



Marketing Research and Psychology of Advertisement
BS Psychology (VIII Semester)



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Tactics used for Compliance in the Markets

The underlying principles of gaining compliance in the markets.

1. **Social Validation:** We are generally more willing to comply with a request for some action if this action is consistent with what we believe person similar to ourselves are doing / thinking. We want to be correct, and one way to do so is to act or think like others. These are closely related to information social influence and conformity.
2. **Authority:** In general we are more willing to comply with requests from someone who holds legitimate authority or who simply appears to do so.



3. **Tactics based on Commitment and Consistency:** Once we have committed ourselves to a position or action, we are more willing to comply with requests for behaviors that are consistent with this position or action, then with requests that are inconsistent with that position or action.

Foot in the door technique: A procedure for gaining compliance in which requesters begin with a small request and then, when this is granted, escalated to a larger one (the one they actually desired all along).

Low ball technique: A procedure for gaining compliance in which an offer or deal is changed (made less attractive) after the target person has accepted it.

4. **Tactics based on Reciprocity:** We are generally more willing to comply with a request from someone who has previously provided a favor or concession to us then to oblige someone who has not. In other words, we feel compelled to pay people back in some way for what they have done for us.

Door in the face technique: A procedure for gaining compliance in which requesters begin with a large request and then, when this is refused, retreat to a smaller one (the one they actually desired all along).

That's not all technique: A procedure for gaining compliance in which requesters offer target person additional benefits to convince the shoppers before they have decided whether to comply or reject specific request.



5. **Tactics based on Scarcity:** In general, we value, and try to secure outcomes of objects that are scarce or decreasing in their availability. As a result, we are more likely to comply with requests that focus on scarcity than with ones that make no reference to this issue.



Playing hard to get technique: A procedure for gaining compliance by suggesting that an object is scarce and hard to obtain.

Dead line technique: A procedure for gaining compliance in which target persons are told that they have only limited time to take advantage of some offer or to obtain some item.

6. **Tactics based on Friendships and Likings:** In general we are more willing to comply with requests from friends or from people we like than with requests from strangers or people we don't like.

Ingratiation technique: A technique for gaining compliance in which requesters first induce target persons to like them, then attempt to change their behaviors in some desired manner.

Flattery: Flattery is an effective tool for gaining compliance in which we praise others in some manner. It does not have to focus on the recipient to be effective; compliments for person close to the recipients can also be effective.

7. **Other Tactics:** The marketers use various other tactics to convince their customers for buying products. Some are given below:

Putting others into a Good Mood: Putting others into good mood before making a request so that they are more likely to say yes to various requests.

Take with You and Use: Giving sample or products to take with them and use them by giving them confidence to try or return.

Pique technique: A procedure for gaining compliance in which target persons' interest is piqued (stimulated) by unusual request.



Market Segmentation



Market: A market is a group of potential customers with similar needs who are willing to exchange something with sellers offering goods or services—that is, ways of satisfying those needs.

Marketing: It is the process of satisfying customers' needs (in terms of products or services or both) with profitability.

Positioning: It refers to how customers think about proposed or present brands in a market. It is a realistic view of products or services.

Market Segment: A market segment is relatively homogenous groups of customers who will respond to a marketing mix in a similar ways.

Market Segmentation: It is a process of diving a big market of heterogeneous customers into submarkets of homogenous customers to easily conduct business and best satisfy customers' needs.

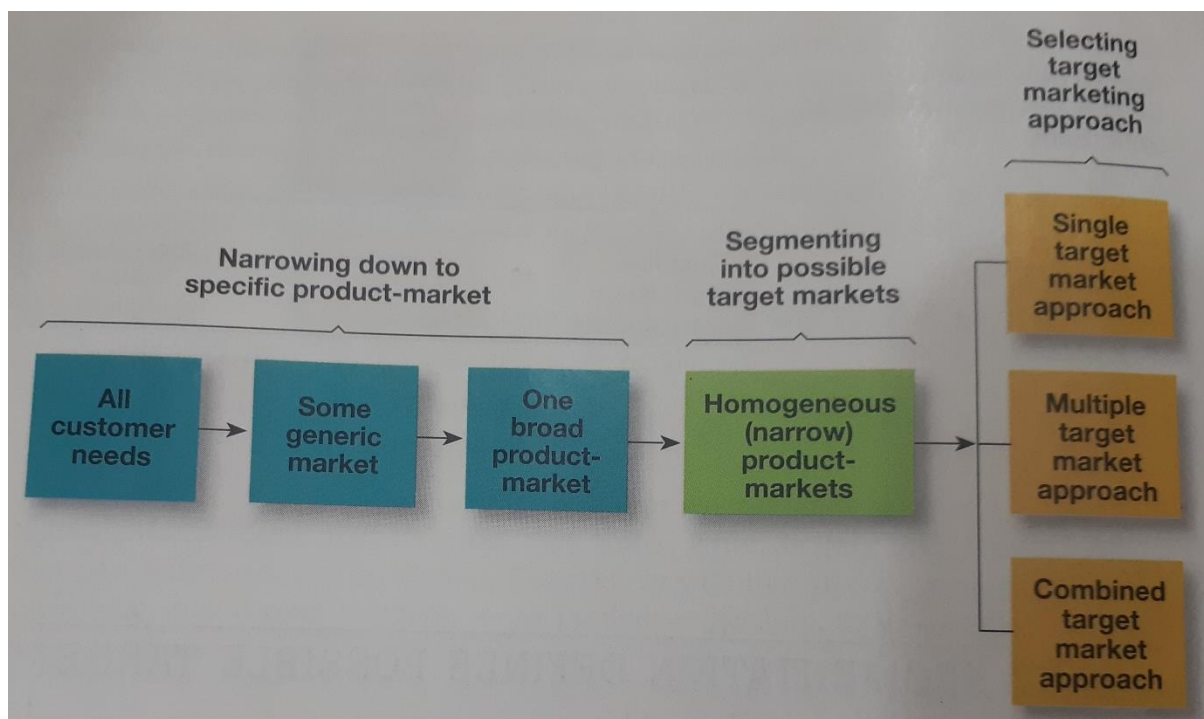
Criteria for Market Segmentation: Ideally, “good” market segments meet following criteria:

