

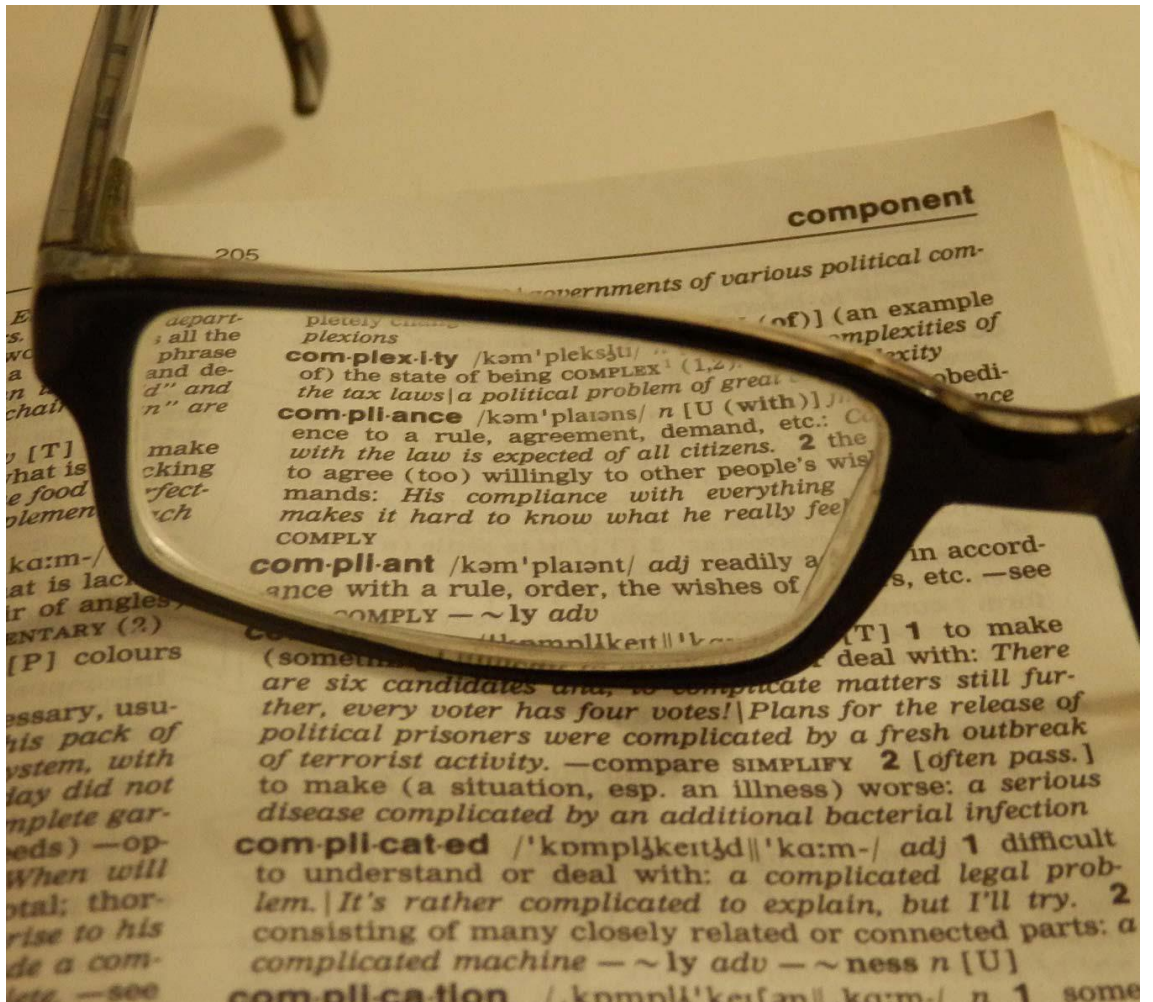


Report

UK businesses' understanding of Competition Law

Prepared for CMA
By IFF Research

26 March 2015





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1 Executive Summary

Introduction

- 1.1 This report presents findings from the 2014 study of businesses' understanding of Competition Law in the UK, conducted by IFF Research on behalf of the Competition and Markets Authority (CMA).
- 1.2 The purpose of the study was to measure UK businesses' awareness of Competition Law, their understanding of anti-competitive behaviours and the resulting penalties, businesses' preferred sources of information about compliance and, as a newly formed body, their awareness of the CMA and what it does.
- 1.3 The CMA is committed to improving levels of compliance with Competition Law. This research provides information for benchmarking current levels of understanding and knowledge and will inform the targeting of the CMA's compliance strategy and activities.

Methodology

- 1.4 This study was a telephone-based survey of 1,201 private sector businesses in the UK. A spread of interviews was achieved across all sectors of the economy, different sizes of businesses and across England regions, Northern Ireland, Scotland and Wales.
- 1.5 The sample was designed and weighted to be representative of the UK private sector business population as a whole (using size, sector and region as the weighting variables). Interviews were conducted at an organisational level, with the person in the company with responsibility for sales. Commonly this was the sales or commercial director in larger businesses and the managing director or equivalent for smaller businesses.
- 1.6 Targeting people with responsibility for sales reflects the fact that the risks of anti-competitive behaviour are greater amongst the sales function of organisations.

Risks of anti-competitive behaviour

- 1.7 The majority of businesses (83 per cent) had had some form of contact with other businesses in their sector in the last 12 months, over two-fifths (44 per cent) on a weekly basis. While this is not an indicator of non-compliant behaviour in itself, it illustrates the potential for companies to engage in anti-competitive practices with others in their industry. Indeed, 44 per cent of businesses who had been in contact with others in their industry (who weren't their suppliers) were in contact in relation to a transaction and approaching one in 10 (nine per cent) openly reported that they had discussed prices. This rose to 22 per cent for the Construction sector. While it cannot be assumed that these particular businesses are discussing prices in a fashion that is not compliant with UK Competition Law, it does suggest that the opportunity for anti-competitive behaviours around transactions and prices is present. It should also be borne in mind that this is possibly the lower limit of what is occurring as some businesses might not freely admit to anti-competitive activities.
- 1.8 Monitoring the prices competitors set was fairly commonplace: nearly three-quarters (73 per cent) tended to do so; over a third monitored prices on at least a monthly basis (36 per cent). Large businesses (54 per cent) and those in the Agriculture (56 per cent) and Wholesale, Retail and Transportation sectors (52 per cent) were most likely to monitor prices on at least a monthly basis.
- 1.9 Businesses tended to monitor their competitors' prices by seeing them quoted in advertisements (33 per cent of those who monitored) or through general internet searches (31 per cent), and a fifth (20 per



cent) reported that they were told competitors' prices by other businesses. This was most common among businesses in the Construction and Professional Services sectors (40 and 34 per cent respectively). Additionally, seven per cent of businesses said they had contacted their competitors directly to find out the prices they were charging for goods and services. This was less common among the micro businesses: six per cent compared with 12 per cent of the rest of the sample.

Awareness of Competition Law

- 1.10 Businesses seemed more concerned about their compliance with other areas of law such as Health and Safety and Employment than with Competition Law. One in five (19 per cent) had discussed their company's compliance with Competition Law legal requirements, while six per cent had held training sessions on complying with Competition Law. The level of businesses' engagement with Competition Law was strongly linked to their size: 61 per cent of large businesses held discussions on Competition Law and 41 per cent ran training sessions. By sector, businesses in the Construction and Arts and Other sectors were least likely to hold training sessions (both less than one per cent), while businesses in the West Midlands both appeared less likely to discuss (11 per cent) and train (one per cent). Businesses in Wales and Northern Ireland were also less likely to have had discussions on Competition Law (nine per cent and 10 per cent respectively).
- 1.11 Businesses had a fairly low level of awareness of Competition Law: less than a quarter of businesses reported that they knew Competition Law well (23 per cent) and only three per cent said they knew it very well). Conversely, this means that 77 per cent businesses do not know Competition Law very well (Not very well/not at all well/never heard of it). Larger businesses claimed a greater level of awareness than smaller businesses, with nearly two-fifths of medium-sized businesses (37 per cent) and three-fifths of large businesses (57 per cent) claiming to know Competition Law well. Sector differences were less varied.
- 1.12 However, in order to ascertain a more objective measure of businesses' understanding of Competition Law, they were read a series of 10 True/False statements regarding UK Competition Law rules. Their understanding appeared to be relatively poor: on average, businesses only answered four statements correctly.
- 1.13 Businesses' understanding of specific anti-competitive behaviours was poor in relation to Resale Price Maintenance (only 29 per cent understood that it is illegal), Market-sharing (only 40 per cent knew that it is illegal), Price-fixing (only 55 per cent knew that it was illegal) and Abuse of a dominant position (only 48 per cent businesses knew that dominant businesses have special responsibilities not to allow their conduct to impair competition).
- 1.14 Medium and large businesses appeared to have a better understanding of Competition Law: only around a quarter of these businesses (26 per cent and 22 per cent respectively) answered three statements or fewer correctly compared to 38 per cent overall. There was also some variation by region and sector, with those in the West (54 per cent) and East (50 per cent) Midlands were both more likely to have answered three answers or fewer correctly, along with those in the Arts and Other sector (52 per cent).
- 1.15 Training on Competition Law appears to increase businesses' understanding of anti-competitive behaviours: 50 per cent of respondents from businesses who ran training sessions over the last 12 months answered 6-10 of the statements correctly (only 32 per cent of all businesses answered 6-10 statements correctly) while 46 per cent of those who said that they knew Competition Law well answered 6-10 statements correctly.



- 1.16 Most businesses don't know what the penalties are for non-compliance with Competition Law: 66 per cent of all businesses responded 'Don't know' when asked. Just over a quarter of businesses reported that they had at least a 'fair awareness' of the penalties for non-compliance with Competition Law (27 per cent and 50 per cent among large businesses). Only five per cent reported a 'good' level of awareness and one per cent a 'very good' level.
- 1.17 Areas of particular uncertainty also related to the immunity or rewards that can come from reporting cartel activity, or admitting to participating in one. Only 15 per cent of businesses knew about Leniency and how it can lead to immunity and only 16 per cent knew that reporting a cartel could result in a reward.

Corporate commitment to compliance

- 1.18 Ethical reasons are as important, if not more so, to businesses for complying with Competition Law than legal reasons and the threat of penalties and sanctions: 85 per cent of all businesses reported that complying with Competition Law was 'just the right thing to do ethically' and over three in 10 (31 per cent) reported that this was the most important reason for their company complying. Only one per cent said that the business advantage it gave them was the most important reason for complying.
- 1.19 There was a perception of non-compliant behaviour among competitors: three in 10 businesses (30 per cent) thought that the activities of other businesses in their industry put them in at least medium risk of breaching Competition Law. This figure rose to 44 per cent among those who claimed to be familiar with Competition Law. By sector, businesses in the Wholesale, Retail and Transportation sector were most likely to perceive elements of non-compliant behaviour in their industry (36 per cent).
- 1.20 A similar proportion of businesses (27 per cent) also felt their own company had been disadvantaged by the non-compliant activities of competitors. The Construction sector exhibited the strongest signs of anti-competitive behaviour: over two-fifths of these businesses felt they had been disadvantaged through the non-compliant behaviour of competitors (41 per cent). However, it is possible that these figures are inflated as a result of businesses misinterpreting what counts as non-compliant behaviour (in line with the generally poor understanding of Competition Law rules). The most common disadvantage cited by businesses in that position was that their competitors had undercut them (21 per cent); in most cases this is perfectly legal and competitive behaviour. The next most common disadvantage that businesses mentioned was unfair or biased tendering (12 per cent).

Awareness and understanding of CMA and its role

- 1.21 Only one in 10 businesses reported seeking information on Competition Law (10 per cent), although this rose to 52 per cent among large businesses. Those in the Accommodation and Food sector were least likely to look for such information (three per cent).
- 1.22 The internet appeared to be the first port of call for many businesses when they were looking for information on Competition Law. Across all business sizes, regions and the majority of sectors, the most common response to where they would go to find information was an online search engine: 30 per cent. Government websites and gov.uk in particular were also cited by least one in 10 businesses.
- 1.23 Small businesses with more than 10 employees were more likely to contact legal firms (21 per cent) compared with micro businesses (12 per cent). Some businesses also reported that they would use collaborative networks of businesses (nine per cent cited their trade associations and eight per cent of micro businesses cited the Federation of Small Businesses). The CMA and its predecessors, the Office of Fair Trading and the Competition Commission were very rarely mentioned.



- 1.24 Nearly three in five businesses (57 per cent) had not heard of the CMA (39 per cent amongst large businesses), and only two per cent of businesses felt that they knew the CMA well. Businesses in the West Midlands were most likely never to have heard of the CMA (67 per cent).
- 1.25 The majority of businesses, when prompted with a list of organisations, thought that the OFT had responsibility for enforcing Competition Law in the UK (75 per cent) and half thought that it was the Competition Commission (49 per cent). While familiarity with the CMA was low, around a third (32 per cent) thought that the CMA was responsible for enforcing Competition Law.

Conclusion

- 1.26 There is a significant 'compliance gap' in relation to Competition Law: while 85 per cent of businesses think that they should comply with Competition Law because it is the right thing to do ethically, there is low understanding around specific anti-competitive behaviours. There is also poor knowledge of the penalties for breaking the law and how to report anti-competitive activity. Given that 83 per cent of businesses meet other businesses from their sector and that they discuss transactions (44 per cent) and prices (nine per cent) when they do meet, businesses are potentially at risk of behaving anti-competitively.
- 1.27 Businesses outside of London and Scotland are less likely to have discussed Competition Law at senior levels, particularly businesses in Wales, Northern Ireland and the West Midlands.
- 1.28 Size influences businesses' understanding of Competition Law and in general larger businesses are better informed than medium, small and micro businesses. Businesses who have had some competition law training are more likely to have a better understanding of anti-competitive behaviours, penalties and reporting.



2 Background and methodology

Background

- 2.1 The Competition and Markets Authority (CMA) works to promote competition for the benefit of consumers, both within and outside the UK and has made a firm commitment to improving levels of compliance with Competition Law among businesses in the UK.
- 2.2 A key focus for the CMA is to identify which types of businesses are exhibiting signs of anti-competitive behaviour. Accompanying this is the need to examine the extent to which anti-competitive or non-compliant behaviour is embedded in a lack of awareness of Competition Law as opposed to deliberate attempts to undermine competitors in a non-compliant manner.
- 2.3 To inform progress towards this objective, the CMA therefore requires information on:
- Current levels of compliance with Competition Law by UK businesses;
 - Businesses' awareness of the CMA and its role; and
 - The sectors and regions which exhibit the poorest rates of compliance, to enable CMA to target their resources effectively.

Survey objectives

- 2.4 The CMA therefore commissioned this research project to identify UK businesses':
- Awareness of Competition Law;
 - Awareness of what anti-competitive behaviours are;
 - Awareness of penalties for non-compliance with Competition Law;
 - Awareness and understanding of the CMA and its role; and
 - Preferred and most commonly-accessed sources of information about Competition Law compliance.
- 2.5 There may be further iterations of this research in future so that attitudes to, and awareness of, Competition Law can be tracked over time.

Methodology

Survey sampling

- 2.6 The survey was designed to be representative of all UK private sector companies with at least one employee. The survey encompassed businesses across the full geographical spectrum of the UK, in all sectors of the economy, and of different sizes.
- 2.7 The UK business population is highly skewed towards smaller organisations, so medium (defined as those with 50 to 249 employees) and large (250 plus employees) businesses were over-sampled to enable subgroup analysis. These targets are noted later in the chapter, in Table 2.2.
- 2.8 Targets for the number of interviews to be achieved were set up by sector and size to a purposive design which tried to maximise the potential for subgroup analysis without straying too far from the actual distribution of different sized businesses.



- 2.9 When setting targets, the profile of the UK population was taken from the latest Business Population Estimates available at the time¹.
- 2.10 Sample was drawn in a 15:1 ratio from Dun & Bradstreet's business database which provided us with contact details for senior decision makers in each business.
- 2.11 The screening questions ensured that we spoke to a senior person within the company with responsibility for sales. For smaller businesses this was commonly the managing director or equivalent, while for larger businesses this tended to be sales directors. We deliberately chose not to interview staff in legal or financial roles, who might be expected to be more familiar with Competition Law in the UK, as the CMA specifically wanted to assess the awareness of those individuals whose day to day role meant engaging in competitive practices on a frequent basis.

Survey questionnaire

- 2.12 IFF Research and the CMA worked collaboratively to design the questionnaire. The key concern in the design was to ensure that respondents provided spontaneous answers. As such we only revealed the name of the CMA towards the end of the survey, once we had captured important measures such as businesses' attitudes to, and awareness, of Competition Law. Instead of referring to the CMA in the introduction we simply stated that the study was on behalf of "a large government agency exploring how businesses operate and remain competitive in the UK market".
- 2.13 An additional concern was the extent to which the survey captured measures of perceived awareness and claimed understanding of Competition Law as opposed to their actual understanding of its requirements. As such, we developed a series of True/False statements regarding UK Competition Law rules in order to determine a more accurate and objective picture of businesses' understanding of Competition Law.
- 2.14 Once the questionnaire had been agreed with the CMA, IFF proceeded to a cognitive piloting stage, to test that the language used in the questionnaire was suitable for the typical respondent and that the questionnaire flowed smoothly and logically from a respondent perspective.
- 2.15 Specifically respondents to these cognitive interviews were asked to complete the interview as though they were participating in a 'normal' interview and then asked a series of questions about how they arrived at their answer and how they found the interview experience in general.
- 2.16 A total of nine cognitive interviews were conducted, across a range of businesses (in terms of sector and size) and some areas of the questionnaire, such as the introduction, were amended so that they were easier for the respondent to understand.
- 2.17 The final questionnaire covered the following areas, and is included in Appendix A:
- Background to company
 - Awareness of anti-competitive behaviours
 - Awareness of Competition Law
 - Corporate commitment to compliance
 - Awareness and understanding of CMA and its role
 - Additional firmographics

¹ These are available through <https://www.gov.uk/government/collections/business-population-estimates>



- Re-contacting and closing interview

Survey fieldwork

- 2.18 Fieldwork for the survey was undertaken between 3rd November and 11th December 2014, involving 1,201 telephone interviews using computer-assisted telephone interviewing (CATI) software. Interviews lasted around 20 minutes on average.
- 2.19 All interviewers were provided with a detailed face to face briefing on the questionnaire content, the aims of the research, and the background to the project. The survey process was monitored throughout fieldwork to ensure a high quality of interviewing.
- 2.20 As is common with surveys of this nature, particularly where information about the client and the objectives of the research is initially withheld, it proved difficult to fill all of the quotas in the tight timeframe available. This was particularly evident among large businesses, and businesses in the 'Arts and Other' sector. As a result targets in other 'quota' cells were increased to compensate (Table 2.2 shows the interviews achieved against the initial targets set).
- 2.21 The survey achieved an overall response rate of 20 per cent. Table 2.1 breaks down the fieldwork outcomes and response rates by size of business. The response rate was calculated as the number of achieved interviews as a proportion of 'total complete contacts', where a final outcome was reached with the establishment (this includes those respondents who completed the interview, refused to take part or quit during the interview). Refusal rates were higher than expected.

Table 2.1: Fieldwork outcomes by size

	Micro (2-9 staff)	Small (10-49)	Medium (50-249)	Large (250+)	Total
Starting sample	11,948	2,329	2,439	1,331	18,038
Unobtainable / invalid numbers	1,261	151	207	110	1,729
Ineligible (e.g. sole trader / public org)	688	66	116	76	2,206
Unavailable during fieldwork / ongoing contact	5,955	1,373	1,290	697	9,315
Total complete contacts	4,044	730	826	448	6,048
Refused	2,907	424	433	172	3,936
Company policy refusal	333	112	274	192	911
Complete	804	194	119	84	1,201
% Complete of total complete contacts	20%	27%	14%	19%	20%

Profile of respondents

2.22 As intended, we contacted a broad range of private sector businesses in the UK. Table 2.2 shows the breakdown by size, sector and region against the original targets.

Table 2.2: Achieved interviews by size, sector and region

Size, Sector	Achieved	Target	Region	Achieved	Target
Micro (2-9 staff)	804	800	North East	87	100
Small (10-49 staff)	194	150	North West	118	100
Medium (50-249 staff)	119	150	Yorkshire & The Humber	92	100
Large (250+ staff)	84	100	East Midlands	104	100
Agriculture, Mining, Utilities	80	100	West Midlands	95	100
Manufacturing	132	100	East of England	128	100
Construction	114	140	London	80	100
Wholesale, Retail & Transportation	194	140	South East	93	100
Accommodation & Food	141	140	South West	108	100
Information, Communication, Financial & Real Estate	127	140	Wales	104	100
Professional Services	179	140	Scotland	95	100
Administration	77	100	Northern Ireland	97	100
Education & Health	90	100	TOTAL	1,201	1,200
Arts and other	67	100			

2.23 The survey also captured further information about the respondents themselves and the businesses they were representing. As mentioned earlier, respondents were all senior people within the business who had a responsibility for sales. The majority (72 per cent) had worked over 10 years in their industry².

2.24 By their highest educational qualification, respondents split evenly into those who held a degree and those who did not, as follows:

- 51 per cent had a degree;
- 19 per cent had achieved A Levels or equivalent;
- 17 per cent had achieved GCSEs or equivalent;
- 4 per cent had achieved some other qualification; and

² Please note, these figures, and those cited in the rest of this section, are unweighted.



- 7 per cent had no educational qualifications.
- 2.25 Approaching two-fifths (37 per cent) reported that they had achieved a professional qualification. Most commonly they were members of a professional body (16 per cent), had qualifications in chartered accountancy (eight per cent) or had other professional chartered qualifications (eight per cent).
- 2.26 Two-thirds of businesses (66 per cent) reported that they had a permanent member of staff at the company with a professional qualification to advise on legal or financial issues. Most commonly this was a company secretary (47 per cent) or accountant (45 per cent). Risk managers (21 per cent), auditors (17 per cent) and legal advisors (14 per cent) were less common.
- 2.27 We also captured information on companies' approximate annual turnover in the last financial year which showed that a wide range of businesses had been surveyed. Of those who gave an answer, one in five (19 per cent) had an annual turnover of £100,000 or less, while one in nine (11 per cent) had an annual turnover of over £10 million.
- 2.28 Finally, the survey also determined the broad trading area of businesses:
- Two-fifths predominantly traded in their local area (41 per cent);
 - 14 per cent tended to trade at a more regional level;
 - 29 per cent traded nationally; while
 - 15 per cent traded internationally.

