

Scholars Find Wal-Mart Supercenters Provide Customers with Lower Prices Within and Beyond its Stores

University scholars researched the age-old question “Is Wal-Mart good for the economy?” The study, “The Effects of Wal-Mart Supercenters on Grocery Prices in New England (2008)”¹ focused on the impact of Supercenters on grocery prices, and its competitive effects on prices at conventional supermarkets. It found that Supercenters provide products at significantly lower prices than conventional supermarkets. Additionally, introducing Supercenters in local neighborhoods, results in a price decrease on similar products in supermarkets within the same community.

Specifically, the study found:

- Grocery prices on national brand goods at conventional supermarkets **decrease six and seven percent** when competing located within a five-mile radius of a Wal-Mart Supercenter.
- **Private label goods prices also decrease three and eight percent** when a competing Wal-Mart Supercenters is within a five miles of conventional supermarkets.
- Families living within five miles of a Wal-Mart Supercenter **save an estimated \$186-\$298 per person annually**, if they shop at Supercenters rather than at competing supermarkets.
- Families who shop exclusively at conventional supermarkets within a five-mile radius of a Supercenter **save an estimated \$37-\$104 per person annually**.

In their words:

- “We conclude that **Wal-Mart Supercenters have a positive welfare effect** on price-sensitive consumers.”
- “Consumers who seek to purchase their groceries as inexpensively as possible **benefit from the presence of Supercenters.**”
- “Price decreases are most significant in the dry grocery and dairy departments...**Wal-Mart sets grocery prices significantly lower than its competitors.**”

Learn more about the economic opportunities and cost savings Wal-Mart provides its customers and communities by visiting www.walmartstores.com.

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¹ Volpe III, Richard J. and Nathalie Lavoie, 2008. “The Effect of Wal-Mart Supercenters on Grocery Prices in New England.” Review of Agricultural Economics, 30 (1):4-26.