

Psychology of marketing flashcard



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How does human psychology affect consumer decision-making and how can marketers use that to their advantage? An extended essay submitted in partial fulfillment of the requirements for B Table of Contents Abstract Essay Works Cited 2-13 14_16 The psychology of marketing is one of the most popularly researched studies today.

It's advantageous for marketers and advertisers to understand human psychology and how that affects consumer decision-making, so that they can use those discoveries to their advantage by adapting their products and the way they market and advertise their products in order to attract the desired consumers and to be successful. And in most cases, having the knowledge of what works to get a consumer to buy a product is easily applicable. However, there is a conundrum for marketers when it comes to basing their products off of the psychological choices that consumers make, especially in regards to the amount of choices marketers promote.

On one hand, consumers like to have plenty of choices and varieties of a product in front of them because they are more likely to get exactly what they want if there's more to choose from. However, having too many choices can sometimes be trustful, giving a buyer psychological doubt about the choice he or she made, and sometimes shoppers are less likely to buy a product at all when there is an excess of choice because they can't decide. Too many options can also lead to settling, in turn leading to dissatisfaction with a product. So how is a marketer to decide which one is better, more choices or less?

Both have pros and cons, so a marketer has to consider the psychology of consumers, the basis of decision-making, the effects of advertising, self-control failure and its causes, Maslow's hierarchy of needs and which level consumers fall into, the targeted age group for a product, and especially when that targeted age group is children. If marketers consider these factors and recognize the psychology of consumers, then they can adapt their marketing strategies and their products to attract their target consumers in hopes of becoming successful.

As the US economy has been in a recession since 2007, it's become ever more important for both small and large businesses to figure out ways to keep their business successful. Arguably the most effective strategy is to recognize and then utilize the psychology of marketing. This essay will explore how human psychology affects consumer decision-making and how marketers can use those discoveries to their advantage. Before evaluating why a consumer makes a choice, marketers and researchers first need to understand how consumers, and everyone for that matter, psychologically make choices.

Amos Tversky and Daniel Kahneman were among the greatest influences are some of the most influential framework of decision making and psychology of choice that have allowed market researchers to have insight to the reasoning behind consumer choices. Tversky and Kahneman define a "decision problem" as "the acts or options among which one must choose, the possible outcomes or consequences of these acts, and the contingencies or conditional probabilities that relate outcomes to acts," and the "decision frame" as the "decision-maker's conception of the acts, outcomes, and

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contingencies associated with a particular choice. (Taverns, Keenan) With these definitions in mind, Taverns and Keenan explain that there are two stages in the process of choosing; first is deciding the decision frame, and second is evaluating the parts of the decision frame. Although Taverns and Kinsman's theories are complicated, involving extensive equations, it's important to insider the basics of human choice before marketers consider how they can affect consumer choice. As commercialism and advertising become more popular and prominent in everyday society, more research is being done to try to more usefully relate advertising and the psychology of the consumers.

In this day and age, thanks to the technology advances of this century, " advertising is everywhere," on every computer, TV, radio, billboard, website, phone app, etc. (Risking) It's unavoidable, and because of that, " it expands the reach of corporations into personal lives and families. " (Risking) The point of advertising is to " promote the ideology of eying. " (Risking) Advertising persuades people to think that they need something that they really don't, or that simply having another unnecessary product will bring them happiness.

Advertising says that " wants are good, and more possessions bring happiness, contentedness, love and fulfillment. " (Risking) However, studies by Thomas Geologic prove that experiences, rather than material purchases, are what bring consumers happiness, so to the rational eye, this advertising strategy is bogus. (Kelley) But even with that knowledge, it is still possible for material possessions to ring the consumer happiness, that happiness is just short lived, which is a strategy in itself.

When there is a certain, small degree of happiness found in material products, and the point of that found satisfaction is that it “ has a short half-life; it’s very fleeting. ” (Risking) This fleeting pleasure is a strategy that marketers use because since the product does bring the consumer pleasure for at least some time, consumers want to keep going back and buying more products, (whether it’s a new version of the product, the same product in a different variation, or a similar product,) so that they can feel that happiness again.

