

Consumer Decision Making

Consumer Decision Making is an event that teaches youth financial management, consumerism, and decision making skills. (The provincial competition event will consist of 6 classes.)

The Basics

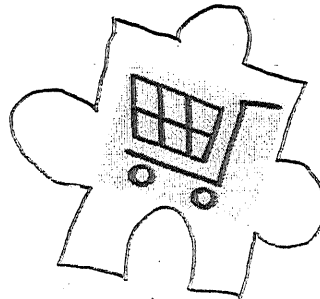
Consumer Decision Making is designed to teach participants to observe, compare, and make decisions based on collected facts. Presenting reasons provides experience in organizing thoughts and defending decisions.

Everyone is a consumer. We make decisions throughout life regarding purchases filling basic human needs, as well as wants. Ensuring that you get value for your money requires you to be a 'smart shopper'. In other words, you want to be able to increase your purchasing power. You can increase your purchasing power in at least three ways when you are a smart shopper. You can buy the same product or service for less money, buy more goods and services for the same money, or buy a better quality product for the same money. Good consumer skills help you ensure that what you get actually fills the need of the situation you are in.

Making consumer decisions can be confusing. There are many choices available in today's marketplace,

through real and electronic stores, and we are continually bombarded with advertising and 'consumer evaluations'. Consumer Decision Making practice provides 4-H members with an opportunity to demonstrate wise shopping choices. This 'judging' format is designed to help members learn how to decide which goods and services meet their needs, and wants, as well as a format to follow when making and defending their decisions. Members will learn to make their decisions based on a number of factors including resources available, target audience, needs vs wants, and available consumer research information.

Practicing good consumer skills early in life will result in a lifetime of benefits. Members will find themselves noticing external influences, like advertising and peer pressure, as well as how they influence what consumers buy.



Format

Consumer decision making is something practiced unconsciously everyday. This format formalizes the process each of us follows when making a purchase.

Similar to livestock judging classes, members will be presented with four items to 'place' and will then be asked to present the reasons for their placings. The main difference between Consumer Decision Making and Livestock Judging is the amount of information that members are provided with before being asked to judge the class. Members in Consumer Decision Making are provided with a 'study guide' for each of the classes before the competition and a very specific scenario in order to place each class. The scenario will provide information outlining the needs, wants, and other criteria to be considering when making decisions regarding the class. Members will then place the class based on the information learned from the study guides, personal research, their own knowledge and experience, and the situation outlined in the scenario.

Decision Making Process

1. Identify your needs.

- Do I need this good or service?
- How will I use it?
- How often will I use it?
- Where will I store it?

2. List the attributes.

- Make a list of attributes the specific product or service should have.
- What would be nice to have but is not really necessary?

3. Narrow the field.

- What's really 'out there'? (visit different stores, look at ads, talk to friends, relatives, and salespeople)
- Make a "short list" (what do you really want to compare and where are they available)
- Consider good and bad points of each specific item.
- How well does each alternative meet your needs?
- How does each compare with your list of needed and wanted attributes?
- Consider available resources.
- What type of support does each seller offer?

4. Evaluate your findings and make a decision!

- A smart shopper does not buy on impulse but takes the time to learn about what they are buying.

Finding Information

Hard information (facts), such as weight, unit prices, kilometers per litre, and nutrient information; and soft information (opinion), such as quality, durability, and usefulness, both need to be considered when making a decision. Soft information is often judged differently by each consumer but is still an important part of the decision making process.

Information can be found in a number of places. It's a matter of looking for it and then using it once found.

Product testing associations, such as Consumer Reports, provide unbiased rankings of products in all categories.

Groups that establish safety standards and testing procedures are another good source of information.

The Better Business Bureau is also a source of consumer information. The BBB can provide information on what to look for when buying certain products as well as information on a business and its' reputation. Remember that the BBB can only report complaints that they have received, and that they receive their money from businesses in the community and therefore, have a business perspective.

Information can also be found on the products themselves, or their packaging. Certain types of information are required by law. Clothing tags must contain fibre content, care instructions, and where clothing was made. Food labels must contain the name of the product, its form, amount of contents, processor, list of ingredients, and certain nutritional information such as serving size, calories per serving, and serving amounts of protein, carbohydrates, fat, fibre, sodium, vitamins and minerals. Often packages also provide instructions for use and warranty information.

Advertising is another source of information. Often this information is considered less reliable than other sources because it is designed to persuade you to purchase a specific product. Ads generally highlight the good points of a product and are useful in helping you know about sales.

