

SUPERMARKET SPECIALS IN MANHATTAN, KANSAS

by 8791

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INTRODUCTION

A vital competitive tool of the food industry is the weekly newspaper advertisement published by the supermarket food store (Darrah, 1967). Most American shoppers are provided regularly each week advertisements by food stores and supermarkets. Weekly ads play a prominent role in creating a store image, according to Anderson and Scott (1970). Store managers use ads to emphasize merchandise assortment, prices, services, store "personality" and whatever the management considers attractive to home-makers planning food purchases. The prevalence and regularity of these ads indicate that they attract sufficient patronage to warrant the cost of this form of advertising. But, beyond being attractive to new and old customers, do the ads provide the consumer with valid and reliable information? Are the advertised items available at the store? Is their availability limited by restrictions? Does the store price label the items with the advertised prices? And do the advertisements special certain items?

Answers to the above questions were sought in a survey made in 1969. The results were featured by syndicated columnist, Sidney Margolius, in "Stores Fail to Pass on Farm Price Drop; Offer Specials" (1970) and in his book, The Great American Food Hoax (1971). The results were also used as supporting evidence for the FTC Trade Regulation Rule: Retail Food Store Advertising and Marketing Practices, promulgated May 13, 1971, and effective July 12, 1971. This study combines the 1969 survey with a repeated survey in 1970.

Availability of Items

The Federal Trade Commission in 1967 surveyed thirty-seven stores for nine weeks in two cities and found eleven percent of the items published in

weekly newspaper ads to be unavailable. The study was conducted in the poverty and non-poverty areas of Washington, D.C., and San Francisco (FTC, 1969). Is this a national pattern or was it peculiar to the survey of the FTC? Is this characteristic of Manhattan, Kansas?

And in a telephone conversation, Dr. Willard Mueller of the FTC raised questions concerning the consumer's rights to advertised products that are not available. "Is a 'raincheck' sufficient? Should a store be penalized if it makes a regular practice of inducing patrons to come to the store twice to buy the same item?" These questions prompted the study in 1969.

Later in a conversation with Dr. Daniel Padberg of the National Commission on Food Marketing, the possibility of "refuse" items affecting availability was questioned. Refuse items are the last specials distributed on the warehouse truck's supply route. Outlying stores receive from the area warehouse "left over" items from the large volume city stores. City stores are served first, then proportionally fewer numbers of "refuse" specials are shipped to the outlying small volume stores. Since the outlying stores use ads prepared in the city, but receive the "refuse" items, the outlying stores tend to have more unavailable specials than do city stores. The scope of the paper does not include a study of supply systems for Manhattan food stores.

Restrictions

Advertised items may be in stock and available to the consumer only if he meets certain requirements. Restrictions take several forms and serve many purposes. For some items the reduced price is effective only if the shopper has a store coupon from the weekly ad. Tie-ins, dollar limits and "twofers" force the consumer to buy other things to get the

item on special. A loss leader may be so effective that the supply would last only a short while, so the retailer may restrict the quantity that the customer may purchase by using coupons or by fixing the number of units, according to Darrah (1967).

Price Labeling

The shopper relies on the checker to ring up the correct price. For the checker to give the consumer the benefit of the advertised price, this price needs to be distinct and not confused with other prices. The FTC reported from three to fifteen percent of ad items of the various stores to be mispriced, that is, not marked on the item or the shelf at the advertised price (FTC, 1969).

When an item is advertised at a price which is lower than the price at which it has been selling, some stores erase the old price, then mark the advertised price. Other stores add the advertised price, so that the check-out clerk may see both prices, in which case the management may have instructed the clerk to charge the lower of prices. Some stores do not mark advertised price on the item at all, but simply mark the shelf, and then expect the clerk to remember all the lower priced ad items. The ad may be posted close to the checkout for ready reference.

There are variations of these patterns. For example, some stores put the advertised price only on new shelf stock, thus some of the items are priced at the regular price and others at the advertised price. Some stores have special price labels used to tag advertised items, with the corner edge turned so the label can be removed after the advertised weekly sale period.

Price Policy

Price is one of three major considerations used by the consumer in determining the best buy for him. Price is necessarily related to the quantity and to the quality of the item. Since passage of the Truth in Packaging Act, quantity is clearly stated. However, quality is seldom clearly ascertainable. Of the three, price is the most precise and therefore can be used effectively to attract the consumer who is interested in economical purchases.

Price is prominently displayed in weekly supermarket advertisements. However it may be difficult to discern when used in connection with words such as "sale price," "regular price," "special" and "discount price."

The consumer may consider ad prices either to be specials announcing prices that are lower than normal or to be public announcements of the store's especially low prices which the store regularly offers. If the ad prices are reduced, as in the classical case of indicating an increase in supply or reduction in cost, the consumer would want to take advantage of them; thereby helping the producer and himself by consuming the reduced priced items. If the ad prices are normal, regular prices, then the consumer need not give the items any particular consideration except to note them relative to other options available.

Price has different meanings for consumers and stores. With quality difficult to ascertain, many consumers conclude that higher price means better quality (Darrah, 1967). Items are seldom advertised as "cheap," implying inferior quality. They are advertised as "economy," implying a reduction in price but not quality. This approach is reflected in the image identification of the Dutch Maid stores' advertising of "Econo-pricing."

D&O Thriftway's name emphasized "thrift." Safeway stores feature "discount" pricing.

The store's price level is one facet of their image. Stores may wish to pursue a policy of lower prices, thus lower margins and to attract customers on that basis. Or, they may prefer to have higher prices, with higher margins and provide fancier services to attract customers. Stores, such as Associated Grocers and Independent Grocers Alliance affiliates, which have access to computers, have the opportunity to select their price policies. Stores lacking computer services also create images, as their mark up policy.

The food store manager must create a balanced sales mix to give his store an appealing image. To create a low priced image, he will offer at reduced prices, regularly purchased items, whose normal prices the consumer knows. He will balance these low margin items with high mark ups on infrequently purchased items, whose prices the customer does not recall (Padberg 1968).

The weekly sales advertisements are an integral part of the store's program of building sales volume through emphasizing its services, items and prices that its management thinks the consumer wants. This study sought to evaluate supermarket advertisements for their meaningfulness to the consumer using the ads for efficient and economic planning of the weekly food purchases.

OBJECTIVES

The major purpose of this study was to evaluate the advertisements of selected Manhattan, Kansas, supermarkets by answering these questions:

1. Were the advertised items readily available during the effective period of the ad?
2. How many of the advertised items were restricted so that the consumer must have fulfilled certain requirements to get the item at the advertised price?
3. Were the advertised items price labeled so that the consumer could go through the checkout stand with confidence that the checker would read and presumably charge the advertised price?
4. Were the advertised prices truly specials, that is, price reduced; or, were these merely featured prices?
5. If the ad referred to a regular price, was that the price at which the item was regularly priced when it went off sale?

Secondary objectives were to:

1. appraise the value of such an assignment for developing student awareness of store policies, and
2. clarify with store managers how they interpreted their store's policy and practices with reference to their weekly advertisements, and the meaning and interpretation of words and concepts related to such advertisements.

