PSYCHOLOGICAL STRATEGIES FOR START-UPS

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Abstract

Marketing is a crucial aspect of business strategy, and understanding consumer behaviour is essential for creating effective marketing campaigns. This research paper explores the psychology of marketing and how it affects consumer behaviour. It examines the key psychological factors that influence consumers' decision-making processes, such as perception, motivation, learning, and memory. It also discusses the role of emotions and how they can be used to influence consumer behaviour. This paper is also inclined towards finding the best prevalent and some innovative psychological strategies for startups to establish in the crowd and compete with already well-established industries. Benjamin Franklin's effect is the most effective strategy which can influence consumer behaviour. Finally, the paper analyses the ethical implications of using psychological techniques in marketing.

Keywords: Start-ups, Marketing, Benjamin Franklin effect, consumer

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1. OBJECTIVES
1.1 To understood prevalent and innovative psychological strategies for start-ups.
1.2 To Analyse prevalent and innovative psychological strategies for start-ups.
1.3 To Evaluate prevalent and innovative psychological strategies for start-ups.

2. INTRODUCTION
Marketing is the process of creating, promoting, and delivering products or services to meet the needs and wants of consumers. The success of marketing campaigns depends on understanding consumer behaviour, which is influenced by a range of psychological factors. Psychologists have been studying consumer behaviour for decades, and their findings have been used to create effective marketing strategies. This paper aims to provide an overview of the psychology of marketing and its impact on consumer behaviour also it has crux of all the prevalent along with some innovative and easy to use psychological strategies which can help even the low budget startups to establish and face the rath of competition.

2.1Perception: Perception refers to the way in which consumers interpret and make sense of the information they receive. The way in which information is presented can significantly affect the way consumers perceive it. For example, the use of colours, images, and language can influence consumers' perceptions of a product. Marketers often use visual and auditory cues to grab consumers' attention and make their products stand out.

2.2Motivation: Motivation is the driving force behind consumer behaviour. Consumers are motivated to buy products or services to satisfy their needs and wants. Marketers need to understand what motivates consumers and how to appeal to their motivations. For example, some consumers may be motivated by social status and will be more likely to purchase products that are associated with prestige or luxury. Maslow's hierarchy theory is important to understand needs of the target population as needs are the ultimate driving force.
Maslow's hierarchy of needs is a motivational theory in psychology comprising a five-tier model of human needs, often depicted as hierarchical levels within a pyramid.
From the bottom of the hierarchy upwards, the needs are physiological (food and clothing), safety (job security), love and belonging needs (friendship), esteem, and self-actualization.

2.3Learning: Learning refers to the way in which consumers acquire knowledge and skills through experience. Marketers can use various learning techniques to influence consumer behaviour, such as classical and operant conditioning. For example, a consumer who has had a positive experience with a product may be more likely to buy it again.

2.4Memory: Memory is an essential component of consumer behaviour, as it influences how consumers recall information about products or services. Marketers can use various memory techniques to improve product recall, such as repetition and association. For example, a catchy slogan or jingle can help consumers remember a brand.

2.5Emotions: Emotions play a crucial role in consumer behaviour. Consumers often make purchasing decisions based on how a product makes them feel. Marketers can use emotional appeals to influence consumer behaviour, such as fear, happiness, and nostalgia. For example, an advertisement that evokes a sense of nostalgia may appeal to older consumers.

2.6Ethical Implications: The use of psychological techniques in marketing raises ethical concerns. Marketers need to be aware of the potential impact of their campaigns on vulnerable consumers, such as children and those with mental health conditions. The use of manipulative techniques that exploit consumers' vulnerabilities can lead to negative outcomes. Marketers must balance their desire to create effective campaigns with their ethical responsibilities.

Some key concepts in the psychology of marketing include:
2.7Consumer behaviour: Understanding how consumers make purchasing decisions is essential to creating effective marketing campaigns. Factors that influence consumer behaviour include social, cultural, and psychological factors, as well as situational factors like time and place.

2.8Persuasion: Persuasion is the process of changing a person's attitude or behaviour through communication. Marketers use various persuasive techniques such as social proof, scarcity, and authority to influence consumers to buy their products.

2.9Branding: Branding is the process of creating a unique identity for a product or service. Brands create emotional connections with consumers by appealing to their values, needs, and desires.

2.10 Pricing: Pricing is a crucial aspect of marketing, as it can influence consumer behaviour. Psychological pricing strategies such as price anchoring, odd pricing, and decoy pricing can be used to influence consumer perceptions of price and value.

2.11 Neuromarketing: Neuromarketing is the study of how the brain responds to marketing stimuli. It involves using tools like EEG and fMRI to measure brain activity and identify which marketing messages are most effective.

3. PSYCHOLOGICAL HACKS

3.1BANDWAGON EFFECT: The bandwagon effect is a phenomenon in which people tend to adopt certain beliefs or behaviors simply because many others are doing so, without necessarily evaluating the merits of those beliefs or behaviors. In other words, people tend to "jump on the bandwagon" and follow the crowd.

When we see people rushing to buy something, people become curious as it's in our nature to not wanting to be left out. It can be called FOMO (Fear Of Missing Out).
The Asch conformity experiments showed that people are often influenced by social pressure and the opinions of others, even when they know their own judgments or decisions are correct. Your advertisement should show people buying your product.
3.1.1 It should create a sense of FOMO by showing what your customers are getting that others are not.
3.1.2 Update people about your trending products.

3.2SENSE OF OWNERSHIP: To make people emotionally invest in your brand make them feel as they are part of it. A sense of ownership can be a powerful motivator for customers when it comes to marketing. Here are a few hacks to create a sense of ownership for your customers:

3.2.1 Personalization: Personalizing your marketing efforts can create a sense of ownership among customers. Address them by their name and send personalized recommendations based on their past purchases or preferences.

