

Completed acquisition by Ecolab Inc. of The Holchem Group Ltd

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Glossary

Appendix A: Terms of reference and conduct of the inquiry

Terms of reference

1. In exercise of its duty under section 22(1) of the Enterprise Act 2002 (the **Act**) the Competition and Markets Authority (**CMA**) believes that it is or may be the case that:
 - (a) a relevant merger situation has been created, in that:
 - (i) enterprises carried on by Ecolab Inc. (**Ecolab**) have ceased to be distinct from enterprises carried on by The Holchem Group Limited (**Holchem**); and
 - (ii) the condition specified in section 23(2)(b) of the Act is satisfied; and
 - (b) the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within a market or markets in the United Kingdom for goods or services, including the supply of cleaning chemicals for food and beverage (**F&B**) customers in the UK.
2. Therefore, in exercise of its duty under section 22(1) of the Act, the CMA hereby makes a reference to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 in order that the group may investigate and report, within a period ending on 8 October 2019, on the following questions in accordance with section 35(1) of the Act:
 - (a) whether a relevant merger situation has been created; and
 - (b) if so, whether the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.

Colin Raftery
Senior Director, Mergers
Competition and Markets Authority
24 April 2019

Conduct of the inquiry

3. On 24 April 2019 the CMA [referred](#) the completed acquisition by Ecolab Inc. (Ecolab) of the Holchem Group Limited (Holchem) (the Merger) for an in-depth Phase 2 investigation by a group of CMA panel members.
4. We published the biographies of the members of the inquiry group conducting the phase 2 inquiry on the inquiry [webpage](#) on 24 April 2019 and the administrative timetable for the inquiry was published on the inquiry [webpage](#) on 9 May 2019.
5. We invited competitors and customers of Ecolab and Holchem (together, the Parties) to comment on the Merger. We issued detailed questionnaires to these various third parties and a number of them provided us with further information at hearings and in response to written requests. Summaries of third party hearings will be published on the inquiry webpage. Evidence submitted during Phase 1 was also considered in Phase 2.
6. We received written evidence from the Parties in the form of submissions and responses to information requests. The Parties initial submission in response to the Phase 1 decision was published on the inquiry [webpage on 23 July 2019](#).
7. On 14 May 2019, we published an [Issues Statement](#) setting out the areas of concern on which the Phase 2 inquiry would focus. The Parties' response to our issues statement was published on the inquiry [webpage on 23 July 2019](#).
8. Members of the inquiry group, accompanied by CMA staff, visited the premises of one of the parties' customers in order to see a production facility clean take place on 5 June 2019.
9. During our inquiry, we sent the Parties a number of working papers for comment. We also sent an annotated issues statement to the Parties, which outlined our thinking prior to their respective hearings.
10. We held separate hearings with the Parties on 8 July 2019.
11. A non-confidential version of our provisional findings report has been published on the inquiry [webpage](#). As we have provisionally concluded that the merger has resulted, or may be expected to result, in an SLC in the supply of formulated cleaning chemicals and ancillary services to UK food and beverage customers, a notice of possible remedies has also been published on the inquiry [webpage](#). Interested parties are invited to comment on both of these documents.

12. We would like to thank all those who have assisted in our inquiry so far.

Appendix B: Customer Questionnaires

Introduction

1. This appendix sets out our approach to collecting information from customers of Ecolab and Holchem as well as setting out summary tables for responses. These customer views help us to understand the market, the extent of competition between the merging parties and the competitive constraints on them.
2. We sent questionnaires to all customers of Ecolab and Holchem for which we held contact details for (c.1150 customers). Customers which were multinational companies or made purchases of cleaning chemicals from one of the Parties in 2018 greater than £50,000 were sent a more detailed questionnaire, and national customers with spend of less than £50,000 in 2018 were sent a streamlined questionnaire.

Large Customer Questionnaire

3. The large customer questionnaire (LCQ) was sent to all customers with a spend with one of the Parties of £50,000 or more in 2018 or classed as international customers and for which email addresses were held. This totalled 103 Holchem customers and 49 Ecolab customers.
4. We received completed questionnaires from 21 customers (after excluding 1 where the respondent was not responsible for purchasing so unable to answer key questions). Seven of these responses were from Ecolab customers and 14 from Holchem customers. Three of the Holchem customers are also serviced by Ecolab, but we categorised them as Holchem customers because they primarily use Holchem.
5. Two of the large customers also received the small customer questionnaire and provided a response – we have included these in the 21 large customer responses.

Small Customer Questionnaire

6. The small customer questionnaire (SCQ) was sent to all 1,010 customers with cleaning chemical spend smaller than £50,000 in 2018, not classed as international customers, and for which email addresses were held.
7. This totalled 843 Holchem customers and 167 Ecolab customers, although we also received a significant proportion of emails which 'bounced back' (c.13%).

8. We received completed questionnaires from 150 customers (a response rate over 15%). These were mostly from the food segment, reflecting the larger number of customers in this segment for both parties. We received a few duplicates and one response from a company that who was no longer a customer – these have been removed leaving a sample of 144.
9. Most of our sample respondents are Holchem customers with fewer than 20 Ecolab customers responding from a slightly lower response rate.

Full results

10. Summary tables for our results are included below. We have not included the results for questions which respondents were asked to give ‘free text’ answers because of the inherent difficulty in aggregating them. These answers form a part of our qualitative evidence base and are included in our provisional findings report where we have placed an appropriate weight on them. Similarly, where quantitative results have been used to inform the group’s thinking the interpretation of the results is included in the competitive assessment chapter.
11. We have removed qualitative responses so as not to reveal the identity of any of the respondents. Results from the large customer questionnaire are included in separate tables.

Industry segment of respondents

12. We asked respondents to select which of the following segments the customers business operated in:
 - (a) Food processing;
 - (b) Beverage processing (including Brewing);
 - (c) Dairy processing; and
 - (d) Other (please specify).

Table 1 - Customer segment (SCQ)

Segment	Small customer count
None listed	1
All (Food, Bev, Dairy & Other)	1
Beverage processing (including Brewing)	27

Dairy Processing	3
Food Processing	97
Food & Beverage & Other	1
Food & Dairy	4
Food & Other	4
Other	6

Small customer questionnaire – Question: Please briefly indicate in the table below which segment your business operates in. 144 responses. 4 options given, combinations of responses have been grouped together.

Table 2 - Customer segment (LCQ)

Segment	Large customer count
Beverage processing (including Brewing)	2
Dairy Processing	1
Food Processing	18
Food & Beverage & Dairy	1

Large customer questionnaire – Question: Please briefly indicate in the table below the nature of your business and why you purchase cleaning chemicals. 22 responses. 4 options given, combinations of responses have been grouped together.

Current suppliers of respondents

13. We asked respondents to list their current suppliers, the percentage of their purchases made from each supplier, and the reason for choosing the supplier. Responses were in free text.

