

Section 4—Consumer Issues and Education

Title of Lesson/Subject: *Learning the Art of Smart Shopping*

Prepared by: Jennifer Kuntz

Contact Information

E-mail address: Jennifer.b.kuntz@sendit.nodak.edu Phone: 701.682.5483

Time Allotment: 3 class periods that run 45 minutes each.

Grade Level or Target Audience: 9-12

ND Standards Competencies:

- Objective 2: Analyze the role of cultural, social, and emotional influences on financial behavior.

Background for Teachers:

Common Advertising Techniques

Advertising techniques are designed to attract your interest in a specific product or service. They are designed to appeal to your emotions, wants, or needs, and inspire or motivate you to act on the suggestions you see or hear (by spending your money). Advertising techniques can be purely informational, but more often they can exploit the “information” they present. It is very important for you to tell the difference between facts (information that can be proved) and opinions, beliefs, or even wishful thinking.

Some Specific Advertising Techniques

- s Information
 - o The presentation of simple, direct information.
- s Status
 - o The product is associated with those who have status and who are successful. This technique entices you to buy more car or house than you can really afford. The product is shown with people who enjoy and understand the “finer things in life.” It attempts to appeal to your desire to be like someone else, someone with more money, or greater influence, or power, or social status.
- s Peer Approval
 - o This ad technique uses friendship and social popularity. Not using the product implies that you will not be popular or influential.
- s Hero Endorsement
 - o The product is shown with a well-known person. It attempts to convince you that if you just bought this product, you could be like or accepted by someone that everyone else likes, accepts, or admires.
- s Physical Attraction
 - o The product is supposed to increase your sexual appeal. You are led to believe that you need to have this product to attract romance, find love, or be admired. It is intended to make you feel unattractive the way you are.
- s Join the Gang
 - o Everyone else uses this product. Everybody accepts it. You should, too.
- s Entertainment
 - o This technique promotes entertainment or temporary distraction. It masks long-term satisfaction with feelings of temporary enjoyment.
- s Intelligence
 - o “Smart” people who can't be fooled by gimmicks. This technique implies that if you don't use this product, you are not smart or are somehow being duped.
- s Independence
 - o Indicates that people who think and act for themselves use this product.
- s Dangling Comparatives
 - o This is a tricky one. “Works better in poor driving conditions!” Who says it works better — and better than what?
- s Catch Phrases and Slogans

- The emphasis of this advertisement is on a catchy phrase, slogan, or tune which distracts your attention from the true facts.

Lesson Outline (Instructional Procedures):

Students will complete the following activities:

Activity #1: What Appeals To You?

Collect examples of ads you like and dislike, also paying attention to TV commercials. Pay particular attention to facts versus unsupported claims in ads.

When you've reviewed a number of different ads, write in your answers to these questions:

- Ⓢ What do you like about the print ads? Why?
- Ⓢ What do you dislike about the print ads? Why?
- Ⓢ What do you like about the TV commercials you've seen? Why?
- Ⓢ What do you dislike about the TV commercials you've seen? Why?

Students should be familiar with Common Sales Techniques (handout attached)

Activity #2: Fraudulent or Misleading Advertisements

Test your advertising “street smarts” by completing this activity.

1. Collect several print ads that you think are fraudulent or misleading.
2. List the fraudulent or misleading sales and/or advertising techniques used in each of these ads. (There is often more than one technique used.)

BUYING FEVER — A.K.A. Impulse Buying

Some common items for which we catch “the fever” (or buy on an impulse) are houses, cars, clothes, travel, and hobby and recreational equipment.

You know you’ve got “the fever” when you tend to — or want to — overlook weaknesses and defects in products or services or when a product occupies your thoughts until you get it.

HOW DO YOU CURE “BUYING FEVER”?

- Ⓢ Remind yourself you don’t have to buy today.
- Ⓢ Commit to shop and compare at other stores.
- Ⓢ Negotiate for the best deal.
- Ⓢ Remember that the salesperson is working for the seller, not you.
- Ⓢ Walk away. Take your time. Sleep on it.

Remember: Never buy anything — especially a large, important purchase — on the spur of the moment.

Source: FCIC: Personal Financial Choices

http://www.pueblo.gsa.gov/cic_text/money/personalfin/lesson4.htm

Common Sales Techniques

Advertisers use sales techniques to get you to buy a product or service once you have been tempted by the advertising messages.