PROCEDURE

Data Collection

All data were collected by students enrolled in the course, Consumers and the Market. The study was done as a class assignment in the fall of 1969 and repeated in the fall semester of 1970. The students participated on the assumption by the instructor that this experience would serve to

introduce the students into food market policies and procedures, particularly with reference to price marking policies and to employment of weekly specials.

The assignment of students to stores was by self-selection. The assumption was that students would select those stores most convenient and most familiar to them. For observation reliability, two students were assigned per store in 1969. And in 1970, four students were assigned per store to provide a replication of the survey one week hence. The first pairs of 1970 students obtained ads and visited the stores week I, October 7, 1970; the second group, week II, October 14, 1970. Students were not required to work independently, although most did. The major exception was the first group which met and agreed upon the meaning of "regular price."

Following the second year study, students and store managers were asked supplementary questions to gain perspective, especially in the troublesome area of defining words such as "specials" and "discount."

Stores Surveyed

Nine major food stores in Manhattan, Kansas, were included in this survey. Not included were the few "Mom and Pop" stores. Four stores were affiliated as AG (Associated Grocers) stores, one was an IGA (Independent Grocers Alliance) affiliate, three were national chains and one was a regional chain.

Of the AG stores, three were owned by Mr. Stan Hayes and identified as Dutch Maid stores. Using the AG warehouse computerized inventory print out, Mr. Hayes wrote the weekly ad for all three stores, which featured customer services and friendly atmosphere. Mr. Tom McKinnon managed the R&G Dutch Maid store located on Highway K-18 to Fort Riley. Mr. George Harder managed

the Blue Hills Dutch Maid supermarket located in the Blue Hills Shopping Center off Highway K-177. The third and newest store was Poyntz Pantry, located on the corner of Poyntz Avenue and Sixteenth Street. Managed by Mr. Hayes, it was fully carpeted and perhaps the most luxuriously decorated of all Manhattan food stores. All three Dutch Maid stores had a "discount" price policy and employed the term "Econo-pricing."

The smallest store surveyed, the D&O Thriftway, was also an AG affiliate. Located on the corner of Denison and Claflin Streets at the edge of the campus, the D&O was managed by Elton Darrah who selected about 20 items from the weekly AG warehouse computerized inventory print out.

Doebele's, an IGA supermarket located on Third Street was owned by the Doebele family corporation. Mr. Joe Doebele compiled his store's weekly ad from the print out supplied by Fleming Company in Topeka.

Also on Third Street was the A&P store. The A&P ad was written by the chain's department in Kansas City with prices localized for Manhattan competition. Manhattan is 120 miles west of Kansas City.

Kroger's discount supermarket was a food department in the Kroger Family Center. According to local department manager, Mr. Dale Steiner, Kroger ads were made up by the company's Kansas City ad department. Ads were mailed to "Occupants" in the Manhattan area on the afternoon before the sale period began.

Safeway, a discount supermarket, was located downtown on Sixth Street. Safeway's ad department in Kansas City wrote the prefabricated ad, in which the acting local manager, Richard Hoyt, may have made substitutions.

Dillons, a regional chain, allowed local store managers to make substitutions in the master ad laid out by the company ad department. Dillons, located in West Loop Shopping Center, was managed by Mr. Al Werth.

Survey Instruments

Two types of instruments were used, a weekly newspaper ad and a summary tabulation sheet. On each ad, every individual item was coded as to its availability, how it was price labeled, its price during the sale, and its price two and four weeks afterwards. The total item count was posted to the summary sheet provided each student for his store. See Exhibit 1.

The summary sheet in 1969 was assumed to be sufficiently self explanatory to give directions as to the type of information desired. For the 1970 study, it was revised slightly to facilitate the tabulation of data, and an instruction sheet was provided. On the summary sheet, the item count is grouped according to the study objectives, namely, availability, restrictions, price labeling, and sale and regular prices.

Methods of Analysis

The data were edited for accuracy and consistency by the researcher. Three home economics seniors also checked ten randomly chosen ads and corresponding summary sheets from the fifty returned.

In tallying summary sheets for data analysis, the decision was made to use the total number of items recorded by students and to recheck each coded ad to make subsection corrections, so that subsections totaled 100%. For example, some students counted an offer: "Delmonte Peas, Corn or Mixed - 3 for \$1.00" as one item, while others counted this as three items. Either way was correct, provided it was consistently recorded.

The data were tabulated and summarized by stores grouped by time of survey and store affiliation, as AG, IGA, national chain or regional chain. Percentages were calculated to facilitate comparison between stores in each category. No statistical tests were made.

Exhibit 1

Supermarket Weekly Specials
Report Form-1969

Student Reporter _____ Store _____

1. Total number of items advertised at sales prices on ____ (date) ____ (items)

2. Availability of items in sales period at sales prices when checked
on _____ at _____ (date/time):

readily available- - - - - _____ items
available if requested - - - - - _____
out of stock but available on back order _____
out of stock and no more available - - - _____
other- - - - - _____ (total should equal #1)

3. Price labeling in sales period. (Fill in blanks with number of sales items for which statement applies.)

packages marked with sales price only- - - - - _____
packages marked with sales and other prices- - - - - _____
packages not marked with sales price - - - - - _____
 sales price posted on shelf _____
 no sales price showing _____
other- - - - - _____

4. Itemize restrictions on availability of sales items and give the number of sales items affected:

store coupon required _____
with total purchases of \$5 or more _____

5. Two-week follow-up (date/time ____) 6. Four week follow-up (date/time ____)
(Fill in number of items for which statement applies. Total should equal #1)

priced higher than sales price	_____	_____
" same as sales price	_____	_____
" lower than sales price	_____	_____
check total =	_____	= _____

7. What is the regular price?

regular price NOT shown in original adv.	_____	_____
regular price shown in original adv.	_____	_____
price higher than reg. price in sales adv.	_____	_____
price same as " " " " "	_____	_____
price lower than " " " " "	_____	_____

Exhibit 1. (Cont.)

SUPERMARKET ADVERTISEMENTS
Consumer and the Market-1970

I. Questions to be answered.

1. Are the advertised items available for sale?
2. Are they price specials without 'strings attached' or are these items available under special conditions? And what are the conditions?
3. Are the items marked by the store so the buyer and the checker will easily identify the sale price?
4. What is special about specials?
 - a. Is the advertised price any different from what usually is charged by the store?
 - b. Does a price other than the sale price appear? If so, what is it called? After the close of the sale period, at what price does the item sell for? That is, what is the "regular" price of this item?

II. Survey Instructions.

1. Obtain a copy of the store's mid-week advertisement.
2. Count the number of items listed. (This all-item count will be used throughout as a bench mark for all tallies.)
3. Go to the store before the specials expire (Sat. or Sun.).
 - a. Mark on the ads, in ink, your name, time at store and date.
 - b. Mark on your ad in a circle, the price marked on the items on display.
 - c. Mark on your ad in a square the price marked on the shelf.
 - d. Mark on the ad any special condition:

C = coupon	\$ = dollar limit	# = number limit
T = tie-in with other product		O = other
 - e. Mark on the ad whether the item is described a special for that week using the letter "S" for special and "N" for items not designated as specials.
4. Return to the store two weeks later and mark on the ads in red pencil or pen
 - a. the selling price of item.
5. Return again to the store four weeks from first visit and mark on the ads in black pencil
 - a. the selling price of item.

