

# The Secret Sauce



The Super Simple Sales Psychology  
Top Marketers Understand & Use To  
Defeat Average Marketers Every Time

**Tim Dodd**

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# The Secret Sauce

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**3d Consulting Services**

*Magnifying Your Mission : Multiplying Your Reach*

# Contents

Introduction .....	1
Fundamentals of Psychology .....	3
Why Understanding Marketing Psychology Is Vital .....	7
The Customer Decision-Making Process .....	11
The Key Psychological Principles of Marketing .....	16
How to Select the Right Strategy for YOUR Target Market.....	26
Conclusion and Next Steps .....	31

# Introduction

***“There are no magic wands, no hidden tricks, and no secret handshakes that can bring you immediate success. But with time, energy, and determination you can get there.”***

***Darren Rowse, Founder, Pro Blogger***

The idea of using psychology as a way to persuade customers to buy from you seems abhorrent to many people. They hate the idea that they might be manipulating customers. But much of that thinking stems from traditional tactics used by unethical advertisers. There are still those who think they can use secret tricks to get people to make a purchasing decision.

In reality, any ‘tricks’ used will hurt your business in the long run, and won’t build the type of lasting relationships that are the foundation of successful businesses. The truth is that psychology is just a science that helps you understand how your customers are thinking. When you can connect with your target market on a deeper, emotional level, you’ll be better able to reach them and help them.

By reading this short book, you're going to learn a great deal about psychology and how it's used in marketing. If you can understand what your customers are thinking at each stage of the buying process, then you can more successfully connect with them and provide them with the information they need.

Even more critically, you'll learn how to use psychology in an ethical way. Objective information is helpful during the buying process, but if you have a good grasp of basic psychology, you can figure out how to effectively communicate how your product truly meets your target audience’s needs. When you can connect with your customers at an

emotional level, you can grab their attention in a way that any dry, unemotional marketing can never achieve.

By the end of this book, you'll be able to:

- Recognize the importance of psychology in marketing and advertising
- Explain Maslow's hierarchy of needs and how it relates to marketing
- Describe the customer's decision-making process and how marketing tactics are used to meet needs at each step of the process
- Select from a toolbox of proven, ethically sound psychological tactics that are commonly used to drive sales, brand, and meet the needs of customers
- Identify relevant psychological tactics that can meet your own customers' needs at each stage of the decision-making process
- Plan your next steps to get started in implementing at least 3 tactics in your business

Your goal when reading this book should be to recognize a variety of different psychological principles that can be used to ethically influence customers to buy from you, and to identify tips and tactics for applying those principles in your own marketing.

As you go through the book, take note of this quote from [Fast Company](#):

***"Smart, skilful, honest marketers use psychology legally, ethically and respectfully to attract and engage consumers, and compel them to buy."***

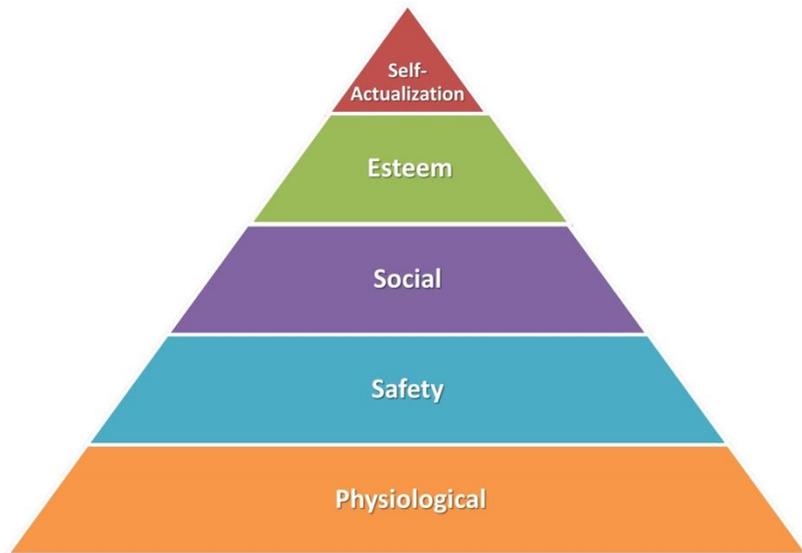
# Fundamentals of Psychology

Since so much of the psychology of marketing is about meeting needs, let's start with an overview of one of the major theories in psychology, Maslow's hierarchy of needs.

## Maslow's Hierarchy of Needs

The American psychologist Abraham Maslow developed this theory. While most psychologists at the time studied mental illness, crime, and deviant behaviour, seeing the individual as a "bag of symptoms," Maslow had a more positive approach. He studied the lives of exemplary people like Albert Einstein and Frederick Douglass to learn about motivation and what he called "self-actualization," or achieving true human potential and finding meaning in life.

His theory centres on a hierarchy of needs, as pictured below.



**Maslow's Hierarchy of Needs**

Maslow's theory states that each of us achieves these needs by starting at the bottom, or foundation, of the hierarchy and working our way up. Only when the lowest needs are met can we move up to the next level.

