

12 April 2024

Senator Nick McKim
Chair, Senate Select Committee on Supermarket Prices
PO Box 6100
Parliament House
Canberra ACT 2600

Via email: supermarketprices.sen@aph.gov.au

Re. Senate Select Committee on Supermarket Prices – response to evidence

Dear Senator McKim,

Thank you for your letter of 25 March, inviting us to respond to any evidence received by the Committee through submissions and evidence at public hearings, which may reflect adversely on Woolworths.

We understand that many of our customers are under immense cost of living pressure and that many of the 127 submissions the Committee has received to date speak to these pressures. Some submissions also contain assertions or opinions which we do not accept but these are, in most cases, addressed by our own submission.

Nonetheless, we appreciate the opportunity to provide clarification on certain specific claims or comments reflecting on Woolworths, and to provide avenues for further discussion where necessary. We understand we do not always get everything right, but we seek to listen, understand and address concerns raised.

We have a complaints handling framework, which is designed to ensure that our customers have a positive experience every time they shop with us - and quickly address those occasions on which they don't. We have a CustomerHub team of 700 people in Australia to manage and respond to customer queries, concerns and feedback. In line with this, we are very willing to investigate any and all instances where the Committee receives specific customer complaints about Woolworths. In the first instance, we invite the Committee to provide contact details for any individual to us so that our CustomerHub team can make contact with them; failing that, the Committee could also provide the below details to any individual who has approached them with a complaint:

Phone: 02 8522 9519

Email: customersupport@woolworths.com.au

We are also happy to provide contact details of a specific member of our team to any customer for whom engaging with our CustomerHub is not convenient, in order to ensure that their issue is resolved as rapidly as possible.

Please find our responses to specific assertions or views made in various submissions below.

Submission 3: TasFarmers

Claim:

"Supermarkets may employ algorithms to dynamically adjust prices, capitalise on consumer behaviour data, and automate various aspects of their supply chain. While these practices can contribute to cost

savings, they can also result in pricing strategies that exploit consumer vulnerabilities.” - Page 4 of TasFarmers submission

Woolworths Response:

Woolworths does not use algorithms or AI more broadly to dynamically adjust prices - our normal process (*i.e.* if we change a shelf price or an item is included in prices dropped) is manual. All decisions, supplier agreements and loading of promotions are conducted manually. We do however, use basic machine learning to help us make decisions on reducing the price of products that are cleared or reduced shortly before their use by date, as a method to prevent food waste.

Submission 5: Fruit Growers Victoria

Claim:

“The two major retailers, Coles and Woolworths are able to set the price for horticultural produce, due to their dominant 65 per cent market share (APAL, 2024).” - Page 1 of Fruit Growers Victoria Submission

Woolworths Response:

Woolworths and Coles do not represent a “65 per cent market share” of purchasing fruit and vegetable products in Australia.

Woolworths purchases about 15-20 per cent of all fruit and vegetables produced in Australia.

Submission 38: Mr Greg Hughes

Claim:

Comment on the price of coke in BIG W compared to Woolworths Supermarkets.

Woolworths Response:

There can be some differences between the prices of items in Woolworths Supermarkets and BIG W, as the commercial buying teams for the two businesses operate independently of each other, and do not share commercial information between them.

The pricing of Coca-Cola at BIG W at the time of the submission (shown as \$26.90) was likely a product of a BIG W promotion, however we cannot verify this, as the date is not provided in the submission.

Mr Hughes’ submission does not include a screenshot of the price of Coca-Cola from Woolworths Supermarkets, but includes screenshots of the prices of a 30-pack Coca-Cola in BIG W, IGA and Coles stores.

Submission 51: Ms Rachel Anderson

Ms Anderson cites an experience she has had at Woolworths, Gympie in regard to an ‘expired’ special where she was charged \$10.50 when she had understood \$10.00 was the price - she says she emailed the ‘Woolworths Head Office’ but received no response.

Woolworths Response:

Unfortunately, our extensive searches have not found any complaint from Ms Rachel Anderson that corresponds with the issues raised as above. Nevertheless, we extend our usual approach to Ms Anderson: where we make a pricing label/scan error on a single product such that the customer would pay more, we provide the product to the customer free of charge.

We have no contact details for Ms Anderson. However, we invite the secretariat to inform Ms Anderson that she would be very welcome to speak to our store manager at Gympie and they will provide the appropriate refund and an apology. Alternatively, if the secretariat were to provide Ms Anderson with the details for the CustomerHub (as above), they will respond appropriately to her call or email.

Submission 76: Ms Angela Manns

Claim:

Pricing on shelf at Ms Mann's local Woolworths was not yet reflected at checkout.

Woolworths Response:

Unfortunately, our searches have found no record of a complaint from Ms Angela Manns.

Once again, we confirm our standard practice that, if the scanned price of an item is greater than the shelf price, the customer is entitled to receive that item free of charge. We invite Ms Mann to speak with the store manager at her "local Woolworths" at Kellyville, and they will ensure that we apply this policy to her shopping experience, and apologise to her.

Alternatively, if the secretariat were to provide Ms Manns with the details for the CustomerHub (as above), they will respond appropriately to her call or email.

Submission 85: Mr Michael Martin

Claim:

On a multi-buy product, Mr Martin claims there was no single price displayed (or located) on electronic shelf labelling at Woolworths Yeerongpilly in February 2024.

Woolworths Response:

Again, our searches have not found a complaint from Mr Martin.

It appears that, in this instance, the electronic display for the single unit item incorrectly displayed a range of pricing, rather than a single unit price.

Unit pricing is more complex in a multi-buy context and we appear not to have set this electronic display appropriately. More broadly, we are taking steps to make our unit pricing clearer in all contexts, as we know that clear unit pricing helps our customers save money.

We invite Mr Martin to speak with the store manager at the Yeerongpilly store about this, and they will provide an appropriate apology.

Submission 86: Ms Doreen Tey

Claim:

Concerns with the quality of eggs in two Woolworths online orders.

Woolworths Response:

Our records show that Ms Tey raised these issues with our team - both in November 2023 and in December 2023.

In response, on both occasions, our e-Commerce team engaged with Ms Tey and refunded her in full the cost of the dozen eggs. In addition to the refund in December, our team provided Ms Tey with an extra \$10 refund as a gesture of goodwill for the (double) inconvenience.

We had understood that these matters were satisfactorily resolved with Ms Tey. However, if she has continuing concerns, we invite her to contact our CustomerHub anytime.

Yours sincerely,

Jaimie Lovell
Director, Government Relations & Industry Affairs