

Ardagh/Redfearn merger inquiry

Customer survey—analysis report

Introduction

1. As part of the inquiry, a paper-based business-to-business survey was designed for end-user purchasers of glass containers. This gathered information about their product requirements, suppliers, purchasing behaviour, views on the market for glass containers and views on the merger between Ardagh and Redfearn, formerly Rexam Glass Barnsley Ltd (RGLB). A copy of the survey is attached as Annex A.

Sample design

2. A sample of glass-purchasing organizations was created by merging and de-duplicating customer lists provided by the following glass container suppliers:
 - Allied Glass;
 - Ardagh-Redfearn;
 - Beatson-Clark;
 - Quinn Group; and
 - United Glass.
3. The suppliers gave annual spend figures for each customer, which were summed and then used as an expenditure measure for ranking. The largest 200 customers by expenditure were selected, and then a number of glass brokers and other companies that were not end-users of the glass containers removed. The 185 remaining companies were sent a copy of the questionnaire for return by post or fax. Telephone follow-up calls were made to non-respondents toward the end of the survey period.

Survey response

Response rate

4. At survey close, 89 valid¹ returns had been received, a return rate of 48.1 per cent. This is a high response rate for a non-compulsory business-to-business self-completion survey, where no completion incentive was offered.
5. Nine responses from Pharmaceutical and Cosmetics companies were received. Preliminary analysis of these confirmed that they were almost exclusively served by a single supplier (Beatson Clark). Customers from these sectors were removed from the scope of the market for analysis.

¹A number of duplicate returns and replies from glass container resellers were rejected.

Response by product sector

6. Although some of the remaining 80 responding companies purchased containers for use in the supply of multiple product groups, it was possible (by inspection) to allocate each response to one of the mutually-exclusive product sectors shown in Table 1.

TABLE 1 **Survey responses by product category area**

<i>Product sector</i>	<i>Responses</i>
Spirits (mainly)	19
Drinks (mainly not spirits)	38
Food and condiments	17
Dairy and other	6
Total	80

Source: CC analysis of survey responses.

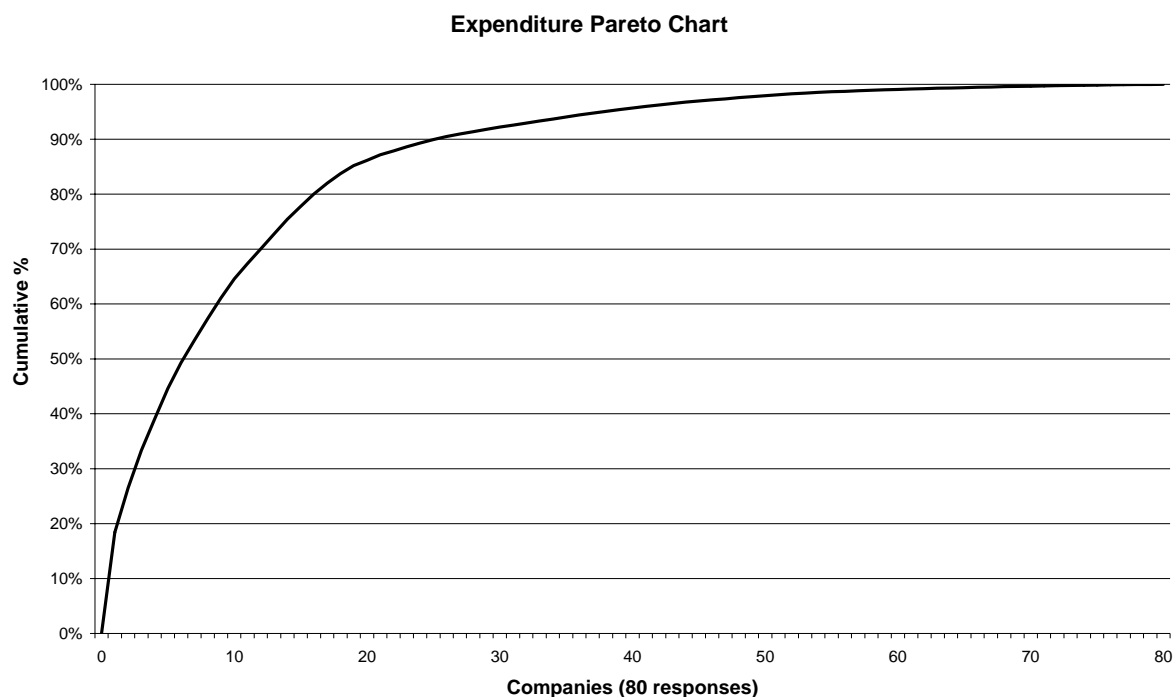
7. The customer sample frame does not include product category information, and so it is not possible to comment on the degree to which the response is representative of the overall market by sector.