When a need isn't met, a person focuses on fulfilling this need. The urge to fulfil this need grows stronger as time passes, and the person can't be bothered with other, less immediate needs. If you're unable to eat, you'll be overcome with hunger and you're less likely to concern yourself with growth or self-actualization needs.

Each person, Maslow said, is motivated to move from the bottom to the top. This is important for marketers because it defines people's different possible motivations. As a marketer, you need to fully understand your customers and their motivations, when it comes to choosing and buying products.

## **Maslow's Hierarchy Explained**

This concept is extremely important for marketers to understand properly, so let's consider each stage of the hierarchy with examples.

### **Physiological Needs**

These are basic biological or physical needs, without which you may experience pain, irritation, or other problems that prevent basic functioning. These needs include air, food, water, shelter, warmth, and sleep.

### **Safety Needs**

Safety needs range from the most basic, such as protection from the elements or from immediate danger, to more complex security needs like the need for order and laws. At the personal level, these needs revolve around the basic need for stability and freedom from fear, without which we would be consumed by anxiety.

## **Social Needs**

Social needs involve love, belonging, and feeling socially accepted. Specific needs at this stage include a sense of belonging to a community, having friends, functioning well in social situations, and having romantic relationships.

## **Esteem Needs**

The needs at this level are associated with appreciation and respect. Once our physiological, safety, and social needs are met, we begin to focus on personal worth. This area includes achievement, mastery, independence, prestige, self-respect, and respect from others.

## **Self-Actualization Needs**

The final level is self-actualization, which includes realizing your personal potential, self-fulfilment, gaining a sense of meaning in life, personal growth and peak experiences.

The term "self-actualization" has been used by a number of people to mean a number of things. Since we're discussing Maslow's theory, let's consider his definition:

"What a man can be, he must be. This need we may call self-actualization...It refers to the desire for self-fulfilment, namely, to the tendency for him to become actualized in what he is potentially. This tendency might be phrased as the desire to become more and more what one is, to become everything that one is capable of becoming."

Although everyone reaches self-actualization in their own unique way, Maslow identified certain behaviours that he found common in self-actualized people:

- They are curious, focused, and playful, experiencing the world in the way a child does.

- Rather than staying with what's safe, they choose to leave their comfort zones.
- They make decisions based on their own feelings and intuition, rather than on tradition or conventional wisdom.
- They're honest with themselves and others, avoiding games and pretences.
- They're alright being unpopular if their ideas set them apart.
- They work hard and take responsibility.
- They constantly seek to find their weak points and strengthen them.

It should be noted that Maslow's hierarchy of needs doesn't apply strictly to everyone. He was looking at trends among groups of people. There are always exceptions to the rule, but his pyramid governs how most people are motivated and what struggles they face.

**Brainstorming Activity:**

Review the different levels on Maslow's hierarchy & think about what your own personal needs are on each level. Note down your answers.

# Why Understanding Marketing Psychology Is Vital

It's important for marketers to study basic psychology because most buying decisions are motivated by the needs of Maslow's hierarchy, which are psychological. People are rarely motivated to buy because of the basic needs of survival, such as hunger or the need for sleep, but most often because of the psychological needs of the upper four levels.

## **Advertisers Are After Your Emotions**

People are influenced by a number of different factors when making purchasing decisions. Of course, they're influenced by information and objective facts. But this objective information is often outweighed by emotional or psychological factors. Entire books have even been written about this.

Marketers and advertisers, who have put in a great deal of time & effort in studying buying behaviour, have identified these emotional triggers.

A middle-aged man buys a gym membership, not because his doctor has recommended it or health tests have shown that he can reduce the risk of heart disease and other illnesses, but because he sees it as a new lease on life, a turning back of the clock to a younger self.

A young mother buys organic products that are essentially the same as the regular products on the shelves because for her, purchasing these goods is a decision for the environment, her children, and the future.

A teenager buys a pair of tennis shoes without doing any due diligence on the brand but simply because her favourite tennis player wears them and she imagines that she will play better with them.

A small business entrepreneur invests a great deal of money in a new content management system, partly because of the merits of the system, but mainly because she believes it will free up time & grow her business.

We buy because we want more time, better health, more self-confidence, improved appearance, more leisure or comfort, or what we perceive as a better life. We also buy to avoid taking risks, losing money, leaving ourselves vulnerable to threats, potential suffering, embarrassment or worry. We think our purchases will keep us up-to-date, make us likable or influential, or help us better express ourselves.

Each product meets a real need (if you're ethical). But it also meets an emotional need. Cars are used to travel and their features can improve safety or fuel-efficiency. But your car also expresses your social status or makes you feel cool. Organic food does help mitigate our impact on the environment, but it also combats anxiety about potentially harmful chemicals. Mobile gadgets help you stay more connected and communicate better with your friends, but they also help you feel more futuristic. There is almost always an emotional component to even the most practical products we buy.

For example, if you're a wine dealer, it may be a better strategy to emphasize a particular wine's popularity or the awards it has won, rather than trying to educate your market on wine complexity. If you're selling beauty products, you might choose to focus on how they give you confidence rather than their actual ingredients. A seller of gadgets might highlight how its products connect people and put them in touch with the future, rather than the actual features and improvements.

