



# TIED TENANT SURVEY 2017

Technical report

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## 1 Introduction

This technical report describes the methodology of the Tied Tenant Survey commissioned by the Pubs Code Adjudicator (PCA) in 2017. The PCA identified a need to understand the experiences of tied pub tenants in their relationship with their pub-owning business, and to understand any issues that may be present across a range of Pubs Code issues. This research provides evidence in specific areas to inform targeting of the PCA's activity and to act as a baseline for tracking change over time. The project was mixed method which comprised firstly of a structured fifteen minute telephone survey amongst tenants (388 interviews in total) and then a range of follow-up depth interviews (27 interviews were conducted amongst a selection of those who undertook the initial telephone survey). Fieldwork was conducted from November 2017 to January 2018.

## 2 Stage one: Telephone Survey (quantitative)

### 2.1 Sampling

At the outset of the project, decisions related to sampling were based on the following parameters:

- Aiming to achieve approximately 400 interviews<sup>1</sup> with tenants of pubs from the 6 main pub-owning businesses
- Needing to tele-match for telephone number (pub name and postcode were the only details provided)
- Ensuring a limited leads ratio for interviewing in the first instance and setting aside extra sample if needed.

The list of tenanted pubs was then combined into one master file. The population was reviewed and proposals made for drawing the sample.

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<sup>1</sup> As the project progressed a decision was made to do fewer telephone interviews in stage one and more follow-up depth interviews in stage two.

An entirely representative profile of completed interviews would have given low base sizes in a few of the pub companies so the preferred option was to ensure a minimum base size of 40 tenant interviews per pub-owning business and weight the data at the analysis stage. The stages in the sampling process were:

### **Stage 1) Create a full list of pubs in scope (cleaned and de-duped):**

Initial steps for preparing the sample file were:

1. Lists of tied tenanted pubs from all pub-owning businesses were combined
2. Any records with no or incomplete postcode/pub name were deleted
3. Files within and across lists were de-duped
4. GfK confirmed with the PCA the final population of the clean de-duped file.

### **Stage 2) Sample selection**

A separate file was then created for each pub-owning business and stratified by postcode (the only demographic variable available). Selection for interview took place on a 1 in N basis. Initially a total number of leads were extracted for a sample to interview ratio of 8:1 (after allowing for 60% of numbers to be successfully matched/looked up). However, it was agreed early into the mainstage fieldwork that GfK would boost the sample. The nature of the sector and the responsibilities of the target respondent meant that they were often customer facing and hard to reach. This was also coupled with the pressure on timescales at a busy time of year – the run-up to Christmas – for the pubs trade. These factors meant that the sample experienced a relatively high level of ‘churn’ where callbacks were necessary. In order to realise an effective outcome there would need to be a high volume of sample and calls. When adding ‘top up’ sample the same steps for selection applied.

## 2.2 Questionnaire design and pilot

At the initial set up meeting the content of the questionnaire was discussed and specific areas were prioritised. After this session GfK designed an initial draft which was then revised in line with any other requests from the PCA. A final draft was signed off by the PCA for pilot. Interviewers were briefed by executives and interviews were listened to by GfK. After 7 interviews the pilot was stopped and some suggestions made to the PCA to shorten the interview length. In general the questions were working well and apart from some clarifications, final revisions were small scale (the removal of one lengthy question). It was agreed, due to timings, that the next few days of interviewing would be monitored very closely and interviews listened into as part of a rolling pilot thereafter. This was done with no other refinements being needed.

## 2.3 Fieldwork

Mainstage fieldwork took place between mid-November and mid-January (with a break for Christmas and New Year). Table 1 gives the breakdown of all contacts used for mainstage and pilot combined and Table 2 gives a breakdown of the sample used by pub-owning business.