Exhibit 1. (Cont.)

Supermarket Weekly Specials
Report Form-1970

Student Reporter _____ Store _____

1. Total number of items advertised at sales prices, on _____ (date) _____ (items)

2. Availability of items in sales period at sales prices when checked
on _____ at _____ (date/time):

readily available- - - - - _____

available if requested - - - - - _____

out of stock but available on back order _____

OUT OF STOCK AND NO MORE AVAILABLE - - - _____

other- - - - - _____

Total - - - - - _____ (should equal #1)

3. Price labeling in sales period. (Fill in blanks with number of sales items for which statement applies.)

packages marked with sales price only - - - - - _____

packages marked with sales and other prices - - - - - _____

packages not marked with sales price- - - - - _____

sales price posted on shelf _____

no sales price showing _____

other _____

Total - - - - - _____

4. Itemize restrictions on availability of sales items and give the number of sales items affected:

No restrictions _____

Store coupon required _____

With total purchases of \$5 or more (state restriction) _____

Total _____

5. Two week follow-up. (date/time) _____ 6. Four week (date/time) _____
(Fill in number of items for which statement applies. Total should equal #1.)

Item not available

Priced higher than sales price

" same as sales price

" lower than sales price

Total

Two weeks

Four weeks

7. What is the regular price?

regular price NOT shown in original adv.

price higher than reg. price in sales adv.

price same as " " " " "

price lower than " " " " "

Total

RESULTS AND DISCUSSION

Availability

The student surveyors generally found the advertised items to be available for sale. In 1969 and 1970 combined, 95% of all items were readily available, and an additional 1% were in the store and available on request. The results were fairly stable over time. In 1969, 97% of the ad items were readily available while in 1970, 94% were available. Difference in availability between week I and II of 1970 was only one percentage point. Thus indicating the stability of this statistic.

There was some variation between stores. Item availability of stores ranged from 84% to 100%. See Table 1. The affiliated independent stores had more items readily available than did the chains. The affiliates ranged from 93% to 100% and the chains from 90% to 96%, as shown in Table 1. Most items not readily available were available immediately on request or later on back order.

Types of ads and weeks made as much as a ten percentage point difference in availability. In 1969, two students using the same ad, reported all items advertised by Blue Hills to be readily available. In 1970, four students, using three different ads, one flyer and a corresponding newspaper ad, and two identical newspaper ads surveyed this same store. The week I students, using the flyer and ad for the same week, reported 89% of all items were readily available, and 10% were on back order available with a raincheck when the new stock arrived. The week II students, using the identical newspaper ads, reported 99% of all items readily available and 1% available if requested. A&P and Kroger also had at least ten percentage points difference between weeks I and II, 1970, and each week the students used identical advertisements. See Table 1.

Table 1. Availability of advertised items by store type and stores.

Store	Number	Advertised Items				
		Percentage Available				
		Readily	On request	Back order	Out	Other
All stores	3617	95	2	1	1	1
1969	1160	97	1	1	-	1
1970	2457	94	2	2	1	1
Wk I	1279	94	2	3	-	1
Wk II	1178	95	1	1	2	1
AG stores ^{1/}	912	96	1	2	-	1
1969	238	98	0	0	1	1
1970	674	96	1	3	0	-
Wk I	327	95	1	4	0	-
Wk II	347	97	1	2	0	-
IGA-Doebele's	648	98	-	1	1	-
1969	278	97	0	1	1	1
1970	370	99	1	-	0	0
Wk I	194	100	0	0	0	0
Wk II	176	98	1	1	0	0
National Ch. ^{2/}	1538	94	2	1	2	1
1969	404	97	2	-	0	1
1970	1134	93	1	2	3	1
Wk I	606	94	1	3	1	1
Wk II	528	92	2	-	5	1
Regional Ch.						
Dillons	519	93	4	1	1	1
1969	240	94	3	1	0	2
1970	279	92	5	1	2	-
Wk I	152	88	10	0	2	-
Wk II	127	97	0	2	1	0

- Less than one percent.

^{1/} Includes Blue Hills, R&G, Poyntz Pantry (1970 only), and D&O.

^{2/} Includes A&P, Kroger, and Safeway.

Table 1. (Cont.)

Store	Advertised Items					
	Number	Percentage Available				
		Readily	On request	Back order	Out	Other
Blue Hills	249	96	-	4	0	0
1969	51	100	0	0	0	0
1970	198	94	1	5	0	0
Wk I	90	89	1	10	0	0
Wk II	108	99	1	0	0	0
R&G	381	97	-	1	1	1
1969	117	97	0	0	2	1
1970	264	98	-	1	0	1
Wk I	144	99	0	0	0	1
Wk II	120	96	1	2	0	1
Poyntz Pantry	166	93	1	5	1	0
1969	NA	NA	NA	NA	NA	NA
1970	166	93	1	5	1	0
Wk I	71	92	1	7	0	0
Wk II	95	94	1	4	1	0
D&O	116	100	0	0	0	0
1969	70	100	0	0	0	0
1970	46	100	0	0	0	0
Wk I	22	100	0	0	0	0
Wk II	24	100	0	0	0	0
A&P	389	90	5	-	2	2
1969	99	93	6	0	0	1
1970	290	89	5	1	2	3
Wk I	144	95	2	1	0	2
Wk II	146	84	7	1	4	4
Kroger	453	96	-	4	0	-
1969	176	100	0	0	0	0
1970	277	93	1	6	0	-
Wk I	199	90	1	8	0	1
Wk II	78	100	0	0	0	0
Safeway	696	95	-	1	4	-
1969	129	95	2	2	0	1
1970	567	95	0	1	4	-
Wk I	263	97	0	1	1	1
Wk II	304	93	0	0	7	0

Unavailability of items gives rise to a host of questions, such as, were the items "refuse" items, were they simply unavailable at the time the students chose to visit the store, and did the store have a raincheck policy.

A greater percentage of the ad items were unavailable during both follow-ups than during the sale, as shown in Table 2. This indicates that most stores did attempt to have in stock the advertised items.

To see if sale items were "refuse" items to be sold until they ran out of stock, ads from each store were checked for items that were unavailable during the sale and also unavailable during the follow-ups. Items unavailable during the sale period did tend to be unavailable during the follow-ups. These items were analyzed as to whether they could be classed as specials or otherwise. Since most of these items were not specials, that is, items price reduced for the sale period, there is no evidence that Manhattan stores were being used as outlets for so-called "refuse" items.

In a St. Louis Better Business Bureau study, the time of day of the survey was found to influence the percentage of items available on back order (St. Louis BBB, 1968). It is reasonable that during the sale period, the store may have already "sold out" and back ordered so that two students checking a store at different times could have made different observations. However, after checking the time that students visited the same stores on the same afternoons, this does not seem to be the case. Several students surveyed the store within two hours of each other. Difference in student reports, thus could be attributed to their perceptibility rather than store practices.