Response by expenditure on glass containers

8. Customer size was derived from Question 3 in the survey, where companies were asked for their total annual expenditure on glass containers. Seven respondents did not provide this information, and it was imputed from the sample data. A Pareto analysis of annual expenditure was carried out, to identify suitable size categories for comparison. The results are charted at Figure 1.

FIGURE 1

Cumulative annual expenditure on glass containers in survey response



Source: CC analysis of survey responses.

9. The largest 16 companies each spend £9 million or more on glass containers a year and account for 80 per cent of the total reported expenditure of the companies in the survey sample. These companies were categorized as 'large'. The next 22 companies each spend between £1.3 million and £9 million, account for the next 15 per cent of total expenditure, and were categorized as 'medium' size. The remaining 42 companies in the same together account for the final 5 per cent of expenditure, and were categorized as 'small'.
10. No significant association was found between product category and expenditure category.

Representativeness of response by expenditure

11. After removal of duplicate entries, glass brokers, pharmaceutical customers and cosmetics customers, the sample frame for the survey contained 344 companies, accounting for total annual expenditure of about £510 million on just over 7 billion glass containers. A comparison of the number of responses to the survey against the number of companies sent questionnaires is shown in Table 2.

TABLE 2 **Survey response counts and rates by size category**

	<i>Responded</i>	<i>Did not respond</i>	<i>Total</i>	<i>Response rate (%)</i>
Large	16	2	18	89
Medium	22	13	35	63
Small	42	90	132	32
Total	80	105	185	43

Source: CC analysis of survey responses.

12. The largest customers in the market are therefore most well represented in the survey return. The two large company non-respondents were [X].

Survey analysis results

13. The main results of the analysis of the survey returns are summarized in the remainder of this report. For each survey question, a table is presented that shows:
- for category scale questions, the number of respondents in the category followed by the proportion of respondents giving each of the possible responses; and
 - for continuous scale questions, the mean value of the responses.

Survey Section 1—use of glass containers

Expenditure on glass containers and proportion of input costs

14. The annual expenditure on glass containers reported in the survey ranged from £92,000 to £75 million. The mean expenditure of the responding companies was £5,088,000. Of the product category groups, the mean expenditure was highest for Drinks (excluding spirits) and lowest for Dairy and Other.
15. The overall proportions of input cost accounted for by glass containers for the companies in the survey were as shown in Table 3.

TABLE 3 **Proportion of input cost accounted for by glass containers and value of containers—based on all 80 respondents**

<i>Proportion of input cost</i>	<i>Respondents (%)</i>	<i>Value of containers (£)</i>
Less than 10%	34	168,227,000
10–40%	44	141,867,000
More than 40%	20	67,439,000
No answer	3	29,500,000

Source: CC analysis of survey responses.

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16. Glass container costs are therefore reported to be a large part of input cost for some of the customers surveyed. There are no significant differences between the different product or size categories.

Choosing suppliers of glass containers

17. Respondents were asked to rate the importance of different factors when choosing a supplier of glass containers. The results are shown in Table 4.

TABLE 4 Factors important in choosing between suppliers—based on all 80 respondents

<i>Factor</i>	<i>per cent</i> <i>Important or Very important</i>
Price	100
Product quality	100
Quality of service	100
Just-in-time delivery	79
Design/technical capabilities	79
Credit terms	74
Distance to supplier	44

Source: CC analysis of survey responses.

18. Design and technical capabilities were significantly² more important to the drinks industry than to the food industry.
19. Other factors mentioned were: strategic fit; innovation; capital investment; security of supply; product variety; flexibility in delivery scheduling; ability to supply *small* volumes.

Custom-made versus standard glass containers and stocks held

20. There were clear differences between the different product categories in the types of glass container being purchased (see Table 5). The Drinks (excluding spirits) and Dairy sectors have a significantly higher requirement for custom-made containers than the others.

²Unless otherwise stated, all statements about 'significant' differences are based on a proportion or mean test between independent groups with a 90 per cent confidence level.

TABLE 5 Proportion of custom-made containers purchased

	<i>Total</i>	<i>Spirits (mainly)</i>	<i>Drinks (not spirits)</i>	<i>Food and Condiments</i>	<i>Dairy and Other</i>
Responses	80	19	38	17	6
Less than 40% custom-made (%)	39	63	18	59	33
40–80% custom-made (%)	15	5	13	35	-
More than 80% custom-made (%)	45	32	66	6	67
Don't know or no answer (%)	1	-	3	-	-

Source: CC analysis of survey responses.