Table 3 – SCQ responses for supplier listed as currently supplying the customer

Current supplier	Count 1st	Average % supplied 1	Count 2nd	Average % supplied 2nd	Count 3rd	Average percent supplied 3rd
Holchem	109	89%	11	29%	1	100%
Ecolab	24	98%	4	52%		
Diversey	5	76%	3	32%	2	3%
Techniclean	2	68%				
Jeyes	1	90%				
Brenntag	1	90%	1	2%		
Christeys	1					
Water Technologies	1	50%				
Niche			2	10%		
Colbrook			1	10%		
Chemi-Kal Ltd			1	95%		
Custom Chemicals			1	10%		
Amazon			1	10%		
SCS			1	1%		
Deb			1	5%		

Gis			1	5%		
Travik Chemicals			1	5%		
Caterclean			1	20%		
Murphy's			1	5%	2	23%
Nicoholsons			1	5%		
Ace Industrial			1	50%		
Peter Hogarths			1	5%		
Hugh Crane			1	75%		
Rbr			1	30%		
Arco			1	5%		
Mac International			1	5%		
Needlers			1	10%		
Various (Domestic)			1	1%		
Pk Safety					1	40%
Portland Janitorial					1	10%
Arco					1	5%
Univar					1	30%
None listed			104		135	

Small customer questionnaire – Question: Please complete the following table for your purchases of cleaning chemicals in the UK in 2018 – Supplier | Approximate percentage of your total purchases of cleaning chemicals (0 – 100) in the UK in 2018 | Reasons for choosing this supplier

144 responses. Names have been grouped together when relating to the same group

14. We also examined the results for secondary supplier separately for when the primary supplier listed was Holchem and when it was Ecolab, to allow us to assess the extent customers are dual supplied by the merging parties.

Table 4 – SCQ Responses for supplier listed 2nd where supplier listed 1st is Holchem

Current supplier 2	Count	Average % supplied 2
None listed	83	
Diversey	3	32%
Niche	2	10%
Ecolab	2	95%
Hugh Crane	1	75%
Various (Domestic)	1	1%
Colbrook	1	10%
Mac International	1	5%
Peter Hogarth's	1	5%
Nicholson's	1	5%
Custom Chemicals	1	10%
Amazon	1	10%
Ace Industrial	1	50%
RBR	1	30%
Needlers	1	10%
Arco	1	5%
Chemi-Kal Ltd	1	95%
Deb	1	5%
Travik Chemicals	1	5%
GIS	1	5%

Murphy's	1	5%
Caterclean	1	20%
SCS	1	1%

Small customer questionnaire - Question: Approximate percentage of your total purchases of cleaning chemicals (0 – 100) in the UK in 2018 |Reasons for choosing this supplier
109 responses. Names have been grouped together when relating to the same group

Table 5 – SCQ Responses for supplier listed 2nd where supplier listed 1st is Ecolab

Current supplier 1	Count	Average % supplied 2
None listed	18	
Holchem	5	24%
Brentag	1	2%

Small customer questionnaire – Question: Approximate percentage of your total purchases of cleaning chemicals (0 – 100) in the UK in 2018 |Reasons for choosing this supplier
24 responses. Names have been grouped together when relating to the same group

15. For the reasons given in free text for choosing their current supplier we use key words to categorise responses. Any reason given for choosing a current supplier containing any of the words in Table 6 are counted as a response.
16. We then look at what reasons are most given and split this between Ecolab and Holchem. This shows that service, expertise, support and reliability are more frequently mentioned than price, cost or value.

Table 6 - SCQ key word mapping for reasons choosing current supplier

Category	Assigned keyword / phrases							
Service	'service'	'expertise'	'support'	'reliab'				
Price	'price'	'cost'	'value'					
Quality	'quality'	'product'	'performance'	'chemicals purchased clean better'				
Reputation	'reputation'	'recommend'						
Range	'range'	'choice'						
Historic	'previous'	'past'	'prior'	'already'	'existing'	'many years'	'long time'	'always used'

Table 7 – SCQ Key word matching – reasons given for choosing Holchem and Ecolab

Key word category matches in reasons for choosing current supplier(s)	Count
Holchem	
Service	64
Price	41
Quality	33
Historic	19

Reputation	10
Range	8
Ecolab	
Service	10
Price	7
Quality	5
Historic	7
Reputation	2
Range	0

Small customer questionnaire - Question: Please complete the following table for your purchases of cleaning chemicals in the UK in 2018 – Supplier | Approximate percentage of your total purchases of cleaning chemicals (0 – 100) in the UK in 2018 | Reasons for choosing this supplier
144 responses – 121 listed Holchem, 28 listed Ecolab. Multiple key words can be found in each response

Table 8 – LCQ current supplier listed (All responses)

Current Supplier	Count listed 1st	Count listed 2 nd	Count listed 3rd
Brenntag	2		
Diversey	2		1
Ecolab	5	6	1
Holchem	13	1	
Aquattreat		1	
Kersia		1	
MDCO		1	
Scaan		1	
None listed		11	19
D R Caswell Limited			1

Large customer questionnaire – Question: Please complete the following table for your purchases of cleaning chemicals in the UK in 2018. – Supplier | Value of purchases in 2018 (3s) | Reasons for choosing supplier
22 responses. Names have been grouped together when relating to the same group

Table 9 - LCQ Holchem customers additional supplier

Additional supplier	Count
None	9
Ecolab	3
Diversey	1
MDCO	1
Scaan (FIH) Ltd	1

Large customer questionnaire – Holchem customers - Question: Please complete the following table for your purchases of cleaning chemicals in the UK in 2018. – Supplier | Value of purchases in 2018 (3s) | Reasons for choosing supplier
15 responses. Names have been grouped together when relating to the same group

Table 10 – LCQ Ecolab customers additional supplier

Additional supplier	Count
None	3
Brenntag	2
Diversey	1
Kersia	1

Large customer questionnaire – Ecolab Customers – - Question: Please complete the following table for your purchases of cleaning chemicals in the UK in 2018. – Supplier | Value of purchases in 2018 (3s) | Reasons for choosing supplier
7 responses. Names have been grouped together when relating to the same group

17. Due to the limited sample of large customer qualitative responses we didn't carry out a key word mapping. The main difference between the reasons given was that the large customers frequently referred to making the decision via a tender process.

Previous suppliers of respondents

18. We asked respondents to list any previous suppliers they had in the previous 5 years and the reason for switching supplier. Responses were in free text. We grouped responses relating to the same supplier under one name. The responses help us to understand the extent to which customers switched and which providers they switched between.

Table 11 – SCQ previous suppliers named by respondents

Previous Supplier 1	Count 1st	Count 2nd
None listed	87	134
Diversey	12	2
Ecolab	10	3
Holchem	3	1
Christeyns	10	
Murphy's	2	
Freedom Hygiene	1	
Kitchen Master	1	
DBM	1	
ACS	2	
Foodsmart By Autosmart	1	
Chemex	1	
Chemisphere UK	1	
Infochem	1	
Cleenol	1	
Bactrol	1	
Clover	1	
Guthries	1	
Force Fresh	1	
Hugh Crane	1	
Arrow	1	
UK Supplies		1
Jenkinson's		1
Arco		1
A&A Farm Supplies		1

Small customer questionnaire – Question: Please indicate any previous supplier(s) of cleaning chemicals in the UK you have used in the past five years, and why you stopped using them.

