

BUSINESS BOOK SUMMARIES -- READ LESS, DO MORE

## **INFLUENCE** The Psychology of Persuasion ROBERT CIALDINI

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#### Influence – Page 1

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#### MAIN IDEA

There is a science to persuasion. Specifically, there are six weapons of influence which people and companies (especially advertisers) use to try and get you to do something or buy their stuff. Those weapons of influence are:



These weapons of influence work because life is busy and you need to make quick decisions rather than laboriously gather all the data. Therefore, you rely on an isolated piece of information to decide quickly. Sometimes that works well but when others are manipulating the weapons, problems arise.

To counter these weapons of influence, be aware of what the compliance professionals are trying to do. They're selectively fudging the data to try and get you to say "yes" to whatever they offer. Fight back and retaliate. The stakes have gotten too high to sit back and do nothing.

"Although there are thousands of different tactics that compliance practitioners employ to produce yes, the majority fall within six basic categories. Each of these categories has the ability to produce a distinct kind of automatic, mindless compliance from people, that is, a willingness to say yes without thinking first. It will be increasingly important for the society, therefore, to understand the how and why of automatic influence."

- Robert Cialdini

The six weapons of influence



<b>Weapon #1 – Reciprocity</b> . Page 2 You always feel an obligation to give back when you have received something first. Be the first to give something personalized and unexpected to the person you're trying to influence and they will feel obligated to do the same for you.
<b>Weapon #2 – Consistency</b> Page 3 People prefer to take action which is consistent with what they have previously said or done. Therefore, look for small initial commitments they are willing to make and they will then be more likely to agree to much bigger commitments in the future.
<b>Weapon #3 – Social proof</b>
Weapon #4 – <i>Likability</i>
<b>Weapon #5 –</b> <i>Authority</i>
<b>Weapon #6 – Scarcity</b> Pages 7 - 8 People always want more of what there is less of. To increase demand for your products and services, point out what is unique about them and then explain why stock is limited. Explain what people stand to lose if they fail to buy to ratchet up the pressure to buy.



You always feel an obligation to give back when you have received something first. Be the first to give something personalized and unexpected to the person you're trying to influence and they will feel obligated to do the same for you.

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Reciprocation is one of the most potent weapons of influence the world has ever seen. It works in pretty much every sphere of human activity and is deeply embedded in almost every culture on the planet. In a nutshell, when someone gives you something, you will feel duty bound to give them something in return.

"One of the reasons reciprocation can be used so effectively as a device for gaining another's compliance is its power. The rule possesses awesome strength, often producing a "yes" response to a request that, except for an existing feeling of indebtedness, would have surely been refused."

- Robert Cialdini

Numerous social science experiments have been run which show the power of reciprocity. In the marketing field in particular:

- "Free samples" are used extensively and successfully to influence people to buy. An Indiana supermarket operator managed to sell more than one thousand pounds of cheese in a few hours one day by putting out the cheese and inviting customers to cut off slivers for themselves as free samples. Once customers accepted the free sample, it was very hard for them to then walk away empty handed.
- Amway Corporation grew from a basement to more than \$1.5 billion in annual sales by giving customers a free collection of Amway products like furniture polish, detergent, deodorizers, insect cleaners and window cleaners. Salespeople left them with customers "at no cost or obligation" for a few days and then returned to pick up the samples and to take orders. Very few people refused to buy something.

Gift giving has always been a part of society at large. Most if not all religions, for example, enshrine the "golden rule" that you should treat others the way you want to be treated. When you give a gift, you start a chain reaction where the receiver feels an obligation to repay by doing something good in return. If you can be the person to make that initial favor, there is incredible pressure for the other party to reciprocate.



One well-known example of reciprocity is the soliciting technique of the Hare Krishna Society. A Krishna solicitor will step in front of a traveler at the airport and hand them a flower. Inevitably the busy traveler will absent-mindedly take the flower and then try to give it back. The Krishna member will refuse to take it back as it is a "gift that is yours to keep" and then add that a donation to further the Society's good works would be appreciated. Almost without exception, travelers will fish in their pockets for a few dollars to give and then be on their way, quickly discarding the flower at the first available trash can. Savvy Hare Krishna operators will retrieve those flowers from the trash can and then repeat the same charade many times over.

