

Introduction

The Food and Drink Federation (FDF) is preparing a detailed response to the phase 2 Competition and Markets Authority (CMA) investigation into the Proposed Merger of Sainsbury's and Asda.

We are keen to ensure the views and concerns of UK food and drink manufacturers of all sizes are heard by the CMA and we invite businesses to respond to this short survey.

This survey is designed to focus on the impact of the Sainsbury's / Asda merger on consumers, based on the CMA's remit to consider effects on consumers. Furthermore, the CMA have indicated a particular focus on the effects of the merger on pricing and innovation.

Please note, this is an anonymous survey and we do not ask for respondents to identify themselves or their business. All information provided will be aggregated and/or anonymised where used in our response. Those who wish to volunteer a case study will have the opportunity to do so.

The deadline to respond to this survey is close of play on Monday 19 November

If you have any questions or may be interested in providing case studies to support our response, please contact skye.oudemans@fdf.org.uk.

Your business and your relationship with Sainsbury's / Asda

* 1. What is the size of your business?

- Micro business (0-9 employees)
- Small business (10-49 employees)
- Medium business (50-249 employees)
- Large business (250+ employees)

* 2. What is the approximate UK turnover of your business? [N.B. responses remain strictly confidential]

- £0-25m
- £26-100m
- £101-500m
- £501-£1bn
- £1bn +

3. Do you primarily supply:

- Branded products to a retailer
- Non-branded / own-label products to a retailer
- Both
- Food manufacturers and/or food service businesses (not retailers)

* 4. Do you supply Sainsbury's and/or Asda? (Please choose one of the following)

- Sainsbury's
- Asda
- Sainsbury's and Asda
- Neither, but supply other retailers
- Neither, supply food manufacturers and/or food service only

5. Approximately what percentage of your overall UK sales revenue comes from Sainsbury's and Asda?

Percentage of overall sales revenue

Sainsbury's

Asda

6. If you supply both Sainsbury's and Asda, do you supply the same products to both?

- Yes, supply exactly the same product(s) to both
- No, there are differences between the products supplied to each (e.g. different products, different pack sizes, different formulations)
- Not applicable (do not supply both Sainsbury's and Asda)

Impact of the Proposed Merger

A. Pricing / Terms of trade

7. What impact do you expect the Proposed Merger to have on your prices and terms of supply with a merged Sainsbury's / Asda compared to your existing prices and terms of supply with each of these retailers?

- Very positive
- Positive
- No impact
- Negative
- Very negative
- Don't know
- Not applicable (do not supply Sainsbury's or Asda)

8. If you had to lower prices (or improve your terms of supply) to a merged Sainsbury's / Asda, would you expect to increase your prices (or reduce other aspects of your terms of supply) for other grocery retail customers?

- Yes
- No

9. Were you a supplier to Tesco and Booker before their merger?

- Yes
- No

10. If you were a supplier to Tesco and Booker before their merger, has the merged Tesco / Booker unified your previously separate prices and/or terms of supply?

- Yes
- No
- Not applicable (did not supply both Tesco and Booker prior to their merger)

11. If you were a supplier to Tesco and Booker before their merger, in unifying your prices and/or terms of supply, have these:

- Improved overall
- Stayed the same
- Worsened overall
- Not applicable (did not supply both Tesco and Booker prior to their merger)

12. If your terms of supply with the merged Tesco / Booker have worsened as a result of being unified, have you secured improvements in your prices and/or terms of supply with other grocery retail customers?

- Yes
- No
- Not applicable (did not supply both Tesco and Booker prior to their merger)

B. Innovation

13. Which of the following types of product innovation has your firm engaged in over the past two years?

- Product refresh
- Product line extension
- Product reformulation
- New to category product
- New product category
- None
- Other (please specify)

14. For each of these types of product innovation, did your business incur up-front costs in carrying out this product innovation?

	Yes	No	N/A
Product refresh	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product line extension	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product reformulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New to category product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New product category	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
None	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. Expressed as a percentage of first year's sales for the new product, what did the up-front development costs represent?

(Please estimate an average where more than one new product was developed.)

	<5	6-10	11-25	>25	N/A
Product refresh	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product line extension	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product reformulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New to category product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New product category	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
None	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

16. Before starting the development of a new product using each type of innovation below, did you have upfront commitments from any of the UK's major grocery retailers to stock the product? (Please answer in relation to the most recent new product in each type of innovation)

	Yes upfront commitment to stock, with terms of supply agreed	Yes upfront commitment to stock, but terms of supply not agreed	No upfront commitment to stock, but provided other support	No support of any form	Don't know	N/A
Product refresh	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product line extension	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product reformulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New to category product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New product category	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
None	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

17. Are these upfront commitments usually necessary for this type of product innovation to take place?

	Yes	No	Don't know	N/A
Product refresh	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product line extension	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product reformulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New to category product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New product category	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
None	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

18. Which of the following retailers would typically be open to offering you commitments to stock a new product arising from this type of innovation activity?

	Asda	Morrisons	Sainsbury's	Tesco	Waitrose	None
Product refresh	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product line extension	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product reformulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New to category product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New product category	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
None	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

19. Which of the following types of product innovation is your business likely to engage in over the next two years?

- Product refresh
- Product line extension
- Product reformulation
- New to category product
- New product category
- None
- Other (please specify)

20. Do you believe that the Sainsbury's / Asda merger will make your business more or less likely to engage in product innovation following the merger?

- More likely
- Less likely
- Same
- Don't know
- If less likely, why?

Support for the Proposed Merger

* 21. How do you feel about the Proposed Merger?

- Supportive
- Supportive, but with some reservations
- No view
- Concerned
- Very concerned

22. If you would be willing to provide a case study, to be used anonymously to support FDF's response to the phase 2 CMA investigation, please provide your email address and *we will contact you to help you draft it.*

This information and any case study will be kept entirely separate from your response to this survey. Alternatively, email skye.oudemans@fdf.org.uk to share a case study or for more information.