



HIGH COVID-19 PRICES PERSIST ON AMAZON

KEEP AN EYE OUT FOR HIGHER-THAN-AVERAGE
PRICES ON ESSENTIAL PRODUCTS

SEPTEMBER 2020 // U.S. PIRG EDUCATION FUND

U.S. PIRG
Education Fund



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ACKNOWLEDGMENTS

The author would like to thank Teresa Murray, Consumer Watchdog, as well as Tony Dutzik of Frontier Group, for their thoughtful review of the report and editorial support.

The views expressed in this report are those of the author and do not necessarily reflect the views of our funders or those who provided review.

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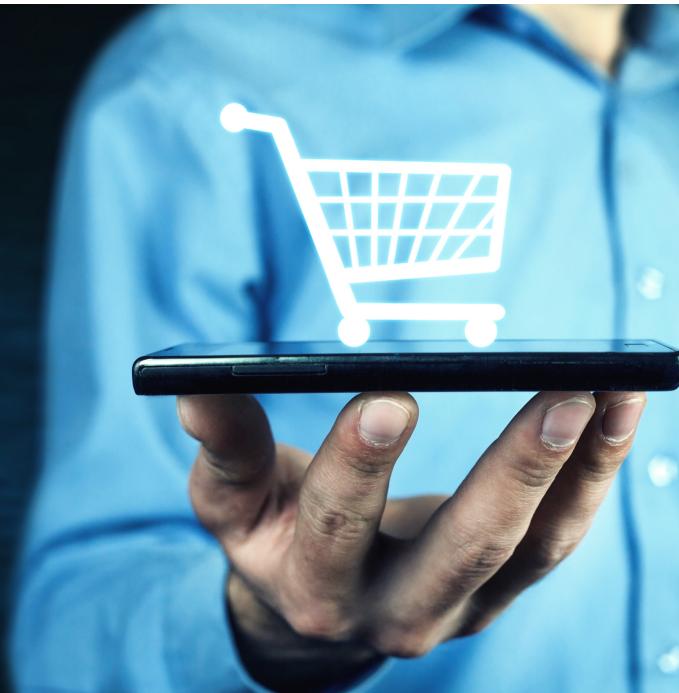
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Design: Grace Brombach

Cover Photo Sourced: Canva Pro, BogdanVj

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EXECUTIVE SUMMARY

In late February, just as the severity of COVID-19 was emerging, U.S. PIRG Education Fund's original research uncovered severe price spikes on Amazon. We reviewed more than 90 types of face masks and hand sanitizers. Using the price-tracking tool Keepa, we compared current prices with the 90-day average leading up to the pandemic. We found price increases of at least 50 percent on more than half of the products.

Following this research, Amazon vowed in an April letter to U.S. PIRG that it was committed to fair pricing and would work harder to rid the site of exorbitant prices.

"There is no place for price gouging on Amazon," the company wrote, "and we will not tolerate attempts to artificially raise prices on basic-need products during a global health crisis. It is unconscionable . . . Our long-standing Marketplace Fair Pricing Policy strictly prohibits excessive prices on products and shipping. We proactively monitor our stores for unfair prices, and we aggressively enforce this policy in order to protect our customers."

Six months after U.S. PIRG started investigating price gouging, we wondered whether Amazon had succeeded in fixing this problem.

In August, we searched Amazon for 10 staple food, health and cleaning products likely to be in high demand during the pandemic. We entered the terms in the search bar and reviewed the listed prices for evidence of extraordinary pricing.

This time around, we checked the price of identical items across multiple major sites, comparing prices on Amazon to listings at Target, Walmart and other retailers. The results were stark.

On 10 staple products we reviewed in August, options from Amazon were as much as two to 14 times as expensive as the identical products at other retailers. There was one package of Clorox disinfectant wipes for \$37.95 on Amazon, compared with \$5 at other stores. And there was a \$29.99 thermometer at Amazon that cost \$10 at other stores. The list goes on.

Price gouging happens when sellers and distributors recognize an increased need for one or more products and take advantage by dramatically increasing prices for consumers. At best, modest price increases in the marketplace overall are caused by disruptions in the supply chain. At worst, they represent profiteering.

Amazon in particular needs to step up its efforts and do more to fulfill its promise, but Amazon is not the only site or store with this issue (see note below about “more examples”), so while we call on Amazon and other retailers and platforms to prevent these abuses, we are also calling for stronger government policy to protect consumers.

Since February, our partner organization U.S. PIRG has partnered with more than 370 officials in 45 states to demand that the major online marketplaces take steps to prevent price gouging on their platforms. U.S. PIRG also helped convince the U.S. House of Representatives to pass national protections against price gouging under the HEROES Act, and supported statewide legislation passed in Colorado this summer. Now, 37 states, Guam, Puerto Rico, the U.S. Virgin Islands and the District of Columbia have statutes that target price gouging during an emergency.

