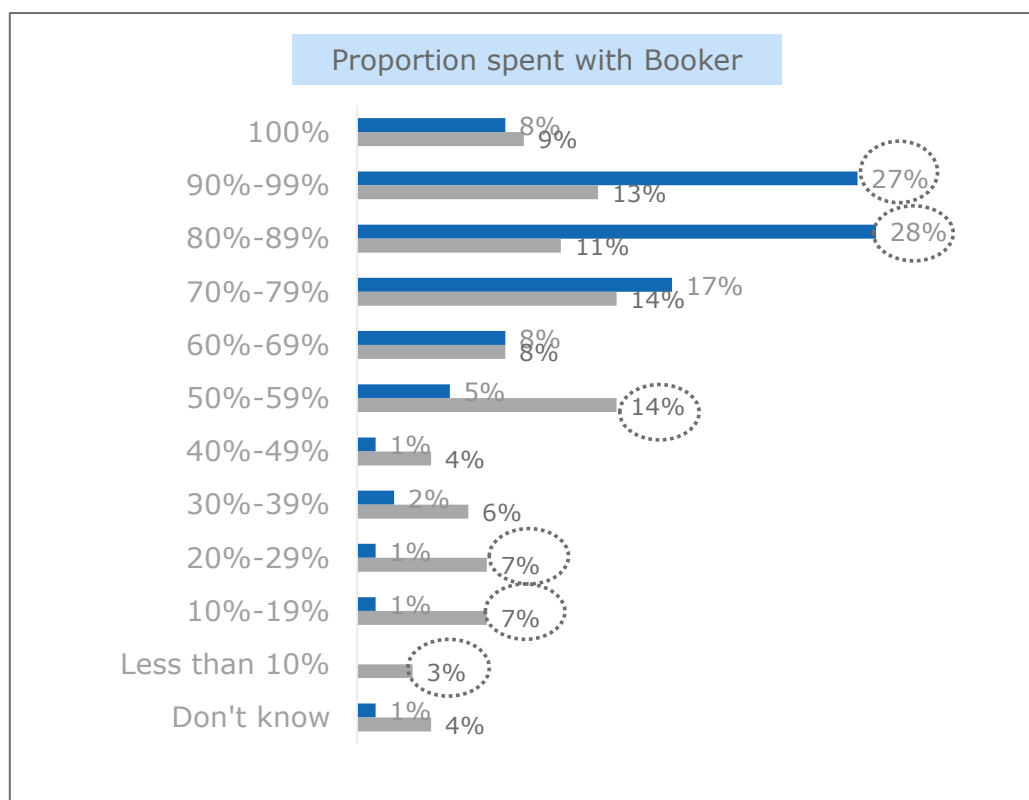
Q16. How much of this do you buy from Booker?

- Q16. Purchases with Booker by symbol stores are significantly more likely to be between £5,001 and £10,000 in areas where the Booker share is high (41%) than where it is low (10%)
- Q16. Larger symbol stores are significantly more likely to code in the £10,000+ bands than smaller stores.
- Q16. Larger stores (irrespective of whether independent or symbol) are significantly more likely to spend £5,001 or more with Booker. Smaller stores (irrespective of whether independent or symbol) are significantly more likely to spend £5,000 or less with Booker.

Still looking at Booker, symbol stores spend a greater proportion with Booker when compared to independent stores. Two thirds of symbol stores state that upwards of 75% of their spend is with Booker (figure 16).

**Figure 16: Spend with Booker**

Base: all respondents (463)



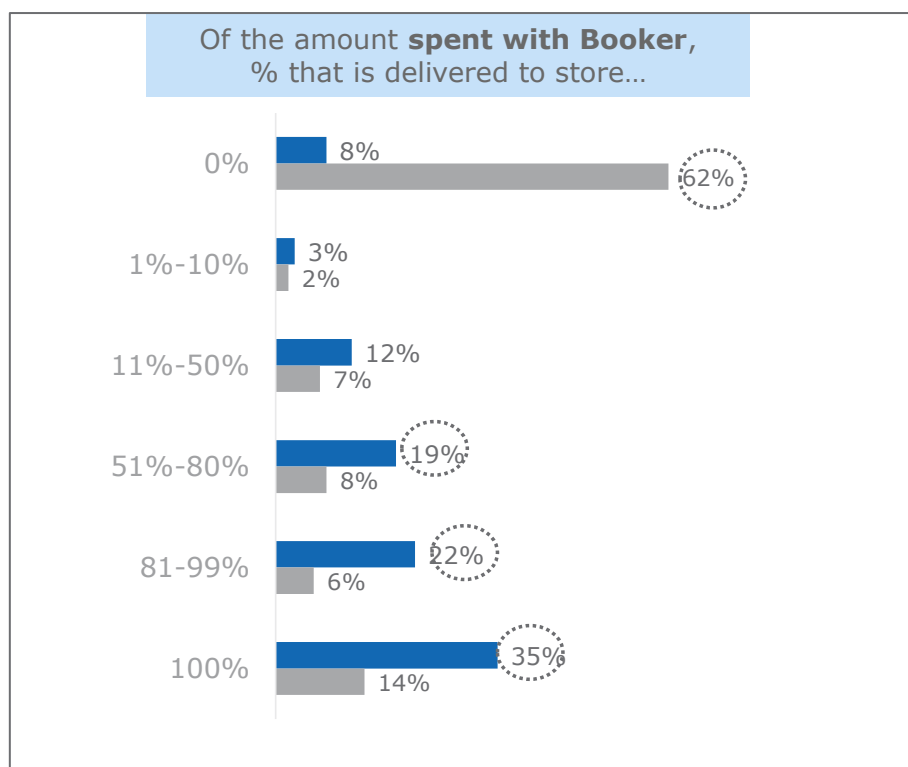
*Q17. So roughly what proportion of your spend is with Booker?*

Q17. Symbol stores who state that they would stay with Booker and make no changes even if Booker were to increase prices by 5% are significantly more likely to be spending more than 75% of total spend with Booker (83%), than those who state they would stay with Booker but move some of their purchases from Booker (62%).

When it comes to having their orders delivered, independent stores are much less likely to have their Booker order delivered to the store, with almost two thirds having less than 10% delivered (figure 17).

**Figure 17: Proportion of Booker spend delivered to store**

Base: all respondents who provided a response to Q17 (444)



*Q18. So, of your spend with Booker, what proportion is delivered to your store?*

Q18. Deliveries to store are significantly more likely to represent lower than 10% of spend with Booker in areas where the share of Tesco is medium (50%) rather than high (38%)

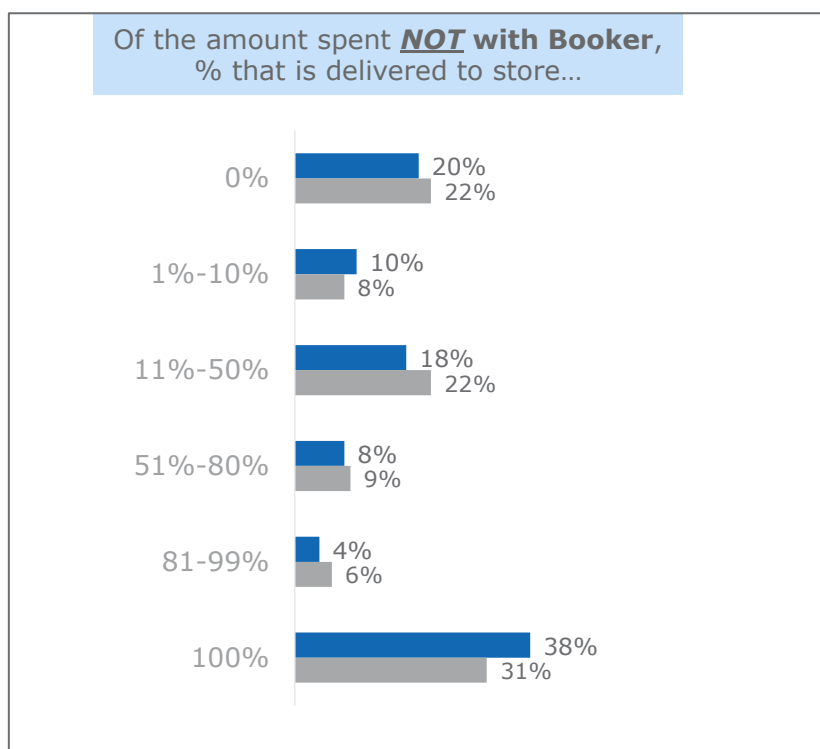
Q18. Independents whose spend with Booker accounts for less than 50% of total spend are significantly more likely to have less than 10% of Booker spend delivered (83%) than those who spend between 50% and 99% with Booker (55%).

Q18. Mean proportion delivered to store is significantly higher for symbol stores (74%) than independent stores (28%). The same is the case for larger stores (63%) and those with high weekly spend (62%) compared to smaller stores (40%) and those with low weekly spend (42%).

Moreover, symbol stores are more likely to have their total spend delivered than independent stores (figure 18).

**Figure 18: Proportion of spend not with Booker delivered to store**

Base: all respondents who buy from Booker-Makro and at least one other company (337)

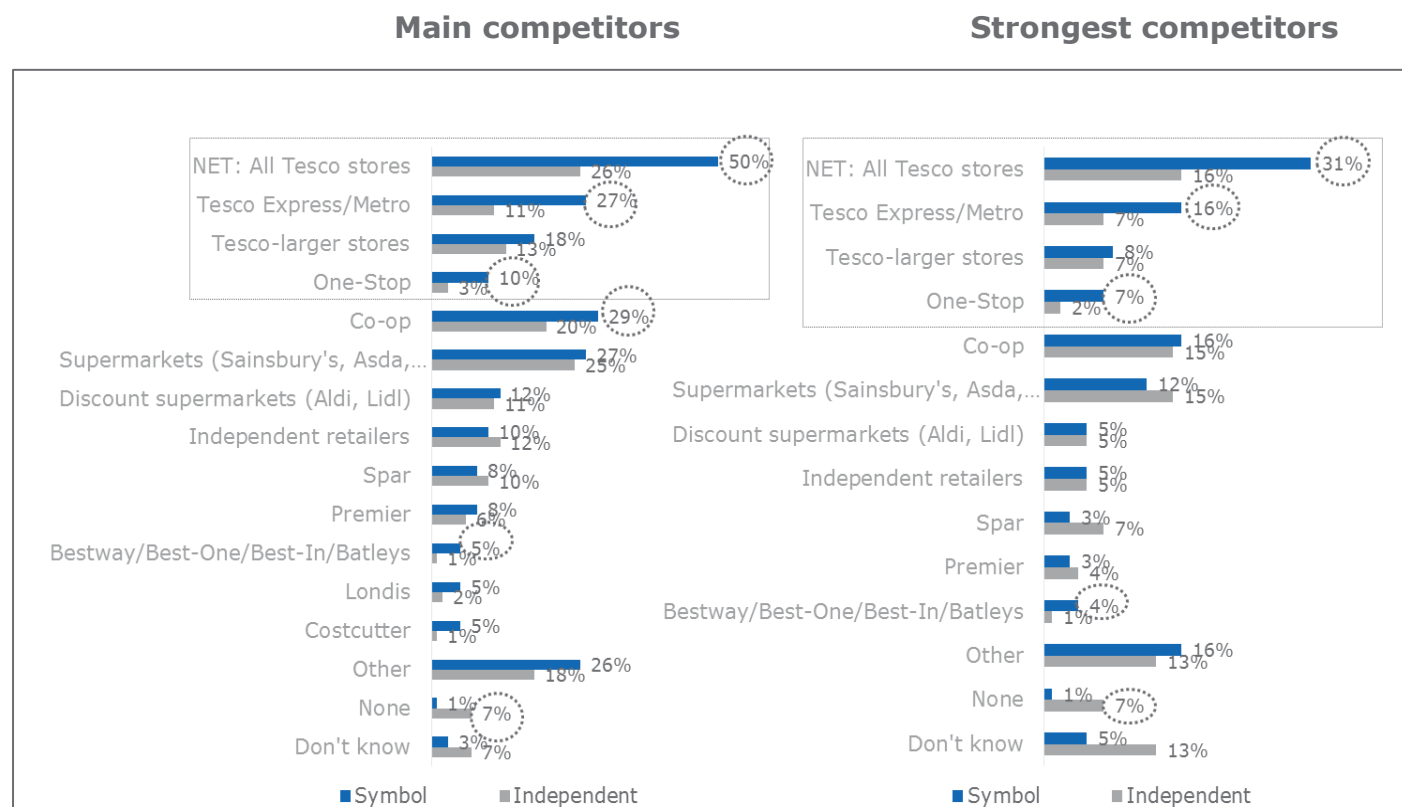


Q20. Thinking of everything you purchase from wholesaler suppliers, other than [Booker-Makro/Booker/BRP/other], what proportion of these purchases is delivered to your store?

In terms of competition in the local area, Tesco is seen as a major competitor for both symbol and independent stores, although a significantly higher proportion of symbol stores state this. Tesco is viewed as the main and the strongest competitor (figure 19).

**Figure 19: Competition in the local area**

Base: all respondents (463)



Q47. Please tell me who you consider to be your main competitors in your local area

Q48. Of these, which is your strongest competition?

Q47. Booker symbol stores hardly ever mention other Booker symbol stores as competition. A third of all Londis (32%) and all Premier (31%) and almost half (45%) of all Budgens see a Tesco store as competition.