The one thing to remember about reciprocity is that this rule can trigger uneven or unfair exchanges quite readily as well. A small initial favor can sometimes be engineered to generate a sense of obligation to agree to a much more substantial favor in return. For example, one study showed that if an interviewer bought their subject a Coke (which cost about a dime at that time), they were far more likely to purchase at least two raffle tickets which cost twenty-five cents a piece. That's reciprocity in action.



There is also a far more subtle way to use reciprocity to good effect. The "rejection-then-retreat" technique is

where you offer your top of the line product first and make a serious attempt to sell that. If they say "No", you then offer a low-end product which will seem very cheap by comparison. Reciprocity means the customer will want to give you some sort of order if you have already provided value to them so they will be more inclined to buy.

Note that rejection-then-retreat is counterintuitive. Most businesses tend to use a smaller-then-larger sequence instead. The conventional approach is to first try and sell your entry level product which requires a small investment and then encourage people to trade-up to the higher end products if they require more functionality. Rejection-then-retreat goes in the opposite direction.

Rejection-then-retreat works because:

- It changes the buyer's perceptions in your favor. The follow-on offering will look much smaller by comparison with your premium offering. A high-end initial request will make your second request seem much smaller and easier to agree to.
- By making your biggest and best offer first, you really can't lose. Your fallback offer is still a good outcome if they agree. Either way, you've made a sale. This is kind of a case of "Heads I win, tails you lose".
- By starting with an extreme demand and then retreating to a more moderate demand, you've clearly made a concession. The other person therefore feels obligated (thanks to reciprocity) to make a concession themselves and agree to that more moderate demand.

If you find yourself dealing with someone who is using a rejection-then-retreat approach, the best way to disarm it is to openly identify what's going on. Redefine any gifts which are given as sales devices right from the start and tell the other person you're happy to accept but will not feel any obligation to buy. A candid statement like that will mean you feel no obligation to return the favor and buy simply because they gave you something first.



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٢	SIx Weapons of Influence	2 Consistency

People prefer to take action which is consistent with what they have previously said or done. Therefore, look for small initial commitments they are willing to make and they will then be more likely to agree to much bigger commitments in the future.

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All your life, you've been told: "If you commit to something, make sure you follow through and do it. Be true to your word." Right? Consistency is deeply ingrained into the way most people have been taught to live their lives. And that's why consistency is such a powerful weapon of influence.

So how does it get used against you? Take the case of toy manufacturers who make all their profits in the Christmas holiday season and then see their sales go into a slump for the next few months. To try and offset that, here's what they do:

- Prior to Christmas, toy companies will run highly attractive TV ads for certain special toys. They know that kids will see those ads and extract promises from their parents to buy those items as Christmas presents.
- The toy companies then deliberately under supply the stores with the toys they've been advertising.
- Parents go into the toy stores and not wanting to disappoint their kids will buy other toys often of equal value to put under the Christmas tree. The toy manufacturers make sure stores are well stocked in these substitute items.
- Then right after Christmas, the toy manufacturers start running ads again for the original special toys. This fires the kids up more than ever to want them and they say to their parents: "You promised."
- Parents dutifully go back to the toy stores andfind quite surprisingly there is now plenty of stock of the special toys. They sigh and buy them for their children, thereby doubling their toy purchases.

This bait-and-switch ploy is based on the power of consistency as a driver of human action. There is a strong and enduring link between commitment and consistency.

"If I can get you to make a commitment (that is, to take a stand, to go on record), I will have set the stage for your automatic and ill-considered consistency with that earlier commitment. Once a stand is taken, there is a natural tendency to behave in ways that are stubbornly consistent with the stand."

