

PATTERNFIELD

Independent Retail Intelligence

— RESEARCH PAPER 001

When Three Supermarkets Became One

Countdown, Foodtown and Woolworths: an investigation into
New Zealand supermarket consolidation.

October 2026

— P / 001 — 2026

RC1 branded edition · 22 October 2026

Study text and pagination unchanged. Original edition archived online.

When Three Supermarkets Became One

What the Countdown / Foodtown / Woolworths consolidation can, and cannot, tell us about brand architecture.

— P / 001 — 2026 · October 2026

Research by Patternfield · Independent Retail Intelligence

Abstract

Between 2008 and 2011 Progressive Enterprises (Woolworths Australia's New Zealand business) removed the Foodtown and Woolworths names and put most of its stores under Countdown, while Foodstuffs kept Pak'nSave and New World as separate shopper propositions. That is a documented change in brand architecture. The public record does not establish that it caused Woolworths NZ's later loss of share. Woolworths' 2023 decision to retire Countdown and return to the Woolworths name does not settle the question either: it kept one banner and changed the name on it, for reasons it tied to the Group.

Verdict

A real trade-off, not a proven cause.

1 The question

Did Progressive weaken its competitive position by collapsing Countdown, Foodtown and Woolworths into a single Countdown proposition, while Foodstuffs retained a value banner and a fuller-service banner?

The original hypothesis suggested two leakage paths: value-minded Countdown shoppers drifting to Pak'nSave, and former Foodtown and Woolworths shoppers drifting to New World. We tried to break that story, not make it win.

2 How to read the claims in this paper

We use three different kinds of "no". They are not interchangeable.

Table 1

Kind of finding	Meaning	Example
Contradicted	The evidence points the other way.	Foodtown and Woolworths as separate premium and mainstream tiers. The 2005 slides describe both as "premium/full service" [1] .
Not shown	No evidence either way. This is an absence of evidence, not evidence that it did not happen.	That Woolworths underestimated Pak'nSave. We found no document showing what management thought. That does not show management anticipated Pak'nSave correctly either.
Cannot be tested publicly	The data that would decide it is private.	Whether former Foodtown shoppers moved to New World. Only household panel or loyalty data could show it.

3 What the evidence established

- **The banners were different, and the names were removed.** In 2005 Woolworths described Countdown as "a discount retailer" and both Foodtown and Woolworths NZ as "premium/full service" [1]. In 2008 the Court of Appeal recorded that the three banners "have different price, quality, range and service (PQRS) mixes" [2].
- **Consumer NZ repeatedly ranked Pak'nSave the cheapest chain, but the size and timing of any pre-2009 gap are unresolved.** Consumer NZ's annual supermarket survey, as reported by the Otago Daily Times, named Pak'nSave New Zealand's cheapest chain for the "10th consecutive year", and a later report an "11th"; the same coverage named Woolworths the most expensive of the nationwide chains [3]. The pages we retrieved do not state a date, so we do not present these rankings as established before the September 2009 consolidation, and neither gives a price gap against Countdown. We could not recover the original April 2008 basket we had cited earlier, so no pre-2009 gap is quoted here. Consumer's October 2015 survey, reported by Supermarket News, had Pak'nSave cheapest and Countdown second, with the gap down from 9% to 5% [4].
- **Management reported growth during the rollout.** Woolworths' 2010 annual report said rebranded stores showed above-average sales growth [5], and its March 2012 half-year presentation claimed "sustained growth in market share over last 2½ years in both dollars and units sold" [6]. These are company claims. They cannot separate the new name from refurbishment, but they point away from an immediate collapse.
- **Foodstuffs kept two banners; the commercial value of that is unmeasured.** The architecture is observable [11]. Its contribution to Foodstuffs' gains is not quantified in any source we found.
- **Property and local network effects can imitate brand effects.** Glenfield, Highland Park, Bayfair and Cameron Road all show duplicate stores, leases and access shaping outcomes (Stage 1 research record).

4 What we suspected, and what the evidence says

Table 2

Original claim	What the evidence says	Kind of finding
Countdown used to be nearly as cheap as Pak'nSave.	Not shown either way. Consumer's undated survey coverage ranks Pak'nSave cheapest over many years [3], but no verified pre-2009 gap between Pak'nSave and Countdown is available. By 2015 Countdown was second-cheapest, 5% above Pak'nSave [4].	Not shown
The rebrand immediately damaged Progressive.	Company reporting points the other way [5][6]. This is not independent proof.	Contradicted by company reporting
Foodtown shoppers moved to New World.	No household panel or transaction data is public.	Not shown; cannot be tested publicly
Foodtown and Woolworths were distinct premium and mainstream tiers.	Both labelled "premium/full service" in 2005 [1].	Contradicted
Bayfair proves management knew segmentation was better.	A retained duplicate proves only that it was retained. Lease, access and inertia remain open.	Not shown
The 2009 decision caused the long-run share decline.	No consistent public share series exists for 2009–2018; the later decline is measured years afterwards [10].	Not shown

