

MADE OF MONEY

Session 2: Saving Money With Your Children

FACILITATOR CHEAT SHEET

Supermarket Psychology

This activity is to be done straight after the taste test and once you've talked about where the product might be placed on a shelf (top, middle or bottom). You'll then get your clients to take an imaginary trip with you to your local supermarket (*Please pick a supermarket that you're familiar with so that you can relate to the "tricks" mentioned below*).

Ask your clients to put on a "psychology hat" and help you to detect the tricks that supermarket use to get you to buy. Remember, this is an activity to get people to think about consumerism as well as ways in which they can prevent themselves from being tricked into spending.

- 1) Shopping trolleys - this 1938 invention was designed to let customers make larger purchases more easily. Over the last 10 years, the standard shopping trolleys have increased in size by 40%.
- 2) Most supermarkets put high margin departments like floral and fresh baked goods near the front door, so you encounter them when your cart is empty and your spirits are high.
- 3) Another reason to start with flowers and baked goods is the smell, which activates your salivary glands and makes you more likely to make impulse purchases. Likewise these pleasant departments put you in a good mood and make you more willing to spend time – which means you're more like to spend money.
- 4) Supermarkets hide dairy products and other essentials on the back wall so that you have to go through the whole store to get to them – passing through many products and things on offer.
- 5) Once customers start walking through the 'racetrack' aisles, they are conditioned to walk up and down each aisle without deviating. This makes it easier for supermarket to expose you to things you may not want to buy.
- 6) The items the store really wants you to buy are at eye level. In the cereal aisle, for instance, bulk cereal is placed at the bottom. Healthy cereal is placed at the top. Expensive brand name cereal goes right at eye level. Favoured items are also placed at the end of aisles.
- 7) Similarly there's kid eye level. This is where you'll find sugary items, toys and other items a kid will grab and beg their parents to buy.
- 8) Sample stations and other displays slow you down while exposing you to new products.
- 9) Size matters. In crowded stores people spend less time shopping, do less impulse shopping, purchase fewer items, are less social and more nervous.
- 10) Warm colours attract people to a store. Cool colours encourage more contemplation and higher sales. Red attracts our attention so supermarkets use this colour to tell us about sales and discounts.
- 11) Hear that music? Studies have shown that slow music makes people take their time and spend more money. Loud music makes them move through the store quickly without affecting sales. And classical music leads people to buy more expensive merchandise. Similarly, supermarket plays seasonal music to get you in the mood to buy e.g. Christmas songs during Christmas.
- 12) Canned Smell – most Supermarkets bake their bread early in the morning, however to entice more customers, some have resorted to pumping out the smell of fresh baking bread to add to the illusion that it is constantly baked through the day.



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- 13) Flooring – types of flooring are often used to direct customers as a retailer walks around the store. Department stores make great use of the difference between carpet and linoleum to subtly steer customers around and hold them in certain places. Occasionally you will find random rugs and mats laid out in aisles of supermarkets to slow traffic.
- 14) Irrational Pricing - Irrational pricing is putting the price of items at say £4.99 instead of £5. Obvious as it may seem, apparently *"The reason offered for not instead rounding £4.99 to £5.00 is based on memory processing time. Rounding upward involves an additional decision compared with storing the first digits. Furthermore, due to the vast quantity of information available for consumers to process, the information on price must be stored in a very short interval. The cheapest way to do so, in memory and attention terms, is by storing the first digits."* Therefore customers perceive to be getting a better deal than they in fact are.
- 15) Windows – department stores and shopping centres will not have many windows. Instead they rely upon artificial light and air conditioning. This is to remove the shopper from contact with the outside world and constraints of time (seeing it go dark outside). Similarly there are little to no clocks in the store so you don't know how long you've been inside the store.
- 16) The most profitable area of the store is the checkout line. This is where after a few minutes in line you'll succumb to the temptation of the sweet rack and a magazine you've been leafing through.
- 17) Finally, store cards - while giving you the occasional deal, this card keeps you as a regular customer for the store. It also provides valuable tracking data.

To avoid these supermarkets you can try these 5 simple tricks.

- 1) Familiarise yourself with these psychology and make sure they don't tempt you into buying.
- 2) Consider doing online shopping, however note that there are positives and negatives of online shopping.
- 3) Take a shopping list with you when you're next shopping to avoid buying other things. Your list might be taken from the meal planner handout
- 4) Do not shop when you're hungry as you're more likely to buy and be susceptible to supermarket psychology.
- 5) Do not go shopping with those who frustrate you as you're more likely to make uninformed and impulsive decisions.

References:

<http://www.businessinsider.com/the-psychology-behind-supermarkets-2012-11>

<http://www.businessinsider.com/supermarkets-make-you-spend-money-2011-7>

<http://www.youtube.com/watch?v=dw3amazpepc>

Also some of these websites:

http://www.bteam.com/arch_psych.htm Behavioural Team for Architectural Psychology

<http://www.businessknowhow.com/marketing/miracles.htm> Retail Business Miracles: Science and Psychology

<http://www.queendom.com/mindgames/quizdom/quiz115.html> Retail Psychology Quiz

<http://marketing-bulletin.massey.ac.nz/article8/research1b.asp> Odd Pricing

<http://www.consumerpsychologist.com/> Consumer Psychology

