

UNIT PRICING AND OPEN DATING

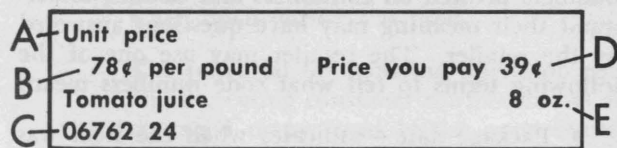
William J. Vastine and Lynn Bourland*

UNIT PRICING

Consumers are always looking for ways to save money. Deciding which brands cost less and still meet a family's needs isn't easy. Unit pricing is being adopted by many retailers to help consumers compare prices quickly.

Although unit pricing has been used through the years to show the cost of meat, dairy products and fresh produce, its recent occurrence in other areas has puzzled consumers.

Many methods of presenting unit prices are available, but shelf labeling is the most commonly used. Study the example below and compare it with labels found in stores where you shop.



- A. Unit pricing gives the price for a single unit of weight, measure or count of a product. By examining unit prices the consumer can see quickly which brand or item costs less per ounce, pound, or piece.

*Respectively, Extension economist-marketing, food distribution; and Extension home management specialist, The Texas A&M University System.

- B. Name of the item
- C. Retailer's code number
- D. Actual amount you pay
- E. Actual weight of contents

The consumer may consider several questions in deciding how he will use unit pricing in future shopping.

- *How important is cost when choosing between brands or items?*

If the consumer has strong preferences about brands and cost is a small factor to him, he may not even consider unit prices.

If cost is the most important factor, the consumer may let unit price differences alone determine which item he buys.

- *How can similar products in different types of packages be compared?*

The weight of a can of beans packed in water would be different from the same amount vacuum packed or packaged in a dried or frozen form. In this case, the consumer cannot depend on unit prices for comparison. Comparing the cost per serving would be more realistic.

- *How much time is available for comparative shopping?*

In the average visit to a grocery store the consumer spends about 20 to 25 minutes choosing from 8,000 to 10,000 items. Decide before entering the store what form of the product is needed for the intended use and storage space. Then go to store display areas where products are available in the form you desire. Unit pricing can be used to quickly compare costs of brands.

- *Why is the weight of an item important?*

Many consumers believe that the "king size" is most economical. This is not always true. Unit prices help the consumer compare different size packages of the same product to see which size actually costs the least. Prices change from week to week making it necessary to compare prices each time.

- *Is the lowest price always the best buy?*

Quality difference also must be considered. If your family prefers brand A over brand B, that factor might be more important than price difference. There is some evidence, in fact, that consumers do not alter many purchasing decisions as a result of unit pricing.

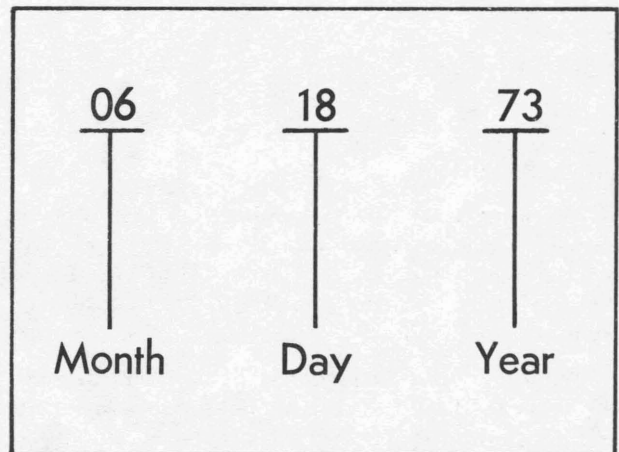
Consumers may find that not all stores have unit pricing. Unit price labels may differ from store to store. The retailer who provides unit pricing information is faced with added installation and operating costs when providing another consumer service.

