

The background of the slide is white and features several realistic water droplets of various sizes. Some droplets are clustered in the top-left corner, while others are scattered across the bottom-right area. Each droplet has a soft shadow and a highlight, giving them a three-dimensional appearance.

# SOCIAL PSYCHOLOGY AND BUSINESS

-YESODA BHARGAVA

Wait ! What??  
Psychology and  
business?



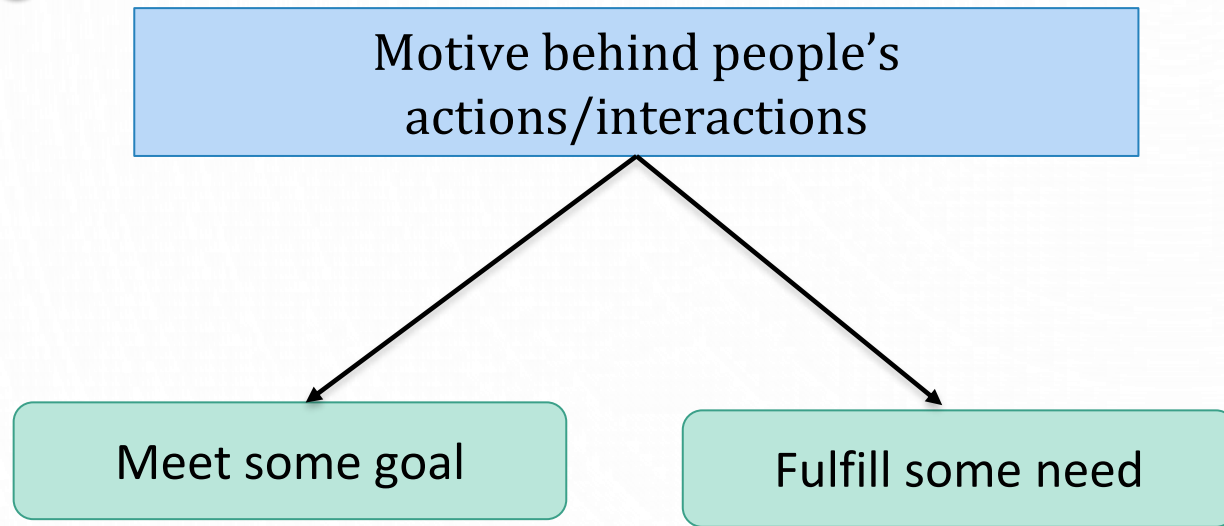


# Business is all about people



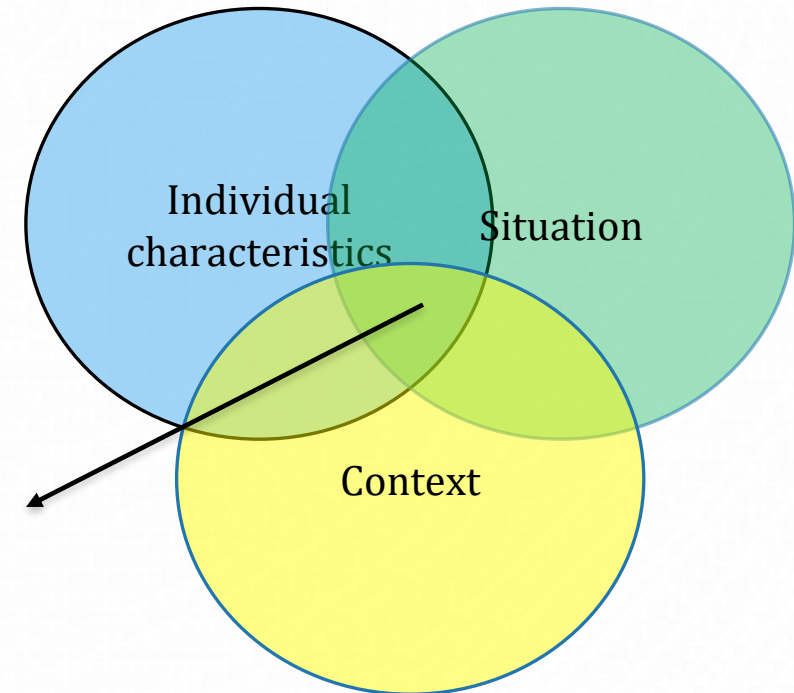
And people's thoughts, feelings, and actions, are influenced by society, culture, environment, etc.