You're not underestimating your customers or 'dumbing-down' your marketing. You're simply meeting your customers halfway between the actual features and qualities of your products, and their psychological &

emotional needs. You're directly speaking to their needs or struggles.

When you understand where your products or services fit within your customer's psychological and emotional needs, you can tailor your marketing approach and tactics. If you know at what point of Maslow's pyramid they're struggling, you can identify how your product helps them overcome their struggle or achieve what they want.

For example:

**Physical:** You could market a cheap meal or snack to people as something to help people get through the day and avoid hunger. A mattress dealer may emphasize the higher-quality sleep their product provides, which allows the customer to function better the next day.

**Security:** A car manufacturer might emphasize its car's safety features rather than design or advanced features to fulfil its drivers' need for security. Financial planning services help people get out from under debts and achieve financial freedom.

**Social:** Card or gift sellers help you maintain a good relationship with family or friends. A landscaping service or dealer of yard products helps you create the perfect space for entertaining, thus gaining you popularity in your neighbourhood.

**Esteem:** Buying clothes by a certain clothing brand equals higher social status for you and makes you feel good about yourself. A real estate agency markets its upscale neighbourhood as a way to move up in the world.

**Self-Actualization:** A course on self-improvement helps you achieve what you want in life. Donating to a charity organization makes you feel that you're giving back & creating a better world.

Your customers' position in the hierarchy will change over time, especially after major life events such as moving, losing a job, getting married, having kids, retiring, etc. When their position changes, your tactics need to change as well.

Since most products fulfil a variety of needs, most products can function at different levels. Let's consider a car:

- At the security level, it provides safety for your family and gets you where you need to go.
- For the social level, the car brings the whole family together and lets you drive long distances to see friends and family.
- For those at the esteem level, a nice new car can make you feel good about yourself or earn you the envy of others.
- At the self-actualization level, the car is fuel-efficient, helping the environment and by extension making the world a better place.

The basic idea is to identify where your customers are and tailor your message to them by showing them how it meets these needs.

Now that you can see why psychology is so essential, let's move on to the specific steps of the purchasing process, and then identify concrete tactics you can use to appeal to your customers' needs.

**Brainstorming Activity:**

Review the hierarchy of needs again & think about how your products & services fit in at each level.  
What do you offer at the various levels?

# The Customer Decision-Making Process

Before you can select from all the marketing tactics available to you, you need to understand the process your customers go through in making a buying decision. What they're thinking and feeling at each stage is what will help you determine the best way to reach your potential customers.

There are five steps to the decision-making process that customers go through when they make a purchase:



## Step 1: Need Recognition and Problem Awareness

The buying process starts with a customer identifying a problem or need. It could be something like, "I'm hungry," "I need a new lawnmower," or "I don't feel safe." They may not identify the problem themselves, but may be responding to an advertisement or stimulus. For example, have you ever walked past a sweet shop and suddenly feel an intense "need" for chocolate.

The distance between the current situation of need and the ideal future that fulfilling the need will create determines the strength of the customer's motivation to meet that need.

Let's consider an entrepreneur who realizes they need to automate some aspect of their business. If this automation will save her ten minutes a day, she will feel differently about it than if it would save her one day each week. The one day per week option will elicit a much more emotional response from her.

It's good to understand just how much meeting this particular need will help your customer. A customer whose ideal situation is vastly better than their real, current situation will be much more emotionally motivated. For a customer whose ideal situation wouldn't be much different than their current one, you would rely less on emotional marketing and more on presenting objective facts and data.

## **Step 2: Information Search**

At this stage, the customer has realized their need and they're gathering information on how to best meet this need. During this phase, customers pay more attention to information that comes from friends, family, or other consumers than the official advertising message of the company. They'll also rely on their own feelings about the brand (for example, this security company is known for the strength of its products). In other words, people tend to rely on social information more than information from the marketers themselves.

It's good to understand the sources that your customers use for their information. These could be:

- Personal sources: Friends, family members, neighbours, co-workers, and other acquaintances they trust.

- Commercial sources: Branding, advertising, salespeople, retailers, and point-of-sale displays.
- Media sources: Any kind of media including the Internet, TV, magazines, newspapers, etc.
- Experiential sources: A customer's first- contact with the product (for example, taking a free trial or handling an item in a store).

As we said before, people tend to rely on experiential, personal and public sources of information here more than commercial sources. People judge information from these sources as being more objective, as they have no vested interest in whether you buy the product or not.

### **Step 3: Evaluation of Alternatives**

At this stage, the customer is checking out alternative brands, products, and services in order to choose what they perceive as the best choice.

Purchases can be divided into two types: High-involvement and low-involvement. High-involvement purchases usually involve those that are high-priced or that involve a great deal of personal risk, such as a house, a car, an investment, or any other major purchase. They can also include items that the customer has a great deal invested in, even if the monetary price is not high.

On the contrary, low-involvement purchases are those that are low-priced or involve little risk. These include choosing basic food products, entertainment products, soft drinks, and so on.

