

A Matter of Two Cents

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It had to happen sometime. At the checkout stand of one of the stores of a discount food franchise operation of a major supermarket chain, a case of 12 tins of Diet Coca Cola was scanned at the price



of \$3.99. The cashier was oblivious to what was scanned. The customer advised the cashier that the price of the item was \$3.97. There was no price label on the item itself. The customer then informed the cashier that under the store's agreement with the Retail Council of Canada, if the price of an item scans incorrectly, an item that is valued at \$10.00 or less is to be given to the customer free of charge and for an item that is valued at more than \$10.00, the customer is to be given a discount of \$10.00. The customer

went back to the shelf location to verify the price. The cashier called for a stock clerk to verify the price. The label on the shelf indicated that the lower price of \$3.97 was the correct price. The cashier wasn't sure about the store's policy, so she asked another cashier, who informed the first cashier that the customer was correct about getting the item free. The first cashier then called for the manager on duty, who happened to be one of the store's assistant managers. The situation was explained to the assistant manager. The assistant manager refused to give the item to the customer free of charge for an error of 2 cents. The customer was charged \$3.97 for the case of Coke. While this interaction was taking place, which took quite a while, other customers were kept waiting.

The following week, the same customer was shopping in a Canadian Tire store in another city and decided to purchase a medium-duty extension cord. The sign at the end aisle display for this item indicated a price of \$8.99. There was no price label on the item itself. At the checkout stand, the item scanned at \$11.99. The customer informed the cashier of the error. The cashier immediately called for a stock clerk to verify the lower price. The stock clerk returned confirming the lower price. The cashier was asked if the company had signed on to the scanning policy of the Retail Council of Canada. The cashier wasn't sure, but immediately sent the customer over to the customer service counter, without ringing up the item. The clerk at the customer service counter was informed of the situation, which was also confirmed by the cashier, who was near by. The customer service clerk contacted someone by phone, explaining the situation. The person contacted immediately came over to the customer service counter, completed some paperwork pertaining to the matter and informed the clerk to ring up a \$0.00 sale. The customer was given the extension cord free of charge, as well as the receipt for the same amount.

Questions

1. Go to the Retail Council of Canada website [<http://www.retailcouncil.org>]. Enter the site. Click on Government Relations. Click on Codes and Best Practices. Click on Scanner Accuracy. Review the Code of Practice - Scanner Price Accuracy Voluntary Code 2002.

2. Which group of retailers helped set up this Code? Why was this code set up?
3. Which retailers have signed on to the Code?
4. Based on the Code, explain what the Assistant Manager in the food store should have done?
5. Based on customer relations management, regardless of the code, what should the Assistant Manager have done?
6. What are the negative aspects in terms of customer relations and store efficiency about the entire transaction that took place at the food store?
7. Evaluate the nature of the transaction that took place at the Canadian Tire store.
8. Look up the Federal Competition Act and determine whether the issue of double ticketing is applicable here. What are the responsibilities of a store in the event that a double ticketing situation arises?
9. Under which situation is a retailer better off: abiding by the price scanning Code or facing charges under a violation of the Competition Act?

**Diet Coca Cola, Coke, and Canadian Tire are the register trademarks of the respective firms.*