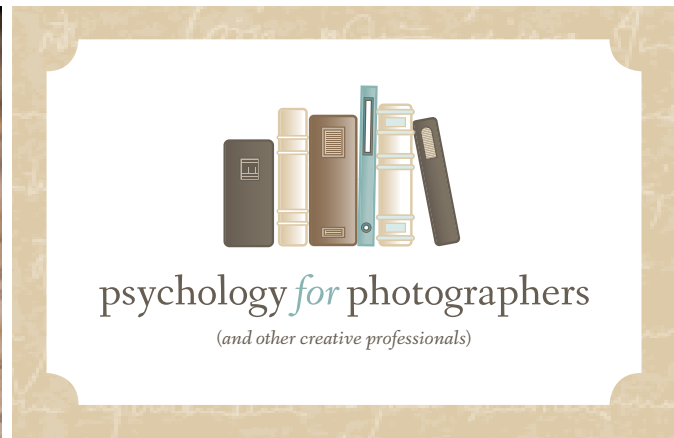
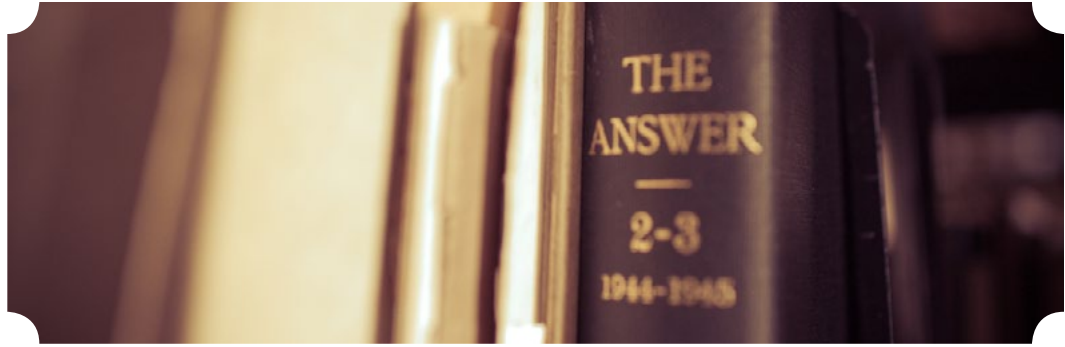




# How Clients Make Decisions About Money

Jenika McDavitt  
Psychology for Photographers





## IMAGINE IF YOU HAD TO EVALUATE EVERY SHIRT IN YOUR CLOSET BEFORE DECIDING WHICH ONE WOULD GO WITH YOUR NEW PANTS.

Or test out every single thing in your fridge to see how it tasted on a new flavor of ice cream.

You'd go crazy. Not to mention waste time and money.

The world presents us with more choices than we can actually make. We absolutely cannot try every option, explore every avenue, or evaluate every possibility.



**Our mind has shortcuts that prevent it from getting overwhelmed.**

Shortcuts that help you decide without thinking that yes, that black belt would be great with those black shoes; or no, ketchup would not be as great as fudge on strawberry ice cream.



**We like to think that we make unique, independent, rational decisions.**

Decisions where we look at our options, compare alternatives objectively, and select the best choice.

But that's not what really happens.



**We tend to follow unwritten, unconscious rules instead. We'd go crazy otherwise.**

Quite often, these rules help us. For example, they save us from a mouthful of strawberry ketchup ice cream.

But sometimes, the rules do not help us.

Sometimes there are glitches.



## WE USUALLY AREN'T AWARE OF THESE GLITCHES.

This is partly because we like to consider ourselves free thinkers and smart decision-makers.

In fact, we think pretty highly of ourselves—and this comes out in amusing ways:

- *In one group of people surveyed in Sweden, 93% rated themselves as “above average drivers.”*
- *At one university, 68% of faculty stated they were in the top 25% of teachers at the school.*
- *And 87% of students at one prominent business school believed they were above-average academic performers.*

In all three situations, it would be mathematically impossible for these self-ratings to be true; 93% of people can't be above average.

But even the untruth is instructive: We like to think we're pretty smart, and that we avoid the traps that other people fall for.



### **We're not usually aware that we're playing by mental shortcuts, and in the moment, we couldn't name what the shortcuts are.**

In most situations, mental shortcuts operate so seamlessly that we don't even think about them.

When you go to work with clients, it's important to understand a few of these mental shortcuts.

Because clients, just like you, do not always make decisions rationally.

The simplest changes in your pricing list can cost you thousands of dollars, for example.

