Appendix A – Consumer survey

Introduction

A.1 The CMA commissioned the National Centre for Social Research (NatCen) to conduct a survey with their 'Opinion Panel' members, exploring attitudes and behaviours relating to supermarket loyalty scheme memberships, and loyalty pricing in particular.

A.2 Loyalty pricing, also sometimes referred to as 'member pricing' or 'dual pricing', is a form of promotion where a retailer makes a product available at two prices simultaneously - a cheaper price for shoppers who are members of their loyalty scheme, and a higher price for those who are not members. Here, our interest is in loyalty schemes and loyalty pricing offered by supermarkets, not by retailers more widely.

A.3 This appendix outlines the approach taken to conduct the survey and to weight and analyse the results. It also presents the findings from the early questions that set the scene for the rest of the questionnaire (the findings from which are presented and discussed in more detail across several chapters in the main body of this report, as signposted at the end of this appendix).

Research questions

A.4 The survey was primarily conducted to help us understand:

- whether loyalty pricing is affecting shoppers' engagement with supermarket loyalty schemes;
- the extent to which shoppers trust that loyalty pricing savings are genuine;
- shoppers' attitudes towards supermarkets' collection and use of their personal data;
- whether there are significant differences in behaviours and/or attitudes between different types of shoppers according to demographic or other groupings.

A.5 A further key objective of the survey was to understand how loyalty pricing is affecting consumer shopping behaviour: the extent to which it impacts where people shop or how much they compare prices between retailers. This helps us consider whether loyalty pricing is affecting the role consumers play in driving retail competition in the groceries sector.

A.6 However, identifying the specific impact of loyalty pricing on shopper behaviour is challenging. As described in chapter 2 of our report, loyalty pricing is embedded within broader loyalty scheme offerings and operates alongside the supermarkets' other pricing strategies.[1] This can make it difficult to distinguish the effects of this promotion from other member and shopper benefits, such as collecting and spending points, personalised promotions, or price matching.

Methodology

A.7 A sub-sample of NatCen's 'Opinion Panel' members were selected at random and invited to complete the survey. This was principally conducted online, with a telephone option available to those who had not completed the survey after two weeks (and a number of reminders), including those who were unable or unwilling to complete the survey online. Most respondents (95%) completed the survey online, with 5% completing the survey through a telephone interview. Web fieldwork ran from 5th July to 4th August 2024 and telephone fieldwork ran from 14th July to 4th August 2024.

A.8 A total of 2,719 responses were achieved, a 58% survey panel response rate. When taking into account response to the recruitment survey and panel attrition, NatCen estimate the overall response rate to the survey to be 4.7%.

A.9 NatCen's technical report, including details on the panel itself and on sampling, weighting and the full questionnaire, is available at Review of loyalty pricing in the groceries sector.[2]

Survey Analysis

A.10 Comprehensive weighting methodology was applied to the data by NatCen at various stages to increase representativeness and efficiency of the sample, including corrections for non-response to reduce bias and design/sampling weights.

A.11 NatCen produced a set of cross-tabulation data tables, which provided findings for each question of the survey, cut by key demographics, survey variables, and derived variables. The full set of tables is available at Review of loyalty pricing in the groceries sector.[3]

[1] Such as Price Match and Everyday Low Pricing (EDLP).
[2] https://www.gov.uk/government/publications/review-of-loyalty-pricing-in-the-groceries-sector
[3] https://www.gov.uk/government/publications/review-of-loyalty-pricing-in-the-groceries-sector

A.12 The findings presented in this appendix and in the main report are largely based on the published tables, though some additional analysis has been performed on the dataset provided to the CMA.

