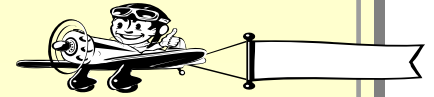


THE IMPACT OF ADVERTISING ON PURCHASING DECISIONS



Why do we buy the things we do? What impact does advertising have on an individual's purchasing decisions?

Advertising impacts consumers daily and many advertisements are easy for teens and young adults to identify. Other forms of advertisements are much more difficult to spot. Teens often claim advertisements do not sway the decisions they make, however they may not realize why they think something is cool or desirable. Most of the advertising a teenager consumes is designed to make him or her want things. Advertisements seek to grab a consumer's attention, persuading him or her to feel something and take action as a result.

Because advertising to teens and young adults continues to increase, consumers need to be aware of advertising techniques used to make informed decisions.

- To **advertise** is to call public attention to a product or service to promote a sale.
- An **advertiser** is a person or company that has a product they want to sell.
- An **advertisement** is created that focuses attention to their product and grabs the attention of the consumer.

Advertisements are brief and utilize verbs and adjectives to clarify the message. Advertising appears in all media types and cannot be avoided. CBS estimates that the average American is exposed to between 3,000 and 5,000 advertisements daily. We see/hear advertisements everywhere including clothing, billboards, newspapers, magazines, television, radio, and Internet. Advertising is a huge business and requires knowledge about consumers and how to get them to pay attention.

CREATING ADVERTISEMENTS

The effectiveness of a company's advertising is evaluated by determining a target audience, creating a message to grab the attention of consumers and setting their product or service apart from others. Ultimately, advertisers want to change current habits of consumers to include their product.

1 Companies determine and research their target audience by evaluating the following items:

- The perception of needs and wants
- Problems consumers may encounter
- Emotions experienced causing negative and positive reactions
- Current or desired lifestyle

2 The next step for advertisers is to grab the attention of their target audience. This can be accomplished through some of the following techniques:

- Using emotions that focus on love, belonging, prestige and self-esteem
- Showing how consumers can save money
- Making promises of a better life
- Solving consumer problems
- Using a creative and appealing layout



3 When persuading consumers to use their product, advertising companies must differentiate their brand from others. This can be accomplished in any of the following ways:

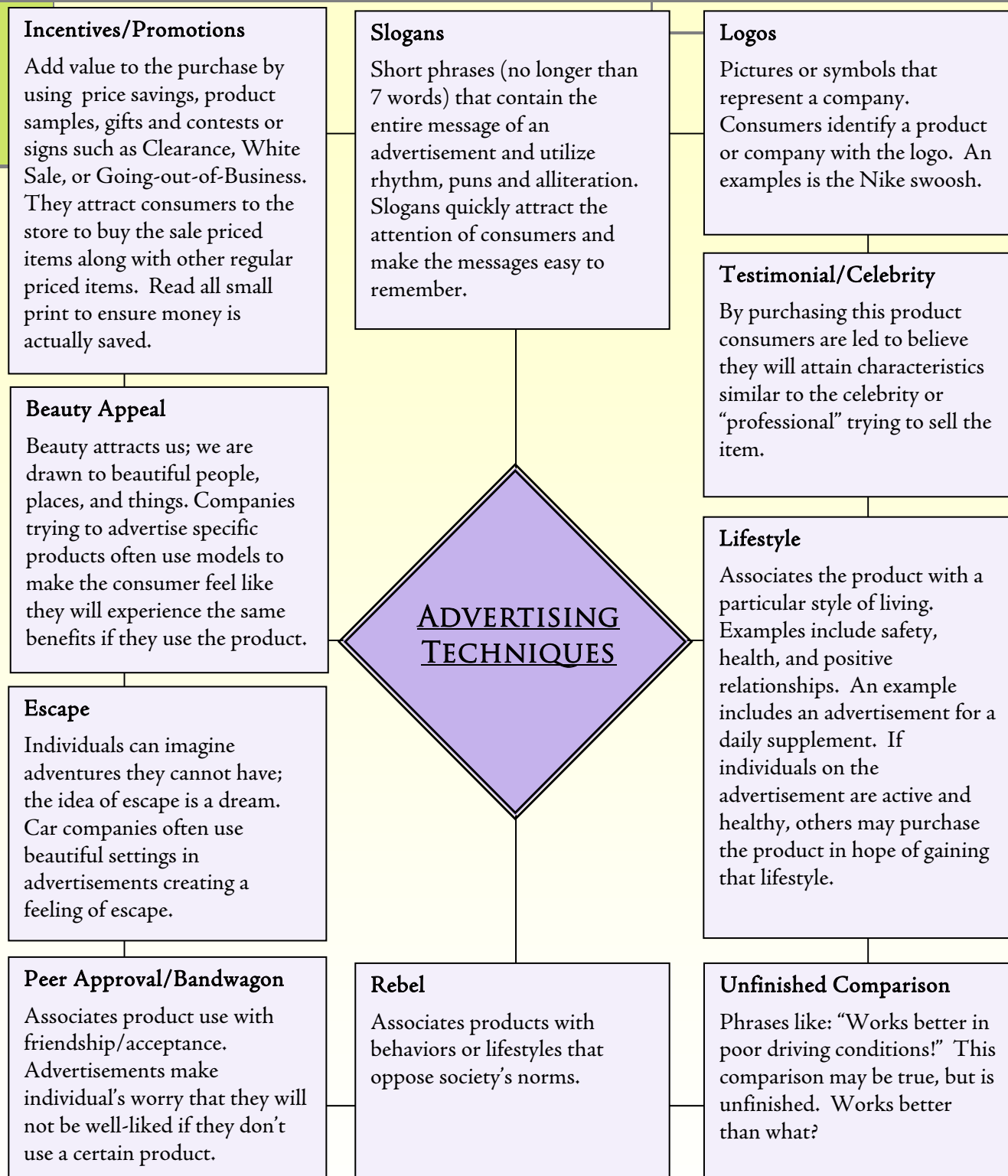
- Describing the product benefits
- Showcasing unique qualities
- Illustrating the value and quality of the product
- Creating an advertisement consumers will remember by using catchy music, exciting words and pictures



4 The final goal and effectiveness indicator for advertisers is the ability to change brand preference or current habits of the consumer. If consumers change their preferences and begin using the advertised product or service, the advertiser has met his/her goal.

ADVERTISING CONTINUED...

Family Economics & Financial Education



ADVERTISING REGULATIONS

The Federal Trade Commission (FTC) regulates marketing activities and protects the consumer from: false advertising (untrue statements, unreasonable claims), misleading pricing, deceptive packaging and labeling. If consumers believe a firm is violating the law, action can be taken. When the FTC is informed, they issue a complaint. If the company continues the false advertising they can be fined \$10,000/day for every day they continue to advertise. The company is also required to provide corrective advertising for any misleading claims.