



Introduction to Analysis

2025 Economics Syllabus – Unit 2

Kate Stevenson

Analysis & Evaluation Activity



What markers are looking for

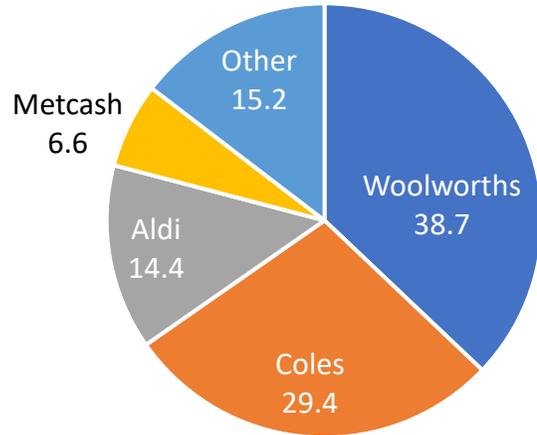
Analysing	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none">• discerning meaning drawn from patterns or trends relevant to the economic issue identified• discerning explanation of relevant economic relationships that includes complexity• perceptive selection and use of relevant seen and unseen data and information to support the analysis	7–8



Analyse the Supermarket
Industry

Stimulus 1

Major Players in the Supermarket Industry (%)

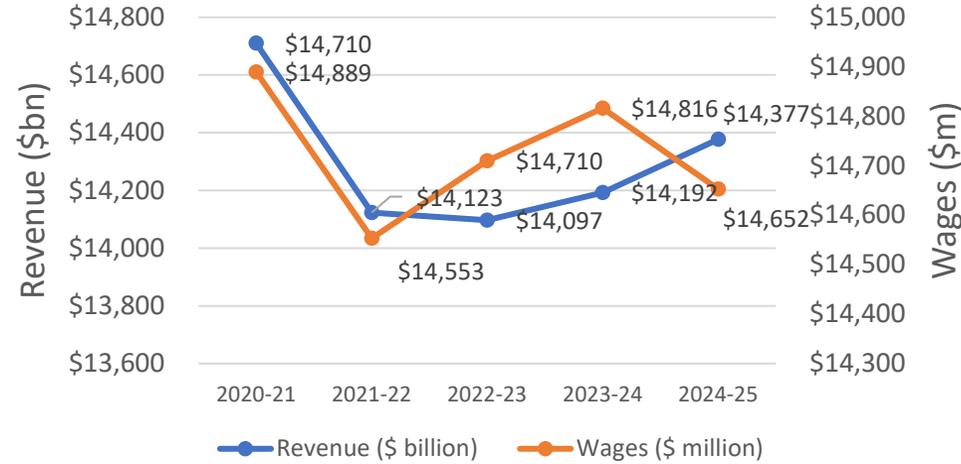


Source: IBISWorld 2025: G4111 Supermarkets & Grocery Stores in Australia [At a Glance - G4111 Supermarkets and Grocery Stores in Australia - MyIBISWorld](#)

Analyse the Supermarket Industry

Stimulus 2

Supermarket Industry Revenue and Wages



Source: IBISWorld, 2025: G4111 Supermarkets & Grocery Stores in Australia [Key Success Factors - G4111 Supermarkets and Grocery Stores in Australia - MyIBISWorld](#)

Stimulus 5

Coles and Woolworths frequently purchase and hold land for future development. This has formed the basis for allegations they are engaging in “land banking”. Coles and Woolworths currently hold more than 150 undeveloped and unused sites intended for future supermarket use.

Source: ACCC, 2025 [Supermarkets inquiry. Final Report](#)

Stimulus 6

Larger supermarket chains have coupled the hiring of data scientists and analysts with technology advancements in the form of ongoing investment in automated self-checkouts. Supermarkets are increasingly investing in data analytics capabilities to make more effective decisions about strategies, customer experiences and promotions. Around 80% of customers use loyalty programs to earn benefits like fuel and other discounts.

Source: IBISWorld, 2025 [Performance - G4111 Supermarkets and Grocery Stores in Australia - MyIBISWorld](#)

Stimulus 3

The average weekly grocery bill for an Australian household of four people has climbed to \$240, a \$24 increase from the previous year, according to Canstar Blue’s 2025 survey of supermarket shoppers.

Source: Canstar, 2025 [Best-Rated Supermarket Brand 2025 | Canstar Blue](#)

Stimulus 4 – Store Locations by Supermarket

	Aldi	Coles	IGA	Woolworths
Major Cities	78%	74%	52%	70%
Inner Regional	18%	18%	25%	19%
Outer Regional	4%	8%	17%	10%
Remote	-	0.7%	4%	0.9%
Very Remote	-	0.2%	0.2%	0.4%

Source: ACCC, 2025 [Supermarkets inquiry. Final Report](#)

Stimulus 7

We asked Australians to tell us the most important thing a supermarket could offer. The majority of survey respondents (63%) said they want low prices across all products, not just specials. Meanwhile 16% said they want convenience when they shop, with a suitable location and easy access to parking. Eleven percent of respondents said variety of all products was most important to them, while 10% said reward points, offers or collectables.