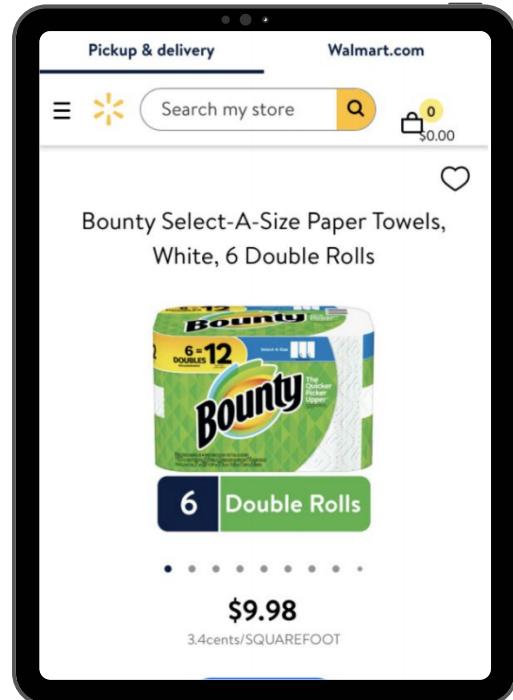
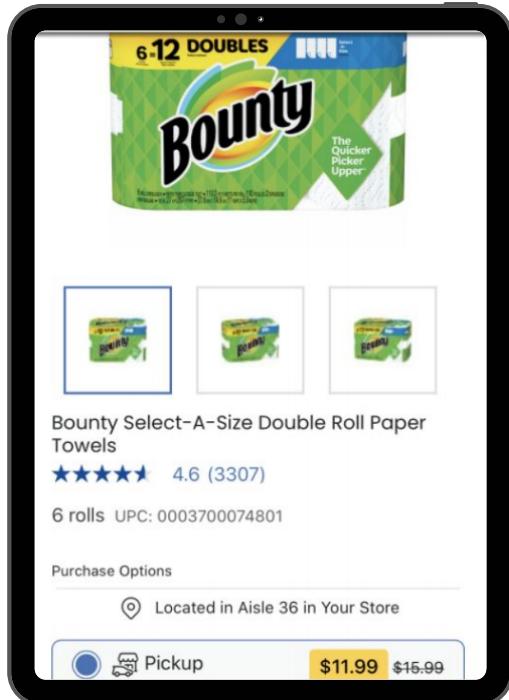
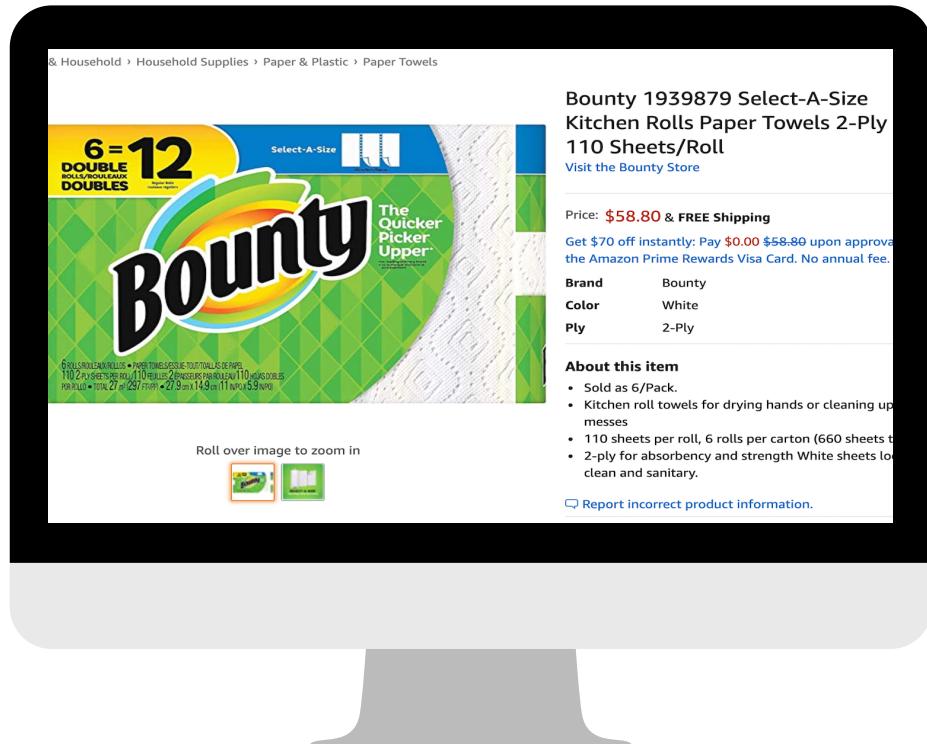
Despite this progress, there's more to be done. Consumers nationwide should expect that their state and federal government offices are looking out for them. The 13 states that haven't yet passed anti-price gouging laws should make this issue a priority because this pandemic isn't going away anytime soon. And aside from COVID-19, there's always the possibility of a natural disaster that could lead to price gouging on chain saws, space heaters, bottled water or ice.