**Psychology** examines why people act the way they do.



Individual's action

**Determinants of individual behaviour**





Marketing and psychology are closely related.

## DETERMINANTS OF INDIVIDUAL BEHAVIOUR



DD Mall: The only mall in the city of Gwalior in 2009



Then came McDonalds in this mall !



Students/Youth/Children

# Example II - covid

- How many were using Oximeter before Covid?



Pulse Oximeter Market Size  
Worth \$3.4 Billion By 2028 |  
CAGR: 6.4%: Grand View  
Research, Inc.

The pulse oximeter market by revenue is  
expected to grow at a CAGR of over 9% during  
the period 2019-2025

As positive cases rise, oximeter prices  
jump by nearly 2.5 times

Demand for pulse oximeters up

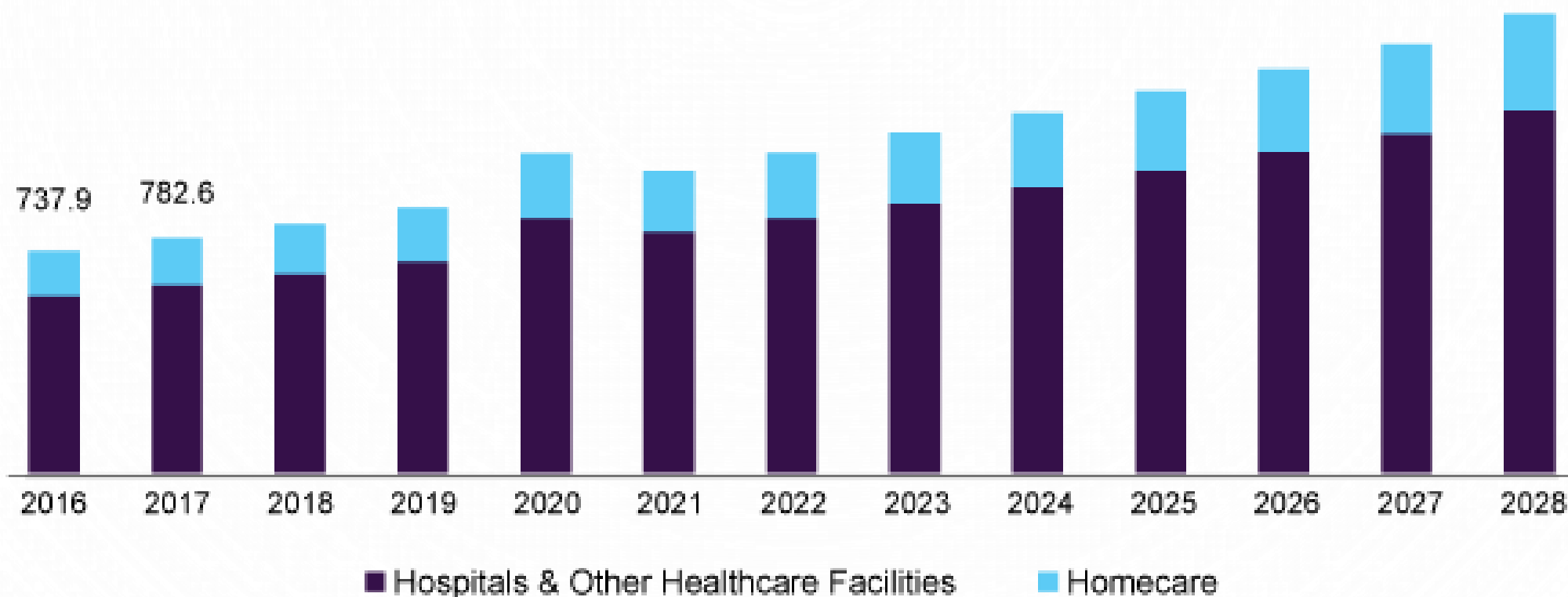
## Pulse oximetry in low-resource settings

