APPENDIX 6.1
(referred to in paragraphs 2.19, 6.2, 6.13, 6.86, 8.14 and 9.109)

BMRB Telephone Survey of Veterinary Surgeons (BMRB1)

Management Summary

Sample Profile

- In the majority of cases we interviewed a senior vet at the practice (63%).
- Two thirds (66%) of vets worked in an independent practice, 6% a hospital and 27% a branch.
- Just over half (55%) of the surgeries were owned by a partnership, two fifths (40%) were owned by a principal vet and five per cent were owned by a company or corporate body.
- Two thirds (67%) of surgeries treated just small animals, 27% were classified as mixed surgeries and two per cent as large animal specialists.
- There was a strong relationship between population density and animal specialism. Small animal specialists were particularly located in urban areas and mixed/large animal specialists mainly located in rural areas.
- On average, surgeries were staffed by three full-time vets. Small animal surgeries were slightly smaller, with an average of 2.3 full-time vets, and mixed/large surgeries were the largest in terms of staffing with an average of 4.3 full-time vets.
- The average number of consultations carried out in a week by all surgeries was 197. Compared with the overall average, mixed and large surgeries had a slightly heavier workload (mean = 222), and small animal surgeries a slightly lighter workload (mean = 187).
- On average, POMs were administered in a median of 80% of all consultations, and dispensed in a median of 75%.

Turnover and drug sales

- The average annual turnover of all surgeries was £441,000. The average for small animal specialists was £367,000, for large animal specialists it was £557,000 and for mixed surgeries £589,000.
- Three quarters (74%) of respondents were able to give their annual value of sales of animal medicines. The mean value was £164,000 per year. Among small animal vets, average annual drug sales were £121,000 and in large/mixed practices it was £247,000.
- POM sales accounted for the vast majority of drug sales, a mean average of 79%. The mean percentage of drug sales accounted for by PML products was 13% and by GSL products was 9%.
- Drug sales, on average, accounted for 37% of turnover. On average POM sales accounted for 29% of the total turnover.
- In about three in ten cases (27%) the decision on which POMs to stock in the surgery was made by the practice owners, partners or manager only. In a further three in ten cases (28%) the decision was made by these people but in consultation with other veterinary surgeons. In just over a fifth of cases (23%) the practice stocked all the POMs any vet asked to be available and in a further fifth of cases (21%) the vets working at the practice collectively decided which POMs to stock.
Relationships with wholesalers

- Most vets just had one wholesale supplier of animal medicines (57%). A further three in ten (28%) had two wholesalers, one in ten (9%) had three and five per cent four or more.

- The majority of surgeries had a computer (92%) and the majority of these had a practice management system on it (68% overall). Larger surgeries were more likely to have a practice management system on their computer than smaller surgeries.

- Nine per cent of vets thought that their principal wholesaler currently supplied animal medicines to pharmacies or agricultural merchants and 19% thought that they did not supply to them. The vast majority (72%) were not aware whether they supplied to them or not.

- Respondents had been asked if, “In the last two years, have you suggested to any wholesaler that they should only supply animal medicines to veterinary practices?” Less than one per cent of respondents said that this was the case.

- Respondents were also asked, “In the last two years have you suggested to any wholesaler that you would consider taking your business elsewhere, if they supplied POMs to pharmacies?” Just one per cent said that this was the case.

Practices of manufacturers

- Four fifths of vets negotiated rebates or discounts from manufacturers.

- More vets who negotiated did so individually than through a buying group (79% vs 18%).

- 18% of vets overall belonged to a buying group.

- Half of vets (50%) had been encouraged by manufacturers’ rebate schemes to buy more over a certain time period, such as a month or a year, to get into a higher rebate band.

- The structure of rebates from manufacturers encouraged 44% of vets to buy as many medicines as possible from certain manufacturers, rather than from alternative manufacturers.

- 73% of vets were aware of manufacturers that incentivised them to purchase an entire range of medicines to achieve the maximum rebates or lowest invoiced prices and 27% were unaware.

- Just five per cent of vets said that in the last two years they had suggested to a manufacturer, or one of its sales reps, that they should discourage the supply of POMs to pharmacies.

- Eight per cent of vets had in the last two years suggested to a manufacturer, or one of its sales reps, that a POM should not be reclassified as a PML.

Local Competition

- Nearly half of vets (46%) were located within a mile of a competing surgery offering similar services, and another third (35%) within 5 miles.

- The main factor that vets competed on was quality of service (63%), followed by price in general (7%). Three per cent of vets said they did not compete.

- The proximity of nearest competitor did not appear to affect the main factor vets competed on.

- When a customer transferred from another practice, 88% of vets routinely, and 10% sometimes, contacted the previous practice to obtain medical records for the animals concerned.
• Aside from medical records, 57% of vets also sought further information from the previous vet. The information most likely to be sought from a previous vet was financial information, 37% seeking this.

• Amongst vets who had clients that transferred from other practices, a third (34%) asked the previous practice whether they objected to the customer transferring to them. Of those who asked, just over a third (35%) would reject a customer if the previous vet objected to the transfer.

Billing practices and mark-up

• 77% of surgeries had a computer with a computer practice management system that could be used to calculate consultation and dispensing charges to customers.

• 69% of vets routinely provided pet-owning customers with an itemised bill separately identifying the consultation fee and the price of any medicine, 11% did so sometimes, 15% on request only and 3% rarely or never did.

• The majority of surgeries (95%) had standard or normal selling prices such as a list on paper or on computer.

• In 76% of surgeries all the veterinary surgeons always charged the standard price for POMs. In 17% of surgeries they usually charged the standard price for POMs and in just four per cent of cases did individual veterinary surgeons have complete discretion in setting prices for POMs.

• Three quarters (75%) of vets thought professional fees had the higher margin, one in ten (10%) that medicine fees had the higher margin, and 16% thought they were about the same.

• Just over half of vets (53%) said that medicine fees subsidised consultation fees at their surgery (to a lesser extent, some extent or a greater extent), whereas two fifths (41%) said this did not happen at all.

• The mean average mark-up for POMs was 68%, compared to a mean average PML mark-up of 47% and GSL mark-up of 42%.

• The published list price was the basis for mark-up for POMs for three quarters of vets (75%). One in ten (9%) took the list price less wholesaler’s discount as the basis for mark-up and a further one in ten (9%) took the list price less wholesaler’s discount and manufacturer’s rebates.

Prescribing

• In a third of surgeries (33%) the decision about whether or not to, or how to, inform clients that they can have a written prescription to take to the pharmacist was made by individual surgeons without ever informing (or discussing) with colleagues. In just over a quarter of cases (27%), the decision was taken by the practice owners, partners or manager only. In a further tenth (11%) of surgeries, the decision was also made by the practice owners, partners or manager but in consultation with other vets working there. In 15% of surgeries, the decision was made collectively by all surgeons working there.

• 49% of vets did not inform clients at all that they could have a written prescription to take to a pharmacist. 24% of vets informed their clients on request only, for example when people asked.

• The average normal fee for writing a prescription was £4, although ranged from nothing to over £15. Amongst those who answered this question, a fifth of vets (22%) charged nothing for writing a prescription and 7% did not write prescriptions.

• Three fifths of vets (60%) had been asked to write a prescription in the last three months.
• Only two per cent of vets had declined to write a prescription on request in the last year following a diagnosis where a prescription was required.

• 86% of vets agreed that the cascade rules should be amended to give vets more scope to prescribe generic treatments for pets where the owner and vet decide this is the best treatment.

1. Introduction

1.1 Background and objectives

The Competition Commission, at the request of the Director General of Fair Trading, is carrying out a major inquiry into the supply of prescription-only veterinary medicines (POMs) within the United Kingdom. The Commission has been asked to investigate whether a complex monopoly exists in this sector and, if so, whether it operates, or may be expected to operate, against the public interest.

As part of their inquiry, the Commission contracted BMRB Social Research to conduct a survey among veterinary surgeons based at a representative sample of veterinary surgeries in the UK. The objectives of this research were as follows:

• To investigate the relationship between veterinary surgeons and manufacturers and wholesalers.

• To assess the extent to which pricing is affected by local competition.

• To examine billing and prescribing practices by surgeries.

• To collect information about overall and POM turnover, and mark-ups charged on POMs and other medicines.

• To classify vets in terms of their animal specialism, size of practice and type of business (eg branch practice or independent).

1.2 Method

Veterinary surgeons based at a representative sample of 610 veterinary surgeries were interviewed by telephone in the period 4th–27th March 2002. Interviews were conducted at one of BMRB’s telephone interviewing centres based in Hull using CATI (computer-assisted telephone interviewing).

The sample was selected from the RCVS database of veterinary surgeries, which lists approximately 3,500 veterinary individual branches and surgeries. The survey was based on surgery level, so where a veterinary group or practice comprised several branches, each branch was uniquely eligible for inclusion in the survey.

About a week in advance of the survey’s commencement, all surgeries were written to by BMRB, explaining who the survey was being conducted on behalf of, and the purpose of the research. The letter is appended in Appendix B. The letter also highlighted some of the questions which vets would be asked during the interview. These were questions which sought to collect detailed financial and management information which veterinary surgeons would not necessarily be expected to know without prior reference. Thus, vets were provided with pre-notification about the following topics:

— average weekly consultations

— estimates of annual turnover and medicine sales

— medicine sales broken down by POM, PML and GSL

— average percentage mark-ups for POM, PML and GSL
In the letter, and when contacting veterinary surgeries, BMRB asked to speak to the senior veterinary surgeon at the practice or, in their absence, an equally knowledgeable professional. In 63% of cases, a senior surgeon was interviewed, the majority of the remainder of the interviews conducted with other veterinary surgeons working at the practice.

In total, 1,571 surgeries were contacted, of which 59 were deemed to be ineligible (e.g., not a practising veterinary surgery because now retired or providing consultancy services only). Of the 1,512 assumed valid contacts, 321 (21%) refused to participate and 610 (40%) completed the interview. It should be noted that most of the remaining sample were practices for which we had not yet managed to contact the relevant surgeon. Thus, the sample was not “exhausted”, and a longer fieldwork period would have yielded a much higher response. Still, this response rate is still considered high in the context of surveys among professional groups and demonstrates the importance which veterinary surgeons placed on the issues which the survey pertained to.

The average interview length was 24 minutes.

1.3 Validity of the sample

As in all sample surveys, it is important that the sample selected can be shown to be representative of the wider population from which it was drawn, so that the results can be generalised. The RCVS database contained relatively little reliable information against which we could compare the resultant sample. However, we were able to compare the sample for three criteria: Defra region, SPVS region and surgery type. As shown in Table 1.1 below, the sample was shown to match the population very closely in all these respects, although there was a small regional imbalance. Compared with the population the sample contained a slightly higher proportion of surgeries in the South Western Defra region (20% sample, 14% population) and a slightly lower proportion the Eastern region (14% sample, 19% population). The Eastern Defra region includes London and the SPVS region breakdown confirms that this under-representation is mainly associated with London-based surgeries.

Ideally, we would have liked to compare the sample for animal specialism (small, mixed, large, equine, other). Although this information was collected in the survey, we did not have any directly comparable information on the RCVS database. However, some approximated statistics on the population distribution of animal specialism provided to BMRB indicated that the sample is representative in this respect.

### TABLE 1a Regional comparison of total RCVS database population and achieved sample

<table>
<thead>
<tr>
<th>Base: All</th>
<th>RCVS database (3478)</th>
<th>Respondents (610)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td><strong>Defra region</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Midlands</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Eastern</td>
<td>18</td>
<td>14</td>
</tr>
<tr>
<td>Midlands and Western</td>
<td>21</td>
<td>19</td>
</tr>
<tr>
<td>Northern</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>N Ireland</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Scotland</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>South Western</td>
<td>14</td>
<td>20</td>
</tr>
<tr>
<td>South Eastern</td>
<td>17</td>
<td>19</td>
</tr>
<tr>
<td>Wales</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td><strong>SPVS region</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wales and the South West</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td>Greater London</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>South East</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>Merseyside and the Midlands</td>
<td>21</td>
<td>18</td>
</tr>
<tr>
<td>Northern England</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Scotland &amp; N Ireland</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td><strong>Nation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>England</td>
<td>82</td>
<td>83</td>
</tr>
<tr>
<td>N Ireland</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Scotland</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Wales</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td><strong>Surgery type</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Practice</td>
<td>62</td>
<td>66</td>
</tr>
<tr>
<td>Branch</td>
<td>33</td>
<td>27</td>
</tr>
<tr>
<td>Hospital</td>
<td>4</td>
<td>6</td>
</tr>
</tbody>
</table>
1.4 Web survey

Vets who did not participate in the telephone survey were given a further opportunity to provide information for the survey by means of a web-based survey conducted after the main telephone fieldwork had been completed. We knew that the majority of practices had a computer (92% in the telephone survey) although we did not know whether they would have Internet access on it.

From the database of 3,500 surgeries we removed those that had been interviewed in the telephone survey and those who had been found to be ineligible. A letter was sent to all remaining surgeries explaining that although the telephone survey had been completed, vets could still have their say in a web-based survey. The letter gave a URL address for the survey and a password to ensure that each surgery could only answer the survey once. Again, the letter is appended in Appendix B.

