SMART SHOPPING

4-H CONSUMER EDUCATION PROJECT

UNIT III

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OBJECTIVES

For 4-H'ers completing this project to:

* Understand that personal goals and values influence consumer choices.

* Recognize impact of peer pressure on purchases.

* Identify and use reliable information to make wise consumer decisions.

* Learn to comparison shop.

* Make competent marketplace decisions based on personal goals and values within available resources.

* Share information and experiences learned with others.
SMART SHOPPING

Shopping is such fun! It's exciting to buy something that you have wanted for a long time - or - to find an irresistible item that really hits your fancy. But after you get home and start to use your new purchase, do you still feel this enthusiasm?

Smart shopping is much more than just buying. It is selecting and buying the things that are right for you. It's learning to buy things that you are happy with after you pay for and use them.

THINGS YOU WILL LEARN IN THIS PROJECT

In this project you will:

* Identify your own goals and values and learn how they affect your choices of things that you buy.

* Learn about other things that influence your selections. You will evaluate these influences.

* Find unbiased, reliable, up-to-date information and use it in shopping.

* Learn to comparison shop between competing products and stores.

* Learn to make wise choices as a consumer based on your goals, values and the available money.

THINGS YOU WILL DO IN THIS PROJECT

You are to select one item and shop for it. Choose something that you need and plan to buy. Some examples of things that you might shop for and buy include a:

- watch
- typewriter
- video game
- stereo
- tape recorder
- calculator
- bicycle
- jewelry
- radio
- slide projector
- telephone
- personal computer
- television
- camera
- CB radio

You may also shop for items that are not listed. If you have no plans to buy anything, choose something that you hope to buy later and shop for it.

To complete this project you are to:

* Name the item that you will shop for.

* Get reliable information about the different makes and models of the item.
* Tell what features are important to you and why they are important.

* Comparison shop for the item at 3 or more stores.

* Find out the policies on service and returning items at 3 different stores.

* Decide how you will pay for the item when you buy it.

* Decide which item is the best buy for you based on your needs, goals, and the money available to pay for it.

* Complete the activities in this record book. A few optional activities are also included for the 4-H'ers who wish to learn more.

* Share what you have learned with others. To share information you may give a demonstration or an illustrated talk on comparison shopping to a class at school or present a program for your 4-H club or a Homemaker or some other type of club. You may write a news article for your school paper or the newspaper.

RECOGNIZE THE SYMBOLS

Three symbols are used throughout this project book. It's important for you to know what the symbols mean and to use them. They are:

Hands-on activity. This symbol indicates an activity for you to do. There are many activities for you to carry out in this project. They are designed to carry you through a comparison shopping experience. To complete this project you should complete all activities unless they are titled "optional activities." That means that you may do the optional activities to learn more, but they are not required for this project.

Key word. These are words that you will be using as an informed consumer. You need to know what they mean. Key words are identified throughout this project book.

Idea for a demonstration or illustrated talk. You will want to share what you have learned with others. Also, you will want to compete in demonstration events. This symbol will identify topics that are well suited for the demonstrations and illustrated talks.
PROJECT AGREEMENT

In this project I will shop for ____________________ (name of product)

____ I plan to buy the item.

____ I can't buy now but hope to purchase the item later.

I expect to spend about $____ or less for my purchase.

Signed ____________________
(your name)

KNOW WHY YOU BUY

It's important that you and every other American learn to become a skillful shopper. Look at you. You will see things such as food, clothing, furniture, books and many other items. Almost everything that you see was purchased. In our country people buy almost everything that they use. For this reason it is very important that we know how to shop and make wise buying decisions.

In some countries of the world shopping skills are not very important, for most people have very little money or there is little to buy. People who live in these places make or grow everything that they use. For example, a house may be made of mud-dried blocks and covered with a thatched roof. The people sleep on skins and cook in a pot set over hot coals. In places where there is not much money and only a few things to sell, the marketplaces look very different from our stores. Most of the things that are for sale are made or grown by the person selling them. There is almost no packaging and labeling. Shoppers "bargain" with the seller over the prices they must pay. The seller will ask a price higher than he expects to get. The buyer will offer less than he expects to pay. After some haggling, they will agree on a price. This is very different from the way prices are decided in our country.

America is a nation of consumers. Everyone is a consumer and teenagers are an important part of this group. Stores are filled with items that are for sale, and new products are coming on the market almost daily. Advertising and different kinds of sales promotions are used to coax consumers to buy.

There are so many different kinds of products for sale that it is hard to keep from spending all of your money. Sometimes after you have bought an item you may find that it is something that you don't or can't use. You may also find that your money is gone before you get the things that you
really need.

Smart shoppers learn the differences between "wants" and "needs." They learn to consider their needs before they spend their money and to buy the things they need first. Then, if there is enough money left, they will consider buying things that they want.

IDENTIFY YOUR NEEDS AND WANTS

Basic Needs

Needs are the goods and services that are essential to our well-being. Those things that are necessary for life and activity are called basic needs and include things such as food, clothing, shelter, and medical care. Some examples of basic needs are:

* A balanced diet to keep you healthy.
* Clothing to protect your body from Florida's hot sunshine in the summer and from the winter cold.
* Transportation if the distance is too far to walk.

List 3 of your basic needs and why they are essential.

<table>
<thead>
<tr>
<th>Need</th>
<th>Reason</th>
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</thead>
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</tbody>
</table>

Social Needs

Citizens of each nation conform to the social customs of that nation. Some nations have very simple societies. Most are called underdeveloped nations, for they also have very few goods and services that are available for their people to buy.
Meanwhile, some other nations are highly industrialized and have sophisticated societies. America is one of the world's leading industrial nations. It manufactures thousands of different kinds of products and imports others which are sold to consumers. People have money with which to buy and the freedom to choose from the products offered for sale. These conditions have helped give Americans one of the world's highest standards of living. It has also caused them to have high expectations within a complex society. To be a part of America's social structure consumers experience social needs. Just as basic needs are those goods and services necessary for life and health, (food, clothing, housing), social needs are the goods and services required to live as a conforming member of America's social structure. For example: in our culture we consider it a (social) need to have a refrigerator, telephone, and a television in the home; some type of curtains or shades over the windows in a room; and more than one set of clothing. Also, specific types of clothing for certain types of events might represent a social need. These are only a few examples. You can think of many other examples.

Name 3 things that you feel you need that are social needs. (Think carefully to be sure the items you list are really social needs, not a list of things you would just like to have. For example, if you are on the basketball team you may need a pair of tennis shoes. You can't play on some courts without them. However, if you aren't involved in a sport that requires them for participation, tennis shoes probably would not represent a social need. (Just because you would like to own a pair is not a social need.)

<table>
<thead>
<tr>
<th>Name of item</th>
<th>Why you consider it to be a social need?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
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<td>2.</td>
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<tr>
<td>3.</td>
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</tbody>
</table>

Wants

There are many things that we would like to have but that we could get along without. These are called "wants." For
example, you may want a nice 14 karat gold chain or a nice video game. Either would be nice to own, but neither is essential.