1. **Homogenous (similar) within:** The customers in a segment should be as similar as possible with respect to their likely responses on a marketing mix and the segmenting dimensions.

2. **Heterogeneous (different) between:** The customers in different segments should be as different as possible with respect to their likely responses on a marketing mix and the segmenting dimensions.
3. **Substantial:** A marketing segment should be big enough to be profitable for conducting the business.
4. **Operation:** The segmenting dimensions should be useful for identifying customers and deciding on market mix variables.

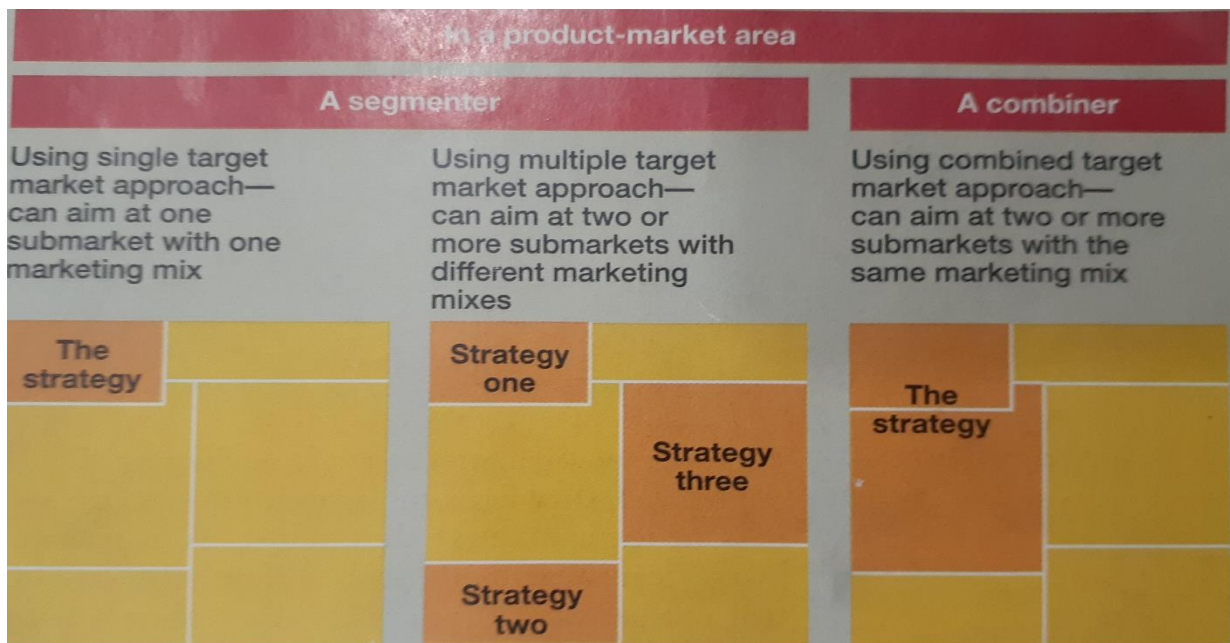
Approaches to Market Segmentation: Three approaches are usually used for segmentations.

1. **Single Target Market Approach:** Segmenting the target market and conducting business on a one homogenous segment (one group of similar customers).
2. **Multiple Target Market Approach:** Segmenting the target market and conducting business on two or more homogenous segments (two or more groups of similar customers), then treating each segment independently by applying different marketing mix on each segment.
3. **Combined Target Market Approach:** Combing two or more submarkets (segments) into a larger target market and applying one marketing strategy.



