

A

ADVERTISING, SELLING AND BUYING

BACKGROUND INFORMATION

Advertising and marketing

Advertising can be a persuasive factor in decisions about our needs and wants. It can affect whether we buy goods and services and how we feel about different brand names. It can be a source of information as well as a lure. Young people are a huge consumer 'market' and subsequently there are many advertisers who target young people specifically. As part of an overall marketing approach, products are designed to be attractive to their target audience and then advertised at certain times and in certain places, in an effort to make young people want to buy them.

Advertising is pervasive. It can be seen on television, the internet, billboards, in every form of print media. It can also be heard on the radio, at live concerts and sports events.

Selling strategies

Many retailers also use strategies to encourage people to buy their goods and services. They may advertise items as discounted when they have not been on sale at the original price, and offer free 'gifts' with purchases. They may also advertise a bargain price on an item to entice consumers into the shop and then try to sell a different, more expensive item. This is called 'bait and switch' advertising and it is illegal. It is also illegal for a retailer to:

- mislead or deceive a consumer
- make false or misleading claims about goods or services
- pass off used goods as new
- advertise products with false endorsements
- claim any other benefits products don't have.

It also pays to be wary of 'liquidation', 'end of lease' and 'sell out' sales as they are sometimes ploys to get rid of inferior goods bought for the purpose of a quick sale.

Buying

There are a variety of ways we can pay for goods and services. They include:

- **CASH**
Cash is good for small purchases.
- **CHEQUES**
There is a charge for each cheque and they are not as widely accepted as credit cards.
- **LAY-BY**
Lay-by involves paying a deposit and paying the balance of the cost of goods in regular instalments.
- **CREDIT CARDS**
There are two types of credit cards, general purpose and retail. General purpose cards include Bankcard, Visa, MasterCard. They allow you to purchase goods and/or services and get a cash advance. Retail cards can be used only for purchases within the group whose name is on the card, they do not generally allow cash advances.
- **DEBIT CARDS**
Debit cards allow you to withdraw funds and pay for goods using funds from your existing bank accounts.

The advantage of using a credit card is that you do not have to carry large amounts of cash with you. The disadvantage of using a credit card is that you can spend more money than you actually have or earn and it may be difficult to pay it back.

Shopping wisely

Before buying we all need to:

- think about what we want the product to do and what we need
- shop around for the best deal
- compare quality and price
- inspect the goods thoroughly.

For information on advertising, marketing strategies and much more, visit Just the Facts on the Money Stuff website (www.moneystuff.fairtrading.nsw.gov.au). Click on *Buying stuff*.

Key words

advertising	retailers	marketing	products	target audience
market	selling strategies	impulse buying		



ACTIVITY OUTLINE

Ask students to work in pairs or small groups and to read the article and answer the questions on WORKSHEET A1.

Discuss their responses as a whole group. Ask the students: How do they feel being targeted by companies? What are the positive and negative aspects?

Ask students: What is advertising? How do we know when we see or hear an advertisement?

Ask them to identify some advertisements that they particularly remember and ask them why they remember them. What were some of the messages of the advertisements?

As a small research project, ask students to examine advertisements and to complete WORKSHEET A2 over a period of one week.

When completed, they should report their results to the class. Compile a list of messages advertisements are trying to communicate to young people on the board.

Explain that many advertisements try to capture a 'look' and a 'lifestyle'.

Ask: What is a 'lifestyle'? What factors determine your lifestyle:

- how much money you have
- your social and cultural values
- your individual priorities?

Discuss the question: Can a product or service ever guarantee a lifestyle?

Explain that advertising is one selling (or marketing) strategy and there are many others.

Arrange an excursion to a shopping centre and investigate the selling strategies used by retailers. Ask them to complete Worksheet A3 in pairs. Discuss the word 'strategy' and its meaning. Provide some examples of selling strategies, such as end of year and half yearly sales, red light bargain bins and window displays.

When they have completed the worksheet, discuss the responses as a whole group and compile a list of selling strategies.

The following selling strategies should also be mentioned:

- manipulation of traffic flows through hot and cold zones
- sale posters and sign writing on windows
- flashing lights
- free tasting and drinking
- positioning stock near the entrance or outside the entrance of the store.

Explain that some selling strategies are illegal. If it has not already been mentioned, discuss 'bait and switch' advertising (see background information).

Ask students to recall the video, or show them again the section where Sophie and Tye are watching TV and Sophie sees an advertisement for a computer.

Student should read the article and work in pairs to complete WORKSHEET A4.

Raise the question: How do we pay for goods and services? Ask students to investigate the options and make a list on WORKSHEET A5.

Ask the class to read the article on WORKSHEET A6 and write their own set of shopping tips for buying a CD player.

Discuss and write on the board the essential points for shopping wisely. Explain the term 'impulse' buying and how it can be avoided.

Ask: What are the advantages of shopping wisely?