APPENDIX 9.1

*(referred to in paragraphs 2.50, 2.101, 2.139, 2.140, 2.155, 2.286, 2.295(c), 2.347-2.349, 2.374, 3.50, 3.100, 3.138, 3.152, 3.285, 3.294(c), 3.345-3.347, 3.382, 4.51, 4.100, 4.154, 4.283, 4.292(c), 4.346-4.348, 4.373, 4.385, 5.43, 5.94, 5.132, 5.133, 5.148, 5.178, 5.273, 5.283(c), 5.336, 5.338, 5.363, 5.372, 6.11, 9.44, 9.85, 10.11, 10.31, 10.40, 10.48, 10.49, 10.53, 10.57, 10.64, 10.69, 10.70, 10.71, 10.78, 10.84, 12.3, 12.100-12.102(d), 12.154, 13.443 and 13.536)*

# Analysis of the results of the survey of small retailers relating to reference brown goods

## *Introduction*

1. This appendix sets out a detailed analysis of the results of our survey of small retailers that bear on the four reference brown goods.[1] The background to the survey and the methodology involved are described in Appendix 6.3.

2. In the survey our interviewers sought retailers' oral answers to a series of questions. We expected the interviews to be conducted in small shops, against a background of noise and interruptions. So many of the questions were drafted in a way that offered simple answers-yes or no-or could be dealt with by ticking a list. Other questions required a figure or a name to be given, and these, too, were straight-forward. But some questions could be answered only by giving an opinion, and so did not make for easy analysis. The analysis gives the text of each question, and indicates (on the left of each question number) which of three categories it falls into: `forced choice' (FC) for the first category (subdivided into FC(S) for single choice and FC(M) for multiple choice); `Num' for the second category; and `Open' for the third.

3. Many of the answers related only to one specific reference good, but some related to them all. In each case the analysis attributes the answer exclusively to it or them. However, some replies did not mention specific reference goods, and others referred simply to brown goods. Since respondents knew that the interviews were directed exclusively to the reference brown or white goods these replies have been attributed to all relevant reference goods sold by the respondent.[2]

## Analysis

4. This analysis gives the text of each question as it was put to respondents, followed by a summary of the answers given, usually in tabular form. Related questions are sometimes grouped for convenience into a single table. In the few cases where this has slightly altered the original order of the questions, the order can be inferred from the question numbering, which is unchanged.

5. In the analysis, `retail businesses' means the total number of stockists of the relevant reference good(s) among the survey sample. `Respondents' refers to the number of retailers within the survey who replied to a particular question or group of questions, excluding any whose replies were inconsistent with the rubric to the question(s). `Responses' denotes the number of discrete replies to a question: in the cases of multiple-choice and open questions (where more than one answer per question was possible) there can be more responses than respondents to a question and the percentages of respondents giving each possible answer can total more than 100 per cent.

6. Tables 18 and 20*(a)* to *(d)* attribute citations to named suppliers. Attributed sections of the tables were put to the suppliers in question for their comments. The comments we received are shown in Chapter

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[1]Abbreviated in the headings to the tables in the analysis as follows: televisions (TV); VCRs (VCR); hi-fi systems (Hi-fi); and camcorders (CamC).

[2]Replies that related to one or more named suppliers, but not to particular reference goods, have not been attributed to reference goods that the supplier does not sell in the UK.

13.

## Background

*Open* Q1: Name, address and postcode of the retail outlet (where interview is held).

*FC(S) & Open* Q2: Who is being interviewed?

[ ] Owner, director or partner. Name .......................................................

[ ] Manager of the outlet. Name

*FC(S)* Q3: How many outlets are there in the business as a whole?

[ ] 1 [ ] 2

[ ] 3 [ ] 4

*FC(M)* Q4: Location of each outlet in the business.

| | 1 This outlet | Outlet 2 | Outlet 3 | Outlet 4 |
|---|---|---|---|---|
| Traditional high street | [ ] | [ ] | [ ] | [ ] |
| Shopping mall | [ ] | [ ] | [ ] | [ ] |
| Other [ ] | [ ] | [ ] | [ ] | |

*FC(S)* Q5: Number employed (FTEs) in the business.

[ ] 1-5 [ ] 6-10 [ ] 11-15 [ ] 16 & over

*Note:* FTEs = full-time equivalents.

*FC(S)* Q6: 1994/95 turnover of the business (£'000)

[ ] < 100 [ ] 100-300 [ ] 300-500 [ ] > 500

[ ] Not known

*FC(M)* Q7: Reference goods sold.

[ ] Televisions

[ ] VCRs

[ ] Hi-fi systems

[ ] Camcorders

TABLE 1 **Q3 to Q7: Survey responses-characteristics of businesses selling each reference good**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Retail businesses | 457 | 454 | 454 | 338 |
| Outlets | 660 | 655 | 657 | 508 |
| *Number of respondents per response option* | | | | |
| Single outlet | 316 | 314 | 312 | 219 |
| *% of businesses* | *70* | *71* | *69* | *65* |
| In high street | 414 | 411 | 412 | 323 |
| *% of outlets* | *63* | *63* | *63* | *64* |
| In shopping mall | 34 | 34 | 34 | 29 |
| *% of outlets* | *5* | *5* | *5* | *6* |
| Other | 212 | 210 | 211 | 156 |
| *% of outlets* | *32* | *32* | *32* | *31* |
| Fewer than six staff | 250 | 249 | 249 | 170 |
| *% of businesses* | *55* | *55* | *55* | *51* |
| Turnover at or below £0.5m | 268 | 266 | 264 | 176 |
| *% of businesses* | *59* | *59* | *58* | *52* |

*Num & FC(M)*

Q8: What is the frequency of your stock turnover (value of annual sales divided by average value of stock)?

*[ ] [White (number times per annum)]*

[ ] Brown (number times per annum)

[ ] Not known

TABLE 2 **Q8: Survey responses-frequency of stock turnover**

| | | *Totals* |
|---|---|---|
| Respondents to Q8 | 341* | |
| Frequency: times per year | 1 | 4 |
| | 2 | 17 |
| | 3 | 64 |
| | 4 | 92 |
| | 5 | 50 |
| | 6 | 45 |
| | 7 | 21 |
| | 8 | 14 |
| | 9 | 3 |
| | 10 | 31 |

*A further 131 respondents declined to answer, mostly because they did not know their stock turnover rate.

## Local competition

Q9: Have there been any changes for better or worse in local competition over the last three years (eg new competitors opening, existing ones closing or enlarging)?

*FC(S) Open*

[ ] Better
(Please specify)

*FC(S) Open*

[ ] Worse
(Please specify)

*FC(S)*

[ ] No change

TABLE 3 **Q9: Survey responses-changes to respondents' competitive position**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Retail businesses | 457 | 454 | 454 | 338 |
| Responses to Q9 | 453 | 450 | 450 | 334 |
| `Worse' | 245 | 243 | 244 | 188 |
| *% of responses* | *54* | *54* | *54* | *56* |
| `Better' | 61 | 61 | 60 | 47 |
| *% of responses* | *14* | *14* | *13* | *14* |
| `No change' | 147 | 146 | 146 | 99 |
| *% of responses* | *32* | *32* | *32* | *30* |

TABLE 3*(a)* **Q9: Survey responses-factors improving competition**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Q9 respondents reporting `Better' and specifying | 56 | 56 | 55 | 43 |
| Comments (some respondents made more than one) | 60 | 60 | 59 | 47 |
| *Numbers of respondents per cause cited* | | | | |
| *(a)* Closure of competitor outlets | 45 | 45 | 45 | 35 |
| *% of respondents* | *80* | *80* | *76* | *81* |
| *(b)* Responding positively to competition | 8 | 8 | 7 | 7 |
| *% of respondents* | *14* | *14* | *12* | *16* |
| *(c)* Increased competition beneficial | 4 | 4 | 4 | 3 |
| *% of respondents* | *7* | *7* | *7* | *7* |
| *(d)* Obtained dealership | 1 | 1 | 1 | 1 |
| *% of respondents* | *2* | *2* | *2* | *2* |
| *(e)* Economic factors | 1 | 1 | 1 | 0 |
| *% of respondents* | *2* | *2* | *2* | *0* |
| *(f)* Improved local environment | 1 | 1 | 1 | 1 |
| *% of respondents* | *2* | *2* | *2* | *2* |

TABLE 3*(b)* **Q9: Survey responses-factors worsening competition**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Q9 respondents reporting `Worse' and specifying | 221 | 218 | 218 | 169 |
| Comments (some respondents made more than one) | 314 | 314 | 311 | 238 |
| *Numbers of respondents per cause cited* | | | | |
| *(a)* Effects of large outlets/retail parks | 129 | 129 | 125 | 100 |
| *% of respondents* | *58* | *59* | *57* | *59* |
| *(b)* Intensified competition (not *(c)*, *(d)* and *(f)*) | 81 | 81 | 82 | 59 |
| *% of respondents* | *37* | *37* | *38* | *35* |
| *(c)* Price competition from other retailers | 29 | 29 | 30 | 22 |
| *% of respondents* | *13* | *13* | *14* | *13* |
| *(d)* Aggressive competition by RECs | 36 | 36 | 35 | 27 |
| *% of respondents* | *16* | *17* | *16* | *16* |
| *(e)* Economic/general factors | 23 | 23 | 23 | 15 |
| *% of respondents* | *10* | *11* | *11* | *9* |
| *(f)* Non-price competition by other retailers | 13 | 13 | 13 | 12 |
| *% of respondents* | *6* | *6* | *6* | *7* |
| *(g)* Cross-subsidization by large retail groups | 2 | 2 | 2 | 2 |
| *% of respondents* | *1* | *1* | *1* | *1* |
| *(h)* Supplier price discrimination | 1 | 1 | 1 | 1 |
| *% of respondents* | *0* | *0* | *0* | *1* |
| *(i)* Abolition of RPM | 0 | 0 | 0 | 0 |
| *% of respondents* | *0* | *0* | *0* | *0* |

*FC(M)* Q10: If [competition] better what effect has this had on you?