The site was hosted externally to both the Competition Commission and BMRB. It was live for one month from 23rd April to 22nd May. In total 75 interviews were achieved, of which 70 completed the whole interview.

It is not possible to add together the results of the telephone and web survey as the different modes of interview and sampling technique means that this would not be a valid approach. There were also differences in the make-up of the sample and a small base size on the web survey which means the web data is not as statistically robust. Appendix A provides some details of the responding sample to the web-based survey and how this compares with the main sample. Therefore, the findings in this report are based predominantly on the 610 respondents to the main telephone survey.

The web survey included extra questions to provide some clarification to questions asked in the main survey. Two questions were added to further investigate the profit margins of consultation charges and medicine fees and a third question was added as a check on whether manufacturer’s rebates were actively negotiated or simply passively accepted; the questions are appended following the main questionnaire in Appendix C. Data from these questions has been included in this report to help build up the picture of the relevant issues, but this data may not be as reliable as the telephone survey data.

1.5 Re-contact survey

After the survey was completed, the Competition Commission identified some further areas where additional clarification was required. These were mainly concerned with the decision-making practice of surgeries with regard to the stocking and pricing of drugs, and how clients might be informed that they can have a written prescription to take to their pharmacist. The interest here lay in the extent to which individual vets were able to answer on behalf of their surgery.

Of the 610 vets who took part in the main telephone survey, 595 agreed to be re-contacted. The re-contact survey attempted to interview all of these vets in the period 17th–28th June 2002 using CATI technology at BMRB International’s London telephone centre. The person who had been interviewed previously was asked for by name and a check was put in place to make sure they were answering about the same surgery.

Contact was made with 570 surgeries, and an interview conducted with 501 of them (82% of 610). Only one person refused. The other 68 contacts were mainly surgeries where the surgery was contacted and either the senior vet asked to be called back at another time (22 cases), or was unable to do the interview during the fieldwork period (43 cases). Three people no longer worked at the surgery.

The average length of the interview was about 6 minutes. Again the questionnaire is appended in Appendix C.

As shown in Appendix A, the re-contact sample was broadly representative of the 610 sample and therefore the data can be taken as robust and reliable. As with the web survey, the extra information has been included in the main body of the report where relevant. Percentages in this report for re-contact questions are based on 501 respondents.
2. Sample profile

2.1 Respondent profile

We asked to speak to one of the senior veterinary surgeons in charge at the location where possible. Nearly two thirds (63\%) of respondents were classified as such\(^1\) a further quarter being another vet or partner based at the surgery, and nine per cent were Practice Managers.

2.2 Surgery profile

Two thirds of respondents we spoke to (66\%) worked in an independent practice, six per cent described their surgery as a veterinary hospital and a further 27\% worked in a branch of either a veterinary practice or hospital. In eight cases respondents said they worked at something other than a branch, practice or hospital and these locations have been grouped with hospitals in the following analysis. Of the 501 surgeries contacted in the second phase of telephone research, 37\% were part of a group and 63\% were not.

Just over half (55\%) of the surgeries were owned by a partnership, two fifths (40\%) were owned by a principal vet and five per cent were owned by a company or corporate body.

The majority of surgeries treated just small animals (67\%), the majority of the remainder (27\% in total) classified as mixed surgeries. Just two per cent of vets we spoke to described their surgery as specialising exclusively in large animals and three per cent described their surgery as an equine specialist. One per cent classified themselves as an “other” type of surgery which may have included specialisms such as poultry, fish and exotic animals.

The following table shows the catchment area surrounding the surgeries in terms of the rural/urban distribution. As expected, there is a strong relationship between population density and animal specialism. Small animal surgeries were particularly likely to be located in urban areas while mixed/large specialists were mainly located in rural or mixed catchment areas.

<table>
<thead>
<tr>
<th>Table 2a Catchment area by type of animal specialism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base: All respondents (610)</td>
</tr>
<tr>
<td>All</td>
</tr>
<tr>
<td>Small animal (409)</td>
</tr>
<tr>
<td>Mixed/large/Equine (195)</td>
</tr>
<tr>
<td>%%</td>
</tr>
<tr>
<td>City Centre</td>
</tr>
<tr>
<td>6%</td>
</tr>
<tr>
<td>8%</td>
</tr>
<tr>
<td>1%</td>
</tr>
<tr>
<td>Mainly urban</td>
</tr>
<tr>
<td>37%</td>
</tr>
<tr>
<td>52%</td>
</tr>
<tr>
<td>7%</td>
</tr>
<tr>
<td>About equally urban and rural</td>
</tr>
<tr>
<td>30%</td>
</tr>
<tr>
<td>29%</td>
</tr>
<tr>
<td>31%</td>
</tr>
<tr>
<td>Mainly rural</td>
</tr>
<tr>
<td>23%</td>
</tr>
<tr>
<td>10%</td>
</tr>
<tr>
<td>51%</td>
</tr>
<tr>
<td>Completely rural</td>
</tr>
<tr>
<td>5%</td>
</tr>
<tr>
<td>1%</td>
</tr>
<tr>
<td>11%</td>
</tr>
</tbody>
</table>

2.3 Size of surgery

Two measures of size of practice were collected in this survey. Firstly, respondents were asked about the number of vets working at the location sampled, and the hours worked. From this information, a measure of number of full-time equivalent vets was calculated. On average, surgeries were staffed by three full-time vets. Small animal surgeries were slightly smaller, with an average of 2.3 full-time vets, and mixed/large surgeries were the largest in terms of staffing, with an average of 4.3 full-time vets.

The small sample of hospitals interviewed had a particularly high level of staffing with an average of 5.2 full-time vets; this compares with averages of 3.0 in individually-owned practices and 2.2 in branch practices.

\(^1\)Includes respondents who classified themselves as principal or owner as well as those saying senior vet or partner.
Secondly, interviewed vets were asked about the average number of consultations carried out by themselves and their colleagues per week. Vets were asked to include both consultations on the premises and outside visits. In the case of large and mixed vets, where a consultation may involve treatment of a whole, say, herd of cows, vets were asked to treat such instances as one consultation only.

On this basis, the average number of consultations carried out in a week by all surgeries was 197. Compared with the overall average, mixed and large surgeries had a slightly heavier workload (mean = 222), and small animal surgeries a slightly lighter workload (mean = 187).

In line with staff numbers, hospitals tended to carry out the most weekly consultations (mean = 349), followed by practices (mean = 195) and then branches (mean = 164).

2.4 Level of POM use

[Section] 3 provides some statistics about POM turnover. However, vets were also asked about the proportion of all consultations in which a POM would be injected or otherwise administered, and the proportion in which a POM would be dispensed. POMs were administered in a median of 80% of all consultations, and dispensed in a median of 75%. The median percentage of consultations in which POMs were either administered or dispensed did not vary by number of consultations. Thus if the results are re-based on all consultations, rather than number of vets, these median percentage figures remain unchanged. Chart 2a displays the distribution of responses given to these two questions.

Chart 2a  Percentage of consultations in which POMs administered and dispensed

![Chart 2a](image)

Large animal vets were more likely to dispense POMs than small animal vets, but were not particularly more likely to inject or administer POMs. For small animal specialists POMs were dispensed in a median of 70% of all consultations, and administered in a median of 80%. For large animal and mixed practices POMs were dispensed in a median of 75% of all consultations, and administered in a median of 80%. The mean percentage was lower in both cases for small animal vets than large/mixed animal vets.
2.5 Density of client base

Vets were asked a number of questions about the density of their client base. Firstly, vets were asked what they considered to be the maximum (one-way) journey time they would make to treat a sick animal in a typical week. At the extremes, 6% said that all animals were treated on site, and a further 6% said that they would make a journey of over an hour’s drive. The median driving time fell into the range of 20 and 29 minutes, and just under half (49%) were making journeys of at least 30 minutes.

Small animal vets had a denser client base (median longest journey time in the range 20–29 minutes) compared with mixed/large vets (median 40–49 minutes’ drive).

Vets were also asked to think about the distance from their surgery (in terms of driving time) that 50% of their clients were located within. As shown in table 2b, just over half of all vets (56%) said that half of their clients were within a ten-minute drive from their surgery and the mean driving time was estimated as 15 minutes. Vets were also asked about the driving distance that 90% of clients could be said to be within. Three fifths (59%) said that 90% of customer base was located within a twenty-minute driving radius, and mean driving time was estimated at 24 minutes.

Small animal vets were once again shown to have a denser client base on these measures. For example, 68% of small animal vets said that 50% of their client base was within a ten-minute radius, compared with only 34% of mixed/large vets.

<table>
<thead>
<tr>
<th>TABLE 2b  Distance of clients from surgery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base: All respondents (610)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>50% of clients are within ...</td>
</tr>
<tr>
<td>%</td>
</tr>
<tr>
<td>Walking distance (within 5 minutes’ drive)</td>
</tr>
<tr>
<td>Ten minutes’ drive</td>
</tr>
<tr>
<td>Twenty minutes’ drive</td>
</tr>
<tr>
<td>Thirty minutes’ drive</td>
</tr>
<tr>
<td>Forty minutes’ drive</td>
</tr>
<tr>
<td>An hour’s drive</td>
</tr>
<tr>
<td>Longer than an hour’s drive</td>
</tr>
<tr>
<td>Not stated/Don’t Know</td>
</tr>
</tbody>
</table>

3. Turnover and Drug Sales

3.1 Turnover

Nearly all vets interviewed (aside from 7%) were able to provide an annual turnover figure for their surgery.

The mean annual turnover for all surgeries was £441,000. The mean average for small animal specialists was £367,000, for large animal specialists it was £557,000 and for mixed surgeries £589,000.

3.2 Drug Sales

Three quarters (74%) of respondents were able to give their annual value of sales of animal medicines. The mean value was £164,000 per year. Among small animal vets, average annual drug sales were £121,000 and in large/mixed practices it was £247,000.

Three fifths (60%) of respondents were able to give a drug sales value and break it down into the proportion of sales from each of POM, PML and GSL medicines. Within this subset of 365 respondents, POM sales accounted for the vast majority of drug sales, a mean of 79%. On average, this did not vary much between type of surgery. There was a very small difference in size of surgery as measured by number of consultations, number of full-time vet equivalents and annual turnover, with the larger
surgeries having a slightly greater proportion of their drug sales accounted for by POMs. It did not differ, however, by value of drug sales, until they were over £226,000, as demonstrated in the table 3a.

Although the proportion of drug sales ranged from 0% to 40% for PML products and from 0 to 60% for GSL products, the mean percentage of drug sales accounted for by PML products was 13% and by GSL products was 9%.

**TABLE 3a Average percentage of annual medicine sales from POMs**

<table>
<thead>
<tr>
<th>Base: All who are able to break down medicine sales (365)</th>
<th>Mean percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>79</td>
</tr>
<tr>
<td><strong>Number of full time vet equivalents</strong></td>
<td></td>
</tr>
<tr>
<td>Up to 2</td>
<td>77</td>
</tr>
<tr>
<td>3-5</td>
<td>80</td>
</tr>
<tr>
<td>6+</td>
<td>81</td>
</tr>
<tr>
<td><strong>Consultations</strong></td>
<td></td>
</tr>
<tr>
<td>1-100</td>
<td>77</td>
</tr>
<tr>
<td>101-200</td>
<td>78</td>
</tr>
<tr>
<td>201+</td>
<td>80</td>
</tr>
<tr>
<td><strong>Annual turnover (£ thousand)</strong></td>
<td></td>
</tr>
<tr>
<td>1-200</td>
<td>77</td>
</tr>
<tr>
<td>201-400</td>
<td>79</td>
</tr>
<tr>
<td>401-600</td>
<td>79</td>
</tr>
<tr>
<td>601+</td>
<td>81</td>
</tr>
<tr>
<td><strong>Annual drug sales (£ thousand)</strong></td>
<td></td>
</tr>
<tr>
<td>1-75</td>
<td>78</td>
</tr>
<tr>
<td>76-150</td>
<td>78</td>
</tr>
<tr>
<td>151-225</td>
<td>78</td>
</tr>
<tr>
<td>226+</td>
<td>82</td>
</tr>
</tbody>
</table>

**3.3 Drug sales and turnover**

As shown in chart 3a, drug sales, on average, accounted for 37% of turnover. On average POM sales accounted for 29% of the total turnover.

The percentage of turnover accounted for by medicine and POM sales did vary between different types of surgery and different sized surgeries, as shown in chart 3b.

Mixed practices had a higher proportion of turnover accounted for by drug sales and POM sales than small animal specialists.
Chart 3a  Drug sales as a per cent of turnover

Mean per cent of turnover = 37%

Base: All respondents able to give figures (453)

Chart 3b  Percentage of turnover accounted for by total drug and POM sales

Mean percentages

Base: All respondents able to give POM breakdown: Small (238) Mixed (104) < 2 vets (169) 3-5 vets (135) 6+ vets (59)
3.4 Decision maker for stocking of POMs

The person, or people, who decided which POMs to stock varied between surgeries. In about three in ten cases (27%) the decision was made by the practice owners, partners or manager only. In a further three in ten cases (28%) the decision was made by these people but in consultation with other veterinary surgeons. In just over a fifth of cases (23%) the practice stocked all the POMs any vet asked to be available and in a further fifth of cases (21%) the vets working at the practice collectively decided which POMs to stock.

