Comparison shopping

Have you bought something on the spur of the moment without shopping around and later wondered why you bought it at all? We can all fall victim to the temptation of **impulse buying**.

Many Australian families spend up to 40 per cent of their disposable income at the supermarket each week. Therefore, comparing grocery prices can save a family quite a lot of money over time.

Most goods and services are available from more than one retailer. Often the same product costs different amounts at different stores. Shopping around to obtain the best deal is referred to as **comparison shopping**. When making a major purchase, it is essential you compare the price, quality, availability and after-sales service. If you know the cheapest price in the marketplace, you are in a better bargaining position. If the prices are almost identical in all stores, the most conveniently located store or the one you are familiar with is probably a wise choice. If there is a lot of difference in the prices, the cheapest product may not always be the best buy because it may be of inferior quality and consequently not last as long as more expensive items. The more you know about the items you intend to buy, the better shopper you will be.

If you shop around, here is what you will find.

**Types of goods and services**

There are many different types of goods and services and we buy them for a range of reasons; for example, consumables, household goods, luxury items, repair services or information services.

Some types of shop are cheaper than others. For example, department stores (Myer), discount variety stores (Target and Big W) and large specialty stores (Retravision and Betta outlets) are usually cheaper than small, independent retailers because larger stores can carry more stock. However, most small retailers focus on high levels of assistance and after-sales service.
Different brands and products

Some brands are cheaper than others. Well-known, highly reputable brands tend to be more expensive than those brands that are not well known. However, this does not always mean that a cheaper product is of inferior quality although, generally, expensive products are better quality and will last longer. When you buy a product, you need to think about its quality as well as the price.

Choosing what to buy

Do not be pressured into buying something quickly. Making a quick decision will usually result in you wasting your money. Purchases made on the spur of the moment can often turn out to be unsatisfactory. You may be left with a product which does not meet your requirements and which you may never use.

To help you make wise decisions in future, follow the ten rules for comparison shopping.

### Activities

**Understand**

1. How is impulse buying different to comparison shopping?
2. List the sources you can use to undertake a comparison-shopping exercise.
3. Briefly outline the main advantages of comparison shopping.
4. Here are a number of strategies you can use to help avoid impulse buying. Copy each of them into your notebook and then explain how the strategy would help avoid falling into the trap of impulse buying.
   (a) Prepare a shopping list.
   (b) Compare different brands.
   (c) Compare prices at different stores.
   (d) Ask yourself, ‘Do I really need this?’.

**Communicate**

5. Advise others of the advantages of comparison shopping by either:
   (a) creating a collage poster
   (b) designing a pamphlet
   (c) preparing a PowerPoint presentation.

6. As a small group, undertake comparison shopping research to determine the best deal for a:
   (a) DVD player
   (b) 66 cm integrated full HD LCD television
   (c) microwave oven
   (d) 10 megapixel digital camera.
   Select a product from the list and explain why it was the best deal. Share your results with the rest of the class.

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**Glossary**

comparison shopping contacting (by telephone, internet or in person) a number of sellers to obtain the best deal

impulse buying buying something without giving much thought as to whether you really need it

retailer a person or business that sells the products directly to the consumer