Don’t Be a Credit Card Zombie

Sex sells—we know that. But smell and sound do too. Here’s how to battle the most artful retail tactics in the book

BY CLINT CARTER - PHOTOGRAPH BY LEVI BROWN

WHEN MARTIN LINDSTROM WALKS THROUGH A STORE, he doesn’t see products. He sees persuasion. He doesn’t smell rich, natural leather or the comforting scent of baked bread—he catches whiffs of manipulation. "Retail stores are not designed to entertain you," says Lindstrom, a retail consultant and the author of Brandwashed. “They’re designed to make you spend as much money as possible.”

We’re not talking about merely using photos of hot women to sell jeans. Retailers want you to see an antidote to the disillusionment of the real world, your quick exit from a recessionary funk. The store is cleaner, simpler, and less stressful than your life is. It sounds better, smells better, and makes you feel better about yourself. You can’t help but try to take some of that with you—even if it’s out of your price range.

So we spent a day shadowing Lindstrom on a faux shopping spree to see how retailers separate us from our money. We then tapped our experts for ways to deflect these subliminal maneuvers so when we do hand over our hard-earned cash, it’s willingly and with a clear head.
Make you feel at home

We begin at a Manhattan stalwart, the iconic flagship location of 140-year-old Bloomingdale’s. No sooner do we walk through the door than Lindstrom points out the 12-inch-square tiles under our feet. “They don’t want people crowding the doorway, or passersby won’t come in,” he says. “The big tiles encourage faster walking.”

The entire sales floor is cleverly designed to manage your actions and reactions and to keep you engaged as long as possible. Once you’re pulled in and enjoying yourself, the scents, sounds, and orderly visual displays take the whole experience a step further: They make you feel comfortable and at home. It works, too. In a 2011 study published in the Journal of Marketing Research, people who were primed for relaxation were willing to spend 11 percent more on digital cameras.

Scents are particularly effective. Bloomingdale’s has six restaurants, including a burger joint and a bakery. Pleasant aromas wafting through can increase shoppers’ pleasure, which may make them spend more time in stores, a 2011 Australian study found. The nice-smell ploy works especially well when combined with the right playlist—and the Blooming mix is designed to appeal to as broad a selection of shoppers as possible. Combined, these tactics can open your senses—and your wallet—by making you more likely to buy, “he says.

Even Bigger Tricks That Strip You of Major Money

1. BOGUS CHARGES
Health-care fraud costs tens of billions of dollars a year, says Michael Williams of the National Health Care Anti-Fraud Association. “One common scheme is to bill for tests that either were unnecessary or never done. Occasionally men are even billed for female-specific procedures.” Many of these costs fail to your insurer, but depending on your plan, they could also eat away at your deductible and lead to higher premiums. Carefully review any bills from your providers that you are responsible for paying. If you see anything unusual, contact your insurance company or call the provider directly.

2. OVERDRAFT PROTECTION
After banks collected an estimated $23.7 billion in overdraft protection fees in 2008, the Federal Reserve issued a rule requiring bankers to apply these fees only to those who opt in to the service. “In some ways, the law legitimizes a scam,” says Kathleen Day of the Center for Responsible Lending. If you have overdraft protection and your checking account dips into negative territory, your debit purchases won’t be declined; you’ll just incur charges as high as $35 per use. Be sure you haven’t accidentally opted in, and stay above your bank’s minimum balance. Or use a credit card.

3. MUTUAL FUNDS
By investing in a mutual fund, you’re paying for a fund manager to design your portfolio. That’s fine if the manager’s picks significantly outperform the market. But according to a 2010 Journal of Finance study, they often don’t. In 75 percent of cases, actively managed funds beat the market barely enough to justify the fees—meaning you earn no extra money but the manager still wins. Worse, 24 percent of funds earned less than the market average. Consider selling your managed funds if they haven’t provided superior net-of-fee returns in the past, and reinvest in the lowest-feee index funds. —C.C.
Shut down the rational part of your brain
Our final stop is Victoria’s Secret so we can learn the art of retail seduction. The devices at work here go well beyond the photos of voluptuous models in lacy bras. They’re the same tactics deployed in every store from Kmart to Kenneth Cole: implied narratives that allude to the fact that a better life is just a purchase away. Dressers are used instead of display racks, giving the impression that you’re inside a woman’s bedroom. Bras and panties are draped along the wall, playing into the fantasy of a lustful romp. This all works just as well on the women shopping there as it does on the men browsing for their mates.

The idea is to short-circuit logic. In a UCLA–George Washington University brain-scan study last year, ads touting specific product attributes—facts, figures, or specific claims—activated key decision-making brain regions, including the amygdala and the orbitofrontal cortex. Ads that avoided product attributes and focused instead on sexual imagery or narrative and other emotional triggers led to significantly less activation of the rational thought centers. “When marketing bypasses these parts of the brain, you’re more likely to make impulsive decisions,” says study author Clay Warren, Ph.D.

Induct you into the tribe
We’re at Billabong in SoHo. Here, the beachside motif doesn’t quite jibe with the city backdrop of concrete and cast iron. We step inside and receive a friendly nod from an employee who’s wearing what appears to be a backstage pass around his neck. Brands today strive to create an inclusive atmosphere, making you feel as if you’re part of a club. From the boardwalk-style wood floor to the wall racks of imitation driftwood, this place tells me I’m different from the people outside the store. “It’s supposed to justify why I’m spending 25 to 50 percent more for clothes made in China,” says Lindstrom.

Next we head to REI, where walls of jackets are peppered with snowboards. People come here to buy snowboards, so wouldn’t it make more sense to put all the boards in one place? But the primary reason these boards are scattered isn’t to sell more of them; it’s to remind us what our REI tribe stands for. The induction ceremony continues downstairs with a giant photo collage under an “Employees in Action” sign. There’s Derrick skiing in Vail, and Rick kayaking with his son in California. Who wouldn’t want to hang with those guys?

Don’t Be a Credit Card Zombie
Men’s Wealth

SNEAKY STORE TACTIC 3

Your defense
Claim virtual membership

Buying impulses are often driven by the need to broadcast the tribe you identify with, says Seth Godin, author of All Marketers Are Liars. Social media—Twitter, Pinterest, Godin’s site Squidoo—can alleviate this need by giving you a broadcasting platform that doesn’t cost money. (“These boots kick ass!”) That way you receive credit for recognizing a great product, and the sense of ownership you receive over it can make buying it seem unnecessary.

SNEAKY STORE TACTIC 4

Your defense
Sleep on it

The instinct to take immediate action grew from prehistoric man’s battle for food and sex, but now we’re applying it to items like coats and watches. The solution is simple: Set a price—$30, say—and make a rule that you won’t buy anything with a price above that amount unless you’ve considered the purchase for at least 24 hours. “If you remove yourself from the impulse buying situation, you’re better able to weigh the decision rationally,” says Ian Cook, M.D., a UCLA psychiatry professor and researcher.