



Canadian
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Conseil
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Canadian Association of Chain Drug Stores
Association canadienne des chaînes de pharmacies



CANADIAN FEDERATION OF INDEPENDENT GROCERS
FÉDÉRATION CANADIENNE DES ÉPICIERIS INDÉPENDANTS



Retail Council of Canada

Scanner Price Accuracy Voluntary Code

Associations' Annual Report to the Competition Bureau

October 2009



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Scanner Price Accuracy Voluntary Code Annual Report

This is the annual report to the Competition Bureau from the following associations: the Canadian Association of Chain Drug Stores (CACDS), the Canadian Council of Grocery Distributors (CCGD), the Canadian Federation of Independent Grocers (CFIG) and Retail Council of Canada (RCC).

The Code came into effect on a voluntary basis in the retail grocery, chain drug and general merchandise sectors on June 11th, 2002. The code is valid in all provinces and territories, with the exception of Quebec, where it is superseded by government regulation. For the period of one year ending July 2009, this report provides:

- A summary year in review.
- A list of supporting companies and the estimated number of their supporting store locations.
- A summary of signage distribution.
- A summary of the complaints received on the 1-866 consumer line.
- A summary overview of 2009 Association Audit.

1. Summary Year in Review:

The signatories of the Code are pleased to provide this annual report to the Competition Bureau and are making this report available to the Consumers' Council of Canada and on each of the Associations' respective websites.

There are four key indicators of the success of the Code:

1. Error rate
2. Visibility of signage
3. Random tracking of errors
4. Effectively addressing complaints

The signatories have had four years of independent audit data available from The Nielsen Company to track compliance with signage requirements as well as tracking the accuracy of scanned pricing practices. With consistent results over the last four years the associations have decided to conduct the Nielsen study every other year. This year an association audit was conducted. This information will be discussed in detail later in this report.

This year, in order to continue with the Associations' commitments to increase awareness about the Code, the following initiatives were undertaken:

- Further distribution of a cashier brochure (English and French) to address ongoing education of front line staff in participating store locations.
- A feature on CBC's Marketplace.
- A print focus on senior and family magazine's. Several publications have been approached with interest specifically from Canadian Family Magazine.



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RCC the voice of retail
Retail Council of Canada

Total consumer calls handled by the toll-free line this year were 1000, compared to 740 in 2008.

Over the next 12 months, the Associations will continue to market the benefits of the Code to their current and prospective members as well as to Canadians through media responses and proactive outreach to trade publications.

2. Supporting Companies and Locations:

Among the three retail sectors and four associations, 2,698 companies representing over 8,000 retail locations support the Code.

The locations per association break down as follows:

Association	Number of Signatory Companies	Approximate Number of Locations Covered
CACDS	7	1,151
CCGD	9	2,723
CFIG	2,672	2,672
RCC	10	1,599

Please note that since CFIG members are independent store owners, it is assumed that each signatory represents one retail location and due to the commonality of some of the association memberships and franchise arrangements (particularly in grocery retail) there is the possibility of double-counting of some locations.



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3. Supporting Companies

The following companies are signatories to the Code. Their staff are trained and their signage is in place to raise awareness and educate consumers on the details of the Code.

Best Buy/Future Shop
Canada Safeway Limited
Canadian Tire Corporation Ltd
Co-op Atlantic
Colemans
Food Centers
Costco Wholesale Canada Ltd
Federated Co-operatives Limited
Giant Tiger Stores Ltd.
Home Hardware franchisees (2 locations)
Le Groupe Jean Coutu (New Brunswick and Ontario locations only)
Loblaw Companies Limited
London Drugs
Lovell Drugs (2 locations)
Metro Inc.
PharmaPlus
Pharmasave (B.C.)
Rona
Shoppers Drug Mart
Sobeys Inc
Sobeys Pharmacy Group (formerly Lawton Drug Stores)
The Home Depot Canada
The North West Company
Thrifty Foods
Toys 'R' Us
Wal-Mart Canada Corp

+ 2672 independent locations

4. Signage Production Summary:

In-store signage is one of the key tools used to bring awareness of the Code to the consumer. The Code states that if the retailer is a signatory they will place signage prominently on their front entrance and visibly at each cash register. It is part of the store's ongoing maintenance to keep the signage refreshed.

It is the constant commitment of participating Associations to continue to work with signatories to improve signage compliance. In the past year, 15,393 small (4" X 6") signs for the cashier locations and 5,270 large (8.5" x 11") signs for the store entrance(s) were shipped to industry.

5. Consumer Complaints Received on the Toll Free Line:

The Scanner Price Accuracy Voluntary Code allows for most price accuracy errors to be resolved at the store level. However, if the error is not resolved to the consumer's satisfaction at the store level, they can call the toll free complaint line, (1-866-499-4599) which is also prominently displayed on all Code signage and pamphlets.

The phone line is connected to a voicemail system where the consumer leaves a message in one of four voicemail boxes, depending on the type of retailer where the incident occurred: general inquiry, grocery, pharmacy or general merchandise.

The appropriate Associations manage these complaints and ensure follow up by their signatories are involved. Because the consumer would be unable to identify whether a particular grocery store is a member of CFG or CCGD, CCGD manages the grocery line and forwards any complaints involving CFG members directly to CFG staff.

For the period of June 2008 to July 2009, there were 1000 complaints retrieved from the toll free phone line. Of those complaints, the Associations and signatories were able to successfully resolve all complaints.

Details are as follows:

	Number of complaints 2006	Number of complaints 2007	Number of complaints 2008	Number of complaints 2009	Change from Last Year	Number of Unresolved Complaints
TOTAL	607	683	740	1000	260	0

The following chart provides tracking of complaints on a month per month basis for the year ending June 2009:

Month	Total	%
July	75	7.5%
August	89	8.9%
September	85	8.5%
October	88	8.8%
November	93	9.3%
December	92	9.2%
January	88	8.8%
February	68	6.8%
March	78	7.8%
April	75	7.5%
May	88	8.8%
June	81	8.1%
Total	1000	100%



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Key observations for the month by month complaint count:

Complaints are spread fairly equally by quarter, but we definitely see small peaks at the back-to-school time and the holiday season which stands to reason given increased store traffic during these periods of the year.

6. The Association Audit

For the first time, the signatories conducted their own member association audit for an objective audit of signatory compliance with the code. The methodology included surveying 255 stores on their compliance with signage requirements and staff knowledge of the Code.

The following are key findings from the study:

- 87% of cashiers surveyed answered all 12 of the “Cashier Knowledge” questions correctly
- 84% of stores surveyed had signage at every entrance and at every cash register
- 96% of staff surveyed understood the purpose of the code which is to visibly demonstrate our commitment to Scanner Price Accuracy and to reinforce customers’ trust in correct scanner pricing.