NO PREP

Comparison Shopping and Unit Pricing

Includes: Student reading, case study, differentiated questions, teacher key

Name: Period: Date:

Comparison Shopping and Unit Pricing

The Sticker Price Is Not the Price

Walk down any grocery aisle and you are looking at a problem disguised as a shelf. Two bottles of the same shampoo sit side by side. One costs four dollars and forty-nine cents. The other costs six dollars and ninety-nine cents. Which is cheaper? The honest answer is that you cannot tell yet, because price alone is not information. Price only becomes information when you attach it to a quantity. The four dollar bottle holds

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Unit Price Does the Comparing for You

The tool that solves the shampoo problem is the unit price, which is the cost of a single standard unit of a product, such as one ounce, one pound, one hundred sheets, or one fluid ounce. You calculate it by dividing the total price by the number of units in the package. A thirty-two ounce jar of peanut butter at five dollars and seventy-six cents works out to eighteen cents an ounce. An eighteen ounce jar at three dollars and sixty cents works out to twenty cents an ounce. The large jar wins by two

cents an ounce, which sounds trivial until you multiply it across a year of groceries for a household. Many states require grocery stores to post unit prices on the shelf tag, usually in small print on the left side, and where it is posted you do not have to do any arithmetic at all. You do have to read carefully, because the unit itself can differ between tags. One tag may report cents per ounce while the tag directly beneath it reports cents per one hundred sheets or per pound, and comparing those two numbers produces nonsense. Convert to the same unit before you conclude anything. The other trap is the assumption that bigger is automatically cheaper per unit. It usually is, but not always, and stores know shoppers believe it. Promotional pricing on the small size, or a manufacturer quietly shrinking the large size, can flip the math with no visible change to the package.

When the Cheaper Unit Price Is the Wrong Buy

Unit price answers one question extremely well and it is important to know which question that is. It tells you the cheapest way to acquire a quantity. It does not tell you whether you should acquire that quantity. Buying the forty-eight ounce container of sour cream at a lower unit price is a loss if half of it spoils before your household finishes it, and the effective cost of food you throw away is infinite because you got nothing for it. This is why the warehouse club math is more complicated than the marketing suggests. Bulk buying rewards non-perishable goods that you reliably use, such as paper products, rice, or laundry detergent, and it punishes perishables in a small household. Storage space is a resource too. A case of forty-eight rolls of paper towels at an excellent unit price is a poor decision in an apartment with one closet. Quality has to enter the comparison as well, because unit price treats every ounce as identical when they are not. A cheaper trash bag that tears and doubles up costs more per actual use than the expensive one. Consumer researchers describe this as cost per use rather than cost per unit, and for durable goods it is the more honest number. Divide the price by the number of times you will realistically use the item. A twelve dollar pan used twice a week for six years is astonishingly cheap. A forty dollar appliance used once is not.

Sales, Brands, and the Word Free

Comparison shopping also means reading the promotion rather than reacting to it. A sale tag creates urgency, and urgency is the enemy of arithmetic. Buy one get one free sounds like fifty percent off, and it is, but only if you needed two. If you

needed one, you paid full price for one and took home something extra, which is a discount on a purchase you did not plan to make. Ten for ten dollars is the same trick, and most stores will sell you a single item at one dollar without requiring all ten, though the sign rarely says so. Check whether a quantity is actually required before you load the cart. Store brands, sometimes called private label or generic, are the other reliable lever. They frequently come off the same production lines as national brands and cost twenty to thirty percent less, because the price of a national brand includes advertising that the store brand never paid for. Ingredient and nutrition panels are public, so you can compare them directly instead of guessing. For staples such as flour, sugar, canned vegetables, and over-the-counter medicine, where federal standards define the product, the difference is frequently nothing but the label. Loyalty programs complicate the picture in a different direction, offering real savings in exchange for the store tracking your purchase history and marketing back to you. That trade may well be worth it, but it is a trade, and it should be made on purpose.

