

ICM Unlimited...



Competition law research 2018

A report by ICM on behalf of the Competition and Markets Authority



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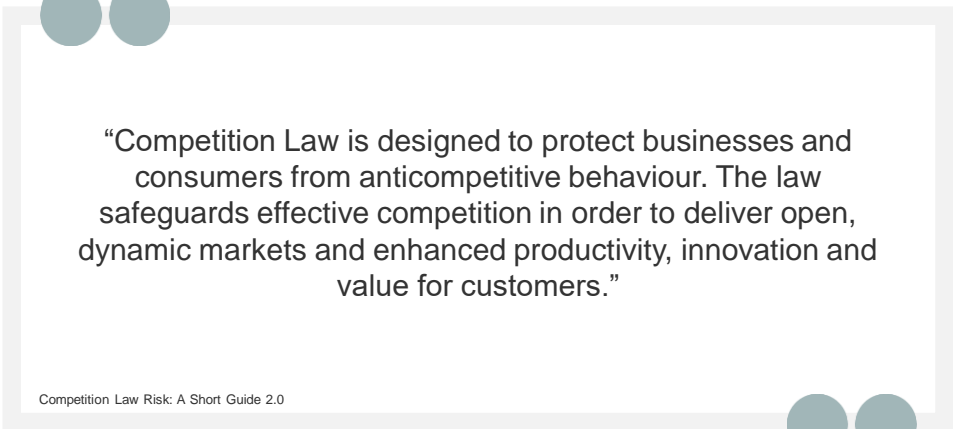
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Executive summary



“Competition Law is designed to protect businesses and consumers from anticompetitive behaviour. The law safeguards effective competition in order to deliver open, dynamic markets and enhanced productivity, innovation and value for customers.”

Competition Law Risk: A Short Guide 2.0

This report presents the findings from the 2018 competition law survey conducted by ICM Unlimited on behalf of the Competition and Markets Authority (CMA). The findings are based on a representative sample of 1,200 UK businesses; the survey was conducted via telephone.

The research was designed to measure current levels of understanding and awareness of competition law. The research covers businesses of all sizes and in all sectors of the UK.

Fieldwork took place between 4th December 2017 and 13th February 2018. Respondents are senior individuals with responsibility for sales in their business.

The research enables results to be compared with findings from the survey conducted in 2014¹.

Key findings

- Familiarity with competition law and the CMA's role remains low but has increased slightly since 2014.
 - While just a quarter of UK businesses say they know competition law 'well,' there has been a significant decrease in the proportion who have not heard of competition law at all. This suggests that top-line levels of awareness of the issue have increased.
 - Significantly fewer businesses now report they have never heard of the CMA compared to 2014.

¹ <https://www.gov.uk/government/publications/uk-businesses-understanding-of-competition-law>

- Awareness of competition law is higher in medium/large size business than micro/small organisations. Across regions, awareness is highest in Northern Ireland (28%) and lowest in the North West (19%). On average, competition law awareness is 23% across all UK regions.
- There is a mixed picture in terms of knowledge about specific anti-competitive behaviours.
 - A majority of businesses are aware of key anti-competitive behaviours, for example, that price fixing with other companies can lead to imprisonment (60%) and that it can be illegal to attend a meeting where competitors agree prices (59%).
 - However, there is less certainty around issues such as reselling and the consequences of reporting cartel activity. For instance, a third (34%) are aware that it is unlawful to set the price at which others resell their product(s), whilst only 18% are aware that they can gain immunity from admitting to participation in a cartel.
 - The number of correct answers has increased since 2014 across all statements.
- The perceived risk of non-compliance remains low but most respondents say they would take action if competition law were breached.
 - While a large majority (95%) rate compliance with competition law as important, over half (57%) believe the risk of breaching it is low within their sector.
 - Nine in ten (88%) claim they would take action if illegal activity was taking place within their own business, while three quarters (77%) claim they would do so if it were taking place within a competing business. An easy method of reporting and assurances over confidentiality were factors that would help encourage people to speak up.

Businesses' contact with their competitors

- Four in five (79%) UK businesses are in contact with other businesses in their sector. When asked the motivation for this contact, the most commonly cited reason is "professional networking purposes" (43%). Interestingly, businesses are having fewer conversations relating to transactions compared to 2014 (34%). One in ten (10%) of businesses do however mention that they have been in contact with other businesses in the same sector to 'discuss prices,' a proportion that was also evident in 2014 (9%).
- A similar proportion of businesses (75%) are monitoring competitor prices. The most popular approach continues to be "finding the price as advertised online/in shop" (45%). However, there has been a significant decrease in "other businesses tell us their prices" which is encouraging as this contact, if between rivals, carries competition law risks.

Awareness of competition law

- There has been little change in the number of businesses claiming substantial knowledge of competition law since 2014, with one in five (23%) stating that they are very or fairly familiar with it. However, there has been a statistically significant 4 point decrease in the percentage who have *never* heard of competition law (from 20% to 16%). This demonstrates that whilst relatively few businesses possess an in-depth knowledge of the Law, the proportion of those with some level of awareness has increased since 2014.
- When weighted according to the UK profile of employment as opposed to the UK profile of business sizes, awareness of competition law is significantly higher. Moreover, there has been a decrease in the proportion of businesses that state that they have never heard of competition law (from 16% to 9%).
- The proportion of businesses running training sessions and having senior level discussions about competition law is the same as four years ago. Six per cent of respondents say their business has run a training session on competition law in the last year, while three times as many (18%) state their employer has had a senior level discussion on the same topic. As in 2014, health and safety is the most common subject for training sessions and senior level discussions.
- Two thirds (68%) of respondents say they have a ‘poor’ awareness of the penalties for non-compliance with competition law. This finding is consistent with the result recorded four years ago.
- The internet is the most popular source when seeking information on competition law (cited by 78% of respondents).

Awareness of anti-competitive behaviours

- Businesses’ awareness of what constitutes anti-competitive behaviour shows a marginal improvement since the 2014 survey.
 - Positively, among the 10 true/false questions in the survey, excluding the new additions for this year, the average number of correct responses is 4.5, up from 4.2 four years ago. Top scoring true statements are “it’s okay to tell suppliers the prices that other suppliers are quoting you, as part of bargaining for a better deal” (identified as true by 63% of respondents) and “individuals who are found to have agreed to fix prices with other companies can be sentenced to imprisonment (identified as true by 60%).
 - Awareness in relation to cartel activity remains low. Less than half were aware that “companies that admit participation in a cartel to the competition authorities may be able to obtain immunity from a penalty” (41% incorrectly answered that this was false). Meanwhile, only 34% correctly considered it true that “it is unlawful to set the price at which others can resell your products.”

- There has been a decrease in the proportion of respondents stating 'do not know' (or giving incorrect responses in respect of nearly all anti-competitive practices), when asked whether a specific practice breaches competition law or not.

Corporate commitment to compliance

- Most businesses (80%) feel that complying with competition law is "the right thing to do ethically." Moreover, the majority indicate that 'pull factors' such as ethics and the maintenance of reputation hold a greater sway for compliance with the law than 'push' factors such as the risk of financial sanctions or prosecution.
- The proportion of businesses citing push and pull factors for compliance is broadly in line with 2014.
- Three in five (57%) businesses view their commercial activities as being at a low risk of breaching competition law, an identical finding to four years ago (56%). Those who have a better knowledge of competition law are less likely to view their companies' activities as being at a low risk of breaking the law (39%).
- The majority of respondents would take action if they suspected illegal activity, whether within their own businesses (88%) or within a competing business (77%). A confidential hotline, dedicated website or an online form were factors that would encourage respondents to report potentially illegal activity.

Technology and digital markets

- Most respondents speak favourably about the impact of the internet and technology:
 - Over half (54%) agree that it has changed the way their business operates for the better;
 - Two thirds agree that it has helped reach new customers (64%) and has opened up new market opportunities (63%).
- Seven in ten (71%) respondents believe that technology and the internet has increased competition from other businesses.

Awareness and understanding of the CMA and its role

- Unprompted, spontaneous awareness of the CMA remains low, with two thirds (64%) of respondents reporting that they do not know who enforces competition law in the UK.
- When prompted, the Office of Fair Trading, the CMA's predecessor which existed for over 40 years from 1973 to 2014, is the most commonly cited body responsible for enforcing competition law (49%). Around one in seven (14%) correctly identify the CMA.
- Whilst only 3% of businesses are familiar with the CMA (know the CMA 'well'), since 2014 there has been a significant decrease (18 percentage point) in the percentage of

businesses who say they have never heard of the CMA. Currently, two in five (39%) have never heard of the CMA.

- Those who report having a good knowledge of the CMA are more likely to correctly identify the responsibilities of the CMA.

1. Introduction

1.1 Background

Since April 2014, after combining many of the functions of the Competition Commission and the Office of Fair Trading, the Competition and Markets Authority (CMA) has worked to promote competition for the benefit of consumers, both within and outside the UK. Ensuring healthy competition and an awareness of competition law among businesses not only benefits the consumer but also the wider economy.

1.2 The CMA's responsibilities

The CMA's main responsibilities include:

- investigating mergers that have the potential to lead to a substantial lessening of competition
- conducting studies and investigations into particular markets where there are suspected competition and consumer problems
- investigating businesses and individuals to determine whether they have breached UK or EU competition law and, if so, to end and deter such breaches, and pursue individuals who commit the criminal cartel offence
- enforcing a range of consumer protection legislation, tackling issues which suggest a systemic market problem or which affect consumers' ability to make choices
- promoting stronger competition in the regulated industries (gas, electricity, water, aviation, rail, communications and health)
- conducting regulatory appeals and references in relation to price controls, terms of licences or other regulatory arrangements under sector-specific legislation
- giving information or advice in respect of matters relating to any of the CMA's functions to the public and to Ministers.

1.3 The competition law survey

The CMA has a firm commitment to improve levels of compliance with competition law among UK businesses. A greater awareness of competition law helps prevent anti-competitive practices which harm the economy, businesses and consumers alike.

In order to work towards fostering a greater awareness of competition law in the UK, the CMA commissioned the competition law survey with the following objectives:

- To measure current levels of understanding and awareness of competition law among UK businesses;
- To identify the sectors, company sizes and regions which exhibit the lowest rates of awareness;
- To measure businesses' awareness of the CMA and its role.

The competition law survey was previously carried out in 2014 by IFF Research². ICM Unlimited was commissioned to carry out a further survey which took place in Winter 2017/18. This sets out to highlight any changes that have taken place since the initial 2014 survey.

1.4 Methodology

The methodology and sampling method of the 2018 competition law survey were consistent with the previous research in 2014. Full details of the sample, fieldwork and weighting are outlined below.

All work was conducted in accordance with ISO 20252 and ISO 27001.

- Sample and fieldwork

In line with the previous research, the survey was conducted using Computer-Assisted Telephone Interviewing (CATI) with the questionnaire averaging c.22 minutes in length. Fieldwork comprised a total of 1,200 interviews and was conducted between 4th December 2017 and 13th February 2018. The response rate to the survey was 12.2% - please see the appendices for further information.

The survey was designed to be representative of all UK private sector businesses with at least one employee, excluding sole traders and those who are self-employed. The survey encompassed companies across all regions, industry sectors and business sizes within the UK. Interview targets were set according to size and sector using the latest BEIS Business Population Estimates available at the time³. Please see tables 1.1 to 1.3 for the target and achieved interview numbers.

In addition to the core sample, a 'booster' sample was conducted among targeted Scottish businesses (n=400) to enable detailed sectoral analysis in Scotland.

The sample used in the telephone survey was drawn from Dun and Bradstreet, the UK's leading provider of business information.

- Weighting

Data has been weighted to the population figures of 1.37 million private sector businesses (with at least one employee, excluding sole traders and those who are self-employed) according to size, sector and region. The Scottish 'booster' data has been weighted by sector

² <https://www.gov.uk/government/publications/uk-businesses-understanding-of-competition-law>

³ These are available via: <https://www.gov.uk/government/collections/business-population-estimates>

and size to the population figures of 95,140 private sector businesses. Population figures for both were derived from the BEIS Business Population Estimates (February 2018).

Table 1.1: Sample – business size

Employees	Definition	Target	Achieved
1-9	Micro	800	827
10-49	Small	150	192
50-249	Medium	150	91
250+	Large	100	89

Table 1.2: Sample – sector

Sector	Target	Achieved
Agriculture, Mining, Utilities	100	104
Manufacturing	100	121
Construction	140	145
Wholesale, Retail & Transport	140	175
Accommodation & food	140	132
Info, Comms, Financial & Real Estate	140	131
Professional Services	140	160
Administration	100	48
Education & Health	100	79
Arts & Other	100	105

Table 1.3: Sample - region

Region	Target	Achieved
North East	100	90
North West	100	89
Yorkshire & the Humber	100	103
East Midlands	100	97
West Midlands	100	109
Eastern	100	98
London	100	108
South East	100	119
South West	100	109
Wales	100	93
Scotland	100	101
Northern Ireland	100	84

1.5 Profile of respondents

Respondents were all senior people within the business who had a responsibility for sales. The majority (74%) of companies have been operating for more than 10 years.

There is a nearly equal split between those respondents who achieved a university degree (50%) and those who did not (47%). Of those who did not gain a university degree, 19% achieved A Levels and 18% achieved GCSEs. Nearly half (48%) reported achieving a professional qualification and over one-third (38%) said that they are a member of a membership organisation.

Around two thirds claimed that they had an advisor working for them in their organisation. 38% had a company secretary, 35% an accountant, 12% a legal advisor, 12% a risk manager and 11% had an auditor.

Tables 1.1 to 1.3 on the previous page detail the number of respondents reached for each business size, sector and region against the original targets.

1.6 Presentation and interpretation of the data

It should be remembered that while data has been weighted to represent the population of UK businesses, a sample was interviewed and not the entire population. A consequence of this is that all results are subject to sampling tolerances, meaning that not all differences are statistically significant. Further information about sampling tolerances is appended to this document.

The findings in this report are based on the main UK-wide sample of 1,200 businesses, and do not include the additional 400 booster interviews with targeted sectors in Scotland.

Where percentages do not add up to 100, this may be due to computer rounding, the exclusion of “don’t know” categories, or multiple answers. Throughout the report an asterisk (*) denotes any value of less than half of one per cent but greater than zero. Within the charts in this report, a green circle or arrow denotes a statistically significant increase in scores in comparison the 2014 data, while a red circle or arrow denotes a statistically significant decrease.

In the report, reference is made to “net” figures. This represents the balance of opinion on attitudinal questions, and provides a useful means of comparing the results for a number of variables.

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2. Businesses' contact with their competitors

One of the aims of this research is to discover the extent to which UK businesses are engaging in anti-competitive practices. Without explicit reference to competition law or what constitutes bad practice, the following questions were asked in order to reveal potential risk areas for anti-competitive behaviour without prompting the respondent.

