

## Response ID ANON-FTNX-YRYM-H

Submitted to Supermarkets inquiry issues paper  
Submitted on 2024-03-31 18:47:25

### Introduction

What is your name?

Name:

██████████

What is your email address?

Email:

████████████████████

What is the name of your organisation?

Organisation:

Are you responding to this survey as:

Consumer or community advocacy group

If other, please specify: :

What is the size of your organisation?

Not Answered

Do you wish to publish your submission anonymously?

Yes - please suppress my name and organisation name

### Confidential information

#### Guided submission - Tell us about yourself

Your response:

Please provide some background information about yourself:

My name is ██████████, and I live in a small rural town with a population of ████████ in ██████████.

I am over 80 and have lived with my wife for 55 years. I have lived in 5 different countries, with nearly 40 of those years in Australia.

I am making this submission because I believe in everyone having equal opportunity and for every business to consider that their customers' well-being is as important as their shareholders. Fair play and respect for all should be their motto.

My work experience and background have been predominantly within the automotive business, including nearly 20 years of experience operating my own business. Accordingly, I have considerable knowledge of how businesses operate and the effect of competition in an industry.

Is there any confidential information you would like to provide in support of your response?

Please provide any confidential background information if applicable here:

None

Why is this information confidential?

Please provide reason for background confidential reason:

#### Guided submission - Market structure and impact on level of competition

Your response:

Please provide response to question on market structure and impact on level of competition:

I do not consider that there is effective competition in the wholesale and retailing of groceries in Australia. This is caused by several reasons, mainly the limited number of wholesalers and retailers currently in the market. This is particularly noticeable outside the major cities, primarily when only one of the major retailers is available to local shoppers.

Smaller suppliers and farmers are deliberately excluded from the supply chain due to wholesale pricing and retailer convenience. Long-term contracts between suppliers and retailers are often written to reflect the power of the major supermarkets and do not reflect current market trends.

Is there any confidential information you would like to provide in support of your response?

Please provide confidential response on market structure if applicable:

None

Why is this information confidential?

Please provide reason for confidential response to market structure question:

### Guided submission - Price and non-price competition

Your response:

Please provide response to price and non-price competition question :

While it is understandable from a business point of view, genuine competition is limited when there is only one major supermarket in a particular location (Shopping Centre). Both Coles and Woolworths are very good at dividing up the market accordingly. Aldi has, thankfully, slightly changed this in recent years.

As I have never taken any notice of promotional cycles or enticement programs, I have no comment to make on this subject.

Many consumers are influenced by superfluous so-called loyalty programs, which only add to the high cost of doing business. This is passed on to all consumers, although I am not sure most realize this.

Is there any confidential information you would like to provide in support of your response?

Please provide confidential response to price and non-price question if applicable:

None

Why is this information confidential?

Please provide reason to confidential response of price and non-price competition question:

### Guided submission - Pricing and margins

Your response:

Please provide response to pricing and margin question:

At the end of the day, other than fair play, the only restraint on pricing is competition. Actual competition can only occur when there are sufficient competitors in the market who genuinely compete with one another.

Virtually none of the two major players in the grocery trade find it necessary to advertise their products directly to the public. This is due to the lack of genuine competition. The extent of promotion and advertising currently operated by the many major electrical/homeware outlets indicates what real competition looks like.

Is there any confidential information you would like to provide in support of your response?

Please provide confidential response to pricing and margin question if applicable:

None

Why is this information confidential?

Please provide reason for confidential response to pricing and margin question if applicable:

### Guided submission - Industry trends

Your response:

Please provide response to Industry trends question:

I have already commented on point 8 above, and I have no comments on point 9.

Online retailing of food products may have increased noticeably in urban areas, but I do not think they have had any major effect in most rural areas. I do not believe online retailing of fresh fruit and vegetables will ever become dominant as the look and feel of such fresh products usually dictates consumer purchase decisions.

Home brands are often supplied by the same producers of the well-known competitive brands. While there are retail pricing advantages, these are usually at the supplier's expense.

Is there any confidential information you would like to provide in support of your response?

Please provide confidential response to industry trend question if applicable:

None

Why is this information confidential?

