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## **REPORT / EXPANDED PRESS RELEASE**

### **2014 AISLE SCANNER, PRICE GUARANTEE AND ITEM-PRICING SURVEY JUNE 2014**

#### **SUPERMARKETS, RETAILERS FOUND SKIRTING NEW PRICING AND SCANNER LAW**

A survey released on June 25, 2014 by [Consumer World](http://www.consumerworld.org) reveals that while retailers have widely opted to remove price stickers from individual grocery items pursuant to a 2012 revision of the state item-pricing law, many are shortchanging shoppers by substituting aisle scanners that don't always work, skirting other rules, and in some cases, shortchanging state coffers as well.



"In return for no longer having to item-price groceries, retailers are now required to provide a host of new consumer protections for shoppers," explained Consumer World founder Edgar Dworsky. "Stores lobbied hard and got what they wanted – no more price stickers – and they quickly removed them. But they are not living up to the other end of the bargain to the detriment of shoppers, and that is patently unfair."

Despite opposition from consumer groups and surveys showing strong shopper support for continuing item-pricing, the new law passed and went into effect on January 1, 2013.

The revised item-pricing law allows retailers to opt out of the individual price marking of groceries if they install price check scanners in store aisles (one every 5,000 square feet) so shoppers can verify prices, test them daily, post signs identifying the location of the scanners (at and above eye-level) and where to report broken ones, and offer a price accuracy guarantee to customers posted at each checkout. This guarantee gives shoppers one item free (up to \$10) if a product scans at a higher price than represented. Stores also are required to pay the state Division of Standards a "waiver" fee of up to \$1,000 annually per location based on the size of the store before they can remove price stickers.

#### **METHODOLOGY**

To judge how well the new law is working, Consumer World went undercover and checked 140 aisle scanners and the required signage at nearly three dozen Massachusetts supermarkets and other retailers with grocery sections between June 1 and 5.

Up to two locations of each of these chains was surveyed: Stop & Shop, Shaw's, Market Basket, Whole Foods, Roche Bros., Hannaford, Wegmans, Price Rite, Aldi, Save-A-Lot, Trader Joe's,

Walmart, Kmart, Ocean State Job Lot, Walgreens, CVS, Rite Aid, Target, BJ's Wholesale Club, and Costco.

In stores where aisle scanners were installed, the survey tested the operation of each scanner in the store except for department stores, and whether all the required signage was present. For scanners equipped with printers, a check was made to see if the printer worked and had a means to adhere the printed price to items. In stores where groceries were still required to be item-priced, the survey focused on the presence or absence of price stickers. Compliance with state rules governing proper price disclosure on store shelves was outside the scope of this survey, as was testing the accuracy of aisle and checkout scanners.

## **OVERALL RESULTS**

Nearly half of all the scanners failed to scan, print price tags, or have all required signage, etc., and over 85% of stores had some or all price accuracy guarantee signs that were obscured, missing, or not "clearly and conspicuously" displayed. And in some cases, big name chains were found to have largely eliminated item-pricing without first obtaining permission to do so, without paying the state the required "waiver" fee, and without providing all the new consumer protections to shoppers.

## **WAIVER STORE SCANNER RESULTS**

A grocery store is only required to have one or two "printing scanners" per store, while the rest of the scanners need only display prices on a screen when an item is scanned. This is a significantly lighter burden than other retailers face because under separate rules of the attorney general, all of their aisle scanners are required to print. Among grocery sellers that purchased "waivers" from the state ("waiver stores"), half the scanners capable of printing price stickers for shoppers to affix to goods failed to print.

Waiver stores where more than half of all their scanning stations did not pass all elements of the full test -- printing if so equipped, scanning, proper signage, etc. -- included Save-A-Lot in Chelsea (3 failed out of 3 tested), Trader Joe's (4/5), Kmart (3/5), Wegmans (5/9), Whole Foods (5/9), and Stop & Shop (6/11).

