

WAL-MART MAY BE CHARGING CUSTOMERS THE WRONG PRICE
New Studies Find Wal-Mart Fails to Meet Federal Standards For Pricing Accuracy in
Four States
Summary of Studies

Academics conducted two studies to “Verify Price Accuracy in Wal-Mart”

- One study was conducted by the University of Illinois Chicago Center for Urban Economic Development. The study analyzed a random selection of Wal-Marts in Illinois, Michigan and Indiana.
- The second study was conducted by the University of Illinois-Chicago Center for Urban Economic Development and the University of California-Berkeley. The study analyzed a random selection of Wal-Marts in California.

Federal standard for pricing accuracy is no more than 2% of randomly selected items in any one store maybe incorrectly priced

- The 2% federal standard is set by the National Institute for Standards and Technology (NIST).
- The studies used methodological standards outlined by the NIST.

Wal-Mart stores failed to meet the federal standard

- 86.7% of the Wal-Mart stores sampled in California failed to meet the federal standards for pricing accuracy. Accounting for the margin of error, between 81% to 92% of Wal-Mart stores located in California failed to meet federal standards for price accuracy.
- The CA report concludes, “It is clear from this investigation that the majority of Wal-Mart stores in California are exceeding federal standards for price accuracy.”
- 84.6% of the Wal-Mart stores sampled in Illinois, Michigan and Indiana failed to meet federal standards for price accuracy. Accounting for the margin of error, between 75% and 94% of Wal-Mart stores in those 3 states failed to meet federal standards for price accuracy.

Customers are paying the wrong price at the Wal-Mart stores sampled

- In IL, MI, IN, 6.4% of all of the items purchased in these states for the study were priced incorrectly.
- In CA, 8.3% of all of the items purchased statewide for the study were priced incorrectly.

Wal-Mart customers at the surveyed stores are being overcharged

- 63% of the surveyed stores in California failed to meet the federal standard just based on their overcharging of customers.
- Accounting for the margin of error, between 56% and 71% of Wal-Mart stores located in California failed to meet federal standards for price accuracy by overcharging customers.

The average value of the overcharges exceeded the average value of the undercharges

- In the IL, MI and IN study, the mean value of the difference between the actual price and the stated price for all overcharged items was \$1.33.
- In the CA study, the mean value of the difference between the actual price and the stated price for all overcharged items was \$1.09.

The conclusion of the two studies for the stores and the items they studied is that Wal-Mart is charging customers the wrong price in excess of federal standards

- Both studies conclude, “A majority of Wal-Mart stores tested in this evaluation of price accuracy demonstrated errors in pricing that exceeded federally accepted standards for large retail establishments.”