

FACT SHEET

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YOUR BUYING DECISIONS

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Decisions! Decisions! How many of these do you make each day? Life in a complicated society requires you to make many. You make decisions about where to live, what to eat, what to wear, what to do and where to go. Many are decisions about buying goods and services.

Decision-making skills must be learned. The ability to make good choices in buying products and services comes with practice.

KNOW YOURSELF

Good decision-making begins with an understanding of yourself. What is most important to you and your family? What things do you want, both now and in the future?

Values Influence Spending

Your values are ideas you have about what is most important in life. They are the ideals and principles by which you live. Values influence every part of your life, including the way you spend money.

Money can be used to help you express your most important values. For example, 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, educa-

tional 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. 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, while the older couple may be planning activities for retirement years.



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Using Values to Make Choices

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.

Each Family is Unique

Each individual and family is special and unique with its own values, goals, needs and interests. As a result, each family looks for different products.

Many aspects of life influence the type merchandise a family buys. Family purchases are influenced by number, age and sex of family members; special interests, talents and hobbies; customs and habits, health; and occupation and place of residence.

MAKING BUYING DECISIONS

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? Think ahead first. Consider needs and requirements for the purchase before going to buy. Figure how to pay for the item before spending money.

• 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.

• 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, certain features on an appliance and safety features.

Remember to consider installation, operating costs and availability of service when these are a concern.

Rate desired characteristics in their order of importance to you. This gives you a guide to use in shopping. Look for products which have characteristics high on your list. Be willing to compromise on less important points when necessary.

• Identify Your Resources

How much money do you have to spend? Take a look at your plans for spending family income to find out. The amount of money you have available helps determine how many extra features and special characteristics 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 payment you can afford each month and how long you want to make payments. It is easy to overbuy or to spend more than you intended 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.

• Decide Places To Shop

Identify places where the item can be purchased. Decide which ones you want to check. The importance of the purchase makes a difference in how many places you look. For small purchases, one dependable store is enough. For major purchases, check several.

Such factors as availability of time, energy and transportation help determine how much you can

search out and compare products in different stores. When money is a problem, it often pays to check more stores to find the best buy.

• Compare Quality and Price

Compare differences in prices and products available at stores you decide to check. Look for those characteristics and features that are most important to you. Find items that have a large number of characteristics high on your list. Quickly eliminate from your consideration products which do not meet your requirements.

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. Use your list of desired characteristics to help you decide which product combines the greatest number of features really important to you.

Be willing to compromise. Accept the fact that anytime you decide to buy a particular item, you give up something else you would like to have. However, the total package of features, characteristics and cost of the item you choose should be more important to you than the products you give up.

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. Some-



times 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.

MAJOR VS. MINOR BUYING DECISIONS

Some buying decisions are more important than others. There is more money and greater risk involved.

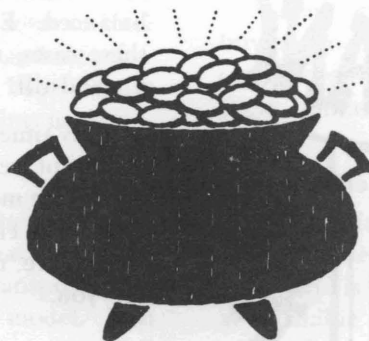
- *Major buying decisions* involve a large amount of money. They concern purchases which are used frequently, must last a long

time, and are expected to give a great deal of service.

Minor buying decisions involve smaller amounts of money. These purchases are used less frequently or for a shorter period of time, are rapidly used up or are rapidly outgrown.

Consider the risk involved in your buying decisions. Can you afford to make a mistake in the purchase? What would happen if you do? Will the consequences be serious?

Limit the time spent on minor buying decisions, drawing from previous experience to help make choices. Spend time and effort in making major buying decisions where risk is involved.



GETTING YOUR MONEY'S WORTH

Educational programs conducted by the Texas Agricultural Extension Service serve people of all ages regardless of socioeconomic levels, race, color, sex, religion or national origin.