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REPORT OF SURVEY OF CONSUMERS ON GROCERY UNIT PRICING AT COLES/BILO AND WOOLWORTHS /SAFEWAY SUPERMARKETS

ABOUT THIS REPORT

In November 2011, CHOICE and Ian Jarratt, a member of the Queensland Consumers Association, commissioned a market research company, Essential Media Communications Ltd, to survey consumers about their awareness, use, and requirements of grocery unit prices at Coles/BiLo and Woolworths/Safeway supermarkets.

This report summarises the results of the survey.

BACKGROUND

Since 1 December 2009[1] supermarkets with a floor area of more than 1000 square metres must provide consumers with the unit price (price per unit of measure) of most grocery items sold in constant measure packages[2]. The unit price is provided in addition to the selling price. Unit prices can help consumers to compare prices and values.

Therefore, now many supermarket shoppers can more easily the compare the prices and values of:

- package sizes
- brands
- packaged and unpackaged products
- substitute products

Consumers who use unit prices can achieve significant savings of money and time or get more for the same total expenditure.

To assist consumers to use unit prices, and to achieve a high degree of consistency of provision, retailers must comply with certain requirements set out in the Unit Pricing Code - including that unit prices must be legible and prominent.

[1] The date on which parts 2 and 3 of the Retail Grocery Industry (Unit Pricing) Code of Conduct took effect. The Code is contained in the Trade Practices (Industry Codes – Unit Pricing) Regulations 2009.

[2] Trade measurement legislation has always required retailers to provide the unit price for random measure (catch weight) packages and for many grocery items sold loose from bulk.

Consumer organisations are concerned that many unit prices are not sufficiently easy for consumers to notice and read and that many consumers may not be sufficiently knowledgeable about what unit prices are and how to use them.

Accordingly, Essential Media Communications Ltd was commissioned to conduct an online survey of consumers on these, and related, issues.

The questions asked are provided in Appendix 1.
The survey was conducted between 16 and 20 November 2011 and there were 1,044 respondents aged 18+ from a randomly selected weekly panel. Information about the selection and treatment of respondents is provided in Appendix 2 which also contains information about the supermarkets where the respondents shopped.

The questions on awareness and use of unit pricing and on changes which might make unit pricing more helpful for consumers were put only to respondents who shopped at either a Coles/BiLo or a Woolworths/Safeway supermarket or both[3] and asked only about unit pricing at these supermarkets.

RESULTS[4]
There were very few statistically significant differences between the separate results for Coles/BiLo and Woolworths/Safeway supermarkets. Therefore, results are provided only for both supermarket chains combined and are summarised below.

<u>Use of unit prices</u>

<u>Overall Results</u>
80% of all respondents were using the unit prices.
15% had seen the unit prices but were not using them.
5% had not seen the unit prices.

<u>Sub group results</u>
The main statistically significant differences for sub groups of respondents were:

- A higher proportion (19%) of full time workers had seen the unit prices but were not using them.
- A higher proportion (10%) of respondents aged 18-24 had not seen the unit prices.

<u>Helpfulness of unit prices to shoppers who use them (n=791)</u>

<u>Overall Results</u>
72% of all respondents found the unit prices very helpful.
18% found the unit prices moderately helpful.
10% found the unit prices slightly helpful.

<u>Sub group results</u>

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[3] These supermarkets were selected because they all provide unit prices and are located throughout Australia. The responses of anyone who shopped only at either or both of these supermarkets or who shopped at either or both of these supermarkets and at other supermarkets were analysed and are reported.
[4] Unless otherwise stated "all respondent" results are for 992 respondents post weighted against ABS data. Results given for sub-groups are significant at either the 99% or 95% level.

The main statistically significant differences for sub groups of respondents were:

- A lower proportion (40%) of those aged 18-24 found the unit prices very helpful and a higher proportion (27%) found the unit prices moderately helpful.

Views on statements about changes which might make unit prices more helpful to the respondent

1. Legibility

Statement: The unit prices on the shelf labels would be more helpful to me if the print size was bigger.

Overall results

As shown in Table 1, 60% of all respondents either agreed or strongly agreed with the statement and only 11% disagreed or strongly disagreed with it.

Table 1.

Total agree	Total disagree	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
60%	11%	19%	41%	27%	10%	1%	2%

Sub group results

The main statistically significant differences for sub groups of respondents were:

- A higher proportion (26%) of those aged 55 and over strongly agreed.
- A lower proportion (21%) of those aged 18-24 disagreed or strongly disagreed.
- A higher proportion (27%) of those with an annual income of less than $52,000 strongly agreed.

2. Prominence (n= 992)

Statement: The unit prices on the shelf labels would be more helpful to me if the unit prices stood out more.

Overall results

As shown in Table 2, 61% of all respondents either agreed or strongly agreed with the statement and only 10% disagreed or strongly disagreed with it.