The consumer might well expect stores to have an adequate stock of all ad items so that "rainchecks" are not a significant issue. A very small percentage of items were out of stock without "rainchecks" offered. The

Table 2. Percentage of items not available by store type and stores.^{1/}

	During sale ^{2/}	During follow-ups	
		2 week	4 week
All stores	5	9	8
1969	3	8	9
1970	6	9	8
Wk I	6	10	8
Wk II	5	8	7
AG stores	4	11	9
1969	2	5	7
1970	4	14	9
Wk I	5	19	9
Wk II	3	9	10
IGA-Doebele's	2	4	4
1969	3	4	4
1970	1	4	4
Wk I	0	2	3
Wk II	2	6	5
National Ch.	6	9	9
1969	3	15	15
1970	7	7	8
Wk I	6	7	9
Wk II	8	7	6
Regional Ch.-Dillons	7	9	8
1969	6	4	4
1970	8	13	11
Wk I	12	14	14
Wk II	3	11	8

^{1/} Percentages based on numbers of items as shown in Table 1.

^{2/} Includes items available on request.

Table 2. (Cont.)

	During sale	During follow-ups	
		2 week	4 week
Blue Hills	4	9	9
1969	$\frac{0}{0}$	$\frac{0}{0}$	$\frac{0}{0}$
1970	6	12	11
Wk I	11	10	13
Wk II	1	13	9
R&G	3	7	8
1969	$\frac{3}{3}$	$\frac{8}{8}$	$\frac{9}{9}$
1970	2	6	7
Wk I	1	7	5
Wk II	4	5	10
Poyntz Pantry	7	30	7
1969	NA	NA	NA
1970	7	30	7
Wk I	8	54 ^{3/}	7
Wk II	6	7	7
D&O	0	9	12
1969	$\frac{0}{0}$	$\frac{4}{4}$	$\frac{9}{9}$
1970	0	17	17
Wk I	0	18	18
Wk II	0	17	17
A&P	10	12	8
1969	$\frac{7}{7}$	$\frac{11}{11}$	$\frac{10}{10}$
1970	11	12	8
Wk I	5	9	10
Wk II	16	16	5
Kroger	4	13	16
1969	$\frac{0}{0}$	$\frac{24}{24}$	$\frac{26}{26}$
1970	7	6	10
Wk I	10	8	9
Wk II	0	3	12
Safeway	5	5	6
1969	$\frac{5}{5}$	$\frac{6}{6}$	$\frac{4}{4}$
1970	5	5	6
Wk I	3	5	6
Wk II	7	5	5

^{3/} In week I, 1970, only one student surveyed Poyntz Pantry. She appears to have had difficulty coding availability on her ad during the two week follow-up. The four week follow-up, she reported the same percentage as the week II students.

percentage of items out of stock, none available and no rainchecks, was ten times higher for the national chains than any affiliated stores. See Table 1.

Students classed more items as "other" availability for the larger chains than for affiliated stores. This may reflect the greater variety and consequent potential for confusion for the shopper in the chain store than in the affiliated store. However the large Dutch Maid AG stores with many advertised items did not present such evidence of student confusion.

Restrictions

Although most types of restrictions were used by the Manhattan food stores, few were imposed. In all stores, from 79% to 98% of all items were not restricted. In 1969, 90% of the advertised items of all stores had no restrictions; in 1970, 94%. Minimum quantities and coupons were the most common restrictions. The practice seems to vary by type of store.

Associated Grocers stores advertised fewer items with no restrictions than did other stores. The Dutch Maid stores' ads featured coupons. The D&O Thriftway used the least restrictions of the AG stores. See Table 3. Tie-in restrictions were reported for less than 1% of AG items. Similarly, less than 1% of the items carried maximum quantity restrictions.

In 1969, Doebele's IGA Foodliner had 88% of their ad items restriction free and 12% with minimum quantity restrictions. In 1970, 92% of the ad items were restriction free while tie-ins were the more popular restrictions (on 4% of the items).

Chain stores had few restricted items. Safeway averaged less than 1% of their ad items restricted. A&P averaged 9% of their items restricted, 2% in 1969 and 11% in 1970. Kroger averaged 6% of their items restricted

Table 3. Restrictions on items by store types and stores.

Stores	Number	Advertised Items					
		Percentage Restricted					
		Not restricted	Coupon	Dollar limit	Tie-in	Quantity max. min.	
All stores	3617	93	2	1	1	-	3
1969	1160	90	2	1	1	-	6
1970	2457	94	3	1	1	-	1
Wk I	1279	93	5	1	-	1	-
Wk II	1178	96	-	1	1	-	2
AG stores ^{1/}	912	87	8	2	-	-	2
1969	238	82	7	3	-	-	8
1970	674	89	9	2	-	-	0
Wk I	327	81	18	1	0	0	0
Wk II	347	97	1	2	-	-	0
IGA-Doebele's	648	90	1	1	2	-	6
1969	278	88	1	0	0	0	11
1970	370	92	1	1	4	-	2
Wk I	194	93	2	2	3	0	0
Wk II	176	91	0	0	5	1	3
National Ch. ^{2/}	1538	96	-	-	1	-	3
1969	404	93	0	-	2	0	5
1970	1134	97	-	-	0	1	2
Wk I	606	98	-	-	0	2	0
Wk II	528	96	-	0	0	0	4
Regional Ch.							
Dillons	519	98	0	1	-	0	1
1969	240	98	0	2	0	0	-
1970	279	98	0	1	1	0	-
Wk I	152	98	0	1	0	0	-
Wk II	127	98	0	0	2	0	0

- Less than one percent.

^{1/} Includes Blue Hills, R&G, Poyntz Pantry (1970 only) and D&O.

^{2/} Includes A&P, Kroger and Safeway.

Table 3. (Cont.)

Stores	Number	Advertised Items					
		Percentage Restricted					
		Not restricted	Coupon	Dollar limit	Tie-in	Quantity	
						max.	min.
Blue Hills	249	91	6	2	1	-	0
1969	51	92	0	6	2	0	0
1970	198	91	8	1	0	-	0
Wk I	90	82	17	1	0	0	0
Wk II	108	98	0	1	0	1	0
R&G	381	82	12	2	0	0	4
1969	117	69	14	3	0	0	14
1970	264	88	11	1	0	0	0
Wk I	144	79	20	1	0	0	0
Wk II	120	98	0	2	0	0	0
Poyntz Pantry	166	89	8	2	1	0	0
1969	NA	NA	NA	NA	NA	NA	NA
1970	166	89	8	2	1	0	0
Wk I	79	79	18	3	0	0	0
Wk II	95	96	0	2	2	0	0
D&O	116	94	3	1	0	-	2
1969	70	96	0	0	0	1	3
1970	46	91	7	2	0	0	0
Wk I	22	91	5	4	0	0	0
Wk II	24	92	8	0	0	0	0
A&P	389	91	1	1	0	2	5
1969	99	98	0	2	0	0	0
1970	290	89	1	-	0	3	7
Wk I	144	93	1	1	0	5	0
Wk II	146	85	1	0	0	0	14
Kroger	453	94	0	0	2	-	4
1969	176	85	0	0	5	0	10
1970	277	99	0	0	0	1	0
Wk I	199	99	0	0	0	1	0
Wk II	78	100	0	0	0	0	0
Safeway	696	100	0	-	0	0	-
1969	129	98	0	1	0	0	1
1970	567	100	0	0	0	0	0
Wk I	263	100	0	0	0	0	0
Wk II	304	100	0	0	0	0	0

with 15% in 1969 and less than 1% in 1970. Dillons, the regional chain, consistently had about 2% of their items restricted. Of the restrictions used by the chains, minimum quantity was the most frequent. See Table 3.