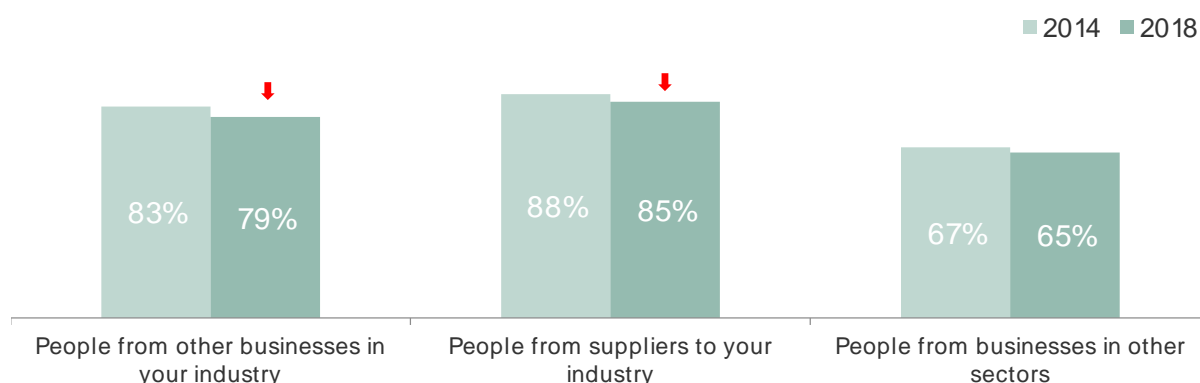
The following section explores contact with suppliers and competitor businesses as well as price monitoring methods and frequency of monitoring.

2.1 Contact with other businesses

Respondents were asked whether they had personally had any contact, either in a professional or informal manner, **with suppliers or businesses within their industry or with businesses outside their industry** in the last 12 months.

As shown in Figure 2.1, four in five respondents (79%) have been in contact with people from businesses in their industry. Although a high proportion in absolute terms, it represents a statistically significant decrease of four percentage points since the 2014 survey.

Figure 2.1: Contact with suppliers and businesses in last 12 months



B1. In the last 12 months, have you personally had contact with any of the following, either in a professional, or more informal, capacity? Base: all respondents 2014 (1,201), 2017/ 18 (1,200)

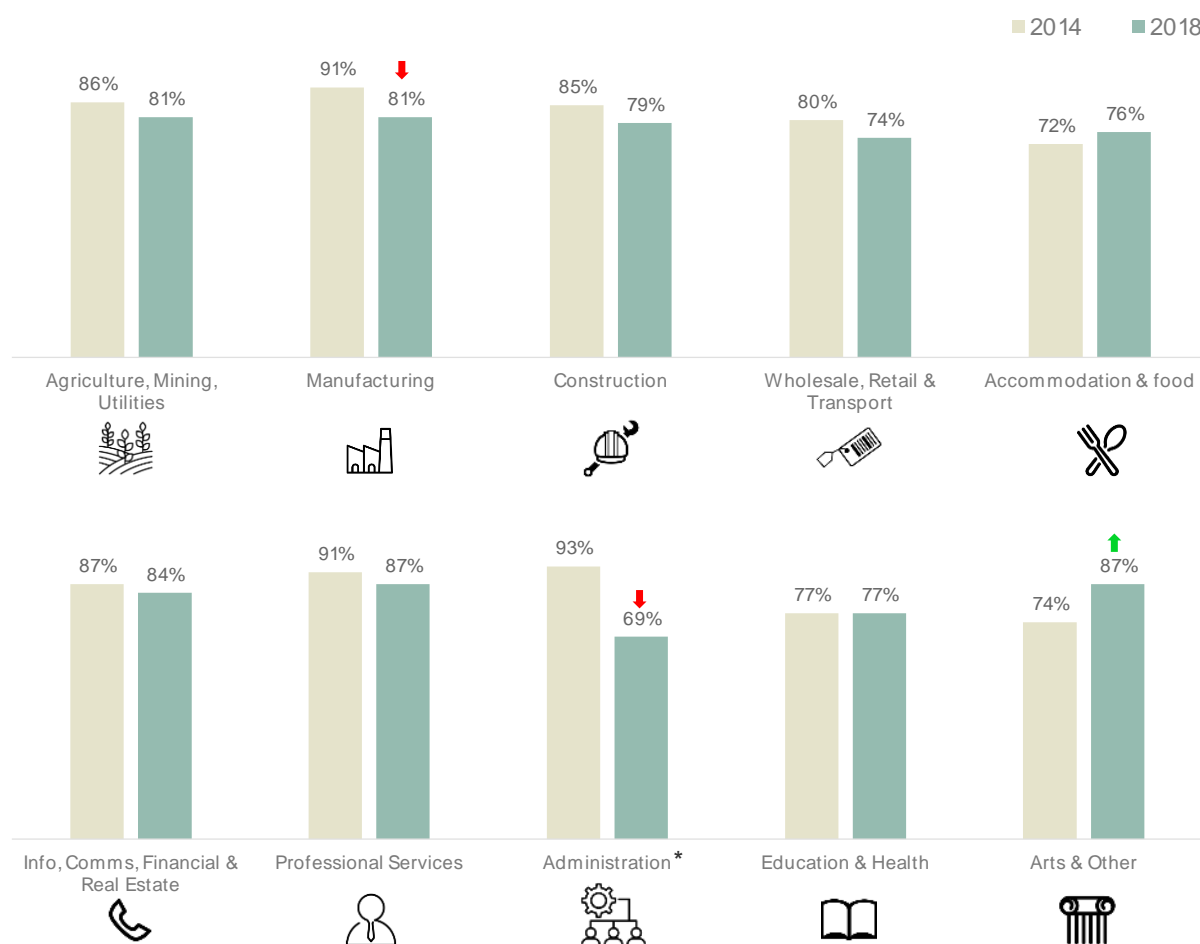
As per four years ago, the great majority of respondents (85%) have had contact with suppliers to their own industry in the past twelve months. Again, although the percentage is marginally lower than recorded in 2014 (88%), the bigger picture remains unchanged.

Just under two thirds (65%) state that they have had either professional or personal contact with people from businesses in sectors other than their own. This percentage is broadly consistent with the result from four years ago (67%).

Looking at the sector breakdown in Figure 2.2 below, it is evident that respondents from *all* sectors are in contact with businesses in their own industry, with minimal variation between each industry. The findings are broadly consistent with those recorded four years ago although

it is notable that respondents employed in Manufacturing (81%, -10 points) and Administration⁴ (93%, -24 points) are less likely than in 2014 to have had contact with other businesses in their own sector. In contrast, respondents in Arts & Other are more likely to have had contact (87%, +13 points).

Figure 2.2: Contact with other businesses in own industry in last 12 months - sector breakdown



B1. In the last 12 months, have you personally had contact with any of the following, either in a professional, or more informal, capacity? Base: 2014, 2017/ 18: Agriculture, Mining, Utilities (80/ 104), Manufacturing (132/ 121), Construction (114/ 145), Wholesale, Retail & Transportation (194/ 175), Accommodation & food (141/ 132), Information, Communication, Financial & Real Estate (127/ 131), Professional Services (179/ 160), Administration (77/ 48*), Education & Health (90/ 79), Arts & Other (67/ 105).
*Low base size

2.2 Reasons for personal contact with other businesses

Those who had had contact with other businesses within their own industry were then asked about the reason for their contact.

As illustrated in Figure 2.3, the most commonly cited reason was for **professional networking purposes**, cited by over two in five respondents (43%). This was followed by contact in

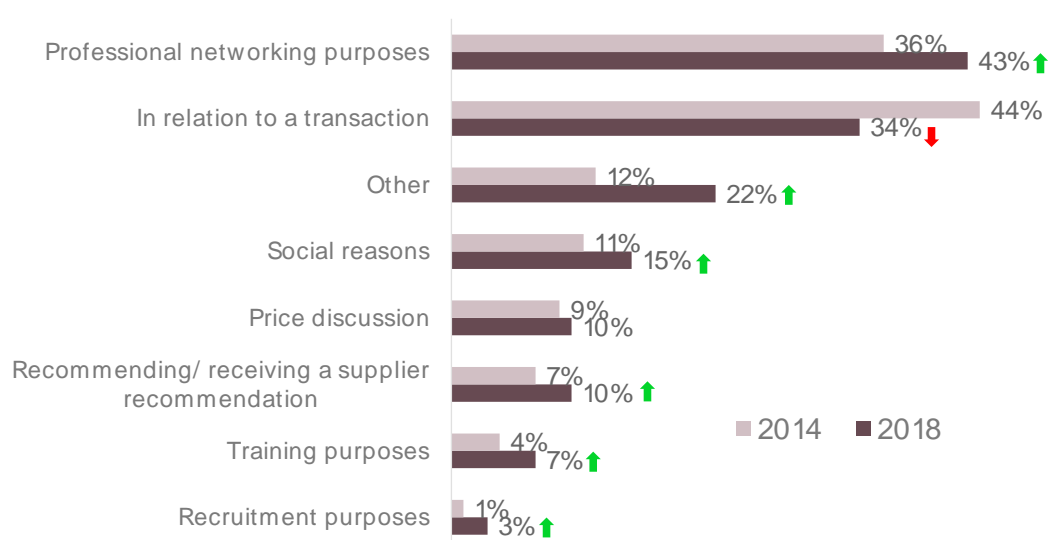
⁴ N.B. Low base size (<50), treat figure with caution.

relation to a transaction, with around a third (34%) stating that they had contacted a competitor business for this reason.

Comparing these two figures with the results from 2014, there has been a reversal in the order of these two response categories. Whilst there has been a significant increase in the proportion in contact with other businesses for professional networking purposes (up 7 percentage points), conversely there has been a significant decrease in contact relating to transactions (down 10 points). This represents a slightly lower risk that businesses may stray into anti-competitive territory when discussing transactions.

In addition, the increase in the percentage of respondents mentioning professional networking purposes as the main reason for contact also needs to be viewed in the context of an increase in the proportion citing social reasons (up 4 percentage points to 15%).

Figure 2.3: Reason for contact with businesses in same sector



B2. And in what circumstances have you been in contact with other businesses in your sector? Base: all who have had contact within last 12 months with other businesses 2014 (1,021), 2017/ 18 (961).

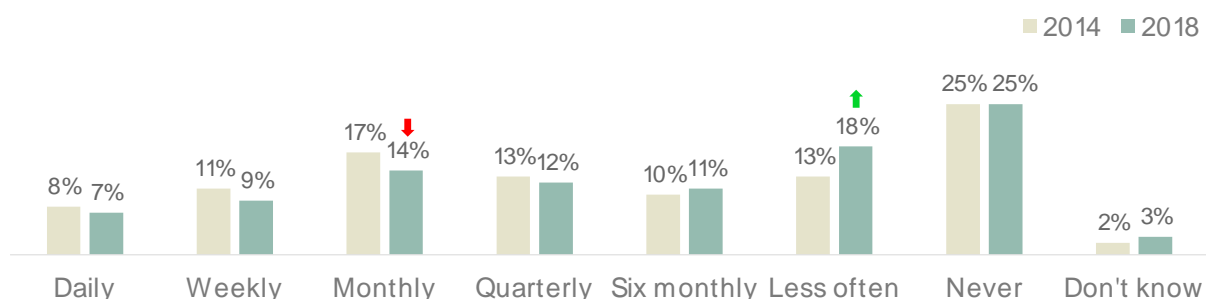
In contrast to the decrease in the proportion of respondents discussing transactions with other businesses in their sector, there has been a statistically significant increase in all other reasons for contact since 2014 except for 'price discussion'. Here, a similar proportion of businesses are talking to other businesses in their sector regarding prices, which represents an important area of competition law risk. The third highest category, 'other,' has increased by 10 points in the last four years and includes contact reasons such as advice, information about conferences and exhibitions as well as arranging meetings. The broad similarities with results from 2014 indicate that businesses continue to have a wide range of touch points with rival businesses. Understanding of how to avoid engaging in anti-competitive practices when in contact with competitor firms is therefore vital.

2.3 Monitoring prices

In order to elicit further detail on the risk of anti-competitive practices, without prompting the respondent directly, respondents were asked about the frequency and ways in which they monitor their competitors' prices.

Figure 2.4 shows that the frequency of competitor price monitoring remains relatively unchanged since 2014, with seven in ten (72%) respondents stating their company monitors competitors' pricing. Respondents who monitor prices (a quarter state that they do not), are most likely to monitor on an infrequent basis (18% monitor less often than every six months).

Figure 2.4: Frequency of monitoring competitor prices



B3. Thinking now about monitoring the prices your competitors charge for goods and services, how often does your company check these?
 Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

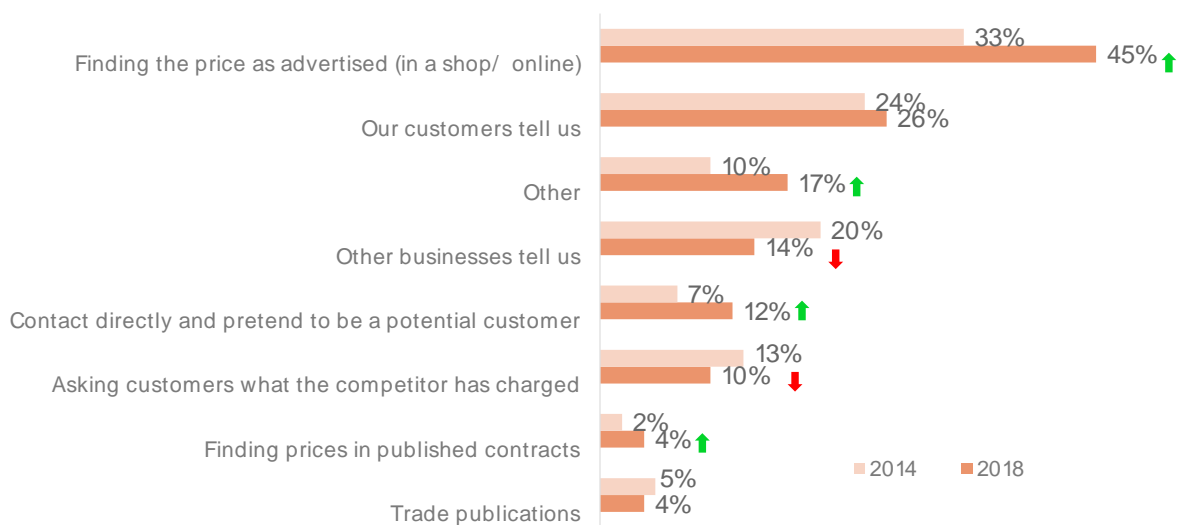
In terms of price monitoring methods (Figure 2.5), 'finding the price as advertised (in a shop/online)' remains the most popular approach with just under half (45%) of respondents seeking out competitor prices in this way, a significant increase of 12 percentage points since 2014. This is followed by businesses relying on what 'our customers tell us', mentioned by a quarter of respondents (26%), a figure which is broadly stable with the previous survey.

Compared to the situation four years ago, many of the methods of price monitoring used by businesses have changed somewhat. 'Contacting directly and pretending to be a potential customer,' 'finding prices in published contracts' and 'other' methods have all increased significantly from four years ago to 12%, 4% and 17% respectively.

There is a decrease in the proportion of respondents mentioning what 'other businesses tell us' (from 20% four years ago to 14% in 2018), which is encouraging as this contact, if between rivals, carries competition law risks. Coupled with the significant decrease in those who 'ask customers what the competitor has charged,' the 2018 research suggests fewer respondents may be asking others, either businesses or customers, about pricing directly and are instead opting to conduct their own research online or to undertake mystery shopping. However, one must be mindful that these price discussions may not necessarily be between rivals, even if these businesses are within the same sector.

Indeed, with the increased prevalence of the internet, businesses are increasingly opting to go online to research their rivals. For instance, findings in chapter six show that seven in ten (71%) agree that new technology and the internet has increased competition (Figure 6.1).

Figure 2.5: Price monitoring method



B4. How does your company monitor competitor prices? Base: all who monitor competitor prices 2014 (905), 2017/ 18 (858)

3. Awareness of competition law

Competition law plays a vital role in the UK economy. Sitting at the core of the CMA’s work, the law sets the boundaries of fair competition, outlining behaviours and practices which are anti-competitive.

