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YAMAN Coach

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A Buyer's Dilemma

by Coach Rose D. Gases, RFP®

Have you watched a video or movie where all of a sudden, an advertisement popped up on your screen? What was your initial reaction?

When watching on TV or in movie theaters, you do not have a choice but to sit through the ads. On mobile phones, you have the option to "Skip the Ad." But can you truly skip an ad nowadays?

In scrolling your social media feed, you are bombarded with "Sponsored Ads." In watching a video on a free video-sharing website, your viewing is welcomed, interrupted and ended with ads. When strolling inside a mall, you are lured with beautifully-designed window displays. When reading an article online, not only do ads pop-up, some of them are also placed in strategic places on your screen.

Wherever you go, on wherever you set your eyes, there will be advertisements urging you to spend. The goal of any marketing campaign is to convince you in purchasing products and services from clothing, home improvement, pet care, travel needs, food, financial products, medical services, you name it.

Truly the market for your attention has been more overcrowded than ever before, what with all these brands of products and services persuading you to hand over your cash or credit card. Therefore, getting your attention is more grueling and more expensive to them.

The solution to the marketers' problem is to go the unconventional way of using neuromarketing. Neuromarketing is far more effective than the traditional marketing.

Neuromarketing is simply using neuropsychology in a company's market research. It is a scientific study of how you behave or how your brain reacts to a series of images, brands, or advertisements. The results they will gather will be used in their brand repositioning or new ad campaign.

Companies spend millions to keep the relevance of their brands to the public; if not they will face a dreadful brand extinction. And neuromarketing seems like the God-sent answer to their prayers.

To illustrate some tactics, when you enter

a supermarket, you will be greeted with an aroma of some freshly-baked goods. You will realize that the aroma is coming from a bakery strategically placed at the entrance of the supermarket. Do you think it is a coincidence? The answer is no.

In a neuromarketing study, retailers found out that the complementary use of the senses, like smell and touch, have a more persuading effect than the visual sense alone. The scent of those freshly-baked pastries from the bakery trigger a reaction in your brain and as a result, you feel motivated to spend. The same goes for other restaurants.

There are far more neuromarketing strategies that we can discuss in this limited space. Just bear in mind that it is really difficult to save money when temptation is strong, when marketers prey on your vulnerabilities.

The good news though is that you can still say no with the proper education and awareness, which breed wisdom in the future.



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Dieter F. Uchtdorf is an experienced fighter and commercial plane pilot. He teaches that if you were to take off from an airport at the equator, with the goal of circumnavigating the world, but were off course by just one degree, you would be around 800 kilometers off course by the time you got back to the same longitude. That is around the air travel distance between Manila and Cagayan de Oro City!

The same if true for newlyweds.

Going into marriage, husband and wife would have their own ways of handling money. Many of these were learned from parents and friends. Some lie in the subconscious as part of the evolution of man. Here are just some of those rules that may be followed by the couple:

- instead of renting, just use the rent money as the amortization on a loan that you will take out to buy a home;
- do not save for emergencies as the emergency you are watching out for might just come true;
- windfall income is free to spend any which way your little heart desires; and
- you do not scrimp when it comes to food.

There is a lot more of these rules to be sure. And rules generally are good because they preserve the order and keep us from harm. However, using the rules universally when they are not anymore applicable can lead to financial stress.

While ownership of a house is good, owning it too soon can take a heavy, heavy toll on cash flow as owning a house is always more expensive than renting one. The new rule should be to acquire the

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home when cash flow permits. It is said that total monthly debt amortizations should not amount to more than 36% of gross monthly income.

Emergencies do happen in life. Would it not be better to be prepared than to be caught off guard? Windfall income is still one's income even if he did not work hard for it. He just needs to think that because of this easy money, he will be able to fund some (future) expense just as easily. And anything in excess is bad, even food. To paraphrase the motto of community pantries, consume what is needed (with a taste of luxury only from time to time).

Couples can definitely end up being way off their long-term goals even with just seemingly minor miscalculations at the start of their marriage. Sometimes, the miscalculations arise from overconfidence if they have sizeable starting funds or high income, both of which can, in turn, lead to overspending and even "over investing".

The good news is that course rechecking and corrections, if needed, can and should be made periodically. And the foundation of such course corrections should be solid and comprehensive financial plans. The later and more infrequent the course corrections are, the bigger and more costly the corrections will be.

Remember, even being one degree off course, so to speak, can lead to financial havoc many years down the road.

Editor's Note

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The Most Expensive Real Estate

One of the laws of supply and demand is the law of demand. The law of demand states that the more an item is in demand, the higher will be its price.

The same holds true for real estate. But do you know where you can find the most expensive real estate in the world?

Seemingly contrary to the law, that real estate is found almost everywhere in the globe. So, given the law of supply and demand, that real estate should not be high in price, right? Yet, it is because each type of the real estate is unique, it makes people rush to be the first to plant their proverbial flags on it.

That real estate is the brain. As pointed out in this issue's article entitled "A Buyer's Dilemma," marketers compete in trying to capture the brain's attention. Marketers spend lots of money crafting creative campaigns to persuade the brain to see it "their way."

So, are you about to simply give away that expensive real estate by letting marketers get into your brain? No matter what marketers do, you still have the final say. And with the proper education and awareness, that decision will be filled with wisdom as Coach Rose Gases explained.



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