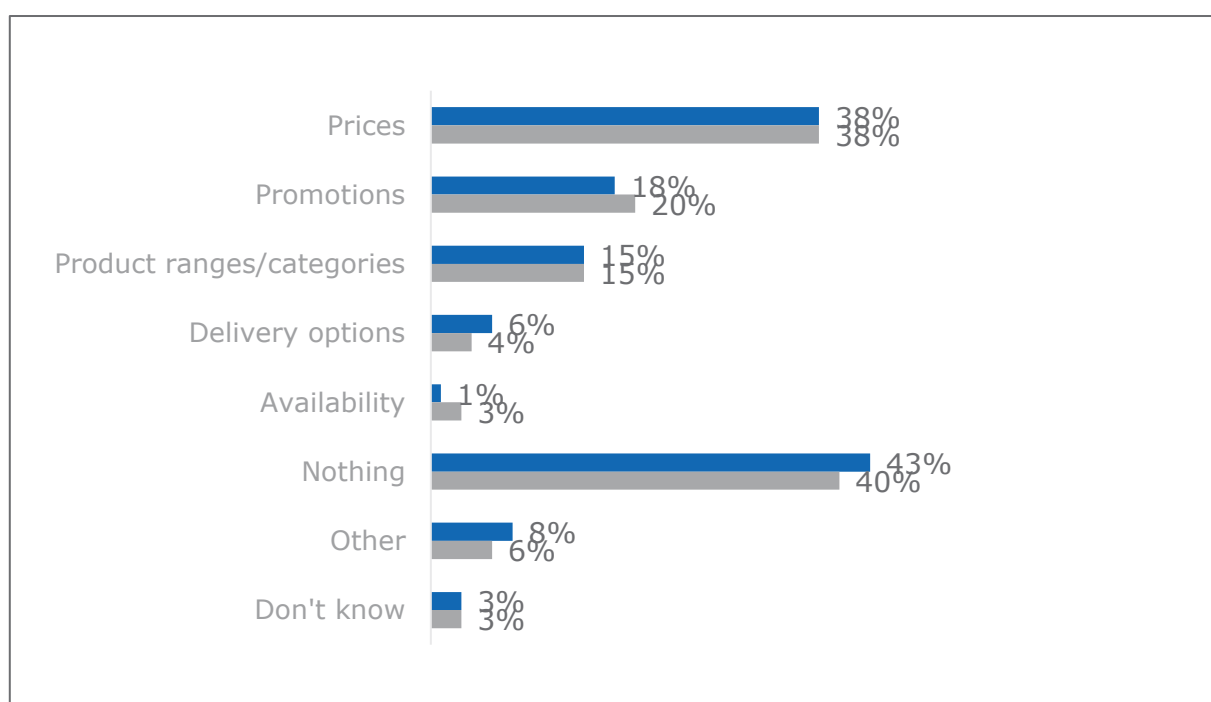


## 5. Monitoring, tracking and moving business between suppliers

In terms of monitoring activities of other wholesale suppliers, respondents who keep track of other suppliers look mostly at their prices (figure 20).

**Figure 20: Monitoring other suppliers**

Base: all respondents (463)

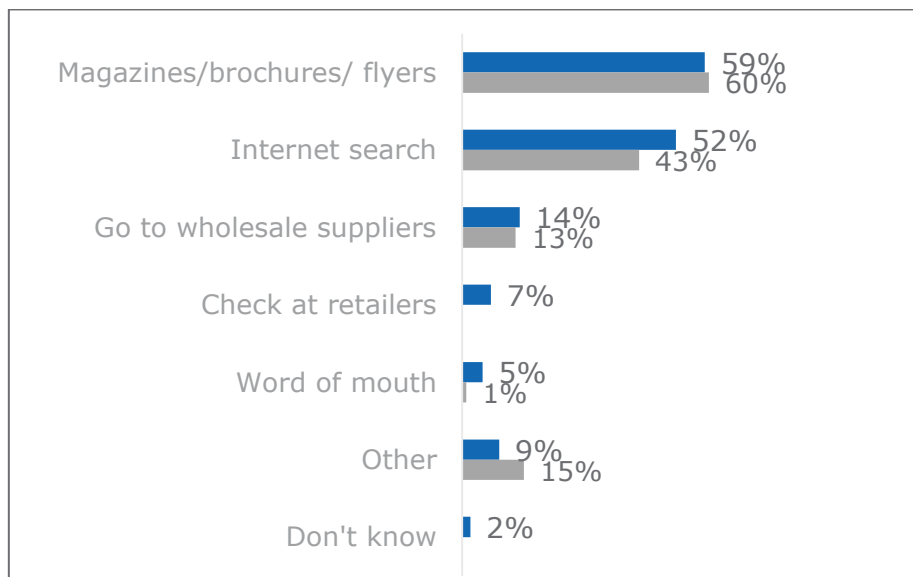


Q32. What do you keep track of, if anything, in relation to other wholesale suppliers?

They tend to do this via magazines, brochures or flyers, or using internet searches (figure 21).

### Figure 21: Methods of monitoring other suppliers

Base: all respondents who keep track of other wholesale suppliers (259)

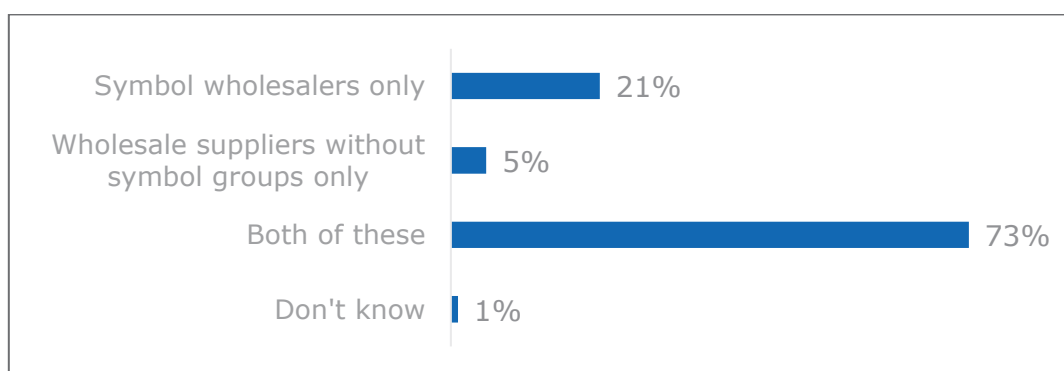


Q34. And how do you track these aspects?

Three quarters of symbol stores that keep track of wholesale suppliers, keep track of both symbol wholesalers as well as those without symbol store groups (figure 22).

### Figure 22: Monitoring of other wholesale suppliers

Base: all symbol stores who keep track of other wholesale suppliers (81)

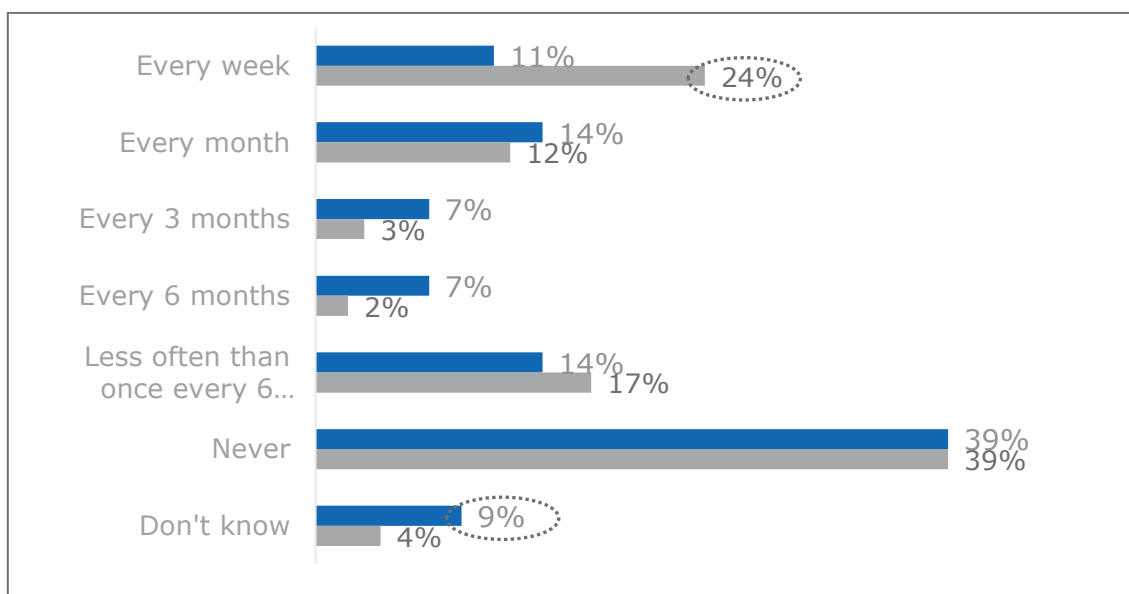


Q33. And do you keep track of those for just symbol group wholesalers, for wholesale suppliers who don't have symbol store groups, or both of these?

When it comes to moving business between wholesale suppliers, almost two fifths of both symbol and independent stores never move business between suppliers. Independent stores are significantly more likely to move business every week from one wholesale supplier to another in response to what different suppliers offer (figure 23).

**Figure 23: Moving business between wholesale suppliers**

Base: all respondents (463)



*Q43. How often, if at all, do you move business from one wholesale supplier to another in response to what different wholesale suppliers are offering?*

Q43. Independents who spend less than half of their total spend with Booker, are significantly more likely to move business between wholesale suppliers every week (38%), than those who spend between 50% and 99% with Booker (20%).

Independent stores were asked which other wholesale suppliers they could use to get the items that they currently purchase from Booker. Almost half of independent stores stated they could use a mix of delivery and cash and carry wholesalers instead of Booker (table 2).

**Table 2: Alternatives to Booker**

Base: all independent stores (310)

	Cash & carry only	Delivered only	Both	Neither
Independent stores	27%	15%	47%	11%

*Q29. Thinking about the purchases that you make from [Booker-Makro/Booker/BRP/other], which other wholesale suppliers could you use to get those purchases?*

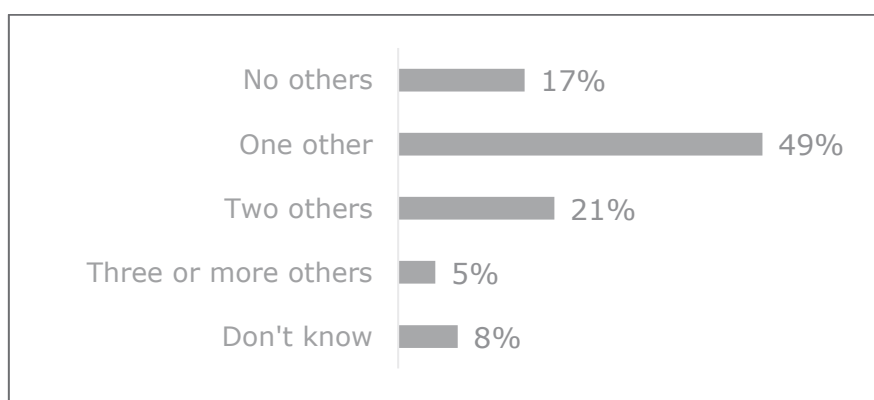
Q29. Cash and carry wholesalers are significantly more likely to be an alternative in areas where the share of Tesco is high (36%) than where it is low (21%).

Q29. Delivered only wholesalers are significantly more likely to be an alternative in areas where the Booker share is medium (21%) than where it is high (8%).

When asked about other particular wholesalers they could use, around a half mention just one alternative wholesaler (figure 24).

**Figure 24: Number of alternative wholesalers mentioned**

Base: all independent stores (310)

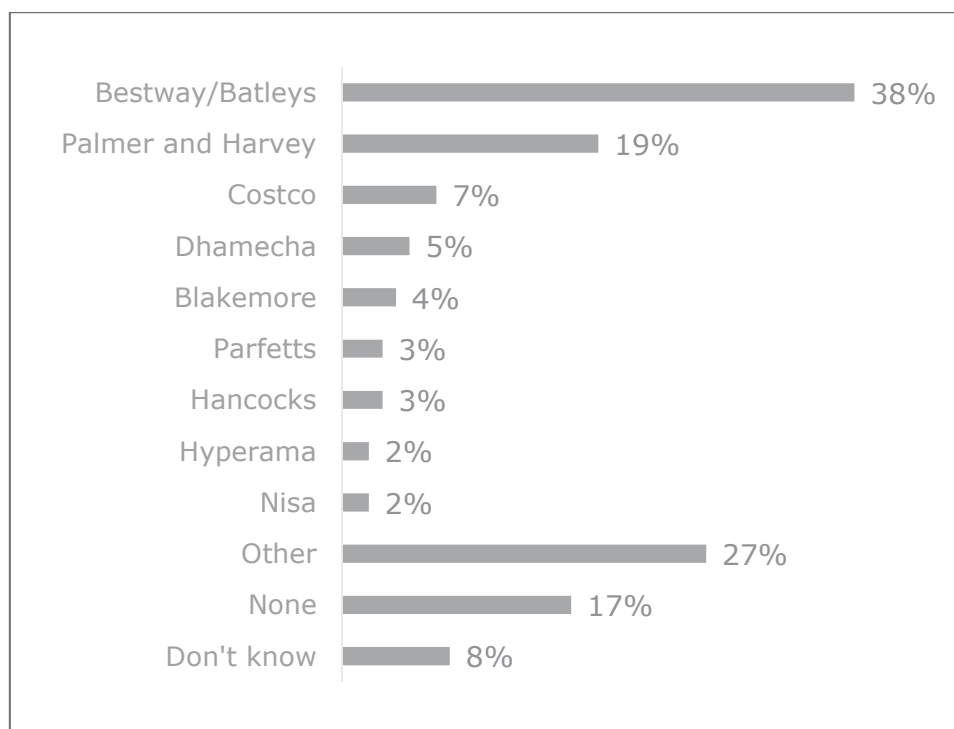


*Q30. And which particular wholesale suppliers could you use?*

In terms of particular names of wholesalers that they could use instead of Booker more than a third cite Bestway as an alternative (figure 25).

**Figure 25: Particular other wholesalers used**

Base: all independent stores (310)



*Q30. And which particular wholesale suppliers could you use?*

Q30. Bestway/Batleys is significantly more likely to be an alternative in areas where the share of Tesco is high (43%) or medium (46%) than where it is low (29%), where the fascia count is high (48%) than where it is low (31%), and also where the Booker share is medium (43%) rather than low (28%).

Q30. Bestway/Batleys is significantly more likely to be an alternative for independents whose spend with Booker is low (52%) than those whose spend is medium (35%)

Q30. Independents who mention two alternative wholesalers are significantly more likely to have low spend with Booker (32%) than those who have medium spend with Booker (20%)

Q30. The proportion of independents who do not mention an alternative wholesaler is higher for those who only use Booker (59%) than for those who have medium (14%) or low spend (9%) with Booker.

## 6. Knowledge of alternatives and ease of changing store affiliation

Respondents were asked if they had considered joining another symbol group or becoming an independent trader. Just under two fifths have considered another symbol group (table 3).

