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Attachment 1
Woolworths' response to Items 12-14 of Schedule 1 to the Notice
30 June 2023

12. Identify all products that were part of the Prices Dropped Program in New South Wales at any time during the Relevant Period.

Annexure A contains Woolworths' response to Items 12-13. All products that were part of the Prices Dropped Program in New South Wales during the Relevant Period are identified in Column C of Annexure A.

13. For each product identified in response to Schedule 1 Item 12, provide the following information for each day in the Relevant Period, as it relates to New South Wales:

- (a) the unique product code;
- (b) the name and description of the product;
- (c) the price of the product;
- (d) whether the product was on promotion and the nature of that promotion (for example, Special or Prices Dropped);
- (e) the 'was' or 'Range was' price displayed on the Ticket (if any);
- (f) the date of the 'was' or 'Range was' price displayed on the Ticket (if any);
- (g) any savings or price reduction statements made on the Ticket;
- (h) the number of units sold; and
- (i) if a discount applied to the price of a product when purchased in particular quantities, a breakdown of the number of units sold with that discount and the number of units sold without that discount

Woolworths' response to Item 13 is contained in **Annexure A**. As the full data set is too large for one tab within the spreadsheet, Woolworths has divided its response across five separate tabs.

To assist the Commission with interpreting Woolworths' response, we have set out some explanatory notes in relation to Woolworths' approach and the data set itself.

Steps taken to minimise data errors

Woolworths has taken a number of steps to minimise the occurrence of any data errors, including:

- **retaining the native structures of its own data sets.** Woolworths has sought to minimise any manual alterations of the data. Noting the template table provided by the ACCC to provide Woolworths' response, Woolworths confirms it did consider transcribing its data to this template, however as any manual manipulation risks creating errors in the data, Woolworths did not proceed with this exercise; and
- **undertaken accuracy checks of the data obtained**, including several rounds of data validation and verification.

However, Woolworths notes that the data stored on its system ultimately relies on manual inputs from the Woolworths team. Where team members fail to input the correct data, there may be errors or inconsistencies in the data set. As a result, Woolworths notes that there may be limited instances of data fields being empty or having a "NULL" value. Where this has occurred, Woolworths has, where possible, attempted to obtain the data from other data sources.

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Woolworths does not hold one single dataset that contains all the relevant data required to respond to Items 13(a)-(i). Woolworths has sourced data from at least 5 separate data sets and conducted validation and verification checks to match the data sets, as set out above. Additionally, we note that:

- **State-based data sources**

As the ACCC has requested information relevant to New South Wales, Woolworths has sourced its data at a state-based level.

- **Daily versus weekly data sources**

The pricing data produced has been sourced from Woolworths' datasets tracking pricing movements on a daily basis. In some instances however, Woolworths has sourced the data from weekly data sets, as follows:

- **promotional pricing data:** the promotional pricing data was obtained from Woolworths' weekly data sets, because (a) Woolworths' promotional calendars are generally set on a Wednesday to Tuesday weekly basis and promotions are unlikely to be removed, introduced or otherwise altered in the middle of a week, and (b) weekly data is more commonly used, reviewed and validated by Woolworths' teams than the daily promotional data set, therefore likely to be more accurate; and
- **where daily data is unavailable:** where daily data has been unavailable (eg, as a result of manual data entry errors or if a product was not ranged for the full period), Woolworths has sourced the data from its weekly datasets. However Woolworths confirms that this has only occurred in a few instances.

As a result of sourcing data from both weekly and daily data sets, the daily data may not always precisely match the weekly data, however Woolworths believes this is likely to be limited to specific circumstances. Woolworths has, to the best of its ability, identified these in Table 1 below.

Items 13(a)-(d) - product and pricing data

Woolworths sets out some further notes below in relation to the product and pricing data requested by the ACCC at Items 13(a)-(d).

Store-specific clearances

Woolworths stores are able to run store-specific clearances, for example, where certain products are nearing the end of their shelf life and the store may mark the product's price down to clear from shelves. As a result of obtaining data from state-based data sources, Woolworths notes that the data produced may inadvertently capture some clearance activity as part of promotional pricing data. Given the nature of how these are captured in our systems, unfortunately these are not accurately identifiable in our datasets.