In smaller surgeries, with fewer full-time vet equivalents and lower turnover and drug sales, the decision about which POMs to stock was more likely to be taken by the practice owners, partners or manager only.

In 42% of surgeries owned by a principal vet, the decision was taken by the practice owners, partners or manager only, whereas, where the surgery was owned by a partnership, the decision was most likely to be taken by the practice owners, partners or manager in consultation with other vets working there (31% compared with 19% practice owners, partners or manager only).

Amongst those surgeries that were part of a group, these decisions about which POMs to stock were usually made in the same way in other branches of the group (95%).

4. Relationship with Wholesalers

4.1 Wholesaler

Vets were asked about the number of wholesalers used. Most vets had just one wholesale supplier of animal medicines (57%). A further three in ten (28%) had two wholesalers, one in ten (9%) had three and five per cent four or more. Branches and smaller surgeries (as defined by number of vets, number of consultations and turnover) tended to be slightly more likely than other surgeries to use just one supplier. Even amongst surgeries with a turnover of over £601,000 or with annual drug sales of over £151,000, half just used one wholesale supplier (both 51%).

The most important wholesaler was the same for 44% of vets. The second most important wholesaler was the main wholesaler for 28% of vets. The most important wholesaler tended to differ for small and large/mixed animal vets.

A third (33%) of vets were fairly satisfied with their main wholesaler and nearly two thirds (65%) were very satisfied. Only eleven vets (2%) were dissatisfied with their wholesaler. The few vets that were dissatisfied tended to be from small surgeries with just one or two full-time vets (or equivalents). They tended to be small animal sole practices, in urban areas. They were dissatisfied with the level or quality of service, delivery and availability or range of drugs.

4.2 Practice Computers

The majority of surgeries (92%) had a computer. The eight per cent who did not, tended to be small animal vets with surgeries staffed by just one or two full-time vets or equivalent.

Among those with a computer, nearly three quarters (72%) had a practice management system on it. Larger surgeries (as measured by number of full-time vets and number of consultations) were more likely to have a practice management system on their computer than smaller surgeries.

Nearly seven in ten (68%) of surgeries overall, therefore, had a practice management system. Among surgeries with an annual turnover of over £601,000, 88% had a practice management system, compared to: 74% of those with an annual turnover of £401,000–£600,000; 62% of those with an annual turnover of £201,000–£400,000; and 53% of those with a turnover of less than £200,000 a year.
Respondents were asked what computer software they had been provided with by their main wholesaler. Three fifths of surgeries with a computer had been supplied with online ordering software; this equates to 57% of surgeries in total.

A third (34%) of surgeries had been supplied with computer hardware, one in ten (10%) with practice management software and just one per cent with each of price update discs, scanning/bar-coding system or a hand-held (ESCOS) system.

Three in ten surgeries (29%) had not been provided with any computer hardware or software from their wholesaler and as mentioned previously just under one in ten surgeries (8%) did not have any computer at all.

The chart below demonstrates that surgeries with a higher turnover were more likely to have a computer and were more likely to have been provided with computer equipment from their wholesaler.

Chart 4a  Computer equipment provided by wholesalers by annual turnover

Of the 62% of surgeries who had been provided with computer hardware or software from their main wholesaler, just 8% could use this equipment to order from alternative wholesalers. For two fifths of those who had been provided with equipment, it was not possible to order from alternative wholesalers but this was not a problem. Not being able to order from alternative wholesalers was only a problem for six per cent of those who had been supplied with equipment but as shown in the chart below it tended to be more of a problem for surgeries with a smaller drug spend.
4.3 Wholesalers and supply of medicines

Nine per cent of vets thought that their principal wholesaler currently supplied animal medicines to pharmacies or agricultural merchants and 19% thought that they did not supply to them. The vast majority (72%) were not aware whether they supplied to them or not.

Large/mixed animal vets tended to be more aware of the situation than small animal vets as 65% said that they were not aware compared with 76% of small animal vets. These large/mixed animal vets were therefore more likely than small animal vets to say that their main wholesaler did not supply to pharmacies or agricultural merchants (28% vs 15%).

Respondents had been asked if, “In the last two years, have you suggested to any wholesaler that they should only supply animal medicines to veterinary practices?” Less than one per cent of respondents said that this was the case.

Respondents were also asked, “In the last two years have you suggested to any wholesaler that you would consider taking your business elsewhere, if they supplied POMs to pharmacies?” Again, just one per cent said that this was the case.

5. Practices of Manufacturers

5.1 Negotiating Rebates and buying group membership

In the telephone survey, four fifths of vets said ‘yes’ when asked whether they “negotiate rebates or discounts from manufacturers?” This varied slightly by drug sales and specialism as shown in the chart below.
Further investigation was required to investigate whether they actively negotiated these rebates or simply accepted those offered by manufacturers. An extra question was therefore added to the web survey asking how decisions regarding manufacturer’s discounts and rebates were made. The web survey had been in line with the telephone survey in that four fifths of vets said that they negotiated rebates or discounts from manufacturers. Slightly more vets said that they actively negotiated these rebates rather than accepting those offered (41% vs 32%). A further 17% said that a buying group handled the negotiations on their behalf.

More vets who negotiated did so individually than through a buying a group (79% vs 18%). In the telephone survey, just two per cent of those who negotiated discounts or rebates spontaneously said that they did so both individually and through a group. In the web survey ‘both’ was added as an option and 16% said that they negotiated both individually and through a buying group. Fewer therefore said they negotiated solely through a buying group (7%) and 74% said they just negotiated individually.

When asked specifically whether their practice was a member of a buying group, 18% of telephone respondents said yes. Branch practices were more likely to be members of a buying group than sole practices or hospitals (22% vs 17% and 15%). The trend was for practices with a lower annual drug sales to have a higher propensity to be members of a buying group than those with a higher drug spend, although the differences are not statistically significant (23% up to 75K; 18% £76 to 150K; 16% £151K+).

Around 20 different buying groups were mentioned. Of those vets who belonged to a buying group, around a fifth belonged to each of the two most frequently mentioned and a further tenth to the group mentioned third most often.

A higher proportion of vets in the web survey were members of a buying group (24%). These respondents were actually less likely to be from a branch as a sole practice and hospital and actually tended to be bigger practices in terms of annual turnover and drug spend.
5.2 Incentivising Schemes

To investigate incentivising schemes, vets were first asked, “Have any manufacturers’ rebate schemes encouraged you to buy more over a certain time period, such as a month or a year, so that you get into a higher rebate band?” A half said this was the case (50%) compared with 48% who were not incentivised in this way.

Large/mixed animal surgeries were more likely to report this type of buying behaviour than small animal vets. It was larger surgeries (in terms of number of vets, number of consultations, turnover and drug sales) who were more likely to say that they had been incentivised in this way, as shown in the first column of table 5a.

Secondly, vets were asked, “Does the structure of rebates from manufacturers encourage you to buy as many medicines as possible from certain manufacturers, rather than from alternative manufacturers?” For 44% of vets the structure of rebates had encouraged them to buy from a single manufacturer and for 55% it had not.

Again, as shown in the second column of table 5a, it was large and mixed animal and therefore rural vets who were most likely to be encouraged by these schemes. In addition it was the practices staffed by more vets or with a higher annual turnover or higher annual drug spend that were more likely to be incentivised by these schemes.

### TABLE 5a Take up of manufacturers’ incentive schemes

<table>
<thead>
<tr>
<th>Area of work</th>
<th>Manufactures’ rebates schemes have encouraged more purchases over a certain time period to get into a higher rebate band % Yes</th>
<th>Structure of rebates have encouraged as much purchase as possible from single manufacturer % Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>All (610)</td>
<td>50</td>
<td>44</td>
</tr>
<tr>
<td>Large/mixed animal</td>
<td>(195)</td>
<td>60</td>
</tr>
<tr>
<td>Small animal</td>
<td>(409)</td>
<td>46</td>
</tr>
<tr>
<td>Urban/ city</td>
<td>(261)</td>
<td>43</td>
</tr>
<tr>
<td>Mixed</td>
<td>(181)</td>
<td>50</td>
</tr>
<tr>
<td>Rural</td>
<td>(166)</td>
<td>62</td>
</tr>
<tr>
<td>Number of full time vet equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to 2</td>
<td>(290)</td>
<td>42</td>
</tr>
<tr>
<td>3-5</td>
<td>(232)</td>
<td>54</td>
</tr>
<tr>
<td>6+</td>
<td>(80)</td>
<td>71</td>
</tr>
<tr>
<td>Consultations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-100</td>
<td>(174)</td>
<td>44</td>
</tr>
<tr>
<td>101-200</td>
<td>(234)</td>
<td>50</td>
</tr>
<tr>
<td>201+</td>
<td>(195)</td>
<td>56</td>
</tr>
<tr>
<td>Annual turnover (£ thousand)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-200</td>
<td>(131)</td>
<td>40</td>
</tr>
<tr>
<td>201–400</td>
<td>(190)</td>
<td>46</td>
</tr>
<tr>
<td>401-600</td>
<td>(121)</td>
<td>55</td>
</tr>
<tr>
<td>601+</td>
<td>(119)</td>
<td>67</td>
</tr>
<tr>
<td>Annual drug sales (£ thousand)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-75</td>
<td>(140)</td>
<td>41</td>
</tr>
<tr>
<td>76-150</td>
<td>(131)</td>
<td>49</td>
</tr>
<tr>
<td>150+</td>
<td>(167)</td>
<td>64</td>
</tr>
</tbody>
</table>

Vets were also asked, “Are you aware of any manufacturers that incentivise you to purchase an entire range of medicines—such as all their dog vaccines—to achieve the maximum rebates or lowest invoiced prices?” The majority, 73%, were aware of such schemes. In general, there was no clear pattern in vets who were more aware of such practices than others.
5.3 Supply of POMs

Just five per cent of vets said that in the last two years they had suggested to a manufacturer, or one of its sales reps, that they should discourage the supply of POMs to pharmacies and 95% had not.

Eight per cent of vets had in the last two years suggested to a manufacturer, or one of its sales reps, that a POM should not be reclassified as a PML and 91% had not.

6. Local Competition

There was an interest in investigating local competition; to what extent vets have a need to compete and what factors they compete on.

6.1 Proximity of local competition

Nearly half of vets (46%) were located within a mile of a competing surgery offering similar services and another third (35%) within 5 miles. Small animal vets were more likely than large/mixed animal vets to be within 5 miles of their nearest competitor, as shown in the chart below. The chart shows the proportion of all vets, small animal vets and large/mixed animal vets with their nearest competitor within each of the distance bands.

Chart 6a Proximity of local competition

The main factor that vets competed on was quality of service (63%), followed by price in general (7%). Other factors a few vets competed on were location/accessibility (3%), bedside manner (3%), friendliness/personal service (2%), price of service (2%), specialism (1%), price of medicines (1%) and products (1%). Three per cent of vets said that they did not compete. The proximity of nearest competitor did not appear to affect the main factor vets competed on.
6.2 Transfer of clients

When a customer transferred from another practice, most vets normally contacted the previous practice to obtain medical records for the animals concerned. Eighty-eight per cent did this routinely and a further 10% on some occasions only. Just one per cent never did this, and these tended to be small large animal/equine vets in rural areas.

Aside from medical records, 57% of vets who had customers who had transferred, also sought further information from the previous vet. Eleven per cent of vets always did this, 28% sometimes and 19% rarely. The information most likely to be sought from a previous vet was financial information; 37% of these vets sought this, for example information on the financial status of the client, their creditworthiness, history of bad debt or ability to pay. A fifth (21%) of vets with customers who transferred sought other information such as case notes, complete history, medical records or clinical information, and three per cent sought information on the reason the client had changed vets.

Amongst vets who had clients that transferred from other practices, a third (34%) asked the previous practice whether they objected to the customer transferring to them. Of those who asked, just over a third (35%) would reject a customer if the previous vet objected to the transfer.

Larger practices were slightly more likely to say that they routinely asked other vets about objections. The overall proportion, however, who said that they refused clients on this basis remained consistent by size of practice as demonstrated in chart 6b, based on all vets who have customers who transfer from other practices.

Chart 6b Whether would ask previous vet about objections to client changing and whether would respect that objection

<table>
<thead>
<tr>
<th></th>
<th>Ask previous vet if object to transfer</th>
<th>Would reject client if objection raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>34</td>
<td>43</td>
</tr>
<tr>
<td>Small</td>
<td>33</td>
<td>36</td>
</tr>
<tr>
<td>Mixed/large</td>
<td>36</td>
<td>31</td>
</tr>
<tr>
<td>&lt; 2 vets</td>
<td>31</td>
<td>34</td>
</tr>
<tr>
<td>3-5 vets</td>
<td>34</td>
<td>43</td>
</tr>
<tr>
<td>6+ vets</td>
<td>13</td>
<td>13</td>
</tr>
</tbody>
</table>

Base: All who have customers who transfer from other practices (607):
Small (407) large/Mixed (194) < 2 vets (288) 3-5 vets (232) 6+ vets (80)

7. Billing Practices, Prices and Mark up

Another strand of the survey related to the transparency of vets’ billing practices and the extent to which vets routinely provide itemised bills, separately identifying the costs of the consultation and the drugs.
7.1 Provision of itemised bills

In most surgeries, the computer practice management system could be used to calculate consultation and dispensing charges to customers (84% of those with a computer; 77% of practices overall). Therefore it was likely that for many practices drug price and mark-up were likely to be programmed into the system making it easier to give detailed bills and prescriptions.