[ ] Higher turnover

[ ] Higher profitability

[ ] Other

*Open* (Please specify)

TABLE 4 **Q10: Survey responses-effects of improvement in respondents' competitive position**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q10 | 57 | 56 | 56 | 44 |
| *Numbers of respondents per response option* | | | | |
| Higher turnover | 44 | 45 | 43 | 35 |
| *% of respondents* | *77* | *80* | *77* | *80* |
| Higher profitability | 21 | 22 | 21 | 18 |
| *% of respondents* | *37* | *39* | *38* | *41* |
| Other | 10 | 10 | 11 | 7 |
| *% of respondents* | *18* | *18* | *20* | *16* |

*FC(M)* Q11: If [competition] worse, what effect has the change had on you?

[ ] Lower turnover

[ ] Lower profitability

[ ] Other

*Open* (Please specify)

TABLE 5 **Q11: Survey responses-effects of deterioration in respondents' competitive position**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q11 | 236 | 229 | 238 | 179 |
| *Numbers of respondents per response option* | | | | |
| Lower turnover | 186 | 185 | 184 | 141 |
| *% of respondents* | *79* | *81* | *77* | *79* |
| Lower profitability | 177 | 176 | 175 | 139 |
| *% of respondents* | *75* | *77* | *74* | *78* |
| Other | 39 | 38 | 39 | 31 |
| *% of respondents* | *17* | *17* | *16* | *17* |

*FC(S)* Q12: Do you meet local competition by cutting prices?

[ ] Yes

[ ] No

TABLE 6 **Q12: Survey responses-price-cutting in response to local competition**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q12 | 444 | 441 | 441 | 328 |
| `Yes' | 295 | 293 | 293 | 226 |
| *% of respondents* | *66* | *66* | *66* | *69* |
| `No' | 149 | 148 | 148 | 102 |
| *% of respondents* | *34* | *34* | *34* | *31* |

*FC(M)* Q13: If no, how do you manage to meet local competition?

[ ] Interest-free credit/low-interest credit/extended credit

[ ] Warranties

[ ] Free delivery and installation

[ ] Other

*Open* (Please specify)

TABLE 7 **Q13 (FC(M) responses): Survey responses-alternatives to price-cutting in response to local competition**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q13 | 141 | 140 | 140 | 97 |
| Responses to Q13 | 345 | 341 | 347 | 250 |
| *Respondents who offer* | | | | |
| Warranties | 50 | 49 | 51 | 39 |
| *% of respondents* | *35* | *35* | *36* | *40* |
| Favourable credit terms | 76 | 75 | 78 | 59 |
| *% of respondents* | *54* | *54* | *56* | *61* |
| Free delivery/installation | 122 | 121 | 120 | 85 |
| *% of respondents* | *87* | *86* | *86* | *88* |
| Other | 97 | 96 | 98 | 67 |
| *% of respondents* | *69* | *69* | *70* | *69* |

TABLE 8 **Q13 (Open responses): Survey responses-detail of `other' alternatives in response to local competition**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Q13 respondents answering `other' who went on to detail alternatives* | 79 | 77 | 80 | 55 |
| Alternatives (some replies gave more than one) | 84 | 82 | 84 | 58 |
| *Respondents who offer* | | | | |
| *(a)* Good all-round customer service | 48 | 48 | 50 | 37 |
| *% of respondents* | *61* | *62* | *63* | *67* |
| *(b)* After-sales service/repairs | 25 | 24 | 23 | 13 |
| *% of respondents* | *32* | *31* | *29* | *24* |
| *(c)* Own reputation | 5 | 5 | 6 | 5 |
| *% of respondents* | *6* | *6* | *8* | *9* |
| *(d)* Offer total sales package | 0 | 0 | 0 | 0 |
| *% of respondents* | *0* | *0* | *0* | *0* |
| *(e)* Offer specialist service | 2 | 1 | 1 | 0 |
| *% of respondents* | *3* | *1* | *1* | *0* |
| *(f)* Advertising/promotions | 2 | 2 | 2 | 2 |
| *% of respondents* | *3* | *3* | *3* | *4* |
| *(g)* Free ancillary products/services | 2 | 2 | 2 | 1 |
| *% of respondents* | *3* | *3* | *3* | *2* |

*Seven respondents, whose answers are irrelevant, have been excluded.

*FC(S)* Q14: How often do you undertake special promotions (excluding those sponsored by suppliers?

[ ] Never

[ ] Annually

[ ] Twice a year

[ ] More often

TABLE 9 **Q14: Survey responses-frequency of own special promotions**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q14 | 452 | 449 | 449 | 335 |
| Never | 141 | 140 | 143 | 96 |
| *% of respondents* | *31* | *31* | *32* | *29* |
| Annually | 45 | 47 | 46 | 27 |
| *% of respondents* | *10* | *10* | *10* | *8* |
| Twice a year | 97 | 93 | 92 | 69 |
| *% of respondents* | *21* | *21* | *21* | *21* |
| More often | 169 | 169 | 168 | 143 |
| *% of respondents* | *37* | *38* | *37* | *43* |

*FC(M)* Q15: What form do these promotions take?

[ ] Price reductions

[ ] Interest-free credit/low-interest credit/extended credit

[ ] Free gifts

*Open* [ ] Other
(Please specify)

`Other' forms of promotion was the least frequent answer and has not been further analysed.

TABLE 10 **Q15: Survey responses-forms of own promotions**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q14 and Q15 | 311 | 309 | 306 | 239 |
| Forms of promotion | 652 | 648 | 647 | 515 |
| *Numbers of respondents per response option* | | | | |
| Price reductions | 264 | 263 | 260 | 197 |
| *% of forms of promotion* | *40* | *41* | *40* | *38* |
| Favourable credit terms | 201 | 199 | 200 | 167 |
| *% of forms of promotion* | *31* | *31* | *31* | *32* |
| Free gifts | 102 | 101 | 101 | 83 |
| *% of forms of promotion* | *16* | *16* | *16* | *16* |
| Other | 85 | 85 | 86 | 68 |
| *% of forms of promotion* | *13* | *13* | *13* | *13* |

## Wholesalers

*Open* Q16: Do you buy any reference goods from wholesalers? If so, which wholesalers?

The answers do not show which reference goods were bought from wholesalers, and so cannot be analysed by reference good. An indicative breakdown of responses attributable to reference brown goods is possible and is given in Table 11. No analysis has been made of the 98 wholesalers mentioned.

TABLE 11 **Q16: Survey responses-use of wholesalers**

| | *All* |
|---|---|
| Retail businesses* | 472 |
| Respondents who use wholesalers | 272 |

*472 respondents who sold one or more of the reference brown goods (see paragraph 4, Appendix 6.3).

*FC(S)* Q17: Do any of them impose any conditions?

[ ] Yes

[ ] No

The answers do not show the reference goods in respect of which conditions were imposed. An indicative breakdown of responses attributable to brown reference goods is possible and is given in Table 12.

TABLE 12 **Q17: Survey responses-imposition of conditions by wholesalers**

| | *All* |
|---|---|
| *Totals* | |
| Retail businesses | 472 |
| Respondents to Q17 | 258 |
| | |
| Yes | 13 |
| *% of respondents* | *15* |
| No | 245 |
| *% of respondents* | *95* |

*Open* Q18: If yes, which wholesaler?

17 wholesalers were identified.

*FC(M)* Q19: If yes, what are those conditions?

[ ] Pricing policy

[ ] Shop appearance

[ ] Staff training

[ ] Levels of service

[ ] Other

*Open* (Please specify)

Seventeen respondents reported 23 conditions, 14 of which were classed as `other'.

*FC(S)* Q20: Are you a member of CIH or any other buying group?

[ ] CIH

[ ] Other
*Open* (Please specify)

[ ] No

The answers to this question do not show which reference goods respondents obtained from a buying group (see Q24 in respect of CIH). A breakdown to show the answers of respondents who sold reference brown goods is possible and is given in Table 13.

TABLE 13 **Q20: Survey responses-membership of retailer buying groups**

| | *Reference good category All* |
|---|---|
| *Totals* | |
| Retail businesses | 472 |
| Respondents to Q20 | 466 |
| | |
| CIH membership | 156 |
| *% of respondents* | *33* |
| Other buying groups membership | 12 |
| *% of respondents* | *3* |
| Not a member of a buying group | 298 |
| *% of respondents* | *64* |

## Suppliers[1]

Q21 and Q22 are equivalent to Q23 and Q24, asking about the white goods which were the subject of our concurrent inquiries.

*FC(M)* Q23: Which brands of BROWN GOODS do you obtain direct from suppliers (including goods directly supplied but settled through CIH)?

[1]Here, and throughout this analysis, `suppliers' excludes wholesalers and retailer buying groups acting in a wholesaling capacity.