COME-ONS

- Ⓢ Sales — Are they bargains or are they seconds and left-overs?
- Ⓢ Coupons — If you have to buy the coupon books, are they REALLY a bargain?
- Ⓢ Rebates — Will you remember to send in the rebate coupon?
- Ⓢ Package Deals — Do you need EVERYTHING in the package or are you paying for some items you wouldn’t normally buy?
- Ⓢ Loss-Leaders — Are you lured into the store by a 15-cent discount and find yourself buying other items that you hadn’t intended to buy?
- Ⓢ Premiums — Get a free “_____” with every purchase of \$50 or more.
- Ⓢ Contests — What is your real chance of winning? Is it worth the time it takes you to enter or the cost of entry? Do you really need it? Could you get it for the same price by shopping smart?

PUFFING

- s The ad or sales person claims the product is “the best” and exaggerates the value of the product. The sales person may appear to be excited, but he/she is really just a cheering section for the advertiser — not for you.

HIGH PRESSURE

- s Repetitions — It’s you! It’s you! It’s really you!
- s Deadlines — One day only! Once in a lifetime! From 6 a.m. to 9 p.m. only!
- s Limited Offers — While supplies last!
- s Inside Groups and Clubs — Only a select few are invited.

PRODUCT ENHANCEMENT

- s Guarantees — Abundant use of statements such as “lifetime guarantee” and “satisfaction guaranteed or your money back.”
- s Beautiful People or Celebrities — I want to be just like him or her!
- s Having Fun — You will have fun if you use this product.
- s Editing out the Failures — 6 out of 10 got better ... what about the other 4?

EMOTIONAL APPEAL

- s Fear — Are you REALLY safe without it? Are you more protected if you buy it? What is your real risk?
- s Pride — Yes! That is who I want to be!
- s Guilt — Your mother would want you to buy this.
- s Grief — Then you see a plain wooden casket...
- s Sex Appeal — Everyone will envy the new you.
- s Anger — Are you tired of being ripped off?
- s Confusion — Don’t confuse me with facts!

APPEAL TO CHILDREN

- s Things the children want for themselves. Examples: toys, clothes, sporting goods, food, games, books and tapes, and all Name Brands!
- s Getting the kids to influence the family. Examples: what to eat and where to eat. These usually feature a playground, hero mugs, and toys.

Source: FCIC: *Personal Financial Choices*

http://www.pueblo.gsa.gov/cic_text/money/personalfin/lesson4.htm

TRAVEL FRAUD

- s Offers are accompanied by certificates for “free” or very low-cost travel.
- s Offers only vaguely describe the services and/or accommodations.

DECEPTION

- s Pros and Cons — All Pro, No Cons.
- s Little White Lies — Statements which aren’t quite true.
- s Selling Air — Have you ever noticed how little cereal there really is in those big boxes?
- s Sunny Side Up — The lean meat shows on the top of the roast, the fat is on the bottom.
- s Down Sizes — Ever notice that a “one pound can” of coffee really only contains twelve ounces?
- s The Fine Print — Have you ever read the words on the bottom of the ad or contract?
- s Add-Ons — Oops! It comes as a package and you also have to purchase these other items.
- s Plus Tax, Shipping, and Handling — It was a mail order bargain until you added all these.
- s Batteries Not Included — You may have bought it on sale but how much does it really cost after you add on the cost of the extras needed to make it work.
- s Unproven Scientific Claims — “Nine out of ten” may sound good, but many such claims cannot be proven.
- s Free or “Premiums” — Nothing is ever entirely free.
- s “Zero Percent Interest” — Repeat, nothing is free, especially purchases paid out over time.
- s Bait And Switch — “We’re out of that item we advertised right now, but we DO have this more expensive product ready now.”
- s Incomplete Products — Where’s the power cord? Printer cable?

- s Misrepresentation — Uses a name similar to a nationally-recognized brand.

NEGATIVE OPTION

- s Merchandise arrives automatically unless the consumer takes steps to stop shipment and billing. Often used by book, video, and record clubs.

HEALTH FRAUD

- s Promises of overnight medical cures and treatments. Products “are developed after years of research” and “proven to provide immediate positive results.”
- s Testimonials are provided by “medical experts” and “satisfied customers.”

SWINDLES

- s The Hook — Plays on your greed to get more.
- s A Huge Savings — Ask yourself HOW can they sell it so cheap?
- s Huge Return On Investment — A useful rule of thumb is the greater the gain, the higher the risk... always!
- s Emergencies — Price gouging in a crisis. For example, out of town contractors flock into town after a hurricane and do poor, slipshod work because they don’t intend to stay after the job is done.

