

# Shoppers need more than unit pricing to find value

IT'S natural to think the recent introduction of unit pricing rules in Queensland will result in shoppers getting better value from supermarkets.

Now that retailers have to display the price per litre or kilogram for products sold in packages of different shapes and sizes, it will be easy for shoppers to work out what to do, so they'll make better choices. A no-brainer, really.

Actually, things aren't that simple. That way of thinking makes two, probably unwise, assumptions.

One is that unit pricing will change how we shop. The other is that suppliers who previously were benefiting from confusing consumers will now be brought to heel by being forced to display unit prices.

Even without devious attempts by suppliers to obscure their unit prices,

## Retailers will still find ways to bamboozle the customer and busy consumers may not bother to compare items, writes Peter Earl

supermarkets offer big challenges to the cognitive powers of consumers.

Psychologists have known for years that people can only keep in mind about seven things at a time.

This doesn't matter if we are trying to choose, say, tofu and there are only a couple of brands and two or three different sizes of pack. But for many products, such as cereals, toothpaste or canned foods, there's simply too much choice to handle, even if unit prices are displayed. If shoppers have too much information to process, they will make mistakes.

Unit pricing reduces the challenge for those who actually try to make their choices based on unit prices.

But many shoppers are simply too busy to spend time trying to work out the best deal, and are rich enough not to have to worry about whether they are paying more than they need to.

As long as they feel they are getting a satisfactory deal, they may not change their shopping routines. Such shoppers may fail to pause and start looking regularly at unit prices.

Without unit pricing, suppliers could cunningly choose how they priced and packed their products to exploit the biases caused by the ways shoppers simplify their choices.

Different firms placed different bets on how best to fool us.

If the suppliers can't confuse us

over unit prices, they will switch to doing so by trying harder to make their products seem different and suggesting that we shouldn't be basing our choices on price alone.

We'll be told to focus on fresh, organic ingredients, superior recipes, more convenient forms of packaging, and so on. We're less likely to be comparing like with like.

And that's before the supermarkets try to extract a bigger slice of the takings from their suppliers. A manufacturer whose product has a lower unit price, other things being equal, still has to catch the limited attention of the shopper. This is less likely if the product is displayed near the floor.

To get noticed more readily, the supplier will have to offer the supermarket a better deal so its product can be displayed more prominently. This will increase its costs, making it hard to keep unit prices down.

So, even with unit pricing in place, the best deals are still going to take careful shopping to uncover.

What we also need are rules requiring supermarkets to change how products are displayed.

Life would be easier if they offered posters depicting each product in the same category and their unit prices. Then, we could work out which one to buy and go find it. But even with this we would still have the like-with-like comparison problem and might be too busy to bother to check.

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