**Table 1: Contact breakdown**

<b>Outcome</b>	<b>No. of contacts</b>
Completed interview	388
Live sample (no answer/engaged/callback)	441
Out of quota	272
Ineligible/screening failures/no eligible respondent	34
Refusals/quits	833
Non response (not available in fieldwork/max tried (8), referrals)	1497
Incorrect numbers (wrong number/closed down/unobtainable)	475
<b>Total sample</b>	<b>3940</b>
Adjusted response rate (completed interviews as a % of contacted and eligible sample)	46.6%
Total leads to interview ratio	10 to 1

**Table 2: Sample tele-matched by pub-owning business**

	<b>Total contacts</b>	<b>Sample tele-matched and used for fieldwork</b>	<b>Interviews completed</b>
	TOTAL	TOTAL	TOTAL
Admiral Taverns Ltd	554	433	42
Ei Group PLC	3843	1240	131
Greene King PLC	949	484	49
Marston's PLC*	453	444	49
Punch Taverns PLC <sup>2</sup>	2502	794	74
Star Pubs and Bars (Heineken UK)	689	545	43
<b>TOTAL</b>	<b>8990</b>	<b>3950</b>	<b>388</b>

\*tenanted only (not franchised)

The interview length was 15 minutes on average.

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<sup>2</sup> Please note that the Punch sample was comprised of the Punch estate prior to the sale of part of Punch estate to Star, which took place while the survey was in field. Results are accordingly presented on this pre-sale basis

After the initial introduction and screening questions, the structure of the questionnaire was built around the sub sections shown in Chart 1.

**Chart 1: Questionnaire coverage (stage one telephone interviews)**

<b>Context and operating environment</b>	Number of tenancies, % sales of food/drink/other (including accommodation and room hire), types of agreement and if the tenant was new since July 2016 (when the Pubs Code came into force).
<b>Awareness and understanding of the Pubs Code and the Pubs Code Adjudicator (PCA)</b>	General awareness of the Pubs Code plus a prompted scale of awareness, understanding of specific objectives of the Pubs Code and sources of awareness Awareness of the PCA, contact with the PCA, experience of formally referring a case to the PCA for arbitration and, finally, preferences for communication going forward.
<b>Relationship with Business Development Manager</b>	This involved rating various aspects of the tenant's relationship with the Business Development Manager (BDM), these included; <ol style="list-style-type: none"> <li>1. I have all the information I need about their role</li> <li>2. They supply the support I need on an ongoing basis</li> <li>3. They make formal notes of discussions about rent, repairs and business plans for my pub</li> <li>4. (If agreement to some extent to precode 3 above) I receive the notes made within 14 days; and I'm given 7 days to comment</li> <li>5. They can inform me clearly on the details of the Pubs Code; and signpost appropriate sources of further advice</li> <li>6. I have confidence in the way they handle my tenancy</li> </ol> <p>This section also asked new tenants since July 2016 about the provision of training and induction processes required by the Pubs Code.</p>
<b>Experience of code related events</b>	Events experienced that might have allowed tenants to engage with MRO, whether they requested, or considered, MRO and motivations and barriers. The survey explored the outcome of MRO (if requested) and satisfaction with elements of the process. It asked respondents if they thought the process gave them the opportunity to make a genuine choice between the tied and MRO proposal made by their pub-owning business. Finally this section explored other issues governed by the Pubs Code that respondents might have needed more information on.
<b>Demographics</b>	This section included; age, length of time in tenant career and whether respondents could see themselves in their current operation and tenancy agreement for the next five years
<b>Recruitment for follow-up depth interviews</b>	A follow-up exercise was described to respondents and they were asked if they would agree, subject to selection, to be re-contacted (it was made clear that not everyone who agreed would be chosen to participate)

## 2.4 Analysis

Due to the fact that the project over-sampled particular pub-owning businesses companies to ensure a minimum of 40 interviews in each, the data was rim weighted to ensure it was once again representative of the original universe generated from the combined lists provided by pub companies. Table 3 shows the proportion of pubs by broad regional area (out of the total of 8,990 in the combined sample lists). This profile was used for weighting purposes.

**Table 3: Representation by pub-owning business within region**

	<b>East/West Midlands, Yorks and the Humber, Wales</b>	<b>England: North East/West</b>	<b>England: South East/West and London</b>	<b>TOTAL</b>
	Proportion %	Proportion %	Proportion %	Proportion %
Admiral Taverns Ltd	2.4	2.3	1.4	6.2
Ei Group PLC	11.3	10.9	20.5	42.7
Greene King PLC	4.2	1.8	4.6	10.6
Marston's PLC	2.9	1.6	0.5	5.0
Punch Taverns PLC	10.5	9.4	7.9	27.8
Star Pubs and Bars (Heineken UK)	1.8	3.3	2.5	7.7
<b>Total</b>	<b>33.1</b>	<b>29.4</b>	<b>37.5</b>	<b>100.0</b>