21. The Drinks (excluding spirits) sector also indicated that it holds generally lower stock levels than customers in the other sectors (see Table 6). 55 per cent of the companies in this sector hold one day's stock or less, a significantly higher proportion than in any other sector.

TABLE 6 Supply of glass containers held by customers on their premises

	<i>Total</i>	<i>Spirits (mainly)</i>	<i>Drinks (not spirits)</i>	<i>Food and Condiments</i>	<i>Dairy and Other</i>
Responses	80	19	38	17	6
One day or less (%)	31	16	55	6	-
More than one day, but less than one month (%)	48	79	32	47	50
One month or more (%)	18	5	13	29	50
Don't know or no answer (%)	4	-	-	18	-

Source: CC analysis of survey responses.

22. In summary, the Drinks (excluding spirits) sector purchases more custom-made bottles and carries lower stock levels of them. The design and technical abilities of suppliers are more important to this sector of the market.

Survey section 2—suppliers of glass containers

Main supplier of glass containers

23. Respondents were asked to identify one main supplier of their glass containers. There were no strong associations between main supplier and size or sector of company. Results are shown in Tables 7 and 8.

TABLE 7 Main supplier of glass containers by sector

	<i>Total</i>	<i>Spirits (mainly)</i>	<i>Drinks (not spirits)</i>	<i>Food and Condiments</i>	<i>Dairy and Other</i>
Responses	80	19	38	17	6
Rockware (%)	29	21	21	41	67
Owens Illinois (United Glass) (%)	19	37	21	-	-
Allied Glass (%)	15	26	11	18	-
Beatson Clark (%)	15	-	13	29	33
RGBL (%)	6	-	11	6	-
Quinn Glass (%)	5	11	5	-	-
Other: non-UK (%)	1	-	3	-	-
Other: UK (%)	1	-	3	-	-
No answer (%)	9	5	13	6	-

Source: CC analysis of survey responses.

TABLE 8 Main supplier of glass containers by size

	<i>Total</i>	<i>Large</i>	<i>Medium</i>	<i>Small</i>
Responses	80	16	22	42
Rockware (%)	29	44	27	24
Owens Illinois (United Glass) (%)	19	38	9	17
Allied Glass (%)	15	6	18	17
Beatson Clark (%)	15	-	14	21
RGBL (%)	6	-	14	5
Quinn Glass (%)	5	6	14	-
Other: non-UK (%)	1	-	-	2
Other: UK (%)	1	-	-	2
No answer (%)	9	6	5	12

Source: CC analysis of survey responses.

24. [X]

25. [X]

26. [X]

Supplier commercial ability and capacity to meet requirements

27. The degree to which suppliers provide a 'realistic commercial option for meeting product specification requirements' was rated by each customer on a five point scale. The proportion who rated a supplier 'Meets all requirements' or 'Meets most requirements' is shown in Table 9. Also shown are any sectors where the supplier was strongly associated either with meeting requirements or with not meeting requirements.

TABLE 9 Ability of suppliers to meet product specifications—based on all 80 responses

<i>Supplier</i>	<i>All/most requirements (%)</i>	<i>Sectors where strong</i>	<i>Sectors where not strong</i>
Rockware	64	Large companies	
RGBL	38	Drinks (not spirits); Large and medium size companies	
Allied Glass	35		Large companies
Owens Illinois	34	Drinks (all); Large companies	Medium size companies
Quinn Glass	28	Large and medium size companies	Spirits
Beatson Clark	23	Food and condiments	Large companies
A glass broker	13		
Other: non-UK	13		Spirits; Large companies
Other: UK	3		Spirits; Large companies

Source: CC analysis of survey responses.

28. The customers were also asked what proportion of their annual requirements could be met by each supplier. The mean percentages are shown in Table 10.

TABLE 10 Percentage of annual capacity requirement that could be met—based on all 80 responses

<i>Supplier</i>	<i>Mean per cent</i>
Rockware	57.2
Owens Illinois	39.1
RGBL	34.9
Allied Glass	29.5
Quinn Glass	28.0
Beatson Clark	19.6
Other: non-UK	14.9
A glass broker	12.5
Other: UK	4.8

Source: CC analysis of survey responses.