Wants

Things you would like to have but that are not essential.

Some of the things that we want may relate to a basic need. For example you may want a soft drink and candy bar because you are hungry. (Food is a need.) Although the soft drink and candy bar do not harm you, they do not provide nutrients needed for good health. They do not serve either a basic or social need. If there is enough money to buy the food that is needed for good nutrition, and if there is extra money for the soft drink and candy bar, there is no problem.

In some instances a want may help to fulfill a need, but it includes more than is required to satisfy the need. It's important to recognize the reason for wanting an item. For example, you may need clothes, perhaps a pair of jeans but you want a pair of designer jeans. The need is for jeans. However, the designer jeans are wanted for reasons other than just for wearing quality. You probably want the label and the identifying stitching of the designer jeans because this brings the approval of friends. It's important to be realistic about what you can, and cannot, afford. Realize that everyone has wants and needs and try to understand why you want something. No one has enough money to buy everything they want because wants are constantly changing.

There is nothing wrong with buying the designer jeans if you:

* Have enough money to buy them.
* Are aware of why you are buying.
* Have provided for other needs first (aren't buying the jeans before meeting other essential needs).

It would be foolish to buy the designer jeans if you:

* Buy them only to get the approval of friends.
* Can't afford them. (For example, if you have to use credit because there is not enough money or do not buy something that is needed so there will be money for the jeans.)
Name 3 things that you would like to have that are wants. Why would you like to have these items?

1. ______________________________________

2. ______________________________________

3. ______________________________________

KNOw YOUR REQUIREMENTS
(Quality and Features)

Trying to decide which item is the best buy for the money can be confusing. Most things are manufactured by several different companies, each selling its product for a little different price. Many items are made in more than one quality by the manufacturer and some have several different models or designs which may - or may not - be of a different quality even though there are different features in the various models. To better understand what is meant by quality and model design, let's look at a 35 millimeter camera as an example. Many companies manufacture this size camera. Prices range from a few to many hundreds of dollars. Most companies make the camera in several models and of more than one quality.

Quality

For quality you would consider things such as the materials of which the body of the camera is constructed, the type of shutter, the type and speed of the lens. The following chart gives the comparison of 3 qualities of 35 mm cameras.
Qualities of 35 Millimeter Cameras

<table>
<thead>
<tr>
<th>Poor Quality (Unacceptable)</th>
<th>Good, Medium Quality (Will give good service)</th>
<th>Top Quality (For a serious user)</th>
</tr>
</thead>
<tbody>
<tr>
<td>*lightweight plastic body (will warp or break easily)</td>
<td>*medium weight, impact resistant body</td>
<td>*strong impact resistant body</td>
</tr>
<tr>
<td>*poorly fitted back with weak closures and latch</td>
<td>*tight fitting back, good latch</td>
<td>*tight fitting back and latch</td>
</tr>
<tr>
<td>*no connection for flash</td>
<td>*electrical connection on side for flash</td>
<td>*hotshoe connection for flash attachment</td>
</tr>
<tr>
<td>*poor quality between-the-lens shutter</td>
<td>*between-the-lens shutter (better quality)</td>
<td>*focal plane shutter</td>
</tr>
<tr>
<td>*1 shutter speed</td>
<td>*variable shutter speeds</td>
<td>*variable shutter speeds</td>
</tr>
<tr>
<td>*lens attached to body of camera</td>
<td>*interchangeable lens</td>
<td>*interchangeable lens</td>
</tr>
<tr>
<td>*lens speed of F 4.5 or slower</td>
<td>*lens speed of F 2.5 or faster</td>
<td>*lens speed of 1.4 or faster</td>
</tr>
<tr>
<td>*no aperture control (no control for amount of light entering camera)</td>
<td>*aperture control (control of amount of light entering camera through the lens)</td>
<td>*aperture control</td>
</tr>
<tr>
<td>*fixed focus (set on infinity, so can’t make close-up pictures)</td>
<td>*adjustable focus (can focus on close or distant objects)</td>
<td>*adjustable focus</td>
</tr>
</tbody>
</table>

Although good quality usually costs more than poor quality, a high price is not an assurance of top quality. Sometimes there isn’t much difference in the prices charged for different qualities.
The number and kinds of special features added to a product are usually identified by the model. Some models have only the basic design features. Other models may have some or many added features that increase the usability and versatility of the product. For example, one model of camera may have a manual film advance. With this model the user will turn the film to the next exposure after each picture is made. This is adequate unless there is a need to make pictures in rapid succession, for example at a football game. Some models of cameras have automatic film advances that quickly turn the film to the next exposure after a picture is taken. This would enable the user to make a series of pictures very quickly.

<table>
<thead>
<tr>
<th>Basic Model Camera</th>
<th>Deluxe Model Camera</th>
</tr>
</thead>
<tbody>
<tr>
<td>*manual focusing</td>
<td>*automatic focusing</td>
</tr>
<tr>
<td></td>
<td>*built in light meter</td>
</tr>
<tr>
<td></td>
<td>*light meter override (for special effect photography)</td>
</tr>
<tr>
<td></td>
<td>*automatic timers for time exposures</td>
</tr>
<tr>
<td>*shutter speeds 32 to 500</td>
<td>*shutter speed 10 to 1,000</td>
</tr>
<tr>
<td>*manual film advance</td>
<td>*motorized (automatic) film advance</td>
</tr>
<tr>
<td>*painted body</td>
<td>*mechanism to avoid double exposure</td>
</tr>
<tr>
<td></td>
<td>*leather covered body</td>
</tr>
<tr>
<td></td>
<td>*tripod socket</td>
</tr>
</tbody>
</table>

Usually the more elaborate the model, or the more special features that are included, the higher the price. The operator may have to have greater skills and knowledge to use a camera with the added features. Special features do expand the capabilities of the camera and make it more versatile. If the features are needed and will be used they may be worth the extra cost. If they are not needed or will not be used, there is no reason to buy them.
Added features may mean the camera must be handled with greater care and repairs may be more costly.

For another example of quality, let's look at automobile tires. Even though there is labeling information available to help evaluate quality, most shoppers overlook it. The tire's quality relates to traction, temperature and treadwear. A tire's traction qualities refer to the ability to stop (when brakes are applied) on wet or slick roads. Temperature relates to the build up of heat in the tire when driving and especially when under-inflated or the car is overloaded. (Temperature build-up causes a tire to wear out quickly and can cause blow-outs.) Federal law requires a temperature rating, A is the best, C is the lowest rating. Treadwear is another important consideration for quality. It refers to how long (number of miles) the tread will last. At one time a treadwear rating was required to be printed on the sidewall, but this requirement is not in effect at this time. A mileage guarantee is given on many tires. Compare this mileage - it helps to indicate quality.

Some features in tires add extra cost but are for style or appearance only, for example white sidewalls and raised white lettering. They reflect style, not quality.

