



STOP BEFORE YOU SHOP!

Don't Buy Into These "Spend More" Pricing Strategies

Whether you shop on or off installation or online, advertisers and marketers are constantly seeking ways to get you to spend more money. Recognizing how these strategies may influence what you buy can help you and your family make more informed choices.

STRATEGY: The Power of Free

What they are: Promotions that seem to offer deep discounts on the retail price of an item, such as flash sales, buy one, get one free, or BOGO, 50% off, limited-time offer and [going out of business/everything must go](#).

How they target you: Retailers use a variety of discounts to lure you into their stores. However, many of these pricing strategies may encourage you to buy items that don't fit into the family's spending plan or may actually be costlier than similar items at a commissary or exchange.

STRATEGY: Cost Less Painful

What they are: Plans that allow you to buy an item with little or no money paid upfront, followed by installment payments to [pay the product off in full later](#), such as rent/lease-to-own, layaway plans and buy now/pay later.

How they target you: Retailers may try to convince you that you can afford higher-priced items, such as electronics or appliances, by offering payment arrangements that may seem easy and convenient. However, these installment payment plans could include confusing terms that may mask high interest rates and exorbitant fees.

STRATEGY: Partial Ownership

What they are: Companies lure you into developing an emotional attachment to a product or service by offering you an "ownership" stake, such as free trials.

How they target you: After the free trial period ends, you lose the product or service [see "Loss Aversion"] if you don't pay to continue. Also, you may forget to cancel the product or service [after the free trial ends](#) and are automatically charged until you cancel.

STRATEGY: Loss Aversion

What they are: Marketing tactics that feed into your fear of missing out, such as flash sales, limited time offers and limited product availability.

How they target you: Retailers persuade you to "buy now!" or risk losing out on what seems like a good deal, but you may end up buying items you don't really need and don't fit into your [spending plan](#).

STRATEGY: What YOU Can Do

- Make and stick to a [spending plan](#). If the item doesn't fit into [your finances](#), skip it.
- Read the fine print. If you do decide to [make that purchase](#), beware of possible hidden fees, high interest rates and restrictive return policies.

Access these resources:

- Make an appointment with a [personal financial manager](#) or [counselor](#) at the nearest Military and Family Support Center to talk through spending habits, spending plans and the pros and cons of small and major purchases.
- Download the DoD financial literacy app, Sen\$e, for finances at your fingertips. Find it in the [Google Play](#) and [iOS](#) app stores.
- Visit the [Federal Trade Commission](#) to stay up to date on current practices and scams.
- If you feel you've been taken advantage of, file a formal complaint regarding financial products or services with the [Consumer Financial Protection Bureau](#).

As you reach new milestones and complete your [service's financial readiness training](#), look to the [Office of Financial Readiness](#) and your service for additional trusted resources. You can also follow @DoDFINRED on [Facebook](#), [Twitter](#), [Instagram](#) and [YouTube](#).