144 responses. Names have been grouped together when relating to the same group

Table 12 – SCQ Previous suppliers listed where Holchem listed 1st as current supplier

Previous supplier	Count 1st	Count 2nd
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None listed	62	100
Diversey	13	2
Ecolab	11	3
Christeyns	9	
Murphy's	2	
Freedom Hygiene	1	
Kitchen Master	1	
DBM	1	
ACS	2	
Foodsmart By Autosmart	1	
Chemex	1	
Chemisphere UK	1	
Infochem	1	
Cleenol	1	
Bactrol	1	
Clover	1	
Guthries	1	
Force Fresh	1	
Hugh Crane	1	
Arrow	1	
UK Supplies		1
Jenkinson's		1
A&A Farm Supplies		1
Arco		1

Small customer questionnaire – Question: Please indicate any previous supplier(s) of cleaning chemicals in the UK you have used in the past five years, and why you stopped using them.
109 responses. Names have been grouped together when relating to the same group

Table 13 – SCQ previous suppliers listed where Ecolab listed 1st as current supplier

Previous supplier	Count 1 st	Count 2 nd
None listed	18	23
Holchem	2	1
Jazzpower	1	
Dbm	1	
Diversey	1	
Ecolab	1	

Small customer questionnaire – Question: Please indicate any previous supplier(s) of cleaning chemicals in the UK you have used in the past five years, and why you stopped using them.
24 responses. Names have been grouped together when relating to the same group

Table 14 - LCQ previous suppliers listed

Previous supplier 1	Count 1 st	Count 2 nd
Ecolab	4	
Sopura	1	
Tristel	1	

Diversey		2
None listed	16	20

Large customer questionnaire –Question; Please indicate any previous supplier(s) of cleaning chemicals in the UK you have used in the past five years, and why you stopped using them.
22 responses. Names have been grouped together when relating to the same group

Table 15 – LCQ customer of Holchem – previous suppliers

Previous supplier	Count of 1 st	Count of 2nd
None listed	11	13
Ecolab	4	
Diversey		2

Large customer questionnaire –Question; Please indicate any previous supplier(s) of cleaning chemicals in the UK you have used in the past five years, and why you stopped using them.
Holchem customers 15 responses. Names have been grouped together when relating to the same group

Table 16 – LCQ customer of Ecolab – previous suppliers

Previous supplier	Count of 1st	Count of 2nd
None listed	5	7
Sopura	1	
Tristel	1	

Large customer questionnaire –Question; Please indicate any previous supplier(s) of cleaning chemicals in the UK you have used in the past five years, and why you stopped using them.
questionnaire – Ecolab customers 7 responses. Names have been grouped together when relating to the same group

19. For the SCQ result reasons given for switching provider we used key word mapping to categorise the reasons for leaving the previous supplier. We split the reasons into ‘push’, ‘pull’ or ‘other’ factors.
20. For the ‘push’ category, we used a selection of key words which might indicate that the response is about the customer being dissatisfied with their previous supplier. The pull category relates to reasons which indicate the customer might have found a better deal elsewhere even when not necessarily unhappy with the previous supplier. ‘Other’ is also defined and relates mostly to reasons such as switching jobs or moving sites, but does not include all responses not captured by push/pull.

Table 17 – Key word mapping for SCQ text responses for reasons switched supplier

Category	Assigned keyword / phrases							
Push	‘poor’	‘lack of’	‘not as good’	‘expensive’	‘not good’	‘unhappy’	‘wasn’t good’	‘no longer competitive’
	‘required more’	‘problems’	‘difficult’	‘price increase’				
Pull	‘better’	‘price’	‘cost’	‘preferred’	‘technical info’	‘recommend’		
Other	‘change’	‘closed’	‘new job’	Linked				

21. We examined the reasons separately for leaving each of the largest four suppliers.

Table 18 – SCQ Reasons for leaving previous supplier, mapped key word categories of text responses

	Count
Previous Holchem	
Pull	0
Push	1
Other	2
Previous Ecolab	
Pull	7
Push	6
Other	1
Previous Diversey	
Pull	6
Push	7
Other	3
Previous Christeyns	
Pull	3
Push	6
Other	2

Small customer questionnaire. - Question; Please indicate any previous supplier(s) of cleaning chemicals in the UK you have used in the past five years, and why you stopped using them.
Count of any time any of the key words come up in the reason for leaving the previous supplier.

Alternative suppliers

22. We asked respondents who are the next best alternatives to their current supplier if they could no longer be supplied from their current supplier and the reasons for this. We did not conduct a mapping exercise for the reasons the customer submitted, so no results table is listed. Generally, reasons were on similar lines to those given for the choice of current customer. For large customers, we also asked a free text question about the process of switching suppliers.¹

Table 19 – SCQ - Count of number of alternatives listed

Alternative providers listed	Count of responses
0	61
1	47
2	20
3	13
4	3

¹ Do you select your supplier(s) of cleaning chemicals using a formal tender process, by requesting quotes from individual suppliers and then negotiating terms, or by some other process?

Small customer questionnaire. Question: If you couldn't use your current supplier of cleaning chemicals in the UK, who would you consider as your next best alternatives to fulfil the same needs? Please rank them (from 1 to 5, with 1 being the best alternative).

Count of any time any of the key words come up in the reason for leaving the previous supplier.

Table 20 – SCQ – Alternative suppliers listed, and count of times listed in each position

Supplier	Listed as first alternative	Listed as 2nd Alternative	Listed as 3rd Alternative	Listed as 4th Alternative
Diversey	23	13	4	0
Ecolab	18	6	2	1
Christeyns	6	6	2	0
Holchem	13	0	0	0
Murphy's	4	1	0	0
DBM	4	0	0	0
Niche	1	0	2	0
Brenntag	1	1	0	0
Various	2	0	0	0
Byotrol Technology Ltd	0	0	1	0
Kilco	1	0	0	0
Reagent	0	1	0	0
Cleenol	0	0	0	1
Local Independent	1	0	0	0
Bunzl	1	0	0	0
Chemsafe	0	0	1	0
Arrow	0	0	1	0
Spot on Supplies	0	1	0	0
Basildon Chemicals (For Non-Food Contact)	0	1	0	0
Kersia	1	0	0	0
Eurochem	0	0	0	1
Monks and Crane	1	0	0	0
Evans Vanadine	1	0	0	0
Needlers	1	0	0	0
Foodsmart	1	0	0	0
Pearce Seeds	1	0	0	0
Univar	0	0	1	0
Seldons Chemicals	0	0	1	0
Wightman & Parish	0	1	0	0
Amb Hygiene	1	0	0	0
Bival	1	0	0	0
Freedom Hygiene	0	1	0	0
Wj Mc Nabb	0	1	0	0
Alph Chemicals	0	0	1	0
Holchem	1	0	0	0
Hydrus	0	1	0	0

Biocell	0	1	0	0
Jenkinsons	0	1	0	0

Small customer questionnaire. Question: If you couldn't use your current supplier of cleaning chemicals in the UK, who would you consider as your next best alternatives to fulfil the same needs? Please rank them (from 1 to 5, with 1 being the best alternative). Names grouped where similar or relate to same group.