Indeed, seven in ten vets (69%) routinely provided pet-owning customers with an itemised bill separately identifying the consultation fee and the price of any medicine, 11% did so sometimes, 15% on request only and 3% rarely or never did.

As shown in the chart below, small animal specialists and vets with a lower level of drug sales, were less likely to routinely provide an itemised bill.

Chart 7a Provision of itemised bill separately identifying consultation fee and price of the medicine

7.2 Price decisions

The majority of surgeries had standard or normal selling prices such as a list on paper or on computer (96%). In branch practices this was always the case (100%).

In most cases, all the veterinary surgeons always charged the standard price for POMs (76%). In 17% of surgeries they usually charged the standard price for POMs and in just four per cent of cases did individual veterinary surgeons have complete discretion in setting prices for POMs.

Small animal vets were more likely than large/mixed animal vets to say that all the vets always charged the standard price for POMs (83% vs 64%). The trend was also for surgeries with lower turnovers and drug sales to be more likely than those with higher turnover and drug sales to always charge the standard price.

Even amongst the surgeries where vets did not always charge the standard price, there tended to be a limit to the discretion that individuals had in choosing what price to charge for medicines. Three fifths of surgeries (58%) placed a limit on the discretion individuals had; although two fifths did not (38%).
Vets in branch practices were slightly more likely than vets in sole practices to always charge the standard price for POMs (80% vs 74%), but the difference was not significantly significant. In practices where they did not always charge the standard price, however, branches were significantly more likely than sole practices to have a limit on the discretion they had (76% vs 53%).

The two main reasons given for prices varying were firstly when the customer was a particularly good customer or bought in bulk (44%) and secondly for compassionate reasons, such as when the animal owner could not afford to pay (40%). Other reasons given were: variation in mark-up (17%); when medication does not work (4%); and depends on the type or quality of the product or drug (4%).

The first reason above, good or bulk customers, was given by large/mixed animal vets more often than small animal vets (60% compared with 26%) and the second reason was more likely to be given by small animal vets (53% compared with 28% of large/mixed animal vets).

Vets who had limits to the discretion they had in deciding prices charged were more likely to say prices varied for good clients or those who bought in bulk, whereas vets without limits were more likely to say that prices varied for compassionate reasons (good/bulk customers: 49% with limits compared with 37% without limits; compassionate reasons: 38% with limits compared with 48% without limits).

7.3 Profit margins and subsidisation

Vets were asked whether professional fees or charges for medicines had a higher profit margin at their surgery. Seventeen per cent of vets did not know or refused to answer and have been excluded from the following data and analysis in this section. Three quarters (75%) of those answering this question (n = 508) thought professional fees had the higher margin, and one in ten (10%) that medicine fees had the higher margin, 16% thought they were about the same.

There was some concern, however, that the question had not sufficiently clarified whether we meant absolute profit margin or percentage profit margin (we had intended the latter, but were subsequently advised by an accountant that the wording used was more likely to be interpreted as the former. Since there were no direct costs the margin would be 100% and therefore higher). Two further questions were therefore added to the web survey to investigate this issue further. At the previous question the web survey respondents had been broadly in line with the telephone survey respondents although slightly less likely to say professional fees had the higher margin (excluding 28% don’t know/not stated: 70% professional fees, 11% medicine charges, 19% both about same).

To clarify this point respondents were asked, “If you charge £20 for a consultation in your surgery, on average how much of that represents the costs associated with your professional time?” and, “If you charge £20 for a medicine dispensed in your surgery, on average how much of that represents the cost to you of the medicine?” The results to both these questions, however, need to be treated with caution as not all vets gave an answer and therefore the base sizes of those actually giving an answer are 40 and 56 for professional and medicine profit margins respectively. The answers given are shown in the chart 7b.

To calculate margin, the amount stated was in each case taken away from £20, this residual amount was then percentaged on £20 to give percentage profit margin. The mean margin for professional fees was 25%, whereas the mean margin for medicines was 40%. This now implies that when we specifically asked about percentage profit margin, medicines were actually subject to higher margin, rather than professional fees.\(^1\)

Just over half of vets in the telephone survey (53%) did say that medicine fees subsidised consultation fees at their surgery (to a lesser extent, some extent or a greater extent), whereas two fifths (41%) said this did not happen at all. As shown in chart 7c, mixed/large animal vets and surgeries with higher annual drug sales were more likely to say that medicines subsidised consultation fees to some extent.

\(^1\)These figures must be treated with caution due to the small base sizes.
Chart 7b  Profit margin of professional fees and drugs

Base: All answering question; professional time (40); medicines (56)

Chart 7c  Whether medicines subsidise consultation fees

Base: All respondents (610): Small (409) Large/Mixed (195) < 75K (140) 76-150K (131) 151K+ (187)
7.4 Mark up

The average mark-up on POMs ranged from 5% to 200% and the percentage given most often (mode) was 50%.

Overall however, the average mark-up for POMs was 68%, compared to an average PML mark-up of 47% and an average GSL mark-up of 42%.

There was variation in mark-up by type and size of practice as shown in the table 7a. Branches had a higher average POM mark-up than sole practices or hospitals. Practices with fewer full-time vet equivalents and small animal specialists tended to have higher mark-ups on all types of medicines. There appeared to be some correlation between mark-up and annual turnover and drug spend.

The published list price was the basis for mark-up for POMs for three quarters of vets (75%). One in ten (9%) took the list price less wholesalers discount as the basis for mark-up and further one in ten (9%) took the list price less wholesalers discount and manufactures rebates. A further seven per cent did not know on what basis the mark-up of POMs was calculated.

Surgeries where POMs made up a higher percentage of medicine sales (over 90%), were more likely to base the mark-up just on the list price; 85% did so.

Surgeries where the average POM mark-up was between 51% and 90% were most likely to base the mark-up on just the list price (80% compared with 72% of those with POM mark-up 50% or less and 73% of those with mark-up over 90%). In comparison, surgeries whose POM mark-up was less than 50% were more likely to base their mark-up on the list price less wholesaler’s discount and manufacturers’ rebates (12% compared with 6% POM mark-up 51–90% and 8% POM mark-up over 90%).

**TABLE 7a Average mark-up of POMs, PMLs and GSLs**

<table>
<thead>
<tr>
<th>Base: All respondents (610)</th>
<th>POMs Mean percentage mark up</th>
<th>PMLs Mean percentage mark up</th>
<th>GSLs Mean percentage mark up</th>
</tr>
</thead>
<tbody>
<tr>
<td>All (610)</td>
<td>68</td>
<td>47</td>
<td>42</td>
</tr>
<tr>
<td><strong>Area of work</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large/mixed animal (195)</td>
<td>56</td>
<td>32</td>
<td>31</td>
</tr>
<tr>
<td>Small animal (409)</td>
<td>74</td>
<td>54</td>
<td>47</td>
</tr>
<tr>
<td><strong>Surgery Type</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Practice (401)</td>
<td>66</td>
<td>45</td>
<td>40</td>
</tr>
<tr>
<td>Branch (162)</td>
<td>73</td>
<td>51</td>
<td>46</td>
</tr>
<tr>
<td>Hospital/other (47)</td>
<td>68</td>
<td>49</td>
<td>44</td>
</tr>
<tr>
<td><strong>Number of full-time vet equivalents</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to 2 (290)</td>
<td>70</td>
<td>50</td>
<td>45</td>
</tr>
<tr>
<td>3-5 (232)</td>
<td>66</td>
<td>45</td>
<td>39</td>
</tr>
<tr>
<td>6+ (80)</td>
<td>63</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td><strong>Consultations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1–100 (174)</td>
<td>70</td>
<td>48</td>
<td>41</td>
</tr>
<tr>
<td>101–200 (234)</td>
<td>68</td>
<td>47</td>
<td>42</td>
</tr>
<tr>
<td>201+ (195)</td>
<td>65</td>
<td>46</td>
<td>41</td>
</tr>
<tr>
<td><strong>Annual turnover (£ thousand)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1–200 (131)</td>
<td>71</td>
<td>49</td>
<td>44</td>
</tr>
<tr>
<td>201–400 (190)</td>
<td>66</td>
<td>48</td>
<td>43</td>
</tr>
<tr>
<td>401–600 (121)</td>
<td>68</td>
<td>46</td>
<td>38</td>
</tr>
<tr>
<td>601+ (119)</td>
<td>65</td>
<td>42</td>
<td>40</td>
</tr>
<tr>
<td><strong>Annual drug sales (£ thousand)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1–75 (140)</td>
<td>68</td>
<td>50</td>
<td>44</td>
</tr>
<tr>
<td>76–150 (131)</td>
<td>66</td>
<td>48</td>
<td>42</td>
</tr>
<tr>
<td>151–225 (80)</td>
<td>70</td>
<td>46</td>
<td>38</td>
</tr>
<tr>
<td>226+ (107)</td>
<td>62</td>
<td>37</td>
<td>35</td>
</tr>
</tbody>
</table>
8. Prescribing

There is an interest in the extent to which vets inform clients of the right to a written prescription that they can take to a pharmacist, and how often they issue prescriptions, if at all.

8.1 Decision maker on informing

In a third of surgeries (33%) the decision about whether or not to, or how to, inform clients that they can have a written prescription to take to the pharmacist was made by individual surgeons without ever informing (or discussing) with colleagues. In just over a quarter of cases (27%), the decision was taken by the practice owners, partners or manager only. In a further tenth (11%) of surgeries the decision was also made by the practice owners, partners or manager but in consultation with other vets working there. In 15% of surgeries the decision was made collectively by all surgeons working there.

In sole practices, the decision was more likely than in branches, to be made by the practice owners, partners or manager only (31% vs 17%) and was less likely to be made by individual surgeons (28% vs 40%).

The trend was for the practice owners, partners or manager only to make the decision in surgeries with a smaller turnover and drug spend, whereas in surgeries with a higher turnover and drug spend it was more likely that individual surgeons decided. This is demonstrated in chart 8a.

In surgeries where the individual surgeons made the decision without informing their colleagues, this was usually the surgery policy (70% surgery policy compared with 28% not surgery policy).

8.2 Informing clients they could have a written prescription

About half of vets (49%) did not inform clients at all that they could have a written prescription to take to a pharmacist. About quarter of vets (24%) informed their clients on request only, for example when...
people asked. The few that did inform on a routine basis did so either verbally, for example by staff telling clients (11%) or by placing a notice or leaflets in the waiting room (8% and 2% respectively). A few vets informed clients in certain circumstances only, such as when the drug was not in stock (3%), when a long-term or repeat prescription was needed (1%) or if it was a human drug (1%).

There was little variation in the proportion of vets who routinely informed clients by specialism, type of practice turnover or drug spend (all around a fifth). Large/mixed animal vets, however, were more likely than small animal vets to say that they did not inform clients at all that they could have a written prescription to take to a pharmacist (55% vs 46%).

Practices where the decision on informing was made by the practice owners, partners or managers only were more likely to not inform clients than when the decision was made in consultation with other vets (59% vs 40%).

8.3 Prescription writing fee

The average normal fee for writing a prescription was £4, although ranged from nothing to over £15. Amongst those who answered this question, a fifth of vets (22%) charged nothing for writing a prescription. A third (32%) charged less than £5 and a further three in ten (31%) charged between £5 and £10. Few charged £10 or over (7%). Seven per cent of vets did not write prescriptions.

The mean fee varied between different types of surgeries. Small animal specialists and smaller surgeries with small turnover and drug sales tended to have smaller average fees. Some of the main differences have been highlighted in chart 8b. The mean fee includes those vets saying no fee but excludes those who do not write prescriptions.

Chart 8b  Prescription writing fee variances

There was no difference in mean fee amongst vets who did and did not inform their clients that they could have a prescription (£4.26 informed and £4.23 not informed). Those vets who wrote more prescriptions tended to charge more on average though, and were less likely to charge nothing, than vets who had written very few prescriptions in the last three months.
Three fifths of vets (60%) had been asked to write a prescription in the last three months. Amongst those vets, half (47%) had written between 1 and 5 prescriptions, and just 2% had written none. The mean number written was 16 and the median 6.

Hospitals were the most likely to have been asked to write prescriptions and branches the least; 68% of hospitals had, 61% of sole practices and 54% of branches. Bigger surgeries were more likely to have been asked than smaller surgeries and those with smaller turnovers and drug spends.

Seven in ten surgeries (71%) who informed clients that they could have a written prescription had been asked to write one in the last three months, compared to just over half (53%) of those who did not inform clients.

The number of prescriptions written in the last three months also varied by type and size of surgery. Amongst those surgeries who had been asked to write a prescription, just over half (54%) of small animal vets had written 5 or less and the average number written was 10. In comparison, amongst large/mixed animal vets, only 40% had written 5 or less prescriptions and the average number written was 28.

Surgeries with more staff were more likely to have written more prescriptions as were surgeries with higher turnovers and drug sales.

