

DON'T BE A SUCKER

How to avoid tricky ad claims companies use to hook you

Imagine we lived in a world where everyone told the truth all the time.

Let's call it Truth World. You'd know whether you looked fat in a dress or whether people really liked your new haircut. Yikes! The truth is, the truth isn't always what you want to hear. But when it comes to product advertising, it could save you a whole lot of money and aggravation.

Whether it's a newspaper ad for a giant blowout sale, a TV pitch promising to save you hundreds on car insurance, or glitzy new packaging with claims that a product is "new and improved," some advertisers have a way of stretching the truth to get you to open your wallet. Companies may even push to the outer limits of what's legal or go right over the line. It might be unintentional or it might be outright fraud, says Jan Wicks, a professor of advertising journalism at the University of Arkansas and a former

member of the Better Business Bureau's National Advertising Review Board.

The worst offenders can land in hot water with federal agencies and state attorneys general. In March, for instance, the Federal Trade Commission announced that two online marketers had agreed to pay almost \$1.5 million to settle allegations that they created fake news websites to promote the sale of acai-berry supplements, colon cleansers, and other bogus weight-loss products.

Now imagine that some kind of cosmic truth-ray struck the world and made every company completely honest and aboveboard. To see what Truth World would look like, we ran some ads through our own hype-to-reality converter. Turn the page for some enlightening and maybe even money-saving translations of typical advertising claims. And avoid getting suckered!

THE CLAIM

SAVE BIG AT OUR GIANT BLOWOUT SALE.

Truth World translation It's sale after sale around here. If you ever buy anything at full price, you're a fool.

How to not get suckered Don't be blinded by a sea of "sale" signs in so many stores. Just because an item is supposedly offered at a discount doesn't mean it's a good deal. We recently compared prices of more than a dozen home and kitchen products "on sale" at Kohl's stores with prices at a handful of online retailers. We were easily able to beat Kohl's "discounted" prices. For example, a KitchenAid Professional 600 Series mixer was on sale for \$489.99, but we found it for \$399.99 at Amazon and as low as \$320 elsewhere. Even the manufacturer's website was selling it for \$40 less than Kohl's. Kohl's "regular" price? A whopping \$549.99, well above

When a product label says 'new and improved,' that's often code for 'you're actually getting less for your money.'

the manufacturer's list price.

Some stores, such as Walmart, have stopped the nonsense, adopting an everyday-low-price strategy. When JCPenney did the same earlier this year, it said it was dropping everyday prices by 40 percent, which seems to be the case based on our recent comparison of the old and new prices on 14 items.

THE CLAIM

I'M A FAMOUS ACTRESS AND I LOVE THIS PRODUCT!

Truth World translation I don't really use this stuff. I just get paid to talk it up.

How to not get suckered Under federal guidelines, celebrities don't have to use a product they're paid to endorse unless they actually say they use it. And it can be tough to determine whether a celebrity truly is a fan of the product she's hawking. Sometimes you might get a clue, like that photo of Britney Spears drinking a Coke despite being paid to promote Pepsi.

Also, just because a star promotes a product or service or even puts his name on it doesn't mean it's a good one or even safe. Many celeb products we've tested, including Paula Deen's knives and Wolfgang Puck's blender, were bottom-rated in our tests. Or consider the pitch for ExtenZe sex-enhancement



THE CLAIM

FREE BAHAMAS TRIP, NO STRINGS ATTACHED.

Truth World translation We'll put you up in a skeezy hotel if you attend our all-day sales pitch.

How to not get suckered Offers for free and discounted trips come in many varieties. Some are used to entice you to buy a product or service, such as a time-share, or to sink your money into dubious investments that earn big commissions for the people who sell them. Others are outright scams to get you to turn over your credit-card number. A scam artist might tell you you've won a vacation but then say he needs your credit-card number for "verification," the FTC has warned. The regulator's advice: "Tell 'em to take a hike. If the promotion is legitimate, you never need to pay for a prize." Sometimes the offers come from suspect travel clubs that provide few travel benefits, if any. In March, the New Jersey attorney general filed suit against one that it said "failed to provide the complimentary cruises and airfares used to induce attendance at sales presentations for vacation travel membership packages." The club was also accused of selling sham memberships. Bottom line: Skip the free trips!

pills by the former Dallas Cowboys head coach, Jimmy Johnson. Certain lots were voluntarily recalled in 2011 after the Food and Drug Administration found that some packages were counterfeit and contained undeclared drug ingredients that could pose a serious health risk. And then there's the Nascar great Rusty Wallace's endorsement of now bankrupt US Fidelis, which earned an F from the Better Business Bureau after complaints about the extended auto-service plans it sold. So don't let some highly paid movie star, singer, or sports personality tell you what you'll like; do your own research.

THE CLAIM **THIS PRODUCT HAS A LIFETIME WARRANTY.**

Truth World translation As soon as the product is no longer available or we stop carrying it, your "lifetime" is over.

