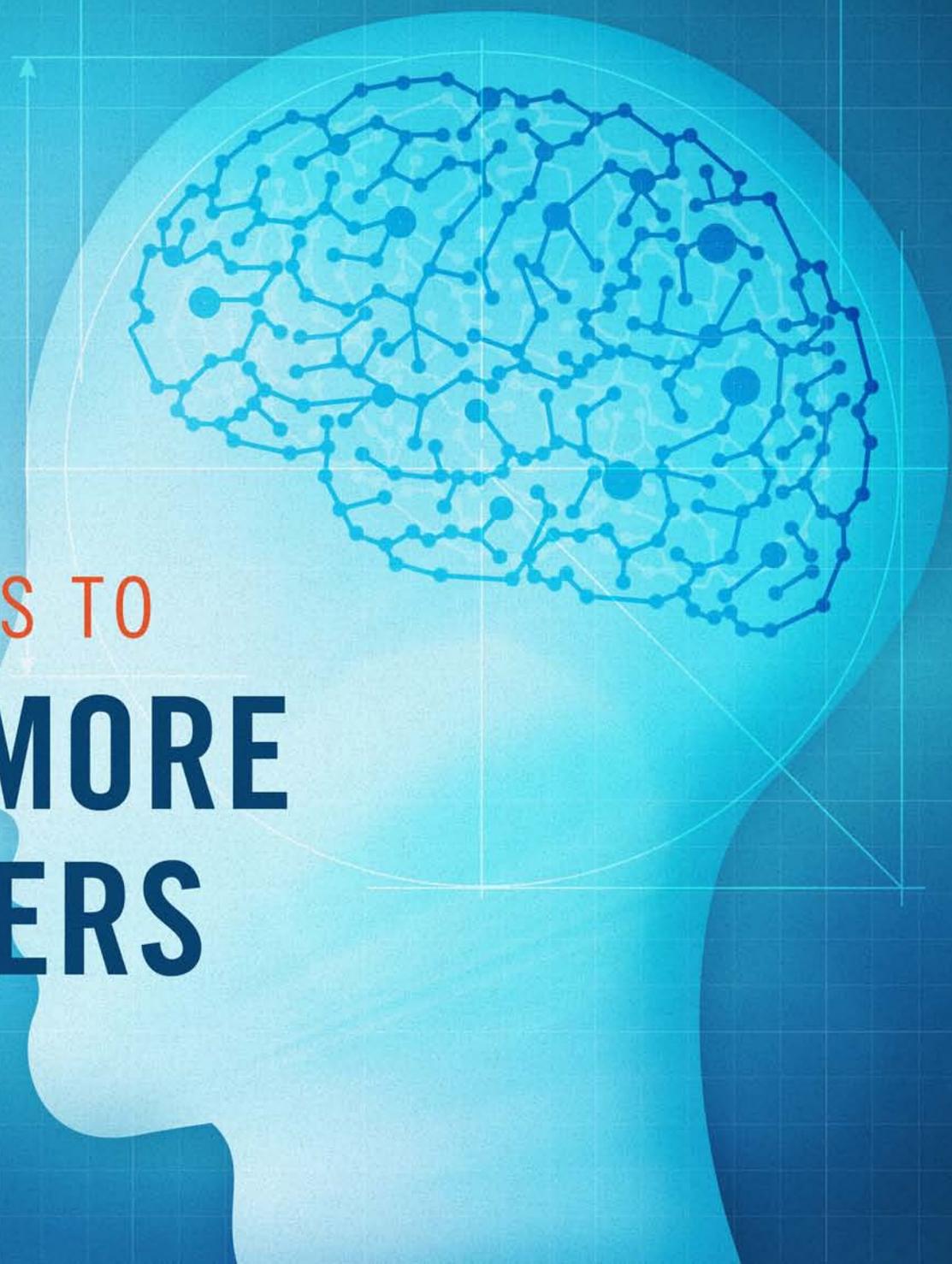


10 WAYS TO CONVERT MORE CUSTOMERS

USING PSYCHOLOGY



When it comes to converting more customers...

The secret to more sales is as simple as understanding just what your buyer wants (and expects) from your business.

Businesses often have *many* customers buying their products—or at least too many to get to know each personally. When that’s the case, what’s to be done? **The answer:**

Turn to rigorously tested research in social psychology.

We are all different, but in many instances our brains are prone to react in a similar manner, and understanding these subtleties in the human mind can help your business find creative ways to *ethically* move more buyers towards saying “Yes!” to your products or services.

This eBook includes 10 studies that reveal such insights into the minds of your customers. **Let’s dig in!**

1 Breaking Through “Action Paralysis”

We all know that small things make a big difference when it comes to copywriting. Interesting research by Dr. Robert Cialdini, Professor of Psychology at Arizona State University examined the donation process of the American Cancer Society, and how a minute change delivered drastically different results.

The research also reveals why it's important to analyze why people say “no,” rather than always looking at why they say “yes.”



THE STUDY

Below are two phrases used to wrap up a door-to-door donation request. Researchers tested the effect of the slight variation in wording.

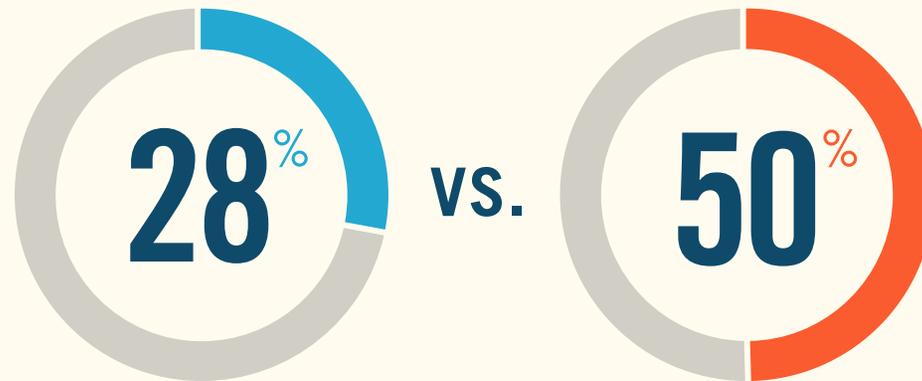
- 1 “Would you be willing to help by giving a donation?”
- 2 “Would you be willing to help by giving a donation?
Every penny will help.”

SUBTLE DIFFERENCE, RIGHT?

The wording may be subtle, but the resulting effect was drastic.

THE RESULTS

People who were asked the second variation were almost **twice** as likely to donate.



The researchers concluded:

People are more likely to take action when minimal parameters are set.

People may ask themselves if they have enough to donate and whether it will make a difference. By clarifying that “even a penny” could make a

difference, the second line makes the request more achievable for those considering a donation.

THE BEST PART OF THIS WHOLE STUDY

Donors were twice as likely to give in response to the second question, but the amount they gave did not diminish. Knowing that “even a penny” was enough still catalyzed them to give as much as respondents to the first question gave.



BOTTOM LINE

Implying that a small action is a good start will make people more amenable to making a move.

When making a request for people to take action, clearly identify a minimum in order to help people break through “action paralysis.”

2 Embrace the Power of Labels

You might think this refers to brand labels, but far from it. We are suggesting you label your customers!

Sounds like bad advice, right? WRONG!

Research has shown that people like being labeled, and they are more inclined to participate in their “group’s” message if they feel included.



THE STUDY

The study examined the voting patterns of 133 adults to see if labeling them had any affect on their turnout at the polls.



After being casually questioned about their regular voting patterns, half of the participants were told that they were much more likely to vote since they had been deemed by the researchers to be more politically active.

(This wasn't actually true; these people were selected at random.)



VS

The other half of the participants weren't told anything; they were just asked to describe their voting patterns.



UNLABELLED

THE RESULTS

Despite this random selection, the group that was told they were “politically active” had a 15% higher turnout than the other group!



