The Discount Cards That Don’t Save You Money

We Go Grocery Shopping Using a Range of Club Cards, But Pay Less at Rival Stores

By Katy McLaughlin

They are the three words supermarket shoppers have become obsessed with: “You just saved.”

That’s the phrase increasingly being printed out on grocery-store receipts these days—and chirped by cashiers—amid the rapid proliferation of supermarket club cards. These programs are calculated to appeal directly to your inner penny-pincher: Swipe your membership card in the checkout line, and the next thing you know a receipt prints out saying something like, “You just saved $21.83.” Message: You’re being rewarded with deals so special, they are reserved for members only.

The programs, with names like the Kroger Plus Savings card and Dominick’s Fresh Values Club, are spreading quickly as the $398.2 billion supermarket industry scrambles to compete with discounters like Wal-Mart Stores and Target. Even Albertsons—which previously marketed itself with the slogan “no card, no hassle”—is now rolling out its own Preferred Savings Card. Today, more than three-quarters of Americans have club cards.

But how much cash are you really saving by shopping at a supermarket that has a card, instead of a noncard store? To find out, we went shopping at both types of stores and talked to a range of card experts. We found that, most likely, you are saving no money at all. In fact, if you’re shopping at a store using its card, you may be spending more money than you would down the street at a grocery store that doesn’t have a discount card.

We learned this the hard way, by going on a five-city, shop-till-you-drop grocery spree. In each city, we shopped at a store using its discount card, and afterward went to a nearby grocery store that doesn’t have a card and bought the same things. Then we rolled up our sleeves, unrolled our receipts and crunched the numbers.

In all five of our comparisons, we wound up spending less money in a supermarket that doesn’t offer a card, in one case 29% less.

The bottom line: Sale prices—which were once available to all shoppers—are now mostly restricted to card holders in stores with cards and are called “card specials.” In our experience, items not covered by card discounts tended to be more expensive than at nearby noncard stores. As a result, we paid more at card stores than at noncard stores.

Supermarkets dispute the criticisms. The cards let stores “target savings” to their most loyal customers, says Ertharin Cousin of Albertsons. In addition, some card stores say they aren’t competing solely on price, but on things like selection and store cleanliness, too. “Kroger doesn’t claim or advertise as the lowest priced supermarket in a particular market,” a spokesman says. Stores also say studies based on short grocery lists—such as the one we used—aren’t conclusive and that shoppers don’t stick to lists, but make impulse buys when they spot good deals.

According to industry experts our shopping ex...
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By Tom Silverberg at the New York Times

In Chatham, we stopped first at the Kroger’s. It was the supermarket where we often shop, and we were curious to see how the discount cards would work there.

First, we looked at the Kroger’s Club card. It’s a simple, plastic card that you get when you sign up for the program. The card allows you to save money on your purchases by earning points that can be redeemed for discounts on future purchases.

Next, we looked at the Kroger’s Fuel Saver card. This is a fuel discount card that you can use at Kroger’s gas stations. The card allows you to save money on gas purchases by earning points that can be redeemed for discounts on future purchases.

Finally, we looked at the Kroger’s Savings Club card. This is a more comprehensive discount card that allows you to save money on a variety of products. The card allows you to earn points that can be redeemed for discounts on future purchases.

We found that all of the discount cards were easy to use, and that they saved us money on our purchases. However, we also found that the savings were not always significant. For example, we saved about $10 on our grocery bill at Kroger’s, but we also spent an additional $20 on other items.

Overall, we were satisfied with the discount cards, but we also found that they were not a substitute for good planning and budgeting. We still need to be mindful of our spending and make sure that we are getting the most value for our money, regardless of the discount cards that we use.

Tom Silverberg is a freelance writer and blogger. He can be reached at tom@silverberg.com.