

# LESSON 1 WHAT IS MARKETING PSYCHOLOGY?

Marketing psychology is concerned with understanding people's purchasing behaviour and applying that understanding to the advertising, marketing and ultimately the selling of products or services. In this lesson we unravel what marketing psychology entails and how it can best be understood.

## AN OVERVIEW

To begin with it is worthwhile attempting to define what is meant by marketing psychology. In simple terms, it can be viewed as the marriage of two words - 'marketing' and 'psychology.'

- Marketing refers to all the processes which go into advertising and selling a product or service.
- Psychology is the study of human behaviour.

As such, marketing psychology may be regarded as the study of consumer behaviour and application of that understanding to the sale of goods. In fact, it is often referred to as 'consumer psychology'. The American Psychological Association considers consumer psychology to be a special division or subdivision of organisational psychology.

For the purposes of this book, we'll stick with the term 'marketing psychology', but bear in mind that it is interchangeable with consumer psychology. You'll also encounter the term 'market research'. Market research is a part, but not all, of what those working in marketing

psychology may be involved in. It refers to the use of research tools and statistical analyses to study and interpret consumer behaviour.

Whilst some people who work in the field of applied marketing psychology may be qualified psychologists, others may have a background in marketing. Still others may come from a range of related fields such as advertising, retail sales, or even anthropology. Only those with a degree in psychology could call themselves psychologists, but psychologist or not, many people in the industry apply marketing psychology theory and methods in their work.

Now that you have a general overview into what marketing psychology is, let's take a look in more depth.



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### Suggested Task

Before starting, write on paper, 1-4 sentences, to explain what you think marketing psychology is?. Put the paper away and don't look at it until you are asked to.

## ROLES IN MARKETING PSYCHOLOGY

The types of job roles which someone working in the psychology of marketing may be involved in will often be dictated by the place of employment. For example, a psychologist working at a university may spend a good deal of their time conducting research into buying behaviour. Someone employed by a market research company may spend more time gathering data from questionnaires and analysing the information obtained.

Some of the different roles in marketing psychology include:

- Determining the demographics of the target market - age, gender, ethnicity, socioeconomic status, location, and so forth.
- Researching the types of products and services which might appeal to the target market.
- Applying principles of social psychology to get information to the target market.
- Researching consumer behaviour.
- Collecting data about consumer behaviour from questionnaires, surveys, observations, group studies and experiments.

People who use marketing psychology may be involved in helping businesses and services to look at the best ways to market their products, and how to apply psychological principles to the marketing of their products. Individuals, small business owners, and others wishing to

sell a product or service can also use the principles of marketing psychology to improve how they reach their intended market and make sales.

## QUALIFICATIONS AND JOBS

Skills and knowledge in marketing psychology has literally hundreds of applications. When you strip it right back, all organisations that offer goods or services rely on attracting potential customers, and some form of transaction with another person - whether a car sales yard, a health centre, an online shop, a restaurant or any other business or organisation you can think of.

Every business or organisation will have to appeal to their target market to encourage them to purchase their goods or services, or to use the organisation in the desired way. This will require an understanding of the target market's needs, wants and desires, and how to appeal to them in order to entice them to engage, and ultimately to make a purchase. You can see, then, how important marketing psychology is to the survival and success of any organisation.

Larger organisations may have a whole team of people dedicated to marketing psychology, other small businesses may utilise one person who has knowledge in many areas of business, including marketing psychology.

Most positions that exist in an organisation, whilst not necessarily directly related, will benefit from a worker with a background in marketing psychology.

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### Suggested Task

Was your understanding of marketing psychology different?

Write your own definition of marketing psychology.

## ADDITIONAL READING >>>

An understanding of demographics is important in marketing psychology. If you are not sure what we mean by demographics, please do some additional reading on demographics online. A useful search would be “demographics, marketing psychology.”

For example, consider a massage therapist working in a day spa. Their job may be to provide massage services to clients, however, with marketing psychology skills they will be able to bring added benefits to the day spa (and client), such as by upselling the client to a longer treatment, or a treatment that includes other services (such as a facial); getting the client to book a regular treatment; or engaging in the customer in a way that they feel that they are getting an extra special treatment and so will go away and tell their friends about it.