3.2.2 User-generated content: Encourage customers to create and share their own content related to your brand or products, such as reviews, photos, or videos. This can create a sense of ownership and investment in your brand.

3.2.3 Exclusive experiences: Offer exclusive experiences to your loyal customers, such as early access to new products or services or VIP events. This can make them feel special and create a sense of ownership and belonging.

3.2.4 Customization: Allow customers to customize their purchases, such as choosing their own colors, materials, or designs. This can create a sense of ownership over the final product.

3.2.5 Limited edition or one-of-a-kind products: Offer limited edition or one-of-a-kind products that customers can't find anywhere else. This can create a sense of ownership and exclusivity for those who purchase them.
By creating a sense of ownership among your customers, you can increase their loyalty and investment in your brand, which can lead to increased sales and positive word-of-mouth marketing.

3.3REDUCE CHOICES: Reducing choices can be a powerful hack for marketing, as it can simplify the decision-making process for customers and increase their likelihood of making a purchase. Here are some ways to apply this hack to your marketing strategy:

3.3.1 Offer fewer options: Simplify your product or service offerings by offering only a few options. This can make it easier for customers to compare and choose between products and reduce decision fatigue.

3.3.2 Use bundling: Offer bundled products or services that combine multiple options into a single package. This can reduce the number of decisions customers need to make and simplify the purchasing process.

3.3.3 Provide guidance: Offer guidance or recommendations to customers based on their needs or preferences. This can reduce decision-making anxiety and make the purchasing process more seamless. Highlight the most popular or recommended options to help guide customers' decision-making process.
3 options are the norm. By reducing the number of choices and simplifying the decision-making process, you can make it easier for customers to

make a purchase and increase their overall satisfaction with your brand.

3.4RECENCY EFFECT: Recency effect is a cognitive bias that suggests people tend to remember and give more importance to the most recent information they received compared to the older ones. The last impression is as important as first impression.

Companies try to target their customers with last-minute deals or promotions to capitalize on the recency effect. This can encourage customers to make a purchase decision quickly, especially when the product is fresh in their minds.

Leave people warm and fuzzy after they purchase.

Invest in your unboxing experience. For service-based businesses, have a memorable off-boarding experience.

3.5ANCHORING BIAS: In 1974 cognitive psychologists Daniel Kahneman and Amos Tversky identified what is known as the "anchoring heuristic." A heuristic is essentially a mental shortcut or rule of thumb the brain uses to simplify complex problems in order to make decisions (also known as a cognitive bias). Anchoring bias is a cognitive bias that refers to the tendency of people to rely too heavily on the first piece of information they receive (the anchor) when making subsequent decisions. This bias can be used in marketing to influence consumer behavior.

3.5.1 Multiple Unit Pricing: Multiple unit pricing increased supermarket sales, according to psychologists Brian Wansink, Robert Kent, and Stephen Hoch. "On Sale, 4 Rolls of Bathroom Tissue for $2" versus "On Sale, $0.50/roll" Even though the sale value was the same in both experiments, multiple unit pricing performed 40% better than single unit pricing. The number four serves as an anchor in the brain.

3.5.2 Purchase Quantity Limits: Wansink, Kent, and Hoch investigated how setting purchase quantity limits affects purchasing behaviour in another study. We've all seen the sign: something is on sale with the words "Limit 12 Per Customer." Most people believe that this limit exists to protect the shop from being wiped out by overly eager bargain hunters. This limit, however, serves a very different purpose. Wansink, Kent, and Hoch devised a field study in which they advertised Campbell's soups for $0.79 per can using end-of-aisle displays. The display was then marked with the words "Limit

of 12 per person." The findings show that purchase limits can increase sales; shoppers who bought soup from the display with no limit bought an average of 3.3 cans of soup, whereas buyers with limits of 12 bought an average of 7 cans of soup. The brain adjusts downward after anchoring with the number 12.

3.5.3 Initial Pricing: If you're looking to buy a used car, the initial price offered sets the tone for the rest of the negotiation, regardless of its legitimacy. This makes any price lower than the initial anchor price appear more reasonable, even if it is still higher than the car's true value. If the salesperson can keep the customer focused on the higher price, the consumer will think the lower price is a good deal.

3.6QUESTION/BEHAVIOUR EFFECT: People don't like being told what to do. When you tell your customers to do a thing in your marketing, you will face resistance because people think you're removing their choice. People like freedom instead of being told what to do.

3.6.1 Example:
- Buy these shoes right now (incorrect)
- Will you buy these shoes? (correct)

3.7SERIAL POSITION EFFECT: People are more likely to remember the first and last thing you say. Anything in between is often forgotten.

3.7.1 Opening line/title should be catchy.

3.7.2 Start and end sentences with the most important information.

3.7.3 Reiterate your marketing message and end on your brand logo for better brand recall.

3.8GAMIFICATION: Gamification can be a powerful tool for marketing because it engages customers and encourages them to interact with your brand in a fun and memorable way. Here's a hack to help you use gamification to market your products or services:

3.8.1 Create a gamified loyalty program: Encourage customers to make repeat purchases and engage with your brand by creating a gamified loyalty program. Offer rewards, badges, and other incentives for customers who make purchases or complete certain actions, such as sharing your content on social media or referring friends. You can also create a leader board to showcase your most loyal customers and incentivize healthy competition.

3.8.2 Make it easy to participate: Make sure your gamified marketing campaign is accessible

to everyone. Consider using a mobile app or creating a web-based game that can be played on any device. Keep the rules simple and easy to understand, and make it easy for customers to track their progress and redeem rewards.