5 The chronology that matters

Table 3

When	What happened	Ref
May 2005	Woolworths acquires Foodland NZ. Foodtown and Woolworths NZ "premium/full service"; Countdown "discount".	[1]
Jul 2008	Woolworths NZ's own history says Greenlane Foodtown was converted to the first "New Generation" Countdown. A retrospective company statement, not independently corroborated.	[8]
1 Aug 2008	Court of Appeal notes the three banners have different PQRS mixes.	[2]
Sep 2009	Countdown selected nationally, management citing popularity with customers and nationwide presence. Up to NZ\$1bn over five years. No customer research disclosed.	[7]
FY2010	68% of stores trade as Countdown; company says rebranded stores showed above-average sales growth.	[5]
Late 2011	Last ordinary Foodtown and Woolworths conversions. Bayfair is a documented exception. Exact day not corroborated.	[6]; Stage 1
Mar 2012	Company claims sustained share growth over 2½ years.	[6]
FY2011–15	Reported sales NZ\$5,362m to NZ\$5,878m (+9.6%); store count including franchises 207 to 237 (+14.5%).	[9]
2019–24	Commerce Commission summary: Woolworths' share of total grocery revenue 30% to 27%; Pak'nSave 23% to 25%.	[10]
18 Jul 2023	Countdown to become Woolworths; NZ\$400m over three years; Everyday Rewards; fresh food.	[12]
Aug 2024 to end 2025	FY24 NZ EBIT NZ\$108m (prior year NZ\$249m). Last Countdown converted at end 2025.	[13][11]

Consolidation was a sequence of format, systems and name changes, not one date. Greenlane predates the national decision, and Bayfair outlived it. Over FY2011–15 the store count (including franchises) grew faster than reported sales. That is consistent with capacity outrunning demand, but also with new-store maturity, franchise additions and price deflation, so it is a network clue and not a branding verdict.

6 The 2023 coda: did the return to Woolworths settle it?

No. Four points keep the later decision from becoming evidence about the earlier one.

- **Same architecture, different name.** In 2009 Progressive chose a local brand; in 2023 Woolworths chose the Group's. Both leave a single national banner against Foodstuffs' two. That is a change of name, not a return to separate propositions.
- **The stated reasons are about the Group.** Management cited a "trans-Tasman connection", Everyday Rewards, fresh food and a NZ\$400m store and supply-chain programme, and called the name change "just one part" of it [12]. We found no customer research, and no statement that Countdown was too broad or too weak against Pak'nSave. That is an absence of evidence. It does not show that those concerns played no part.
- **Australia and New Zealand look similar, but nothing shows a continuous plan.** In August 2008 a Woolworths spokesperson said the Safeway name would be replaced gradually over a number of years, so Woolworths could expand its own labels, financial services and loyalty programs [14]. A year later Progressive chose Countdown in New Zealand, citing popularity and spread [7]. The Australian and New Zealand decisions exhibit similarities in their stated integration objectives, but the available evidence does not establish that they formed a continuous or predetermined branding strategy. Countdown-branded own-label ranges were announced in 2016 [15] and the corporate entity became Woolworths New Zealand in 2018 [16]; neither shows intent either way.
- **Post-2023 results cannot isolate the rename.** NZ EBIT fell to NZ\$108m in FY24 and reached NZ\$163m in FY26, amid a pricing reset, higher wages, falling then rising food prices, Costco in Auckland and a new store operating model [13][11]. No source we could verify isolates any effect of the rename itself.

The Aldi comparison is partly useful and partly misleading. A sharply defined value model did gain share beside Australia's two broad-line grocers, but Aldi says it stocks about 1,800 products, around 90% exclusive brands, with no loyalty scheme or online shopping [17]. Pak'nSave is a wide-range, owner-operated warehouse banner. The two are different models.

7 What we can now say with confidence

- Progressive removed genuinely different consumer-facing banners and consolidated them under Countdown [1][2][5].
- Consumer NZ's survey coverage repeatedly ranked Pak'nSave the cheapest chain [3], but its publication dates are unconfirmed, so we do not say this held when the consolidation was announced. The size of any pre-2009 price gap is unresolved.
- Management reporting does not show a commercial collapse during the rollout [5][6].
- Foodstuffs kept separate value and fuller-service banners; how much that mattered is unquantified.
- Aggregate share cannot show household switching, store ancestry effects or the value of a banner.
- The 2023 return to Woolworths does not demonstrate that the 2009 decision was a mistake.

7.1 What remains an interesting hypothesis

- Operational convergence may have preceded the 2009–11 rebrand, making the rebrand an explicit step in a longer homogenisation.
- Losing separate brand meanings may have reduced long-run resilience even where shelf prices were competitive.
- Pak'nSave's clearer meaning (price) may have given Foodstuffs more strategic room than one broad Countdown.

7.2 What we should stop saying

- That Countdown became expensive because of the consolidation.
- That former Foodtown customers moved to New World.
- That Bayfair proves Progressive knowingly rejected a better strategy.
- That the 2009 rebrand caused the later share decline.
- That the 2023 rename proves the 2009 consolidation failed.
- That Australia and New Zealand show one continuous branding plan.

8 Patternfield view

A compelling explanation is not the same as an identified cause.

The original story was commercially intuitive: a value brand stretched upward, a fuller-service brand disappeared, and a competitor with two clear propositions stood ready at both exits. The public record forces a narrower conclusion. Brand architecture changed. Some differentiated meaning was probably lost. But pricing, property, network growth, execution and local competition remain strong competing explanations, and the switching mechanism cannot be seen in public data.

That is not a disappointing result. It is the point. The investigation got better when the evidence stopped cooperating with the story.

9 Evidence needed to settle the remaining claims

Table 4

Missing evidence	What it would resolve
Household panel or loyalty data	Whether former-banner shoppers changed spend at Pak'nSave or New World.
Store-level weekly sales	Converted Foodtown and Woolworths stores against legacy Countdowns, controlling for refurbishment.
Historical brand tracking	Perceived value, range, quality and service, separate from shelf price.
Woolworths brand research and board papers	Why Countdown in 2009 and Woolworths in 2023; whether the name tested differently.
Property and access records	Bayfair, Highland Park and Cameron Road mechanisms.

Research independence

This Finding was not commissioned by Woolworths, Foodstuffs or any other retailer. It began as an informal hypothesis and was deliberately tested against contrary evidence. Company statements are reported as company statements.

References

Links are to the documents as retrieved. Where no link is given, the original was not retrieved.

- [1] Woolworths Limited, Acquisition of Foodland New Zealand, analyst presentation, 25 May 2005, slides 8 and 10. [\[link\]](#)
- [2] Commerce Commission v Woolworths Ltd [2008] NZCA 276, Court of Appeal, 1 August 2008, para [12]. [\[link\]](#)
- [3] Otago Daily Times reports of Consumer NZ's annual supermarket survey: D. Loughrey (Pak'nSave cheapest chain for the 10th year; Woolworths most expensive nationwide chain); N. Benson (11th consecutive year). Neither page states a date. [\[10th year\]](#) [\[11th year\]](#)
- [4] Supermarket News, "Pak'nSave has the lowest prices, survey found", 7 December 2015, reporting Consumer NZ's October 2015 30-item survey. [\[link\]](#)
- [5] Woolworths Limited, Annual Report 2010 (ASX, 9 September 2010), p.19. [\[link\]](#)
- [6] Woolworths Limited, half-year results presentation, 1 March 2012, slides 30–31. [\[link\]](#)
- [7] Progressive Enterprises media release, "Foodtown, Woolworths make way for new Countdown", September 2009 (Scoop); Otago Daily Times, "Woolworths brand on way out", 21 September 2009. [\[Scoop\]](#) [\[ODT\]](#)
- [8] Woolworths New Zealand, "Our history" web page (retrospective company history), 2008 entry; accessed 12 October 2026. [\[link\]](#)
- [9] Woolworths Limited, Annual Report 2015, p.16 (New Zealand Supermarkets sales and store numbers, FY2011–FY2015). [\[link\]](#)
- [10] Commerce Commission, Annual Grocery Report 2024, summary of key findings, 6 August 2025; full report executive summary p.8 and footnote 3 (share of total grocery market revenue). Summary-level; the full-report chart was not read. [\[summary\]](#) [\[full report\]](#)
- [11] Commerce Commission, Annual Grocery Report 2025, 2 June 2026, pp.9–12, 20–21. [\[link\]](#)
- [12] Woolworths New Zealand announcement, "Countdown to Woolworths", 18 July 2023 (Scoop); Inside Retail NZ, 18 July 2023. [\[Scoop\]](#) [\[Inside Retail\]](#)
- [13] Woolworths Group results announcements, NZ Food sections: F23 (2023), F24 (28 August 2024), F26 (year to 28 June 2026). [\[F23\]](#) [\[F24\]](#) [\[F26\]](#)
- [14] AdNews, 22 August 2008, Woolworths spokesperson on dropping the Safeway name. [\[link\]](#)
- [15] Inside Retail NZ, "Countdown to refresh home brand offering" (Countdown general manager of merchandise Chris Fisher); date taken from the URL, 7 April 2016. [\[link\]](#)
- [16] Woolworths New Zealand, "Our history" web page, June 2018 entry (Progressive Enterprises renamed Woolworths New Zealand). [\[link\]](#)
- [17] ALDI Stores, public submission to the ACCC supermarkets inquiry, pp.2–3 (company statements); ACCC, Supermarkets inquiry final report, February 2025. [\[ALDI\]](#) [\[ACCC\]](#)