The following chapter focuses on the current level of awareness of competition law among businesses across the UK, looking at differences in business size, sector and region. Awareness levels are compared with the 2014 survey to highlight any changes in UK businesses’ familiarity with competition law over time. This chapter looks at high-level stated awareness of the law and its application, whereas chapter 4 goes into more detail on businesses’ actual recognition of the specific behaviour prohibited by competition law.

Familiarity with competition law is also explored by examining the number of training sessions and senior level discussions that have taken place in UK businesses in the past 12 months.

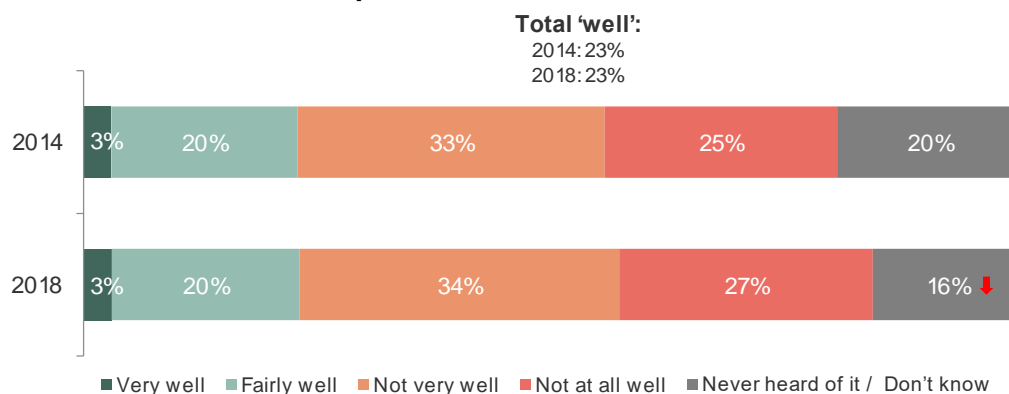
The chapter closes with an exploration of the awareness of sanctions for non-compliance with competition law with a detailed analysis of the awareness of financial sanctions against both the individual and the company.

3.1 General awareness of competition law

When asked how familiar they are personally with competition law, just under a quarter (23%) of respondents say very or fairly well. A further three in five respondents say they are aware but not very well or not at all well (61%). As outlined in Figure 3.1, there has been no change in stated awareness of competition law since 2014 when the percentage saying very or fairly well was also 23%.

However, there has been a significant change in the proportion of businesses that have ‘never heard of competition law.’ Compared to 2014 when a fifth (20%) had never heard of competition law, this year only 16% were unaware of its existence or did not know. Consequently, the findings suggest that while detailed knowledge remains low and broadly unchanged from four years ago, the overall level of awareness has increased marginally.

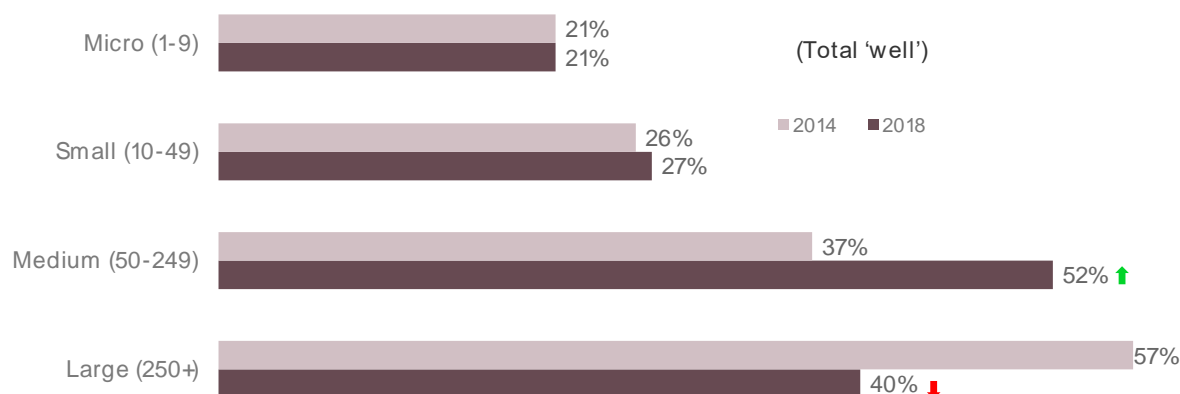
Figure 3.1: Awareness of competition law



C3. Overall, how familiar would you say you are personally with Competition Law? Would you say you know it..? Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

When broken down by business size (Figure 3.2), it is evident that awareness is higher among medium-large companies than among micro-small firms. This is perhaps to be expected given the greater resources within medium-large businesses. However, among medium sized businesses (50 to 249 employees), there has been a significant increase in the proportion stating that they are familiar (net 'well') with competition law, from just under two fifths (37%) to over half (52%). Conversely, there has been a significant decrease in awareness among large businesses (250 or more employees), down by 17 percentage points to 40%.

Figure 3.2: Awareness of competition law - business size breakdown

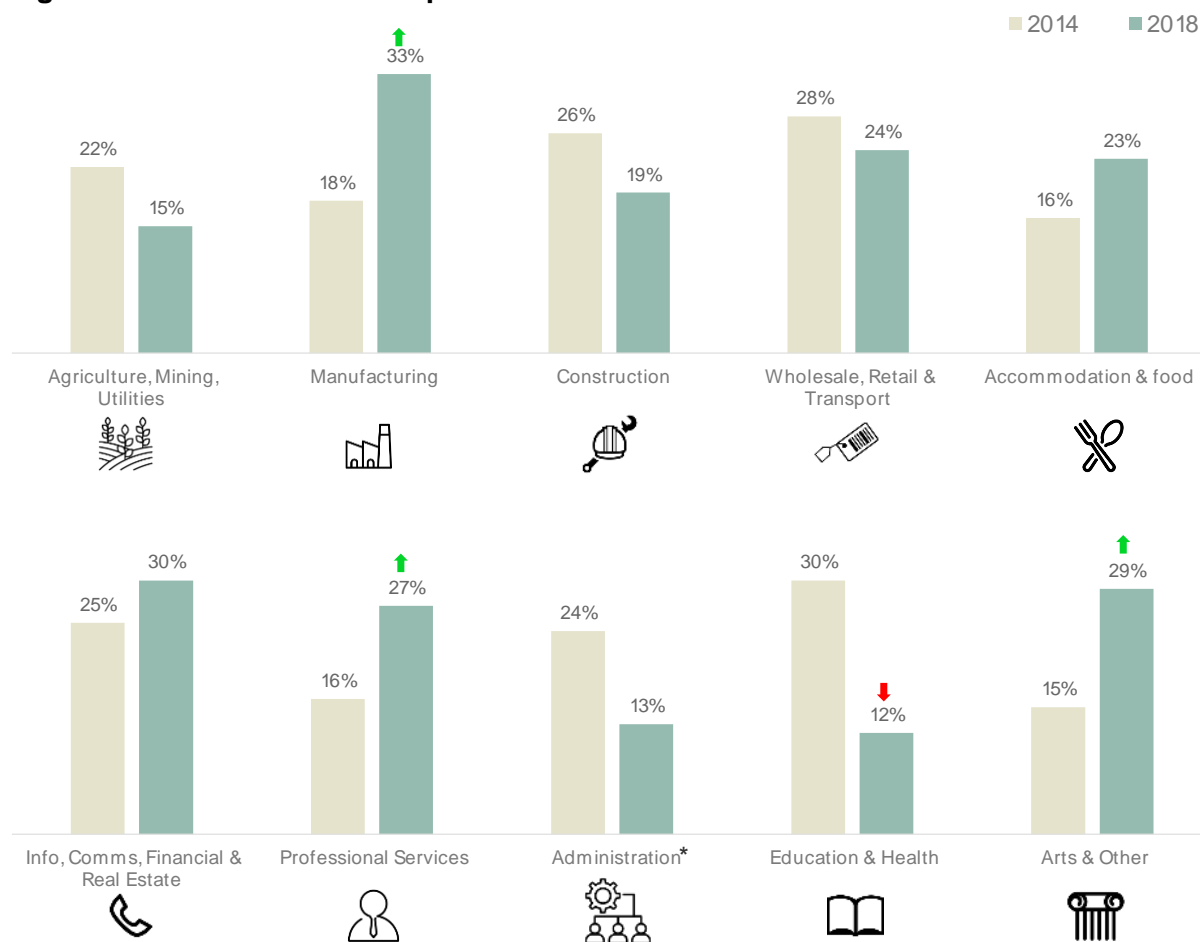


C3. Overall, how familiar would you say you are personally with Competition Law? Would you say you know it..? Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

Looking at sector (Figure 3.3), awareness of competition law is highest among Manufacturing (33%) and Information, Communications, Financial and Real Estate (30%).

Since 2014, there have been some significant changes in familiarity with competition law among different sectors of the UK business population. On the one hand, within the Manufacturing, Professional Services and Arts & Other sectors there have been significant positive increases of 13, 11 and 14 percentage points respectively. On the other, there has been a significant decrease in awareness among the Education & Health sector, down 18 percentage points to 12%. This has resulted in the Education & Health sector (comprised of social care and primary through to higher level education) losing its previous number one ranking for awareness.

Figure 3.3: Awareness of competition law – sector breakdown



C3. Overall, how familiar would you say you are personally with Competition Law? Would you say you know it..? Base: 2014, 2017/ 18: Agriculture, Mining, Utilities (80/ 104), Manufacturing (132/ 121), Construction (114/ 145), Wholesale, Retail & Transportation (194/ 175), Accommodation & food (141/ 132), Information, Communication, Financial & Real Estate (127/ 131), Professional Services (179/ 160), Administration (77/ 48*), Education & Health (90/ 79), Arts & Other (67/ 105). *Low base size

Generally speaking, stated awareness of competition law is consistent across the UK nations. It varies from a high of almost three in ten (28%) respondents in Northern Ireland to a low of one in five (18%) in Wales (Figure 3.4).

Figure 3.4: Awareness of competition law – regional breakdown



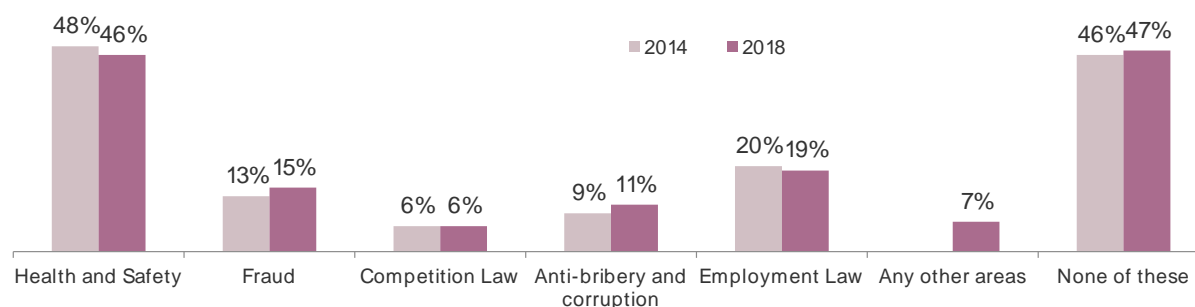
C3. Overall, how familiar would you say you are personally with Competition Law? Would you say you know it..?
 Base 2017/ 18: Total Sample (1200), North East (90), North West (89), Yorkshire & The Humber (103), East Midlands (97), West Midlands (109), East (98), London (108), South East (119), South West (109), Wales (93), Scotland (101), Northern Ireland (84).

3.2 Training and discussion on competition law

Businesses were also asked whether they had had any **training sessions** in the last 12 months on topics such as Health and Safety, Fraud, Anti-bribery and Corruption, Employment Law alongside competition law.

As illustrated in Figure 3.5, a slim majority of businesses (53%) have conducted training sessions in the last year. Most of these sessions have been on Health & Safety (46%), followed by Employment Law (19%). Training sessions on competition law are the least common of the options given with just 6% of respondents stating that their organisation has had a training session on this subject, less popular than training in either Fraud (15%) or Anti-bribery and Corruption (11%).

Figure 3.5: Training sessions in the last 12 months

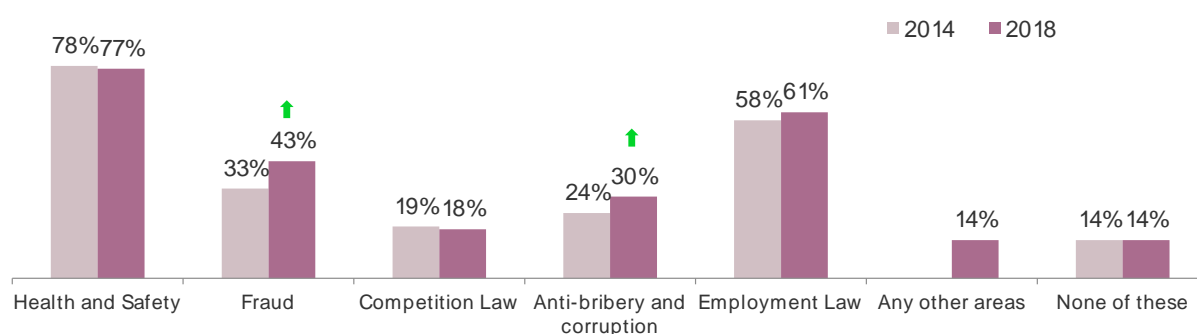


C2. And over the last 12 months, has your company run any training sessions about how to comply with any of the following legislation?
 Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

The findings are generally consistent with the results from the 2014 survey as indicated in Figure 3.5. Moreover, the percentage of those who say that they have attended a session on competition law in the last 12 months has remained the same (6%). However, there is a degree of overlap between many of these categories (competition law, Fraud and Anti-bribery and Corruption) which, combined with an element of confusion on the part of the respondents, may be obscuring evidence of a decrease or increase in the proportion of those who say they have been to a training session on competition law.

In addition to training sessions, businesses have also been asked whether they have had **senior level discussions** on these topics within the past year (Figure 3.6). Again, Health and Safety is the most popular topic, with over three quarters (77%) of respondents reporting that this has been discussed at a senior level in their company. Employment Law is the next most common subject (mentioned by three in five (61%) respondents), followed by Fraud (43%) and Anti-bribery and Corruption (30%).

Figure 3.6: Senior level discussions in the last 12 months



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? Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

Competition law is the least discussed topic over the past year out of those put forward to respondents, with just under one in five (18%) conversing on the topic in the last 12 months. This means three times as many businesses are having senior level discussions about competition law than are having training sessions about competition law. However, as with training sessions, confusion over what is covered by competition law and the category overlap between competition law, Fraud and Anti-bribery and Corruption may result in a slight under-reporting of competition law as a specific topic.

