



CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE

A. G. Kawamura, Secretary

May 18, 2009

DMS Notice  
QC-09-3

Discard: Retain

TO WEIGHTS AND MEASURES OFFICIALS

**SUBJECT: Statewide Price Verification Survey**

The 2008 statewide price verification survey was completed in December. 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.

Location selections were randomly 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 CRV charges, etc., resulting in some additional variations in sample size.

In tables 1 through 3, the shaded areas represent a subset of 17 counties having price verification ordinances. Also for a comparison to prior years, DMS Notice QC-06-3 can be viewed at:

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

Survey results indicate that of 10,225 total items purchased, 2.60% were overcharged and 1.83% were undercharged (see Table 1). An aggregate overcharge amounted to 0.40% of the dollars spent (see Table 2). Of the 981 stores inspected, 814 (82.98%) had no overcharges. Based only on percent of total correct price criteria, 98 stores (9.99%) had overcharges above 0.00% but less than 2% of the correct price (Level 1). 24 stores (2.45%) had overcharges that ranged between 2% and 4% of the correct amount (Level 2). 45 stores (4.59%) had overcharges equal to or more than 4% of the correct total amount (Level 3). 102 stores (10.40%) undercharged the survey shoppers on total amounts spent. For this survey, buyers were charged a total of \$143.26 less than the correct total of \$105,538.86 when overcharges and undercharges are both included.



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Table 3 outlines survey results for manually entered prices, scanned bar codes, or for manually entered price look-up codes or menu and icon selections. Counties with ordinances should note that during this survey, about 25.47% 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 the non-automated locations was somewhat below the error range of locations using the automated systems.

Please review the attached report and contact Roger Macey, Branch Chief, Compliance and Evaluation Branch, at (916) 229-3043 if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Edmund E. Williams". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Edmund E. Williams, Director

Attachments

cc: Kevin Masuhara, Director, County Liaison Office

## **Division of Measurement Standards**

### **Statewide Price Verification Survey**

A statewide survey of pricing accuracy at retail stores was conducted throughout the state during October, November, and December of 2008.

#### **Scope of Survey**

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

#### **Sample Selection**

Nine hundred eighty-one 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  
Table 1**

Type of Store	Number of Items Inspected	----- Overcharges -----		---- Undercharges ----	
		Number of Items	% of Items	Number of Items	% of Items
Grocery	2,275	64	2.81	27	1.19
	1,741	35	2.01	14	0.80
Specialty Food and Tobacco	90	0	0.00	2	2.22
	65	0	0.00	0	0.00
Liquor	416	32	7.69	19	4.57
	297	10	3.37	8	2.69
Eating & Drinking Establishments	185	3	1.62	10	5.41
	110	0	0.00	8	7.27
Automotive Parts & Supply	269	13	4.83	10	3.72
	194	5	2.58	4	2.06
Building Materials, Hardware & Garden	581	22	3.79	11	1.89
	400	11	2.75	8	2.00
Department, Variety, & Gen. Merchandise	783	8	1.02	17	2.17
	516	2	0.39	6	1.16
Drug Stores	720	12	1.67	6	0.83
	464	1	0.22	4	0.86
Apparel & Shoes	1083	13	1.27	16	1.56
	801	8	1.00	9	1.12
Art, Gift, Novelty, Florist and Jewelry	363	7	1.93	12	3.31
	303	5	1.65	10	3.30
Entertainment	291	1	0.34	3	1.03
	266	0	0.00	3	1.13
Electronics and Appliance	150	0	0.00	3	2.00
	120	0	0.00	1	0.83
Sporting Goods	367	7	1.91	7	1.91
	205	1	0.49	5	2.44
Miscellaneous & Not Elsewhere Classified	506	3	0.59	4	0.79
	292	2	0.68	1	0.34
Pet Supply	249	5	2.01	4	1.61
	160	4	2.50	3	1.88
Health & Nutrition Stores	156	2	1.28	1	0.64
	85	1	1.18	1	1.18
Convenience Stores and Mini Markets	1,360	64	4.71	26	1.91
	1,150	52	4.52	21	1.83
Postal and Office Supply	441	10	2.27	9	2.04
	295	6	2.03	7	2.37
Total Food:	4,326	163	3.77	84	1.94
	3,363	97	2.88	51	1.51
Total Non-Food:	5,899	103	1.75	103	1.75
	4,101	46	1.12	62	1.51
Grand Total:	10,225	266	2.60	187	1.83
	7,464	143	1.92	113	1.51

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

## PV Survey Results Table 2

Type of Store	Sales	Amount Over	% Over
Grocery	\$9,352.07	\$40.15	0.43
	\$7,379.46	\$26.50	0.36
Specialty Food and Tobacco	\$588.14	\$0.00	0.00
	\$445.04	\$0.00	0.00
Liquor	\$2,074.92	\$10.75	0.52
	\$1,440.72	\$3.20	0.22
Eating & Drinking Establishments	\$988.37	\$0.40	0.04
	\$696.40	\$0.00	0.00
Automotive Parts & Supply	\$2,749.21	\$17.41	0.63
	\$1,935.49	\$3.71	0.19
Building Materials, Hardware & Garden	\$7,349.14	\$90.16	1.23
	\$5,099.79	\$56.57	1.11
Drug Stores	\$4,581.58	\$68.18	1.49
	\$2,897.22	\$0.10	0.00
Apparel & Shoes	\$22,281.66	\$14.75	1.94
	\$537.49	\$0.00	0.00
Art, Gift, Novelty, Florist and Jewelry	\$5,216.01	\$10.21	0.20
	\$4,628.72	\$4.45	0.10
Entertainment	\$3,674.81	\$1.36	0.04
	\$3,470.65	\$0.00	0.00
Electronics and Appliance	\$4,244.86	\$0.00	0.00
	\$2,685.66	\$0.00	0.00
Sporting Goods	\$8,465.65	\$44.32	0.52
	\$3,875.47	\$1.00	0.03
Miscellaneous & Not Elsewhere Classified	\$11,231.47	\$2.63	0.02
	\$4,392.24	\$0.76	0.02
Pet Supply	\$2,309.20	\$10.07	0.44
	\$1,525.99	\$9.70	0.64
Health & Nutrition Stores	\$2,461.33	\$3.65	0.15
	\$1,397.82	\$2.00	0.14
Convenience Stores and Mini Markets	\$3,488.33	\$16.47	0.47
	\$2,822.47	\$13.98	0.50
Postal and Office Supply	\$6,780.93	\$18.53	0.27
	\$4,552.48	\$14.60	0.32
Total Food:	\$16,491.83	\$67.77	0.41
	\$12,804.79	\$43.68	0.34
Total Non-Food:	\$89,047.03	\$352.97	0.40
	\$59,971.67	\$128.17	0.21
Grand Total:	\$105,538.86	\$420.74	0.40
	\$72,776.46	\$171.85	0.24

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

## PV Survey Results Comparison by Pricing Methods

Pricing System	Year	Number of Items	---- Overcharges ----		---- Undercharges ----			
			Number of Items	%	Number of Items	%		
Manual Entry	Total	2008	2,604	55	2.11	47	1.80	
			1,992	23	1.15	32	1.61	
PLU or SKU	Total	2008	540	19	3.52	13	2.41	
			241	0	0.00	5	2.07	
Scanner	Total	2008	7,081	190	2.68	129	1.82	
			5,231	118	2.26	78	1.49	
Grand Total			2008	10,225	264	2.58	189	1.85
				7,464	141	1.89	115	1.54

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