

The Real World

- A Skim the text.** What pricing strategies do supermarkets use to encourage shoppers to spend more money?

Supermarkets have a number of ways to encourage customers to buy more than they plan to. Even the prices of different products are carefully considered in order to get shoppers to spend more money. These are known as "pricing strategies."

One pricing strategy is the "loss leader." The supermarket sells certain popular items—like milk, bread, and bananas—at very low prices. If a supermarket sells a popular product at a low price, shoppers will believe that everything else in the store is also cheap. They will then buy other items at regular prices.

Another strategy is called "psychological pricing." Here, the supermarket prices products in such a way that it has a positive psychological effect on shoppers. For example, it will sell a product at \$2.95 or \$2.99 instead of \$3.00. Customers usually don't round off these prices, and think of them as lower than they really are. If customers associate prices such as \$2.99 with spending \$2, rather than \$3, they will end up buying products that are more expensive than they think.

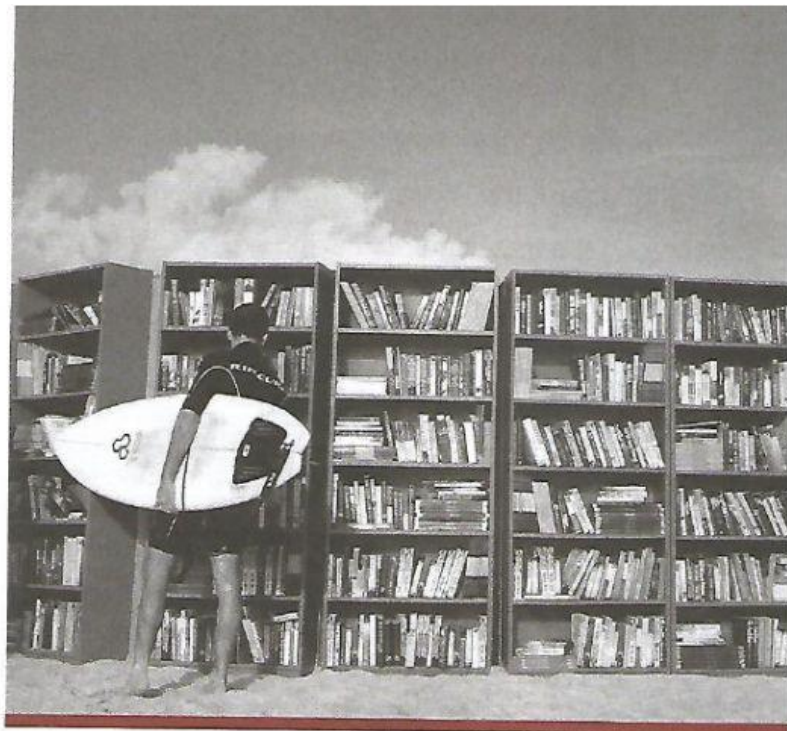
- B Read the text.** Circle the correct answers.

1. Many shoppers in supermarkets buy (**fewer** / **more**) items than are on their shopping lists.
2. Supermarkets sell loss leaders at a (**lower** / **higher**) price than normal.
3. Psychological pricing helps supermarkets sell (**cheap** / **more**) products.
4. People usually (**pay** / **don't pay**) attention to all the digits of the price.

Reading

GUERRILLA MARKETING

"Guerrilla marketing" is a term used to describe low-cost and unconventional marketing. Guerrilla marketing is different from traditional marketing because it does not use traditional marketing platforms like print or TV advertising. It requires both creativity and flexibility. Guerrilla marketing was first designed for small businesses, with low advertising budgets. However, many large companies are also using guerrilla marketing these days.



Coca-Cola used an interesting guerrilla marketing campaign in 2010. The company put a special vending machine on a college campus in the United States. If students bought one bottle from the machine, they got three bottles of Coke instead of one. They could then give the other bottles to their friends. Sometimes, a hand came out of the machine to give a bunch of flowers instead of a drink. Coca-Cola filmed this special "happiness machine" and posted the video on YouTube. People shared the video on social networking sites, and the company enjoyed free advertising.

IKEA is one of the world's largest furniture companies. In 2013, IKEA was celebrating the 30th anniversary of its most popular bookcase—the Billy. The company decided to run an unusual marketing campaign. It teamed up with a charity named the Australian Literacy & Numeracy Foundation to set up the world's largest outdoor library on a beach! IKEA displayed these bookcases on Australia's Bondi Beach and filled them with around 6,000 books! IKEA used this creative approach to show its customers the product in use. Instead of using traditional forms of advertising, the company marketed its product in a way that would appeal to its consumers.

Guerrilla marketing is about thinking of unusual and cheap ways for people to learn about your product or service. If your advertisement is different, people will notice it.

A Skim the article. What two companies does the article mention? _____

B Answer the questions about *Guerrilla Marketing*.

- Main Idea** What is NOT true about guerrilla marketing?
 - It's cheap.
 - It's for all types of businesses.
 - It's traditional.
- Vocabulary** What does the word "unconventional" mean?
 - unusual
 - common
 - cheap

3. **Detail** Coca-Cola enjoyed free advertising because students ____.
- a. filmed the "happiness machine"
 - b. shared the "happiness machine" video
 - c. got a free vending machine
4. **Inference** Before setting up this campaign, IKEA probably researched the ____ habits of Australians.
- a. reading
 - b. shopping
 - c. surfing
5. **Inference** IKEA not only advertised their bookcase but also ____.
- a. sold books
 - b. supported a charity
 - c. exchanged furniture

C Write. Which of the two guerrilla marketing campaigns do you think is more interesting? Why?