TABLE 14 **Q23: Survey responses-brands of reference brown goods reported obtained direct from suppliers***

| | *Reference good* | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | *TV (no)* | *TV (%)* | *VCR (no)* | *VCR (%)* | *Hi-fi (no)* | *Hi-fi (%)* | *CamC (no)* | *CamC (%)* |
| *Totals* | | | | | | | | |
| Retail businesses | 457 | 454 | 454 | 338 | | | | |
| Responses to Q23 | 446 | 446 | 435 | 319 | | | | |
| *Brand* | | | | | | | | |
| Aiwa | 34 | 7 | 41 | 9 | 75 | 17† | 0 | 0 |
| Akai | 8 | 2 | 12 | 3 | 12 | 3 | 0 | 0 |
| Alba | 4 | 1 | 6 | 1 | 8 | 2 | 0 | 0 |
| Amstrad | 9 | 2 | 11 | 2 | 7 | 2 | 0 | 0 |
| B&O | 28 | 6 | 27 | 6 | 29 | 6 | 0 | 0 |
| Bush | 7 | 2 | 3 | 1 | 5 | 1 | 0 | 0 |
| Canon | 0 | 0 | 0 | 0 | 0 | 0 | 47 | 14 |
| Denon | 0 | 0 | 0 | 0 | 49 | 11 | 0 | 0 |
| Ferguson | 132 | 29 | 109 | 24 | 0 | 0 | 17 | 5 |
| Goldstar | 101 | 22 | 95 | 21 | 73 | 16 | 0 | 0 |
| Goodman | 4 | 1 | 4 | 1 | 15 | 3 | 0 | 0 |
| Grundig | 89 | 19 | 74 | 16 | 61 | 13 | 0 | 0 |
| Harmon Kardon | 0 | 0 | 0 | 0 | 20 | 4 | 0 | 0 |
| Hitachi | 115 | 25 | 109 | 24 | 86 | 19 | 66 | 20 |
| JVC | 142 | 31 | 140 | 31 | 145 | 32 | 109 | 32 |
| Kenwood | 0 | 0 | 0 | 0 | 68 | 15 | 0 | 0 |
| Marantz | 0 | 0 | 0 | 0 | 46 | 10 | 0 | 0 |
| Micromega | 0 | 0 | 0 | 0 | 13 | 3 | 0 | 0 |
| Mitsubishi | 210 | 46 | 206 | 45 | 116 | 26 | 52 | 15 |
| Nokia | 98 | 21 | 72 | 16 | 0 | 0 | 0 | 0 |
| Onkyo | 0 | 0 | 0 | 0 | 21 | 5 | 0 | 0 |
| Panasonic | 258 | 56 | 256 | 56 | 242 | 53 | 199 | 59 |
| Philips | 138 | 30 | 121 | 26 | 105 | 23 | 52 | 15 |
| Pioneer | 23 | 5 | 0 | 0 | 82 | 18 | 0 | 0 |
| Samsung | 164 | 36 | 154 | 34 | 117 | 26 | 93 | 28 |
| Sanyo | 35 | 8 | 34 | 7 | 30 | 7 | 23 | 7 |
| Sharp | 104 | 23 | 98 | 22 | 90 | 20 | 67 | 20 |
| Sony | 174 | 38 | 171 | 38 | 170 | 37 | 131 | 39 |
| Tatung | 85 | 19 | 60 | 13 | 0 | 0 | 0 | 0 |
| Technics | 0 | 0 | 0 | 0 | 162 | 36 | 0 | 0 |
| Toshiba | 167 | 37 | 158 | 35 | 0 | 0 | 0 | 0 |

*Includes some brands not supplied in 1995 but formerly available.
†This figure means that, of retail businesses which sold any brand of hi-fi systems, 17 per cent bought the product direct from Aiwa. Percentages throughout this table have similar meanings.

*FC(M)* Q24: Which brands of BROWN GOODS do you buy direct from CIH (excluding those you settle through CIH but order direct from suppliers)?

TABLE 15 **Q24: Survey responses-brands of reference brown goods reported obtained direct from CIH***

| | *Reference good* | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | *TV (no)* | *TV (%)* | *VCR (no)* | *VCR (%)* | *Hi-fi (no)* | *Hi-fi (%)* | *CamC (no)* | *CamC (%)* |
| *Totals* | | | | | | | | |
| Retail businesses | 457 | 454 | 454 | 338 | | | | |
| Responses to Q24 | 156 | 148 | 123 | 68 | | | | |
| *Brand* | | | | | | | | |
| Aiwa | 25 | 5 | 21 | 5 | 67 | 15† | 0 | 0 |
| Akai | 3 | 1 | 1 | 0 | 2 | 0 | 0 | 0 |
| Alba | 1 | 0 | 1 | 0 | 8 | 2 | 0 | 0 |
| Amstrad | 3 | 1 | 3 | 1 | 0 | 0 | 0 | 0 |
| B&O | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Bush | 2 | 0 | 3 | 1 | 2 | 0 | 0 | 0 |
| Canon | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 2 |
| Denon | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Ferguson | 60 | 13 | 49 | 11 | 0 | 0 | 5 | 1 |
| Goldstar | 74 | 16 | 66 | 15 | 34 | 7 | 0 | 0 |
| Goodman | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 |
| Grundig | 2 | 0 | 8 | 2 | 2 | 0 | 0 | 0 |
| Harmon Kardon | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hitachi | 3 | 1 | 2 | 0 | 2 | 0 | 2 | 1 |
| JVC | 11 | 2 | 11 | 2 | 13 | 3 | 8 | 2 |
| Kenwood | 0 | 0 | 0 | 0 | 3 | 1 | 0 | 0 |
| Marantz | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Micromega | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| Mitsubishi | 79 | 17 | 69 | 15 | 26 | 6 | 11 | 3 |
| Nokia | 54 | 12 | 17 | 4 | 0 | 0 | 0 | 0 |
| Onkyo | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Panasonic | 11 | 2 | 10 | 2 | 8 | 2 | 8 | 2 |
| Philips | 95 | 21 | 74 | 16 | 52 | 11 | 15 | 4 |
| Pioneer | 10 | 2 | 0 | 0 | 8 | 2 | 0 | 0 |
| Samsung | 85 | 19 | 77 | 17 | 46 | 10 | 52 | 15 |
| Sanyo | 6 | 1 | 5 | 1 | 3 | 1 | 2 | 1 |
| Sharp | 63 | 14 | 58 | 13 | 43 | 9 | 23 | 7 |
| Sony | 7 | 2 | 7 | 2 | 8 | 2 | 5 | 1 |
| Tatung | 47 | 10 | 17 | 4 | 5 | 1 | 0 | 0 |
| Technics | 2 | 0 | 0 | 0 | 3 | 1 | 0 | 0 |
| Toshiba | 75 | 16 | 61 | 13 | 0 | 0 | 0 | 0 |

*Includes some brands not supplied in 1995 but formerly available.

†This figure means that, of retail businesses which sold any brand of hi-fi system, 15 per cent bought Aiwa hi-fi systems through CIH. Percentages throughout this table have similar meanings.

## Supply conditions (other than pricing)

*FC(S)* Q25: Do any of your suppliers impose conditions on your shop appearance, staff training or levels of service?

[ ] Yes

[ ] No

*Open* Q27: Do you have a written agreement with any of your suppliers on these matters? If so, which suppliers?

Table 16 summarizes the answers to both of these questions.

TABLE 16 **Q25 and Q27: Survey responses-reported imposition of conditions by suppliers**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q25 | 455 | 452 | 452 | 335 |
| Number reporting conditions* | 202 | 199 | 203 | 158 |
| *% of respondents* | *44* | *44* | *45* | *47* |
| Number reporting written agreement | 182 | 180 | 178 | 141 |
| *% of respondents* | *40* | *40* | *39* | *42* |

*Whether in answer to Q25 or Q27 (without double counting when both record conditions).

*Open* Q26: If yes [to Q25], which suppliers and which conditions?

Table 17 analyses the conditions reported by type and reference good; Table 18 breaks down the same answers to show the eight most frequently-cited suppliers of reference brown goods.

TABLE 17 **Q26: Survey responses-detail of supplier conditions***

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents answering `Yes' to Q25 | 202 | 199 | 203 | 158 |
| Q26 respondents | 160 | 159 | 166 | 117 |
| Conditions (some replies cited more than one) | 284 | 282 | 287 | 204 |
| *Respondents reporting*† | | | | |
| *(a)* Competence in after-sales/servicing | 102 | 101 | 100 | 79 |
| *% of Q26 respondents* | *64* | *64* | *60* | *68* |
| *(b)* Quality of premises | 47 | 47 | 48 | 35 |
| *% of Q26 respondents* | *29* | *30* | *29* | *30* |
| *(c)* Quality/knowledge of staff | 49 | 49 | 51 | 37 |
| *% of Q26 respondents* | *31* | *31* | *31* | *32* |
| *(d)* Customer service | 25 | 25 | 25 | 22 |
| *% of Q26 respondents* | *16* | *16* | *15* | *19* |
| *(e)* Marketing/display | 40 | 39 | 43 | 20 |
| *% of Q26 respondents* | *25* | *25* | *26* | *17* |
| *(f)* Other | 21 | 21 | 20 | 11 |
| *% of Q26 respondents* | *13* | *13* | *12* | *9* |

*Each of the categories represents distinct conditions cited in the responses, so that, for example, training of sales staff and training of maintenance/repair staff were first counted separately before being combined, with others, in category *(c)*. Double counting has been avoided: no respondent scores more than once in the same category.

