THE ROLE OF CONSUMER PSYCHOLOGY IN MARKETING STRATEGIES

Abstract. This article analyzes the impact of consumer psychology on the development of marketing strategies. The aim of the research is to identify the relationship between consumer behavior and the effectiveness of marketing approaches through a critical analysis of contemporary literature. The study employed methods of critical analysis, synthesis, and generalization of information. The findings demonstrate that integrating psychological aspects of consumer behavior, based on understanding emotional reactions and motivations, allows for the development of more targeted marketing strategies. It is established that incorporating psychological insights can significantly enhance the effectiveness of strategies that not only cover traditional aspects, such as pricing and distribution but are also founded on an understanding of social interactions and consumers' emotional states. The research further explores how emotionally oriented approaches, including fear-based and image-impact strategies, can encourage purchases, strengthening the relationship between brands and their clients, enhancing brand loyalty and recognition. The novelty of this article lies in the systematic summarization and classification of modern marketing strategies based on consumer behavior analysis. Various marketing strategies are examined, including digital and interactive strategies involving the use of social media to engage consumers and increase awareness; emotion-oriented strategies that reduce the focus on price and concentrate on emotional impact; and persuasion-based
strategies that utilize scarcity and social proof to strengthen brand connectivity. Additionally, strategies focused on price and convenience, as well as socially oriented strategies that employ group psychology and personalization to attract consumers, are analyzed. The practical significance of the research lies in the possibility of applying the results to optimize marketing strategies across various sectors, thereby enhancing the commercial success of products and services.

**Keywords:** consumer, psychology, marketing strategies, emotions, digital marketing.

**Main problem.** In modern marketing, consumer psychology occupies a pivotal role, as it plays a crucial part in shaping marketing strategies that ensure high effectiveness in engaging and retaining customers. By delving into the depths of consumer behavior, motivations, and emotional drivers, marketers can tailor their communication strategies to resonate with their target audience, influence purchasing decisions, and foster sales growth.

An in-depth study of the unseen factors that prompt consumers towards certain choices and actions enables marketers to create marketing campaigns that are distinct, persuasive, engaging, and fulfill specific consumer needs. The use of psychological insights to craft compelling messages that address real consumer issues, demonstrate product benefits, and highlight the significance of offers forms the foundation for building long-term relationships with clients.

The application of psychological principles, such as social proof and the sensation of scarcity, allows marketers to effectively use tactics that create a sense of urgency and exclusivity, which can significantly enhance consumer engagement and increase conversion rates. These approaches pave the way for more successful and result-oriented marketing campaigns, substantially contributing to business efficiency in today's market [1].

**Literature analysis.** The issue of employing consumer psychology in marketing strategies is well-documented in the academic literature, as evidenced by numerous studies published in various scientific journals. The contributions of authors like L. Ding [3], Z. Han [4], B. Hasan [5], and J. Lin [9] deserve attention for their detailed analysis and proposed methodologies.

The topic of consumer psychology and its impact on marketing strategies remains a focal point of scholarly research and practical application across various industry sectors. There is particular interest in examining specific marketing strategies targeted at diverse product niches. Scientific studies focus on analyzing key concepts that help identify the crucial elements shaping consumer behavior and their response to various marketing approaches. According to current research, the integration of information technologies, social media, and the use of diverse payment methods facilitates the development of more flexible and effective
strategies. This allows marketers to better adapt to changing consumer needs and expectations.

In their study on the impact of consumer psychology on marketing strategies, Z. Han [3] identifies four components of marketing that consider behavioral aspects:

- increased informativeness: emphasizing the importance of providing consumers with wide access to information allows for in-depth product research before purchase via the Internet. This knowledge facilitates thoughtful and informed decisions, influencing their final product choices.

- unlimited payment methods: expanding digital payment methods, including E-wallets, enhance convenience and may encourage impulsive purchases. Thanks to the ease and attractiveness of the payment process, consumers are more likely to purchase and experience positive emotions.

- focus on emotions rather than prices: reducing the focus on prices in favor of the emotional impact of brands and their strategies. Consumers become less sensitive to price when digital payments and other marketing tools manipulate their emotions, resulting in impulsive purchases.