Data preparation and Analysis

Coding

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

Weighting

- 2.31 The survey data was weighted and grossed up to population figures of 1.28 million private businesses (with at least one employee, excluding sole traders and those who are self-employed). All population estimates used were derived from the latest available (November 2014) BIS Business Population Estimates.
- 2.32 The first stage of weighting was based upon size and sector: targets were set to the UK population within a size by sector grid, using the same definitions as employed for sampling the population.
- 2.33 The second stage involved rim weights being applied to the data to ensure that it represented the business population by region (GOR in England, Northern Ireland, Scotland and Wales). Rim weights were used to ensure the survey population of each region matched the true population, but did not correct further for size and sector at this level.



Sampling error and statistical significance

- 2.34 Sampling error for the survey results overall and for key sub-groups by which analysis is presented in the report is shown in Table 2.3. Figures have been based on a survey result of 50 per cent (the 'worst' case in terms of statistical reliability), and have used a 95 per cent confidence level. Where the table indicates that a survey result based on all respondents has a sampling error of +/- 2.8 per cent, this should be interpreted as follows: 'for a question asked of all respondents where the survey result is 50 per cent, we are 95 per cent confident that the true figure lies within the range 47.2 per cent to 52.8 per cent'.

Table 2.3: Sampling error (at a 95 per cent confidence level) associated with findings of 50 per cent, by size, sector and region

	Interviews achieved	Population	(Maximum) sampling error
Overall	1,201	1,277,360	±2.8
Micro (2-9 staff)	804	1,044,385	±3.5
Small (10-49)	194	194,755	±7.0
Medium (50-249)	119	31,475	±9.0
Large (250+)	84	6,745	±10.6
Agriculture etc.	80	60,500	±11.0
Manufacturing	132	88,005	±8.5
Construction	114	149,030	±9.1
Wholesale, Retail, Transport	194	278,090	±7.0
Accommodation and Food	141	126,660	±8.3
Info, Comms, Fin. & Real Estate	127	127,525	±8.7
Professional Services	179	172,645	±7.3
Administration	77	102,755	±11.2
Education & Health	90	80,280	±10.3
Arts and other	67	91,870	±12.0
North East	87	37,870	±10.5
North West	118	129,540	±9.0
Yorkshire & The Humber	92	95,675	±10.2
East Midlands	104	88,425	±9.6
West Midlands	95	104,105	±10.1
East of England	128	126,950	±8.7
London	80	203,880	±11.0
South East	93	193,095	±10.2
South West	108	117,910	±9.4
Wales	104	53,440	±9.6
Scotland	95	93,675	±10.1
Northern Ireland	97	32,795	±9.9



Report structure

2.35 Following this chapter, the remainder of the report is split into four key chapters:

- Chapter 3: Indications of anti-competitive behaviour
- Chapter 4: Awareness of Competition Law
- Chapter 5: Corporate commitment to compliance
- Chapter 6: Awareness and understanding of the CMA and its role

2.36 Appendix A contains the questionnaire used for the survey.

Reporting conventions

2.37 The terms 'business', 'organisation', 'company' and 'firm' are used interchangeably throughout the report to avoid excessive repetition.

2.38 Throughout the report unweighted base findings are shown on tables and charts to give an indication of the statistical reliability of figures. All other figures reported are weighted to the UK private sector business population, unless when explicitly stated.

2.39 All differences noted are significant to a 95 per cent confidence level from the rest of the sample. Statistical differences are affected by both the unweighted base and the percentage figure. In charts and tables such differences, whether higher or lower than remaining businesses, are marked with an asterisk '**'.

2.40 Tables often appear at the ends of sections depicting figures by region and sector. These tables present figures for regions and sectors either at the higher or lower end of the spectrum, regardless of whether they are significantly different to the rest of the sample, so as to provide further indications of possible patterns by such subgroups. As ever, where there are statistical differences, these are marked with a '**'.

2.41 In some cases charts or tables may not always add to 100 per cent and where this is the case it is due to rounding (i.e. 99 per cent or 101 per cent). Furthermore, in a number of charts and tables, 'don't know' answers have not been included.



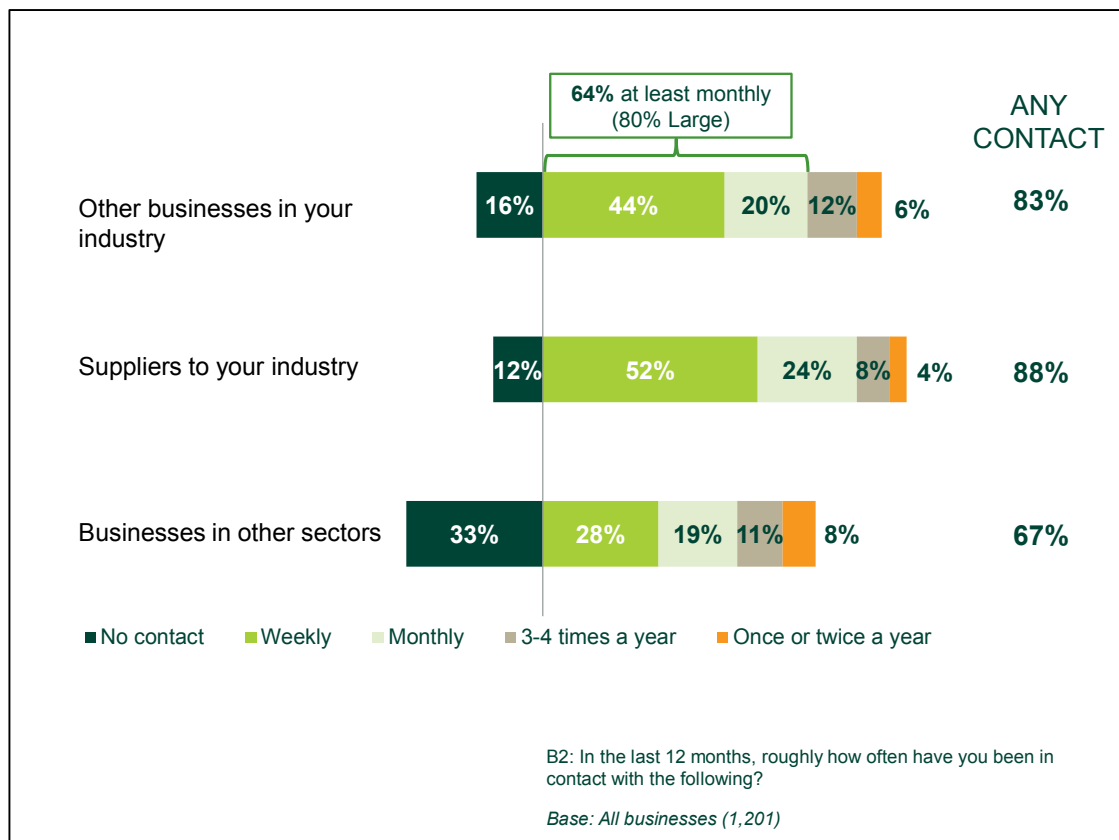
3 Indications of anti-competitive behaviour

- 3.1 A key research aim was to explore current levels of compliance with Competition Law among UK businesses. This was challenging: businesses were unlikely to be forthcoming about anti-competitive behaviour and asking direct questions about businesses' compliance with Competition Law would hamper the exploration of unprompted awareness of Competition Law and CMA.
- 3.2 With this in mind, questions were designed to reveal where potential anti-competitive behaviour might occur without explicit reference to compliance with Competition Law, considering the level of contact with other businesses and the reasons for this contact, how frequently businesses monitor their competitors' prices and how they find out this information.

Level of respondent contact with other businesses

- 3.3 Respondents were asked whether they had any personal contact with people from other businesses in their industry, people from suppliers to their industry or people from businesses in other sectors and if so, how regularly they had been in contact with these different groups. Figure 3.1 summarises the findings.

Figure 3.1: Level of contact with key business groups



- 3.4 Overall, around four-fifths of respondents had contact with other businesses in their industry (83 per cent). Contact with these businesses was fairly regular, with around two-thirds (64 per cent) of respondents having contact with these businesses at least monthly, with this proportion rising to 73 per cent amongst medium-sized firms and 80 per cent amongst larger firms.



- 3.5 There were also notable differences by region. Contact with other businesses in the same industry was far more common amongst businesses in Wales, with three-quarters (75 per cent) reporting that they had contact with these businesses at least monthly; in contrast, just over half of respondents in the East Midlands (54 per cent) and East of England (53 per cent) had contact with other businesses in their industry at least once a month.
- 3.6 In terms of sector, respondents within the Construction industry were considerably more likely to have had regular contact with each other; almost four-fifths (78 per cent) reported having contact with other businesses in their industry at least monthly. Businesses in the Arts & Other (53 per cent) and Education & Health (50 per cent) sectors appeared less likely to have had this level of contact with other businesses in their industry.
- 3.7 Almost nine in 10 businesses had contact with suppliers to their industry in the last 12 months (88 per cent), with around three-quarters (76 per cent) having had contact with their suppliers at least monthly. There were no clear differences by size or region in terms of regular contact (at least monthly) with suppliers. However, by sector, respondents from Construction sector businesses were again far more likely to have regular contact with suppliers (92 per cent), while those in the Information, Communication, Finance and Real Estate (65 per cent), Education & Health (65 per cent), and Professional Services (59 per cent) industries were less likely to have this level of contact with their suppliers.
- 3.8 Relatively fewer respondents reported having contact with businesses from *other* sectors in the last 12 months (67 per cent). Respondents from large firms and small firms were much more likely to have any contact across different industries (81 per cent and 74 per cent respectively). Contact with businesses from other sectors was also less frequent, with less than half (47 per cent) reporting that they had contact with these businesses at least monthly. This proportion rose to nearly two-thirds (63 per cent) amongst respondents from large businesses. By sector, respondents from Professional Services firms were also more likely to have regular contact with businesses outside of their industry (58 per cent).
- 3.9 Table 3.1 summarises the notable differences in regular (at least monthly) contact by region and sector for each key business group. Please note that throughout this report, such tables present figures for regions and sectors either at the higher or lower end of the spectrum, regardless of whether they are significantly different to the rest of the sample. Where there are statistical differences, these are marked with a '*’.



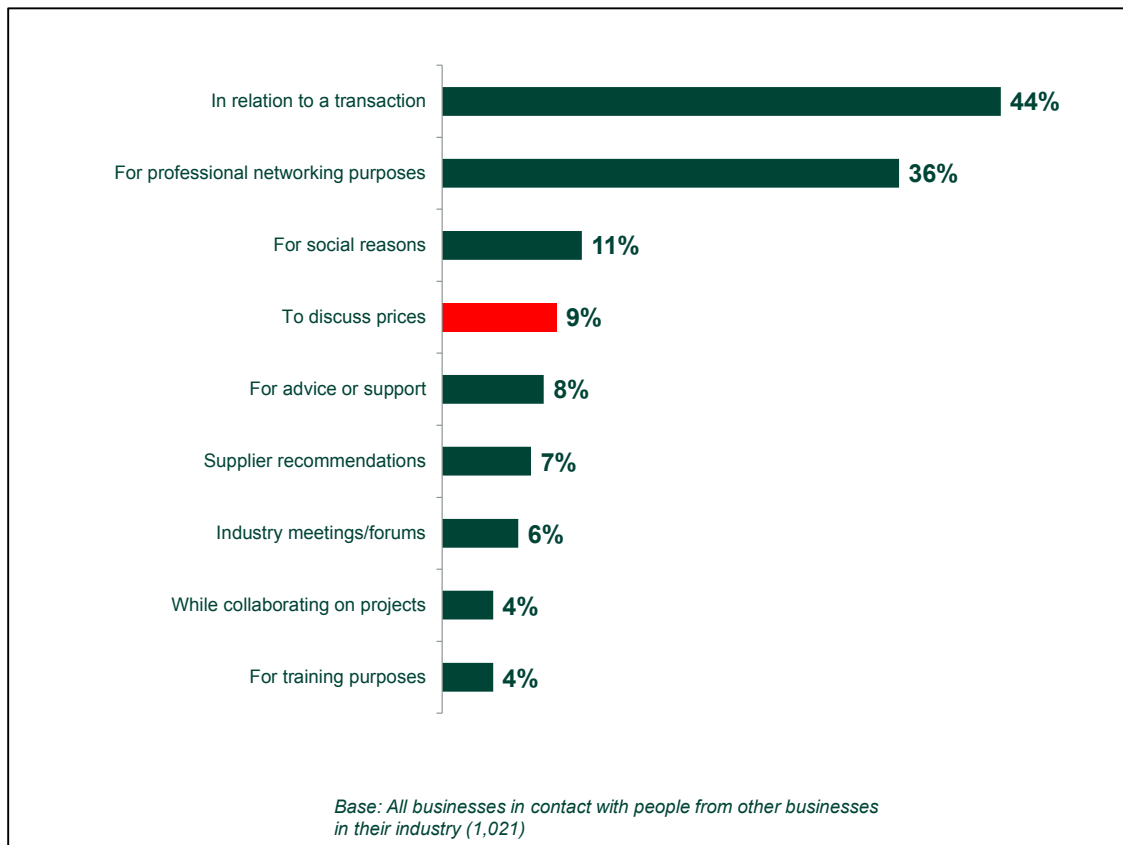
Table 3.1: Regular personal contact (at least monthly) with key business groups by region and sector

Other businesses in your industry		Suppliers to your industry		Businesses in other sectors	
Region	Sector	Region	Sector	Region	Sector
<ul style="list-style-type: none"> Wales: 75%* Yorkshire & The Humber: 72% South West: 71% East Midlands: 54%* East of England: 53%* 	<ul style="list-style-type: none"> Construction: 78%* Arts & Other: 53%* Education & Health: 50%* 	<ul style="list-style-type: none"> East Midlands: 83% West Midlands: 81% East of England: 72% London: 71% 	<ul style="list-style-type: none"> Construction: 92%* Agriculture / Mining / Utilities: 84% Accommodation & Food: 83% Manufacturing: 82% Info/ Comms/ Finance/ Real Estate: 65%* Education & Health: 65%* Professional Services: 59%* 	<ul style="list-style-type: none"> Wales: 56% Yorkshire & The Humber: 54% East Midlands: 42% East of England: 42% 	<ul style="list-style-type: none"> Professional Services: 58%* Construction: 55% Administration: 54% Info /Comms / Finance / Real Estate: 53% Accommodation & Food: 40% Education & Health: 39% Arts & Other: 37%
<p>** denote these findings are significantly different to the rest of the sample</p>					

Reasons for personal contact with other businesses

3.10 Respondents who had contact with other businesses, excluding suppliers, in their sector over the last 12 months were asked in what circumstances this contact was made. Figure 3.2 illustrates the most common reasons mentioned by respondents.



Figure 3.2: Reasons for personal contact with other businesses in same sector

- 3.11 Respondents were in contact with other businesses in the industry for a variety of different reasons. Most commonly this contact was in relation to business transactions (44 per cent).
- 3.12 Around a third (36 per cent) of respondents mentioned contacting other businesses in the industry for professional networking purposes and this was much higher amongst medium-sized businesses (52 per cent). Furthermore, respondents from the Education & Health (53 per cent), Arts & Other (48 per cent) and Information, Communication, Finance and Real Estate (46 per cent) sectors were far more likely to be in contact with another business in their industry for this reason.
- 3.13 Around one in nine respondents (11 per cent) said they were in contact for social reasons, though only three per cent of large businesses were likely to have personal contact with other businesses in their industry for this reason. There were notable differences by region and sector, with businesses in Scotland most likely to have this form of contact (17 per cent), as well as those in the Arts & Other and Accommodation & Food sectors (both 21 per cent).
- 3.14 A significant minority of respondents mentioned speaking to other businesses within their sector to discuss prices (nine per cent) – perhaps the form of contact most at risk of breaching Competition Law. Respondents from micro businesses were significantly more likely than the rest of the sample (10 per cent) to contact other businesses in these circumstances.
- 3.15 Businesses in the Construction sector were perhaps at greatest risk of potentially anti-compliant behaviour: 22 per cent of these businesses reported discussing prices with others in their sector. Table 3.2 summarises other key reasons why respondents were in contact with other business in their industry, noting differences by region and sector.

Table 3.2: Reasons for personal contact with other businesses in the same sector by region and sector

<i>Reasons for contact (% all)</i>	Region	Sector
<i>In relation to a transaction (44%)</i>	<ul style="list-style-type: none"> ● North West: 51% ● South West: 49% ● West Midlands: 38% ● Northern Ireland: 38% ● Scotland: 33%* 	<ul style="list-style-type: none"> ● Construction: 61%* ● Wholesale / Retail / Transport: 54%* ● Accommodation & Food: 30%* ● Info / Comms / Finance / Real Estate: 28%* ● Education & Health: 25%*
<i>For professional networking purposes (36%)</i>	<ul style="list-style-type: none"> ● North West: 44% ● Scotland: 44% ● Northern Ireland: 29% ● West Midlands: 27% ● Wales: 27% 	<ul style="list-style-type: none"> ● Education & Health: 53%* ● Arts & Other: 48%* ● Info / Comms / Finance / Real Estate: 46%* ● Construction: 28% ● Accommodation & Food: 28% ● Wholesale / Retail / Transport: 26%*
<i>For social reasons (11%)</i>	<ul style="list-style-type: none"> ● Scotland: 17%* ● London: 15% ● East Midlands: 5% 	<ul style="list-style-type: none"> ● Arts & Other: 21%* ● Accommodation & Food: 21%* ● Agriculture / Utilities / Mining: 17% ● Administration: 3%* ● Manufacturing: 2%*
<i>To discuss prices (9%)</i>	<ul style="list-style-type: none"> ● Yorkshire & The Humber: 13% ● London: 13% ● North West: 4% 	<ul style="list-style-type: none"> ● Construction: 22%* ● Manufacturing: 14%* ● Education & Health: 2%*

<p><i>For advice and support (8%)</i></p>	<ul style="list-style-type: none"> ● West Midlands: 14%* ● South East: 3% 	<ul style="list-style-type: none"> ● Education & Health: 17%* ● Info / Comms / Finance / Real Estate: 15%* ● Agriculture / Mining / Utilities: 4% ● Arts & Other: 4% ● Construction: 2%*
<p><i>Supplier recommendations (7%)</i></p>	<ul style="list-style-type: none"> ● London: 12% ● Yorkshire & The Humber: 11% ● Wales: 3% ● Northern Ireland: 2% 	<ul style="list-style-type: none"> ● Arts & Other: 14%* ● Manufacturing: 12% ● Wholesale / Retail / Transport: 4% ● Info / Comms / Finance / Real Estate: 4%
<p><i>Industry meetings / forums (6%)</i></p>	<ul style="list-style-type: none"> ● North West: 9% ● East of England: 9% ● London: 3% ● South East: 3% 	<ul style="list-style-type: none"> ● Education & Health: 12%* ● Construction: 2% ● Arts & Other: <1%
<p><i>While collaborating on projects (4%)</i></p>	<ul style="list-style-type: none"> ● North East: 8% ● North West: 2% ● Scotland: 2% 	<ul style="list-style-type: none"> ● Professional Services: 11%* ● Education & Health: 10%* ● Wholesale / Retail / Transport: 1%* ● Agriculture / Mining / Utilities: 0% ● Arts & Other: 0%
<p><i>For training purposes (4%)</i></p>	<ul style="list-style-type: none"> ● North East: 8% ● Scotland: 7% ● Yorkshire & The Humber: <1% ● London: 0% 	<ul style="list-style-type: none"> ● Education & Health: 16%* ● Agriculture / Mining / Utilities: 8%* ● Wholesale / Retail / Transport: 1%* ● Construction: <1%*
<p>*** denote these findings are significantly different to the rest of the sample</p>		



Other business contact

- 3.16 Respondents were also asked whether they were aware if their colleagues had been in contact with the same three key business groups.
- 3.17 Around three-fifths of respondents (62 per cent) were aware that their colleagues had been in contact with people from other businesses in their sector. Awareness of colleagues' contact with other businesses in the industry increased with size; Less than three-fifths (58 per cent) of respondents from micro businesses were aware of any such contact, rising to 75 per cent amongst small businesses, 90 per cent of medium businesses and 94 per cent of large businesses. By sector, respondents working in the Professional Services industry were more likely to report that their colleagues had contact with other businesses in their sector (70 per cent).
- 3.18 A higher proportion of respondents (69 per cent) reported that their colleagues had been in contact with suppliers to their industry. Again, respondents' awareness of this contact rose with business size; two-thirds of respondents from micro-businesses (66 per cent) were aware of this contact, while almost all respondents from large firms were aware that their colleagues had this contact (96 per cent).
- 3.19 While fewer respondents on average were aware of their colleagues' contact with businesses in other sectors (49 per cent), the story remained the same in terms of size; less than half of respondents from micro businesses (46 per cent) were aware of this contact, compared to more than four-fifths (84 per cent) of those from larger firms.
- 3.20 Other differences in awareness of colleague contact with other key business groups by region and sector are summarised in Table 3.3.



Table 3.3: Awareness of colleagues' contact with key business groups by region and sector

Other businesses in your industry		Suppliers to your industry		Businesses in other sectors	
Region	Sector	Region	Sector	Region	Sector
<ul style="list-style-type: none"> ● Yorkshire & The Humber: 68% ● London: 67% ● South East: 66% ● East Midlands: 53% ● West Midlands: 51%* 	<ul style="list-style-type: none"> ● Professional Services: 70%* ● Administration: 70% ● Accommodation & Food: 41%* 	<ul style="list-style-type: none"> ● London: 76% ● South East: 76% ● North East: 62% ● Wales: 62% ● West Midlands: 55%* 	<ul style="list-style-type: none"> ● Construction: 80%* ● Administration: 79%* ● Education & Health: 62% ● Arts & Other: 62% ● Accommodation & Food: 55%* 	<ul style="list-style-type: none"> ● Wales: 56% ● North West: 43% ● West Midlands: 38%* 	<ul style="list-style-type: none"> ● Info / Comms / Finance / Real Estate: 59%* ● Administration: 59% ● Manufacturing: 57%* ● Professional Services: 57%* ● Agriculture / Mining / Utilities: 36%* ● Accommodation & Food: 32%* ● Arts & Other: 32%*
** denote these findings are significantly different to the rest of the sample					

3.21 Trade federations, industry bodies and professional institutions are common gateways for businesses within the same industry to contact one another. Around half (49 per cent) of businesses reported membership of one of these groups and there was correlation with size: medium and large businesses were significantly more likely on average to be members of these bodies (68 per cent and 71 per cent respectively). Membership of professional bodies was far more common in the Construction (62 per cent), Education & Health (59 per cent) and Professional Services sectors (56 per cent). In terms of region, businesses in the South West were more likely to be members of a professional body (64 per cent).