29. Amongst the 38 large and medium size customers in the sample (95 per cent of the market by expenditure), Rockware, Owens Illinois (Allied Glass), RGBL and Quinn Glass were each seen as able to take half or more of any one customer's volume requirement on average. Allied Glass was seen as having less capacity. Beatson Clark was seen as having capacity mainly for the Food and Condiments sector.

Length of relationship with main supplier

30. Customers were asked 'what is the length of your relationship with your main supplier?' and responded using a series of categories ranging from Less than one year to More than 12 years. All but two respondents answered the question. For

analysis, the mid-point of each range was used to calculate a mean relationship length for each customer group, as shown in Table 11.

TABLE 11 **Length of relationship with main supplier**

Overall	10 years, 7 months
Food and Condiments	12 years, 10 months
Spirits (mainly)	12 years, 2 months
Drinks (not spirits)	9 years, 3 months
Dairy and Other	7 years, 2 months

Source: CC analysis of survey responses.

31. Whilst the results suggest that the Food and Condiments sector may be most loyal to its suppliers and the Dairy and Other sector least, the differences are not statistically significant.

Distance between supplier and customer

32. The great majority of customers surveyed source glass containers in Great Britain, and about 43 per cent of them overall also source from outside, as shown in Table 12.

TABLE 12 **Proportion of customers sourcing from different areas—based on all 80 respondents, multiple choices allowed**

Area	<i>per cent</i> Customers already sourcing there
Great Britain	93
Northern Ireland (Quinn)	26
Near Europe	20
Other Europe	9
Outside Europe	5

Source: CC analysis of survey responses.

33. Large and medium size companies are significantly more likely to source from Near Europe than are small companies. The Spirits sector is significantly more likely to source from Northern Ireland than is the Food sector.
34. The perceived difficulty of sourcing glass containers increases steadily (Table 13) from Northern Ireland, to Near Europe, to Other Europe and then Outside Europe.

TABLE 13 **Perceived difficulty of sourcing – Based on respondents not already sourcing from each region and answering the question**

	<i>Northern Ireland</i>	<i>Near Continental Europe</i>	<i>Other Continental Europe</i>	<i>Outside Europe</i>
Responses	49	47	45	47
Easy (%)	43	36	16	4
Neither easy nor difficult (%)	43	38	53	38
Difficult (%)	10	26	27	43
Cannot source from here (%)	4	-	4	15

Source: CC analysis of survey responses.

35. Although the differences between product categories were not large enough to be statistically significant, for each of the three source areas outside UK, the Food & Condiments and Dairy & Other sectors rated it easiest to source containers.

Survey section 3—competition to supply glass containers

Competition and switching

36. The customer survey sought to identify supplier switching that had occurred over the last three years at two levels:
- changes of main supplier;
 - other suppliers that customers had started to use or stopped using.
37. The main supplier switches identified are shown in Table 14. The column headings give the company that *ceased* to be the main supplier, the row headings give the company that *became* the main supplier. The table shows the customer(s) involved and their *total annual expenditure* (not the value of the main supply contract). [X]

TABLE 14 **Main supplier switches and annual expenditures of customers involved**

[X]

Source: CC analysis of survey responses.

38. A number of other, un-quantified, secondary transfers of business between suppliers were also reported as having taken place during the past three years and these are summarized in Table 15. There is no information in the survey data to indicate how large or small the value of business involved may have been, but the switches have been ranked in descending order of the total annual expenditure of the customers involved.

TABLE 15 **Secondary switches in business**

[X]

Source: CC analysis of survey responses.

39. In reviewing Tables 14 and 15, it should be remembered that the expenditure figures given relate to total annual expenditure of the customers concerned. They should therefore be treated only as estimates of the *maximum* value of business that was transferred.

Negotiation of supplier contracts

40. Customers were asked how they negotiated contracts and how many suppliers they typically approached. The results are shown in Table 16.

TABLE 16 **Negotiation approach and number of suppliers involved—based on all 80 respondents**

		<i>per cent</i>
Negotiation approach	Renegotiation with current supplier	23
	Talk to a number of suppliers	48
	Formal tender process	28
	No answer	3
Number of suppliers approached	One	4
	Two	16
	Three	45
	Four	14
	More than four	19
	Don't know	1
	No answer	1

Source: CC analysis of survey responses.

41. Large and medium companies were more likely both to use a formal tender process and to approach more than four suppliers.
42. Respondents were asked to think about the last time they negotiated a contract for glass containers and identify the supplier that won the contract, the runner-up, and all others considered. This data was reduced to a 'contract winning score' for each supplier by scoring four³ points for a win, one point for running-up or being considered. This produced an average measure for each supplier, on a scale from 0 to 4, that indicates how successful that supplier was in winning business. This is shown in Table 17.