A.13 We consider the survey findings are sufficiently robust to be used as estimates for the wider population of UK adults (18+) and therefore, when reporting, we may refer to 'shoppers' or 'consumers' (where we wish to make population inferences) rather than 'respondents' or 'participants' (though these terms are also correct and may be used). In doing so, we note that these are estimates from a sample of the population of interest and are, therefore, subject to sampling error.[4]

A.14 Generally, the CMA does not report on findings where fewer than 100 survey respondents in a sub-group of interest answered a question (that is, the unweighted base size is less than 100). In the main body of this report base sizes are only reported for a question as a whole (under the chart in question); they are not shown for those percentages that are for a subset – according to a particular demographic or other variable of interest – of those asked the question, but all such percentages are based on at least 100 responses.[5]

A.15 Where statistically significant differences between groups are discussed, these are reported at the $p<=0.05$ level (using independent t-tests).[6] In the main body of this report, we only comment on findings for sub-groups where differences are statistically significant[7] and where we consider them to represent a material – i.e. noticeable, or non-trivial – difference. However, in certain circumstances and to provide context, we may – in a footnote – report the central estimates for other sub-groups of the variable being discussed.

[4] There may also be some bias remaining in the estimates that has not been fully corrected for by NatCen's comprehensive weighting scheme; we aren't able to estimate this nor, therefore, the extent of any remaining non-representatives in our sample.

[5] In particular, where findings are presented broken down by supermarkets regularly shopped at or by loyalty scheme memberships held, Ocado/Ocado Smart – Pass is not included due to there being insufficient respondents in these sub-groups on which to report.

[6] We note that when many such tests are conducted (as in where large sets of tables containing many cross-tabulations are generated and scanned for significant differences between sub-groups) the likelihood of falsely identifying significant differences by chance is increased. However, for the purposes of this report we have generally targeted our analysis towards only a limited range of demographics or other variables pre-identified as being of particular interest.

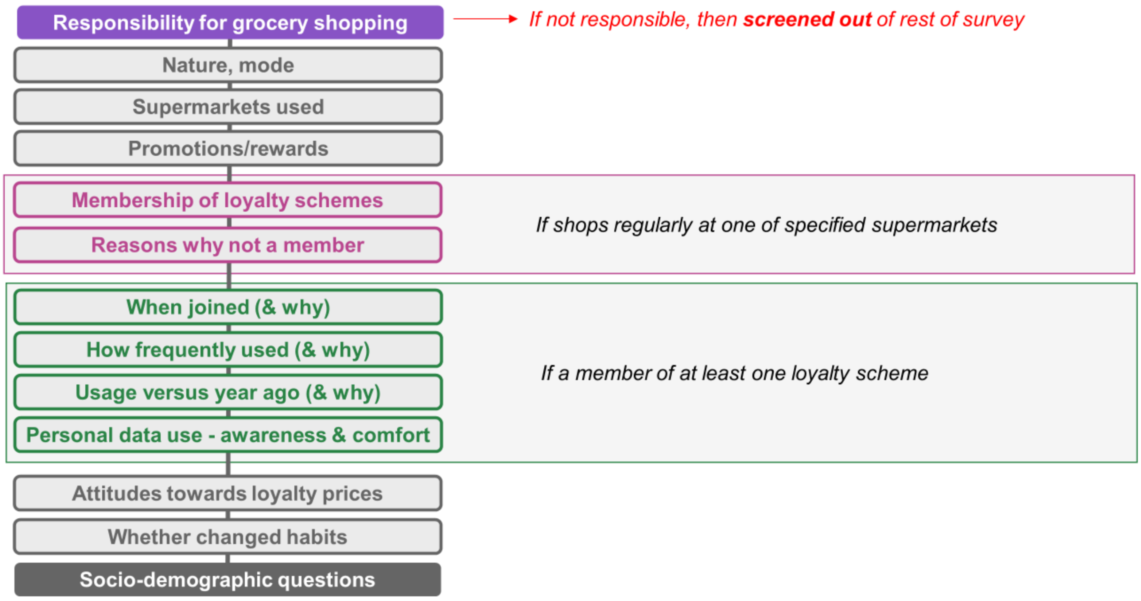
[7] This might be a difference between a particular sub-group and the overall figure or a difference between two sub-groups of the same demographic or other variable.

Survey Flow

A.16 Respondents were first asked to indicate the extent to which they had responsibility for grocery shopping in their household. Those who did not have any responsibility for grocery shopping were not asked any further questions.