- use of combined marketing strategies and social networks: integrating social networks and combined marketing approaches into brand strategies creates deeper consumer connections. Social media facilitates the dissemination of information from user to user, providing greater trust and emotional engagement.

D.Lu [9], in their research, identifies fundamentally different psychological aspects that shape marketing strategies in the cosmetics industry. The main focuses of the marketing strategy include:

- personal significance of stimuli: marketing messages that consider national identity and cultural features help form a sense of group belonging. This creates an emotional resonance with consumers, increasing their interest and loyalty to products that reflect their cultural values and aesthetics.

- parasocial interaction: streaming tutorials and interactive sessions to educate consumers on makeup products create a sense of personal contact and engagement. This strengthens the emotional connection with the brand and promotes consumption behavior through the feeling of closeness and participation in the brand community.

- high recognition effect and trust in signature products: popularizing key products increases their recognition and trust among consumers. Consistent presentation and emphasis on the uniqueness of these products enhance brand recognition and encourage purchases through repeated exposure and product knowledge.

J. Shuai [10], in their study, reveals the primary psychological aspects of consumers in the context of online trading and streaming sales:

- psychology of cheapness: consumers strive to buy goods at the lowest prices, a dominant aspect of consumer psychology. Organizations use this by
offering significant discounts during major online sales events such as Singles' Day. This allows consumers to acquire goods at favorable prices, supporting their motivation for high-value purchases.

- convenience and timeliness: modern consumers highly value the convenience and speed of online purchases, which suits their fast-paced lifestyle. Online shopping provides the opportunity to compare prices and purchase goods from the comfort of their own home or on the go, making the shopping process an efficient use of time.

- group psychology: the "herd effect" significantly impacts consumer behavior, especially in the context of streaming sales. Consumers often follow the recommendations of the majority or influential people on social media, leading to imitative behavior. Such strategies encourage them to purchase popular or widely discussed products, even without a deep understanding of their advantages.

J.Lin [8], in their analysis, examines the psychological factors that influence luxury goods consumption, identifying the following key aspects:

- luxury consumption psychology: consumers aspire to acquire luxury goods motivated by the desire to feel special and accomplished in their social circles. The luxury value perception positively correlates with consumers' willingness to pay a premium for such goods. This includes hedonistic, utilitarian, and pragmatic motivations influencing the purchase decision.

- luxury marketing strategy: luxury brands use personalization and cutting-edge technologies, such as virtual reality (VR) and augmented reality (AR), to create unique consumer experiences that meet expectations and emotional needs. This allows brands to enhance exclusivity and personal connection with consumers.

- exclusivity and scarcity: principles of exclusivity and limitation help maintain luxury brands' high price and perceived value. They create a sense of urgency in consumers and enhance the desire to purchase due to limited availability and exceptional offers.

- digital marketing: using social media and digital platforms, luxury brands adapt their strategies to changing consumption trends. They use VR and AR to create personalized and interactive shopping experiences that meet the needs of modern consumers.

L. Ding [2], in their research, considers marketing strategies based on consumer psychology, analyzing the case of Disney. The main aspects include:

- personalized customization based on identity: analyzing respondents' favorite Disney characters, it was found that characters are generally more attractive to people of the same gender. Disney uses this data to develop characters that reflect gender identities, engaging consumers through a sense of connection with the characters.

- principles of persuasion: the study includes three persuasion strategies: scarcity, social proof, and emotional connection. Scarcity increases the perceived
value of goods; social proof influences consumer behavior through the behavior of others, and emotional connection enhances brand loyalty.

- limited goods and thematic events: Disney uses thematic events and limited goods to create unique consumer experiences. This includes seasonal activities and exclusive products sold only for a limited time or in limited quantities, increasing their attractiveness and prompting purchases.
- individualization and unique experiences: Disney strives to create a personalized experience for each visitor, using personal events such as birthdays or weddings to create memorable impressions. This promotes deeper consumer engagement and enhances their emotional attachment to the brand.

**Target of research.** The article aims to demonstrate how consumer behavior influences the development of marketing strategies based on a critical analysis of contemporary literature.

**Research results.** Summarizing the analysis of the scientific literature, it is possible to systematize the data in a summarizing table 1.