³Based on the observation that an average of 3.4 suppliers were invited to bid for each contract.

TABLE 17 Mean contract winning scores—based on all 80 respondents

	Product category					Expenditure size category		
	Total	Spirits (mainly)	Drinks (not spirits)	Food and Condiments	Dairy and Other	Large	Medium	Small
Rockware	1.5	1.4	1.6	1.3	1.2	2.3	1.5	1.1
Owens Illinois	1.0	1.8	1.1	0.1	0.0	1.9	1.0	0.6
RGBL	0.9	0.3	1.1	0.8	1.5	1.3	1.3	0.5
Allied Glass	0.8	1.5	0.6	0.8	0.2	0.4	1.1	0.8
Beatson Clark	0.6	0.0	0.4	1.5	0.8	0.2	0.5	0.8
Quinn Glass	0.6	0.7	0.7	0.3	0.3	1.2	0.8	0.2
A glass broker	0.4	0.1	0.6	0.5	0.0	0.1	0.4	0.5
Other: non-UK	0.2	0.1	0.3	0.3	0.5	0.5	0.2	0.2
Other: UK	0.2	0.3	0.1	0.1	0.7	0.1	0.3	0.2

Source: CC analysis of survey responses.

43. Mean scores that are significantly higher than one or more other product or size categories have been highlighted in Table 17 in bold. For example, Beatson Clark was more successful in winning contracts in the Food & Condiments sector than in any other sector. Note that the significance comparisons are only meaningful within a *row*, that is, comparing the success of a supplier across sectors. The scores *cannot* be used to compare the success rates of different suppliers.

Response rate

44. The questionnaire finished by asking a number of attitude questions, probing respondents views on RGBL, Rockware and the effect of the merger. These have been summarized in Tables 18 and 19 by reporting the proportion of respondents (of those expressing an opinion) who answered with one of the top two ratings on the five-point scale used.

TABLE 18 Summary box % scores—by product category. Based on number of respondents answering each question)

		Total	Spirits (mainly)	Drinks (not spirits)	Food and Condiments	Dairy and Other
<i>Obstacles to switching and effect of Quinn plant opening</i>						
There are obstacles to switching suppliers	Responses	78	18	38	16	6
	Agree or Strongly Agree (%)	65	67	76	38	67
Effect of opening of Quinn plant on terms and conditions	Responses	62	18	29	12	3
	More or much more favourable (%)	56	61	59	42	67
<i>Comparison of Rockware and RGBL competitiveness</i>						
RGBL offered at a better price	Responses	52	10	29	10	3
	Agree or Strongly Agree (%)	44	40	52	20	67
RGBL was more active in seeking to win business	Responses	52	10	29	9	4
	Agree or Strongly Agree (%)	44	40	48	33	50
RGBL was a weak competitor	Responses	52	11	29	9	3
	Agree or Strongly Agree (%)	31	36	28	33	33
Rockware offered at a better price	Responses	65	15	32	14	4
	Agree or Strongly Agree (%)	23	13	25	29	25
Rockware was more active in seeking to win business	Responses	68	16	33	14	5
	Agree or Strongly Agree (%)	25	13	36	14	20
Rockware was a weak competitor	Responses	67	15	34	14	4
	Agree or Strongly Agree (%)	25	33	29	14	-
<i>Effect of merger (note percentage more/less or much more/less favourable reported here)</i>						
Expected change in terms and conditions post-merger	Responses	62	16	29	13	4
	More or much more favourable (%)	19	31	14	23	-
	Less or much less favourable (%)	40	19	45	46	75
Observed change in terms and conditions since merger	Responses	70	18	34	13	5
	More or much more favourable (%)	9	22	6	-	-
	Less or much less favourable (%)	16	6	9	46	20

Source: CC analysis of survey responses.

45. Significantly fewer Food and Condiments category customers perceive obstacles to switching suppliers. Of the few respondents observing favourable changes in business terms and conditions since the merger, most are in the Spirits sector.