Contrary to the law, not one of the malfunctioning scanners found in the survey had an "out of order" sign on it, suggesting that stores are not actually testing these machines daily as required.

A few stores placed some aisle scanners in hard-to-find locations such as near rear exits (Price Rite) or in the middle of a product display (Whole Foods). In other stores, some scanners were hard to find or obstructed by large products (Price Rite, Wegmans) or tucked behind a pharmacy privacy screen (CVS). Market Basket provided huge, multi-sided rotating signs over head to help shoppers locate scanners easily. In contrast, Whole Foods used small, sometimes oddly placed signs that made finding their scanners more difficult.

Hannaford in Saugus was the only store to have both fully functional and properly labeled aisle scanners. Market Basket's non-printing scanners all passed the test too, but half of their printing scanners did not print.

## **WAIVER STORE PRICE GUARANTEE RESULTS**

Waiver stores had an even worse record when it came to displaying the required price accuracy guarantee at each cash register. Almost two-thirds of chains failed to have them at every register, and an equal number of stores posted notices subjectively judged not to be “clear and conspicuous” as required.

One chain placed the price guarantee signs seven feet off the ground and another had them below waist level. One store had them obstructed by notebooks at every register, another hidden behind shopping bags, and a third store tucked them between the cash register and other merchandise. Many stores used tiny type (the signs at one Stop & Shop were a mere 3.5” by 3.5”), or used a dense block of unformatted text or additional non-required verbiage that precluded easy and fast reading. (See photographs.) Worse yet, Trader Joe’s in Cambridge and Hannaford in Saugus had no price guarantee signs at all at any of their staffed cash registers.

Roche Brothers, Wegmans, and Aldi, on the other hand, posted clear, prominent signs placed so that no customer could miss them.

## **NON-WAIVER STORES/WAREHOUSE CLUBS -- SCANNER RESULTS**

Consumer World also checked scanners at two locations of Target, Walgreens, CVS, Rite Aid, Costco, and BJ’s Wholesale Club -- stores that have not obtained waivers, but which are required to have printing aisle scanners for non-groceries under a separate attorney general’s regulation since those stores don’t item-price those goods.

Over 75% of the scanner stations failed in these “non-waiver” stores. To pass, they must be able to print, scan, have proper signage, and have a means to attach the price tags to products, such as with self-adhesive or tape. With respect to the printing function alone, 45% failed to print.

Every scanner station in or near the grocery section at Target failed in one respect or another, as did all the scanners at CVS and Rite Aid. Only one of Walgreens’ scanners passed. While five of 12 scanners at Costco passed, it appears with only six scanners per store, that they may not have installed a sufficient number of them to meet the AG’s requirement of one for every 5,000 square feet of space.

Worse, BJ’s Wholesale Club had neither prices on items nor any scanners in the aisles at their Revere and Malden locations. While BJ’s successfully lobbied to exclude warehouse clubs from the new state item-pricing law for groceries, they appear to be defying the attorney general’s item-pricing requirements at least with respect to all the non-grocery items they carry.

## **NON-WAIVER STORES/WAREHOUSE CLUBS -- ITEM-PRICING RESULTS**

Since Target, Walgreens, Rite Aid, and CVS must still item-price groceries because they have not obtained waivers, Consumer World tested their compliance with that aspect of the law. Ten product displays were checked at two locations of each chain to determine if each package was properly price stickered. In all, just over 1,000 packages were examined.

At Walgreens, none of the over 200 grocery packages checked had an individual price on them. It appears that Walgreens has made a decision to remove prices from groceries, but has not received permission to do so from the state, nor has it paid the appropriate fee to obtain that waiver. It is also shortchanging consumers by failing to adopt a price guarantee, place signs on scanners to alert consumers how to complain about brokers machines, and is not providing other consumer protections built into the new law.

