Reactions by consumers to unavailable advertised food specials as well as management responses to specific consumer reactions are explored in this paper. Special attention is given to differential shopper reactions and management behavior with respect to race. Information gathered from 219 food shoppers about their latest unavailability experience comprised the data base for the study. The findings suggest that black and white shoppers are similar with respect to purchasing and response behavior. However, the differential management behavior toward black and white shoppers offers further evidence of the continuing discriminatory marketing practices by some supermarkets. Implications from a public policy perspective are presented.

Food purchases represent the most frequent and continuing consumer contact with the marketplace and are an important and pervasive aspect of daily life. As such, this interaction provides a laboratory for study of repeat purchase and complaint behavior by consumers under relatively routinized conditions as compared to other types of consumer shopping behavior. Specifically, most consumers are familiar with the grocery outlet at which they typically shop, its physical dimensions, the personnel of the store, and its promotion/merchandising policies. Also, consumers are prone to purchase food from an outlet convenient to their home (Arnold & Tigert, 1973–74; Bellur & Miller, 1978). In the United States 1.5 trips weekly per household are made to the grocery store (Shopping frequency, 1977).

During periods of price increases and general economic turmoil, consumer frustration and dissatisfaction are particularly directed toward the supermarket because of shopping frequency. Swift changes in shopping behavior are also evident as consumers seek ways of reducing food costs. For example, food prices in the United States have increased 85% in the past nine years (Focus on the food market, 1977). These costs have increased more rapidly in the past four years than in any other peacetime period (Weiser, 1978). As a result, food shoppers have become more careful shoppers. They are purchasing more private (store) brands, redeeming coupons more frequently, preparing shopping lists, and making greater efforts to purchase advertised food specials at specially reduced prices (Food shopping habits, 1976).

Two out of every three shoppers now read food ads before making supermarket purchases. Of these, 75% read two or more food ads, and almost 50% of consumers indicated in a recent national study that they are influenced by ads in their shopping behavior (Shopping frequency, 1977). Thus, differences in promotion practices can be an important influence on shopping behavior and consumer food costs (Mason & Wilkinson, 1976–77). Shoppers on the average spend 14% of their food dollar on advertised food specials during a typical shopping trip (Consumers in crisis, 1974). Consequently, losses from unavailable advertised specials can be substantial. Under varying conditions, the unavailability of advertised food products could cost con-
consumers as a group almost $18,000 per year in a single store (Wilkinson, Mason, & Ferguson, 1975).

Early investigations by the Federal Trade Commission in 1969 found an average unavailability rate of 11% for advertised specials. During the course of the subsequent public hearings, substantial testimony by consumers, consumer organizations, local government agencies, and federal entities supported the Federal Trade Commission report (Federal Trade Commission, 1969). On the basis of the public hearings, the Federal Trade Commission in 1971 issued a Trade Regulation Rule governing retail food store advertising practices. The Rule made it an unfair and deceptive act or practice for retail food stores to:

1. Offer products for sale at a stated price, by means of any advertisement disseminated in an area served by any of its stores which are covered by the advertisement, when they do not have such products in stock and readily available to customers during the effective period of the advertisement.

2. Fail to make the advertised items conspicuously and readily available for sale at or below the advertised price.

Of course, product unavailability can occur for a variety of reasons other than deliberate efforts to stock less than reasonably expected demand, although in the A&P case the FTC alleged that 20% of the unavailable items were intentionally not ordered (In the matter of, 1974). The problem of maintaining adequate shelf stock is complex because the typical supermarket in the United States stocks approximately 11,000 items. Management may fail to accurately forecast demand for advertised items and thus purchase an insufficient amount of inventory to meet consumer demand. Deliveries of ordered merchandise may be delayed. Finally, an item not on the shelf may actually be available in backroom inventory, but during busy times of the shopping day supermarket personnel are simply too harried to maintain the shelves adequately.

Regardless, in 1971 it became an unfair method of competition and an unfair or deceptive act or practice for retail food stores to advertise products for sale at a stated price and fail to make the advertised items conspicuously and readily available for sale at or below the advertised prices. However, periodic surveys after 1971 by the FTC and various researchers found such practices still prevalent (Hendon, 1976; Imman & Larsen, 1975; Mason & Wilkinson, 1976). In 1974 A&P was found guilty of false, misleading, and deceptive advertising as well as unfair and deceptive acts and practices which constitute unfair methods of competition (Great Atlantic & Pacific Tea Co., 1974). The FTC has continued to press its investigations on this matter and recently accepted consent agreements from the Kroger Company, Fisher Foods, Food Fair Stores, and Shop-Rite Foods (Four supermarket chains cited, 1977).

High unavailability rates for advertised food specials have the potential for causing frustration and economic loss to shoppers. As the counsel supporting the A&P complaint stated, “unavailability . . . of advertised items robs individual consumers of potential savings . . . wastes the time of individual consumers . . . results in aggravation . . . draws price-conscious customers away from competitors . . . reduces the credibility of advertisements” (Great Atlantic & Pacific Tea Company, 1974). Yet the behavioral reactions by food shoppers to unavailability of advertised food products are largely unknown. Are consumers, for example, relatively unconcerned, merely frustrated, or do they take positive action such as changing their place of