In all stores, most items were advertised with no restrictions. The restricted items required the customer to clip and return a coupon or buy all of the multiple unit offered. For shoppers who did not care to bother with restrictions, Safeway, Dillons, Kroger, and D&O offered a larger than average proportion of restriction-free items.

Price Labeling

Most of the items were marked with the sale price so the Manhattan consumers could expect the checker not to misread the price. For all stores an average of 60% of the items were marked with only the advertised price. See Table 4. Of the remaining 40%, 13% were labeled with the sale and other prices and 8% were classed as "other," leaving one-fifth (19%) with no price indication to guide the checker. Shelf prices were posted for most (16%) of the items, which required the shopper and the checker to have memorized the prices. The remaining 3% of the items did not have even shelf price labeling. The apparent policy of A&P and Kroger was to price label ad items with the sale price only, since they had a larger percentage of items so price labeled than other stores. But this may merely reflect their policy of not featuring price reduced items as will be discussed in the next section.

Apparently, students had less trouble classifying the price labeling practices of national chains than of affiliated stores. A greater percentage of affiliated stores' items were recorded as "other" forms of price labeling. For example, 42% of the items at Poyntz Pantry were recorded as "other." The advertised items were "shelf flagged" with the sale price, while the individual items and the shelf label gave what was presumably the regular price.

Table 4. Price labeling of advertised items by store type and stores.

Store	Number	Advertised Items					
		Percentage Price Labeled					
		Sale only	Sale & others	Not marked sale			Other
				All	On shelf	None	
All stores	3617	60	13	19	16	3	8
1969	1160	53	9	26	23	2	12
1970	2457	63	15	16	13	3	6
Wk I	1279	65	4	22	18	4	9
Wk II	1179	60	28	9	7	2	2
AG stores ^{1/}	912	60	15	18	15	3	6
1969	238	48	22	28	20	8	3
1970	674	65	13	15	13	2	7
Wk I	327	56	10	23	21	2	11
Wk II	347	73	16	7	5	2	3
IGA-Doebele's	648	55	-	25	22	3	21
1969	278	44	0	29	27	1	27
1970	370	63	-	21	17	4	16
Wk I	194	49	0	22	16	5	29
Wk II	176	77	1	21	18	3	1
National Ch. ^{2/}	1538	58	20	19	16	3	2
1969	404	60	11	29	27	2	-
1970	1134	58	24	16	13	3	3
Wk I	606	73	-	23	20	3	4
Wk II	528	40	50	8	6	2	2
Regional Ch.							
Dillons	519	69	6	14	11	3	11
1969	240	58	4	18	16	2	20
1970	279	78	7	10	6	4	4
Wk I	152	73	9	15	9	6	3
Wk II	127	85	6	4	2	2	5

- Less than one percent.

^{1/} Includes Blue Hills, R&G, Poyntz Pantry (1970 only), and D&O.

^{2/} Includes A&P, Kroger, and Safeway.

Table 4. (Cont.)

Store	Number	Advertised Items					
		Percentage Price Labeled					
		Sale only	Sale & others	Not marked sale			Other
				All	On shelf	None	
Blue Hills	249	65	24	7	5	2	4
1969	51	25	71	0	0	0	4
1970	198	75	12	9	7	2	4
Wk I	90	71	2	19	13	6	8
Wk II	108	79	20	1	1	0	0
R&G	381	67	14	16	12	5	2
1969	117	61	12	26	12	14	2
1970	264	70	15	12	11	1	3
Wk I	144	64	16	20	19	1	0
Wk II	120	78	13	2	0	2	7
Poyntz Pantry	166	49	14	17	16	1	19
1969	NA	NA	NA	NA	NA	NA	NA
1970	166	49	14	17	16	1	19
Wk I	71	17	10	31	30	1	42
Wk II	95	74	18	6	5	1	2
D&O	116	44	3	52	47	5	2
1969	70	43	3	51	47	4	3
1970	46	46	2	52	46	6	0
Wk I	22	64	0	36	36	0	0
Wk II	24	29	4	67	54	13	0
A&P	389	79	5	13	9	4	3
1969	99	77	3	19	15	4	1
1970	290	80	6	10	7	3	4
Wk I	144	90	0	8	3	7	2
Wk II	146	70	11	14	11	3	5
Kroger	453	79	13	4	2	2	4
1969	176	77	23	0	0	0	0
1970	277	81	6	7	4	3	6
Wk I	199	86	1	5	2	3	8
Wk II	78	67	21	13	9	4	0
Safeway	696	33	34	33	30	3	-
1969	129	24	0	76	72	4	0
1970	567	35	41	23	21	2	-
Wk I	263	54	0	45	42	2	1
Wk II	304	19	77	4	2	2	0

In summary, if the store management consistently labels items with the advertised price only, the customer has less need to be concerned about the accuracy of the checker. A&P and Kroger labeled about four-fifths of their items with sale price only. Dillons, Blue Hills, and R&G price labeled two-thirds of their items with sale price only. Poyntz Pantry, D&O Thriftway and Doebele's IGA labeled about one-half of their ad items with the sale price only. Safeway labeled only one-third of their items with only the advertised price. The Safeway shopper would have to be more alert to remember the shelf prices and make certain the advertised price was charged at the checkout counter.

Specials

Advertised items were counted as specials if the price was higher during the two and four week follow-ups. Presumably, the price of a special item was a reduction from the normal or regular price, estimated by the price of the items two and four weeks after the ad period. Of the items advertised by Manhattan supermarkets, about two-fifths were specials. Two weeks after the ad period, 39% of the featured items were priced higher than during the sale, and most of the items (45%) were priced the same as the sale price. Four weeks after the ad period, 43% of the items were priced higher than during the sale and 42% were priced the same as during the sale. Both follow-ups, 9% of the items, which were unavailable, could not be price compared, and 7% were priced lower than their sale prices. See Table 5.

There was a marked difference between the types of stores in their use of specials. Approximately one-half of the AG stores' items, and of Doebele's items were specials. One-third of the items advertised by Dillons were specials. Lowest among all stores were the national chains, of whose advertised items only one-fourth were specials.

Table 5. Sale price, two and four week follow-ups, of advertised items, by store type and stores.