A.17 For those respondents who had at least some responsibility for grocery shopping and were therefore eligible, the survey went through the following stages (with some questions asked of all remaining respondents and completion of others determined by answers to earlier questions):

Figure A.1 – Survey Flow



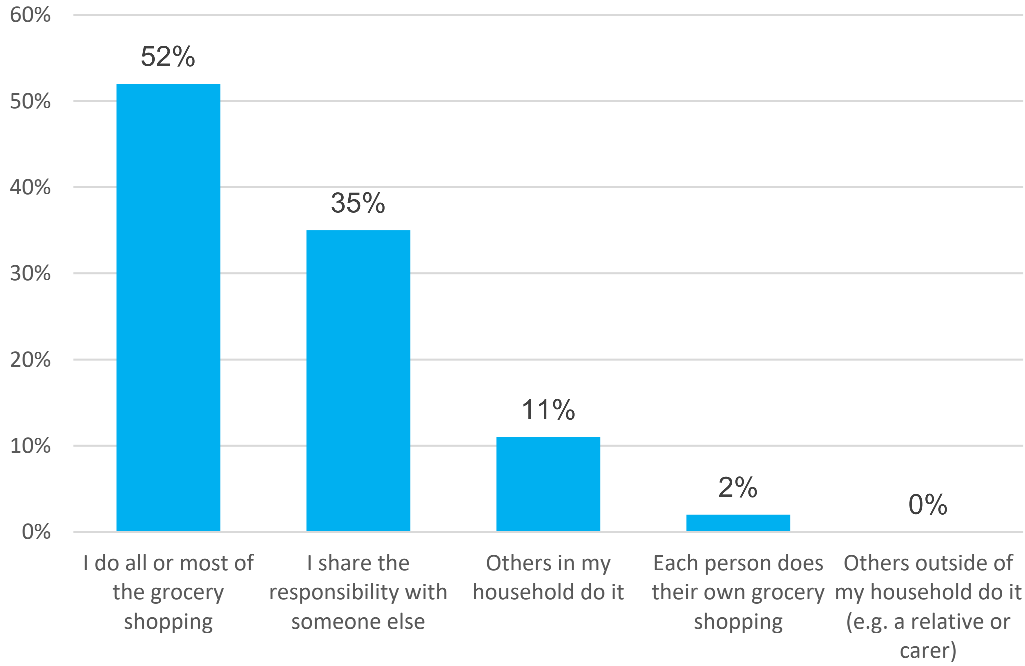
Findings

A.18 NatCen's weighted data tables with frequencies and cross-tabulations for each question of the survey are available in the accompanying document.[8]

A.19 From the 2,719 initial responses, 90% (2,439 unweighted total) were eligible in terms of their responsibility for grocery shopping and were screened into the next stage of the survey. Over half of respondents took all, or most, responsibility for grocery shopping in their household.

[8] Review of loyalty pricing in the groceries sector

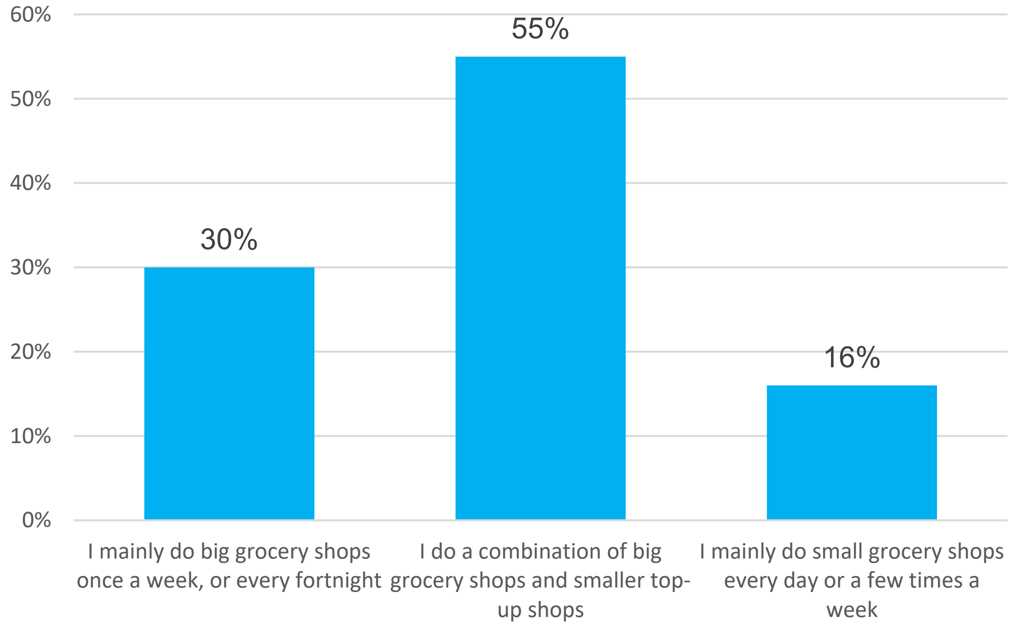
Figure A.2 – Whether responsible for grocery shopping in household and, if so, to what extent