Only two per cent of vets had declined to write a prescription on request in the last year following a diagnosis where a prescription was required.

### 8.4 Medicines through the cascade

Amongst the 58% of vets who had been asked to write a prescription in the last three months and knew how many, most of the prescriptions were for medicines through the cascade and very few were for medicines that needed to be made up by pharmacies. As shown in chart 8c, 72% of these vets had not written a single prescription for a medicine that needed to be made up by a pharmacist. On average, about half (52%) were for medicines through the cascade and 16% for medicines that needed to be made up by a pharmacist.

Small animal specialists and hospitals were more likely than other types of surgeries to write prescriptions that needed to be made up by pharmacies.
All vets were asked whether they agreed, or disagreed, that the cascade rules should be amended to give vets more scope to prescribe generic treatments for pets where the owner and vet decide this is the best treatment. Most vets agreed (86%) with three fifths (60%) agreeing strongly. Just 11% disagreed with the statement. This level of agreement was relatively similar across different types and sizes of surgeries.
APPENDIX A

Web survey sample

The following table compares the RCVS database, the telephone sample and the web sample on key sample variables. Regionally, the web sample was biased towards surgeries in England, and in particular over represented surgeries in the SPVS South-East region or Defra Eastern region.

TABLE 2: Comparison of original RCVS database population and achieved web sample

<table>
<thead>
<tr>
<th>Defra region</th>
<th>RCVS database (3,478)</th>
<th>Telephone respondents (610)</th>
<th>Web respondents (75)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>East Midlands</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Eastern</td>
<td>18</td>
<td>14</td>
<td>24</td>
</tr>
<tr>
<td>Midlands and Western</td>
<td>21</td>
<td>19</td>
<td>23</td>
</tr>
<tr>
<td>Northen</td>
<td>10</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>N Ireland</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Scotland</td>
<td>10</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>South Western</td>
<td>14</td>
<td>20</td>
<td>12</td>
</tr>
<tr>
<td>South Eastern</td>
<td>17</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>Wales</td>
<td>6</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SPVS region</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wales and the South West</td>
<td>20</td>
<td>24</td>
<td>13</td>
</tr>
<tr>
<td>Greater London</td>
<td>7</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>South East</td>
<td>27</td>
<td>30</td>
<td>32</td>
</tr>
<tr>
<td>Merseyside and the Midlands</td>
<td>21</td>
<td>18</td>
<td>23</td>
</tr>
<tr>
<td>Northern England</td>
<td>12</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Scotland &amp; NI</td>
<td>13</td>
<td>12</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nation</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>82</td>
<td>83</td>
<td>87</td>
</tr>
<tr>
<td>N Ireland</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Scotland</td>
<td>10</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>Wales</td>
<td>6</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

The remainder of this section considers other key demographic variables of the web sample, making some comparisons to the telephone survey sample.

The proportion of respondents from sole practices and hospitals was broadly in line with the telephone survey and therefore also broadly matched the overall population. The proportion working in a branch, however, was lower in the web survey than the telephone survey. Two thirds (67%) of respondents worked in a practice, 8% in a hospital and 23% in a branch.

For the web survey the options at the job title question were shortened and respondents were just given the choice of senior vet/senior partner or other vet/partner, 84% were the former and eight per cent the latter. A further seven per cent gave another answer.

As with the telephone survey, just over half (55%) of surgeries were owned by a partnership, although slightly fewer were owned by a principal vet (33%). Seven per cent were owned by a company or corporate body and the remaining three surgeries were owned by a college, a university and a charitable trust.

Again the proportions working in small animal only surgeries and mixed surgeries were broadly in line with the telephone survey (71% and 24% respectively). No large animal surgeries, however, were represented in the web survey and just two Equine surgeries and one poultry surgery were.

It is therefore not surprising that the web survey has a higher proportion of urban respondents compared to the telephone survey. Over half (55%) of the web survey respondents described their catchment area as urban or city centre, compared to 43% in the telephone survey. A fifth (23%) of web survey
respondents described the catchment area surrounding their surgery as equally urban and rural, 12% as mainly rural and eight per cent as completely rural. Even just considering small animal surgeries, there was still a bias amongst the web sample towards surgeries situated in an urban area (75% of web small animal surgeries vs 60% of telephone small animal surgeries).

Surgeries completing the web survey tended on average to be slightly larger than the telephone survey, despite the bias of small animal surgeries. The average number of full-time vets was 3.7. For small animal surgeries the average was 3.1 full-time vets and for mixed surgeries it was 5.5. The average number of consultations was slightly higher than in the telephone survey overall at 212 a week. The average number for small animal practices, however, was slightly higher than in the telephone survey at 196 a week and much higher for mixed animal practices at 294 a week.

These differences in the sample profile between respondents in the web and telephone survey should be borne in mind when comparing or analysing results. Surgeries involved in the telephone survey are representative of the total population, whereas those in the web survey are more likely to be in the South East of England and to be slightly larger than average small animal surgeries.

Re-contact survey

The sample profile of the original 610 and the 501 contacted in this survey is compared in the table below. The re-contact sample appears to be a representative sample of the main telephone sample on these key demographic variables.

<table>
<thead>
<tr>
<th>Type of surgery</th>
<th>Main sample (610)</th>
<th>Re-contact sample (501)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole practice</td>
<td>66%</td>
<td>67%</td>
</tr>
<tr>
<td>Branch</td>
<td>27%</td>
<td>25%</td>
</tr>
<tr>
<td>Hospital/other</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Area of work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equine/large animal</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Small animal</td>
<td>67%</td>
<td>67%</td>
</tr>
<tr>
<td>Mixed</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>Number of full-time equivalent vets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to 2</td>
<td>48%</td>
<td>48%</td>
</tr>
<tr>
<td>3–5</td>
<td>38%</td>
<td>37%</td>
</tr>
<tr>
<td>6+</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>Consultations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1–100</td>
<td>29%</td>
<td>28%</td>
</tr>
<tr>
<td>101–200</td>
<td>38%</td>
<td>40%</td>
</tr>
<tr>
<td>201+</td>
<td>32%</td>
<td>31%</td>
</tr>
<tr>
<td>Annual turnover (£ thousand)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1–200</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>201–400</td>
<td>31%</td>
<td>32%</td>
</tr>
<tr>
<td>401–600</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>601+</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>SPVS region</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wales and the South West</td>
<td>24%</td>
<td>23%</td>
</tr>
<tr>
<td>Greater London</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>South East</td>
<td>30%</td>
<td>29%</td>
</tr>
<tr>
<td>Merseyside and the Midlands</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Northern England</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>Scotland &amp; N Ireland</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Nation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>England</td>
<td>83%</td>
<td>83%</td>
</tr>
<tr>
<td>N Ireland</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Scotland</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Wales</td>
<td>4%</td>
<td>4%</td>
</tr>
</tbody>
</table>
Dear Sir/Madam,

VETERINARY MEDICINES MONOPOLY INQUIRY

The Competition Commission, at the request of the Director General of Fair Trading, is carrying out an inquiry into the supply in the UK of prescription-only veterinary medicines. You may have read about this in the Veterinary Record.

As part of this enquiry, BMRB Social Research, an independent research organisation, has been commissioned by the Competition Commission to carry out a telephone survey of veterinary practices. The results of the survey will help to inform the Group of Commissioners in reaching their conclusions concerning the supply of prescription medicines for animals.

The telephone survey will be conducted during the period 4th–28th March, and it is possible that someone may telephone your practice during this period. Interviews will normally be with the senior vet at the practice or, in their absence, an equally knowledgeable professional. The interview will last no longer than 20 minutes. BMRB Social Research will ensure that all interviews will be completely confidential—no information that could link responses with details of the respondent or the practice will be passed to the Competition Commission.

It is very important that every vet we approach does agree to take part so that the Commission can base their inquiry on a representative sample of vets of different sizes, types and specialisms. We cannot approach all veterinary practices in the UK during the survey period. However, if you are not approached but would still like to have your say, then you will able to respond via a web-based survey, and further details will be sent at a later date.

Some of the information we will ask about during the interview, you may not have immediately to hand. Therefore, we have listed on the reverse of this letter some of the details which you may wish to consult on in advance of the interview.

If you wish to talk to anyone at BMRB about this survey, please contact Becky Webb on 020 8433 4395 or Becky Hamlyn on 020 8433 4396. If you wish to speak to someone at the Competition Commission regarding this survey, please contact Frederick Wheeler on 020 7271 0330.

We would like to thank you in advance for your participation. In the meantime, if you would like further information about the Inquiry, please visit the following web address: http://www.competition-commission.org.uk/inquiries/vetmed.htm

Yours faithfully,

Becky Hamlyn
Associate Director
The interview will ask about a number of topics, but will include information about the following. If you do not have this information immediately to hand, it would be very helpful to us if you could look it up in advance.

1. The number of vets that work at the branch, practice or hospital that receives this letter, and the number of days or half days they work at this location, including both consultations on the premises and outside visits.

2. Average number of consultations carried out each week by you and your colleagues from this branch, practice or hospital, including both consultations on the premises and outside visits.

3. Annual turnover to the nearest £1,000 at the branch, practice or veterinary hospital that receives this letter, where the figure may relate either to the most recent financial or calendar year.

4. The total value of sales of animal medicines, including GSL products but excluding products that do not require a VMD authorisation from this branch, practice or hospital to the nearest £1,000.

5. How these annual sales of animal medicines from this branch, practice or hospital break down for the three categories of POM, PML and GSL medicines in percentage terms.

6. Average mark-ups on POMs, PML and GSL medicines.
Dear Sir/Madam,

VETERINARY MEDICINES MONOPOLY INQUIRY

You may remember we wrote to you at the beginning of March, informing you of the research BMRB Social Research has been commissioned to carry out for The Competition Commission, to assist with their inquiry into the supply in the UK of prescription-only veterinary medicines. All practising veterinary surgeons in the UK will receive a letter from the Competition Commission explaining what issues have been raised so far and are of concern.

We have already carried out a telephone survey of a random selection of veterinary practices during March with just over 600 veterinary surgeries and are grateful to all those who took part in the first phase. As you were not contacted during the first phase of the survey, or you were contacted and unable to take part, you now have the chance to air your views in the web based survey. If you would like to take part, you can complete this survey online any time between Tuesday 23rd April and Tuesday 22nd May. Ideally, as with the telephone survey, questionnaires should be completed by the senior vet at the practice or in his or her absence, an equally knowledgeable member of the practice. The survey should take around 25 minutes to complete.

To access this survey please type in this address to your web browser:

http://web3.spssmrweb.co.uk/projects/vetmedm

The web survey is being hosted at a site external to the Competition Commission. You have been sent a password unique to yourself as shown at the top of this letter. This password means that each surgery can only complete the questionnaire once and that only you can enter your questionnaire and see your answers. BMRB Social Research will conduct this survey in accordance with its Code Of Conduct.

If you wish to talk to anyone at BMRB about this survey, please contact Becky Webb on 020 8433 4395 or Becky Hamlyn on 020 8433 4396. If you wish to speak to someone at the Competition Commission regarding this survey, please contact Frederick Wheeler on 020 7271 0330. If you would like further information about the Inquiry, please visit the following web address: http://www.competition-commission.org.uk/inquiries/vetmed.htm

Yours faithfully,

[Signature]

Senior Associate Director
BMRB Social Research
The information we mentioned in the previous letter that you needed in the telephone survey will also be collected in this survey. You may want to make sure you have it to hand before you start the survey, although using the password you can complete some of the survey and then go back and finish it at another occasion. We have again listed on this letter the details which you may wish to consult on in advance of the interview. You will be asked about:

1. The number of vets that work at the branch, practice or hospital that receives this letter, and the number of days or half days they work at this location, including both consultations on the premises and outside visits.

2. Average number of consultations carried out each week by you and your colleagues from this branch, practice or hospital, including both consultations on the premises and outside visits. (For large animals, 1 visit = 1 consultation if you are carrying out the same procedure/check on the same type of animal.)

3. Annual turnover to the nearest £1,000 at the branch, practice or veterinary hospital that receives this letter, where the figure may relate either to the most recent financial or calendar year.

4. The total value of sales of animal medicines, including GSL products but excluding products that do not require a VMD authorisation from this branch, practice or hospital to the nearest £1,000.

5. How these annual sales of animal medicines from this branch, practice or hospital break down for the three categories of POM, PML and GSL medicines in percentage terms.

6. Average mark-ups on POMs, PML and GSL medicines.
VETERINARY MEDICINES MONOPOLY ENQUIRY - FINAL
QUESTIONNAIRE
VETMEDM - JN: 1151 421 - 04 Mar 2002
Quanquest v2.1 - QAL v2.2bmb12 - CATI

VETMEDM     Good morning/afternoon. Could I please speak to one of the senior vets in charge at this location?

IF SPEAKING TO SENIOR VET:
Good morning/afternoon, My name is ...... And I am calling from BMRB Social research, an independent research organisation. We are conducting an important survey on behalf of the Competition Commission about the purchasing procedures of veterinary medicines by practices and the use of wholesalers. You should have received a letter about this. The survey will take no more than 20 minutes.