†Each table entry shows the number of respondents who said that at least one of their suppliers set conditions on the continuing supply of that reference good. Such conditions were counted when key terms of supply (in practice, net buying price) depended on the fulfilment of conditions as well as when the reply said or implied that supply would otherwise be withheld entirely.

TABLE 18 **Q26: Survey responses-conditions attributed to suppliers of reference brown goods**

| | *Brand** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | *Son* | *Pan* | *B&O* | *Mit* | *Tech* | *Phil* | *Gru* | *JVC* | *Other* |
| *Totals* | | | | | | | | | |
| Direct-supplied retail businesses (via Q23) | 180 | 264 | 29 | 212 | 164 | 142 | 91 | 151 | 419 |
| Q26 respondents who cite brand | 64 | 63 | 24 | 21 | 13 | 14 | 10 | 12 | 66 |
| Total conditions cited | 119 | 112 | 41 | 36 | 20 | 19 | 13 | 17 | 102 |
| *Respondents reporting:* | | | | | | | | | |
| *(a)* Competence in after-sales/servicing | 35 | 36 | 6 | 14 | 3 | 8 | 8 | 7 | 40 |
| *% of direct-supplied businesses* | *19* | *14* | *21* | *7* | *2* | *6* | *9* | *5* | *10* |
| *(b)* Quality of premises | 22 | 18 | 8 | 6 | 5 | 3 | 2 | 3 | 17 |
| *% of direct-supplied businesses* | *12* | *7* | *28* | *3* | *3* | *2* | *2* | *2* | *4* |
| *(c)* Quality/knowledge of staff | 23 | 23 | 7 | 5 | 5 | 3 | 1 | 2 | 18 |
| *% of direct-supplied businesses* | *13* | *9* | *24* | *2* | *3* | *2* | *1* | *1* | *4* |
| *(d)* Customer service | 14 | 13 | 2 | 4 | 1 | 2 | 0 | 2 | 13 |
| *% of direct-supplied businesses* | *8* | *5* | *7* | *2* | *1* | *1* | *0* | *1* | *3* |
| *(e)* Marketing/display | 18 | 13 | 14 | 4 | 6 | 1 | 1 | 2 | 7 |
| *% of direct-supplied businesses* | *10* | *5* | *48* | *2* | *4* | *1* | *1* | *1* | *2* |
| *(f)* Other | 7 | 9 | 4 | 3 | 0 | 2 | 1 | 1 | 7 |
| *% of direct-supplied businesses* | *4* | *3* | *14* | *1* | *0* | *1* | *1* | *1* | *2* |

*In the headings to Table 18 and in some later tables in the analysis abbreviations are used which do not appear elsewhere in our report and which have the following meanings: Son = Sony; Pan = Panasonic; Mit = Mitsubishi; Tech = Technics; Phil = Philips; and Gru = Grundig.

Among the `other' conditions reported were prohibitions on selling to other retailers and conditions linking terms for the supply of spares to the respondent's turnover of spares in recent years.

*FC(S)* Q28: Since January 1993 has any supplier refused to supply you?

[ ] Yes

[ ] No

*FC(S)* Q31: Was the refusal in writing?

[ ] Yes

[ ] No

TABLE 19 **Q28 and Q31: Survey responses-alleged refusal to supply**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q28 | 451 | 448 | 449 | 335 |
| Supply allegedly refused (Q28)* | 66 | 61 | 72 | 39 |
| *% of respondents* | *15* | *14* | *16* | *12* |
| Supply not refused | 385 | 387 | 377 | 296 |
| *% of respondents* | *85* | *86* | *84* | *88* |
| Alleged written refusal to supply (Q31) | 24 | 22 | 25 | 13 |
| *% of respondents* | *5* | *5* | *6* | *4* |

*Table entries show respondents allegedly refused supply of each reference good, whether by one supplier or more. Table 21 shows the larger scores obtained when each supplier alleged to have refused the respondent is counted separately.

*Open* Q29: If yes [to Q28], which supplier, which goods and when?

*FC(M)* Q30: Why was this?

[ ] Unsuitable premises

[ ] Low standard of staff training

[ ] Low volume

[ ] Locality already supplied

[ ] Credit risk

[ ] Other

*Open* (Please specify)

The grounds quoted by respondents have been grouped into the categories listed in Tables 20*(a)* to 20*(d)*, which combine responses to Q29 and Q30 for each reference good and the most frequently cited suppliers.[1] Seventy-two respondents gave date(s) of alleged refusal to supply, too few to reveal statistically significant trends: most alleged refusals during the last three years.

TABLE 20*(a)* **Q29 and Q30: Survey responses-grounds for alleged refusal to supply televisions**

| | *Brand* | | | | | |
|---|---|---|---|---|---|---|
| | *Son* | *Pan* | *Phil* | *JVC* | *Others* | *Not stated* |
| *Totals* | | | | | | |
| Direct-supplied retail businesses (via Q23) | 174 | 258 | 138 | 142 | 408 | - |
| Respondents alleging refusal of supply on any ground | 17 | 18 | 8 | 5 | 23 | 2 |
| Total citations by respondents | 19 | 20 | 9 | 5 | 33 | 2 |
| *Respondents alleged supply refused because:* | | | | | | |
| *(a)* Turnover insufficient | 5 | 4 | 7 | 2 | 11 | 1 |
| *% of direct-supplied businesses* | *3* | *2* | *5* | *1* | *3* | - |
| *(b)* Locality already supplied | 10 | 15 | 1 | 2 | 12 | 1 |
| *% of direct-supplied businesses* | *6* | *6* | *1* | *1* | *3* | - |
| *(c)* Premises unsuitable | 0 | 0 | 0 | 0 | 0 | 0 |
| *% of direct-supplied businesses* | *1* | *0* | *0* | *0* | *0* | - |
| *(d)* Other | 4 | 1 | 1 | 1 | 10 | 0 |
| *% of direct-supplied businesses* | *2* | *0* | *1* | *1* | *2* | - |

[1]`Direct-supplied retail business' numbers in Tables 20*(a)* to 20*(d)* are extracted from the whole survey sample and exclude retailers who did not obtain the brand of reference good direct from the named supplier.

TABLE 20*(b)* **Q29 and Q30: Survey responses-grounds for alleged refusal to supply VCRs**

| | *Brand* | | | | | |
|---|---|---|---|---|---|---|
| | *Son* | *Pan* | *Phil* | *JVC* | *Others* | *Not stated* |
| *Totals* | | | | | | |
| Direct-supplied retail businesses (via Q23) | 171 | 256 | 121 | 140 | 402 | - |
| Respondents alleging refusal of supply on any ground | 18 | 16 | 7 | 5 | 23 | 2 |
| Total citations by respondents | 20 | 18 | 8 | 5 | 32 | 2 |
| *Respondents alleged supply refused because:* | | | | | | |
| *(a)* Turnover insufficient | 5 | 4 | 7 | 2 | 14 | 1 |
| *% of direct-supplied businesses* | *3* | *2* | *6* | *1* | *3* | - |
| *(b)* Locality already supplied | 11 | 14 | 1 | 2 | 10 | 1 |
| *% of direct-supplied businesses* | *6* | *5* | *1* | *1* | *2* | - |
| *(c)* Premises unsuitable | 0 | 0 | 0 | 0 | 0 | 0 |
| *% of direct-supplied businesses* | *0* | *0* | *0* | *0* | *0* | - |
| *(d)* Other | 4 | 0 | 0 | 1 | 8 | 0 |
| *% of direct-supplied businesses* | *2* | *0* | *0* | *1* | *2* | - |

TABLE 20*(c)* **Q29 and Q30: Survey responses-grounds for alleged refusal to supply hi-fi systems**

| | *Brand* | | | | | | |
|---|---|---|---|---|---|---|---|
| | *Son* | *Pan* | *Phil* | *Kenw** | *JVC* | *Others* | *Not stated* |
| *Totals* | | | | | | | |
| Direct-supplied retail businesses (via Q23) | 170 | 242 | 105 | 68 | 145 | 390 | - |
| Respondents alleging refusal of supply on any ground | 16 | 14 | 7 | 8 | 6 | 34 | 3 |
| Total citations by respondents | 18 | 16 | 8 | 8 | 6 | 47 | 3 |
| *Respondents alleged supply refused because* | | | | | | | |
| *(a)* Turnover insufficient | 5 | 4 | 7 | 0 | 2 | 12 | 1 |
| *% of direct-supplied businesses* | *3* | *2* | *7* | *0* | *1* | *3* | - |
| *(b)* Locality already supplied | 9 | 12 | 1 | 6 | 2 | 13 | 1 |
| *% of direct-supplied businesses* | *5* | *5* | *1* | *9* | *1* | *3* | - |
| *(c)* Premises unsuitable | 0 | 0 | 0 | 0 | 0 | 3 | 0 |
| *% of direct-supplied businesses* | *0* | *0* | *0* | *0* | *0* | *1* | - |
| *(d)* Other | 4 | 0 | 0 | 2 | 2 | 8 | 1 |
| *% of direct-supplied businesses* | *2* | *0* | *0* | *3* | *1* | *2* | - |

*Kenw = Kenwood.