Target and CVS had large numbers of unmarked items, no posted price guarantee, and have not paid the state and received permission to remove price stickers. Specifically, nearly 400 packages were checked at Target, and between 72% (in Everett) and 88% (in Watertown) of them were missing price stickers. Roughly 50 - 60% of the packages checked at CVS were unmarked. But, at Rite Aid, nearly half the displays checked were fully item-priced, suggesting that the chain was making a serious attempt to comply with the law.

*[Note: Since state law allows stores to exempt some items of their own choosing from price stickering, some items found unmarked may have been legitimately unmarked. They are no longer required to indicate which ones are exempted on shelf tags, so Consumer World could not identify them.]*

## **REVENUE GENERATED FROM WAIVERS**

According to the Division of Standards, as of May 15, 2014, 630 individual stores have paid the required fee based on the self-reported square footage of their stores and have been granted waivers from the item-pricing requirement. The state took in a total of \$414,600 in waiver fees during the first full year of the program. All current waivers expire on June 30.

A few stores may have underreported their square footage, perhaps unintentionally, and thus in some circumstances may have paid a lower fee and/or were able to reduce the number of scanners they had to install.

Fines for violations of the law range from \$100 to \$300 each.

## **RECOMMENDATIONS**

In light of the widespread problems uncovered in the survey, Consumer World recommends that the state not renew any store's waiver until it has been inspected and determined to be in full compliance with the law. With respect to the stores that have removed price stickers either without permission of the Division of Standards, or that have stopped item-pricing and are not providing any or enough scanners for customers, Consumer World recommends that they be referred to the attorney general for further investigation.

It is also suggested that stores be required to only use the state's model price accuracy guarantee disclosure sign.

Consumer World recommends that shoppers report any non-functioning scanners to store management and the state Division of Standards.

## Appendix

<b>Survey Method Statistics by the Numbers</b>	
20	Retail Chains (14 “waiver” chains, 6 “non-waiver”/warehouse chains)
34	Store Locations (22 “waiver” stores, 12 “non-waiver” stores )
140	Total Scanners Checked
109	Total Scanners Checked in “Waiver” Stores
39**	Printing Scanners Checked in “Waiver” Stores
70	“No-Print” Scanners Checked in “Waiver” Stores
31	Printing Scanners Checked in “Non-Waiver” Stores
1,051	Grocery packages checked at “Non-Waiver” Stores

\*\* includes four printing scanners shown in “no print” column

<b>Survey Results by the Numbers</b>	
	<i>SCANNERS</i>
46% (65/140)	Total scanner stations failed in all stores combined
64% (25/39*)	Printing scanner stations failed in waiver stores
24% (17/70)	Non-printing scanner stations failed in waiver stores
39% (42/109)	Total scanner stations failed in waiver stores
50% (19/38)	Printing scanners failed to print in waiver stores
77% (24/31)	Printing scanner stations failed in non-waiver stores
42% (13/31)	Printing scanners failed to print in non-waiver stores
32	Scanner mechanical failures (did not print or scan or both)
	<i>PRICE GUARANTEE DISCLOSURE</i>
64% (9/14)	Chains failed to display notices at ALL registers
64% (14/22)	Stores where signs judged not “clear & conspicuous”
	<i>PRICE STICKERS ON GROCERIES</i>
39% - 100%	Missing

\* includes one missing printing scanner

Model Price Accuracy Guarantee Sign



COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF CONSUMER AFFAIRS AND  
BUSINESS REGULATION  
DIVISION OF STANDARDS

**IMPORTANT CONSUMER PRICING  
NOTICE**

**PRICE ACCURACY  
GUARANTEE**

As required in 202 CMR 7.07 if there is a discrepancy between the advertised price, sticker price, scanner price, display price and checkout price on any grocery item the consumer pays the ***lowest price***. In the case of food stores or food departments, if the checkout price or scanner price is not the lowest price or does not reflect a qualifying discount: the consumer:

- a.) Shall not be charged for ***one unit*** of the grocery item, ***if the price is \$10 or less;***
- b.) ***if the lowest price is more than \$10 the consumer*** shall be charged the ***lowest price less \$10*** for one unit of the grocery item,
- c.) and shall be charged the lowest price for any additional units of the same grocery item purchased.