- *Why do retailers provide unit pricing information?*
 - To increase consumer confidence.
 - To improve the image of the retailer and his store.
 - To provide competition against stores without unit pricing.
 - To improve inventory and price controls to better serve consumers.
- *Why don't all retailers offer unit pricing?*
 - Unit pricing is costly to initiate. About 80 percent of all food stores are independently owned stores and may find this cost prohibitive.
 - Maintaining the system may increase store costs.

- Pricing flexibility also may be reduced, particularly for the small firm or single store.

OPEN DATING

Open dating refers to consumer-readable dates or code numbers printed on packages or containers. Purpose of open dating is to provide consumers with some indication of perishability. Many producers are using a month and day code similar to the example below.



Although many codes are a month and day, much confusion remains in determining the meaning of the dates. The consumer who finds code numbers printed on containers and doesn't understand their meaning may have questions answered by the retailer. The retailer may use one of the following terms to tell what code numbers mean:

- **Package date**— indicates when the item was packaged. Fresh meats packaged by the store may have a package date.
- **Expiration date**— indicates the last day for consumption or use. Expiration dates may be found on yeast and photography film.
- **Pull date**— indicates time for retailers to remove the product from the shelf. The product still has "normal" home-storage life. This code is typical on dairy products.

Consumers are concerned about the freshness of perishable products they buy. Open dating gives some indication of freshness, but it does not guarantee freshness. The consumer may consider the following questions when using open dating information in making decisions.

- *To what extent is freshness indicated by open dating?*
 - Open dating gives consumers some information to determine freshness of product at the time of purchase.
- *Why is freshness not guaranteed by open dating?*
 - The product's original quality and the manner in which it has been handled influence freshness as much as when it was packaged, when it expires, or when it is to be removed from the shelf.
 - Moving perishable products quickly from the store to home is just as important as from a refrigerated truck to the store's cooler.
- *Why have retailers endorsed an open dating policy and provided leadership for its adoption?*
 - Retailers have a goal to provide fresh, high quality products to match consumers' desires.
 - Retailers are as concerned as consumers about the lack of uniformity of dates and methods used in open dating.
 - Many retailers have endorsed open dating because it aids them in inventory control and rotation.
 - Retailers' fear that consumers will "paw over" products has not been substantiated when open dating was used.
 - The potential for reducing operation costs and increasing consumer confidence has encouraged many firms to use open dating.

Unit pricing and open dating are just two of the many tools available for consumers to use in making decisions quickly and efficiently. These tools have been given voluntarily to the consumer by the retailer. Consumers and retailers can examine the facts and objectively decide if unit pricing and open dating are a benefit or burden.

REFERENCES

- (1) Coyle, Joseph S. "Dual Pricing Settles In," *Progressive Grocer*, Vol. 50, No. 2, February 1971, pp. 46-50.
- (2) *Food Dating: Shoppers' Reactions and the Impact on Retail Foodstores*, U.S. Department of Agriculture, Economic Research Service, Marketing Research Report No. 984, January 1973.
- (3) *Food Stability and Open Dating, Conference Proceedings*, Food Science Department, Rutgers University and United States Department of Agriculture, Economic Research Service, October 21-22, 1971, p. 134.
- (4) Houston, Michael J. "The Effects of Unit-pricing on Choices of Brand and Size in Economic Shopping," *Journal of Marketing*, Vol. 36, No. 3, July 1972, pp. 51-54.
- (5) Leed, Theodore W. *Unit Pricing In Perspective*, Northeast Conference on Unit Pricing, Sponsored by Cooperative Extension Service, University of Massachusetts and Consumers Council, Commonwealth of Massachusetts, University of Massachusetts, March 13-14, 1972, p. 4.
- (6) McCullough, T. David and Daniel I. Padberg, "Unit Pricing in Supermarkets," *Search Agriculture*, Vol. 1, No. 6, Cornell University Agricultural Experiment Station, Cornell University, Jan. 1971, p. 26.
- (7) *Model State Unit Pricing Regulations, 1971*, As Adopted by National Conference on Weights and Measures, United States Department of Commerce, National Bureau of Standards, 1971, p. 3.
- (8) Monroe, Kent B. and Peter J. La Placa, "What Are the Benefits of Unit Pricing?" *Journal of Marketing*, Vol. 36, No. 3, July 1972, pp. 16-23.
- (9) Moran, Robert D. *Summary of Workshop on Uniform Unit Pricing Regulations, Northeast Conference on Unit Pricing*. Sponsored by Cooperative Extension Service, University of Massachusetts and Consumers Council, Commonwealth of Massachusetts, University of Massachusetts, March 13-14, 1972, p. 5.
- (10) Simonds, Lois, "Unit Pricing: It's Here To Stay," *Economic Information for Ohio Agriculture*, Cooperative Extension Service, The Ohio State University, No. 533, July 1972, p. 2.
- (11) Taylor, Eileen F. *A Case Study of Food Dating in Selected Chicago Supermarkets*, Marketing Research Report No. 9843, ERS/USDA, Nov. 1971, p. 27.
- (12) Taylor, Eileen F. *Unit Pricing and Open Dating Today and Tomorrow*, 50th National Outlook Conference, Feb. 23, 1972, p. 12.
- (13) "Thirty-ninth Annual Report of the Grocery Industry," *Progressive Grocer*, Vol. 51, No. 4, April 1972, pp. 54-104.
- (14) Vastine, William J. *Is Unit Pricing of Value?* News Release, Agricultural Extension Service, Texas A&M University, Sept. 27, 1972, p. 2.