Table 21 – SCQ – Holchem customers alternatives listed

Best Alternative	count
None listed	49
Diversey	17
Ecolab	16
Christeyns	6
Murphy's	4
DBM	3
Holchem	2
Various	2
Local Independent	1
Pearce Seeds	1
AMB Hygiene	1
Monks and Crane	1
Niche	1
Evans Vanadine	1
Kersia	1
Foodsmart	1
Bunzl	1
Needlers	1

Small customer questionnaire – Question: If you couldn't use your current supplier of cleaning chemicals in the UK, who would you consider as your next best alternatives to fulfil the same needs? Please rank them (from 1 to 5, with 1 being the best alternative). Where Holchem listed 1st as current supplier. Names grouped where similar or relate to same group.

Table 22 – SCQ – Ecolab customers alternatives listed

Best Alternative	count
None listed	9
Holchem	7
Diversey	3
Kilco	1
Bival	1
Dbm	1
Brenntag	1
Holchem	1

Small customer questionnaire – Question: If you couldn't use your current supplier of cleaning chemicals in the UK, who would you consider as your next best alternatives to fulfil the same needs? Please rank them (from 1 to 5, with 1 being the best alternative). Where Ecolab listed 1st as current supplier. Names grouped where similar or relate to same group.

Table 23 – LCQ – Best alternatives named by Ecolab and Holchem customers

1st alternative	Ecolab	Holchem
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Christeyns	1	3
Diversey	1	7
Ecolab		3
Holchem		1
Smaller	1	
Tristel	1	
Unformulated	1	
None specified	3	1

Large customer questionnaire – Question: If you couldn't use your current supplier of cleaning chemicals in the UK, who would you consider as your next best alternatives to fulfil the same needs? Please rank them (from 1 to 5, with 1 being the best alternative). Names have been grouped where similar or relate to same group.

Table 24 – LCQ – 2nd best alternatives named by Ecolab and Holchem customers

2nd alternative	Ecolab	Holchem
Christeyns	1	3
Diversey		3
Ecolab		5
Smaller	1	
Sopura	1	
None	2	3

Large customer questionnaire – Question: If you couldn't use your current supplier of cleaning chemicals in the UK, who would you consider as your next best alternatives to fulfil the same needs? Please rank them (from 1 to 5, with 1 being the best alternative). Names have been grouped where similar or relate to same group.

Table 25 - LCQ – 3rd best alternatives named by Ecolab and Holchem customers

3rd alternative	Ecolab	Holchem
Christeyns		2
Diversey	1	1
Ecolab		1
Kersia		1
None	3	9

Large customer questionnaire – Question: If you couldn't use your current supplier of cleaning chemicals in the UK, who would you consider as your next best alternatives to fulfil the same needs? Please rank them (from 1 to 5, with 1 being the best alternative). Names have been grouped where similar or relate to same group.

New entrants

23. We asked respondents whether they were aware of any new entrants in the market in the last 2 years and if so, the name of the entrants.

Table 26 – SCQ - Aware of any new entrants

Aware of entrant?	Count
No	121
Don't know	14
Yes	5
No response	4

Small Customer Questionnaire: Please list any new entrants (firms which have entered the market in the last 2 years) that may be able to meet your needs in the future for the supply of cleaning chemicals. SurveyMonkey questionnaire included Don't know, Yes, No as a screening question. Word respondents 'No' has been counted as blank, 'Yes' if any response listed. 144 responses

Table 27 – SCQ - Name new entrants

New entrant	Count
None listed	139
Byotrol Ltd	1
Chrystens	1
Ecolab	1
Hydrus	1
Paragon	1

Small Customer Questionnaire: Please list any new entrants (firms which have entered the market in the last 2 years) that may be able to meet your needs in the future for the supply of cleaning chemicals. 144 responses

Table 28 – LCQ – aware of new entrants – if yes who?

Aware of any new entrants	Count
Yes - Christeyns	2
Yes - Kurita	1
No	18
Yes - Selden	1

Large Customer Questionnaire: Are you aware of any new entrants into the supply of cleaning chemicals that may be able to meet your needs in the future? If so, please indicate the name, location, year of entry and any other details of their likely ability to supply cleaning chemicals. 22 responses

24. We also asked respondents whether they were aware of Kersia and whether they were a viable alternative.

Table 29 – SCQ - Aware of Kersia (sometimes known as Kilco)

Aware of Kersia	Count
No	131
Yes	9
No response	4

Small Customer Questionnaire: The following questions relate to a supplier of cleaning chemicals by the name of Kersia, which may also be known as Kilco, Hypred or Antigerm. Are you aware of this supplier? Yes|No

Table 30 – SCQ - Out of those aware of Kersia is it a viable alternative

Kersia Viable	Count
No	6
Don't know	3

Small Customer Questionnaire: If yes, are they currently a viable provider of cleaning chemicals to your business? Why or why not?

Table 31 - LCQ – Aware of Kersia?

Aware of Kersia	Count
Yes	4
No	17

Large Customer Questionnaire: The following questions relate to a supplier of cleaning chemicals by the name of Kersia, which may also be known as Kilco, Hypred or Antigerm. Are you aware of this supplier?

Table 32 – LCQ - Out of those aware of Kersia is it a viable alternative

Kersia viable option	
No	2
Unclear	1
Yes	1

Large Customer Questionnaire: If yes, are they currently a viable provider of cleaning chemicals to your business? Please explain why or why not.

Unformulated products

25. We asked respondents about their current and potential use of unformulated chemicals and other alternative cleaning methods.

Table 33 - SCQ –currently purchase unformulated, or alternative methods

Unformulated	Count
No response	7
Don't know	7
No	106
Yes	24

Small Customer Questionnaire: Unformulated chemicals (e.g. caustic soda, hydrogen peroxide, fluoride or nitric acid) and/or alternative cleaning solutions (e.g. electrolysed water or ozonated water) have been suggested as an alternative method of meeting cleaning needs. Do you currently purchase any unformulated chemicals or alternative cleaning solutions for some of your cleaning and hygiene needs? Yes | No | Don't Know

Table 34 – SCQ – possible to switch to unformulated or alternative methods

Switch to unformulated	Count
No response	7
All	3
Don't know	62
None	43
Some	29

Small Customer Questionnaire: Unformulated chemicals (e.g. caustic soda, hydrogen peroxide, fluoride or nitric acid) and/or alternative cleaning solutions (e.g. electrolysed water or ozonated water) have been suggested as an alternative method of meeting cleaning needs. Would you be able to use these methods instead of purchasing formulated cleaning chemicals to meet some or all your cleaning needs? All | Some | none | Don't Know

Table 35 – SCQ – Switch to unformulated or alternative if 10% price rise.

All	Some	None	Don't know
4	9	24	23

Small customer Questionnaire – only asked to 50% of sample – 60- responses.
Would you switch to such a method for some or all your purchases if there were a non-negotiable price increase of 10% compared to the price you currently pay for formulated chemicals?

Table 36 – LCQ - currently use unformulated or alternative

Current use	Count
Yes	8
No	13
(blank)	1
Grand Total	22

Large customer questionnaire - Please comment on the use of unformulated chemicals (e.g. caustic soda, hydrogen peroxide, fluoride or nitric acid) and/or alternative cleaning solutions (e.g. electrolysed water or ozonated water) rather than formulated cleaning chemicals as an alternative method of meeting your cleaning needs. Do you currently purchase any unformulated chemicals or alternative cleaning solutions for some of your cleaning needs?