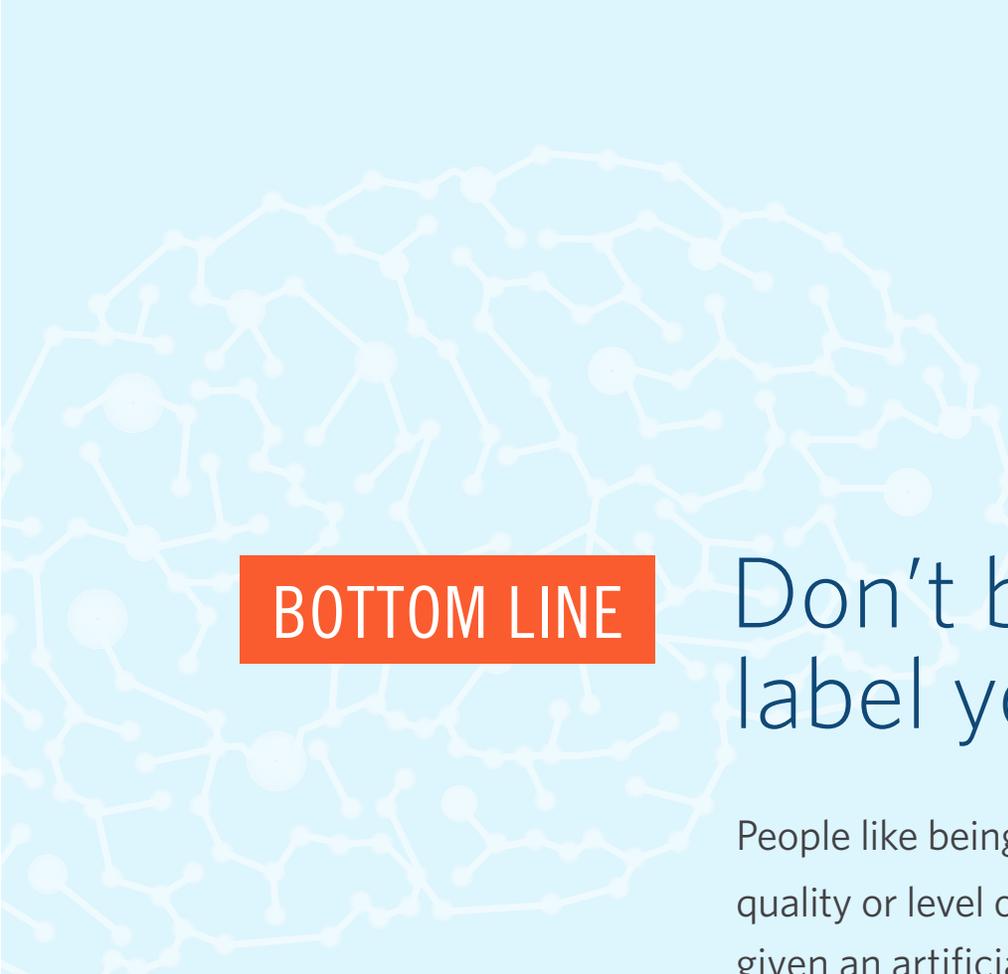
15%
HIGHER TURNOUT

Our brain seeks to maintain a sense of consistency (even if it's artificial), and this is why the [foot-in-the-door](#) technique works so well even on prepared minds.

We enjoy being consistent so much that even being told we are a part of a group makes us more receptive to it's message, as long as it's something we approve of (like being a responsible voter).

This is why “gold” or “platinum” status works effectively for a [customer loyalty program](#).

People who are labeled as “superior” customers tend to spend more, and those in the “regular” class aren't affected.



BOTTOM LINE

Don't be afraid to label your customers.

People like being part of groups that imply some superior quality or level of status that has their approval. Even when given an artificial reason, people tend to take action in order to feel they belong to an “elite” group of people.

3

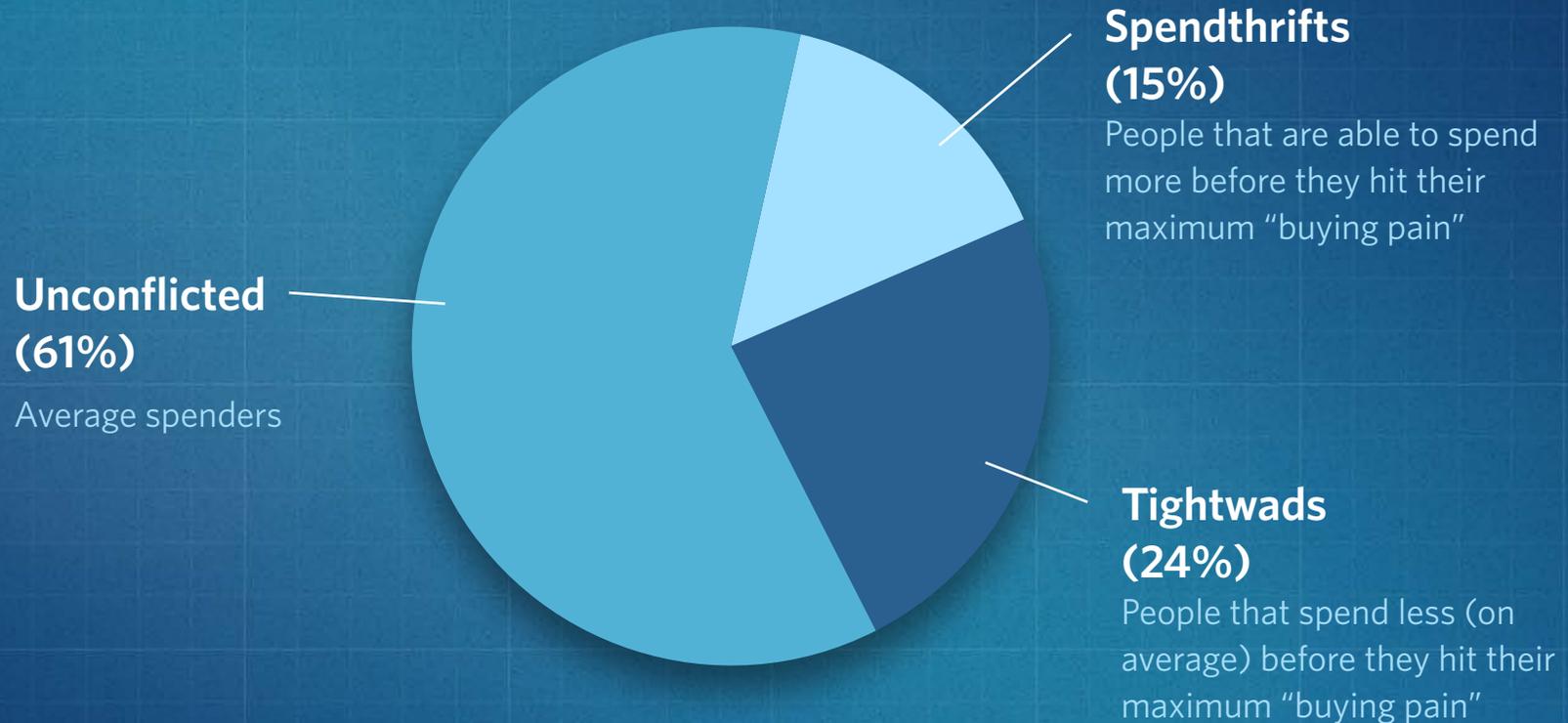
Understand the 3 Types of Buyers

No matter what industry you operate in, three groups of buyers can be characterized by the “pain” they experience when purchasing something.

Neuroscientists have defined human spending patterns as a process of “spend ‘til it hurts!,” so understanding these different levels of pain points is essential to maximizing your potential sales.