Source: Consumer survey
Unweighted base: 2,717
Question: Generally, who does the grocery shopping for your household? Please consider both online and in store grocery shopping.

A.20 Of those with responsibility for grocery shopping, just over half (55%) combine larger 'big' shops with smaller 'top-up' shops. 30% are mainly doing regular 'big' shops and 16% are mainly doing regular 'small' shops.

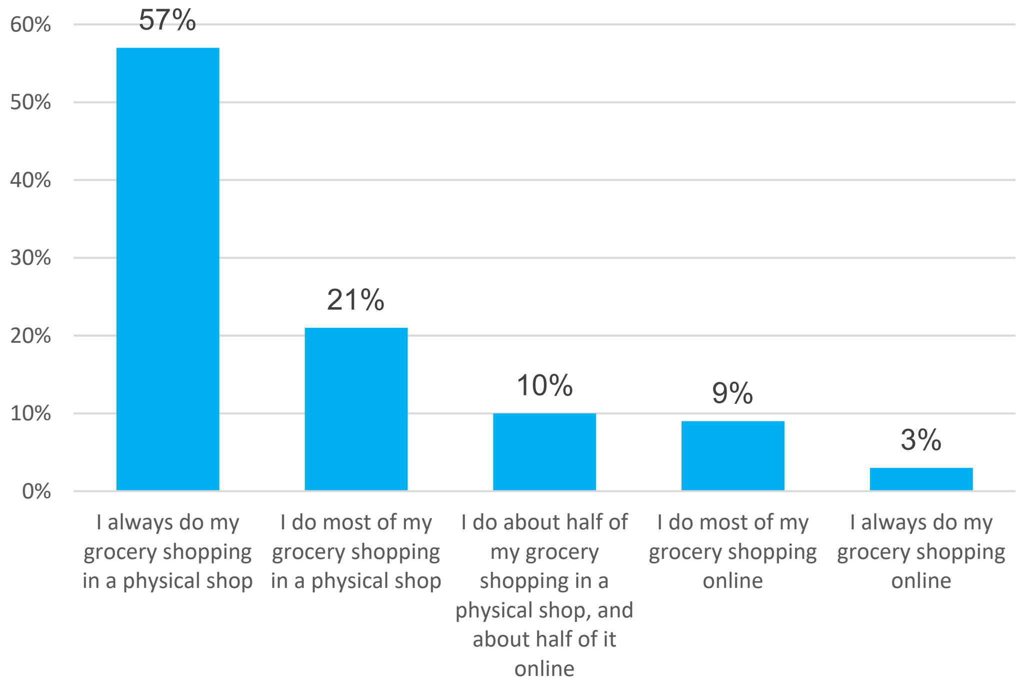
Figure A.3 – Usual habits when grocery shopping: types of shopping trips



Source: Consumer survey
Base: UK adults (18+) who are responsible for grocery shopping in their household. Unweighted: 2,439
Question: Which one of the following statements best describes the grocery shopping you {personally} do? Please think of your usual habits. Disregard occasions where you might have forgotten an item and went to a shop just for that.

A.21 For mode of shopping, over three quarters (78%) of shoppers do all or most of their shopping in a physical shop, with 12% choosing online shopping all or most of the time.