TABLE 20*(d)* **Q29 and Q30: Survey responses-grounds for alleged refusal to supply camcorders**

| | *Brand* | | | | | |
|---|---|---|---|---|---|---|
| | *Son* | *Pan* | *Phil* | *JVC* | *Others* | *Not stated* |
| *Totals* | | | | | | |
| Direct-supplied retail businesses (via Q23) | 131 | 199 | 52 | 109 | 202 | - |
| Respondents alleging refusal of supply on any ground | 13 | 12 | 6 | 2 | 14 | 1 |
| Total citations by respondents | 15 | 12 | 7 | 2 | 12 | 1 |
| *Respondents alleged supply refused because:* | | | | | | |
| *(a)* Turnover insufficient | 4 | 2 | 6 | 1 | 4 | 1 |
| *% of direct-supplied businesses* | *3* | *1* | *12* | *1* | *2* | - |
| *(b)* Locality already supplied | 7 | 9 | 1 | 1 | 2 | 0 |
| *% of direct-supplied businesses* | *5* | *5* | *2* | *1* | *1* | - |
| *(c)* Premises unsuitable | 0 | 0 | 0 | 0 | 0 | 0 |
| *% of direct-supplied businesses* | *0* | *0* | *0* | *0* | *0* | - |
| *(d)* Other | 4 | 1 | 0 | 0 | 6 | 0 |
| *% of direct-supplied businesses* | *3* | *1* | *0* | *0* | *3* | - |

Some respondents were allegedly refused supply by more than one supplier, and the total numbers allegedly refused on each ground (in respect of each reference good) cannot be obtained accurately from Tables 20*(a)* to 20*(d)*. This analysis is given in Table 20*(e)*.

TABLE 20*(e)* **Q29 and Q30: Survey responses-grounds for alleged refusal to supply**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Direct-supplied retail businesses (via Q23) | 446 | 446 | 435 | 319 |
| Respondents alleging refusal of supply on any ground | 56 | 52 | 65 | 30 |
| *Respondents alleged supply refused because:* | | | | |
| *(a)* Turnover insufficient | 22* | 23 | 22 | 13 |
| *% of direct-supplied businesses* | *5* | *5* | *5* | *4* |
| *(b)* Locality already supplied | 27 | 25 | 31 | 13 |
| *% of direct-supplied businesses* | *6* | *6* | *7* | *4* |
| *(c)* Premises unsuitable | 0 | 0 | 3 | 0 |
| *% of direct-supplied businesses* | *0* | *0* | *1* | *0* |
| *(d)* Other | 12 | 8 | 14 | 7 |
| *% of direct-supplied businesses* | *2* | *1* | *2* | *2* |

*This figure means that 22 respondents reported that they were refused supplies of televisions because their turnover was insufficient, whether by one supplier or more. Other entries in the table have equivalent meanings.

TABLE 20*(f)* **Survey responses-total number of reports of alleged refusal to supply**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Alleged refusal (Q29, 30)* | 88 | 85 | 104 | 50 |

*In this table a respondent counts once for each supplier alleged to have refused him supply. The figures are higher than those shown in Table 19 because some respondents alleged that they had been refused supplies by more than one supplier.

*FC(S)* Q32: Did anything happen subsequently [ie subsequent to the alleged refusal to supply]?

[ ] Yes

[ ] No

*Open* Q33: If yes, what?

TABLE 21 **Q32 and Q33: Survey responses-respondents reporting the outcome of an alleged refusal to supply**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Responses to Q32 | 57 | 54 | 68 | 32 |
| \`Yes' | 16 | 14 | 18 | 7 |
| *% of Q32 respondents* | *28* | *26* | *26* | *22* |
| \`No' | 41 | 40 | 50 | 25 |
| *% of Q32 respondents* | *72* | *74* | *74* | *78* |
| *Outcomes reported (Q33)** | | | | |
| Direct supply obtained | 2 | 2 | 1 | 1 |
| *% of Q32 respondents* | *4* | *4* | *5* | *3* |
| Indirect supply obtained | 2 | 2 | 2 | 0 |
| *% of Q32 respondents* | *4* | *4* | *3* | *0* |
| Alleged refusal maintained | 11 | 10 | 10 | 6 |
| *% of Q32 respondents* | *19* | *19* | *15* | *19* |
| In negotiation | 3 | 3 | 0 | 1 |
| *% of Q32 respondents* | *5* | *6* | *0* | *3* |

*Outcomes do not always sum to the number of respondents who answered \`Yes' to Q32: some did not go on to answer Q33, while others gave answers amounting to more than one outcome.

## Pricing

*FC(S)* Q34: Do all your suppliers issue you with trade price lists?

[ ] Yes

[ ] No

*Open* Q35: If no, please state the names of those who do not.

TABLE 22 **Q34 and Q35: Survey responses-issue of suppliers' trade price lists**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q34 | 453 | 450 | 450 | 334 |
| \`Yes' | 444 | 443 | 443 | 328 |
| *% of Q34 respondents* | *98* | *98* | *98* | *98* |
| \`No' | 9 | 7 | 7 | 6 |
| *% of Q34 respondents* | *2* | *2* | *2* | *2* |
| Reply to Q35 cites supplier | 3 | 3 | 2 | 1 |

*FC(S)* Q36: Do all your suppliers issue you with RRP lists or their own suggested price lists?

[ ] Yes

[ ] No

*Open* Q37: If no, please state the names of those who do not.

TABLE 23 **Q36 and Q37: Survey responses-issue of suppliers' RRP or suggested price lists**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q36 | 455 | 452 | 452 | 337 |
| `Yes' | 425 | 423 | 422 | 312 |
| *% of Q36 respondents* | *93* | *94* | *93* | *93* |
| `No' | 30 | 29 | 30 | 25 |
| *% of Q36 respondents* | *7* | *6* | *7* | *7* |
| Reply to Q37 cites supplier | 9 | 9 | 8 | 4 |

*FC(S)* Q38: Do you take account of RRPs or suppliers' suggested prices in setting your prices?

[ ] Yes

[ ] No

TABLE 24 **Q38: Survey responses-retailers taking account of RRPs or SSPs**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q38 | 454 | 451 | 451 | 336 |
| `Yes' | 422 | 419 | 420 | 310 |
| *% of respondents* | *93* | *93* | *93* | *92* |
| `No' | 32 | 32 | 31 | 26 |
| *% of respondents* | *7* | *7* | *7* | *8* |

*FC(S)* Q39: Do your suppliers offer you any incentives, eg increased discounts or margins, if you adhere to their suggested prices?

*Open* Q40: If yes, which suppliers and what incentives?

TABLE 25 **Q39 and Q40: Survey responses-alleged incentives to adhere to RRPs or SSPs**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents Q39 | 450 | 453 | 450 | 335 |
| Replies to Q39 | | | | |
| `Yes'* | 26 | 26 | 26 | 20 |
| *% of respondents* | *6* | *6* | *6* | *6* |
| `No' | 424 | 427 | 424 | 315 |
| *% of respondents* | *94* | *94* | *94* | *94* |
| *Replies to Q40* | | | | |
| Increased discount | 6 | 6 | 7 | 4 |
| Advertising allowance | 5 | 5 | 5 | 5 |
| Other | 1 | 1 | 1 | 1 |
| Unspecified | 6 | 6 | 6 | 5 |

*Four respondents who answered `Yes' to Q39 are excluded because their replies to Q40 relate to practices other than selling below RRPs.

*FC(S)* Q41: Do you ever charge prices higher than RRPs or suppliers' suggested prices?

[ ] Yes

[ ] No

TABLE 26 **Q41: Survey responses-charging above suppliers' RRPs or suggested prices**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q41 | 449 | 446 | 446 | 333 |
| `Yes' | 102 | 100 | 102 | 84 |
| *% of respondents* | *23* | *22* | *23* | *25* |
| `No' | 347 | 346 | 344 | 249 |
| *% of respondents* | *77* | *78* | *77* | *75* |

*FC(S)* Q42: Do you ever charge prices lower than either RRPs or suppliers' suggested (or promotional) prices?

[ ] Yes

[ ] No

TABLE 27 **Q42: Survey responses-charging below suppliers' RRPs or suggested prices**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q42 | 455 | 452 | 452 | 336 |
| `Yes' | 414 | 412 | 414 | 317 |
| *% of respondents* | *91* | *91* | *92* | *94* |
| `No' | 41 | 40 | 38 | 19 |
| *% of respondents* | *9* | *9* | *8* | *6* |

*Open* Q43: If not, why not [charge below RRP/SSP]?

One answer suggested supplier objection as a factor: in all other cases the reason was to maintain adequate profitability.

*FC(S)* Q44: If you do charge prices below RRPs, do you show both prices on your price tickets?

TABLE 28 **Q44: Survey responses-ticketing below suppliers' RRPs or suggested prices**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Retail businesses | 457 | 454 | 454 | 338 |
| Respondents who have charged below RRP/SSP | 414 | 412 | 414 | 317 |
| Respondents to Q44 | 411 | 409 | 411 | 314 |
| `No' | 163 | 162 | 163 | 123 |
| *% of retail businesses* | *36* | *36* | *36* | *36* |
| `Yes' | 248 | 247 | 248 | 191 |
| *% of retail businesses* | *54* | *54* | *55* | *57* |

*FC(S)* Q45: Will you go below your ticket price for customers who want to bargain or ask you to match a price?

[ ] Yes

[ ] No

*FC(S)* Q46: If yes, how far would you go below your ticket price?