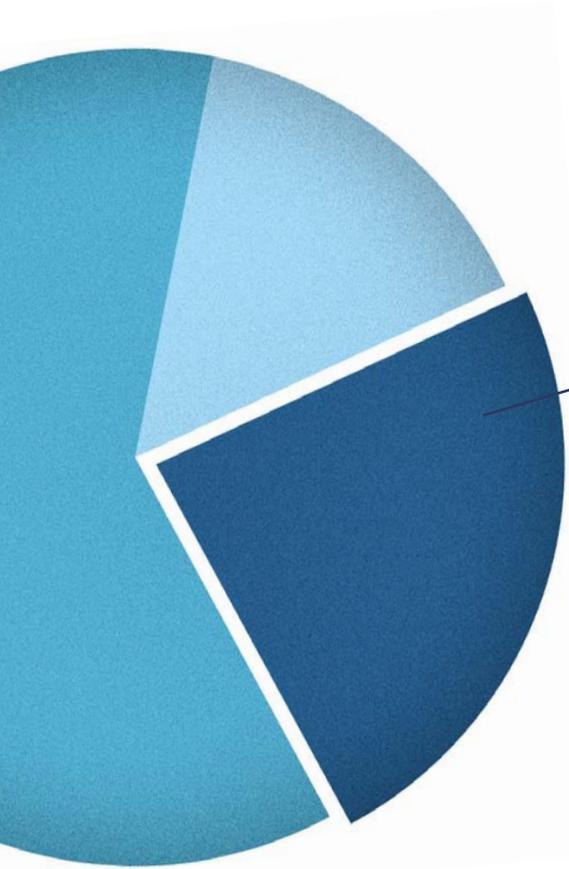


3 TYPES OF SPENDERS



GUESS WHICH TYPE OF BUYER IS MOST DIFFICULT TO CONVERT?

Source: Tightwads and Spendthrifts



TIGHTWADS

Since they comprise nearly a quarter of your potential customers, you should learn some of the smart techniques to minimize buying pain for your “tightwad” customers.

Fortunately, the secret boils down to utilizing well-written copy that appeals to their apprehensive nature. According to some remarkable neuroimaging studies, minimizing buying pain for tightwads (and everybody else) can be successfully accomplished by incorporating three simple strategies.

1. REFRAMING VALUE

If you see a product that costs \$1,000 per year, you'd definitely approach the purchase with a little caution, right?

Right! That's because \$1,000/year isn't peanuts. To make matters worse, it seems like a HUGE amount of money for conservative spenders.

What if the product was just \$84 per month instead? Not bad, right?

The thing is, \$84/month is the same as \$1,000/year!

While this reframing method is effective for buyers of all types, it is most effective when targeting conservative spenders. If you're offering something that has a recurring cost or that can be broken down into smaller increments, be sure to investigate how you can utilize this information in your pricing model.

2. REDUCE PAIN POINTS WITH BUNDLING

Neuroeconomics expert George Loewenstein notes that all customers (especially conservative spenders) prefer to complete their purchase in one easy fell swoop rather than purchase multiple accessories separately.

He cites customers' willingness to upgrade car packages all at once, but points out how difficult it often is for the brain to justify each individual upgrade ("Yes, I will pay extra for navigation ... and ... seats ... and ...," etc).

These individual purchases create individual pain points, whereas a bundled purchase creates only one pain point, even if the price is much greater.

Loewenstein's research shows why many customers are willing to pay more for complete bundles rather than chasing down individual products and accessories: not only is it less of a hassle, but it also results in fewer purchase pain points.

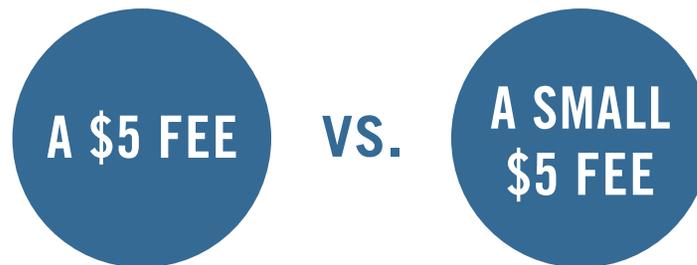
3. SWEAT THE SMALL STUFF

We all know the old adage “don’t sweat the small stuff” isn’t all that applicable to crafting effective copy—but how small of a change matters?

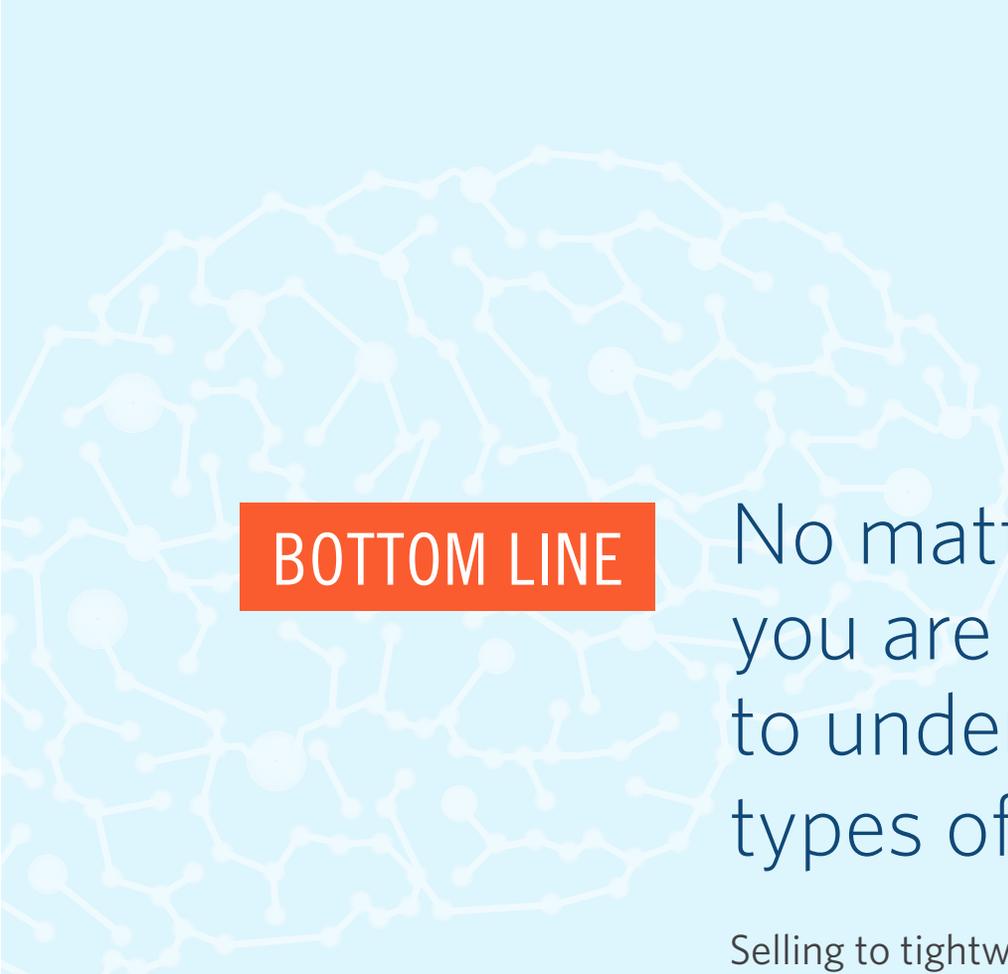
One of the goofiest conversion bumps ever is a study done by Carnegie Mellon University that reveals the impact of a single word on conversion rates.

Researchers changed the description of an overnight shipping charge on a free DVD trial offer from “a \$5 fee” to “a small \$5 fee” and increased the response rate among tightwads by **20 percent!**

Let’s see those side-by-side,
just to point out how absurd this is:



Has the word “small” ever felt so big? With a single word bumping up conversion rates by that amount, it’s safe to say that when crafting copy targeted at conservative spenders, the [devil is in the details](#).



BOTTOM LINE

No matter what business you are in, it's important to understand the three types of buyers.

Selling to tightwads is especially important because they make up a large base of your potential customers. The right choice of words can greatly reduce their buying pain.



Highlight Strengths by Admitting Shortcomings

Is it ever a good idea to admit to your faults?
After all, people don't want the "real" you, right?

Research from social psychologist Fiona Lee states that admitting shortcomings is a great way to simultaneously highlight your strengths.