Some makes or brands of products cost more than others for the same quality. This is because of advertising and production cost, competition and store mark-up. Smart shoppers buy by quality, needed features and price instead of brand.

For many products, such as household appliances, tools, and furniture, the higher the quality, the more durable the item and the longer it will last. For example, a high quality electric drill will last much longer than a medium or poor quality one. However, this is not the case for all items, for example china, fine glassware and gold chains. A 14 karat gold chain is higher in quality than a 12 karat one. An 18 karat chain is a better quality than a 14 karat one because it contains more gold. Gold is a soft metal. An 18 karat chain will cost more than the 12 and 14 karat ones but will actually withstand less strain or stress (provided the chains are the same design and size).

High quality may be your best buy if:

* The item is to be used for a long time and will not go out of style or is not likely to be replaced immediately by an improved design.

* The best materials and workmanship are desirable for the way you will use the item.

* The way the item is to be used will justify the investment.

* You can afford the price.
To help you decide about the quality that you need in the item that you plan to buy, answer the following questions.

How will you use the item? ________________________________

How will quality affect its use? ________________________________

How long do you expect to use the item? ________________________________

Which quality do you think will best serve your needs? ________________________________

Why? ________________________________

Deluxe or top-of-the line models may be your best buy if:

You need and will use all of the special features that you are buying. (If you do not use them, money is wasted)

The difference in price is small compared to the improvement in the ease with which the item can be used or compared with its increased desireability.

To help you decide which special features are important to the item you plan to buy answer the following questions.

What are the features of the different models of the item you plan to buy? ________________________________

Which features do you need? ________________________________

Why do you need them? ________________________________

How much will these features increase the cost? ________________________________

Can you afford the extra cost? ________________________________

Which features do you expect to buy on the item? ________________________________

Keep in mind the quality and special features that you need and want when you shop. If you find that it costs more than you can afford to spend to buy everything that you want or need on the item, you may have to compromise. This can be done by buying the quality that you need and selecting only those special features that you can afford. But, don't give up easily. By comparison shopping carefully you may find just what you want at a price you can afford.
As you shop don't forget to look for sales and merchandising promotions. If an item is on sale inspect it carefully to be sure it is the item that you want. When new models come on the market the models on hand are often put on sale to move them out quickly. This may be one way to get what you want for a price you can afford.

Remember to inspect carefully anything you are thinking about buying. Do not buy merchandise that is made poorly. If it does not look like it will last for a reasonable length of time, leave it in the store.

RECOGNIZE INFLUENCES AFFECTING YOUR BUYING DECISIONS

Have you ever:

Bought something and later wondered why? ______________

Let someone talk you into buying something that you really did not want? ________________________________

Bought things that you wanted badly at the moment and later found that you did not like or would not use? __________

Bought things because your friends had them? __________

Many things influence your buying decisions. It is important to recognize these influences and to decide who or what you will allow to dictate the way you will spend your money. You are able to make better buying decisions by understanding the things that influence you and by deciding which ones are important to you.

Values

Your personal values have a strong influence on the things that you buy. Values are the principles and standards that are important to you. For example:

If it is important to you to get your money's worth when you buy, you will do comparison shopping.

Your religion might be very important to you. For this reason you might buy a religious metal for jewelry or buy a book of Bible stories.

Good health could be one of your values. This would likely influence your selections of recreational activities.

How does the item that you plan to buy relate to your values? ____________________________________________
Goals

Have you ever thought about how your goals influence your marketplace decisions? They do! Your goals are the things that you want to work toward and achieve. For example:

You may think that you are too thin and want to gain weight—or you may think you are too fat and have set a goal of losing 10 pounds. This goal would influence what you buy for snacks.

Maybe it's your goal to buy your own motorcycle. To save enough money to buy it you might spend less for some things, or not buy them at all. However, you would shop for a helmet, a jacket, the motorcycle and insurance.

If your goal is to get a paper route, you might shop for a bicycle so that you would have transportation for delivering the papers.

Peers

Can you think of a group of people in your school that try to look or act alike? The kinds of things they own that they wear may be very different from the group with which you identify. For example, all of the boys in a group may wear headphones and carry portable radios. Several friends may each have the same kind of 10-speed bike. Members of a group try to identify by conforming. They are subject to peer pressure. This desire to be like others exerts a strong influence on buying decisions and also on behavior such as smoking or drinking. Students often fear they will be laughed-at or ridiculed if they buy things that are different from those used by their peers.

Family Pressures

Parents also exert considerable influence on your buying decisions. Maybe you remember a time when your parents told you that you could not buy something. (Maybe you wanted a car and your parents said you were not old enough, or you wanted a motorcycle and your parents said "No, they are too dangerous.") Most teenagers want to please their parents and to conform to their expectations.
Sometimes there are conflicts between parental and peer pressures. (For example, maybe everyone in your group has his or her own telephone except you, and your parents have not agreed to install a separate telephone for you.) Family members, other than your parents also influence your buying decisions. For example, how do you feel if a grandparent or a brother or sister looks at something you bought and says, "I never would have believed that you have bought that!"

**Lifestyle**

Your lifestyle will definitely influence the things that you buy and use. Have you ever received a gift that was really nice but it wasn't you? Maybe it was dressy jewelry and you did not wear it because you like a casual lifestyle, maybe you don't like to "dress-up" or go to formal affairs.

Some people go to formal dances and do a lot of entertaining. They enjoy dressy affairs. Others are very casual, preferring to go on picnics and camping trips. Some people are athletic and do a lot of jogging and bicycling, or they may be involved in other sports. For them, a back-yard cookout might be the entertainment they prefer. Each of these represents a different type of lifestyle. Their preferences influence the types of items they buy, for example, jewelry, clothing, sports equipment, foods, and other things.

Where you live also influences your interests and what you buy. For example, if you live in a Miami condominium, your lifestyle will be different from someone living on a North Florida farm. If you live in Miami, you probably will need sunscreen, a beach umbrella, a surfboard, and beach towels, while a person living on a farm might buy a saddle and basketball.

How does your lifestyle influence your selection or use of the item you plan to buy?

**Resources**

The amount of money that you have available to pay for an item will influence your choice. Most people have enough money to provide for their basic needs, but very few have an unlimited supply to buy all the things that they would like to have. Smart shoppers know how much they can afford to spend before they go shopping, and they do not spend more than they can afford.

What happens if you find that you can't buy the item that you need or want for the money available? You may wait until you have saved more money and buy later. Or, you may re-evaluate
your requirements and substitute another item that serves the same purpose but that you can afford.

How much do you expect to pay for the item that you are planning to buy? ________________________________________________

If you can't buy it for that price, or less, what do you plan to do? ________________________________________________

Why? ________________________________________________

Advertising

When watching television you are coaxed and enticed to buy products every few minutes. If you are listening to the radio, you are bombarded with commercials even more often.

Watch a program over a standard commercial station on television for 30 minutes. Record your findings in the spaces below.