[ ] < 2% [ ] 3%-5% [ ] 6%-10% [ ] over 10%

TABLE 29 **Q45 and Q46: Survey responses-bargaining below ticket prices or price-matching**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Retail businesses | 457 | 454 | 454 | 338 |
| Respondents who have charged below RRPs (Q42) | 414 | 412 | 414 | 317 |
| Respondents to Q45 | 454 | 451 | 451 | 336 |
| *Bargain or price match below ticket price (Q45)* | | | | |
| `No' | 36 | 35 | 35 | 24 |
| *% of retail businesses* | *8* | *8* | *8* | *7* |
| `Yes' | 418 | 416 | 416 | 312 |
| *% of retail businesses* | *91* | *92* | *92* | *92* |
| *How far below ticket price? (Q46)* | | | | |
| 2% | 15 | 15 | 14 | 13 |
| 3-5% | 164 | 162 | 164 | 122 |
| 6-10% | 179 | 179 | 181 | 133 |
| Over 10% | 46 | 46 | 44 | 37 |

*FC(S)* Q47: Will you quote your own prices over the telephone?

[ ] Yes

[ ] No

TABLE 30 **Q47: Survey responses-willingness to quote by phone**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Retail businesses | 457 | 454 | 454 | 338 |
| Respondents to Q47 | 447 | 445 | 445 | 330 |
| `No' | 86 | 84 | 83 | 59 |
| *% of retail businesses* | *19* | *19* | *18* | *17* |
| `Yes' | 361 | 361 | 362 | 271 |
| *% of retail businesses* | *79* | *80* | *80* | *80* |

*FC(M)* Q48: If no [quote own prices by telephone], why not?

[ ] Supplier would not like it

*Open* If so, which supplier?

[ ] It would help competitors

[ ] Attract timewasters

[ ] Other

*Open* (please specify)

TABLE 31 **Q48: Survey responses-reasons against price quotation by telephone**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q48 | 84 | 82 | 80 | 56 |
| Reasons | 123 | 119 | 118 | 90 |
| *Reasons given* | | | | |
| Might help competitors | 45 | 44 | 45 | 34 |
| *% of respondents* | *37* | *37* | *38* | *38* |
| Attract timewasters | 40 | 39 | 38 | 30 |
| *% of respondents* | *33* | *33* | *32* | *33* |
| Supplier would not like it | 8 | 7 | 7 | 7 |
| *% of respondents* | *7* | *6* | *6* | *8* |
| Other | 30 | 29 | 28 | 19 |
| *% of respondents* | *24* | *24* | *24* | *21* |

*FC(S)* Q49: When your prices are lower than RRP do you advertise that fact? (Except when a supplier is sponsoring a reduction.)

[ ] Yes

[ ] No

*FC(M)* Q50: If no, why not?

[ ] Supplier would not like it

*Open* If so, which supplier?

[ ] It would help competitors

[ ] Other

*Open* (Please specify)

TABLE 32 **Q49 and Q50: Survey responses-advertising prices below suppliers' RRPs or suggested prices**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Retail businesses | 457 | 454 | 454 | 338 |
| Respondents to Q49 | 428 | 426 | 427 | 323 |
| *Advertise prices below RRP (Q49)* | | | | |
| `No' | 224 | 223 | 225 | 163 |
| *% of retail businesses* | *49* | *49* | *50* | *48* |
| `Yes' | 204 | 203 | 202 | 160 |
| *% of retail businesses* | *45* | *45* | *44* | *47* |
| *If not, why not? (Q50)* | | | | |
| Might help competitors | 38 | 38 | 38 | 27 |
| *% of Q49 respondents answering `No'* | *17* | *17* | *17* | *17* |
| Supplier would not like it | 22 | 21 | 22 | 16 |
| *% of Q49 respondents answering `No'* | *10* | *9* | *10* | *10* |
| Other | 158 | 158 | 154 | 113 |
| *% of Q49 respondents answering `No'* | *71* | *71* | *68* | *69* |

Sixty-six respondents who cited `other' reasons against advertising prices below RRP went on to say what these were: 18 said that it was not their company policy to advertise at all; 10 that advertising prices was unnecessary; and 10 that advertising was too costly or not cost-effective.

*FC(S)* Q51: If you are prepared to bargain or match a price, do you advertise that fact?

[ ] Yes

[ ] No

*FC(M)* Q52: If no, why not?

[ ] Supplier would not like it

*Open* If so, which supplier?

[ ] It would help competitors

[ ] Attract timewasters

[ ] Other

*Open* (Please specify)

*FC(S)* Q53: If yes, have any of your suppliers objected?

[ ] Yes

[ ] No

TABLE 33 **Q51, Q52 and Q53: Survey responses-advertising willingness to bargain or price-match**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Retail businesses | 457 | 454 | 454 | 338 |
| Respondents who have charged below RRP/SSP (Q42) | 414 | 412 | 414 | 317 |
| Respondents to Q51 | 408 | 407 | 407 | 307 |
| *Advertise willingness to bargain etc (Q51)* | | | | |
| `No' | 299 | 298 | 298 | 212 |
| *% of respondents* | *73* | *73* | *73* | *69* |
| `Yes' | 109 | 109 | 109 | 95 |
| *% of respondents* | *27* | *27* | *27* | *31* |
| *If `No', why not?* | | | | |
| Would attract timewasters | 91 | 89 | 88 | 64 |
| *% of Q51 respondents answering `No'* | *30* | *30* | *30* | *30* |
| Might help competitors | 47 | 47 | 46 | 33 |
| *% of Q51 respondents answering `No'* | *16* | *16* | *15* | *16* |
| Supplier would not like it | 13 | 13 | 13 | 8 |
| *% of Q51 respondents answering `No'* | *4* | *4* | *4* | *4* |
| Other | 202 | 204 | 205 | 145 |
| *% of Q51 respondents answering `No'* | *68* | *68* | *69* | *68* |
| *If `Yes', has any supplier objected?* | | | | |
| `No' | 89 | 89 | 90 | 80 |
| *% of Q51 respondents answering `Yes'* | *82* | *82* | *83* | *84* |
| `Yes' | 8 | 8 | 7 | 6 |
| *% of Q51 respondents answering `Yes'* | *7* | *7* | *6* | *6* |

One-hundred and fifty-one respondents who cited `other' reasons against advertising willingness to bargain or price-match went on to say what these were. Responses included 11 who said that such advertising was against company policy; 35 who said that they did not advertise at all; 48 answers indicated reluctance to encourage customers to bargain; 40 said that such advertising was ineffective or inappropriate; and 9 respondents said that they preferred to bargain face-to-face.

*Open* Q54: If yes [supplier allegedly objecting to the retailer advertising a willingness to bargain or match-price], which supplier and about which reference product?

*FC(M)* Q55: What did the supplier say?

[ ] Supplies would be withdrawn

[ ] Supply of particular models would be difficult

[ ] Credit would be difficult

[ ] Other

*Open* (Please specify)

*FC(S)* Q56: Did the supplier put anything in writing?

[ ] Yes

[ ] No

Only one respondent reported a written objection and Table 34 therefore does not include answers to Q56.

TABLE 34 **Q54 and Q55: Survey responses-alleged supplier objection to advertising of willingness to bargain**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Retail businesses | 457 | 454 | 454 | 338 |
| Advertise willingness to bargain (Q51) | 109 | 109 | 109 | 95 |
| Alleged objections by suppliers (Q54)* | 8 | 8 | 6 | 7 |
| | | | | |
| *What did supplier say? (Q55)* | | | | |
| Supplies would be withdrawn | 1 | 1 | 1 | 1 |
| Problems over particular models | 5 | 5 | 5 | 3 |
| Credit difficult | 0 | 0 | 0 | 0 |
| Other | 4 | 4 | 4 | 6 |

*The numbers of reports of alleged objection by a named supplier. Some respondents reported objections by more than one supplier of a particular reference good.

*FC(S)*

Q57: If since 1 January 1993 you have sold below RRPs, have any of your suppliers commented?

[ ] Yes

[ ] No

[ ] Not applicable

TABLE 35 **Q57: Survey responses-suppliers reported as commenting on charging below RRP or suggested prices**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q57* | 448 | 445 | 444 | 330 |
| | | | | |
| `Yes' | 43 | 42 | 43 | 35 |
| *% of respondents* | *10* | *9* | *10* | *11* |
| `No' | 386 | 384 | 384 | 286 |
| *% of respondents* | *86* | *86* | *86* | *87* |

*Including respondents who ticked the `Not applicable' option.

Q58: If no or not applicable [answer to Q57], go to Q70.

*Open*

If yes, which suppliers, about which reference goods and what did the supplier say?

There were 14 mentions of specific brands, some respondents citing more than one.

Some answers reported what a supplier had said. These have been included, with the answers to Q59 to Q63, in Table 36.

*FC(S)*

Q59: Did the supplier suggest your business might suffer if you carried on in this way?

[ ] Yes [ ] No

*FC(S)*

Q60: Did the supplier suggest that supplies would be withdrawn?

[ ] Yes [ ] No

*FC(S)* Q61: Did the supplier suggest that it would be difficult for you to get the models you wanted?

[ ] Yes [ ] No

*FC(S)* Q62: Did the supplier suggest that your credit conditions would be more demanding?

[ ] Yes [ ] No

*FC(S)* Q63: Did the supplier suggest that deliveries would become more difficult?