THE STUDY

Lee's study aimed to measure the effects of admitting to missteps and faults, and how these actions would affect stock prices. Experimenters read one of two fictitious company reports.

(both reports listed reasons why the company had performed poorly last year)

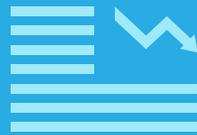


The first report placed emphasis on
STRATEGIC DECISIONS.

The second placed emphasis on
EXTERNAL EVENTS.

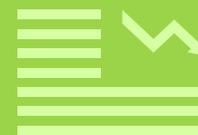
(e.g., the economy, the competition, etc.)

**WE CAN
DO BETTER**



VS.

**IT'S NOT
OUR FAULT!**



THE RESULTS

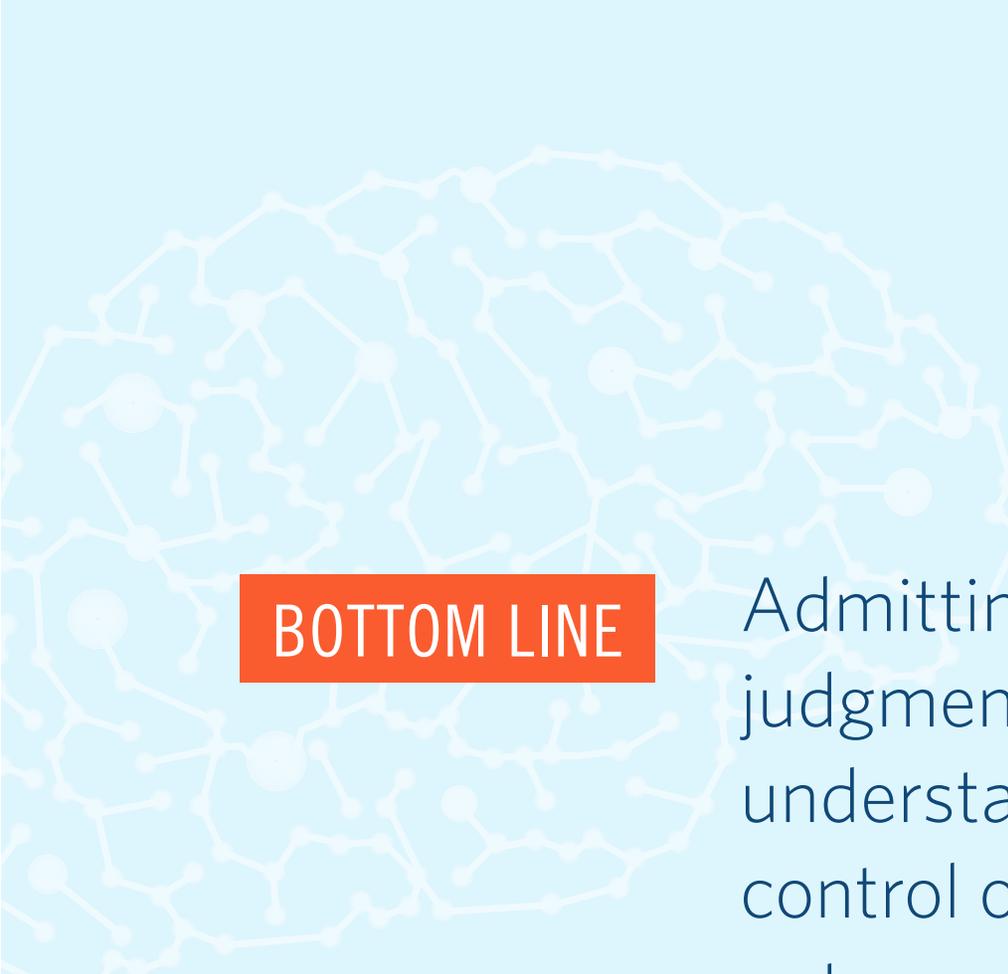
The test subjects viewed the first company far more favorably than the second.



Admitting to shortcomings in areas like strategic thinking showcased that the company was still in control, despite their faults.

After examining hundreds of these types of statements, Lee found that the companies who admitted to their strategic faults also had higher stock prices the following year.

When blaming external forces (even if they happened to be true), companies gave skeptics a reason to view them as not having the ability to fix the problem, in addition to the consideration that they might just be making excuses.



BOTTOM LINE

Admitting to honest errors in judgment helps your customers understand that you are still in control of the situation and not prone to making excuses.



Use Urgency the Smart Way

Creating a sense of urgency in your copy is one of the oldest tricks in the book ... and still one of the smartest.

Dr. Robert Cialdini notes “scarcity” as one of the six pillars of influence and it’s easy to see why: great demand leads to great sales.

The following research explains why urgency can completely backfire on you and ruin your meticulously written sales copy.

How can you prevent this from happening to you?

THE STUDY

The research is a classic study by Howard Leventhal where he analyzed the effects of handing out tetanus brochures to subjects.

Leventhal conducted the study by handing out two different pamphlets, both sparing no detail on the horrid effects that the tetanus disease can have on the body.

EFFECTS OF TETANUS



VS.

EFFECTS OF TETANUS +
WHERE TO GET VACCINATED



WHAT WERE THE RESULTS?

THE RESULTS

Those who had the second pamphlet (with the sparse follow-up info) were much more likely to take-action; the rate that followed through with vaccination was superior to the first group by nearly 25%.



25%
MORE VACCINATIONS

Leventhal also had a separate group receive a “low fear” version of the pamphlet, which described tetanus in much more moderate language and with no graphic pictures. He noticed that these participants had nearly the same rate of response as those who had received the standard “high fear” version (without the follow-up info).

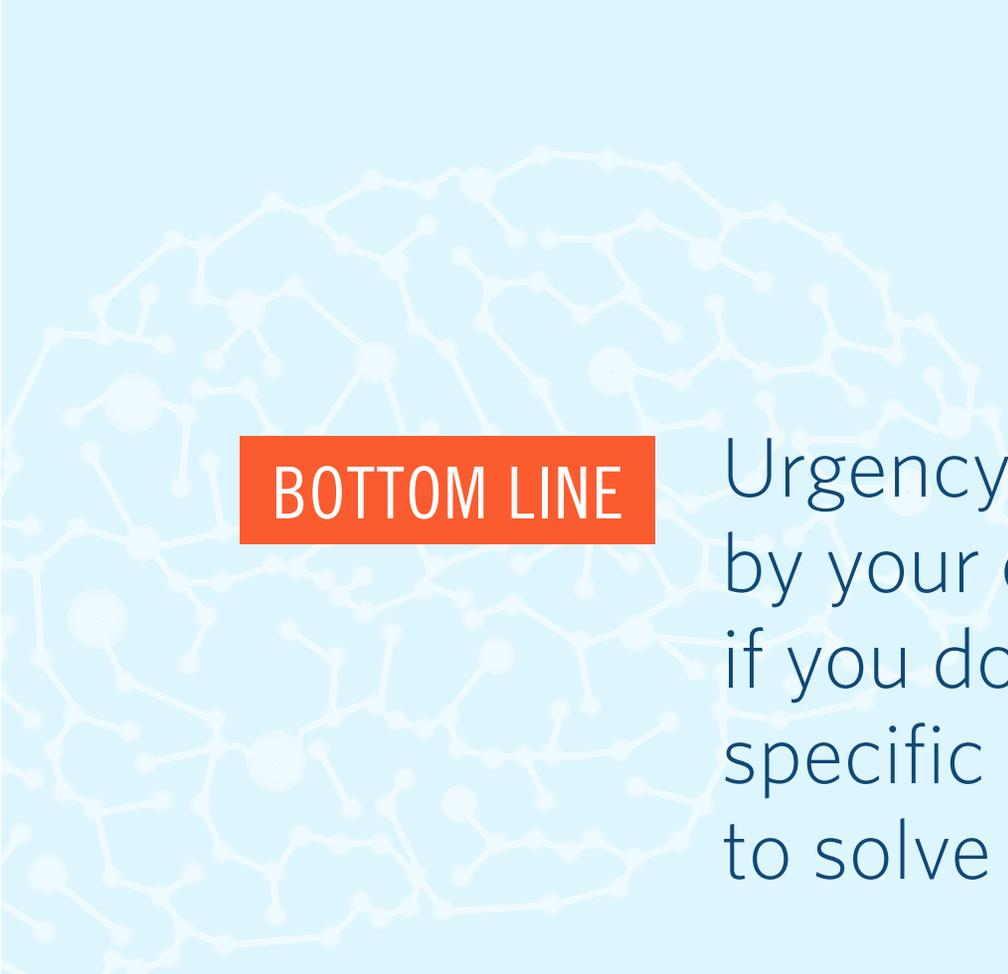
THE RESULTS ARE CLEAR:

Invoking urgency only had a noticeable effect when follow-up instructions were given.

