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Learn How To Increase Your Conversions From These 5 Consumer Psychology Studies

Understanding how the mind operates is an essential part of marketing and conversions, and always has been.

Today, we are fortunate to have benefited from professional psychological research studies that can give us a much better understanding of how people work, rather than using blind guesses and hunches.

People are very sensitive to taking all sorts of queues that affect their outlook on your product or service.

With this knowledge in hand (backed by real research), you will be able to prime people for positive actions, and increase your conversions in a consistent manner by tapping into the psyche of your potential customers.

What you'll be learning today largely fits into 3 distinct categories:

1. Why people who feel "connected" with your brand are better customers.
2. Why personalization & follow-up information are critical in getting people to take action.
3. How your price points effect conversions (and customer's perceived value of your products).

All of that with the research to back up the claims laid.

The best part?

You could be making these changes today to help increase your conversions rates!

So read on, check out the studies mentioned for yourself, and think about how you can incorporate these findings into your own business.

1. Community Participation Incentivizes Individuals To Take Action



People love to see specific examples whenever they are at a crossroads of making a decision themselves.

When attempting to sell a new idea, numerous studies suggest that when people feel connected to others who have already partaken in the new idea, they are more receptive to embracing the idea themselves.

Consider two studies [covered in the Wall Street Journal](#) that observed the effects of different signs in getting people to be more environmentally friendly.

When the hotel signs (located in-room) asked for customers to re-use towels using the generic message of “show your respect for nature by reusing towels,” not many people followed through.

When the signs read: “Join Your Fellow Guests in Helping to Save the Environment”, the study noted a 25% **increase** in customers re-using towels.

Lastly, when a follow up study was conducted, the researchers found that adjusting the sign to reference the specific room (i.e. “Over 50% of People In This Room Have Helped The Environment By Re-Using Towels”) had an even bigger benefit and resulted in even more customers engaging in the re-using of towels

The second study measured the effectiveness of different advertisements (public service messages hung on door knobs) in getting people to use less energy by using fans instead of air-conditioning.

The 4 different types of door knob flyers used were as follows:

1. Informed the customer that they could be saving \$54/month on their utility bill.
2. Told customers that they could prevent the release of 262 pounds of greenhouse gasses every month.
3. Encouraged customers that saving energy was a socially responsible thing to do.
4. Let customers know that 77% of their neighbors were already actively using fans to save energy.

Guess which ones performed the best?

That’s right, **the 4th option.**

Follow up meter readings found that the group who had been presented with the “everybody’s doing it” option (number 4) reduced their energy consumption 10% more than the control group, and more than 7% compared to each other group.

The moral of the story: people are influenced by peers and the actions of others, in instances like these, much more so than their internal assessment of what to do.

How to utilize this for more conversions

People love being connected to a group.

More than that, people love to know that they are doing the “right” things; things that their perceived group would approve of them doing.

When selling, you are likely selling to a very specific group of people.

You can utilize the above research by creating copy and sales pages and encourages people to think that their peers are already involved in the activity.

Why do you think that websites such as [Copyblogger](#) have large notifiers proclaiming that “Over 155,000 people get updates from Copyblogger”?

When people are informed that others are already partaking, it increases their desire to do so, whether because of peer pressure or because they want to set a good example themselves, knowledge of peers activity is a great persuasive tool.

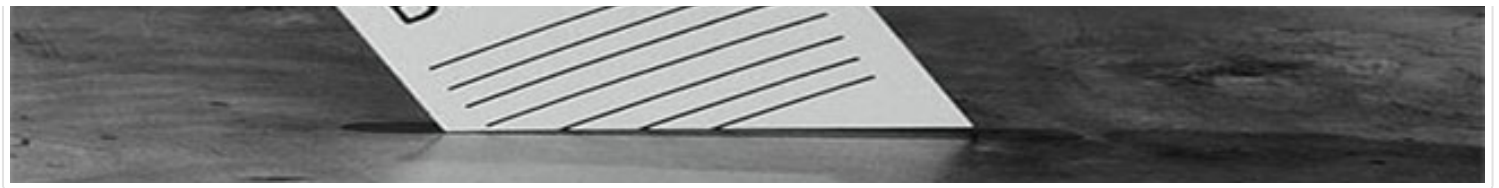
Be sure to inform your potential customers how big players in your field are already utilize either your products/services or the types of solutions that you offer.

For instance, if I were selling a new tennis racket made of some new material (work with me here...), I'd be sure to focus on the professional tennis players using this new type of racket, even if they weren't specifically using my brand.

The mere association of other players using it would be effective for many tennis players: they want to be where the action is, just like everybody else.

