

# Shoppers pay cost of misleading pricing

**W**ho doesn't like shopping at a discounted price? But the plethora of pricing tactics adopted by Hong Kong supermarkets means consumers can never be sure whether what they get is a real bargain. The problem is further compounded by loose guidelines and laws on pricing. Improvements are needed to enhance consumer protection.

The varieties of pricing in supermarket chains are confusing to say the least – standard price, original price, recommended retail price, special discount, best buy, today's promotion. Whatever they are called, they are tactics to lure customers. But the Consumer Council found that they could be misleading tactics to create an impression that the offers are too good to miss. In fact, the original price, which is usually crossed out and displayed above a marked down price, may never apply at all. It was found that up to 80 per cent of the 42 selected products in a study had not been sold at the strike-through prices over the past 30 days. This raises questions whether the prices can be a real reference for comparison.

The problem of misleading price labelling was raised by the watchdog five years ago but regrettably little improvement has been made. Not only will it deprive consumers the right to accurate information for making informed choices, it may also contravene the Trade Description Ordinance. Currently, traders are required to show clearly the definition of the strike-through price and sell the item at such price for a "reasonable period of time" under the enforcement guidelines of the ordinance; but oddly enough, the duration is not spelled out. There is a case for the authority to study overseas law and clarify the requirement. For instance, Singapore requires that the higher quoted price must have been used for a minimum 28 consecutive days in the previous 6 months. In Britain, the duration for the reduced selling price must not exceed that of the higher quoted price.

Honest and transparent pricing is fundamental to consumer confidence. While it is in the business interests of supermarkets to adopt best practices, the repeated criticisms by the Consumer Council in this regard call for a serious review of the regulation.