Those who received the follow-up info were also more engaged with the pamphlet as a whole, being able to recall much more specific information from the packet than other participants. Why?

Even though the follow-up information provided in the second pamphlet wasn't comprehensive, Leventhal was able to show that our minds are susceptible to **blocking out** information that evokes a sense of urgency if there aren't any instructions on what to do next.

He revealed that those who didn't receive follow-up information were prone to convincing themselves that, "I don't need to worry about this because it won't happen to me anyway," whereas those in the second group had little reason to feel this way because they *had* a plan to take action.



BOTTOM LINE

Urgency can be blocked by your customers' minds if you don't give them specific instructions on how to solve the problem.

Rather than giving vague instructions, tell people exactly what to do when the time comes and don't be afraid to drive them toward specific actions.

6 Make Their Brain Light Up Instantly

There are few things our brains love more than immediate stimulation.

Research has shown that instant gratification is such a powerful force that an ability to control against it is a great indicator of achieving success.

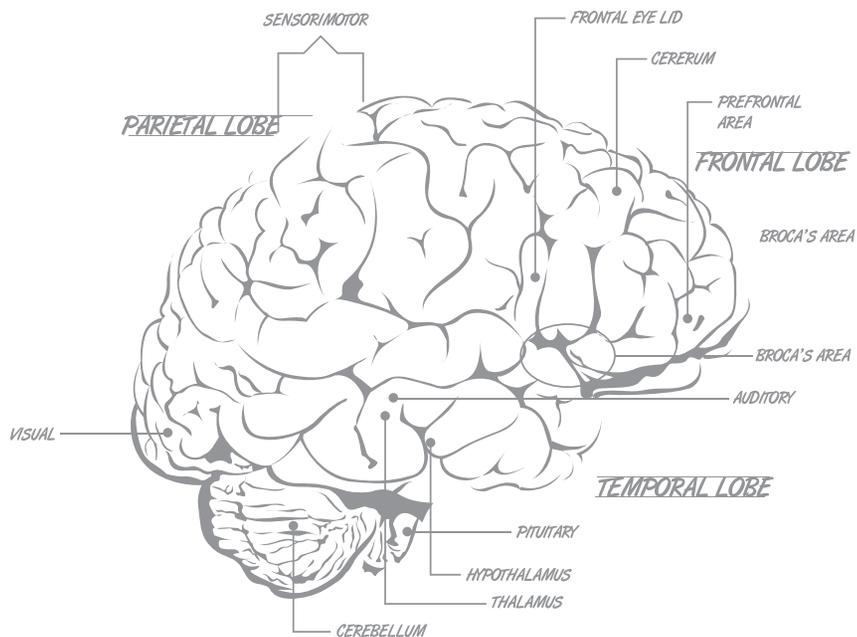
Wow!



In terms of your customers, you're actually looking to do the opposite:

Customers feel instant gratification when they are rewarded after doing business with you.

Your copy should remind buyers of this advantage at every turn. When a potential customer is on the verge of completing a purchase from your business, they are heavily influenced by how quickly they can receive gratification for parting with their hard-earned money.



Several magnetic resonance imaging (MRI) studies, including one on nicotine addiction, have shown that our frontal cortex is **highly** active when we think about waiting for something.

On the other hand, our mid-brain lights up when we think about receiving something right away (and that's the one we want to fire up!).

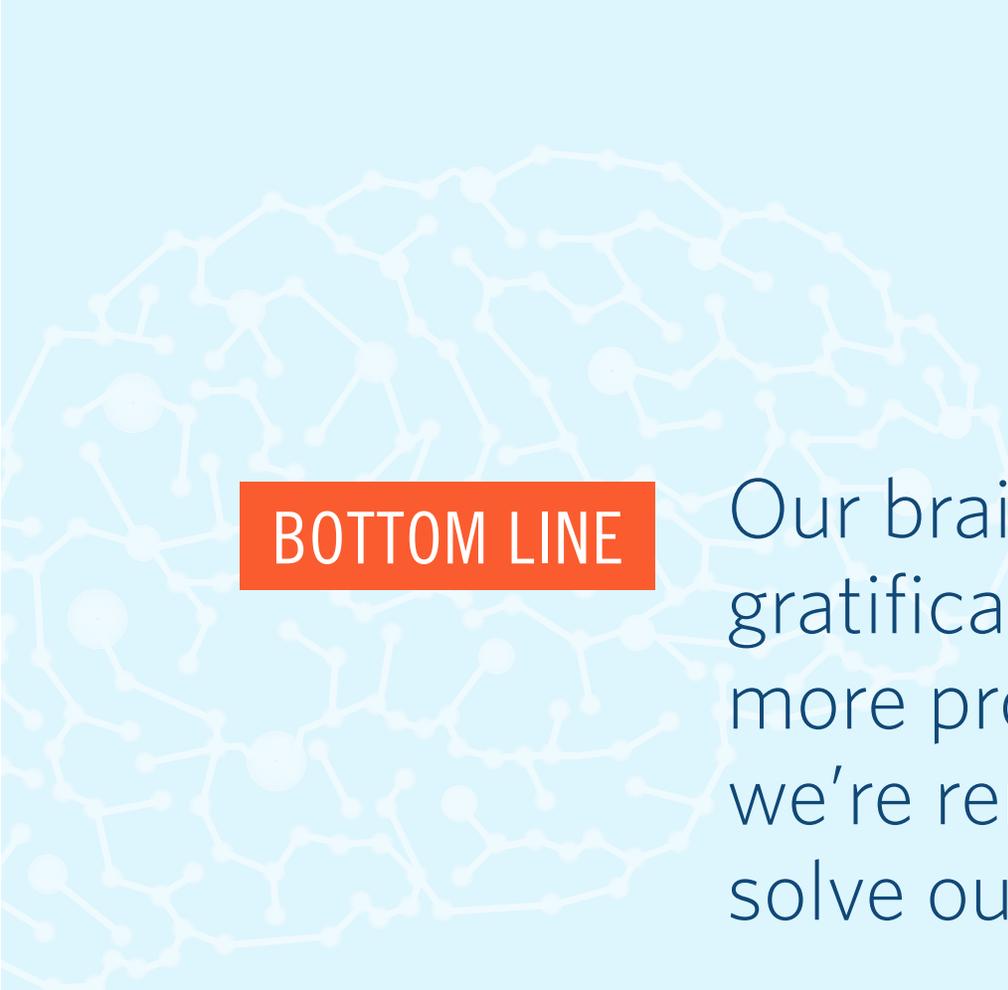
Words like “instant,” “immediately,” or even just “fast” are known to flip the switch on the mid-brain activity that makes us so prone to buy.

In fact, other than the words *free* and *new*...

“instantly” just may be the most persuasive word you can implement into your copy.

(If you aren’t selling digital goods, use words like “quick” instead.)

Researchers have noted that the key to these words is that they allow us to envision our problem being solved right away; whatever pain point we are seeking to fix by purchasing something becomes far more enticing if we know our dilemma will be solved instantly.



BOTTOM LINE

Our brains love instant gratification and we become more prone to buy when we're reminded that we can solve our problems quickly.

