

Pricing Psychology

Pricing Psychology - It's simple; use psychological pricing. Psychological pricing is a pricing/marketing strategy based on the theory that certain prices have a bigger psychological impact on consumers than others. Below are five pricing strategies entrepreneurs can adopt: 1. 'Charm pricing': Reduce the left digits by one. Welcome to a huge resource on pricing psychology. Whether you're marketing a new product, selling items on eBay, or negotiating a deal on your house, you'll learn 42 tricks to make your price seem lower. Psychological pricing. Thus, prices such as \$1.99 are associated with spending \$1 rather than \$2. The theory that drives this is that lower pricing such as this institutes greater demand than if consumers were perfectly rational. Psychological pricing is one cause of price points. In a paper published in the Journal of Consumer Psychology, researchers found that prices that contained more syllables seemed drastically higher to consumers. Odd, right? Here are the pricing structures that were tested: \$1,499.00; \$1,499; \$1499; The top two prices seemed far higher than the third price.