How to not get suckered Generally, there's no legal definition of what "lifetime" means in warranty-speak. So read the fine print for any gotchas before you buy. For example, a lifetime warranty may cover parts but not labor or the cost of getting a product to a dealer or factory for repairs that are covered. If a company uses a technicality to deny a reasonable claim, try going up the management food chain. Or use a new weapon: the power of social networking. Steve Bepko of Escondido, Calif., recently posted a complaint on La-Z-Boy's Facebook page when the lift mechanisms on his two old recliners started giving him trouble. Because the parts were no longer available, the company offered him 50 percent off new La-Z-Boy products. When he declined, it suggested that he ship the recliners back to the factory at his expense for repairs to the covered parts, as outlined in the warranty fine print. Frustrated, he said on Facebook that he was considering suing in small-claims court. The company wound up buying back both recliners for

\$200 each. "Be persistent," he posted afterward. "Always be cordial in your negotiations. La-Z-Boy, you have proven yourself to be a stand-up company."

THE CLAIM **BUY ONE OF OUR NEW CARS AND WE'LL PAY OFF YOUR OLD CAR LOAN.**

Truth World translation We'll combine the amount you still owe on your old car with a loan for the new one. And we'll make the term so long that you'll be paying it off for the rest of your life, during which you'll mostly be broke.

How to not get suckered In March the FTC announced it had reached settlements with five car dealers around the country that it said had promised to pay off customers' existing loans without making it clear that any amount still owed would be rolled into new loans. Our advice: Don't get a new car until you've finished paying for the old one, especially if you owe more than its trade-in value. And avoid car loans with terms longer than 48 months.

THE CLAIM **WE WILL NOT BE UNDERSOLD.**

Truth World translation Our prices won't be beat unless the competition is a website (including our own).

How to not get suckered Lots of retailers say they'll match or beat competitors' prices or refund the difference if you find a better advertised deal later. The policies can save you money, but there often are plenty of exclusions. For instance, Target and Walmart stores won't match the prices on their own websites. Walmart stores won't even match the prices of other Walmarts. Overstock.com's low-price guarantee excludes prices from big-box stores such as Lowe's and Home Depot, as well as those of local retailers. So read policies carefully. You might be able to return an item and buy it again at the cheaper place. Or if you used a credit



THE CLAIM **NEW AND IMPROVED!**

Truth World translation

It's just in a new (and probably smaller) package.

How to not get suckered

Marketing claims that a product is new, improved, or otherwise enhanced are often like magician's tricks: They try to get you to notice one thing while something else is going on. And that something may be a reduced package size. Sure, the product may have been changed in some way you might consider an improvement, as when Dial added ridges to its hand soap to make it easier to grip, declaring on the package "New! Grip Bar." But nowhere did the package call out that the bar had shrunk from 4.5 ounces to 4 ounces. "You have to really look to see what in fact was new and improved; in reality it may be only the company's bottom line," says Edgar Dworsky, a consumer advocate who runs MousePrint.org. He recently found some redesigned Bounty Select-a-Size paper towels that declared "33 percent more sheets per roll." A close look at the tiny type revealed that the comparison wasn't to the earlier version but to another size called a "regular roll." In fact, the new Select-a-Size rolls had shrunk by 8 percent overall, or about 10 sheets.



THE CLAIM BUY ONE AND GET A SECOND ONE FREE (PLUS SHIPPING AND HANDLING).

Truth World translation We'll charge you an outrageous shipping fee for products we're selling for twice the price you'd pay for them elsewhere. And you might be sorry you got even one of them, let alone two.

How to not get suckered This promotion has become a staple of TV infomercials. We recently found an offer for a Snuggly plus a "free" book light for \$27.90 at Freesnuggie.com. A second Snuggly and book light could be ours for just another \$7.95 shipping charge, for a total of \$35.85. Sounds like a good deal, right? Well, it's not. On Amazon we found a single Snuggly and book light for just \$14.64 (\$8.47 for the Snuggly and \$6.17 for shipping and handling). Adding a second order increased our total to \$24.29, or \$11.56 less than the second-one-free offer. Incidentally, Consumer Reports' testing found the Snuggly to be a dud. It pilled and wound up with bare spots after several washings.

card, check whether your issuer offers price protection. That means you'll be reimbursed for the difference if you find a lower price within a couple of months or so. Some debit cards have that feature as well.

THE CLAIM GET OUR CREDIT CARD AND RECEIVE A 5 PERCENT REBATE ON GAS.

Truth World translation Our 5 percent rebate applies to categories that change every three months. And if you neglect to sign up, tough luck.

How to not get suckered Increasingly, credit cards (including some from Chase and Citibank) are reserving big rebates for categories that change every quarter. So 5 percent cash back might apply at gas stations one quarter and at home-improvement centers the next. And you have to re-enroll every quarter or you'll earn only the same measly 1 percent you get for other purchases. Also, you can't access your rewards until you hit a certain amount, such as \$20 or \$50, depending on the program. But other cards pay higher rewards on fixed categories and

don't make you jump through hoops, such as the Pentagon Federal Credit Union's Visa Platinum Cash Rewards card. It automatically pays 5 percent back on gas with no limits on the rewards. (To get that card you must be a government employee or donate to a military charity.)

