

Supermarkets inquiry issues paper – Use of Own Brands in Coles and Woolworths Stores

I wish to comment on the use of own Brands by the use of Coles and Woolworths and how in my view this reduces competition for consumers.

A visit to these stores will show you many examples of goods to purchase with either the Coles or Woolworths symbol on the item.

Usually these are cheaper than the equivalent items sold by a competitor.

Here are some examples of the use of own brands at my local Coles store that I observed on the 16/3/24.

Item for sale	Coles own brand	Other brand
Mini roma tomatoes	\$3.9	Perino \$5.9
Other veges	Baby cucumber, cherry tomatoes, etc.. Hardly any other brand sole in this store for vegetables.	
Leaf salad, baby spinach	They sell their own brands	
Breads	Have their own brand. Eg. Crossants \$2.85	
Canned fruit	Pineapple Juice \$3.4/L	Golden Circle pineapple juice \$4.8/L
Milk products	Skim milk \$2.2/L, lite milk \$1.6/L, Hi Lo Milk \$3.1/2L	Harvey Fresh Hi Lo Milk \$5.1/2L
Wellness products	Eg sunflower seeds, sesame seeds, psyllium husks.	
Sultanas	204gm \$2.3/6 pack	Sunbeam \$3.6/6 pack
Canned fruit	Tin of pears 825 gm \$4	Goulburn Valley 700 gms \$5
Nuts	Mixed nuts, salted macadamians	No choice of nuts from other producers in this store.

In all cases Coles own brand are cheaper than other manufacturers. In many cases there is no choice at all but to buy the Coles own brand.

Woolworths own brands prices at local store on 18/3/24

Item for Sale	Woolworths Own Brand	Other Brand
Tomatoes	\$9.9/kg	
Cucumber	\$5.9/kg	
Sugar Plums 500 gm	\$3.5/kg	
Plums	\$5.9/kg	
Radish	\$3.9/kg	
Carrots	\$2.2/kg	
Baby leaf rocket	\$2.2/200 gms	
Vegetable oil	\$3.55/350ml	Crisco \$4.5/150ml
Jasmine Rice	\$1.7/200 gms	
Cashews	\$10/450 gms	

Full Cream milk	\$3.10/2L	Browns \$4.55/2L, Harvey Fresh \$5.4/2l
Bananas	\$7.5/kg	
Apples	Own brand	
Bakery items	They have their own bakery in the store.	

Mostly all fruit and vegetables are Woolworths own brand with no choice to the consumer. They compete on milk with their own brand which is cheaper than other brands. Bags of nuts are all Woolworths own brand.

Coles and Woolworths have an advantage over other business's because they can directly sell their own brands in their stores.

The own brands are cheaper than the competitors in order in my view to drive out competition. The companies may argue that the reason is to provide the consumer with a cheaper product. Once the competitor's product has been eliminated the price of the own brands will increase as there no choice for the consumer but to buy these products.

This is strategy adopted when supermarkets first appeared and drove out the local corner stores by cutting prices. Once the corners stores were eliminated and they create an oligarchy and were then free to increase the price to what they want.

This is an unfair business practise in order to reduce competition in the market place. As other manufactures and farmers cannot compete with this business model, they have to close down which increases unemployment and skill loss in these industries.

I suspect the stores use own brands to drive down the price that they have to pay to the manufacturer and farmer. With 70% of the ownership of the retail business Woolworths and Coles are in a powerful position to dictate what price they pay to the manufacturers and farmers. Who else can the producer of the materials sell to if they don't accept the price offered by these huge retail companies.

It is anti-competitive to allow these big business's to sell their own brands in their stores and I request that the ACCC recommend to the government that this be banned.

10/3/24