

Response to the Open Consultation:

Procedure for dealing with requests to carry out the test in Schedule 4 to the Groceries Market Investigation (Controlled Land) Order 2010

1. Introduction

- 1.1 We welcome the CMA's invitation to respond to the open consultation on the procedure for dealing with requests to carry out the test in Schedule 4 to the Groceries Market Investigation (Controlled Land) Order 2010 ("**the Consultation**").
- 1.2 Although Tesco plc has no comments on the questions explicitly raised in the Consultation, we would like to take this opportunity to seek further clarifications to the procedure.

2. Technical questions on the test set out in Schedule 4

- 2.1 The CMA state that they will use the latitude and longitude co-ordinates specified by Geolytix for competitor stores (see paragraph 3.15). Would the CMA reconsider its assessment if it could be shown that:
- 2.1.1 There is an additional competitor store not contained in the Geolytix data? Or a store contained in Geolytix had closed?
 - 2.1.2 the test result changed if the latitude and longitude of the most frequently used entrance or exit to the competitor store were used instead of the latitude and longitude in Geolytix; either because the Geolytix data is obviously incorrect or because the store is very close to the 10 minute cut off?
 - 2.1.3 competitors had planning permission to open a relevant store?
- 2.2 The CMA state that they will determine the coordinates of the stores belonging to the retailer that benefits from the restriction by using the "the most frequently used entrance or exit to the specific store itself" (see paragraph 3.14). Could the CMA please clarify whether this is the entrance to the building or the connection to the public road?
- 2.3 How are the points located on the traffic network if a store's coordinates do not lie directly on a road? Are the points "snapped to the network" and located at the closest network segment, located at a specified distance from the network or are they located at their original coordinates (i.e. the default option in ArcGIS)?

2.4 The CMA state that it is possible to “conduct an equivalent test and obtain similar results” using HERE API (see paragraph 3.7). HERE state that it is possible to “tailor the route calculation for different use cases by:

- *Defining areas or links that the route must not cross*
- *Selecting a means of transportation, such as car, public transport, truck or pedestrian*
- *Selecting a route type such as fastest or shortest*
- *Deciding whether to consider current traffic (including incidents and traffic flow), historical traffic, recurring time related restrictions (turns, high-occupancy vehicles, reversible roads), seasonal closures and speed limits, as well as short and long-term closures*
- *Defining custom penalty parameters to determine the weighting for using specific road attributes in the route calculation, for example, toll road, motorway, boat and rail ferries, public transport.”¹*

Could the CMA please clarify which HERE API settings result in the most similar results to the CMA’s analysis? For example, please confirm that the parameters used for calculating drive times on the network are as in the default HERE travel mode (“*Driving Time*”), using historical traffic data, with no changes to restrictions, hierarchy according to which roads are being chosen, or approach to U-turns.

2.5 Could the CMA please confirm that the HERE dataset currently used by the CMA is consistent with ArcGIS StreetMap Premium Europe’, which is also based on HERE data?

2.6 The Test requires calculating shares of Groceries Sales Area. The Groceries Sales Area is defined as the part of the Net Sales Area within a Grocery Store used for the sale of Groceries. However, we understand retailers measure space differently, and store managers will change space use over time without always informing the central business. Further guidance would therefore be useful to ensure that retailers measure Grocery Sale Area consistently. In particular, when the CMA requests retailers to provide their Grocery Sale Area:

2.6.1 Should retailers provide the latest measurements available to the central business, or should they remeasure the area? If the latter, then longer timescales will be required to respond to the CMA.

2.6.2 Should measurements be based on the mid-point of the aisle width where one side is used for Grocery and the other side for non-Grocery (e.g. clothing, DIY products, pharmaceuticals, flowers)?

¹ https://developer.here.com/documentation/routing/dev_guide/topics/why-use.html

1 June 2020

Tesco PLC Response

2.6.3 How should circulation space between aisles be recorded where that circulation space is between grocery and non-grocery aisles? Divided between grocery and non-grocery or excluded entirely?

We trust that any clarification that the CMA is able to provide on these questions will benefit other stakeholders as well, providing further transparency on the application of the procedure, and consistency in the results.