Table 37 – LCQ – able to use unformulated or alternative

Able to use	Count
Yes - Some	4
Yes - not clear if all or some	4
No	10
Don't Know / unclear	3

Large Customer Questionnaire - Would you be able to use these methods instead of purchasing formulated cleaning chemicals to meet some or all your cleaning needs? If not, what would prevent you from doing so? – responses in free text have been categorised by the CMA.

Table 38 – LCQ – considered using unformulated or alternative

Consider using	Count
Yes	6
No	13
Don't know	2

Large customer Questionnaire - Have you ever considered using these methods, for some or all of your needs?

Table 39 – LCQ - switch to unformulated or alternative if 10% price increase

Row Labels	Count
Maybe or maybe not	10
No	8
Don't know	3

Large Customer Questionnaire - Would you switch to such a method if there were a non-negotiable price increase of 10% compared to the current price you currently pay?

Choice factors

26. We asked respondents about the factors they consider when deciding on their supplier for formulated chemicals. We pre-specified a range of factors and asked respondents to give them a rank between 1 and 5 based on their importance to the customer – with five being the most important. Table 40 shows the average scores given.

Table 40 – SCQ - choice factors

Factor	Price	Quality and range of products	Brand / reputation	Technical assistance and support	Support in reducing costs	Additional services (e.g. training or hygiene management systems)
Average score	3.85	4.26	3.60	4.19	3.77	3.96

Small Customer questionnaire - Please indicate how important each of the following factors are when you choose a supplier of cleaning chemicals, rating them from 1 to 5.

Average score given. 1 Least important – 5 most important.

Table 41 - LCQ - choice factors

Factor	Price	Quality and range of products	Brand / reputation	Technical assistance and support	Support in reducing costs	Additional services (e.g. training or hygiene management systems)
Average score	4.1	4.2	3.7	4.6	4.1	4.3

Large Customer questionnaire Please explain how important each of the following factors are when you choose a supplier of cleaning chemicals, rating them from 1 to 5.

Average score given. 1 Least important – 5 most important.

Switching

27. We asked respondents what barriers they face to switching in free text and how long if they decided to switch it would take them to switch. ²

Table 42 – SCQ - time to Switch

Estimated time to switch	Count
No response	9
Don't know	17
Less than one week	5
One to four weeks	26
One to two months	29
Three to six months	41
More than six months	17

Small customer questionnaire – set options - If you decided to switch suppliers, approximately how long would this take? 144 responses

Table 43 - LCQ - time to Switch

Estimated time to switch	Count
Don't know	4
Less than a month / "quick"	3
2-6 months	7
6-12 months	5
Longer (including because of contract terms)	3

Large customer questionnaire – Free text – responses have been grouped - What, if any, barriers do you face to switching suppliers of cleaning chemicals? – 22 responses

Table 44 – LCQ – Barriers to switching

Barriers to switching - categorised	Count
Validations	8
Qualities of suppliers	4

² Free text question What, if any, barriers do you face to switching suppliers of cleaning chemicals? Not analysed on quantitative basis so results not included

Procurement	2
Lack of knowledge of competition.	1
None	3
Contracts	3
Switching process	1

Large customer questionnaire – Free text – responses have been grouped - If you decided to switch suppliers, approximately how long would this take, and what how much would it cost? – 22 responses

International

28. We asked large customers whether they purchased at global European or national level and for those we procured internationally whether they would consider procuring nationally.

Table 45 – LCQ - Procure national or international

How do you procure?	Count of name of organisation
National	7 ³
International	3
NA	11
Joint agreement	1

Large Customer Questionnaire; If you purchase cleaning chemicals in additional countries outside of the UK, please respond to questions **Error! Reference source not found.-Error! Reference source not found.**. Otherwise, please continue to question 0. Are terms for the purchase of cleaning chemicals for your UK operations decided at the global, European or national level?

Table 46 – LCQ - Customers who purchase internationally – consider UK only?

Consider UK only supplier	Count of name of organisation
Ideally not but Potentially if there was a large impact from a hard Brexit	1
Yes, if best in price and other commercial conditions are satisfied	1
Yes, potentially – i.e. the cost of purchasing products becomes prohibitive from outside the market or for some regulatory reason	1

Large Customer Questionnaire; If you purchase cleaning chemicals in additional countries outside of the UK, please respond to questions **Error! Reference source not found.-Error! Reference source not found.**. Otherwise, please continue to question 0. Would you consider using a supplier of cleaning chemicals that could only supply your UK operations? If so, under which circumstances? If not, why not?

Merger Concerns

29. We asked customers whether they had any concerns about the impact of the acquisition on competition in the market.

Table 47 – SCQ – Merger concerns

Concerns	Count
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³ Large customer questionnaire several national customers answered this question despite the text indicating they should skip it. Only 1 of these 7 was actually an international customer.

No response	8
Don't Know	32
No	62
Yes	42

Small Customer Questionnaire - Do you have any concerns about the impact of this acquisition on competition? 144 responses

Table 48 – LCQ – Merger concerns

Concerns	Count
Don't know	3
No	13
Yes	6

Large Customer Questionnaire - Do you have any concerns about the impact of this acquisition on competition? 22 responses

Appendix C: Market Size Calculations

1. This appendix describes the approach to estimating market sizes for calculating market shares. Market shares are discussed at paragraphs 7.4 to 7.19 of the report.
2. The market sizes were estimated by Ecolab using the following procedure:
 - (a) Data on 2017 UK market volume in each of 28 F&B segments, such as 'juice', 'cheese', 'or ready meals', was gathered from Eurostat and Euromonitor.⁴
 - (b) Ecolab identified 1-3 customers in each segment for which i) it could obtain a reliable estimate of downstream output, ii) Ecolab is the sole supplier and iii) the customer could be considered 'representative' of an average UK customer.⁵
 - (c) For the selected customers, Ecolab calculated a 'hygiene spend ratio' – the customer's spending with Ecolab in 2018 divided by their downstream output. This was then averaged across all customers in each segment to calculate the average hygiene spend ratio for the segment.
 - (d) The segment-level output was multiplied by the average hygiene spend ratio to calculate the estimated total spend on cleaning chemicals in the segment.
 - (e) Finally, these segment-level estimates were aggregated to calculate a total F&B market size, as well as sizes for the wider Food, Beverage and Dairy segments.
3. We made a further adjustment to the market size to exclude unformulated products, which are not part of the relevant market. Ecolab told us that unformulated products could be expected to account for 20-25% of cleaning and hygiene sales in the F&B market generally, with a higher share to be expected for beverage and dairy than for food. We have therefore adjusted the market size estimate downwards by 20% for food and 25% for beverage and dairy when calculating our estimates of market shares.

⁴ The Parties also used ONS data as a sensitivity test, and found that market sizes for Food, Beverage and Dairy would be between 1% lower and 15% higher if ONS data was used instead.

⁵ Customers for which Ecolab is the sole supplier were used in order to obtain a reliable estimate of the customer's total demand. Ecolab also submitted these contracts are heavily negotiated, with greater discounts, so these examples will provide an underestimate of average spend.

