



Llywodraeth Cymru
Welsh Government

RESEARCH, DOCUMENT

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

Findings from wave three of the mixed-methods evaluation of retailers' experiences and impacts of the minimum price for alcohol (MPA) in Wales.

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Research aims and methodology

Research aims

This report presents the findings from wave three of the mixed-methods evaluation of retailers' experiences and impacts of the Minimum Price for Alcohol (MPA) in Wales, commissioned by the Welsh Government.

The research also examines the impact on alcohol purchases using secondary data analysis.

Methodology

Qualitative methods

This was the third and final wave of qualitative data collection. Wave three saw a reduction in the number of participants, who went from 30 at wave two to 22 in wave 3 due to sample attrition. Fourteen participants took part across all three waves. The sample included retailers across five Welsh regions; independent and chain retailers; micro, small, and medium-sized retailers; and a mix of on-trade, off-trade, or both on-trade and off-trade licensees.

Quantitative methods

Our analysis assessed the impact of Minimum Pricing for Alcohol (MPA) introduced in Wales in March 2020. Using comparative interrupted time series (CITS), we compared alcohol purchasing trends in Wales to those in England, where MPA was not implemented. To conduct the analysis, we used data on units of alcohol purchased and taken back into the home from Kantar's World

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Panel over the 2016-2023 period. CITS is a statistical method used to evaluate the impact of an intervention or treatment by comparing the changes in outcomes over time between a group that was exposed to the intervention (Wales) and a comparison group that was not (England).

This approach allows researchers to estimate the effect of the intervention while controlling for underlying trends and external factors influencing both groups, increasing our confidence that any effects found are due to MPA. This approach helped isolate the effects of MPA from the concurrent period of COVID-19 protective measures, as England and Wales were both affected by the pandemic, but only Wales implemented MPA.

Context

Context of COVID-19, high inflation, and cost of living increases

It should be noted that, across the three waves, retailers' experiences and views of the implementation and impact of the MPA were affected by COVID-19 mitigation measures, economic recovery from them and, more prominently at waves two and three, high inflation.

Baseline data collection occurred in autumn winter 2019/ 2020 just before the COVID-19 pandemic started in March 2020. This delayed wave two data collection until autumn 2022. In the intervening period, off-trade retailers remained open, but on-trade retailers were often closed and were recovering from the measures on business at the time of data collection.

At both waves two and three retailers were dealing with higher than usual inflation, with this being especially the case at wave three. Over the life of the study, the minimum unit price (MUP) of 50p was not raised, and the effects of

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the policy at wave three need to be understood in the context of higher inflation and the cost-of-living increase.

Main findings

Qualitative findings

Overall findings

Retailers felt the MPA policy is having the desired effect, reducing the sale of cheap, higher-strength alcohol by making products of this type more expensive. As a result, customers were said to buy less of them, and retailers were less likely to stock these products. This especially applied to off-trade retailers.

The policy had also now become embedded in retailers' everyday business as usual. However, the effects of the policy may have been weakened since wave two as increases in prices arising from the MUP have been overshadowed by high inflation, while the MUP has remained unchanged at 50p per unit.

Awareness and understanding

Awareness and understanding of the policy gradually improved over the three waves of data collection. Retailers tended to show more support for the policy where they understood it was targeted at harm reduction among the population in general. They showed less support where they mistakenly thought it was targeted at problem drinkers. Some retailers said they may benefit from short refresher briefings or courses on pricing discounted products.

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Experiences of the MPA and its enforcement

At wave three, retailers said the MPA had become part of their everyday business-as-usual. Previous difficulties experienced in calculating promotions, offers and discounts were minimised using the Welsh Government MUP app, or by central pricing for chains at their head offices. Removal of some cheaper, higher-strength alcohol from sale meant fewer products being sold below the permitted price that needed to be checked and increased in price.

The frequency and nature of Trading Standards compliance checks varied, but the overall picture was of retailers willing to comply with their legal obligations in relation to the MPA.

Impacts and effects

Retailers said demand for higher strength alcohol decreased as prices increased. On-trade retailers reduced their stocks, gradually stopped stocking such products (e.g., high strength, low-cost cider), or replaced them with lower volume, premium products, regarded as better value for customers.

A positive effect of the MPA policy was that on-trade retailers felt it created fairer competition between them and off-trade retailers, especially with supermarkets.

Negative effects of the MPA discussed at wave two (e.g., costs of training, product wastage, and checking discounted products distributed from England) were less prominent in retailers' accounts at wave three. Retailers said there was no noticeable impact on their sales from customers going over the border to England to buy cheaper alcohol.

Retailers found it hard to gauge the impact of the MPA on problem drinkers but did notice fewer customers they described as 'troublesome' coming into their shops to buy previously cheap, high-strength alcohol.

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Quantitative findings

Overall findings

Overall, there was a statistically significant impact of the MPA policy on the number of alcohol units purchased by households. Initially, there was a marked increase in alcohol purchases in Wales following the introduction of MPA, coinciding with the COVID-19 mitigation measures. However, this surge was smaller in Wales than in England, and subsequently, alcohol purchasing declined more rapidly in Wales.

Socioeconomic groups

Higher socioeconomic groups in Wales did not show a statistically significant change immediately post-MPA but experienced a more rapid decline in purchasing post-MPA compared to England. Conversely, lower socioeconomic groups in Wales had a smaller initial increase but no statistically significant difference in the declining trend thereafter.

Alcohol purchasing groups

No statistically significant differences were found when analysing the effects of MPA across groups who purchased low, medium, and high levels of alcohol.

Conclusions

Taken together, the results from the qualitative and quantitative research indicates that the implementation of the MPA policy in Wales has had the

desired effect of decreasing the number of units of alcohol purchased by households.

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

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