**Table 3: Consideration of changing symbol group/becoming an independent trader**

Base: all symbol stores (153)

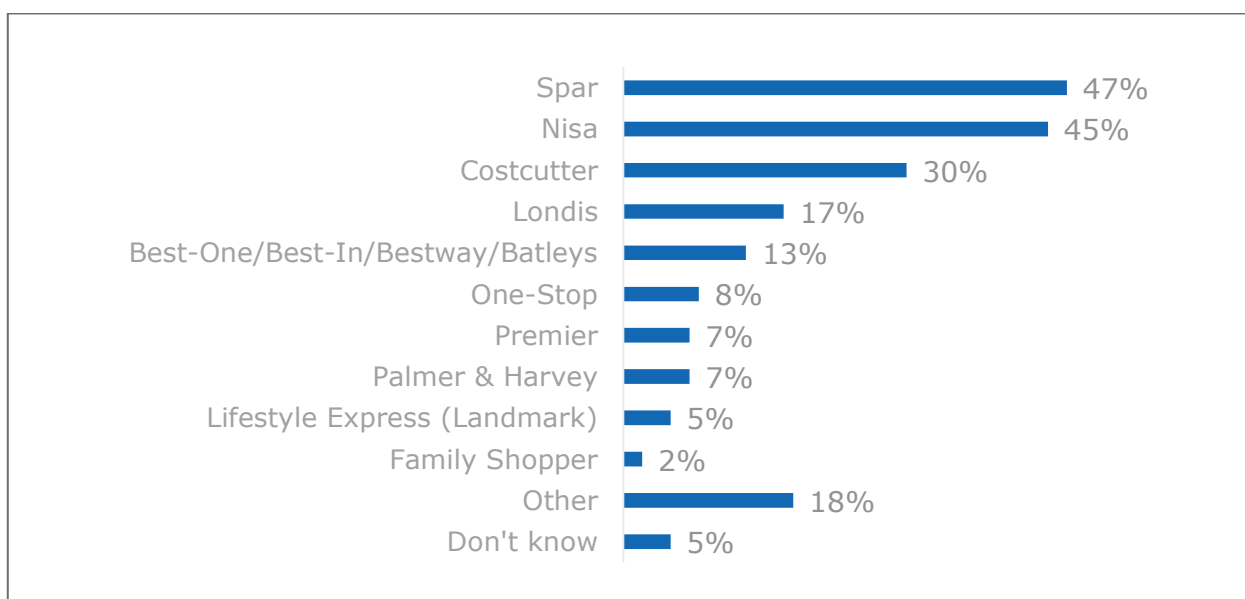
	Considered another symbol chain	Considered becoming independent	Neither
Symbol stores	39%	15%	56%

*Q21. Have you ever considered joining another symbol chain or becoming an independent trader?*

Amongst those who have considered changing to another symbol chain, Spar, Nisa and Costcutter are the groups most frequently mentioned (figure 26, base of 60).

**Figure 26: Alternative symbol chains mentioned**

Base: all symbol stores who have considered another symbol chain (60)



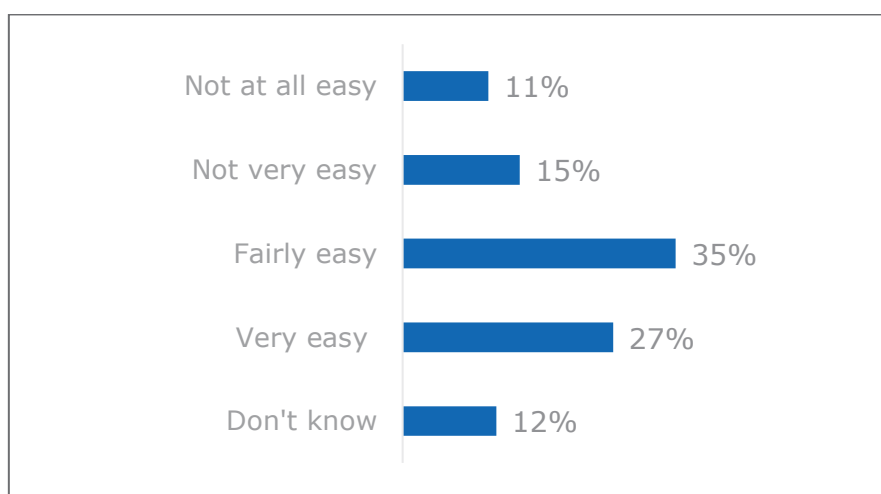
*Q22. Can you tell me the names of the symbol chains that you have ever considered?*

Q22. Almost a quarter (24%) of all Premier stores have considered Londis. Other Booker symbol stores are otherwise not frequently considered by existing Booker symbol stores.

When it comes to moving symbol groups, almost two thirds consider it easy to move to another symbol group, while just over a quarter consider it not easy (figure 27).

### Figure 27: Ease of moving symbol group

Base: all symbol stores (153)



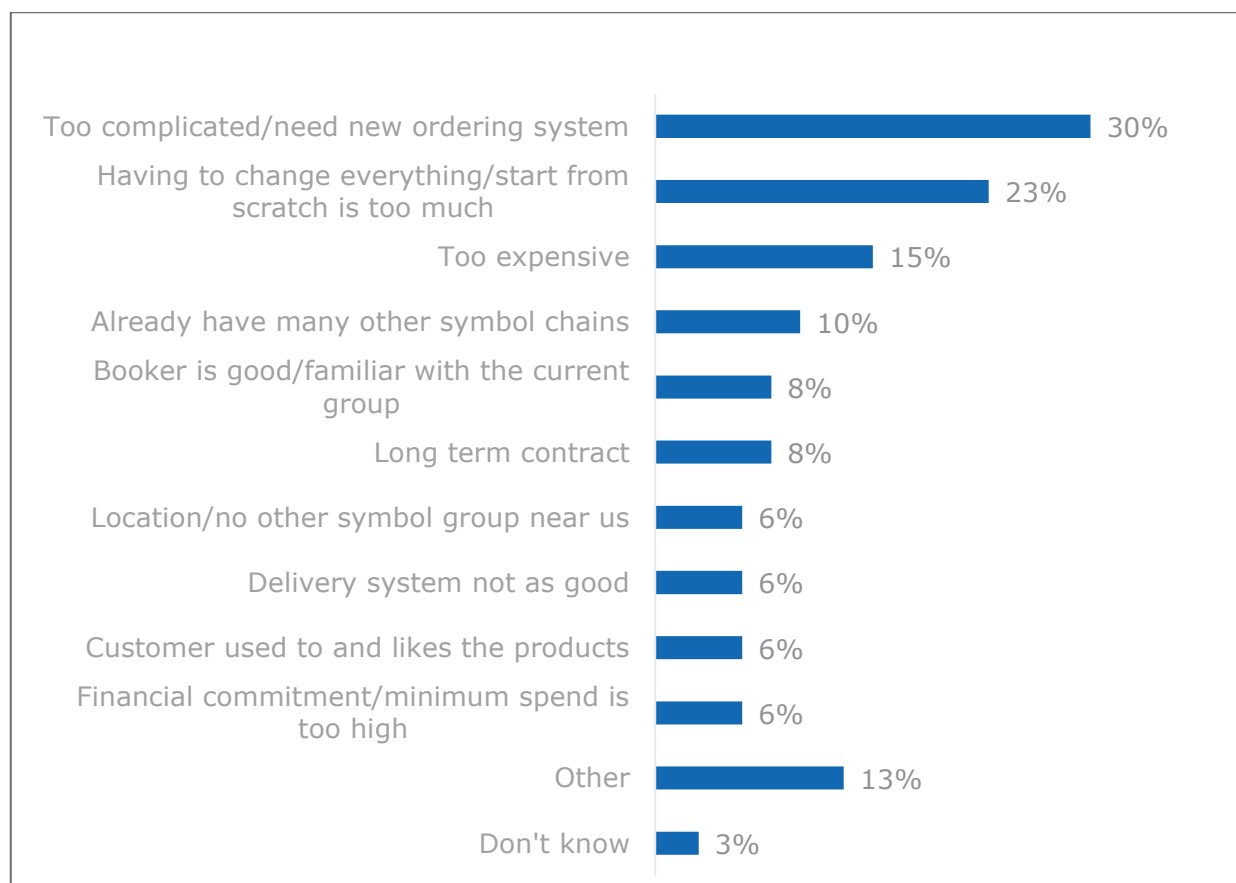
Q23. How easy would it be to move to another symbol group?

Q23. Moving to another symbol group is significantly more likely to be considered easy in areas where the share of Tesco is medium (74%) than where it is high (55%).

The complications and hassle of 'having to change everything' are the key challenges mentioned by those who consider a move to be difficult (figure 28, base of 40).

### Figure 28: Reasons for a move not being easy

Base: all symbol stores who would not find it easy to move symbol group (40)



Q24. Why wouldn't it be easy to move to another symbol group?

In terms of becoming an independent store, just 15% (23) of symbol stores have considered becoming independent. Those who have considered becoming independent share differing thoughts about whether doing so would affect their competitiveness. Of the 15% who have considered becoming independent, 10 out of the 23 think being an independent trader would affect their competitiveness, while 10 do not; 3 do not know.

Of the 10 symbol stores who believe that becoming independent would affect their competitiveness, the majority believe that they would become *less competitive*. Just one store believes it would become more competitive as a result of becoming independent.



Amongst all the symbol stores taking part in the research, just over two thirds have been contacted by another symbol group in the last year (table 4).

**Table 4: Contact by another symbol group in the last year**

Base: all symbol stores (153)

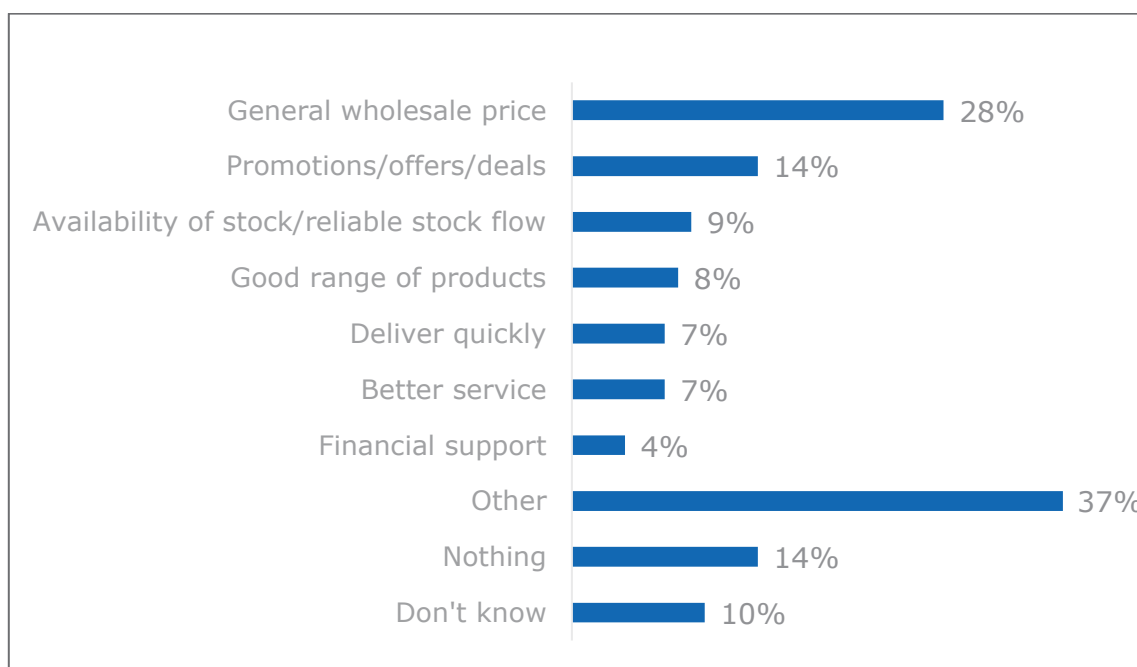
	Contacted by another symbol group	Not contacted by another symbol group	Unable to disclose
Symbol stores	67%	32%	1%

*Q26. Have you been contacted by another symbol group in the last year, for example giving details about switching to them?*

When asked what might encourage them to move symbol groups, over a quarter state that a better wholesale price would make them consider moving to another symbol group, and 1 in 7 refer to promotions, offers or deals (figure 29).

**Figure 29: Considerations for moving symbol group**

Base: all symbol stores (153)



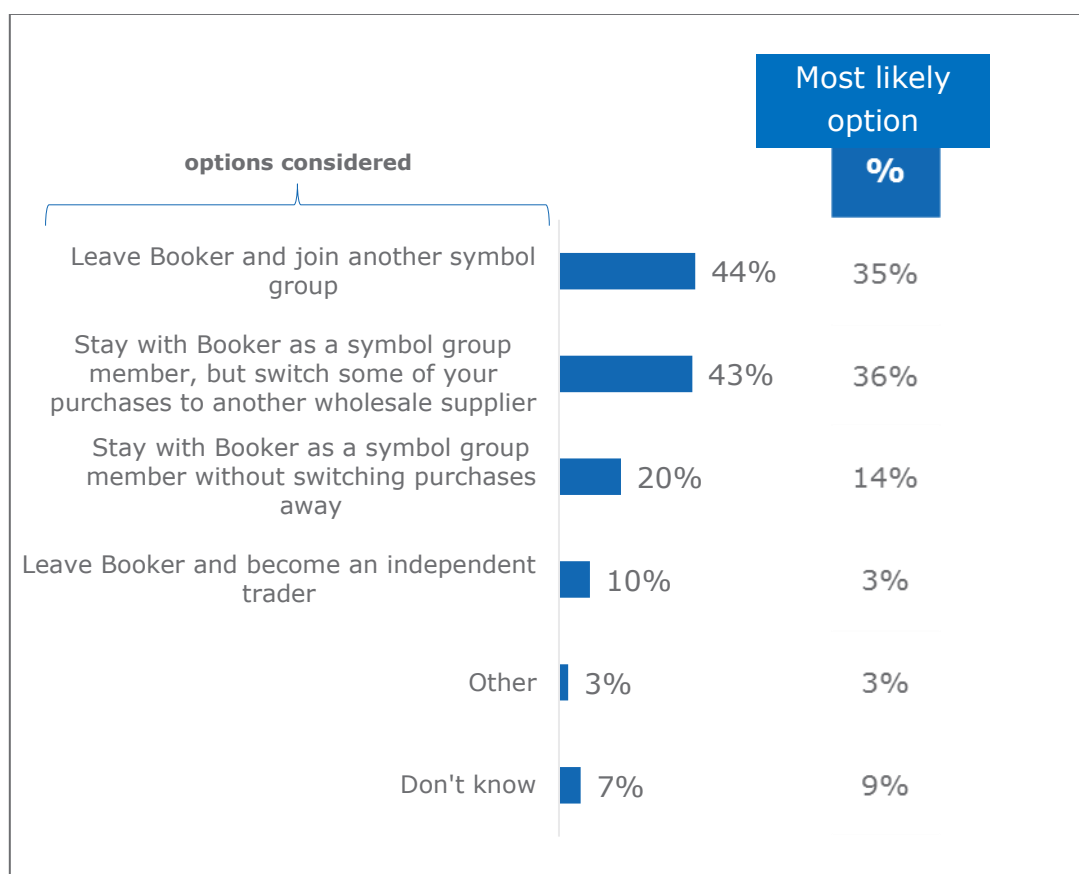
*Q25. What, if anything, would make you consider moving to another symbol group?*

## 7. Switching suppliers and response to Booker price increases

When asked what they would do if Booker were to raise its wholesale prices by 5%, a similar proportion of both symbol and independent stores would consider themselves most likely to either leave Booker altogether or switch some of their purchases to another wholesale supplier (figures 30 (symbol stores) and 31 (independent stores)).