Include "hidden costs" when comparing products. Hidden costs are things that will cost more once you own the product. Dry cleaning, batteries, and distance to a specialized dealership are examples of hidden costs.

Libraries can also be important sources of information. Books and specialty magazines are useful when researching products and librarians can help you locate many types of information.

Don't forget the phone book, mail order catalogs, on-line shopping guides, banks, and government offices when searching for information about a product or service.

Searching for information can also have a cost. It is necessary to determine how much 'search' is really necessary for the product or service you are considering. A small or temporary product or service doesn't require the same amount of information to base a decision on as a large and long lasting one. If you take too long to make a decision, price or feature changes may render your information out of date. It is to your advantage to undertake a larger search if you are buying a product or service that costs a lot of money, if you don't have much money to spend, if the search won't cost much in terms of time or money, or if the difference between prices and quality of the items is large.

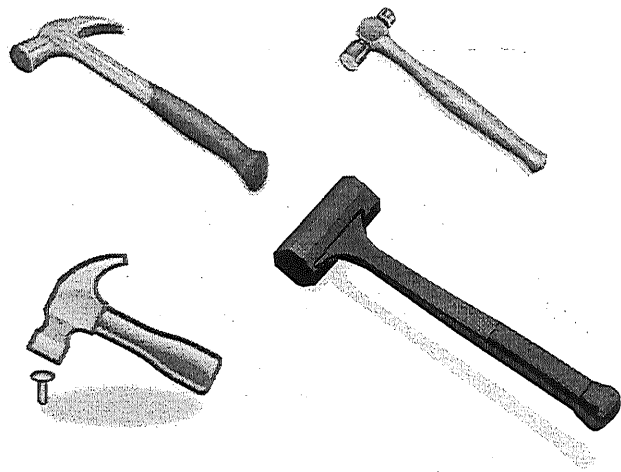
Where to Shop

People choose where to shop for different reasons. Bargain hunters search for low prices, some people like to be able to negotiate a price, others shop where it is convenient or fast, while others look for service or staff they know. Don't forget the variety of place you can shop when looking for products and services. Department stores, malls, specialty stores, mail-order, discount houses, factory outlets, and on-line are the most common but there are also second hand shops, flea markets, garage sales and farmer's markets; even the bulletin board at the local grocery store can be a great place to find certain items.

Recap of Rules for Smart Shoppers

- Learn as much as you can about what you want before you buy.
- Shop around. Prices vary.
- Watch for sales. If you don't need something immediately, it may be worth waiting.
- Watch for differences in quality.
- Consider how you will use the item. Don't spend a lot of money on something you won't use much or with features you won't use.
- Include hidden costs when making a decision.
- Read the label!
- Consider the maintenance required.
- Deal only with sellers and manufacturers who will stand behind what they sell.
- Think before you buy. Once you've made a decision, sleep on it. This helps curb impulse buying.

- Know what products, brands, and sellers there are and where they are located.
- Know what characteristics of a product are important
- Know whether a particular product possess important characteristics.
- Know prices and other term definitions such as free delivery, return policies, and service availability.



Reasons

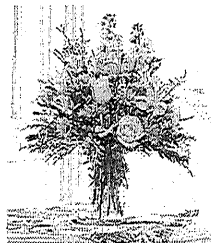
While making a decision and placing the class is important, being able to defend that decision is perhaps even more important. Being able to explain your reasoning once you've made a decision is a critical life skill. Members give 'oral reasons' after each class, to practice this skill. It should be second nature to most members; they've been doing it for years already with their parents. Every time a child has tried to explain why they should have pop instead of juice or milk, or why designer jeans are better, they have been practicing this skill.

Competition

Many members will not have been exposed to this format of 'shopping' before and need to be able to practice to gain experience before a competition takes place. Like all programs in 4-H, a progression through various levels of competition is encouraged as experience is gained.

Livestock judging cards can be used for Consumer Decision Making classes. The Hormel slide scale makes assigning placing scores simple. Official judges are required to assign splits to each class to allow these calculations.

Members should not see the classes before the competition starts. Once the decision making begins, members should be given 10 minutes to read the scenario, examine the class, and decide on their placing. They should be given a two minute warning. Any notes they need to take to assist with their reasons should also be taken at this time. They will not be allowed to return to the class once time is up. Members should be given 10 minutes of 'study' time prior to giving reasons and are allowed a maximum of 2 minutes to present them.

