

# PSYCHOLOGICAL CATALYSTS FOR INCREASING MARKETABILITY – AN INDUCTIVE PERSPECTIVE

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*There are about a dozen paradigms which are amongst the basic indicators for defining the consumer's cognitive frame. These cognitive aspects become all the more relevant in today's modern era, which is blessed with so many complexities – from rising inflation to volatile stock market. The result is highly unpredictable consumer behaviour. The present research paper is an attempt to manage the imponderable consumer behaviour, by doing an in depth study on the various psychological parameters that could trigger increased positive consumer behavior, and thus increased marketability. The aim of this inductive research is to understand the link between various psychological determinants and the extent of their explicit impact as a catalyst to boost consumer interest in a product. Through the analysis, four major psychological catalysts have been identified as triggering positive consumer behavior, and have been ranked on their criticality, based on a variety of primary and secondary sources.*

*The research is inductive in nature and the research design incorporated a multi-agent simulation to analyze Case Studies of four major product categories which differed from each other in the complexity, targeted consumers and mode of advertising for the explanation building. Through the case analysis, an attempt was made to position all the emotional hooks used in various advertisements and draw inferences on their micro-impact on the consumer's cognitive framework. Finally, a comparative analysis of each of the four product categories is done to arrive at the conclusion regarding the criticality of the psychological catalysts for increased marketability.*

## I- Introduction

The local and global interface triggered by globalization has essentially acquired an emotive content, which is neither irreversible not inevitable. In the recent years, in response to countless known and unknown liabilities confronting business groups, various companies have started using implicit emotional hooks to act as

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purchase triggers for the consumers to buy in not only good but also inflationary times. The present study looks at the evolving concept of marketing, influenced probably to a large extent by the consumer psychology and the volatile global industry.

An insight into the consumer psychology would prove that there are certain predominant emotional hooks in every human being's cognitive framework. These in turn can be subtly, yet effectively manipulated to act as purchase triggers for successful marketability of various products. A thorough understanding of consumer behavior can play an important role in the development and implementation of advertising and promotional programs, as has been proven by George and Michael Belch in their treatise on "Marketing and Promotion" [George and Michael Belch, 2003].

The role of psychological determinants in motivating consumer behaviour is in fact pretty evident from the various advertisements used to instigate buyers despite rough inflationary scenario. Operating environment of the advertising industry is marked by not only increasing competition but also spiraling inflation. Under these circumstances, it becomes all the more important to explore new alternatives to catalyse consumer purchase in the most efficient manner. Research on decision process models has proven that marketers' success in influencing purchase behavior depends directly/indirectly on how the consumer's cognitive aspirations can be translated into tangible purchase criteria. [Peter Wright and Fredric Barbour, "The Relevance of Decision Process Models in Structuring Persuasive Messages", July 1975].

## **II- Theoretical Framework and Operationalisation of Concepts**

Consumer behavior can be defined as the process and activities people engage in when searching for, selecting, purchasing, using, evaluating and disposing of products and services, so as to satisfy their needs and desires [Eric N. Berkowitz, Roger Kerin, Steven Hartley, William Dudelius, "Marketing", 2000]. Both in theory and practice insight is limited about how and to what extent a consumer's subconscious invokes his/her buying decision. Nevertheless,

understanding the subconscious reasons behind a consumer's buying behavior can trigger far greater sales response than expected.

This paper is based on the theoretical framework suggested by Tao Zhang and David Zhang in their Agent Based Simulation of consumer purchase decision-making and the decoy effect [Tao Zhang and David Zhang, "Agent Based Simulation of consumer purchase decision-making and the decoy effect", 2007]. In this model, the authors reveal that it is the consumers' inner psychological motivational mechanism that combines various interactions in a competitive market. The theory states that the consumer behavior is defined by the following key aspects:

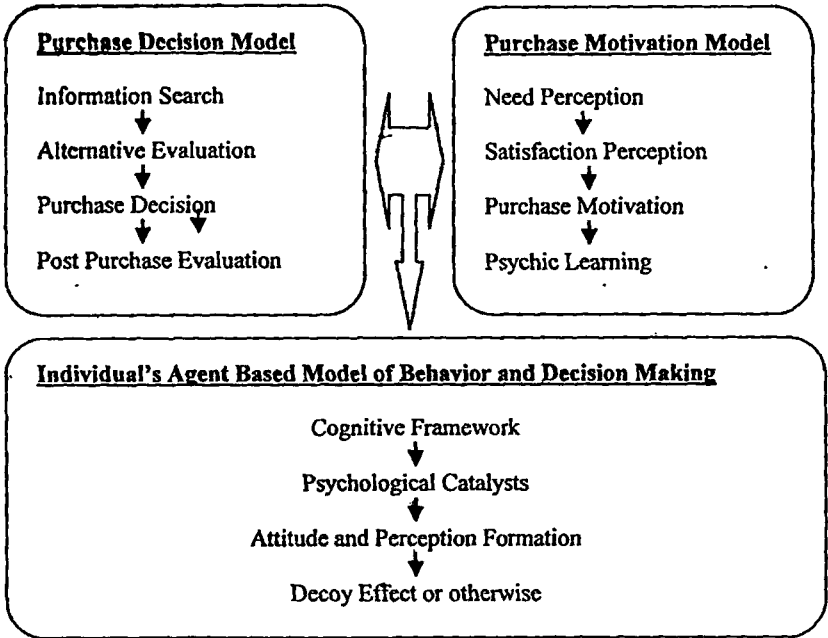
1. The purchase motivation model
2. The purchase decision model
3. The individual's agent based model of behavior and decision making

The authors claim that it is the inner psychological mechanism, guided by the above models, that guides consumers to make their choices when facing competing brands in the complex and dynamic real world business market environment.

### III- Psychological catalysts

The present research revolves around the operationalisation of the concept of psychological catalysts. These are nothing but subconscious devices, which when deployed, has the power to increase sales and response beyond expectation. These are also referred to as psychological triggers by Joe Sugarman in his breakthrough on "Triggers", 2006. Psychological catalysts can be used as a link to connect the Consumers' cognitive framework and advertising strategy used for better marketing communication. The present research reveals how the typology of strategic marketing activity in the advertising domain can get revolutionized through the use of the right psychological catalysts in the correct context.

### Theoretical Framework for Consumer Decision Making Process



As illustrated above, the model proposed suggests that the consumer's motivation and purchasing behavior is nothing but a function of the individual's cognitive framework and psychological catalysts applicable to that particular agent. The present research is thus, based on the theoretical construct of psychological catalysts, and the mechanism by which their potential can be efficiently harnessed to boost the sales of the desired product categories. It can also be proved that the attitude and perception formation as well as cases of decoy effect are the extended outcomes of psychological catalysts [Tao Zhang and David Zhang, "Agent Based Simulation of consumer purchase decision-making and the decoy effect", 2007].

#### IV- Plan of Study

The methodology used in the present research is multi-agent simulation to study the effectiveness of agent based model of consumer purchase decision making. The multi-agent simulation is used to study the psychological mechanisms of a large number of heterogeneous consumer agents within the designed market universe.

This simulation ensures that multiple and heterogenous perspectives are taken into account and connected with the patterns and processes of psychological interaction that are linked with carefully specified consumer behavior. Through the use of both qualitative and quantitative analysis, four major psychological catalysts have been identified as triggering positive consumer behavior, and have been ranked on their criticality, based on a variety of primary and secondary sources.

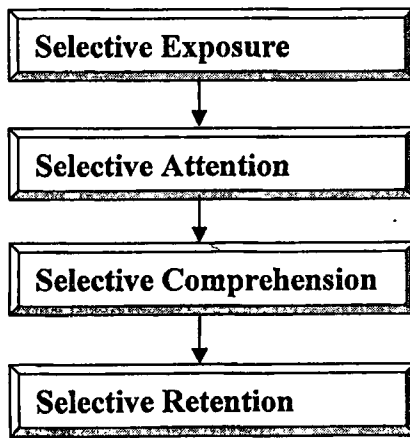
#### **V- Data Collection Strategies:**

As the research is based on multi agent simulation, the following marketing research methods were used to probe the consumer's mind for data collection:

1. **Survey:** An exhaustive survey of the various marketing strategies used for the chosen product categories was done to explore the explicit impact of the employed psychological catalysts.
2. **Questionnaire:** A questionnaire was constructed to capture the various advertising strategies used for the stated product categories. These were used during the course of in-depth interviews with the marketing executive of the chosen product categories.
3. **In-depth Interviews:** Face to face interviews were conducted to obtain insights into the consumer's motives, ideas and opinions.
4. **Projective Techniques:** These were used to project the consumer's cognitive framework upon some external object to enhance prompt identification.
5. **Association Tests:** Various techniques were used to check the consumer's response to various stimuli, presented in the form of advertisements.