3.8.3 Personalize the experience: Use data and analytics to personalize the gamified experience for each customer. For example, you can create customized challenges based on a customer's past purchase history or behavior on your website. Personalization can make the game more engaging and relevant to each customer, increasing the likelihood of repeat engagement and purchases.

3.8.4 Partner with influencers: Partner with social media influencers who have a large following in your target audience to promote your gamified marketing campaign. They can help spread the word about your campaign, increase engagement, and drive sales.

3.8.5 Measure success: Use analytics to track the success of your gamified marketing campaign. Measure engagement, conversion rates, and customer retention to see how well the campaign is performing and make adjustments as needed.

Remember that gamification should be a fun and engaging way to market your products or services, so make sure to create a game that is enjoyable and memorable for your customers. Some examples are listed below:

3.8.6 KFC: Advergames are games that are specifically designed to showcase a specific product or brand within an interactive game environment. KFC Japan collaborated with Gamify to develop a marketing campaign that not only informed but also encouraged customers to try the new shrimp-themed menu items.

The experience took the form of a mobile game in which users swat at shrimp that fell out of the screen (much like Fruit Ninja). KFC's marketing campaign was so successful that the new product line sold out due to all of the voucher redemptions. KFC discovered that they needed to cut the campaign time in half in order to stabilise KFC's supply and demand.

This gamification strategy resulted in 22% of game participants redeeming their rewarded voucher within a store. When compared to the previous year, store sales increased by 106%.

This is an excellent example of Gamify, which means increasing product sales through an incentive-driven gamified campaign.

3.8.7 NikeFuel: Nike recognises that a lack of motivation is the primary impediment to consistent training for many people. It's easy for people to abandon healthy habits if they don't have a running partner, a personal trainer, or some other form of encouragement.

NikeFuel used exercise gamification to increase the likelihood of users interacting with the product. One major reason for this is that games encourage their audience to pay attention and participate. Gamification marketing generates user interest in three ways: validation, completion, and rewards.

NikeFuel, Nike's fitness app, is motivated by its users' proclivity to share their fitness accomplishments for validation on social media. On a daily basis, users compete with one another and share their results.

Sharing your progress bar fosters a brand community, with users incorporating the app into their daily lives.

Nike consistently celebrates small victories with one-of-a-kind messages congratulating users on their achievements and encouraging them to keep going. The constant encouragement boosts users' confidence in their abilities while also increasing app engagement. And with each run, new achievements are unlocked, which can be shared with friends and improved over time.

Users can also have their achievements automatically shared with their friends. This type of sharing is referred to as a retention hook, which is a built-in feature that gives users a reason to send notifications to other users, bringing them back to the app.

Social media sites frequently use the validation technique in the form of likes, retweets, gaining followers, and so on. All of these are ways for users to positively respond to one another's content. Because it aids in the formation of communities, validation is one of the most powerful drivers of long-term quality engagement.

3.8.8 DUOLINGO: Duolingo has changed the way people approach learning a new language by going all-in on making language learning fun.

Duolingo recognised that learning a completely new language can be difficult, so they combined language classes with game-like tasks to help users truly retain information.

Gamifying the entire learning experience with points, badges, learning streaks, social functions, rewards, and other features aids in the development of momentum and motivation in users' studies.

Whether you realise it or not, gamification is integrated into almost everything these days, which explains why it's so effective for marketing.

Contact Gamify today to learn more about what a Gamification Marketing Campaign could look like for your company.

3.9 GRUEN EFFECT: The "Gruen effect" in marketing is a phenomenon named after Victor Gruen, an Austrian-born architect and designer who is credited with pioneering the concept of the modern shopping mall. The term "Gruen effect" refers to the psychological and emotional response that consumers experience when they enter a shopping environment that has been designed to be disorienting, overwhelming, or immersive pop. Gruen believed that the design of retail environments should be optimized to encourage consumers to spend more time and money in them. He argued that by creating a sense of excitement, curiosity, and novelty, retailers could create an atmosphere that would inspire shoppers to explore, browse, and ultimately make purchases. The Gruen effect is often seen in large, sprawling shopping malls and department stores that are designed to be visually stimulating and easy to get lost in. This can include features like bright colors, loud music, eye-catching displays, and winding pathways that encourage shoppers to wander and explore. The effect can also be seen in online shopping environments, where retailers use similar tactics to create an immersive and engaging experience for customers. In short, the Gruen effect is a marketing strategy that aims to capture and hold the attention of consumers by creating an environment that is both visually and emotionally stimulating. By doing so, retailers hope to increase the likelihood that shoppers will make purchases and spend more time in their stores.

3.9.1 Put your most colourful products first.

3.9.2 Kick off your homepage with a colour.

3.9.3 Example: IKEA 1943, The Swedish company is known for its simple, stylish, and affordable furniture and home goods. It has mastered in "Gruen effect".

IKEA is well-known for its affordable, stylish furniture as well as its retail strategy. By mastering the use of psychological manipulation, the company has grown to become a global leader in furniture retailing. IKEA has created an environment that encourages customers to make purchases by understanding their psychology, designing their shopping experience, and using colour and light.

3.9.4 Understanding of customer psychology: The company's strategy is to create an atmosphere that encourages customers to linger and explore. The store layout is intended to make customers feel at ease and at home, and the displays are intended to be inviting and engaging. Furthermore, the company incorporates customer feedback into their designs, resulting in an environment that encourages purchases.

3.9.5 Making a maze-like layout: IKEA stores are large, sprawling spaces with a winding layout that encourages customers to keep exploring and shopping. This layout contributes to a sense of disorientation, which keeps customers in the store longer.