In the meantime, while we wait for enforced corporate policies and stronger legislation, consumers should stay alert and report price gouging when they spot it. We offer three tips to avoid these price spikes: compare the cost per unit prices for products at different stores, avoid buying opened products resold as single items, and skip over listings on Amazon without a “buy box”, since it may violate its fair pricing policy. If you come across a product in stores or online that you feel is priced far out of normal range, you should document the item and report it to your attorney general's office. This [link](#) provides phone numbers and email addresses to report complaints for every state.

Here are the details on the 10 items that we found with extraordinary prices on Amazon as compared to other major retailers.

PAPER TOWELS

We found a pack of 6 Bounty Doubles Select-A-Size rolls on Amazon for \$58.80. We found the exact same Bounty product on Kroger's website for \$11.99 and Walmart's website for \$9.98. Amazon's price is almost six times as high as Walmart's and almost five times as high as Kroger's.



FACIAL TISSUES

We found a four-pack of Kleenex Anti-Viral tissues (60 tissues per box) for \$22.99 on Amazon. We found the same four-pack of tissues for \$7.32 at OfficeSupply.com and \$6.49 at Target. The Amazon option is more than three times as expensive as the other two options.



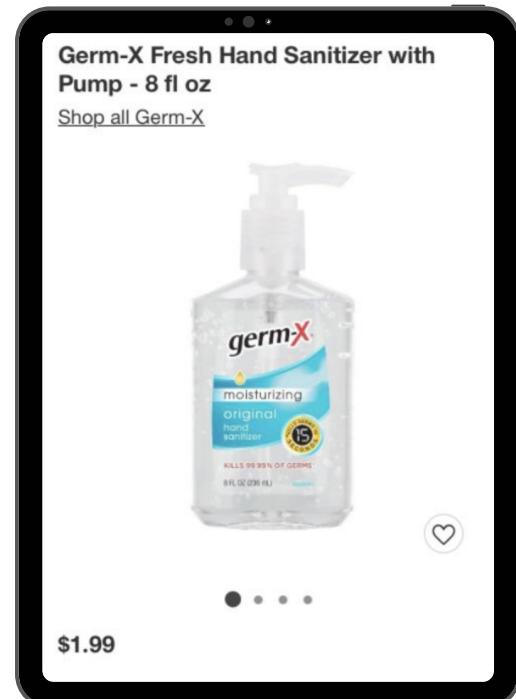
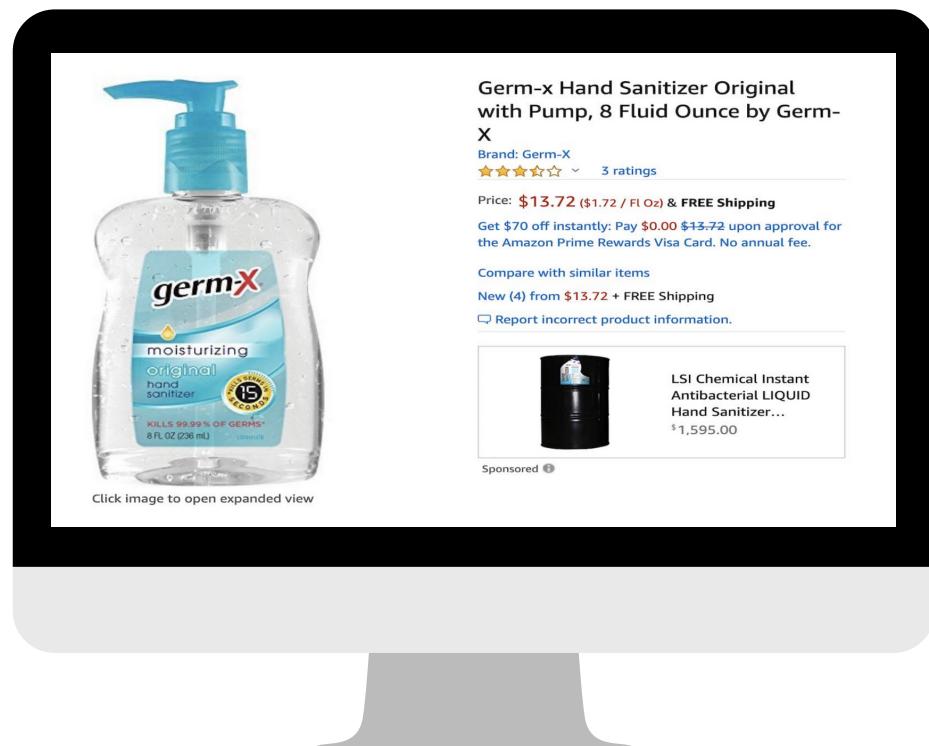
HOT BUY
Kleenex Anti-Viral 3-Ply Facial Tissues, White, 60 Tissues Per Box, Pack Of 4 Boxes
★ ★ ★ ★ ★ (426) Reviews
Product Number: ODFN9841181
• 3-ply tissue is soft and absorbent.
• Each box contains 60 tissues.
• Moisture-activated core kills 99.9% of cold and flu viruses.
• Decorated box accents your décor.
More details
\$7.32 \$10.36