Listen to the radio for 30 minutes. Record your findings in the spaces below.

<table>
<thead>
<tr>
<th></th>
<th>TV</th>
<th>Radio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name of channel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Station call letters</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Day of week</td>
<td></td>
<td></td>
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<tr>
<td>Time of day</td>
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<td>starting time</td>
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<td>stopping time</td>
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<tr>
<td>Number of program breaks</td>
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<tr>
<td>Number of commercials:</td>
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<tr>
<td>per break</td>
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<tr>
<td>total program</td>
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</table>

What was the relationship of the commercials to the program content? ________________________________________________
A newspaper devotes much space to advertising. Money collected from the advertisements pay much of the publishing costs.

Compare the space devoted to advertising with the space devoted to news. Tip: If the newspaper is a large one use only the front section. An easy way to measure the news and advertising for comparison is to mark each page into 4ths. Any section (1/4th page) that is more than half advertising would be counted as being totally advertising. Any section (1/4th page) that is more than half news would be counted as all news. Count the sections that are mostly news and those that are mostly advertising. Compare them. Example, if the paper has 8 pages there would be 32 sections (4 sections per page). Suppose there are 14 sections of news and 18 sections of advertising. The paper would be 56% advertising, (18 divided by 32 is 56%)

What is the name of the newspaper that you used? ________________ Date ________________

What percentage was news? ___ What percentage was Advertising? ________________

Magazines carry colorful advertisements that are designed to attract your attention and try to get you to buy whether you need the item or not. Advertising does encourage buying and influences the things people buy. If it were not an effective selling tool, companies would not spend so much money for it.

There are different types of advertising, however most fall into three general classifications, comparative, informative, and promotional. The purpose of advertising is to sell the product, but it does also provide information for the shopper about what is available, at which stores and at what price.

Comparative advertising, as the name implies, compares the product against competing items. This is usually done in one of two ways.

1. The ad may say that the product is less expensive than its competition, superior in quality or make some other generalized claim. Such statements as "selling elsewhere for more," "the best quality on the market for the price," "no place else can you find this product for this price," are often used and are generally called "puffery." They do not call the brand or trade name of other products. Such claims are legal because they are so general.
2. Under a Federal Trade Commission (FTC) regulation an advertiser can tell how his product is better than another product, naming the other product, if there is reliable documented proof that the statement is true. Tests must be conducted in a valid manner for such claims to be legal. If there is not adequate testing to prove the statement is true, charges can be brought against the company by the FTC. Also, the other company can sue. Remember, any such comparisons relate only to the specific features named, not the total product. For example, if a fast food company claims it uses more meat in its chili than does another company, it must be able to prove this is true. Also, the claim relates only to that one ingredient, not to any others. However, had the company advertised that “our chili is the best on the market,” it would not have to prove anything.

Informative advertising tells about the product, including the brand name, model type, quality or grade, size or amount, what it is made of, and the price. It also tells where the item is sold. This type of advertising helps in comparison shopping. The ads do not make judgments or tell whether the product is better or worse than other products. Examples of this type of advertising include supermarket ads, some building supplies, and electrical equipment.

Promotional advertising stresses the virtues of the product being advertised. Often the promotional claims are more emotional than factual. For example, a soap is advertised to make you feel like “springtime”---whatever that is. One soft drink claims it makes you feel “refreshed.” A car commercial claims its drivers feel success. A perfume ad says it makes you “irresistible.” Such ads sell by emotional appeal, not factual information.

Companies advertise in many ways. In addition to newspapers, magazines, radio and television, we also see ads on billboards along roads and highways. Ads are painted on the side of trucks and buses. Store windows and packages carry ads. Companies send advertisements through the mails.

Optional Activity

Locate one example of each of the following types of advertising. Two of the examples should be in print (from magazines, newspaper, direct mail). Mount each example on a sheet of paper and write a paragraph about it. Attach these to your record book. The third example can be a commercial from
radio or television, or you may describe a billboard that you saw. (Try to find advertisements that relate to the product you plan to buy. If you can't find them, select examples of advertising for other products.) Complete the following questions telling about the ads.

Informative advertising
1. Where did you see the ad or hear the commercial? ____________
2. What is the advertiser trying to sell? _______________
3. What information is given about the product? ____________
4. How would this information be helpful in shopping? ________

Comparative advertising
1. Where did you see the ad or hear the commercial? _________
2. What is the advertiser trying to sell? _______________
3. What information is given about the product? ____________
4. What item is the advertised product compared with? _________
5. What features are compared? __________________________
6. Do you believe the advertising claims? ________________
   Why? ____________________________________________

Promotional advertising
1. Where did you see the ad or hear the commercial? ________
2. What is the advertiser trying to sell? _______________
3. What information is given about the product? ____________
4. How is the product promoted? _________________________
5. What claims are made to try to make this product appealing?
   __________________________________________________
6. How does this appeal influence you? _________________

Advertising that is misleading or deceptive creates a problem for both the consumer and the reliable business community. Most ads and commercials are honest but a few are intentionally designed to deceive or mislead the consumer. Most deceptive advertising is not difficult to recognize because it makes unrealistic claims. For example a deceptive ad may claim to offer a product at a small fraction of its value, such as a $500 ring for "only
§25. Common sense tells us that businesses cannot afford to sell merchandise below their cost. Another clue to deception is when an ad makes fantastic claims that are "too good to be true." For example, promising that a person can lose weight without changing eating habits, or that you can learn to be a highly paid artist by buying a book.

Testimonials are also a warning signal for misleading advertising. If a product is so great, why does the company have to rely on the statements of unknown people to coax consumers to buy?

Find an ad that makes unrealistic claims or that uses testimonials as a selling method.

What product is advertised?

Why do you think the ad is misleading?

When a company makes untrue or unproven statements in its advertising the Federal Trade Commission can bring charges against it. For example, one company claimed its diamonds were good investments that would never go down in value. In another case the manufacturer of a mouth wash claimed the product killed harmful germs. The FTC brought regulatory action against these companies. They had to stop making the claims. The FTC sometimes requires a company to use "corrective advertising" for a specific period of time. That means the ads and commercials must carry a statement which says that the previous advertising claims were incorrect and the correct information must be given.

Optional Activity

Try to find an example of corrective advertising. What product does the advertisement refer to?

What does the correction say?

Where did you find the advertisement?

GET AND USE RELIABLE INFORMATION

Because of their complexity it's often difficult to evaluate the quality of competing products or to know the materials used to manufacture them. To help make wise buying decisions it's important to get and use reliable, unbiased information.

There are two very good reasons for making sound buying decisions.

(1) You want to get the best quality and most value possible for your money. This will help you to stretch your
dollars to buy more of the things that you want and need.

(2) By making a purchase you are casting a vote for the product bought. Products that sell stay on the market while those that do not sell quickly do not. You want to "vote" wisely for products that give reasonable service.

