

FACT SHEET

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YOUR BUYING DECISIONS

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With so many goods and services on the market, how can you get the best possible return for even the smallest outlay in dollars? There are several general guidelines to help you as a consumer make the best buying decisions about your cash and credit resources.

UNDERSTAND YOURSELF

Wise buying begins with understanding yourself. What is most important to you and your family? What things do you want now and in the future?

Money can be used to help you express your most important values. Some examples are:

- When family sharing is important, you may spend money on recreational equipment, entertainment and activities which family members can do together.
- If a family member values a particular special interest—such as music, art, crafts or sports—part of your income may go for related lessons, equipment and supplies or events.
- When knowledge is important, your money may pay for books, magazines, educational toys, school supplies and tuition and fees at an educational institution.

You have different needs at various stages of life. Some of your ideas about what is important change to fit your needs. Some examples are:

- The young couple starting out may be interested in acquiring goods and making a home.
- The middle-aged couple may consider it important to educate their children.
- Older couples may be planning activities for retirement years.

When you have a clear picture of what is most important to your family, you can recognize the things that will give greatest pleasure. You can weigh the satisfaction which comes from choosing one item over another.

You find many products and services to choose from when you go shopping. Advertising messages encourage you to try new products. It is normal to want some of the things you see. Most people, however, want more than they can afford. This makes it necessary to decide between desired items. Your values can help you do this.



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Think Ahead

Do you have an important purchase coming up, such as a car, washing machine or new suit? How are you going to solve the problem of what to buy?

Plan ahead for a shopping trip. Make a shopping list and stick to it. A list is a smart trick to help resist the temptation to overbuy. Appealing displays, new products, colorful packages and free samples are always tempting.

On some shopping trips you may find an unexpected good buy that meets family needs. You may find a substitute for something on your shopping list that will do a better job. Such unplanned purchases can help stretch dollars.

● Consider Your Needs and Wants

Identify your needs. Recognize the difference between what you really need and what you want. For example, you may need a car for transportation, but you may want an expensive sports model. You may need a refrigerator, but you may want added features that come with highest priced models. Is this item more or less important than other family needs or wants?

● Analyze Your Shopping Motives

Why do you really want an item? Avoid spending out of boredom or unneeded self-indulgence. Do not shop to get back at your spouse or to buy the affection of your children. Carefully consider the value of shopping to reach family goals rather than to keep up with the Joneses.

● Identify Your Requirements

Decide what purpose the item is to serve. How frequently will it be used? Do you expect the item to last a long time or a relatively short period?

What features and characteristics are important for the use you plan to make of the item? Consider such things as appearance, color, style, durability, construction, ease of use and care, cost and safety features. Remember to consider installation, operating costs and availability of service.

● Identify Your Resources

How much money do you have to spend? Take a look at your plans for spending family income. The amount of money you have available helps determine how many extra features you can get. Be realistic in what you can afford.

How will you pay for the item—cash or credit? Cash is usually the cheapest way to buy; however, credit lets you have use of the item while making payments. When using credit, decide what size payments you can afford each month and how long you want to make payments. It is easy to overbuy or to spend more than you intend with credit. Avoid this trap.

There are more than financial resources involved in making a purchase. How much time do you have to shop and compare to find the right buy? Are physical limitations or lack of transportation a problem? What stores are available and when are they open?

Accept the limitations of your resources in buying goods and services for the family. Concentrate on getting the best buy you can within these limitations.

Look at Choices

After thinking through the problem of exactly what you need and how much you can spend, the next step is to go into the marketplace and look at available choices. Gather facts about the type of product you are looking for, identify reliable stores where you can shop and compare products that these stores sell.

● Gather Facts

The more you know about products, the more likely you are to choose one that will meet your needs. Look for information about products from these sources:

- Advertising and catalogs
- Magazines and newspaper articles
- Consumer information booklets and government publications
- Monthly publications published by independent testing agencies
- County Extension agents
- Friends and neighbors who have purchased the product

One of the most important sources of information is the product itself. Look at labels, hangtags, use and care books and guarantees that come with an item.

Your personal experience with products can also be a valuable source of information. This is especially true for smaller items that you buy frequently. Evaluate the effectiveness of products you buy.