But if you understand how people think, you can present information in a way that helps them pick the best thing for them, not just whatever their mental rules suggest they pick.

This little e-book will explain five top mental shortcuts our clients operate under, and how to work with them in business.

Some of these shortcuts may seem obvious. I encourage you to study them anyway, and not to skim over thinking “I know this already.” Much of psychology feels intuitive, and you may indeed know some of these rules already.

However, being able to deftly label and understand each shortcut will help you spot them in real life—and they will pop up in unexpected places. You will get the most out of this e-book if you let each idea sink in, and if you think about how each shortcut might affect the decisions you ask your clients to make.



*How Clients Make  
Decisions about Money*

page 2



## SHORTCUT #5: “WHEN YOU ALREADY KNOW YOU’LL GET A GOOD OUTCOME DOING THING A, DON’T BOTHER TRYING THING B.”

When there is risk involved, people tend to avoid choosing an option when they aren’t sure what the probability of a good outcome will be. They’d rather pick something where they know what’s likely to happen.



**This is known as “the ambiguity effect”—people prefer known options over ambiguous options.**

If you know your grandma’s laborious chocolate cake recipe is delicious when baked with Happy Brand Flour, there’s no reason to risk trying Ecstatic Brand Flour when you’re not sure if it will turn out as well.

This can bite you in business when you’re introducing a product or service that clients aren’t familiar with.

For example: Photographers tear their hair out when clients come to them to order “big prints”—and then proceed to order a handful of 8x10s.

The photographer thinks: *“An 8x10 is smaller than a piece of printer paper! It’ll look like a postage stamp on their wall! This client is just cheap.”*

The client thinks: *“I have no idea what owning 20x30 would be like. What if I pick the wrong photo, hate it, and then spend all that money on something I don’t like? I’ll stick with the 8x10 frames I already own and like – they’re bigger than 5x7s at least.”*



**Contrary to what business owners may think, clients don’t always choose smaller print sizes or smaller packages because the client is straight-up “cheap.” (So, lowering the price will not always help either.)**

**Clients often pick the smaller size simply to reduce risk relative to their investment. They don’t like the ambiguity of not knowing.**

No matter what size the client picks, there’s some chance that they’ll be unhappy. But even though an 8x10 is small and the client wants something large, they have no experience with the 20x30. The mental rule is to not take the unknown risk.

So they stick with the 8x10, because at least they’ve purchased and enjoyed those in the past. How to we get past this shortcut? By taking advantage of Shortcut #4:





## SHORTCUT #4: “I LIKE THINGS I’VE EXPERIENCED BEFORE.”

Aside from reducing risk by picking things they know:



**People prefer things they’ve experienced before, simply because they’ve experienced them before.**

You know how sometimes you’ll hear a song on the radio, and you don’t really care about it; but the more times you hear it, the more you start to kind of like it? It’s called *the mere exposure effect*. There’s a certain warmth we feel towards familiar things, no matter what those things are.

In fact, in the 1960s, a researcher named Robert Zajonc showed some meaningless “Chinese symbols” to a group of people. He told them each symbol represented an adjective, and asked them to rate whether they thought the symbol had positive or negative connotations.



**People rated symbols they’d seen previously as more positive than symbols they’d never seen before.**

Even though the symbols were completely meaningless. *We just like stuff we’ve seen before.*

So let’s go back to the frustrated photographer and the print-buying client. Even though the client may honestly like the 20x30 more than the 8x10, they’re primed to think more positively about things they’re already familiar with.



**The photographer who wishes to sell 20x30s needs to dramatically increase the number of times a client sees it.**

There should be plenty of examples on the photographer’s website—not just jpgs of the photographer’s work, but of the same photos *printed as 20x30s and hanging on clients’ walls*. When the photographer does consultations, they should bring a 20x30 along and put it in the client’s hands. They should mention the 20x30 on their blog and post pictures of 20x30s on Facebook.



**Whatever it is you sell, you need to make it your business to increase your client’s familiarity with that object.**

**So don’t just “show what you want to sell,” but show it over, and over, and over.**

(And over.)





## SHORTCUT #3: “GRAB THE FIRST NUMBER AND WEIGH EVERYTHING AGAINST IT.”

People’s minds will take the first number they see, and compare subsequent numbers against it. It’s called *anchoring*.

For example, a person living in Smalltown, America might think their local steak restaurant is expensive. But a person visiting from NYC might go there and think, “Hey, this is a great deal!”