Kleenex Anti-Viral Facial Tissue
Shop all Kleenex

\$6.49
★ ★ ★ ★ ★ 459

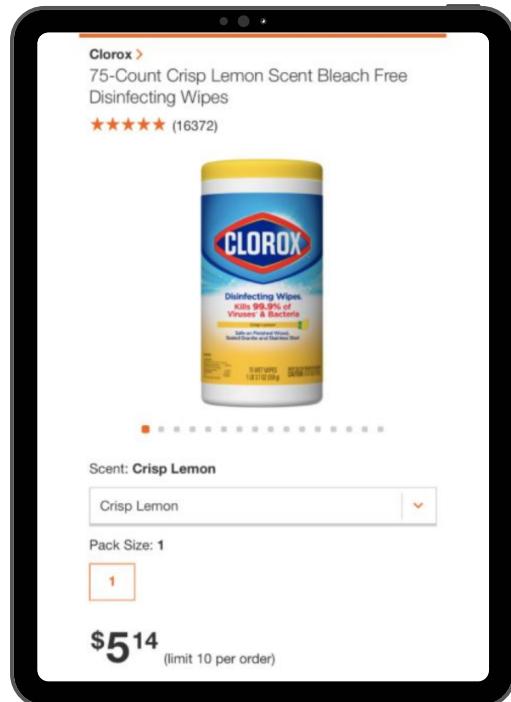
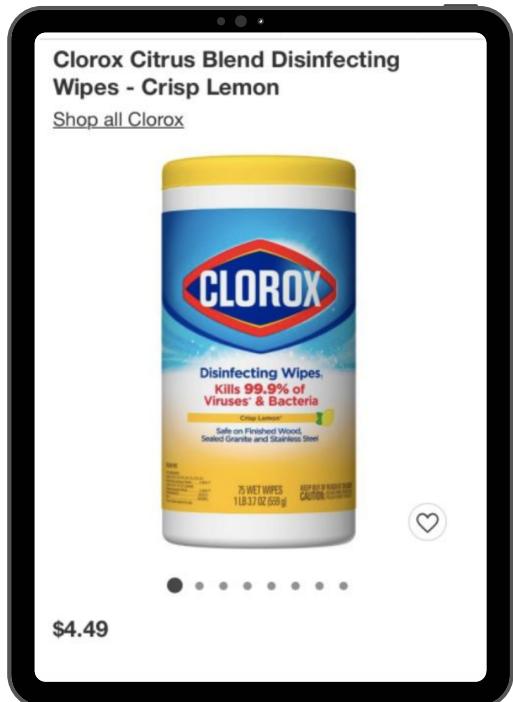
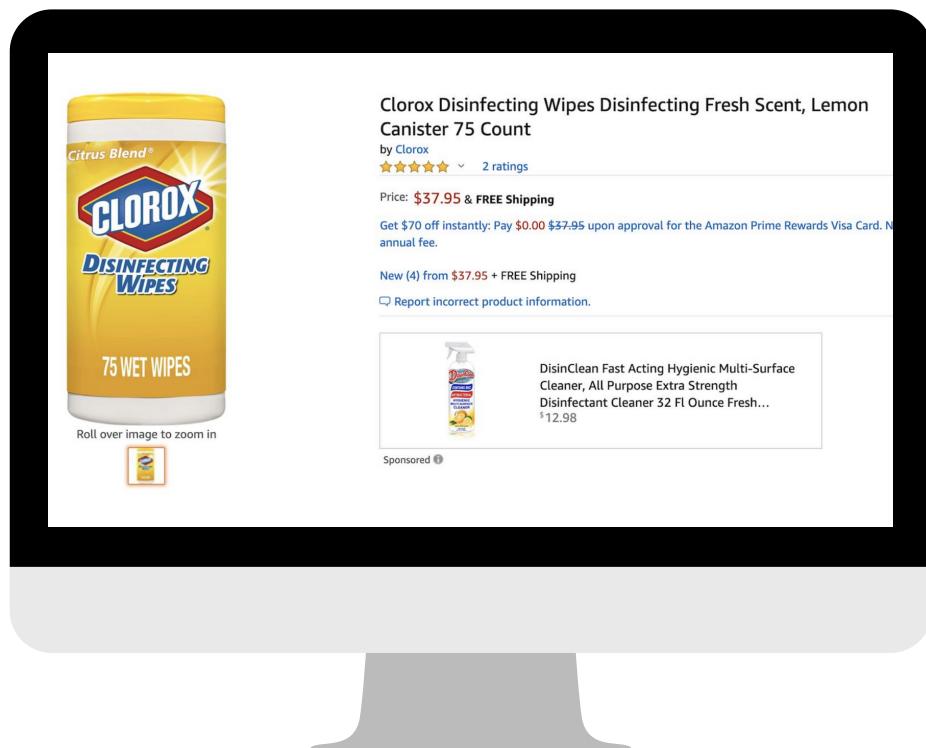
HAND SANITIZERS

We found an 8-ounce bottle of Germ-X Moisturizing Hand Sanitizer for \$13.72 on Amazon. We found the same hand sanitizer for sale for \$2.27 at Walmart and \$1.99 at Target. Amazon's price is more than six times as expensive as the other two options.



