

Supermarkets

We expose the tricks of the trade that make you cram your trolley full, and help you sort the real deals from the not-so-special offers



Three for the price of two, buy one get one free and other such offers frequently tempt us to load up our trolleys until we can barely push them through the checkout. When we surveyed more than 1,000 adults for their views on supermarkets, 78 per cent told us they always look out for special offers because they think they're good value. But one insider, who previously worked as a senior executive of a supermarket chain, told us: 'Offers might not be that great – you're simply bringing focus on that product and trying to drive profit margins through increased volume of sales.'

If you've ever returned from a supermarket trip with an array of food or other items you had no intention of buying before you set out, you've probably fallen prey to the store's clever product placement and special offers. The quest to

Do the maths to see how much you're really saving before putting something on offer in your trolley

maximise sales from each customer has been turned into an art. If you choose your supermarket on the grounds that it saves you money, you need to be wary of just how much you're really spending.

As the graph on p11 shows, in real terms the price of food has gone down in the last 17 years. This is due to a variety of factors, including competition and intensive farming methods. Yet, in the same period, statistics show the amount we spend on food has gone up by around 25 per cent.

SPECIAL OFFERS

We went shopping in Asda, Morrisons, Sainsbury's and Tesco to see what bargains we could bag. We found plenty of 'buy one get one free' (Bogof) offers

that are usually very good value – Morrisons claims to have 150 different Bogofs every week. But among the real deals, some seeming bargains offered little or no savings (see 'Offers you can refuse', opposite). For example, while strolling through Asda's drink section we saw a 'three for £1.50' deal on two-litre bottles of soft drinks such as shandy, lemonade and dandelion and burdock. Although dandelion and burdock isn't a great favourite with staff at the Which? office, given that it was on offer, we decided to give it a try. Imagine our surprise at the checkout when we were charged just £1.32 for the three bottles. As it turned out, the non-sale price of the bottles was only 44p each.

It's unlikely that Asda deliberately set the offer price higher than the original price; it's more likely to have cut the price after the offer started. But it does illustrate that often, eye-catching offers aren't always very special at all. It's always best to check price tickets and do the maths to see how much you're really saving before putting something on offer in your trolley.

Packaged fruit and veg

Beware of great savings flagged up in the fresh fruit and veg aisles. Often the saving quoted – for example, £1 off or 50 per cent off – is per kilo rather than per pack. If you are buying something that doesn't weigh much, like mushrooms, the real savings are just a fraction of the advertised offer. (See 'How much?', opposite, for an example of

OUR RESEARCH

In June 2005 we conducted face-to-face interviews with 1,032 UK adults aged over 15 about their views on supermarkets.



In our survey, 78 per cent of shoppers said they look out for offers believing they're good value

this). You might think you'd be better off buying the loose fruit and veg. But you need to keep your eyes peeled as this isn't always the case. In Asda, the loose Granny Smiths were £1.07 a kg, while the same apples pre-packed in 1 kg bags were just 96p.

Bulk buying

Buying bigger jars or packets of products usually saves a few pence here and there. But when we went shopping, we found some surprising exceptions where smaller packs or jars were cheaper per weight than the larger ones (see 'Bulk losses', right, for some examples of this).

Tesco's External Communications Manager, John Church, admitted that Tesco simply makes mistakes sometimes: 'We have 50,000 products in store. We've cut the price of the smaller item, but obviously overlooked the larger item. It should always be better value to buy the larger item in Tesco.'

PRICE CUTS

Last September, the *Sunday Times* revealed that in a week in which Tesco had advertised 460 price cuts, it had also raised prices on 150 different products. In a similar vein, ITV's *Tonight* programme spotted Tesco more than double the price of a 24-pack of beer for a month. It then halved the new price and trumpeted a massive price saving.

Tesco's External Communications Manager, John Church, says these reports are misleading: 'The key thing is transparency - we don't pretend promotions go on forever or that prices don't ever go up - they do.' Our supermarket insider said: 'The rules force retailers to prove they've sold something at a certain price before advertising a price cut. Is it wrong? Most consumers understand the games retailers play.'

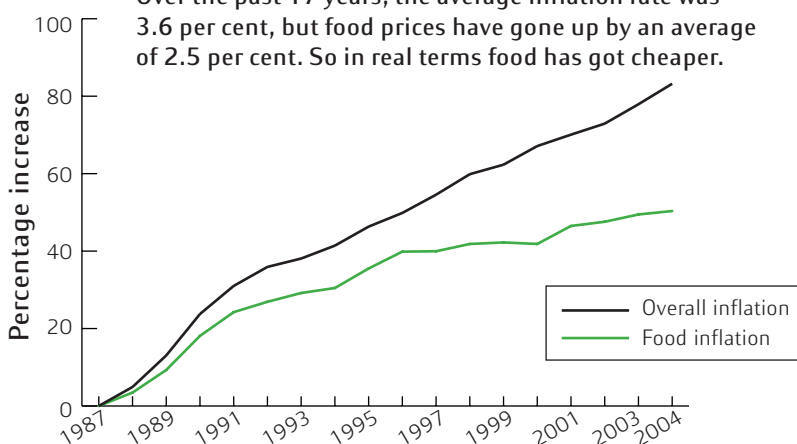
CHEAPEST RETAILERS

With slogans such as 'Every Little Helps', 'That's Asda Price' and 'Good Food Costs Less', the price competition between supermarkets is fierce.