# Consumer World Scanner & Price Guarantee Test -- June 1 - 5, 2014

**Waiver Stores:** Stores Granted Permission to Remove Price Stickers After Paying a Fee to the State

Chain	Location	Printing Scanner #1			Printing Scanner #2			No-Print Scanners		Price Guarantee	
		Scans	Prints	Signs, etc	Scans	Prints	Signs, etc	Pass	Fail	at each register	Clear & Conspicuous
											***
Stop&Shop	Medford Rt.2	pass	fail	pass	pass	pass	pass	1	2	all	fail
	Somerville	pass	pass	pass	pass	fail	pass	2	2	all	fail
Comments: Price guarantee signs tiny (Somerville), very small type, hard to read, fewer scanners because of "hand held" exemption.											
Shaw's	Somerville	pass	fail	pass	pass	fail	pass	9	0	1 missing	fail
	Fenway	pass	pass	pass	pass	pass	pass	1	2****	all	fail
Comments: Good overhead price scanner signs. Price guarantee signs placed waist-high. One scanner short at Fenway store.											
Market Basket	Chelsea	pass	fail	pass	pass	fail	pass	14	0	all	fail
	Somerville	pass	pass	pass	pass	pass	pass	5	0	all	fail
Comments: Best overhead signage for scanners. Difficult to read, obstructed, untitled price guarantee. Store size question in Chelsea.											
Whole Foods	River St. Cam	pass	pass	fail	pass	pass	pass	2	0	4 missing	fail
	Charlestown	fail	fail	fail	pass	pass	fail	1	2	4 missing	fail
Comments: Scanners hard to find. Price guarantees missing or obstructed at most registers. Store size question in Camb. addressed.											
Roche Bros.	Burlington	pass	pass	fail	pass	fail	fail	2	2	1 missing	pass
Comments: Very prominent price guarantee. No way to adhere printed prices to items.											
Hannaford	Saugus	pass	pass	pass	pass	pass	pass	3	0	6 missing	pass*****
Comments: Compliant scanners but screen font is tiny, hard to read. No price guarantee signs at staffed cash registers.											
Wegmans	Chestnut Hill	fail	fail	pass	pass	pass	fail	4	3	all	pass
Comments: 2 scanners obstructed. Scanner at customer service times out. Great price guarantee signs. Store size question.											
Price Rite	Revere	fail	fail	pass	pass	fail	fail	6	0	6 missing	pass
Comments: Neither scanner could print. Some scanners at back doors or obstructed. Good price guarantee signs but 6 missing.											
Aldi	Medford	pass	fail	pass				1	0	all	pass
Comments: Price signs not near goods in middle aisle. Printer not at front of store, did not work. Great price guarantee signs.											
Save-A-Lot	Chelsea	fail	fail	fail				0	2	1 missing	fail
Comments: Price guarantee signs obstructed or missing. Printing scanner times-out.											
Trader Joe's	Burlington	fail	fail	fail				1		all	pass
	Mem. Drive	fail	fail	fail					2	none	fail
Comments: Cambridge store had no price guarantees at any register. Not one scanner completely compliant in Cambridge.											
Walmart	Danvers	pass	fail	pass	pass	pass	pass		1****	7 missing	fail
	N. Reading	pass	pass	pass	pass	pass	pass	1		4 missing	fail
Comments: Price guarantee signs above eye level, in small type, and angled to make reading difficult.											
Kmart	Saugus*	pass	fail	pass				0	1	all	fail
	Somerville	pass	pass	fail	pass	pass	pass	1	0	all	fail
Comments: Price guarantee signs about seven feet from ground, likely to be missed. Scanners hard to find in Somerville.											
Ocean State Job Lot	Medford*									1 missing	pass
	Saugus*							1	0	all	pass
Comments: Uses photocopied copies of recommended price guarantee signs.											

