

Weights and Measures Laws

Can using a Price Checking device provide an exemption to the law?

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Summary

Today, when the average consumer walks into a grocery store to buy a pound of beef, there is little doubt that what he is buying is exactly one pound of beef. Yet, a century ago, the story was much different.

A pound at one store could easily be a pound and a half at another store. It is likely then, that the average consumer paid more or less for their purchase than what it was worth. Concerns over these disparities led to the first Weights and Measures law in 1799, signed by President John Adams. The National Bureau of Standards continues to uphold this law for all retailers selling commercial products.

Today, retailers are accustomed to abiding by regulation standards and weights laws. These laws vary slightly from state to state, depending upon the Division of Standards within the state. Some states uphold stricter laws, while others allow for exemptions as long as the retailer can ensure the customer is paying the appropriate price. Depending on the industry, a retailer can satisfy the law in several ways.


What is the Weights and Measures Law?

Weight, size or count determines pricing on all products and retailers are required to post prices on or near any commercially packaged items they sell. The law ensures that the price displayed on the package accurately represents these factors.

In order to ensure compliance, the Division of Standards dispatches a team of field inspectors to run various tests in a select group of stores. The inspectors check scanners, scales and any other device for pricing to ensure they meet regulatory standards and perform accurately.

Additionally, the law states that the price displayed on the scanning device used by the retailer must match the unit price displayed on the floor. Specifically, any retailers that use UPC scanning tools are subject to price accuracy inspections.

Requirements dictate a survey of 50 products to ensure price matching. If more than 2% of those products have a mismatched price, then the retailer fails the inspection, and is subject to large civil penalties. In some cases, the Division of Standards prohibits the retailer from selling those items until correctly labeled.



Each state also has the right to publish a list of retailers who have passed or failed inspections. Obviously it's in the best interest of a retailer to avoid tarnishing their reputation by being included on a publicized list of retailers reputed to be selling at inaccurate prices.

Currently, nineteen states and two territories in North America are subject to pricing regulations. Of these, the following seven states require a level of mandatory item pricing: Arizona, California, Connecticut, Massachusetts, Michigan, New Hampshire and New York. These same states also offer exemptions to the law provided a retailer can prove they are still upholding the regulatory standards.

This paper will outline the benefit and challenges retailers face when complying with the Weights and Measures law by means of price checking technology, as well as suggest ways in which the technology could enhance marketing and merchandising efforts.

Price-checkers

Retailers respond favorably to the Weights and Measures laws because the mandates protect them from giving away incorrectly priced product. With this checks and balances system in place through the Division of Standards, retailers can confidently buy from wholesalers at accurate prices and sell to their customers at appropriate prices.

Retailers can easily attain this goal by means of price checking technology.

Benefits

A price-checker is a device placed in a retail environment, which allows customers to scan their own items to check the price. While complying with Weights and Measures laws may be the initial motivation for employing this technology, there are many other advantages to utilizing these devices in a store.

Price-checkers allow retailers to track the popularity and sales of specific products based on the number of price checks scanned per product. In turn, the retailer can use that knowledge for marketing and merchandising purposes.

Retailers can program software on the devices to offer up-sells and cross-sells, as well as storewide discounts. Additionally, if a retailer has loyalty programs or membership cards, they can utilize the price-checking device to check balances and offer additional incentives to repeat customers.

Ultimately, by providing customers with access to their own information, the retailer is empowering the consumer, which in turn, improves customer satisfaction levels.

Finally, the innovative technology of price checking devices enhances the look and feel of a store, thus attracting new customers.

Challenges

As with any technology, there are disputes surrounding the accuracy of price-checking devices in retail stores. Some critics feel that even when a customer can scan their own item and check the prices, there's no guarantee that a scanner is accurately reflecting the correct amount.

What's more, a separate PC-based price-checker is more likely to give inaccurate prices because it is dependent on updates from the system.

Solutions

A recent Miami Herald article reported that most price scanners in stores do reflect the correct price. In researching the issue, the study found that only 32 out of almost 3000 items were rung up incorrectly. Ironically, in all 32 cases, the customer benefited from the mix-up.

As retail technology progresses, price-checkers or similar retail devices will account for many more sales, ultimately leading to the opportunity for revenue growth.

By placing these devices in stores, the retailer is providing instant price checking at any time during the customer's shopping experience, ensuring the customer the quickest and most reliable way to get correct pricing information.

Acuative and Price Checking Devices

Founded in 1984, Acuative specializes in retail technology products and services. As such, we have designed an array of price checking devices to adhere specifically to industry standards in all aspects of a retail operation.

An Acuative price-checker in a retail store allows the retailer to comply easily with the pricing laws as described.

Acuative's Portal 43 price-checker is ideal for a retail store. Driven by Power-over-Ethernet functionality, it is one of the few price-checkers that does not require AC power. The device is just over four inches long and installs easily at several locations throughout a store without prohibiting normal store operations.

Instead of the more typical PC-based hardware, the Portal 43 is server-based and therefore much easier to manage.

Furthermore, we designed the Portal 43 specifically for retail functionality, which includes unique customer capabilities. Using the Portal 43, a customer can call for customer service assistance in a specific location within the store. Alternatively, the customer can use the unit to page for help via the overhead public address system.

Convenient with touch screen functionality, the device is user-friendly and follows current technology trends. The Portal 43 also follows state compliance laws, including Restriction of Hazardous Substances (RoHS) compliance.

Price Checking Accuracy

Acuative's Portal 43 offers a unique opportunity to ensure pricing accuracy. As a network device, it connects directly to the POS database and therefore, always reflects the same prices that ring up at the register.

Conclusion

Weights and Measures laws require retailers to ensure that customers are paying the appropriate price for their commercial products. The way to comply with the law, as well as earn the trust of consumers while ensuring a balanced and profitable business, is to place price-checkers such as Acuative's Portal 43 in stores and allow customers to scan their own prices.

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