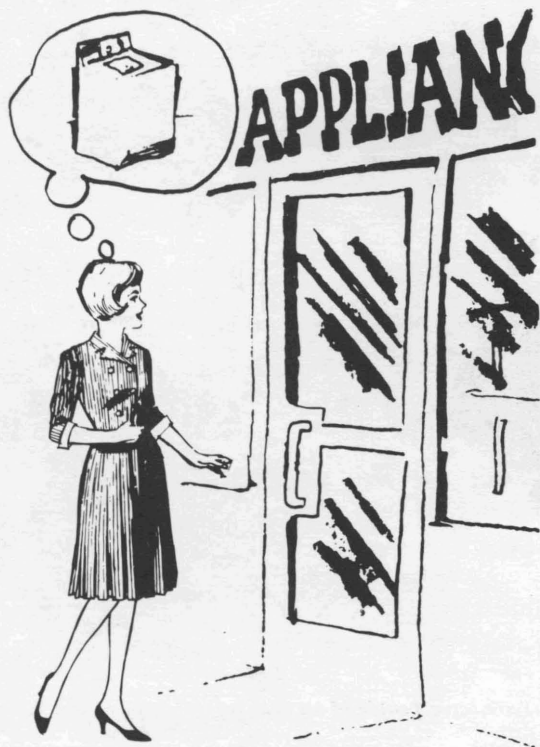
• Do Comparative Shopping

Identify places where the item can be purchased. The importance of the purchase makes a difference in how many places you look. For small purchases, one or two dependable stores are enough. For major purchases, check as many as possible.

Stores differ in the number and type of services offered to customers. Services add to the cost of operating a business. The more special services a store provides, the higher prices tend to be to cover added costs.

The importance of special services varies. Choose stores with services that are important to you for the particular item you are buying. Services may include:

- free delivery, installation;
- consultants, individual attention, special instruction;
- unusual or convenient shopping hours;
- charge accounts, credit;
- repair service;
- clothing alterations free or at minimal charge;



- gift wrapping;
- free parking;
- liberal return privileges.

• Compare Quality and Characteristics

Some people think the most expensive model is the best buy. Such thinking is a poor substitute for buying know-how. Before making a purchase, consider the item's intended use. What features do you need? Buy high quality when an item is to be used frequently over a long period of time. Get lower quality when something is to be used infrequently or will be rapidly outgrown. Pay only for those features you need.

Remember that extra frills, styling, options or features add to the cost of an item. By sticking to basic styles and models, you can get the same construction and durability for less money.

Whenever you buy a pre-measured, pre-cut, assembled or prepared item, you usually pay the extra cost of someone else's labor to do the job for you. Convenient containers such as aerosol or push-button cans also add to the product cost.

Make a Buying Decision

Once you know the choices that are available in the marketplace, narrow them down to a few that will best fit your needs. Consider the *pro's* and *con's* of each. Decide which product combines the greatest number of features really important to you.

Sometimes, the alternatives seem about evenly balanced. Each product would do equally well. In these cases, make a decision. Avoid remaining at a standstill. Then accept your decision.

Any time you make a buying decision, be willing to accept responsibility for your choice. This is one of the marks of a mature decision-maker. Spend time and effort in making important decisions—then have confidence that the choice was right for you.

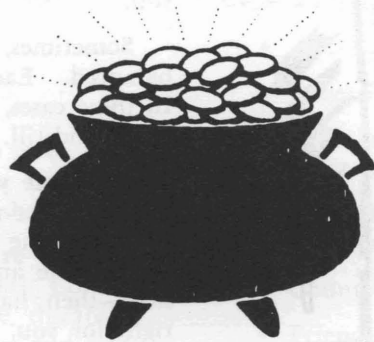
Consider Results

Are you satisfied with your purchase? Would you buy the same product again?

Sometimes a purchase is disappointing because the item failed to live up to claims made for it. Go back to the merchant when this occurs. If he can't help, try the manufacturer or a consumer protection agency or organization.

Other times, a product disappoints you because circumstances change. In a fast moving society, new information and products appear every day. Sometimes you like new products and features better, or you find new facts which change your

mind about the best product for you. Accept these changes. Respect decisions you made yesterday; remember they were based on information and products available at the time. Be flexible with your decisions to allow for change.



GETTING YOUR MONEY'S WORTH

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10M-10-73, Revised

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