THE CLAIM DONATE TO HELP US FIGHT THIS TERRIBLE DISEASE.

Truth World translation We'll use your money to support our lavish lifestyle and then we'll give the rest to a professional fundraiser who will fetch us even more.

How to not get suckered Just because a group has a touching pitch and federal nonprofit tax status doesn't mean it's doing much good, if any. Last year, for instance, the New York attorney general filed suit seeking to shut down the Coalition Against Breast Cancer, based on Long Island. The state said that the group had solicited \$9.1 million over five years but that virtually none of the money was used for the breast-cancer programs it said it supported. So

whether a group says it fights disease, rescues children or animals, or saves the environment, check it out with one or more charity watchdogs before donating. Try the BBB Wise Giving Alliance (bbb.org/us/charity), CharityWatch (charitywatch.org), and Charity Navigator (charitynavigator.org). Ask local charities for a copy of their annual report and form 990 tax return, or get them from Guidestar.org. And you can always give through an established organization, such as the United Way.

THE CLAIM NAME YOUR PRICE ON CAR INSURANCE.

Truth World translation You can name any price you want as long as it's one we charge and you're willing to pay more than you would elsewhere.

How to not get suckered The name-your-own-price promotion for auto insurance from Progressive is just one way advertisers try to hook you. Despite what the company's spokeswoman, Flo, and her magic price gun might suggest in those TV ads, we discovered that you can't really name

any price—only one the company actually charges. And the lower the price you choose, the less coverage you get, as with any insurer. The only way to get the best, most cost-effective policy is to compare quotes on similar policies from different insurers by calling them or going to their websites. When we used Progressive's name-your-own-price tool and then shopped around, we found that its rates weren't always the lowest.

THE CLAIM

WE'LL HELP YOU GET RID OF YOUR DEBTS.

Truth World translation After we get our fee from you, the only debt we'll eliminate is our own.

How to not get suckered The national financial crisis has given rise to lots of scammers who promise to help you settle your debt. Some say they'll negotiate with creditors or provide debt-consolidation loans; others offer to save your home when you're behind on your mortgage payments or get the IRS off your back if you owe taxes. Often they take up-front fees, sometimes in violation of federal law, and then do little or nothing to help. Some fail to disclose important details like the fact that you're putting your home up as collateral by agreeing to a debt-consolidation loan. When you owe money that you can't pay, your first move should be to try to work something out with the creditor (even the IRS), such as a payment plan. You should also develop a plan to get your spending under control. A nonprofit credit counselor can help, but don't assume that it's legit just because it's not for profit. Many universities, military bases, credit unions, housing authorities, and branches of the U.S. Cooperative Extension Service operate free credit-counseling programs. A good first step is to check a program's reputation at BBB.org and search the program's name and "complaints" online.

HOW TO NOT FALL FOR NOT-SO-TRUTHFUL ADS

Plus what to do if you happen to get suckered!

BEFORE YOU BUY

■ READ TERMS AND CONDITIONS.

Digesting all the fine print can be a chore. But combing over terms and conditions and lists of frequently asked questions can really make a difference because you might discover loopholes. And be sure to question anything you don't understand. Get the answers in writing, perhaps by sending an e-mail or starting an online chat session with customer service. Always take names and keep copies.

■ CHECK OUT THE PRODUCT AND THE SELLER.

Search the Web to find out what users and professional reviewers have said. (For products, of course, check out what we have to say in ShopSmart and what Consumer Reports tests may have found at ConsumerReports.org. Monthly subscriptions start at \$6.95.) Also look for ratings at the Better Business Bureau's site, BBB.org. A company should have at least a B rating, the minimum required for accreditation (although it's optional). Also check for any complaints or government actions against a company. Then search the company name and "complaints" to see whether any problems pop up.

WHEN YOU BUY

■ ALWAYS USE A CREDIT CARD.

They offer better consumer protections than debit cards and other forms of payment, so it's smart to use them for your

purchases. Other benefits: You can request a chargeback in cases of misrepresentation and other fraud, or mistakes in the order. Depending on where the merchant is based, you may also be able to contest a charge if you have problems with product quality. (See below, and turn back to page 16 for more advice.)

AFTER YOU BUY

■ COMPLAIN ALL THE WAY TO THE TOP.

If you've been misled by a crafty ad, start by complaining to a company's customer-service representative or manager. If that doesn't help, go all the way to the top. (You can search our sister website, Consumerist.com, for posts including bigwigs' names, or just search the Web for the top honcho.) Some companies have executive response teams to ensure that beefs sent to higher-ups get action.

■ REQUEST A CHARGEBACK.

If you can't make any headway with the seller, ask your credit-card company to reverse the charge.

■ COMPLAIN TO A THIRD PARTY.

Get in touch with the BBB and your state and federal consumer officials. Find a list of agencies at USA.gov.

■ POST A REVIEW. Writing a complaint on a company's website, Facebook page, Twitter feed, or a complaint site like ConsumerAffairs.com might get you taken seriously. Even if it doesn't, user reviews can encourage businesses to improve their products and their practices.