The main objective of the methodology so employed was to filter out the psychological catalysts that played a major role in the selective perception process of the consumers. One study of selective perception estimates that the typical consumer is exposed to nearly 1500 ads per day, yet perceives only 76 of these messages [Jeffrey Ball, "But how does it make you feel?", 1999]. Hence, the data collection techniques were aimed to capture those psychological catalysts which were effective in the selective perception process.

## Process of Selective Perception by Consumers



**Universe:** As the research is inductive in nature, the research design incorporated a Case Study approach of the four major product categories which differed from each other in the complexity, targeted consumers and mode of advertising for the explanation building. The system boundary for each case was restricted to the particular product category.

**Sample Size:** For qualitative analysis, the sample size was restricted to 10 marketing strategies in each of the four product categories. The focus was more on the variety of psychological catalysts used, rather than on the number of strategies studied.

The psychological catalysts so filtered out were used to test their efficacy in subliminal perception to test if the trigger can hook a consumer even if it is below the level of conscious awareness.

### *Case Studies for the product categories:*

The present consumer behavior research used a case study approach to relate the consumer psychology with other domains like marketing, psychology, economics and engineering. The following four major product categories were selected for categorization as case studies:

1. Health Foods
2. Insurance
3. Beauty and Body care products
4. Electronic Goods

*Health Foods:*

A lot of brands from health food categories play on the psychological catalyst of **guilt**. For example, when an advertisement tells parents not to compromise on their child's health, future or wellbeing, its an implicit effort to hook the consumer by using the emotional hook of guilt. Similarly, Saffola in its earlier ads used **fear**, wherein the wife feared for her husband's health and hence switched to Saffola. Nevertheless, the ads that followed for Saffola used other positive emotions like **hope** and **trust** to compensate for the negative emotion used in the original ad. However, these psychological triggers for this product category can work successfully only when the product offers solid value and uncompromising stability.

*Insurance:*

Insurance brands are normally built on **hope** for a bright future. The ICICI Prudential Insurance, LIC and various other brands have been using this psychological catalyst often. **Fear** is also a big purchase trigger for insurance category. For example, when there's an ad where the wife thinks her husband has had a heart attack, when he's just taking a nap, its fear that is the catalyst being used to hook the target audience. However, its advisable to steer clear of this emotion, unless it's a manageable fear with an instant solution. This is because research shows that consumers tend to switch off if the message makes them too nervous. Hence, **humor** could be used as a good tool in conjunction with fear, as it disarms the consumer for a moment and enables the message to go through.

*Beauty and Body Care Products:*

Research shows that people who don't look and feel good about their looks are generally insecure and feel the need to look attractive. Most beauty and body care products from fairness creams to anti-ageing products play on this psychological catalyst of **insecurity**. All these product categories will tell the consumers that they can be more **confident** if they use these products.

*Electronic goods:*

Categories that have been hit by the economic slowdown will use **temptation** as a strong psychological catalyst, by making the

proposition extremely attractive. This could be accomplished by offering customers a chance to win gold coins, gold plated goods, airline tickets, and so on. In fact advertisers have started using more of a value game, where they've started playing with greed to attract customers. Benevolence has emerged as a popular positive psychological catalyst with the increasing focus on giving back to the society. Thus Idea Cellular shows its lead protagonist accomplishing something for the good of the nation and then portrays the satisfaction of a good deed done. The emotional selling proposition for Bharti Airtel has been its network story based on strong unbreakable bonds – admiration for its sharing and caring.

In the coming days, good old psychological catalysts like love, patriotism, honesty, courage, sharing, caring, protecting, admiration respect, hope will continue to be powerful purchase triggers. In addition, new contemporary feelings like empowerment, ambition and individuality will be layered over these.