3.22 Table 3.4 summarises the differences in professional body membership by region and sector.

Table 3.4: Proportion of businesses that are members of a trade federation, industry body or a professional institution.

Region	Sector
<ul style="list-style-type: none"> ● South West: 64%* ● West Midlands 55% ● London 45% ● Scotland 43% 	<ul style="list-style-type: none"> ● Construction: 62%* ● Education and Health: 59%* ● Manufacturing: 56%* ● Arts & Other: 36%* ● Accommodation & Food: 31%*
<p>** denote these findings are significantly different to the rest of the sample</p>	

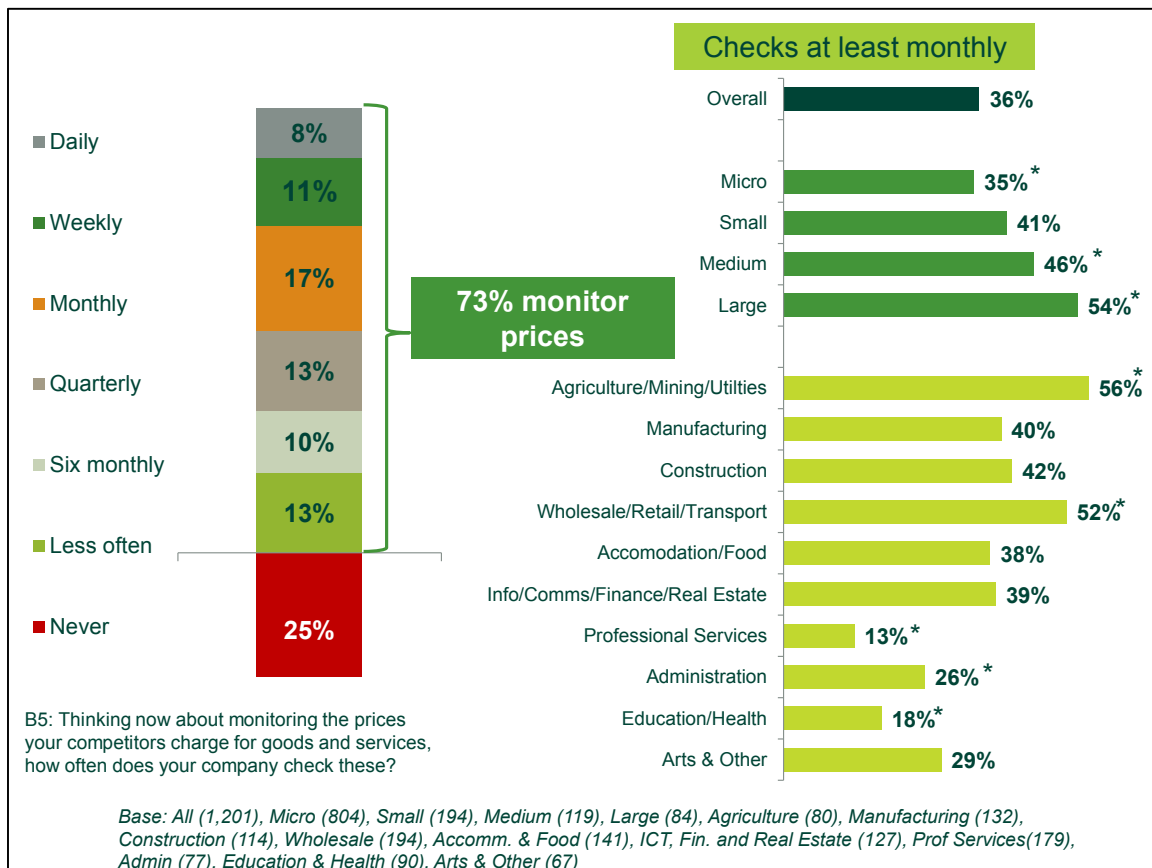
Monitoring prices

3.23 To help identify potential anti-competitive practices, businesses were asked how often they monitored the prices their competitors charge for goods and services and how they did so.

3.24 Overall, around three-quarters of businesses (73 per cent) monitor competitors' prices. There was no significant difference by size. Around a third of businesses monitored prices on at least a monthly basis (36 per cent), and evidently the size of businesses correlated to the frequency of this monitoring: medium (46 per cent) and large firms (54 per cent) were both more likely on average to monitor prices this frequently. By sector, more than half of businesses in the Agriculture, Mining and Utilities (56 per cent) and Wholesale, Retail and Transport (52 per cent) sectors checked their prices this often. There were no significant differences by region. Figure 3.3 shows the breakdown by size and sector.

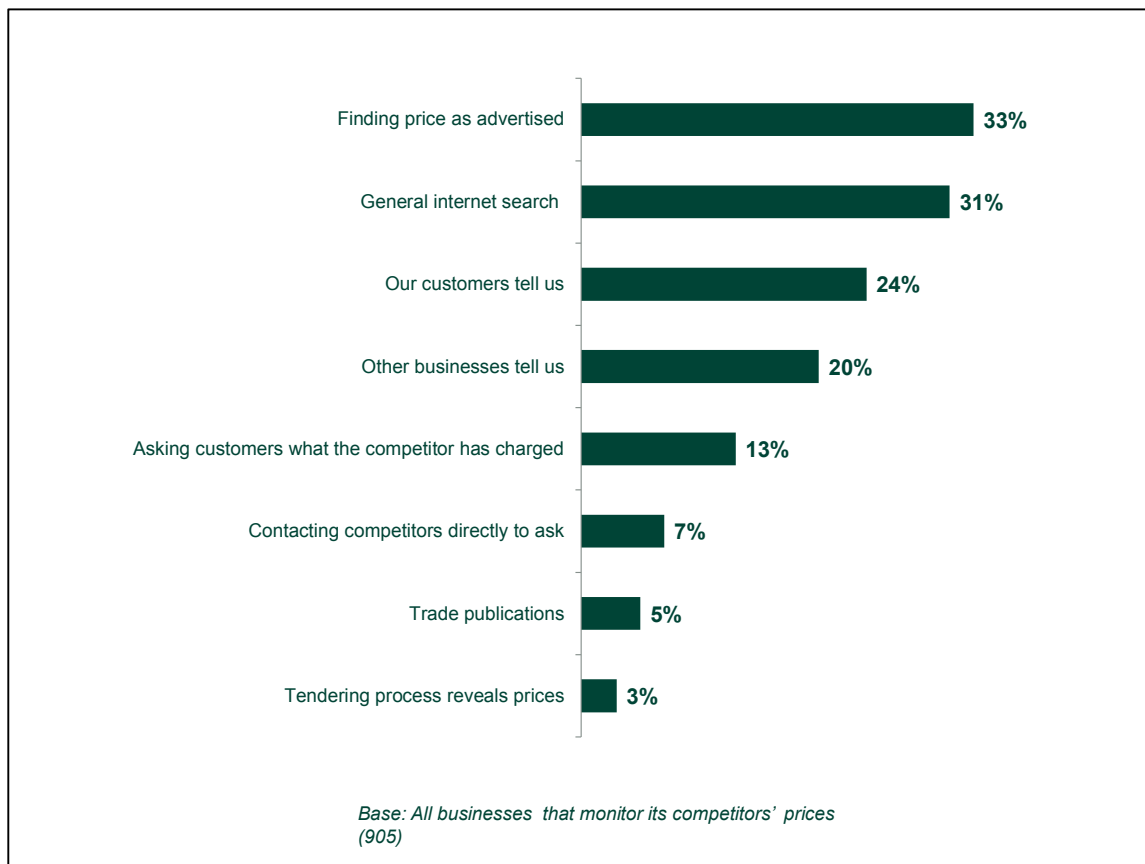


Figure 3.3: Regularity of monitoring prices competitors charge for goods and services and the proportion checking prices at least monthly by size and sector



3.25 It is worth noting that those who had contact with other businesses in their sector on a weekly basis were also far more likely to monitor their prices regularly; almost half of these businesses (46 per cent) monitored competitor prices at least monthly, compared to a third (34 per cent) of those who had contact with businesses in their sector on a monthly basis and a quarter (24 per cent) who had contact with these businesses less than once a month.

3.26 Businesses who said they monitor prices were asked how they do this. Figure 3.4 summarises the most commonly mentioned methods for monitoring competitor prices.

Figure 3.4: How businesses monitor the prices competitors charge for goods and services

- 3.27 The most common method of monitoring prices mentioned by respondents was finding the price as advertised, for instance in a shop or online (33 per cent). This was far more common among businesses in the Accommodation & Food (61 per cent) and Wholesale, Retail and Transport (44 per cent) sectors. Micro businesses were also more likely than others to use this method (35 per cent).
- 3.28 Around three in 10 businesses (31 per cent) mentioned carrying out general internet searches, with this considerably more likely among businesses in the Arts & Other (49 per cent), Education & Health (47 per cent) and Wholesale, Retail and Transport (38 per cent) sectors.
- 3.29 Of the remaining methods for monitoring prices, a fifth (20 per cent) of respondents said that they were told competitor prices by other businesses, though this was only mentioned by six per cent of large businesses. By sector, the Construction (40 per cent) and Professional Services sectors (34 per cent) were both more likely to be told competitor prices by other businesses.
- 3.30 Around one in fourteen (seven per cent) of businesses said they had contacted their competitors directly to find out the prices they were charging for goods and services. There were notable differences by size; micro businesses were much less likely to mention using this method to monitor prices (six per cent), compared with 12 per cent of remaining businesses.
- 3.31 There were no clear differences by sector for monitoring prices this way. By region, businesses in the West Midlands (21 per cent) were much more likely to contact their competitors to find out their prices.

3.32 Table 3.5 shows other notable differences by region and sector subgroups in how prices are monitored by businesses.

Table 3.5: How prices were monitored by region and sector

<i>How prices monitored (% all)</i>	Region	Sector
Finding the price as advertised (33%)	<ul style="list-style-type: none"> ● North East: 40% ● North West: 39% ● South East: 27% ● East Midlands: 22% 	<ul style="list-style-type: none"> ● Accommodation & Food: 61%* ● Wholesale / Retail / Transport: 44%* ● Agriculture / Mining / Utilities: 19%* ● Administration: 18%* ● Construction: 12%* ● Professional Services: 11%*
General internet search (31%)	<ul style="list-style-type: none"> ● South West: 39% ● North West: 38% ● North East: 22% ● London: 22% ● Northern Ireland: 22% ● East Midlands: 21% 	<ul style="list-style-type: none"> ● Arts & Other: 49%* ● Education & Health: 47%* ● Wholesale / Retail / Transport: 38%* ● Administration: 20% ● Professional Services: 15%*
Our customers tell us (24%)	<ul style="list-style-type: none"> ● London: 28% ● North West: 17% ● Wales: 16% 	<ul style="list-style-type: none"> ● Professional Services: 42%* ● Administration: 39%* ● Accommodation & Food: 12%* ● Education & Health: 11%* ● Arts & Other: 9%* ● Agriculture / Mining / Utilities: 8%*
Other businesses tell us (20%)	<ul style="list-style-type: none"> ● West Midlands: 28% ● South West: 11%* 	<ul style="list-style-type: none"> ● Construction: 40%* ● Professional Services: 34%* ● Wholesale / Retail / Transport: 10%* ● Accommodation & Food: 6%*



<p>Asking customers what the competitor has charged (13%)</p>	<ul style="list-style-type: none"> ● East Midlands: 23%* ● East of England: 18% ● West Midlands: 8% ● Yorkshire & The Humber: 2%* 	<ul style="list-style-type: none"> ● Manufacturing: 25%* ● Administration: 24%* ● Education & Health: 5%* ● Arts & Other: 5% ● Accommodation & Food: 2%*
<p>Contacting competitors directly and asking (7%)</p>	<ul style="list-style-type: none"> ● West Midlands: 21%* ● South West: 13%* ● North East: 13% ● North West: 3% ● London: 1%* 	<ul style="list-style-type: none"> ● Agriculture / Mining / Utilities: 12% ● Education & Health: 11% ● Manufacturing: 4% ● Professional Services: 4%
<p>Trade publications (5%)</p>	<ul style="list-style-type: none"> ● West Midlands: 9% ● East Midlands: 1% 	<ul style="list-style-type: none"> ● Agriculture / Mining / Utilities: 14%* ● Info / Comms / Finance / Real Estate: 1% ● Education & Health: 0%*
<p>Tendering process reveals prices (3%)</p>	<ul style="list-style-type: none"> ● Yorkshire & The Humber: 7% ● North West: 1% ● West Midlands: 1% ● South West: 1% ● Wales: 1% 	<ul style="list-style-type: none"> ● Construction: 14%* ● Agriculture / Mining / Utilities: 0% ● Wholesale / Retail / Transport: 0%* ● Accommodation & Food: 0%*
<p>** denote these findings are significantly different to the rest of the sample</p>		



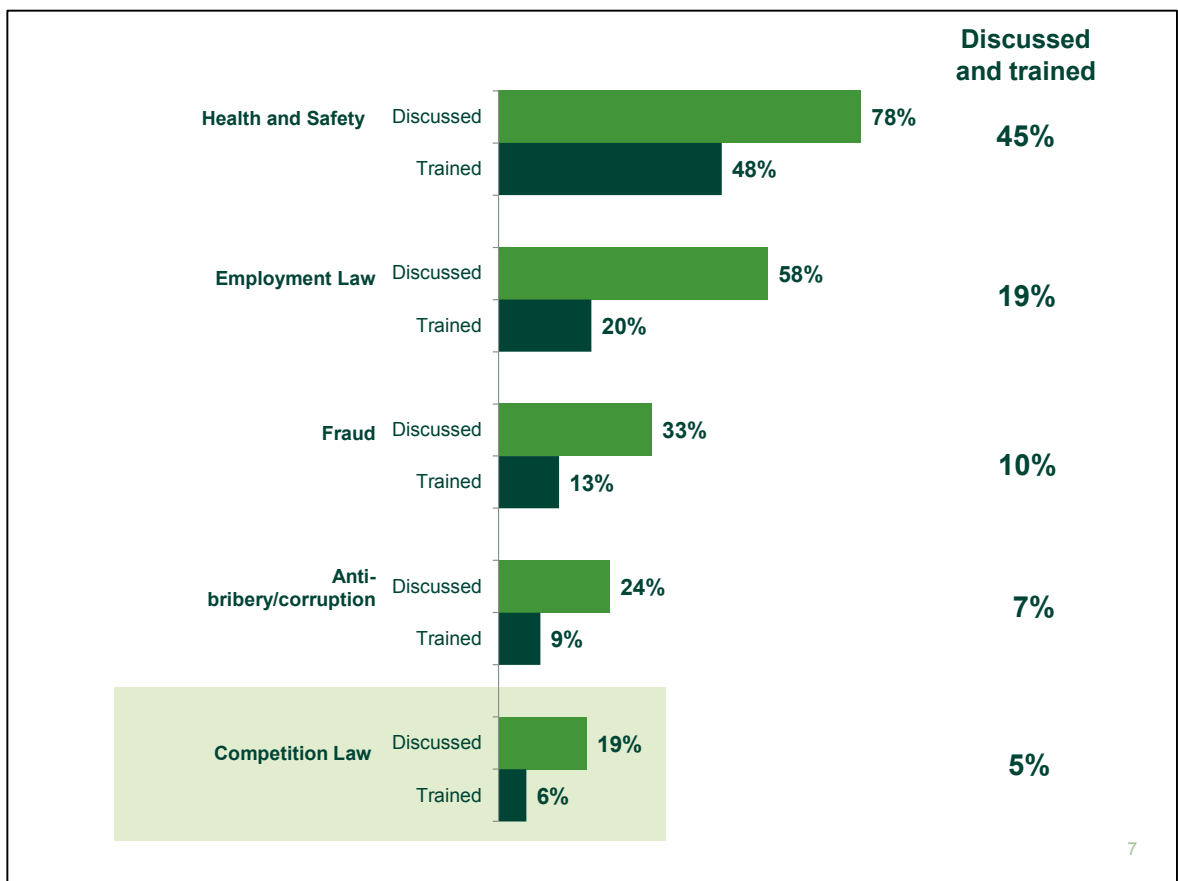
4 Awareness of Competition Law

- 4.1 The CMA promotes competition via enforcement, merger regulation, market investigation, advocacy and compliance. A better understanding of businesses' awareness of Competition Law will allow the CMA to identify those businesses most at risk of breaching Competition Law and, as a result, target their resources more effectively.
- 4.2 This chapter first explores activity amongst businesses which might raise awareness of Competition Law, including senior level discussions and training sessions. It then assesses both perceived and actual awareness, with the latter being demonstrated through responses to a series of true or false statements. Finally, the chapter looks at the awareness of the penalties for non-compliance with Competition Law.

Discussions and training on Competition Law

- 4.3 Respondents were prompted with a list of compliance areas and asked whether any senior level discussions had taken place or whether their business had run any training sessions in relation to these compliance areas over the last 12 months. Figure 4.1 summarises the findings for each of these questions.

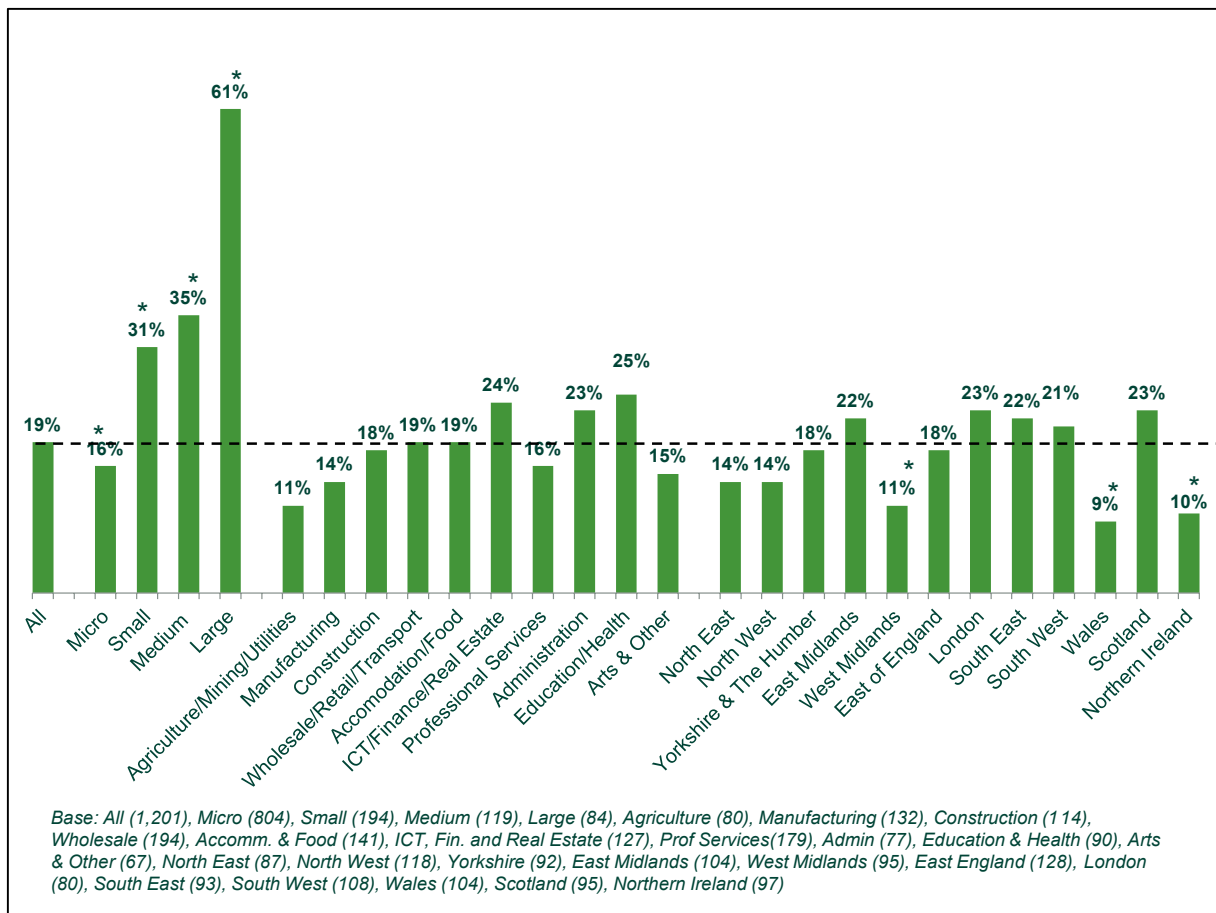
Figure 4.1: Proportion of businesses holding senior level discussions, training staff, or both in prompted compliance areas



Discussions on Competition Law

4.4 In comparison with other prompted compliance areas, discussions on Competition Law were fairly uncommon amongst businesses. While the proportion of businesses discussing Health and Safety at a senior level was as high as 78 per cent, only a fifth (19 per cent) discussed Competition Law at this level, making it the least discussed compliance area of those presented to respondents. Figure 4.2 shows a breakdown of those discussing Competition Law by size, sector and region.