The person from Smalltown is comparing it to the diner down the block. The person from NYC is comparing it to the nice steak restaurants in NYC, which are considerably pricier.



### **The bad news: You can’t do anything about the other prices that clients have seen for services similar to yours.**

But you could, for example, change the order of your prices on your own list.

If you have three packages with quite a bit of difference between them, you might try listing them as:

\$3,500  
\$2,300  
\$1,400

rather than:

\$1,400  
\$2,300  
\$3,500

Because \$3500 will look quite expensive when compared with \$1400, but \$1400 looks like quite a deal when you compare it against the previously-seen \$3500.

This isn’t a ploy to get people to spend more, either. Even if they picked the middle package regardless, people like feeling that they got a good deal. If they saw \$3500 first, then \$2300 feels like they’re “spending less.” Which feels better than if they saw \$1400 first, and are “spending more.”

(By the way, it isn’t just large numbers that this works for. If you ask someone to simply estimate the answer to “ $5 \times 4 \times 3 \times 2 \times 1$ ,” their answer will be wildly higher than if you asked them to estimate “ $1 \times 2 \times 3 \times 4 \times 5$ .” This effect is pretty persistent—look and see where else it may pop up in your business.)





## SHORTCUT #2: “THE DEFAULT OPTION IS BEST.”

The *default bias* is a little different from what we’ve discussed so far.

We already know that people like things that they’re familiar with, and that they’d rather not risk anything where they’re not sure of the outcome.


But what about situations where the client is less familiar with the options?

 **In most cases, clients will choose whatever the default appears to be.**

For example, one research group found that less than 5% of users changed any settings on the Microsoft software they had installed.

The implications here weren’t trivial. One setting in the software was to turn on an autosave feature. This would automatically save your work should the program crash or the system fail. However, by default, this was turned off.

And it wasn’t even turned off intentionally. A Microsoft programmer had essentially turned everything off as a placeholder, assuming someone would come tell him which settings Microsoft wanted turned on. Except no one did. So they all stayed off.

 **And then the clients didn’t change any of the settings either: “I assume it was turned off for a reason,” clients said. “They know what they’re doing.”**

Oops.

This isn’t just the case with software settings. Psychologist Dan Ariely looked at percentages of registered organ donors across countries, and found that 4% of Danish people were registered donors, whereas over 99% of Austrians were registered donors.

Are Austrians highly selfless, whereas Danish people just don’t care?

No, it had to do with how the country presented the option to become an organ donor. In Denmark, when people go to get their drivers license, the option said something like “If you would like to become an organ donor, check this box.” They had to opt *in*—the default was to not participate. And few people participated.

In Austria, it said: “If you would prefer to *not* participate in the organ donation program, check here.” They had to opt *out*—the default was to become an organ donor. And nearly everyone became a donor.



## People tend to stick with the default.

In business, always make sure the default option is what you think will make you and your clients the happiest.

For example, let's say you're a photographer who has a list of possible products:

### PACKAGE A:

10 small gift prints  
5 digital files  
3 canvas prints

### PACKAGE B:

10 small gift prints  
5 digital files

### PACKAGE C:

10 small gift prints

You truly want to be selling canvas prints, but they're pricier to manufacture, so they're in your top package. But you REALLY want to sell them, you're excited about canvases, you've put them all over your website, and you've shown people samples.

And yet, you find that people are consistently buying Package B or C.

Why might this be? Again, it *might not just be that people are "cheap."*

In this case, each package contains 10 small gift prints, making that look like the "default" purchase. The standard. The baseline. "The thing people get."

But if you really want to sell canvases, you might try something like:

### PACKAGE A:

2 canvas prints  
10 small gift prints  
5 digital files

### PACKAGE B:

2 canvas prints  
10 small gift prints

### PACKAGE C:

2 canvas prints

Here, you've changed the "default" to two canvas prints instead of the small gift prints. And canvas sales would probably increase. (If people still wanted small prints only, they could buy them la carte; however, if this would be going against the default, then fewer people would be likely to choose that option.)



**Your clients are not experts in your field—they assume that you know what you're talking about.**

They assume that if you're presenting them with a common option, that it is the default option, and that it is the standard thing people buy to make them happy.



**Make sure the default corresponds to what you actually want to sell.**







## SHORTCUT #1: “IF OTHER PEOPLE DO IT, IT MUST BE A GOOD THING TO DO.”

Say you’re walking down the street, and you see a crowd of people looking up at a tall building. What would you do?

You’ll probably stop and look at the tall building.

