

Shoppers buck hike of 0.99 of a penny

By Rikki Mitchell

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Your total comes to 99 cents — and ninety-nine hundredths of a penny.

Wait, what?

Since 99 Cents Only Stores raised prices by 0.99 of a cent in September 2008, more than 20 written complaints have been filed with the Arizona Department of Weights and Measures over the pricing structure.

The stores' pricing policy means that if you purchase an item marked at 99.99 cents you'll be charged one dollar after rounding, not including any taxes.

Similarly, items priced at 39.99 cents round to 40 cents at the cash register, the company says.

Shawn Marquez, director of compliance programs for Arizona Weights and Measures, says the department gets one or two complaints a month over the phone from customers saying they don't understand how the pricing structure is allowed, or how it makes sense.

"They are all saying the same thing," he said. "There's just a little confusion and it puts a little bit of uncertainty in consumers' eyes."

In California, the pricing policy has led to a pending class-action lawsuit filed in Los Angeles County Superior Court last year.

Dan Callahan, an attorney in Orange County, Calif., representing the plaintiffs, said the chain's pricing is misleading.

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"Many people don't know what that is," he said. "They don't think there is a 0.99 of a cent. When it's 99.99, really it's a dollar."

Callahan said he surveyed more than 500 people leaving 99 Cents Only Stores in California and Arizona and asked them if they knew how much they had paid for their items.

He said around 95 percent of people thought they were paying 99 cents, and they didn't understand the pricing.

Dave Gold, founder and chairman of the 99 Cents Only Stores chain, said the company did alert customers about the price increase, which he said was prompted by inflation. The policy is outlined on its website and the company held a news conference to announce the change, said Gold.

"The customer might not have heard it," he said. "The fact is that it's hard to get a news item out. We did everything we could, I think, to alert the customer."

Jennie Thomas, a shopper at the 99 Cents Only Store at 4144 N. Oracle Road in Tucson, said she didn't know about the price increase and finds the labels on items to be deceiving.

"They're not telling the truth," she said. "Say 'it's a dollar store,' not a 99-cent store, Thomas said, adding, "A penny is not that much difference, but be honest."


Jeremiah Struve, a shopper at the same location, said he knew about the increase. "It's better than the regular grocery store," he said. "I mean, why complain? Not in these days."

Gold called the class-action lawsuit frivolous.

He said items in the store are priced correctly but at times the signs may get moved or fall down. "When they go up originally, they go up correctly," he said. "We have them (employees) checking them all the time and you're always going to find one or two prices that are inaccurate."

Gold said he hadn't heard of the 20 written complaints filed with Arizona regulators but that it

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A sign outside a 99 Cents Only store explains the pricing policy.

seemed like an "enormous amount."

"I'm sorry, but we did advertise it and we do post it on every item in the store," he said.

When asked why the store hasn't changed its name, Gold answered, "We don't think we have to any more than Motel 6 didn't change their name, or Super 8," he said. "Super 8 is no longer eight dollars. The fact is that '99 only' is really a trademark."

Gold said this was the first time the chain raised prices since it opened. "Every company probably raises prices by more than a penny every year," he said. "We raised one penny in less than 28 years."

Callahan, the class-action attorney, said even though the price increase seems like a small number, he estimates the company is reaping an additional \$13 million a

year in profits.

Marquez said the Arizona regulatory department's goal is to make sure customers aren't being overcharged, by continuing its inspections.

He said inspectors will visit the stores where complaints have been filed and scan the items but if everything is correct, there's not much they can do.

He said it will be up to the stores to alleviate the confusion.

"You don't see (these prices) at Home Depots, you don't see it at grocery stores," he said. "It certainly is new to people and those that are paying attention are questioning it and complaining."

Rikki Mitchell is a University of Arizona journalism student and a NASA Space Grant intern. Contact her at rmitchell@azstarnet.com