Figure 4.2: Proportion holding senior level discussions on Competition Law by size, sector and region



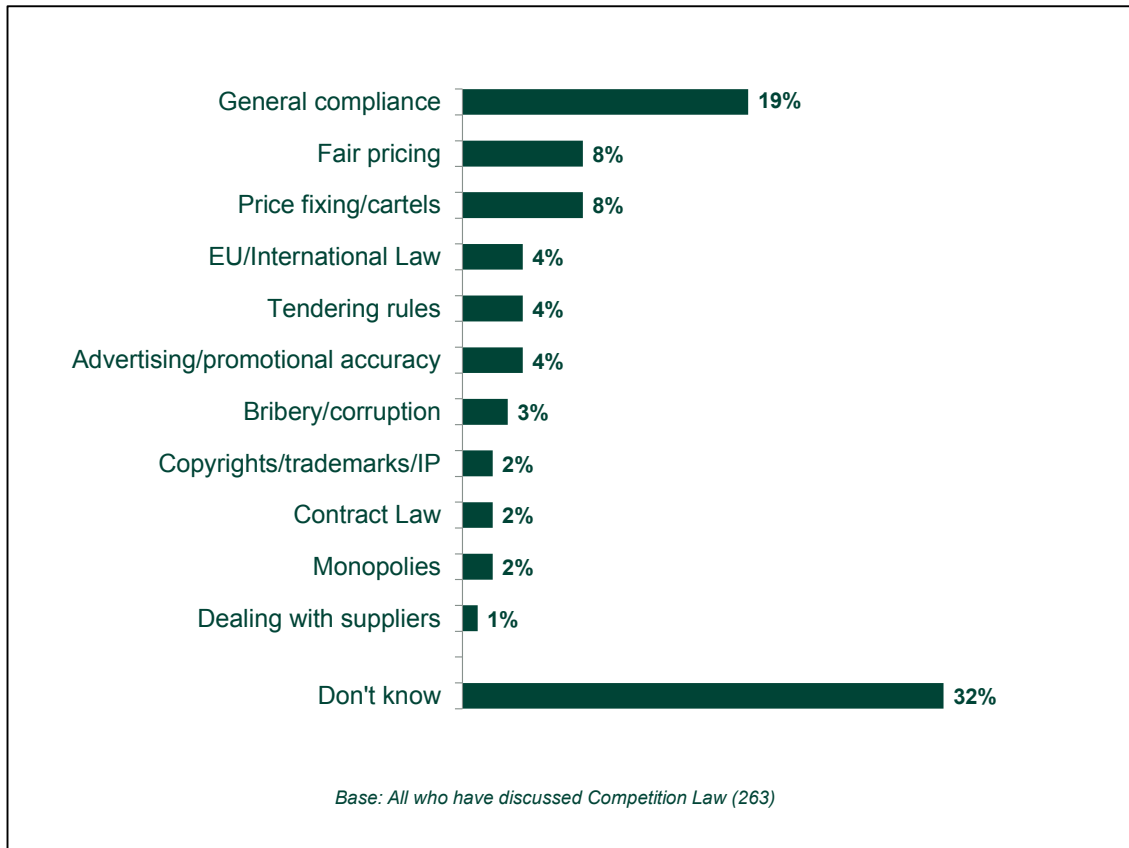
4.5 Three-fifths of large businesses (61 per cent) had had senior level discussions on Competition Law and around a third of small and medium sized businesses had held discussions on it (31 per cent and 35 per cent respectively). The high proportion of micro-businesses in the UK business population meant that only less than a fifth (19 per cent) of all businesses had had senior level discussions on competition Law.

4.6 In terms of region, businesses in Wales (nine per cent), Northern Ireland (10 per cent) and the West Midlands (11 per cent) were least likely to discuss Competition Law at a senior level. There were no clear differences by sector.



- 4.7 A third of businesses who had discussed Competition Law over the last 12 months did not know what areas were covered when they had discussed it (32 per cent). Just under a fifth of the discussions were in relation to general compliance (19 per cent) and the next most common were fair pricing (eight per cent), price-fixing and cartels (eight per cent). This suggests that Competition Law is not salient even amongst those who have discussed it.
- 4.8 Figure 4.3 summarises the areas of Competition Law which had been discussed within businesses.

Figure 4.3: Areas of Competition Law discussed within businesses at a senior level

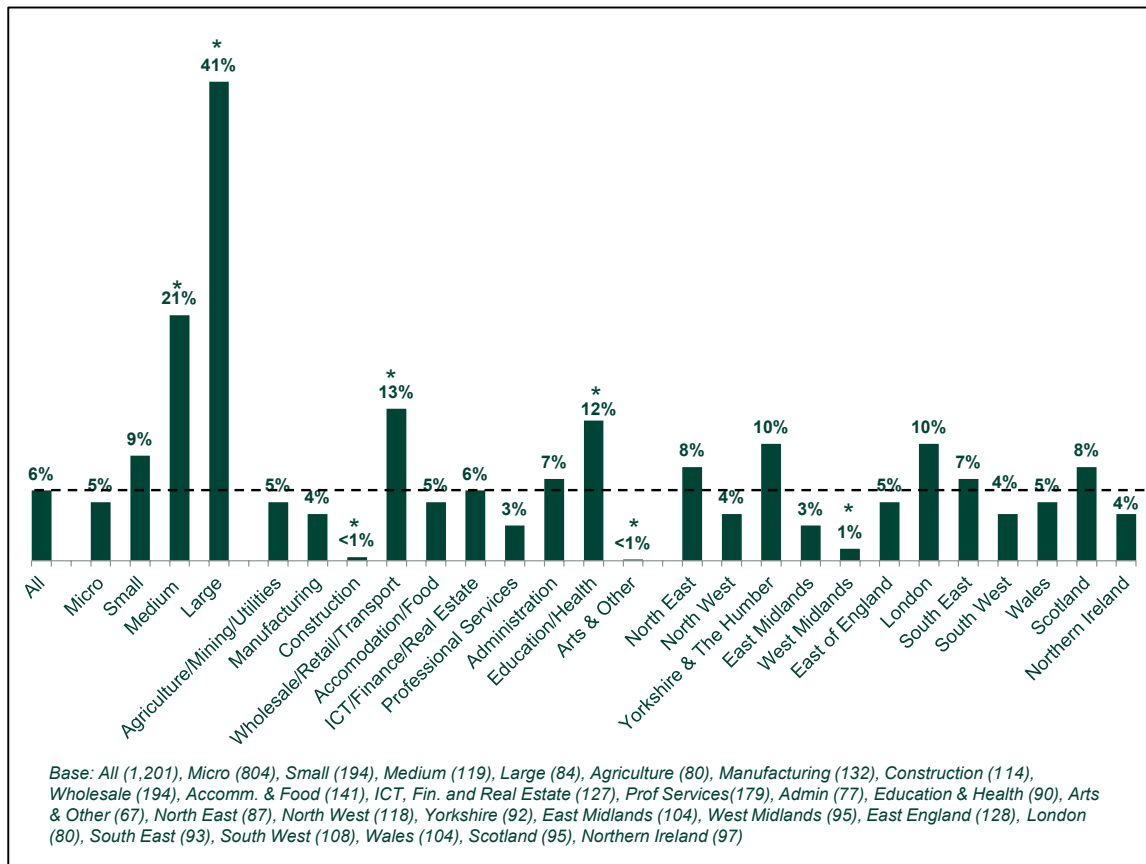


Training on Competition Law

- 4.9 Only six per cent of businesses reported running training sessions on Competition Law in the last 12 months. The likelihood of training staff on Competition Law also increased with size; only one in 20 (five per cent) micro firms had run training sessions, with this rising to two-fifths (41 per cent) amongst large firms. Figure 4.4 shows a breakdown of those running training sessions on Competition Law by size, sector and region.



Figure 4.4: Proportion running training sessions on Competition Law by size, sector and region

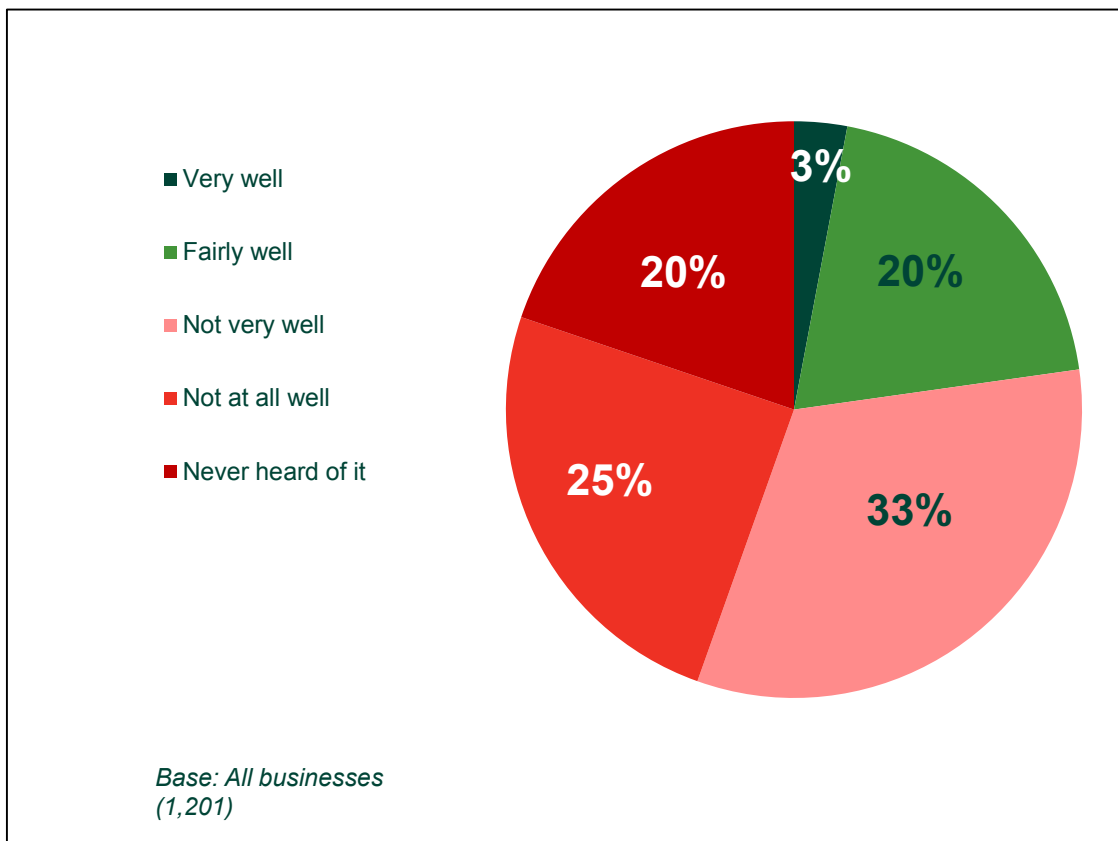


- 4.10 Running training sessions was much more common amongst large businesses (41 per cent) than other businesses. The Construction sector and Arts & Other sector reported that less than one per cent had run training in the last 12 months.
- 4.11 Businesses employing legal advisors were considerably more likely to have had senior level discussions (38 per cent) or to have run training sessions (21 per cent) on Competition Law: these were likely to be large businesses.
- 4.12 Those who had run training sessions on Competition Law most commonly did so regarding general compliance issues (21 per cent) and advertising and promotional accuracy (11 per cent). Around a quarter (27 per cent) were unsure what these training sessions had covered.

Personal awareness of Competition Law

- 4.13 Respondents were asked how familiar they were with Competition Law. Overall awareness was low amongst all businesses. Less than a quarter (23 per cent) claimed to know Competition Law either very well (three per cent) or fairly well (20 per cent), while approaching half said they did not know Competition Law at all well (25 per cent) or had never heard of it (20 per cent). These figures are illustrated in Figure 4.5.



Figure 4.5: Awareness of Competition Law amongst all businesses

- 4.14 Awareness of Competition Law increased with business size. Compared to an average of 23 per cent, medium and large firms were far more likely to have a good awareness, with around two-fifths (37 per cent) and three-fifths (57 per cent) respectively saying they knew Competition Law very or fairly well.
- 4.15 In terms of sector, businesses in the Accommodation & Food and Professional Services sectors were least likely to report knowing Competition Law well (each 16 per cent). Businesses in the Accommodation & Food sector were also more likely on average to have never heard of Competition Law (29 per cent), alongside the Arts & Other sector (30 per cent). Looking at region, businesses based in the West Midlands were far less likely on average to know Competition Law well (12 per cent), with three in 10 (30 per cent) reporting that they had never heard of it.
- 4.16 Levels of awareness amongst different subgroups are summarised in Table 4.1.

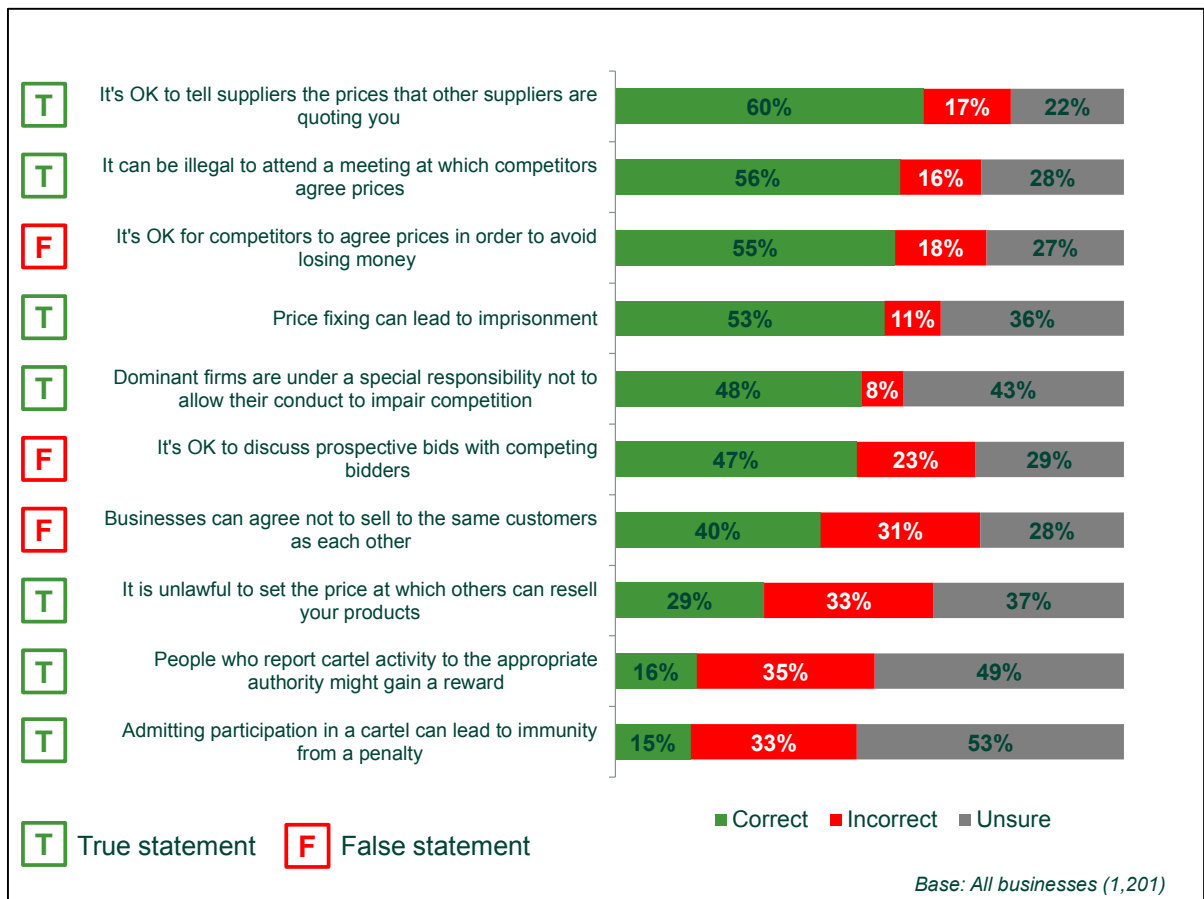
Table 4.1: Levels of awareness of Competition Law by size, region and sector

Row percentages	Base		Knew well	Knew not at all well/never heard of	Never heard of
Overall	(1,201)	%	23	45	20
Micro	(804)	%	21*	47*	21*
Small	(194)	%	26	37*	15
Medium	(119)	%	37*	26*	11*
Large	(84)	%	57*	17*	4*
Agriculture etc.	(80)	%	22	49	20
Manufacturing	(132)	%	18	41	16
Construction	(114)	%	26	42	24
Wholesale, Retail, Transport	(194)	%	28	38*	18
Accommodation & Food	(141)	%	16*	59*	29*
Info, Comms, Fin. & Real Estate	(127)	%	25	39	14
Professional Services	(179)	%	16*	49	14*
Administration	(77)	%	24	41	17
Education & Health	(90)	%	30	37	20
Arts and other	(67)	%	15	59*	30*
North East	(87)	%	22	43	21
North West	(118)	%	24	45	23
Yorkshire & The Humber	(92)	%	22	47	15
East Midlands	(104)	%	21	37	26
West Midlands	(95)	%	12*	52	30*
East of England	(128)	%	20	50	22
London	(80)	%	30	39	16
South East	(93)	%	22	45	21
South West	(108)	%	20	46	13
Wales	(104)	%	22	50	25
Scotland	(95)	%	27	41	12
Northern Ireland	(97)	%	23	39	18



4.17 Alongside capturing businesses' perceived familiarity with Competition Law, the survey also set out to measure their actual understanding of anti-competitive behaviours and how to report them. A series of 10 statements were read out and businesses were asked whether they thought each one was true, false or whether they were not sure. Figure 4.6 shows each statement in order of the proportion answering these correctly.

Figure 4.6: Responses to each true or false statement on Competition Law



4.18 Large proportions of businesses do not understand what constitutes illegal horizontal anti-competitive behaviours: only 56 per cent of businesses know that it can be illegal to attend a meeting at which competitors agree a price, 55 per cent of businesses think that it is ok for competitors to agree prices to avoid losing money (it isn't), 47 per cent businesses think it is ok to discuss prospective bids with competitors (it isn't) and 40 per cent businesses think that they can agree to market share (they can't).

4.19 Abuse of dominance and Resale Price Maintenance are also misunderstood: only 48 per cent of businesses know that dominant firms are under a special responsibility not to allow their conduct to impair competition (they are) and only 57 per cent of large firms correctly know this. Only 29 per cent of businesses also know that it is unlawful to set the price at which others can resell your product.

4.20 Businesses also have a low understanding of the sanctions for anti-competitive behaviours: only 53 per cent of businesses know that price-fixing can lead to imprisonment. They also have a low understanding of reporting anti-competitive behaviour (only 16 per cent thought that reporting cartel



activity might lead to a reward) and Leniency (only 15 per cent knew that admitting participation in a cartel can lead to immunity from a penalty).

- 4.21 For analysis purposes, respondents were grouped into those answering 0-3 statements correctly (38 per cent), those answering 4-5 correctly (31 per cent) and those answering 6-10 correctly (32 per cent). Overall, businesses answered 4.2 statements correctly on average. Large firms were much more likely to answer statements correctly (mean average of 4.8).
- 4.22 Half of respondents (50 per cent) from businesses who ran training sessions over the last 12 months answered 6-10 statements correctly and those who said they knew Competition Law well were significantly more likely to answer 6-10 statements correctly (46 per cent).
- 4.23 Table 4.2 summarises these size, sector, and regional differences in further detail.



Table 4.2: Number of Competition Law statements answered correctly by size, sector and region.

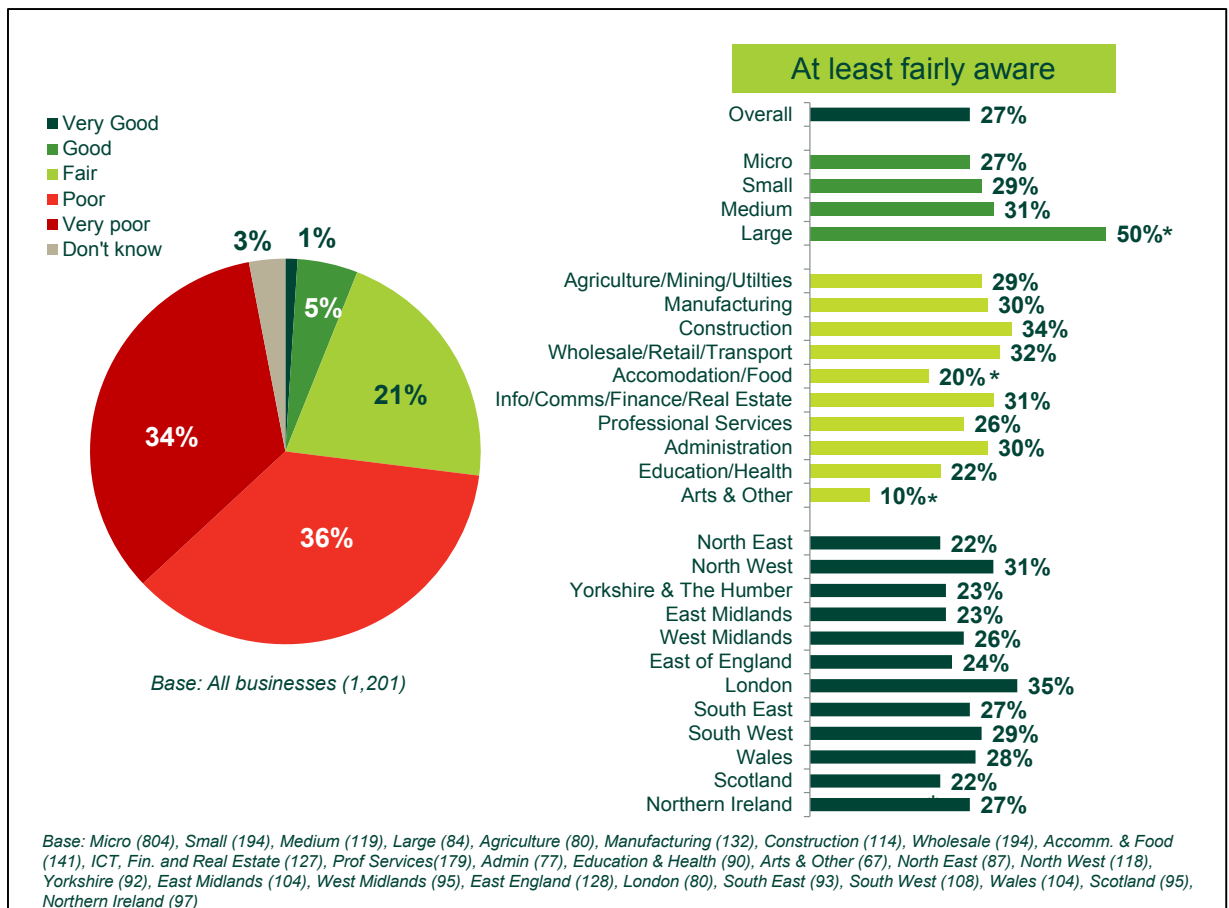
Row percentages	Base		0-3 answers correct	4-5 answers correct	6-10 answers correct	Mean
Overall	(1,201)	%	38	31	32	4.2
Micro	(804)	%	38	30	31	4.2
Small	(194)	%	37	30	33	4.2
Medium	(119)	%	26*	42*	32	4.5
Large	(84)	%	22*	39	38	4.8*
Agriculture etc.	(80)	%	34	42*	24	4.1
Manufacturing	(132)	%	37	31	33	4.4
Construction	(114)	%	35	37	28	4.4
Wholesale, Retail, Transport	(194)	%	41	28	31	4.0
Accommodation & Food	(141)	%	45	33	22*	3.6*
Info, Comms, Fin. & Real Estate	(127)	%	37	21*	41*	4.5
Professional Services	(179)	%	27*	30	43*	4.7*
Administration	(77)	%	29	36	35	4.7*
Education & Health	(90)	%	44	34	22*	3.8
Arts and other	(67)	%	52*	22	26	3.6*
North East	(87)	%	39	34	27	4.0
North West	(118)	%	39	29	32	4.1
Yorkshire & The Humber	(92)	%	32	38	30	4.3
East Midlands	(104)	%	50*	29	21*	3.8
West Midlands	(95)	%	54*	21*	26	3.5*
East of England	(128)	%	32	36	32	4.3
London	(80)	%	44	25	32	4.2
South East	(93)	%	25*	38	37	4.7*
South West	(108)	%	41	26	33	4.0
Wales	(104)	%	40	29	31	4.2
Scotland	(95)	%	30	34	36	4.4
Northern Ireland	(97)	%	31	30	39	4.5