- Robert Cialdini



The drivers of that sense of commitment can be quite subtle. For example charity solicitors who call you on the phone might begin by saying: "Hello, Mr./Ms. Targetperson. How are you doing today?" If you respond with a superficial "Just fine thanks" or "Doing good thanks" then it will be much harder for you to later turn down their request to help those who are not doing as well as you. Having just asserted that you feel good, you will appear to be stingy if you then turn down a request for help for those who are less fortunate.

Salespeople are aware the best way to build momentum for a large sale is to make a small sale first. This is termed "the foot-in-the-door technique". The salesperson gets you to agree to a small purchase so you become a customer and then works hard and systematically to work you up the ladder to a much higher ticket item.

"You can use small commitments to manipulate a person's self-image; you can use them to turn citizens into "public servants," prospects into "customers," prisoners into "collaborators." And once you've got a man's self-image where you want it, he should comply naturally with a whole range of your requests that are consistent with this view of himself."

Robert Cialdini

Even something as simple and "harmless" as getting the customer to fill in an order form by hand can increase

their sense of commitment to move forward. They trust their own handwriting and that's what they have written down. They now feel some pressure to move forward so they can be consistent rather than flaky. And in a similar vein, savvy companies also use the power of written statements to good effect.

"One final tip before you get started: Set a goal and write it down. Whatever the goal, the important thing is that you set it, so you've got something for which to aim—and that you write it down. There is something magical about writing things down. So set a goal and write it down. When you reach that goal, set another and write that down. You'll be off and running."

Amway Corporation

A common influence tactic which gets applied in the car retailing industry is called "throwing a lowball". A salesperson will offer you a car at say \$1,000 less than anyone else. You will fill out all the paperwork and then the salesperson will apologize but won't be able to move forward because "their boss does not approve" or because they forgot to add in the cost of some accessory. A large number of people will still go ahead with the deal at a higher price because they want to be aligned with their previous decision. That's the power of consistency as a driver of influence.

The best way to avoid lowballing and other consistency driven behavior is to keep asking yourself: "Knowing what I now know, if I could go back in time, would I still make the same choice?" If your gut tells you "No", then don't feel bad about changing your mind and asking for a better deal. Don't carry through on any deal which was made on the basis of incomplete information. After all, you're not really changing your mind or going back on your word. Instead, you're giving yourself permission to make a better decision based on more information. That's not a bad thing at all.

"It is easier to resist at the beginning than at the end." – Leonardo da Vinci





People always look to the actions and behaviors of others for hints on how they should act in any setting. If you point out the choice that many others in comparable situations have made, you increase the pressure for them to do the same.

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Pure and simple the more people you see doing something, the more you will assume that is the right course of action and follow suit. That's why television shows have canned laughter, advertisers love to inform us about "best sellers" and bartenders often salt their tip jars with a few dollar bills at the beginning of the evening. We all look to the actions of others for clues on how we should act more than we like to admit.

It might be assumed that social proof has become more important in the era of social media but that's not necessarily the case. Human nature has not changed. In the 1820s, two French opera fans named Sauton and Porcher formed a company and leased themselves and their employees to singers and opera managers who wanted to be assured of appreciative audiences. For a fee, Sauton and Porcher would attend performances and applause wildly. They also offered enticing add-ons like individuals who excelled in crying on cue, chuckling loudly, weeping at sensitive moments and then crying lustily for an encore. Their services were in high demand and the company was highly successful.



Numerous studies have shown the most influential endorsers turn out to be "ordinary people" who we can all relate to. If you see something that someone in a comparable position to yourself has said, you're likely to take more notice than if they had a celebrity or high flier spokesperson.

In a large number of settings, looking at what a group of other people have decided in a similar setting is helpful. You will have a natural inclination to see this as a valid source of information. However, if you get any inkling the evidence presented has been manipulated, then social proof can backfire and make you indignant about doing what is being promoted.

This last point is significant. In many ways, people use social proof as a shortcut for doing their own thinking and making their own decisions. If you realize that someone is manipulating the social evidence you're being fed for their own agendas, you will feel empowered to ignore it entirely. You might even feel more inclined to do the exact opposite.

