

# Chapter 3-Your Purchasing Power

Section 3-3 Getting More for Your Money

# Selling Strategies

- Sellers use many strategies to promote products and services that customers buy to meet their needs and wants:
- Strategies may include:
  - Convenience
    - Making shopping convenient and pleasant for customers
    - Easy to find store location
    - Clean, comfortable, safe place to shop
    - Offer wide range of payment options (cash, check, credit card, debit cards)
  - Customer Service
    - Warm, friendly greeting when enter business
    - Prompt and courteous help when needed
    - Satisfied customers will return and tell others
    - Word-of-mouth promotion is good for sales
    - Poor customer service may prevent customers from returning

# Selling Strategies (continued)

- Right Product and Price
  - Selling products to meet customers needs
  - Basic needs (food and clothing)
  - Need to save time (appliances or power tools)
  - Look or feel younger (cosmetics, fitness equipment or vitamin supplements)
    - Branding Strategy
      - Stores carry certain brands to attract customers who are loyal to those brands
    - Discount Pricing
      - Businesses offer the lowest everyday price possible

# Creating Demand

- Businesses create demand through advertising
  - Advertising-informing consumers about products and encouraging them to buy
  - Target Audience-a specific group of people who are likely to buy the product
- Types of Advertising
  - Newspaper and Magazine
    - Short one-color ad or full-page
    - Offers special prices
  - Television and Radio
    - Written to appeal to target audience (news programs, talk shows)
    - May use slogans or have catchy tunes

# Types of Advertising

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- Internet
  - Banner ads-span the top, bottom or sides of a web page
  - Pop-up ads-open new window, and pops an ad in the window the view is using
  - Tracking done through cookies-files created by the website that store information about the web visitor

# Types of Advertising (continued)

- Billboards, Signs, Circulars and Brochures
  - Direct advertising to the masses instead of a target audience
  - Billboards and signs may be posted along highways and store entrances
  - Circulars and brochures may be mailed to customers in a business's zip code
- Direct Advertising
  - Distributes information about a product directly to consumers
  - Send samples or coupons through the mail or hand out samples in a store
- Customer Loyalty Programs
  - Designed to encourage a customer's repeat business by providing special discounts or incentives
  - Example: rewards feature may give customers cash back for repeat purchases
  - May provide free services, coupons or gift cards

# Consumer Buying Strategies

- Before You Shop
- Everyday Purchases
  - Create a list of items needed
  - Plan how you are going to pay for the items
  - Plan menus before going to the grocery store
- Major Purchases:
  - Plan your strategy ahead of time
  - Prepare questions to ask
  - Do not allow a salesperson to convince you spend more
  - Know what you want and how much you want to spend
  - Determine the features that you want the product to have

# Consumer Buying Strategies

## While You Shop

- Everyday Purchases
  - Stick to your list to avoid impulse buying
  - Don't shop when you are in an extreme emotional state
  - Do not select last-minute purchases at the checkouts
  - Shop when you are most alert
- Major Purchases
  - Stick to decisions about how much you are going to spend
  - Do not make on-the-spot decisions
  - Shop when you are the most alert
  - When in doubt don't make the purchase
  - Take a "cooling off" period



# Consumer Buying Strategies

## After You Buy

### Everyday Purchases

- Most of these purchases are consumables

### Major Purchases

- Keep receipts
- Keep warranties
- Remove product carefully from the package
- Keep packaging until you are certain that the product works and you want to keep it
- Evaluate your purchase
  - Are you satisfied with your purchase?
  - Does it perform the way it should?

# Online Shopping

- Selecting and making purchases through an online store
- Offers convenience
- Offers an alternate location for consumers to buy goods and services
- Cost may be higher because of shipping costs
- Tips for shopping online
  - Make sure site is secure (https)
  - Read privacy and security policies
  - Print and keep confirmation numbers
  - Print emails regarding your order
  - Know shipping policies (cost-flat rate or other)
  - Know return policies
  - Use a computer with a secure connection (free WiFi is not secure)
  - Use a computer with antivirus/spyware software

# Comparison Shopping

- The process of checking prices among several sellers to make sure you are getting the best price for what you buy.
- Shop several stores to compare:
  - Prices-price compare like products at several stores to get the best buy on the product you want to purchase
  - Brands-compare brands for features of the product to get the desired features, example: Digital camera-zoom, settings, capacity
  - Quality-read reviews of the product before making a purchase
  - Services offered-check return policies before making a purchase