4. The Parties submitted that the approach taken by Ecolab is a reasonable means to derive a valid market size estimate, because:
 - (a) The cleaning chemicals supplied in the F&B market are largely undifferentiated, and so supply should be comparable between the Parties and their rivals;
 - (b) The use of different hygiene spend ratios for each production segment accounts for variation in hygiene spend across segments;
 - (c) Customers' hygiene spend should be closely correlated with their downstream output levels (as indicated by Ecolab's use of a flat-fee billing model); and
 - (d) Cleaning chemicals are largely standardised due to the role of hygiene regulations in F&B production, and so it is reasonable to assume that, controlling for output level, customers within a segment would spend comparable amounts on cleaning chemicals.
5. We consider that there are some potential drawbacks to this approach to estimating market size. As acknowledged by the Parties, customers even within a segment will vary significantly in the amount they spend on cleaning chemicals per unit of output, depending for example on their scale, production process and packaging used.⁶ This may be somewhat mitigated by Ecolab's attempts to exclude some customers that were particularly likely to be unrepresentative (e.g. very small customers), but there is still no guarantee that the small number of customers used for each segment will be representative of their segments as a whole. This will result in imprecise estimates of market size, which could be either overestimates or underestimates.
6. However, overall we consider that Ecolab's approach to estimating market sizes to be reasonable, especially given the lack of reliable third party data on this market.

⁶ Annex 6.1 to MQ response, page 10.

Appendix D: Account gains and losses

Methodology

1. The Parties provided us data with customer account 'gains', 'losses', 'threats', 'trials', and 'opportunities'. These are internal records used for management and sales purposes.
2. Due to the high number of acquisitions in the market over the past several years a number of competitors are sometimes referred to by their original names in the data, but in fact belong to a larger group. For instance, Diversey has acquired Zenith and CCL Pentasol previously. Hence, our analysis grouped competitors when we were aware of their common ownership.
3. 'Other suppliers' were defined as any competitor who did not belong to Ecolab, Diversey, or Christeyns but was named as a competitor. This excludes where competitors were listed as 'none' or 'unknown'. It also excludes where competitors were listed as 'various' or 'mix', as it is not possible to determine whether the competitors in these cases included smaller suppliers. However, competitors listed as 'local', or 'other' were included in 'Other suppliers'.
4. In both Parties 'gains' data some accounts listed competitors as 'New start up', 'New site', or 'New company'. These were included in the none/unknown category rather than being excluded from the analysis since the Parties may have faced competition for these accounts, even if the identity of the competitor is unknown.
5. In both Parties 'losses' data, we excluded accounts which listed the competitor (or reason for loss) as 'closed' or in 'administration' as these did not represent losses due to competition. We applied the same methodology to accounts under threat, as we only wanted to look at accounts which were being threatened by competition not closure.
6. There are some concerns with the completeness of the data. Ecolab argue that their CRM system operates a ✂ of competitors which is not exhaustive. Therefore, when employees enter who was competing for an account a high number will end up in the none/unknown section.

Ecolab results

7. Our analysis focused on gains, losses, opportunities, threats, and corporate threats. These tables include results for when the competitor was listed as none or unknown which were excluded from the summary charts seen in the main report.
8. Figures 1 and 2 detail how Ecolab's data was split between opportunities and threats.

Figure 1 - Ecolab opportunities (From Dec 2016)

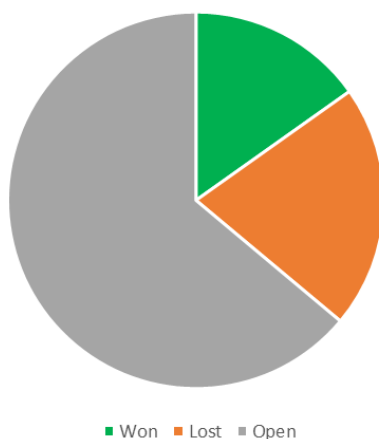
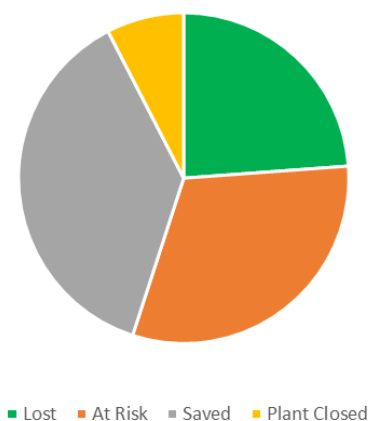


Figure 2 - Ecolab threats (Feb 2018 – 2020)



Note: Not all threats are captured by the CRM system as some threats are unknown to Ecolab sales representatives.

Gained accounts

9. Table 1 shows the results for Ecolab's gained accounts across the period December 2016 to May 2019. Gained accounts were defined as a sub-set of Ecolab opportunities which were listed as "won" opportunities in the data.

Table 49 - Ecolab gained accounts

	Gained accounts	Holchem	Diversey	Christeyns	Other Suppliers	None/Unknown⁷
Count	∞	∞	∞	∞	∞	∞
Share count	100%	[5-10]%	[10-15]%	[5-10]%	[10-20]%	[60-70]%
Value	∞	∞	∞	∞	∞	∞
Share value	100%	[5-10]%	[30-40]%	[5-10]%	[10-20]%	[40-50]%
Average value	∞	∞	∞	∞	∞	∞

Lost accounts

10. Table 2 below shows the results for Ecolab’s lost account across the period January 2018 to April 2019. Lost accounts are defined as a sub-set of Ecolab’s threats which were listed as “lost” threats.

Table 50 - Ecolab lost accounts

	Lost threats	Holchem	Diversey	Christeyns	Other Suppliers	None/Unknown⁸
Count	∞	∞	∞	∞	∞	∞
Share count	100%	[50-60]%	[10-20]%	[0-5]%	[5-10]%	[20-30]%
Value	∞	∞	∞	∞	∞	∞
Share value	100%	[40-50]%	[5-10]%	[0-5]%	[0-5]%	[40-50]%
Average value	∞	∞	∞	∞	∞	∞

Total account opportunities

11. Table 3 below gives the results for the whole data set of opportunities provided to us by Ecolab. This covered the period December 2016 onwards. This contains opportunities that were “won”, “lost”, and “open”. As explained above we defined gained accounts as “won” opportunities but by looking at the total data set we can expand the number of accounts to 1979 which gives us a more accurate picture of competition.

⁷The Parties submitted that “Unknown” situations where when there was a previous supplier but such previous supplier’s identity was not recorded in the Ecolab European-wide Database (which has a ∞ of names); as such, “Unknown” represents the vast majority of cases in the “None/Unknown” category and “None” would only apply in the case of gained accounts for new factories where there was no previous supplier (which is relatively rare).

⁸ The Parties submitted that the “Unknown” relates to situations where there is a successor supplier but such successor supplier’s identity was not recorded in the Ecolab European-wide database (which has ∞ of names); as such, “Unknown” represents the vast majority of cases in the “None/Unknown” category and “None” would only apply when an account is lost due to F&B factories / sites being closed (which is relatively rare).