**Figure 30: Options considered in the instance of price rises – symbol stores**

Base: all symbol stores (153)

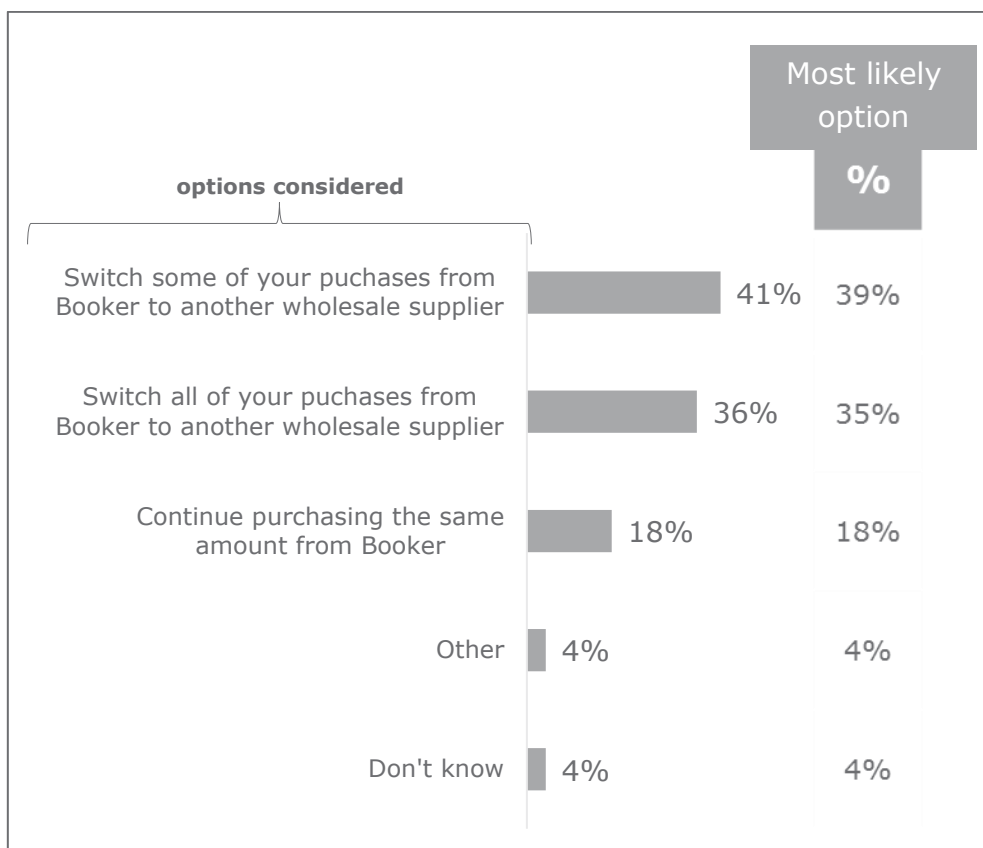


Q35. Imagine if Booker raised its wholesale prices by 5% for every £100 you spend now, so you had to spend £105 to buy the same, and all other wholesalers prices stayed the same. Which of the following options would you consider?

Q36. And which of the following are you most likely to do?

**Figure 31: Options considered in the instance of price rises – independent stores**

Base: all independent stores (310)



*Q35. Imagine if Booker raised its wholesale prices by 5% for every £100 you spend now, so you had to spend £105 to buy the same, and all other wholesalers prices stayed the same. Which of the following options would you consider?*

*Q36. And which of the following are you most likely to do?*

Q35. Symbol stores stating that they would stay with Booker as a symbol group member without switching purchases away are significantly more likely never to have considered moving (26%) than those who have considered another symbol chain (12%)

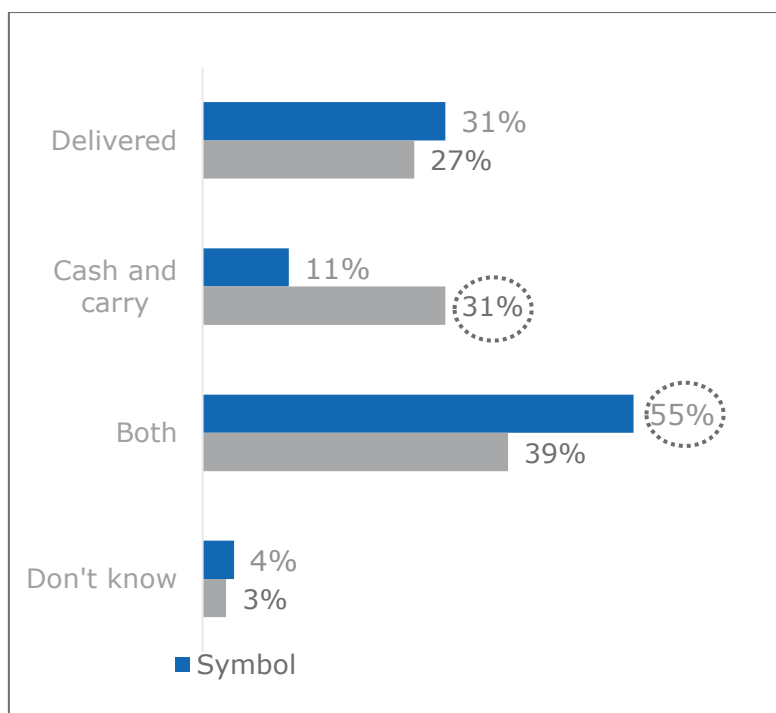
Q35. A higher proportion of symbol stores who have considered another symbol chain (53%) or becoming an independent trader (61%) would consider leaving Booker and joining another symbol group if Booker raised wholesale prices by 5%, than symbol stores who have never considered moving (37%)

Q36. Symbol stores in areas where the share of Tesco is below 10% are significantly more likely (27%) to stay with Booker as a symbol group member without switching purchases away from Booker, than stores in areas where the share is high (11%)

Of those who would switch purchases following a 5% price increase, both symbol and independent stores would most likely switch to both cash and carry and delivered wholesale suppliers (figure 32).

### Figure 32: Switching to another wholesale supplier

Base: stores who would switch purchases following a 5% price rise (283)



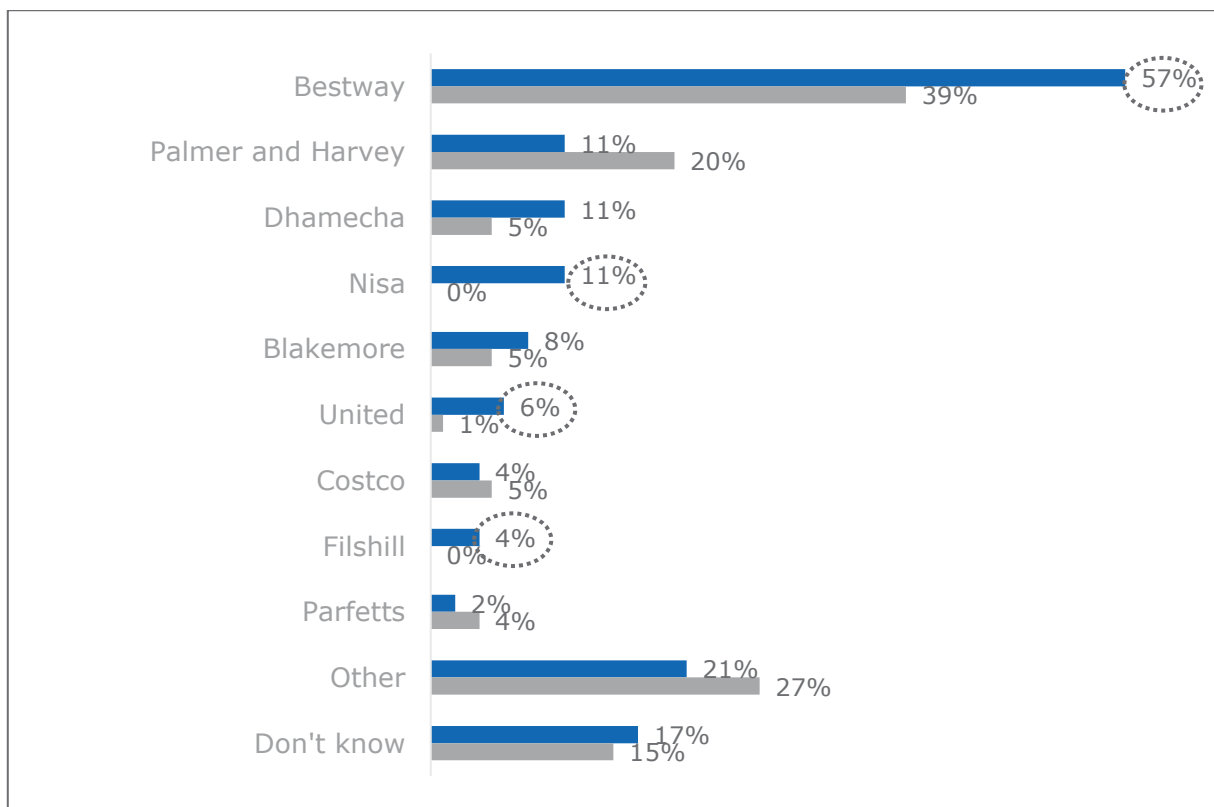
Q39. You said you would switch purchases from Booker to another wholesale supplier. Would this be to cash and carry wholesalers, to delivered wholesale suppliers or both?

Q39. Delivered wholesalers are significantly more likely to be an alternative for independent stores in areas where share of Tesco is low (34%) than where it is high (16%).

In terms of most popular alternative wholesalers, Bestway would be the most likely alternative (figure 33).

**Figure 33: Most likely alternative wholesalers**

Base: Stores that would switch purchases following a 5% price rise by Booker (274)



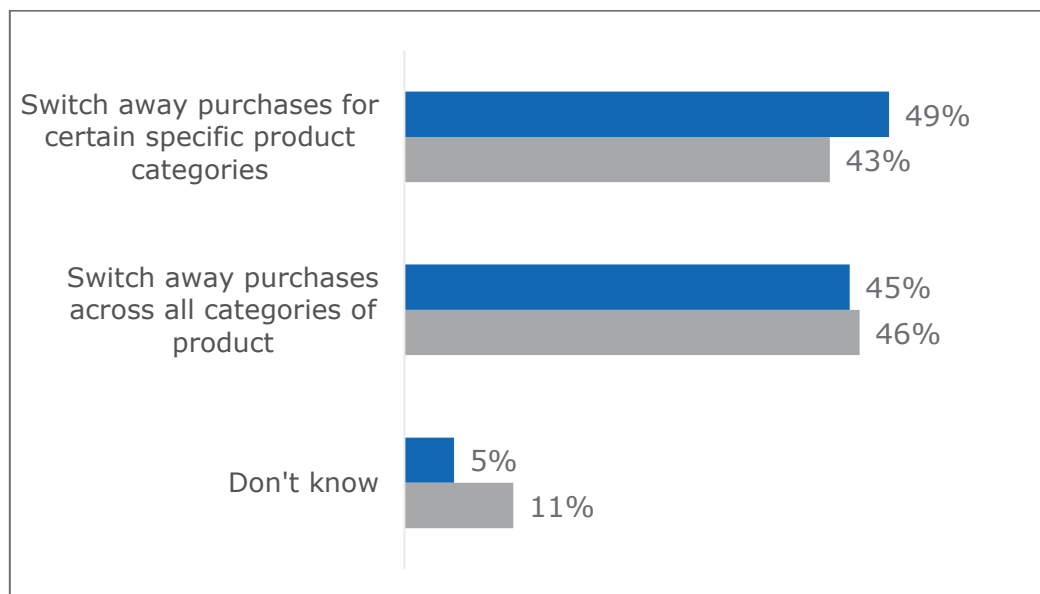
Q39b. And which wholesale suppliers would you switch to?

Q39b. Bestway is significantly more likely to be an alternative for independents in areas where the fascia count is high (52%) rather than low (31%), and also where the share of Tesco is medium (45%), rather than low (30%).

Amongst those respondents who would switch some purchases away from Booker in the event of a 5% increase, around half would switch purchases away for certain product categories while similar proportions would switch away across all product categories (figure 34).

**Figure 34: Switching away purchases**

Base: all independent stores who would switch suppliers and symbol stores who would switch suppliers (177)

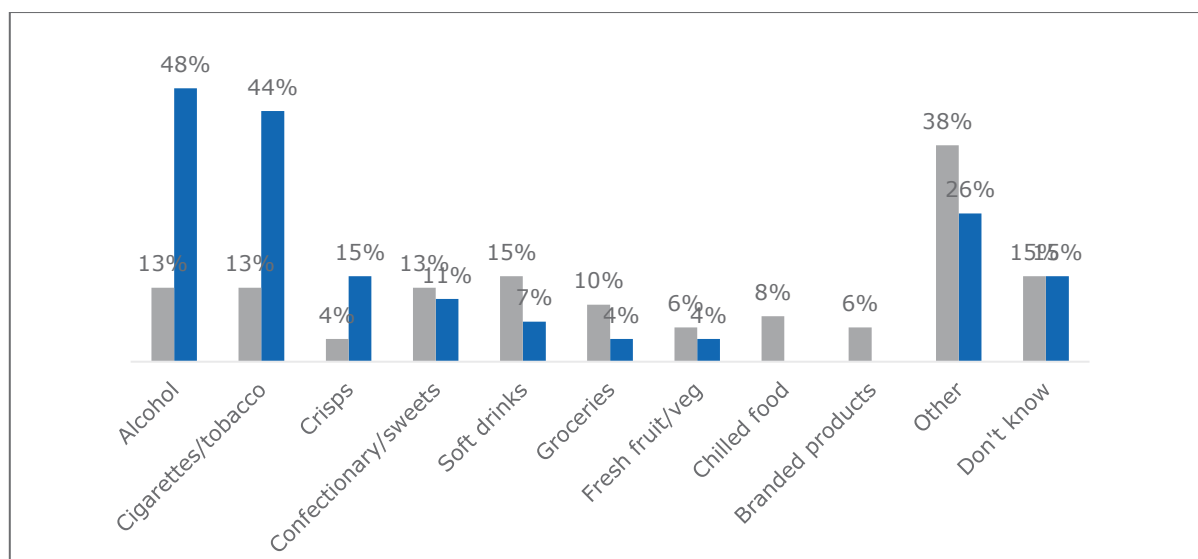


*Q40. You mentioned that you would switch some purchases away from Booker if they increased their prices. Which of the following would you be most likely to do?*

Symbol stores that would switch some specific product categories away from Booker in response to a 5% price increase are likely to switch away from alcohol and cigarette purchases (figure 35, base of 79).