Lara J. Herbert, Iain H. Wilson

Breathe 2012 9: 90-98; DOI: 10.1183/20734735.038612



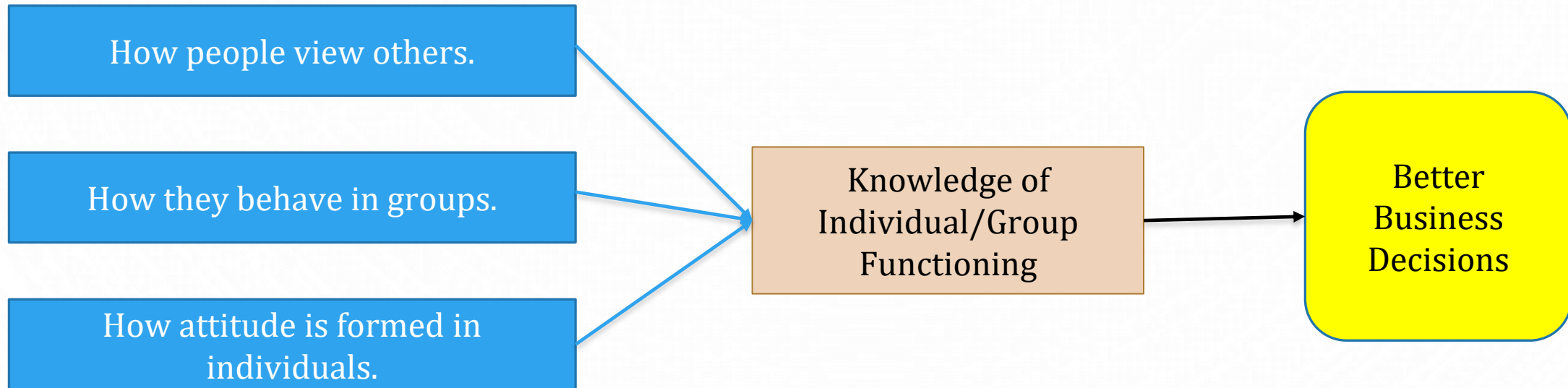
## U.S. pulse oximeters market size, by end-use, 2016 - 2028 (USD Million)



Source: [www.grandviewresearch.com](http://www.grandviewresearch.com)

# Social Psychology importance

- Enrich your understanding of yourself and the **world around you.**





# BUSINESS AND PSYCHOLOGY



## RECIPROCITY PRINCIPLE

**General Idea:** People tend to feel obligated to return favors after people do favors for them.

- Examples
  - Used in marketing to convince customers to buy something.
  - E.g. Sales Coupons, special promotions, giving freebies to customers.

## RECIPROCITY AND PERSUASION

- Strategies used to trigger action.
- E.g. Shopping for a new mobile phone, you are not sure of buying. The sales person adds a phone cover for no additional cost.
- It's a favor and you feel obligated to buy it.

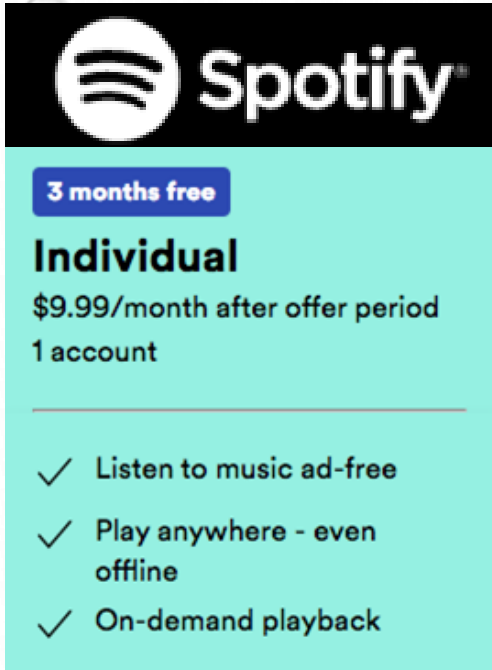
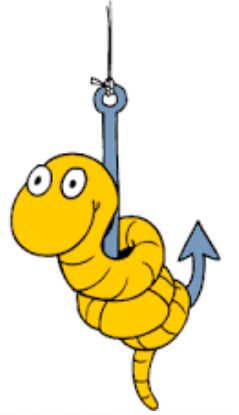
## NAVIGATE RECIPROCITY

- Give it some time.
- Evaluate the exchange.