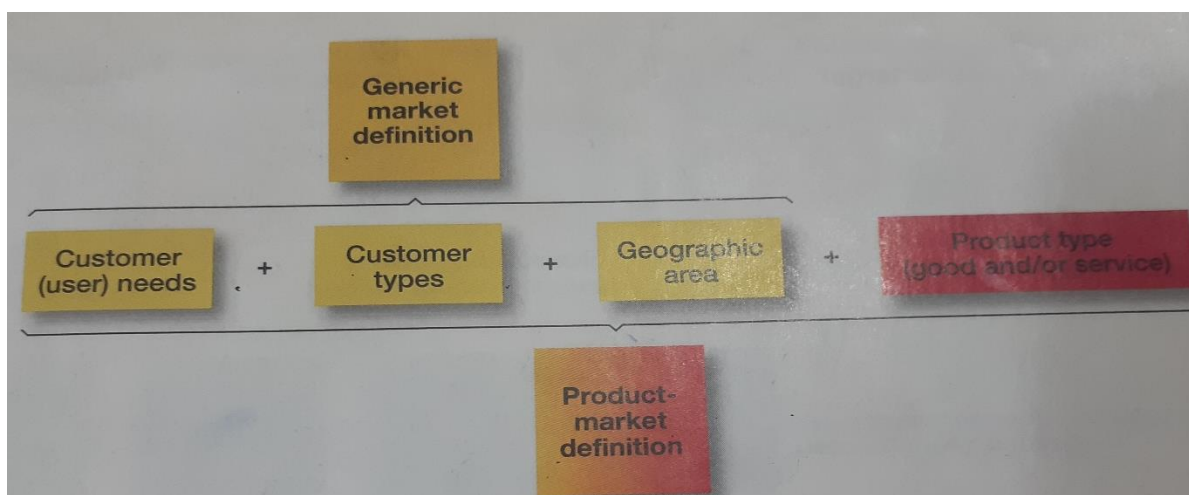
Segmenters vs. Combiners

1. **Segmenters:** They make one or more heterogeneous segments and apply different marketing mix on each segment.
2. **Combiners:** They try to increase the size of their business market by combining two or more market segments and conduct business with a same marketing mix.



Generic vs. Product Market Definition

1. **Generic Market Definition:** It focuses on customers' needs (users), customer types and geographic area.
2. **Product Market Definition:** It focuses on customers' needs (users), customer types, geographic area and product type.

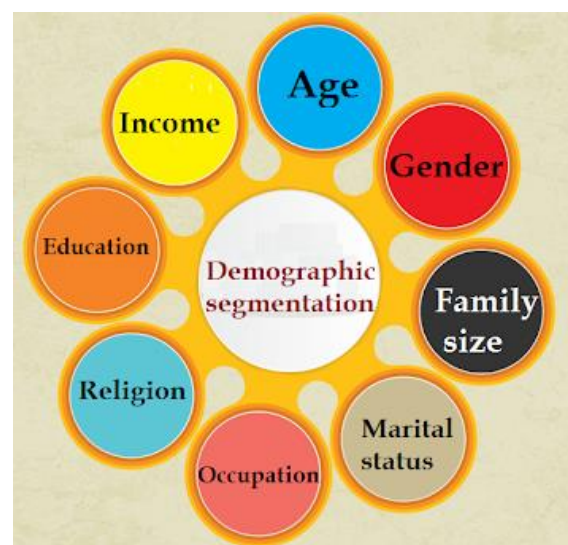


Types of Market Segmentation

1. **Geographic Segmentation:** Geographic segmentation divides the market on the basis of geography. This type of market segmentation is important for marketers as people belonging to different regions may have different requirements. For example, water might be scarce in some regions which inflates the demand for bottled water but, at the same time, it might be in abundance in other regions where the demand for the same is very less. People belonging to different regions may have different reasons to use the same product as well. Geographic segmentation helps marketer draft personalized marketing campaigns for everyone.



2. **Demographic Segmentation:** Demographic segmentation divides the market on the basis of demographic variables like age, gender, marital status, family size, income, religion, race, occupation, nationality, etc. This is one of the most common segmentation practice among marketers. Demographic segmentation is seen almost in every industry like automobiles, beauty products, mobile phones, apparels, etc and is set on a premise that the customers' buying behavior is hugely influenced by their demographics.