TABLE 19 Summary box % scores—by customer size. Based on number of respondents answering each question

<i>Obstacles to switching and effect of Quinn plant opening</i>		<i>Total</i>	<i>Large</i>	<i>Medium</i>	<i>Small</i>
There are obstacles to switching suppliers	Responses	78	16	22	40
	Agree or Strongly Agree (%)	65	94	55	60
Effect of opening of Quinn plant on terms and conditions	Responses	62	15	20	27
	More or much more favourable (%)	56	80	60	41
<i>Comparison of Rockware and RGBL competitiveness</i>					
RGBL offered at a better price	Responses	52	16	17	19
	Agree or Strongly Agree (%)	44	50	47	37
RGBL was more active in seeking to win business	Responses	52	16	17	19
	Agree or Strongly Agree (%)	44	63	47	26
RGBL was a weak competitor	Responses	52	16	18	18
	Agree or Strongly Agree (%)	31	44	28	22
Rockware offered at a better price	Responses	65	16	21	28
	Agree or Strongly Agree (%)	23	31	14	25
Rockware was more active in seeking to win business	Responses	68	16	22	30
	Agree or Strongly Agree (%)	25	56	14	17
Rockware was a weak competitor	Responses	67	15	21	31
	Agree or Strongly Agree (%)	25	33	24	23
<i>Effect of merger (note % more/less or much more/less favourable reported here)</i>					
Expected change in terms and conditions post-merger	Responses	62	14	19	29
	More or much more favourable (%)	19	14	21	21
	Less or much less favourable (%)	40	43	42	38
Observed change in terms and conditions since merger	Responses	70	16	18	36
	More or much more favourable (%)	9	6	17	6
	Less or much less favourable (%)	16	6	22	17

Source: CC analysis of survey responses.

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46. Significantly *more* large customers perceive obstacles to switching suppliers and expect the opening of the Quinn plant to make terms and conditions in the industry more favourable. When responding to the question about Rockware/RGBL being more active in seeking to win business, large customers agree to a significantly greater extent than small customers about both companies, but medium companies agree with the statement in regards to RGBL *only*.
47. Finally, 36 per cent of the respondents reported being approached by Quinn Glass during the last year, 88 per cent of the large customers, 45 per cent of the medium customers and 12 per cent of the small customers.

Reference no.

ARDAGH/ REDFEARN MERGER INQUIRY

Questionnaire to purchasers of glass containers

To answer these questions, unless instructed otherwise, please circle the appropriate letter in each row.

- Notes: 1) Ardagh also own Rockware, a producer of glass containers in the UK.
 2) Prior to the merger, Redfearn was known as Rexam Glass Barnsley Ltd (RGLB).
 3) United Kingdom includes England, Wales, Scotland, Northern Ireland, the Channel Islands and the Isle of Man.

Section 1. About your use of glass containers

Q1. Please tick all the product groups that your company supplies in glass containers:			
	(please tick <u>all</u> that apply)	Office use	
Dairy		Col. 1.	
Spirits		Col. 2.	
Soft Drinks		Col. 3.	
Flavoured Alcoholic Beverages		Col. 4.	
Foods		Col. 5.	
Beers		Col. 6.	
Wines		Col. 7.	
Ciders		Col. 8.	
Other (please specify below)		Col. 9.	

Specify other (if any)

_____ [A1]

Q2. On average, what proportion of your total input costs do glass containers account for?							Office use	
	Less than 5%	5-10%	10-20%	20-40%	40-60%	More than 60%		
	a	b	c	d	e	f	Col. 10.	

Q3. What is your total annual expenditure on glass containers purchased from suppliers outside your own company or group for use in the UK?		Office use	
Please give your best estimate to the nearest £1000:			
_____		Col. 11.	

Q4. In choosing between suppliers of glass containers, to what extent are the following factors important or not important?							Office use	
	Not important	Slightly important	Neutral opinion	Important	Very important	Don't know	Col. 12.	
Price	a	b	c	d	e	f	Col. 13.	
Credit terms	a	b	c	d	e	f	Col. 14.	
	Not important	Slightly important	Neutral opinion	Important	Very important	Don't know	Col. 15.	
Product quality	a	b	c	d	e	f	Col. 16.	
Quality of service	a	b	c	d	e	f	Col. 17.	
Design and technology capabilities	a	b	c	d	e	f	Col. 18.	
Just-in-time delivery	a	b	c	d	e	f	Col. 19.	
Time/distance to supplier	a	b	c	d	e	f	Col. 20.	

Are there other factors that you consider to be important in choosing between suppliers of glass containers? Please explain.