3.9.6 Creating an Enjoyable Shopping Experience: IKEA has mastered the art of designing a store that is both efficient and enjoyable. The layout of the store is intended to guide customers through each area, allowing them to discover new products along the way. Furthermore, IKEA strategically places related items in the store, such as sofas and lamps, to encourage customers to buy multiple items. IKEA also employs a successful pricing strategy. They are able to attract customers looking for a bargain by offering items at a lower price than competitors. Furthermore, the store has a diverse selection of items at various price points, making it simple for customers to find something that fits their budget.

3.9.7 Color and Lighting: IKEA has carefully selected colours and lighting to create a specific atmosphere in its stores. Blue, yellow, and red are prominent because they are calming and energising, respectively. The lighting in the store is also intended to make customers feel at ease while also making the products appear more appealing. The use of colour and light contributes to the creation of an inviting environment that encourages customers to stay longer and shop more.

3.9.8 Store design: By designing their stores to encourage customers to browse and stay longer, IKEA has created a one-of-a-kind shopping experience. IKEA is able to lead customers to explore more of their products and stay longer in the store by utilising clever design tactics such as winding pathways, strategically placed furniture, and inviting displays. Customers spend an average of 25-30 minutes longer in an IKEA store than in other furniture stores, according to a University of Nottingham study. Customers are

more likely to buy more if they spend more time in the store.

3.9.9 Product Placement: IKEA is a product placement expert. To increase brand awareness and create an emotional connection with its customers, the company strategically places its products in popular films, shows, and magazines. From the iconic blue and yellow IKEA bag in "The Holiday" to the IKEA mattress in "Friends," the company has strategically placed its products in high-profile media to reach a larger audience. This contributes to the emotional connection that customers have with the brand, and it is a cost-effective way for IKEA to increase its visibility.

3.10 CERTAINITY EFFECT: The "certainty effect" is a cognitive bias that refers to the tendency of people to overvalue outcomes that are certain or guaranteed, compared to outcomes that are uncertain or probabilistic. In marketing, the certainty effect can be used as a powerful tool to influence consumer behavior and encourage purchases.

One way to use the certainty effect in marketing is by offering guarantees or warranties that provide consumers with a sense of certainty and security about their purchase. By offering a money-back guarantee or a warranty that covers the product for a certain period of time, retailers can reduce the perceived risk associated with the purchase and make consumers feel more confident about their decision to buy.

Another way to use the certainty effect is by emphasizing the immediate benefits of a product or service, rather than long-term or uncertain benefits. For example, a retailer might promote a product by emphasizing the immediate pleasure or convenience it provides, rather than its long-term health benefits.

The certainty effect can also be used in pricing strategies. For example, retailers might offer a flat-rate pricing structure for a service, rather than a variable pricing structure that is based on usage or consumption. This can make consumers feel more certain about the cost of the service and reduce the perceived risk of overpaying.

Overall, the certainty effect can be a powerful tool for marketers who want to influence consumer behavior and encourage purchases. By offering guarantees, emphasizing immediate benefits, and using simple pricing structures, marketers can tap into the psychological biases that influence consumer decision-making and increase the likelihood of making a sale.

3.10.1 Four Levers of Certainty: Consensus, Repetition, Ease, and Defense.

3.10.2 Consensus: people become more confident of their opinions when they think that others share them. We call this kind of social validation the attitude consensus effect.

3.10.3 Repetition: repetition increases people's sense of certainty about their position and, therefore, their willingness to promote, defend, and act on it.

3.10.4 Ease: uncluttered slide decks, easy-to-read fonts, and simple graphics are more persuasive— and make viewers more certain about the truth or validity of the message

3.10.5 Defense: as we know people are more likely to defend attitudes, they feel certain about likewise, people feel more certain of their attitudes after defending them.

3.11 THE BENJAMIN FRANKLIN EFFECT: it is a psychological phenomenon that suggests that people are more likely to develop positive feelings towards someone or something after doing them a favour, rather than the other way around. This effect has been applied in marketing in several ways, including the following:

3.11.1 Offering free samples: Companies often offer free samples of their products to potential customers in the hopes that they will try the product and develop a liking for it. By receiving a free sample, customers feel obligated to the company and are more likely to develop positive feelings towards the brand.

3.11.2 Giving discounts: Offering discounts is another way to create the Benjamin Franklin effect in marketing. When customers receive a discount, they feel like they are getting a special deal and are more likely to develop positive feelings towards the brand.

3.11.3 Asking for small favours: Companies can also create the Benjamin Franklin effect by asking customers for small favours, such as completing a short survey or sharing a social media post. By doing the favour, customers are more likely to develop a positive attitude towards the company and its products.

3.11.4 Example: One example of a popular brand that has used the Benjamin Franklin effect in their marketing is Warby Parker, a company that sells eyeglasses and sunglasses online.

When customers shop for glasses on the Warby Parker website, they have the option to select up to five frames to try on at home for free. The company also offers a Home Try-On program, which allows customers to receive a box of five glasses frames to try on at home for five days.

This free trial period creates a sense of reciprocity in customers, as they feel like they have received a valuable service from the company. By doing so, Warby Parker is leveraging the Benjamin Franklin effect and increasing the likelihood that customers will purchase glasses from them in the future.

In addition, Warby Parker also offers a "Buy a Pair, Give a Pair" program, where the company donates a pair of glasses to someone in need for every pair of glasses sold. This program creates a sense of goodwill and social responsibility in customers, which further increases the likelihood of positive associations with the brand and its products.

Overall, Warby Parker's use of the Benjamin Franklin effect has been successful in creating positive associations with the brand and driving sales, while also promoting social responsibility.