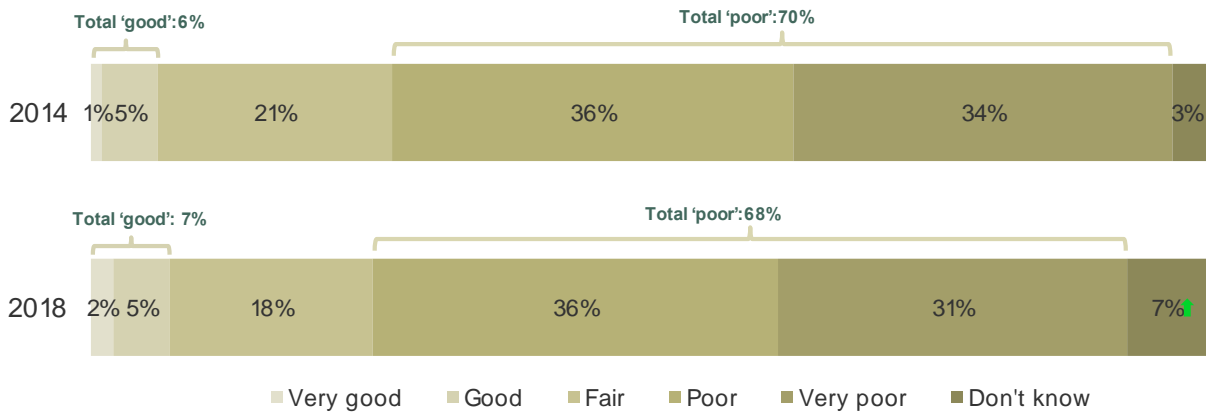
In contrast to the consistency between 2014 and 2018 in the number of training sessions that businesses are holding, there have been several changes in the proportion of companies who state that they have had senior level discussions on these topics in the last 12 months. Businesses are having more senior level discussions about Fraud (+10 percentage points) and Anti-bribery and Corruption (+6 percentage points) compared to four years ago, as per Figure 3.6. However, the proportion of businesses discussing competition law has remains unchanged.

3.3 Awareness of penalties

When asked to describe their awareness of the penalties for non-compliance with competition law, the majority of respondents describe it as poor (68%); just 7% believe it to be good. The

findings are broadly consistent with the results from four years ago where the respective results were 70% and 6%. (Figure 3.8). The sole change from the 2014 survey is a doubling in the percentage of respondents who said 'don't know' in response to the question (from 3% to 7%).

Figure 3.7: Awareness of penalties for non-compliance with competition law

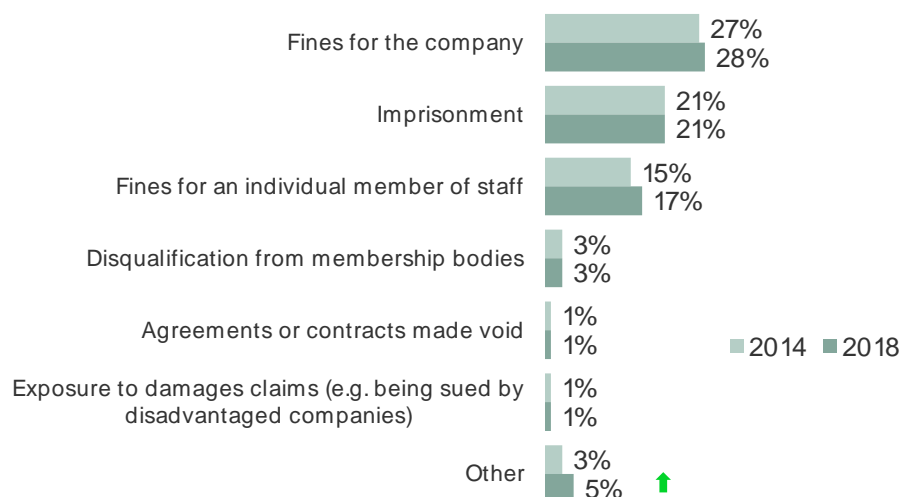


C5. And how would you describe your own awareness of the penalties for non-compliance with Competition Law? Would you say your awareness was...? Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

When asked *unprompted* to list as many sanctions as possible for non-compliance with competition law, the most commonly cited sanction is 'fines for the company' (28%). This is closely followed by 'imprisonment' (21%) and 'fines for an individual member of staff' (17%).

The overall pattern is virtually identical to the findings recorded in the 2014 survey. As demonstrated by Figure 3.8, whilst around a fifth of businesses cite either financial sanctions or imprisonment, few mention other penalties such as 'disqualification from membership bodies' or 'exposure to damage claims (e.g. being sued by disadvantaged companies)'.

Figure 3.8: Awareness of sanctions for non-compliance

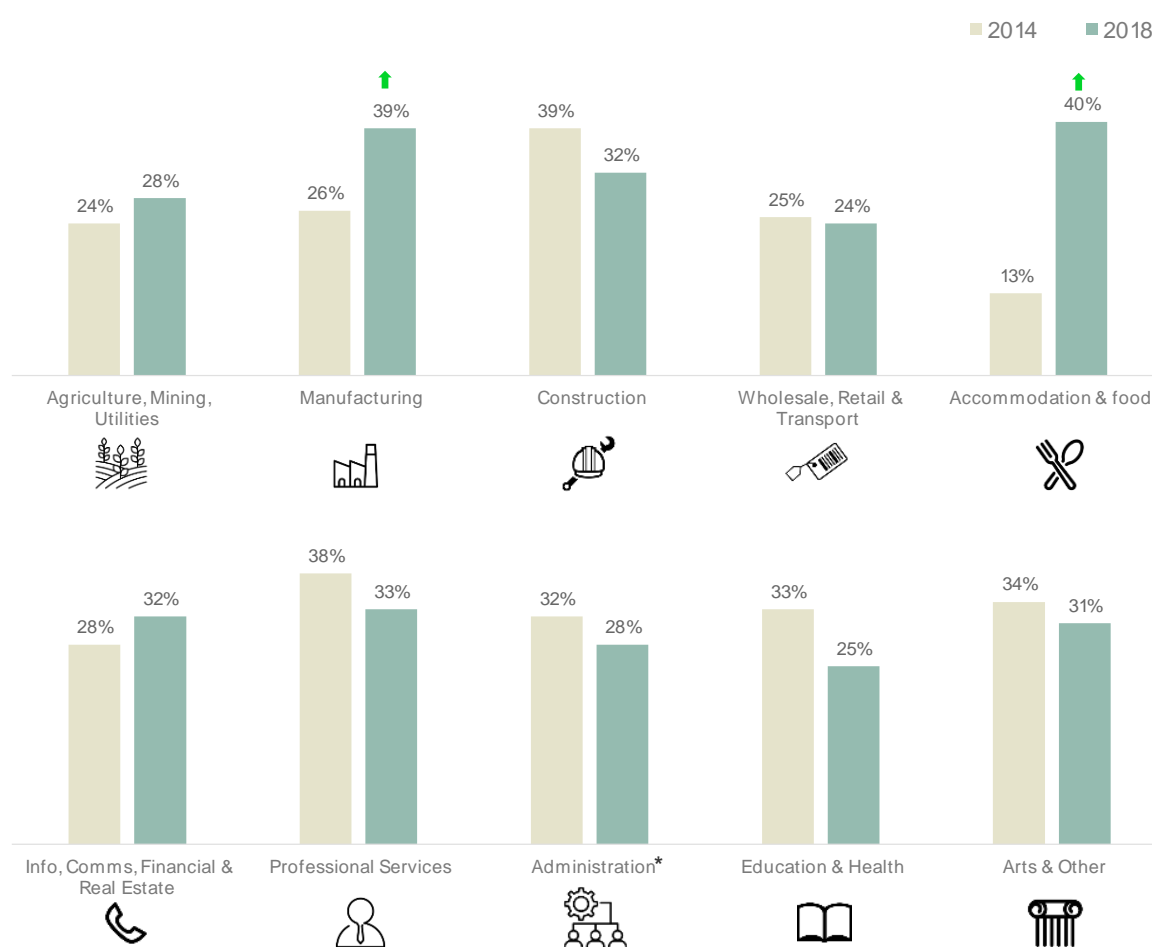


C6. From your knowledge, could you briefly outline for me what the sanctions for non-compliance with Competition Law are? Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

Figure 3.9 shows awareness of the most frequently cited penalty - financial sanctions – is broadly even across all sectors of the UK economy. Stated knowledge is highest among respondents in the Manufacturing (40%) and Accommodation and Food sectors (39%). Conversely, it is lowest in Wholesale, Retail & Transport (24%) and Education & Health (25%), cited by around a quarter of respondents.

When comparing awareness of the possibility of a financial penalty for either a member of staff or the whole company within sectors between 2014 and 2018, it is evident that the picture is largely stable with few statistically significant changes. Nonetheless, there are two sectors where there has been a substantial shift in awareness (Figure 3.10): Manufacturing (where there has been a 13 percent point increase to 39%) and the Accommodation & Food sector (+27 percentage points to 40%).

Figure 3.9: Awareness of financial sanctions – sector breakdown

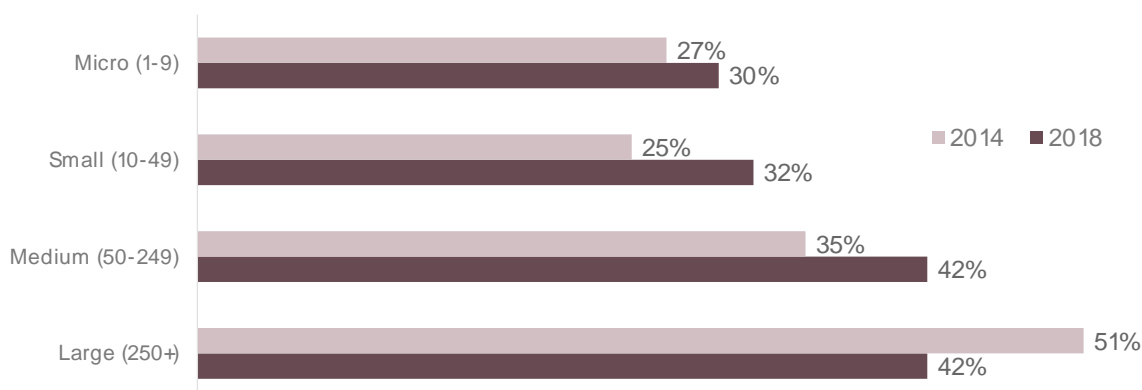


C6. From your knowledge, could you briefly outline for me what the sanctions for non-compliance with Competition Law are?
 Base: % of respondents who correctly selected codes 'fines for the company' and / or 'fines for an individual member of staff':
 2014, 2017/ 18: Agriculture, Mining, Utilities (80/ 104), Manufacturing (132/ 121), Construction (114/ 145), Wholesale, Retail & Transportation (194/ 175), Accommodation & food (141/ 132), Information, Communication, Financial & Real Estate (127/ 131), Professional Services (179/ 160), Administration (77/ 48*), Education & Health (90/ 79), Arts & Other (67/ 105) *Low base size

In a recurring theme throughout this research, awareness of the possibility of a financial penalty for either a member of staff or the whole company is highest among respondents in medium to large companies as per Figure 3.11. Just under a third of respondents in micro-small companies are aware of financial sanctions compared to four in ten employed in medium or large firms.

Interestingly, since 2014, more medium sized companies are aware of financial sanctions (+7 percentage points) but fewer large companies (-9 points).

Figure 3.10: Awareness of financial sanctions – business size breakdown



C6. From your knowledge, could you briefly outline for me what the sanctions for non-compliance with Competition Law are?
 Base: % of respondents who correctly selected codes 'fines for the company' and / or 'fines for an individual member of staff' 2014, 2017/ 18: Micro (804/ 827), Small (194/ 193), Medium (119/ 91), Large (84/ 89)

3.4 Searching for information

The majority (78%) of respondents would turn to the internet for relevant information (Figure 3.11). Besides the internet, over two fifths (44%) would contact a trade association that supports their industry whilst a similar proportion would contact an official government body for formal advice (40%) or ask their accountant (39%).

When comparing these findings to those in the 2014 survey, respondents also indicated a similar inclination to search the internet before using other methods such as trade associations or legal firms.

Figure 3.11: Searching for information on competition law



F1. If you were in a position where you needed information on competition law, which one of the following would you do? Base: all respondents 2014 (1,201), 2017/ 18 (1,200). N.b. 2014 responses <5% not shown.

Please note that direct comparisons between 2014 and 2018 cannot be made as the question was posed differently. In this year's survey, respondents were given a list of potential answers to choose from, whereas four years ago no list was provided.

4. Awareness of anti-competitive behaviours

Beyond an assessment of UK businesses' high-level stated awareness of competition law, one of the key objectives of the survey is to discover to what extent businesses understand and comply with the law. Whilst the CMA continues to strive to increase awareness of competition law, it is arguably more important that UK businesses are aware what practices are illegal, regardless of whether they consciously associate them with competition law itself.

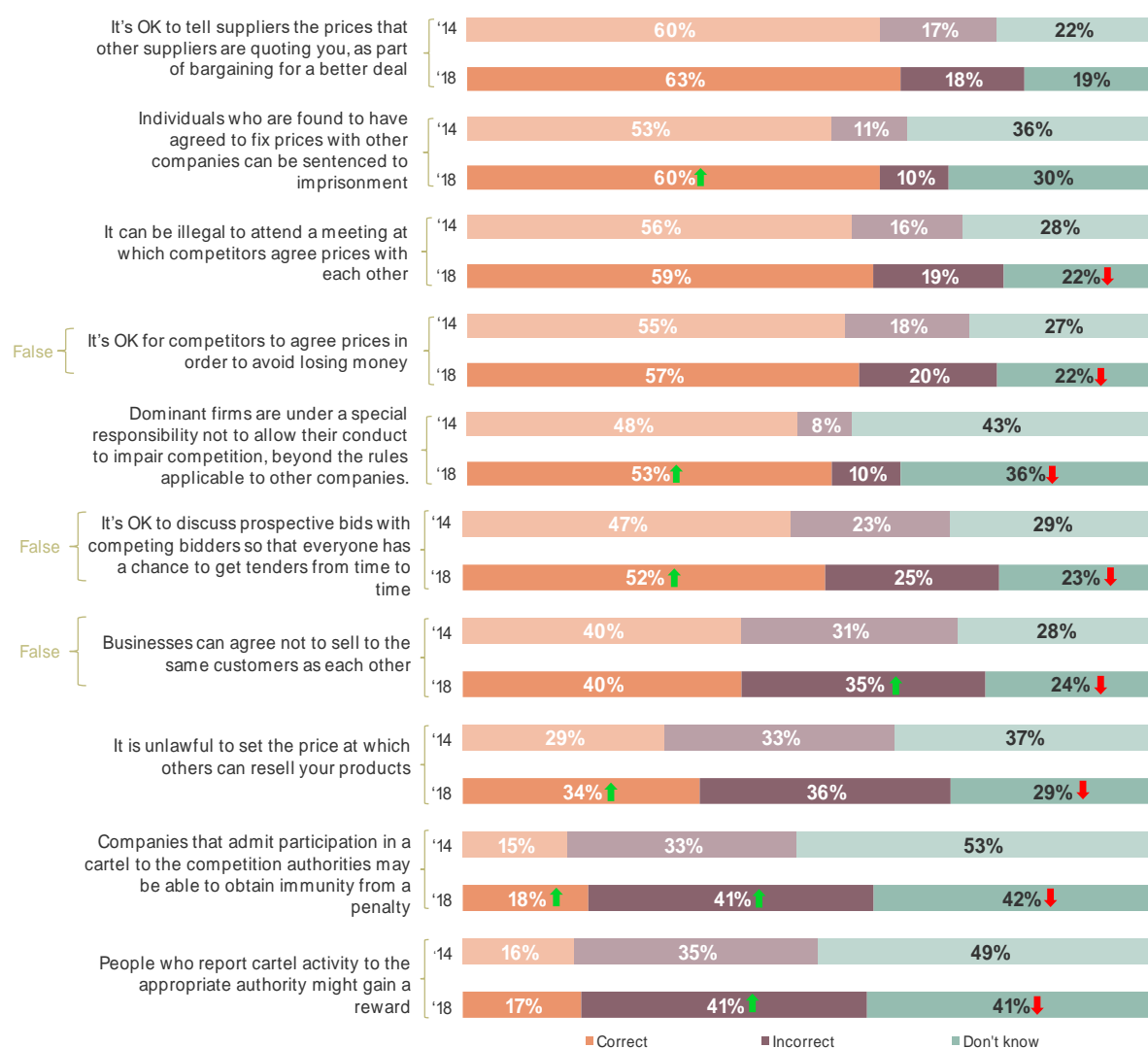
With this in mind, a series of true-false statements were posed to respondents in order to measure to what extent businesses are consciously or unconsciously aware of which practices are non-compliant with competition law. Out of the fourteen statements, five false statements were placed among the statements..

As outlined in Figure 4.1, the statements which respondents were most likely to **answer correctly** are:

- It's okay to tell suppliers the prices that other suppliers are quoting you, as part of bargaining for a better deal (identified as true by 63% of respondents);
- Individuals who are found to have agreed to fix prices with other companies can be sentenced to imprisonment (identified as true by 60%);
- It can be illegal to attend a meeting at which competitors agree prices with each other (identified as true by 59%);
- It's okay for competitors to agree prices in order to avoid losing money (identified as false by 57%).

Out of these four statements, the one which received the highest proportion of 'do not know' responses was "individuals who are found to have agreed to fix prices with other companies can be sentenced to imprisonment" (30%). Conversely, the response with the lowest percentage of 'do not know' responses was "It's OK to tell suppliers the prices that other suppliers are quoting you, as part of bargaining for a better deal" (19%).

Figure 4.1 Anti-competitive practices



C4. 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? Base: all respondents 2014 (1,201), 2017/ 18 (1,200). *Mean score, based on all 10 statements asked in both 2014 and 2018. N.b. 'Refused' responses excluded

Meanwhile, the statements which respondents were most likely to **answer incorrectly** are:

- People who report cartel activity to the appropriate authority might gain a reward (41% incorrectly answered that this was false);
- Companies that admit participation in a cartel to the competition authorities may be able to obtain immunity from a penalty (41% incorrectly answered that this was false);
- It is unlawful to set the price at which others can resell your products (36% incorrectly answered that this was false);
- Businesses can agree not to sell to the same customers as each other (35% incorrectly answered that this was true).

In addition to the incorrect responses, Figure 4.1 also reveals a lack of awareness among a substantial section of the business community through the large percentage of ‘do not know’ responses. By way of illustration, around four in ten respondents could not give an answer to the questions on gaining a reward (41%) and admitting participation to gain immunity (42%).

Positively, though, there are fewer do not know responses in 2018 than compared with four years ago, further suggesting a gradual improvement in awareness of anti-competitive practices among businesses.

Comparing these findings with those four years ago, the statements which show the **greatest improvement** in the correct number of responses are:

- Individuals who are found to have agreed to fix prices with other companies can be sentenced to imprisonment (+7 percentage points);
- It’s okay to discuss prospective bids with competing bidders so that everyone has a chance to get tenders from time to time (+5 percentage points);
- It is unlawful to set the price at which others can resell your products (+5 percentage points).

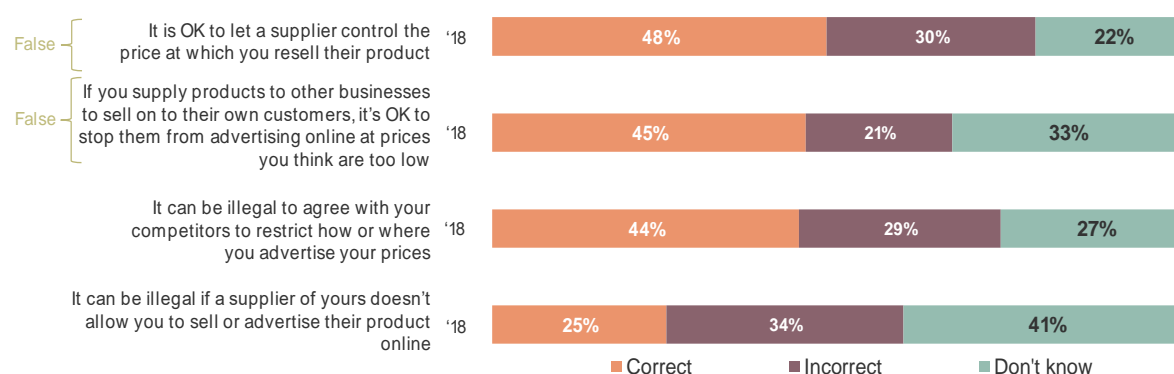
By contrast, the statements which witnessed the **biggest increase in incorrect answers** since the 2014 survey are:

- Companies that admit participation in a cartel to the competition authorities may be able to obtain immunity from a penalty (+8 percentage points);
- People who report cartel activity to the appropriate authority might gain a reward (+6 percentage points);
- Businesses can agree not to sell to the same customers as each other (+4 percentage points).

Overall, the mean number of correct responses among the ten statements in Figure 4.1 is 4.5. This is an increase from 4.2 four years ago, reinforcing the sense that respondents are more knowledgeable than four years ago.

This year four new true-false statements were asked to reflect recent enforcement cases and particular infringements of competition law (Figure 4.2). Letting a supplier control resale price, preventing customers from advertising online at too low a price and restricting where and how prices are advertised, were all correctly identified by over two in five respondents (48%, 45% and 44% respectively). However, for the statement “it can be illegal if a supplier of yours doesn’t allow you to sell or advertise their product online,” more respondents answered incorrectly than correctly (34% versus 25%). Incidentally, this statement also received the highest number of ‘don’t know’ responses (41%).

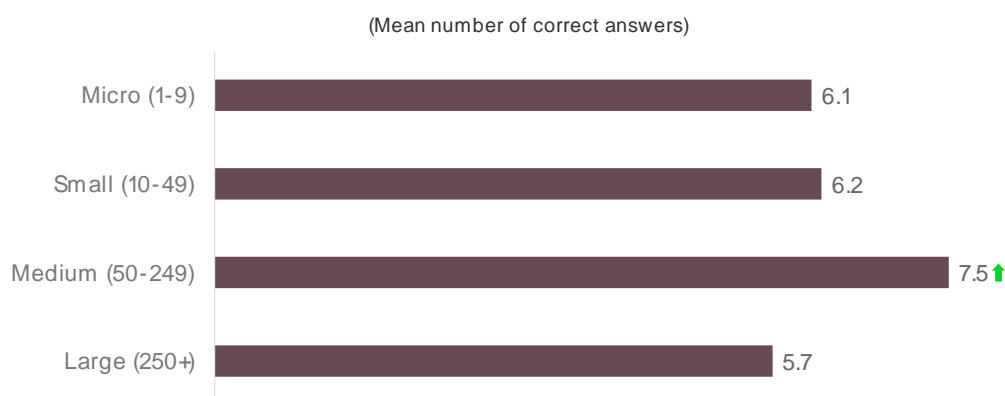
Figure 4.2 Anti-competitive practices- new statements



C4. 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? Base: all respondents 2017/ 18 (1,200). *Mean score based on all 14 statements, with the sample weighted either by size (to the profile of businesses) or by employment (to the profile of UK business). N.b. 'Refused' responses excluded

Taken together with the previous ten statements, the mean number of correct responses is 6.1 out of 14. Respondents in medium sized businesses register the highest mean score among the four business size categories at 7.5 contrasting with large companies where the mean is lowest (5.7).

Figure 4.3 Anti-competitive practices- business size breakdown

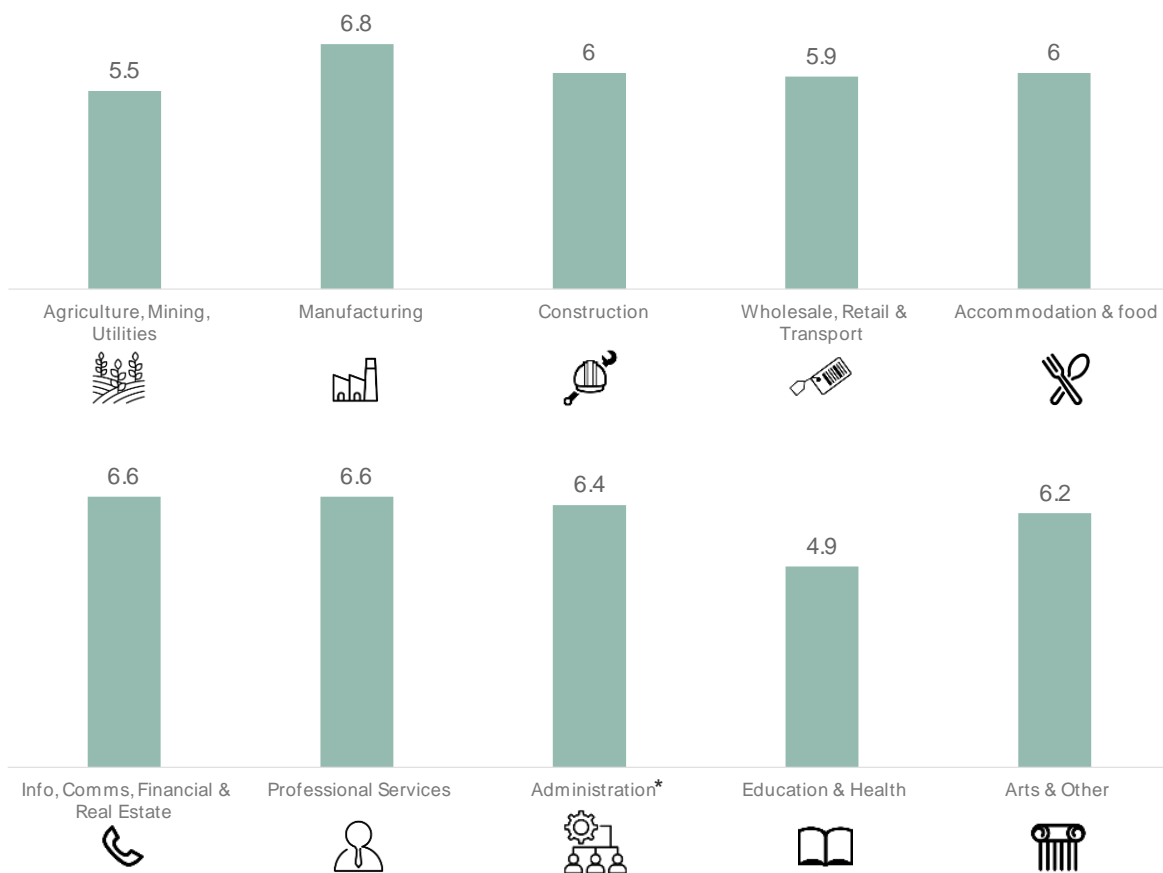


C4. We would now like to ask a few questions about Competition Law. Please tell me for each one whether you think the statement is true, false or whether you are unsure either way? Base: 2017/ 18: Micro (827), Small (193), Medium (91), Large (89)

When broken down by sector the mean number of correct responses varies little, as per Figure 4.4. Respondents in Education and Health scored the lowest (4.9) in contrast to those in Manufacturing who gave the most correct answers (6.8).

Figure 4.4 Anti-competitive practices - sector breakdown

(Mean number of correct answers)



C4. 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? Base: 2017/ 18: Agriculture, Mining, Utilities (104), Manufacturing (121), Construction (145), Wholesale, Retail & Transportation (175), Accommodation & food (132), Information, Communication, Financial & Real Estate (131), Professional Services (160), Administration (48*), Education & Health (79), Arts & Other (105). *Low base size

5. Corporate commitment to compliance

Beyond an awareness and knowledge of competition law, a key objective of this research is to understand what factors are encouraging compliance with the law. This chapter therefore explores the extent to which businesses are ‘pushed’ and ‘pulled’ towards compliance as well as their own perception of the degree to which they are at risk of breaching competition law.

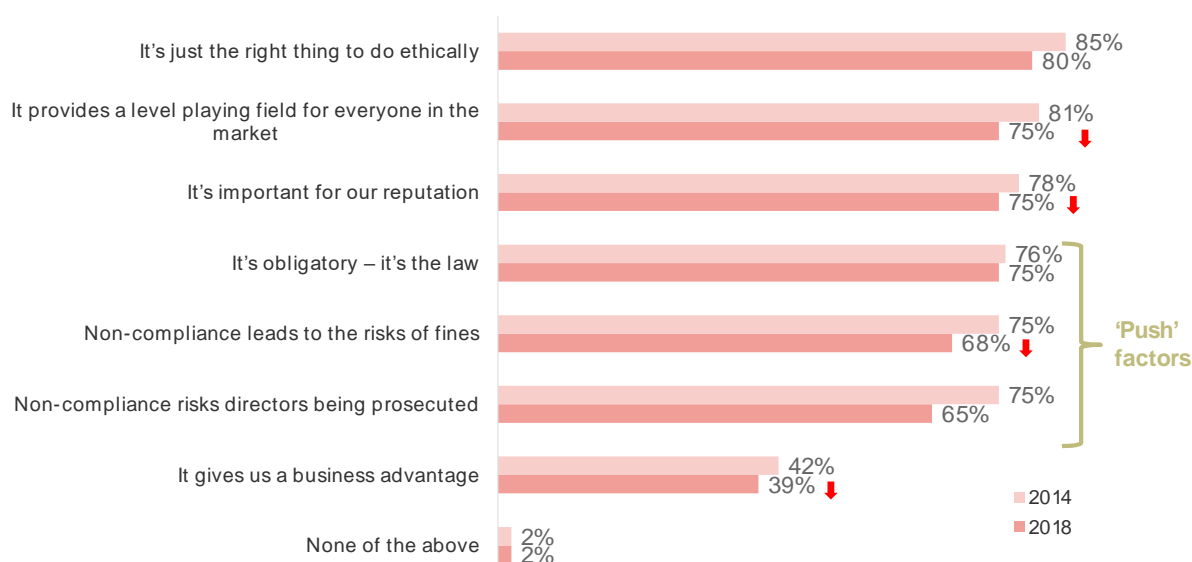
In addition, the final half of this section looks at the reporting of illegal activity, analysing both how businesses would act if they discovered activity that was breaking competition law as well as the factors that would encourage them to speak out against this type of illegal activity.

5.1 Motivations for compliance

The majority of businesses give multiple reasons for complying with competition law, as illustrated by Figure 5.1. The strongest factor for compliance is moral with four in five (80%) respondents agreeing that “it’s just the right thing to do ethically.” This is an example of a ‘pull’ factor and it is interesting to note that the next two important factors are also of a similar nature: “it provides a level playing field for everyone in the market” (75%) and “it is important for our reputation” (75%).

The ‘pull’ factor which exhibits the least effect is the notion that “it gives us a business advantage” (39%).

Figure 5.1 Motives for compliance with competition law



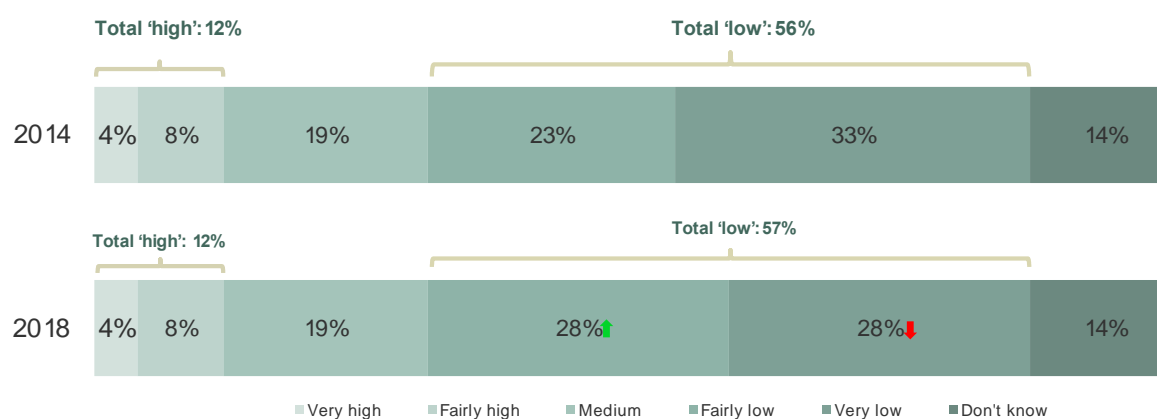
D1. From the following list of reasons why companies might comply with Competition Law, please can you tell me which are important to you personally? Base: all respondents 2014 (1,201), 2017/ 18 (1,171).