However, Woolworths confirms that stores only have limited ability to run such clearances and as a result, any such variations are likely to be minimal.

CONFIDENTIALProduct deletions that may remain in the data set

Due to the manual nature of the product data entry, where a product is due to be de-ranged, Woolworths relies on its commercial team members marking the product as 'deleted' on its system to ensure the system accurately reflects the product's status. Where Woolworths' commercial team members have inadvertently missed updating the system, the pricing data may imply the product is still being ranged, but with zero sales volume (or very little sales volume, which may be attributed to removal of remaining stock on shelves). Woolworths generally believes that any such instances are more likely to be as a result of the product being deleted rather than it actually having zero or very little sales volume.

Seasonal Prices Dropped Programs

Our native data sets do not contain flags to allow us to differentiate between our longer term Prices Dropped Program and 'seasonal' Prices Dropped Programs (eg, Prices Dropped for Winter). Seasonal Prices Dropped programs ordinarily run for approximately 13 weeks, therefore these can be reasonably inferred from the data sets, for example:

*If **PriceFocusCode** = **D1** for ~13 weeks only, this was likely to be a Seasonal Prices Dropped Program rather than a longer term Prices Dropped.*

Items 13(e)-(g) - ticketing data

The ACCC's questions at Item 13(e)-(g) refer to particular elements displayed on a Ticket where a product was on promotion or on Prices Dropped.

Woolworths confirms it does not store historic ticketing print data on its own systems. However, Woolworths confirms that the data provided in Annexure A is ultimately derived from the same source data from which tickets have been printed by stores. Woolworths considers that the key elements of a Prices Dropped or Special ticket may be inferred from the data set out in the relevant fields provided in Annexure A.

For example:

If the product had a red "Prices Dropped" ticket, the ticket would have likely contained the following statements:

- "Prices Dropped";
- "Was \$X - [date]" or "Range was \$X - [date]" where
 - $X = \text{PriceFocusWasPrice}$
 - $[\text{date}] = \text{PriceFocusWasDate}$

If the product had a yellow "Special" ticket, the ticket would have likely contained the following statements:

- A "Special", "X% OFF", "½ Price" or "Better than ½ Price" statement - Woolworths has produced all these ticket examples in its response to Schedule 2 Item 3;
- "Was \$X" where $X = \text{ShelfPrice}$, if a "was" price was included; and
- "Save \$Y" where $Y = \text{ShelfPrice} \text{ minus } \text{PromoPrice}$, if a "save" claim was included.

CONFIDENTIAL**Table 1: Description of fields produced in Annexure A**

To assist the Commission, Woolworths has set out below a description of each column produced in Annexure A.

| Column | Column title | Description |
|--------|--------------------|--|
| A | CalendarDay | This is the relevant day of the Relevant Period that the data relates to. |
| B | ProductNumber | This is the unique product number assigned by Woolworths to the product. |
| C | ArticleDescription | This is the name and description of the relevant product. |
| D | DistrictCode | This is the relevant state that the data relates to. All the data extracted relates to New South Wales, therefore this column is populated as 'NSW' for all products. |
| E | PriceFocusCode | <p>This column simply identifies which price reduction program or callout applied to the product, if any. The values represent the following:</p> <ul style="list-style-type: none"> • D1 - Prices Dropped; • A2 - Low Price (or previously known as Low Price Always); or • NE - any instances where the product was not D1 or A2. <p>In limited instances, this field may have a <i>NULL</i> value, which means this was not entered on Woolworths' systems (eg, due to a manual data entry).</p> <p>Woolworths notes that this field was sourced from its weekly data sets. Where a product was moved on or off the Prices Dropped Program in the middle of the Wednesday to Tuesday week, this movement will not appear in this field until the following Wednesday. The precise date on which a pricing change occurred will be reflected in the ShelfPrice field, which was mostly sourced from a daily data source.</p> |
| F | PriceFocusWasDate | This field will only be populated if PriceFocusCode = D1, and is the 'was' date pulled by the ticketing system to print on the Prices Dropped ticket. |
| G | PriceFocusWasPrice | This field will only be populated if PriceFocusCode = D1, and is the 'was' price pulled by the ticketing system to print on the Prices Dropped ticket. |
| H | ShelfPrice | This field has been mostly sourced from daily data sets. As identified above, where daily data was not available, Woolworths has sourced the data from its weekly datasets. |