Source: Canstar, 2025 [Best-Rated Supermarket Brand 2025 | Canstar Blue](#)

Analysis – What’s the story ...

	Pattern and Trends	Data to support	Making Meaning
Economic Issue – Key Pattern and Trend	The Supermarket industry is concentrated industry	68% of market share is held by 2 players: Woolworths (38.7%) and Coles (29.4%) <i>(Stimulus 1)</i>	The Supermarket Industry can be classified as an oligopoly market 80% of the market held by 3-5 players.
Causes – why did this occur	Barriers to Entry through - land banking	<ul style="list-style-type: none"> • Coles and Woolies currently hold more than 150 undeveloped and unused sites <i>(Stimulus 5)</i> 	<p>This would make it difficult for other competitors to</p> <ul style="list-style-type: none"> • secure sites for development that are convenient for customers • achieve economies of scale and lower supply chain costs as they have less locations
	- Investment in automation	Large supermarket chains have ongoing investment in self checkouts <i>(Stimulus 6)</i>	Supermarkets have the funds to invest in technology by investing in self checkout (dynamic efficiency)
Effects – who does it impact & how	Weekly grocery bills are increasing	\$24 increase in the average weekly grocery bill for an Australian household of 4 people <i>(Stimulus 3)</i>	Partial Market Failure evidenced by high prices and lack of variety for Consumers
	Supermarket revenue is rising whilst wages are falling	<p>Revenue has increased from \$14.1 tr in 2021-22 to \$14.4 tr in 2024-25 while wages costs have decreased from \$14.8bn to 14.7bn <i>(Stimulus 2)</i></p> <p>Supermarkets are concentrated in major cities but remote and very remote parts of Australia have less competition e.g. No Aldi <i>(Stimulus 4)</i></p>	<p>Supermarket revenues are increasing due to</p> <ul style="list-style-type: none"> - High prices and low competition - consumers have little choice <p>Supermarkets are paying less for labour possibly due to the capital substitution with self checkouts</p>

Evaluate



Note:
Singular = Criterion
Plural = Criteria

Make a decision using criteria
By weighing up benefits and costs
(positives/negatives of each criterion)

When you are evaluating

Evaluating	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none">• perceptive use of relevant economic criteria to make a decision about an economic outcome• discerning synthesis of economic ideas and perspectives derived from the analysis to support the decision• critical economic reasoning derived using reliable evidence from seen and unseen sources to justify the decision	6–7



Evaluate the Supermarket
Industry's impact using an
economic criterion

Brainstorm what criteria could be used

- Impact on efficiency
- Impact on consumers
- Impact on standard of living
- Impact on producers – probably not enough stimulus to support
- Equity? - probably not enough stimulus to support

Evaluate the Supermarket Industry's impact using an economic criterion

Template idea: Complete the following table for your first chosen criterion

Criterion:	
Positive arguments (include APA in-text references e.g. S1 or Source 1)	Negative arguments (include APA in-text references e.g. S1 or Source 1)
Overall Decision (Stance for Topic Sentence):	

Evaluate the Supermarket Industry's impact using an economic criterion

Comprehending Flex

Criterion	Arguments For/Benefits/Positives	Arguments Against/Costs/Negatives/Limitations
Impact on Efficiency	<ul style="list-style-type: none"> • More dynamic efficiency as supermarkets increase investment in self checkouts and data analytics. (<i>Stimulus 6</i>) This reduces wages costs and targets advertising efforts to what consumers want. • Increase productive efficiency as supermarkets reduce their average costs though reduction of wages (<i>Source 2</i>) 	<ul style="list-style-type: none"> • Less Allocative Efficiency as 63% want low prices across all products (<i>Stimulus 7</i>) but the average weekly grocery bill has increased \$24 (<i>Stimulus 3</i>). • Less Allocative Efficiency for large parts of Australia without at least 4 competitors (<i>Stimulus 4</i>) for the 16% of respondents who want convenience when they shop (<i>Stimulus 7</i>)
Impact on Consumers	<ul style="list-style-type: none"> • Shareholders of the supermarkets should benefit from the growth in revenue if it translates to increased share price. (<i>Stimulus 2</i>) • Data analytics investment may improve the advertising and awareness to supermarket shoppers on promotions and savings. (<i>Stimulus 6</i>) 	<ul style="list-style-type: none"> • Groceries are inelastic goods and may form a large part of household budget. Price increases will decrease the disposal income available or may result in consumers needed to shop at cheaper stores or substitute goods for cheaper alternatives. • Employees receiving less wages or less jobs being available will impact the disposable income available to households (<i>Stimulus 2</i>)

What's the decision?

Students need to evaluate one economic outcome to make one decision