The amount of information you should obtain before making a shopping decision depends on:

* The importance of the item to you.
* The purpose for which the item is used.
* The cost of the item.
* Availability of information
* Amount of energy and time you have to devote to obtaining the information.

Low-cost, widely duplicated items that you expect to use for a short time do not justify indepth investigation. But, those that are to be used for a long time, are expensive or that may include safety considerations require sound information as a basis for selection. For example, reliable information is needed in selecting a child restraint (car seat) to ensure that it protects the child in case of an accident. Selecting a pair of socks would require much less information, while buying a car would require more.

It's important to know where to look for information. Some reliable sources are listed below:

Labels

Most products are labeled with information required by Federal laws to insure that consumers know what they are buying. Labels are one of the most helpful and informative buying guides. Read them to find out:

* The materials or ingredients used to make the product.
* The size, amount or quality of product.
* The care and/or use of the item.
* Name and address of the manufacturer
* Name of the item or product

* Other information that is of value in selection such as the brand name and how to use the product.

⭐ Warranties

Warranties are the same as guarantees. They tell you what retailers or manufacturers promise to do if the product is defective. It's important to read the warranty carefully to clearly understand what is and what is not covered. Do not rely on what a salesperson says, for this will not count when it comes time for service or repairs.

Companies are not required to give a warranty. However, if a warranty is given on any product costing $15 or more, it must conform to federal law called the Magnuson Moss Warranty Act. The warranty must be written in easy to understand language and clearly state the terms and conditions of the warranty. All written warranties must be labeled "full" or "limited." A "full" warranty means that for a clearly stated length of time the item will be fixed if it is defective.

The warranty covers the cost of parts needed for repairs and the cost of the labor needed to make the repairs. If the product is misused or abused the warranty will not pay for the repairs.

A "limited" warranty will cover some things but not everything needed to fix the item if it is defective. For example, a limited warranty may cover parts only. The consumer would have to pay the cost of labor to get the repairs made. Some limit warranties on some parts and labor but not all parts. Warranties issued by different companies cover different things. Some warranties are for longer periods of time than are other warranties.

Example: A full warranty may cover both parts and labor for one year.

A limited warranty might cover all parts for 90 days (but not the labor needed for making the repairs. However, the frame of the item might be warrantied against rust for one year.

If a product is warrantied, a copy of the written warranty must be available for the shopper to see before buying.
When shopping, consider the warranty. Compare the warranties of competing items. Look for:

* What is covered (and what is not)
* How long the coverage lasts.
* Where the item must be returned for repairs or service.
* Any special requirements that must be met to keep the warranty in effect. (For example, many warranties are voided if an unauthorized person tries to make repairs. If you were to try to repair the item the warranty would be cancelled.)

When buying an item that has a warranty it is important to store the warranty in a safe place where you can easily find it. Also, put the sales receipt with the warranty. The sales receipt establishes the date of purchase. This is helpful in proving whether a warranty is in effect.

Select two different makes or brands of a product that carry a written warranty. (If possible, this should be the item for which you will shop.) Compare the warranties.

<table>
<thead>
<tr>
<th>Name of product</th>
<th>Article 1</th>
<th>Article 2</th>
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<tbody>
<tr>
<td>Brand name</td>
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<td>Cost of item</td>
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<tr>
<td>What kind of warranty, (full or limited)?</td>
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<td>What does the warranty cover?</td>
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<tr>
<td>For how long?</td>
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<tr>
<td>Where must the item be returned for repairs?</td>
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<tr>
<td>Who gives the warranty?</td>
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<tr>
<td>Which warranty is best?</td>
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<tr>
<td>If there is a difference in price, is the better warranty worth any extra cost?</td>
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</tbody>
</table>
Independent Testing Reports

Results of independent tests are carried by publications such as Consumers Report, Consumers Research, Changing Times and others. They give information about the testing methods and how the products perform. It is important to realize that tests are conducted on specific models or certain brands or makes. Findings do not apply to all items sold under a specific brand name or make. Neither do findings apply to all models of the items tested.

Look at Consumers Report, Consumers Research, and similar consumer publications for information about the item that you plan to buy. (These publications are available in most public and school libraries.)

Optional Activity

What are some of the things that the magazine tells you to look for in shopping?

How do different makes and models compare?

How will this information be of help to you?

Which publication did you use as reference?

Name __________________________

Date ___________________________ Article? ___________________________

Choose the Places to Shop

What you get for the money you spend and the kinds of services that you receive are influenced by where you shop.

It is important to understand the different kinds of places that sell goods and services. For this project you are to compare merchandise, prices, and services at 4 different kinds of places that sell to the public.

As you visit different stores or places that sell, make observations that will help you to make your final selection. Learn as much as you can about the store, its merchandise and policies. Look for things such as:

Type of selling place: Ask yourself what you expect from the seller. If you may need service or to exchange your purchase you should select a store that has a reliable reputation for quality merchandise and good service. If you are considering

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price alone, a factory outlet or self-service store may be your answer. Each type of retail outlet has its own advantages and disadvantages. Select those that best fit your needs and expectations.

**Method of selling:** Some stores have well informed salespeople to answer questions and to assist you. These stores usually provide other services such as credit and delivery service.

A few stores have salespeople who try to pressure customers into buying. This is called high pressure selling. If this type of sales approach is used, leave the store.

Many stores are self-service. You must find the merchandise you want and make your selections without assistance from salespeople. Self-service helps stores keep prices lower by controlling operating costs.

**Store policies regarding returns:** Most people expect a store to take a purchase back if the customer decides to return it. But, stores do not have to accept returned merchandise. Florida law requires a store that does not accept returns to have a sign saying so. Look for the sign. If you are not sure, ask about the return policy.

Even if returns are accepted it is important to find if your money will be refunded or if you must exchange the item for something else. (What happens if there is nothing else that you like or want?) Most stores require a sales receipt before they will accept a return. This proves where the item was bought. Many stores also require that things be returned within a specified period of time, for example one week. It is unfair to expect a store to take something back after you have kept it for a long time.

**Service or assistance with defective or unsatisfactory purchases:** Some stores have a service department to make repairs. Other stores will return the defective merchandise to the manufacturer for you.

**COMPARE STORES AND SERVICES**

Listed below are some types of places that sell goods and services to consumers. Each has advantages and disadvantages. To locate the best buys you need to comparison shop among stores that sell the product you wish to buy. These stores are competing for customers such as you.
Department Stores

These are relatively large enterprises, offering a wide variety of merchandise located in departments within the store. Most department stores carry both brand-name and private label items. They are often part of a group or chain of stores.

Advantages

* Wide variety of merchandise and price ranges
* One stop shopping
* Variety of services
* Return privileges
* Extended shopping hours
* Frequent sales promotions

Disadvantages

* Too big to find things quickly
* Sales people may or may not be well informed about the products they sell.

Name one department store in the town or city where you shop.

