

Financial literacy

lesson 6: consumer awareness



Learning objectives

By the end of this lesson, you will be able to...

1. Identify ways companies compete for your money.
2. Be familiar with marketing strategies that encourage people to go into debt or finance large purchases.
3. Summarize factors that influence consumer decisions.
4. List steps you should take before making a major purchase.

Key terms

- ▶ _____: The promotion of a product or service by identifying it with distinct characteristics
- ▶ _____/awareness: Refers to the public's ability to recall and recognize a brand by its logo, jingles, packaging, etc.
- ▶ _____(guilt): Feeling regret or concern after making a large purchase
- ▶ _____: To buy an item with credit; paying over time
- ▶ _____: The process of communicating the value of a product or service to customers
- ▶ _____: An amount of money you spend, usually \$300, that causes some pain to part with

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“When you turn on the TV, listen to the radio, surf the web, or walk into the mall, you are stepping into battle—a battle for your dollars. Today, companies use every angle imaginable to aggressively compete for your money. The purpose of advertising is to inform, tease, and persuade consumers to purchase products.”

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What can I afford?

- ▶ How can you tell if you can afford to buy a certain item?
 - ▶ When you have the _____ to pay for it!

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Financing purchases

- ▶ Avoid _____ purchases!
 - ▶ Yes, you spread out the payment over a certain number of months, BUT you pay more in **added** _____
 - ▶ it is always better to save your money and pay for purchases in full

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Marketing strategies

- ▶ : Persuading people to do something by telling them that others are doing it, too; "Don't be left out."



- ▶ : Famous people say they use a product or persuade you to use a product



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Marketing strategies



- ▶ : Words are used in the ad to evoke strong feelings about someone or something



- ▶ : Makes people laugh so they have a positive association with the product

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Marketing strategies

- ▶ : Facts and statistics are shown



- ▶ : Sounds or pictures that are pleasing to the eye



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Learning check

1. Identify ways companies compete for your money.
2. Be familiar with marketing strategies that encourage people to go into debt or finance large purchases.
3. Summarize factors that influence consumer decisions.
4. List steps you should take before making a major purchase.

Journal question

In your journal, please answer the following question:

- 1. Why is it important for consumers to be aware of marketing tactics?**

Activity: Identify marketing strategy