#### **VI- Data Analysis and Interpretation:**

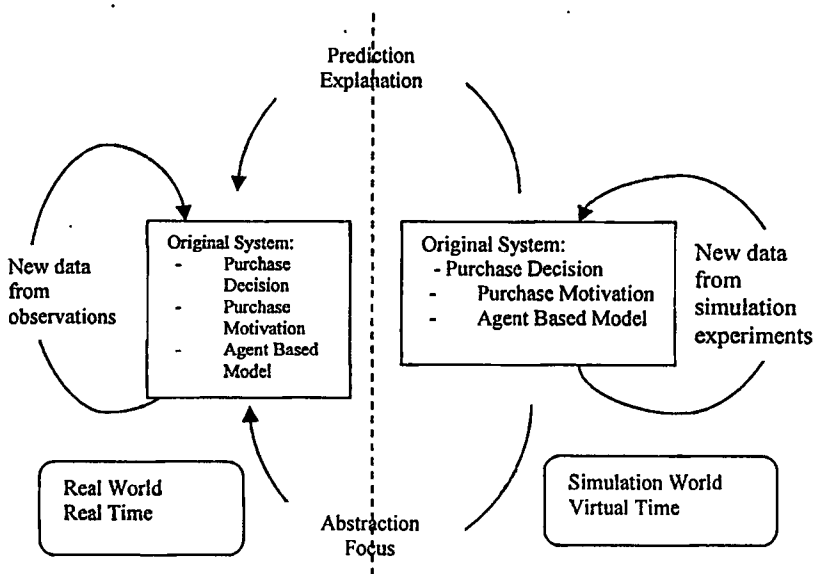
The data collection and analysis was done with the primary objective of ensuring granularity of elements for the multi-agent simulation is accurate. Since multi-agent simulation is a special case of micro-simulation, it is essential to consider smaller entities with distinct state and behavior. The following scheme was followed for the data analysis and interpretation (Franziska Klugl, 2004):

Following steps were involved in the simulation study:

1. Fixing the question on psychological catalysts to be addressed by the model
2. Operationalisation of the model concept on the cognitive framework
3. Model specification
4. Implementation
5. Calibration and bug fixing
6. Experiments
7. Analysis of results



## Data Analysis for the Agent Based Simulation



The validation of the simulation study was ensured through repeated tests of input-output behavior. The validation and verification of the study was ensured at every stage to ensure accurate reliability of the research. These stages were as follows:

1. The purchase motivation model
2. The purchase decision model
3. The individual's agent based model of behavior and decision making

Both within case and cross case analysis were carried out with respect to the purchase model, the purchase decision model and the individual's agent based model of decision making. An attempt was done to position all the emotional hooks used in various advertisements and draw inferences on their micro-impact on the consumer's cognitive framework. The following table was used to capture the relative criticality of psychological catalysts for each of the three models in the four product categories:

Table 1:

**Psychological Catalysts at various stages of Decision Making**

Product Categories	Purchase Motivation	Purchase Decision	Individual Agent's behavior
Health Foods	Perceived usefulness	Trust, Guilt, Hope, Feel good factors	Guilt, Fear, Anxiety about health
Insurance	Hope, goodwill, trust	Trust, integrity, fear	Worry about future
Beauty & Body care	Visual temptation, value proposition	Brand consciousness, trust	Insecurity, low self-confidence
Electronic Goods	Empowerment	Individuality	Temptation

A comparative analysis of each of the four product categories revealed that the criticality of the psychological catalysts for increased marketability can be easily deciphered from the individual agent's psychological model.

The descriptive statistics of the role of psychological catalysts in increased marketability of various product categories is elaborated through Table 2, 3 and 4.

Table 2:

**Correlations between psychological catalysts and sales growth**

Psychological Catalysts	Health Foods	Insurance	Beauty & Body Care Products	Electronic Goods
Guilt	64.11%	1.00%	10.00%	0.00%
Fear	61.98%	25.51%	34.00%	0.00%
Anxiety	56.31%	21.54%	45.00%	0.00%
Temptation	54.21%	1.23%	12.00%	12.00%
Trust	60.76%	13.24%	23.00%	10.00%
Hope	60.76%	10.00%	34.00%	2.00%
Individuality	11.58%	0.01%	12.00%	15.00%
Empowerment	9.89%	0.01%	56.00%	19.00%
Goodwill	5.35%	1.12%	18.00%	16.00%