The evaluation stage is much more drawn-out and complex for high-involvement purchases. For example, people spend a great deal of time checking out different models for their next major car purchase. On the other hand, low-involvement purchases are made with little evaluation of alternatives because there is little risk involved.

## **Step 4: Purchase**

At this point, the customer takes the information they've gathered and the evaluation they've made, and uses this information to make the purchase that will help them meet their initial need.

This is a very simple step, but it's still important to consider because it can be affected by a number of factors at the point of sale. These factors include customer service, ease of the shopping experience, shipping and return policies, promotions, and so on.

A customer who has chosen a brand for purchase may change her mind at the last minute due to difficulties during the actual buying process. An in-store promotion may sway a customer to change their purchase choice from the one they made at the information and evaluation stage, especially for a low-involvement product.

## **Step 5: Post-Purchase Evaluation**

Once the purchase is made, we're not quite finished yet. The product needs to deliver on the promises it made. It needs to be in sync with the evaluation the customer made. Other factors like customer support may also play a significant role here.

There are a few things you can do in order to ease the entire process and cut down on buyer's remorse after the purchase is made:

- Show that you understand the customer's situation and focus on solutions to their problems.
- Provide clear and easy-to-understand information about your product or service.
- Encourage comparisons with similar products offered by competitors.

- Make the purchasing process as easy as possible.
- Provide an outlet for the customer to leave their feedback, such as through reviews.

**Brainstorming Activity:**

1. Think about your own decision making process for finding a new dentist for yourself or your family.
2. What are you thinking, feeling, and asking yourself at each step of the process?
3. What information do you need at each step?
4. Now think about the decision making process your customers go through when deciding whether to buy your own products or services. See if you can answer the same questions.
5. If you have access to a few of your customers with whom you get on well, ask them directly.

# The Key Psychological Principles of Marketing

There are many psychological principles that marketers and advertisers routinely use in order to choose the most effective marketing tactics to reach their customers. In this module, we're going to explore the most common of these, along with a few examples of how they're used.

These are powerful techniques and like anything powerful, they can be used beneficially or maliciously. Reading the principles and examples below, it's easy to understand how marketers use them unscrupulously in order to manipulate people into buying things they don't need.

However, as ethical marketers, we're focusing on matching customers to valuable products that actually meet their needs. That's the ultimate goal of any marketing.

## **The Endowment Effect**

The endowment effect states that we tend to value more what we already own than what we don't, even if we want it badly. In other words, when you're selling or trading an item you already have, you're likely to place a higher value on it than if you're considering buying it.

In a study by Kahneman, Knetsch, and Thaler in 1990, participants were given a mug and then allowed to trade it for another product of equal price. The study found that once the participants owned the mug, they charged much higher prices for the barter goods. What they were willing to accept was about twice what they were willing to pay.

You can see examples of this anywhere someone trades or sells goods. For example, if you bought a bottle of wine years ago for \$10, you're

likely to consider it very valuable now, even if the price has not grown significantly (this is especially so in the case of wine, which is perceived as gaining in value over time).

Marketers take advantage of the endowment effect when they offer test drives or free trials. When you're driving the car, the salesperson will do everything in their power to make you feel like it's yours already.

The basis of the endowment effect isn't anything selfish at all. It's simply the natural desire to maintain the status quo. You see change, or in this case the giving up of something you already own, as a risk or negative.

## **Reciprocity**

Reciprocity is one of the most well-known and widely understood psychological principles in marketing. It states that we feel obligated to give back to people who have given to us.

In a famous study from 1971, Dennis Regan set up a fake art appreciation experiment where the participants' "partner" (actually Regan's assistant) bought one group of participants a soft drink; for the other group, the assistant did not buy the soft drink. At the end of the experiment, Regan's assistant asked all the participants if they would buy raffle tickets. The subjects who had received the soft drink bought more raffle tickets, even though they hadn't asked for the drink in the first place.

Reciprocity is a key feature of content marketing. In content marketing, you give away free content, either in the form of web content or a downloaded product. This boosts sales because customers who received free content from you are more likely to feel indebted to you and buy from you. Free gifts, freebies, deep discounts, and other "gifts" work because of reciprocity.

## **Consistency**

We like to keep our actions and thoughts consistent. When we act inconsistently, this causes cognitive dissonance, or great psychological discomfort, so we always try to act the way that we think we always act.

Consistency is the psychological principle at work when you're leaving a website and a pop-up appears, saying something such as, "Do you want to take charge of your finances and get on the right course for the future right now?" The options are, "Yes, I'm ready to take control of my life", or "No, thanks. I'm happy staying in debt."

Any reasonable person who sees this message will instantly think, "Yes, I'm ready." This is because in your thoughts and actions, you want to get rid of debt and take control of your life. The pop-up encourages you to stay consistent.

## **The Foot-in-the-Door**

Just like a salesperson sticking their foot in your door and physically holding it open so that they can deliver their pitch, the foot-in-the-door technique is where a salesperson asks the customer to make small decisions and then progressively bigger decisions.

Jonathan Freedman and Scott Fraser conducted the first foot-in-the-door studies in the 1960. Their researchers called households to ask about the products they used. A few days later, they called again asking if they could send workers to the house to actually check to see which products the subjects used. The study found that those who received the initial phone call were twice as likely to let the workers into their house.