IF NECESSARY ADD:
· Very important survey and high response is essential
· Competition Commissioners need to hear the views of all vets so that they can obtain a balanced picture
· Results will be made available to the British Veterinary Association and we expect them to publish a report in the Veterinary Record

Qvet     Good morning/afternoon. Could I please speak to one of the senior vets in charge at this location?

| Available at present time | 1 | (1428) |
| Not available at present time | 2 |
| Refused | 3 |

IF   Qvet = Refused   GO TO refusal questionnaire

IF   Qvet = Not available at present time
THEN ASK: Qwho

Qwho     Can I check, who is it that I need to speak to?

RECORD NAME OF CONTACT/SENIOR VET

RECORD WHEN WOULD BE A GOOD TIME TO CALL BACK

(1429 - 1432)

Refused Z (1429)
If vet available at present time:

Qbackg  Good morning/afternoon, My name is ...... And I am calling from BMRB Social research, an independent research organisation. We are conducting an important survey on behalf of the Competition Commission about the purchasing procedures of veterinary medicines by practices and the use of wholesalers. You should have received a letter about this. The survey will take no more than 20 minutes. Can you do the interview now or shall I arrange an appointment to call you back?

IF NECESSARY ADD:
- Very important survey and high response is essential
- Competition Commissioners need to hear the views of all vets so that they can obtain a balanced picture
- Results will be made available to the British Veterinary Association and we expect them to publish a report in the Veterinary Record

Will do interview now 1 (1433)
Will make an appointment for later time/date 2
Refused Z

IF  Qbackg = Will make an appointment for later time/date

The letter we sent you referred to a few items of information which we will need to ask for during the interview, and which you may need to look at in advance. It would be very helpful if you could have this information to hand when the telephone interviewer calls.

Thank you
make appointment and close

IF Qbackg = Refused GO TO refusal questionnaire
IF Qbackg = Refused
THEN ASK: Qwhy, Qrefuse

Qwhy And can I please ask why you do not want to take part in this survey
INTERVIEWER RECORD REASON FOR REFUSAL

(1434 - 1437)

Don't Know Y (1434)

Qrefuse As we need to monitor whether we are getting a representative spread of different
types of vets it would be helpful to know about what type of practice you are before I close
the interview. Would you be willing to answer three short questions?

Yes, willing 1 (1438)
No, not willing 2

IF Qrefuse = Yes, willing
THEN ASK: Qclassi, Qcatchm, Qhmvets

Qclassi How would you classify your main area of work?

READ OUT

Equine 1 (1439)
Large animal 2
Small animal 3
Mixed 4
Other 0
Don't know Y

Other specify... (1440 - 1443)
Qcatchm How would you describe the catchment area surrounding your practice....

READ OUT

City centre 1 (1444)
Mainly urban 2
About equally urban and rural 3
Mainly rural 4
Completely rural 5
Don’t know Y

Qhmvets Finally, I would like to know how many vets work at this location. Taking a vet who works here half a week as half a full-time equivalent, can you say how many full-time equivalent vets work at this practice. I am only interested in the number working at this branch, not any other branches of this practice.

ENTER NUMBER, INCLUDING DECIMAL CODE TO NEAREST 0.5 OF A VET
E.G. TWO-FULL TIME VETS AND ONE VET WORKING TWO DAYS = 2.5 VETS.

(1445 - 1449)

Numeric Range ____________
Don’t Know Y (1445)

Permitted Range
0 TO 0.99 (Numeric Range)

Thank you, that is now the end. I would like to remind you that all your answers will be kept completely confidential and individual responses will not be reported separately.

Termin2
IF Qrefuse = Yes, willing - Termination with data (Quit)

THANK AND CLOSE

End of Filter Iwillin

Termin1
IF Qrefuse = No, not willing - Termination with data (Quit)

THANK AND CLOSE

End of Filter Irefuse

Termin3
IF Qright = No, no one at address can do survey at all - Termination with data (Quit)

THANK AND CLOSE
Once speaking to the main vet who has agreed to do the interview:

Qcname Can I first confirm your name?

Refused Z (1450)

Qright The interview will include questions about the running of your practice, including items such as average number of consultations and estimates of turnover and animal medicine sales. Can I just check that this is a veterinary surgery and that you will be able to provide me with this type of information?

IF THEY ARE UNSURE WHETHER THEY CAN PROVIDE THIS INFORMATION CHECK WHETHER THEY ARE THE SENIOR VET OR WHETHER YOU WOULD BE BETTER TALKING TO SOMEONE ELSE AT THAT LOCATION. YOU CAN NOT TAKE A REFERRAL TO A VET AT ANOTHER LOCATION.

IF THEY ARE THE MOST SUITABLE VET BUT CAN NOT OR DO NOT WANT TO PROVIDE THIS INFORMATION STILL PROCEED WITH INTERVIEW.

YOU MAY NEED TO OFFER TO MAKE AN APPOINTMENT TO CALL THIS VET BACK LATER

Yes, do interview now 1 (1454)
No, make appointment with this or other vet 2
No, no one at address can do survey at all 3
Don't Know Y

IF Qright = No, make appointment with this or other vet GO TO appointment screen

End of Filter iapp2

IF Qright = No, no one at address can do survey at all

In that case I only need to ask you three short questions

GO TO Qrefuse in refusal questionnaire

End of Filter iapp3

MAIN SURVEY
Thank you for agreeing to take part in our survey. We will treat all your responses in confidence and will ensure that individual responses will not be identified in any information provided to the Competition Commission or any other party.

Now a few questions about your practice

Is the surgery at this address a practice, a BRANCH of a practice or hospital or a veterinary hospital?

<table>
<thead>
<tr>
<th>Option</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veterinary practice</td>
<td>1</td>
</tr>
<tr>
<td>A BRANCH of a veterinary practice/hospital</td>
<td>2</td>
</tr>
<tr>
<td>Veterinary hospital</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
</tbody>
</table>

Other specify... (2149 - 2152)

Can I confirm your job title?

<table>
<thead>
<tr>
<th>Option</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Partner/Senior Vet</td>
<td>1</td>
</tr>
<tr>
<td>Other Partner/Vet</td>
<td>2</td>
</tr>
<tr>
<td>Assistant Vet</td>
<td>3</td>
</tr>
<tr>
<td>Practice Manager</td>
<td>4</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
<tr>
<td>Refused</td>
<td>Z</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
</tbody>
</table>

Other specify... (2154 - 2157)

82
Qowned Is your [surtext+] owned by.......
READ OUT

<table>
<thead>
<tr>
<th>Ownership Type</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>a principal vet</td>
<td>1</td>
</tr>
<tr>
<td>a partnership</td>
<td>2</td>
</tr>
<tr>
<td>a company or corporate body</td>
<td>3</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
</tbody>
</table>

Other specify... (2159 - 2162)

All your answers to the questions I ask from now on must relate to this address only. In other words, I only want information about this surgery, not any other practice location or branch.

Qmwork At this [surtext+], how would you classify your main areas of work?
READ OUT

<table>
<thead>
<tr>
<th>Area Type</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equine</td>
<td>1</td>
</tr>
<tr>
<td>Large animal</td>
<td>2</td>
</tr>
<tr>
<td>Small animal</td>
<td>3</td>
</tr>
<tr>
<td>Mixed</td>
<td>4</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
</tbody>
</table>

Other specify... (2164 - 2167)

Qarea How would you describe the catchment area surrounding your [surtext+]
READ OUT

<table>
<thead>
<tr>
<th>Catchment Area</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>City centre</td>
<td>1</td>
</tr>
<tr>
<td>Mainly urban</td>
<td>2</td>
</tr>
<tr>
<td>About equally urban and rural</td>
<td>3</td>
</tr>
<tr>
<td>Mainly rural</td>
<td>4</td>
</tr>
<tr>
<td>Completely rural</td>
<td>5</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
</tbody>
</table>

I would now like to ask about the number of vets working at this [surtext+].
Thinking about the time they work at this location, do all vets work full-time or do some work part-time at this location?

- All full-time: 1 (2169)
- Some part-time: 2
- Don't Know: Y

**IF Qnvets = All full-time**
**THEN ASK: Qftime**

Qftime: How many vets work full-time at this location, that is five or more days?

Numeric Range

| Don't Know | Y (2170) |

Permitted Range

0 TO 100 (Numeric Range)

**End of Filter Qftime**

**IF Qnvets = Some part-time**
**THEN ASK: Qftime, Qfour, Qthree, Qtwo, Qone, Qlone**

Thinking about all the vets that work at this location, I am going to ask about the number of days they work at this location.

Qftime: Thinking about the time they work at this location, how many vets work full-time, that is five or more days?

Numeric Range

| Don't Know | Y (2173) |

Permitted Range

0 TO 100 (Numeric Range)

Qfour: And how many vets work four or four and a half days at this location?

ONLY INCLUDE DAYS OR HALF DAYS THE VET WORKS AT THIS LOCATION

Numeric Range

| Don't Know | Y (2176) |

Permitted Range

0 TO 100 (Numeric Range)
Qthree  How many work three or three and a half days at this [+surtxt+]?

ONLY INCLUDE DAYS OR HALF DAYS THE VET WORKS AT THIS LOCATION

(2208 - 2210)

Numeric Range ____________
Don't Know Y (2208)

Permitted Range
0 TO 100 (Numeric Range)

Qtwo  How many work two or two and a half days at this [+surtxt+]?

ONLY INCLUDE DAYS OR HALF DAYS THE VET WORKS AT THIS LOCATION

(2211 - 2213)

Numeric Range ____________
Don't Know Y (2211)

Permitted Range
0 TO 100 (Numeric Range)

Qone  How many work one or one and a half days at this [+surtxt+]?

ONLY INCLUDE DAYS OR HALF DAYS THE VET WORKS AT THIS LOCATION

(2214 - 2216)

Numeric Range ____________
Don't Know Y (2214)

Permitted Range
0 TO 100 (Numeric Range)

Qlone  And lastly, how many work less than a whole day at this [+surtxt+]?

ONLY INCLUDE DAYS OR HALF DAYS THE VET WORKS AT THIS LOCATION

(2217 - 2219)

Numeric Range ____________
Don't Know Y (2217)

Permitted Range
0 TO 100 (Numeric Range)

End of Filter Iptime
In a typical week, what is the longest journey that YOU OR A COLLEAGUE are likely to make to treat a sick animal. I am interested in driving time one way from your surgery.

**DO NOT READ OUT**

Not applicable - all animals normally treated in surgery 1 (2220)
Up to 10 minutes drive 2
10 - 19 minutes’ drive 3
20 - 29 minutes’ drive 4
30 - 39 minutes’ drive 5
40 - 49 minutes’ drive 6
50 - 59 minutes’ drive 7
Over one hours drive 8
Don't Know Y

And next is a couple of questions about YOUR CLIENTS driving time to this surgery.

**READ OUT**

Walking distance (up to five minutes’ drive) 1 (2221)
Ten minutes’ drive 2
Twenty minutes’ drive 3
Thirty minutes’ drive 4
Forty minutes’ drive 5
An hours drive 6
Longer than an hours drive 7
Don't Know Y

And still thinking about the journeys likely to be made by clients to this surgery, would you say that 90%, that is nine out of ten clients, are within...

**READ OUT**

Walking distance (up to five minutes' drive) 1 (2222)
Ten minutes' drive 2
Twenty minutes' drive 3
Thirty minutes' drive 4
Forty minutes' drive 5
An hours drive 6
Longer than an hours drive 7
Don't Know Y
Now thinking about consultations carried out from this [+surtxt+], both on these premises and outside visits.

Qnocons On average, how many consultations do YOU AND YOUR COLLEAGUES carry out per week from this [+surtxt+]?

ACCEPT AN ESTIMATE AS NECESSARY
ONE VISIT = ONE CONSULTATION THEREFORE VISITING 50 SHEEP = 1 CONSULTATION (added 6/3)

INCLUDE VISITS TO CLIENTS
INCLUDE GENERAL HEALTH CHECKS

(2223 - 2226)

Permitted Range
0 TO 3500 (Numeric Range)

Qpronly Thinking of all consultations carried out at this [+surtxt+], in approximately what percentage of consultations would a prescription-only medicine be INJECTED OR OTHERWISE ADMINISTERED by the vet?

INTERVIEWER NOTE: NOT ASKING ABOUT DISPENSING - THAT IS NEXT QUESTION

(2227 - 2229)

Permitted Range
0 TO 100 (Numeric Range)

Qdispen Again thinking of all consultations, in approximately what percentage of consultations, would a prescription-only medicine, be DISPENSED?

(2230 - 2232)

Permitted Range
0 TO 100 (Numeric Range)

Qcomput Can I check, does your [+surtxt+] have a computer?

Yes 1
No 2
Don't Know Y

(2233)
IF Qcomput = Yes
THEN ASK: Qpraman, Qcharge

Qpraman  Do you have a practice management system on it?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
</tbody>
</table>

Qcharge  Can your computer system be used for calculating consultation and dispensing charges to customers?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
</tbody>
</table>

End of Filter Icomput

Now a few questions about your turnover.

Qtturnov  Approximately, what is the total annual turnover of your [+surtxt+] to the nearest £1,000?