When customers know they will be rewarded immediately, they will be anxious to buy your products.

7 Make an Enemy

In the business world, meaningful connections are paramount to your success. After all, who you know is often as important as what you know.

Networking is certainly important, but that being said, you still **need an enemy**.

Why? When could this ever be a good thing? Turns out, it's a **great** thing if you're looking to achieve a cult-like addiction to your brand.

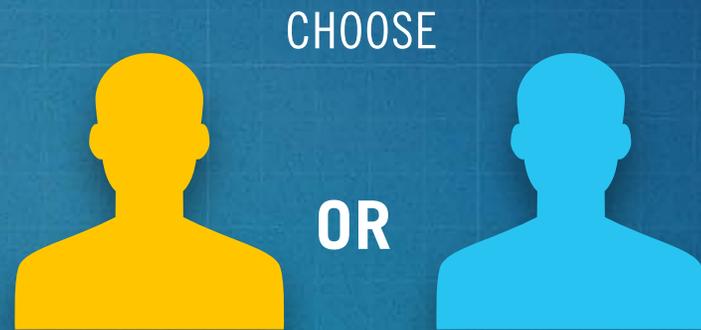


THE STUDY

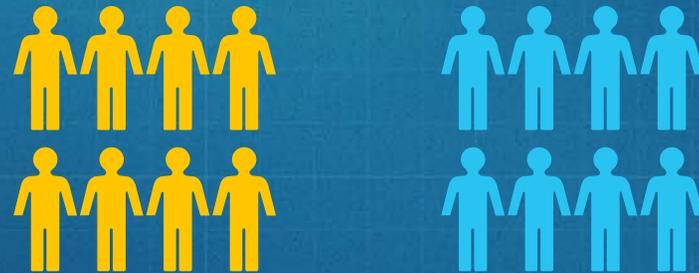
In a highly controversial study entitled "Social Categorization and Intergroup Behaviour," social psychologist Henri Tajfel began his research trying to define just how human beings were able to commit acts of mass hatred and discrimination

(he cited the Holocaust as a haunting example).

In the tests, subjects were asked to choose between two objects or people that they had no relation or connection with; one example asked participants to pick between two painters with meaningless differences.

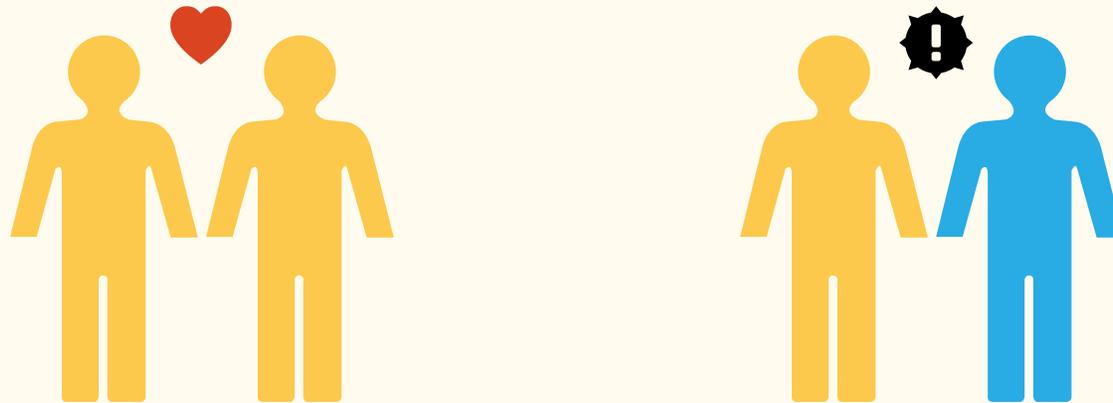


They were later divided into groups based on their choices.



THE RESULTS

Tajfel found that he could create groups of people that would show loyalty to their supposed in-group and outright discriminate against outsiders ... all with the most trivial of distinctions!



Despite these trivialities, when it came time to dole out REAL rewards, subjects had a huge bias towards those peers in their in-group and discriminated against handing out rewards to the so-called “others.”

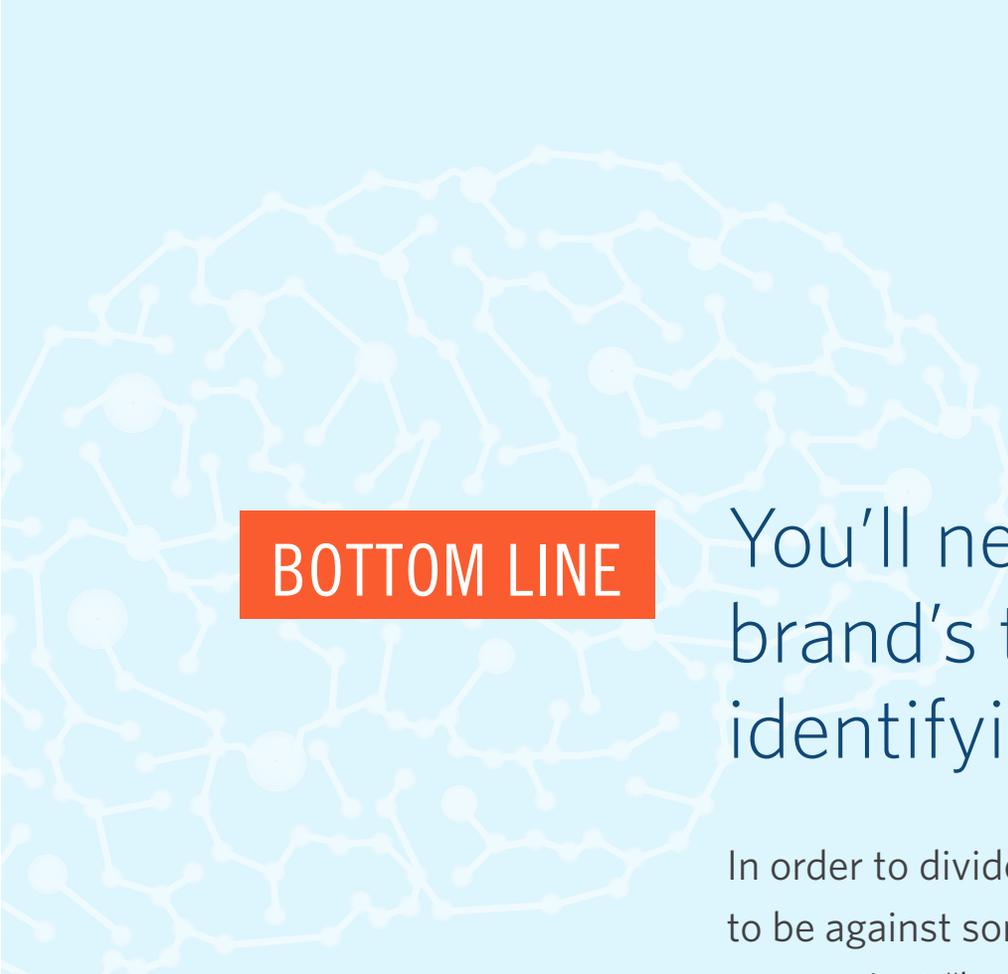
Sounds an awful lot like big companies going toe-to-toe, doesn't it? Like the Mac vs. PC commercials or Miller Lite taking potshots at unmanly light beers.

You don't need a physical enemy; you need to be against a belief or idea in a way that resonates with your customers.

Our friends over at [Copyblogger](#) would assert that real publishers are self-hosted and that well-written content is the centerpiece of the Web. They back these claims by offering solutions that reinforce their assertions.

The focus isn't always on skewering your competitors in search for an enemy, but in associating yourself with certain ideals while distancing yourself from the rest.