Charitable organizations often use the foot-in-the-door method by asking you first to sign a simple petition and then moving on to bigger requests, such as asking for money. Another example is a company

holding a survey that asks the participants to identify as a fan of their brand. The survey is then followed up with a sales pitch, since the participants have already self-identified as fans.

Freedman and Fraser found that the reason this method works is through the small initial decision, where there is a bond created between the asker and the person being asked. This makes it harder for the person being asked to say no.

## **The Door in the Face**

Foot-in-the-door relies on gaining consent but the door-in-the-face relies on rejection. This is where a person makes a large request first. Once rejected, they offer a smaller request. The person being asked will feel somewhat bad about saying no the first time and be more likely to say yes to the comparatively reasonable, smaller request. In addition, the bigger request makes the smaller request look even smaller than it would otherwise.

This is the technique used when a salesperson starts out offering to sell something to the buyer. The price is too high or the sale too sudden, and after the customer says no, they agree to sign up for the email newsletter instead. If the salesperson had started with the newsletter, the customer might have seen it as a large request.

## **The Ben Franklin Effect**

Supposedly, Ben Franklin was once facing a fierce political opponent who favoured the other candidate. Ben Franklin managed to win this opponent over in a very peculiar way. He told his opponent that he'd heard he had a very rare book and being a well-known bibliophile, Franklin asked to borrow it. The opponent obliged and Franklin returned the book two weeks later with a small note of thanks.

The next time the two men met each other, Franklin's opponent started a conversation with him and offered to help him with anything he needed in the future due to his great fondness for him.

In other words, Ben Franklin won over his opponent by *asking* for a favour and not returning it. This is an illustration of what has since come to be called the Ben Franklin effect.

It also works in a very similar way to the foot-in-the-door method. When you do a favour for someone, you're more likely to keep doing favours for him or her. Like the foot-in-the-door, there is also the creation of a bond.

The Ben Franklin effect is being used when a company asks a customer for feedback without offering any compensation or deal in return. The next time the customer has contact with that company, they feel positive sentiment toward it, even though *they* were the one that helped out the company initially.

## **Loss Aversion**

Loss aversion is similar to the endowment effect. It's based on the same psychological principle that we value what we have more than what we want. Loss aversion is the endowment effect's negative; we feel the negative effect of loss much more strongly than the positive effect of gain, so we try to avoid loss.

Consider getting a \$10 a month raise or losing \$10 a month from your pay check. It's likely that you'd see the \$10 raise as a small but slightly helpful bump in your pay that you can use somewhere. On the other hand, if your company cuts your pay even a paltry \$10 a month, it feels like an outrage.

Loss aversion is used in a variety of ways to sell products by emphasizing

what you save rather than what you gain. For example, a cloud storage service might sell itself as a way to prevent losing your data rather than a way to gain more storage.

## **Scarcity**

Scarcity is similar to loss aversion. When the supply of something is limited in quantity or time, we feel a more urgent need to buy. This is why companies advertise that if you don't act now, you'll miss this opportunity. In addition to increasing urgency, scarcity also boosts the value of a product because there's only a limited number.

Scarcity is used often but not always ethically. It tends to play on fear more than the other psychological principles mentioned here, and for that reason it can be easily abused. If misused, scarcity can backfire, so it should be used sparingly.

## **Social Influence and Conformity**

People are more likely to make a certain decision if others have done so. Even if the person believes in this decision, they may feel hesitant unless they see that others have done so before them.

The word "conformity" is often used in a very negative way. People who conform are spoken of as "sheep" and it lends itself to a dark view of humanity. However, this isn't the case at all. Even the most socially independent of us has a social consciousness. We all have a need for conformity, even if to a very limited degree.

There are endless studies that show how important conformity is to us. Solomon Asch's study in the 1950s showed that people were willing to give obviously wrong quiz answers just because others had done so. Other studies have shown that people could be influenced to incorrectly

identify suspects in a police line-up.

Social influence and conformity can be seen with online reviews. We trust our friends and even complete strangers more than we trust companies. This is why testimonials are powerful, as well as reviews on sites like Yelp!

## **Mere Exposure**

Mere exposure means that the more we're exposed to something, the more we tend to like it. Perhaps there is a popular song that is played everywhere all the time. At first you hated it and then you started to not mind it so much, and eventually you bought the album. This is mere exposure at work.

Studies have shown that the more frequently banner ads are shown on websites, the more favourably participants think about those ads.

The biggest use of mere exposure is in product placement. It seems strange that simply showing a bottle of Coca-Cola in a scene in a movie could have such a powerful effect on sales, but companies pay a great deal of money for product placement and they don't waste their advertising dollars.

## **The Decoy Effect**

The Decoy Effect leads customers to change their preference between two options when a third, less appealing option is added. This third option is the "decoy".

In 2007, Joel Huber, a professor at Duke University, set up an experiment where subjects were given two choices: a nearby 3-star restaurant and a 5-star restaurant that was much further away. Subjects were split fairly evenly between the two options. When he added a third option, a 4-star

restaurant that was even further away, many more subjects chose the 5-star restaurant. This third illogical option made the 5-star restaurant seem more reasonable in comparison.