[ ] Yes [ ] No

Thirty-eight respondents who sold brown reference goods answered at least one of Q58 to Q63 (84 per cent of those who answered `Yes' to Q57). Replies and response rates in respect of each reference good are:

TV: 25 (58% of Q57 = `Yes')
VCR: 19 (45% of Q57 = `Yes')
Hi-fi: 22 (51% of Q57 = `Yes')
CamC: 17 (49% of Q57 = `Yes').

TABLE 36 **Q59 to Q63: Survey responses-reported supplier comments on pricing below RRPs or SSPs**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents who have charged below RRP/SSP (Q42) | 414 | 412 | 414 | 317 |
| Comments (some respondents reported more than one) | 32 | 22 | 26 | 22 |
| *Comments reported* | | | | |
| *(a)* Business might suffer (Q59 = `Yes'*) | 3 | 2 | 2 | 2 |
| *% of comments* | *9* | *9* | *8* | *9* |
| *(b)* Supplies might be withdrawn (Q60 = `Yes') | 1 | 1 | 1 | 1 |
| *% of comments* | *3* | *5* | *4* | *5* |
| *(c)* Difficult to get models wanted (Q61 = `Yes') | 2 | 2 | 2 | 2 |
| *% of comments* | *9* | *9* | *8* | *9* |
| *(d)* More demanding credit conditions (Q62 = `Yes') | 0 | 0 | 0 | 0 |
| *% of comments* | *0* | *0* | *0* | *0* |
| *(e)* Deliveries might become difficult (Q63 = `Yes') | 1 | 1 | 1 | 1 |
| *% of comments* | *3* | *5* | *4* | *5* |
| *(f)* Supplier aware; no adverse comment (Q58) | 13 | 10 | 11 | 8 |
| *% of comments* | *41* | *45* | *42* | *36* |
| *(g)* Advise restoration of RRP (Q58) | 6 | 2 | 5 | 4 |
| *% of comments* | *19* | *10* | *19* | *18* |
| *(h)* Upsetting competitors (Q58) | 4 | 2 | 2 | 2 |
| *% of comments* | *13* | *9* | *8* | *9* |
| *(i)* Margin protection might be withdrawn (Q58) | 0 | 0 | 0 | 0 |
| *% of comments* | *0* | *0* | *0* | *0* |
| *(j)* Unspecified threat/concern (Q58) | 2 | 2 | 2 | 2 |
| *% of comments* | *6* | *10* | *8* | *9* |

*Data include one case in which the respondent answered `No' to Q59, but whose answer to Q58 reported a warning that his business might suffer.

*FC(S)* Q64: Is there anything in writing about this [ie about selling below RRP]?

Only one respondent reported any written comment.

*FC(S)* Q65: Did any of these suggested consequences (ie Q59 to Q63) actually happen?

[ ] Yes

[ ] No

*Open* Q66: If yes, which?

One respondent said that consequences had occurred. He alleged that supplies had ceased (permanently from one supplier, temporarily from another).

*FC(S)* Q67: Is there anything in writing about these consequences?

[ ] Yes

[ ] No

One retailer reported a comment in writing.

*FC(S)* Q68: All this is most interesting. Was it like this in earlier years?

[ ] Yes

[ ] No

*Open* Q69: If yes, give as full an account as possible.

Table 37 combines the replies to Q68 and Q69 (the latter reduced to change/no change form and without repeating duplicates of Q68 answers). It includes answers from six respondents to Q69 who did not answer Q68.

TABLE 37 **Q68 and Q69: Survey responses-changing supplier attitudes to charging below RRPs or SSPs-respondents who reported that supplier(s) had commented on pricing below RRPs or SSPs**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q68 or Q69 | 40 | 39 | 41 | 35 |
| `Yes' (unchanged) | 20 | 19 | 21 | 19 |
| *% of combined Q68 and Q69 respondents* | *50* | *49* | *51* | *54* |
| `No' (changed) | 20 | 20 | 20 | 16 |
| *% of combined Q68 and Q69 respondents* | *50* | *51* | *49* | *46* |

*Open* Q70: If you answered no or not applicable to Q57, what were suppliers' attitudes to pricing before 1993?

Twenty replies have been excluded from Table 38, either because they were irrelevant to supplier attitudes to *pricing* or because respondents said that their businesses were too recently established for a view to be taken. A few respondents referred to single incidents in the past: these are insignificant as indicators of overall change in supplier attitude and have been counted as `No change' answers. But others cited general change in the attitude or practices of *specific* suppliers: these have been counted as `changes' and attributed to the reference goods produced by the supplier in question and stocked by the respondent.

TABLE 38 **Q70: Survey responses-changing supplier attitudes to pricing-respondents who said their supplier(s) had not commented on pricing below RRP or suggested prices**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents who did not answer `Yes' to Q57* | 414 | 412 | 411 | 303 |
| Relevant replies to Q70 | 392 | 390 | 389 | 294 |
| *Respondents reporting views as given below* | | | | |
| *(a)* Supplier attitudes unchanged | 280 | 279 | 279 | 207 |
| *% of relevant replies* | *71* | *72* | *72* | *70* |
| *(b)* Somewhat less strict supplier attitudes now | 75 | 74 | 72 | 57 |
| *% of relevant replies* | *19* | *19* | *19* | *19* |
| *(c)* Much less strict supplier attitudes now | 20 | 20 | 20 | 16 |
| *% of relevant replies* | *5* | *5* | *5* | *5* |
| *(d)* Supplier attitudes stricter now | 6 | 6 | 7 | 5 |
| *% of relevant replies* | *2* | *2* | *2* | *2* |
| *(e)* Other | 11 | 11 | 11 | 9 |
| *% of relevant replies* | *3* | *3* | *3* | *3* |

*Eleven replies to Q70 were from respondents who had answered `Yes' to Q57. These replies are included in the table entries: none were irrelevant.

*FC(S)*

Q71: Since January 1993, have any of your suppliers conveyed to you in any other way that they are unhappy about your pricing policy?

[ ] Yes

[ ] No

*Open*

Q72: If so, in what way?

None of the five substantive replies to Q72 added to replies already given to Q58 (and so did not report conveyance `in any other way').

TABLE 39 **Q71: Survey responses-supplier reaction to retailer's pricing policy**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q71 | 447 | 444 | 444 | 330 |
| `No' | 437 | 435 | 435 | 323 |
| *% of respondents* | *98* | *98* | *98* | *98* |
| `Yes' | 10 | 9 | 9 | 7 |
| *% of respondents* | *2* | *2* | *2* | *2* |

## Complaints

*Open*

Q73: Have local retailers at any time complained to you or to your suppliers, excluding CIH, about your prices for reference goods? If yes, what goods, which retailers, which suppliers and what did they say?

TABLE 40 **Q73: Survey responses-alleged complaints from other retailers about respondents' pricing policy**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q73 | 254 | 251 | 248 | 191 |
| Q73 respondents answering `No' | 194 | 198 | 192 | 148 |
| *% `No'* | *76* | *79* | *77* | *77* |
| Q73 respondents answering `Yes'* | 60 | 53 | 56 | 43 |
| *% `Yes'* | *24* | *21* | *23* | *23* |
| *Reports of complaints*† | | | | |
| To supplier | 53 | 47 | 51 | 36 |
| To respondent | 10 | 9 | 8 | 9 |
| *Outcomes of complaints:* | | | | |
| *Local complainant* | | | | |
| Sub-total | 31 | 29 | 32 | 20 |
| Led to: Supplier action | 3 | 3 | 3 | 3 |
| Mention by supplier; no other action | 11 | 11 | 14 | 5 |
| No supplier action | 17 | 15 | 15 | 12 |
| *National (ie multiple) complainant* | | | | |
| Sub-total | 11 | 9 | 10 | 9 |
| Led to: Supplier action | 3 | 3 | 3 | 3 |
| Mention by supplier; no other action | 5 | 4 | 4 | 4 |
| No supplier action | 3 | 2 | 3 | 2 |
| *Complainant not stated* | | | | |
| Sub-total | 16 | 13 | 12 | 12 |
| Led to: Supplier action | 2 | 1 | 0 | 0 |
| Mention by supplier; no other action | 9 | 8 | 8 | 8 |
| No supplier action | 5 | 4 | 4 | 4 |
| Other | 5 | 5 | 5 | 4 |

*The numbers of respondents who said that they had received complaints about each reference good, not the numbers of stockists of each reference good receiving complaints about any of them.

†Some respondents reported more than one category of complaint. Columns therefore show slightly more complaints than `Yes' replies to Q73.

The six replies shown as `other' in Table 40 comprise four who said that the complaints had been a long time ago; one said that a complaint had been made to the OFT and another that his supplier had rejected the complaint.

*FC(S)* Q74: Have you ever complained to your suppliers, excluding CIH, about local competitors' prices?

[ ] Yes

[ ] No

*Open* Q75: If yes, which suppliers, which goods, when and what was the outcome? Please specify in full.