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Food prices

Over the past 17 years, the average inflation rate was 3.6 per cent, but food prices have gone up by an average of 2.5 per cent. So in real terms food has got cheaper.



Source: Office of National Statistics; RPI annual average indices

Offers you can refuse

We went shopping in Asda, Morrisons, Sainsbury's and Tesco in April and May. These are just some of the dubious offers we saw.



BUY 3 AND SAVE A FEW PENNIES

● Clog up your cupboards with three 500g packets of Asda's pasta shapes and spend only 99p (33p a pack). The non-offer price was 34p a pack, so you save just 1p a packet.

● Buying '3 for 99p' (or 33p a bottle) seemed like a bargain on one-litre bottles of tonic and soda water in Sainsbury's. But the non-offer price was 35p a bottle. So the real saving was only 2p a bottle.

HOW MUCH?

● The Tesco sign shouted: 'SAVE £1 per kilo' on pre-packed broccoli. If you bought a kilo of broccoli, you would

indeed save £1, as the normal price of £3.99 a kilo was reduced to £2.99. But the weight of a typical pack of broccoli was only 177g, so the actual discount was only around 18p.

Canny shoppers could have made bigger savings by buying the loose broccoli, priced at just £1.58 a kilo.

● We've not worked out quite how, but Tesco claimed you could 'save 79p' by buying two 50g tubs of Pringles for 79p (or 39.5p each). Seeing as the non-offer price was 49p a tub, we reckon the saving was only 19p.



BULK LOSSES

● Why buy in bulk when a 200g jar of Tesco's classic coffee costs £2.20 (or £1.10 per 100g) and the 100g jar costs just 88p?

● Asda's teabags cost 98p for a box of 160 (amounting to 0.6p a bag). But for a box containing 480 bags, the price was £3.67 (or 0.8p a bag).

● A 3.3kg box of Persil's non-bio washing powder was £4.98 in Tesco (£1.51 per kg). But the larger 5.5kg box was £8.87 (or £1.61 per kg).



IN-STORE TRICKS

There's more to stacking shelves than meets the eye. Consumer behaviour expert, Jeff Bray, reveals how careful product placement persuades us to part with more and more of our money. Watch out for these tactics on your next shopping trip.

1 DECOMPRESSION ZONE

When you first enter a shop you carry on walking at pedestrian speed for at least three seconds. The supermarkets have cottoned on by leaving the entrance clear of stock to allow you to adjust. 'You wouldn't want to put any merchandise here as no one's really looking at it,' says Jeff. 'It's a dead zone.'

2 WARM AIR

Shoppers are greeted with a blast of warm air. This is psychologically welcoming and puts you in a relaxed state of mind – just the kind of mood the supermarket bosses would like you to be in so that you're more likely to browse.

3 OFFERS ON RIGHT

'Three quarters of customers look right on entering the store,' says Jeff. This gives retailers a great opportunity to hit you with offers, once you've finished decompressing. 'Invariably the best offers are on the right after the front door, not on the left,' says Jeff.

4 DWELL ZONE

Near the right-hand side by the front door, you might also find a dwell zone. Usually selling magazines or cigarettes, this area encourages you to browse for impulse buys before you set off on your proper shopping.

5 KIDS' STUFF

Products that appeal to kids are normally on low shelves. So while you're busy deciding which DVD to buy, your child is eyeing up the children's DVDs on the lower shelves and, without you noticing, slips *Finding Nemo* into the trolley.

6 FRUIT AND VEG

Ever been in a supermarket where the fruit and veg isn't at the front? It's not for your convenience, though, as fruit and vegetables get squashed at the bottom of the trolley. 'Having the fruit and veg at the front actually hinders your shopping,' says Jeff. 'Yet the psychological association with freshness and quality is so powerful that, overall, siting fruit and veg at the front has a positive effect on sales.'

7 PRICE POINTS

'You don't need several varieties of baked bean,' says Jeff. 'But there are usually about four different types, at four different price points.' This, he says, is to

encourage you to trade up to the slightly more expensive version: 'Each price step is designed to be managed by customers,' explains Jeff.