The decoy effect is most commonly seen with price points. For example, a software package may offer two pricing options; one is lower but has fewer features and the other is higher with more amenities. If only the two are offered, the higher priced item looks expensive. But if the company adds a third, higher-priced option and calls it the "Executive Suite," this will drive sales of the (now) middle-priced model, especially among regular consumers who think, "I don't need an 'executive' package."

## **Framing Effect**

How a problem is framed can influence perception, especially whether something is framed as a loss or a gain. We covered some of this with the endowment effect and loss aversion, which are both types of framing.

A study by Tversky and Kahneman in 1981 showed that the way a treatment for a deadly disease is framed significantly affects the option that people choose. They were more likely to choose the option that stated X lives would be saved versus the one saying that X people would die, even when the actual numbers were the same.

Research at the Harvard Business School found that people are more likely to buy a TV with all-inclusive pricing (\$500 including shipping) versus partitioned pricing (\$490 for the TV and \$10 for shipping).

In general, products that are positively framed will sell better regardless of the actual numbers. If you have a product that's 97% fat-free, it is better to say this than that it contains only 3% fat.

## **Fewer Options**

We often take it for granted that more options are naturally better for customers, but this isn't always the case. With too many options, customers can feel overwhelmed. This can lead them to choose to buy nothing. It's better to present fewer options.

What if you have a variety of options you want to present, such as a large product line? You could cut out products that aren't selling, but an even better way to simplify and offer fewer options is to put all of the options together into categories.

This is how a supermarket works. A supermarket has nearly any food item you can imagine, but everything is broken up into clear categories so that you know where to go in order to find what you need. This is why the supermarket has a deli, a produce section, a meat section, bread, and so on. You see this in bookstores and any other retailer that sells a great deal of products.

## **Cognitive Dissonance**

Cognitive dissonance occurs when things somehow didn't seem to turn out how you thought they would. There is some kind of disconnect between what's in your mind and what's actually going on in the world.

Cognitive dissonance can occur after a purchase if a customer feels the product doesn't deliver on its desired outcome. If you remember the ideal versus real situation, cognitive dissonance occurs when the outcome of the purchase isn't the ideal situation the customer envisioned (or you told them would occur).

You can prevent cognitive dissonance by offering the same post-purchase care for your customers that you offered before their purchase. Make sure you have customer service that actually helps when

your customers need it. Through your interactions with them, try to demonstrate to them how the purchase has met their needs.

You have to avoid cognitive dissonance at all costs because it will prevent customers from buying from you again.

## **Customer Focus**

One final psychological point to keep in mind is that the buyers are thinking of themselves. No matter what products or services they're considering, they're always thinking about what it will do for them. Your marketing needs to be in line with this principle or your message will be lost.

Keep everything focused on the buyer and their needs, not your amazing product or unique brand. Even when talking about your product or brand, always bring it back to how it helps them meet their needs.

### **Brainstorming Activity:**

Pick at least 3 of the principles listed in this module and brainstorm other tactics that you could use.

Keep a running list of tactics in a notebook and add to it as you think of more ideas or see the psychological tactics being used in practice.

# How to Select the Right Strategy for YOUR Target Market

Honest, ethical marketers use psychology to influence decision-making based on what customers truly need, not what they think the customers need or what they want the customers to need. This is the key difference that separates the good from the bad, but it's not always easy to tell what's ethical and what isn't.

## **Honesty**

Ethical marketing doesn't make false or unverifiable claims. It doesn't puff up or exaggerate. It doesn't use subjective claims but rather backs up its claims with objective data. If you tell the truth and are transparent in your marketing, you'll not only stay on the ethical side but also win over customers who will appreciate this honesty. They will come to trust you and be loyal.

## **Real Needs**

Ethical marketing fulfils actual needs. It doesn't invent a fake need and then try to sell the solution to it. This is why it's important to know your customers well and understand their real needs. If your products and service address these needs, you won't have trouble selling them. As long as your customers have this need, they'll buy from you if you make a good case for your solutions.

## **Appropriate**

Marketers sometimes like to be edgy in order to gain attention, but ethical marketing is never offensive, inappropriate, sexist, racist, or

homophobic. As a guideline when reviewing your marketing materials, always ask yourself whether what you say could be taken the wrong way. If it could be taken the wrong way, it is likely that it will be by someone. Everything should be appropriate.

## **Kind to Competitors**

Ethical marketers don't attack competitors with smear campaigns or make false comparisons between their products and those of another company. Be careful of what claims you make and stick to showing positively how your offerings help meet customer needs, rather than how others don't.

## **Rely on Feedback**

Ethical marketing is driven by feedback from real customers. Decisions are based on what customers think and feel, rather than what the company believes its customers should think and feel.

## **What to Consider for Marketing Tactics**

We have covered a dizzying array of marketing tactics related to different principles of psychology. Probably some of them set off a lightbulb in your brain saying, "We could use that" or "Our market would respond to that." Here are some considerations to help you choose appropriate marketing tactics for your market.