Even though compliance with competition law is more likely to be encouraged by ‘pull’ factors, the majority of businesses are also influenced by several ‘push’ factors. Out of these, “it’s obligatory-it’s the law” is the most powerful, with three quarters (75%) agreeing that they are motivated to comply with the law for this reason. The next two most important ‘push’ factors are “non-compliance leads to the risks of fines” and “non-compliance risks directors being prosecuted,” both cited by around two thirds (68% and 65% respectively).

Overall, the level of importance attached to each factor and the order of the statements is broadly consistent with the 2014 results.

When asked about the perceived risk at which their commercial activities place them, in terms of potentially breaching competition law, the majority of businesses state that the risk is ‘very’ or ‘fairly’ low (57%). Among different sectors, those in Construction are the most likely to view their activities as ‘at least a medium risk’ of breaching competition law (47%), followed by those in Accommodation and Food (37%). As shown in Figure 5.2, across all sectors, just one in nine (12%) respondents perceive the potential risk to be ‘very’ or ‘fairly’ high, whilst 14% do not know.

Figure 5.2 Perceived risk of breaching competition law

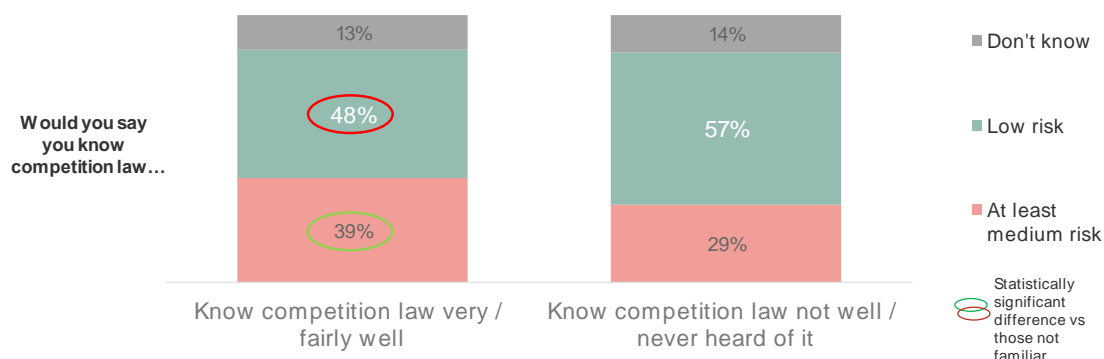


D3. Thinking of all the businesses in your sector, to what extent do you think their commercial activities place them at risk of breaching Competition Law? Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

These findings largely mirror the pattern recorded in the survey four years ago. At the same time, even though there has been no change in the total proportion of respondents who perceive the risk as low, there has been a statistically significant decrease (5 percentage points) among those who see the risk as ‘very low,’ accompanied by a complementary increase in those who rate the risk as ‘fairly low’ (5 percentage points).

The risk of breaching competition law is linked to knowledge of competition law: respondents who are knowledgeable about the law are more likely than those who are not to recognise that commercial activities may place them at risk of breaching it. As per Figure 5.3, four in ten (39%) businesses who know competition law ‘very/fairly well’ say there is at least a medium risk compared to three in ten (29%) who know it ‘less well/have never heard of it’.

Figure 5.3 Risk of breaching competition law - breakdown according to knowledge of competition law



D3. 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? Base: all respondents 2014 (1,201), 2017/ 18 (1,200). C3. Overall, how familiar would you say you are personally with Competition Law? Would you say you know it..? Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

5.2 Taking action on non-compliance

When asked how they would react upon learning about illegal activity (Figure 5.4), the majority of respondents state that they would take action, both if this was within their own firm (88%) or within a rival firm (77%). One in nine (12%) respondents would not take any action if they discovered illegal action taking place within a competing business.

Figure 5.4 Speaking up about illegal activity



D4. Imagine for a moment that you had information that someone you know within your own business was involved in something that you thought was illegal. What, if anything would you do? D5. And what if you had information that someone you knew within a competing business was involved in something that you thought was illegal. What, if anything would you do? Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

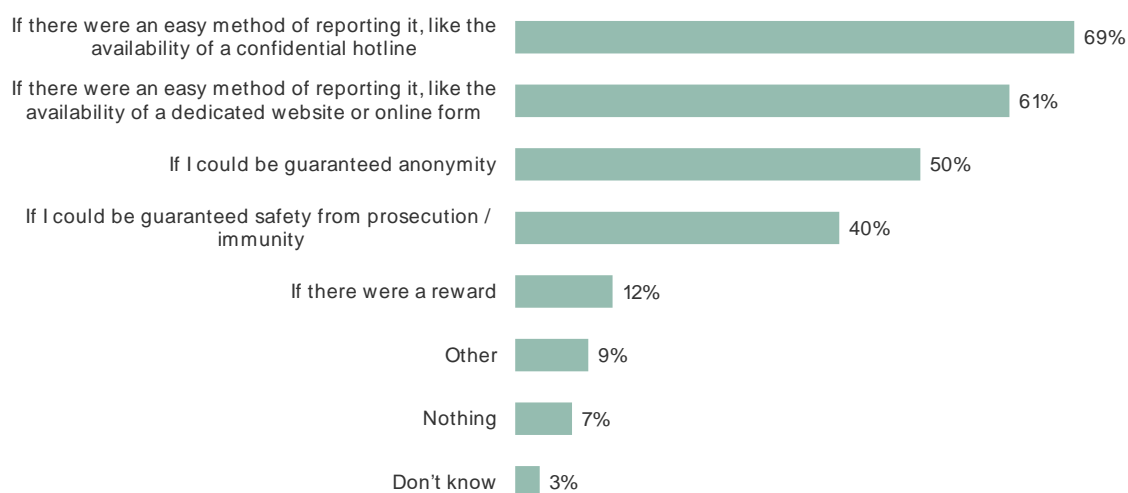
When asked what specific actions they would take, two in five (39%) respondents state that they would 'talk to the person directly to warn them' if they discovered illegal activity within their own business, making this the most common reaction. In contrast, if illegal activity was taking place within a competitor, most businesses would 'call an independent body or regulator' (32%) rather than talk to the competitor directly (11%). The fact that respondents are most

likely to report it internally first emphasises the importance of internal whistle-blowing procedures.

Less than one in twenty respondents (4% both within and outside their own business) would turn to the internet for information. A number of businesses said they would call the police (16% within their own business; 13% within a rival business).

When asked what would **encourage them to report illegal activity** (Figure 5.5), over two thirds of businesses (69%) said “if there were an easy method of reporting it, like the availability of a confidential hotline.’

Figure 5.5 Factors encouraging reporting of illegal activity



D7. What, if anything, would make you more likely to report the potentially illegal situation? Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

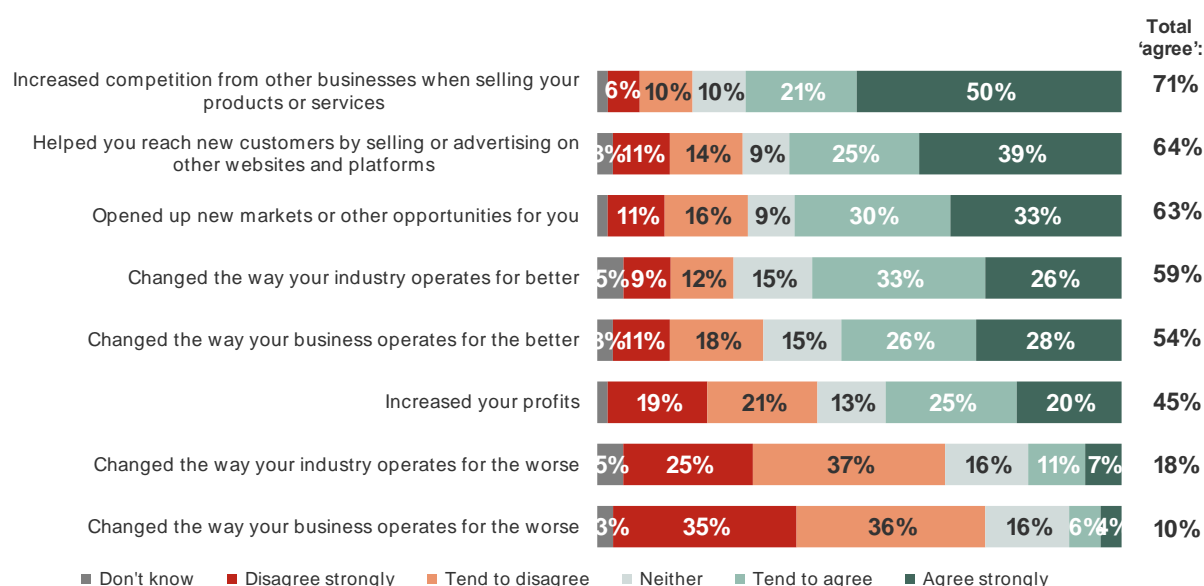
Similarly, three in five respondents (61%) would be more likely to report illegal activity if there were an easy method of reporting it, such as the availability of a dedicated website or online form. Anonymity is also an important factor when reporting illegal behaviour, with half (50%) agreeing that they are more likely to take action if their identity is protected.

6. Technology and digital markets

With the advent of the CMA’s new digital, data and technology team to develop the CMA’s understanding of issues in the technology sector, this year the competition law survey has focused on the impact that technology and the internet is currently having on businesses in the UK.

Respondents were asked a series of questions regarding the impact that technology and the internet have had on their company (Figure 6.1). The majority agree that the change brought by digital has been largely positive, with three in five (59%) respondents stating that it has changed their industry for the better and just over half stating that it has changed their own business for the better.

Figure 6.1 Impact of new technology and the internet

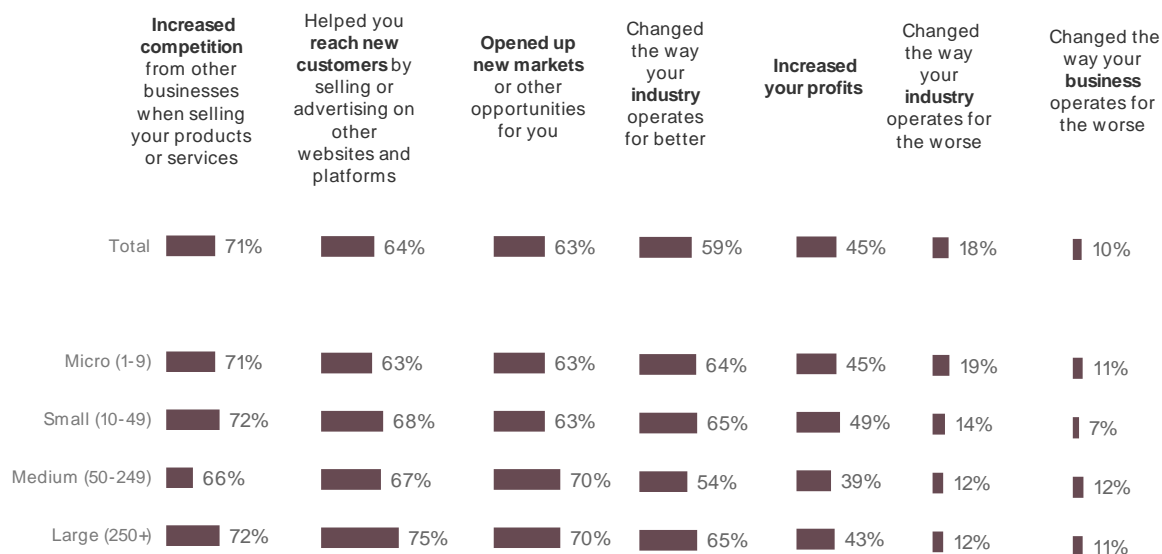


E1. I would now like you to think about how your company sells its products, and specifically the impact of new technology and the Internet. For each of the following do you agree strongly, tend to agree, neither agree nor disagree, tend to disagree or disagree strongly that the Internet has.. Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

More specifically, the majority of businesses (63%) also agree that technology has “opened up new markets or other opportunities.” This has in turn resulted in “increased competition from other businesses when selling products or services” (71%). Finally, nearly two thirds (64%) of businesses also agree that technology and the internet has “helped reach new customers by selling and/or advertising on other platforms.” However, even with all these seemingly positive changes, less than half of respondents agree that this has resulted in an increase in their business’s profits (45%).

When broken down by business size (Figure 6.2), there are no statistically significant differences among different business sizes.

Figure 6.2 Impact of new technology and the internet



E1. I would now like you to think about how your company sells its products, and specifically the impact of new technology and the Internet. For each of the following do you agree strongly, tend to agree, neither agree nor disagree, tend to disagree or disagree strongly that the Internet has.. Base: all respondents 2018 (1,200), Micro 2018 (827), Small 2018 (193), Medium 2018 (91), Large 2018 (89).

7. Awareness and understanding of the CMA and its role

The CMA is still a relatively new organisation. Formed in 2014 by combining certain responsibilities of the Office of Fair Trading (OFT) and the Competition Commission, this competition law survey seeks to track any change in awareness of the CMA in terms of both brand identity and its perceived role and remit.

This chapter looks at the extent to which UK businesses recognise the CMA as the body which enforces competition law, looking at both unprompted and prompted awareness. Beyond this, businesses' familiarity with the CMA is explored and compared with the 2014 survey, before examining the extent to which businesses are aware of the duties and responsibilities of the CMA.

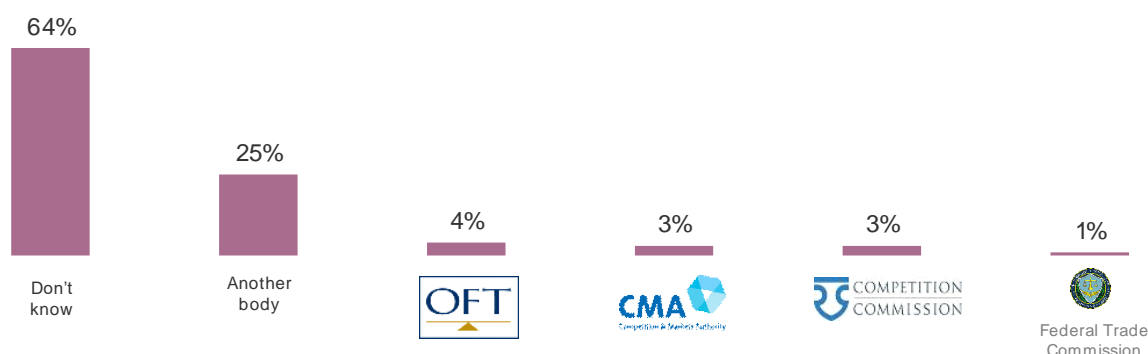
7.1 Awareness of the CMA

Respondents were asked initially who they think enforces competition law without being prompted with a list of options. This approach was undertaken in order to gauge the extent to which the CMA is at the forefront of respondents' minds.

