

Name _____

Period _____

CASE STUDIES

Case Study #1

Mic Spike opened the door of the new automotive shop. He decided it must be a good store because there were so many people inside. His dad had sent him to get a case of oil and an oil filter for their car. He followed his dad's instructions on the brand to buy and was on his way to the checkstand when he saw a display for a stereo system. It was marked with a big red sign that read, "This week only, \$349.00." Mic had wanted a stereo for a long time. He wasn't familiar with this brand, so he asked the salesperson some questions. She said it was an excellent buy—so good, in fact, that there were only two systems left. She also explained how he could easily charge it on a credit card and would only have to pay a few dollars each month. He thought a very short time about the system and decided he couldn't pass it up. Soon he was on his way home with the stereo system tucked carefully in the trunk.

1. Do you think Mic will be satisfied with his purchase? Why or why not?

2. Why do you think he made this purchase?

3. Was Mic a wise consumer? Why or why not?

4. Mic made an impulse purchase. Have you ever bought anything on impulse? Did it turn out to be a good purchase?

5. What should Mic have done differently before purchasing a stereo system?

Case Study #2

Jaymee was totally distressed with her ancient phone. She had just redecorated her room and everything looked great—except the horrid looking phone that her grandparents had given her several years ago. She decided it was time to get something she liked to match her room. She decided to spend some time comparing the quality, price, warranties, and features of phones. Finally, she made her decision, a "TEL-A-TALK" phone seemed to be the best phone for the money. It only had a 30-day warranty, but when she mentioned it to the salesperson, he told her he would extend the guarantee for a year. She was pleased, and paid cash for the phone.

After three months the phone developed an annoying clicking sound. She took it back to the store only to find that the salesman that had promised the year warranty no longer worked there and the store would not extend the 30-day warranty.

1. What were Jaymee's rights?
2. What mistake did Jaymee make?
3. What should Jaymee do now?

Case Study #3

Kim and Keven were brothers, renting an apartment while they attended college. Both decided they wanted new televisions for their bedrooms. Kim started shopping around. He looked at many brands, sizes, and types of televisions. He compared features, warranties, cost, and the reputation of the manufacturers. He purchased his television from a local dealer.

Keven was in a big hurry. He picked up a catalog that had arrived in the mail, found a television that looked like it was a good price, then called and ordered the television and charged it on his credit card.

1. Which is the better approach to buying a television? Why?
2. What are the advantages of Kim's method of shopping?
3. What possible problems could Keven have?

CASE STUDIES—KEY

CASE STUDY #1

1. Mic will probably have second thoughts about his purchase. He didn't know anything about the brand he had selected.
2. Mic bought the stereo because it was the last chance to get the special price. He could buy now—pay later.
3. Mic's decision was not a wise one. He made an impulse purchase without doing any comparisons on other brands.
4. Personal opinion.
5. The decision making process should be followed by wise consumers.

CASE STUDY #2

1. Jaymee has no extended warranty. Warranties must be in writing.
2. Jaymee should not have believed the salesperson.
3. If Jaymee had gotten a written extended warranty with a signature from a qualified person, she could probably have returned the phone.

CASE STUDY #3

1. Kim's approach to purchasing a television was much better than Keven's. You should always comparison shop. Also, buying from a local outlet is much easier to deal with if the item is faulty in any way.
2. Kim knew what he wanted and compared prices, quality, etc., until he was satisfied that he was making the correct purchase. Also, buying from a local retailer is more convenient if the item is faulty in any way.
3. Keven didn't check the warranty. If he has problems, he'll have to ship the TV back for repairs. Many times mail order items do not look the same in real life as they do in the ads. He may be very disappointed with his purchase.