Stores	Number	Percentage of Advertised Items							
		Unavailable		Higher than sale		Same as sale		Lower than sale	
		2 wk	4 wk	2 wk	4 wk	2 wk	4 wk	2 wk	4 wk
All stores	3617	9	8	39	43	45	42	7	7
1969	1160	8	9	44	46	43	41	5	4
1970	2457	9	8	36	41	46	43	9	8
Wk I	1279	10	8	33	37	46	46	11	9
Wk II	1178	8	7	39	46	46	39	6	8
AG stores ^{1/}	912	11	9	53	57	30	29	6	6
1969	238	5	7	73	75	15	14	7	3
1970	674	14	9	45	50	36	34	5	7
Wk I	327	19	9	42	48	37	39	2	4
Wk II	347	9	10	48	52	34	24	9	11
IGA-Doebele's	648	4	4	52	57	36	30	8	9
1969	278	4	4	60	65	34	27	3	4
1970	370	4	4	46	51	38	32	13	13
Wk I	194	2	3	40	47	39	29	19	21
Wk II	176	6	5	52	55	36	36	6	5
National Ch. ^{2/}	1538	9	9	26	30	56	52	9	8
1969	404	15	15	28	30	51	50	6	5
1970	1134	7	8	25	31	58	53	10	9
Wk I	606	7	9	25	26	54	57	15	8
Wk II	528	7	6	24	35	63	49	6	9
Regional Ch.									
Dillons	519	9	8	36	37	51	51	4	3
1969	240	4	4	22	22	70	70	4	4
1970	279	13	11	49	50	34	35	4	3
Wk I	152	14	14	39	39	43	42	3	4
Wk II	127	12	8	61	62	24	28	4	2

- Less than one percent.

^{1/} Includes Blue Hills, R&G, Poyntz Pantry (1970 only) and D&O.

^{2/} Includes A&P, Kroger and Safeway.

Table 5. (Cont.)

Stores	Number	Percentage of Advertised Items							
		Unavailable		Higher than sale		Same as sale		Lower than sale	
		2 wk	4 wk	2 wk	4 wk	2 wk	4 wk	2 wk	4 wk
Blue Hills	249	9	9	56	54	29	29	6	8
1969	51	0	0	92	80	0	16	8	4
1970	198	12	11	46	47	36	33	6	9
Wk I	90	10	13	48	47	40	36	2	4
Wk II	108	13	9	45	48	33	31	8	12
R&G	381	7	8	50	55	37	31	6	6
1969	117	8	9	77	75	12	12	3	3
1970	264	6	7	39	47	48	39	7	7
Wk I	144	7	5	35	44	56	48	3	3
Wk II	120	5	10	43	49	40	28	12	13
Poyntz Pantry	166	30	7	53	54	17	31	4	8
1969	NA	NA	NA	NA	NA	NA	NA	NA	NA
1970	166	30	7	49	54	17	31	4	8
Wk I	71	54	7	46	51	0	35	0	7
Wk II	95	7	7	53	56	33	27	7	9
D&O	116	9	12	57	70	26	16	8	2
1969	70	4	9	53	71	30	17	13	3
1970	46	17	17	63	67	20	15	0	0
Wk I	22	18	18	55	73	27	9	0	0
Wk II	24	17	17	71	63	13	21	0	0
A&P	389	12	8	31	41	51	46	6	4
1969	99	11	10	36	57	43	32	9	1
1970	290	12	8	29	36	54	51	5	6
Wk I	144	9	10	22	19	65	63	5	7
Wk II	146	16	5	36	52	43	38	5	4
Kroger	453	13	16	21	23	47	51	20	10
1969	176	24	26	18	19	55	50	3	5
1970	277	6	10	22	25	42	51	30	14
Wk I	199	8	9	19	24	35	51	39	16
Wk II	78	3	12	29	28	60	51	8	9
Safeway	696	5	6	26	29	65	57	4	8
1969	129	6	4	36	26	51	62	6	9
1970	567	5	6	24	30	68	56	4	8
Wk I	263	5	7	31	32	62	58	2	3
Wk II	304	5	5	18	29	72	54	5	11

Variations among stores reflected student interpretations and variations of weekly store practices. Other variations may have resulted from changes in store policy. Such a policy change was observed by Mr. Stan Hayes, who explained that until May, 1970, the Dutch Maid Corporation of AG stores ran from 95 to 100% of the items in every ad as "specials," in the sense of price reductions, and the remaining items were new or seasonal offers. Since May, 1970, the Dutch Maid 'philosophy' has included 'wise buys' specials continued for four, eight or twelve weeks. Mr. Hayes said, "These might be considered regular priced, which they really aren't." During the 1970 follow-ups, 'wise buys' could have been recorded as the same as sale priced items (Table 5) or as the lower than regular priced items (Table 6). At anytime, according to Mr. Hayes, 50% of the dry groceries advertised were 'wise buys.' Dutch Maid stores' meat departments offered one price reduced special each week, and the rest of the departments featured 95% of their items at regular "Econo-prices." Mr. Harder of Blue Hills added that items to be permanently "Econo-priced" were offered as specials the first week that they were discounted.

Regular Price

Any price which the store identified as a regular price or implied to be a regular price was accepted and counted as a regular price. Thus "regular price" included items advertised with "reg. X¢," regularly X¢," "X¢ off" or "save X¢" which had implied true value or regular prices.

Using this definition, 82% of the items advertised by all stores had no regular prices shown in the ads. In 1969, 79% of the items had no regular prices and 85% had none in 1970.

To determine whether regular price was in fact the prevailing price

after the sale, the prices of the items were noted in two and four week follow-ups. Of the approximate one-fifth of the items with regular prices advertised, an average 2% of the items were advertised with lower regular prices than were found in the follow-ups, 11% were priced the same as the advertised regular price, and 5% were advertised with higher regular prices than were found in the follow-ups. The two and four week follow-up data differ less than one percentage point. See Table 6.

Identifying regular prices of ad items caused student surveyors more trouble than any other portion of this study. A few students had the same figures for "regular price" and "sale price." They tallied prices at the two and four week follow-ups and identified them as "regular prices" rather than counting the items with regular prices advertised. Thirty-three students had data for this section which required considerable editing by the researcher who rechecked the original ads coded by the students. Several students wrote on their ads, "regular discount prices." They had surveyed Safeway, Dillons, and Kroger. One student gave evidence of being so confused by "regular price" in relation to "regular discount price" as used by Safeway in 1969 that she did not complete the four week follow-up.

Another source of confusion was flyers and ads. The Dutch Maid stores use the same ads, yet 55% to 97% of the items were reported advertised without regular prices. In 1970, Week I students used Dutch Maid flyers with fewer regular prices given than the same week's newspaper ads. The Week II students used newspaper ads, but found different items unavailable.

In summary, one-fifth (18%) of the items advertised had regular prices given. About two-thirds of these could be considered accurate in that during the period following the sale, they were in fact priced at their quoted regular prices or higher. However, one-third of the items were

Table 6. Regular price, two and four week follow-ups, of advertised items by store type and stores.