The other way you can offset unhelpful social proof is to remind yourself you don't need to live life on autopilot. Take the controls, make a course adjustment which offsets the misinformation you have before you and then reengage autopilot once you're heading in the right direction.

"I know that whenever I encounter an influence attempt of this sort, it sets off in me a kind of alarm with a clear directive: Attention! Attention! Bad social proof in this situation. Temporarily disconnect automatic pilot. It's so easy to do. We need only make a conscious decision to be alert to counterfeit social evidence, and the smug overconfidence of the exploiters will play directly into our hands. Whenever possible we ought to sting those responsible for the rigging of social evidence. We should purchase no products featured in phony "unrehearsed interview" commercials. Moreover, each manufacturer of the items should receive a letter explaining our response and recommending that they discontinue use of the advertising agency that produced so deceptive a presentation of their product."

Robert Cialdini

Also keep in mind social proof is not infallible. It should never be trusted fully. Whenever you feel influenced by social proof, pause and look at big picture as well. See whether your course of action driven by social proof aligns with all of the objective facts, your prior experiences and your own gut. Never rely on social proof to be 100 percent correct every time you encounter it. The reality is social proof is not bulletproof.

To take a simple example, there is a well documented phenomena which happens on highways. In rush hour settings, if a few cars happen to simultaneously move from one lane to the next, that can set off a disastrous chain reaction. The drivers of the following cars assume there must be some kind of lane blockage ahead and in their scramble to move to another lane accidents frequently occur. In this case social proof has somewhat disastrous consequences.

Again, there are two ways you can defend against social proof. Your best defense is usually to sit down and figure out whether those providing their opinions have been given inaccurate data or not. If you can find instances where those who provide phony social evidence have fudged the data, then you should feel comfortable going against the current.

Also remind yourself that influencers will generally only let you hear from those who like their product or service. They highlight the likers and ignore the naysayers. Therefore whenever you come across social evidence, remind yourself you might not be getting the full picture. Look for dissenting voices as well.

"An automatic-pilot device, like social proof, should never be trusted fully; even when no saboteur has fed bad information into the mechanism, it can sometimes go haywire by itself. We need to check the machine from time to time to be sure that it hasn't worked itself out of sync with the other sources of evidence in the situation—the objective facts, our prior experiences, our own judgments. Fortunately, this precaution requires neither much effort nor much time. A quick glance around is all that is needed. And this little precaution is well worth it. The consequences of single-minded reliance on social evidence can be frightening."

- Robert Cialdini





People prefer to say "Yes" to those they like. Always look for areas of agreeability or similarity before you start getting into more controversial topics. Give sincere compliments first and you enhance your persuasiveness.

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It sounds entirely logical that we prefer to say "Yes" to the requests of people we know and like. That's why charities recruit local volunteers to go out and canvass for donations close to their own homes. It's much harder for you to say "No" to a friend than it is to turn some faceless charity.



The humble Tupperware party is a great example of the power of likability as a driver of commercial transactions. There is reciprocity – games are played and everyone wins a prize so they feel obligated to give you an order in return. There's social proof – you see other people like you buying so the product must be good, right? There's also commitment as partygoers talk about how much they love the product,

The real secret sauce of the Tupperware party is they don't ask you to buy from a stranger. Instead, the party hostess (who is your friend) gets a cut from each piece sold at her party. Everyone knows that so she can unashamedly invite you to spend more on the strength of her social ties with you. And that's why Tupperware sells more than \$2.5 million of its product every day without incurring the overheads of physical stores.

Another striking aspect of likability is the person doesn't even need to be present for their influence to be evident. Lots of salespeople work on referrals. New prospects are informed their friend has purchased and they then "suggested I call on you". This very savvy approach ratchets up the buying pressure because if you reject the salesperson, that kind of feels like you're rejecting your friend as well.