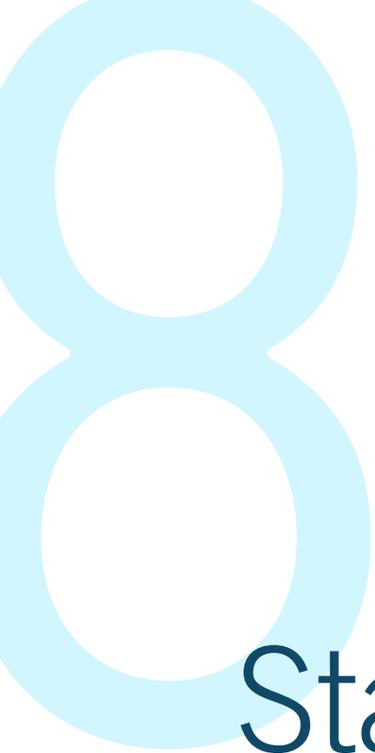
Creating a unique selling proposition is as much about defining who your ideal customers **are not** as it is about defining who they are.



BOTTOM LINE

You'll never find your brand's true voice without identifying the outsiders.

In order to divide your ideal customers into your camp, you need to be against some ideal, belief, or perception, the way Apple was against "boring" PC users and their uncool computers.



Stand for Something

We've talked about the importance of exclusion, but what about *including* those ideal customers?

People do care about being included with a brand's message, but only when they share the same values. In fact, for those who've stated that they have a strong relationship with a single brand, over 64% said it was because they had "shared values" with the company in question.



DOES YOUR BRAND STAND FOR SOMETHING?

According to findings from the CEB, people don't seem to be very loyal to companies at all. They are loyal to what the company stands for.

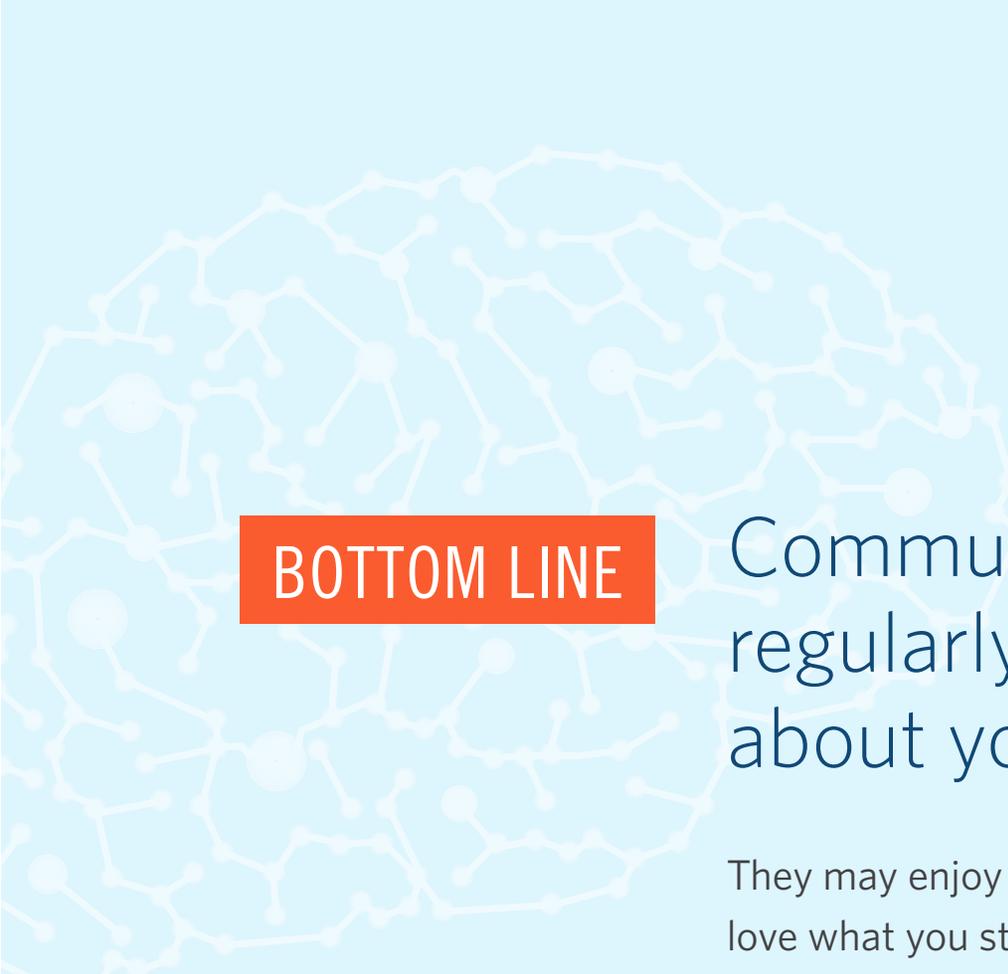
Source: What Are Consumers Really Loyal To?



One great example is TOMS Shoes, a brand that many would claim shows the “real deal” when it comes to making legitimate stands about their beliefs and company ideals outside of their business. Customers adore their policy for donating a pair of shoes for each pair sold.



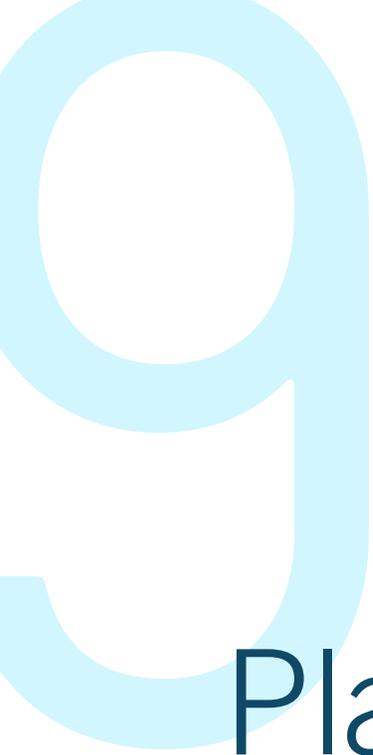
Take a look at Zappos: CEO Tony Hsieh defines the company not as an online retailer that sells shoes, but rather as a “customer service company that happens to sell shoes.” This sort of viewpoint isn't tacked on; it's been widely memorialized just how far Zappos will go to ensure an amazing customer experience.



BOTTOM LINE

Communicate clearly and regularly with customers about your company's values.

They may enjoy your products, but the most loyal customers love what you stand for and how you can help them; make it easy for them to see what you're about.



Play Devil's Advocate

Are you familiar with how the term “devil’s advocate” came to exist? It’s actually from an old process the Catholic church used to conduct when canonizing someone into sainthood.

A lawyer was instructed to be the devil’s advocate for those being inducted as a saint, and their job was to find reasons and arguments that showcased why this person should not become a saint in order to create a more objective canonization process.

THE MARKETING WORLD HAS AN IMPORTANT LESSON TO LEARN FROM THIS PROCESS.

According to research by social psychologist Charlan Nemeth (and his colleagues), the role of devil's advocate certainly plays a part in persuasion, but it is not one of creating true dissent! The research showed that TRUE dissenters have a meaningful impact when trying to persuade a majority group toward a different perspective.

When people are confronted with someone who truly appears to oppose their position, they begin to try to understand their point of view.