Discount Stores

Prices are usually lower at discount stores than at other types of stores. Their markups are usually lower enabling them to sell merchandise for less than the manufacturer's suggested retail prices. Profits depend on high volume sales and lower operating costs. A discount store may be independently owned or part of a chain.

Advantages

* Extended shopping hours
* Low prices

Disadvantages

* Quality may be different from items sold in other stores
* Limited price range of merchandise
* Few sales people to assist shoppers
Frequent sales

* Limited return privileges

* Few customer services, such as nice restrooms and dressing rooms

* Merchandise often displayed unattractively

Name one discount store in the town or city where you shop.

---

Specialty Stores

Stores are limited to either a single type of merchandise such as books, records, shoes — or to certain categories of merchandise such as jewelry, sporting goods, hardware or auto supplies. The store may be individually owned or be a part of a chain.

Advantages

* Variety of merchandise within one classification or of one type making it easy to comparison shop between brands.

* Trained, experienced sales people, having knowledge of the products they sell

* Several different price ranges.

Disadvantages

* Only one type of merchandise available

* Store hours may be inconvenient.

Name one specialty store in the town or city where you shop.

---

Factory Outlet

Factory outlets are usually operated by manufacturers and sell discontinued styles, repossessed merchandise, and seconds or slightly damaged items. Outlets have traditionally been located near factories but a new trend has developed, the establishment of outlet shopping malls located in cities away from the factories. Labels are generally removed to protect major retailers who may sell the same brands. A careful,
Competent shopper can find bargains but it's important to look for defects in materials, workmanship and the colors used on the fabrics.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
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</thead>
<tbody>
<tr>
<td>* Low prices</td>
<td>* Very limited return policy</td>
</tr>
<tr>
<td>* Big variety</td>
<td>* Few customer services, ex: dressing rooms, restrooms, competent sales help</td>
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<td></td>
<td>* Must carefully look for flaws</td>
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Name a factory outlet that is in the town or city where you shop.

Secondhand Stores

At one time only people who could not afford new merchandise purchased used items. This attitude has changed. Some used merchandise, such as antique furniture and cars, and estate jewelry are highly prized. Even pre-used jeans were a fad for several years. Shoppers should evaluate used merchandise along with new when considering a purchase.

Some secondhand stores are individually owned while others are owned and operated by religious groups, civic and non-profit organizations. Some sell merchandise on consignment for individuals while others buy and resell. Stores operated by non-profit organizations and civic groups often repair donated merchandise and sell it.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
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</thead>
<tbody>
<tr>
<td>* Price may be low</td>
<td>* No warranty, purchased &quot;as-is&quot;</td>
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<tr>
<td>* May be design or materials no longer available</td>
<td>* Must inspect carefully for defects resulting from wear or use.</td>
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<td>* May require repairs</td>
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</table>

Name a secondhand store in the town or city where you shop.

You have named one example of each of the types of stores listed.
above. You are now ready to compare the policies and services of your local stores (or of the area where you shop). Visit at least 3 different locations and in the spaces below record what you learn.

<table>
<thead>
<tr>
<th>NAME: STORE, SALES OUTLET</th>
<th>TYPE STORE OR SELLER</th>
<th>SALES METHODS</th>
<th>ACCEPT RETURNS</th>
<th>CASH REFUNDS?</th>
<th>HANDLE DEFECTIVE ITEMS?</th>
<th>SALES HELP?</th>
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CONSIDER OTHER PLACES TO BUY

**Mail-order Catalogs**

Mail order catalogs have provided convenient and reliable shopping since the turn of the century. A few large companies have a big mail-order operation offering a wide variety of items through their catalog service. These catalogs provide detailed descriptions of the products. The companies offer excellent return policies.

Other companies also use mail orders to sell. They have catalogs or leaflets describing their products. Most companies are reputable, a few are not completely reliable. Most of these companies offer specialized products, for example, handicraft supplies and auto repair equipment.

**Advantages**

* Convenient to order
* Prices generally are reasonable

**Disadvantages**

* Must wait for delivery
* Inconvenient to return
* Item may not be like expectations
* Service may be inconvenient to obtain
Look through two mail order catalogs. Does either carry the item that you plan to shop for? ______________________________________________________________________

If so how is it listed? ______________________________________________________________________

Garage Sales

People often sell things they no longer want or can use at garage sales and flea markets. A wide variety of items are sold, including clothing, household appliances, furniture, toys, tools and other things.

At a garage sale the items to be sold are placed in the garage, carport or on the lawn of the seller's home. This enables the shoppers to come and browse through the merchandise without having to go into the home.

Flea markets are usually located away from a person's home. They are often open on a regular schedule, for example each weekend, however, some are open each day. A flea market may be operated by one person selling a variety of used merchandise, but it is usually several or many people, each with their own booth or stall from which they sell a variety of used items.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Low prices</td>
<td>* You never know what is for sale until you arrive.</td>
</tr>
<tr>
<td>* One of a kind item</td>
<td>* No assurance of quality</td>
</tr>
<tr>
<td></td>
<td>* Purchases are bought &quot;as is&quot;. There is no recourse if item is useless or defective.</td>
</tr>
<tr>
<td></td>
<td>* Purchase may need repairs</td>
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</tbody>
</table>

Visit a flea market. Were you able to find the items you will shop for? ______________________________________________________________________

Talk with 2 people visiting the flea market. Did they think they were finding bargains? ______________________________________________________________________
Door-to-Door Selling (Direct Selling)

Some companies sell merchandise away from their places of business. This may be a salesman going door-to-door. It can also be a party given by a hostess for her friends to view items such as cookware, cosmetics, clothing or jewelry. Orders are placed and the merchandise delivered later. It may be someone who travels across the country and sells from a vacant corner or places an ad in the newspaper and sells from a motel room. In each case the sale is made away from the business.

**Advantages**

* Product is demonstrated by a salesperson

* Shopper can inspect product without rushing or at convenient hours

* May eliminate need for transportation for shoppers

**Disadvantages**

* Retailer is not available if problems occur with the product

* No other products with which to compare and no time to comparison shop

* Price may be high

* Replacement parts and repairs difficult to obtain

Name one item that is sold door-to-door or by direct mailing.

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Classified Ads

Individuals sell a wide variety of goods and services through classified ads placed in newspapers. This enables the person with something to sell to find someone who wants to buy. Generally the merchandise is used.
Advantages

* Prices are usually lower
* May locate one-of-a-kind item

Disadvantages

* No return or guarantee
* Merchandise is sold “as-is”
* Buyer may not have knowledge needed for wise decisions (ex: can’t judge condition of car or quality of jewelry).

Look through the classified ads in your newspaper. Find two ads for the item that you plan to buy. What do the ads tell you?

1. 

2. 

☆ PREPARE FOR THE SHOPPING TRIP

For major purchases it is advisable not to rush when shopping. Visit several local stores to see what is available, then go back and make your selection or purchase. This gives time to evaluate the information you have collected and to think through the options. As you shop, keep in mind the items for which you are shopping. Don’t let yourself get sidetracked into making unplanned purchases.