Likability can be a driving factor that makes prospects decide to do business with you rather than anyone else. So what exactly are the factors that cause one person to like another? Social scientists have studied this topic quite extensively and they have concluded likability is usually driven by:

- Physical attractiveness you're more likely to like someone who is good looking.
- Similarity or familiarity you'll feel more inclined to agree with someone who has the same beliefs as you or who dresses like you.
- Compliments you'll be more open to someone who says good things about you.
- Association you'll feel more positive towards a person who was part of some great personal victory and more negative towards someone who was tied up in some great disaster in your life or career.

When all of these factors combine, the net cumulative result of likability can be a significant boost in your powers of influence. The interesting thing is small actions count. Not everything has to be a grand gesture that captures the headlines.

For example, car salesman Joe Girard is one of the top performers nationwide. Every year, he makes more than two hundred thousand dollars from commissions on selling Chevrolets. For twelve years straight, he averaged selling more than five cars and trucks every work day earning him the title of the "world's greatest car salesman" in the Gluiness Book of World Records.

"For all his success, the formula he employed was surprisingly simple. It consisted of offering people just two things: a fair price and someone they liked to buy from. "And that's it," he claimed in an interview. "Finding the salesman they like, plus the price; put them both together, and you get a deal."

Robert Cialdini

To increase his personal likability, every month Joe Girard sends every one of his thirteen thousand former customers a card in the mail. The card's greeting

changes to match the season (Happy New Year or Happy Thanksgiving, etc.) but the message printed inside the card never varies. It reads: "I like you" and then has Joe's name and contact details.

"I like you." It came in the mail every year, twelve times a year, like clockwork. "I like you," on a printed card that went off to thirteen thousand other people, too. Could a statement of liking so impersonal, so obviously designed to sell cars, really work? Joe Girard thinks so; and a man as successful as he was at what he did deserves our attention. Joe understands an important fact about human nature: We are phenomenal suckers for flattery. Although there are limits to our gullibility—especially when we can be sure that the flatterer is trying to manipulate us—we tend, as a rule, to believe praise and to like those who provide it, oftentimes when it is clearly false."

#### - Robert Cialdini

So how do you say "No" to someone who is trying to influence you by ramping up their likability? If you've just met someone and you find you like them more than you would in normal circumstances, take that as a strong signal. Step back and identify the factors they have applied to make you like them immediately. Then mentally separate the person from the product or service he or she is trying to sell. Concentrate on the merits of the product rather than your fondness for the person doing the pitching. Separate the dealer from the benefits and make a decision based on the facts.

"Did you ever wonder what all those good-looking models are doing standing around in the automobile ads? What the advertiser hopes they are doing is lending their positive traits—beauty and desirability—to the cars. The advertiser is betting that we will respond to the product in the same ways we respond to the attractive models merely associated with it. And they are right. In one study, men who saw a new-car ad that included a seductive young woman model rated the car as faster, more appealing, more expensive-looking, and better designed than did men who viewed the same ad without the model. Yet when asked later, the men refused to believe that the presence of the young woman had influenced their judgments."

- Robert Cialdini



People inherently like to follow the lead of credible experts. Signal your credentials and your power to influence will increase accordingly. Have your team members introduce you as an expert and customers will be inclined to follow along without question.

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Whether you notice it or not, you've been trained almost from birth to follow instructions from those in authority. Parents, teachers, managers and religious institutions all provide instructions and control. As a result, most people in society consider information from a recognized authority to be a valuable shortcut on how to act in any and all situations.

"This paradox is, of course, the same one that attends all major weapons of influence. In this instance, once we realize that obedience to authority is mostly rewarding, it is easy to allow ourselves the convenience of automatic obedience. The simultaneous blessing and bane of such blind obedience is its mechanical character. We don't have to think; therefore, we don't. Although such mindless obedience leads us to appropriate action in the great majority of cases, there will be conspicuous exceptions—because we are reacting rather than thinking."