Stores	Number	Percentage of Advertised Items							
		Regular price not in ad Both follow-ups	Advertised regular price						
			Lower than		Same as		Higher than		
			2 wk	4 wk	2 wk	4 wk	2 wk	4 wk	
All stores	3617	82	2	2	11	11	5	5	
1969	1160	79	2	3	14	13	5	6	
1970	2457	85	1	1	9	9	5	5	
Wk I	1279	83	1	1	10	10	6	5	
Wk II	1178	87	1	1	8	8	3	4	
AG stores ^{1/}	912	74	3	5	19	17	4	4	
1969	238	60	6	11	26	22	8	7	
1970	674	80	2	3	16	15	2	3	
Wk I	327	65	4	6	30	28	1	2	
Wk II	347	93	-	-	4	3	3	3	
IGA-Doebele's	648	99	0	0	-	-	1	1	
1969	278	100	0	0	0	0	0	0	
1970	370	98	0	0	1	1	1	1	
Wk I	194	97	0	0	1	1	2	2	
Wk II	176	98	0	0	1	1	1	1	
National Ch. ^{2/}	1538	83	1	1	9	9	7	7	
1969	404	71	1	2	19	16	9	10	
1970	1134	88	1	1	6	6	6	6	
Wk I	606	90	-	-	3	3	7	6	
Wk II	528	84	2	2	9	9	5	5	
Regional Ch.									
Dillons	519	77	3	3	13	13	7	7	
1969	240	88	2	2	8	8	3	3	
1970	279	69	3	4	18	18	10	10	
Wk I	152	71	3	3	10	10	16	16	
Wk II	127	66	4	4	27	27	3	3	

- Less than one percent.

^{1/} Includes Blue Hills, R&G, Poyntz Pantry (1970 only) and D&O.

^{2/} Includes A&P, Kroger and Safeway.

Table 6. (Cont.)

Stores	Number	Percentage of Advertised Items							
		Regular price	Advertised regular price						
		not in ad	Lower than		Same as		Higher than		
		Both follow-ups	2 wk	4 wk	2 wk	4 wk	2 wk	4 wk	
Blue Hills	249	4	3	9	10	6	4	2	
1969	51	69	8	29	12	2	12	0	
1970	198	87	2	4	9	7	2	2	
Wk I	90	76	4	8	20	16	0	1	
Wk II	108	97	0	0	0	0	3	3	
R&G	381	59	4	4	33	32	5	5	
1969	117	32	9	9	48	44	11	15	
1970	264	70	2	2	27	27	2	1	
Wk I	144	55	2	3	41	41	2	1	
Wk II	120	88	1	1	9	9	2	2	
Poyntz Pantry	166	81	4	4	12	11	3	5	
1969	NA	NA	NA	NA	NA	NA	NA	NA	
1970	166	81	4	4	12	11	3	5	
Wk I	71	62	10	8	28	25	0	4	
Wk II	95	95	0	0	0	0	5	5	
D&O	116	98	0	0	2	0	0	2	
1969	70	100	0	0	0	0	0	0	
1970	46	97	0	0	4	0	0	4	
Wk I	22	100	0	0	0	0	0	0	
Wk II	24	92	0	0	8	0	0	8	
A&P	389	78	2	1	11	8	8	13	
1969	99	35	6	2	31	21	27	41	
1970	290	93	1	1	4	3	2	3	
Wk I	144	93	0	0	3	3	4	4	
Wk II	146	93	1	1	5	4	0	1	
Kroger	453	74	-	-	18	20	8	6	
1969	176	75	0	0	25	25	0	0	
1970	277	73	-	-	14	16	12	10	
Wk I	199	79	-	0	6	8	15	13	
Wk II	78	58	1	1	36	37	5	4	
Safeway	696	92	1	1	2	2	5	4	
1969	129	91	0	NA	1	NA	8	NA	
1970	567	92	1	1	2	2	4	4	
Wk I	263	98	0	-	-	0	2	2	
Wk II	304	85	3	3	4	4	7	7	

priced below their advertised regular prices, suggesting the advertised regular price to be fictitious.

Post Survey

Price labeling

To determine how successfully a Manhattan shopper might go through checkout and reliably get the benefit of the advertised price, the store managers were interviewed to learn how his store price labeled ad items and what the checkout policy was for interpreting price labeling.

The results of the interview with each store manager are summarized in Table 7. Store managers varied in their price labeling logic. Each expressed thoughts that his store's labeling policy was adequate in protecting the consumer from over-charges, where the checker might charge a price other than the advertised price. All managers agreed that shelf pricing of items was needed. Other price labeling policies were explained in perspective with other store policies. For instance, D&O's manager, Mr. Elton Darrah, said that prices did not need to be changed on each individual item because the shelf tags read "Advertised Price," and the store only advertised fifteen to twenty items. The A&P manager said that checkers were not given copies of the ad because "looking up prices would slow down the line. Ladies don't want to wait in line."

Price concepts

Prices were described in the advertisements by several terms. The four major terms were: "special," "sale price," "regular price" and "discount price." In 1970, students were specifically asked to define "sale price" and "regular price" in their individual analyses of this project and in writing their reports, most voluntarily explained what "specials" meant, and these are summarized in Table 8.

Table 7. Store managers' answers to price labeling policy questions.

Questions	Stores								
	Blue Hills	R&G	Poyntz Pantry	D&O	Doe-bele's	A&P	Kro-ger	Safe-way	Dillons
Is the ad price on the package?	yes ^{1/}	yes ^{1/}	yes ^{1/}	no	yes	yes	yes	no	yes ^{2/}
Does the checker charge the lowest price marked?	yes	NC	yes	NC	NC	NC	NC	NC	yes
Does the checker have an ad?	no	yes	yes	yes	yes	no	no ^{3/}	no ^{4/}	yes
Are the items priced on the shelves?	yes	yes	yes	yes	yes	yes	yes	yes	yes

1/ The old price is not removed, but the sale price is added.

2/ The old price is not removed, but the sale price is added. Seasonal items (produce) are not price labeled.

3/ Supervisor has one ad for all checkers to use.

4/ Each checker has list rather than ad for sale items.

NC No comment.

Table 8. "Specials" and "Sale, Regular and Discount Prices" defined by 35 students and 9 store managers.

Terms defined	Number of comments		
	All	Students	Store managers
Special	<u>38</u>	<u>24</u>	<u>14</u>
is reduced in price.	<u>19</u>	<u>11</u>	<u>8</u>
has a time limit.	3	0	3
can be the result of a price war.	1	0	1
is the regular price used as the ad price.	1	0	1
is a lure.	1	0	1
has no meaning.	5	5	0
is every ad item.	8	8	0
Sale price	<u>61</u>	<u>52</u>	<u>9</u>
is a misnomer; it's a regular price.	<u>1</u>	<u>0</u>	<u>1</u>
has a time limit, usually a few days.	11	10	1
is a price reduction.	31	27	4
is a price in the ad.	5	4	1
is an implied lower price.	4	4	0
is the price on a special.	6	5	1
is a lure.	2	2	0
has no meaning.	1	0	1
Regular price	<u>69</u>	<u>55</u>	<u>14</u>
has no time limit, the everyday price.	<u>23</u>	<u>18</u>	<u>5</u>
is the price when no sale is on.	11	10	1
is the suggested retail price.	4	3	1
doesn't vary, is consistent.	8	6	2
includes cost plus mark-up.	3	2	1
is the usual price.	13	13	0
may be the ad price.	4	2	2
is the competitor's price.	3	1	2
Discount price	<u>14</u>	<u>NA</u>	<u>14</u>
is a subtraction from an inflated price.	<u>1</u>	<u>NA</u>	<u>1</u>
has to be made up for in profits.	2	NA	2
sells below the normal retail price.	1	NA	1
is something taken off, a reduction.	2	NA	2
is not always true.	1	NA	1
is an everyday low price.	3	NA	3
is on sale for cost.	1	NA	1
is for sale at below cost.	1	NA	1
is a symbol.	1	NA	1
is non-existent.	1	NA	1

Store managers were asked what all four terms meant to them. Their responses are also given in Table 8. Since comments were not required of every student or manager, and some respondents made several comments, the number of comments given does not equal the number of respondents.