One of the factors that allows this concept of advertising to persuade consumers to buy products they don’t need is self-control failure because of its direct relationship with impulse purchasing. Roy F. Bandmaster states, “ the outcome of consumer decisions depends considerably on the conflict between the competing strengths of self-control and desire. ” So with this assertion in mind, marketers want consumers’ self-control to fail, causing them to make impulsive purchases based solely on their wants and desires, with temptation to say no gone out the window.

Bandmaster asserts that there are three main causes of self-control failure among consumers; “ conflicting goals and standards [which] undermine control,” as well as, “ failure to keep track of (monitor) one’s own behavior,” and thirdly, “ a resource that operates like strength or energy, and depletion of this self-control, “ standards,” are the goals or guidelines that consumers have that “ specify the desired response. ” (Bandmaster) Once these standards are conflicted, which may just mean the consumer doesn’t know exactly what they want, consumers become more vulnerable to advertising influences.

This gives marketers a better chance of convincing consumers to buy their product, which in turn makes the consumer more likely to make an impulsive purchase. A cause of conflicting standards can be “emotional distress,” so “people who are emotionally upset may be more likely to cast prudent self-control aside in the hope that purchasing goods or services will make them feel better.” (Bandmaster) Thus from a marketing standpoint, it might be in a business’s best interest to sell a product that implies an impact of making the consumer feel better because of the increased likelihood there is of upset or emotional consumers to buy impulsively.

The second cause of self-control failure, monitoring, has to do with the idea that “when people lose track of their behavior, self-control breaks down.” (Bandmaster) In a practical scenario, people who don’t keep track of exactly how much money they are spending from store to store, or aren’t losing psychological money from their wallet each time they make a purchase are more likely to spend more money than those who keep track.

This lack of monitoring can be an advantage to marketers in situations like Bandmaster explains because “the willingness of many people to buy on time at high interest rates is probably more due to their failure to calculate what they actually end up paying for the item rather than too genuine willingness to pay the high cost of the item.” (Bandmaster) The third cause of self-control failure has to do with the weakening of the “skill” of self-control over a series of decisions, similar to the inversely proportional relationship between energy and running miles, (the more miles you run, the less energy you have. As far as consumer behavior is concerned, “people in a state of ego depletion are more likely to yield to temptation and buy

impulsively. ” (Bandmaster) Because nonusers become more ego depleted as the day goes on, since they have to make more and more decisions which drain them a little more each time, marketers should take into account that “ impulse purchasing behavior should become more and more likely as the day wears on, and sleep-deprived people should be most vulnerable to making them. (Bandmaster) With this information about the psychology of decision- making, marketers should use strategies and “ processes that undermine self-control” in order to “ lead to more buying and more impulsive behavior. ” (Bandmaster) The whole idea of understanding consumer psychology is so renowned because advertisers, salesperson, and marketers need to understand motivation to be effective. They especially need to understand the motivation that relates to their product(s) and service(s) so that they can market to the mind. (Maddox, Analysis 33-34) One of the most famous elements of psychological approaches to marketing involves Abraham Mascots hierarchy of needs, shown below. The idea of this pyramid is that “ one must satisfy lower level basic needs before progressing on to meet higher level growth needs. ” (McLeod) The most basic needs, or the physiological needs include “ air, food, water, shelter, warmth, sex, sleep, etc. ,” which are requirements for human survival. (McLeod) Once these needs have been next level on needs which are safety needs, including “ personal security, financial security, health and well-being,” familiarity, and stability. Mason’s Hierarchy) The next level of needs involves love and belonging needs, such as “ friendship, intimacy, and family needs,” all of which are “ emotionally based relationships” that lie on the grounds of the “ need to love and be loved. ” (Mascots Hierarchy) After that comes esteem needs, which include “ self-esteem, achievement, mastery, independence,

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status, dominance, prestige, managerial responsibility. (McLeod) The esteem needs have to do with both the “ need for the respect of others, the need for status,” and “ the need for self-respect. (Mason’s Hierarchy) If all these needs are satisfied, then a person can continue onto the fifth layer of the pyramid, self-actualization. “ This level of need pertains to what a person’s full potential is... The desire to become more and more,” or “ to become everything that one is capable of becoming. ” (Mason’s Hierarchy) But predictably, this self-actualization tier is the least common that people end up reaching because to get there, one needs to not only achieve but master all of the needs below it.