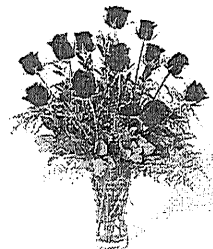


Group Think

At the provincial competition members will participate in a 'fun' activity called a group think. They will be placed on teams of four, given a scenario, and go through 5 basic steps. The team will be given 8 minutes of processing time during which the team will read and evaluate the problem (~3 minutes), discuss their solution (~3 minutes), and present a final statement of their decision (~2 minutes). Evaluation and discussion should cover each of the following five steps: 1) Ascertain the issue or problem and state the facts, 2) Determine the alternative solutions to the problem, 3) List personal or social goals (or criteria) bearing on the problem, 4) Evaluate the alternatives according to the goals or criteria, and 5) Make a decision based on the evaluation.

Scores are based on team participation, communication skills of team members, variety of options generated, conclusions, and overall presentation.

The 'group think' process not only allows members to participate with each other in a different format, it will help prepare them for further competition.



Example

MENU CLASS

Study Guides may include Health Canada Food Guide (rainbow), information on Mexican meals, and information on the nutritional value of various drinks.

Scenario (In a competition the menu options may include prices of the meals and a comment about Tom's budget):

Tom is planning a romantic dinner with his girlfriend. She is a picky eater, and tries to eat as healthy as possible. He has decided to have:

- ⌘ Chicken Fajitas
- ⌘ White Flour Tortillas
- ⌘ White Rice
- ⌘ Ice Tea
- ⌘ Sopapillas (Mexican fried dessert) with honey

Help Tom adjust his menu to be more nutritious and colorful to look good in the candlelight.

Option #1

Trade white flour tortillas for whole-wheat tortillas.

Use beef instead of chicken and add onions.

Keep the rice, but add refried beans.

Trade the ice tea for Dr. Pepper.

Option #2

Add salad and black beans.

Trade white rice for low sodium Spanish rice.

Provide salsa and cheese as fajita toppings.

Serve low-fat flan (a Mexican custard dish) with apples and caramel sauce for dessert.

Option #3

Add multi-colored bell peppers and purple onions to chicken for fajitas.

Offer salsa, guacamole, chesse and sour cream on the side.

Add lettuce and tomatoes for garnish.

Change the white rice to Spanish rice (rice with tomatoe sauce and spices).

Substitute strawberry shortcake with low fat whipped cream for dessert.

Option #4

Serve baked sopapillas, not fried, and top with berries instead of honey.

Add salad with low-fat French dressing.

Provide chopped tomatoes and lettuce for fajita toppings.

Mix beef and chicken and add green bell pepper.

Skip the rice, but add cheese for the fajitas.

Official Results of Sample Menu Class

Placing 3-4-2-1
Cuts 2 3 5

Reasons

#3 is first because:

Added color: Peppers, onions, side items & veggies, Spanish rice, strawberries

Added food groups: Vegetable, dairy, fruit – this is a balanced meal with servings from all the food groups.

#4 is second because:

Added color: berries, salad with dressing, veggies, beef and green pepper, cheese (mostly added green, but better than original)

Added food groups: baking sopa makes it a bread not a fat, fruit, vegetables, dairy – this also has all the food groups, but not as much color or nutrients as #3

#2 is third because:

Added color: salad, black beans, Spanish rice, salsa, cheese, apples, and caramel

Added food groups: fruit, vegetables, dairy – this gives all the food groups, but not the variety of color and texture that you have in #3 and #4.

#1 is last because:

Added color: whole wheat, beef, onions, and beans (all that was really added was brown)

Added food groups: None – still only proteins and grains. Soda adds sugar and sodium.

Example Reasons from Member:

After careful consideration of color and nutrition to be added with each menu change, I place this class of menu options 3, 4, 2, 1.

Overall this was a fairly easy class. In my top pair I placed 3 over 4. I grant that 4 did add a grain, a fruit, a vegetable, and dairy to have a balanced meal with all food groups, however, 3 also had all food groups and added more color and textures to the menu than 4.

In my middle pair I placed 4 over 2. 4 had more color and texture added when compared to 2. I grant that 2 did include all the food groups.

In my bottom pair, I placed 2 over 1. Option 2 added nutrients to include all food groups while 1 remained only proteins and grains. 2 added more color than 1, with 1 adding mainly brown.

I also noted that 1 added sugar and sodium, leaving it the obvious bottom in the class.

For these reasons I placed this class of menus options 3,4,2,1.

References: Western Regional 4-H Round-up Consumer Decision Making Competition Description
Texas 4-H Consumer Decision Making information (web)
New Mexico 4-H Consumer Decision Making information (web)
Minnesota 4-H Consumer Decision Making information (web)
Alberta 4-H Judging Manual