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The Grocery Game helps food shoppers save money

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The best deals in the produce section tend to follow the season: strawberries today, watermelons in midsummer, apples in fall.

But prices also rise and fall through the year in the other aisles in the supermarket. And taking full advantage of the cycles can save a family thousands of dollars a year.

With the economy stumbling and food prices rising at the fastest rate in two decades, finding ways to save money on groceries has become a top priority for U.S. consumers. Surveys find shoppers forgoing name brands for store labels, switching to discount retailers and cooking more meals at home. Coupon-trading Web sites draw hundreds of thousands of visitors. Wal-Mart's stock is up, Whole Foods Market's is down.

But experts say that you don't necessarily have to switch to buying your groceries at a big-box store to get the biggest savings. If you're ready to do a little stockpiling at home, just paying attention to the discount cycles at the major chain supermarkets, where Sacramento-area shoppers still get more than three-quarters of their groceries, can allow you to buy nearly all your food and other household necessities at near-wholesale prices.

Add in coupons and you can beat even the bulk discounters Costco and Sam's Club, says Teri Gault.

Gault runs an online membership service called the Grocery Game that promises – and appears to deliver – big savings at major supermarkets.

Jerry Glass, a state worker who lives in Rancho Cordova, turned to Gault's method two years ago and never looked back. "I've saved so much money it's stupid," she said.

Here's how Gault's method works: For \$10 for eight weeks (or \$1 for a four-week trial) she sells access to a database that tracks the price of thousands of goods. Each week, she flags what's being discounted most deeply and matches those items with manufacturers' coupons from the local newspaper or in-store booklets.

The idea is to stock up on items when they are on sale and then cut the price even further by using a coupon. The double-discounting means that some items each week are available for pennies, if not free.

"It's about timing and playing the game," Gault said.

But there are a few caveats:

- Some items like milk are never discounted beyond a certain point in any store.

- Grocery Game-style shopping also requires the willingness – and the storage space – to stockpile, and to be flexible about brand choices.
- Clipping coupons takes time. Stores often run out of sale items. Gault's system is available only online at www.grocerygame.com.
- In the Sacramento area, Gault covers only Safeway supermarkets. Rite Aid and Walgreens are available for an additional charge, and a Raley's list is in the works.

How it started

Gault, 48, a former TV actress (she appeared in "Happy Days"), said her business, launched in 2000, grew out of her own experiments in bargain hunting.

"I was just a really good shopper," she said on the phone from the Denver airport during a trip back to her Los Angeles-area home.

Since January, the concern about rising food prices has tripled the traffic on her Web site, Gault said.

Gault wouldn't disclose how she collects the information used to assemble her list, nor would she reveal her paid membership. But she said it's been growing at better than 10 percent a month this year, and the service is now available in 126 metropolitan areas around the country.

In a test-drive around Sacramento, the Grocery Game performed as advertised. In-store discounts matched the list, and it wasn't hard to find the right coupons in the latest Sunday paper. But it does take a non-trivial level of organization to make it work.

'High-low' pricing system

Gault's system takes advantage of what's known in retailing as the "high-low" pricing strategy followed by most chain supermarkets.

In those stores, most items are not on sale at any given time, and on average will be more expensive than at stores like WinCo and Wal-Mart that follow the "Every Day Low Prices" approach, which relies less on short-term discounting, three industry consultants said.

But to lure shoppers into the store, high-low supermarkets always have some items on sale – and the sale prices generally dip below what's available at the discounters, according to Gault and the industry consultants.

The area's two leading grocers – Raley's and Safeway – would not say whether they follow the high-low pricing pattern. Raley's spokeswoman Nicole Townsend said her company offers discounts in response to consumers' needs. In addition, she said, "Every Day Value is still very much a part of our go-to-market strategy."

Grocery industry experts said the basic approach of stockpiling sale items will work at any supermarket that follows the "high-low" pattern.

The simplest strategy, said Mark Lilien, a consultant with the Retail Technology Group in Stamford, Conn., is to walk into a supermarket once a week without a list and stock up on whatever's on sale.

"Just accept what the supermarket is willing to give away," he said. "If you go along for the ride, sooner or later everything is on sale."

High-low pricing was pioneered by department stores in the early 20th century and has been

standard in the supermarket business since the 1950s. The quarterly cycles have taken root in the business patterns of both retailers and manufacturers, Lilien said, with managers relying on discounts to meet their quarterly sales volume targets.

Newspaper advertising has been central to the high-low strategy since its inception. While supermarkets now list their discounted items on their Web sites and e-mail coupons to customers, the schedule of the weekly newspaper insert still determines when displays are rearranged and sales begin and end, said Bob Reynolds, a Moraga retail economist and consultant.

"In the culture of the business, even in this day and age, it is that print ad," he said.

Shopper saves with system

Rancho Cordova's Glass, an employee in the state controller's office, began using Gault's system two years ago when her husband left his job as a factory foreman to retrain as a nurse. Looking for ways to stretch her salary to support a family of three, Glass happened on an article on Gault's system.

The first week, Glass said, she didn't have all the coupons she needed. But she soon figured out a filing system and got the hang of stockpiling and then cooking from the pantry.

Now, she seems to look on bargain shopping as almost a sport.

"It's not so much using the coupons, it's buying something when it's at its lowest price and you have a coupon," she said. "That's when you really save."

On a recent afternoon at her home, Glass, 49, was cooking a big pot of spaghetti sauce with her sister.

"Everything red is stockpiled," she said, pulling cans of tomato paste, salsa and crushed tomatoes from two 7-foot-tall storage cabinets in the dining room. The hamburger, purchased in bulk, was pulled from the freezer. Only the Italian sausage was bought at full price that morning at her neighborhood Bel Air.

In Southern California, where Glass lived until last fall, she said she saved 55 percent to 60 percent on her total grocery expenses by following Gault's recommendations. She found that she was acquiring so much food for free, or just pennies a package, that she became a regular donor to local food banks and programs that send food to military personnel overseas.

In Sacramento, her savings have dropped since stores here don't offer "coupon doubling" as many do in Southern California. But Glass said she still saves better than 30 percent.

Glass shops at Costco for a few items – coffee, meat, paper products – but said the sale-plus-coupon combo at Safeway is the better deal for most everything else.

"If you stockpile six or seven cans of corn from Safeway, and you got each one for 30 cents, that beats Costco any day of the week," she said.

Saving money takes time

Coordinating coupons and laying out a shopping list does take time, Glass said, but the savings more than make up for her trouble, she said.

Saving money hasn't meant cooking only out of cans and boxes, either. Apples and oranges filled a bowl on the dining room table, and onions hung in a wire basket from the kitchen ceiling. Glass said she buys only American-grown produce, which tends to mean she shops with the season. She also hits farmers markets and roadside produce stands.

Glass admits she can get a little carried away with the stockpiling.

"I'll be honest. I gave a lot of my cereal to my son" when he moved away from home, she said.
"Because if I can buy cereal for a dollar a box, I'm going to buy cereal for a dollar a box."

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