Awareness of penalties for non-compliance

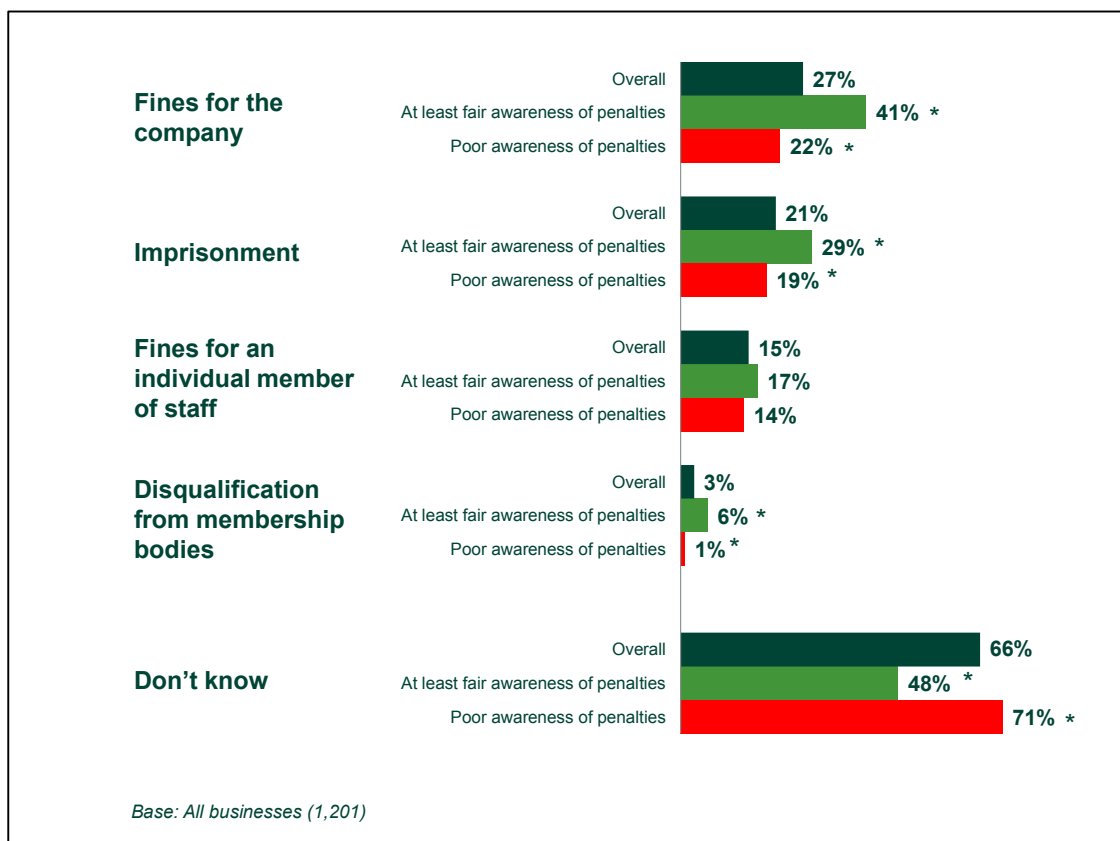
- 4.24 In order to understand whether businesses fully understood the implications of breaching Competition Law, respondents were asked how aware they were of the penalties for non-compliance. Seven in 10 rated their awareness as poor (36 per cent) or very poor (34 per cent) and over a quarter of respondents said they had at least a fair awareness (27 per cent), though only one per cent and five per cent respectively rated their awareness as very good or good.
- 4.25 Large firms were significantly more likely than any other size group to have at least a fair awareness of the penalties for non-compliance (50 per cent), while there were no significant differences between micro, small and medium businesses. In terms of sector, only a fifth (20 per cent) of Accommodation & Food businesses and a tenth (10 per cent) of businesses in the Arts & Other sector were at least fairly aware of the penalties for non-compliance. There were no clear differences by region.
- 4.26 The breakdown of awareness of penalties for non-compliance by size, sector and region is illustrated in Figure 4.7.

Figure 4.7: Awareness of the penalties for non-compliance for all businesses and a breakdown of those at least fairly aware by size, sector and region



- 4.27 Businesses employing legal advisors (larger firms) were far more likely to say they were at least fairly aware of the penalties for non-compliance (48 per cent), while three-fifths of respondents (60 per cent) who said they knew Competition Law well also claimed to have at least a fair awareness of the penalties for non-compliance. Firms who were more proactive in sharing information on Competition Law, either through senior level discussions or by running training sessions, also reported high levels of awareness of the penalties (44 per cent and 59 per cent respectively said they were at least fairly aware).
- 4.28 All businesses were asked to outline what the sanctions for non-compliance with Competition Law are. With a high proportion of respondents reporting a low level of awareness of the penalties for non-compliance, it was unsurprising that the majority of respondents (66 per cent) said they were unsure when asked to provide examples of sanctions. Almost half (48 per cent) of respondents who claimed to have at least a reasonable awareness also said they were unsure when pressed on what the sanctions are.
- 4.29 Where sanctions were mentioned, the most commonly mentioned were fines for the company (27 per cent), imprisonment (21 per cent), fines for an individual member of staff (15 per cent) or disqualification from membership bodies (three per cent). Those who claimed to be aware of the penalties were more likely to mention each of these reasons (though not significantly so in the case of fines for individuals). These differences are shown in Figure 4.8.

Figure 4.8: Sanctions for non-compliance with Competition Law by level of awareness



- 4.30 Businesses within the Professional Services sector were much more likely on average to mention fines for the company (37 per cent), imprisonment (31 per cent) and fines for individuals (26 per cent). In contrast, businesses in the Accommodation & Food sector were much *less* likely to mention these reasons (12 per cent, nine per cent and five per cent respectively), largely due to the high proportion of these businesses saying they were unsure what the sanctions are (85 per cent).
- 4.31 Construction sector firms were also more likely to know that breaching Competition Law could result in imprisonment (28 per cent), while a higher than average proportion of Information, Communication, Finance and Real Estate sector businesses mentioned disqualification from membership bodies as a sanction for non-compliance (six per cent).
- 4.32 By region, around three-quarters of businesses in the West Midlands (77 per cent) said they were unsure what the sanctions for non-compliance with Competition Law were - the highest proportion of any region. Businesses based in London were most likely to mention fines for the company (36 per cent), while those in the South East were more likely than average to mention imprisonment (30 per cent, alongside 29 per cent of East of England businesses) and fines for individuals (22 per cent). Table 4.3 summarises these, as well as other notable region and sector differences.



Table 4.3: Sanctions mentioned for non-compliance with Competition Law by region and sector.

<i>Sanctions for non-compliance (% all)</i>	Region	Sector
<i>Fines for the company (27%)</i>	<ul style="list-style-type: none"> ● London: 36%* ● North East: 17%* ● West Midlands: 17%* 	<ul style="list-style-type: none"> ● Professional Services: 37%* ● Arts & Other: 33% ● Agriculture / Mining / Utilities: 21% ● Accommodation & Food: 12%*
<i>Imprisonment (21%)</i>	<ul style="list-style-type: none"> ● South East: 30%* ● East of England: 29%* ● North West: 14%* ● West Midlands: 11%* 	<ul style="list-style-type: none"> ● Professional Services: 31%* ● Construction: 28%* ● Info / Comms/ Finance / Real Estate: 11%* ● Accommodation & Food: 9%*
<i>Fines for individual members of staff (15%)</i>	<ul style="list-style-type: none"> ● South East: 22%* ● Wales: 21% ● Northern Ireland: 7%* ● West Midlands: 4%* 	<ul style="list-style-type: none"> ● Professional Services: 26%* ● Wholesale / Retail / Transport: 8%* ● Accommodation & Food: 5%*
<i>Disqualification from membership bodies (3%)</i>	<ul style="list-style-type: none"> ● North West: 5% ● Northern Ireland: 0% 	<ul style="list-style-type: none"> ● Info / Comms / Finance / Real Estate: 6%* ● Administration: 6% ● Agriculture / Utilities / Mining: 1% ● Manufacturing: 1% ● Accommodation & Food: 1% ● Arts & Other: 1%
<i>Don't know (66%)</i>	<ul style="list-style-type: none"> ● West Midlands: 77%* ● East Midlands: 74% ● London: 59% ● South East: 57% 	<ul style="list-style-type: none"> ● Accommodation & Food: 85%* ● Agriculture / Utilities / Mining: 73% ● Construction: 57%* ● Professional Services: 56%*

5 Corporate commitment to compliance

- 5.1 A key objective for the CMA is to understand what motivates UK businesses to comply with Competition Law. For many, due to a lack of understanding of what the Law entails, this will simply be based on a perception of what is morally right and wrong, regardless of whether such practices are illegal or not. For the CMA the question is whether abiding by this moral compass is sufficient to keep breaches of Competition Law to a minimum, or whether there is a need to increase awareness of specific Competition Law rules.
- 5.2 Alongside these issues are considerations of punishments for breaking Competition Law rules. Are examples of enforcement of the law, the application of sanctions and the awareness that comes with accompanying publicity, sufficient to reduce non-compliant behaviour? And to what extent should the CMA focus on supporting businesses to comply?
- 5.3 The first section of this chapter explores these issues by looking at what reasons are given by businesses for complying with Competition Law.
- 5.4 The second section then focuses on businesses' perception of the level of compliance in their sector, and the extent to which they felt compromised as a result of any non-compliant activities among their competitors. This should help identify the sectors and regions that exhibit the highest levels of perceived non-compliance, a key measure for the CMA moving forwards.

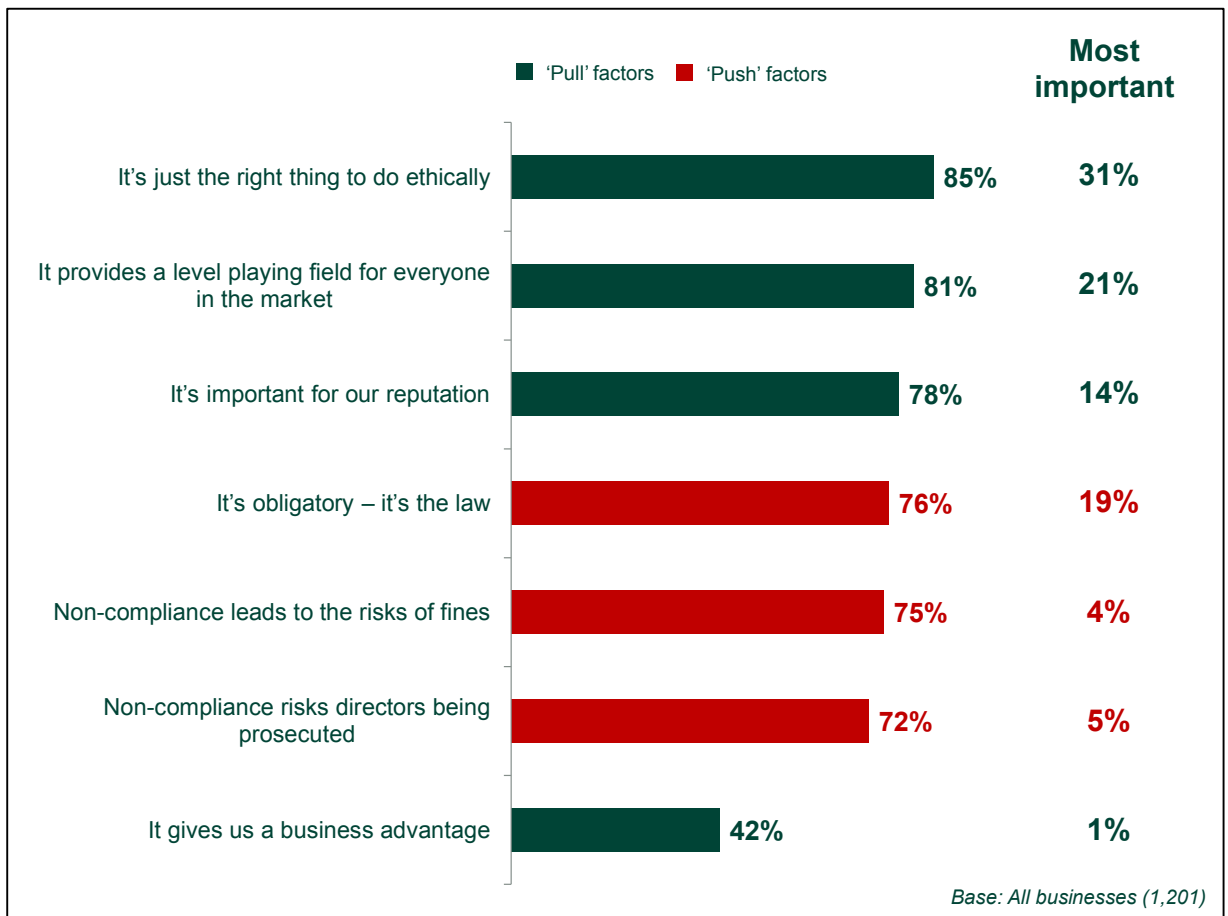
Reasons for complying with Competition Law

- 5.5 Businesses were asked which reasons were important to them personally for complying with Competition Law, and, of the reasons they gave, which was the most important. The reasons have been categorised as 'Pull' motivations ('It's just the right thing to do ethically'/'It provides a level playing field for everyone in the market'/'It is important for our reputation'/'It gives us a business advantage') and 'Push' motivations ('It's obligatory – it's the law'/'Non-compliance leads to the risk of fines'/'non-compliance risks directors being prosecuted').
- 5.6 As Figure 5.1 shows, 'Pull' motivations were more important for the vast majority of businesses. Two-thirds of businesses (67 per cent) reported that 'Pull' factors were the most important reason for compliance, more than double the proportion that cited 'Push' factors (27 per cent). 'The right thing to do ethically' was given by 85 per cent of businesses and three in 10 (31 per cent) felt this the most important factor for compliance. 'Fair play' was given by 81 per cent and reputation by 78 per cent of businesses. Around three-quarters reported that they were compliant because it was the law (76 per cent), because non-compliance risked fines (75 per cent) or prosecution (72 per cent).
- 5.7 When focussing on the most important reasons for compliance, 'Push' factors appear even further down this hierarchy: fewer than one in 10 felt that the risk of fines (four per cent) or prosecution (five per cent) were the most important reasons for compliance. Businesses with a greater awareness of the penalties involved with non-compliance were no more likely to report that the risk of fines/prosecution were of greater importance to them than the rest of the sample.
- 5.8 Those who claimed to be familiar with Competition Law were more likely to report most factors as being important to compliance than those who had little or no familiarity. There was, however, little difference between these groups when looking at the *most* important reasons for complying, except for the reputational importance of being compliant, where 18 per cent of those with perceived familiarity of Competition Law cited this as the most important factor compared with 13 per cent of the rest of the sample.



5.9 It is also worth noting that while just over two-fifths (42 per cent) reported that compliance gave them a business advantage, only one per cent felt this was the most important reason to comply.

Figure 5.1: Reasons for complying with Competition Law



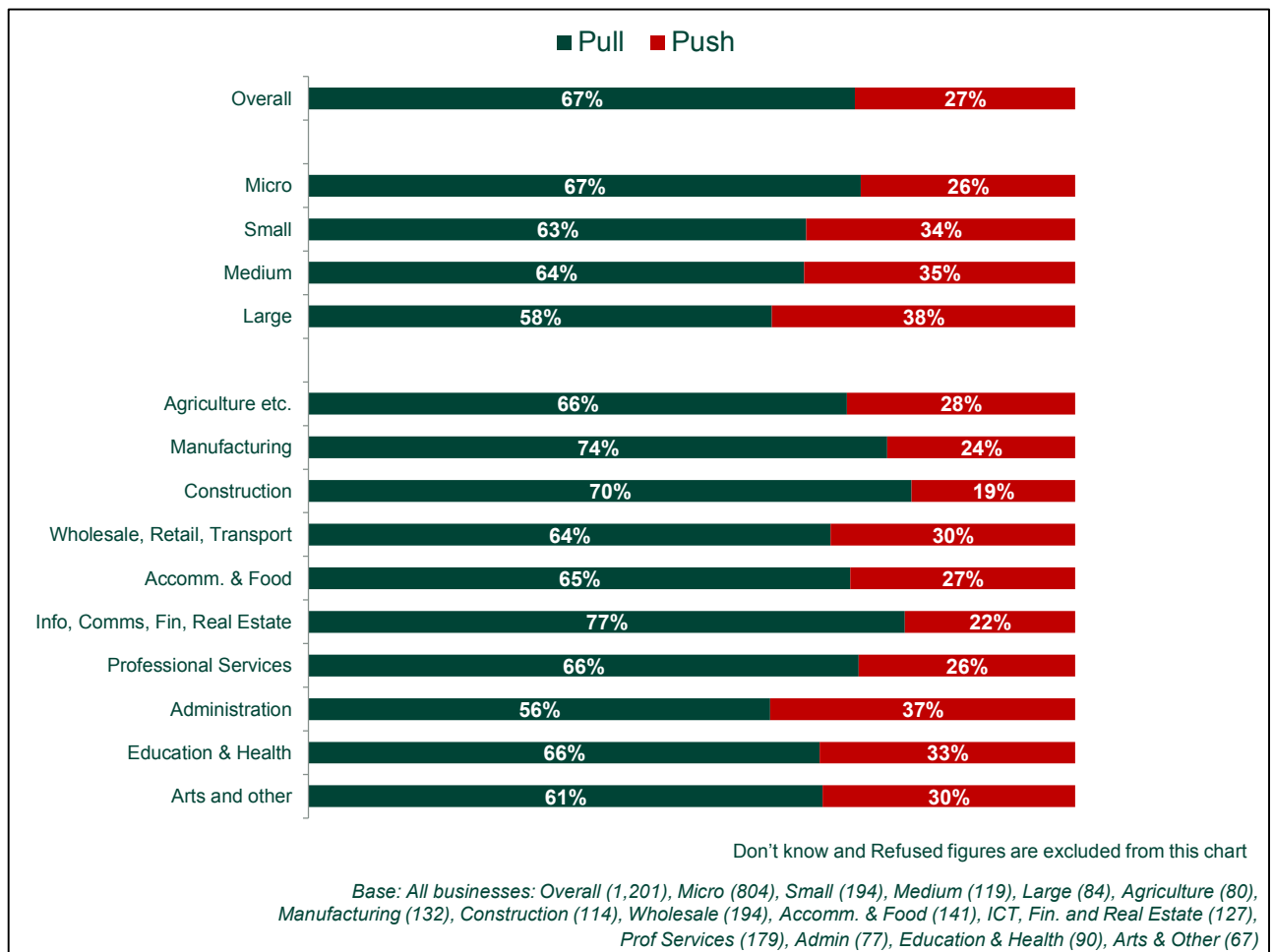
5.10 Two-thirds of businesses (67 per cent) reported that 'Pull' factors were the most important reason for compliance, more than double the proportion that cited 'Push' factors (27 per cent).

5.11 There was a clear correlation by size, as Figure 5.2 illustrates: large businesses tended to report 'Push' factors more frequently than smaller businesses: nearly two-fifths (38 per cent) reported push factors as being the most important reason for compliance, and this was driven by the 35 per cent who complied because it 'was obligatory'.

5.12 By sector, Construction companies were far less likely to cite push factors as the most important reason for compliance (19 per cent), while companies in the Information, Communication, Financial and Real Estate sector were most likely to be motivated by 'Pull' factors (77 per cent), ethical considerations being of particular importance to these businesses (44 per cent).



Figure 5.2: “Push or Pull”: Most important reasons for compliance by size and sector



5.13 Table 5.1 presents these ‘Push’ and ‘Pull’ factors by region.

Table 5.1: Most important reasons for compliance by region

Most important factor: PULL	Most important factor: PUSH
<ul style="list-style-type: none"> ● London: 77%* ● Yorkshire and the Humber: 61% ● North East: 56%* ● Scotland: 55%* 	<ul style="list-style-type: none"> ● Scotland: 39%* ● North East: 34% ● East of England: 34% ● West Midlands: 19%* ● London: 18%*
<p>** denote these findings are significantly different to the rest of the sample</p>	



- 5.15 There was a correlation between companies who discussed Competition Law and the proportion citing push factors as the most important reason for compliance: over one-third (36 per cent) of those who had discussed Competition Law reported push factors, as opposed to just a quarter (25 per cent) of those who had not.

