



February 24, 2012

DMS NOTICE
QC - 12 - 02

DISCARD: RETAIN

TO: WEIGHTS AND MEASURES OFFICIALS

SUBJECT: 2011 STATEWIDE PRICE VERIFICATION SURVEY

The statewide price verification survey planned for 2010 was delayed and completed in February 2011. This effort always requires significant resources from local programs and we again express our appreciation for the continued interest and hard work by each of the many California weights and measures officials involved.

Locations were selected at random based on state tax records. With many smaller businesses and apparel stores included, appropriate selection sizes included purchases of 5, 10, or 30 items per location. Some promotions represented 2 for the price of 1 or included separate beverage container's CRV charges, etc., resulting in some additional variations in sample size.

In Tables 1 through 3, the shaded areas represent a subset of 19 counties with price verification ordinances. In addition, DMS Notices QC-09-3, QC-06-03, and QC-04-05 provide a comparison to prior years and can be viewed at the weblink below:

<http://www.cdfa.ca.gov/dms/notices/qc/qcindex.html>

Survey results indicate that of 10,006 total items purchased, 1.97% overcharged and 1.39% undercharged (see Table 1). An aggregate overcharge amounted to 0.23% of the dollars spent (see Table 2). Of the 1000 stores inspected, 852 (85.2%) had no overcharges, but only 773 (77.3%) had no pricing errors. Based only on percent of total correct price criteria, 92 stores (9.2%) had overcharges above 0.00% but less than 2% of the correct price (Level 1). 22 stores (2.2%) had overcharges that ranged between 2% and 4% of the correct amount (Level 2). 28 stores (2.8%) had overcharges equal to or more than 4% of the correct total amount (Level 3). 107 stores (10.7%) undercharged the survey shoppers on total amounts spent. For this survey, buyers were charged a total of \$542.72 less than the correct total of \$142,892.66 when overcharges and undercharges are both included.

Table 3 outlines survey results for manually entered prices, scanned bar codes, or for manually entered survey. Approximately 39.2% of the shopped locations were reported to be using non-automated direct manual price entry. Many ordinances currently only include automated checkout systems. The error rate for price look-up codes, or menu and icon selections, is higher than for the non-automated locations. Additionally it is noteworthy that the level of compliance is generally higher in counties with established price verification programs.



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Attached are Tables 1-3 for your review. If you have any questions, please contact Kathy de Contreras, Supervising Special Investigator, Quantity/Weighmaster Programs, Enforcement Branch at (916) 229-3047, or via email at kcontreras@cdfa.ca.gov.

Sincerely,



Kristin Macey
Director

Attachments

cc: Ed Williams, Director, CDFA County Liaison Office

Division of Measurement Standards 2011 Statewide Price Verification (PV) Survey

A statewide survey of pricing accuracy at retail stores was conducted throughout the state during January and February of 2011.

Scope of Survey

Establishments surveyed included both food and nonfood retail stores to evaluate accuracy in determining the proper sales price.

Sample Selection

One thousand locations were selected at random from a statewide population of approximately 350,000 qualifying retail establishments. Items were randomly selected from each establishment based on the following criteria:

- a. If there are less than 400 lots on sale.
Sample size = 5 items

- b. If there are more than 400 lots on sale and there are
 - (1) 10 or fewer shopping carts. Sample size = 10 items
 - (2) More than 10 shopping carts. Sample size = 30 items

Inspection Procedure

Approximately half of the items selected were sale items, price reduced or "special buys"; including manufacturers' reduced price items, in-store specials or markdowns. After selecting the sample, the items were run through the check-stand and the prices charged for the items were compared with the advertised, quoted, posted or marked prices. If the price charged for an item was more than the lowest of the advertised, quoted, posted or marked price, it was determined that an overcharge existed. If the price charged was less than the lowest of the advertised, quoted, posted or marked price, it was determined that an undercharge existed. If the price charged equaled the lowest of the advertised, quoted, posted or marked price, it was determined that no error existed.

Survey Results

The following tables summarize the survey results. These results may be useful for county weights and measures officials in determining which areas of the marketplace to focus enforcement activity. They also strongly suggest that counties funded by verification ordinances achieve even greater success than those without. In almost every occurrence the compliance rates are measurably above the statewide average.