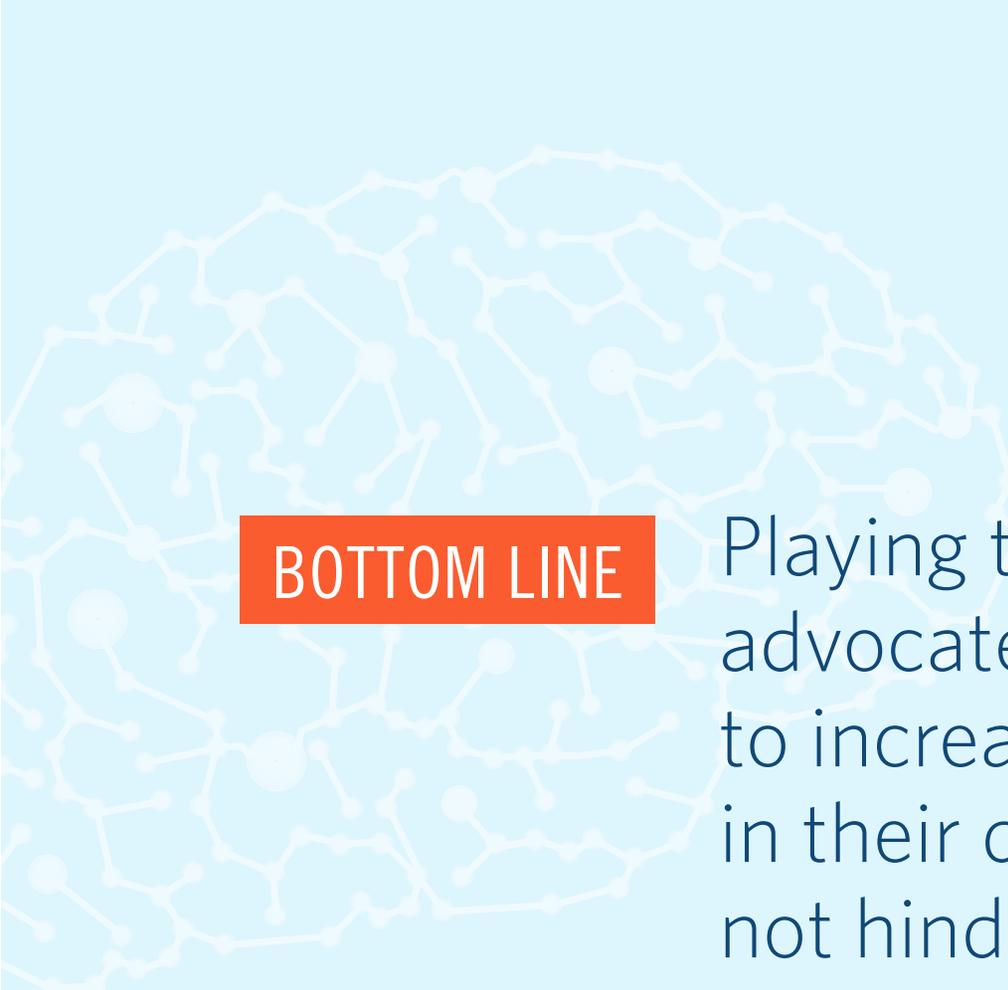
(Research in this area has also shown that dissenters in a group can enhance creativity and problem-solving.)

THOSE PLAYING DEVIL'S ADVOCATE?

They actually **increase the resolve** of the original majority!

The researchers found that this was because group members did not take the critiques from the devil's advocate as seriously, and since the group was now bringing up (and subsequently dismissing) possible alternatives or flaws, they were *much more confident* in their original stance.

For marketers, this offers a much less scandalous opportunity: playing devil's advocate to your own products potential shortcomings. ("Some have said that my product is too complicated, but here's why it isn't...") This can actually *enhance* your persuasive efforts as people see their concerns addressed before they buy.



BOTTOM LINE

Playing the role of devil's advocate has been found to increase people's resolve in their decision making, not hinder it.

Be your own devil's advocate and back up typical objections with solutions to dismiss your customers' apprehensions.

10 Keep 'em on Their Toes

What's the number #1 thing that creates loyal customers? No surprise, it's the social construct of reciprocity.

Better yet, there is an even more powerful form available for businesses owners to use: the act of creating **surprise** reciprocity.

THE STUDIES

10¢

In a study by psychologist Norbert Schwarz, he found that as little as 10 cents was enough to change the outlooks of participants who found the money by surprise, creating a more positive view of their day due to this small high-point.

While this study was conducted in 1987, the implications remain the same: it doesn't take much to start the process of reciprocity; even the smallest of favors allow goodwill to be bought with customers, increasing loyalty and retention.

Schwarz succinctly summed up this phenomenon as:

**“IT’S NOT THE VALUE OF WHAT YOU FIND.
IT’S THAT SOMETHING POSITIVE HAPPENED TO YOU.”**



In another famous study from *Influence*, Dr. Robert Cialdini noted that subjects were prone to rate others as much more likable when they had simply bought them a can of soda.

One of the best ways to employ this tactic to boost customer retention is to follow up with customers after they make their initial purchase with you.

SURPRISE THEM WITH SOMETHING—ANYTHING WILL DO!

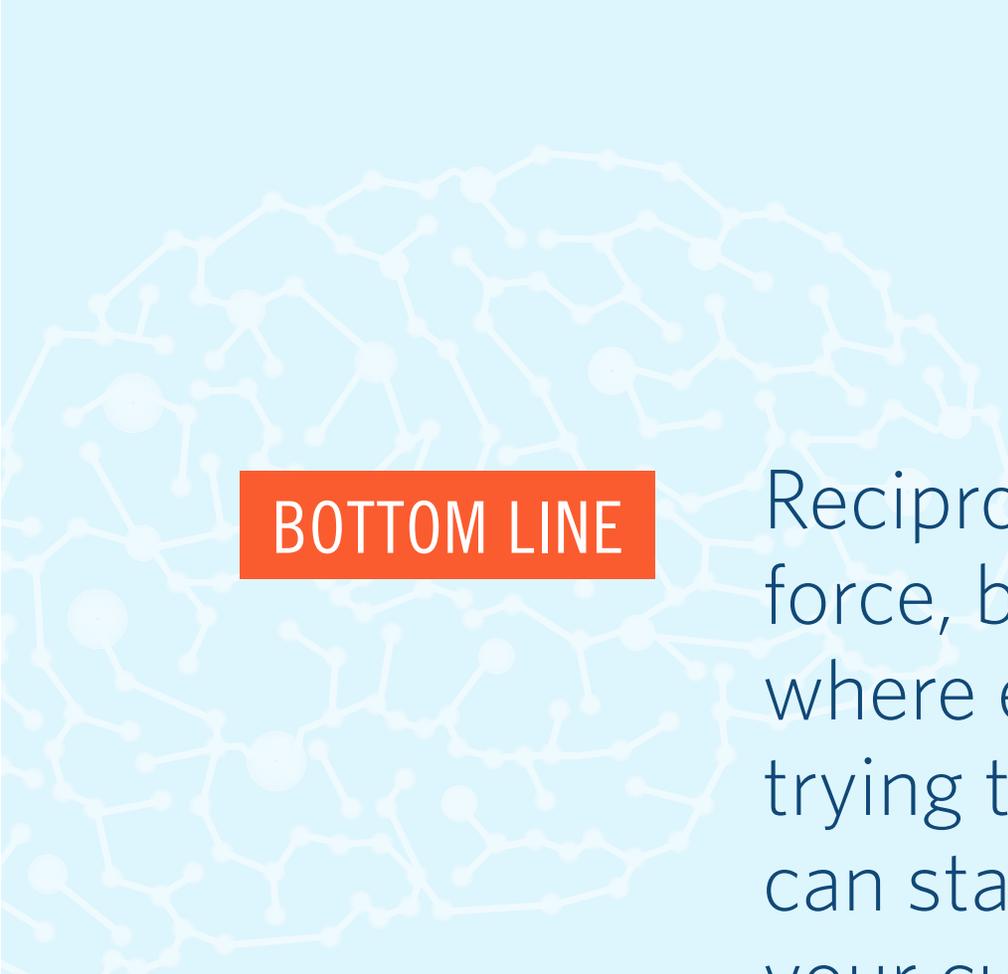


A free guide to their new product often works well for those selling software. For brick-and-mortar locations, things like a free plastic comb work wonders for businesses like barbershops.



Zappos has admitted to regularly upgrading customers to overnight shipping without telling them, just to create a “WOW” factor that wouldn’t have been the same if it was mentioned on the sales page.

Even if you can’t afford a gesture as big as that, remember, it really is the thought that counts! Our eBook [25 Ways to Thank Your Customers](#) highlights a number of ways you can use surprise reciprocity.



BOTTOM LINE

Reciprocity is a powerful force, but in a world where every business is trying to utilize it, you can stand out by surprising your customers.

This is an outstanding way to let them know you appreciate their business.