Activity #3: The Worst Purchase I Ever Made ...

Complete this activity to examine just why made your most regretted purchase.

1. What’s the worst purchase you’ve ever made in your life? What went wrong? How did you make such a bad deal?
2. List some reasons why you’ve spent your money in the past on things that, looking back, were not that great a deal.
3. Why do you know now that they weren’t such a good deal?
4. Looking back on some of those purchases, do you feel like you should have known better?
5. Review with students how to be a Smart Consumer (handout attached).

Source: FCIC: Personal Financial Choices

http://www.pueblo.gsa.gov/cic_text/money/personalfin/lesson4.htm

HOW CAN YOU BE A SMART CONSUMER?

Plan ahead and stick to your plan of what to buy, when to buy, and where to buy. Go shopping only when you have a specific purchase to make that fits within your budget and is part of your overall financial plan. Go through each of these steps first:

1. Plan at Home. This is where good buying begins. Keep the following in mind:
 - s What you have
 - s What you need
 - s When you really need it
 - s How the item will be used
 - s What size, color, quantity, and quality you want
 - s The price you want to pay
2. Make a Shopping List. Organize your list by the location of stores and the location of things within the store. This will save backtracking, prevent forgetting something, and help you avoid buying something you don’t need.
 - s Decide on Quality. When you decide the type and quality you want in an item, consider:
 - s How you will use the article
 - s How long you will use it
 - s How you will care for it
 - s How it looks
 - s Can you get the same quality somewhere else for less?

GUARANTEES

A guarantee is only as good as the people who give it. Know the “if’s, and’s, or but’s” connected with any guarantee.

- s Understand terms of the guarantee
- s Make sure the manufacturer can back it up

Read the guarantee carefully. What does it cover? How long will it be in force? Is the whole item included or just a part of it? Who is making the guarantee? Remember; keep the receipt as a dated receipt will help you make a claim.

Think several times before you buy an additional service warranty. What is the possibility the unit will need a repair that costs as much as the “warranty” during the next three years?

Note: The sellers of a warranty expect to make money. They figure the odds are in their favor that they will get to keep your money and NOT have to do the work. This generally means the odds are in your favor if you don’t buy the additional warranty.

SALES

Sales are held for many reasons: to make room for new goods, to sell surplus or shopworn goods, to get you into the store, and to introduce new products. However, the best (*Source: FCIC: Personal Financial Choices, http://www.pueblo.gsa.gov/cic_text/money/personalfin/lesson4.htm*) sales are usually held by established stores because they want to keep your good will and your business.

When You Buy at Sales

- s Consider the time, energy, and expenses of getting to the sale.
- s Shop at the start of the sale for the best selection.
- s Be sure the sale price is an actual reduction from the regular price.
- s Watch for imperfect or damaged articles.
- s Check styles. Items likely to go out of style may be poor buys.
- s Remember, nothing is a bargain unless you need it.

YOUR RESPONSIBILITY AS A SHOPPER

- s Be an Informed Shopper
- s Report your wants, likes, and dislikes to dealers and manufacturers so they can serve you better.
- s Praise and buy from dealers who sell better goods and services at reasonable prices.
- s Avoid hasty buying which causes unnecessary returns.
- s Pay bills promptly.
- s Inform proper agencies of dishonesty, fraud, or violations of the law.

AVOID IMPULSE BUYING

Decide what you will buy before you get to a store. Spur-of-the-moment decisions can wreck your family spending plan.

To avoid impulse buying:

- s Have a spending plan and stick with it.
- s Include in your spending plan the amount you can spend “just for fun.”
- s Just walk away or hang up the phone if you know the purchase isn’t in your plan.
- s Make a list and stick to it.
- s Shop for food yourself or train others in the family to shop wisely.
- s Ask questions such as, “When will I use it?” and, “Where will I store it?”
- s Make a rule to “sleep on” a major purchase. The offer should be just as good the next day.
- s Don’t shop on payday, when you’re tired, or for food when you’re hungry.
- s Take your time. Try not to shop when you have to hurry.

CONCLUSION

REMEMBER:

- s YOU DON’T HAVE TO BUY IT TODAY!
- s NO ONE CAN MAKE YOU BUY ANYTHING!
- s STICK TO YOUR PLAN!

Bibliography:

This lesson was created by FCIC: Personal Financial Choices

Author: Utah Lesson Plans

Created Date: Aug 03 2005 15:12 PM

Source: FCIC: Personal Financial Choices

http://www.pueblo.gsa.gov/cic_text/money/personalfin/lesson4.htm