

Persuaded

AP PHOTO/WAIDE PAYNE

Gary Brown takes his 32-foot cruiser "Gentle Persuasion" out for a ride on the Tennessee River in Hixson, Tenn. With twin 75-gallon gas tanks and a fuel efficiency of just few miles per gallon. Brown has no plans to keep the boat in its slip. "I'll throttle back, consume gas a little better, and just take a little longer to get there," he said.

Change of Banks May Seem Onerous, But Can Be Done

DALLAS (MCT) - With their bank accounts tethered to online bill paying, automatic debits and direct deposits of paychecks, most consumers cringe at the thought of closing a bank account to move to another financial institution.

"There is a lot of paperwork, and most consumers won't do it unless there is a good reason, or they are upset with poor customer service at their current bank," said Kenneth H. Thomas, a Miami bank consultant.

Financial institutions know this, and that's why they're spending marketing dollars to get your business.

"We're throwing cash at people; we're throwing gifts at people," said Chris Walton, vice president of product development at Texans Credit Union in Dallas.

There may not be 50 ways to leave your banker, but it can be done.

To make the process of opening a new account easier for consumers, many financial institutions have created "switch kits," which take accountholders through the step-by-step process of opening a new account and closing the old one.

They even have model letters that consumers can use to inform their employers (for direct deposit of payroll) and the companies that handle direct debits

for their bills.

The kits include checklists that consumers can review.

Competition is part of the reason for the fierce marketing. Banks are popping up on every corner, and new names occasionally enter the market.

But falling interest rates and tightening credit markets are also feeding the competitive frenzy.

"Banks need to maintain profits by trying to encourage retail core deposits, not 'hot' money," Thomas said. "Core deposits like savings, passbook, money markets and checking are most profitable and loyal and must give customers good reasons to switch, such as more branches, better service, better rates, gifts or promos."

Despite the come-ons, consumers still worry that transferring their account information will result in chaos.

Capital One Bank's SmartSwitch, for example, enables consumers to electronically transfer the companies it pays online to Capital One. "It's a complement to other products we already offer," said Pam Hymel, e-commerce manager for Capital One.

Comerica Bank is running ads touting a new branch in Dallas and is also waiving its \$250 first year annual fee for business lines

of credit.

"They have put rate specials out there because the rates are so perfect right now for lending opportunities," said Tracie Gusola, Comerica's regional manager for Texas.

If you decide to switch banks, here are some tips to ensure that the process goes smoothly:

1. Balance your checkbook and make sure all outstanding checks have cleared before you close your account. This will ensure that you and the bank agree on how much money you are due. Also, you won't get hit with fees for checks that bounce after you close the account.

2. Open an account at your new bank before you leave your old bank. That way you can write checks and make ATM withdrawals without interruption.

"Decide on the dollar amount that you're comfortable leaving in the old account just for those 'oops' moments and use the remainder of the balance to open the new account," said Gusola.

3. If you've arranged for direct deposit of your pay or benefits, don't close the old account until you're sure the next scheduled payment will go into the new account.

4. If you arranged with your old bank to regularly transfer

Gold: A Solid Investment? Maybe Not

RALEIGH, N.C. (MCT) - Gold comes in a variety of flavors when it comes to investing.

You can buy the metal itself — gold coins and gold bullion. You can buy shares of individual gold-mining companies, or mutual funds that invest in a slew of mining businesses. Then there are ETFs, or exchange traded funds — you buy and sell them like stocks — that track the price of gold.

Be aware, however, that investment experts are split about whether investing in gold in any shape or form is wise.

Some counsel that gold has a place in a well-rounded, diversified investment portfolio, but that investments in it and other commodities shouldn't exceed 5 percent of your total investments.

If you invest in gold, you need to make it part of a long-term strategy rather than deciding to take the leap because it's suddenly become the investment du jour, investment experts say.

"When your neighbor is telling you to buy gold, it's probably too late," said Steven Katzenstein of HPG Wealthcare Advisors in Raleigh.

And like most commodities, gold is very volatile. If you're going to lose sleep every time gold falls in value, invest your money elsewhere.

