

The Consumer Corner by Mary Bach

Market Basket Ads – Some Simple Truths

If you watch TV or read the newspapers, I'm sure you've noticed the shopping cart comparison ads by Walmart. Shoppers are challenged to buy the items on their grocery list at Walmart and at Giant Eagle (or another competitor) and the total cost is less at Walmart...Always!

Now I admit, I'm naturally a bit skeptical. I tend to downplay claims made by any retailer portraying a store as having the best values, customer service, or whatever. I prefer to determine those things for myself. My standards may be different from someone else's, but lower prices are very easy to judge objectively.

No store has the lowest price on everything all the time, contrary to the perception the ads convey. Savvy shoppers know that prices vary considerably from week to week on most products. Smart consumers, who comparison shop, know of price fluctuations and how to take advantage of super buys, favorable coupon redemptions, weekly specials, and gas discount bonuses.

Market basket comparison ads are always contrived, not random, to demonstrate advantageous price differences unique to the advertiser. I would put no more faith in them than I would in a used car salesman claiming that his 10 year old 120,000 mile used car was driven only by a little old lady teacher to and from work. Large chains can easily put together the best market basket scenario for themselves by using their data base on competitor prices. Given a couple of hours, I could put together a market basket survey that would enable me to show any of the grocery chains as the "low price" leader for a judiciously selected group of products. It would be particularly easy and dramatic when easily available coupons that can be doubled are usable.

Over the years I have come across many shopping cart comparisons and I have actually even done a few myself for television "news" programs. Paramount is that the items chosen at each store

are identical in every way...the same exact products as to brand and size.

What is interesting about the current Walmart ads is that the fine print disclaimer in the newspaper states "Customers were compensated for their participation". How objective is that?

The items purposely selected by Walmart and listed in their ads are also not very representative of a shopper's typical market basket either. None of the receipts shown has included eggs, bread, any fresh fruits or vegetables, or meats. There is also no sugar, flour, or cooking oil. How realistic is a market basket without representing at least a few of those items?

Coupons, specifically double coupons, and store loyalty/advantage programs are also absent from Walmart's market basket formulas. They have no loyalty program and do not double coupons. Brands like Betty Crocker, Eggo, Tide, Pillsbury, and Bic and many others publish coupons extensively and save shoppers a substantial amount on their market baskets. Of note related to using coupons on taxable items at Walmart, I would like to point out that Walmart applies sales tax to the unadjusted gross price of the item before the coupon value is deducted. This permits them to legally over-collect sales tax because of a loophole in our state's Revenue code and will increase your bottom line market basket cost.

Gas perks available at Walmart's competitors stores offer 10 cent per gallon reductions on 30 gallon purchases for every \$50 spent. At \$3.50 per gallon that 10 cents equates to about a 3% discount on your groceries. It would be higher if gas prices come down substantially. Consumers also accrue "food perks" when they spend their "gas perks" at Giant Eagle "Getgo" stations. This would also reduce the percentage difference.

Remain skeptical and always...Shop Smart. It's what's in your shopping cart market basket that really counts.

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