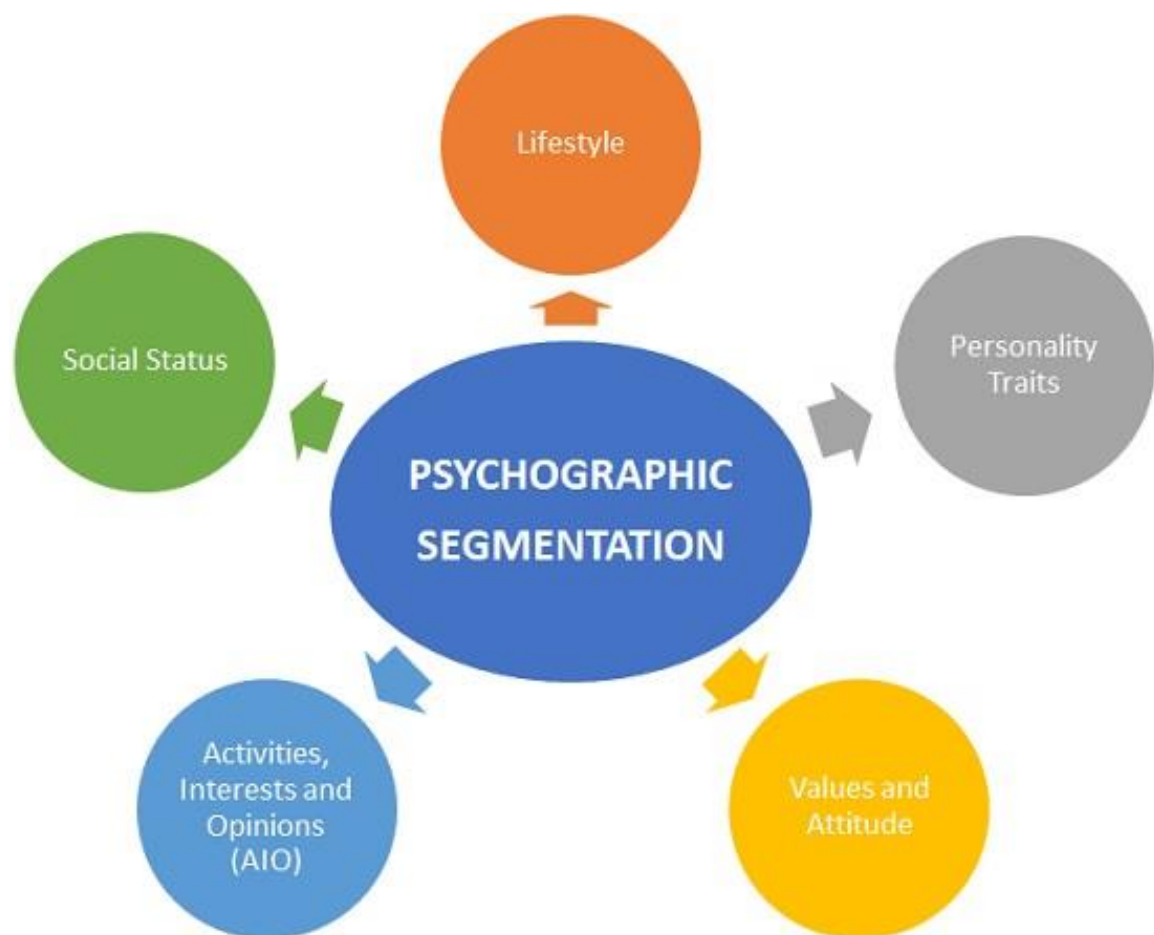


3. **Behavioral Segmentation:** The market is also segmented based on audience's behavior, usage, preference, choices and decision making. The segments are usually divided based on their knowledge of the product and usage of the product. It is believed that the knowledge of the product and its use affect the buying decision of an individual. The audience can be segmented into those who know about the product, those who don't know about the product, ex-users, potential users, current users, first time users, etc. People can be labelled as brand loyal, brand-neutral, or competitor loyal. They can also be labelled according to their



usage. For example, a sports person may prefer an energy drink as elementary (heavy user) and a not so sporty person may buy it just because he likes the taste (light/medium user).

4. **Psychographic Segmentation:** Psychographic Segmentation divides the audience on the basis of their personality, lifestyle and attitude. This segmentation process works on a premise that consumer buying behavior can be influenced by his personality and lifestyle. Personality is the combination of characteristics that form an individual's distinctive character and includes habits, traits, attitude, temperament, etc. Lifestyle is how a person lives his life.



PSYCHOLOGY OF ADVERTISEMENT

Who says? What? By what means? To whom?

Use of Emotions

- **Fear** is a very powerful emotion and nothing makes people more uncomfortable than fear. Advertising can use fear tactics to create an uncomfortable position or situation, then provide a solution manifested through a given product or service.

Example: One approach where fear is used is “the fear of missing out.” This approach can be identified by phrases such as “one day only,” “limited time only,” “only a few left.”

- Advertisements utilizing **fun and pleasure** show consumers having a good time and enjoying themselves, all made possible by a given product or service.

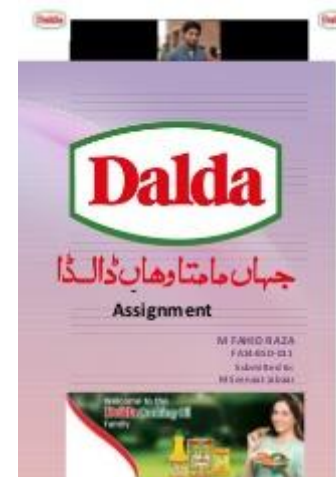
Example: The individuals in the ad are having fun, and the consumer is led to believe that they too will have a good time, but only if they purchase the product or service.

