

Preparation is key to stretching holiday shopping dollar, CU professor says

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Donald Lichtenstein

Consumers should take the time to prepare themselves by researching prices and quality before they hit the stores or Internet this holiday shopping season, according to University of Colorado Boulder Professor Donald Lichtenstein.

Being prepared can save [consumers](#) money, steer them away from overspending and even change their way of thinking about purchasing gifts during the holidays, said Lichtenstein, chair of the marketing department at CU-Boulder's Leeds School of Business.

Many retailers rely on sales in November and December to make up to 40 percent of their revenue for the year, so they are geared up to welcome consumers and get them to spend as much money as possible,

he said. Retailers are prepared, so consumers need to be vigilant when they shop.

"Vigilance on quality, vigilance on price and [vigilance](#) on what merchants are doing is key," Lichtenstein said. "A second thing I go back to during the [holiday season](#) is don't get caught up in emotional shopping."

A common mistake many consumers make is that they rely on price or brand names as an indicator of quality, and many people go out and buy a higher priced item because they believe they are getting a higher quality item, he said.

Shoppers need to do their [homework](#), because many times they are just as likely to get a high quality item by paying a low price as a high price, Lichtenstein said. In some cases, the quality even diminishes as the price goes up.

"So the notion of people going into the marketplace without independent quality information, that's a big mistake," he said. "Do your research based on quality, independent of price. Don't rely on [brand name](#) and don't rely on price exclusively."

Once you've researched quality, then do your price search, he said. There are many ways to do this, but a good place to start is online.

"There is no substitute for going online and spending a little bit of time, after you've decided what it is you're looking for," Lichtenstein said. "However, there's a lot of research that shows consumers under-engage in price search. Don't be that lazy consumer, or it will hurt you."

This year, some retailers have brought back layaway plans. While they may work well for some consumers, once again, Lichtenstein says to be

wary of them.

"One of the things about layaway programs is that they cut down on price search," Lichtenstein said. "Once I go into a store and put the product on layaway, even if they can undo the layaway, consumers get locked in and usually just check the item off their list and may miss out on a better deal elsewhere."

Lichtenstein also says to think long and hard about the whole gift-giving process before leaping in.

"The truth of the matter is I think a lot of consumers would be much happier if the gift-giving aspect of the holidays was greatly reduced," he said.

That being said, most people enjoy giving during the holiday season. Lichtenstein encourages these people to be aware that there are a multitude of advertising efforts at work geared toward getting them to spend more, which can lead people to spend more than they can afford.

"The advertisers say 'This Christmas show her you love her with an X, or show him you love him with an X,' Lichtenstein said. "And that X probably costs a lot of money. I think you can show her you love her with a lot less than what the retailers are asking you to spend."

Other shopping tips for consumers:

--Shoppers should be wary of stores that offer price match guarantees because market research has shown that retailers offering these guarantees often charge higher prices.

--Higher prices don't necessarily mean better quality. Lichtenstein recommends doing research on quality, independent of price.

--If shopping with coupons avoid buying a product just to "get a deal." Lichtenstein recommends using them on products the consumer usually purchases.

--Shoppers should be cautious of reference price advertising -- such as "was \$79.95 now \$49.95." In many cases the starting prices are inflated or fictitious.

Provided by University of Colorado at Boulder

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