2. Invoking People's Involvement Into A Specific Social Group Increases Interest.





Most people would say that they don't like to be labeled.

Individualism is certainly a strong trait the many people believe in... or *think* they believe in.

Fact is, labeling & encouraging association to a specific social group has [shown to increase people's participation and interest](#).

The study conducted was on the voting patterns of adults, and how they reacted to being labeled based on their responses.

After being interviewed in regards to their voting patterns, half of the volunteers were told that they were likely to vote since they had been deemed more politically active, and the other half was not.

The results?

On election day, the group that was told they were more likely to vote had a 15% higher turnout than the control group (despite the fact that people were **randomly** told they were more likely to vote, and not told based on their responses).

When people were told that they were a part of a group, it affected their perception of themselves and subsequently affected their actions.

How to utilize this for more conversions

If I was selling athletic apparel, I would appeal to "Athletes who take their training seriously, like you."

More than that, I would engage the potential customer with the idea that his or her peers are already actively involved, and that they shouldn't get left behind.

“Over 70% of athletes now train in professional athletic apparel, designed to improve performance. Don't you need the best apparel for your training?”

The offered solution is obviously my products...

But what got the customer engaged was the information that others were already apart of this group that they inspired to be in.

My theoretical message is obviously very targeted: people who train in their old gym shorts could care less that other people are training in higher priced athletic apparel.

But aspiring athletes **would** care, they care enough about their performance that the information that so many others are already training in apparel built for athletes would affect their outlook on my offering.

In the end, people are far more receptive to your pitch of what is “right” for them if they know that their peers are already involved.

Nobody likes to get left behind.

Furthermore...

3. Calls To Action Are Only Effective If A Specific Solution Is Given.





Following up on the previous knowledge we gained about people's reaction to others perception of them, we also have to touch base with a study that proves that urgency only works when we give specific instructions.

As a tie-in to the above study, imagine if the door knob flyers hadn't offered a solution to using less energy (if you remember, they recommended using fans over air-conditioning).

Do you think that a lot of people would have done anything about their energy consumption?

According to [this study by Howard Leventhal](#), probably not.

The premise of the study was to see how people would react given a pamphlet that described the dangers of tetanus infection.

The control group received a pamphlet which described in details the great risk to one's health that tetanus posed, but didn't discuss much else.

The second group received a pamphlet with the above information, but also included info on how and where to get vaccinated.

The conclusion of the study?

If a call to action stresses urgency or fear (in this case tetanus), people will **block it out** unless they have specific follow-up instructions.

The second group showed a much higher sign-up rate for tetanus vaccinations than did the first group who had no instructions on what to do in order to get vaccinated.

Dr. Leventhal concluded that it did not take a whole lot of comprehensive information in order to have the second message stick (the instructions are getting vaccinated were minimal, but to the point).

He realized he simply needed some practical instructions that people could act after they had been informed of the urgency to get vaccinated for tetanus: people who did not have instructions demonstrated a **blocking of the urgent message** as a rare event that could not possibly happen to them.

The people with instructions did not have an excuse to brush off action as they had what they needed included in their packet of information.

Once the advice was more personal and useful, the message stuck much better.

How to utilize this for more conversions

As both studies have shown us, urgency is a great way to catch people's attention, especially when used in conjunction with the involvement in a group (and people's perceptions of their actions).

However, we've also learned that we can't just leave people out to dry after getting them aware (like a re-used towel? ;)), we must offer them instructions on what to do.

I think you can see where this is going with how you can better promote your product.

For instance, KISSmetrics informs you that you very well could be lacking an intimate knowledge of your users if you are using basic analytic services.

In essence, that you are not measuring what matters when it comes to your site.

That should be enough to catch your attention!

How do they follow through?

Take a look at the copy on the homepage:

Today is the day.

Make better business decisions. Identify, understand, and improve the metrics that drive your online business.

What's the call to action say? Get started now.

And what do we find below the screenshot of the product?

KISSmetrics is trusted by thousands of businesses just like yours.

A connection to a targeted group **and** a mention that many of our peers are already using KISSmetrics.

We've been primed to act with a sense of urgency, we've been given instructions on what to do in order to get started, and we've been assured that our peers already use the service for their own benefit.

Looks like the KISS team is doing things the right way.

4. To Create Repeat Customers, Personalization Is Key.



Small changes can have a big impact.

Anyone into web statistics and conversion rates understands this.

But did you know how much a small tweak to your post-sales follow-ups with customers can greatly improve how they perceive your company?