Figure 7.1 summarises the results and shows that the majority of UK businesses (64%) do not know which official body is responsible for enforcing competition law: only 3% of the audience were able to correctly identify the CMA. However, this is not surprising given that only 23% say they know competition law 'well' (Figure 3.1).

Few respondents cite the previous governmental bodies now encompassed by the remit of the CMA: 4% named the Office of Fair Trading (OFT) and 3% the Competition Commission. A quarter (25%) of respondents identify spontaneously other organisations such as 'the HMRC,' 'the government,' 'Department of Trade and Industry' as well as 'the Monopolies Commission' (the predecessor to the Competition Commission).

Figure 7.1 Responsible for enforcing competition law in UK - spontaneous awareness



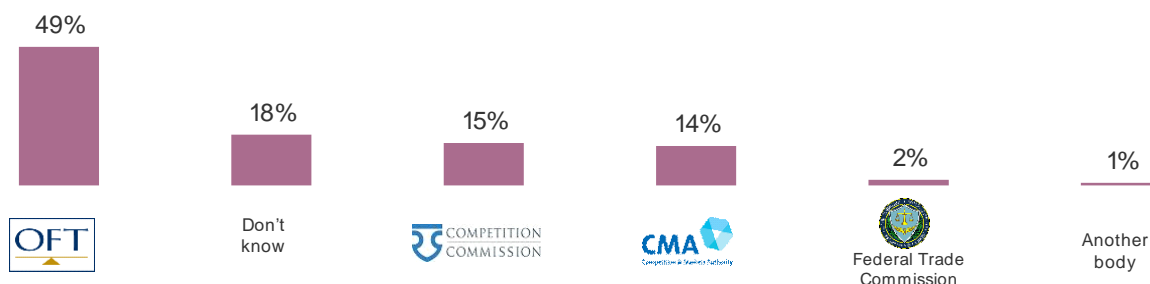
F2. Which official body do you think is currently responsible for enforcing Competition Law in the UK? Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

When presented with a list of organisations and asked to identify which of the following is currently responsible for enforcing competition law, half (49%) of respondents identify the

OFT, as set out in Figure 7.2. The next most frequently mentioned response is ‘don’t know’, mentioned by close to one in five (18%) respondents.

Around one in seven respondents (14%) correctly identified the CMA as the body currently responsible for enforcing competition law. Whilst this is a larger percentage than when asked in an unprompted manner (11 percentage points higher), it appears that the newer CMA brand continues to lie in the shadow of the old OFT name.

Figure 7.2 Responsible for enforcing competition law in UK- prompted awareness

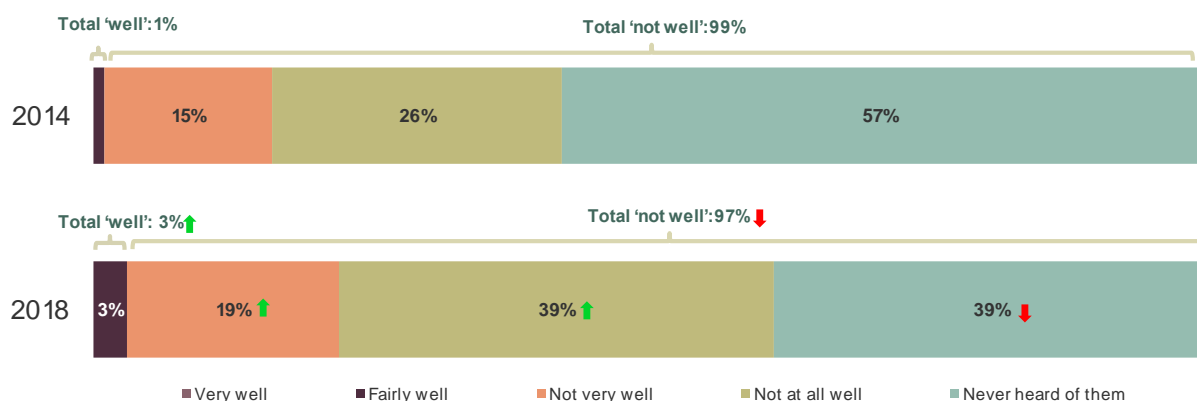


F3. Which of these do you think is the body with current responsibility for enforcing Competition Law in the UK? Base: all those who were not aware that the CMA enforces competition law in the UK (1,161)

While many respondents may not be aware that competition law now falls under the remit of the CMA, Figure 7.3 indicates that more businesses in 2018 compared to 2014 are aware of the existence of the organisation itself.

The proportion of businesses who state that they have never heard of the CMA has decreased by 18 percentage points since 2014. Nonetheless, the result still means two-fifths (39%) of UK businesses are unaware of the existence of the CMA.

Figure 7.3 Familiarity with the CMA



F4. How familiar are you with the Competition and Markets Authority, also known as CMA? Would you say you know them...Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

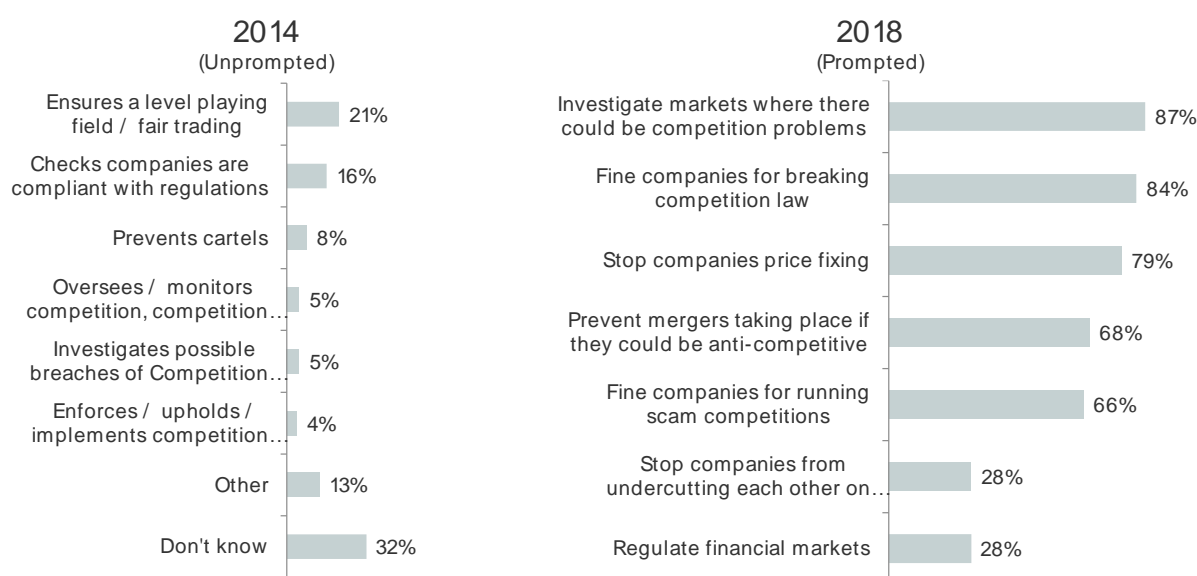
7.2 Awareness of the CMA’s responsibilities

UK businesses were also asked what responsibilities fall under the remit of the CMA. As illustrated by Figure 7.4, the majority of businesses were able to correctly identify the various roles and responsibilities of the CMA. Over four in five respondents recognised that the CMA is responsible for issues relating to competition law whether these are investigating markets

where there could be competition problems (87%) or fines for breaching the law (84%). Nearly four in five (79%) also correctly identified that the CMA stops price fixing. Slightly fewer respondents (68%) were aware that the CMA can prevent mergers from taking place if they are anti-competitive.

Interestingly, two thirds of UK businesses (66%) think that the CMA is responsible for fining companies who run scam competitions. Moreover, three in ten (28%) think the role of the CMA is to regulate financial markets with a similar proportion stating that the organisation stops companies from undercutting each other on price.

Figure 7.3 Role and remit of the CMA

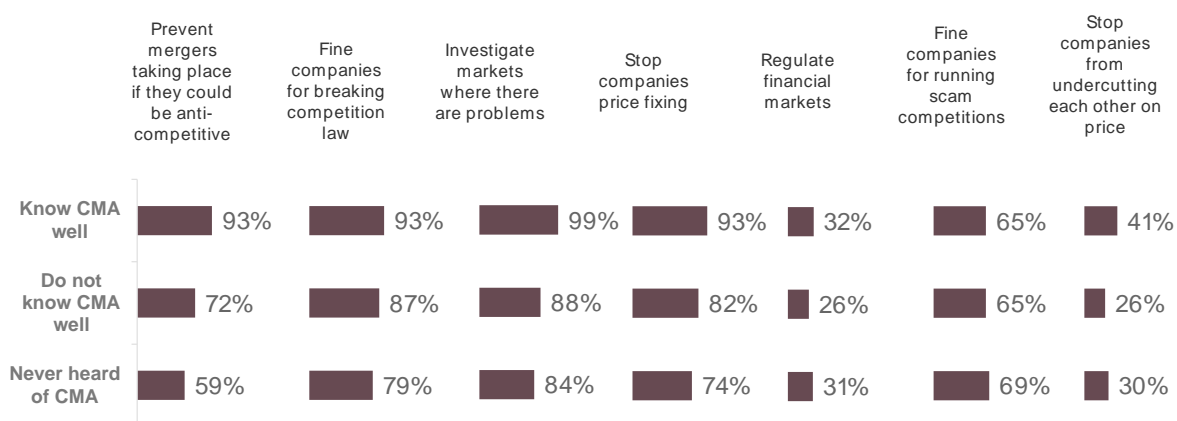


F5. Which, if any of the following do you think the Competition and Markets Authority does? NB, 2014 responses <4% not shown. Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

A similar question was asked in the 2014 survey although, unlike in 2018, respondents were not presented with a list of potential roles. Consequently, the number of businesses who correctly identified key responsibilities of the CMA was much lower.

When broken down according to the awareness of the CMA (Figure 7.4), it is clear that respondents who claim to know the CMA 'well' are much more likely to be able to identify the key responsibilities of the CMA. For example, over nine in ten (93%) of those who are familiar with the CMA recognise that it is able to prevent mergers taking place compared to seven in ten (72%) of those who do not know the organisation well. This proportion falls again among those who have never heard of the CMA (59%).

Figure 7.4 Role and remit of the CMA - breakdown according to awareness of CMA



F5. Which, if any of the following do you think the Competition and Markets Authority does? NB, 2014 responses <4% not shown. Base: all respondents 2014 (1,201), 2017/ 18 (1,200).

8. Analysing results among a representative sample of business rather than businesses

The intention in the 2017/18 research was to replicate the sampling procedure adopted in the 2014 survey to enable reliable comparisons between the two studies. In short, this meant interviewing a representative sample of British businesses. However, there is more than one way to draw – or weight – a sample of businesses. Therefore, it is insightful to explore what a representative sample of UK businesses actually looks like.

The universe of businesses in the UK is such that the vast majority of them are classified as SME (just 0.4% of UK businesses are classified as ‘large’ once single person enterprises are excluded from analysis). The table below shows the profile of UK businesses according to BEIS, Business Population Estimates (2016), and it is this profile that the 2014 and 2018 surveys have been weighted to in line with best practice.

Figure 8.1: Profile of UK businesses

Employees	Definition	Universe	% of sample
None	Sole proprietorship	4,172,185	Ineligible
1-9	Micro	1,325,485	84.5%
10-49	Small	203,550	13.0%
50-249	Medium	33,310	2.1%
250+	Large	7,200	0.4%

The above assumes a representative sample of *businesses*, yet an alternative is to weight the sample so that it is representative of UK industry by employment (or turnover). Figure 8.2 reveals what a representative sample of *business* looks like, with employment as the decisive variable. It is in striking contrast to Figure 8.1, with micro businesses dropping from 84.5% of sample composition to only 18.4%.

Figure 8.2: Profile of UK business by employment

Employees	Definition	Employment	% of sample
None	Sole proprietorship	4,535	Ineligible
1-9	Micro	3,978	18.4%
10-49	Small	3,970	18.3%
50-249	Medium	3,251	15.0%
250+	Large	10,470	48.3%

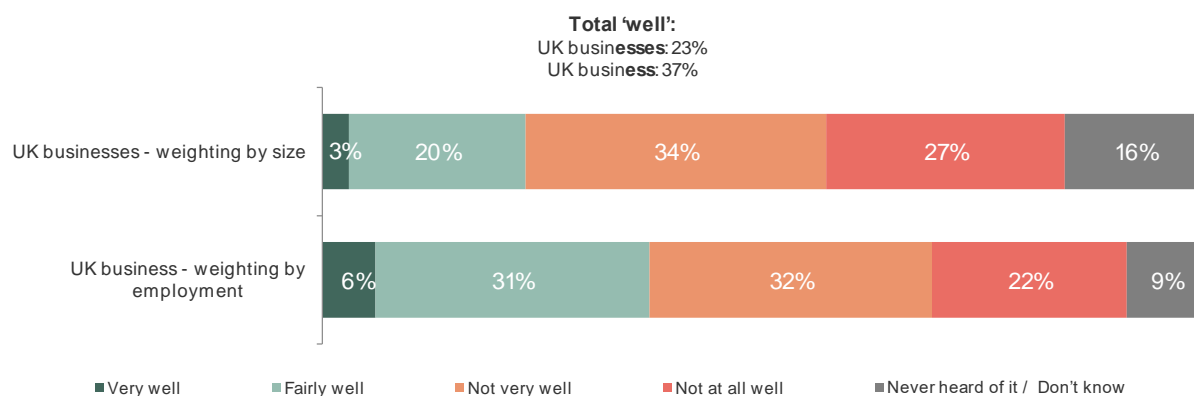
Evidently, the largest UK businesses create the most employment (and similarly turnover). Therefore, in a new development to the 2018 research, ICM have created a second dataset weighted to the profile of UK business by employment. The aim of this second dataset is not to undermine the main sample weighted to the profile of UK businesses by size: this remains the standard way of conducting business surveys and is consistent with the methodology used in 2014.

Rather, the purpose is to highlight any differences in opinion or behaviour by company size because, if there are variations between small and large companies, these would be amplified in the second dataset weighted to employment. This is important because in a survey of businesses, every organisation – whether a micro or large company – is treated equally in the dataset, whereas in a survey of business, the views of larger organisations in the sample count for substantially more. In this way, it arguably better represents how competition law awareness and risks interact with the level of economic activity across the UK.

Figures 8.3, 8.4 and 8.5 show clear differences across a range of key measures, underpinning the differences between micro-small firms on the one hand and medium-large companies on the other.

In particular, when weighted according to the UK profile of employment as opposed to the UK profile of business sizes, awareness of competition law is significantly higher (Figure 8.3). Familiarity increases by 14 percentage points from 23% to 37% when examined according to employment. Moreover, there is a decrease in the proportion of businesses that state that they have never heard of competition law (from 16% to 9%).

Figure 8.3: Awareness of competition law – weighted by employment



C3. Overall, how familiar would you say you are personally with Competition Law? Would you say you know it..? Base: all respondents 2017/ 18 (1,200).