Gold is attracting a lot of attention because it recently broke the \$1,000-an-ounce barrier, triple its price in 2003.

"Gold, traditionally, has not been a great investment," Katzenstein said. "But it has great streaks."

Bill Dix, president of Raleigh investment management firm Fortune Management, contends that the average investor should steer clear of all that glitters.

"It's sort of like gambling in Vegas," Dix said. "You don't have the odds on your side."

If you are interested in investing in gold, here's a rundown of

the different ways of doing it:

Coins and bullion: They glitter. You can hold them in your hand. But make sure you're buying them from a reputable dealer who charges a reasonable price. You need to make sure the gold is stored in a safe-deposit box or a heavy-duty home safe.

And when you're ready to sell, it will take some effort.

"If you go to four different tables at a coin show, you'll get four different prices," Katzenstein said.

Also, the Internal Revenue Service classifies gold as a collectible. Consequently, your capital gains are taxed at a much higher rate than with stocks and bonds.

Mining stocks: Investing in mining stocks "is actually riskier than buying the metal," said Gerald A. Townsend, president of Townsend Asset Management in Raleigh.

Mining companies tend to have lots of debt and, as a result, their profitability fluctuates wildly with the price of gold, he said.

Publicly traded gold mining companies include Barrick Gold and Newmont Mining.

Mutual funds: These funds focus on companies that mine gold and other precious metals. When you invest in one fund, you're investing in a number of companies and therefore spreading your risk somewhat. Mutual funds in this category include Franklin Gold and Precious Metals Fund, Tocqueville Gold Fund, First Eagle Gold Fund and Oppenheimer Gold and Special Minerals Fund.

Exchange traded funds: ETFs offer many of the benefits of owning gold, minus some of the hassles. You don't have to worry about storage, and you can sell ETFs easily.

ETFs include StreetTracks Gold and iShares Comex Gold.

money from your account to pay life insurance premiums or your mortgage, make arrangements for future payments through your new bank.

5. If you're changing addresses, make sure in writing that your old bank has your new address and phone number. Your bank may need to contact you after you close your account.

6. Be sure your financial records at home make clear that your account was closed. Otherwise, you or your heirs might worry later that there's money "forgotten" in an old

bank account and waste time trying to recover it.

7. Ask your employer what the company needs so it can switch direct deposit of your paychecks to your new account. Usually, it's your personal information, new bank account and routing numbers, deposit information and your authorization. You'll also have to provide a voided check.

Many financial institutions will help you with this process.

8. Contact each company that accepts automatic withdrawal or

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West Side COJO

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Breakfast Chairman Eddie Lowenthal presented the Public Safety award to NYPD Assistant Chief Raymond Diaz, who serves as Commanding Officer, Patrol Borough Manhattan North, in recognition of his outstanding

performance as Assistant Chief and for the sensitivity he has displayed to the Jewish community, particularly following 9/11, when Jewish institutions felt especially vulnerable.

Manhattan Borough President Scott Stringer received the City Leadership award in tribute to his leadership and for enhancing the quality of life for the residents of the Upper West Side.

Sheldon Fine, Chairman Emeritus, Community Board 7 and an icon on the West Side, was presented with the West Side Community Leadership award by City Councilmember Gale Brewer. Carey Wolchok, a prominent member of the West Side Jewish community, served as Breakfast Chairman.

Numerous public officials attended, including: New York

State Comptroller Tom DiNapoli; City Comptroller Bill Thompson; Bronx Borough President Adolfo Carrion; Members of Congress Jerry Nadler and Anthony Weiner; Council members Simcha Felder, Inez Dickens, Eric Gioia, John Liu, Melissa Mark-Viverito, David Weprin, and Melinda Katz; and Assembly member Linda Rosenthal.

The underlying theme of the

breakfast was the unified message of support for COJO West Side and its role as the voice of the vibrant Jewish community on the Upper West Side, which, thanks to its visionary leadership, has enabled the community to prosper and contribute to the fabric of Jewish communal leadership in New York City.

The Friedlander Group, Inc. coordinated the breakfast.