PV Survey Results

PV Survey 2011 Results- Table 1

Type of Store	Number of Items Inspected	Overcharges		Undercharges	
		Number of Items	% of items	Number of Items	% of items
Grocery	2187	47	2.15	25	1.14
	1573	27	1.72	13	0.83
Specialty Food and Tobacco	176	3	1.70	1	0.57
	150	1	0.67	1	0.67
Liquor	551	15	2.72	3	0.54
	506	14	2.77	2	0.40
Eating and Drinking Establishments	65	0	0.00	1	1.54
	60	0	0.00	1	1.67
Automotive Parts and Supply	256	10	3.91	7	2.73
	155	3	1.94	1	0.65
Building Materials, Hardware and Garden	583	12	2.06	7	1.20
	344	7	2.03	5	1.45
Department, Variety, & Gen. Merchandise	865	9	1.04	9	1.04
	704	4	0.57	7	0.99
Drug Stores	707	16	2.26	6	0.85
	406	7	1.72	2	0.49
Apparel and Shoes	981	5	0.51	23	2.34
	820	4	0.49	13	1.59
Art, Gift, Novelty, Florist, and Jewelry	215	0	0.00	4	1.86
	165	0	0.00	3	1.82
Entertainment	324	0	0.00	10	3.09
	284	0	0.00	9	3.17
Electronics and Appliance	80	2	2.50	3	3.75
	70	2	2.86	3	4.29
Sporting Goods	167	1	0.60	1	0.60
	122	1	0.82	0	0.00
Miscellaneous & Not Elsewhere Classified	563	6	1.07	5	0.89
	493	3	0.61	4	0.81
Pet Supply	285	3	1.05	1	0.35
	225	1	0.44	0	0.00
Health & Nutrition Stores	91	3	3.30	3	3.30
	91	3	3.30	3	3.30
Convenience Stores and Mini Markets	1455	52	3.57	25	1.72
	1154	36	3.12	19	1.65
Postal and Office Supply	455	13	2.86	5	1.10
	390	8	2.05	4	1.03
Total Food:	4434	117	2.64	55	1.24
	3443	78	2.27	36	1.26
Total Non-Food:	5572	80	1.44	84	1.51
	4269	43	1.01	54	1.26
Grand Total	10,006	197	1.97	139	1.39
	7712	121	1.57	90	1.17

*Note: Results for all counties (unshaded cells)
Results for counties with PV Ordinances (shaded cells)*

PV Survey 2011 Results- Table 2

Type of Store	Sales	Amount Over	Percent Over
Grocery	\$ 9,578.14	44.26	0.46
	\$ 7,146.78	8.99	0.13
Specialty Food and Tobacco	\$ 1,141.56	4.10	0.36
	\$ 948.28	0.01	0.00
Liquor	\$ 3,117.88	4.42	0.14
	\$ 2,837.40	4.22	0.15
Eating and Drinking Establishments	\$ 509.32	0.00	0.00
	\$ 494.77	0.00	0.00
Automotive Parts and Supply	\$ 4,404.65	17.85	0.41
	\$ 3,603.77	3.68	0.10
Building Materials, Hardware and Garden	\$ 8,618.85	87.20	1.01
	\$ 5,192.58	59.53	1.15
Department, Variety, & Gen. Merchandise	\$ 5,379.26	14.80	0.28
	\$ 4,246.81	4.31	0.10
Drug Stores	\$ 5,391.64	20.03	0.37
	\$ 2,817.60	2.72	0.10
Apparel and Shoes	\$ 29,618.50	13.62	0.05
	\$ 25,196.84	7.02	0.03
Art, Gift, Novelty, Florist, and Jewelry	\$ 27,261.20	0.00	0.00
	\$ 26,597.14	0.00	0.00
Entertainment	\$ 6,451.43	0.00	0.00
	\$ 5,820.70	0.00	0.00
Electronics and Appliance	\$ 2,171.64	3.00	0.14
	\$ 2,095.94	3.00	0.14
Sporting Goods	\$ 5,492.03	0.50	0.01
	\$ 4,650.34	0.50	0.01
Miscellaneous & Not Elsewhere Classified	\$ 19,181.55	26.20	0.14
	\$ 17,863.84	7.45	0.04
Pet Supply	\$ 2,501.74	2.02	0.08
	\$ 1,981.63	1.00	0.05
Health & Nutrition Stores	\$ 1,276.76	15.00	1.17
	\$ 1,276.76	15.00	1.17
Convenience Stores and Mini Markets	\$ 4,517.57	28.06	0.62
	\$ 3,445.41	16.84	0.49
Postal and Office Supply	\$ 6,283.64	41.67	0.66
	\$ 5,181.85	26.36	0.51
Total Food:	\$ 18,864.47	80.84	0.43
	\$ 14,872.64	30.06	0.20
Total Non-Food:	\$ 124,032.89	241.89	0.20
	\$ 106,525.80	130.57	0.12
Grand Total	\$ 142,897.36	322.73	0.23
	\$ 121,398.44	160.63	0.13

*Note: Results for all counties (unshaded cells)
Results for counties with PV Ordinances (shaded cells)*

PV Survey 2011 Results- Table 3

Pricing System	Year	Number of Items	Over Charges Number of Items	Over Charges %	Under Charges Number of Items	Under Charges %
Manual Entry	2011	2,909	43	1.48	32	1.10
	2011	2,299	25	1.09	26	1.13
PLU or SKU	2011	737	21	2.85	10	1.36
	2011	542	11	2.03	4	0.74
Scanner	2011	6,360	133	2.09	97	1.53
	2011	4,871	85	1.75	60	1.23
Grand Total	2011	10,006	197	1.97	139	1.39
	2011	7,712	121	1.75	90	1.17

Note: Results for all counties (unshaded cells)

Results for counties with PV Ordinances (shaded cells)