Because of Maslow’s assertion that human behavior in general, specifically decision making in this case, are motivated by the hierarchy of needs gives marketers reason to realize their targeted consumer’s needs level and then market their product in a way that convinces the consumer that that product will satisfy their needs. Another aspect of marketing with psychology is considering the age group of a product’s intended clientele, especially as that client base gets older in age, and it’s possible to compare their customs, behaviors, and possible commonalities with their parents’ generation.

The baby boomers cohort, who are people born between 1946 and 1965, is the most useful example because research on consumer trends shows the midlife domination that consumers have, with the baby boomers group being in that midlife period, and also being the largest generation of age groups, making their example even more significant. “ People generally follow the same path of development, and experience the same basic needs along the way, from one generation to the next. (Wolfe, Changing Psychology) With

that being said, it's assumed that " at every age, boomers' basic needs have been ND will continue to be the same as those of their parents at comparable ages. " (Wolfe, Changing Psychology) Generational trends for consumers are based on two things: " basic needs" and " world view. " (Wolfe, Changing Psychology) Basic needs can be broken down into five categories: " physiological needs; needs related to safety and security; needs related to love and belonging; the need for esteem-? self-esteem and the esteem of others; and needs related to self-actualization. (Wolfe, Changing Psychology) And then worldview is based on " how a person cognitively connects to he external world," and each age group has a different perspective on the world. (Wolfe, Changing Psychology) " For example, children and teens tend to see the world through the lens of fantasy, young adults through a lens of romance and heroics, people in midlife through a lens of realism, and older people through a lens of irony. (Wolfe, Changing Psychology) Because all of these needs and worldviews differ with a person's age, it's key to realize what age base the intended clientele is so that anyone marketing to a particular age group can alter their product/advertising to employ with that age groups' needs and worldview, in hopes of a more successful (because their cohort is the most populous and middle-age people spend the most money, rather than children and old people,) their needs, worldviews, preferences, habits, behaviors, and lifestyles are what marketers selling to generally all ages should be most focused on.

For example, " in mid-life, the bells and whistles of new technology generally begin to lose their appeal. Simplicity begins to edge out complexity in

consumers' preferences. " (Wolfe, Customers) In other words, user- friendly technology has become more popular among this generation who haven't rowan up with as much technology as the kids born in the late 20th century. This would be an important fact for technological businesses to consider.

For example, computers, which are sold to people of all ages, maybe shouldn't be too high-tech and complex since their largest group of buyers is at their midlife stage. As mentioned before, advertising strives to make consumers want a product that maybe they don't need or wouldn't be beneficial to them. Now, " commercialism foments a culture developed primarily to the stimulation of wants rather than the satisfaction of them. Risking) In trying to get consumers to want a product, an important element to consider is the " increasing use of coercion" as an " important trend in advertising. " (Risking) By using coercive ads, advertisers are forcing the consumers to watch their ads and " do not want consumers to have a choice when it comes to watching their ads. " (Risking) These coercive ads, specifically on television commercials, allow advertisers to target their most effective audience, kids. This strategy of marketing to kids is so successful because of their emotional vulnerability. Advertising at its best is making people feel that without their product, you're a user," and this strategy most effectively works on kids because it " exploits a child's emotional weakness. " (Risking) " Telling kids that purchasing products will solve their problems and make them happy' is how advertisers get kids to make their parents buy them whatever they want, and because of the influence that kids have on their parents and the influence that advertising has on kids, " advertisers have hired batteries of psychologists and market researchers to learn how to

work their way into children's minds. (Risking) What most people don't realize is that marketing to kids has become one of the most successful and common strategies of marketers today. The trend of marketing and advertising to children has become increasingly popular because "both the discretionary income of children and their power to influence parent purchases have increased over time," so marketers took advantage of this fact and started marketing towards the child mind.

