



Llywodraeth Cymru  
Welsh Government

RESEARCH

# Evaluation of the minimum price for alcohol in Wales: baseline research with retailers and quantitative analysis plan (summary)

Research into the impact on retailers of introducing a minimum price for alcohol.

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## Introduction

This report presents findings from research to evaluate the introduction of a Minimum Price for Alcohol (MPA) in Wales on 2 March 2020.

The research examines retailers' awareness of the policy and what they expected its effects to be. The report also incorporates the quantitative analysis plan, providing details on the methods to be used for evaluating the impact of the MPA on retailers.

## Methodology

Qualitative interviews were conducted with 30 retailers from across the five Welsh regions. The sample included independents and chains, large and small

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retailers, and a mix of alcohol licence types (on-trade, off-trade, and both). Participants were recruited from a commercial list of 2,362 registered alcohol retailers.

Interviewees were store owners or managers with responsibility for implementing the MPA. Interviews took place between September 2019 and February 2020.

The methodological approaches presented in the quantitative analysis plan were informed by the statistical tests conducted with the baseline alcohol purchasing (Kantar) and sales (The Retail Data Partnership (TRDP)) data. The available baseline purchasing data covered the period from March 2015 to February 2020; the baseline sales data ran from September 2019 until February 2020.

## Retailer interviews: findings

### Awareness

The Welsh Government wrote to all alcohol retailers in November-December 2019, enclosing a leaflet about the upcoming law change and an information poster for point-of-sale display. Shelf-edge and other display information was provided to explain the change of policy in off-licences and supermarkets. This was followed by awareness-raising work with trade press and trade bodies, and a publicity campaign from January to March 2020. The campaign included supermarket trolley adverts, radio adverts and digital advertising, with public relations and media activity in support. Some additional communications and engagement work, led by Alcohol Change UK Cymru, ran in parallel to the national campaign. The [guidance on implementing minimum pricing in Wales for retailers and local authorities](#) was also published on 15 January 2020.

Awareness of the policy among retailers varied, including among those interviewed when the Welsh Government's publicity campaign was underway; some had little or no awareness, others were more informed. Across awareness levels, knowledge gaps included the date of implementation, how the MPA was

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calculated and whether the policy applies to wholesalers.

Those with higher awareness tended to have received information from multiple sources, including the Welsh Government, head offices (chain retailers) or industry bodies (independents). Those with little or no awareness included on-trade retailers and independents who did not report receiving information from the Welsh Government and could not rely on a head office.

Some retailers had not proactively sought out information either because they were interviewed in autumn 2019 and perceived the implementation date was too distant to necessitate seeking details or assumed they would be sent information in due course; or because they believed their prices already exceeded the MPA.

## **Actions taken to prepare**

Chain retailers tended to have prepared for implementation, having received guidelines and training from their head offices. Also, it was common for retailers (both chains and independents) who were interviewed during the month preceding implementation to have prepared.

Among those who had prepared, planned actions included checking prices against the MPA, training staff, alerting customers, and adjusting stock to carry more high-quality alcohol products in anticipation of these selling better after implementation.

Retailers who had not prepared for implementation gave various reasons for this. Reasons relating to lack of awareness, not being organised or not prioritising preparations were found among those interviewed several months prior to the implementation date. However, other reasons cited by retailers - lack of information and a belief that the MPA did not apply to them as the prices they charge are already above the required MPA, persisted as barriers closer to implementation.

Independent retailers - who could not lean on support from a head office - desired more information on what they should do to prepare, either having not

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received<sup>[1]</sup> or read the information sent out to all retailers by the Welsh Government.

[1] Some of these retailers were interviewed before the Welsh Government sent information out to retailers while others were interviewed afterwards and reported not receiving the information.

## Expected impacts

Among retailers who made predictions about how the MPA would affect their finances, some expected to benefit through increased competitiveness, while others foresaw a (manageable) risk of falling sales.

Participants expected that retailers close to the English border, and those selling low-price alcohol, would be the ones most negatively affected. However, they felt the impact would be minor and any falls in sales would be short-lived. This was because they believed that most alcohol was already priced higher than the MPA; any retailers who were affected could introduce counteractive measures. Views were mixed on whether retailers competing with major supermarkets would be affected by the MPA; one view was that it could level the playing field between large and small retailers.

Retailers felt the policy could potentially lead to a reduction in harmful alcohol consumption, but doubts were raised over whether the agreed MUP was set high enough to be a deterrent. There was speculation that people on low incomes with alcohol dependency would continue to buy alcohol anyway, leaving them with less money for essentials, or would turn to shoplifting or drug use to fuel their addiction.

## Recommendations for future waves of interviews

This wave of the research sought retailers' views of the MPA before it had taken effect. Future waves will capture retailers' experiences of the policy after it has taken effect. Future interviews could explore: whether information gaps

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persisted; any support accessed by independent retailers; perceptions of the impact of the MPA on business practices and the market; retailers' experiences of competition at local level; and whether and how views about the policy evolve.

## Quantitative analysis plan

The quantitative analysis plan concluded that controlled interrupted time series (CITS) is the most suitable method for assessing the impact of the MPA on retailers. Interrupted time series (ITS) is a quasi-experimental evaluation method which uses pre- and post- intervention data to measure the effects of the 'interruption' (in this case, the introduction of MPA in Wales in March 2020) in a robust way. CITS is a kind of ITS that uses a comparison time series to strengthen the impact estimates. For both alcohol purchasing (Kantar) and sales (TRDP) data, we propose using England's data as a comparison for Wales.

For alcohol purchasing data, using CITS is proposed for studying the effects of the MPA on the average price per litre of alcohol, mean spending on alcohol and mean volume of alcohol bought in Wales. It is planned to run linear regression models in which the dependent variables would be specified as differences in the monthly values of the outcome measures between England and Wales (O'Donnell et al., 2019). Using the same approach for the analysis of alcohol sales data is proposed, focusing on average alcohol sales, alcohol sales as a percentage of total sales, average number of alcohol transactions and alcohol transactions as a percentage of total transactions.

## Contact details

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Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government.

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