3.12 MERE EXPOSURE: The mere exposure effect, also known as the familiarity principle, is a psychological phenomenon that suggests that people tend to prefer things that they are familiar with. This effect has been applied in marketing in various ways, including the following:

3.12.1 Repetition: One way to leverage the mere exposure effect in marketing is through repetition. By repeatedly exposing customers to a product or brand through advertising, companies can increase familiarity and preference for their products.

3.12.2 Product placement: Another way to use the mere exposure effect is through product placement. By featuring products prominently in movies, TV shows, or other media, companies can increase exposure and familiarity with their products.

3.12.3 Influencer marketing: Companies can also leverage the mere exposure effect through influencer marketing. By partnering with influencers who have a large following on social media, companies can increase exposure and familiarity with their products among the influencer's followers.

3.12.4 Branded merchandise: Branded merchandise, such as t-shirts, hats, or mugs, can also be a way to increase exposure and familiarity with a brand. By wearing or using branded merchandise, customers are reminded of the brand and become more familiar with it over time.

3.13 HYPERBOLIC DISCOUNTING: it is a cognitive bias that occurs when people show a preference for receiving a smaller, immediate reward over a larger, delayed reward. In other words, people tend to place a higher value on rewards that are available in the short term, even if those rewards are less valuable than rewards that would be available in the long term.

This bias can have implications in marketing, as companies may offer immediate rewards or incentives to encourage customers to take certain actions. Some examples of how hyperbolic discounting can be used in marketing include:

3.13.1 Limited time offers: Companies may offer discounts or promotions that are only available for a limited time, encouraging customers to make a purchase immediately rather than waiting for a better deal in the future.

3.13.2 Loyalty programs: Loyalty programs often offer rewards that are available over time, such as accumulating points that can be redeemed for discounts or free products. However, companies may also offer immediate rewards for joining a loyalty program, such as a free gift or an instant discount.

3.13.3 Credit card rewards: Credit cards may offer rewards such as cashback or points that can be redeemed for rewards. Some credit cards may offer immediate rewards, such as a sign-up bonus or a statement credit for making a certain purchase within a certain time frame.

3.13.4 Example: One popular brand that has leveraged hyperbolic discounting in its marketing strategy is Amazon. Amazon's Prime membership program offers customers a variety of benefits, including free two-day shipping, access to streaming of movies, TV shows, and music, and other exclusive deals and discounts.

By offering a range of immediate benefits, Amazon has successfully capitalized on the hyperbolic discounting bias, encouraging customers to sign up for Prime and enjoy immediate benefits, rather than waiting for potentially better deals or discounts in the future. Additionally, Amazon often offers limited-time discounts or deals to Prime members, further tapping into the hyperbolic discounting bias and encouraging customers to take advantage of the immediate rewards.

Amazon has also been known to use hyperbolic discounting in its promotional campaigns for products and services, such as offering limited-time discounts or exclusive deals for new

customers. By creating a sense of urgency and emphasizing the immediate benefits of their products or services, Amazon is able to drive sales and encourage customer loyalty.

Overall, Amazon's use of hyperbolic discounting in its marketing strategy has been successful in encouraging customers to value the short-term benefits of their products and services, and has helped to drive sales and promote customer loyalty.

3.14 ROLE OF PERSONALITY: Personality can also play a role in color preferences and choices. Different personality traits can be associated with certain color preferences, and understanding these associations can help businesses to create more effective branding and marketing strategies.

Here are some examples of how personality traits can impact color preferences:

3.14.1 Extroversion: Extroverted individuals may be drawn to bright and bold colors that reflect their outgoing and energetic nature. They may also be more likely to choose colors that are associated with excitement and stimulation, such as red or orange.

3.14.2 Neuroticism: People who are high in neuroticism may prefer muted and calming colors that can help to reduce stress and anxiety. They may also be more sensitive to color associations and may avoid colors that are associated with negative emotions, such as black or grey.

3.14.3 Openness to experience: People who are high in openness to experience may prefer unusual or unconventional colors that reflect their creativity and imagination. They may also be more interested in colors that are associated with novelty or innovation, such as purple or green.

3.14.4 Conscientiousness: Conscientious individuals may prefer neutral and practical colors that can be easily combined with other colors and used in a variety of settings. They may also be more interested in colors that are associated with reliability and professionalism, such as blue or grey.

3.14.5 Agreeableness: Agreeable individuals may prefer warm and welcoming colors that reflect their friendly and cooperative nature. They may also be more interested in colors that are associated with positive emotions and social connection, such as yellow or green.

Overall, understanding the role of personality in color preferences can help businesses to choose colors that are more appealing and engaging to their target audience, and create branding and

marketing strategies that are more effective in communicating their values and personality.

4. LITERATURE REVIEW
4.1 Coca Cola
The case study of New Coke vs. Old Coke is a classic example of a marketing blunder that had serious consequences for the Coca-Cola Company. Coca-Cola released a new formula for its trademark soft drink, dubbed "New Coke," in 1985. Extensive taste tests and consumer research revealed that consumers favoured the new recipe over the previous "Old Coke" mix.

However, the introduction of New Coke was met with widespread criticism from consumers who felt the new formula was inferior to the original. Even though the new formula performed objectively better in taste tests.

Coca-Cola eventually reintroduced the original formula as "Coca-Cola Classic," which swiftly reclaimed its place as the company's flagship product. The New Coke formula was eventually phased out, but it was offered in select international markets under the name "Coke II" for a time.

