

# Consumer Strategy Worksheets

Develop specific strategies for maximizing value in each market structure

## 1 Perfect Competition Strategy

**Characteristics:** Many sellers, identical products, low prices, no negotiating needed

### Your Strategy:

- Shop by price alone** - Products are identical, so pay the lowest price
- Do not pay for branding** - Generic = brand name (e.g., ibuprofen vs. Advil)
- Use price comparison tools** - Apps like GasBuddy, online shopping comparisons

Purchase	Perfectly Competitive?	Your Strategy
Gasoline	Yes (locally)	Use app to find cheapest station within 2 miles
Generic medication	Yes	Buy store brand, not name brand
Your example	Yes/No	Your strategy

### Your Action Plan

One perfectly competitive purchase I'll change strategy on:

e.g., Gasoline, generic medications

How I'll save:

e.g., Use GasBuddy app, buy store brand

Expected monthly savings: \$

0.00

## 2 Monopolistic Competition Strategy

**Characteristics:** Many sellers, differentiated products, some pricing power

### Your Strategy:

- Decide what YOU value** - Brand? Quality? Convenience? Pay for what matters to YOU
- Ignore marketing hype** - Ads create perceived differentiation that may not exist
- Try alternatives regularly** - Your "favorite" may be habit, not preference
- Negotiate when possible** - Gyms, salons, service providers often negotiate
- Shop sales but avoid false urgency** - "One-day only" sales repeat monthly

Purchase	Differentiation	What I Actually Value	Am I Overpaying?
Coffee shop	Brand, location	Caffeine + workspace	Maybe - try local cafe

**Buttons below table:**

- Your purchase
- Features
- What you value
- Yes/No/Maybe

### Your Action Plan

Purchase where I'm paying for differentiation I don't need:

e.g., Premium coffee, brand-name clothing

Alternative I'll try:

e.g., Local cafe, outlet store

Expected monthly savings: \$

0.00

### 3 Oligopoly Strategy

**Characteristics:** Few sellers (3-10), high barriers, prices similar across firms

#### Your Strategy:

- Compare ALL major players** - Only 3-5 options, so compare them all thoroughly
- Negotiate at contract renewal** - Firms fight to keep you
- Bundle when beneficial** - But don't add unnecessary services
- Watch for price coordination** - All firms raising prices may signal collusion
- Time purchases for competitive periods** - Back-to-school, holiday promotions

#### Your Negotiation Script:

"Hi, I've been a customer for [X years], but I'm seeing [Competitor] offers [specific plan] for \$[Y] less per month. I'd prefer to stay with you - what can you offer to match or beat that?"

Oligopoly Service	Current Provider	Competitor Offers	Negotiation Result
Cell phone ({{STATE_NAME}})	Your provider	Check other carriers	Result
Car insurance	Your provider	Get 3+ quotes	Result
Internet	Your provider	Limited options?	Result

#### Your Action Plan

##### Oligopoly service I'll negotiate:

e.g., Cell phone, car insurance, internet

##### Competitor offer I'll use as leverage:

e.g., T-Mobile \$50/month unlimited

##### Target monthly savings: \$

0.00

## 4 Monopoly Strategy

**Characteristics:** One seller, no substitutes, maximum pricing power

### Your Strategy:

- Minimize consumption** - You can't change the price, but you can buy less
- Understand rate structures** - Tiered pricing means avoid high-cost tiers
- Look for long-term substitutes** - Cable to streaming, electricity to solar
- Advocate for regulation** - Attend public utility commission hearings
- Bundle if offered** - Sometimes get discount for water + sewer, etc.

Monopoly Service	Current Cost	Consumption Reduction Strategy	Estimated Savings
Electricity ({{STATE.Utility_Providers}})	\$/month	LED bulbs, adjust	\$/month
Water	\$/month	Low-flow fixtures,	\$/month
Cable (if no alternatives)	\$/month	Cut cable, use str	\$/month

### Your Action Plan

Monopoly service where I'll reduce consumption:

e.g., Electricity, water, gas

Specific action:

e.g., Install LED bulbs in all rooms, set thermostat to 68 in winter

Expected monthly savings: \$

0.00

## Total Expected Savings from All Strategies

Monthly Savings

\$0

Annual Savings

\$0

PFL Academy - L-51: Market Structures and Consumer Choice