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| | | This field reflects the standard shelf price of the product. If the product was on the Prices Dropped Program, this column reflects the “Dropped” price. |
| I | PromoPrice | This field will only be populated if a Special promotion (ie, a yellow ticket) was applied to the product. If there was a promotion applied, this is the promotional price. |
| J | MultibuyPromoPrice | This field will only be populated if a multibuy promotion was applied. If populated, this value reflects the discounted price per unit of the product if the multibuy discount is redeemed. |
| K | MultibuyOfferCriteria | <p>This field will only be populated if a multibuy promotion was applied. If populated, this value reflects the numbers of units required to trigger the multibuy discount.</p> <p><i>For example, if:</i></p> <ul style="list-style-type: none"> • <i>MultibuyPromoPrice = 0.9; and</i> • <i>MultibuyOfferCriteria = 5,</i> <p><i>the multibuy promotion that was applied would have been “Any 5 for \$4.50”.</i></p> |
| L | OnlineOnlyFlag | <p>This is not a native data field, but is a flag indicating where a promotion was most likely an Online Only Special, where:</p> <ul style="list-style-type: none"> • <i>1 - Online Only Special</i> • <i>0 - not an Online Only Special</i> <p>This flag is calculated based on point-of-sale data, including taking into account whether a product was purchased in-store or online.</p> |
| M | TotalUnitsSold | This figure refers to the total number of units sold on the relevant day, drawn from our financial data. |
| N | MultibuyUnitsSold | This figure refers to the number of units of “TotalUnitsSold” that would have triggered the multibuy discount, calculated from our transaction data and the MultibuyOfferCriteria field. |
| O | TotalUnitsSoldminusMultibuyUnitsSold | <p>This field is not a native data field, but has been calculated by Woolworths to identify, where a multibuy promotion was applied, the number of units sold without the multibuy discount. This has been calculated as follows:</p> <p><i>TotalUnitsSold minus MultibuyUnitsSold</i></p> <p>There are less than 10 instances where this field incorrectly shows a “-1” or “-2” figure. This is a result of minor inconsistencies between the financial and transaction data sets.</p> |

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- 14. With respect to the products that were part of the Prices Dropped Program in New South Wales during the Relevant Period, explain whether the:**
- (a) nature and number of the products included in the Prices Dropped Program;**
 - (b) process for determining the pricing of those products, both prior to, and during, the Prices Dropped Program; and**
 - (c) prices of those products and price reduction statements made in respect of those products, as identified in the response to Schedule 1 Item 13,**
- were representative of those matters and how the Prices Dropped Program operated in respect of all Australian stores. To the extent there were any differences, provide an explanation of those differences (on an overall rather than product-by-product basis).**

As noted above, Woolworths has sourced the data at a state-based level for New South Wales. Woolworths' systems capture all stores in the Australian Capital Territory as part of New South Wales, and exclude some stores in New South Wales border towns (eg, Broken Hill and Albury) and some stores towards the Queensland border (eg, Ballina and Lismore).

Woolworths confirms that the data produced in Annexure A is representative of its New South Wales stores captured by its systems, other than in the following limited instances:

- **store-specific clearances:** as described above, stores have limited ability to run store-specific clearances on certain products, which may result in some differences in sell price between stores; and
- **ranging differences:** this data request relates to all products across New South Wales that were on the Prices Dropped Program during the Relevant Period, however individual stores differ in their ranges and not all stores offer the full range of products.

Given Items 12-13 require Woolworths to produce data relevant to New South Wales, Woolworths has not conducted any analysis of whether the data produced is reflective of all Australian stores. However, as Woolworths generally offers nationwide pricing with only some state-based promotions or pricing variations, Woolworths believes this data is likely to be mostly representative of all Australian stores.