Please provide reason for confidential response to industry trend question:

### Guided submission - Barriers to entry and expansion

Your response:

Please provide response to barriers to entry and expansion question:

I am not aware of any legal barriers to any entity entering Australia other than the perceived market dominance of the two major players. Aldi has been able to extend its yet limited proportion of the grocery market by being dogged and consistent. There is undoubtedly room for at least one more player who is willing and able to enter this market. This should be encouraged.

Is there any confidential information you would like to provide in support of your response?

Please provide confidential response to barriers to entry and expansion question if applicable:

None

Why is this information confidential?

Please provide reason for confidential response to barriers to entry and expansion question:

### Guided submission - Consumer experiences

Your response:

Please provide response to consumer experience question:

The only experience we have had is the special appearing pricing stickers positioned over the regular price sticker when the price is exactly the same. This is deceptive marketing - there is no saving. The two prices are the same. This is a regular occurrence. We have no knowledge or experience of online grocery shopping and, therefore, have no comment. I object to the constant corralling of shoppers trying to encourage them to use self-service counters. I will use them if I want to, not what the supermarket wants me to do. This trend is forcing the consumer to do the work the supermarket should do. Service is now considered a dirty word! Loyalty programs only work for some. The rest of us understand that the consumer does not benefit as it is included in the prices you are paying, and you would benefit more if the programs did not exist.

Is there any confidential information you would like to provide in support of your response?

Please provide confidential response to consumer experience question if applicable:

None

Why is this information confidential?

Please provide reason for confidential response to consumer experience question:

### Guided submission - Grocery supply chains

Your response:

Please provide response to grocery supply chain structure question:

I do not operate any business in this area; therefore, I have no comment.

Is there any confidential information you would like to provide in support of your response?

Please provide confidential response to grocery supply chain structure question if applicable:

None

Why is this information confidential?

Please provide reason for confidentiality response to grocery supply chain structure question:

### Guided submission - Competition in grocery supply chains

Your response:

Please provide response to competition in grocery supply chain question:

I have no personal knowledge of these matters.

Is there any confidential information you would like to provide in support of your response?

Please provide confidential response to competition in grocery supply chain question if applicable:

None

Why is this information confidential?

Please provide reason for confidential response for competition in grocery supply chain questions:

### Guided submission - Information on contracting practices

Your response:

Please provide response to information on contracting practices:

I have no personal knowledge of these matters other than the general comment I made in another section of this submission.

Is there any confidential information you would like to provide in support of your response?

Please provide confidential response to information on contracting practices question if applicable:

None

Why is this information confidential?

Please provide reason for confidential response to information on contracting practices question:

### Guided submission - Information on other trading arrangements

Your response:

Please provide response to question on information on other trading arrangements:

No personal knowledge of these matters.

Is there any confidential information you would like to provide in support of your response?

Please provide confidential response on other trading arrangements if applicable :

None

Why is this information confidential?

Please provide reason for confidential response on other trading arrangements question:

### Guided submission - Buyer power

Your response:

Please provide response to buyer power question:

Negotiating power is extremely important, particularly with the original producer of the product. I suggest that individual farmers should gather together in a cooperative to provide real balance in negotiating power. Single producers will always be at the power of a few significant supermarkets.

Is there any confidential information you would like to provide in support of your response?

Please provide confidential response to buyer power questions if applicable:

None

Why is this information confidential?

Please provide reason for confidential response to buyer power question:

### Guided submission - Margins and price transparency in grocery supply chains

Your response:

Please provide response to margins and price transparency in grocery supply chain question:

No personal experience in these areas.

Is there any confidential information you would like to provide in support of your response?

Please provide confidential response to margins and price transparency in grocery supply chain question if applicable:

None

Why is this information confidential?

Please provide reason for confidential response to margins and price transparency in grocery supply chains question:

### Guided submission - Other factors impeding or supporting efficient supply or pricing

Your response:

Please provide response to other factors impeding or supporting efficient supply or pricing question:

No comments.

Is there any confidential information you would like to provide in support of your response?

Please provide confidential response to other factors impeding or supporting efficient supply or pricing question if applicable:

None

Why is this information confidential?

Please provide reason for confidential response to other factors impeding or supporting efficient supply or pricing question:

### Written submission - Upload page

Please upload your public written submission in either PDF or Word Doc format.

Upload documents for your public written submission:

No file uploaded

Please upload a confidential version of your written submission, should you wish to do so.

Confidential written submission upload:

No file uploaded