In a [study focused on restaurant tipping](#), researchers tested the effects of **giving mints** (a small follow-up) to customers after their check, and how this effected tips.

The control group obviously did not offer mints to customers.

The first test group included mints with the check when given to the customer, not mentioned by the waiter. This saw an increase in tips by 3.3%.

The second group did not change the amount of mints, and simply had the waiter offer the mints themselves (mentioned the mints, and brought them out by hand). This saw tips increase by 14%.

But they weren't done yet.

In the last experiment, the waiters would bring out mints to the patrons, then turn to leave. In only a few moments they would return, giving the customers yet another mint.

The results?

A staggering **23% increase** in tip amount.

The conclusions drawn by the authors of the study point to the follow-up and the perceived personalization as being the key components to the increase in tip amounts.

People like to feel good about recent purchases; post-check follow-ups and personalization allow them to do so.

How to utilize this for more conversions

This technique is obviously focused on repeat customers, but as you know, lifelong customers can add a lot more value to your business than one-off purchases, so you should pay a lot of attention to them.

So how can we apply this information to increase our chances of subsequent purchases from a paying customer?

As the study suggests, people love a follow-up after their purchase, and even the tiniest gesture of good customer care can pay you back with loyalty.

The waiters used simple mints after a meal; what could you do to follow up and make customers feel welcome?

If you can, offer something free without mentioning it at all.

“But if I’m going to be giving it away, shouldn’t I use it to entice people?”

The thing is, the follow-up freebie can be absurdly small in comparison to the purchase, as we’ve seen the effect that a mere mint can have after a full meal has been paid for.

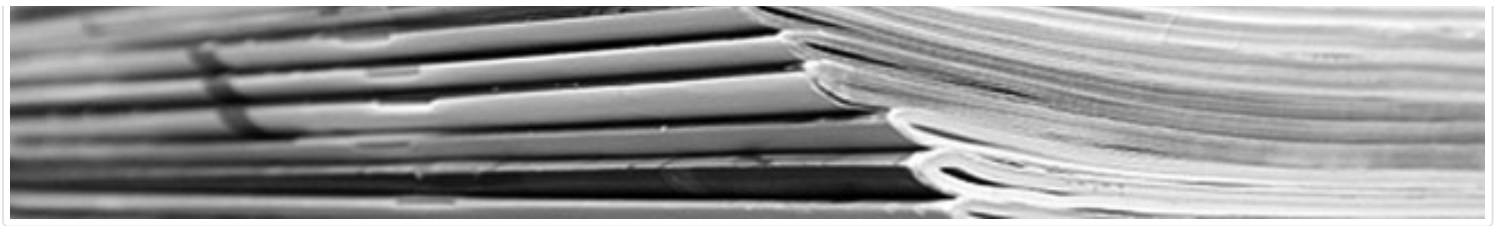
Offer free support for no extra cost, a free widget, a free guide, almost anything with some measure of quality will do as long as it is a logical follow up to the main purchase (you wouldn’t offer documentation or basic instructions for your product as a follow-up, people would expect that to be included and be put-off with you trying to tout it as an additional freebie).

This small token of your appreciation will lead to a vast improvement in the customer’s **perceived** experience, as the data of this study has proven.

Small acts can lead to big rewards.

5. Smart Pricing Options Can Turn Bargain Hunters Into Value Seekers





The negative effects that [too many choices](#) can have on conversions has already been discussed before.