Levels of non-compliance with Competition Law

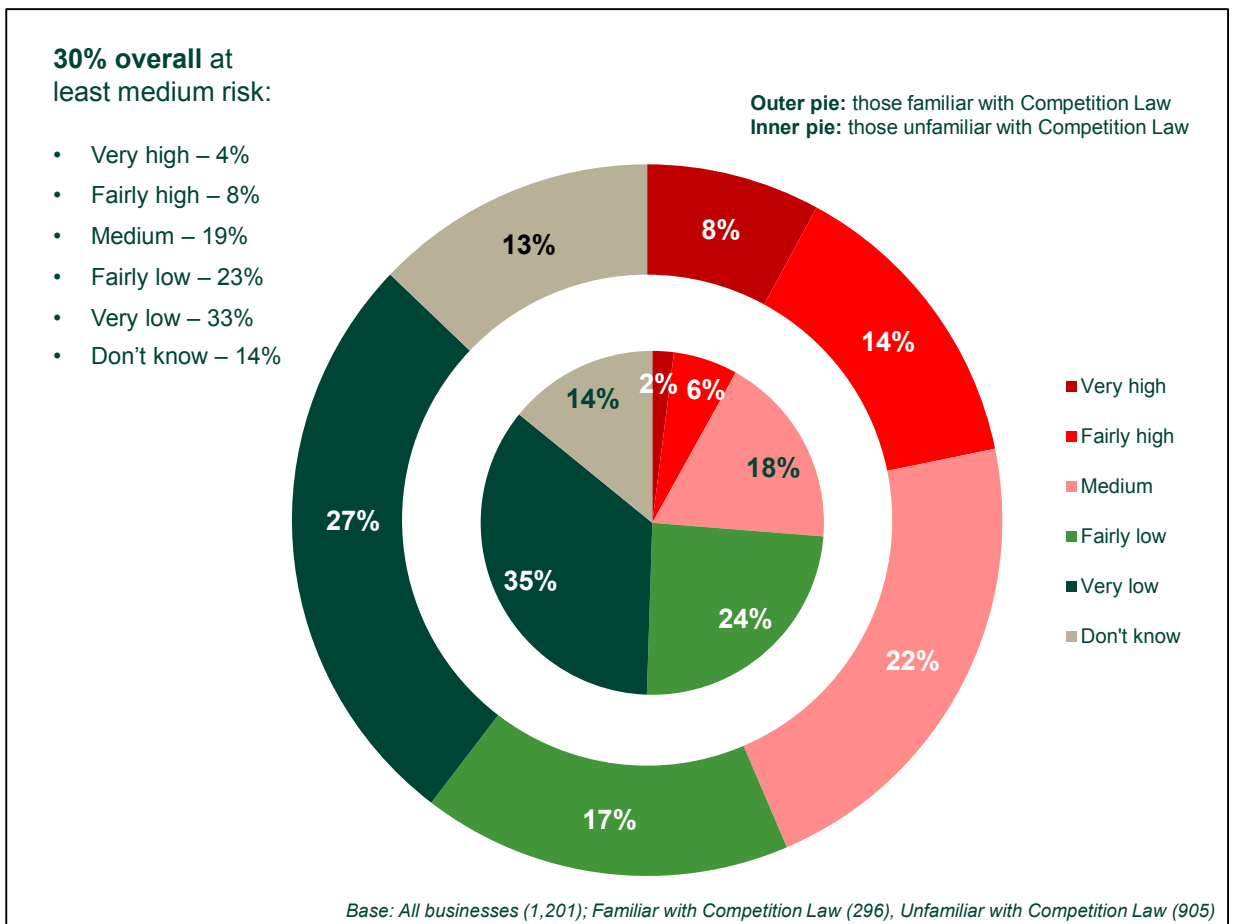
- 5.16 It is difficult in a survey of this nature to ascertain the extent to which companies themselves have behaved in a manner that is not compliant with UK Competition Law rules; partly because this particular audience are not necessarily familiar with what counts as non-compliance but also due to the sensitivity of asking such questions directly.
- 5.17 As such the survey canvassed views on the extent to which respondents felt that the activities of *other* businesses in their sector had placed these businesses at risk of breaching Competition Law, and, separately, whether respondents felt their own business had been compromised by non-compliance among competitors. We take these two issues in turn.

Perceived risk of breaching Competition Law

- 5.18 Three in 10 businesses (30 per cent) reported that the activities of other businesses in their sector put them in at least medium risk of breaching Competition Law, with four per cent reporting these companies were at very high risk of breaching Competition Law.
- 5.19 Those with perceived familiarity of Competition Law were more likely to report a higher level of risk, suggesting the practice might be more widespread than the overall figures suggest: 44 per cent reported that the activities of others placed them in at least medium risk of breaching Competition Law compared with 26 per cent of those unfamiliar with Competition Law.
- 5.20 Figure 5.3 shows these figures split by the businesses' familiarity with Competition Law.

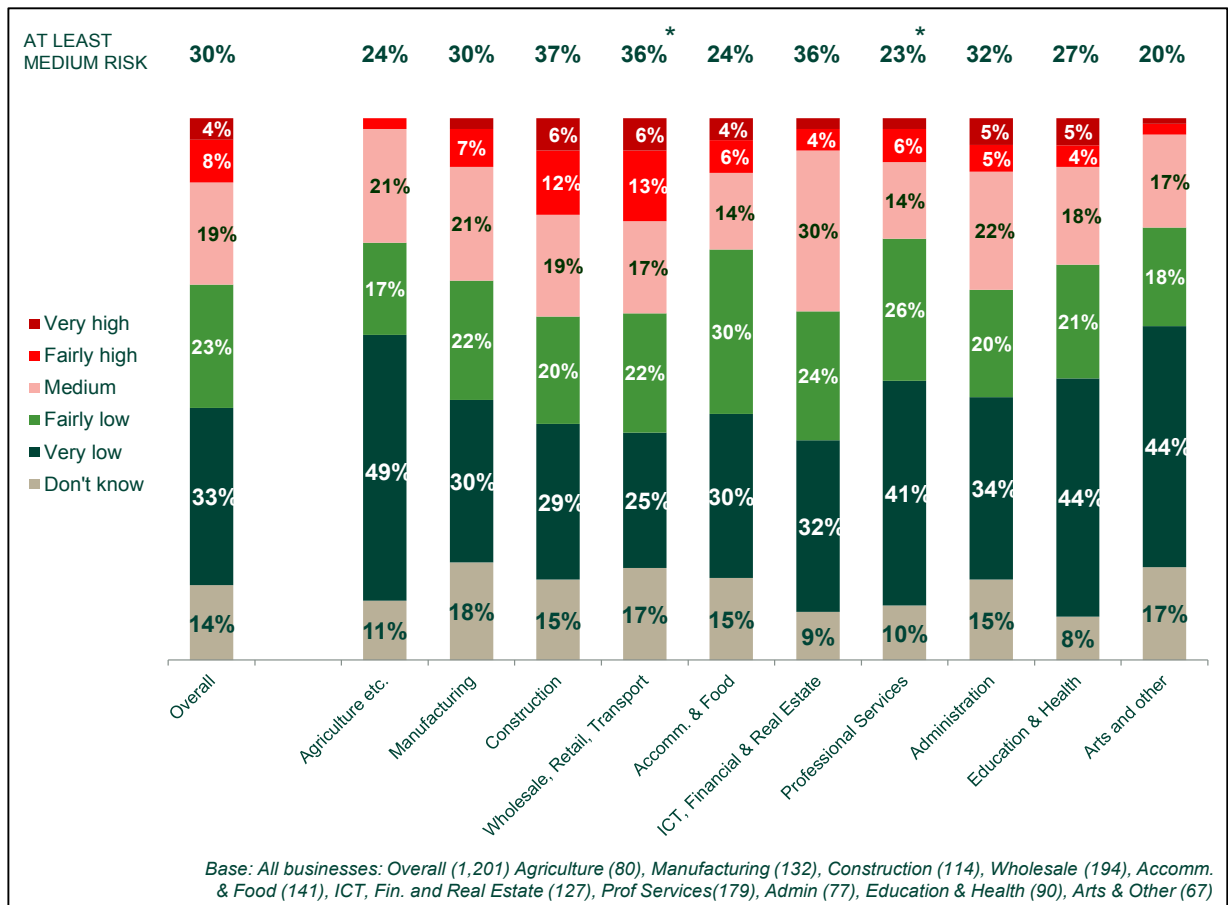


Figure 5.3: Perceived risk of breaching Competition Law



5.21 Businesses in the Professional Services sector (23 per cent) reported to be at the least risk of breaching Competition Law, as Figure 5.4 shows. There was little difference by size.

Figure 5.4: Perceived risk of breaching Competition Law by sector



5.22 By region, risk of breaching Competition Law appeared lowest in the North East where the majority (73 per cent) of businesses reported a low level of risk (compared with 56 per cent overall).

Extent that companies are disadvantaged by non-compliance of competitors

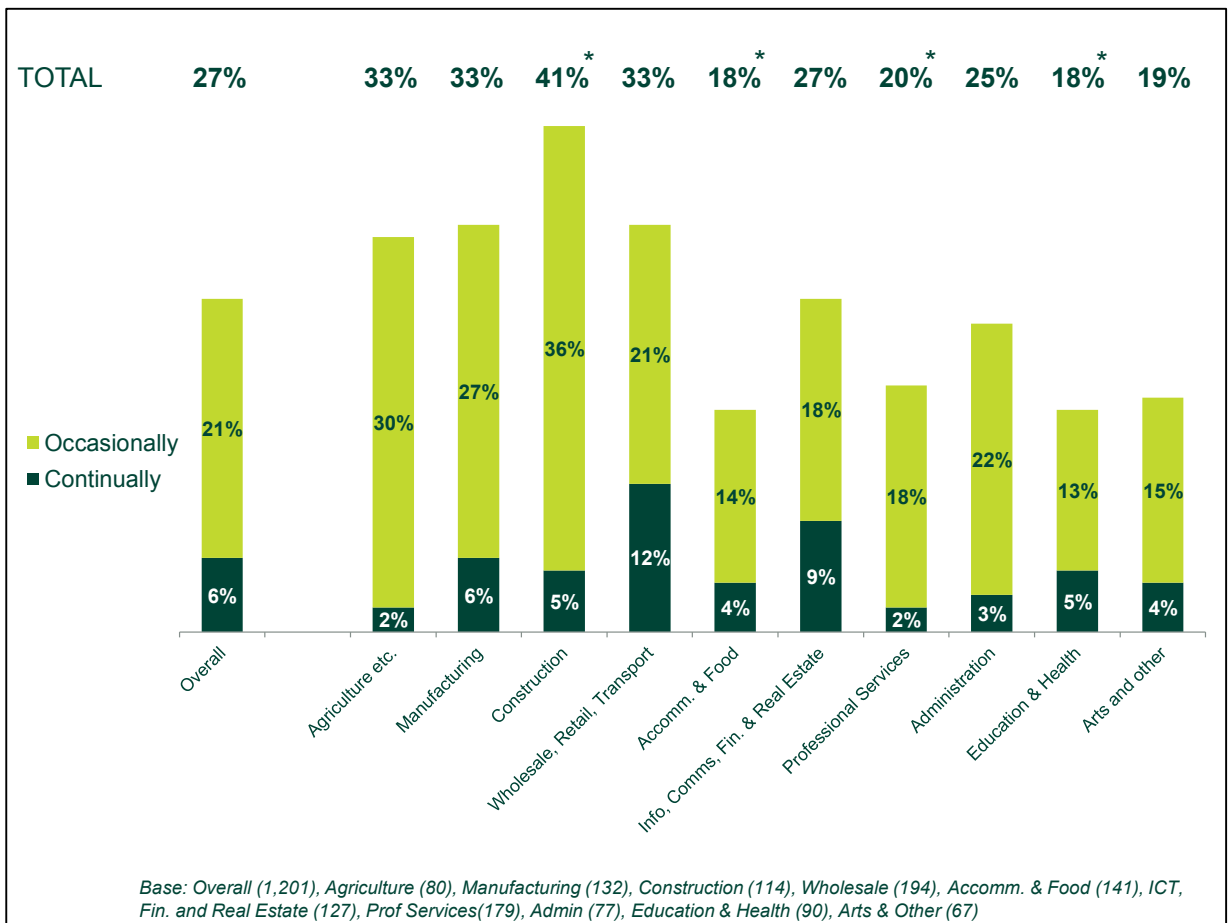
5.23 The survey also canvassed opinions on whether businesses themselves had ever felt disadvantaged by any perceived non-compliant activities of their competitors, and, where this was the case, in what ways they had been disadvantaged.

5.24 It is worth a small caveat at this point that we are taking businesses' responses at 'face value'. Judging by the types of disadvantages that businesses went on to cite in the survey, it was clear that a sizeable minority of businesses misunderstood what practices are illegal under Competition Law and thus the figures regarding the extent to which companies have been disadvantaged by non-compliant activities could be inflated. We explore this in more detail shortly.

5.25 Over a quarter of businesses (27 per cent) felt that the activities of their competitors had disadvantaged them as a result of not complying with Competition Law rules; six per cent stated that they had been continually disadvantaged in this way. By sector, Construction businesses were most likely to feel disadvantaged by the non-compliant activities of their competitors (41 per cent), which continues a trend of non-compliance seen elsewhere among these companies.



Figure 5.5: Extent that companies are disadvantaged by competitors' non-compliant activities by sector



5.26 Once again, those with a higher perceived familiarity with Competition Law were more likely to cite that they had been disadvantaged by their competitors' non-compliant behaviour (37 per cent compared with 25 per cent of those lacking familiarity with Competition Law). Additionally, businesses with an annual turnover of over £5 million also tended to find themselves more disadvantaged by their competitors (48 per cent).

5.27 By size, micro businesses were less likely than the rest of the sample to report that non-compliant behaviour had led to them being disadvantaged (26 per cent compared with 33 per cent of remaining businesses). There were no statistically significant differences by region, as Table 5.2 shows.



Table 5.2: Proportion of businesses disadvantaged by their competitors' non-compliant activities by region

Proportion disadvantaged
● North West: 34%
● South West: 33%
● East Midlands: 21%
● London: 21%

5.28 When asked in what ways their businesses had been disadvantaged, the most common response related to being undercut by their competitors (21 per cent). This highlights that businesses are not clear about the difference between legitimate competitive activity, where they have lost out to a competitor, versus illegal competitive behaviours. That said, a number who cited undercutting admitted they did not think the practice to be illegal.

"If other companies slash their prices then everybody is going to flock to them as we cannot afford to drop ours."

Micro business, Wholesale, Retail and Transportation

"We feel that our competitor is responsible for putting down prices in order to try to squeeze the smaller competitors out of the market."

Small business, Information, Communications, Finance and Real estate

5.29 Most other disadvantages reported related to unfair procurement behaviours rather than specific anti-competitive behaviours by suppliers in the tendering process. One in eight (12 per cent) reported that the tendering processes were unfair or biased. Commonly these businesses thought their competitors were privy to more information than should be allowed or that they had been invited on to tender applications when the contractor has already essentially been assigned.

"It's partly in the public sector and among very large organisations where deals are struck behind the scenes and companies like ours are used to present a false image of competition."

Micro business, Professional Services

"Our competitor has a better relationship with the client and we lose the tender because of them having information we don't have."

Micro business, Accommodation and Food

5.30 Figure 5.6 presents these and the remaining disadvantages that businesses tended to face. More than one in 20 cited disadvantages such as cartels and price fixing (seven per cent), loss of work and competitors being deliberately misleading in order to win business (both six per cent).

"There can be agreements between organisations in our sector to agree pricing for particular treatments etc. that we are not party to."

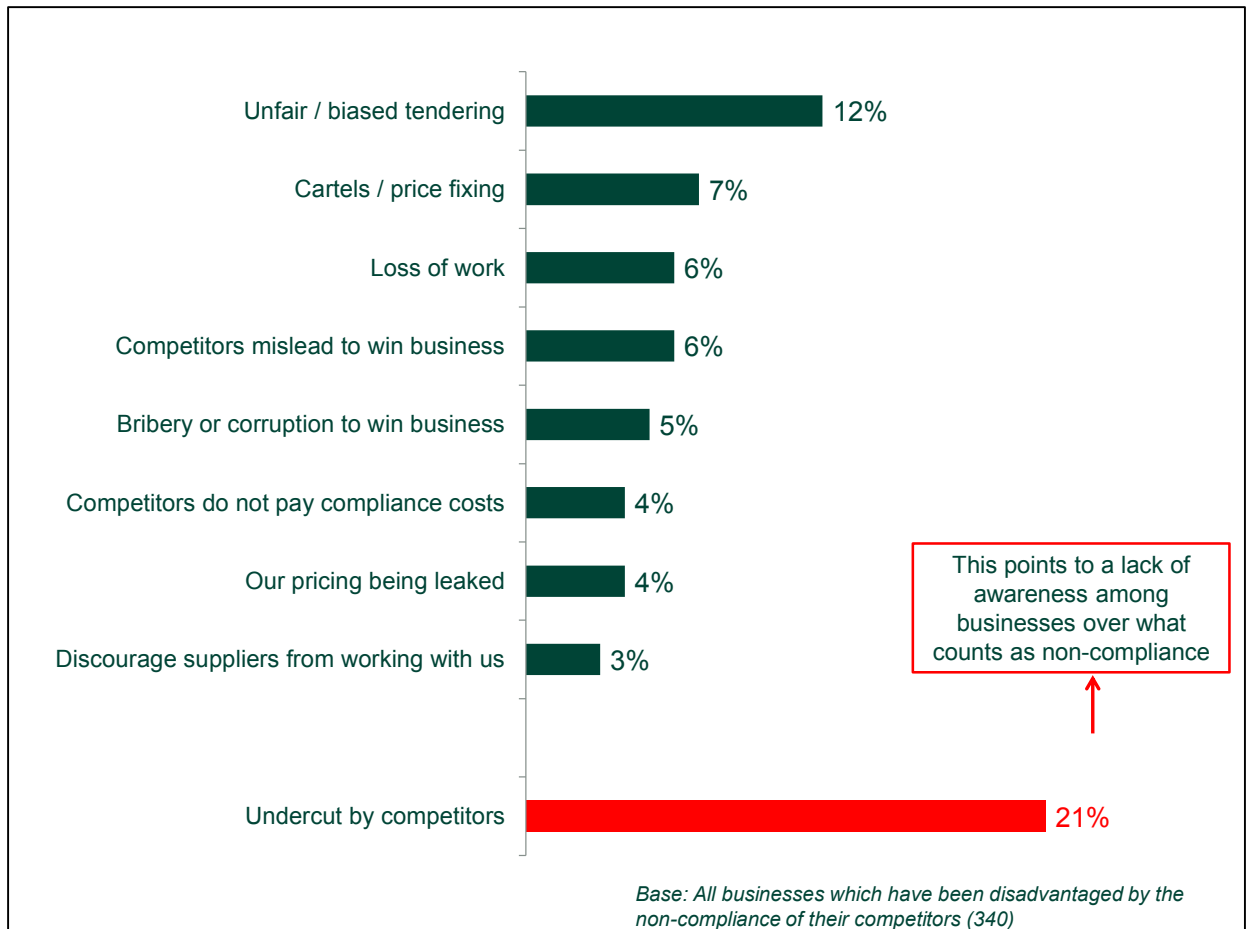
Large business, Education and Health



"We don't win orders because competitors don't abide by the rules of business - they promise the earth to supply materials and fabrics but they can't supply what the customer requested."

Micro business, Wholesale, Retail and Transportation

Figure 5.6: Most common disadvantages arising as a result of competitors' non-compliant behaviour



5.31 The base size here was too low to conduct much analysis by subgroup, however Table 5.3 shows how figures compare by the size of business. Small businesses for example were much more likely than the rest of the sample to have felt disadvantaged by unfair or biased tendering practices (19 per cent compared with 12 per cent overall).

Table 5.3: Most common disadvantages through non-compliance by size

	Micro (1-9)	Small (10-49)	Medium and Large (50 plus)
<i>Base: All businesses which have been disadvantaged by the non-compliance of their competitors</i>	214	61	65
	%	%	%
Undercut by competitors	21	20	19
Unfair / biased tendering	10	19*	10
Cartels / price fixing	8	5	17*
Loss of work	6	9	1
Competitors mislead to win business	6	5	5
Bribery or corruption to win business	4	6	6
Competitors do not pay compliance costs	4	6	4
Prices are leaked	4	6	3
Competitors discourage suppliers from working with us	4*	0	3

5.32 Owing to the uncertainty that pervades businesses' awareness of UK Competition Law, it is worthwhile isolating those businesses who displayed a good understanding of Competition Law from those who did not.³

5.33 These businesses were more likely to report that they had been disadvantaged by the non-compliant activities of their competitors (33 per cent compared with 27 per cent overall) and also tended to report different types of disadvantages compared to others. In contrast to the rest of the sample they were less likely to cite being undercut by competitors (14 per cent compared with 21 per cent overall), and more likely to report issues relating to:

- Cartels or price fixing (12 vs. seven per cent);
- Competitors gaining an advantage by not paying compliance costs (nine vs. four per cent); and
- Prices being leaked (seven vs. four per cent).

³ We classify those with a good understanding of Competition Law and those businesses who answered at least six statements correctly in the series of True/False statements covered in Chapter 4.



