

Are you a Savvy Shopper?

by, Deborah R. Camacho, MS

1. **You always save money when you purchase large economy-sized products instead of smaller packaged products.**
 - a. **False** – Sometimes the bigger costs allow the manufacturer to slide hidden fee hikes into the price on a per unit basis. Sometimes as much as 50%. Items to watch closely are canned items and paper products such as toilet tissue.

2. **The layouts of grocery stores are designed to enable customers to find their way around easily and find what they need quickly.**
 - a. **False**- Many grocery stores are purposely laid out to encourage customers to wander through the aisles. That is why many times the items most often purchased are placed the furthest away from the door. Imagine if milk was right next to the “less than 10 items” checkout aisle. Wow! We might miss grabbing the chocolate pudding we really don’t need or the bag of chips that jumped in the cart on the way back to grab a gallon of milk.

3. **Prices on products at grocery stores are based on a cost calculation which creates a consistent mark-up on over 75% of the products available. This markup will fluctuate during promotional times like holidays.**
 - a. **False**- Most stores fluctuate marking up prices anywhere from 5 – 20 percent although giving the illusion that many more items are falling in the 5 percent range. Best tip, savvy shoppers always carry a calculator!

4. **Store brands are often made and packaged by national brand manufacturers.**
 - a. **True** – Several store brands are made by companies that make the same more expensive brand with eye appealing packaging. Often times what is inside the packaging is virtually identical. More appealing packaging and advertising costs will ultimately be reflected back into the price.

5. **Grocery stores can offer convenience type-food items at a lesser cost than drugstores due to the volume they purchase.**
 - a. **False** – Over the past a popular trend in the supermarkets is the added areas of the stores designed as a convenience to the shopper. Grocery stores are now competing with other larger retailers such as Wal-Mart, Target, Costco, and Sam’s Club etc. Convenience is a driving force behind this making it an easy opportunity for profit.



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- 6. Food companies negotiate to have their products placed at the most appealing height and location in a grocery store. Placing products at eye level is considered most desirable and companies will pay large stocking fees in order to win that spot on the shelf.**
 - a. **True-** Products placed at eye level are more likely to be purchased because if we can see something straight on the temptation to reach for it is more likely to takeover. Smart product placement is not just to tempt adults. Bend down and look at the products placed at your child's eye level!

- 7. It is a misconception that impulse items placed near the checkout counters are purposely marked up to maximize profit.**
 - a. **False-** Generally these items cost the same no matter where you shop. Most items are inexpensive so that the buying them is easily justified. What most people don't know is that this area of the store sells almost three times as much per square foot as any other area in the store. There are huge markups on these items – so discount stores or dollar stores are great places to save some money.

- 8. Scanners often display the incorrect price for the items that are on sale.**
 - a. **True-** Scanners are only as perfect as the person who inputs the information into them. With so many sales it can easily be entered incorrectly so pay close attention while at the checkout counter.

- 9. The amount of discounts on food coupons has dropped over the years.**
 - a. **True-** Food companies are tightening the face value of coupons. Expiration periods are getting shorter. Over the last several years redemption rates have been on a steady incline as compared to years past, probably due in part to the failing economy. Coupons are used by manufacturers to get us to try mostly new or expensive products. With the use of the internet, couponing has become easier than ever before.

- 10. Food manufacturers often decrease the size of products rather than raise the price.**
 - a. **True-** A trend in cutting back on the amount of food in a package has become a commonplace. Manufacturers generally leave everything the same (product placements, packaging, price etc. - but the weight. A keen eye will catch it but most often the change is discreet enough most consumers won't even notice the difference. Shop around – not every manufacturer practices this technique.

Source: <http://couponing.about.com/cs/aboutcouponing/a/groceryquiz.htm>