(1) Guyton, Joseph B. "The Retailer's Role in the Marketing of Fresh Fruit and Vegetables." *Journal of Marketing*, Vol. 10, No. 1, 1945, pp. 1-10.

(2) Guyton, Joseph B. "The Retailer's Role in the Marketing of Fresh Fruit and Vegetables." *Journal of Marketing*, Vol. 10, No. 1, 1945, pp. 1-10.

(3) Guyton, Joseph B. "The Retailer's Role in the Marketing of Fresh Fruit and Vegetables." *Journal of Marketing*, Vol. 10, No. 1, 1945, pp. 1-10.

(4) Guyton, Joseph B. "The Retailer's Role in the Marketing of Fresh Fruit and Vegetables." *Journal of Marketing*, Vol. 10, No. 1, 1945, pp. 1-10.

(5) Guyton, Joseph B. "The Retailer's Role in the Marketing of Fresh Fruit and Vegetables." *Journal of Marketing*, Vol. 10, No. 1, 1945, pp. 1-10.

(6) Guyton, Joseph B. "The Retailer's Role in the Marketing of Fresh Fruit and Vegetables." *Journal of Marketing*, Vol. 10, No. 1, 1945, pp. 1-10.

(7) Guyton, Joseph B. "The Retailer's Role in the Marketing of Fresh Fruit and Vegetables." *Journal of Marketing*, Vol. 10, No. 1, 1945, pp. 1-10.

(8) Guyton, Joseph B. "The Retailer's Role in the Marketing of Fresh Fruit and Vegetables." *Journal of Marketing*, Vol. 10, No. 1, 1945, pp. 1-10.

(9) Guyton, Joseph B. "The Retailer's Role in the Marketing of Fresh Fruit and Vegetables." *Journal of Marketing*, Vol. 10, No. 1, 1945, pp. 1-10.

(10) Guyton, Joseph B. "The Retailer's Role in the Marketing of Fresh Fruit and Vegetables." *Journal of Marketing*, Vol. 10, No. 1, 1945, pp. 1-10.

Open dating gives consumers some information to determine freshness of product at the time of purchase. **OPEN DATING**

Open dating gives consumers some information to determine freshness of product at the time of purchase. **OPEN DATING**

Year	Day	Month
73	18	06

Many retailers have endorsed open dating because it aids them in inventory control and helps them to provide fresh high quality products to meet consumers' demands.

Many retailers have endorsed open dating because it aids them in inventory control and helps them to provide fresh high quality products to meet consumers' demands.

Educational programs conducted by the Texas Agricultural Extension Service serve people of all ages regardless of socio-economic levels, race, color, sex, religion or national origin.