<table>
<thead>
<tr>
<th>Marketing strategies of brands for 2023-2024, focused on consumer behavior</th>
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<td><strong>Marketing strategy</strong></td>
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<td>Digital and interactive strategies</td>
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<td>More informativeness [3]</td>
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<td>Group psychology [10]</td>
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<td>Personalized customization [2]</td>
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Note: systematized by the author
At the beginning of the 1900s, scientists began to explain how psychological principles could be applied by advertisers and marketers. In 1939, the Viennese psychologist Ernest conducted a motivation study, employing a methodology that used Freud's psychoanalytic techniques to uncover the predominantly qualitative and subjective hidden motivations of consumers [5].

In the context of studying the impact of marketing actions on consumer psychology, modern organizations face the necessity to attract and retain customers, crucial for ensuring a sustainable competitive advantage. In this aspect, a key role is played by the development and support of an organizational culture that focuses on the well-being of internal clients as a means of attracting and retaining consumers.

One of the main concepts of marketing is focusing on the client: marketers cannot ignore the decision-making processes of consumers; they must understand them and adapt their business to these processes.

The significant influence on consumers, especially in promotional activities and the launch of new products, is crucial as organizations conduct thorough research when introducing new products or new promotional events. When launching new products, organizations initially aim to impact consumers, with promotional activities serving as tools for this.

The study of consumer psychology covers the selection, purchase, and consumption of goods and services to meet needs. Various processes involved in consumer behavior include the following sequence (Fig.1)

**Fig. 1. Sequence of the decision-making process for a purchase**

Note: systematized by the author

It is extremely important to include the study of psychology at each stage for the effective implementation of promotional messages and marketing strategies. This allows for understanding and adjusting the marketing strategy's mistakes.
The application of psychological principles in marketing strategies can significantly enhance their effectiveness, as these methods are based on a deep understanding of human behavior and motivations. Integrating such approaches (Fig.2) allows for the creation of more persuasive and mutually beneficial relationships between brands and their clients, contributing to increased loyalty and sales.

– **novelty effect**: consumers often experience increased interest in new products or innovative technologies. Using marketing strategies that emphasize the novelty of the product can increase its appeal;

– **anchoring**: consumers rely on the first impression or price as an "anchor" that shapes their subsequent decisions. For example, setting a high initial price can make subsequent discount offers more attractive;

– **focus on benefits**: marketing messages that specifically describe the product's benefits to the consumer help shape their perceptions of how the product can improve their lives;

– **psychology of fear**: evoking emotions associated with the fear of missing out (FOMO) can prompt consumers to make faster purchases, wanting to avoid missing opportunities;
– image impact: associating the product with positive social statuses or images that promote self-expression increases its appeal among target groups;
– reciprocity effect: creating situations where consumers feel a moral obligation to reciprocate for the attention, information, or gift received can increase their loyalty to the brand;
– contrast effect: demonstrating the product alongside less attractive alternatives can significantly increase its attractiveness in consumers' perception;
– repetition of information: reusing key marketing messages helps consolidate information in consumers' memories, increasing the likelihood of a purchase;
– personalization: creating personalized offers or messages that reflect consumers' personal interests and needs can significantly increase the effectiveness of marketing campaigns.
– psychological value: enhancing the product's perceived value through limited offers, unique features, or high-quality service can increase its desirability among consumers.

These psychological features help brands better understand consumers and their motivations, which is a key factor in creating effective strategies for attracting and retaining customers.

Conclusions. Based on the literature analysis, it can be concluded that successful marketing strategies not only consider traditional aspects such as pricing and distribution but also focus on consumers' psychological motivations, emotional responses, and social interactions. A critical analysis of the literature on the topic confirms the importance of a behavioral approach to marketing, which integrates psychological knowledge to develop more personalized and effective marketing strategies. These include digital marketing, emotionally oriented approaches, persuasion tactics, strategies based on price and convenience, and socially oriented methods. Modern research indicates the necessity of integrating psychological principles into all aspects of marketing, including product launches and promotional campaigns, to optimize interaction with consumers and increase the likelihood of their purchases. Focusing on benefits, psychology of fear, image impact, and personalization contributes to forming enduring relationships between brands and their customers, enhancing brand loyalty and recognition.

References: