



Shopping

Why Do We Shop?

Most of us don't have cows in our backyard, but we still want milk. Much of what we need to survive, we can't produce ourselves—we have to buy it. But when looking on the store shelves, you will see more than just basic necessities. Shopping can be fun, but it can also be one of your most important survival skills. Smart shopping can help you make the most of limited resources. After all, expensive shoes, video games, and makeup may be more fun to buy than a gallon of milk or a loaf of bread, but the shoes won't help keep your bones strong and video games don't make a very tasty sandwich.

To be a smart shopper, you need to understand the difference between needs and wants. It might help for you to think about the reasons why you buy what you do. Does something ever catch your eye that you simply must have? What is it that attracts you and makes you want to spend your hard-earned cash? Perhaps you want to express your personality? Or maybe you're just having fun with your friends. Right now your parents probably do most of the household shopping, but it is important to remember that someone had to pay for that soda you are drinking and the steak you had for dinner last night. In your own apartment, no one will be buying your groceries if you don't have the money. Although you might not recognize it now, providing for primary needs, like food, shelter, and clothing, is the main reason we shop.

After you've found an affordable place to live and have some money to spare, you can start to think about other needs that aren't as immediate as food and shelter. A car, a computer, or a television can make an important contribution to your well-being. The car and computer might help you get a better job, or the television could help you unwind after a stressful day. Thinking of these purchases as secondary needs will help you keep everything in perspective. Each person has his or her own priorities. Considering the urgency of your needs will help you to make the most of tight funds.

Now, what about that new video game or dress you're dying to have? If you can't use it to benefit your everyday well-being, you should consider it a want. Be realistic when you examine your wants and needs. A new video game will make you happier while you sit down to play, but how can it improve your health? Or help you get a better job? The want category should include everything not essential for survival; but it does relate to those things you would normally consider needs. In the computer exercise at the end of the chapter you will have to make purchases on a limited budget. During this simulation, you will have to consider the effect your purchase will have on your standard of living. Standard of living describes

Main Idea

Shopping can be fun, but it is also a necessity. Being an informed consumer will help you save money and get what you need.

After completing this lesson you will be able to:

- understand the difference between needs and wants
- identify the factors that influence your decision to buy something
- research and comparison shop
- understand your rights as a consumer
- make the most of your warranty

Key Terms

- Comparison Shopping
- Contract
- Primary Need
- Recall
- Secondary Need
- Value
- Want
- Warranty

the necessities and comforts you need to maintain your daily life. It also includes those necessities and comforts you aspire to have. By the end of the simulation you will see how luxury items compare to the basics.

So Many Options, How Do You Choose?

Once you know what you need and want, how do you decide what to buy? Marketing and advertising executives try their best to make us desire what they're selling, but their campaigns aren't the only factor in our final decision. For most of us the biggest pressure is economic; that is, how much we can spend for whatever we need or want. Chances are you have felt some economic pressure if you don't have a lot of your own money, or your parents aren't eager to hand over much of theirs.

For many, economics can't outweigh personal and social factors. Think about how you chose what clothes you would wear today. What made you choose the shirt you are wearing over the one you left hanging on the rack? Wanting to express yourself as an individual can be a big part of the choices you make; the clothes you wear and the accessories you carry can say a lot about who you are to a person you've just met. Making choices to express your individuality demonstrates personal influences. In other instances, social influences can take a larger role. Then you might want to express yourself as a member of a group, and you might make different choices that will tell the world, "Hey, I'm with them!" The balance of all three of these influences will be different for everyone, and you will get a chance to test your own as you make purchases in the computer simulation. The balance of these influences will probably change from day to day, because most people see themselves as unique individuals, but also identify with some group trends. Understanding the importance of each factor will help you make tough choices and also to avoid impulsive decision making.

Research Your Purchase, Not Just Your Paper

The best way to avoid impulsive buying is always to do research before you make a purchase. Don't worry; you won't need a works cited page. In fact, getting to see all your possibilities can be one of the most fun parts of shopping.

One great way to research a product is by comparison shopping, but we will talk more about that later. Another is to look for expert and customer reviews. Everyone has an opinion! And getting a wide range of opinions can really help you narrow down what you want from your intended purchase. *Consumer Reports* and other magazines offer reviews of almost anything you could think to buy. Many of them have editions online that are more easily searchable, but often you have to subscribe, so don't purchase impulsively. Copies are frequently available for free at the library, and the computer at the library may be able to offer you free access to material that is for subscribers only. You can also find product reviews from customers and experts on many store Web sites, but do keep in mind that the information is coming from a biased source. It is best to do some research online before going out to see the product for yourself. But make sure to get your hands

on it before you order, if you can. Most apparel needs to be tried on to find the right size, and it is good to examine everything with your own eyes. As you know, pictures can be deceiving.

Become a Comparison Shopper

Whether you are researching online or in the store, make sure you consider all your options before making your choice. At the start, examine a range of prices. Then, see if you can tell why one costs more than another. Ask yourself how the purchase will affect your life. That should help you personally decide the purchase's value. The value should relate to the needs that we talked about before. Use this value judgment to guide you while comparison shopping. After you have examined all the possibilities, narrow them down to four different options. Then you can try to evaluate their benefits and drawbacks objectively. During the computer simulation you will have a chance to practice comparing prices. Keep in mind that most stores run sales periodically. Once you have your choices narrowed down, a store associate can be helpful. They spend a lot of time dealing with the product you would like to purchase, and they often have their own opinions about them. Since they may work on commission, be careful not to let them talk you into anything too expensive; but if you are honest with them about your budget they will usually try to help you find the best deal. The most important thing to remember about comparison shopping is to take your time.