- Ads that feature **love** target consumers who want to provide for and take care of loved ones.

Example: Subjects of these ads are typically families, pets, newborns and mothers, or happy couples.

- Advertisements focused on **vanity** appeal to the consumer’s sense of well-being, pride, importance and relevance. Themes such as “the latest and greatest,” “you deserve,” new fashion trends and luxury drive this advertising. Society places significant importance on appearance and status, and by leveraging these themes advertising will drive awareness, interest and action for advertised brands.

Example: Industries that often use vanity include fashion, personal appearance, luxury goods, cars and more.



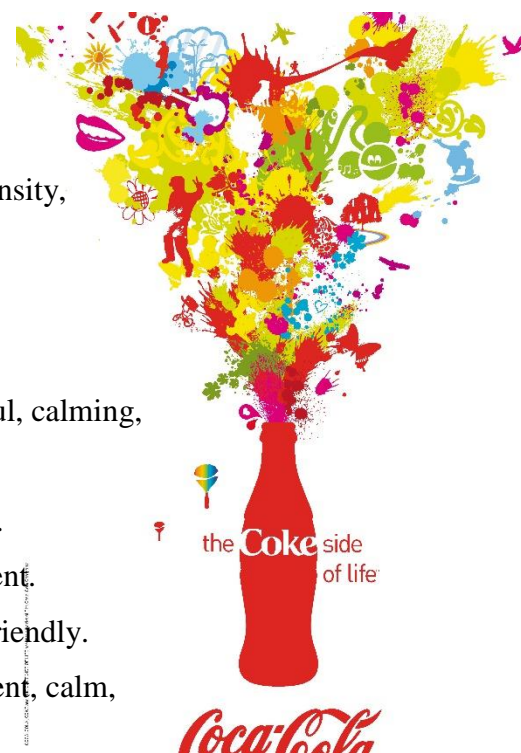
Use of Memories



- The ads are repeated to form the long-term memory of customers. Reminder ads are used to keep the memories of ads alive in the mind of customers.
- Previous memories of a brand of a company are used to form new memories “relearning” of a new brand of the same company.

Use of Colors

- Red: passion, energy, strength, love, power, determination, intensity, anger, excitement.
- Blue: depth, stability, wisdom, trust, confidence, calming.
- Yellow: energy, happy, warming, attention, aggravation, joy.
- Purple: wisdom, wealth, royalty, power, luxury, magic, powerful, calming, strength.
- Green: growth, health, harmony, safety, nature, calm, refreshed.
- Orange: enthusiasm, heat, success, creativity, warmth, excitement.
- White: purity, light, clean, sterile, innocent, spacious, cold, unfriendly.
- Black: power, mystery, elegance, evil, mourning, death, confident, calm, stable, mysterious.



Use of Personality and Authority

- Consumers feel they know these celebrities and believe if a product or service is good enough for the celebrity, then it is good enough for them.
- “Experts” in a given field, or representations of a given consumer group, will be cited as a reason a consumer should trust or buy a product. Ads will use phrases like “9-out-of-10 doctors recommend”, “4 out of 5 dentists suggest”, or even “3 out of 4 moms trust” to drive consumer purchase behavior.

Use of Attention and Perception

- The ads are tested on the ability to catch “selective attention” instead of divided attention. Thus ads are made attractive, unique, attention seeking and adventurous.

- The content of the ad is tested on the merit of “true perceptions” in which the customers perceive that same thing which the marketers intended them to perceive.
- Subliminal messages (below the objective threshold) are used to change or form the unconscious of customers. For example use of white color to show cleanliness motive in the ad of a medicine depicts a subliminal perception. These are hidden messages.
- Attractiveness is used for better recognition and inducing the feelings of familiarity which makes memorization an automatic processing.
- Music has attentional gaining value in ads. It can attract and hold attention.

Use of Persuasive Appeals

- Rational Appeals: Use of logic, reasoning, facts to convince customers.
- Emotional Appeals: Use of feelings, emotions, relationships and emotional messages.
- Humorous Appeals: Use of fun, excitement, humor and jokes to create positive impression of ad.

Use of Gender

- The selection of the models from men, women are both have importance in convincing customers.
- Consumers are more likely to believe in the health related messages from “male doctors” instead of female counterparts.
- Ads of household products usually contain female models but the male are included to show relationship satisfactions in partners and happy families.
- The ultimate beneficiaries of the products and services are mostly included in the ads.