13 AT THE CHECKOUT

We all know that sweets are deliberately placed within grabbing reach of small children at the checkout. But all manner of things are displayed at checkouts these days. 'Retailers use wheeled

trolleys so they can change what's on offer, almost by the hour,' says Jeff. 'If the sun comes out, they can put out barbecues, and when it rains they wheel out umbrellas.'

12 SHELF POSITIONING

Where products are placed on the shelves makes a difference. 'We read shelves like a book, from left to right,' explains Jeff. 'You linger on the product on the right – which is normally the most expensive.' You might find it hard to spot the cheapest value lines: 'These are normally placed very high or very low on the shelves – they don't want the value products to be those you see most of,' says Jeff.

11 ALCOHOL SECTION

The booze section is almost always in the last aisle before the checkouts. 'Alcohol doesn't really suit the fresh, healthy image the supermarket portrays,' says Jeff. 'Once you've filled your trolley with nice healthy things, such as fruit and veg, you're then less guilty about buying stuff that has less obvious health benefits.'

10 ESSENTIALS

You always need bread and milk, so they're usually at the back of the supermarket. This is so you have to walk through the whole store to get them. 'If bread and milk were at the front of the store, everyone would just pop in to get them and then leave,' says Jeff.

ILLUSTRATION: RUSSELL BROCKLEHURST

8 THEMED AISLES

'It's barbecue time,' says the sign, and here's the charcoal, marinade, kebab skewers and beer – everything you need, all in one place. Were you planning a barbecue before you went shopping? Do you even have a garden?

9 GONDOLA ENDS

As you come to the end of each aisle you'll naturally slow your trolley to get round the crush at the corner. Your eye will probably fall on whatever's on the

shelf. Known as 'hot spots', these are the most profitable shelves in the store, so they're always full of offers, impulse buys, or themed foods.



The *Grocer* magazine runs a weekly feature, 'The Grocer 33', that compares the cost of a basket of 33 products across supermarkets. Although Asda tends to come out marginally cheapest, Tesco is normally just a few pence behind it. Incensed that it isn't the cheapest in the *Grocer*, Tesco has set up

'The rules force you to prove you've sold something at a certain price before advertising a price cut'

Ex-supermarket senior executive

TAKE ISSUE

Have you spotted any dubious offers recently?

Email your experiences and views on this or any other topic in *Which?* to us at letters@which.co.uk. We'll print some in the magazine and more online at www.which.co.uk/whicheextra

its own dedicated price-checking website (www.tesco.com/pricecheck). It checks more than 10,000 prices a week and claims that its price check proves Tesco is the cheapest supermarket.

With so much emphasis on supermarkets' prices, many of us assume that they're always cheaper than smaller, independent rivals. Indeed, two thirds of people in our survey agree that supermarkets always offer good value for money. But earlier this year, ITV's *Tonight* programme checked the prices of fresh meat, fruit and veg at local shops and markets, and then bought the same shopping list in Tesco. Two thirds of the items were cheaper on the high street than in Tesco, and one item (rhubarb) was less than half the price at a market stall.

Supermarkets do tend to be cheapest for products known in the trade as 'known value items' (KVIs). These are items like bananas, milk, bread or baked beans, which many of us buy every time we go shopping. This is because shoppers tend to be aware of the price of these items in various stores. Our insider says that, for KVIs, 'supermarkets strive to offer the lowest prices. But with more obscure lines, they make a better margin'. So products that we don't really know the price of, such as rhubarb, are likely to be more expensive in supermarkets than in smaller stores or markets.

'If you've got the time to shop around, you'll find bargains,' says our insider. 'But people are trading time for price [by shopping only in supermarkets]'.

DO YOU BUY MORE THAN YOU NEED?

Next time you shop, think about whether you'll actually eat the three products screaming out to be bought (because they're on offer for the price of two) before their use-by date. Have you got enough cupboard or fridge space for them anyway? Even if the bulk-buying offer is genuinely good, if you end up throwing one or two packs away you've still lost out. Recent research by Biffa, a waste-management company, showed that food accounts for a third of our household waste. Buying only what you will use is the best way to save money and to reduce waste.

IMPACT OF SUPERMARKETS' GROWTH

The supermarkets' phenomenal success at meeting customers' needs has resulted in huge sales growth. In the 1960s, supermarkets made up just 10 per cent of the grocery market; these days the big four account for more than 75 per cent of the market. Leading the way is Tesco, which, earlier this year, became the first UK retailer to post pre-tax profits of more than £2 billion, reportedly accounting for nearly £1 of every £3 spent on groceries.

Led by Asda, with Tesco on its heels, in the last few years supermarkets have expanded their ranges into non-food items. You can now pick up a pair of jeans, a DVD and a microwave

among other things in your local store. This expansion looks set to continue. For example, in 1997 supermarkets had 1.6 per cent of the electrical goods market, but it is predicted that by 2007 they will have a 7 per cent share. This continued growth has given rise to many concerns about supermarkets' power.