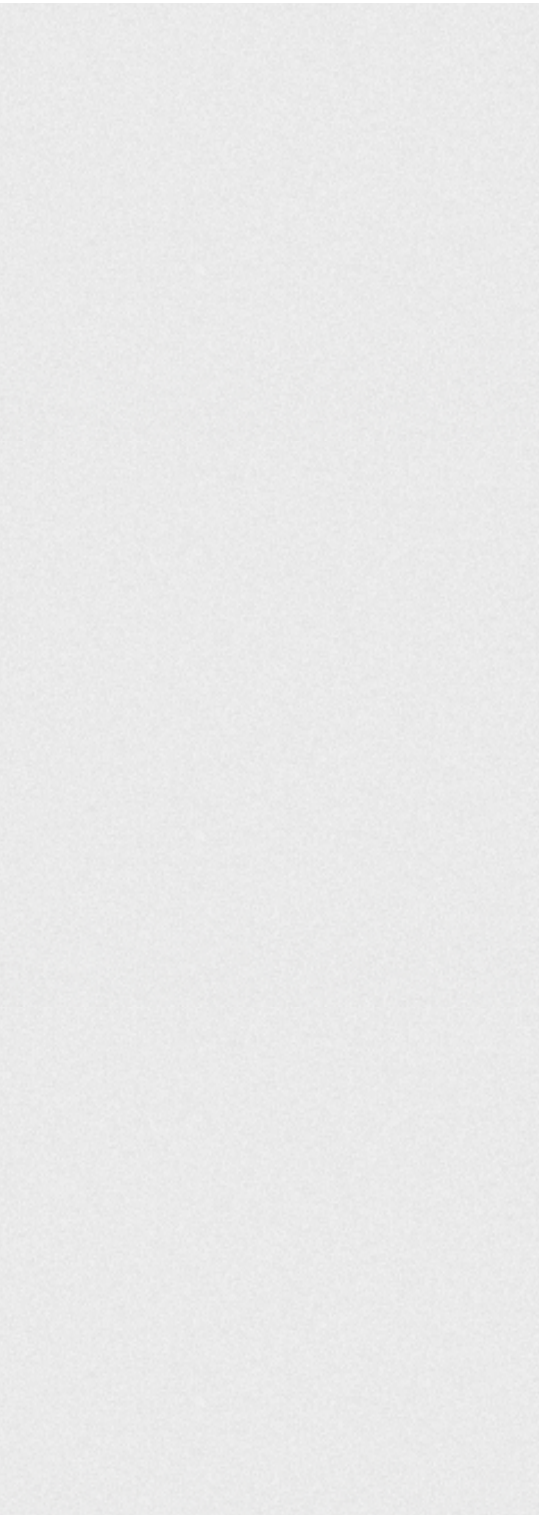
But did you also know that *having contradictory options* can also destroy conversions for higher priced options?

In a study related to [reason based choice](#), Dan Ariely used the pricing of a subscription to The Economist to test the effects of having a seemingly pointless subscription option among the two standard options.

What Ariely did was to conduct a test of preferred subscription options given 3 price points (with one “useless” price) and two price points (without the “useless” price).

In [this video talk Daniel explains](#) the 3 pricing options:

1. Web only subscription for \$59
2. Print only subscription for \$125
3. Print + web subscription for \$125



Now, the middle pricing package would seem to be the “useless” one: why would someone pay \$125 for a print only subscription when they could get the print + web for the same price.

But the truth was, it did serve a purpose.

As discussed in the video above, Dan explains that when given the 3 pricing options for The Economist, most people decided that **option 3** was the best deal.

However, when the print-only subscription option was taken away (the “useless” option), people thought that **option 1** was the best deal.

Why?

When they had 3 options to compare, most people subconsciously got stuck on comparing options 2 & 3, because of their similarity. Knowing this, 3 was deemed the best option because you got more for your money (option 2 was *never* chosen in these tests).

When there were only 2 options (1 & 3), customers started to overwhelmingly **persuade themselves** (68% chose option 1) that they might not really need option 3 (or the digital subscription) at all since the price points were so different, and they had no other package to compare it too.

How to utilize this for more conversions

Now, I wouldn't specifically say that you should go out and put a "phony" price point that you know people won't buy in order to increase conversions, but I will say that you need to be **very careful** when differentiating price points for different levels of products.

If you set the price point for your "basic" package too low, people will generally start to convince themselves that they may not need the additional features if they can keep their costs down.

However, when your pricing is done right, more people will opt for your higher priced goods for the bonuses and benefits that they offer, as we saw when people were convinced to go with the digital + print package.

A \$10 entry product and a \$200 standard product might have people opting for the \$10 product due to their own convincing that they don't need the added benefits.

On the flip-side, a \$99 entry product and a \$149 standard product may have people saying, "well, I'm getting so much more for not much extra cost, I should go with the bigger package."

Sometimes your pricing speaks to customers much more than you realize.

Over To You...

Now, obviously, these strategies are going to have to be tested, re-tested, and tested again to make sure that they suit your business and your unique offering (but that's what great tools like [KISSmetrics](#) are for right?)

You should see how your customer base responds to implementing the conclusions of the studies above, being sure to adjust if you find that certain tweaks to their implementation better suit your customers & audience (after all, that's what research and testing are all about!)

Before you go, I also wanted to also ask you... what examples from social psychology have you used to increase conversions in your business?

Thanks for reading!

About the Author: Greg is the author of [Sparring Mind](#), a blog that combines psychology, case studies, and content marketing and makes them play nicely together on WordPress.

Comments

[Add your own comment](#)

Kevin @globalfibernet

Dec 07, 2011 at 3:03 pm

I must admit, it's a lot to digest all at once. A simple '5 steps' discussion turned into an actual 'discussion'. That being said, it's truly valuable insight. One recommendation i would make is a follow-up post on specific ways to tie all 5 into specific scenarios...

i.e. your waiter reference.