Table 51 - Total Ecolab opportunities

	Opportunities won/lost/ open	Holchem	Diversey	Christeyns	Other Suppliers	None/ Unknown⁹
Count	⌘	⌘	⌘	⌘	⌘	⌘
Share count	100%	[10-20]%	[10-20]%	[5-10]%	[5-10]%	[50-60]%
Value	⌘	⌘	⌘	⌘	⌘	⌘
Share value	100%	[20-30]%	[20-30]%	[10-20]%	[5-10]%	[30-40]%
Average value	⌘	⌘	⌘	⌘	⌘	⌘

Total account threats

12. Table 4 shows the results for all Ecolab’s threatened accounts. This data covered the period February 2018 to June 2020. Total threats are the sum of lost threats, at risk threats, and saved threats

Table 52 - Total Ecolab threats

	All threats	Holchem	Diversey	Christeyns	Other Suppliers	None/ Unknown¹⁰
Count	⌘	⌘	⌘	⌘	⌘	⌘
Share count	100%	[50-60]%	[10-20]%	[5-10]%	[5-10]%	[20-30]%
Value	⌘	⌘	⌘	⌘	⌘	⌘
Share value	100%	[40-50]%	[5-10]%	[15-20]%	[0-5]%	[20-30]%
Average value	⌘	⌘	⌘	⌘	⌘	⌘

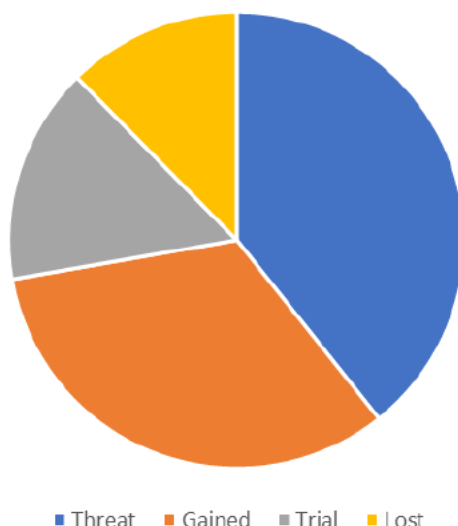
Holchem results

13. Holchem provided us with an updated data set containing gained accounts, lost accounts, trialled accounts, and threatened accounts. This data set extended the time frame from Phase 1 to cover January 2016 to March 2019.
14. Figure 3 shows how the data was split between the different account types.

⁹ The Parties submitted that “Unknown” relates to situations where there is another current supplier, but such other supplier’s identity is not recorded in the Ecolab European-wide database (which has ⌘ of names); as such, “Unknown” represents the vast majority of cases in the “None/Unknown” category) and “None” would only apply when new F&B factories / sites are expected to be opened (which is relatively rare).

¹⁰ The Parties submitted that “Unknown” relates to situations where there is another supplier trying to convert the account, but such other supplier’s identity is not recorded in the Ecolab European-wide database (which has a ⌘ of names); as such, “Unknown” represents the vast majority of cases in the “None/Unknown” category) and “None” would only apply when F&B factories / sites are threatened to be closed (which is relatively rare).

Figure 3 - Holchem's accounts (Jan 16 – Mar 19)



Gained accounts

15. Table 6 shows the results for Holchem's gained accounts over the period January 2016 to March 2019.

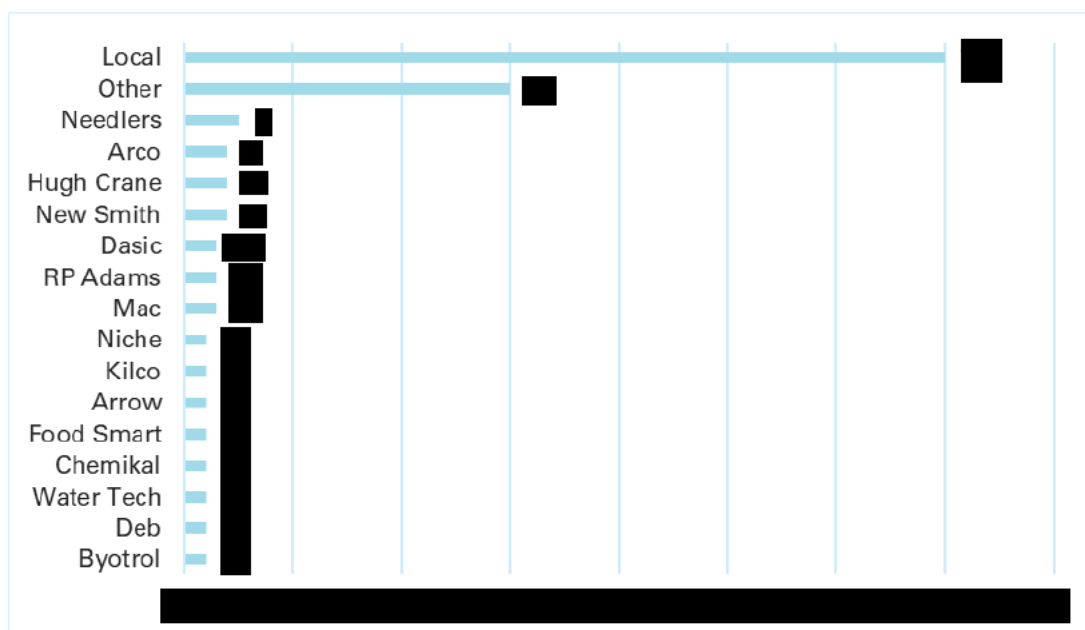
Table 53 - Holchem gained accounts

	Gained accounts	Ecolab	Diversey	Christeyns	Other Suppliers	None/Unknown ¹¹
Count	32	32	32	32	32	32
Share count	100%	[10-20]%	[10-20]%	[10-20]%	[40-50]%	[20-30]%
Value	32	32	32	32	32	32
Share value	100%	[10-20]%	[40-50]%	[10-20]%	[20-30]%	[10-20]%
Average Value	32	32	32	32	32	32

16. Other suppliers accounted for just over one fifth of the value of Holchem's gained accounts but 32% of the number of gained accounts. This is a large proportion, but the clear majority are made up of unnamed 'local' suppliers. Figure 4 below shows the distribution of other suppliers across the different competitors. We found no named competitor appears more than five times amongst the other suppliers.

¹¹ The Parties submitted that "Unknown" situations were when there was a previous supplier but such previous supplier's identity was unknown to Holchem; as such, "Unknown" represents the vast majority of cases in the "None/Unknown" category and "None" would only apply in the case of gained accounts for new factories where there was no previous supplier (which is relatively rare).

Figure 4 – Holchem – Other suppliers



Note: Kilco is now Kersia who are active in the UK F&B market.

Lost accounts

17. Table 7 shows the results for Holchem’s lost accounts. This covered the period January 2016 to March 2019.

Table 54 - Holchem lost accounts

	Lost accounts	Ecolab	Diversey	Christeyns	Other Suppliers	None/Unknown¹²
Count	✂	✂	✂	✂	✂	✂
Share count	100%	[0-5]%	[10-20]%	[20-30]%	[20-30]%	[40-50]%
Value	✂	✂	✂	✂	✂	✂
Share value	100%	[5-10]%	[10-20]%	[20-30]%	[10-20]%	[40-50]%
Average Value	✂	✂	✂	✂	✂	✂

18. Included in the None/Unknown category are competitors listed as “none”, “unknown”, “various”, “mixed”, and “mix”.

Trialled accounts

19. To give a broader view of the closeness of competition between the Parties we expanded our analysis beyond gained and lost accounts to trialled

¹² The Parties submitted that the “Unknown” relates to situations where there is a successor supplier but such successor supplier’s identity was not known to Holchem; as such, “Unknown” represents the vast majority of cases in the “None/Unknown” category and “None” would only apply when an account is lost due to F&B factories / sites being closed (which is relatively rare).

accounts. This covered the period January 2016 to March 2019. Table 8 shows the results of this analysis for a total of 3 accounts Holchem were trialled on over the period.

