

## ADVERTISING AND DISPLAYING PRICES

### Was/Now, strike through or two-price advertising

One of the common advertising strategies used by businesses to attract sales is to mark down products for a limited period and highlight the savings to be made.

Was/Now also known as strike through pricing or two-price advertising occurs when a business advertises that a product was a certain price but is now on sale for a discounted price. It also applies when a business uses a percentage amount in savings for example 60% savings.

Businesses often advertise savings on products by:

- comparing to their previous non-sale price
- comparing to their wholesale price
- comparing to their a competitor's price
- comparing to the recommended retail price (RRP)

The use of Was/Now price statements is likely to represent that consumers will save money by purchasing the product during the advertised sale period.

Using Was/Now pricing is a legitimate marketing technique as long as it complies with the law. Prices displayed must be clear, accurate and not mislead consumers about the savings that may be achieved.

### Was/Now pricing can be misleading

It is misleading to advertise that a product was previously sold at a higher price unless it was actually sold at that price for a reasonable time.

For example stating that a product WAS \$150/NOW \$100 can be misleading if the product had not been offered for sale at the specified 'WAS' price of \$150. It can also be misleading if only a limited amount of the product were sold at the higher price in the time directly before the sale began. The reasonable period will depend on factors such as:

- the type of product or market involved; and
- the usual frequency of price changes.

If a business has a policy or practice of discounting goods when not on sale and uses Was/Now advertising in relation to sale periods, there is a significant risk that the use of Was/Now advertising will involve conduct that is misleading.

## Tips for businesses

- Do not use Was/Now pricing to misrepresent the savings the consumers will achieve.
- When asked to substantiate the discounted prices businesses must demonstrate that a reasonable amount of products were sold at a higher price or at least had them offered for sale at the higher price for a reasonable period before the sale commenced.
- Keep records that will prove the period a product was offered for sale at various prices and that the item was actually sold.

If you have concerns about advertising and displaying prices or any consumer or rental question, please contact NT Consumer Affairs on 1800 019 319 or at [consumer@nt.gov.au](mailto:consumer@nt.gov.au).