**Figure 35: Switching away from specific product categories**

Base: all respondents who would switch away purchases for specific product categories (79)

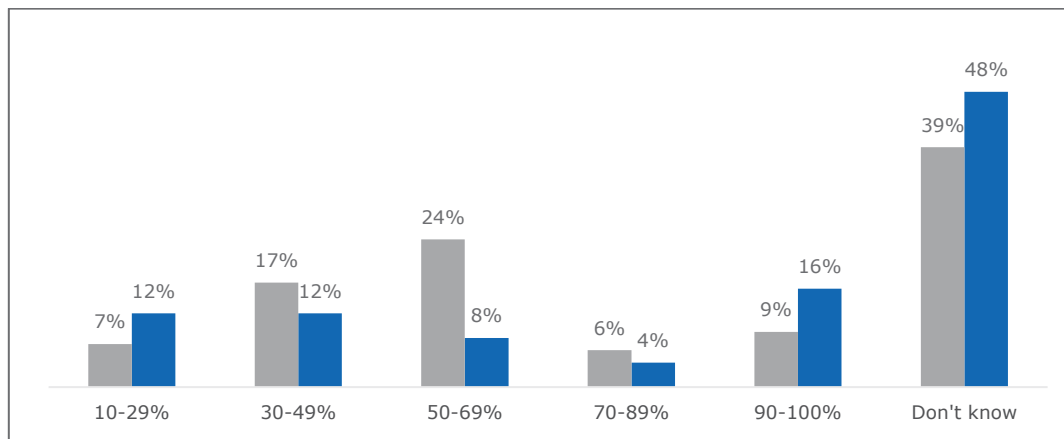


*Q40b. And which product categories would you switch away from Booker if they increased their prices?*

Amongst those who would switch across all product categories there are mixed responses in terms of the proportion of purchases that they would switch. Between approximately two fifths (symbol stores) and a half (independent stores) are unclear on exactly what proportion of their purchases they would switch (figure 36, base of 81).

**Figure 36: Proportion of purchases that they would switch in the event of a 5% price increase**

Base: Stores that would switch purchases over all categories following a 5% price rise (81)



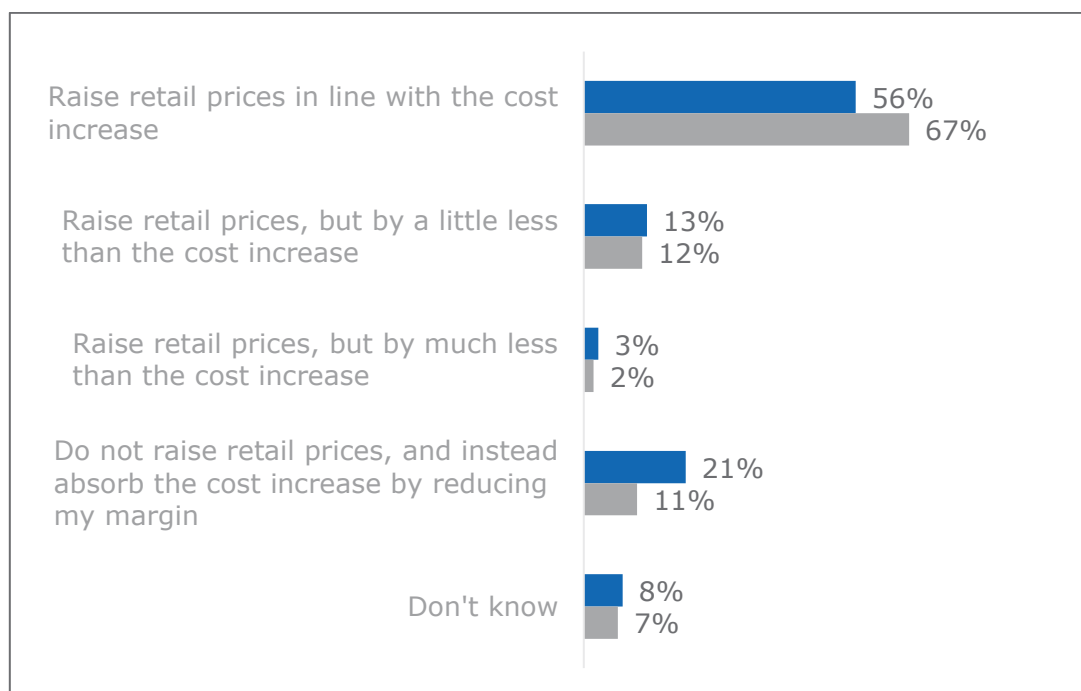
*Q41. What proportion of your purchases would you switch?*



In terms of any action taken following Booker price increases, two thirds of respondents who would continue to buy from Booker would raise their prices, and most would raise retail prices in line with the Booker cost increase. A fifth of symbol stores would absorb the increase (figure 37).

**Figure 37: Action taken following Booker price increases**

Base: Stores that would continue to buy products from Booker (252)

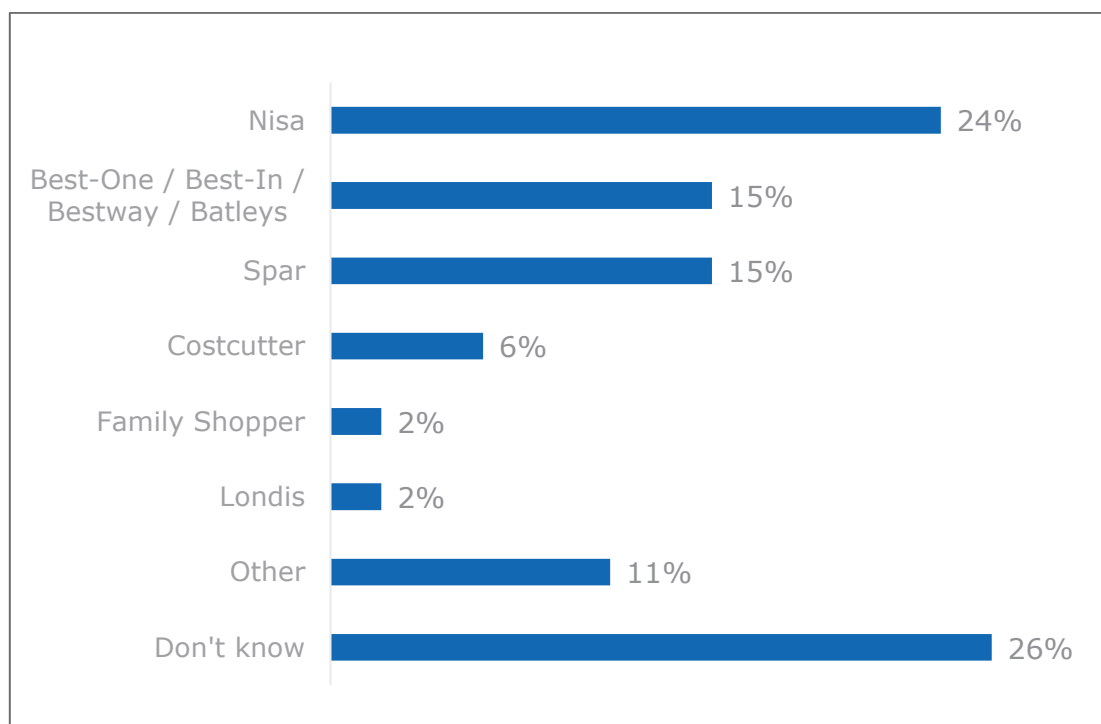


*Q42. We understand that if Booker increased wholesale prices by 5%, you would continue to buy some products from Booker at the higher price. Which of the following options do you think that you would do?*

When asked which symbol group they would join if they left Booker after a price increase, approximately a quarter of symbol stores who state they would consider leaving Booker after this increase, cite Nisa as being the most likely symbol store group they would join. More than a quarter did not know who they would join (figure 38, base of 54).

**Figure 38: Symbol groups considered due to Booker price increase**

Base: Symbol stores who would leave to join another symbol store (54)



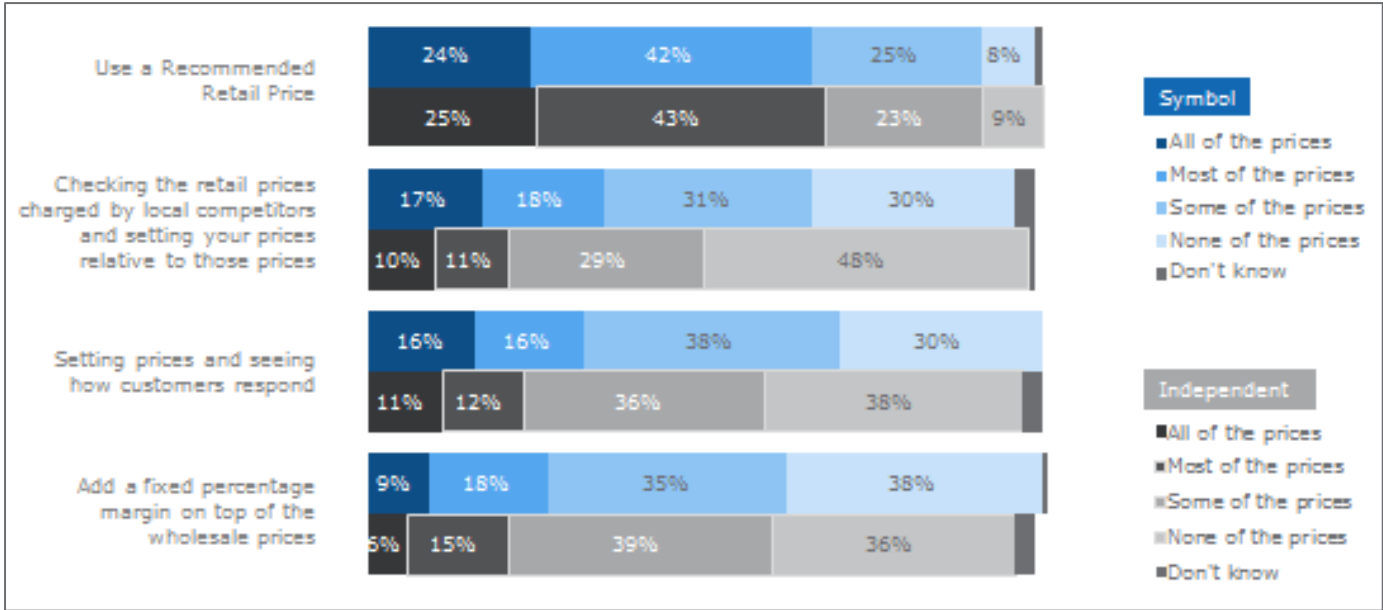
*Q42b. And which symbol group would you be most likely to join?*

When setting prices, approximately two thirds of symbol and independent stores set most, if not all of their prices, using a Recommended Retail Price. Symbol stores are more likely to set prices in response to competitors' prices than independent stores (figure 39).

**Figure 39: How stores set prices**

Base: all respondents (463)

NB. Not all participants considered the variety of price setting techniques to be mutually exclusive, with some applying multiple techniques across all of the prices.



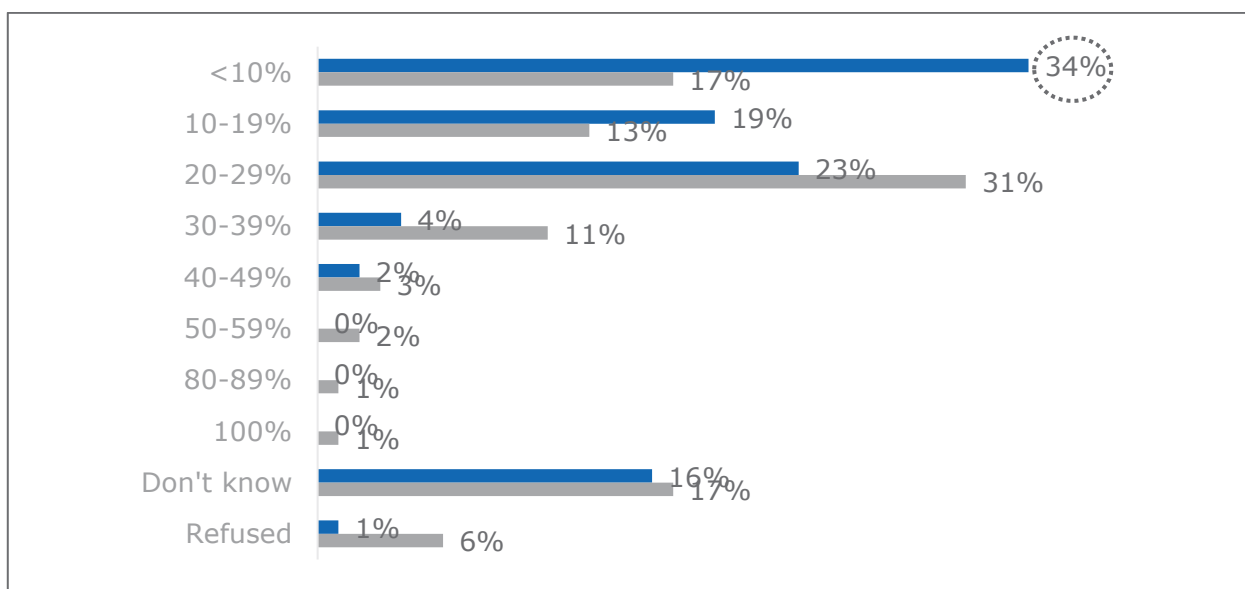
Q44. Which of the following statements apply to the way you set prices?

- Q44. Independents are significantly more likely to use the RRP for all prices in areas where the share of Tesco is high (32%) or medium (31%) than low (18%)
- Q44. Independents are significantly more likely to check the retail prices charged by local competitors and set prices relative to those prices for all prices in areas where the share of Tesco is high (17%) than medium (7%) or low (8%)
- Q44. Symbol stores are significantly more likely not to add a fixed percentage margin on top of the wholesale prices at all where the Booker share is low (53%) than where it is medium (31%) or high (30%)
- Q44. 54% of respondents provide identical codes for the statements "Checking the retail prices charged by local competitors and setting your prices relative to those prices" and "Setting prices and seeing how customers respond".

In terms of margin made, a third of symbol stores add less than 10% margin on top of the wholesale prices. In contrast, almost half of independent stores add at least 30% margin on top of the wholesale price (figure 40). The mean fixed percentage margin for independents (20.4%) is significantly higher than for symbol stores (13.5%, base of 94).