# Reciprocity and business

- **Be the first to give**, without hoping to get something in return.
  - If possible give something rarely given by other businesses.
- **Make your customers feels valued.** How do you feel when treated uniquely?
- **Help the customer outside of your store.** E.g.. Informative content, how to articles.
- **Make their experience memorable.**
- **Keep the relationship going.** E.g. Loyalty program, rewarding referrals, alert about upcoming events.
- **Offer customers ways to show their support.** Liking your social media pages, writing reviews, referring customers.
- **Keep an open mind.**

# Examples of reciprocity



Free trial offers free one-day delivery and exclusive savings on certain products, plus exclusive music, videos, and other media.



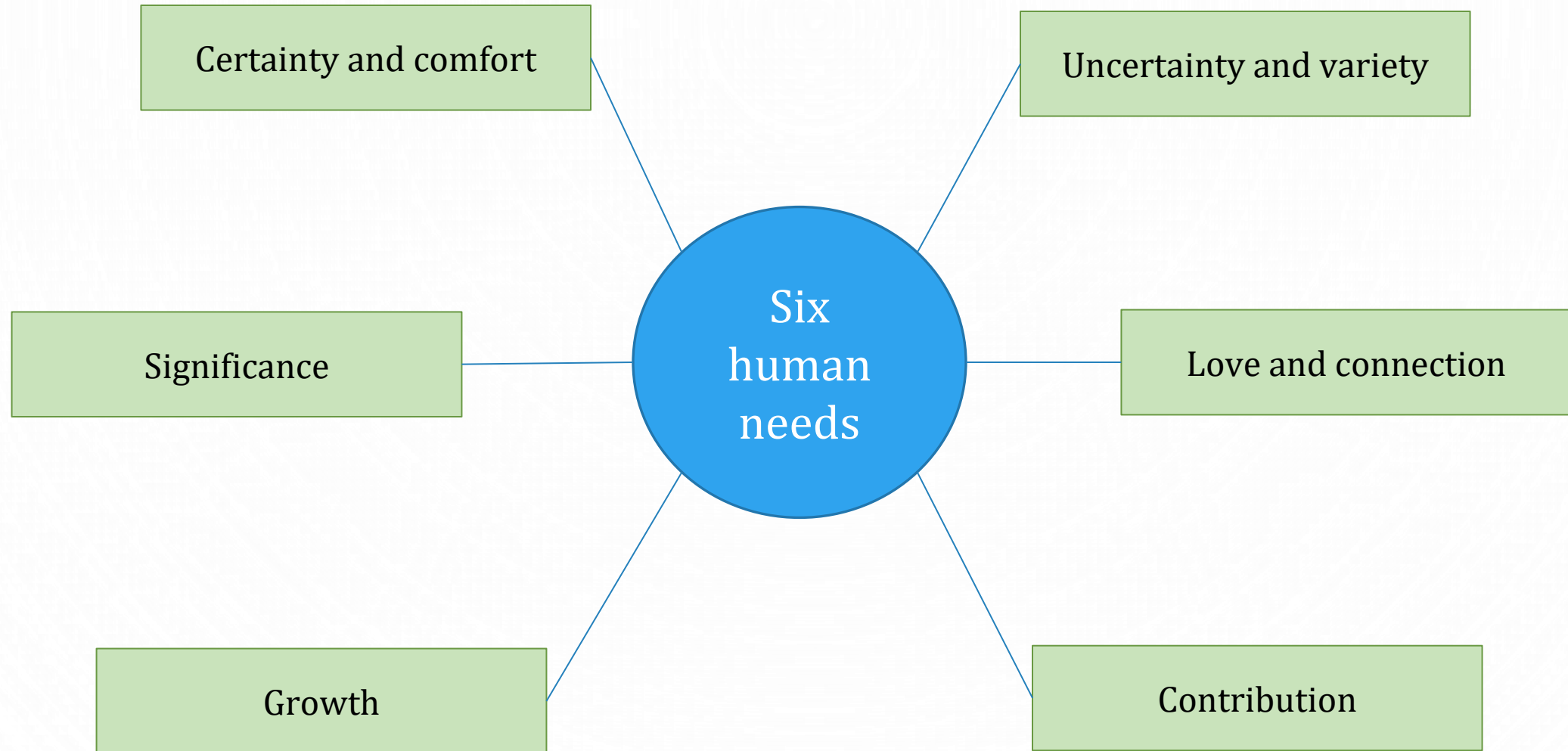
offering free content in exchange for ads.  
“free first episode” promotion to lure audience.