6 Awareness and understanding of CMA and its role

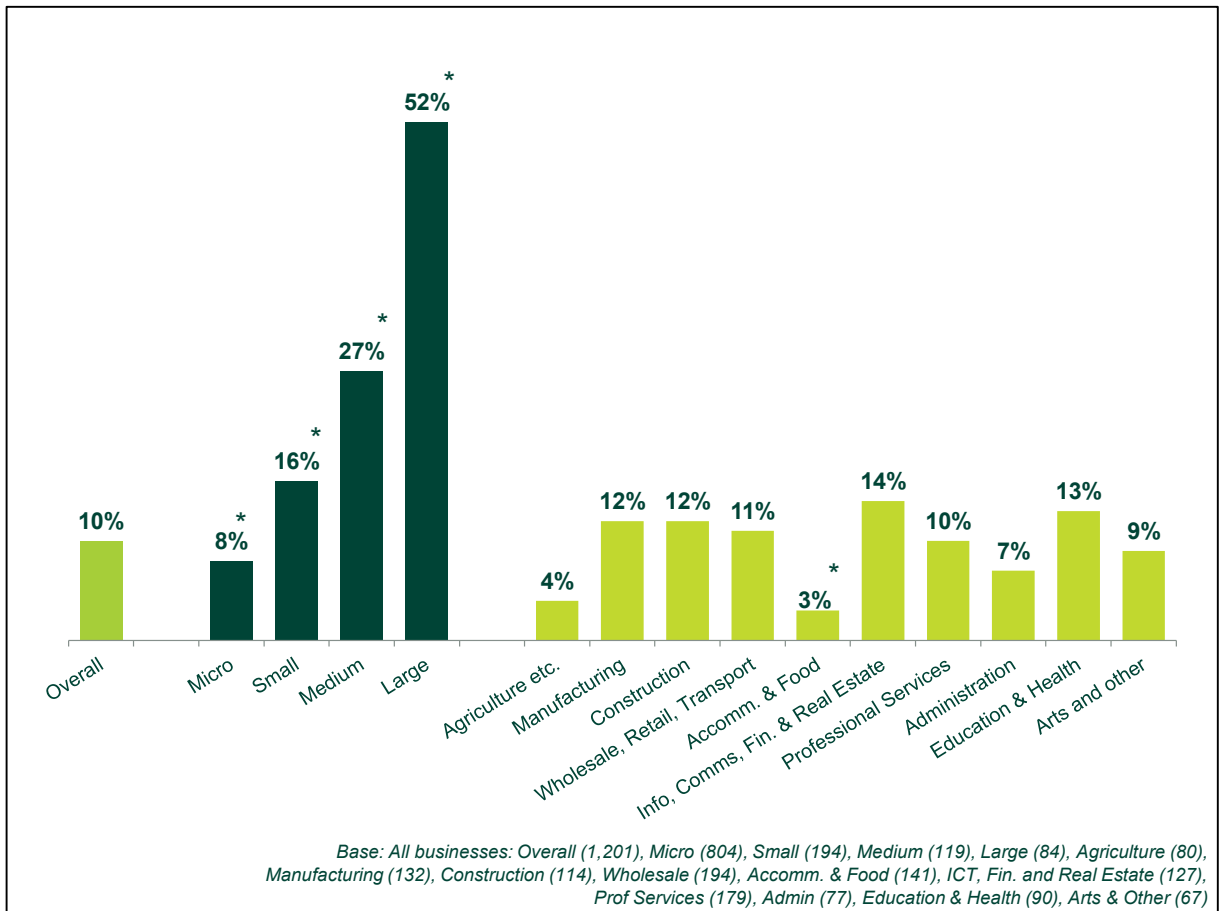
- 6.1 The CMA was created in April 2014, taking on some of the responsibilities that the Office of Fair Trading (OFT) and the Competition Commission. As a new body, awareness levels are relatively low but they should increase over time. A key area for the CMA to consider is the way it disseminates guidance on compliance with Competition Law to businesses: whether it is distributed through organisations with which businesses (especially smaller ones) already have more established links, or whether they distribute through their own channels.
- 6.2 This chapter explores which organisations and sources businesses would approach to find out more information on Competition Law, before measuring their awareness of the CMA and its role. These latter measures are of particular interest in tracking over time, as the CMA seeks to assert its relevance amongst the UK business population.

Seeking information on Competition Law

- 6.3 It was rare for businesses to actively look for information about Competition Law: only one in 10 businesses (10 per cent, rising to 24 per cent among those with perceived familiarity of Competition Law) reported that their company had ever sought such information.
- 6.4 The size of businesses was a key driver in these figures: the larger businesses were significantly more likely to have sought information on Competition Law, with over half of large businesses (52 per cent) having done so. By sector, businesses in the Accommodation and Food sector were much less likely than remaining businesses to have sought information, as Figure 6.1 shows. These same patterns by size and sector appear both within those with perceived familiarity of Competition Law and those who were not so familiar as well.



Figure 6.1: Whether sought information on Competition Law by size and sector



6.5 Those trading internationally were much more likely to have sought information on Competition Law (26 per cent). The Bribery Act 2010 might be a contributory factor in this regard as exporters sought more information on this new Act. By region there were no clear differences, as Table 6.1 shows.

Table 6.1: Proportion of businesses who had sought information on Competition Law by region

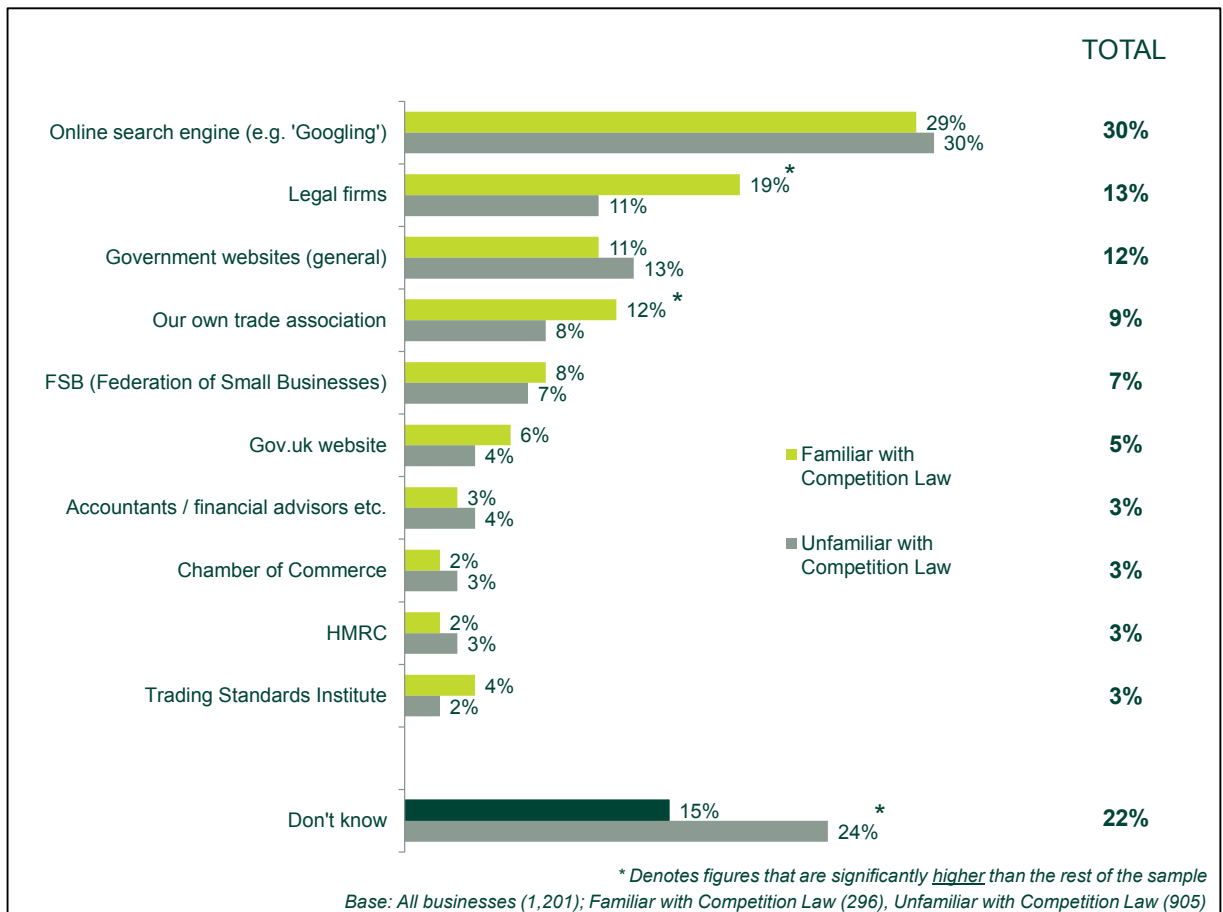
Proportion disadvantaged
● South East: 14%
● Scotland: 14%
● London: 14%
● Yorkshire and the Humber: 6%
● Wales: 6%
● West Midlands: 5%



Sources of information on Competition Law

- 6.6 All businesses were asked where they would turn to if their company was required to find out more information on Competition Law. The most common response was that they would use an online search (30 per cent), while 22 per cent did not know where they would look. The remaining responses were fragmented and government websites were used by a minority
- 6.7 Businesses which were familiar with Competition Law were more likely to seek information from legal firms (19 per cent) than those who were not (11 per cent).
- 6.8 Some businesses reported using collaborative networks to find information on Competition Law, with trade associations (nine per cent), the Federation of Small Businesses (seven per cent; eight per cent among micro businesses) and the Chamber of Commerce (three per cent) each being spontaneously reported by a small proportion of businesses.
- 6.9 Figure 6.2 illustrates the most common sources of information on Competition Law for UK businesses, split by those with perceived familiarity of Competition Law and those who are not familiar.

Figure 6.2: Most common sources of information on Competition Law



- 6.10 Across the top six sources of information, there are some interesting differences by size, sector and region. These are detailed in Table 6.2.



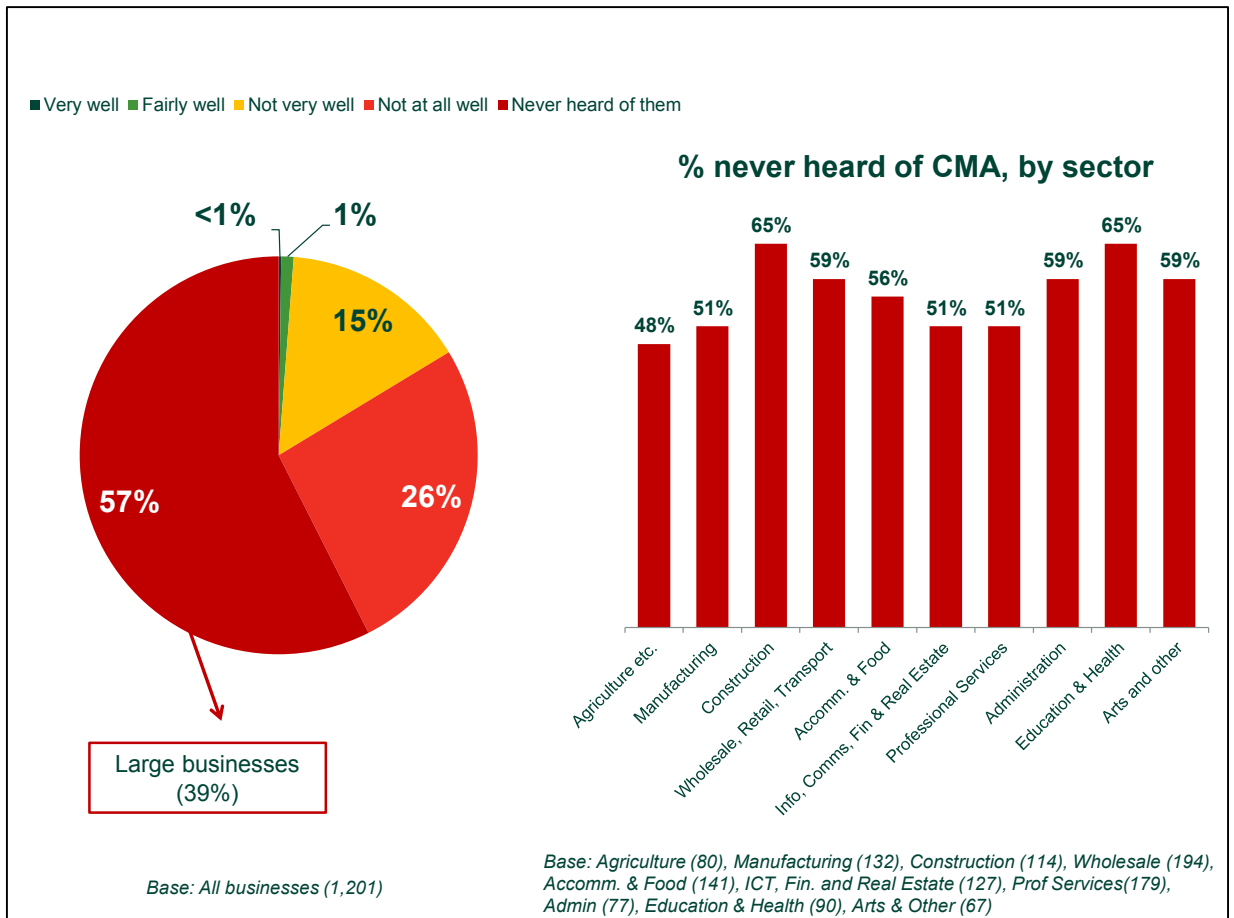
Table 6.2: Top six sources of information on Competition Law, by size, sector and region

Row percentages	Base		Online search engine	Legal firms	Gov. websites (general)	Trade association	Federation of Small businesses	Gov.uk website	Don't know
Overall	(1,201)	%	30	13	12	9	7	5	22
Micro	(804)	%	31*	11*	13	9	8*	5	22
Small	(194)	%	24	21*	12	10	4	4	25
Medium	(119)	%	26	22*	12	11	2*	1	22
Large	(84)	%	25	21*	7	4	0*	11*	17
Agriculture etc.	(80)	%	19*	15	2*	15	3	1	28
Manufacturing	(132)	%	27	7*	12	12	9	4	26
Construction	(114)	%	32	12	13	9	9	4	30*
Wholesale, Retail, Transport	(194)	%	29	12	15	10	10*	3	22
Accommodation & Food	(141)	%	25	10	6*	11	3	4	35*
Info, Comms, Fin. & Real Estate	(127)	%	17*	17	9	7	3	8*	19
Professional Services	(179)	%	42*	10	18*	6	3*	7	16*
Administration	(77)	%	29	12	14	7	8	8	16
Education & Health	(90)	%	34	28*	12	7	13*	9	12*
Arts and other	(67)	%	32	14	14	9	9	3	18
North East	(87)	%	25	10	10	9	3	5	33*
North West	(118)	%	26	10	8	11	9	3	24
Yorkshire & The Humber	(92)	%	29	18	9	11	5	6	26
East Midlands	(104)	%	32	10	15	5	3	<1*	26
West Midlands	(95)	%	28	11	16	10	4	3	19
East of England	(128)	%	35	15	16	9	6	4	21
London	(80)	%	33	15	13	5	<1*	3	29
South East	(93)	%	29	11	12	10	13*	8	14*
South West	(108)	%	29	12	14	15*	11	11*	15
Wales	(104)	%	34	14	11	9	11	6	23
Scotland	(95)	%	25	15	11	5	13*	5	20
Northern Ireland	(97)	%	20*	13	17	14	4	1	30

Familiarity with the CMA

- 6.11 The CMA is a new organisation and awareness is low amongst businesses: 57 per cent had never heard of the CMA and very few businesses knew much about it.
- 6.12 Looking in more detail at those businesses who had never heard of the CMA, large businesses were the least likely to report this (39 per cent compared with 57 per cent overall). There were no clear differences by sector, although as Figure 6.3 shows, indications are that businesses in certain sectors have a tendency to know the CMA better than those in others.

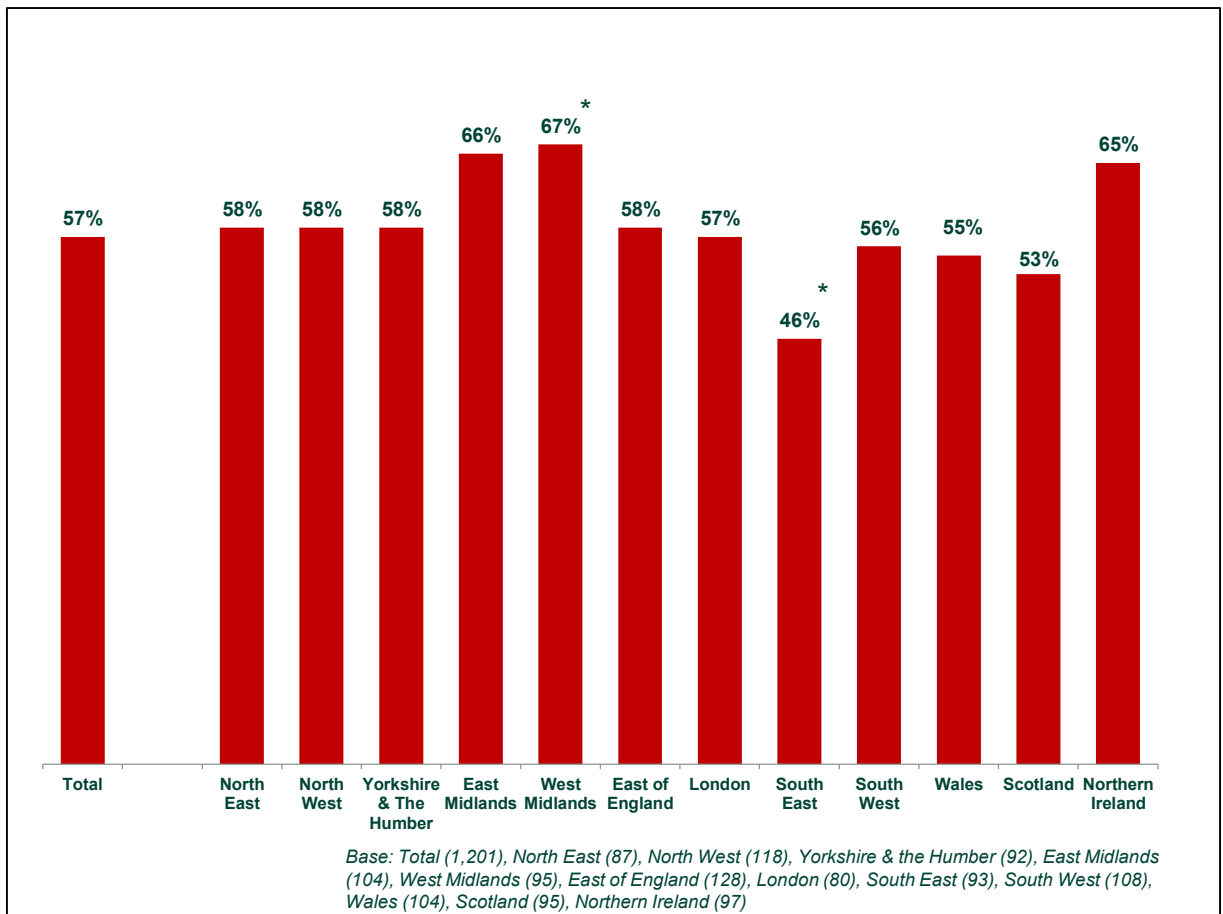
Figure 6.3: Familiarity with the CMA



- 6.13 Businesses familiar with Competition Law were less likely not to have heard of the CMA (44 per cent compared with 61 per cent of those not familiar with Competition Law).
- 6.14 By region, businesses in the West Midlands were least likely to have heard of the CMA: 67 per cent of these businesses reported that they had never heard of them. South East businesses were at the other end of the spectrum (46 per cent), as Figure 6.4 shows.



Figure 6.4: Proportion of businesses who have not heard of the CMA, by region



Responsibility for Competition Law

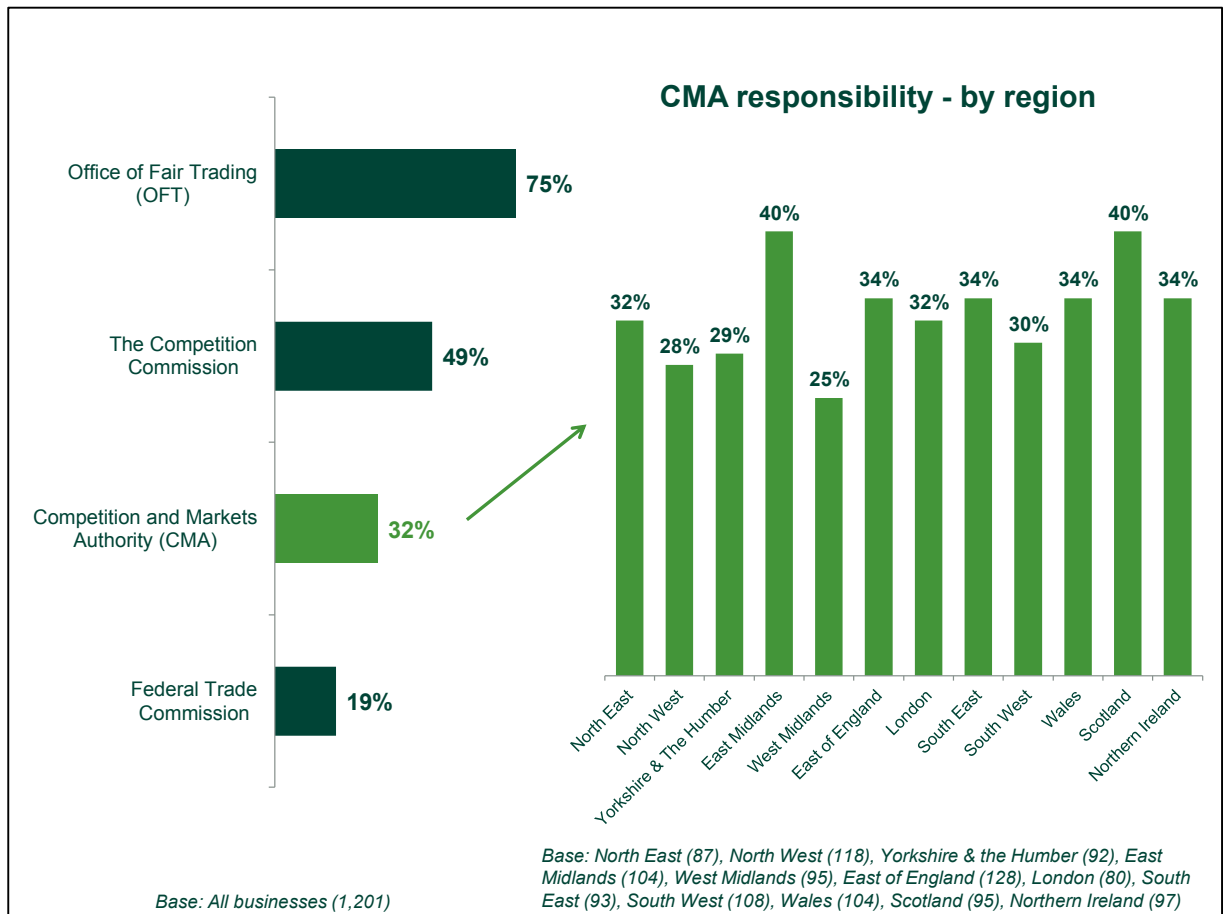
- 6.15 Businesses were prompted with a short list of organisations and asked which they thought had responsibility for enforcing Competition Law in the UK. The majority thought that the Office of Fair Trading (OFT) had responsibility for enforcing Competition Law (75 per cent), while around half thought it was the Competition Commission (49 per cent).
- 6.16 A third of businesses (32 per cent) thought that the CMA had this responsibility, although only three per cent solely mentioned the CMA.
- 6.17 Typically, those with familiarity of Competition Law were more likely to report the OFT (80 per cent compared with 73 per cent of those unfamiliar) and the Competition Commission (55 per cent vs. 47 per cent). However, it is interesting to note a different pattern regarding those who selected the CMA. Both those who were familiar with Competition Law (38 per cent) and those who had never heard of it (41 per cent) were more likely than those who reported not knowing it well to say the CMA here (27 per cent). This suggests that the descriptive name carries some resonance in this area of law, but the perception of the CMA's role needs strengthening..
- 6.18 One in five reported the Federal Trade Commission (19 per cent), a US agency with no responsibilities in the UK. There were no significant differences by the businesses' trading area (i.e. local/regional/national/international), suggesting that the majority citing this did so simply because it



sounded like an organisation that might carry such responsibility in the UK. We should therefore treat figures for the other organisations with some caution too.