If you walked into a classroom and saw everyone going up and writing their name on a chalkboard, what would you do?

You’d probably get in line to write your name on the chalkboard.



**As much as we like to think we always march to the beat of our own drummer, in many situations, we simply do what other people are doing. It’s called social proof.**

And it’s not a bad thing. Most of the time, it’s safer. You don’t want to be the one who gets a piano dropped on their head because you didn’t look up, or be the person the teacher yells at for not writing their name on the board.

You may have heard that testimonials for your business or product take advantage of social proof. They show prospective clients how wonderful everyone else thinks you are. This can lower the perceived risk of hiring you, because they get to see how other clients have responded.

You may even have testimonials on your website already.



**However, most people aren’t taking full advantage of testimonials.**

Many people have all their testimonials displayed on a single “testimonials” or “raves” or “what clients are saying” page. This is fine. But it’s not optimal.

People need to see that social proof not just as they browse your site, but *right at the moment you’re asking them to take action.*

Place testimonials not just on their own page, but also next to your “book now” button, your contact form, or your newsletter opt-in box. Anywhere that you’re asking someone to do something is the perfect spot for another testimonial.



To illustrate: If I think you should to go check out my [How To Build an Absolutely Irresistible Photography Website e-book](#), me simply writing this:

\*\*\*

Click here to check it out →

\*\*\*

Will be less effective and reassuring than:



Click here to check it out →



### Which would you be more likely to click?

Adding social proof right at the moment of decision isn't just about getting more bookings. It's also about taking better care of prospective clients.



### Buying anything—especially online—is a bit scary.

No matter what we do to lower the risk, they are still taking a chance. They have had bad experiences in the past. They like what they see on your site, but they don't want to waste their money or deal with any hassles.

Right at that moment of truth, they will feel more secure in taking that chance if they see that other people are doing the same thing, and that it's turning out well. You adding a testimonial next to that decision point provides a more secure and worry-free buying experience.

In fact, everything we've discussed here—from paying attention to anchors and defaults to increasing familiarity—isn't just about getting more bookings or making more money. It's working *with* your clients' natural decision-making shortcuts to ensure they have the best chance of getting the most out of what you offer, while minimizing the risk and worry on their end.

Both you and your clients deserve that kind of experience.



## DID YOU ENJOY THIS FREE E-BOOK ABOUT HOW CLIENTS MAKE DECISIONS?

I bet you'd also enjoy my more in-depth e-book about how clients look at websites.



*How To Build An Absolutely Irresistible Photography Website* doesn't provide a cookie-cutter template for your website. Instead, it walks you through the process of getting to know your ideal client, then helps you tailor your website to match their needs and desires.

As you go through this e-book, you'll learn:

- How to write and arrange your website so people take action
- Exactly how to talk online about your pricing
- How humans naturally view a screen — and how to use it to your advantage
- How to disguise key information in delightful ways
- What content people share with friends
- What memory research says about your navigation bar
- Unexpected ways to use galleries to show more than your portfolio

Although the e-book was written with photography examples, just like the e-book you just finished reading, many other professionals (including graphic designers, lawyers, painters, and educators) have also found the principles useful in redesigning their own sites. I bet you will too.



[Check it out now!](#)

P.S. What's that? You'd like to share this free e-book with a friend? No problem! Just copy and paste this link for them so they get the full benefits and any updates: <http://bit.ly/19b4Az8>





## DISCLAIMER & THE FINE PRINT:

*The information contained in this e-book is not intended nor implied to be, or substitute for, the services of trained professionals in any field, including but not limited to the medical, financial, psychological, or legal fields. This information is provided “as is” without any representations or warranties, express or implied. Every effort has been made to ensure the principles in this e-book accurately represent academic research findings, but because these factors differ according to individual situations, we cannot and do not by law guarantee success or income using them. Jenika McDavitt will not be held liable to you in relation to the contents or the use thereof for any indirect, special, exemplary, or consequential loss; or for any business losses, loss of revenue, income, profits, or anticipated savings, loss of contracts or business relationships, loss of reputation, etc. Any statements in this book are opinion and not a guarantee or promise of actual performance, monetary or otherwise. You alone are responsible for your decisions, actions, and results in business and in life. By using and/or applying the information in this e-book, you agree not to hold Jenika McDavitt liable for any such decisions, actions, or results, at any time, or under any circumstances.*



*How Clients Make  
Decisions about Money*

page 11



# psychology *for* photographers

*(and other creative professionals)*



*Let's keep the conversation  
going on Facebook!*