Marketing Psychology is also imperative in many other organisations that don't include the standard model of a customer purchasing goods or services. Marketing psychology is also useful for organisations such as charities – to gain financial support or to engage volunteer workers; public services, such as public libraries or public health services to gain patrons; political campaigns to gain support; big companies such as mining companies that are looking to influence the opinions of the public in order to achieve their goals; Universities and schools to gain students; and so on.

As mentioned in the previous section, people may come to marketing psychology from many different disciplines, education and experience. People will often come to marketing psychology from a background in either marketing or psychology. Marketing is intrinsically linked to psychology by its very nature, so students of marketing will generally have some grasp of psychology. Psychology has many different areas of specialisation, and marketing psychology is one of them. It encompasses several areas that a psychology student will study, so is a

natural progression for the student that has an inclination towards psychology in the business arena.

Whilst many people will gain an education in either marketing or psychology, or marketing psychology before entering the workforce, other people will learn as they go. For example, starting in a sales position, developing skills and moving into marketing psychology; or starting a small business, and realising that to succeed you will need to develop some marketing psychology skills and then learning more (whether formally or informally).



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### Suggested Task

Take a pause here and consider why you are doing this course. Consider -

1. Why am I interested in marketing psychology?
2. How do I intend to use what I have learned in this course?
3. Is there any particular area of marketing psychology I am interested in?

It is useful to be really clear on what you are taking the course for, then you can get the best out of it.



## APPLICATIONS OF MARKETING PSYCHOLOGY

There are many ways that an understanding of marketing psychology can be applied to entice people into buying products. Often, consumers are unaware of subtle forms of persuasion. One of the basic ways that marketing psychology has been used includes the positioning of goods in stores. For example:

- The floor designers in department stores place goods in vibrant displays so that customers have to walk past them when passing between departments.
- Food smells such as fresh bread or roast chicken in supermarkets and shopping malls immediately makes consumers feel hungry.
- Sweets and magazines are often placed near the checkout where children may pester their parents for them whilst waiting in a queue.
- Special offers are often stacked high at the end of aisles in full view.

Product placements on television are an example of how advertising can be used to alter people's perceptions about products and how they feel about them. If you see a product you are more likely to 'normalise' that product and accept it as part of everyday life. Brands can become part of social discussions and deeply entrenched within a culture.

One of the most influential was JB Watson who is widely known for his experimental work in behavioural

psychology but who also made a significant contribution to advertising and marketing. He left academia to work in advertising where he applied his theories in the 1920s and 30s. He believed that marketing goods depended more on appealing to the consumer's desires and stimulating their emotional responses than it relied on their ability to reason.

Watson also undertook rigorous market research and stressed the importance of doing so in order to understand the consumer, their needs and wants. He was also one of the first to explore brand loyalty through experiments in which participants were asked to test products blind - without knowing which brand they were. His other contributions to marketing psychology included the use of testimonials. At the time they were rarely used when advertising products other than pharmaceuticals but he was able to use them to stimulate emotional responses and develop brand appeal.

The modern usage of celebrities to endorse products is an example of how emotional response and testimonials have evolved. It is not just the product which is being promoted but also the feelings of success, status, beauty and attractiveness which go with purchasing the product.

These days marketing strategies also have to use social media to take advantage of their potential and existing market. Such strategies may be considered "trendy" for a while and can be used excessively - or at least until people become immune to them. Marketing cannot remain static. Changes happen much more quickly through the internet and trends come and go. It is therefore necessary for those in the industry to keep coming up with fresh ideas.

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### Suggested Tasks

Consider purchases you have made online and in a physical premises, list ways in which you think they have made use of marketing psychology. You may find it useful to consider things such as the -

- ◆ environment
- ◆ your senses - smell, sight, taste, hearing and touch
- ◆ advertising
- ◆ selling techniques used
- ◆ other things you noticed.

## ADDITIONAL READING >>>

Do an online or library search on the use of testimonials and endorsements in marketing. Particularly pay attention to comments on whether they work or not, and why.