The majority of comments made by students and managers defined special as "reduced in price." Only students said that every item in the advertisement was a "special." Most students and managers said that "sale price" was a price reduction. Students and store managers most often recognized regular price to be "the everyday price with no time limit." Only two students recognized that the regular price may be the price advertised on a featured item. In the case of the so-called discount stores, their discounted prices were called regular prices. These comments are summarized in Table 8.

Discount pricing, a widely used promotional merchandising tool during this study, was used by all of the stores surveyed except D&O and Doebele's. Nine store managers gave ten slightly different views on discounting. The managers of two national chains, the regional chain and one Dutch Maid store agreed that discount price is an "everyday low price." Another Dutch Maid manager said, "Discount? There's no such thing. It's a term like everyday low prices."

Dillon's "shelf discounts" approximately two thousand items. According to the Dillon's manager, Mr. Al Werth, this meant, "The first digit of a pre-priced item is subtracted from the price to give the discount price. For example, if an item came into the store pre-priced at 39¢, the store would sell it for 36¢."

According to Richard Hoyt, "Two years ago Safeway went discount. Now it's part of the name, more of a symbol. We are carrying part of the same

prices as two years ago." Mr. Dale Steiner gave a similar response when asked about Kroger's discounting.

The A&P "has actually reduced prices in their discount stores and makes up for it in volume." This store manager added that discounters "can sell more food at lower prices while selling more non-food items."

The D&O and Doebele's managers took stances similar to that of the A&P manager. Mr. Darrah of D&O said, "I never thought like that. A discount has to be made up. Every store has to operate on a profit. Discounting is used when prices are already inflated; when prices are right, it's not needed." Mr. Doebele explained discount prices in his own store as individual item reductions to cost.

Student benefits

Each student was asked to list the benefits he got from participating in this study. Thirty-three of the thirty-five participants responded with a total of seventy-three comments. The benefits students listed were grouped into three major categories: ads, store policies, and shopping skills, and are summarized in Table 9.

Approximately two-thirds of the students were impressed with the concept that all the items in every ad are not reduced in price. About half of the participants made some mention of evaluating ("checking out," "getting to know," "evaluating") how each store operates in terms of advertising and marketing practices and policies. In these two areas, references were made to the "supermarket racket," to "ads that are deceptive," and to "the gimmicks." Other students mentioned looking at several brands, reading the labels and trying to compare quality and cost. A few students said that they would check the price labeling in the store and would "be careful to get the right price at checkout."

Table 9. Benefits of survey as listed by students.

Students	
<hr/>	
26	commented on ads
20	realized that "all ad items are not price reductions"
5	realized that "consumers assume ad items to be specials"
1	said that "ads do not say 'sale'"
22	commented on store policies
15	"evaluated advertising and marketing practices and policies"
4	"became aware" of store's pricing policy
3	noted the friendliness of personnel
26	commented on shopping skills
8	"learned to comparison shop"
7	"learned to check price labeling"
4	noted item availability
4	"noticed large number of items and the many consumer decisions made in shopping"
3	"learned when to shop"

Students considered the survey technique useful to them in their futures. One student said, "I can do little surveys of my own." In light of the comments made, the students' awareness of the supermarketing practices will help them to be more alert consumers and so more useful citizens than had they never participated, or never identified any of the practices in the market.

CONCLUSIONS AND RECOMMENDATIONS

Several generalizations can be derived from the data pertinent to the survey period.

1. In the supermarkets surveyed, 95% of the advertised items were readily available.
2. Few of the items (7%) offered in weekly advertisements were restricted. Coupons and minimum quantities were the most popularly used restrictions.
3. An average 60% of the items were labeled with only the advertised price on the packages. Approximately one-half of the remaining items had shelf price labels, while the rest had several prices on each package or had "other" forms of price labeling.
4. About 40% of the advertised items were specials. Approximately one-half of the items were not specials, but remained at advertised or lower prices throughout the follow-up periods. The rest of the items were unavailable for the follow-ups.
5. About one-fifth of the items had advertised regular prices. Two-thirds of the items with quoted regular prices returned to those prices after the sale period. This implies that one-third of the items with advertised regular prices, (5% of all items) were quoted fictitious regular prices.

6. The assignment was useful to students. In written evaluations, they discussed shopping skills that would be practical for them in the future since they had developed an awareness of supermarket policies.

7. Store managers interpreted their weekly advertisements as part of their store's practices and as expressive of store policies. Managers interpreted words used in advertisements during the study in relation to their individual store's policies. Store managers and students tended to agree that specials were price reduced and were marked with sale prices. Regular price was considered to be the everyday price. Discount price was a popular promotional device which varied from store to store.

Recommendations

Teachers could use the survey technique as presented here to introduce experienced and inexperienced shoppers to the policies and practices of the intricate market place. The summary and instruction sheets should be combined to state behavioral objectives with each subsection so that the participant would know what action he is to perform and what is to be learned from the performance.

If greater reliability is desired, research interviewers could be hired and specially trained for such a survey; this eliminates the experience as a teaching-learning device. Periodically items could be purchased to validate the accuracy of checkout procedures.

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SUPERMARKET SPECIALS IN MANHATTAN, KANSAS

by

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AN ABSTRACT OF A MASTER'S THESIS

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Food stores use weekly newspaper advertisements competitively to attract the consumer. Newspaper ads portray the store's image of prices, services and merchandise for the consumer as she plans her food purchases.

The objective of this study was to evaluate, from the consumer's vantage point, the advertised weekly supermarket specials. In 1969 and 1970, fifty students surveyed nine major Manhattan, Kansas, food stores. Using a weekly newspaper ad from a self selected store, the student noted on the ad the availability, restrictions, price labeling and price of each advertised item. Two and four weeks later, students noted availability and price of each item. All data were posted to summary sheets which were analyzed by store affiliation and time of survey. After the 1970 survey, store managers and students were asked to clarify terms.

Results varied by store affiliation, AG, IGA, national or regional chain, and by time of survey, 1969, 1970 or Weeks I and II of 1970. Almost all items (95%) were readily available during the sale. Restrictions were used on less than 10% of all items. In 1970, the chains had the least items restricted. Price labeling practices varied by store. Store managers explained these variations in relation to other store policies, such as number of items advertised. Overall two-thirds of the items were price labeled with only the sale price, with the majority of remaining items price labeled on the shelves. About 40% of all ad items were price reduced specials. One-half of the AG stores' and IGA store's items were specials, while about one-third of the regional chain's items and one-fourth of the national chains' items were specials. Regular price was not advertised for four-fifths of all items. Most items with advertised regular prices did return to those prices after the sale; one-third did not. Students and

store managers agreed that regular prices were "every day" prices including discount prices, a popular promotion during the study.

Students were impressed with the food markets ads, particularly, that all items in every ad were not specials. Students also found the survey technique useful to them in comparison shopping.

The consumer would have benefited from shopping the ads whenever she could identify an item as a price reduced special, and was careful that the advertised price was in fact the one charged at checkout.