Table 55 - Holchem trialled accounts

	Trialled accounts	Ecolab	Diversey	Christeyns	Other Suppliers	None/Unknown¹³
Count	3	3	3	3	3	3
Share count	100%	[10-20]%	[20-30]%	[10-20]%	[40-50]%	[20-30]%
Value	3	3	3	3	3	3
Share value	100%	[10-20]%	[20-30]%	[20-30]%	[10-20]%	[10-20]%
Average value	3	3	3	3	3	3

Threatened accounts

20. Alongside Holchem’s trialled accounts we also analysed threats against Holchem accounts which covered the period January 2016 to March 2019. These were provided by Holchem as accounts which had not been lost but it had become aware by the sales team could be lost in the future.
21. This analysis excluded any threats which came from the account closing or the site going into administration since this was not due to competition. Instead, we focused only on accounts under threat from direct competition or poor service from Holchem (signalling that the account could look for a new provider).

Table 56 - Holchem threatened accounts

	All threats	Ecolab	Diversey	Christeyns	Other Suppliers	None/Unknown¹⁴
Count	3	3	3	3	3	3
Share count	100%	[10-20]%	[10-20]%	[10-20]%	[20-30]%	[30-40]%
Value	3	3	3	3	3	3
Share value	100%	[10-20]%	[10-20]%	[20-30]%	[10-20]%	[40-50]%
Average value	3	3	3	3	3	3

¹³ The Parties submitted that “Unknown” relates to situations where there is another current supplier, but such other supplier’s identity is not known to Holchem; as such, “Unknown” represents the vast majority of cases in the “None/Unknown” category) and “None” would only apply when new F&B factories / sites are expected to be opened (which is relatively rare).

¹⁴ The Parties submitted that “Unknown” relates to situations where there is another supplier trying to convert the account, but such other supplier’s identity is not known to Holchem; as such, “Unknown” represents the vast majority of cases in the “None/Unknown” category) and “None” would only apply when F&B factories / sites are threatened to be closed (which is relatively rare).

Appendix E: Tender data

1. This appendix describes the data and methodologies used for the bidding analysis, the results of which are discussed in paragraphs 7.100 to 7.123 of the report.

Tender data

2. We gathered data from each of Ecolab, Holchem, Diversey and Christeyns on the UK F&B tenders in which they had participated since 2016. In each case, the data included:
 - (a) The name of the customer;
 - (b) The approximate date of the tender;
 - (c) The price bid by the supplier;
 - (d) Other competitors who bid on the tender (if known); and
 - (e) The winner of the tender (if known).
3. The data provided by Ecolab makes a distinction between tenders and ‘bids’ – we have included both in the analysis, as they provide the same information, and some appear as tenders in the other suppliers’ tender data.
4. There are some limitations to the data. One is that it is incomplete, in that the Diversey data does not include tenders in which Zenith participated before it was acquired by Diversey. The other limitation is that information on competitors and winners is unlikely to be entirely accurate – the Parties told us that customers do not generally provide bidders with full information on other competitors.
5. We excluded from the analysis one tender in Holchem’s data that related only to Poland, and one tender in Christeyns’ data that related only to Ireland.

Data reconciliation

6. We have attempted to improve the accuracy of the tender data by reconciling the data from the different suppliers for the same tender exercise. To do so, for each individual tender, we have taken each supplier’s view on who they competed with and who won as a starting point, and made the following modifications:

- (a) If supplier B is listed as a competitor for or winner of a tender by supplier A, but the tender is not in B's bidding data, we remove them as a competitor / winner in the analysis of supplier A's bidding data, unless the customer appears in B's customer list;
 - (b) If supplier B is not listed as a competitor for a tender by supplier A, but the tender is in B's bidding data, we add them as a competitor (and winner if their data indicates they won) in the analysis of supplier A's bidding data.
7. We did not make any adjustments where Zenith or CCL (a company previously acquired by Zenith) were listed as competitors for a tender, because the Diversey data did not include Zenith tenders. We apply the same approach for any other suppliers that we did not collect data from and that appear as competitors.

Analysis of tenders

8. For each of the Parties, we looked at the competitors they faced when bidding for tenders. For each competitor, we counted the number of Holchem or Ecolab's tenders they bid for and calculated the total value of those tenders. We also calculated the percentage of the total number and value of each Party's tenders each competitor bid for. Across competitors the proportion of tenders participated in sum to over 100% because more than one party typically bids for a tender. We aggregated competitors other than the Parties, Diversey and Christeyns to be included as other suppliers.
9. For each of the Parties, Diversey and Christeyns, we looked at the competitors that won when they lost tenders. As with the competitor analysis, we calculated the number and value of tenders won by each competitor. Because tenders usually only have one winner, we split out in the results the few occasions where there were two winners. Again, we aggregated competitors other than the four major suppliers as other suppliers.

Glossary

The Act	The Enterprise Act 2002.
CCEP	Coca-Cola European Partners.
Christeyns	Christeyns Food Hygiene Limited.
CIP	Clean In Place. The cleaning of interior surfaces (eg pipes and tanks) with chemistry that flows through the interior surfaces and is safe for surfaces that contact food or beverages without the need to be disassembled for cleaning.
COP	Clean Out of Place. The cleaning of the exterior of equipment and other surfaces within the production area and equipment parts that must be disassembled in order for them to be cleaned.
CMA	Competition and Markets Authority.
Counterfactual	The counterfactual is a benchmark against which the expected effects of the Merger can be assessed. The counterfactual takes events or circumstances and their consequences into account to the extent that they are foreseeable.
Diversey	Diversey Limited.
Ecolab	Ecolab, Inc.
F&B	Food and Beverage.
The Guidelines	CMA's Merger Assessment Guidelines (CC2 Revised).
Holchem	The Holchem Group Limited.
Industrial customers	Corporations who manufacture, process and package food and beverage products.
International customers	F&B customers who contract for supply in multiple countries.

Institutional customers	Corporations and organisations who handle and serve food. For example, restaurants, hotels, schools and hospitals.
Issues Statement	Statement of 14 May 2019, in which the CMA set out the main issues envisaged to be relevant to its Phase 2 investigation.
Issues Statement	Issues Statement on the Merger published on 14 May 2019.
The Inquiry Group	Group of CMA panel members.
Kersia	Kersia Group.
Large customers	Customers with over £50,000 of annual sales.
Merger	The completed merger between Ecolab and Holchem .
The Parties	Ecolab and Holchem .
Phase 1 Decision	The CMA has decided that it is or may be the case that this merger has resulted or may be expected to result in a SLC within a market or markets in the UK. Phase 1 Decision published on 10 April 2019.
Provisional Findings	Provisional Findings on the Merger published on 6 August 2019.
SLC	Substantial lessening of competition.
Small customers	Customers with less than £50,000 of annual sales.
SPA	Sale and purchase agreement.
UK	United Kingdom.
Unformulated cleaning chemicals	Basic cleaning chemicals unmixed with other chemicals.
US	United States.