Marketing Mix, SWOT Analysis and Types of Customers

Types of Customers / Consumers

1. **Seasonal Customers:** These customers visit markets in changing seasons for seasonal shopping.
2. **Need-Based Customers:** These customers only visit in the market when they have some need to buy something, otherwise they are not interested to visit markets.
3. **Impulse Buying:** They do not have any planning to buy products but all at sudden they make their mind to buy something.
4. **Window Shopping:** Mostly visit shops to collect information or for the sake of enjoyment. Sometimes they get motivated to buy some products.
5. **Discount-Driven Customers:** These customers only visit in markets which prices are low, discounts are offers and sales are started.
6. **Habitual Customers:** These customers repeatedly visit markets and they have good sense of buying behavior and they have good experience of market search.



Marketing Mix: 4Ps / 7Ps of Marketing

1. **Products/Services:** How can you develop your products or services?
2. **Prices/Fees:** How can we change our pricing model?
3. **Place/Access:** What new distribution options are there for customers to experience our product, e.g. online, in-store, mobile etc.
4. **Promotion:** How can we add to or substitute the combination within paid, owned and earned media channels?
5. **Physical Evidence:** How we reassure our customers, e.g. impressive buildings, well-trained staff, great website?
6. **People:** Who are our people and are there skills gaps?
7. **Process:** It's about managing the overall business?



Product	Promotion	Price	Place	People	Process	Physical evidence
<ul style="list-style-type: none"> • Quality • Image • Branding • Features • Variants • Mix • Support • Customer service • Use occasion • Availability • Warranties 	<ul style="list-style-type: none"> • Marketing communications • Personal promotion • Sales promotion • PR • Branding • Direct marketing 	<ul style="list-style-type: none"> • Positioning • List • Discounts • Credit • Payment methods • Free or value-added elements 	<ul style="list-style-type: none"> • Trade channels • Sales support • Channel number • Segmented channels 	<ul style="list-style-type: none"> • Individuals on marketing activities • Individuals on customer contact • Recruitment • Culture/image • Training and skills • Remuneration 	<ul style="list-style-type: none"> • Customer focus • Business-led • IT-supported • Design features • Research and development 	<ul style="list-style-type: none"> • Sales/staff contact experience of brand • Product packaging • Online experience

SWOT Analysis

A type of study undertaken by an organization to identify its internal strengths and weaknesses, as well as its external opportunities and threats.

Strengths	Weaknesses
<p>What do you do well? What unique resources can you draw on? What do others see as your strengths?</p> <ul style="list-style-type: none"> • We are able to respond very quickly as we have no red tape, and no need for higher management approval. • We are able to give really good customer care, as the current small amount of work means we have plenty of time to devote to customers. • Our lead consultant has a strong reputation in the market. • We can change direction quickly if we find that our marketing is not working. • We have low overheads, so we can offer good value to customers. 	<p>What could you improve? Where do you have fewer resources than others? What are others likely to see as weaknesses?</p> <ul style="list-style-type: none"> • Our company has little market presence or reputation. • We have a small staff, with a shallow skills base in many areas. • We are vulnerable to vital staff being sick or leaving. • Our cash flow will be unreliable in the early stages.
Opportunities	Threats
<p>What opportunities are open to you? What trends could you take advantage of? How can you turn your strengths into opportunities?</p> <ul style="list-style-type: none"> • Our business sector is expanding, with many future opportunities for success. • Local government wants to encourage local businesses. • Our competitors may be slow to adopt new technologies. 	<p>What threats could harm you? What is your competition doing? What threats do your weaknesses expose to you?</p> <ul style="list-style-type: none"> • Developments in technology may change this market beyond our ability to adapt. • A small change in the focus of a large competitor might wipe out any market position we achieve.

Brand Loyalty

Definition: Brand Loyalty

Brand loyalty is the loyalty or faithfulness which a customer develops for a brand. Brand loyalty is developed in the mind of a consumer after find the product or service useful. Brand loyalty is an important aspect of marketing as it helps companies build a strong brand and get the customers again. Brand loyalty is not simply rebuying the products but creating a positive brand image in the consumer's mind, who becomes a positive brand advocate.

Importance of Brand Loyalty

Brand loyalty is a **consumer behavior** which a customer develops over a period of time by repeated use of a particular **brand**, product or service. Customers who find their needs fulfilled and find the product having good quality, and high value proposition tend to become loyal towards a particular brand. This positive behavior towards a product or service is useful for companies as they become positive brand advocates and help spread a positive **word of mouth** about the brand. Consumers who develop a strong brand **loyalty** tend to become regular customers and also help their friends & family identify the benefits of the products & services that the have been benefitted by. Such is the importance for companies that they have **brand loyalty management** to ensure that customers get the correct value proposition offered. Good product quality, **brand awareness** and positive brand image contributes to building brand loyalty.

Brand Loyalty Factors

Brand loyalty is the positive probability that a satisfied customer would buy the same products or services repeatedly. Certain factors which influence brand loyalty amongst customers is as follows.

1.Product Quality: High quality products ensure high customer satisfaction which helps induce brand loyalty amongst customers.

2.Brand Image: A customer-friendly **brand image** which offers a consistent **brand equity** is a positive driver for making customers loyal towards a brand.