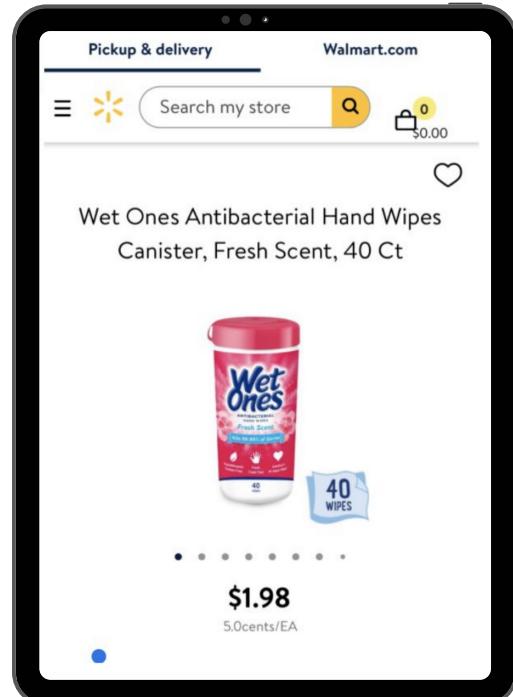
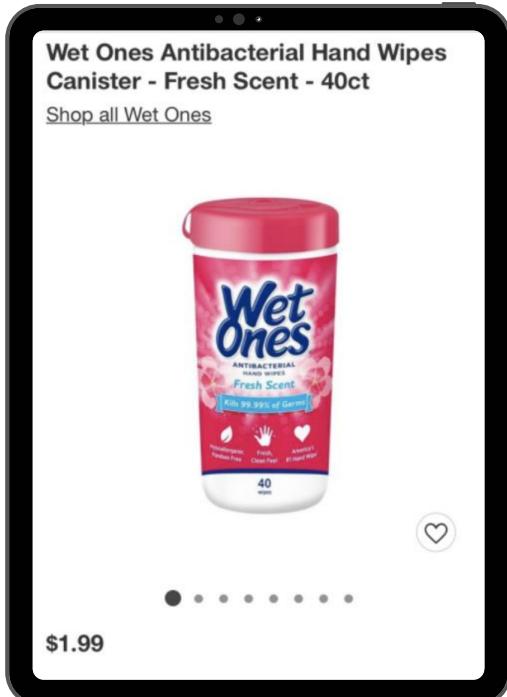
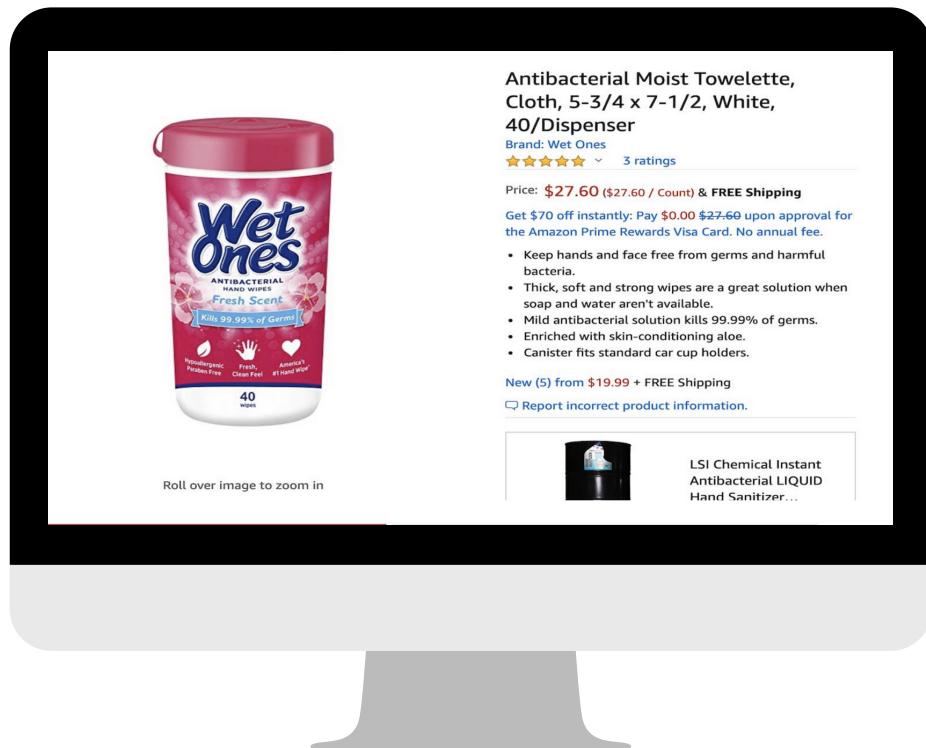
DISINFECTANT WIPES

We found the same 75-count Clorox Disinfecting Wipes listed on Amazon for \$37.95, the second at Target for \$4.49 and the third at Home Depot for \$5.14. The price of the Amazon option is more than eight times as high as Target's and more than seven times as high as Home Depot's for the same product.