The failure of New Coke has been blamed on a variety of issues, including a lack of emotional attachment to the new formula, a strong emotional tie to the original recipe, and a perceived betrayal of consumers who thought that the firm was changing something they loved. The case study of New Coke vs Old Coke highlights the importance of understanding consumer emotions and preferences when making marketing decisions. While objective measures like taste tests can be useful, they are not always the best indicator of how consumers will respond to a product or marketing campaign. Additionally, the New Coke vs Old Coke case study shows the power of brand loyalty and emotional attachment in driving consumer behavior. Coca-Cola had spent decades building a strong emotional connection with consumers around the world, and this was a factor that the company failed to fully appreciate when making the decision to launch New Coke.

Overall, the New Coke vs Old Coke case study serves as a cautionary tale for marketers about the importance of understanding consumer emotions and preferences, and the power of brand loyalty and emotional attachment in driving consumer behavior.

4.2 Nike
Nike is a well-known brand with a great marketing approach. Nike is a multinational conglomerate that creates, manufactures, and

sells sports footwear, apparel, and accessories. Their marketing strategy revolves around the Nike slogan "Just Do It," which has become synonymous with the company.

Nike's marketing strategy is built around a few important components. One of these is their emphasis on storytelling, which they employ to connect emotionally with their customers. Nike's advertising campaigns frequently feature athletes and other inspirational personalities, and they use these stories to motivate consumers to strive for excellence.

Nike's emphasis on innovation is another essential component of their marketing approach. Nike invests substantially in R&D, and this innovation is used to generate new and unique goods that fulfil the needs of athletes and other active consumers. This emphasis on innovation distinguishes Nike from its competitors and strengthens the company's position as a leader in the athletic footwear and apparel industry.

Nike also places a high value on brand collaborations and partnerships. They have worked with a diverse spectrum of athletes, celebrities, and designers, and these collaborations have helped to build the Nike brand and increase consumer awareness.

Nike uses a range of marketing platforms to reach their target demographic, including social media, television, and print advertising, in addition to these features.

They also use targeted marketing campaigns to reach specific demographics and engage with their customers on a more personal level.

Overall, Nike's marketing strategy is focused on building emotional connections with consumers, emphasizing innovation and product quality, and leveraging brand partnerships and collaborations to increase brand visibility. By using these elements to create a strong and distinctive brand identity, Nike has become one of the most successful and recognizable brands in the world.

4.3 Bandethub (not a registered company)

This company was founded by Mr. Yuvraj Dala and Mr. Arjun in February 2023 however, it's not a registered business yet. It used to sell anime merchandise like stickers, posters, action figures, and t-shirts. However, the sales were very low, and profit earned was only Rs 2000 in 20 days. The owner altered their business and started selling products which had either image, lyrics, symbols associated with famous Indian and international rappers as rap industry is booming in the present time. They sell fake VVS, diamond chains, fake luxury clothing etc.

The sales increased drastically and earned him a huge profit of Rs 45,000 profit in just 15 days. Among all his buyers, 65% were the fans of MC Stan (Indian rapper).

The owner of Bandethub has used concept of celebrity endorsement which is a type of advertising campaign or marketing strategy in which a celebrity's fame or social standing is used to promote a product, brand, or service or to raise awareness about an issue. Marketers employ celebrity endorsers in the hope that the positive image of the celebrity endorser will be transferred to the image of the product or brand. Celebrities are also used by non-profit organisations because their frequent media coverage reaches a larger audience, making celebrities an effective fundraising tool.

MC Stan is also the winner of Bigg Boss 16. Even though he did not contribute much to the show, he won because of his popularity.

5. RESEARCH METHODOLOGY

We used the paper survey method to collect the data for our research work. Our questionnaire had 15 questions to test the efficiency of the psychological strategies used for marketing. The survey was conducted on 150 people of Lovely Professional University. 100 people were in the age group of 18-23years and 50 were in the age group of 24-35years. The subjects were from different states of India as well as from other countries viz. Bhutan, Nepal, Bangladesh, and some countries of Africa. Out of 150 people, 35 were Muslims, 16 were Christians, 8 were Buddhists and 91 were Hindus.

5.1 Learning Objectives: to understand the credibility of the popular psychology strategies in influencing the consumer behaviour and to find out an innovative psychological strategy for the same purpose.

5.2 Materials Used: Consumer Behaviour Survey Questionnaire, pen/pencil

5.3 Procedure:

5.3.1 The survey was conducted on the subjects in the natural environment.

5.3.2 Rapport was built with the subjects by talking and assuring them that their personal details will remain confidential. The survey was conducted only on those who agreed for the survey. No body was forced or requested for it.

5.3.3 Before beginning the survey, following instructions were given to the subjects:

5.3.4 The purpose of the survey is to understand the consumer behaviour. As this is not an intelligence test there are no right and wrong

answers. There are 15 questions, and every question is mandatory to attempt. Choose the option which is the most appropriate according to you. Give the first natural answer as it comes to you. There is no time limit."

5.3.5 Subjects started answering the questionnaire after the completion of the instructions.

5.3.6 After the completion of the survey, interpretation of the results was done.

5.4 Precautions:

5.4.1 Subjects were instructed to give honest answers to the questions instead of socially accepted answers as otherwise the survey will not serve its purpose.

5.4.2 All the ambiguities were cleared beforehand.

5.4.3 Confidentiality was maintained regarding the personal details of the subject.

5.5 Questionnaire:
CONSUMER BEHAVIOUR SURVEY QUESTIONNAIRE

Priya Kumari, Chundi Arun Kumar, Kanchandeep Kaur

Details of the subject
Name:
Age:.
Sex:
Country:
Ethnicity:
Idol:

Why do you think it's good to buy products from the brand that donate some proportion of their earned profit for social welfare?

