

November 2022

An Open Letter to Leaders in the Supermarket Industry

We are a coalition of consumer and public interest organizations writing today about the issue of “digital discrimination” by some in the supermarket industry. We are concerned about the unavailability of “digital-only” sale items for the many grocery shoppers nationwide who do not have internet access.

For a significant segment of the population – the millions without internet access or a smartphone – sale items in weekly store circulars designated as “digital,” “digital-only,” “digital coupon,” or “digital offer” are simply unavailable to them. As a result, people who are often elderly or with limited income, are forced to pay higher grocery prices than their more tech-savvy counterparts. Particularly at this time of record high inflation, the extra financial burden placed on these vulnerable consumers is an unfair hardship.

The number of customers affected is in the tens of millions. According to the Pew Research Center, 39-percent of those 65+ do not own a smartphone, and 25-percent do not use the internet.¹ Among households with incomes under \$30,000, 43-percent do not have broadband access.² These populations are shut-out of digital deals.

We are asking you to help bridge this digital divide to the extent that at least some of your stores promote “digital-only” deals by offering an offline alternative by which the digitally-disconnected can benefit from all the grocery sale prices you advertise each week.

Digital-Only Offers Harm the Digitally-Disconnected

To be clear, we are talking about sale items featured in store circulars, TV advertising, store signs, and on grocery shelf tags that promote a final price available only after loading that offer electronically onto one’s store loyalty card or account. While digital versions of manufacturers’ coupons pose similar inaccessibility issues for the digitally-disconnected, we are focused on digital versions of *store-issued* coupons and featured sale items ([sample advertisements](#)) for fresh meat, seafood, produce, store brand products, and some name brand products for which you offer special limited-time digital-only discounts.

The amount of money non-digital shoppers overpay can be staggering. For example, in the first ad (Fig.1), a digitally-disconnected customer will pay \$9 more for this package of steak, and in the second (Fig. 2), \$15 more for a 15-pound Thanksgiving turkey because they cannot preload these offers onto their loyalty card.



Fig. 1



Fig. 2

¹ Faverio, Michelle. “Share of those 65 and older who are tech users has grown in the past decade.” Pew Research Center. (January 13, 2022) Online: <https://www.pewresearch.org/fact-tank/2022/01/13/share-of-those-65-and-older-who-are-tech-users-has-grown-in-the-past-decade/>

² Vogels, Emily. “Digital divide persists even as Americans with lower incomes make gains in tech adoption.” Pew Research Center. (June 22, 2021) Online: <https://www.pewresearch.org/fact-tank/2021/06/22/digital-divide-persists-even-as-americans-with-lower-incomes-make-gains-in-tech-adoption/>

Similarly, for the store brands in the following examples, the unplugged shopper will pay twice the price of their more tech-savvy counterpart for this ice cream (Fig.3), and 75-percent more for this carton of eggs (Fig. 4).



Fig. 3



Fig. 4

Promotion of digital-only deals in advertising, on shelf tags, and on store signs while helpful to the digitally-capable shopper, may actually mislead the digitally-disconnected one. Many customers misunderstand the nature of digital deals and believe that merely scanning their loyalty card or entering their phone number at checkout will entitle them to the advertised price.

Indeed, according to a September 2022 survey³ by Consumer World of almost 950 shoppers to gauge the public's use, understanding, and preferences related to digital-only offers, nearly one-in-three could not correctly explain how to obtain an advertised digital discount.

Even for customers who understand these offers and have internet access, 25% of them admit they may lack the technical ability to use the store's app or website (the "digitally-challenged"), and thus could wind up buying advertised items at the higher non-digital sale price or forego the purchase. Other findings from the survey include:

- Nearly 40-percent of respondents never use digital-only offers; and
- Seventy-percent would prefer an in-store rather than online method to access these types of sales.

We believe the use of digital-only offers as many chains have implemented them may constitute an unfair act under the Federal Trade Commission Act and similar state laws. It is unfair that large segments of the population cannot avail themselves of publicly advertised prices when there are ways for stores to easily make these offers available to the digitally-disconnected. It is unfair that some stores may be taking advantage of shoppers' misunderstanding of how to obtain the advertised price and thus are charging them higher prices than the ones promoted. It is unfair that clear instructions on signage and in advertising of how to obtain the digital-only advertised price is missing from many store promotions.

Alternatives Needed to Connect Vulnerable Consumers to Digital-Only Deals

To help remedy the discriminatory and exclusionary nature of digital-only offers we urge you to adopt one or more alternative methods that would allow all your shoppers to take advantage of the digital deals that you offer.

³ The Consumer World survey was conducted online September 5-19, 2022 with 942 respondents. Since all respondents use the internet, their access to digital-only deals exceeds that of the general population. Survey results available upon request.

Various chains and individual stores around the country are already doing this. Five of the primary methods to allow digitally-disconnected and digitally-challenged shoppers to take advantage of digital deals are to:

1. Utilize barcoded “clip or click” store coupons in store circulars so the customer can choose their preferred redemption method (e.g., Vons and The Giant Company).
2. Empower cashiers to charge the digital price upon request, or upon presentation of a digital pass.
3. Empower customer service personnel to provide refunds for missing digital discounts.
4. Offer physical store coupons next to digital-only deal products for those who did not/could not electronically “clip” the offer (e.g., H-E-B).
5. Install coupon kiosks where digital coupons can be added to one’s account in-store (e.g., ShopRite and Food Lion).

Obviously, there are pros and cons to each method from both the shoppers’ and stores’ perspectives.

We hope your company, whether you are only utilizing a few digital offers each week or have fully embraced the use of digital deals will provide an offline alternative for your digitally-disconnected and digitally-challenged customers. It is simply good business to recognize that all your customers deserve equal access to your offers. We would appreciate hearing your thoughts and plans. For that purpose, you can reply to the first signatory below.

Very truly yours,



Edgar Dworsky
 Founder & Editor
CONSUMER WORLD

And on behalf of:

CONSUMER ACTION

CONSUMER REPORTS

NATIONAL CONSUMERS LEAGUE

PIRG