- Robert Cialdini

For example, good health is important to everyone. Therefore, physicians who possess large amounts of knowledge and experience in medicine are highly respected authorities on health matters. Health care staff therefore are inclined to automatically obey doctor's orders even when it is clear an obvious error has been made. Studies have shown that medication errors run at about 12 percent a day in the average hospital and contribute to around 10 percent of all cardiac arrests in hospitals.

Of course, the respect given to doctors is not lost on advertisers. TV actor Robert Young who played *Marcus Welby*, *M.D.* on television for so many years was hired to

counsel people against the dangers of caffeine and instead to buy caffeine-free Sanka brand coffee. The commercial was highly successful and was used for many years. Objectively this doesn't make sense as Young was just an actor playing the role of a doctor but the promotion was a huge success.

There are in general three symbols of authority in modern society:

- 1. *Titles* like doctor or professor. These confer instant status on people and can strongly influence how others act around them.
- Clothes like police uniforms, a priest's robes or a hospital worker's whites. Security guards often wear uniforms which are very similar to a police offer's uniform to borrow some of their authority.
- 3. *Trappings* like finely styled and expensive clothes, expensive jewelry, prestige cars and so on.



The best tactic for guarding against undue influence wielded by those who are trying to use the authority weapon is to remove its element of surprise for a start. Notice when people are trying to use authority to influence your behavior and say "No thanks". Always ask two questions:

- Is this authority truly an expert in this field? Look at all the evidence for why you consider them to be an expert and you will often find their credentials are solely built on empty titles rather than training or first-hand knowledge.
- 2. How truthful can we expect the expert to be here? In other words, do they have a hidden agenda of some sort or incentives to say something? Can we expect them to provide us with impartial information in this case? If they have something to gain by sending us in one direction or another, then it's hard to take their advice at face value. You should dig a little deeper.

The authority weapon can crop up in all kinds of settings and you need to stay on guard all the time. For example, waiters in high end restaurants can use authority in subtle ways to increase their tips. As is obvious, the larger the customer's bill the larger their gratuity will usually be. Therefore, it's in the waiter's interests to get customers to spend as much as possible. So where does authority come into play? Say a group of eight to twelve people come into the restaurant, the savvy waiter will get into action when it comes time for the diners to order their meals.

No matter what the first diner (normally a lady) selects, the waiter will pause before writing the order down and theatrically look quickly over his or her shoulder for the manager. The waiter will then lean towards the table and report (loud enough for everyone to hear): "You know Ma'am that dish is not as good tonight as it normally is. Might I recommend instead ..... or ..... They are both excellent tonight."

When that happens:

- The diners will feel like the waiter has provided them with some valuable insider information.
- It will appear like the waiter has the diner's interests at heart, not that evil restaurant who actually pays him.
- They will feel like they are engaged in a conspiracy to stop the restaurant from overcharging them.
- The diners will see the waiter as an expert who is on their side and ask about other items on the menu. The waiter can then use that influence to increase the overall size of the table's order.
- Reciprocity will kick in and work in the waiter's favor when it comes time to settling the bill and specifying their tip.

Overall, by astutely combining the influence weapons of authority and reciprocity into a single and very elegant maneuver, waiters can inflate both the size of the table order and their own tips. Waiters who seem at face value to be conspiring against their own employer can do exceptionally well thanks to the authority weapon.



٢	SIx Weapons of Influence	6 Scarcity

People always want more of what there is less of. To increase demand for your products and services, point out what is unique about them and then explain why stock is limited. Explain what people stand to lose if they fail to buy to ratchet up the pressure to buy.

Humans instinctively want more of whatever is in short supply. They crave experiences which are available for limited periods of time. We don't even notice we're doing it but scarcity influences lots of decisions.

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"The idea of potential loss plays a large role in human decision making. In fact, people seem to be more motivated by the thought of losing something than by the thought of gaining something of equal value. For instance, homeowners told how much money they could lose from inadequate insulation are more likely to insulate their homes than those told how much money they could save."

