4 Ways to Make Prices Seem Lower Than They Are

Marketing expert Nick Kolenda breaks down some psychological tricks.

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As a marketer, I love testing things to see what will increase sales. The headlines, the copy, the imagery. But when it comes to a product's pricing page, I use the same strategy as when I'm driving a car: If nobody is screaming at me, it's probably all fine. But that's a mistake. A common reason people don't buy things is the price. So what if you could use psychology to change how people perceive it?

Luckily, marketing expert Nick Kolenda is obsessive about psychology and has been researching just that. He's written books on persuasion and the psychology of marketing. His latest title, *The Tangled Mind*, explores how humans learn and how marketers can use that knowledge for persuasion.

"The first thing you need to know," he explained to me in a recent interview, "is that humans learn by association. Every concept that you understand, you've built on top of an earlier concept."

Kolenda elaborated that we humans learn concepts about how to interact with physical objects when we're children, but then apply them, falsely, to buying things online. And when marketers know them, they can affect your perception of price. Here, along with Kolenda's insights, are four such concepts.

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Concept 1: Size

One of the first concepts an infant learns is that large objects are more important than small ones. Adults are bigger than us, and they set the rules. Cars are dangerous, and they are huge. Firetrucks are the biggest, coolest vehicle ever, and they are gigantic. Then we grow up.

Even if we stop loving firetrucks (I haven’t), we still carry with us that early association: Bigger is more important. That idea is so ingrained that we apply it to abstract concepts like prices. “Most prices we see daily are pixels on a screen, but we still apply the same association,” says Kolenda. “Researchers have shown in studies that a physically smaller price, in font size, is perceived as cheaper than if the font size was large.”

Concept 2: Weight

When we are small, adults lift us. When we grow to be too heavy, they stop. When we’re packing a shopping cart or car trunk, we put the heavier stuff at the bottom. Our brain forms a simplistic association. Light things rise, heavy stuff falls. Although simple, the association is strong. It warps our perception in other areas – even photos of food.

Kolenda points to a study from Ohio State University and the University of Miami, which showed that when a product image is placed at the bottom of food packaging, we assume the food itself is heavier. When the image is placed at the top, we believe the food is actually lighter.We do the same with pricing, too. On a price tag, the closer the numbers are to the bottom, the heavier and more expensive we perceive the price to be.

Concept 3: Proximity Association

As humans, we learn that items grouped are similar. Maybe they are from the same tribe. It also means when images are close together online, we fuse the ideas; we associate them. It's like how fast-food chains dress the beef burgers in ads. Crispy lettuce and ripe tomatoes cascade from the patty in the hope we associate the whole thing as fresh.

Kolenda explains how researchers took an image of an inline skate and tested different text next to it to judge if the effect worked with pricing. "Some descriptions emphasized a 'low friction' benefit," he recounts. "Other descriptions emphasized a 'high performance' benefit. What they found was the price of an inline skate seemed lower when it appeared next to the benefit 'low friction' because people merged the concept of 'low' with the price."

Concept 4: Motion

Which college would you prefer to go to? One whose ranking rose from sixth to fourth or another that dropped from second to fourth? Most people would go with the college whose ranking improved, regardless of the fact both colleges are now fourth. The reason is that we apply a concept we learned in the real world, i.e. momentum, to the abstract world. We like a college that is on the rise because our brains were trained in the physical world, and we expect that college to keep rising, despite no evidence as to why we should think that.

It works with pricing, too. As Kolenda puts it, when "a high price transforms into a lower price" – like when stores cross out the original price and write in a discounted one – "then people conceptualize this change as a motion of reduction." Then our physical training kicks in. Our brains perceive the pricing on the screen to have momentum, and even if we forget the actual price, we'll remember that it was

great value. “Like the college study,” Kolenda observes, “the final price – because of the inherent momentum – will seem even lower.”

As we learn, our brains create chains of mental associations – vivid mental pictures. The world’s best marketers are the ones who master the ability to triggering those associations from the past and the positive emotions that go with them. Not all these concepts will work to increase sales in every circumstance, but not experimenting with visual associations is a car crash waiting to happen.

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