Research Paper

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Psychological issues in Marketing

Management

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ABSTRACT

Consumer psychology is difficult to understand but it is not an impossible task. The amount of emotional desire varies according to the product, but rational decisions vary according to circumstances. The study of consumers helps firms and organizations improve their marketing strategies by understanding such issues. All consumers are influenced by their learning experience. Experiencing first hand a product and brand help the consumer decide whether they will purchase again or not. If a consumer's image matches a brand's image, then their is an increase of purchasing. Many people are driven by self-expression and products that they identify with and support their individual self-expression. The psychology of consumer behavior and the factors that influence people to buy; range from physical stimulus to cultural influences. One of the biggest factors at play is social influence and it's increasing the way we search for information and purchase products. This means doing your homework, researching the consumer and writing a marketing plan.

INTRODUCTION

Psychology seeks to measure, explain and sometimes change the behavior of human beings. Psychology has the immediate goal of understanding individuals and groups by both establishing general principles. Those who have contributed to the learning of psychology in marketing do make continuous effort and research to update the field of knowledge. Consumers' attitude, personality, perceptions, emotions are the major contributions of psychological field in the marketing. Consumer psychology is difficult to understand but it is not an impossible task. It helps marketer in decision making and pursuing the target.

Human psychology is a fascinating science, not least because of the frightening discoveries about just how predictable our behaviour can be. Customers make decisions based on a large number of factors and although it is impossible to influence them all, successful marketers try to strike a balance between appealing to the emotional and rational sides to our personality. Humans are not completely practical, nor do they make decisions based solely on feelings. The amount of emotional desire varies according to the product, but rational decisions vary according to circumstances.

Behavior occurs either for the individual, or in the context of a group (e.g., friends influence what kinds of clothes a person wears) or an organization (people on the job make decisions as to which products the firm should use).

Ferrari don't have to try very hard to sell their products – these cars are almost entirely emotional purchases which appeal due to the power of their brand, the technical brilliance of the cars and an intangible value which varies from person to person. If the nature of your product is not particularly aspirational – you can increase this emotional appeal by carefully managing your brand.

MARKETING & PSYCHOLOGY

The study of consumers helps firms and organizations improve their marketing strategies by understanding issues such as:

- The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products, and retailers);
- The psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);
- The behavior of consumers while shopping or making other marketing decisions;
- Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;
- How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer; and
- How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.

FACTOR AFFECTING CUSTOMERS

The psychology of consumer behavior and the factors that influence people to buy range from physical stimulus to cultural influence. One of the biggest factors at play is social influence and it's increasing the way we search for information and purchase products.

Cultural Influences

Beliefs, values, rituals, and norms fall into the cultural category. The best example of this would be our culture's concern for the environment. The green sustainable movement has become a world-wide concern. Another example would be Kosher foods. For some cultures only eat kosher and organic is an important decision and this will drive their purchasing decisions.

Physical drives

Hunger, thirst, and other physically oriented needs drive consumers. Radio spot for restaurants or food brands are best during lunch hour while people are hungry.

Self Image

This is one of the biggest factors that influence consumers. If a consumer's image matches a brand's image, then their is an increase of purchasing. Many people are driven by self-expression and products that they identify with and support their individual self-expression.

Social Factors

Consumers seek to imitate people they admire and will buy the same brands as their favorite athlete, model, or actress. Not to mention, their friends. Social factors are on the rise with social media and word of mouth with like-minded acquaintances. This is why Facebook, Twitter, and YouTube are gaining more advertising support. They are able to target their exact style audience and influence them socially.

Learning

All consumers are influenced by their learning experience. Were the french fries exceptional at this restaurant or another? Experiencing first hand a product and brand help the consumer decide whether they will purchase again or not. In addition, consumers research out costs and weigh whether price and other factors to decide on their next purchase. Then, of course, they tell all their friends.