1. Which of these subscription in a music app would you choose to buy?
   a. Only HQ music with ads = Rs 200
   b. Only HQ music without ads= Rs 300
   c. HQ music with podcasts and NO ads= Rs350

2. Which of these hypothetical brands will you choose as a trustworthy brand?
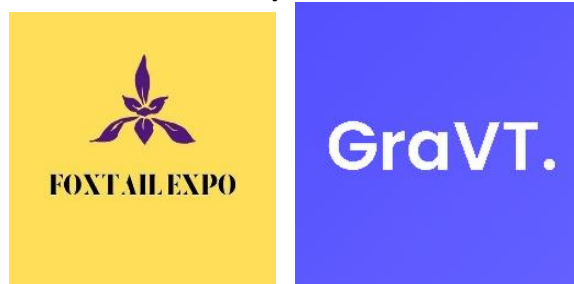
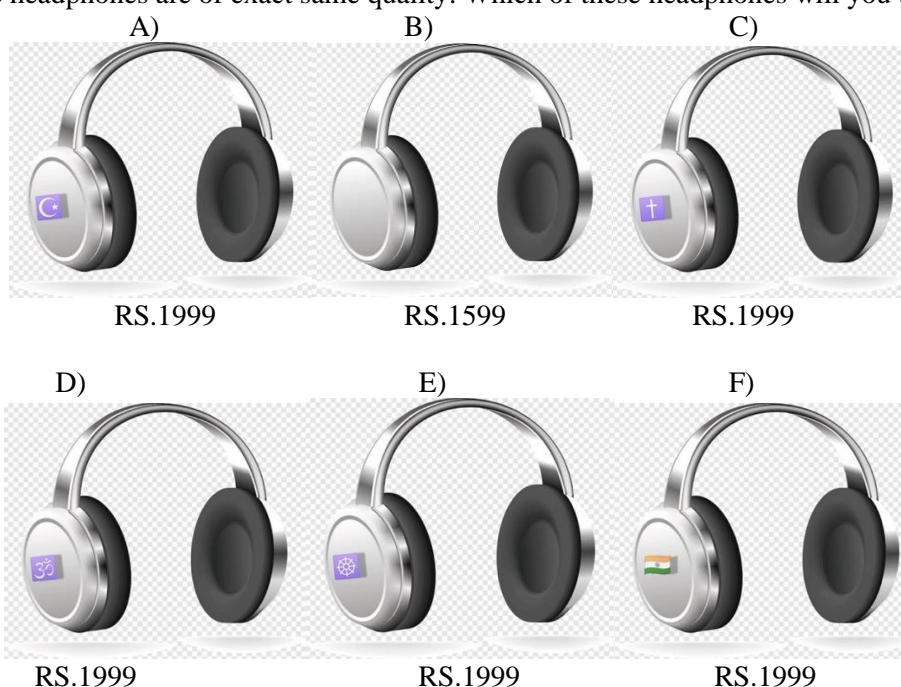A)   B)

3. Which of these statements convince you more for buying a product?

a. Buy it right now!   b. Will you buy it?

4. All of these headphones are of exact same quality. Which of these headphones will you buy?

A)   B)   C)
RS.1999   RS.1599   RS.1999

D)   E)   F)
RS.1999   RS.1999   RS.1999

5. 'Genius' and 'Scholar' are two brands of college bag. 'Genius' is a little better than 'Scholar' but 'Scholar' is offering a free pair of sunglasses. Bag of which of these brand will you buy?
a. Genius.   b. Scholar

6. Have you ever asked for a different brand of toothpaste by the name of 'Colgate'?
Eg: give me 'colgate' of Patanjali/Close-up
a. Yes.   b. No

7. Have you ever disliked a reel on instagram if it has less likes even though you liked the video?
a. Unconsciously   b. Deliberately.
c. Never

8. Have you ever bought a product which is of not much use to you but you bought it because everyone around you was buying it?
Example: buying fidget spinner because your friends have bought it.
a. Yes.   b. No

9. Which hair oil will you purchase?
a. Hair Therapy Oil: 60% of your price paid for the product will be donated for victims of natural calamity around the world
b. Natural Hair Oil: free hair spa at Natural Hair Salon centre

10. Does customized products or products with your name on it interests you?
a. Yes   b. No

11. Will you buy a product if it has picture of your mentioned Idol or their slogan/message/lyrics of their song or rap written on it even if the product is neither much attractive nor necessary for you?
a. Yes   b. No

12. Have you ever rushed to purchase a product, about which you were earlier unsure about buiying it, just because it is available for limited time period?
a. Yes   b. No

13. Have you ever indulged in the practise of collecting points or coupon of any brand in order to redeem some gifts promised by the brand?
a. Yes   b. No

14. 'GEET' and 'KIRAN' are two brands of water bottles.About 'GEET': There is a story behind launching this water bottle. I always used to forget to carry my water bottle while leaving for the college. So my mother used to run behind me to hand over my bottle to me. Last year I lost my mother. Her name was Mrs Geeta Devi. Since her death I have forgotten to carry important documents sometimes but never my water bottle that is how much I miss her. Through this product we aim to deepen the bond between a mother and a child.
About 'KIRAN': I always wanted to launch a product of my own today. I turned my dream into reality by launching this stylish water bottle 'Kiran'. As it is my first product I gave it my mother's name because she's my first love.
 Which of these water bottles will you purchase?
a. GEET   b. KIRAN

6.6 Scoring:
The scoring was done after the collection of the questionnaire from the subjects. The no. of people choosing an option was counted and compared with the options less chosen by the subjects. The number of people choosing an option represents the level of efficiency of psychological strategies used in marketing. The data is shown in the Table 1.