### ***What are the demographics of your target market?***

While this isn't a course on creating target market profiles, you should be sure to know the basic demographics of your market. These include location, age, gender, income level, education level, interests and hobbies.

***What are the psychographics of your target market?***

This book has been covering basic psychological principles for marketing, but you'll need to do the research to truly understand what your own target market is thinking and feeling as it relates to your products and services.

This includes uncovering their problems, fears, pain points, and other emotions as they relate to your products and services. Conduct surveys, participate in forums, have discussions with current customers, and connect with your target market in as many places as possible to understand how they're thinking and feeling.

***Where is your market both online and off?***

Identify the best marketing channels for reaching customers and explore how to use these marketing channels effectively.

***What forms of content does your market prefer?***

Gain an understanding of the content your target market prefers and how they use it. Look at which content is most shared, liked, visited, commented on, etc.

***What kind of support does your market need?***

What you do after a customer buys is just as important since it affects future purchases, the customer's influence over other buyers, and brand image.

**Keep in mind your brand**

All of your tactics and marketing channels need to be consistent with your brand image. Review your brand's vision, goals, and unique value proposition before selecting any tactics.

## Be Flexible with Your Tactics

The best tactics to use vary, even for the same product and same customer. You may use one tactic at first contact but then shift to another at a later stage of your relationship with the customer. You may also have different tactics for different demographics of your market, or for different products.

As an example, let's look at how different tactics could be employed at the five steps we outlined earlier in the buying process.



**Recognition** – Regular exposure can cause your brand to come to your customers' mind when they feel the need for your type of product.

**Information** – Use reciprocity to not only educate customers about your brand, but also help them in advance with various related problems.

**Evaluation** – Use social influence to show how others who purchased from you got resolution to their problem. An example here would be to offer an impartial side-by-side evaluation of how what you offer compares to what your competitors' offer.

**Purchase** – Aim to ensure that your customer service is excellent and the buying process is smooth and simple.

**Post Purchase** – Consistently follow-up with customers to check that you continue to meet their needs, and also remind them how else you can help or serve them on the future.

**Brainstorming Activity:**

1. Create a profile of your target customer based on their demographics and psychographics.
2. Review your work from Module 3 and edit if necessary (how your products and services fit in the hierarchy of needs).
3. Review your work from earlier and edit if necessary (where you identified information your customers need at each stage of their decision-making process).
4. Now, from the list of tactics you brainstormed in Module 5, select 1 to 3 tactics that would be relevant at each step of your customers' decision-making process.

# Conclusion and Next Steps

We've covered a great deal in this short book. Now it's time for you to review the work you've done and identify where you're going to focus your marketing efforts first. Then, create an action plan to implement the tactics you identified, including tasks and deadlines.

You've now gained:

- An understanding of why psychology is so important in marketing
- Guidelines for keeping your marketing ethical and honest
- An outline of Maslow's hierarchy of needs and the details of the purchasing process
- A description of the stages of the buying process and ideas for meeting customer needs at each stage
- A wealth of psychological principles and how they can be used in marketing
- Points to consider in order to create effective marketing tactics based on your customers' needs and your ability to meet them.

The key lesson is that marketing is all about matching the product to the customers' needs. The better you know your customers and their needs, the better you'll be able to do this. Stay customer-focused and they'll tell you exactly what they want from you.

In marketing, you never have to do anything unethical or questionable. By making sure that your marketing is totally ethical, you'll earn a great reputation for your brand and build a strong relationship with loyal customers.

# Appendix – Info Sources

## Introduction to Psychology

- <http://www.simplypsychology.org/maslow.html>
- <http://psychology.about.com/od/psychology101/>
- <http://allpsych.com/psychology101/intro/#.VR6qGov4tFI>
- <http://www.wikihow.com/Attain-a-Basic-Knowledge-of-Psychology>

## Why is Psychology important to know in marketing?

- <http://www.fathomdelivers.com/blog/seo/why-psychology-is-important-for-online-marketing/>
- <http://smallbusiness.chron.com/description-marketers-can-use-maslows-hierarchy-needs-39333.html>
- <http://www.marketing-made-simple.com/articles/psychology-of-marketing.htm#.VOZyBWTF-PU>

## How Your Customers Make Their Buying Decision

- [http://tutor2u.net/business/marketing/buying\\_decision\\_process.asp](http://tutor2u.net/business/marketing/buying_decision_process.asp)
- <http://www.marketing-made-simple.com/articles/psychology-of-marketing.htm#.VOZyBWTF-PU>