See notes on next page.

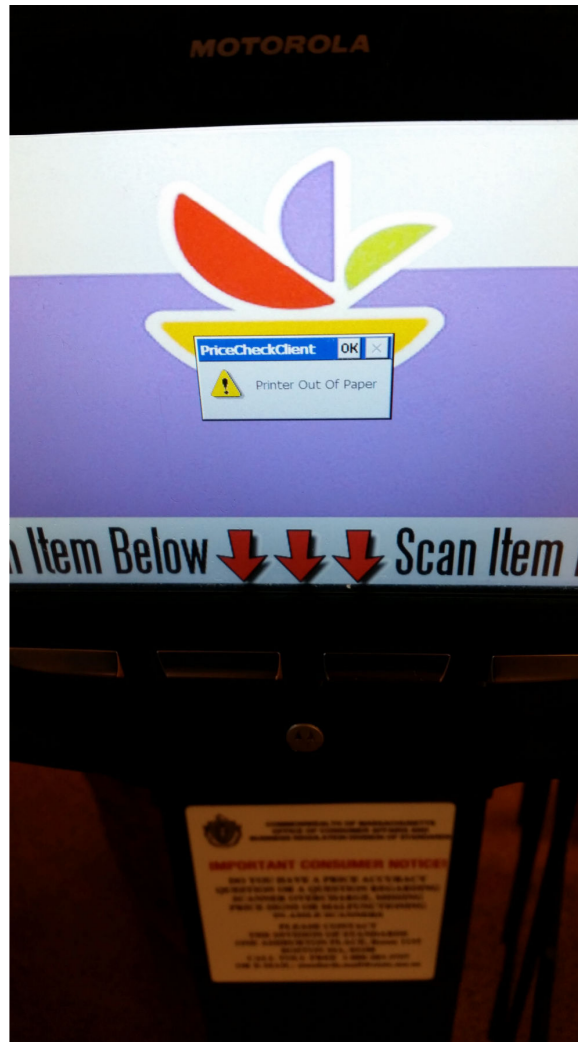
<b>Non-Waiver Stores: Stores Not Granted Permission/Not Applied to State to Remove Grocery Stickers</b>												
Chain	Location	Printing Scanner #1			Printing Scanner #2			Add'l Scanners		Stickering of Goods		
		Scans	Prints	Signs, etc	Scans	Prints	Signs, etc	Pass	Fail	Correct Displays	Grocery Packages	
										out of 10	%	Missing Stickers**
											#	
Walgreens	Medford	pass	fail	pass	fail	fail	pass	0	1	0	100%	121/121
	Saugus	pass	pass	pass	pass	pass	fail			0	100%	99/99
Comments: Stores do not item price groceries and have not paid the fee/received state permission for that privilege.												
CVS	Medford	pass	pass	fail	pass	pass	fail			1	64%	68/106
	Charlestown	pass	pass	fail	pass	pass	fail			3	49%	55/112
Comments: Stores haphazardly item price. Has not paid the state fee/received permission to be exempt from item pricing. No adhesive tape.												
Rite Aid	Twin Cities	pass	fail	fail						4	43%	47/109
	River Street	fail	fail	fail						5	39%	47/119
Comments: "Best" store for item pricing. Obvious effort to item price, but many items unmarked. One scanner completely dead, poor signage.												
Target	Everett	pass	fail	fail	pass	fail	fail	0	3	0	72%	145/201
	Watertown	pass	pass	fail	pass	fail	fail	0	1	0	88%	161/184
Comments: Haphazard item pricing. Most items not priced. No tape in machines. Some signs missing. Has not received state waiver/paid fee.												
<b>Warehouse Clubs (not covered by food store law, but AG's pricing regulation applies)</b>												
BJ's	Malden	No Scanners			No Scanners					No price stickers		
Wholesale	Revere	No Scanners			No Scanners					No price stickers		
Comments: Despite being required to price sticker items under the AG's regulation or have aisle scanners, stores have neither.												
Costco	Everett	pass	fail	pass	pass	pass	pass	3	1	No price stickers		
	Danvers	pass	pass	pass	pass	fail	pass	1	3	No price stickers		
Comments: Stores only have six scanners which may be too few to waive item pricing under the AG's regulation. Some don't print.												
<b>NOTES:</b>												
<b>Results reflect conditions on the day of the survey at these stores and for items checked only. Others may vary.</b>												
Pass/Fail criteria used: did it scan, have all required signs; plus for printing scanners, did it print, have tape/adhesive to attach price tags.												
* Store not required to have a grocery department scanner because of its small size.												
** Based on a check of 10 displays of items. Other item displays may vary.												
*** Subjective judgment based on sign size, font size, design, location, placement, ease of finding/reading req. sign, including if obstructed.												
**** Includes one required scanner not found/missing from their food store or within the grocery department.												
***** Signs at self-service checkouts were present, and clear and conspicuous.												
"No-Print" and "Additional" scanners columns include printer scanners at all non-grocery stores except OSJL, and two at S&S.												