1) near bottom of the cover of a menu= (In an effort to do our part for the environment, we are joining 27% of our customers who request tap water instead of bottled water.)

2) table tent on table (We'd like to thank our customers for their overwhelming participation in our satisfaction survey cards.) [of course, include survey cards with each bill]

3) sometime during the meal, prior to offering a dessert menu each server mentions that the chef spent a good amount of time that afternoon crafting and baking his 'signature' dessert...

4) don't want to tread on your mint example.

5) On the menu, include 'Chefs tasting menu' and a 'PreFixe Menu'

just IMHO...

[Reply](#)

Gregory Ciotti

Dec 07, 2011 at 4:03 pm

Thanks Kevin, I'm glad you were able to get some value out of the post.

Really like your follow up idea by the way, it's really creative and certainly something I will keep in mind!

[Reply](#)

Haithem

Dec 07, 2011 at 3:13 pm

This post is AWESOME, nuff said

[Reply](#)

Gregory Ciotti

Dec 07, 2011 at 3:53 pm

Thanks Haithem, I really appreciate it!

[Reply](#)

Romance Helper

Dec 07, 2011 at 7:51 pm

This was FACINATING! I love marketing...you think you know how you or the general public would react to something, but in reality the only way to figure out the psychology is by testing.

[Reply](#)

Gregory Ciotti

Dec 07, 2011 at 8:00 pm

Most definitely, studies are useful in allowing us to see results rather than relying on “hunches” for our marketing efforts.

Glad you enjoyed the post!

[Reply](#)

Vijay

Dec 07, 2011 at 8:24 pm

This post is really amazing. Fresh look (since I don't read too much psychology studies, which will change from now on) on the conversion increase.

I liked the sports apparel and tennis racket material ideas (it is more relevant to the client I am working with right now) and will be testing these tips immediately.

Hope to come up with some data to report how the test went.

Subscribing to your blog is the next immediate work for me :)

[Reply](#)

Gregory Ciotti

Dec 07, 2011 at 9:32 pm

Thanks Vijay, I'm sincerely glad you were able to get some value out of the post.

Thank you for your support & comment!

[Reply](#)

Igor B.

Dec 08, 2011 at 10:55 am

Good stuff Greg, this is really compelling and love the detail around the studies.

[Reply](#)

Gregory Ciotti

Dec 10, 2011 at 3:31 am

No problem Igor, I'm really glad you enjoyed the post.

[Reply](#)

Matt Shamus

Dec 08, 2011 at 12:31 pm

A ton to digest, but this is excellent and highly actionable info.

KISSmetrics – I'm intrigued by your guest post blog strategy and I think more companies should take advantage of it. I would bet it's your cheapest (\$ amount) customer acquisition channel. You're a model for this strategy and I think you'll see more and more people emulating this strategy.

Keep up the great work and thanks for the high quality content!

[Reply](#)

Gregory Ciotti

Dec 10, 2011 at 3:32 am

Thank you Matt, glad you enjoyed my post!

[Reply](#)

Marcellous

Dec 08, 2011 at 2:07 pm

By far one of the most actionable and useful post I have read over the whole internet. Funny thing was I just read to similar things over the last 24 hours so this post just confirm the value of the tactics taught.. will be putting them to use asap

[Reply](#)

Gregory Ciotti

Dec 10, 2011 at 3:33 am

Wow Marcellous, thanks for the kind words!

Glad you were able to get some value out of the post.

[Reply](#)

John

Dec 08, 2011 at 2:21 pm

Awesome article!

Thanks for sharing all this, great way of doing business!

[Reply](#)

Gregory Ciotti

Dec 10, 2011 at 3:35 am

No problem John, glad you enjoyed it!

[Reply](#)

Gail Rehbein

Dec 08, 2011 at 5:51 pm

This is a great post. You've brought the theory alive really well Greg. Thanks!

[Reply](#)

Gregory Ciotti

Dec 10, 2011 at 3:36 am

Thanks for the kind words Gail, glad you enjoyed it!

[Reply](#)

Peter dowse

Dec 09, 2011 at 1:45 am

This is by far one of the most interesting and useful articles I have read in 2011.

Marketers can learn from this and help their businesses to improve and grow....what more can you ask for?

Subscribing to the authers blog feed right now!

[Reply](#)

Gregory Ciotti

Dec 10, 2011 at 3:36 am

Really kind of you Peter, glad you enjoyed the post!

Look forward to seeing you around my corner of the web.

[Reply](#)

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