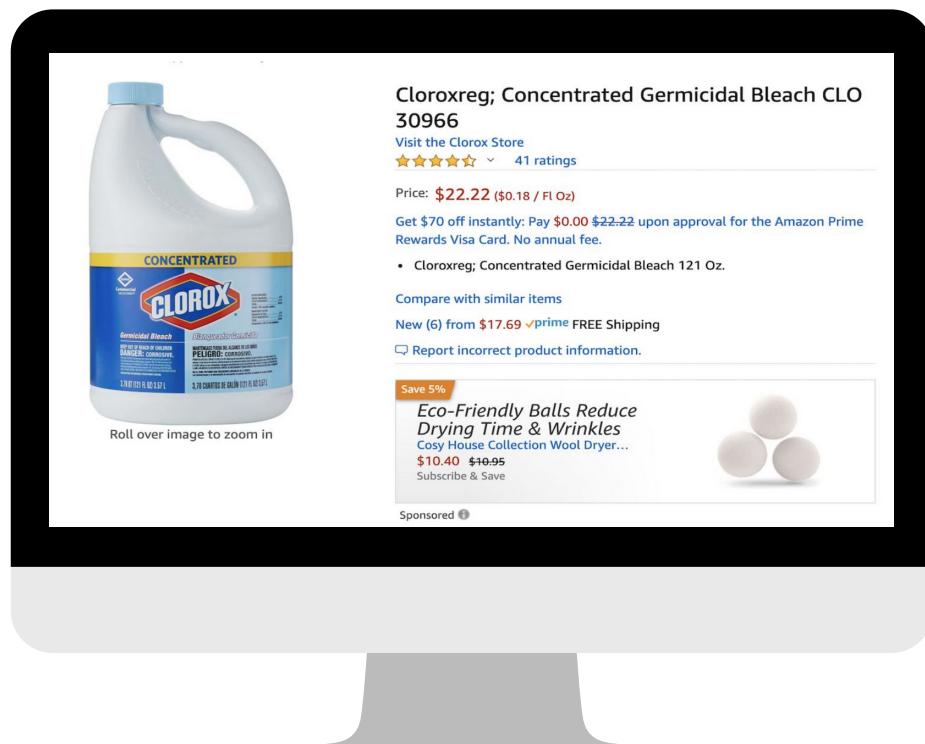
ANTIBACTERIAL HAND WIPES

We found a 40-count Wet Ones Antibacterial Wipes canister for \$27.60 on Amazon, compared with prices of \$1.99 at Target and \$1.98 at Walmart. The Amazon price is nearly 14 times as expensive as Target's and Walmart's prices.



BLEACH CLEANER

We found a 121-ounce bottle of Clorox Concentrated Germicidal Bleach Cleaner for \$22.22 on Amazon, compared with prices of \$6.58 at Home Depot and \$9.39 at Office Depot. The Amazon price is more than three times as expensive as Home Depot's and more than two times as expensive as Office Depot's.



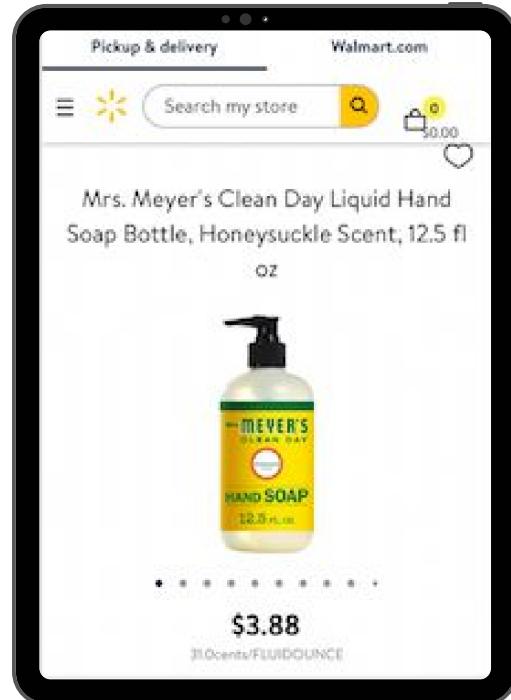
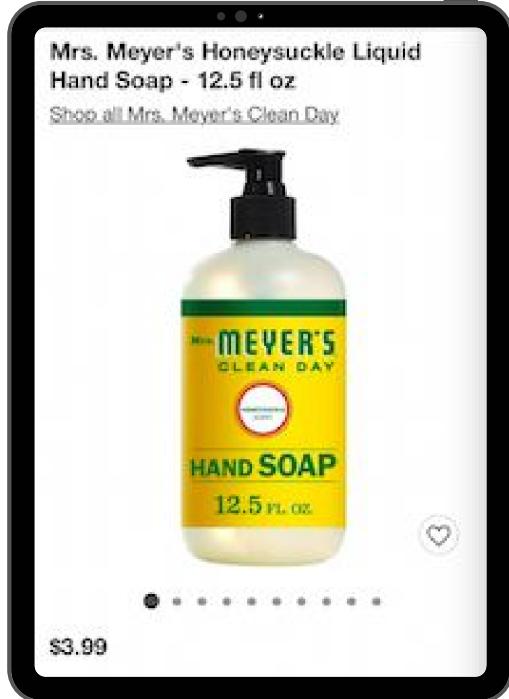
DIGITAL THERMOMETERS

We found a Vicks SpeedRead digital thermometer on Amazon for \$29.99. Once again, we found the same product on other websites, in this case, for \$9.72 at Walmart and for \$9.99 at Target. Amazon's price is three times as high.