ENTER NUMBER OF THOUSANDS E.G. 20 = £20,000, 1000 = 1 MILLION

ACCEPT ESTIMATE TO NEAREST £10,000 IF NECESSARY

CAN ACCEPT FIGURES BASED ON FINANCIAL OR CALENDAR YEAR

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2236 - 2240)

Permitted Range
0 TO 10000 (Numeric Range)

IF NOT ( Qtturnov = Refused OR Qtturnov = Don't Know )
THEN ASK: Qcheck

QUANCEPT ITEM: text substitution that replaces [+valtxt+] with either thousand or million

88
<table>
<thead>
<tr>
<th>Question</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qcheck</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

**Qamend**

Could you tell me again, what is the total annual turnover of your [+surtxt+] to the nearest £1,000?

- **Enter number of thousands** E.G. 20 = £20,000, 1000 = 1MILLION
- **Accept estimate to nearest £10,000 if necessary**
- **Can accept figures based on financial or calendar year**

(2242 - 2246)

**Permitted Range**

0 TO 10000 (Numeric Range)

End of Filter Incorre

End of Filter Ifgiven

Now thinking about your annual SALES of animal medicines, including G-S-L products, but excluding products that do not require a V-M-D authorisation....

**VMD = VETERINARY MEDICINES DIRECTORATE**

**GSL = GENERAL SALES LIST**
Qvalue  Approximately, what is the value of your SALES of animal medicines, including G-S-L to the nearest £1,000?

ENTER NUMBER OF THOUSANDS E.G. 20 = £20,000, 1000 = 1 million

ACCEPT ESTIMATE IF NECESSARY

CAN ACCEPT FIGURES BASED ON FINANCIAL OR CALENDAR YEAR

(2247 - 2251)

Numeric Range
Don't Know  Y
Refused  Z

Permitted Range
0 TO 10000 (Numeric Range)

IF  Qvalue = Numeric Range
THEN ASK: Qbrdown

QUANCEPT ITEM: text substitution in next question to fill in either thousand or million

Qbrdown  You said that your total annual sales from animal medicines is about £&Qvalue& thousand/million. Thinking now in terms of PERCENTAGES, can you break this amount down into sales accounted for by P-O-Ms, P-M-L and G-S-L medicines? If you do not know the exact percentage, please estimate.

So are you able to break this down?

INTERVIEWER NOTE:
POM=Prescription-only medicines
PML=Pharmacy & Merchants List
GSL=General Sales List

Able to break down  1
Unable to break down  2
Refused  Z

(2252)

IF  Qbrdown = Able to break down
THEN ASK: QPOM2, QPML2, QGSL2
QPOM2 First, can you estimate what percentage of your annual medicine SALES is from P-O-M medicines?

ENTER PERCENT

(2253 - 2255)

Numeric Range

Don't Know Y (2253)

Permitted Range

0 TO 100 (Numeric Range)

QPML2 Next can you estimate what percentage of your animal medicine SALES is from P-M-L medicines?

ENTER PERCENT

(2256 - 2258)

Numeric Range

Don't Know Y (2256)

Permitted Range

0 TO 100 (Numeric Range)

QGSL2 Next can you estimate what percentage of your animal medicine SALES is from G-S-L medicines?

ENTER PERCENT

(2259 - 2261)

Numeric Range

Don't Know Y (2259)

Permitted Range

0 TO 100 (Numeric Range)

IF QPOM2 <> Don't Know AND QPML2 <> Don't Know AND QGSL2 <> Don't Know

QUANCEPT ITEM: CHECK THAT THE THREE PERCENTAGES ADD TO 100

End of Filter Imed2

End of Filter Iable2

End of Filter ivalue
I would now like to ask you a few questions about your principal wholesalers of animal medicines.

Qnwhole In total, how many wholesale suppliers of animal medicines do you use?

<table>
<thead>
<tr>
<th>Number of Suppliers</th>
<th>Count</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>1</td>
<td>(2262)</td>
</tr>
<tr>
<td>Two</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Three</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Four</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Five</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Six</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Seven or more</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
<td></td>
</tr>
</tbody>
</table>

IF ONE WHOLESALER SET TEXT TO "WHO IS THIS WHOLESALER"
ELSE IF IF MORE THAN ONE WHOLESALER SET TEXT TO "WHICH IS YOUR MOST IMPORTANT WHOLESALE SUPPLIER"

End of Filter itext

Qmimp &vtext&?

DO NOT READ OUT

CODE ONE ONLY

<table>
<thead>
<tr>
<th>Wholesaler</th>
<th>Count</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centaur</td>
<td>1</td>
<td>(2263)</td>
</tr>
<tr>
<td>Dunlop</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Dunnwood</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Genus</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>NVS (Dechra)</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>VSSC (Veterinary Surgeon Supply Company)</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
<td>(2263)</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Other specify... (2265 - 2268)

IF  Qcomput = Yes THEN ASK: Qcsuppl
Qcsuppl Has your main wholesaler provided this [+surtxt+] with any of the following.....

READ OUT AND CODE ALL THAT APPLY

<table>
<thead>
<tr>
<th>Service</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>computer hardware</td>
<td>1</td>
</tr>
<tr>
<td>online ordering software</td>
<td>2</td>
</tr>
<tr>
<td>practice management software</td>
<td>3</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
<tr>
<td>None of these</td>
<td>X</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
</tbody>
</table>

Other specify... (2270 - 2273)

IF Qcsuppl = computer hardware OR Qcsuppl = online ordering software OR Qcsuppl = practice management software OR Qcsuppl = Other THEN ASK: Qorder

Qorder Can the equipment provided by this wholesaler also be used to order from other wholesalers?

<table>
<thead>
<tr>
<th>Response</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
</tbody>
</table>

IF Qorder = No THEN ASK: Qdiffic

Qdiffic If you wanted to order from an alternative wholesaler would your current computer system make this difficult?

<table>
<thead>
<tr>
<th>Response</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, would be difficult to order from other wholesale supplier</td>
<td>1</td>
</tr>
<tr>
<td>No, no difficulties</td>
<td>2</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
</tbody>
</table>

End of Filter Inposs

End of Filter Iwyes

End of Filter Icsuppl
Qsatis Overall, how satisfied are you with the quality of service provided by this wholesaler?

READ OUT

Very satisfied 1 (2276)
Fairly satisfied 2
Not very satisfied 3
Not at all satisfied 4
Don't Know Y

IF Qsatis = Not very satisfied OR Qsatis = Not at all satisfied
THEN ASK: Qmreaso

Qmreaso What are your main reasons for being dissatisfied with the quality of service?

DO NOT READ OUT

Prices/discount levels generally 1 (2277)
Prices of particular products 2
Level/quality of service 3
Delivery problems 4
Availability of drugs/ limited range of medicines 5
Don't Know Y
Refused Z
Other 0

Other specify... (2308 - 2311)

End of Filter Inotsat

The next few questions are about the supply of medicines by wholesalers.

Qpharma Does your principal wholesaler currently supply animal medicines to pharmacies or agricultural merchants?

Yes, supplies to pharmacies or merchants 1 (2312)
No, does not supply 2
Not aware whether they do or don’t 3
Refused Z
Qsuggest In the last two years, have you suggested to any wholesaler that they should only supply animal medicines to veterinary practices?

**IF NECESSARY, REASSURE OF CONFIDENTIALITY**

Yes, have suggested 1 (2313)
No, have not suggested 2
Refused Z

Qsuggest2 And in the last two years have you suggested to any wholesaler that you would consider taking your business elsewhere, if they supplied P-O-Ms to pharmacies?

Yes 1 (2314)
No 2
Refused Z

The next few questions are about your purchasing practices from manufacturers of animal medicines.

Qmanuf Now thinking about MANUFACTURERS of animal medicines, rather than wholesalers. Do you negotiate rebates or discounts from manufacturers?

Yes 1 (2315)
No 2
Don't Know Y

**IF Qmanuf = Yes**
**THEN ASK: Qindiv**

Qindiv Do you negotiate individually through this [+surtext+] or collectively through a buying group or professional or trade body?

<table>
<thead>
<tr>
<th>Choice</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individually</td>
<td>1</td>
</tr>
<tr>
<td>Through buying group</td>
<td>2</td>
</tr>
<tr>
<td>Through professional/trade body</td>
<td>3</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
<tr>
<td>Refused</td>
<td>Z</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
</tbody>
</table>

End of Filter Inrebat
Qmember  Can I check, is your practice a member of a buying group?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Don't Know</td>
<td>Y</td>
</tr>
</tbody>
</table>

**IF**  Qmember = Yes
**THEN ASK:** Qname

Qname  What is the name of your buying group?

<table>
<thead>
<tr>
<th></th>
<th>(2318 - 2321)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Don't Know</td>
</tr>
<tr>
<td></td>
<td>Refused</td>
</tr>
</tbody>
</table>

**End of Filter Imember**

Qscheme  Have any manufacturers’ rebate schemes encouraged you to buy more over a certain time period, such as in a month or a year, so that you get into a higher rebate band?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Don't Know</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Refused</td>
<td>Z</td>
</tr>
</tbody>
</table>

Qentire  Are you aware of any manufacturers that incentivise you to purchase an entire range of medicines—such as all their dog vaccines—to achieve the maximum rebates or lowest invoiced prices?

<table>
<thead>
<tr>
<th></th>
<th>Yes, aware</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No, not aware</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Don't Know</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Refused</td>
<td>Z</td>
</tr>
</tbody>
</table>

**IF**  Qentire = Yes, aware
**THEN ASK:** Qwhoman
Qwhoman Who are the manufacturers that you are aware of who do this?

DO NOT READ OUT

Alpharma 1 (2324)
Animalcare 2
Arnolds 3
Bayer 4
Boehringer 5
CEVA 6
Elanco 7
Fort Dodge 8
Intervet 9
Janssen 0 (2325)
Leo 1
Merial 2
Norbrook 3
Novartis 4
Pfizer 5
Pharmacia 6
Schering-Plough 7
Vetoquinol 8
Virbac 9
Don't Know Y (2324)
Refused Z
Other 0

Other specify... (2328 - 2331)

End of Filter

Qstruct Does the structure of rebates from manufacturers encourage you to buy as many medicines as possible from certain manufacturers, rather than from alternative manufacturers?

Yes 1 (2332)
No 2
Don't Know Y
Refused Z

Qdiscou In the last two years, have you suggested to any manufacturer, or one of its sales reps, that they should discourage the supply of P-O-Ms to pharmacies?

IF NECESSARY, REASSURE OF CONFIDENTIALITY

Yes 1 (2333)
No 2
Don't Know Y
Refused Z

97
Qreclas  In the last two years, have you suggested to any manufacturer, or one of its sales reps, that a P-O-M SHOULDN'T be reclassified as P-M-L?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Count (ID)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1 (2334)</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
<tr>
<td>Refused</td>
<td>Z</td>
</tr>
</tbody>
</table>

Qrelat  Is there anything else you would like to tell us about the practices of any manufacturer or wholesaler?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Count (ID)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1 (2335)</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
</tbody>
</table>

IF Qrelat = Yes
THEN ASK: Qcommen

Qcommen  What else would you like to tell us?

(2336 - 2339)

<table>
<thead>
<tr>
<th>Don't Know</th>
<th>Count (ID)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y</td>
<td>(2336)</td>
</tr>
</tbody>
</table>

End of Filter Icommen

Now thinking about your surgery and others in the area.

Qhfar  About how far in miles from your surgery is the nearest competing veterinary practice, offering similar services?

READ OUT IF NECESSARY

<table>
<thead>
<tr>
<th>Distance</th>
<th>Count (ID)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within half a mile</td>
<td>1 (2340)</td>
</tr>
<tr>
<td>half a mile - 1 mile</td>
<td>2</td>
</tr>
<tr>
<td>2 – 5 miles</td>
<td>3</td>
</tr>
<tr>
<td>6 – 9 miles</td>
<td>4</td>
</tr>
<tr>
<td>10 – 19 miles</td>
<td>5</td>
</tr>
<tr>
<td>20 – 29 miles</td>
<td>6</td>
</tr>
<tr>
<td>30 miles or more</td>
<td>7</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
</tbody>
</table>
Qcompet Thinking of your nearest competitor, what would you say is the main factor which you attempt to compete on?

DO NOT READ OUT. CODE ONE ONLY

<table>
<thead>
<tr>
<th>Factor</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price of service eg consultation</td>
<td>1</td>
</tr>
<tr>
<td>Price of medicines</td>
<td>2</td>
</tr>
<tr>
<td>Price (generally)</td>
<td>3</td>
</tr>
<tr>
<td>Location/accessibility</td>
<td>4</td>
</tr>
<tr>
<td>Quality of service</td>
<td>5</td>
</tr>
<tr>
<td>Success rate</td>
<td>6</td>
</tr>
<tr>
<td>Speed of service</td>
<td>7</td>
</tr>
<tr>
<td>Bedside manner</td>
<td>8</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
</tbody>
</table>

Other specify... (2342 - 2345)

Qmrecor When a customer transfers from another practice, do you normally contact the other practice to obtain medical records for the animals concerned?