According to a growing band of critics, supermarkets are responsible for an array of social crimes, including killing off the high street and damage to the environment. We asked some of the major players for their views on these allegations.

Prosecution: death of the high street

According to the New Economics Foundation, an alternative

economics think tank, independent stores are closing at the rate of one a day. It blames large out-of-town stores for attracting business away from the high street.

Defence: customers prefer supermarkets

Dominic Birch, PR manager at Asda,

argues that Asda has nothing to be apologetic about if other retailers have gone to the wall. 'If you speak to someone in a town without an Asda, or without a Boots or a John Lewis, they're delighted when one opens up...If shoppers didn't like Asda they'd go elsewhere.'

Lucy Neville-Rolfe, Corporate Affairs Director at Tesco, says: 'The consumer benefits as supermarkets bring prices down and offer more fresh food. There's been a big improvement in the quality of convenience food stores, and the really good specialist shops

Consumers' dilemma



Taste test and price comparison of strawberries

If supermarket pricing isn't always what it seems, what about the quality of the food? Most of us (81 per cent) generally trust the quality of supermarket food and drink. This is especially true of fresh produce. Supermarkets have specifications for the size and colour of food that result in consistent-looking produce.

The suspicion is that these specifications put more emphasis on how the food looks and how long it will last than on what it tastes like. 'Much supermarket produce never tastes of anything because it's been harvested prematurely to stop it deteriorating during transportation and on the shelf,' claims food writer Joanna Blythman in her anti-supermarket book *Shopped*. And when we asked the public, just under half agreed that supermarket fruit and veg never tastes as good as it looks.

However, our snapshot taste test of strawberries showed that Tesco's strawberries were as tasty as those from a

farmer's market. We bought non-organic British strawberries from market leader Tesco, Islington Farmer's Market, and a market stall in Camden Town. We then ran a blind test, in total rating 234 strawberries for looks and taste. The result? There was no clear winner, with

all three of the strawberries being preferred by almost equal numbers.

There was however, a difference in price – the market stall strawberries were cheapest at 33p per 100g, Tesco's were 40p per 100g, while the farmer's market strawberries cost 60p per 100g.

How many strawberries you get for £1



The illustration assumes each strawberry weighs 20g

have been growing. Some shops do go out of business, and you'd expect that in a dynamic market, but this isn't just to do with losing customers – the costs of regulation and energy prices also have an impact which hits the smaller stores harder. Ultimately, competition is for the good of the consumer.'

Sainsbury's has been moving into the convenience-store sector, buying regional chains such as Jacksons and Bells. Its Head of Public Affairs, Erica Zimmer, told us: 'We've improved product availability and lowered prices in these stores. Our research shows that 97 per cent of ex-Bells customers say the quality of Sainsbury's fruit and veg is better than it was with Bells.'

Stephen Allambritis, Head of Press and Parliamentary Affairs at the Federation of Small Businesses, admits that 'small independents need to fight back by improving their quality and cleanliness'. But he argues that 'it's difficult to compete against free parking and below-cost selling'.

Prosecution: damage to the environment

Friends of the Earth says that car journeys to out-of-town stores, air-freighted imports instead of local food, and excess packaging are an environmental petrol bomb.

Defence: we're trying to do our bit

According to Dominic Birch of Asda, Asda is now stocking more than 3,000 local products

and trying to get rid of as much excess packaging as possible. 'Ultimately, it saves us money,' he says. 'And when we import food, we aim to do it as

freedom that people appreciate.'

'We try to make distribution as efficient as possible. This results in both lower costs and CO₂ emissions,' says

YOUR CHOICE

In our survey, 58 per cent of people said they're worried that supermarkets are becoming too powerful, and 72 per cent were

'If you speak to someone in a town without an Asda.... they're delighted when one opens up'

Dominic Birch, PR Manager of Asda

efficiently as possible. But we'll continue to import food like kiwi fruits and tomatoes because people want to buy them.'

Lucy Neville-Rolfe of Tesco points out: 'People do walk to supermarkets, especially the smaller convenience stores, and in some areas we've subsidised bus services. But if you're buying five or six bags of shopping, going in the car is a

Neville-Rolfe. 'We have green stores that make efficient use of heat and light. We're also experimenting with recycled rainwater.'

Sainsbury's, too, says that it is making strides towards being more environmentally friendly. 'We're working on reducing our packaging and we're aiming to get all our organic produce in compostable netting,' says Erica Zimmer.

concerned about local stores being forced out of business. But the convenience and perceived value of supermarkets keep us going back for more three-for-the-price-of-two offers and so on. Indeed, 75 per cent of us find supermarkets more convenient to shop in than smaller stores. Yet, inevitably, the more we shop in them, the more powerful they become.