Agencies that Protect Consumers

What if you've already made your choice and the product unexpectedly breaks? Sometimes it is as simple as returning it to the store, but if not, there are government agencies that can help you warn others about dangerous products. They can also protect you from being taken advantage of. The Federal Trade Commission (FTC) develops and enforces rules that protect consumers through the Bureau of Consumer Protection. It also educates consumers and businesses about their rights and responsibilities. We will talk about those in more detail in a moment. Any complaints of fraud or identity theft should be reported to the FTC. Another organization, the Consumer Product Safety Commission, also helps protect the public from dangerous products by regulating safety standards and issuing recalls of products found to be unsafe. Their Web site provides a place to report complaints about dangerous products, and a listing of all products that have been recalled.

One organization you might be more familiar with is the Food and Drug Administration. They make sure the medicine we take and the food we eat is safe for our consumption. They also oversee cosmetics and any product that gives off radiation. These three are the main government organizations that protect consumers. In addition to these, there are several government-sponsored Web sites that also deal with the consumer issues covered by the main agencies. The Federal Consumer Information Center is the most comprehensive site. It includes a Consumer Information Catalogue that you can search online. A thorough listing of government agencies and web

sites can be found at www.Consumer.gov. The Better Business Bureau is another great resource for information or to report problems. It is a nonprofit organization seeking to build trust among buyers and sellers and has divisions in each state.

Before You Go Shopping, Know Your Rights

Being aware of your rights and responsibilities as a consumer can keep you from being lured into a bad deal. Before we get to those, it is important to have a basic understanding about contracts. Contracts are agreements between buyers and sellers. Both oral and written contracts are legally binding, but a written document can save a lot of trouble if disagreement arises. Purchases over \$500 require written contracts in most cases. Each time you buy something, even if it is a cup of coffee, you are making an agreement with the seller. Often these day-to-day contracts don't leave room for negotiation, but they still give you the same basic rights as the contract you make when buying a car. A written contract should outline your rights in detail, but there are a few basic rights that can guide you. First, you don't have to pay if you don't receive the item. Second, you get to inspect goods

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Dear Sir or Madam:

I am writing to dispute a billing error in the amount of \$319.50 on my account. The amount is inaccurate because the merchandise I ordered was not delivered. I ordered the merchandise on September 3, 2008. The merchant promised to deliver the merchandise to me on September 10, 2008, and the merchandise was not delivered.

I am requesting that the error be corrected, that any finance and other charges related to the disputed amount be credited to my account, and that I receive an accurate statement.

Enclosed is a copy of the letter I sent on September 12, 2008, informing the seller that I did not receive the goods in the agreed-upon time and to cancel the order. Please correct the billing error promptly.

Sincerely,

Angela Smith
Enclosures: letter to seller

prior to paying for them. If you hire someone to inspect them for you, you must pay the inspection fee. Third, you have the right to return defective or unsuitable purchases within a reasonable time frame. Most stores have very specific return and exchange policies. These are part of the agreement you are making with the seller when you complete your transaction, so make sure you read and understand them. If you receive a charge for merchandise you never received, you have the right to dispute it. The sample letter on the previous page shows the best way to get the dispute documented.

With rights come responsibilities: one of your most important responsibilities is to read and understand the warranty. The warranty is the manufacturer's agreement to fix or replace your product if something goes wrong. It might only cover certain parts for a limited period of time, or be canceled if the product is used incorrectly. That is why you must read your warranty statement very carefully. It is also your responsibility to keep all papers that come with your purchase; this includes contracts, sales receipts, canceled checks, owner's manuals, and warranty documents. Make sure that you get a receipt for every purchase, and keep it in a safe place in case you need it later. Knowledge is power, and if you know your rights and responsibilities you can protect yourself from high-pressure sales tactics.

Summary

Shopping is a part of life. Separating your needs from your wants can keep you from overspending and ruining your budget. Research and comparison shopping can help you become an informed consumer.

You have rights as a consumer that come from your contract with the seller. This also gives you some responsibilities; be aware of both so you can protect yourself. If you have problems with a dangerous product, report it. Government Web sites have many resources to help you stay informed.

Key Terms

Comparison Shopping

Looking for the same product in multiple stores to find the best price, or to find the best product.

Contract

An agreement between a buyer and a seller.

Primary Need

Something that you must have to live from day to day, like food, shelter, and clothing.

Recall

The voluntary or involuntary removal of a dangerous product from the market.

Secondary Need

Something that can help you improve your day to day life, like a computer, car, or television.

Value

What you think the purchase is worth to you personally, taking into consideration how it will help to improve your life.

Want

Something that won't help you live from day-to-day, like jewelry, video games, and soda. Once you have met your primary and secondary needs, you can try to make room for some of these things in your budget.

Warranty

The seller's promise to fix or replace the product if something goes wrong.