Have as much information as possible about the product you plan to buy before going shopping. This helps to know what kinds of questions to ask or which features to compare among competing makes and models. Carry a note pad and pencil with you to jot down information about model numbers, prices and features at competing stores. This kind of information is helpful in making your final decision.

Avoid unnecessary trips by planning your shopping. If you have several things to buy; plan the sequence in which you will go to the stores to avoid back tracking. This helps to save your time and the money needed for gasoline. If you are buying several items use a shopping list to avoid forgetting something. Wear comfortable clothing so that you won’t tire easily. If possible shop at a time when the stores are not crowded. Eat before going shopping. Stopping for snacks will waste time and is expensive. If a friend goes shopping with you do not let this person talk you into buying unplanned items.
Comparison shopping is essential to smart shopping. If you know the stores well you may be able to do some comparison by telephone. Comparison shopping enables one to see and compare features of competing makes and models. Also, the shopper should compare prices for the same merchandise at different stores or marketplaces. By comparison shopping you may also find that someone has a sale which may enable you to buy at a lower price, or to purchase better quality or additional features for the same price.

Shopping at sales requires skill. It can save money. However, it's important to be aware of certain precautions for not all items on sale are good buys. Some may not be reduced in price. Others may not be worth their price even though it has been reduced. Some sale items are the end of the year models. If new designs, styles or features are being added it's important to compare them with those of the sale item. Are the new features worth the different in price? Prices of some items are marked down because they were too high originally. Merchandise is also placed on sale when it's shopworn, damaged or the store will no longer carry that line of merchandise. Stores also have sales to stimulate business when merchandise is not selling well.

Stores sometimes include special purchases among their sale items. They really aren't sale items. They may, or may not, be a good buy. A special purchase is merchandise bought by the store at a special price. It may be a manufacturer's over supply which is being sold at a lower price and is a real bargain. It may be lower quality merchandise, purchased specifically for the sale. Special purchases are different from regular store merchandise which is reduced in price.

When considering sale merchandise look for answers to these questions.

- Is the sale price really marked down or reduced? (Compare the sale price with comparable merchandise not on sale to see if the price is reduced. Some stores regularly mark through the manufacturers' suggested retail price and sell at a lower price. This is not a sale. Look for a reduction in the store's regular price.)

- How does the sale price at this store compare with the regular price at another store? Merchandise on sale at some stores may be higher than the regular price at other stores.
- Why did the item not sell at regular price?
- Are there flaws in design, that will affect the usability of the product?
- Are all instructions, labels and warranties attached?
- Can the sale item be returned if necessary?

When comparing merchandise among competing stores, always compare items of the same kind or that are of the same quality and that have the same features. Also find out if there are differences in the services offered by the stores. For example if something is too big to be carried home what about delivery? You may find that there is no charge for delivery at some stores but that you must pay an extra fee for delivery at other stores — delivery may not be available at all stores.

Let's do some comparison shopping for the item that you will buy. Visit at least 3 stores. Compare at least two brands or makes of the product you are buying. Record your findings below. Also, compare the cost and service for the identical product (or as much like it as possible) at 3 stores.

<table>
<thead>
<tr>
<th>STORE NAME</th>
<th>TYPE OF STORE</th>
<th>BRAND OR MAKE OF ITEM</th>
<th>MODEL FEATURES</th>
<th>PRICE</th>
<th>WARRANTY TERMS</th>
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</table>

* Were any of the items on sale? ___________________________
  If so,
- What was the price reduction? ___________________________
- How does the sale price compare with the regular price at another store? ___________________________
- Are there differences in the services and warranty? ______

- If so, what? ____________________________________________

* Which product appears to be the best buy? __________________

Why? ____________________________________________________

* Which item did you buy (or do you plan to buy)? ______

Why? ____________________________________________________

★ DECIDE HOW TO PAY

Now that you have made your selection you must decide how you will pay for it. You have several options from which to choose.

* Cash: It is always desirable to pay cash when possible. In some instances a discount is given to shoppers who use cash for payment. A Federal Trade Commissions rule permits merchants to give a discount for cash.

Ask two merchants if their stores give a discount for cash. If a discount is given, find out the percentages. What were the merchants' responses?

Merchant 1 _____________________________________________

_____________________________________________________

Merchant 2 _____________________________________________

_____________________________________________________

How much could you save on your purchase by paying cash? ______

When you pay cash be sure to get a receipt for the payment. Keep it in a place that is easy to find. This receipt will establish the date of purchase if there should be a warranty problem.
* Lay-away: This is an arrangement by which the shopper selects a purchase, the item is removed from stock and held for the customer. The customer usually makes a down payment and signs an agreement to make payments at specific times (for example weekly) until the item is paid in full. When all payments have been made, the store gives the customer the merchandise. It is very important for anyone using lay-away to clearly understand:

* The time within which the purchase must be paid in full.
* When payment is to be made.
* The amount of each payment.
* What happens if a payment is late or not made. (Some stores return the merchandise to stock for resale if a payment is late or not made.)

* What happens if the customer changes his/her mind and decides not to finish paying for the item, or if something happens so they can't? (Some stores refund part or all of the money paid in. Others return the item to stock and the customer loses the money paid on it.)

Visit two stores. Ask about their lay-away policies.

<table>
<thead>
<tr>
<th>Store 1</th>
<th>Store 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>How much must be paid down on a lay-away?</td>
<td>________</td>
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<tr>
<td>How often must payments be made?</td>
<td>________</td>
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<tr>
<td>What happens if a payment is late?</td>
<td>________</td>
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<tr>
<td>What happens if a shopper does not complete payment?</td>
<td>________</td>
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</table>

* Credit: Credit is used extensively for buying consumer goods and services. When you use credit you are using someone else's money and paying for the privilege with interest. The basis of credit is trust. The lender or merchant trusts you to repay the money.
Whether a store will sell to you on credit is usually determined by your credit repayment record and ability to pay. Such information is kept by the credit bureau and is called your credit rating.

Many purchases are made with credit cards. Since operating a credit department is expensive many stores accept bank credit cards. When a customer uses a bank credit card the store must pay a percentage of the selling price (usually two to five percent) to the bank for processing the charge. Some stores will give a discount to customers paying cash. Ask about the discount.

People use credit cards for different reasons. Some do not want to carry cash. Others want to spread repayment over several months. Also, many stores will accept a credit card, but not a check. Computers make it easier to find out the reliability of credit card customers.

No down payment is needed with a card but a finance charge must be paid if repayment is extended several months. The amount of the finance charge is determined by the credit agreement signed when the card was issued. In Florida the charge is usually 18 APR (Annual Percentage Rate).

It’s important to take good care of your credit cards to be sure they are not lost or stolen. To protect your cards carry them in a separate place, not in your wallet. Then, if your wallet is stolen, the cards will not be taken. In case a card is lost or stolen notify the credit card company immediately before the card is used. Keep the number of the card with the address and telephone number of the company in a safe place.