Data was analysed by the following variables but only reported where the findings were significantly different when compared against the overall total:

- Pub-owning business
- Type of operator/Tenancy types
- Sales from food /drink
- Views of Business Development Manager (BDM)
- Awareness of Pubs Code
- Awareness of the Pubs Code Adjudicator
- Age of respondent
- Length of tenant career
- Future plan to remain as tenant (current arrangements)

### **3 Stage two: Follow-up depth interview (qualitative)**

#### **3.1 Sample**

As already outlined in this report, respondents in the telephone survey (stage one) were asked if they would be happy to take part in a follow-up interview (stage two). It was made clear that not everyone would be contacted. There was a high level of interest in taking part in stage two; out of the 388 interviews achieved, 328 (85%) agreed to be re-contacted for follow-up.

The follow-up interviews were purposively selected to include a spread of pub-owning business, gender of respondent and experience in the sector. A number of new entrants (both wholly new to the pub trade and those returning to a tenancy after July 2016) were also included. The interviews aimed to further explore experiences of the MRO process (those that had gone through the process and also those that considered it but didn't pursue it), a mixture of views from those who gave positive ratings of their BDM in the telephone survey and those that indicated some concerns.

In total 27 follow-ups were completed. The numbers for each sub-group are shown in Chart 2.

**Chart 2: Composition of follow-up depth interviews**

Audience group	Number of interviews		Key areas for exploration
Those who have submitted an MRO Notice	9		Experience of MRO event Experience of submitting MRO Notice Views on genuine choice
Those who considered but did not submit an MRO Notice	8		Experience of MRO event Reasons for not submitting an MRO Notice
Those who are positive about their Business Development Manager (BDM)	5	4 of whom were new tenants	Experiences of interactions with BDM Experiences of new tenants
Those who are negative about their BDM	5		

Across the sample:

- Spread of pub-owning business
- Spread of gender
- Spread of experience in the sector

### 3.2 Topic guide

The full topic guide was developed closely with the PCA. It included modules of questions to reflect the type of respondent shown in Chart 2. It was developed with the intention to guide the discussion, giving a structure to what should be discussed and explored with participants. However, the discussion was led by participant responses and therefore not all questions could be asked, or asked in the exact wording/order outlined.

Please note that Chart 3 is a summary of content only.

**Chart 3: Topic guide summary (stage two follow-up depth interviews)**

Participant	30 mins		5 mins
	<b>Submitted MRO</b>	Introduction. Step by step journey through MRO – initial decision making to request MRO, aspects of the MRO event, who was involved, initial discussions with pub-owning business (what worked well/could be improved) and information sources used and support gained throughout process. Details of the process at each stage were explored fully.	
<b>Considered but did not submit MRO</b>	Introduction. Initial considerations and aspects of the MRO event, barriers and motivations, who was involved, positives and negatives of initial discussions, information received.		Close/ wrap up

<b>Positive or negative about BDM</b>	Introduction. Types of contact with Business Development Manager. Aspects of the relationship that work well/could be improved. Discussion relating to some of the responses in the stage one interview about the support provided.	Close/ wrap up
<b>New tenant</b>	Introduction. New tenant experiences and types of contact with Business Development Manager. Aspects of the relationship that work well/could be improved. Discussion relating to some of the responses in the stage one interview about the support provided.	Close/ wrap up

### 3.2 Strength and limitations of stage two follow-up depth interviews

The key strength of this approach is that it enables researchers to gather spontaneous attitudes and insights, as well as highly nuanced feedback about the research objectives. Whilst depth interviews follow a clear structure, they emphasise the role of the participant in leading and driving the conversation through allowing them to answer in their own words and leading to responses that are full of rich insights. Participants are not limited in the way they answer the questions by being required to choose from multiple-choice answers as they would in a structured telephone survey.

The main limitation to using this research approach is that it emphasises self-expression and insight over numerical outcomes and so relies on detailed discussion with relatively small sample sizes. Whilst we included a range of tenants in the research, the overall sample size means it is not statistically representative. The findings in the main report focus on participant views and opinions; the findings do not attempt to quantify these.

The quotes used in the main report are not attributed for anonymity.