## Photographs

The photographs below capture individual price guarantee signs and aisle scanners found at the store locations indicated. They may or may not be representative of all such signs at the named location or at other locations of the retail chain.



## Scanner Error Messages

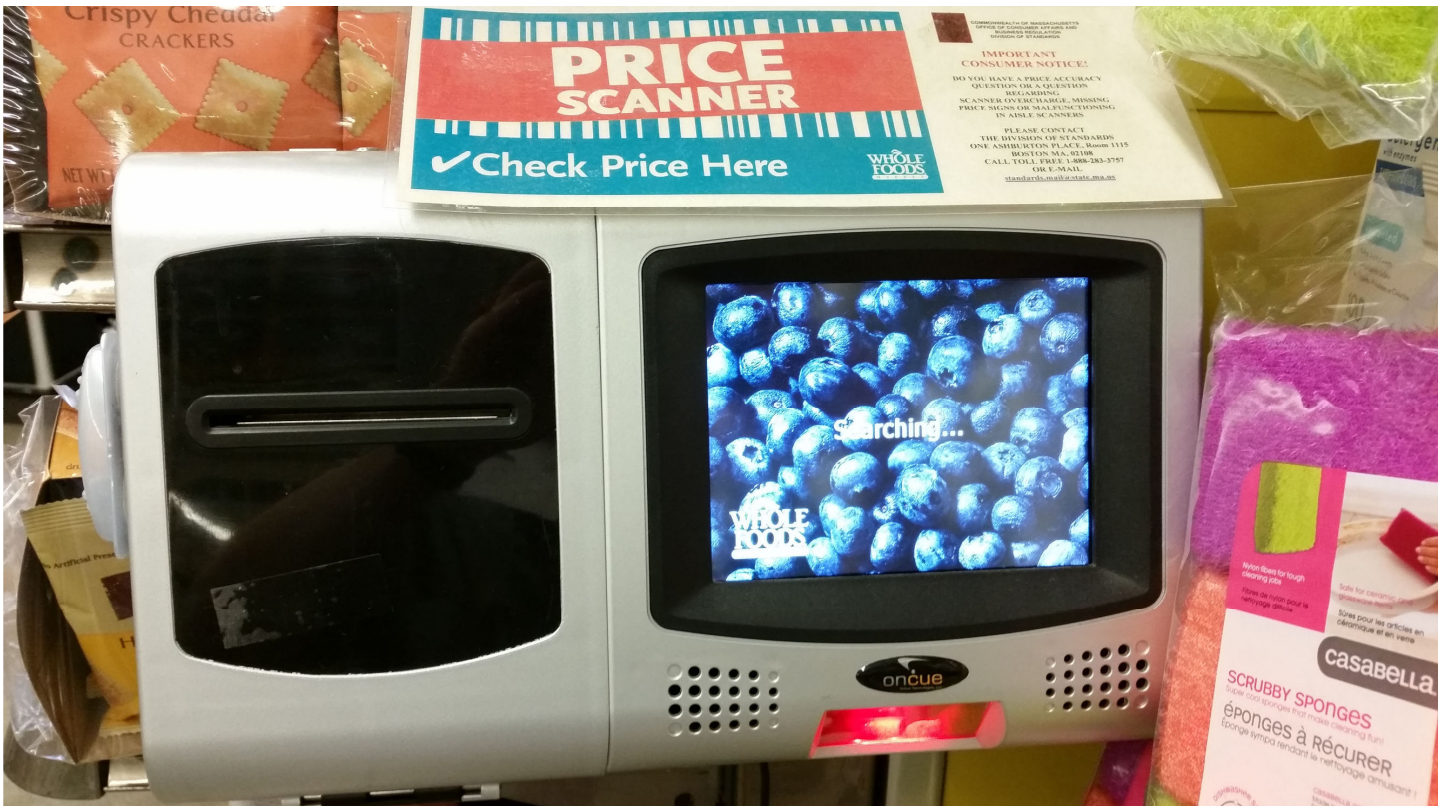


Stop & Shop, Medford, Wellington Circle