TABLE 41 **Q74 and Q75: Survey responses-respondents' complaints about competitors' pricing policy**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q74 | 438 | 435 | 434 | 325 |
| Q74 respondents answering `No' | 189 | 187 | 184 | 137 |
| *% of respondents* | *43* | *43* | *42* | *42* |
| Q74 respondents answering `Yes' | 249 | 248 | 250 | 188 |
| *% of respondents* | *57* | *57* | *58* | *58* |
| Reports of complaints (via Q75)* | 180 | 163 | 139 | 97 |
| Complained to supplier | 168 | 150 | 130 | 89 |
| About national (ie multiple) target | 86 | 75 | 53 | 47 |
| Of which-produced result | 11 | 10 | 8 | 7 |
| -did not produce result | 75 | 65 | 57 | 40 |
| About local target | 46 | 42 | 39 | 22 |
| Of which-produced result | 10 | 8 | 6 | 3 |
| -did not produce result | 36 | 34 | 33 | 19 |
| About unstated target | 36 | 33 | 38 | 20 |
| Of which-produced result | 6 | 5 | 6 | 3 |
| -did not produce result | 30 | 28 | 32 | 17 |
| Other | 9 | 10 | 8 | 7 |

*The numbers of respondents reporting that they complained about each reference good. They differ from the numbers shown as answering `Yes' to Q74 (which are the numbers of stockists of each reference good who complained about any of them). Exact correspondence between the total number answering `Yes' to Q74 and the total complaints at the end of this row is not to be expected: some who said `Yes' to Q74 did not answer Q75, and some who did had not answered Q74 affirmatively. And because a few respondents reported complaining in more than one of the categories of this table, complaint counts are slightly larger than related respondent counts.

Some answers to Q75 were ambiguous or garbled. Table 41 should therefore be treated as indicative rather than precise.

A complaint is scored as producing a `result' either where the answer states this or where it can be reasonably interpreted as indicating that the respondent believed his complaint to have influenced events. (Comments along the lines `the problem disappeared because [the offending competitor] ceased trading' are not taken to indicate any result of the complaint.) Examples of the reported `results' of complaining include: obtaining margin support or other financial compensation from a supplier; the offending practice ceased; the supplier extended a special promotion to the complainant; and the supplier allegedly raised the matter with the target retailer (whether or not this produced any effect).

`Other' complaints include cases where the respondent said that he accepted the explanation given, and so was no longer looking for any result; complaints about `cowboys'; and misleading advertisements, often about failure to state that heavily discounted goods were `graded' (shop-soiled or damaged).

## CIH and its regional bodies

*FC(S)* Q76: If you are not a CIH member, have you ever been refused membership?

[ ] Yes

[ ] No

*FC(M)* Q77: If no, go to Q85. If yes, why?

[ ] Pricing policy

[ ] Creditworthiness

[ ] Other

*Open* (Please specify)

TABLE 42 **Q76 and Q77: Survey responses-alleged refusal of CIH membership**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents to Q76* | 272 | 271 | 272 | 192 |
| Allegedly refused CIH membership (Q76) | 12 | 12 | 11 | 9 |
| *% of respondents* | *4* | *4* | *4* | *5* |
| *Reasons for alleged refusal (Q77)* | | | | |
| Pricing policy | 1 | 1 | 1 | 1 |
| Creditworthiness | 1 | 1 | 1 | 0 |
| Other | 14 | 14 | 3 | 81 |

*In response to Q20, 156 respondents said that they were members of CIH.

*FC(S)* Q78: We understand that CIH include manufacturers' recommended retail prices (MRRPs) and suggested selling prices (SSPs) on the price lists they circulate to you. Since 1 January 1993 have you ever received any other retail pricing guidance from CIH on the goods they supply?

[ ] Yes

[ ] No

TABLE 43 **Q78: Survey responses-reported pricing guidance from CIH**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents who are members of CI(H)* | 156 | 148 | 123 | 68 |
| Replies to Q78† | 153 | 151 | 150 | 122 |
| `No' (have not received additional price guidance) | 113 | 111 | 111 | 88 |
| *% of respondents* | *74* | *74* | *74* | *72* |
| `Yes' | 40 | 40 | 39 | 34 |
| *% of respondents* | *26* | *26* | *26* | *28* |

*The numbers of respondents to Q24 who obtained each reference good from CIH.
†Numbers of stockists of each reference good who replied to Q78 and, in answer to Q20, said that they were CIH members.

*Open* Q79: If yes, in what form and when?

One answer to Q79 specifically suggested that CIH sought to influence retail prices; several others referred to CIH's `own suggested prices'.

*FC(S)* Q80: Have you had any complaints from CIH in any form about your pricing?

[ ] Yes

[ ] No

*Open* Q81: If yes, please give a full account of what happened and of the action you took.

Two respondents reported such complaints. Both said that CIH had reacted to complaints from another retailer. The breakdown by reference good is as follows:

TV - 1
VCR - 1

*FC(S)* Q82: Have you ever complained to CIH about your competitors' prices?

[ ] Yes

[ ] No

*Open* Q83: If yes, what was the outcome?

None of the replies to Q83 referred to specific reference goods and they have been scored against the products sold by the respondent. Four replies suggested that CIH took action as a result of the complaints.

TABLE 44 **Q82 and Q83: Survey responses-complaints to CIH**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents who are members of CIH* | 156 | 148 | 123 | 68 |
| Replies to Q82† | 149 | 147 | 146 | 117 |
| `No' | 131 | 129 | 129 | 102 |
| *% of respondents* | *88* | *88* | *88* | *87* |
| `Yes' | 18 | 18 | 17 | 15 |
| *% of respondents* | *12* | *12* | *12* | *13* |

*Numbers of respondents to Q24 who obtained each reference good from CIH. The numbers are not identical to the CIH membership counts, given in answer to Q20.

†Numbers of stockists of each reference good who replied to Q82 and, in answer to Q20, said that they were members of CIH.

*FC(S)* Q84: Has CIH ever given you any guidance on shop appearance, staff training or levels of service?

[ ] Yes

[ ] No

TABLE 45 **Q84: Survey responses-guidance from CIH**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Respondents who are members of CIH* | 156 | 148 | 123 | 68 |
| Replies to Q84† | 146 | 144 | 143 | 117 |
| `No' | 121 | 119 | 119 | 95 |
| *% of respondents* | *83* | *83* | *83* | *81* |
| `Yes' | 25 | 25 | 24 | 22 |
| *% of respondents* | *17* | *17* | *17* | *19* |

*Numbers of respondents to Q24 who obtained each reference good from CIH. The numbers are not identical to the CIH membership counts, given in answer to Q20.

†Numbers of stockists of each reference good who replied to Q82 and, in answer to Q20, said that they were members of CIH.

## Supplier contacts

*FC(M)* Q85: Who do you deal with in your supplying firms?

[ ] Local representatives

[ ] Area Sales Offices

[ ] Head Office

*FC(M)* Q86: Roughly how often are you in contact with each of them?

| | *Local representative* | *Area Sales Office* | *Head Office* |
|---|---|---|---|
| Weekly | [ ] | [ ] | [ ] |
| Monthly | [ ] | [ ] | [ ] |
| Quarterly | [ ] | [ ] | [ ] |

TABLE 46 **Q85 and Q86: Survey responses-respondents' contacts with their suppliers**

| | *Reference good* | | | |
|---|---|---|---|---|
| | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | |
| Retail businesses | 457 | 454 | 454 | 338 |
| Responses to Q85 | 453 | 447 | 450 | 337 |
| *Contact with* | | | | |
| Local representative | 419 | 417 | 417 | 315 |
| Area Sales Office | 190 | 188 | 184 | 150 |
| Head Office | 159 | 156 | 152 | 127 |
| *Frequency of contact* | | | | |
| Local representative: Weekly | 55 | 55 | 55 | 45 |
| Monthly | 352 | 351 | 350 | 262 |
| Quarterly | 18 | 17 | 19 | 10 |
| Area Sales Office: Weekly | 162 | 160 | 158 | 125 |
| Monthly | 95 | 95 | 96 | 71 |
| Quarterly | 37 | 36 | 37 | 31 |
| Head Office: Weekly | 88 | 87 | 86 | 64 |
| Monthly | 65 | 64 | 64 | 44 |
| Quarterly | 79 | 79 | 79 | 68 |

## Conclusion

*Open* Q87: That has covered the ground, but is there anything else on suppliers' pricing policy you would like to say?

TABLE 47 **Q87: Survey responses-additional comments**

| | | *Reference good* | | | |
|---|---|---|---|---|---|
| | | *TV* | *VCR* | *Hi-fi* | *CamC* |
| *Totals* | | | | | |
| Retail businesses | | 457 | 454 | 454 | 338 |
| Relevant responses to Q87 | | 296 | 295 | 294 | 225 |
| *Respondents commenting as summarized below* | | | | | |
| SCIP:* | Influences over prices remain | 19 | 19 | 19 | 14 |
| | No longer influences over prices | 46 | 47 | 49 | 40 |
| | Wants/supports SCIP | 48 | 48 | 50 | 34 |
| | Does not want/support SCIP | 4 | 4 | 4 | 3 |
| Prices: | Too low | 121 | 120 | 120 | 96 |
| | About right | 6 | 6 | 5 | 4 |
| | Too high | 3 | 2 | 2 | 2 |
| | Want greater price stability | 14 | 14 | 14 | 11 |
| | Consider uniformity inevitable† | 9 | 9 | 9 | 7 |
| Competition: | Wish to limit (other than RPM) | 6 | 6 | 6 | 5 |
| | Large outlets a problem | 88 | 88 | 88 | 61 |
| | Competition strong | 16 | 16 | 16 | 14 |
| | Competition weak | 1 | 1 | 1 | 1 |
| | Over-supply | 8 | 8 | 8 | 6 |
| Other | 41 | 40 | 38 | 30 | |

*Supplier control/influence over prices, not necessarily formal.

†ie retail prices considered to be uniform because all retailers were believed to be trading at lowest possible margins.