WAYS FOR MARKETING EFFECTIVELY

Your customers are not just limited to the people who buy your

product off the shelf – investors, distributors, retailers, and other stakeholders are also in this bracket. They need to feel that their investment is safe and will yield a return so you need to convince them too. This means doing your homework, researching the consumer and writing a marketing plan.

1. Understanding Customers
Getting to know your customers is the most important stage of marketing process. The more accurate your information and knowledge, the more effective you will be at selling. Use all the information at your disposal to understand customer's behavior, demographics, and requirements. This information should steer your major business decisions and allow you to write a marketing plan.

2. Marketing Environment Analysis
Knowing your customer is vital, but there may also be business opportunities which emerge as a result of changing global circumstances. For example, in recession budget brands such as camp sites or cheap food stores tend to flourish as people dial down their annual spending. Emerging technologies may make new products possible, and new legislation may shift consumers behaviors - a good example is the reduction in road tax for low polluting cars. Make sure you regularly 'scan' the external environment for opportunities (and threats).

3. Design your product around the customer
Once you have a marketing plan in place, you need to make sure your product or service is tailored to your customers - from the packaging to the way it is promoted. Entrepreneurs often fall into the trap of making the product they want to sell, rather than designing and presenting things in the way the customer wants.

4. Ensure you are smooth and efficient
The process of conducting your business is almost as important as the product itself - make sure delivery is quick, returns are dealt with courteously, your staff greet customers with a smile and a cup of coffee. Surprise and delight your customers by going above and beyond the call of duty for them. Word of mouth is a powerful selling tool and this is exactly the way to generate it.

5. Design advertising & communications
Placing a few ads just isn't enough to get noticed any more. Consumers are bombarded with hundreds of marketing messages every day of their lives and take less and less notice. You need to do something pretty special to stand out, so make sure your messages are clear and appeal to exactly the people you are trying to sell to. Use both emotional and rational arguments to demonstrate what you are selling and why they need it.



6. Strong Sales Team
Your staff are your most precious asset - look after them and give them the training they need to do their jobs well. From your receptionist to your salesmen, make sure they are motivated, have the tools they need and understand their role in the business plan. If everyone works together, your business will look after itself.

7. Pleasant Shop Front
Good presentation is a huge influencing tool; it generates trust, motivates your staff and makes customers comfortable with their decision. If your front of house is messy, what does that say about your warehouse or filing systems? Even if things are chaotic behind the scenes, never lower the standards of your customer facing areas

8. Appropriate pricing
Don't just set a price based on production costs plus a margin. Pricing is a powerful tool to achieve your goals - decide what you are trying to achieve and what message you're giving out by setting your price at a certain level. High prices mean you're likely to sell less, but can give the impression of a premium product. Low prices can allow you to break into or dominate a particular market, although this may mean low profitability in the short term. Ensure pricing is part of a greater strategy, and include this in your marketing plan.

9. Quick solution to Complaints
Every complaint is an opportunity to turn around a dissatisfied customer - respond quickly and positively. Remember your brand is easily damaged, and the last thing you want is for people to be actively spreading bad stories about your business. A complaint that is dealt with well can often result in a loyal customer, they will have refreshed trust in your brand and the confidence to buy again knowing that if things do go wrong they will be sorted out quickly.

10. Write a marketing plan
Develop your strategy in the form of a written marketing plan, as this will ensure all members of your business understand the company direction. The plan is a comprehensive and well researched document which covers all essential aspects of taking your products to the customer, including the points listed above. When developing the plan, ask yourself the following questions.

- Where are we now?
- Where do we want to be?
- What opportunities exist in the environment?
- How will we get there?

CONCLUSION
You don't need to be a psychologist to successfully market a product, but you do need to understand the decision making process and the emotional and rational factors involved. Strike the right balance and you will outperform the competition. Finally, we need to assess conditions (the marketing environment). For example, although we may have developed a product that offers great appeal for consumers, a recession may cut demand dramatically. Ensure pricing is part of a greater strategy, and include this in your marketing plan. A marketer should assume himself to be a psychologist when he is framing communication for the customers.

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