#### - Robert Cialdini

Pretty much everyone uses scarcity to determine the value of items. General rules-of-thumb go like this:

- If an item is rare or becoming that way, it is more valuable. "Only five of these were ever made and you have one right here in front of you".
- If an item is available in limited numbers, it is more valuable than otherwise. "There are only two unsold lots in the entire development and once they're gone that will be it".
- If an item is flawed, it can become much more valuable. "This postage stamp which has a three-eyed likeness of George Washington might be anatomically incorrect but it is highly sought after".

Again astute salespeople have been using scarcity to close deals since time immemorial. An appliance salesman, for example, approaches a couple who had paused in front of appliance and states: "Nice. I see you're interested in this model. I can understand why – it's a great machine at a great price. Unfortunately, I just

sold this appliance to another couple not more than twenty minutes ago. And if I'm not mistaken, that was the last one we had."

Upon hearing that, the product will suddenly jump in its attractiveness. More often than not, the customer will ask if by any chance there happens to be stock somewhere in the back room, warehouse, at another branch of the chain or other location. The salesperson can then state: "Well, that is possible and I'd be willing to check. But do I understand that this is the model you want and if I can get it for you at this price, you'll take it?"

"Therein lies the beauty of the technique. In accord with the scarcity principle, the customers are asked to commit to buying the appliance when it looks least available—and therefore most desirable. Many customers do agree to a purchase at this singularly vulnerable time. Thus, when the salesperson (invariably) returns with the news that an additional supply of the appliance has been found, it is also with a pen and sales contract in hand. The information that the desired model is in good supply may actually make some customers find it less attractive again. But by then, the business transaction has progressed too far for most people to renege. The purchase decision made and committed to publicly at an earlier, crucial point still holds. They buy."

Robert Cialdini

The common variation on this influence tactic is the "deadline". Some official time limit is placed on the customer's opportunity to buy. Many people find themselves quickly making impulse purchases they later regret just to buy before the window of opportunity (set arbitrarily by the seller it must be noted) vanishes. Other examples of scarcity tactics include:

- "You have to buy this photo now because stocking limitations force us to burn unsold pictures of your children within twenty-four hours."
- "I have so many other people to see that I can only visit you once. It's company policy that even if you want to buy this machine later on, I can't come back and sell it to you."
- "Exclusive, limited engagement ends soon. Buy your tickets now."
- "This is your last chance to save big".

- "Time is running out ... so is inventory."
- "Better buy now! Get in on this limited time offer."
- "There will never be a better time to buy".



Scarcity can also have lots of interesting side effects. For example, when Dade County, Florida passed a law prohibiting the use of cleaning products containing phosphates, that triggered a healthy black market in the items. Furthermore, most citizens of Dade County (which includes Miami) came to see phosphate-based cleaners as better and teamed up with their neighbors to drive to nearby counties to load up on these cleaners. Within a short period of time, many families were able to boast they had a twenty-year supply of phosphate cleaners on hand.

"When our freedom to have something is limited, the item becomes less available, and we experience an increased desire for it. However, we rarely recognize that psychological reactance has caused us to want the item more; all we know is that we want it. Still, we need to make sense of our desire for the item, so we begin to assign it positive qualities to justify the desire. After all, it is natural to suppose that if one feels drawn to something, it is because of the merit of the thing. In the case of the Dade County antiphosphate law—and in other instances of newly restricted availability—that is a faulty supposition. Phosphate detergents clean, whiten, and pour no better after they are banned than before. We just assume they do because we find that we desire them more."

#### Robert Cialdini

A similar phenomena crops up whenever something is censored or access to information is restricted. That commonly makes people want it more than they ever did before. Many well-intentioned parents work with their schools to keep undesirable materials out of school libraries but oftentimes that merely motivates students to access those materials elsewhere. They might not

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have even bothered if it was not for the fact their interest was piqued by the school's actions in banning some book. Perhaps that's why the framers of the Constitution of the United States were careful to allow for freedom of the press with their First Amendment.

So how do you offset scarcity tactics when they arise?

