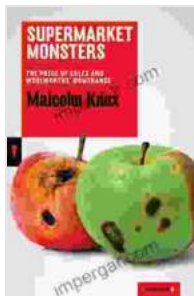


# The Price of Coles and Woolworths Dominance: A Redback Quarterly Analysis

Australia's grocery market is characterized by an overwhelming presence of two supermarket giants: Coles and Woolworths. Their combined market share exceeds 80%, giving them a profound influence on consumers and the industry as a whole. Redback Quarterly, an independent research organization, has conducted an in-depth analysis of the implications of this market dominance, revealing the soaring costs that Australian consumers and small businesses endure.



## Supermarket Monsters: The Price of Coles and Woolworths' Dominance (Redback Quarterly Book 6)

by Steven S. Dudley

★★★★☆ 4.8 out of 5

Language : English  
File size : 1180 KB  
Text-to-Speech : Enabled  
Enhanced typesetting : Enabled  
Word Wise : Enabled  
Screen Reader : Supported  
Print length : 166 pages



## Rising Grocery Prices

One of the most significant impacts of Coles and Woolworths' dominance is the upward trend in grocery prices. A 2019 study by the Australian Competition and Consumer Commission (ACCC) found that prices of basic grocery items had risen by 4.6% in the preceding five years, outpacing the

rate of inflation. This increase is largely attributed to the dominant position of Coles and Woolworths, who can exert pressure on suppliers to keep prices high.

The lack of competition in the grocery market also limits consumers' choices and bargaining power. With fewer alternative options available, consumers have little recourse but to accept the prices set by the two supermarket giants.

### **Struggling Small Businesses**

The dominance of Coles and Woolworths has also had a detrimental impact on small businesses, particularly independent grocers and farmers. These smaller businesses are often unable to compete with the pricing and marketing power of the supermarket giants, leading to the closure of many independent stores.

The decline of small businesses not only reduces consumer choice but also stifles innovation and entrepreneurship in the grocery sector. It also leads to job losses and local economic decline in areas where independent stores close.

### **Reduced Competition**

The high market share of Coles and Woolworths has resulted in a lack of meaningful competition in the grocery market. This has created a situation where the two supermarket giants can effectively collude to set prices and limit innovation. The ACCC has expressed concern about the potential for further anti-competitive behavior in the future, which could further harm consumers and small businesses.

## **Policy Implications**

The findings of Redback Quarterly's analysis have significant policy implications. The Australian government needs to take steps to address the negative consequences of Coles and Woolworths' dominance and promote a more competitive and equitable grocery market.

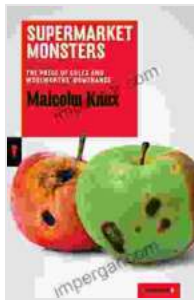
Possible measures include regulating the market share of individual grocery retailers, fostering competition by supporting independent grocers, and enhancing the ACCC's powers to investigate and prosecute anti-competitive behavior.

Coles and Woolworths' market dominance has a substantial and negative impact on Australian consumers, small businesses, and the economy as a whole. Redback Quarterly's analysis sheds light on the urgent need for policy changes to address this issue and create a more fair and competitive grocery market.

By promoting competition and reducing the power of the supermarket giants, Australia can unlock the potential for lower grocery prices, innovation, and economic growth.

## **About Redback Quarterly**

Redback Quarterly is an independent research organization that provides in-depth analysis and commentary on critical economic, social, and political issues in Australia. Our work is non-partisan, evidence-based, and designed to inform public debate and contribute to a more informed and inclusive society.

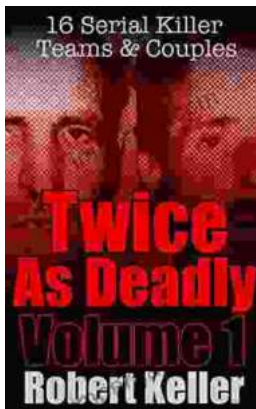


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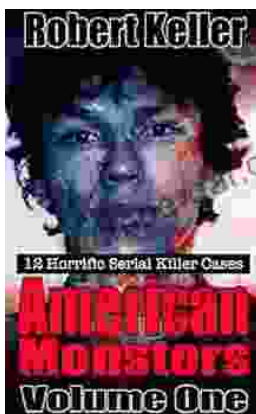
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