

Why *do* customers buy?

AKA To buy, or not to buy



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Where it all began

What goes on in a person's mind when they are in a buying situation?

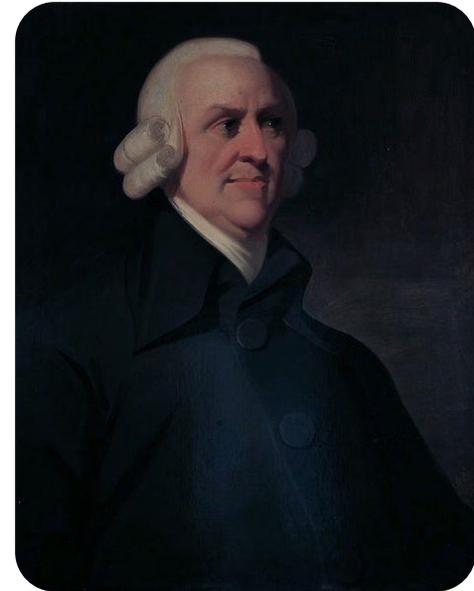
By better understanding the answer to this, all business owners – in fact, anyone who works with customers - can make adjustments that will make it easier for customers to buy more, more often. The psychology of consumer behaviour started in 1723, with the birth of Adam Smith, the father of modern economics.

Why Adam?

Economists first tried to predict consumer behaviours; their efforts resulted in things like the demand & supply curve. This curve appears reasonable and logical, but it's not an accurate predictor of what consumers do in the real world. For example, when prices rise, rather than deter buyers, it can make some items – e.g. Cristal champagne - more desirable. This is known as a “Veblen good”.

Economists handed over to the new kids on the block: Psychologists. It was their turn to have a go at predicting what consumers do. By the 1950s, they'd come up with what are now called Consumer Behaviour Models. At the heart of these models, were two assumptions:

- Human behaviour is predictable
- Human behaviour is rational



Is our behaviour predictable?

Is our behaviour predictable? For *groups* of people, we can make predictions that are more about maths and probability rates, rather than individual human behaviour. For individuals, it's more challenging, unless your first name happens to be Derren...

What about the Psychologists' assumption that human behaviour is rational?

The easiest way to answer this is to consider how we feel when buying one of two liquids: petrol and wine.



When was the last time you heard anyone talk positively about buying petrol? It's not normally a positive consumer experience, is it? Normally, we have a moan about the price of fuel: scandalous at over £1 a litre...

Is our behaviour predictable?

But then, how much would you pay for wine in a pub, bar or restaurant? Depending on where you drink, you could easily be paying £10 to £30 per litre. This isn't for posh stuff – this is the normal price range for house wine.

At least petrol helps you to get about, wine ultimately ends up in the sewers! So, is wine better value than petrol? What is the real difference between buying petrol and wine?

The answer is **pleasure**, and as we know, pleasure is an emotion. It's emotions that influence consumer behavior, which is why it's difficult to say if human behaviour is rational or not.

Think about *that* place with which you have a strong, positive mental connection; *that* place you always feel good about. At some level in your brain, there's a positive connection, a positive emotion between you and this place. This is important because emotions influence consumer behaviour.

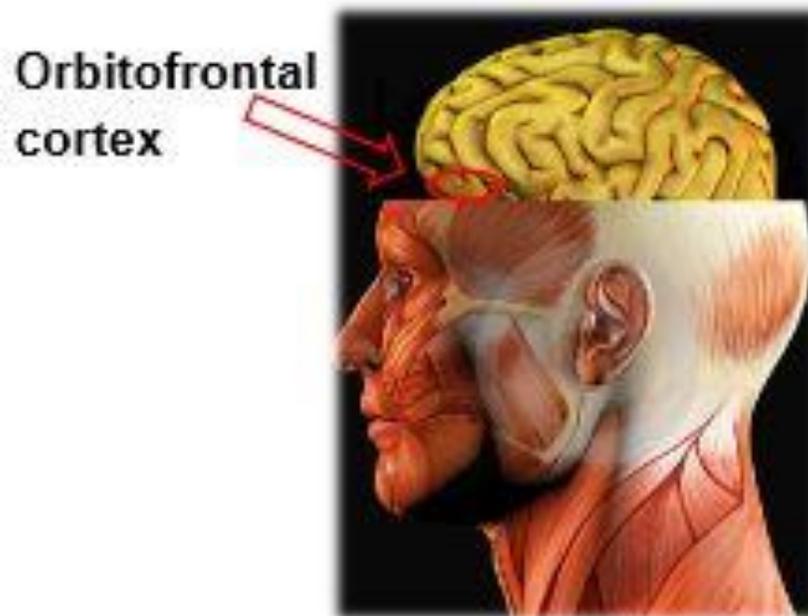
Knowing that **emotions influence consumer behaviour**, your challenge is to help your customer to feel positive.



Here's the science

Scientific research proves that whenever a customer is in a positive mood, they are better placed to buy from you.

The frontal cortex (at the front of the brain), is where executive functions take place, including decision-making. The bit just above the eyes – the orbitofrontal cortex – is the part that we're especially interested in. Whenever this bit of the brain is damaged or removed, there's an absence of emotions and an inability to make decisions.



The absence of emotions

The presence of emotions enables decision-making, which means...

- When your customer is in a positive mood, they can process more complex information and this means that you can give them more detail about what you sell.
- They will be able to take in more information and will ask you more questions about what you can do to help.
- When a customer is in a positive mood, they are more adventurous and open to suggestions. This means that you can up-sell and cross-sell more easily.

And because of the special way the human brain is built, when a customer feels that they have made a good decision to buy from you, the brain rewards itself by releasing dopamine.

What is the one simple thing you can do to help your customer to be in a positive mood *before* you start to sell to them?

Getting started

Your one simple thing doesn't need to break the bank: it's all about looking through your customer's eyes. So as we say to our clients, look at the options that will deliver **high value** to your customers at a **low cost** to you.

What can you do that's high value, low cost?

Review your customer's end-to-end experience. Which processes are designed purely for your business, yet do nothing for (or worse, detract from) your customer's experience of dealing with you?

Understanding the psychology of consumer behaviour gives you a competitive advantage.

- You learn how to make customers emotionally more positive, which allows you to sell more.
- Your customers will refer others to you and will return to you; this means that you can sell more often.

The golden rule is this:

Always leave your consumer in a better place than when they first met you. If you do, they will come back to you. If you don't, they will leave you alone.

Want to know a little more?

You'll find plenty of extra resources on our [resource page](#) for you and your team to use.

We love helping people like you to shape your own sales success. Seeing people changing their behaviours and putting their training into practise gives us a great feeling. No doubt, you'll want to see those behavioural changes too.

We'd love to know more about you, your teams and your goals. How about getting in touch so we can find out more about each other? Sounds like a good opportunity to have a cuppa too.

Getting in touch is easy:

- you can drop us an email at hello@newresults.co.uk
- Tweet [@NewResultsHQ](https://twitter.com/NewResultsHQ)
- or give us a call on 0800 030 4323



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