

# GROCERY SURVEY FACTS

Discrimination in service is the most harmful single factor in determining why the poor pay more. Since there is a measureable difference in chain store prices as well as the prices of independent grocers when competitive chains are located nearby, the frequency of chain stores to a specific population is very important.

When chains are absent, the corner grocery store becomes the predominant source of volume shopping for many in the very poor communities. This kind of corner grocery, almost non-competitive, charges upwards of 30% more than a chain for such staples as milk, peanut butter, eggs, and shortening. As an example, when milk sells at the chain stores for 50 - 52 cents a half gallon, the corner grocer without chain competition or a large independent in the vicinity will charge 71 - 73 cents for a half gallon of milk. Crisco at 69 - 73 cents for a 3 pound can in the supermarkets, sells for \$1.00 - \$1.10.

It is critical, therefore, to provide all communities with adequate large stores and chain facilities that are modern and competitive. Inner and central city chain stores tend to be much older than their suburban sisters, consequently much smaller and often half the size. Smaller stores offer less service, less variety, less super economy sizes. When store size is computed with availability, the white suburbs could be said to have 500% more chain service than the very poor or low income blacks.

Big Chain policy acknowledges these discriminations, but excuses them by stating that the poor and low income Black buy 30% less groceries than the white suburbanites. Undoubtedly, the major chains reach this conclusion on the basis of store volume, coupled with the myth about blacks and their buying attitudes.

Mr. Herman Smith, Jet Food Corporation President, and a nationally acknowledged authority on the grocery habits of Negroes, claims that Black people in our large cities spend more for food consumed in the home than do suburban whites. He explains that Blacks eat out less, and are less fastidious about diets because a larger percentage of Blacks work manually. Mr. Smith estimated that Negroes spend 12% more for groceries than do whites. Yet major chain management maintains a myth, based on store volume, that whites in suburbia buy more groceries than Blacks in the city.

Tape interviews with inner city Black women demonstrated that a majority of them shopped outside their neighborhood when possible, and preferably in the suburbs. Many of those interviewed named a particular chain store nearby, and stated that they never or rarely shopped there because of the personnel, or the poor produce, or bad meats, or the condition of the store, but they shopped in the same chain in the suburbs near where they worked. \*

Such practice indicated why inner chain stores are losing volume. When they can, inner city women shop the suburbs for their weekly major grocery supply. A major recommendation of the Hope survey is the erection of high quality supermarkets, and the renovation of existing structures and equipment.

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\* Do the Poor Pay More?, 1967, an excellent study by Charles S. Goodman, Professor of Marketing, University of Pennsylvania, concludes from a limited sampling that "the poor do not pay more because they shop at competitive stores, going outside their residence area to do so if necessary."