It's also become easier to market specifically to children because of the "enormous increase in the number of available television channels" which has created a "growing media space just for children and children's products," also making this strategy so successful. (Calvert) Luckily for marketers of children's toys and products, kids younger than eight are "especially vulnerable because they lack the cognitive skills to understand the persuasive intent of television and online advertisements. (Calvert) And new "stealth marketing techniques" have made recognizing advertisements intentions even harder because they're embedded in everything from movies to video games. And even if kids were able to restrain from falling to victim to marketing ploys, they still couldn't get away from them because "marketing and advertising permeate children's daily lives" and are "heavy media users," it makes it easier for "advertisers to market directly to children" because of how many outlets they can market through that get to kids.

Marketing to children is so effective not only because kids are easier (than adults) to trick, or they're not mature enough to recognize the concept of advertising, but also because of the techniques that marketers use, such as "<https://assignbuster.com/psychology-of-marketing-flashcard/>

repetition, branded characters, catchy and interesting [attention-getting] production features, celebrity endorsements, and premiums. ” (Calvert) The best part for marketers about attracting children to their products is the way the kids influence their parents’ spending. Kids also shape the buying patterns of their families.

From vacation choices to car purchases to meal selections, they exert a tremendous power over the family pocketbook. ” (Calvert) The most debatable part of the marketing to kids concept is how successful it is, considering the parents of the kids are the ones who are actually buying the products. But, “ the buying power of children and adolescents has increased exponentially over time,” which gives this concept lots of hope for success, especially in the future. (Calvert) Another aspect of marketing is the concept of choices and the psychological effect that having multiple choices has on the consumer.

Having choices is both good and bad for the consumer. It’s good because with choices they are more likely to get exactly what they want; however, it can also be bad because having too much to choose from can be overwhelming. Having too much choice can lead to “ bad decisions, anxiety, stress, and dissatisfaction-? even to clinical depression. ” (Schwartz 3) However, the consumer’s desire to have their two liberties, “ negative liberty... Freedom from constraint,” and “ positive liberty... Redeem to’-? the availability of opportunities” should suggest that more choices are better. (Schwartz 3) But yet, having too many choices can lead to doubting one’s decision after choosing. The Paradox of Choice explains that there are “ several psychological processes that explain why added options do not make

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people better off,” and they are, “ adaptation, regret, missed opportunities, raised expectations, and feelings of inadequacy in comparison with others. ” (Schwartz 5) Adaptation causes doubts in choosing from options because, as Schwartz puts it, when we adapt to this, “ we get used to things, and then we start to take them for granted. (Schwartz 167) Once you start to take something for granted, thoughts of regret will run through your mind because you may think, What if I had chosen the other option? That would’ve been better. ‘ The consequences of feelings of inadequacy are similar to those of adaptation because of the comparison. Even if a consumer chooses a product from a pile of choices, the consumer will automatically rate that product compared to the other options. And what if by comparison, the chosen product isn’t as good?

That’s where the regret sets in. However, with fewer options to choose from, the fewer products there are to compare the chosen product to, and less room for disappointment. And the same goes for adaptation; the less options there were, the less likely the consumer is to regret choosing what they chose in the first place. As explained, the benefits of knowing how human psychology affects consumer decision-making can be titanic if marketers use those discoveries to their advantage.

It’s advantageous for marketers and advertisers to understand the way consumers think and what attracts them to products, so that they can adapt their products and consumers and to be successful. And in most cases, having the knowledge of what works to get a consumer to buy a product is easily applicable. However, there is a conundrum for marketers when it comes to basing their products off of the psychological choices that

consumers make, especially in regards to the amount of choices marketers promote.

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