When a vendor offers you extra fruits/vegetable w/o expecting any money in exchange.



## Key to attract customers : Can your business meet these 6 human needs?



# Sweetening the till: the use of candy to increase restaurant tipping

- Waiters gave out mints alongside the bill.
- Two studies conducted to evaluate the impact of this on tip percentages.
- Study 1 found that customers who received a small piece of chocolate along with the check tipped more than did customers who received no candy.
- Study 2 found that tips varied with the amount of the candy given to the customers as well as with the manner in which it was offered.
- **Diners felt valued and the service made them feel special.**
- Can you think of an instance wherein someone went out of their way to do something for you (customer)?



# Storytelling

- Stories are part and parcel of our brains and trigger emotions and senses.
- Which advertisements or market campaigns ignited your senses by storytelling?
- [Video ad](#)



# COVID and Downsizing in IT Market

- Downsizing is a difficult thing that businesses have to do.
- COVID impacting 5% IT and ITeS market in India. Taking away 200,000 jobs. [Source](#)
- Feelings of employees are hurt.
- Skilled psychologists working in Human Resource Department are vital.
- Letting people go in a health way, damage is minimized on both the sides.
- Knowledge of human psychology maintains the relationship not only with current employees but also those leaving the organization.

# Some experiments for you to try

- Try chatting with Amazon customer support and Apple Support, more than two times.
- How does the interaction make you feel?
- How does that influence your opinion of the two firms and how it may impact your future purchases?
- What difference do you observe between the two interactions in terms of how you felt, how they made you feel, and what did you learn?

## Apple Support

Need help? Just ask.



### Amazon Chat

#### Chat right now

Our messaging assistant can quickly solve many issues or direct you to the right person or place.

Instant chat and always available.

Start chatting

# Conclusion

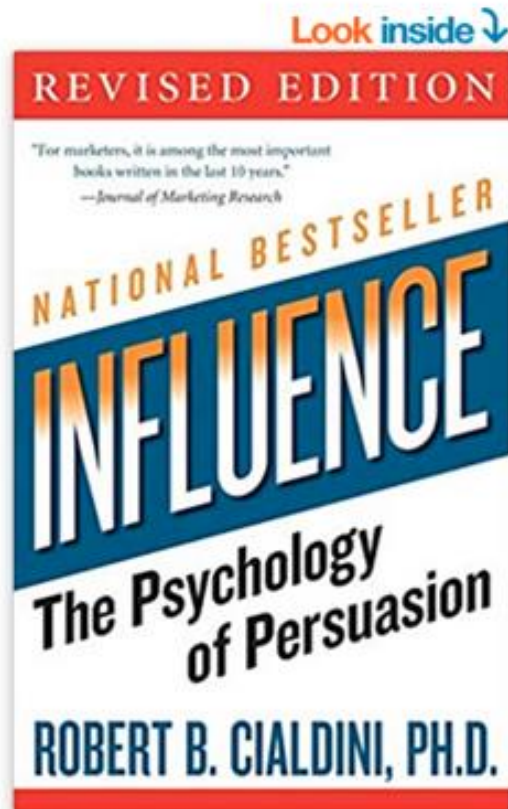
- Understanding the human psychology (employees or customers or business partners) helps companies in better management and grow their business.
- Business means people. Not only customers, but your stakeholders, managers, team members, government employees.
- **Where people are involved psychology is involved.**
- Branches/Subjects to explore: Business psychology, Consumer Psychology.
- Bottom line: **Talk to people** when you are engaged in business or any endeavor involving people, research or business.



# Assessment Criteria

- Situation based quiz. You will need to reflect on the questions based on a situation described in the quiz.
- While answering the question always remember the ultimate outcome you wish to create and how you may achieve it in the best possible manner.

# THIS WEEK'S BOOK



'Influence: The Psychology of Persuasion' is a Psychology book authored by Dr Robert B. Cialdini based on the understanding and study of why people tend to say 'Yes'.

The book is the result of a thirty-five year long extensive research which involved surveys, evidence, experiments and as well as a three year long period of study on the behaviour of people.

Book [Pdf](#)