**Figure 40: Fixed percentage margin added**

Base: Stores that would add a fixed price margin on top of wholesale prices (282)



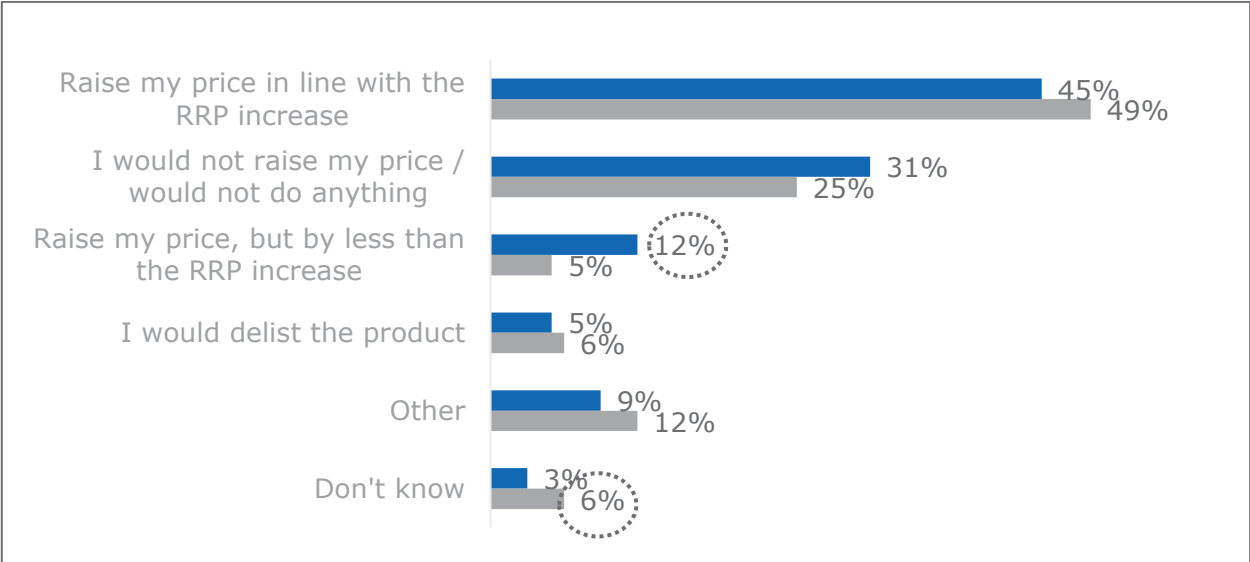
*Q45. You said that you add fixed percentage margin on top of the wholesale prices. How much is that fixed percentage margin, on average, across the products you sell?*

Q45. The mean fixed percentage margin for stores in areas where the Tesco share is low, is significantly higher (20.2%) than where the Tesco share is medium (15.1%).

In terms of the response to a 5% RRP rise, almost half of all stores would raise their prices in line with Booker’s RRP increase of 5%, even if wholesale prices were unchanged. A third of symbol stores and a quarter of independents would not do anything (figure 41).

**Figure 41: Action taken if RRP was raised by 5% by Booker but wholesale prices were kept the same**

Base: all respondents (463)



Q46. If Booker raised its RRP on a product by 5%, but kept its wholesale prices the same, what would you do?

Q46. Symbol stores that have been with a symbol group for a longer time are significantly more likely to not raise prices (40%) than those that have recently joined a symbol group (19%).

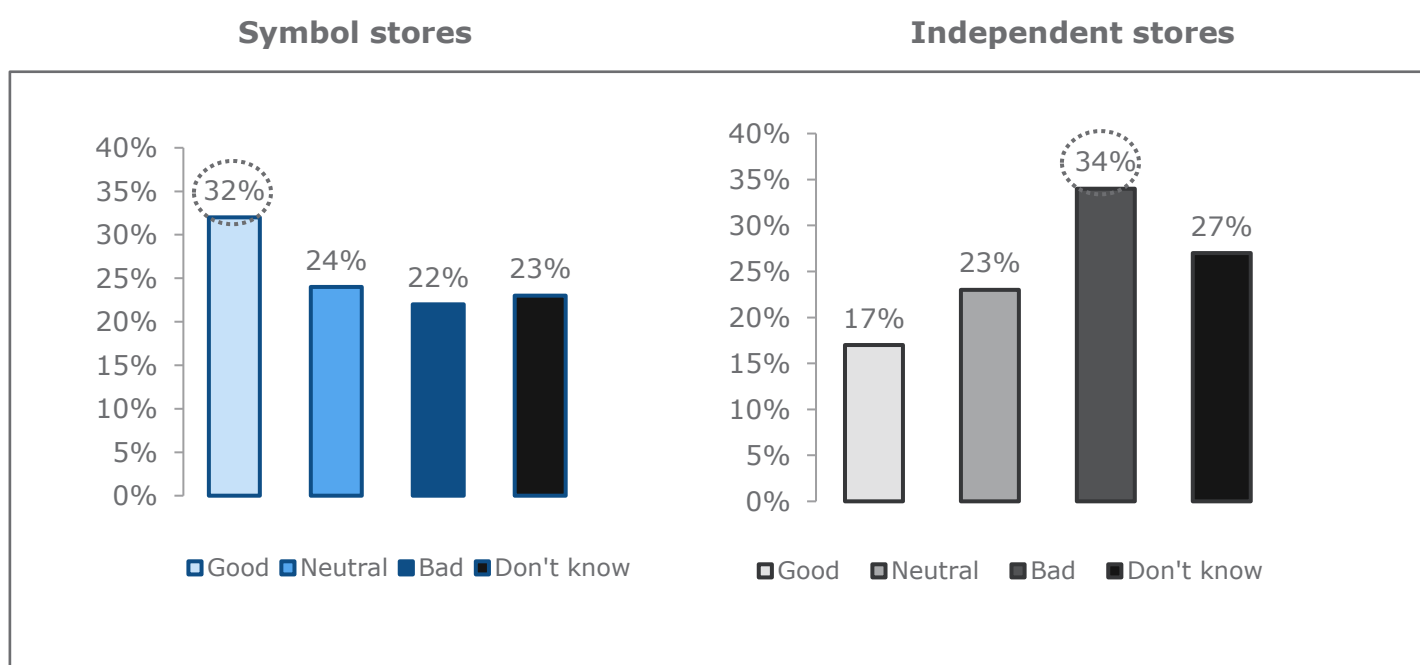
Q46. Stores that have a low proportion of spend with Booker are significantly more likely not to raise prices (37%) than those who spend 100% with Booker (18%).

## 8. Awareness and impact of proposed merger

All stores were asked if they were aware of the proposed merger. Almost all were aware of the proposed merger, with 97% awareness amongst symbol stores and 94% awareness amongst independent stores. In terms of the effect of this upon their business, independent stores were significantly more likely than symbol stores to think the merger would have a bad effect on their business (figure 42).

**Figure 42: Impact of proposed merger**

Base: all respondents (463)



*Q50. In fact, Tesco are planning to acquire the Booker Group. Would you expect this planned merger to have a good, neutral or bad effect on your business?*

Q50. Independent stores in areas where the share of Booker is high or medium are significantly more likely (45% and 33% respectively) to consider the impact of the merger to be bad than stores in areas where the Booker share is low (19%).

# 9. Appendix

## Appendix A – Questionnaire

### Introduction

My name is....., and I am calling from DJS Research Ltd, an independent research consultancy.

We are doing a survey on behalf of the Competition and Markets Authority, a government department. They want to explore how retailers choose where to buy the products they sell in their shops. This is part of its review of a proposed merger between Booker Group and Tesco.

NOTE TO INTERVIEWERS: IF PARTICIPANT ASKS WHO CMA ARE: The CMA is a non-ministerial department that works to promote competition for the benefit of consumers, both within and outside the UK. The aim of the CMA is to make markets work well for consumers, businesses and the economy.

We would like to interview you for 10 minutes. .

The interview would be conducted under the Market Research Society Rules guaranteeing anonymity and there would be strictly no sales or other comeback from the call. Would you be willing to spare a few minutes to take part?

IF YES, CONTINUE

### Q01.

#### All respondents

Is it correct that you run <store trading name> at <full address>?

IF STORE NAME HAS CHANGED, BUT ADDRESS IS CORRECT PROCEED WITH INTERVIEW, IF STORE ADDRESS IS DIFFERENT, CANCEL INTERVIEW

Code	Answer list	Scripting notes	Routing
1	Yes, address is correct	-	
2	No, address is incorrect	Thank and close	
85	Don't know ( <i>do not read out</i> )	ASK FOR REFERRAL	

**Q02.****All respondents**

Are you responsible for deciding what you stock and where you buy it from?

Code	Answer list	Scripting notes	Routing
1	Yes	-	
2	No	-	ASK FOR REFERRAL
85	Don't know ( <i>do not read out</i> )	-	ASK FOR REFERRAL

**Q02b****All respondents**

And can you also confirm that you use the wholesale supplier Booker-Makro, sometimes referred to as Booker, or BRP for at least a proportion of your supplies?

Code	Answer list	Scripting notes	Routing
1	Yes	-	
2	No	-	THANK AND CLOSE
85	Don't know ( <i>do not read out</i> )	-	THANK AND CLOSE

**Q02c****All respondents**

And can you confirm how you generally refer to this wholesale supplier, would it be ...

**READ OUT, SINGLE CODE**

Code	Answer list	Scripting notes	Routing
1	Booker-Makro	-	
2	Booker	-	
3	BRP		
80	Other ( <i>please specify</i> )	-	



### Q03.

#### All respondents

Are you affiliated to a symbol group, or do you operate independently?

#### SINGLE CODE

INTERVIEWER NOTE: SYMBOL GROUP = AFFILIATED TO A STORE BRAND RATHER THAN BEING AN INDEPENDENT RETAILER. SOME MAY CONSIDER THEMSELVES TO BE INDEPENDENT BUT WITH A SYMBOL GROUP FASCIA – THESE SHOULD BE CODED AS SYMBOL GROUP (PROBE ON FASCIA AND CHECK LIST FOR VALID SYMBOL GROUPS)

Code	Answer list	Scripting notes	Routing
1	Symbol group member ( <i>do not read out</i> )	-	Q04
2	Independent ( <i>do not read out</i> )	-	
85	Don't know ( <i>do not read out</i> )	-	Thank and close

### Q04.

#### All respondents coding 1 at Q3 (i.e. symbol stores)

Are you the person or one of the people responsible for choosing which symbol group to be part of?

INTERVIEWER NOTE: JUST CHECK ON WHETHER THEY WOULD BE RESPONSIBLE, IRRESPECTIVE OF WHETHER THEY HAVE CHOSEN THE SYMBOL GROUP OR NOT

Code	Answer list	Scripting notes	Routing
1	Yes	-	
2	No	-	CLOSE AND ASK FOR REFERRAL
85	Don't know ( <i>do not read out</i> )	-	

## Background information

### Q05.

#### All respondents

How many shops do you run?

Code	Answer list	Scripting notes	Routing
1	One	-	
2	Two or more	-	
85	Don't know ( <i>do not read out</i> )	-	

IF TWO OR MORE, INTERVIEWER READ OUT: From now on we want you to think about [store name and location] only.

### Q06.

#### All respondents

How big is the sales area of the store in m<sup>2</sup> or sq ft?

#### OPEN RESPONSE

Code	Answer list	Scripting notes	Routing
1	Answer given in m2		
2	Answer given in sq ft		
85	Don't know ( <i>do not read out</i> )		

### Q07.

#### All respondents coding 1 at Q3 (i.e. symbol stores)

Which symbol group is this store affiliated to?

#### SINGLE RESPONSE

#### DO NOT READ OUT

Code	Answer list	Scripting notes	Routing
1	Budgens	-	
2	Family shopper	-	
3	Londis	-	
4	Premier	-	
5	Affiliated with Booker but does not use symbol/brand	-	
6	Best-One/Best-In/Bestway/Batleys	-	
7	Costcutter	-	
8	Lifestyle Express (Landmark)	-	
9	Nisa	-	
10	Select and Save	-	
11	Spar	-	
12	Today's		
13	Key Store		
80	Other ( <i>Specify</i> )	OPEN	
85	Don't know ( <i>do not read out</i> )	-	

**Q08.****All respondents coding 1 at Q3 (i.e. symbol stores)**

How long has the store been part of [INSERT SYMBOL FROM Q7]?

**OPEN RESPONSE IN YEARS**

Code	Answer list	Scripting notes	Routing
85	Don't know ( <i>do not read out</i> )		

**Q09.****All respondents coding 1 at Q3 (i.e. symbol stores)**

Did you make the decision to become a [INSERT SYMBOL FROM Q7] store or was it already a [INSERT SYMBOL FROM Q7] store when you took over?

Code	Answer list	Scripting notes	Routing
1	Made active decision to become [INSERT SYMBOL FROM Q7]	-	Q10
2	Already was [INSERT SYMBOL FROM Q7]	-	
85	Don't know/can't remember ( <i>do not read out</i> )	-	

**Q10.****All respondents coding 1 at Q9 (i.e. made an active decision to choose symbol store)**

When you chose to be a member of [INSERT SYMBOL FROM Q7], what are the most important reasons you chose them and not a different symbol group?

**MULTI RESPONSE****DO NOT READ OUT**

INTERVIEWER NOTE: IF PARTICIPANT SAYS 'CONVENIENT', PROBE ON SPECIFIC ELEMENTS (E.G. LOCATION, SPEED, EASE OF ORDERING)

Code	Answer list	Scripting notes	Routing
1	The brand/good brand	-	
2	Support with technology e.g. sales system	-	
3	Support from the local manager/retail development manager	-	
4	Wholesale price – specific category mentioned	-	
5	Wholesale price – overall/general/no specific mentions	-	
6	Good range of products	-	
7	Good quality own label products	-	
8	Ease of ordering	-	
9	Deliver quickly	-	

10	Distance/supplier being local to me		
11	Flexible contract terms	-	
12	Low minimum purchase requirement	-	
13	Friendly and helpful	-	
14	Very reliable/do what they say they will	-	
15	Have always used them/used to them/no reason to change	-	
16	Promotions/offers/deals		
17	Availability of stock/reliable stock flow		
18	No fee to become a member		
19	Financial support/contribution		
20	Free delivery		
21	Flexible delivery		
22	Good service		
80	Other ( <i>Specify</i> )	OPEN	
85	Don't know ( <i>do not read out</i> )	-	

### Q11.

#### All respondents coding 1 at Q3 (i.e. symbol stores)

And now that you have been with them for [**INSERT LENGTH OF TIME FROM Q8**] years, what do you particularly appreciate about being a member of [**INSERT SYMBOL FROM Q7**]?

Anything else?

