**Abstract**

In recent years, the supermarket industry has become increasingly competitive. One outcome has been the proliferation of a variety of pricing formats, and considerable debate among academics and practitioners about how these formats affect consumers’ store choice behavior. Supermarket managers, in particular, stress that “nothing is more important in business than getting the pricing strategy right” (Supermarket Business 1993). Some retailers position themselves on the basis of “Low Prices, Everyday” across a wide assortment of product categories, while others offer temporary deep discounts in a smaller group of categories. The former strategy is commonly known as “EDLP,” the latter as “HILO.”