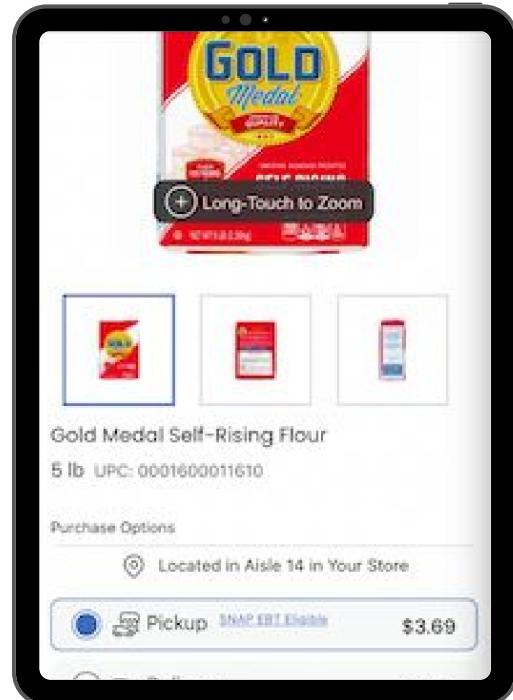
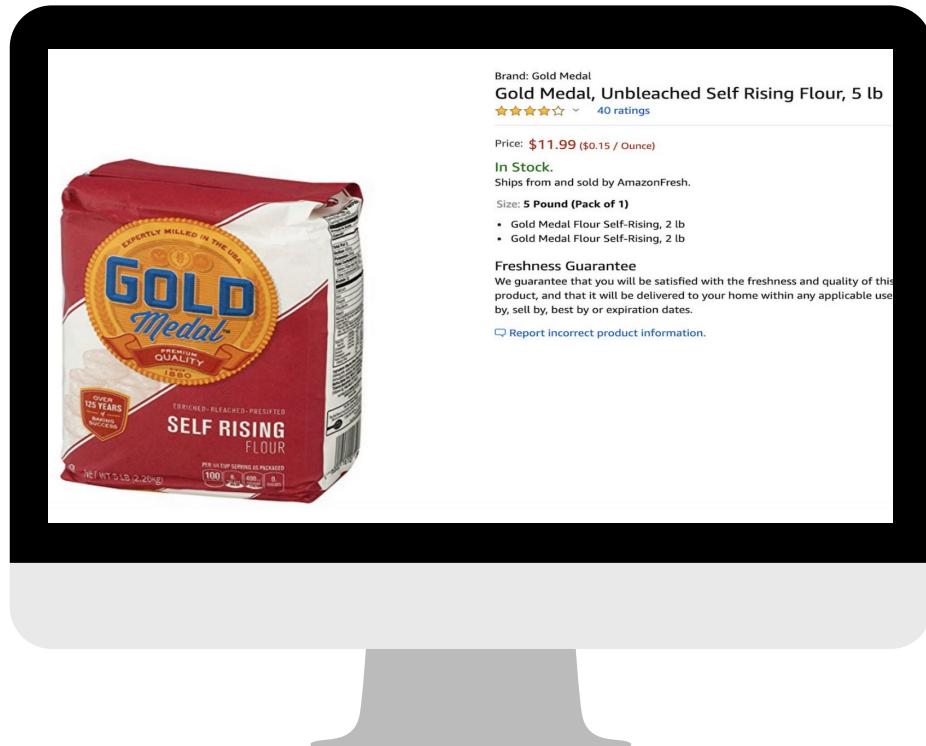
HAND SOAPS

We found a 12.5-ounce bottle of Mrs. Meyer's Hand Soap for \$20.89 on Amazon. We found the same 12.5-ounce Mrs. Meyer's soap for \$3.99 at Target and \$3.88 at Walmart. Amazon's option is more than five times the price of the other two retailers.