**MULTI RESPONSE**

**DO NOT READ OUT, BUT PROBE FOR ANSWERS**

**INTERVIEWER NOTE: IF PARTICIPANT SAYS 'CONVENIENT', PROBE ON SPECIFIC ELEMENTS (E.G. LOCATION, SPEED, EASE OF ORDERING)**

Code	Answer list	Scripting notes	Routing
1	The brand/good brand	-	
2	Support with technology e.g. sales system	-	
3	Support from the local manager/retail development manager	-	
4	Wholesale price – specific category mentioned	-	
5	Wholesale price – overall/general/no specific mentions	-	
6	Good range of products	-	
7	Good quality own label products	-	
8	Ease of ordering	-	
9	Deliver quickly	-	
10	Distance/supplier being local to me		
11	Flexible contract terms	-	
12	Low minimum purchase requirement	-	
13	Friendly and helpful	-	

14	Very reliable/do what they say they will	-	
15	Have always used them/used to them/no reason to change	-	
16	Promotions/offers/deals		
17	Availability of stock/reliable stock flow		
18	No fee to become a member		
19	Financial support/contribution		
20	Free delivery		
21	Flexible delivery		
22	Good service		
80	Other ( <i>Specify</i> )	OPEN	
85	Don't know ( <i>do not read out</i> )	-	

## Q12.

### All respondents coding 1 at Q3 (i.e. symbol stores)

Which **one** of the things you have just told me do you value most?

SHOW LIST SELECTED AT Q11

SINGLE RESPONSE

Code	Answer list	Scripting notes	Routing
1	The brand/good brand	-	
2	Support with technology e.g. sales system	-	
3	Support from the local manager/retail development manager	-	
4	Wholesale price – specific category mentioned	-	
5	Wholesale price – overall/general/no specific mentions	-	
6	Good range of products	-	
7	Good quality own label products	-	
8	Ease of ordering	-	
9	Deliver quickly	-	
10	Distance/supplier being local to me		
11	Flexible contract terms	-	
12	Low minimum purchase requirement	-	
13	Friendly and helpful	-	
14	Very reliable/do what they say they will	-	
15	Have always used them/used to them/no reason to change	-	
16	Promotions/offers/deals		
17	Availability of stock/reliable stock flow		
18	No fee to become a member		
19	Financial support/contribution		
80	Other ( <i>Specify</i> )	OPEN	

85	Don't know ( <i>do not read out</i> )	-	
----	---------------------------------------	---	--

## Current arrangements

### Q13.

#### All respondents

Which types of wholesale supplier do you use?

MULTI RESPONSE

READ OUT

Code	Answer list	Scripting notes	Routing
1	Cash and carry	-	
2	Delivered	-	
80	Other (specify)	OPEN	
85	Don't know ( <i>Don't read out</i> )	EXCLUSIVE	

### Q14.

#### All respondents

Which wholesale suppliers do you use other than *<PULL THROUGH CODE SELECTED AT Q02C>* ?

MULTI RESPONSE

DO NOT READ OUT

Code	Answer list	Scripting notes	Routing
1	Bestway	-	
2	Blakemore	-	
3	Dhamecha	-	
4	Costcutter	-	
5	Filshill	-	
6	Hyperarama	-	
7	Landmark	-	
8	Musgrave	-	
9	Nisa	-	
10	Palmer and Harvey	-	
11	Parfetts	-	
12	Select and Save	-	
13	Spar	-	
14	United		
80	Other ( <i>Specify</i> )	OPEN	
85	Don't know ( <i>do not read out</i> )	EXCLUSIVE	
87	No other suppliers	EXCLUSIVE	

**Q15.****All respondents**

Now thinking about the purchases for this store, what is the approximate value, to the nearest £1,000, of all the purchases you would make in a typical week?

*If asked what is a typical week, answer with: Think about an average week, not one where you are stocking up or one where you don't need very much at all.*

Code	Answer list	Scripting notes	Routing
1	<£2001	-	
2	£2001 - £5000	-	
3	£5001 - £10,000	-	
4	£10,001 - £15,000	-	
5	£15,001 - £20,000	-	
6	£20,001 - £30,000	-	
7	£30,001 - £40,000	-	
8	£40,001 - £50,000	-	
9	£50,001 - £60,000	-	
10	£60,001 - £70,000	-	
11	>£70,000	-	
80	Rather not say/refused ( <i>do not read out</i> )	OPEN	
85	Don't know ( <i>do not read out</i> )	-	

**Q16.**

**All respondents giving any of codes 1-80 at Q14 (i.e. buy from Booker-Makro and at least one other company)**

How much of this do you buy from **<PULL THROUGH CODE SELECTED AT Q02C>**? Please give me as good an estimate as you can?

*NOTE TO INTERVIEWERS The response must include all purchases from the Booker Group, including purchases from any of Booker, Booker-Makro, BRP, Londis, Premier, Budgens and Family Shopper.*

**OPEN RESPONSE IN £ PER WEEK**

Code	Answer list	Scripting notes	Routing
85	Don't know ( <i>do not read out</i> )		

## Q17

### All respondents

So roughly what proportion of your spend is with *<PULL THROUGH CODE SELECTED AT Q02C>*?

*NOTE TO INTERVIEWERS The response must include all purchases from the Booker Group, including purchases from any of Booker, Booker-Makro, BRP, Londis, Premier, Budgens and Family Shopper.*

OPEN RESPONSE, ONLY ALLOW NUMERIC VALUE BETWEEN 1 AND 100

ANSWER IN %

Code	Answer list	Scripting notes	Routing
80	Rather not say/refused ( <i>do not read out</i> )		
85	Don't know ( <i>do not read out</i> )	-	

## Q18.

### All respondents

So, of your spend with *<PULL THROUGH CODE SELECTED AT Q02C>* what proportion is delivered to your store?

*Confirm this is their percentage of the percentage given at Q17, not the percentage of the total purchases. We are interested in delivered as opposed to pick up themselves.*

OPEN RESPONSE

ANSWER IN %

Code	Answer list	Scripting notes	Routing
85	Don't know		

## Q20.

**All respondents giving codes 1-80 at Q14 (i.e. buy from Booker-Makro and at least one other company)**

Thinking of everything you purchase from wholesaler suppliers, other than *<PULL THROUGH CODE SELECTED AT Q02C>*, what proportion of these purchases is delivered to your store?

OPEN RESPONSE

Code	Answer list	Scripting notes	Routing
85	Don't know ( <i>do not read out</i> )		



## Knowledge of alternatives

### Q21.

#### All respondents coding 1 at Q3 (i.e. symbol stores)

Have you ever considered joining another symbol chain or becoming an independent trader?

READ OUT

MULTI-CODE FIRST TWO CODES

Code	Answer list	Scripting notes	Routing
1	Yes – considered another symbol chain	-	
2	Yes – considered becoming independent	-	
3	No – never considered either		
85	Don't know/can't remember ( <i>do not read out</i> )	-	

### Q22.

#### All respondents coding 1 at Q3 (i.e. symbol stores) AND 1 at Q21

And can you tell me the names of the symbol chains that you have ever considered?

READ OUT

MULTI-CODE FIRST TWO CODES

Code	Answer list	Scripting notes	Routing
1	Budgens	-	
2	Family Shopper	-	
3	Londis	-	
4	Premier	-	
5	Affiliated with <b>&lt;PULL THROUGH CODE SELECTED AT Q02C&gt;</b> but does not use symbol/brand	-	
6	Best-One/Best-In/Bestway/Batleys	-	
7	Costcutter	-	
8	Lifestyle Express (Landmark)	-	
9	Nisa	-	
10	Select and Save	-	
11	Spar	-	
80	Other ( <i>Specify</i> )	OPEN	
85	Don't know ( <i>do not read out</i> )	-	

**Q23.****All respondents coding 1 at Q3 (i.e. symbol stores)**

How easy would it be to move to another symbol group. I mean change completely to a new group, not just modify how much you buy?

READ OUT, ROTATE ORDER

SINGLE CODE

Code	Answer list	Scripting notes	Routing
1	Not at all easy	-	
2	Not very easy	-	
3	Fairly easy		
4	Very easy		
85	Don't know		

**Q24.****All respondents coding 1 at Q3 (i.e. symbol stores)****AND codes 1 or 2 at Q23**

Why wouldn't it be easy to move to another symbol group?

DO NOT READ OUT

MULTI CODE

Code	Answer list	Scripting notes	Routing
1	Long term contract	-	
2	Too expensive	-	
3	Already have many other symbol chains	-	
4	Too complicated/need new ordering system		
80	Other ( <i>specify</i> )	OPEN	
85	Don't know	EXCLUSIVE	

**Q25.****All respondents coding 1 at Q3 (i.e. symbol stores)**

What, if anything would make you consider moving to another symbol group? Anything else?

DO NOT READ OUT

MULTI CODE

INTERVIEWER NOTE: IF PARTICIPANT SAYS 'CONVENIENT', PROBE ON SPECIFIC ELEMENTS (E.G. LOCATION, SPEED, EASE OF ORDERING)

Code	Answer list	Scripting notes	Routing
1	The brand/good brand	-	
2	Support with technology e.g. sales system	-	
3	Support from the local manager/retail development manager	-	
4	Wholesale price – specific category mentioned	-	
5	Wholesale price – overall/general/no specific mentions	-	
6	Good range of products	-	
7	Good quality own label products	-	
8	Ease of ordering	-	
9	Deliver quickly	-	
10	Distance/supplier being local to me		
11	Flexible contract terms	-	
12	Low minimum purchase requirement	-	
13	Friendly and helpful	-	
14	Very reliable/do what they say they will	-	
15	Have always used them/used to them/no reason to change	-	
16	Promotions/offers/deals		
17	Availability of stock/reliable stock flow		
18	No fee to become a member		
19	Financial support/contribution		
20	Better service		
21	Dependent on the outcome of the Booker/Tesco merger		
22	Nothing		
80	Other ( <i>Specify</i> )	OPEN	
85	Don't know ( <i>do not read out</i> )	-	

**Q26.****All respondents coding 1 at Q3 (i.e. symbol stores)**

Have you been contacted by another symbol group in the last year, for example giving details about switching to them?

**DO NOT READ OUT, SINGLE CODE**

Code	Answer list	Scripting notes	Routing
1	Yes	-	
2	No	-	
3	Can't reveal/ disclose		
85	Don't know		

**Q27.****All respondents coding 1 at Q3 (i.e. symbol stores) AND code 2 at Q21 (i.e. would consider becoming an independent trader)**

You said earlier that you would consider becoming an independent trader? Do you think being an independent would affect your competitiveness?

**DO NOT READ OUT, SINGLE CODE**

Code	Answer list	Scripting notes	Routing
1	Yes	-	
2	No	-	
85	Don't know		

**Q28.****All respondents coding 1 at Q3 (i.e. symbol stores) AND code 2 at Q21 (i.e. would consider becoming an independent supplier) AND code 1 at Q27 (i.e. said yes)**

Would you become more or less competitive if you were independent?

**READ OUT, ROTATE ORDER**

**SINGLE CODE**

Code	Answer list	Scripting notes	Routing
1	Much less competitive	-	
2	A little less competitive	-	
3	A little more competitive		
4	Much more competitive		
85	Don't know		

**Q29.****All respondents coding 2 at Q3 (i.e. independent)**

Thinking about the purchases that you make from *<PULL THROUGH CODE SELECTED AT Q02C>*, which other wholesale suppliers could you use to get those purchases?

READ OUT

SINGLE CODE

Code	Answer list	Scripting notes	Routing
1	Cash and carry only	-	
2	Delivered only	-	
3	Both of the above		
4	None of the above		

**Q30.****All respondents coding 2 at Q3 (i.e. independent)**

And which particular wholesale suppliers could you use?

DO NOT READ OUT

MULTI CODE

Code	Answer list	Scripting notes	Routing
1	Bestway	-	
2	Blakemore	-	
3	Dhamecha	-	
4	Costcutter		
5	Filshill	-	
6	Hyperarama		
7	Landmark	-	
8	Musgrave		
9	Nisa	-	
10	Palmer and Harvey		
11	Parfetts		
12	Select and Save	-	
13	Spar	-	
13	United	-	
80	Other ( <i>Specify</i> )	OPEN	
87	None	EXCLUSIVE	
85	Don't know ( <i>do not read out</i> )	EXCLUSIVE	

### Q31.

#### All respondents coding 2 at Q3 (i.e. independent)

And still thinking about the purchases that you make from <PULL THROUGH CODE SELECTED AT Q02C> why do you buy them from <PULL THROUGH CODE SELECTED AT Q02C> rather than another wholesale supplier? Anything else?

DO NOT READ OUT

MULTI CODE

INTERVIEWER NOTE: IF PARTICIPANT SAYS 'CONVENIENT', PROBE ON SPECIFIC ELEMENTS (E.G. LOCATION, SPEED, EASE OF ORDERING)

Code	Answer list	Scripting notes	Routing
1	The brand/good brand	-	
2	Support with technology e.g. sales system	-	
3	Support from the local manager/retail development manager	-	
4	Wholesale price – specific category mentioned	-	
5	Wholesale price – overall/general/no specific mentions	-	
6	Good range of products	-	
7	Good quality own label products	-	
8	Ease of ordering	-	
9	Deliver quickly	-	
10	Distance/supplier being local to me		
11	Flexible contract terms	-	
12	Low minimum purchase requirement	-	
13	Friendly and helpful	-	
14	Very reliable/do what they say they will	-	
15	Have always used them/used to them/no reason to change	-	
16	Promotions/offers/deals		
17	Availability of stock/reliable stock flow		
18	No fee to become a member		
19	Financial support/contribution		
20	It's the only wholesaler nearby		
80	Other ( <i>Specify</i> )	OPEN	
85	Don't know ( <i>do not read out</i> )	-	

## Monitoring/ tracking

### Q32.

#### All respondents

What do you keep track of, if anything, in relation to other wholesale suppliers (add ", apart from Booker," for all respondents coding 1 at Q3)?

DO NOT READ OUT

MULTI CODE

Code	Answer list	Scripting notes	Routing
1	Prices	-	
2	Promotions	-	
3	Product ranges/categories	-	
4	Delivery options		
5	Nothing		
80	Other ( <i>Specify</i> )	OPEN	
85	Don't know	-	

### Q33.

#### All respondents coding 1 at Q3 (i.e. symbol stores) and coding 1-4 and/or 80 (i.e not none or don't know) at Q32

And, do you keep track of those for just symbol group wholesalers, for wholesale suppliers who don't have symbol groups or for both of these?

SINGLE CODE

Code	Answer list	Scripting notes	Routing
1	Symbol wholesalers only	-	
2	Wholesale suppliers without symbol groups only	-	
3	Both of these	-	
85	Don't know	-	

### Q34.

#### All respondents coding 1-4 and/or 80 (i.e not none or don't know) at Q32

And, how do you track these aspects?