When using a credit card, check the math on the charge receipt before signing it to be sure it is correct. Also, watch your card as the salesperson makes the receipt to be sure only one copy is made. Keep a copy of all receipts and check them against your bill to be sure errors do not occur.
Ask two merchants if they will give you a discount for cash.

Their answers were 1. ___________________________

2. ___________________________

Check a charge receipt from a credit card purchase.

- Is the total amount of the bill shown in the appropriate place? ___________________________

- Does the printed total agree with the handwritten portion? ___________________________

- Do you use a credit card? ___________________________

- If so, do you check your bill against the receipts each month? ___________________________

- What would you do if you found an error? ___________________________

* Retail Credit Contracts: Some major purchases are financed for a specified number of months. The monthly payment is the same for each month. For example you may finance a purchase that cost $100 and pay for it at $10 per month for 12 months.

Most retail installment contracts require a down payment. After subtracting the down payment the unpaid balance is financed. Interest charges are added to the unpaid balance. This total is divided by the number of payments to be made. In most instances payments are made monthly, however they could be made more often if desired.

Interest charges vary. A Federal law requires that interest charges and other charges necessary to obtain credit be stated as annual percentage rate (APR). To compare the cost of credit from one credit source to another, compare the APR.

When you use retail installment credit, you must sign a
credit contract. If you are under 18 years of age you generally will need a parent or some other adult to co-sign the credit contract. Florida law does not consider a person financially responsible under the age of 18. A co-signer agrees to pay the bill if the other person does not.

When signing a credit contract, carefully look for the following:

- The total cost of the item on credit. Compare this with the cash price.
- The Annual Percentage Rate (APR)
- Amount of each payment
- When the payment is due
- What happens if a payment is late. (A late fee may be added or the total bill may come due. If this happens and you can't pay the bill the item can be repossessed).
- Number of payments

Contact one retail store and a finance company or a bank. Find the answers to the following questions.

<table>
<thead>
<tr>
<th>Store</th>
<th>Bank</th>
<th>Finance Company</th>
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1. What is the APR for retail installment credit for (the item you are buying).

2. For how long can you finance it?

3. What would be the monthly payments?

4. How much down payment is required?

If you were to finance the item you are buying how much would be the total cost (cash price plus finance charges) at the:

(A) store __________________

(B) bank __________________

(C) finance company ____________
In the U.S. we have an open marketplace. People are free to choose from a wide variety of goods and services. Retailers are able to display their merchandise without fear. This system, operates well as long as both the consumer and the retailer understand their rights and responsibilities.

The retailer has the right to a fair return (profit) on the things that he sells. You have a right to be quoted a price and to either buy or reject the product.

Sometimes a store will use "bait and switch" advertising. This is where a product is advertised at a very low price. When a customer tries to buy at this price, the salesperson tries to get them to buy a more expensive item (switch to something else).

This tactic is illegal. If this happens to you, tell the salesperson that you know what is happening, and leave the store. Do not buy from this type of store.

Under an implied warranty all merchandise is to serve the purpose for which it is sold unless it is sold "as is." For example a boat is supposed to float. A football must hold air.

If you buy a defective product return it to the store immediately. Clearly state the problem and ask for the item to be repaired, replaced or a refund given. Go to the salesperson who sold the item to you. If this person can't or won't service your complaint, go to the store manager. Be polite and give only the facts.

You have the responsibility to handle all merchandise with care when you shop. Be sure your hands are clean if you handle things. Soiled merchandise must be sold at lower prices. This loss to the merchant is passed on to the consumer through higher prices.

Observe some young people shopping. Do they handle the merchandise with care? Do they open boxes without asking sales help? Describe what you saw.
Were they acting as responsible consumers?

Theft and vandalism are a major problem for merchants. Merchandise is displayed where it can be inspected by shoppers to see if they want to buy. Imagine what products would cost if each time you wished to see something it had to be removed from a case and a salesman stand over you as you inspected the item. Yet, theft and vandalism are increasing. Stores are spending millions of dollars to try to protect their merchandise. At least 5 cents of each dollar you spend is to pay for these abuses. Consumers have the responsibility to be honest and to report to store personnel anyone they see stealing or abusing merchandise. You will not be named or involved. The store will investigate. You can help stop this abuse.

Have you seen someone take something without paying for it?

How can such abuse be stopped?

If you return a purchase for a refund or exchange, you have the responsibility to:

* Be sure the item is unused.
* Make sure all instructions and parts are carefully included in the original package.
* Return the item immediately. Late returns may cause the item to not sell at regular price.
* Carry sales receipt or proof of purchase to prove the item was purchased at that store. (Do not try to return items to places where they were not purchased.)

Talk with a salesperson. Ask what kinds of problems are faced by the store in accepting returned merchandise.

What did you learn?
If you have a special problem regarding your rights and need help, talk to your 4-H leader or Extension 4-H agent. There are several regulatory agencies that offer special assistance with problems. Also remember if there is a reasonable problem first go to the merchant or seller. Talk the problem over with them. Most of the time it can be resolved.

**EVALUATE YOUR DECISION**

Place a check (√) by each of the activities you have carried out.

____ Selected a product to shop for.

____ Obtained information about the item.

____ Compared the quality of different brands or makes of the item.

____ Compared prices at competing stores and of different makes or brands.

____ Compared warranties of competing brands.

____ Considered features of different models.

____ Decided which item to buy

____ Compared ways to pay for the purchase

____ Purchased your selection.

____ Have used the item.

Do you feel you have made a wise selection?

______________________________
Why? ____________________________

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Professor Extension Specialist
Extension Specialist Consumer Education
Youth Specialist

Pilot tested in Bradford, Nassau, Hernando, St. Johns, Gadsden, and Clay Counties.
SUMMARY RECORD FORM

UNIT III

SMART SHOPPING

Name __________________________ Age ___ Years in 4-H ___

Address ________________________________________________

Name of 4-H Club or Group _________________________________

Years in Consumer Education _________

I. MY PROJECT GOALS:

II. THINGS I DID IN THIS PROJECT:

III. THINGS I LEARNED IN THIS PROJECT:
IV. MY FAVORITE PART OF THE PROJECT WAS:

V. HOW I SHARED WHAT I LEARNED:

List demonstrations/illustrated talks, and exhibits given.

<table>
<thead>
<tr>
<th>Date</th>
<th>Title of Activity</th>
<th>Club</th>
<th>Level</th>
<th>County</th>
<th>District</th>
<th>Number of Times</th>
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VI. OTHER THINGS I WOULD LIKE TO LEARN AS A RESULT OF THIS PROJECT:

VIII. THINGS THAT I HAVE LEARNED IN THIS PROJECT WILL BE OF HELP TO ME IN THE FUTURE IN THE FOLLOWING WAYS.
Write a story about your experiences with this project. Include information about what you did, what you learned and what you will do differently the next time that you shop for a major purchase. If taking this project has caused you to change the way that you shop tell about it.

My Story