# **Grocery Pricing In New Zealand**

### **OVERVIEW**

The document details the public feedback requested by commerce commission regarding their recent report on competition in retail grocery sector Full report available <a href="here">here</a>.

## **BACKGROUND**

In late 2020 Government asked commerce commission to conduct report whether competition was working well in the retail grocery sector.

# INTRODUCTION

After commerce commission finding, the suggestion was to make process easier for new entrants to start operating in the retail grocery market. Which seems to be a good decision but may not be a very feasible one. Because looks like the other supermarkets around are not very much interested to enter a very small New Zealand market. If the market was big enough and profitable, they would have already entered.

Globally there are multiple websites offer price comparison across range of different types of products i.e. Hotel & Air travel industry where there're multiple websites offer price comparisons across different providers whether be airlines or hotels. Some of the examples:



# This is snippet from the one of research publication on airlines market price comparison

Online travel agents (OTAs) are powerful companies in the airline and travel markets where the market leaders Expedia and Priceline account for gross bookings of \$50.4 billion and \$50.3 billion respectively (Expedia 2015; Priceline 2015). These companies play a crucial role in the online search process for all forms of travel planning (Xiang et al. 2015). One of the key features of an OTA in the airline market is a compilation and comparison of competing offers that meet the consumer's requirements in terms of their choice criteria such as origin—destination and date of travel, and a comparison of available offers. OTAs therefore facilitate the consumer search process by offering a fast and efficient method for consumers to search and evaluate a range of competing offers, that is, they support multi-criteria decision making and provide market transparency (Buhalis and Licata 2002). OTAs are therefore economically and strategically prominent intermediaries in the global travel market.

Source: The role and impact of comparison websites on the consumer search process in the US and German airline markets

#### PRICE COMPARISON IN GROCERY RETAIL SECTOR

The time of writing this document no appropriate means were found, where customer can compare the price of a same product offered across different supermarkets or locations.

In last couple of years supermarkets have improved their online presence whether to display the products on their website or allow user to purchase them online. But If a customer wants to find out how much a certain product will cost before leaving for grocery shopping there's no easy way to do so. Unless user open up the internet browser and open each of the supermarket's website and search for the same item using its name(Note: same product name can be different between supermarkets) and check the price. These number of steps to check the prices of a single product each time they go for shopping.

Shouldn't there be an easier way for a customer to check the prices of a product without going through all the above steps. Even better get notified if there's a price drop on one of their favorite products.

To solve this problem, I have been working on an app for quite some time. To everyone's surprise its super easy to use and going to save lot of money for kiwi families especially in tough time like Covid-19 when many people have lost their jobs and struggling to make ends meet. I am proudly presenting grocery price comparison app which is under development and will be launching soon. We are using publicly available data to display the products and its pricing in our app. Here're some of the screenshots how the app looks like and some of the product's pricing across different supermarkets and their locations.

As can be seen in the screenshots below that's there're a price differences between supermarkets particularly in the laundry and the alcoholic drinks products.

