MULTI CODE, DO NOT READ OUT

Code	Answer list	Scripting notes	Routing
1	Check at retailers	-	
2	Go to wholesale suppliers	-	
3	Internet search		
4	Magazines/brochures/flyers		
80	Other ( <i>specify</i> )	-	
85	Don't know	-	

## Switching suppliers

*NOTE TO INTERVIEWERS The following questions are hypothetical / reassure as necessary*

**Q35.**

**All respondents coding 1 at Q3 (i.e. symbol stores)**

Imagine if <PULL THROUGH CODE SELECTED AT Q02C> raised its wholesale prices by 5% for every £100 you spend now, so you had to spend £105 to buy the same, and all other wholesalers prices stayed the same. Which of the following options would you consider?

**READ OUT. ROTATE ORDER**

**MULTI CODE**

Code	Answer list	Scripting notes	Routing
1	Leave <PULL THROUGH CODE SELECTED AT Q02C> and join another symbol group	-	
2	Leave <PULL THROUGH CODE SELECTED AT Q02C> and become an independent trader	-	
3	Stay with <PULL THROUGH CODE SELECTED AT Q02C> as a symbol group member, but switch some of your purchases from <PULL THROUGH CODE SELECTED AT Q02C> to another wholesale supplier		
4	Stay with <PULL THROUGH CODE SELECTED AT Q02C> as a symbol group member without switching purchases away from <PULL THROUGH CODE SELECTED AT Q02C>		
80	Other ( <i>specify</i> )	-	
85	Don't know	-	



**Q36.**

**All respondents coding 1 at Q3 (i.e. symbol stores) and giving more than one response at Q35**

And which of the following are you most likely to do?

READ OUT THOSE GIVEN AT Q35

SINGLE CODE

Code	Answer list	Scripting notes	Routing
1	Leave <i>&lt;PULL THROUGH CODE SELECTED AT Q02C&gt;</i> and join another symbol group	-	
2	Leave <i>&lt;PULL THROUGH CODE SELECTED AT Q02C&gt;</i> and become an independent trader	-	
3	Stay with <i>&lt;PULL THROUGH CODE SELECTED AT Q02C&gt;</i> as a symbol group member, but switch some of your purchases from <i>&lt;PULL THROUGH CODE SELECTED AT Q02C&gt;</i> to another wholesale supplier		
4	Stay with <i>&lt;PULL THROUGH CODE SELECTED AT Q02C&gt;</i> as a symbol group member without switching purchases away from <i>&lt;PULL THROUGH CODE SELECTED AT Q02C&gt;</i>		
80	Other ( <i>specify</i> )	-	
85	Don't know	-	

**Q37.****All respondents coding 2 at Q3 (i.e. independent stores)**

Imagine if <PULL THROUGH CODE SELECTED AT Q02C> raised its wholesale prices by 5% for every £100 you spend now, so you had to spend £105 to buy the same, and all other wholesalers prices stayed the same. Which of the following options would you consider?

READ OUT. ROTATE ORDER

MULTI CODE

Code	Answer list	Scripting notes	Routing
1	Switch some of your purchases from <PULL THROUGH CODE SELECTED AT Q02C> to another wholesale supplier	-	
2	Switch all of your purchases from <PULL THROUGH CODE SELECTED AT Q02C> to another wholesale supplier	-	
3	Continue purchasing the same amount from <PULL THROUGH CODE SELECTED AT Q02C>		
80	Other ( <i>specify</i> )	OPEN	
85	Don't know	EXCLUSIVE	

**Q38.****All respondents coding 2 at Q3 (i.e. independent stores) and giving more than one response at Q37**

And which of the following are you most likely to do?

READ OUT THOSE GIVEN AT Q37

SINGLE CODE

Code	Answer list	Scripting notes	Routing
1	Switch some of your purchases from <PULL THROUGH CODE SELECTED AT Q02C> to another wholesale supplier	-	
2	Switch all of your purchases from <PULL THROUGH CODE SELECTED AT Q02C> to another wholesale supplier	-	
3	Continue purchasing the same amount from <PULL THROUGH CODE SELECTED AT Q02C>		
80	Other ( <i>specify</i> )	OPEN	
85	Don't know	EXCLUSIVE	

**Q39.**

**All respondents coding 2 at Q3 (i.e. independent stores) and gave code 1 or 2 ONLY at Q37 (i.e would switch their purchases) or code 1 or 2 at Q38**

**All respondents coding 1 at Q3 (i.e. symbol stores) and gave code 3 ONLY at Q35 or code 3 at Q36**

You said you would switch purchases from *<PULL THROUGH CODE SELECTED AT Q02C>* to another wholesale supplier. Would this be to cash and carry wholesalers, to delivered wholesale suppliers or both?

**SINGLE CODE**

Code	Answer list	Scripting notes	Routing
1	Cash and carry	-	
2	Delivered	-	
3	Both		
85	Don't know	-	

**Q39b.**

**All respondents coding 1, 2 or 3 at Q39**

And which wholesale suppliers would you switch to?

**MULTI CODE, DON'T READ OUT**

Code	Answer list	Scripting notes	Routing
1	Bestway	-	
2	Blakemore	-	
3	Dhamecha	-	
4	Costcutter		
5	Filshill	-	
6	Hyperarama		
7	Landmark	-	
8	Musgrave		
9	Nisa	-	
10	Palmer and Harvey		
11	Parfetts		
12	Select and Save	-	
13	Spar	-	
13	United	-	
80	Other ( <i>Specify</i> )	OPEN	
85	Don't know ( <i>do not read out</i> )	EXCLUSIVE	

**Q40.**

**All respondents coding 3 at Q36 or code 3 ONLY at Q35, or 1 at Q38 or CODE 1 only at Q37 (i.e would switch some of their purchases)**

You mentioned that you would switch some purchases away from *<PULL THROUGH CODE SELECTED AT Q02C>* if they increased their prices. Which of the following would you be most likely to do?

**SINGLE CODE**

Code	Answer list	Scripting notes	Routing
1	Switch away purchases for certain specific product categories	-	
2	Switch away purchases across all categories of products	-	
85	Don't know	-	

**Q40b. All respondents coding 1 at Q40**

And which product categories would you switch away from *<PULL THROUGH CODE SELECTED AT Q02C>* if they increased their prices?

**OPEN RESPONSE**

Code	Answer list	Scripting notes	Routing
85	Don't know ( <i>do not read out</i> )		

**Q41.**

**All respondents coding 2 at Q40 (i.e would switch across all product categories)**

What proportion of your purchases would you switch?

**OPEN RESPONSE IN %**

Code	Answer list	Scripting notes	Routing
85	Don't know ( <i>do not read out</i> )		

**Q42.**

**All respondents coding 3 Or 4 ONLY at Q35, or 3 or 4 at Q36 OR 1 or 3 at Q38 OR 1 OR 3 ONLY at Q37 (i.e would continue to buy products)**

We understand that if *<PULL THROUGH CODE SELECTED AT Q02C>* increased wholesale prices by 5%, you would continue to buy some products from *<PULL THROUGH CODE SELECTED AT Q02C>* at the higher price. Which of the following options do you think that you would do?

Code	Answer list	Scripting notes	Routing
1	Raise retail prices in line with the cost increase	-	
2	Raise retail prices, but by a little less than the cost increase	-	
3	Raise retail prices, but by much less than the cost increase		
4	Do not raise retail prices, and instead absorb the cost increase by reducing my margin		
85	Don't know	-	

**Q42.b**

**All respondents coding 1 at Q3 (ie symbol stores) and coding 1 Only at Q35 or coding 1 at Q36**

And which symbol group would you be most likely to join?

**DO NOT READ OUT**

Code	Answer list	Scripting notes	Routing
1	Budgens	-	
2	Family Shopper	-	
3	Londis	-	
4	Premier	-	
5	Affiliated with <i>&lt;PULL THROUGH CODE SELECTED AT Q02C&gt;</i> but does not use symbol/brand	-	
6	Best-One/Best-In/Bestway/Batleys	-	
7	Costcutter	-	
8	Lifestyle Express (Landmark)	-	
9	Nisa	-	
10	Select and Save	-	
11	Spar	-	
80	Other ( <i>Specify</i> )	OPEN	
85	Don't know ( <i>do not read out</i> )	-	

**Q43.****All respondents**

How often, if at all, do you move business from one wholesale supplier to another in response to what different wholesale suppliers are offering?

**READ OUT****SINGLE CODE**

Code	Answer list	Scripting notes	Routing
1	Every week	-	
2	Every month	-	
3	Every 3 months		
4	Every 6 months		
5	Less often than once every 6 months		
6	Never		
85	Don't know	-	

**Q44.****All respondents**

Which of the following statements apply to the way you set prices? For each statement I'll ask you whether it applies to all, most, some or none of your prices?

**READ OUT EACH STATEMENT AND ASK WHETHER IT APPLIES TO ALL, MOST, SOME OR NONE OF THEIR PRICES. THEN PROBE ON "OTHER" WAYS THEY SET PRICES AND AGAIN ASK WHETHER THIS APPLIES TO ALL, MOST, SOME OR NONE OF THEIR PRICES.**

**[GRID QUESTION]**

Code	Answer list	Scripting notes	Routing
1	All of the prices	-	
2	Most of the prices	-	
3	Some of the prices		
4	None of the prices		
85	Don't know	-	

Code	Statement	Scripting notes	Routing
1	Use the Recommended Retail Price	-	
2	Add a fixed percentage margin on top of the wholesale prices	-	
3	Checking the retail prices charged by local competitors and setting your prices relative to those prices		
4	Setting prices and seeing how customers respond		
80	Other 1 ( <i>specify</i> )	-	
81	Other 2 ( <i>specify</i> )		
82	Other 3 ( <i>specify</i> )		

**Q45.****All respondents answering all, most or some to code 2 at Q44 (i.e fixed price)**

You said that add fixed percentage margin on top of the wholesale prices. How much is that fixed percentage margin, on average, across the products you sell?

**OPEN RESPONSE IN %**

Code	Answer list	Scripting notes	Routing
85	Don't know ( <i>do not read out</i> )		
87	Prefer not to say / refused		

**Q46.****All respondents**

If **<PULL THROUGH CODE SELECTED AT Q02C>** raised its Recommended Retail Price on a product by 5%, but kept its wholesale prices the same, what would you do?

**DO NOT READ OUT****SINGLE-CODE**

Code	Answer list	Scripting notes	Routing
1	Raise my price in line with the Recommended Retail Price increase	-	
2	Raise my price, but by less than the Recommended Retail Price increase	-	
3	I would not raise my price / would not do anything		
4	I would delist the product		
80	Other ( <i>specify</i> )	-	
85	Don't know	-	

## Competition

### Q47.

#### All respondents

Please tell me who you consider to be your main competitors in your local area?

DO NOT READ OUT

MULTI-CODE

Code	Answer list	Scripting notes	Routing
1	Budgens	-	
2	Family Shopper		
3	Londis		
4	Premier		
5	Best-One/Best-In/Bestway/Batleys		
6	Costcutter		
7	Key Store	-	
8	Lifestyle Express (Landmark)		
9	Nisa		
20	One-Stop		
10	Select and Save		
11	Spar		
12	Today's		
13	Independent retailers		
14	Tesco Express		
15	Tesco Metro		
16	Tesco – larger stores		
17	Supermarkets (Sainsbury's/ASDA/Morrisons)		
18	Discount supermarkets (Aldi/Lidl)		
19	Co-op		
80	Other ( <i>specify</i> )	-	
85	Don't know	-	

### Q48.

#### All respondents giving more than one answer at Q47

Of these, which is your strongest competitor?

SHOW RESPONSES GIVEN AT Q47

SINGLE CODE

Code	Answer list	Scripting notes	Routing
1	Budgens	-	
2	Family Shopper		
3	Londis		
4	Premier		
5	Best-One/Best-In/Bestway/Batleys		
6	Costcutter		
7	Key Store	-	



8	Lifestyle Express (Landmark)		
9	Nisa		
20	One-Stop		
10	Select and Save		
11	Spar		
12	Today's		
13	Independent retailers		
14	Tesco Express		
15	Tesco Metro		
16	Tesco – larger stores		
17	Supermarkets (Sainsbury's/ASDA/Morrisons)		
18	Discount supermarkets (Aldi/Lidl)		
19	Co-op		
80	Other ( <i>specify</i> )	-	
85	Don't know	-	

#### Q49.

##### All respondents

Before this market research, were you aware of the planned merger between Booker group and Tesco?

**NOTE TO INTERVIEWERS** Before the respondent was contacted by DJS either by email or for an interview about the planned merger.

Code	Answer list	Scripting notes	Routing
1	Yes	-	
2	No	-	
85	Don't know	-	

#### Q50.

##### All respondents

<In fact, Tesco are planning to acquire the Booker group.> Would you expect this planned merger to have a good, neutral or bad effect on your business?

##### SINGLE CODE

Code	Answer list	Scripting notes	Routing
1	Good	-	
2	Neutral	-	
3	Bad		
85	Don't know	-	

## C01

### All respondents

This survey is being carried out on behalf of the Competition and Markets Authority. Would it be OK if CMA re-contacted you if they have a need to further clarify any of the responses you have given in this survey today?

#### SINGLE CODE

Code	Answer list	Scripting notes	Routing
1	Yes (VERIFY CONTACT DETAILS)	-	
2	No	-	
85	Don't know ( <i>do not read out</i> )	-	

## C01b

### All respondents

The CMA would like to understand your answers as thoroughly as possible. Are you content for the CMA (working under strict confidentiality agreements) to know the postcode of your store and to be able to link this with your responses?

#### SINGLE CODE

Code	Answer list	Scripting notes	Routing
1	Yes	-	
2	No	-	

## C01c

### All respondents

Are you content for other economists outside of the CMA (working under strict confidentiality agreements) to know the postcode of your store and to be able to link this with your responses?

#### SINGLE CODE

Code	Answer list	Scripting notes	Routing
1	Yes	-	
2	No	-	

**C02****All respondents**

Would it be OK if DJS Research or another research agency re-contacted you if we have a need to further clarify any of the responses you have given in this survey today?

**SINGLE CODE**

Code	Answer list	Scripting notes	Routing
1	Yes DJS Research(VERIFY CONTACT DETAILS)	-	
2	Yes – another research agency		
3	No	-	
85	Don't know ( <i>do not read out</i> )	-	

**C03****All respondents**

And would you be willing to take part in further market research on behalf of CMA?

**SINGLE CODE**

Code	Answer list	Scripting notes	Routing
1	Yes (VERIFY CONTACT DETAILS)	-	
2	No	-	
85	Don't know ( <i>do not read out</i> )	-	

**THANK & CLOSE**



**James Hinde**  
**Research Director**  
[jhinde@djsresearch.com](mailto:jhinde@djsresearch.com)

**David Marchant**  
**Senior Research Manager**  
[dmarchant@djsresearch.com](mailto:dmarchant@djsresearch.com)

3 Pavilion Lane, Strines,  
Stockport, Cheshire, SK6 7GH

**+44 (0)1663 767 857**  
**[djsresearch.co.uk](http://djsresearch.co.uk)**