Wegmans, Chestnut Hill

## Scanner Error Messages, continued



Whole Foods, River Street, Cambridge



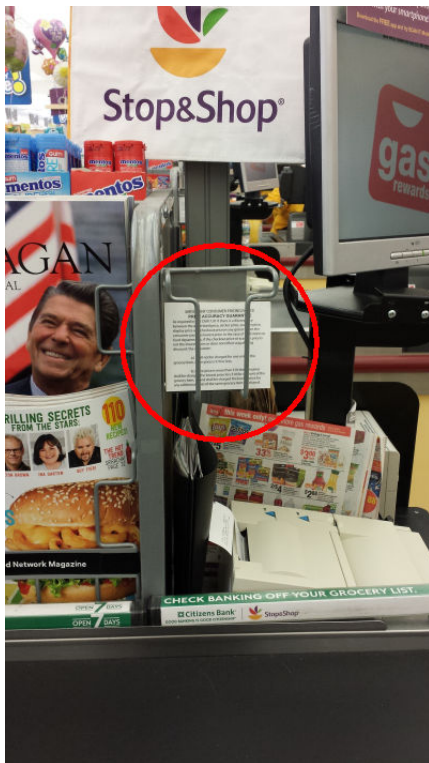
Save-A-Lot, Chelsea



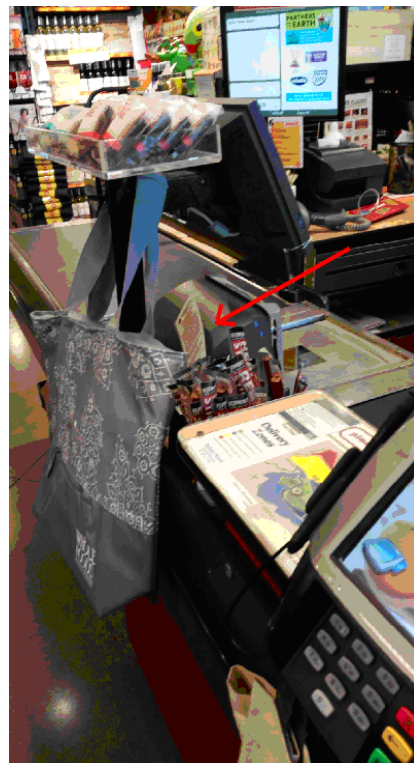
## Obstructed Price Accuracy Guarantee Signs



Stop & Shop, Somerville



Stop & Shop, Somerville  
Obstructed price guarantee signs  
are only 3.5" by 3.5"



