

The Real Deal

Shopping insiders reveal the best ways to save

By Sally Stich

You stop at the grocery store to get a quart of milk and walk out with \$50 in groceries. You buy a blouse on a rack marked "special" only to discover a friend bought it for less somewhere else. What's up? If you're like most people, you make spending decisions every day, and much of the time you're unaware of the forces at work to get you to part with your money. Retailers spend millions of dollars to find out what makes us buy and millions more putting strategies into place. Here's how to outsmart the experts—and save money.

Attention Grocery Shoppers

With between 40,000 and 45,000 items in a grocery store, each product has 1/30 of a second to grab your attention. So if you've ever wondered why you walk out with more than you planned to buy, consider the following.



Smells sell. Ever notice how the produce department, bakery and fresh flowers are closest to the front of the store? These are high-profit-margin items and research suggests that smell, the most powerful emotional sense, can draw you in.

Outsmart 'em: If you don't need front-of-the-store items or only need basics such as bread and milk, walk directly through the center of the store, says Phil Lempert, editor of supermarketguru.com. Studies show that boxed and canned goods, which are kept in the the middle aisles, are the least likely to cause purchasing impulses.

The numbers crunch. According to a study conducted by the Food and Brand Lab at the University of Illinois, signs with numbers (limit 12 per customer, 3 for \$3) can double how much you buy without your making a conscious decision.

Outsmart 'em: Twelve percent of what we buy ends up either totally unused, partially used or given away. Before you get carried away by a sign, ask yourself: Am I really going to use this or am I just intrigued by

the suggestion?

The eyes have it. The average American woman is between 5'4" and 5'5", so guess where the products with the most marketing dollars behind them go? According to Charlene Davis, Ph.D., associate professor of marketing at Trinity University in San Antonio, you're not likely to find the ones at the best price or even necessarily of the best quality at eye level.

Outsmart 'em: Always look for the store brand either above or below the product that grabbed your attention. The store brand is often the same quality as the name brand and can save you between 10 and 40 percent.

Skip the end of the aisle. If you're like many people you probably believe that whatever is on display at the end of the aisle is a special price. But that's not always the case. In fact, says Lempert, end-of-aisle display items are actually on sale only 40 percent of the time.

Outsmart 'em: When you see end-of-aisle displays, read the signs carefully. If an item is on sale, the sign will say something like "Save 50¢."

Lose the cart. Research shows that not only do you buy more when you use a cart, but the nicer the cart, the more you buy. (And you thought those fire engine carts were just to entertain kids!)

Outsmart 'em: If you only need a few items, don't use a cart or a basket. And if you can shop without kids, do it. If you absolutely can't go it alone, take a list (a must even when you shop solo) and add three blank lines to which you or your child may add three impulse items.

Don't give yourself credit. According to supermarket guru Lempert, customers spend 10 to 15 percent more on groceries when they pay by debit or credit card.

Outsmart 'em: Use cash; you'll spend less.

Shopping Spree

According to Paco Underhill, author of *Call of the Mall*, two-thirds of what we buy anywhere (the mall, a department store, a discount store) is not what we intended to buy when we walked in. Given our impulsive nature, we need to pay attention to the following retail tricks.

Tune out. Background music isn't just for entertainment. It's there to keep you in the store longer because the longer you stay, the more likely you are to buy.

Outsmart 'em: When shopping for a specific item, allow yourself a certain amount of time after the purchase to browse a little, then vamoose.

Cash in on markdowns. According to Alison Deyette, co-founder of stylebakery.com, though it's not advertised, every store has a certain day of the week when it marks down merchandise.

Outsmart 'em: Ask the salesperson what day the store typically reduces prices. Also ask about the merchandise cycle. How often does new stuff come in? When is the lowest markdown on older merchandise? (And, adds Deyette, don't forget to check a store's web site. You can often find merchandise online that is long gone from the store.)

Size it up. According to research by University of North Texas assistant professor of merchandising Tammy Kinley, Ph.D., people will pay more for clothing in a smaller size because "it makes them feel good."

Outsmart 'em: Always try on the item first and then ask yourself: Am I buying this only because it's a size 6, or will it truly enhance my wardrobe?

Keep tabs on gift cards. Only 60 percent of the people who use gift cards actually spend all the money available (which means retailers are making a ton of money on unredeemed cards), and those people who do use them spend an average of 30 percent more than the card's amount.

Outsmart 'em: Don't put off using your card and always carry a permanent marker to write down the amount left on the card each time you use it.

Beware the warranty.

The majority of people who buy an extended warranty on a new appliance do so out of fear, but they hardly ever use it.

Outsmart 'em: "Since extended warranties really only mean huge profits for the companies who sell them, you'd be better off taking the money you would've spent on a warranty and putting it in a money market account to pay for possible repairs after the warranty runs out," says Richard Feinberg, Ph.D., director of the Center for Customer Driven Quality at Purdue University.

Don't be captive to "captive pricing." One sneaky manufacturer's trick, says Lynn Kahle, Ph.D., professor of marketing at the University of Oregon, is to sell something such as a computer printer at an unbelievable price. Then, just as you think you've made a smart purchase, you discover you're also locked into buying the ink cartridges, which are very expensive. The same goes for cars. Once you fall in love with a car, it's easy for a salesperson to tack on extras without mentioning how they affect the bottom line.

Outsmart 'em: Find out the actual operating cost of a big-ticket item by asking how much the necessary accessories are—and how often they need to be replaced.

Do your homework. Did you know that two people can buy the same appliance and one can pay hundreds of dollars more? From appliances to cars, retailers charge what the market will bear.

Outsmart 'em: If you're thinking you have to be a better negotiator, think again. What you really need is knowledge. So call other stores, go online and always comparison shop.

Save receipts. You buy an item and a week later it goes on sale. What many stores don't make public, says Deyette, is that they'll refund you the difference if you come in within a certain time period (anywhere from a week to 30 days) with your original proof of purchase.

Outsmart 'em: Save receipts in case you see your new purchase marked down a week or so later. Better yet, when you buy that new blouse or pair of shoes, ask what the store's policy is for a customer who pays one price only to see the item has been marked down within a certain time frame.