DO NOT READ OUT

<table>
<thead>
<tr>
<th>Answer</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, always</td>
<td>1</td>
</tr>
<tr>
<td>Yes, sometimes</td>
<td>2</td>
</tr>
<tr>
<td>Yes, rarely</td>
<td>3</td>
</tr>
<tr>
<td>No, never</td>
<td>4</td>
</tr>
<tr>
<td>Not applicable – customers never</td>
<td>5</td>
</tr>
<tr>
<td>transfer</td>
<td></td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
</tbody>
</table>

IF NOT Qmrecor = Not applicable - customers never transfer
THEN ASK: Qfinfo

Qfinfo Aside from any medical records, do you seek any further information from the previous vet?

READ OUT

<table>
<thead>
<tr>
<th>Answer</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>1</td>
</tr>
<tr>
<td>Sometimes</td>
<td>2</td>
</tr>
<tr>
<td>Rarely</td>
<td>3</td>
</tr>
<tr>
<td>Never</td>
<td>4</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
</tbody>
</table>

(2347)
IF Qinfo = Always OR Qinfo = Sometimes OR Qinfo = Rarely
THEN ASK: Qspecif

Qspecif What information do you seek from the previous vet?

(2348 - 2351)

Don't Know Y (2348)

End of Filter Iyes

Qobject Do you ask the previous practice whether they object to the customer being transferred to you?

Yes 1 (2352)
No 2
Don't Know Y

IF Qobject = Yes
THEN ASK: Qreject

Qreject Would you reject a customer if the previous vet objected to the transfer?

Yes 1 (2353)
No 2
Don't Know Y

End of Filter Iobject

End of Filter Iinfo

Now thinking about your billing practices of your [+surtxt+].

IF NOT Qmwork = Large animal
THEN ASK: Qitemis
Qitemis How often, if at all, do you provide PET OWNERS with an itemised bill, identifying separately the consultation fee and the price of any medicines?

READ OUT

Always 1 (2354)
Sometimes 2
Rarely 3
Never 4
On request only 5
DO NOT READ OUT Only for clients with insurance cover 6
Don't Know Y

End of Filter Inlanim

Qmprofi Thinking about your professional fees and your charges for medicines, which one has the higher profit margin at this [+surtxt+]?

READ OUT IF NECESSARY

Professional fees have a higher margin 1 (2355)
Medicine charges have a higher margin 2
Both about the same 3
Don't Know Y
Refused Z

Qmcharg Some vets have said that they bill consultation charges for less than, or at cost, using medicine charges to subsidise this. To what extent is this the case in your practice?

IF NECESSARY READ OUT: Medicines subsidise consultation fees....

To a greater extent 1 (2356)
To some extent 2
To a lesser extent 3
Not at all 4
Don't Know Y
Refused Z

I would now like to ask about average mark-up percentages on different types of medicines. For example, if you buy a medicine at a list price of £10, and sell it to the client for £15, your mark-up would be 50%.
Firstly, what is your average mark-up for P-O-MS?

ADD IF NECESSARY: If you are not sure, please give an estimate.
ENTER PERCENT

(2357 – 2359)

Numeric Range
Don't Know Y (2357)
Refused Z

Permitted Range
0 TO 100 (Numeric Range)

And what is your average mark-up for P-M-L medicines?

ADD IF NECESSARY: If you are not sure, please give an estimate.
ENTER PERCENT

PLEASE CODE 999 IF NOT APPLICABLE

(2360 – 2362)

Numeric Range
Don't Know Y (2360)
Refused Z

Permitted Range
0 TO 100 (Numeric Range), 999 TO 999 (Not applicable)

And what is your average mark-up for G-S-L medicines?

ADD IF NECESSARY: If you are not sure, please give an estimate.
ENTER PERCENT

PLEASE CODE 999 IF NOT APPLICABLE

(2363 – 2365)

Numeric Range
Don't Know Y (2363)
Refused Z

Permitted Range
0 TO 100 (Numeric Range), 999 TO 999 (Not applicable)

IF QmupPOM = Numeric Range
THEN ASK: QbasisP
QbasisP Can I check, is your mark-up for P-O-Ms based on....

READ OUT

  the published list price  1 (2366)
  list price less wholesaler’s
discount  2
  list price less wholesaler’s
discount AND
  manufacturers’ rebates  3
  Don’t Know  Y
  Refused  Z

End of Filter labPOM

And finally, a few questions about your prescribing.

Qinform In what ways, if at all, does your [+surtxt+] inform clients that they can have a written prescription to take to a pharmacist?

DO NOT READ OUT

Not applicable—
customers are not informed  1 (2367)
When people ask  2
Notice in waiting room  3
Leaflets in waiting room  4
Told by staff  5
Don’t Know  Y
Other  0

Other specify...  (2368 - 2371)

Qnfee If you issue prescriptions, what is your normal fee for writing a prescription (IN POUNDS AND PENCE) excluding VAT?

ENTER POUNDS AT THIS QUESTION, PENCE AT THE NEXT QUESTION

IF DON'T WRITE PRESCRIPTIONS, PLEASE CODE 999

(2372 - 2374)

Numeric Range
Don't Know  Y  (2372)
Refused  Z

Permitted Range
0 TO 100 (Numeric Range) , 999 TO 999 (Don't write prescriptions)
IF Qnfee = Numeric Range
THEN ASK: Qnfee2

Qnfee2 PLEASE ENTER PENCE HERE

   Numeric Range  
   Don't Know     Y

Permitted Range
0 TO 99 (Numeric Range)

End of Filter Iappli

Qapresc  Within the last three months, have you or your colleagues been asked to write a
prescription at this [surtxt+]?  

   Yes          1
   No           2
   Don't Know   Y

IF Qapresc = Yes
THEN ASK: Qhmany

Qhmany  Please estimate how many have been written in your [surtxt+] in the last three
months?

   TYPE IN NUMBER

   Numeric Range  
   Don't Know     Y
   Refused        Z

Permitted Range
0 TO 9999 (Numeric Range)

IF Qhmany = Numeric Range
THEN ASK: Qcascad, Qpdrugs
Qcascad And about what percentage of these prescriptions were for medicines through the cascade?

ENTER PERCENT

(2412 - 2414)

Numeric Range
Don't Know Y (2412)
Refused Z

Permitted Range
0 TO 100 (Numeric Range)

Qpdrugs About what percentage of these prescriptions were for medicines that needed to be made up by a pharmacist?

ENTER PERCENT

(2415 - 2417)

Numeric Range
Don't Know Y (2415)
Refused Z

Permitted Range
0 TO 100 (Numeric Range)

End of Filter Inogiv

End of Filter Iyespre

Qdeclin Thinking about the last year, following a diagnosis at this [+surtxt+] that a prescription medicine was required, have you or your colleagues declined to write a prescription on request?

Yes 1 (2418)
No 2
Don't Know Y

Qsuppor This is now the last question. It has been suggested that the cascade rules should be amended to give vets more scope to prescribe generic treatments for pets where the owner and vet decide this is the best treatment. Do you agree or disagree with this statement?

IF NECESSARY ADD: Is that strongly or slightly?

Agree strongly 1 (2419)
Agree slightly 2
Disagree slightly 3
Disagree strongly 4
Don't Know Y
Qelse  Before we finish, is there anything else you would like to add to this interview about the subjects we have covered?

INTERVIEWER ADD IF NECESSARY:
BMRB REPORT WILL BE SENT TO THE BRITISH VETERINARY ASSOCIATION. WE EXPECT THEM TO PUBLISH THE RESULTS IN THE VETERINARY RECORD JOURNAL

IF NECESSARY: FOR MORE INFORMATION AND A FURTHER CHANCE TO AIR THEIR VIEWS, POINT RESPONDENT TO WEBSITE. THE ADDRESS WAS ON THE LETTER THEY WERE SENT AND IS http://www.competition-commission.org.uk/inquiries/vetmed.htm

<table>
<thead>
<tr>
<th>Option</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
</tbody>
</table>

IF  Qelse = Yes
THEN ASK: Qextra

Qextra  What comments would you like to make?

IF NECESSARY: FOR MORE INFORMATION AND A FURTHER CHANCE TO AIR THEIR VIEWS, POINT RESPONDENT TO WEBSITE. THE ADDRESS WAS ON THE LETTER THEY WERE SENT AND IS http://www.competition-commission.org.uk/inquiries/vetmed.htm

<table>
<thead>
<tr>
<th>Option</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
</tbody>
</table>

End of Filter iadd

Qcontac  Would you be willing for us to contact you again if we had any further questions?

<table>
<thead>
<tr>
<th>Option</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
</tr>
</tbody>
</table>

Extra Web Questions

Two clarifying questions added after <Qmprofi>:

1. If you charge £20 for a consultation in your surgery, on average how much of that represents the costs associated with your professional time?
   £ ------
2. If you charge £20 for a medicine dispensed in your surgery, on average how much of that represents the cost to you of the medicine?
   - £ -----  
   - Don’t Know  
   - Not applicable

An extra question added after <Qmanuf>:

3. And can we just check how manufacturers' discounts and rebates are decided?
   ONLY ONE ANSWER ALLOWED
   - Active negotiation of rebates/discounts with manufacturers directly or during a sales rep’s visit  
   - A buying group handles negotiations on my/our behalf  
   - I/we simply accept rebates or discounts as and when they are offered  
   - None of the above

After <Qmcharge> an extra clarifying open ended question was added:

4. Is there anything you would like to add to clarify or comment on about these questions regarding billing charges?
Vetrec: You were kind enough to participate in the telephone survey we conducted for the Competition Commission and at the time you said you said you would be willing to be contacted again if we had any further queries.

The Commission now needs to ask a few clarification questions about how decisions concerning Prescription-Only-Medicines, or P-O-Ms, are made at this [vtype2+]. These will take no longer than 4 to 5 minutes. Would you be willing to answer them now?

1. Can I just confirm that you are [contact+]

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>(374)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
<td></td>
</tr>
</tbody>
</table>

When we last contacted you, we asked you about the surgery at this address:
[vvetsur+]
[vadd1+]
[vadd2+]
[vadd3+]
[vadd4+]
[vadd5+]
[vrcode+]

Please can you answer the questions we are about to ask you thinking of that [vtype2+]

2. Can I first ask, is your surgery part of a group?

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>(375)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Don't Know</td>
<td>Y</td>
<td></td>
</tr>
</tbody>
</table>
3. We would like to ask who decides which P-O-Ms are stocked in your surgery? 
Would you say that the decisions about which P-O-Ms to stock are made by......
READ OUT

ACCEPT ONE ANSWER ONLY

The practice owners, partners, or practice manager only 1 (376)
The practice owners, partners, or practice manager make the final decision but consult with other veterinary surgeons working here 2
Most veterinary surgeons who work here collectively decide (IF BRANCH: that is, the main practice isn't involved) 3
Or would you say that you stock all P-O-Ms which any veterinary surgeon at the practice has asked to have available 4
None of these apply 5
Don't Know Y

IF 3 = None of these apply
THEN ASK: 4

4. So who decides on the P-O-Ms in stock?

PLEASE SPECIFY JOB TITLE

(377 – 380)

Don't Know Y (377)

End of Filter inone

IF 2 = Yes
THEN ASK: 5
5. Are these decisions made in the same way in other branches of the group?

   Yes 1 (408)
   No  2
   Don't Know Y

End of Filter igroup

6. Do you have standard or normal selling prices at this surgery? For example, a list on paper or on your computer system?

   Yes 1 (409)
   No  2
   Don't Know Y

7. I'd like to ask who decides the prices charged for medicines. I'll read out options and can you tell me which, if any, applies...

   READ OUT

   ACCEPT ONE ANSWER ONLY

   All the veterinary surgeons here ALWAYS charge the standard price for P-O-Ms 1 (410)
   All the veterinary surgeons here USUALLY charge the standard price for P-O-Ms  2
   Individual veterinary surgeons here have complete discretion in setting prices for P-O-Ms  3
   Don't Know Y
   Other  0

   Other specify... (411 - 414)

IF  vdec = 2 OR  vdec = 3 OR  vdec = 4
THEN ASK: 8, 9

8. Is there a limit to the discretion that individuals have?

   Yes 1 (415)
   No  2
   Don't Know Y
9. Why might the prices vary?

PROBE FULLY

(416 – 419)

Don't Know Y (416)

End of Filter iborc

10. Who in your surgery makes the decisions about whether or not to, or how to, inform clients that they can have a written prescription to take to a pharmacist?

Is this a decision made by...

READ OUT

CODE ONE ANSWER ONLY

The practice owners, partners, or practice manager only 1 (420)
The practice owners, partners, or practice manager make the final decision but consult with other veterinary surgeons working here 2
Most veterinary surgeons who work here collectively decide (IF BRANCH: that is, the main practice isn't involved) 3
Or do individual surgeons decide without ever informing colleagues? 4
None of these apply 5
Don't Know Y

IF 10 = Or do individual surgeons decide without ever informing colleagues? THEN ASK: 11

11. Is this surgery policy?

Yes 1 (421)
No 2
Don't Know Y

End of Filter iindvet
12. Thank you for providing this extra information. In about a month's time, we will be conducting another survey relating more specifically to the prices of UK medicines which will be conducted by postal self-completion. All practices in the UK will be invited to take part. Would you have any objections if we sent you a copy of this questionnaire to your practice?

| Willing to take part in further survey | 1  | (422) |
| Do not wish to be contacted again       | 2  |       |

THANK AND CLOSE