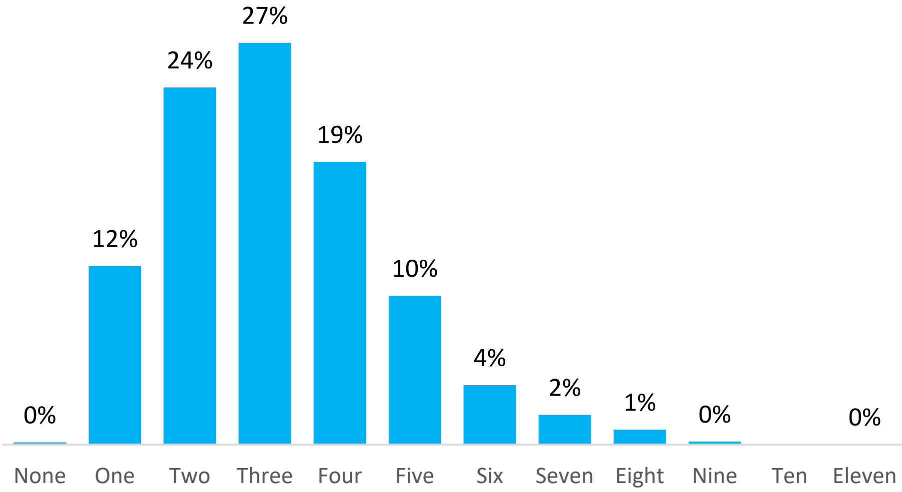
Figure A.4 – Channel(s) used for grocery shopping



Source: Consumer survey
Base: UK adults (18+) who are responsible for grocery shopping in their household. Unweighted: 2,439
Question: Do you do your grocery shopping in a physical shop, online (for home delivery or click and collect), or a mixture of both?

A.22 On average, shoppers regularly visit 3.2 different supermarket chains. This includes those supermarkets used for 'main', 'small' and any 'top-up shops.' Most commonly, shoppers regularly visit 3 different supermarkets, with just over a quarter (27%) reporting this.

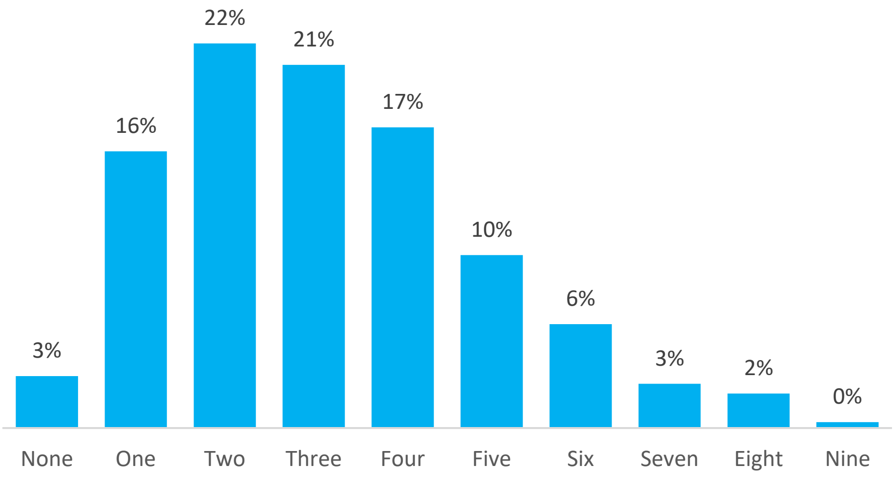
Figure A.5 – Distribution of number of supermarkets used regularly for grocery shopping, including 'main', 'small' and any 'top-up shops'



Source: CMA analysis of data from consumer survey
Base: UK adults (18+) who are responsible for grocery shopping in their household. Unweighted: 2,439
Question: Which, if any, of the following supermarkets do you use regularly for your grocery shopping? By regularly we mean at least once a month.

A.23 The distribution for memberships of supermarket loyalty schemes follows a broadly similar pattern, with 97% of shoppers holding at least one loyalty scheme membership and the average being 3.1. Most commonly two or three are held (22% and 21%, respectively), though a fifth of shoppers hold five or more memberships (21%). Further findings on the different scheme memberships, and the estimates of national memberships for each for the UK population as a whole, can be found in Chapter 2.

