Holiday shopping deals may not be that great after all

Donnie Lichtenstein

The holidays are upon us and that means loads of great shopping deals. But maybe not, says

Donnie Lichtenstein, a marketing professor at CU Boulder, who studies consumer behavior, particularly how consumers respond to price, promotions, sales and price-quality.

CUT 1: “One of the things I’ve studied quite a bit is what’s called ‘reference price advertising.’ ‘Was $99.95, now only $29.95. Seen elsewhere for $39.95, your price $9.95.’ (:15) And many, many, many times, these things are just deceptive trying to create the perception of a good deal, when it’s not.” (:23)

And as for trusting reviews he says most online product ratings are bogus.

CUT 2 “The consumers who fill out the quality ratings, they don’t know quality either. By and large, the biggest influence on quality ratings is the price of the product, and the brand name of the product.” (:13) There’s so many biases, and when consumers fill out quality ratings, if they paid a high price for it, they’re going to want to feel like they got a good deal. And to justify that high price, they’ll give it a high rating.” (:25)

Lichtenstein says it pays to do your homework when it comes to trusting product ratings.

CUT 3 “Consumers are going to have to do independent research. For me, I’ll go to Consumer Reports when I’m looking at quality, because they’re an objective quality standard whose quality ratings actually do correlate to resale values in the market place.” (:19)