"It is easy enough to feel properly warned against scarcity pressures; but it is substantially more difficult to act on that warning. Part of the problem is that our typical reaction to scarcity hinders our ability to think. When we watch something we want become less available, a physical agitation sets in. Especially in those cases involving direct competition, the blood comes up, the focus narrows, and emotions rise. As this visceral current advances, the cognitive, rational side retreats. In the rush of arousal, it is difficult to be calm and studied in our approach. In fact, this may be the reason for the great effectiveness of scarcity tactics. When they are employed properly, our first line of defense against foolish behavior—a thoughtful analysis of the situation—becomes less likely."

- Robert Cialdini

The best way to offset the scarcity weapon is to question what exactly do you want from the item. Will your pride of ownership be based on possessing the item or using it? If you find that you want something for other than its utility value, that should raise an immediate red flag.

"Should we find ourselves beset by scarcity pressures in a compliance situation, then, our best response would occur in a two-stage sequence. As soon as we feel the tide of emotional arousal that flows from scarcity influences, we should use that rise in arousal as a signal to stop short. Panicky, feverish reactions have no place in wise compliance decisions. We need to calm ourselves and regain a rational perspective. Once that is done, we can move to the second stage by asking ourselves why we want the item under consideration. If the answer is that we want it primarily for the purpose of owning it, then we should use its availability to help gauge how much we want to spend for it. However, if the answer is that we want it primarily for its function (that is, we want something good to drive, drink, eat, etc.), then we must remember that the item under consideration will function equally well whether scarce or plentiful. Quite simply, we need to recall that the scarce cookies didn't taste any better."

- Robert Cialdini

You can also use scarcity to your own advantage. For example, suppose you are selling a used car. A scarcity-based approach to selling it would be to take these steps:

- 1. Place a well constructed ad in your local newspaper to generate a number of calls from potential buyers.
- 2. Schedule everyone who asks to inspect the car to come see it at the same time on the same day.
- 3. When the first prospective buyer arrives, let them start looking at the car. They will start obsessing over blemishes in an effort to get you to lower your price.
- 4. When the second buyer turns up, you say to them: "Well, this other gentleman was here before you. So can I please ask you to wait on the other side of the driveway for a few minutes until he's finished looking at the car? Then, if he decides he doesn't want it or if he can't make up his mind, I'll show it to you."
- 5. All of a sudden the first buyer will feel the pressure. Rather than leisurely assessing the car's pros and cons, he will be faced with a now-or-never, limited-time-only style decision. The first buyer won't be able to talk your price down because you obviously have more potential buyers lined up.
- 6. The second buyer will also feel pressure and will be lurking ready to pounce. That feeling will ratchet up again by the arrival of a third potential buyer who has come to see the car.
- 7. The presence of stacked-up competition will be too much for the first buyer to bear. He will either agree to the price and buy on the spot or leave abruptly. If he leaves, the same dynamics will come into play again on the second buyer.

Note that this sales sequence has nothing to do with the merits or otherwise of the car itself. It's the context that you create that counts and the reversal of roles. If you can create competition for a scarce resource that is clearly about to be taken off the market, people will jump at the opportunity to buy. That's how to use scarcity to good effect.

"Very often in making a decision about someone or something, we don't use all the relevant available information; we use, instead, only a single, highly representative piece of the total. And an isolated piece of information, even though it normally counsels us correctly, can lead us to clearly stupid mistakes—mistakes that, when exploited by clever others, leave us looking silly or worse."

#### - Robert Cialdini

"The blitz of modern daily life demands that we have faithful shortcuts, sound rules of thumb to handle it all. These are not luxuries any longer; they are out-and-out necessities that figure to become increasingly vital as the pulse of daily life quickens. That is why we should want to retaliate whenever we see someone betraying one of our rules of thumb for profit. We want that rule to be as effective as possible. But to the degree that its fitness for duty is regularly undercut by the tricks of a profiteer, we naturally will use it less and will be less able to cope efficiently with the decisional burdens of our day. We cannot allow that without a fight. The stakes have gotten too high."

Robert Cialdini



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