Figure A.6 – Distribution of number of loyalty memberships held at supermarkets used regularly for grocery shopping



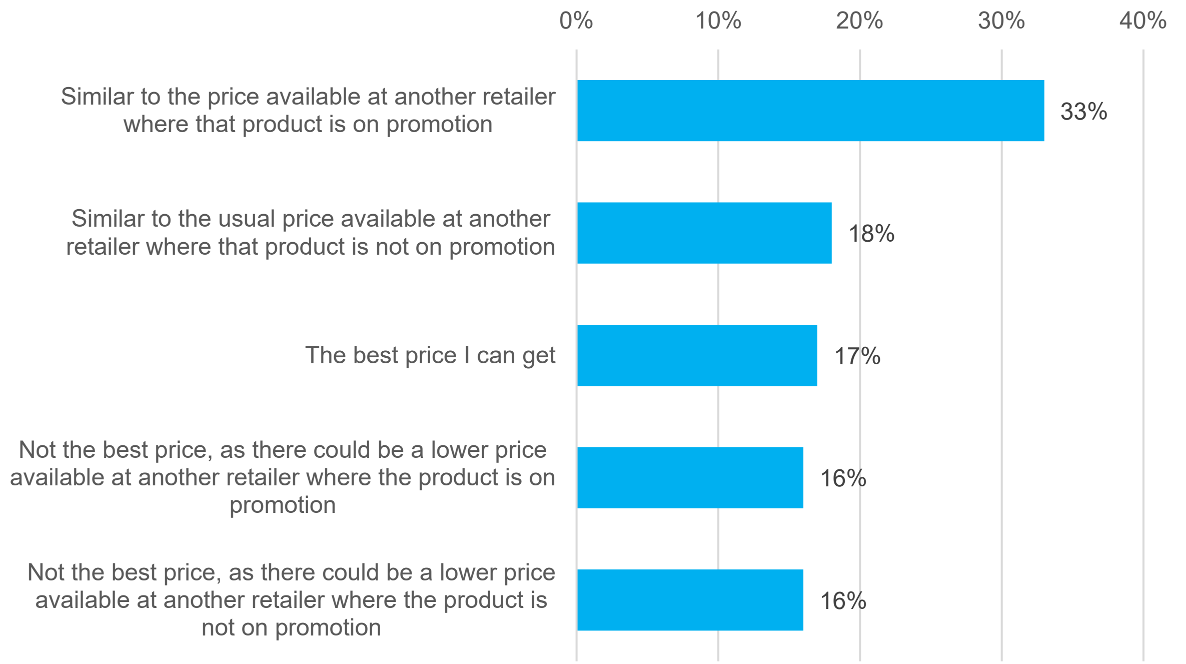
Source: CMA analysis of data from consumer survey
Base: UK adults (18+) who are responsible for grocery shopping in their household and use any supermarket listed regularly. Unweighted: 2,438
Question: Which, if any, of the following supermarket loyalty schemes are you a member of? Please include loyalty schemes you are a member of but do not currently use.

A.24 A section of the survey asked respondents for their views on how loyalty prices compare to those available across other retailers. This is included here for completeness as the findings from this are not discussed in the main report.[9]

A.25 Overall, fewer than 1 in 5 (17%) believed that loyalty prices represent the best deal they could get. For those in very difficult financial circumstances, 8% view loyalty prices as the best available option. About half of the respondents (51%) felt that loyalty prices were comparable to those at other retailers, while 32% believed better prices could be found elsewhere.

[9] Though Chapter 8 of the main report covers the CMA's own analysis of how loyalty prices compare with other supermarkets' prices.

Figure A.7 – Attitudes towards the loyalty price compared to the prices at other retailers for the same product



Source: Consumer survey
Base: UK adults (18+) who are responsible for grocery shopping in their household. Unweighted: 2,417
Question: When a supermarket offers groceries at a lower loyalty price for members, how do you think this loyalty price compares to the prices at other grocery retailers for the same product? The loyalty price is likely to be…

A.26 Those who consider themselves in very difficult financial circumstances were notably more likely to believe that prices at other retailers could be lower (59%, compared with 24% of respondents living comfortably) and less likely to believe that loyalty prices would be similar to prices at other stores (33%, compared with 59% of respondents living comfortably).

A.27 Further findings on attitudes towards, and use of, loyalty schemes can be found in Chapter 3 of the main report.

A.28 Findings relating to consumers' views on the use of their personal data can be found in Chapter 5 of the main report.