**Table 3:**  
**Correlations between psychological catalysts and increased market share**

Psychological Catalysts	Health Foods	Insurance	Beauty & Body Care Products	Electronic Goods
Guilt	23.00%	0.01%	8.00%	0.00%
Fear	32.11%	30.00%	40.00%	0.00%
Anxiety	34.43%	32.00%	40.00%	0.00%
Temptation	21.21%	0.08%	12.00%	34.00%
Trust	18.76%	23.00%	26.00%	12.00%
Hope	15.89%	10.00%	32.00%	10.00%
Individuality	5.45%	0.00%	20.00%	20.00%
Empowerment	2.25%	0.00%	38.00%	17.00%
Goodwill	1.12%	2.00%	9.00%	22.00%

**Table 4:**  
**Correlations between psychological catalysts and increased profitability**

Psychological Catalysts	Health Foods	Insurance	Beauty & Body Care Products	Electronic Goods
Guilt	32.32%	0.01%	13.79%	0.00%
Fear	39.80%	10.00%	57.11%	0.00%
Anxiety	36.23%	12.00%	56.22%	0.00%
Temptation	21.21%	0.00%	7.00%	23.00%
Trust	11.11%	8.00%	45.00%	9.00%
Hope	20.00%	12.00%	34.00%	8.00%
Individuality	5.55%	0.00%	23.00%	16.00%
Empowerment	5.55%	0.09%	12.00%	7.00%
Goodwill	10.21%	7.00%	1.00%	15.00%

Five-point scale was used in the calculations, and the mean score and standard deviation so calculated clearly reveal the accuracy of the results obtained.

**Table 5:  
Descriptive Framework used for the analysis:**

<b>Psychological Catalysts</b>	<b>Mean</b>	<b>Standard Deviation</b>
Guilt	3.34	0.454
Fear	3.82	0.443
Anxiety	3.54	0.441
Temptation	3.36	0.567
Trust	2.86	0.565
Hope	2.70	0.876
Individuality	2.34	1.343
Empowerment	2.99	1.567
Goodwill	2.21	1.234

A regression analysis of the results obtained for each of the product categories proved that various psychological catalysts employed in various advertising strategies can boost marketability of the product, as illustrated through the increased profitability, sales growth and increased market share. Similarly, the steady standard deviation for the within-case analysis of the psychological triggers further confirms the accuracy of the data and results obtained during the course of the analysis.

The results of this research find ample evidence in the work done by various other scholars like Eric N. Berkowitz, Roger Kerin, Steven Hartley, William Dudelius, 2000; Leon Schiffman and Leslie Lazar Kannuk, 1991 and Robert Zajonc and Hazel Markus, 1982. The reliability and consistency of the results so obtained were verified not only through quantitative methods, but also through qualitative research.

## **VII- Conclusion**

### **Major Findings:**

#### **1. Psychological Catalysts and increased marketability:**

It can be easily inferred from the quantitative results obtained as well as the various qualitative studies done, that there exists a strong correlation between specific psychological triggers and their potential to increase marketability of various products. Our study has thus substantially supported the hypothesis that agent based model of consumer behavior can be effectively used to

positively trigger consumer behavior. Also, different psychological catalysts taken as independent variables affected different measures of increased marketability for different product categories.

## **2. Psychological Catalysts and the Decoy Effect:**

A careful consideration of the individual's agent model would prove that it is not only the specific attributes of the product that determine preferability, but also the psychological catalysts monitoring the individual agent's subconscious behavior. However, if this agent based model is negated and only the purchase decision model and purchase motivation model are considered (as is generally done), the resultant consumer behavior may be assumed to result in decoy effect or the asymmetric dominance effect, wherein consumers tend to have a specific change in preference between two options when also presented with a third option that is asymmetrically dominated, that is, it is inferior in all respects to one option; but, in comparison to the other option, it is inferior in some respects and superior in others.

An in-depth understanding of the specific psychological hooks for the targeted product categories can be of great help to easily decipher the assumed decoy effect.

## **VIII- Future prospects and theoretical insights**

Though the study has found a strong empirical support for the link between psychological triggers and increased marketability, these catalysts cannot act as independent variables in a real world market scenario. While this research has significant implications for improving advertising effectiveness, there are various other factors whose significance needs to be given due importance, like quality, value proposition of the product, packaging and brand building. The agent based model of simulation was successful in studying the effect of psychological catalysts as independent variables affecting marketability. However, in real business scenario, these psychological determinants do not act as independent variables, but act in association with various other factors that affect the consumers' price sensitivity and quality sensitivity.

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