



Unit Pricing¹

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Suppose you are shopping, trying to find the best bargains. A product is offered in the following three sizes: 4 ounces costing 59 cents; 6 ounces costing 79 cents; and three 3.5 ounce cans for \$1.49.

To find which size is the best buy you must divide the cost by the number of ounces. Which do you think is the best buy?

At 13.17 cents per ounce, the 6 ounce can for 79 cents is the best buy.

In the figuring you just did you found the unit price for the three items listed above.

WHAT IS UNIT PRICING

Unit pricing is a label on the shelf or product package that states the price per measure, weight or count, along with the retail price for the entire item. For some items, unit pricing means determining the cost per ounce or pound. For some items such as paper towels, unit pricing is expressed as cost per square inch or per towel. Since many of us aren't strong in math we find it difficult to do the computations needed for price comparisons. But now we don't have to be mathematical geniuses, because stores have done the figuring for us by unit pricing their merchandise. All the shopper needs to do is use the information provided by the store.

WHAT KINDS OF ITEMS CARRY UNIT PRICING?

Some products have carried unit pricing for years. For example, meats have been (and still are) sold by the pound. On the label attached to the package you will find the cost per pound (which is the unit price), the number of pounds in the cut of meat, and the total retail price of the meat. Some fresh fruits and vegetables also have been unit priced for a long time. Apples, bananas, squash, and green beans are usually priced by the pound. The label on the package tells the per pound price, the number of pounds in the container and the total retail price of the package.

Canned and packaged foods are usually unit priced in terms of cents per ounce. Foods sold in larger quantities — for example, 5 to 10 pounds of sugar — may be unit priced by cost per ounce or cost per pound. Beverages may be unit priced by price per fluid ounce, quart or gallon.

Foods are not the only products that are unit priced. Most things sold by supermarkets carry unit pricing. Here are some examples:

- Liquid detergents are usually priced by the ounce or by the quart.
- Powdered detergents carry unit prices expressed as cents per ounce or pound.

1. This document is Fact Sheet HE 5014, a series of the Home Economics Department, Florida Cooperative Extension Service, Institute of Food and Agricultural Sciences, University of Florida. Publication date: January 1995. First published: November 1979. Reviewed: January 1995.
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- Paper plates often are unit priced by the square inch, square foot or per item.
- Packages of plastic bags may be unit priced by the cost per individual bag.

ARE SOME SUPERMARKET ITEMS NOT UNIT PRICED?

There are a few items that are less likely to carry unit pricing. These include the following:

- Frozen foods often are not unit priced. Therefore, when comparing the price of an 8 ounce package of frozen beans with a 10 ounce package of peas or a 16 ounce package of mixed vegetables, you must make your own computations.
- Items placed on sale or on special generally do not have the revised unit price available. (This is usually a good way to check the amount of price reduction of the sale item.)

WHAT IS ON THE UNIT PRICE LABEL?

Each supermarket or chain of supermarkets develops its own unit price label. All labels carry the same basic information, but the format may vary.

Considerable information is included on the unit price label. (See *Figure 1*.) It may include the following:

- name and brand of item
- unit price — price per measure, used to compare prices
- retail price you pay
- weight or measure of this item
- store manager information — used when ordering

Compare-A-Price		
⑤ 10 456	012 ⑥	24oz. ④
① Grandma's Preserves		
② 8.3 c per.oz.	Price \$1.99 ③	

Meat Market		
Weight Lbs.Net.	This pkg. \$3.49 ③	Price per.lb.
④ 1.40		\$2.49 ②
① Beef Round Swiss Steak		
USDA Choice		

Figure 1. (1) Name and brand. (2) Unit price. (3) Retail price. (4) Weight or measure. (5) Store manager information. (6) Packages per case.

- store manager information — number of packages per case.

WHERE IS THE UNIT PRICING DONE?

Meat and fresh produce are usually marked with the unit price at the same time and place they are put into consumer size packages, whether this is in the back room of the supermarket, at a repack center or a central distribution center. On these products the unit price is included on the label attached to the package.

For most other products sold in the supermarket, the unit price is printed on a separate label which is attached to the shelf directly beneath the product. For these items the unit price is computed and labels are printed at a central location. Labels are then sent to the supermarket, similar to the way merchandise is delivered. Store personnel attach the unit price labels to shelves. They update the labels as prices fluctuate. For any added service there are costs involved for materials and labor. Costs are included as a part of the costs of operating and ultimately are passed on to the consumer.

WHAT ARE SOME ADVANTAGES OF UNIT PRICING?

Unit pricing enables the consumer to make quick, easy price comparisons between different products and between different brands and sizes of the same product. It saves time when doing comparative shopping.

DOES UNIT PRICING HAVE LIMITATIONS?

Unit pricing compares price only. It does not include a judgement of quality, nor does it relate to individual preferences. Some unit price labels are not easy to read. The consumer may become confused by the various groups of numbers on the label or perhaps the print may not be easy to read. This problem can have special significance for people with poor eyesight or those with very little education.

The format used in unit pricing is not consistent among stores. Some are very easy to read and understand. Others are not as clearly stated. The unit of measurement used for unit pricing should be consistent for different sizes or forms of the same food. For example, unit pricing for canned peas might be given for ounces. If some peas are unit prices in ounces, others in gallons, and still others in

pounds, it is impossible to use the unit price information for comparison.

WHICH STORES CARRY UNIT PRICING?

Unit pricing is a voluntary service provided by food stores in response to consumer requests. It is designed to better serve their present customers and to attract new ones. There are no federal or state regulations that require unit pricing and none that require a consistent format for the unit price label. Most large supermarkets and grocery chains have unit pricing since this service can be provided through the computer system they now use.

Convenience stores usually do not have unit pricing. They are designed primarily for service of "convenience" and do not place emphasis on price competition.

Most small, independently-owned stores do not have unit pricing. For small retail outlets, the cost of installing and servicing the system would be prohibitive.

HOW SHOULD CONSUMERS USE UNIT PRICING?

Consumers may use unit pricing to compare costs among:

- different brands of a product
- different sizes of the same product
- different forms of the same food
- different foods within the same food group.

If the shopper finds unit price labels that are outdated, mounted in the wrong location, or of inconsistent units which make price comparisons impossible, the problem should be reported to the store personnel, preferably the manager or assistant manager. By courteously calling the error to the attention of the merchant, the shopper informs him that unit pricing is of value and is being used. This encourages accuracy on the part of the store employees.

Unit pricing should be used by all thrifty shoppers. It can save the consumer time and money.