PSYCHOLGICAL STRATEGIES	SCORES	PERCENTAGE
DECOY PRICING	77	51.3%
CERTAINITY EFFECT		
EASE	92	61.3%
CONSENSUS	47 and 49	31.3% and 32.6%
DEFENCE	88	58.6%
BANDAWGON EFFECT	54	36%
CULTURAL INFLUENCE	56	37.3%
BENJAMIN FRANKLIN EFFECT	94	62.6%
BRAND LEARNING	92	61.3%
ENDORSEMENT EFFECT	81	54%
CELEBRITY ENDORSEMENT	62	41.3%
HYPERBOLIC DISCOUNTING	49	32.6%
GAMIFICATION	62	41.3%
STORYLINE		
'GEET'	79	52.6%
'KIRAN'	56	37.3%

Table 1

5.6 Results and Discussion:

The decoy pricing proves to be quite beneficial as it not only contributes to 51.3% sales of our target service but also provides bonus of 30% by the sale of the most expensive service. This proves that people find the target product/service to be more sensible because of the presence of the cheapest and the most expensive product/service. It also proves that if there's not much difference between your target product/service and the most expensive one, people might go for the expensive one.

Certainty effect is divided into Ease, Consensus, and Defence. With 61.3%, Ease proves to be quite efficient in convincing consumers to purchase more. People prefer simplified things over complicated stuffs in any case be it fonts or design, our brain balks at complicated things. It was proved by our small experiment in which we showed our subjects two images of hypothetical brands. People preferred "GraVT." over "FOXTAIL EXPO" only because of its clear font and simple background. Thus, startups should use readable fonts and simple yet creative designs for their logo and pamphlets. Simplicity is the key.

The question number 7 and 15 are representative of Consensus effect. With 31.3% and 32.6% respectively, this strategy doesn't prove to be efficient enough. However, it was discovered through our survey that the 7th question which was about disliking a reel because of it having less likes were true among only the subjects of the age group of 18-22years. this is due the fact that teenagers and young people who have just entered adulthood always tries to fit in.

Another category of certainty effect i.e., Defence proves to be quite efficient with 58.6%. although question number 9 represents the Defence effect, but we also need to focus on question no. 5. At the beginning of the questionnaire, subjects were asked to tell why it's good to buy products from the brand that donates for social work instead of just asking, is it good or bad to make them defend it even if they didn't care much about it in real life. Its effect was such that the subjects who chose the product offering a free gift (even when gift was not much appealing) over quality, didn't choose the product with an expensive free service of hair spa in the 9th question because they already defended at the beginning of the questionnaire.

Around 36% of subjects were influenced by the bandwagon effect. Most of them were between the age group of 18-22 years which shows that teenagers entering the adulthood phase are more prone to follow the crowd.

Cultural Influence is quite unique. Around 37.3% of people came under the cultural Influence. There was a tough fight between religious and nationalism feelings. However, extraneous variable played a major role here. We observed that many of the subjects either hesitated and looked at us before choosing an option in the 4th question or they first chose their religious sign and later crossed it and chose the neutral option. It is because they wanted to seem as open minded and not driven by religious or cultural prejudices. They tried to be socially correct. Thus, we can infer that Many people would prefer their religious or cultural significance in their private life while choosing a product.

Benjamin Franklin effect earned the highest percentage of 62.6%. In the 5th question the offer of free pair of sunglasses created reciprocity effect in the subjects. In simple words, when the company offers something for free customers tend to build liking for the product and brand. Like by receiving a free sample, customers feel obligated to the company and are more likely to develop positive feelings towards the brand.

Brand learning also proved to be efficient strategy for marketing with 61.3%. If startups create an innovative and a completely new product, they can get the advantage of first in the market. It can help them in making customers learn their brand. If can't create a new and innovative product, then use our innovative psychological strategy (mentioned below) or enhance your customer service to make customers remember your product.

Endowment effect (ownership) earned 54%. It proved to be a successful strategy. People from all the age groups had mixed reaction to it hence this strategy is not age specific.

Celebrity endorsement didn't please many subjects, but it did prove to be a good strategy with 41.3%.

Hyperbolic discounting (limited time) didn't prove to be an effective strategy. Only 32.6% of the subjects said that they were influenced to purchase because of limited time offer but majority of the subjects had not been influenced to purchase because of it.

Gamification was chosen by 41.3% of the subjects. In our conversation with the subjects who do get influenced by gamification claimed that it is quite interesting. They are satisfied with the rewards they receive, and they will continue to do it. Hence, it seems to be an emerging successful technique in near future.

The 14th question presents the storyline effect with two stories about 'GEET' and 'KIRAN' brand. Geet's story was more engaging and emotional whereas Kiran's story was quite simple. The Geet's story scored 52.6% and Kiran's story scored 37.3%. It shows that engaging and emotion stimulating story is important but even if the story is not much captivating it is still beneficial to have a story. It is because of the fact that it helps the brand to build connection with the customers. One of the subjects explicitly shoed his emptions to this question. He was really moved by the story of 'Geet'.

6. OUR INNOVATIVE STRATEGY
First, the start-ups should make their customers answer a small questionnaire of personality type for them. It would cause Benjamin Franklin Effect on the customers because asking this small favour from your customers will lead to the development of a positive attitude towards the company.

Use the result of your personality test questionnaire in the next step. With the help of the questionnaire, the start-ups will come to know about the majority personality type of their customers. Then they can use this data for styling their product accordingly. As aforementioned about the colour choice of the different personality types, this method can increase the sales of the product if the correct colour scheme is used and successfully, please the customers.

7. CONCLUSION
Understanding the psychology of marketing is essential for creating effective marketing campaigns that influence consumer behaviour. By understanding the key psychological factors that influence consumer behaviour, marketers can create campaigns that appeal to consumers' motivations, emotions, and memory. However, marketers must also be aware of the ethical implications of their campaigns and ensure that they do not exploit vulnerable consumers.

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