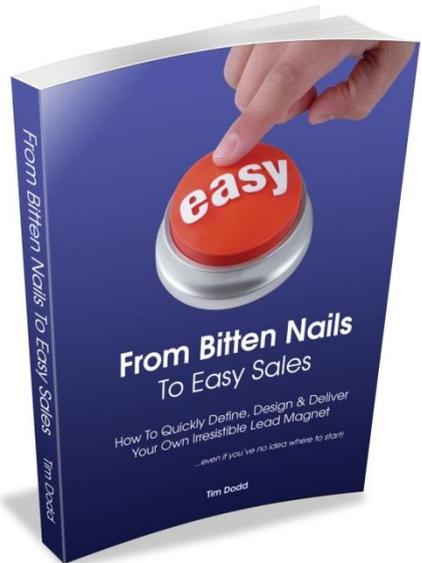
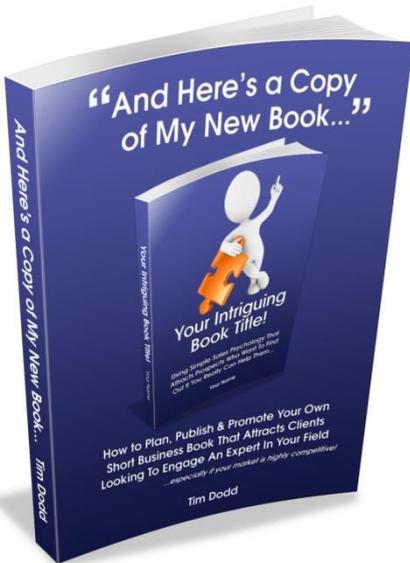
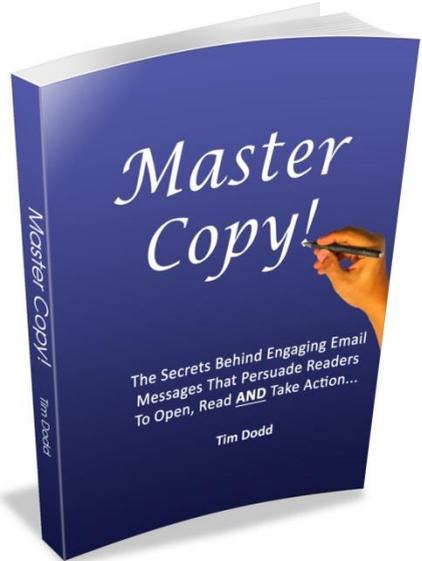
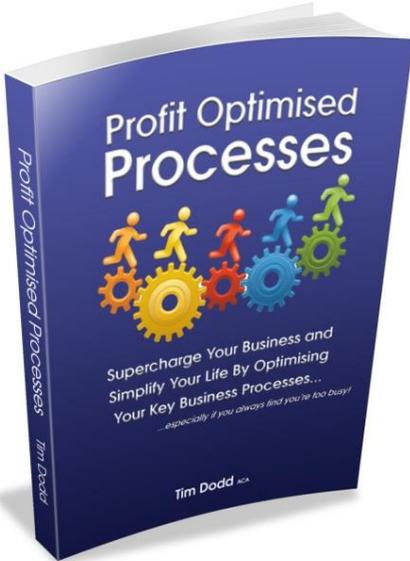
## How Psychology is Used in Marketing (principles & examples)

- <https://blog.bufferapp.com/psychological-studies-marketing>
- <http://www.fastcompany.com/3032675/hit-the-ground-running/5-psychological-tactics-marketers-use-to-influence-consumer-behavior>
- [http://tutor2u.net/business/marketing/buying\\_decision\\_process.asp](http://tutor2u.net/business/marketing/buying_decision_process.asp)
- <http://www.marketing-made-simple.com/articles/psychology-of-marketing.htm#.VOZyBWTF-PU>

## **Additional Ideas and Tactics**

- <https://blog.kissmetrics.com/15-psychological-triggers/>
- <http://www.copyblogger.com/psychological-selling/>
- <http://socialtriggers.com/psychology-more-sales/>
- <http://www.buzzstream.com/blog/4-psychological-tactics-influencer-marketing.html>
- <http://blog.hubspot.com/marketing/psychology-marketers-revealing-principles-human-behavior>

Before you go, here are a few more of my books that may help if you're looking for new ways to attract more clients...



[www.3dconsultingservices.com](http://www.3dconsultingservices.com)

## About The Author:



Do you ever wish there was an easy way to attract new clients?

If you're thinking "Yes, I do!" you're not alone. Many professional service providers feel exactly the same way as you do because their expertise is in providing the service that they're qualified to provide, rather than in the selling of it.

But just imagine for a second how much easier it would be, how much happier you'd feel and how much more you could be earning if suddenly you discovered the secret to having a crowd of clients wanting to engage you, rather than you having to go out searching for them.

If our paths haven't crossed before, let me introduce myself. I'm Tim Dodd, a former chartered accountant and a specialist business workflow consultant. And I help people put in place processes that attract potential new clients automatically.

If you're an entrepreneurial business owner or professional service provider, who would like to automate their lead generation, prospect follow-up and business relationship building processes in order to spend more chargeable time working with your best clients, doing what you enjoy doing most, then I'm certain I can help you to achieve that goal.

If you like the idea of that but aren't convinced I'd be able to help your particular business, make an appointment to speak with me today and find out why I'm so sure that I can.

Just head over to [www.3dconsultingservices.com/call](http://www.3dconsultingservices.com/call) and select an appointment time that's most convenient for you.

There's no charge, and when we talk I promise to provide you with at least one strategy you could implement immediately which would transform how you won new clients in the future!

I look forward to speaking with you soon and to helping you free up more time to make more money doing what you enjoy doing most.

*Tim*

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