3.Percieved Value: The value offered by the brand versus the price paid is of importance. If the customer feels it has value, it creates brand loyalty in the



consumers mind. Value can be increased by a **loyalty discount** or a **loyalty program** by companies.

4.Switching Cost: If a cheaper option is available with a similar product quality, customers can switch their brand, and hence it is an important factor.

5.Availability & Service: Good products must be available when a customer requires it for creating **customer loyalty**. Also, good after sales service also adds value to a positive mindset.

6.Customer Psychology: Sometime brand loyalty is totally depended on customer psychology, where good products can have no loyalists and poor products can have a following.

Hence, all these above-mentioned factors help in driving brand loyalty amongst the customers.

Types of Brand Loyalty

Customers use products and tend to create an image in their minds. There are different types of brand loyalty amongst consumers about a particular product of service.

1. Hard-Core Loyals are those customers who buy the same brand over and over again & are strong brand advocates.
2. Spilt loyals is the type of brand loyalty where customers have a strong product preference and are loyal to 2 or 3 companies or brands only.
3. Shifting Loyals are those customers who keep moving from one brand to another
4. Swtchers is the type of brand loyalty where customers are not loyal towards any brand. They simply look for the cheapest or best or most effective product irrespective of the brand or company.

Advantages of Brand Loyalty

There are several benefits of brand loyalty, which works in the favor of both the companies and customers. Some of them are:

- 1.Brand loyalty gives an edge over competitors by a higher **brand recall**.
- 2.Creates positive **brand value** and word of mouth helps in positive marketing.
- 3.Customers are willing to pay a premium also for their brand.
- 4.Saves costs on customer retention and helps get new customers onboard.
- 5.More products under the same brand get popular with loyal customers.



Thus, brand loyalty is an important and integral part of **brand management** & marketing for any business.

Disadvantages of Brand Loyalty

Despite being a positive factor for a business, there are certain drawbacks of brand loyalty.

- 1.Sometimes companies become overconfident and start developing flaws in products or services, which impacts them later.
- 2.Too much brand loyalty amongst customers makes them blind towards better products at a cheaper price which are present in the market.
- 3.Companies with strong brand loyalty amongst customers often escape legal action for scandals.

Hence, this concludes the definition of Brand Loyalty along with its overview.

Marketing Research Designs

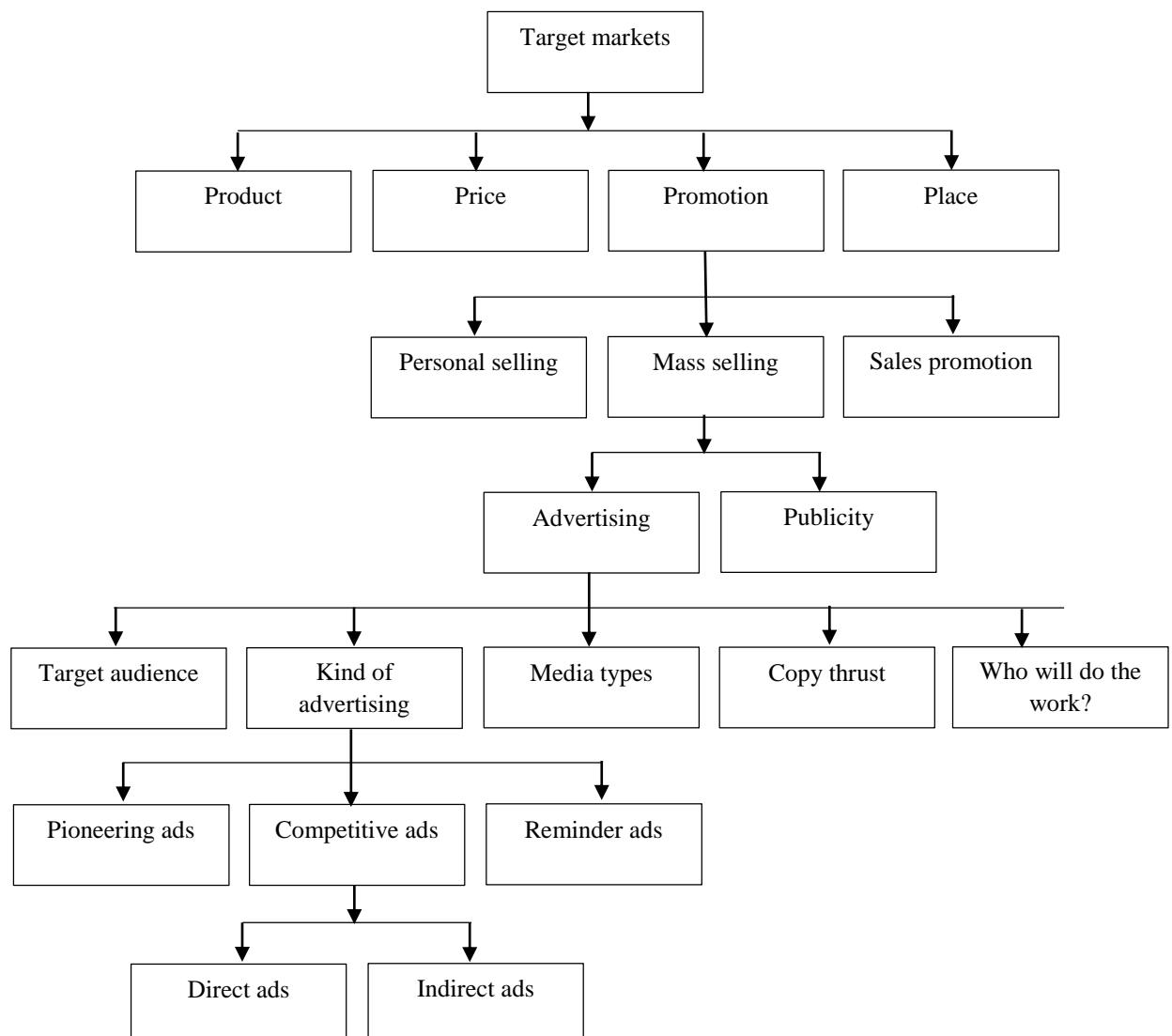
Method of Psychological Research	Explanatory Research	Observational Research	Survey Research	Experimental Research	Case Study Method
Selection Criteria for a Design	Theory building and explanation/creation of knowledge for the topics containing less or no information	For the study of actual behavior in actual settings without social desirability	Collecting data about public opinion in limited time through scales	Investigating the cause and effect relationship in controlled conditions more specifically in labs	For specific / special / rare participants In-depth analysis of a single case
Reliability	Less reliable Partial inter-rater reliability	Partial inter-rater reliability	KR-20 or Alpha reliability	More reliable	Reliability cannot be computed through statistics
Internal Validity	Low	Usually low however depends upon selection of an observational method	Low	High	High, however depends upon the expertise of the expert thinking a case study
External Validity	Low	High	High	Low	Low
Qualitative and Quantitative in Nature	Qualitative	More Qualitative In some cases of Quantitative	Quantitative	Quantitative	Qualitative However scales are also used for assessment