Figure 8.4: KPIs where weighting the data by employment INCREASES scores

Question	Weighted to the profile of UK businesses	Weighted to profile of UK business by employment	Difference (% point)
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? competition law	18%	37%	+19
C2. And over the last 12 months, has your company run any training sessions about how to comply with any of the following legislation? competition law	6%	24%	+18
C3. Overall, how familiar would you say you are personally with competition law? Would you say you know it...? NET: Well	23%	37%	+14
C6. From your knowledge, could you briefly outline for me what the sanctions for non-compliance with competition law are? Total: Financial sanctions	31%	39%	+8
B2. And in what circumstances have you been in contact with: People from other businesses in your industry- To discuss prices	10%	15%	+5
B1. In the last 12 months have you had contact with any of the following, either in a professional, or more informal, capacity? People from other businesses in your industry- Yes	79%	83%	+4
F4. How familiar are you with the competition and Markets Authority, also known as CMA? Would you say you know them... NET: Well	3%	6%	+3

Figure 8.5: KPIs where weighting the data by employment DECREASES scores

Question	Weighted to the profile of UK businesses	Weighted to profile of UK business by employment	Difference (% point)
B2. And in what circumstances have you been in contact with: People from other businesses in your industry- In relation to a transaction	34%	30%	-4
C3. Overall, how familiar would you say you are personally with competition law? Would you say you know it...? Total: Never heard of it	16%	9%	-7
F3. Which of these do you think is the body with current responsibility for enforcing competition law in the UK? CMA (prompted)	15%	11%	-4

Figure 8.6: KPIs where weighting the data by employment makes no difference

Question	Weighted to the profile of UK businesses	Weighted to profile of UK business by employment	Difference (% point)
C5. And how would you describe your own awareness of the penalties for non-compliance with competition law? Would you say your awareness was...? Total: At least fairly aware	25%	27%	+2
D3. 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? Total: At least medium	31%	30%	-1
F2. Which official body do you think is currently responsible for enforcing competition law in the UK? CMA (unprompted)	3%	4%	+1

Appendices

Appendix 1: Guide to statistical reliability

The respondents to the questionnaire are only a sample of the total UK business population. We cannot, therefore, be certain that the figures obtained are exactly those we would have if everyone in the UK population had been interviewed (the 'true' values). We can, however, predict the variation between the sample results and the 'true' values from knowledge of the size of the samples on which the results are based and the number of times that a particular answer is given.

The confidence with which we can make this prediction is usually chosen to be 95 - that is, the chances are 95 in 100 that the "true" value will fall within a specified range. The table below illustrates the predicted ranges for different sample sizes and percentage results at the "95 confidence interval"⁵.

Table A.1: Sampling error (at 95 per cent confidence level) associated with findings of 50 per cent, by size, sector and region

	Interviews achieved	Population	(Maximum) sampling error (+/-)
Overall	1,200	1,366,840	2.8
Micro	827	1,117,810	3.4
Small	192	207,885	7.1
Medium	91	33,860	10.3
Large	89	7,285	10.4
Agriculture, Mining, Utilities	104	193,920	9.7
Manufacturing	121	265,775	8.9
Construction	145	1,007,500	8.2
Wholesale, Retail & Transport	175	887,435	7.4
Accommodation & food	132	202,060	8.6
Info, Comms, Financial & Real Estate	131	549,765	8.6
Professional Services	160	855,625	7.8
Administration	48	478,810	14.3
Education & Health	79	658,420	11.1
Arts & Other	105	595,205	9.6
North East	90	39,780	10.4
North West	89	136,410	10.4
Y&H	103	101,045	9.7
East Midlands	97	93,995	10
West Midlands	109	114,715	9.4

⁵ It should be noted that these figures assume a simple random possibility sample design with no design effects; in reality, with quota surveys these are likely to occur and widen the margin of error, so this should be treated as a guide.

East of England	98	139,570	10
London	108	231,060	9.5
South East	119	203,370	9
South West	109	122,140	9.4
Wales	93	54,335	10.2
Scotland	101	95,140	9.8
Northern Ireland	84	35,285	10.8

* For example, with a sample of 350 respondents where 50 give a particular answer, the chances are 19 in 20 that the “true” value (which would have been obtained if the whole population had been interviewed) will fall within the range of plus or minus 5.2 percentage points (+/-5.2) from the sample result.

Comparing percentages between sub-groups and the overall total

When results are compared between separate groups within a sample, different results may be obtained. The difference may be “real”, or it may occur by chance (because not everyone in the population has been interviewed). To test if the difference is a real one - i.e. if it is “statistically significant”, we again have to know the size of the samples, the percentage giving a certain answer and the degree of confidence chosen. If we assume the “95 confidence interval”, the differences between the two sample results must be greater than the values given in the table below:

Table A.2: Statistical significance (at 95 per cent confidence level) when comparing subgroups

Size of samples compared	Differences required for percentage levels significance at or near these		
	Statistical reliability		
	10/90	30/70	50/50
350 and 350	4.5	6.8	7.4
500 and 500	3.7	5.0	6.2
500 and 1,000	3.2	4.9	5.4
1,000 and 1,000	2.6	4.0	4.4
1,000 and 2,000	2.3	3.5	3.8
1,200 and 108 (i.e. UK overall and London)	5.9	9.1	9.9

* For example, when comparing the results between the overall sample and those in London (1,200 compared to 108), where 30 give a particular answer, a difference of 9.1 is required for it to be considered statistically significant.

Appendix 2: Response rate

ICM called a total of 48,337 phone numbers in order to achieve the total sample of 1,601 (core UK sample of 1,200 businesses plus 400 Scottish boosters).

When unattainable sample is excluded, the response rate is 12.2%, i.e. 1,601 interviews from 13,080 sample leads.

	Unadjusted - response rate		Adjusted - response rate	
	Number	%	Number	%
Completed	1,601	3.3	1,601	12.2
Refused	11,479	23.7	11,479	87.8
Respondent unavailable during fieldwork	999	2.1	--	--
Did not meet quota / Screening failure	2,633	5.4	--	--
No reply / Answer phone	25,501	52.8	--	--
Unobtainable / Wrong number	6,124	12.7	--	--
TOTAL	48,337	100.0	13,080	100.0

Appendix 3: Computer-Assisted Telephone Interview questionnaire

SCREENER QUESTIONS

⇒ **ASK TELEPHONIST**

S1 **Good morning / afternoon. My name is NAME and I'm calling from ICM Unlimited, the market and opinion research company. 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 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? ADD IF NECESSARY: This may be the Owner, Managing Director, Commercial or Sales Director

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

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	READ OUT REASSURANCE

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**
- **ICM Gregor Jackson or Jennifer Bottomley on 020 7845 8300**

⇒ **ASK ALL**

Good morning / afternoon, my name is NAME, calling from ICM Unlimited, 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 _____ JOB TITLE _____	2	TRANSFER AND RE-INTRODUCE
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	READ OUT REASSURANCE
Wants reassurance email	10	Collect email address and arrange appointment DS: Send automatic email

S3 **This call may be recorded for quality and training purposes only.**

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

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	

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		
50-99	6	Medium (50-249)	
100-249	7		
250+	8	Large (250+)	
Don't know	9		THANK AND CLOSE

Refused	10		
None – Sole Trader	11		

⇒ **ASK ALL**

A2 **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

A3 **And is your business a member of any trade organisation or association? SINGLE CODE**

Yes	1
No	2
Don't know	3

A4 **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 A4**

A5 **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 A4.

	A4	A5
Direct to the general public or consumers	1	1
Businesses	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**

A6 **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, READ OUT. MULTICODE. DS: RANDOMISE ORDER OF CODES 1-11

⇒ **ALL WHO GAVE MORE THAN ONE ANSWER AT A7**

A7 **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 A6

	A6	A7
Via a retail store or showroom, e.g. on the high street	1	1
Company website	2	2
Social media	3	3
TV advertising	4	4
Email/direct marketing	5	5
By mail order	6	6
By phone / fax	7	7
Face to face	8	8
Through formal written proposals/responses to tender	9	9
Selling directly to people in their homes	10	10
Events/conferences	11	11
(1) Any other channel (PLEASE SPECIFY)	12	12
(2) Any other channel (PLEASE SPECIFY)	13	13
(3) Any other channel (PLEASE SPECIFY)	14	14
DO NOT READ OUT: Don't know	15	15

B. AWARENESS OF ANTI-COMPETITIVE BEHAVIOURS

⇒ ASK ALL

B1. 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.

1. People from other businesses in your industry	Y	N	DK
2. People from suppliers to your industry	Y	N	DK
3. People from businesses in other sectors	Y	N	DK

⇒ ASK IF ANY YES SELECTED AT B1:

B2. 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
(IF B1_1=Y or B1_3=Y) When recommending or receiving a supplier recommendation	2
For recruitment purposes	3
For training purposes	4
For professional networking purposes	5
For social reasons	6
To discuss prices	7
Other (Please specify)	8
Don't know	9
Refused	

⇒ ASK ALL

B3. 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 B3 = 1-6)**

B4. 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
Contact directly and pretend to be a potential customer	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. MULTI CODE. DS: RANDOMISE.*

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. MULTI CODE. DS: RANDOMISE.*

	C1	C2
Health and Safety	1	1
Fraud	2	2
competition law	3	3
Anti-bribery and corruption	4	4
Employment Law	5	5
Any other areas (PLEASE SPECIFY)	6	6
SINGLE CODE: None of these	7	7
DO NOT READ OUT: Don't know	8	8

C3. 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 / Don't know	5

C4. 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: 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, do you think it is true, false or are you unsure that...
READ OUT. SINGLE CODE FOR EACH STATEMENT. DS: RANDOMISE ORDER

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

	TRUE	FALSE	DK	REF
People who report cartel activity to the appropriate authority might gain a reward.	1	2	3	4
It's okay for competitors to agree prices in order to avoid losing money.	1	2	3	4
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
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
It is unlawful to set the price at which others can resell your products.	1	2	3	4
Individuals who are found to have agreed to fix prices with other companies can be sentenced to imprisonment.	1	2	3	4
It can be illegal to attend a meeting at which competitors agree prices with each other.	1	2	3	4
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
Companies that admit participation in a cartel to the competition authorities may be able to obtain immunity from a penalty	1	2	3	4
Businesses can agree not to sell to the same customers as each other	1	2	3	4
If you supply products to other businesses to sell on to their own customers, it's OK to stop them from advertising online at prices you think are too low	1	2	3	4
It can be illegal to agree with your competitors to restrict how or where you advertise your prices	1	2	3	4
It can be illegal if a supplier of yours doesn't allow you to sell or advertise their product online	1	2	3	4
It is ok let a supplier control the price at which you resell their product	1	2	3	4

C5. 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

C6. 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

D1_NEW. 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
RANDOMISE ORDER OF CODES 1-7.*

IF MORE THAN ONE REASON CHOSEN AT D1

D2_NEW. And of those reasons you just gave, which is the most important to you?

*PROMPT IF NECESSARY. SINGLE CODE
ONLY SHOW OPTIONS SELECTED AT D1*

	D1	D2
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

D3. 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
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Fairly high	2
Medium	3
Fairly low	4
Very low	5
DO NOT READ OUT: Don't know	6

D4. Imagine for a moment that you had information that someone you know within your own business was involved in something that you thought was illegal. What, if anything would you do? DO NOT READ OUT. MULTICODE OK

Nothing	1
Search online for information	2
Talk to the person directly to warn them	3
Tell someone within the company	4
Call the police	5
Call an independent body or regulator	6
Something else	7
Don't know	8

D5. And what if you had information that someone you knew within a competing business was involved in something that you thought was illegal. What, if anything would you do? DO NOT READ OUT. MULTICODE OK

Nothing	1
Search online for information	2
Talk to the person directly to warn them	3
Tell someone within the company	4
Call the police	5
Call an independent body or regulator	6
Something else	7
Don't know	8

⇒ IF "NOTHING" (CODE 1 AT EITHER D4 OR D5), ASK

D6. You said you would not do anything about the information you had. Why would you not report it? READ OUT. MULTICODE OK

It's not that important	1
It might get me into serious trouble /lose my job	2
It would be a lot of hassle	3
I would not want to get involved in other people's business	4
I would worry I got the wrong end of the stick and it would get embarrassing	5
I would not want to 'grass' on someone I know	6
I would not know who to report it to	7
Other	8
Don't know	8

D7 What, if anything, would make you more likely to report the potentially illegal situation? READ OUT. CODE TO LIST

If I could be guaranteed anonymity	1
If I could be guaranteed safety from prosecution / immunity	2
If there were an easy method of reporting it, like the availability of a confidential hotline	3
If there were an easy method of reporting it, like the availability of a dedicated website or online form	4
If there were a reward	5

Other	6
Nothing	7
Don't know	8

E. TECHNOLOGY AND DIGITAL MARKETS

⇒ **ASK ALL**

E1. I would now like you to think about how your company sells its products, and specifically the impact of new technology and the Internet. For each of the following do you agree strongly, tend to agree, neither agree nor disagree, tend to disagree or disagree strongly that the Internet has.....READ OUT. CODE ONE FOR EACH.

- 1 = Agree strongly
- 2 = Tend to agree
- 3 = Neither
- 4 = Tend to disagree
- 5 = Disagree strongly

Increased competition from other businesses when selling your products or services	1 2 3 4 5 DK
Helped you reach new customers by selling or advertising on other websites and platforms	1 2 3 4 5 DK
Increased your profits	1 2 3 4 5 DK
Opened up new markets or other opportunities for you	1 2 3 4 5 DK
Changed the way your business operates for the better	1 2 3 4 5 DK
Changed the way your business operates for the worse	1 2 3 4 5 DK
Changed the way your industry operates for better	1 2 3 4 5 DK
Changed the way your industry operates for the worse	1 2 3 4 5 DK

F. AWARENESS AND UNDERSTANDING OF THE CMA AND ITS ROLE

⇒ **ASK ALL**

F1. If you were in a position where you needed information on competition law, which one of the following would you do? READ OUT. MULTI CODE

Search the internet for relevant information	1
Contact an official government body for formal advice	2
Contact a trade association that supports your industry/sector	3
Ask a solicitor	4
Ask your accountant	5
Other	6
Don't know	7

F2. Which official body do you think is currently responsible for enforcing competition law in the UK? DO NOT READ OUT. CODE ONE

⇒ **IF COMPETITION AND MARKETS AUTHORITY (CMA) NOT MENTIONED AT F2, ASK**

F3. Which of these do you think is the body with current responsibility for enforcing competition law in the UK? CODE ONE. DS: RANDOMISE ORDER

	F2	F3
competition and Markets Authority (CMA)	1	1
Office of Fair Trading (OFT)	2	2
The competition Commission	3	3
Federal Trade Commission	4	4
Another body (Please specify)	5	5
Don't know	6	6

⇒ ASK ALL

F4. 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

F5. 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.

Which, if any of the following do you think the competition and Markets Authority does? READ OUT. MULTI CODE OK

Prevent mergers taking place if they could be anti-competitive	Y N DK
Fine companies for breaking competition law	Y N DK
Investigate markets where there could be competition problems	Y N DK
Stop companies price fixing	Y N DK
Regulate financial markets	Y N DK
Fine companies for running scam competitions	Y N DK
Stop companies from undercutting each other on price	Y N DK

G. FIRMOGRAPHICS

* ASK ALL

G1. 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

WRITE IN DS: ALLOW 0-999 [DS AUTOMATICALLY FORCE TO H2 RANGE]		
Don't know	1	PROMPT WITH RANGES AT F1RAN

⇒ **G2.** 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

G3. 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	7

G4. And have you obtained any professional qualifications?

Yes	1
No	2
Don't know	3

G5. And are you personally a member of any membership organisation?

Yes	1
No	2
Don't know	3

* **ASK ALL**

G6. 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 probably 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

G7. 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

H. RE-CONTACTING AND CLOSING INTERVIEW

H1 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
ICM Unlimited, on behalf of the CMA	2
Another research agency, on behalf of the CMAS	3
DO NOT READ OUYT: None of these	4

Name of respondent:	
Job title:	
Telephone:	