OUT OF THE BOX

Stretching the Truth in Advertising

By Menachem Lubinsky

“Save Money. Live Better” was the theme of an advertising campaign by Wal-Mart that also told consumers that by shopping at Wal-Mart, they could save as much as \$2,500. Although based on solid research, the National Advertising Division of the Council of Better Business Bureaus did not like it one bit. Imagine that Wal-Mart was reprimanded not for telling a mis-truth, which it did not, but for stretching the truth a bit.

What NAD was saying was not that consumers could not save the \$2,500 by shopping at Wal-Mart, but that they could also realize the savings by shopping elsewhere. On the surface, NAD seemed to be overreacting. The Wal-Mart claim would certainly have passed muster in most states with Truth in Advertising laws. There was nothing patently false in the Wal-Mart claim, nor was there even an exaggeration. It is clear that Wal-Mart did not intend to mislead but to state the obvious. But NAD and some marketers felt that it was unfair of Wal-Mart not to tell the truth: while these savings could be realized at Wal-Mart, they could also be secured elsewhere. Wal-Mart

has since modified the claim, to make it clearer that people need not necessarily shop at Wal-Mart to get the \$2,500 in savings.

If this standard is to be applied elsewhere, it would no doubt put into question a whole generation of advertising that is even more problematic. Some chains routinely use the phrase “Only at...” when in truth other stores also offer the same deal. Abuses of boastful claims are far worse than what Wal-Mart was accused of doing. You have probably seen “the leading...,” “your # 1...” and so forth, when there is absolutely nothing that makes that particular product or business stand out.

In acknowledging the problem, Wal-Mart wanted to remind consumers that the infraction it was accused of was never intended to mislead and was, in fact, based on fact. Said the spokeswoman: “We’re pleased the NAD found the express claim was supported. Our intended message was substantiated.”

The fundamental question for Wal-Mart was how to tweak a message that was key to its strategic positioning. It wanted to remind customers that substantial money could be saved by shopping at Wal-Mart. By

adding a caveat that the same savings could be realized elsewhere, it was robbing itself of its own thunder. For example, would it have made a difference if Wal-Mart had said, “Our customers save as much as \$2,500.” Perhaps, but that might not have satisfied the NAD in its efforts

While these savings could be realized at Wal-Mart, they could also be secured elsewhere.

to protect consumers and be politically correct.

It is sometimes the most difficult challenge for marketers: finding a claim that can be substantiated and that can favorably position the institution versus its competitors. In today’s day and age, customers are looking for a reason to prefer one product over another or a business over its competitor.

I recall a particularly painstaking session with a client looking for a claim that would give him an edge over his com-

petition. He had even gone to the trouble of preparing an exhaustive list of all the features of his product, only to dismiss each of them as being similar to a competitor’s product. The only feature that he could not find a comparison to was his new packaging, which he claimed was not matched by any of his competitors. We ultimately settled on the package, with an ad showing the product as well as the package, that read: “It all Begins With the Package.” Sales rocketed by 28% in two months.

The package story illustrates that some of the best ads are often the most simple ones. It reminds me of an ad I saw in the early ‘80s about a resort, that read: “We wish we could be different, but we’re happy to be just as good or better.” They claimed that reservations climbed by 30%.

It is possible that Wal-Mart, too, could have turned everyone into a Wal-Mart shopper. It could have said, “Wal-Mart Shoppers save \$2,500 a Year.” Perhaps that would have meant, sure you could save \$2,500 if you shop at Target or anywhere else, but this is about Wal-Mart shoppers.

The NAD criticism of Wal-Mart may be particularly harsh

because it is Wal-Mart. If another store said: “At ABC, we pamper our customers,” would that be taken to mean that other stores do not take care of their customers? And what about all of the ads that claim “lowest prices.” Lowest? Does that mean that the advertiser actually made sure that it was the lowest? Would it have made a difference if it said, “Low Prices?” But even then, would that imply that everyone else does not have low prices?

It is obvious that Wal-Mart was singled out for special attention and that its behavior, like many other bellwethers, is constantly under the microscope. But it is also clear that stretching the truth can be equally scrutinized with claims that are false.

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