Whole Foods, River St., Cambridge

## Obstructed Price Guarantees, continued



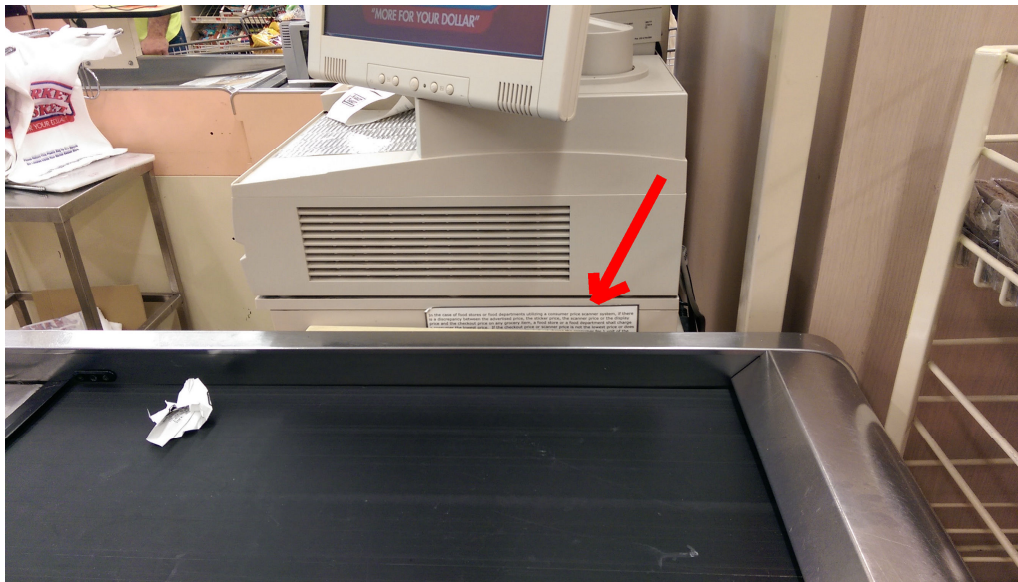
Whole Foods, Charlestown



Save-A-Lot, Chelsea



## Obstructed Price Guarantees, continued



Market Basket, Chelsea

Other signs at this location are in full view, but see note below.



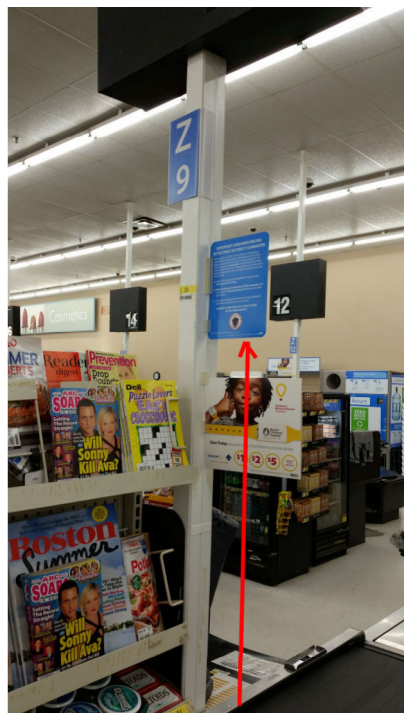
Market Basket, Somerville

Even if not obstructed, sign font is small, printed in an unformatted block of text with no title, with additional wording not used in model sign.

## Price Guarantees Placed Out of Easy View



Kmart, Saugus: Signs approx. 7 feet high



Walmart, N. Reading

Above eye-level signs, not directly facing customer, extra wording, small type

## Price Guarantees Placed Out of Easy View, continued



Shaw's, Fenway  
Signs below waist level,  
small type, extra wording

## Obstructed or Hard to Find Scanners



Whole Foods, River Street, Cambridge



Obstructed or Hard to Find Scanners, continued



Wegmans, Chestnut Hill



Price Rite, Revere