Table 2

Total agree	Total disagree	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
61%	10%	17%	44%	28%	9%	1%	2%

Sub group results

The main statistically significant differences for sub groups of respondents were:

- A higher proportion (25%) of those aged 55 and over strongly agreed.
- A higher proportion (20%) of those aged 18-24 disagreed or strongly disagreed.
- A higher proportion (23%) of those with an annual income of less than $52,000 strongly agreed.

3. Consumer information

Statement: The unit prices on the shelf labels would be more helpful to me if I knew more about what unit prices are and how to use them.

Overall results

As shown in Table 3, 40% of all respondents either disagreed or strongly disagreed with the statement and 24% agreed or strongly agreed with it.

Table 3

Total agree	Total disagree	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
24%	40%	7%	17%	35%	25%	15%	2%

Sub group results

The main statistically significant differences for sub groups of respondents were:

- A higher proportion (52%) of those with an annual income of more than $83,199 strongly disagreed.
- A higher proportion (24%) of those with an annual income of $52,000 to $83,199 pa agreed.
- A higher proportion (49%) of those who were not aware of, or were not using, unit prices agreed or strongly agreed.
- A higher proportion (41%) of those who found unit prices only slightly helpful agreed or strongly agreed.

CONCLUSIONS

1. Most shoppers at Coles and Woolworths supermarkets are using unit prices and most users find them very helpful.

2. Most shoppers at these supermarkets would find unit pricing even more helpful if the print size was bigger and the unit prices stood out more.

3. Bigger print size and more prominent unit prices would be of particular benefit to consumers aged 55 and over and those with an annual income of less than $52,000.

4. The ACCC should ensure that all unit prices provided by these retailers (and all others covered by the Code) are legible (easy to read) and prominent (easy to notice).

5. Almost 30% of shoppers are unaware of unit prices, do not use them, or find them only slightly helpful. However, almost half of these shoppers said they would find unit prices more helpful if they knew more about what unit prices are and how to use them. Many such shoppers could obtain substantial benefits from using unit prices. Consequently, retailers and the ACCC should help them to do so by producing and distributing information about what unit prices are, and how they can be used to compare prices and values.

APPENDIX 1.

SURVEY QUESTIONS

Q1. Do you shop in person at any of the following supermarkets?

Coles or Bi-Lo	
Woolworths or Safeway	
Other supermarket	
Don’t do any supermarket shopping	

If you shop at Coles/Bi-Lo or Woolworths/Safeway answer Q2 and Q3.

Q2. Coles/Bi-Lo and Woolworths/Safeway supermarkets display the unit price for most packaged groceries (for example $0.40 per 100g for a 500g box of breakfast cereal) on the shelf label near the selling price. Unit prices can help shoppers compare prices and values. Which of the following statements best describes what you know or do not know about the unit prices of packaged groceries at Coles/Bi-Lo and Woolworths/Safeway supermarkets?

I have not seen the unit prices on the shelf labels before	
I have seen the unit prices on the shelf labels but don’t use them	
I use the unit prices on the shelf labels and find them very helpful	
I use the unit prices on the shelf labels and find them moderately helpful	
I use the unit prices on the shelf labels and find them slightly helpful	

Q3. To what extent do you agree or disagree with each of the following statements about the unit prices at Coles/Bi-Lo and Woolworths/Safeway supermarkets?
(tick one box for each statement)

	Strongly agree	**Agree**	**Neither agree nor disagree**	**Disagree**	**Strongly disagree**	**Don’t know**
The unit prices on the shelf labels would be more helpful to me if the print size was bigger						
The unit prices on the shelf labels would be more helpful to me if the unit prices stood out more						
The unit prices on the shelf labels would be more helpful to me if I knew more about what unit prices are and how to use them						

APPENDIX 2.

SELECTION AND TREATMENT OF RESPONDENTS

The respondents came from a self-managed consumer online panel of over 100,000 members. The majority of panel members have been recruited using off line methodologies, effectively ruling out concerns associated with online self-selection. The provider has validation methods in place that prevent panelist over use and ensure member authenticity.

The provider randomly selects 18+ males and females (with the aim of targeting 50/50 males/females) from its Australia wide panel. An invitation is sent out to approximately 7000 – 8000 of their panel members. The response rate varies each week, but usually delivers 1000+ responses.

The survey is live from the Tuesday night of each week and closes on the following Sunday. Incentives are offered to participants in the form of points.

The Statistical Package for the Social Sciences (SPSS) software is used to analyse the data. The data is weighted against Australian Bureau of Statistics (ABS) data.

SUPERMARKETS WHERE RESPONDENTS SHOPPED

	Number	Percent*
Coles/Bi-Lo only	111	11
Woolworths/Safeway only	151	14
Coles/Bi-Lo and other supermarket only	23	2
Woolworths/Safeway and other supermarket only	60	6
Coles/Bi-Lo and Woolworths/Safeway only	255	37
Coles/Bi-Lo and Woolworths/Safeway and other supermarket only	388	24
Total shopping at Coles/Bi-Lo/Woolworths/Safeway	*988*	*95*
Other supermarket only	40	4
Don’t do any supermarket shopping	13	1
TOTAL	1044	100

* Percentages do not add to 100 due to rounding.

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