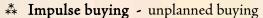
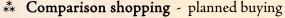
COMPARISON SHOPPING SPLENDOR

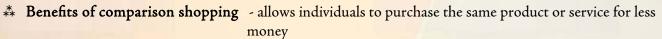
Making wise consumer decisions is an important skill when managing personal and family finances. Today's marketplace can be overwhelming with numerous options of products to purchase and a large variety of features and quality differences within those products.



- little consideration of the product occurs
- "emotional buying"



- careful consideration of the product's features, price and quality
- "rational buying"



- buy more goods and services with the same amount of money
- buy a better quality product for the same amount of money increasing long-term satisfaction with the product

COMPARISON SHOPPING STEPS

Step One: Decide exactly what is needed before shopping. Making this decision before entering a store will help reduce the confusion that results from having too many options to choose from. Ask the following questions to determine what is needed:

What is the difference between wanting and needing a feature?

- How will I use this product?
- How long does it need to last?
- What features do I really need?

Step Two: What is the quality of the products I am comparing?

Product quality depends upon the materials used, craftsmanship and durability. When evaluating quality, it is important to carefully look at the product and its packaging. Damaged items can often be recognized with a keen eye and the information on the packaging can provide very useful information. It is also beneficial to ask others who own the same product if they are satisfied with the product's durability.

If further information is desired, one can refer to unbiased testing agencies. Consumer Reports and *Underwriter's Laboratories* are two sources for objective product quality information not associated with manufacturers. They provide impartial information without negative consequences if manufacturers do not agree with their results. The Better Business Bureau is another source of consumer information which may provide literature about what to look for when evaluating

product quality and buying certain products.



COMPARISON SHOPPING STEPS CONTINUED...

Step Three: What is the total cost?

Some products have additional costs other than the purchase price that needs to be considered to prevent overspending. For example, clothing that needs to be dry cleaned will cost more over its lifetime than clothing that can be washed at home. Or, a digital camera that uses four disposable batteries will cost more over its lifetime than one that uses only one rechargeable battery. These "hidden costs" impact decisions and need to be considered carefully.



Item	Price	Hidden Cost	Frequency	Total cost after
				6 months
Wool jacket	\$50	Dry cleaning \$15	Every 3	\$80
			months	
Nylon jacket	\$60	Wash at home \$2	Every 3	\$66
			months	

Describe one item you own that has a "hidden cost."

Step Four: How will the product be used?

Finding a product that has exactly the features one desires for an appropriate price may be challenging. If this is the case, individuals should consider how the product will be used, how often it will be used and what price is appropriate for the use. For example, if a product is used once a year, an expensive product with very high quality and additional features may not be necessary. However, if a product will be used daily, one may desire higher quality to reduce replacement and repair costs. In this case, the owner may be willing to pay more for the higher quality. It is important to decide how the product will be used before it is purchased and then buy at the price or quality level that best suits individual needs.

Item	Price	How will it be used?	Frequency	Total cost
				per wear
Custom made formal	\$120	Lightly worn	I night - prom	\$120
gown				
In store formal dress	\$60	Lightly worn	3 times - prom, family wedding, formal dance	\$20

What is an item that should be high quality when purchased because it will be used frequently?

Step Five: Consider the opportunity cost and make a decision.

* Opportunity cost - something an individual gives up to receive something else, this can include quality, price or features of a product

For example, if an individual wants an iPod that holds at least 500 songs, but it costs more than they can spend, they may have to give up some memory to purchase an affordable iPod that holds fewer songs. Carefully review all criteria and make the best decision based upon quality, price and how the product will be used.



Making informed consumer product choices helps individuals and families spend wisely and build a better financial future. By comparison shopping, one can find the best deal, reduce costs without cutting back on necessary items, save money and meet individual and family needs.