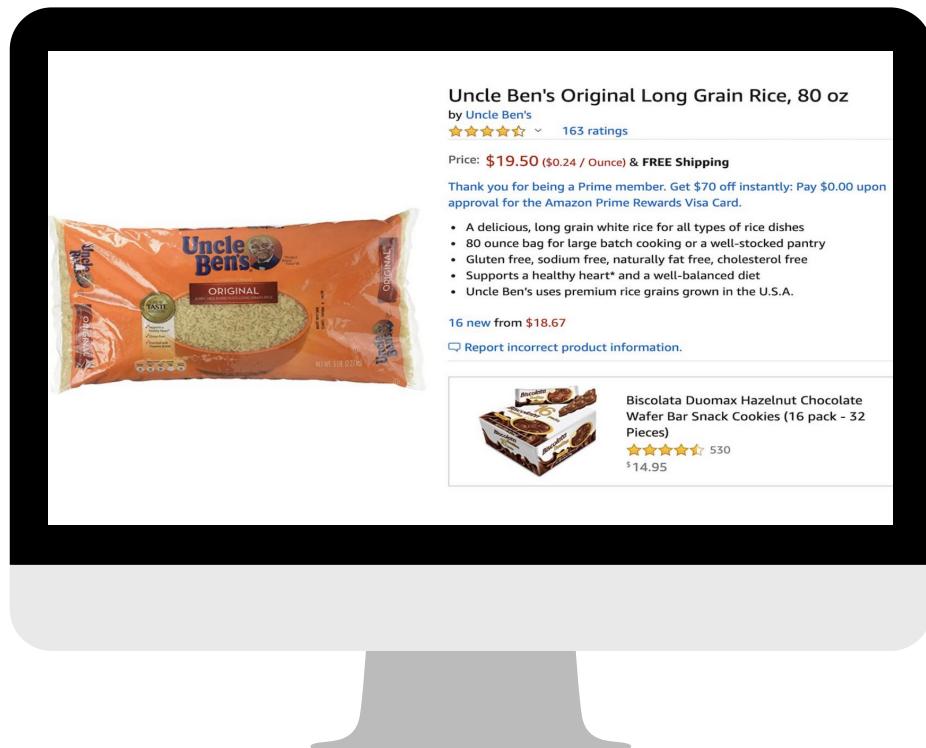
FLOUR

We found one five-pound bag of Gold Medal Self Rising Flour on Amazon for \$11.99, and we found the same flour selling at Walmart and Kroger for under \$4. Amazon's price is three times as high.



RICE

We found a 5-pound bag of Uncle Ben's rice for \$19.50 on Amazon. The same five-pound bag of rice is \$6.49 at Target and \$8.16 at Walmart. The Amazon price is more than double what the other stores are charging.



MORE EXAMPLES

The examples above paint a clear picture that erratic pricing on important products is still an issue on Amazon during this pandemic. But Amazon is not the only site or store where this problem surfaces. From face masks to Motrin, we're seeing higher-than-average prices in all kinds of locations.

FACE MASKS

At grocer Giant Eagle, we found boxes of 50 3-ply face masks on sale for \$34.99, compared to options of \$14.99 at Walmart and \$9.75 on Amazon. (Most face masks don't carry a brand name.) Not only does this seem excessive compared with other retailers, but the red "Sale" sign on the display stand (indicating the item was \$5 off) could lead you to believe the price is fair or even a bargain. In this case, knowing what you should be paying could save you from spending three times as much.

"As the COVID-19 pandemic continues, making a variety of personal protective equipment available for purchase at affordable prices for our guests is critically important," Giant Eagle spokesman Daniel Donovan said.

"As a regional retailer, we work closely with our supply partners to secure as much of these needed items as possible at the best value, and believe that the prices we offer to our guests are competitive with similar supermarket retailers. Across our stores, guests will find dozens of different face masks options including both disposable and reusable face masks that are sold individually and in multi-packs."

He added that shoppers could buy an individual mask or smaller quantities of disposable ones at less than \$34.99.

MOTRIN

We found the same-sized bottle of Motrin, a medication taken for pain and fever relief, for \$18.49 at CVS compared with \$12.96 at both Walmart and Amazon. The price at CVS is 43 percent higher than the other retailers.

PRICE SPIKES PERIST

Huge price spikes on Amazon are still an issue during this pandemic. We searched for these essential products across the board, but time and again, we found the most egregious prices on the major online marketplace.

We asked Amazon spokeswoman Nicole Jefferson in August for comment on our findings, which contrast with Amazon's commitment in April to maintain its Marketplace Fair Pricing Policy and combat excessive pricing.

"We attempt to identify excessively high prices through manual and automated processes designed to detect prices that are significantly above historical pricing for the same product, taking into account reasonable cost increases experienced by sellers," Jefferson said.

NEED FOR PROTECTIONS

We likely will continue to see widespread examples of higher-than-average prices until online marketplaces and brick-and-mortar stores live up to their promises. And while states such as Colorado passed their own anti-price gouging legislation, 33 attorneys general have pledged to combat price gouging online, and California recently introduced a new bill, we need more states to step up.

That means passing laws that expand the scope of products protected from price gouging during public emergencies and holding all sellers accountable when they raise prices above a certain threshold.

SHOP AROUND

Prices can vary widely among different merchants for the exact same products. It's clear consumers should shop around, learn how to spot price gouging by comparing the cost per unit of products and continue to report companies and individual sellers that charge ridiculous prices for essential products during a pandemic.