[A2]

Q5. What proportion of the glass containers that you buy are custom-made as opposed to standard containers?						Office use	
Less than 10% custom-made	10-40% custom-made	40-60% custom-made	60-80% custom-made	More than 80% custom-made	Don't know	Col. 19.	
a	b	c	d	e	f		

Q6. Approximately how much supply of glass containers do you hold on the premises?							Office use	
Less than 1 day	1 day	3 days	1 week	1 month	More than 1 month	Don't know	Col. 20.	
a	b	c	d	e	f	g		

Section 2. About your suppliers of glass containers

Q7. In the 12 months to June 2005, which of the following companies was your main supplier of glass containers (i.e. the supplier that supplies you with the largest proportion of your glass container requirements by value)? Which other companies supplied you with glass containers?			Office use	
	MAIN SUPPLIER (please circle <u>one</u> only)	OTHER SUPPLIERS (please give approximate per cent of annual value))	Col. 21.	
Rockware	a		Col. 22.	
RGBL	b		Col. 23.	
Owens Illinois (United Glass)	c		Col. 24.	
Allied Glass	d		Col. 25.	
Beatson Clark	e		Col. 26.	
Quinn Glass	f		Col. 27.	
A glass broker (please specify below)	g		Col. 28.	
Other: UK (Please specify below)	h		Col. 29.	
Other: non-UK (please specify below)	i		Col. 30.	

Name of brokers (if any)

_____ [A3]

Name of other UK suppliers (if any)

_____ [A4]

Name of non-UK suppliers (if any)

_____ [A5]

Q8. Which companies, including your existing suppliers, do you consider provide a realistic commercial option for meeting your product specification requirements for glass containers?						Office use	
	Meets all requirements	Meets most requirements	Meets some requirements	Does not meet requirements	Don't know		
Rockware	a	b	c	d	e	Col. 31.	
RGBL	a	b	c	d	e	Col. 32.	
Owens Illinois (United Glass)	a	b	c	d	e	Col. 33.	
Allied Glass	a	b	c	d	e	Col. 34.	

Beatson Clark	a	b	c	d	e	Col. 35.	
Quinn Glass	a	b	c	d	e	Col. 36.	
A glass broker (please specify below)	a	b	c	d	e	Col. 37.	
Other: UK (please specify below)	a	b	c	d	e	Col. 38.	
Other: non-UK (please specify below)	a	b	c	d	e	Col. 39.	

Name of brokers (if any)

_____ [A6]

Name of other UK suppliers (if any)

_____ [A7]

Name of non-UK suppliers (if any)

_____ [A8]

Q9. In your opinion, what proportion of your annual requirements could be met by each of these suppliers?			
	(please enter best estimated percentage from 0-100 per cent of total annual order value)	Office use	
Rockware		Col. 40.	
RGBL		Col. 41.	
Owens Illinois (United Glass)		Col. 42.	
Allied Glass		Col. 43.	
Beatson Clark		Col. 44.	
Quinn Glass		Col. 45.	
A glass broker		Col. 46.	
Other: UK		Col. 47.	
Other: non-UK		Col. 48.	

Q10. What is the length of your relationship with your main supplier of glass containers i.e. from the first time you used them until now?						Office use	
Less than 1 year	1 and up to 3 years	3 and up to 6 years	6 and up to 12 years	More than 12 years	Don't know	Col. 49.	
a	b	c	d	e	f		

Q11. Over what distance are you prepared to buy glass containers?						Office use	
	Already source from here	Easy to source from here	Neither easy nor difficult to source from here	Difficult to source from here	Cannot source from here		
Great Britain	a	b	c	d	e	Col. 50.	
Northern Ireland (Quinn plant in Derrylin)	a	b	c	d	e	Col. 51.	
Near Continental Europe (Benelux, France and Germany) (Please specify below)	a	b	c	d	e	Col. 52.	
Other Continental Europe (Please specify below)	a	b	c	d	e	Col. 53.	
Outside Europe (Please specify below)	a	b	c	d	e	Col. 54.	

If you have current or potential suppliers outside the UK please can you name them and their country of production

_____ [A9]

Section 3. Competition to supply glass containers

Q12. Has the company that supplies the greatest proportion of your glass container requirements by value changed or have you stopped using a supplier in the last three years ?			Office use	
	PREVIOUS MAIN SUPPLIER (please circle <u>one</u> only)	SUPPLIERS STOPPED USING (please tick <u>all</u> that apply)	Col. 55.	
Rockware	a		Col. 56.	
RGBL	b		Col. 57.	
Owens Illinois (United Glass)	c		Col. 58.	
Allied Glass	d		Col. 59.	
Beatson Clark	e		Col. 60.	
Quinn Glass	f		Col. 61.	

A glass broker	g	Col. 62.
Other: UK	h	Col. 63.
Other: non-UK	i	Col. 64.
Have not changed main supplier	j	

Q13. Have you started using a new supplier in the last three years?		Office use	
		SUPPLIERS STARTED USING (please tick <u>all</u> that apply)	
Rockware		Col. 65.	
RGBL		Col. 66.	
Owens Illinois (United Glass)		Col. 67.	
Allied Glass		Col. 68.	
		SUPPLIERS STARTED USING (please tick <u>all</u> that apply)	
Beatson Clark		Col. 69.	
Quinn Glass		Col. 70.	
A glass broker		Col. 71.	
Other: UK		Col. 72.	
Other: non-UK		Col. 73.	