6.19 Figure 6.5 shows these figures and looks at regional differences for those who thought it was the CMA's responsibility to enforce Competition Law in the UK (n.b. none of these regional figures are significantly different to the rest of the sample).

Figure 6.5: Organisations businesses perceive to be responsible for enforcing Competition Law in the UK



6.20 Medium sized businesses were more likely than the rest of the sample to select the CMA (42 per cent), while there were minimal sectoral differences.



Views on the CMA's remit

- 6.21 Towards the end of the survey, when the various issues for which the CMA has responsibility had been covered, we asked businesses what they thought the CMA did. This presents the possibility of inflated figures as a consequence of the research effect. But despite this, a third of businesses (32 per cent) were still unsure what the CMA might do.
- 6.22 A broad range of answers was given when businesses were asked what they thought the CMA did. While most of these responsibilities fit into the CMA's remit, there was an uncertainty surrounding the extent to which the CMA simply monitored activities that were not compliant with Competition Law, or acted upon these concerns and carried out enforcement measures.

"The CMA receives information for persons who have concerns, and has a system for monitoring breaches of regulation."

Micro, Professional Services

"They're a passive organisation that monitors the market place. I'm not aware of any proactive role, but they monitor and assess and probably report to the business secretary."

Large, Construction

- 6.23 It should be noted that this question was asked towards the end of the survey, once we had already covered various issues that the CMA has responsibility for, hence there is the possibility of inflated figures here as research effects come in to play. Nevertheless, a third of businesses (32 per cent) were still unsure what the CMA might do.
- 6.24 Businesses most commonly thought that it was the CMA's role to ensure a level playing field among competitors (21 per cent). Around one in six also thought the CMA checked companies were compliant with regulators (16 per cent). This figure, as well as a few others, showed a marked difference between those who had heard of the CMA⁴ (21 per cent) and those who had not (13 per cent), as Figure 6.6 illustrates.

"They ensure that there is no bullying in the market place by big companies and make sure that there is a level playing field."

Micro, Manufacturing

- 6.25 Smaller proportions mentioned preventing cartels (eight per cent), investigating breaches of Competition Law (five per cent) and overseeing or monitoring competition (five per cent).

"The CMA investigates complaints of various cartels and price rigging."

Micro, Accommodation and Food

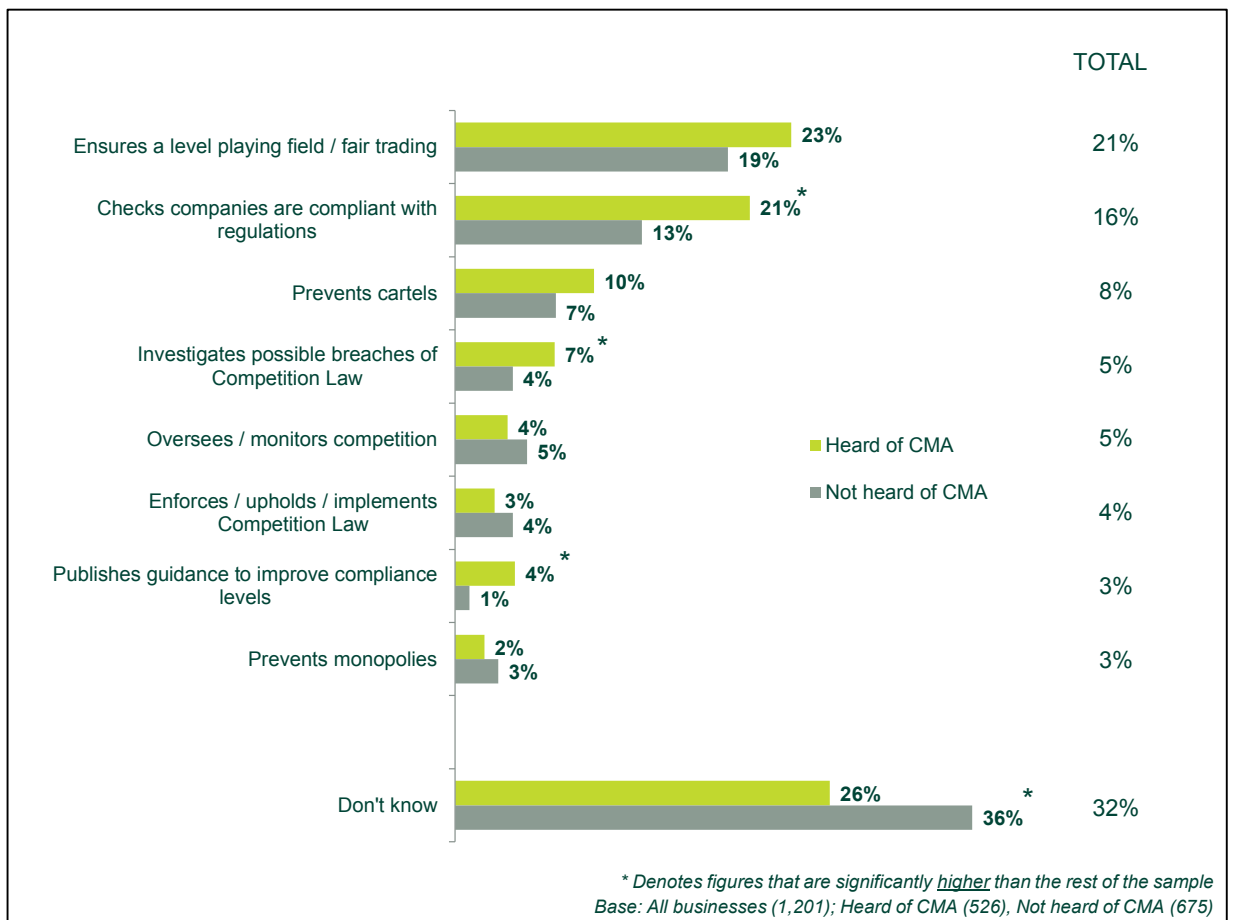
"I would imagine they police company activities and administer any kind of action in the event that anybody's in breach of any of their rules."

Micro, Professional Services

⁴ We classify here those who had heard of the CMA as those answering 'Very well', 'Fairly well', 'Not very well' or 'Not at all well' to the question of how well they knew the CMA (there being a final code of 'Never heard of them').



Figure 6.6: Views on the CMA's remit



7 Appendix A: Questionnaire

S Screener

ASK TELEPHONIST

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

Yes – correct	1	CONTINUE
No – company name wrong	2	TAKE CORRECT COMPANY NAME AND CONTINUE
Hard appointment	3	MAKE APPOINTMENT
Soft appointment	4	
Refusal	5	CLOSE
Refusal – company policy	6	
Refusal – taken part in recent survey	7	
Residential Number	8	
Company closed	9	



ASK ALL

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

IF MICRO OR SMALL COMPANY (SIZE=1/2): **Please can I speak to the most senior person with overall responsibility for sales within your business?**

IF MEDIUM OR LARGE COMPANY (SIZE=3/4): **Please can I speak to a senior person in the business with responsibility for sales?**

ADD IF NECESSARY: **This may be the Owner, Managing Director, Commercial or Sales Director**

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

Transferred	1	CONTINUE	
Hard appointment	2	MAKE APPOINTMENT	
Soft Appointment	3		
Refusal	4	CLOSE	
Refusal – company policy	5		
Refusal – Taken part in recent survey	6		
Nobody at site able to answer questions	7		
Not available in deadline	8		
Engaged	9		
Fax Line	10		
No reply / Answer phone	11		
Residential Number	12		
Dead line	13		
Company closed	14		
Show reassurances	15		GO TO REASSURANCE PAGE



ASK ALL
 S3 **Good morning / afternoon, my name is NAME, calling from IFF Research, an independent market research company. We're currently conducting an important study on behalf of a large government agency exploring how businesses operate and remain competitive in the UK market.**

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

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

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

ALL:

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

Would it be OK to continue with this now?

Continue	1	CONTINUE
Referred to someone else at establishment NAME_____	2	TRANSFER AND RE-INTRODUCE
JOB TITLE_____		
Hard appointment	3	MAKE APPOINTMENT
Soft appointment	4	
Refusal	5	THANK AND CLOSE
Refusal – company policy	6	
Refusal – taken part in recent survey	7	
Not available in deadline	8	
Show reassurances	9	GO TO REASSURANCE PAGE
Wants reassurance email	10	Collect email address and arrange appointment DS: Send automatic email



ASK ALL

S3a **This call may be recorded for quality and training purposes only.**

ASK ALL

S4 **Can I just check,**

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

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

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

ASK ALL

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

READ OUT. SINGLE CODE

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

REASSURANCES TO USE IF NECESSARY

The interview will take around 15 minutes.

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

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

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

- **MRS: Market Research Society on 0500396999**
- **IFF: ANDREW SKONE JAMES or SAM SELNER: 0207 250 3035**



A Background to Company

ASK ALL

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

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

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

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

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

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

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



None – Sole Trader	11		
--------------------	----	--	--

ASK ALL

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

Yes	1	
No	2	
Don't know	3	

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

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

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

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

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

ASK ALL

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

DO NOT READ OUT. SINGLE CODE

Local	1
Regional	2
National	3
International	4



ASK ALL

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

ALL WHO GAVE MORE THAN ONE ANSWER AT A5

A6 **And which of these would you regard as your most important customer?**
READ OUT IF NECESSARY. SINGLE CODE

DS: ONLY SHOW THOSE ANSWERS SELECTED AT A5.

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



ASK ALL

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

INTERVIEWER NOTE: WE ARE LOOKING SPECIFICALLY AT THE WAY IN WHICH EMPLOYERS SELL THEIR PRODUCTS, NOT HOW THEY MARKET THEM.

READ OUT. MULTICODE

DS: RANDOMISE ORDER OF CODES 1-7

ALL WHO GAVE MORE THAN ONE ANSWER AT A7

A8 **And which of these channels would you regard as the most important for your company?**

ADD IF NECESSARY: **Which one is responsible for most of your sales?**

READ OUT IF NECESSARY. SINGLE CODE

DS: ONLY SHOW ANSWERS SELECTED AT A8

	A7	A8
Via a retail store or showroom, e.g. on the high street	1	1
Over the Internet / digital TV	2	2
By mail order	3	3
By phone / fax	4	4
Face to face presentations	5	5
Through formal written proposals/responses to tender	6	6
Selling directly to people in their homes	7	7
(1) Any other channel (PLEASE SPECIFY)	8	8
(2) Any other channel (PLEASE SPECIFY)	9	9
(3) Any other channel (PLEASE SPECIFY)	10	10
DO NOT READ OUT: Don't know	11	11



B Awareness of anti-competitive behaviours

Now I'd like to know a bit more about how your company ticks. I will begin by focussing on what you do personally on behalf of your company, before moving on to more company-wide behaviour.

ASK ALL

- B1 **So, in the last 12 months, have you personally had contact with any of the following, either in a professional, or more informal, capacity?**

READ OUT.

ADD IF NECESSARY: **By 'your industry' we mean the industry to which your company belongs.**

	YES	NO	DK
_1 People from other businesses in your industry	1	2	3
_2 People from suppliers to your industry	1	2	3
_3 People from businesses in other sectors	1	2	3

[DS – loop Qs B2 and B3 where B1_X=1. ASK B3 STRAIGHT AFTER B2]

ASK IF ANY B2 ITERATION SELECTED (ANY B1_X=1)

- B2 **In the last 12 months, roughly how often have you been in contact with [INSERT ITERATION FROM B2]?**

READ OUT. SINGLE CODE.

On a weekly basis	1
On a monthly basis	2
Three or four times a year	3
Once or twice a year	4
DO NOT READ OUT: Don't know	5



ASK IF ANY B2 ITERATION SELECTED (ANY B1_X=1)

- B3 **And in what circumstances have you been in contact with [INSERT ITERATION FROM B1]?**
DO NOT READ OUT. MULTICODE.

In relation to a transaction	1
CODE DELETED	2
(IF B1_1=1 or B1_3=1) When recommending or receiving a supplier recommendation	3
For recruitment purposes	4
For training purposes	5
For professional networking purposes	6
For social reasons	7
To discuss prices	11
Other (Please specify)	8
Don't know	9
Refused	10

ASK ALL

- B3a **And now thinking more broadly about your company's activities, in the last 12 months, are you aware whether any of your colleagues have had any contact with any of the following?**

READ OUT.

	YES	NO	DK
_1 People from other businesses in your industry	1	2	3
_2 People from suppliers to your industry	1	2	3
_3 People from businesses in other sectors	1	2	3

ASK ALL

- B4 **Is your company a member of a trade federation, industry body or professional institution?**

Yes	1
No	2
Don't know	3



ASK ALL

B5 Thinking now about monitoring the prices your competitors charge for goods and services, how often does your company check these?

READ OUT. SINGLE CODE.

Daily	1
Weekly	2
Monthly	3
Quarterly	4
Six monthly	5
Less often	6
Never	7
DO NOT READ OUT: Don't know	8

ASK THOSE WHO MONITOR COMPETITOR PRICES (IF B5=1-6)

B6 How does your company monitor competitor prices?

DO NOT READ OUT. MULTICODE.

Finding the price as advertised (i.e. in a shop or online)	1
Trade publications	2
Finding prices in published contracts	3
Asking customers what the competitor has charged	4
Our customers tell us	5
Other businesses tell us	6
General internet search	7
Other (PLEASE SPECIFY)	8
Don't know	9



C Awareness of Competition Law

ASK ALL

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

READ OUT. MULTICODE.

DS: PLEASE RANDOMISE

ASK ALL

- C2 **And over the last 12 months, has your company run any training sessions about how to comply with any of the following legislation?**

READ OUT. MULTICODE

DS: PLEASE RANDOMISE

	C1	C2
_1 Health and Safety	1	1
_2 Fraud	2	2
_3 Competition Law	3	3
_4 Anti-bribery and corruption	4	4
_5 Employment Law	5	5
_6 Any other areas (PLEASE SPECIFY)	6	6
_7 SINGLE CODE: None of these	7	7
_8 DO NOT READ OUT: Don't know	8	8

IF DISCUSSED COMPETITION LAW (C1=3)

- C3 **You said that you have discussed compliance with Competition Law in your company. Which particular aspects of Competition Law have been discussed?**

WRITE IN		
Don't know	1	



IF RUN TRAINING SESSIONS ON COMPETITION LAW (C2=3)

C4 **You said that you have run training sessions on how to comply with Competition Law in your company. Which particular aspects of Competition Law did these training sessions focus on?**

WRITE IN		
Don't know	1	

ASK ALL

C5 **Overall, how familiar would you say you are personally with Competition Law? Would you say you know it...?**

READ OUT. SINGLE CODE.

Very well	1
Fairly well	2
Not very well	3
Not at all well	4
Never heard of it	5



ASK ALL

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

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

So, under UK Competition Law rules...

READ OUT. SINGLE CODE FOR EACH STATEMENT.

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

DS: RANDOMISE ORDER

	TRUE	FALSE	DK	Refused
1 People who report cartel activity to the appropriate authority might gain a reward.	1	2	3	4
2 It's okay for competitors to agree prices in order to avoid losing money.	1	2	3	4
3 It's OK to discuss prospective bids with competing bidders so that everyone has a chance to get tenders from time to time.	1	2	3	4
4 It's OK to tell suppliers the prices that other suppliers are quoting you, as part of bargaining for a better deal.	1	2	3	4
5 It is unlawful to set the price at which others can resell your products.	1	2	3	4
6 Individuals who are found to have agreed to fix prices with other companies can be sentenced to imprisonment.	1	2	3	4
7 It can be illegal to attend a meeting at which competitors agree prices with each other.	1	2	3	4
8 Dominant firms are under a special responsibility not to allow their conduct to impair competition, beyond the rules applicable to other companies.	1	2	3	4
9 Companies that admit participation in a cartel to the competition authorities may be able to obtain immunity from a penalty.	1	2	3	4
10 Businesses can agree not to sell to the same customers as each other.	1	2	3	4



ASK ALL

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

READ OUT. SINGLE CODE

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

ASK ALL

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

DO NOT READ OUT. MULTICODE

Fines for the company	1
Fines for an individual member of staff	2
Imprisonment	3
Disqualification from membership bodies	4
Agreements or contracts made void	5
Exposure to damages claims (e.g. being sued by disadvantaged companies)	6
Other (Please specify)	7
Don't know	8
Refused	9



D Corporate commitment to compliance

ASK ALL

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

READ OUT FULL LIST. MULTICODE

DS: RANDOMISE ORDER OF CODES 1-7.

IF MORE THAN ONE REASON CHOSEN AT D1

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

PROMPT IF NECESSARY. SINGLE CODE

DS: ONLY SHOW OPTIONS SELECTED AT D1

	D1	D1a
It's just the right thing to do ethically	1	1
It gives us a business advantage	2	2
It's obligatory – it's the law	3	3
It provides a level playing field for everyone in the market	4	4
It's important for our reputation	5	5
Non-compliance leads to the risks of fines	6	6
Non-compliance risks directors being prosecuted	7	7
(1) Some other reason (Please specify)	8	8
(2) Some other reason (Please specify)	9	9
(3) Some other reason (Please specify)	10	10
DO NOT READ OUT: None of the above	11	-
DO NOT READ OUT: Don't know	12	12
DO NOT READ OUT: Refused	13	13



ASK ALL

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

SINGLE CODE.

Very high	1
Fairly high	2
Medium	3
Fairly low	4
Very low	5
Don't know	6

ASK ALL

D3 **Do you think that your own company has ever been disadvantaged by the activities of competitors where they have not complied with Competition Law?**

PROMPT AS NECESSARY. SINGLE CODE.

Yes, continually	1	
Yes, occasionally	2	
No, never	3	
Don't know	4	

IF DISADVANTAGED BY COMPETITORS (D3=1/2)

D4 **In what ways have you been disadvantaged?**

PROBE FULLY.

WRITE IN		
Don't know	1	



E Awareness and understanding of CMA and its role

ASK ALL

E1 **Has your company ever sought information on Competition Law?**

Yes	1
No	2
Don't know	3

ASK ALL

E2 **Which sources or organisations would you approach to find this information? Please consider any organisations' websites you might visit in your answer. DO NOT READ OUT. MULTICODE.**

OFT (Office of Fair Trading)	1
CC (Competition Commission)	2
CMA (Competition and Markets Authority)	3
FCA (Financial Conduct Authority)	4
Trading Standards Institute	5
SFO (Serious Fraud Office)	6
Our own trade association	7
Ofcom	8
Legal firms	9
Citizens advice	10
Chamber of Commerce	11
Trading Standards	12
Trade publications	13
Online search engine (e.g. 'Googling')	14
Other (PLEASE SPECIFY)	15
Don't know	16



- ASK ALL
 E3 **Which of these do you think is the body with current responsibility for enforcing Competition Law in the UK?**
 READ OUT. MULTICODE.

DS: RANDOMISE ORDER

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

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

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



ASK ALL

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

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

WRITE IN		
Don't know	1	

ASK ALL

E6 Have you heard or read about any competition enforcement action by the Competition and Markets Authority?

Yes	1	
No	2	
Not sure	3	



F Additional firmographics

ASK ALL

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

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

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

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

PROBE FOR BEST ESTIMATE. SINGLE CODE

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

ASK ALL

- F2 **Roughly how many years have you worked for this company?**

ASK ALL

- F3 **And how many years have you worked in your particular industry?**

	WRITE IN	Don't know
F2 – Years worked for this company	DS: ALLOW 0-99; MAX LIMIT OF F1 OR HIGHEST VALUE IN F1RAN BAND	1
F3 – Years worked in industry	DS: ALLOW 0-99; MIN LIMIT OF F2	1



ASK ALL

F4 **What is the highest level of educational qualification you have achieved?**
DO NOT READ OUT. PROBE AS NECESSARY. SINGLE CODE

Degree level (includes any degree, PGCE, HND, NVQ Level 4)	1
A levels (includes Advanced GNVQ, NVQ Level 3)	2
O levels or GCSEs (includes GNVQ NOT advanced, NVQ level 1 or 2)	3
Other (Please specify)	4
No educational qualifications	5
Don't know	6

ASK ALL

F5 **And have you obtained any professional qualifications?**

Yes	1
No	2
Don't know	3

IF OBTAINED PROFESSIONAL QUALIFICATIONS (F5=1)

F6 **What professional qualifications have you obtained?**

WRITE IN		
Don't know	1	

ASK ALL

F7 **Which of the following advisors do you have working for you within the company? By this we mean a permanent member of your staff who has a professional qualification to act in this capacity for your company.**

READ OUT. MULTICODE.

INTERVIEWER NOTE: WE ARE ONLY LOOKING TO CAPTURE INFORMATION ON THOSE WITH PROFESSIONAL QUALIFICATIONS IN THESE ROLES.

Legal advisor	1	
Auditor	2	
Accountant	3	



Risk Manager	4	
Company secretary	5	
None of the above	6	
DO NOT READ OUT: Don't know	7	

ASK ALL

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

READ OUT AND CODE TO SINGLE RANGE.

Up to £50,000	1
£50,001 to £100,000	2
£100,001 to £250,000	3
£250,001 to £500,000	4
£500,001 to £1,000,000	5
£1,000,001 to £2,000,000	6
£2,000,001 to £5,000,000	7
£5,000,001 to £10,000,000	8
£10,000,001 to £25,000,000	9
Over £25,000,000	10
DO NOT READ OUT: Don't know	11
DO NOT READ OUT: Refused	12



G Re-contacting and closing interview

ASK ALL

- G1 **Thank you very much for taking the time to speak to us today. We may be conducting further research relating to this topic. Would you be willing to be re-contacted by any of the following about this research if it were necessary?**

READ OUT. MULTICODE

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

Name: RECORD DETAILS OF RESPONDENT WHO COMPLETED INTERVIEW	
Job title:	
Telephone:	
Email address:	
Postcode:	

Finally I would just like to confirm that this survey has been carried out under IFF instructions and within the rules of the MRS Code of Conduct.

MRS: Market Research Society: 0500396999
IFF: ANDREW SKONE JAMES or SAM SELNER: 0207 250 3035

Thank you very much for your help today.