Use of Statistical Analysis	Manual calculations of frequency, use of chi square	Manual calculations of frequency, use of chi square or some non parametric tests	Use of tests for mean comparisons, correlations and predictions	Use of tests for comparison of mean scores	Not applicable
Requirement of Sample Size	Relatively small samples are required. This can also be conducted on archives without any sample of individuals	Relatively small samples are required for observation	Relatively larger sample are required	Relatively small sample are required	Based on investigation of cases
Social Desirability	Not socially desirable	Disguised observation is not socially desirable whereas undisguised observation is socially desirable	More socially desirable	Less socially desirable	More socially desirable if the investigator lacks expertise



Advertising and Sales Promotion

In the development of ads, the marketers answer to following questions including 1) who their target audience is (type of customers or consumers), 2) what kind of advertising to use (audio, print, electronic), 3) how to reach the customers (which type of media to use), 4) what to say to them (the copy thrust) and 5) who will do the word (firm's own advertising department or advertising agency).



Promotion

1. **Personal selling** occurs when a sales representative meets with a potential client for the purpose of transacting a sale.
2. **Sales promotion** is the process of persuading a potential customer to buy the product. Sales promotion is designed to be used as a short-term tactic to boost the buying behavior.
3. **Mass marketing** is the advertising or promotion of a product, good or service to a wide variety of audiences.
 - I. **Publicity** is the activity of increasing the awareness about a person, product or service and to grab the attention of the crowd. It is a way to project your company or a brand in front of the potential customer.
 - II. **Advertising** is a means of communication with the users of a product or service. Advertising is a marketing tactic involving paying for space to promote a product, service, or cause.

Kind of advertising

- a. **Pioneering ads** are usually done in the early stages of the product life cycle; it informs the potential customers about new company, brand of product.
- b. **Reminder ads** tries to keep the product name before public. It may be useful when the product has achieved brand preference.
- c. **Competitive ads** tries to develop selective demand for a specific brand. It is related to the competitive advantage of the brand on other brands. It consists of two types.
 - i. **Direct type** aims for immediate buying action
 - ii. **Indirect type** effects future buying behaviors

Target audience

The marketing manager decides who will be the target audiences (potential customers or consumers). The market segmentation best describes the targeted audience.

Media types

Television and cable, newspapers, direct mail, radio, yellow papers, magazines, billboards and internet can be used as media for ads.



Copy thrust

What the words and illustrations will be used in the ads? It is the job of advertising specialists but still marketing manager and advertising managers ensures that the job is done well. A guide to message planning is known as AIDA in which A (getting attention), I (holding interest), D (arousing desire) and A (obtaining action).

Who will do the work?

Some organizations have their own advertising department. However, most of the organization consult advertising agencies which are specialized in making ads.