Q14. Based on your experience, to what extent would you agree or disagree that there would be obstacles to switching suppliers?						Office use	
Strongly disagree	Disagree	Neutral opinion	Agree	Strongly agree	Don't know	Col. 74.	
a	b	c	d	e	f		

Q15. Which of the following best describes how you negotiate your contracts with your main supplier?				Office use		
By renegotiating with your current supplier	By talking to a number of suppliers (possibly including current suppliers)	Through a formal tender process	Don't know	Col. 75.		
a	b	c	d			

Q16. How many suppliers do you typically approach in relation to a supply contract?						Office use	
1	2	3	4	More 4	Don't know	Col. 76.	
a	b	c	d	e	f		

Q17. When you last negotiated a contract for glass containers, who did you consider as potential suppliers? Who did you choose and who was the next closest competitor (i.e. the runner-up)?				Office use		
	WINNER OF CONTRACT (please <u>circle one</u>)	RUNNER UP (please <u>circle one</u>)	POTENTIAL SUPPLIERS CONSIDERED			

	circle <u>one</u> only)	only)	(please tick <u>all</u> that apply)	Col. 77.
				Col. 78.
Rockware	a	a		Col. 79.
RGBL	b	b		Col. 80.
Owens Illinois (United Glass)	c	c		Col. 81.
Allied Glass	d	d		Col. 82.
Beatson Clark	e	e		Col. 83.
Quinn Glass	f	f		Col. 84.
A glass broker	g	g		Col. 85.
Other: UK	h	h		Col. 86.
Other: non-UK	i	i		Col. 87.

Note: In answering the following two questions (Q18 and Q19), please think about your relationships with Ardagh/ Rockware and Rexam Glass Barnsley Limited (RGL) before May 2005.

Q18. To what extent do you agree or disagree that, compared with other suppliers of glass containers, Rockware:							Office use
	Strongly disagree	Disagree	Neutral opinion	Agree	Strongly agree	Don't know	
Was prepared to offer glass containers at a better price?	a	b	c	d	e	f	Col. 88.
Was more active in seeking to win your business?	a	b	c	d	e	f	Col. 89.
Was a weak competitor in the supply of glass containers?	a	b	c	d	e	f	Col. 90.

Q19. To what extent do you agree or disagree that, compared with other suppliers of glass containers, RGL:							Office use
	Strongly disagree	Disagree	Neutral opinion	Agree	Strongly agree	Don't know	
Was prepared to offer glass containers at a better price?	a	b	c	d	e	f	Col. 91.
Was more active in seeking to win your business?	a	b	c	d	e	f	Col. 92.

Was a weak competitor in the supply of glass containers?	a	b	c	d	e	f	Col. 93.	
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Q20. Over the next 2-3 years, do you consider that the opening of Quinn's new plant in Ince is likely to make the terms and conditions (e.g. service quality, price) on which glass containers are available to you more or less favourable?							Office use
Much less favourable	Less favourable	No change	More favourable	Much more favourable	Don't know		Col. 94.
a	b	c	d	e	f		

Q21. Have you been approached by Quinn looking to supply you in the last 12 months?				Office use
	Yes	No	Don't know	
	a	b	c	Col. 95.

Note: In May 2005, Ardagh acquired RGLB. The following two questions should be answered by reference to actual and expected developments since that date.

Q22. In the months following the merger between Ardagh and RGLB, have the terms and conditions (e.g. service quality, price) available to you as a purchaser of glass containers become more or less favourable?						Office use
Much less favourable	Less favourable	Not changed	More favourable	Much more favourable	Don't know	
a	b	c	d	e	f	Col. 96.

Q23. Over the next 2-3 years, do you consider that the merger between Ardagh and RGLB is likely to make the terms and conditions (e.g. service quality, price) on which glass containers are available to you more or less favourable?						Office use
Much less favourable	Less favourable	No change	More favourable	Much more favourable	Don't know	Col. 97.
a	b	c	d	e	f	

Section 5. Contact details and further comments

Please provide a contact name and telephone number in case we need to contact you to discuss your answers further

_____ [A13]

Thank you for the time you have taken. Your views are important for achieving the best outcome for this inquiry.

Please return your answers in the envelope provided or fax to 020 7271 0367.