Building the Habit Without Losing Your Afternoon

None of this works if it takes an hour, so experienced shoppers make it fast and automatic. The first move is to write the list before leaving the house, because a list converts shopping from browsing into retrieving and browsing is where unplanned spending happens. The second is to check unit price only on the categories where it actually matters, meaning the things you buy every week in real volume, rather than agonizing over a single jar of spice. The third is to know a handful of your own price points. If you know that ground beef under four dollars a pound is a good price in your area, you can evaluate a sale in one second without any comparison at all. The fourth is to compare across stores only when the stakes justify the trip, remembering that gas and time are part of the cost. Driving nine miles to save one dollar and fifty cents is a losing trade. Online shopping deserves the same discipline plus one addition, which is that shipping, handling, and taxes must be included before comparing, since a lower listed price with eleven dollars of shipping is not lower. Comparison shopping is not about being suspicious of everything or spending your weekend with a calculator. It is a small set of habits that keeps the store from making your decisions for you, and it delivers a raise you do not have to ask anyone for.

Key Information: Comparison Shopping Tools

Detail	Information
Comparison Shopping	Evaluating competing products on price, quantity, quality, and terms
Unit Price	Cost per single standard unit; total price divided by units
Where to Find It	Small print on the shelf tag, required in many states
Unit Trap	Tags may use different units; convert before comparing
Cost Per Use	Price divided by realistic number of uses; better for durable goods
Bulk Rule	Rewards non-perishables you use; punishes perishables and small storage
Store Brands	Often 20-30% less; national brand price includes advertising
BOGO Caution	Only a real discount if you needed two in the first place

Case Study: Marcus and the Laundry Aisle

Marcus is a senior who does the grocery run for his family every other Saturday because both his parents work weekends. He has been handed sixty dollars and a list, and he is standing in the laundry aisle staring at three options. The store brand detergent is nine dollars and ninety-nine cents for one hundred ounces. The national brand is fourteen dollars and forty cents for ninety ounces. A club-size national brand jug is twenty-two dollars and fifty cents for one hundred fifty ounces, and a sign above it reads best value. Marcus pulls out his phone, divides each one, and gets ten cents, sixteen cents, and fifteen cents per ounce. The sign is wrong, or at least it is only right compared to the middle option. Then he hesitates, because the club jug will not fit on the shelf above their washer, and because his mother has said twice that the store brand makes his younger sister's skin itch.

1. Marcus finds that the jug labeled best value is not the lowest unit price. Explain what the sign is actually comparing and why his math is the more reliable guide.

2. Two facts push Marcus away from the cheapest unit price. Use the reading to explain why a higher unit price can still be the correct purchase.

Multiple Choice

1. How is unit price calculated?

    a) Package size divided by the number of items on sale

    b) Total price multiplied by the store's usual percentage markup

    c) Total price divided by the number of units in the package

    d) Sale price subtracted from the original shelf price

2. Why does the reading say buy one get one free is not always a real discount?

a) Unit pricing rules do not apply to promotional items

b) It only saves money if you needed two of the item

c) Stores raise the base price before running the promotion

d) The free item is usually near its expiration date

3. For durable goods like pans or tools, which measure does the reading call more honest?

a) Price compared to the store brand

b) Cost per ounce

c) Percentage off the list price

d) Cost per use

Matching

Write the letter of the correct definition on the line next to each term.

Term	Definition
1. ___ unit price	A) Evaluating competing products on price, quantity, quality, and terms
2. ___ comparison shopping	B) Purchase price divided by the realistic number of times an item is used
3. ___ cost per use	C) Store savings offered in exchange for tracking a shopper's purchases
4. ___ private label	D) The cost of one standard unit, such as an ounce or a pound
5. ___ loyalty program	E) A store's own brand, usually priced below national brands

Fill-in-the-Blank

1. The cost of one ounce or one pound is the _____ price.

2. Store brands are also called private _____.

3. For durable goods, divide price by uses to get cost per _____.

Short Answer

Answer each question in 2-4 complete sentences.

1. Explain why a lower unit price can still be a poor purchase for a small household.

_____

_____

_____

2. Why does the reading say a shopping list changes shopping from browsing into retrieving?

_____

_____

_____

3. Explain why store brands can cost 20-30% less without necessarily being lower quality.

_____

_____

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