Cheatography

Revealing Principles of Human Behavior Cheat Sheet

by [deleted] via cheatography.com/2754/cs/9431/

Introduction

Before you jump into the tactical nitty-gritty of marketing, it's really helpful to understand how people operate … which is essentially what the entire field of psychology attempts to explain. Understanding some key principles of psychology can take your marketing from good to amazing, all because the right audience is reading and identifying with it.

Credit: http://blog.hubspot.com/marketing/psychology-marketers-revealing-principles-human-behavior#sm.0000xjbmp24bde8xvau11cj71wsop

1) Priming

Have you ever played the game where one person says a word, and the other immediately responds with the first thing that comes to mind?

That's kind of how priming works. You're exposed to one stimulus, and it affects how you respond to another stimulus. Psychology Today gives the example of two groups of people reading the word "yellow" followed by either "sky" or "banana." Because people have a semantic association between the fruit and its color, the "yellow-banana" group will recognize the word "banana" faster than the "yellow-sky" group recognizes "sky."

What's this got to do with marketing? Lots. Using subtle priming techniques, you could help your website visitors remember key information about your brand -- and maybe even influence their buying behavior

2) Reciprocity

If someone does something for you, you naturally will want to do something for them.

If you've ever gotten a mint with your bill at a restaurant, you've been the victim of reciprocity. According to Cialdini, when servers bring a check to their patrons without a mint, the diners will tip according to their perceptions of the service given. With one mint, the tip jumps up 3.3%. Two mints? The tip jumps "through the roof" to roughly 20%.

In your marketing, there are a lot of ways to take advantage of reciprocity. You don't have to be rolling in dough to give something away; it can be anything from a branded sweatshirt, to an exclusive ebook, to a free desktop background, to your expertise on a difficult subject matter. Even something as simple as a hand-written note can go a long way in establishing reciprocity. Just be sure you're giving away the free thing before you ask for something in return.

3) Social Proof

Most marketers are aware of this concept already, but it was too important to leave out from this list. If you're not familiar with it, social proof is the theory that people will adopt the beliefs or actions of a group of people they like or trust. In other words, it's the “me too” effect. Think of this like an awkward middle school dance -- few people want to be the first one on the dance floor, but once a few people are there, everyone else wants to join in. (Keep in mind, this desire to conform doesn't go away when you get older and less bashful about your dance moves.).

4) Decoy Effect

You'll often see this effect in pricing models -- one price point is intentionally included to entice you to choose the most expensive option.

In Dan Airley's famous TED talk, "Are we in control of our own decisions?", he describes an ad from The Economist outlining their latest subscription packages. Here's what they offered:

Online subscription: $59

Print subscription: $125

Online and print subscription: $125

Crazy, right? You could get the print only subscription and the online and print subscription for the same price. Why would they offer that? So he decided to run his own study with 100 MIT students. He gave them the pricing packages outlined above and asked which one they'd want to buy. When all three options were there, students chose the combo subscription -- it was the best deal, right? But when he removed the "useless" option (the print subscription for $125), the students preferred the cheapest option.

Turns out that middle option wasn't that useless after all -- it gave students a frame of reference for how "good" the combo deal was and enticed them to pay more for that deal.

So if you're looking to increase conversions on a landing page with two options, you might want to add a third. It could help increase the conversion rate of the option you'd ultimately want people to take.

5) Scarcity

Ever gone to buy airline tickets and seen a tagline that says “Only 3 seats left at this price!” Yup, that's scarcity (another Cialdini concept). This psychology principle goes back to the simple formula of supply and demand: The more rare the opportunity, content, or product is, the more valuable it is.

5) Scarcity (cont)

But if you want to properly use this principle, you need to be careful how you word it. If you approach the scarcity concept as if there used to be a ton of a product or service, but due to popular demand there's a few left, people will be very receptive. On the other hand, if you approach it from the angle that there are only a few products total, so get it now, the principle won't be as effective.

6) Anchoring

Ever wondered why it's so hard to resist a sale at your favorite clothing store?
Often, it has to do with anchoring -- people base decisions on the first piece of information they receive. So if my favorite store typically retails jeans for $50, but I find them on sale for $35, I'll be ecstatic. "I just got a crazy deal on these jeans," I'll think. I'll probably even buy them. But if my friend typically shops for jeans that are $20, she won't be nearly as impressed.

7) The Baader-Meinhof Phenomenon

Ever heard about a product and then start seeing it everywhere you look? You can thank the The Baader-Meinhof Phenomenon. It starts happening after you encounter something for the first time, and then you start noticing it cropping up in everyday life. Suddenly you see ads for the product every time you watch TV. And when you go to the grocery store, you happen to walk down the aisle and spot it. And all of your friends all have the product.
According to PS Mag, this phenomenon (also called "the frequency illusion") is caused by two processes. "The first, selective attention, kicks in when you're struck by a new word, thing, or idea; after that, you unconsciously keep an eye out for it, and as a result find it surprisingly often. The second process, confirmation bias, reassures you that each sighting is further proof of your impression that the thing has gained overnight omnipresence."

8) Verbatim Effect

According to a study by Poppenk, Joanisse, Danckert, and Köhler, people are more likely to remember the gist of what someone said, not the specific details. So when you attend a session on how to blog for your business, you're most likely going to remember details like "Have another person edit your work," not "Send a Google Doc three business days ahead of time to a peer so they can edit your work. Don't forget to use Track Changes so you know what you missed!" They called this the "verbatim effect." And it can have a huge effect on how your content performs.

8) Verbatim Effect (cont)

To begin with, people are spending less and less time actually reading online. According to data from Chartbeat, more than half of your visitors will spend less than 15 seconds on your site. So if people aren't reading your content and not likely to remember specific details, what's a marketer to do?

9) Clustering

People have a limited amount of space in their short-term memory. In fact, most people can only remember seven pieces of information (plus or minus two pieces in any given situation) at a time.
To cope, most people tend to cluster similar pieces of information together. For example, if you had a whole grocery list of random items, most people would tend to mentally group items into certain categories (dairy, grain, meat, etc.) to be able to better remember what exactly was on the list.
So when you're creating content, keep clustering in mind. How can you design and lay out your content to increase memory retention? One way to do it is by grouping similar topics together -- either under numbered bullet points or with different header sizes. Besides being much easier to scan, your writing will be much easier to remember and recall down the road -- especially if you're creating long lists of content.

10) Loss Aversion

Loss aversion means pretty much exactly what it sounds like: Once someone has something, they really don't like to lose it.
When Daniel Kahneman studied this concept, participants were given mugs, chocolate, or nothing. Then, they were asked to make a choice, they were give two options: If they were given an object, they could trade their objects, or if they were given nothing, they could choose one of the two items. The result? Roughly half of the participants who started with no items chose mugs, but 86% of those given mugs to begin with stuck with that item.
Moral of the story? People don't like to lose what they've already gained.
Though this could open up some semi-sketchy doors for certain types of marketers, loss aversion could have a significant factor in freemium products and increased product adoption. For example, you could ungate a feature for the free version of your product for a certain amount of time. After that time period is up, that feature could be removed unless you upgrade to becoming a paying customer.
While you certainly have to be careful how you play to this psychological need, loss aversion is a very important concept for every marketer to know..