

PUBLIC OPINIONS ABOUT UNBUNDLING SUPERMARKET CHAINS

REPORT WITH INTERIM FINDINGS

RESEARCH REPORT FOR

MONOPOLY WATCH NZ

SEPTEMBER 2021

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1 INTRODUCTION

On 29th July 2021 the Commerce Commission released a draft report into competitiveness in the grocery market in New Zealand. This report concluded among other points that "competition ... is dominated by two major retailers: **Foodstuffs** (New World, Pakn'Save, Four Square and others), and **Woolworths NZ** (Countdown, SuperValue and FreshChoice)". It went on to state that "Competition ... is not working well for consumers."

Monopoly Watch NZ required a survey whose results it could present to the Commerce Commission, assessing public opinions on selected key points in this draft report.

This survey was undertaken by including relevant questions (see Appendix) in the online omnibus survey by Dynata. This survey is done weekly, covering 1000 adults throughout New Zealand. The sample for the survey is structured using quotas so that it contains proportions that match the whole New Zealand adult population in terms of these standard demographic variables:

- Age group
- Sex
- Region (based on Regional Council definitions)

Dynata is one of the world's largest providers of online survey services, often providing data gathering and analysis services to research firms such as Phoenix Research.

The questions included in the omnibus survey for Monopoly Watch NZ are shown in the Appendix to this report.

This is an **interim** report, based on 996 responses from the most recent Dynata omnibus survey, with fieldwork running over the period 9-14 September 2021. As is standard experience with conducting surveys of this nature, obtaining a sample that exactly matches the New Zealand adult population requires selection of specific groups of people (those slower to engage with surveys) late in the conduct of the survey. The interim results presented in this report are therefore based on a sample that had not yet had that exact matching to the population fully completed. The sample for this interim report therefore will contain extremely small demographic skews, although it is virtually certain that the finalised results will match those in this report.

2 FINDINGS

Table 1: Prices of goods in supermarkets

The prices of goods in supermarkets in New Zealand are ...	Total (996) %
Much too high	28
Too high	36
A little too high	28
	92
About right/reasonable	7
A little too low	0
Too low	0
Much too low	0
Don't know	1

Table 2: Aware of Commerce Commission draft report

The Commerce Commission, an independent Government agency, released a draft report recently into its study of the grocery market in New Zealand, and supermarkets in particular. Had you heard of that report before you started doing this survey?	Total (996) %
Yes	53
No	42
Don't know	5

Table 3: Opinion about unbundling

[After pre-amble] Do you think the Government should split up the two existing supermarket groups to create more competition?	Total (996) %
Yes	70
No	15
Don't know	15

APPENDIX – SURVEY QUESTIONS

1. There has been some discussion this year about the prices supermarkets charge customers in New Zealand, including comparisons with other countries. Which of these best expresses your opinion about this?

[Random top down or bottom up order of presentation of these answer options:]

The prices of goods in supermarkets in New Zealand are

- Much too high
- Too high
- A little too high
- About right/reasonable
- A little too low
- Too low
- Much too low
- Don't know [always shown at bottom of scale]

2. The Commerce Commission, an independent Government agency, released a draft report recently into its study of the grocery market in New Zealand, and supermarkets in particular. Had you heard of that report before you started doing this survey?

- Yes
- No
- Don't know

3. This report found that in the grocery market "competition ... is dominated by two major retailers: **Foodstuffs** (New World, Pakn'Save, Four Square and others), and **Woolworths NZ** (Countdown, SuperValue and FreshChoice)". It went on to state that "Competition ... is not working well for consumers."

To improve competition, the report identified that one option would be for the Government to **split up** or "**unbundle**" the supermarket groups. (That would have some parallels with how the Government "unbundled" the telecommunications market in New Zealand in the early 2000's.)

Do you think the Government should split up the two existing supermarket groups to create more competition?

- Yes
- No
- Don't know