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MARKETING

Marketing psychology: 5 principles of human behavior

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Great marketing does not happen by chance. Human behavior falls into a series of predictable actions. Image courtesy of crowdspring

By Ross Kimbarovsky

Successful marketers know that the key difference between strong and weak marketing lies in understanding how consumers behave and why they behave in certain ways.

Great marketing does not happen by chance.

Fortunately, human behavior falls into a series of predictable actions. These actions are defined by well-established principles.

Marketing psychology can give smart marketers and business owners a competitive advantage by optimizing marketing strategies and tactics in ways that intentionally and proactively influence consumers' behaviors and decisions.

Here are 5 principles of human behavior you should use to supercharge your marketing:

Priming
Priming is the process of presenting someone with a word, image or sentence that prepares them to be more receptive to a particular point of view. Priming can influence action as well as thought.

Using subtle techniques, you can help people remember key information about your products and services, and about your brand.

And you can influence their buying behavior.

In fact, it is possible to prime someone to say "Yes." This specific form of priming is often called the "foot-in-door" method.

Foot-in-door is the technique of priming consumers with small asks such as signing up for a free email newsletter to prepare them to be more receptive to larger asks such as buying a subscription to a paid newsletter.

Ask people to share comments on social media, read blog posts, attend free webinars or download an e-book

before you ask them to buy your products or services.

Reciprocity

People feel an obligation to do something for you when you have done something for them. This is known as the principle of reciprocity.

- You are more likely to buy a gift for someone who bought one for you.
- You are more likely to invite someone to your wedding if they invited you to theirs.
- You are more likely to buy something if the seller gives you something for free.
- Those free samples at Costco are more than just a fun membership perk they serve as a catalyst for your purchasing decisions.

Reciprocity is a powerful psychological principle that can help you to grow your business faster.

Giving something first can seem counter-intuitive, but offering a gift or service without the expectation of something in return can be profitable.

David Strohmetz of Monmouth University conducted an experiment with his colleagues to test the principle of reciprocity. The experiment, set in a restaurant, showed that wait staff could increase tips by 3 percent when they bring candy along with the bill.

Tips jumped up to a shocking 14 percent when customers were offered two pieces of candy and rose even further (21 percent) when the wait staff delivered a single piece of candy and returned a minute later to give another piece because it had been "such a great table."

Social proof

Social proof is a psychological and social phenomenon where people are unable to determine the proper behavior and instead, assume that people around them know more about the current situation and behave like the other people.

Simply put: we want to know what others are watching, buying, wearing and experiencing which ultimately influences our decisions to do the same.

Consider these effective social proof strategies to boost sales.

- *Positive online reviews.* Amazon dominates ecommerce in part because of its effective use of social proof and customer reviews.
- *Customer case studies.* A case study takes an in-depth look at a client's experience in working with your business. We frequently share case studies that highlight the design challenges faced by our clients, the solutions our creatives offered, and the well-loved end result.
- *Trust seals.* Trust seals (BBB, TRUSTe, Norton Secured and others) are a fantastic tool used to reassure a client or prospect that their sensitive information (be it personal, business, or financial) is safe with you.
- *User or customer count.* How many billions has McDonald's served? Chances are you know the answer: more than 99 billion. McDonald's has been using numeric data as social proof since the 1960s. The idea behind this marketing tactic is simple: if that many consumers have enjoyed this restaurant surely it is good billions and billions of consumers cannot be wrong
- *Customer showcase.* You want happy customers and you want the world to know you have them, right? Highlight them and their satisfaction with your product.

Scarcity

We all want what we cannot have. And we flaunt when we have something others do not.

That is why zealous Apple fans camp overnight at Apple stores around the world before major iPhone launches.

This is the principle of scarcity.

The psychology of scarcity was famously tested in 1975. Researchers Worchel, Lee and Adewole wanted to determine desire based on scarcity. Their experiment was simple: they placed two replica cookie jars side by side. They filled one jar with many cookies and the other with only two.

The question: Which cookie would people value more?

Ultimately, the cookie jar with only two cookies was rated as more desirable simply due to their scarcity.

Scarcity marketing thrives on a members-only attitude.

All Tesla owners drive a Tesla, but few drive the Performance versions of their Model Y, Model 3, Model S, or Model X. The days of iPhones being only for the elite are gone, but only a small number of people have the highly coveted Red iPhone XR.

This is a form of exclusivity scarcity, which states that the item may not be short on supply, but instead only an elite few are able to acquire it.

It may seem counterproductive to limit supply, but the buzz created by a lack of supply can significantly boost long-term sales at the expense of lower short-term sales.

Anchoring
Consumers frequently act illogically, making their behavior difficult to predict. And they rarely take the time to learn the full facts before taking action.

Instead, consumers tend to unconsciously latch onto the first fact they hear, basing their decision-making on that fact whether it is accurate or not.

This phenomenon is called anchoring.

The anchoring effect can work for you or against you in marketing.

When anchoring works for you, it becomes easier to market your company's products or services. When anchoring works against you, it is increasingly difficult to do so.

There are many ways you can use anchoring to drive sales.

First impressions matter

When a prospective customer first learns about your brand, they hear your business name or see your business logo. Are both unique and strong?

It is impossible to anchor and create an advantage if your prospective customer cannot remember or spell the name of your business or if your logo is generic and looks like thousands of other businesses.

When it comes to Web site design, if you do not help people understand in a few seconds how you can solve their problem, they will leave your site.

Anchoring can impact pricing

Anchoring has a deep impact on a person's perception of value which makes it an essential tool when considering a pricing strategy for your business.

The value you assign to a price gives it meaning and helps consumers decide if they are willing to pay it.

Here is an example: you walk into a convenience store on a hot day looking for a soda. The sign says you can get a 20oz Coke for $1.79 or a 32oz Coke for $1.99. For just 20 more cents, you can get almost twice as much Coke.!

Having anchored that a 20oz Coke is worth $1.79, that 32oz for $1.99 suddenly seems like an awesome deal. It does not matter that both are overpriced.

So, how can you apply the anchoring effect to how you price products or services for your business?

Here are a few options to consider:

- *When setting your pricing, remember that the first option the client sees is likely to be the price that anchors in their brain.* So, if your goal is to move your mid-price option, anchor the top-priced item by placing it first or by placing it in the center in a larger font to draw focus. This will make the mid-price option look like a great deal in comparison.
- *Want to sell your most-expensive option?* Make sure that you set the lower price in a similar range and show how much more value comes with a slightly bigger price. Remember that fountain Coke? How do you say no to a much higher value for a minimal price increase?

- *Show a discounted price based on a higher original price.* You see this often when someone posts the suggested "retail" price, which is crossed out and you are instead presented with a lower price. Even if the final price is still high, the initial price was anchored and influenced how consumers perceive the actual price.
- *Customers can subconsciously anchor to any number it does not have to be a price.* So, featuring any higher number next to your price increases your chance of a sale. Consider showing the number of items sold, the number of customers who have purchased, or even another unrelated item at a higher price.

CONSUMERS DO NOT make decisions in a vacuum.

To build proper connections with customers and prospects, marketers must understand how consumers behave and what motivates them to make purchasing decisions. Use these principles to supercharge your marketing.

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1 thought on "Marketing psychology: 5 principles of human behavior"

1. Laura Hall says:

   June 1, 2020 at 11:09 am

   The fashion industry stands at an unprecedented crossroad NOW. It's time to use our power and all available resources to lobby the American government to change its policies. We may not get another chance