



The Psychology of (P)Salesforce



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YOUR CUSTOMERS ARE IRRATIONAL

...AND SO ARE YOU!

What We Will Cover

1. Law of Least Effort
2. Paradox of Choice
3. Survivorship Bias





How We Will Cover It

IDEA:

General Psychology / Behavioral Economics Concept

EXAMPLE:

Where We See This Play Out
in Everyday Life

APPLICATION:

How This Applies to Practical
Marketing & Salesforce Tools



Law of Least Effort

**“In the economy of action, effort is a cost...
Laziness is built deep into our nature.”**

–Daniel Kahneman



Law of Least Effort: Idea



OVERVIEW

People are lazy

If there are several ways of achieving the same goal, humans will ultimately settle on the least effortful path

- Shortest distance from point A to point B
- Get off the couch!

Law of Least Effort: Example



WHERE WE SEE THIS IN ACTION

- Why we abbrev
- Unengaged subscribers
- Preference Center activity

Law of Least Effort: Applied

OUTPUT FOR MARKETERS

- Progressive profiling
- Interactive Email
- Einstein & AI / ML Tools
- Replenishment

Paradox of Choice

CONTROL:

- 6 Options of Jam
- Attracted 40% of shoppers
- 30% Converted

EXPERIMENT:

- 24 Options of Jam
- Attracted 60% of shoppers
- 3% Converted

Paradox of Choice: Idea



OVERVIEW

More ≠ Better

More options = Less action. Too much choice can instill behaviors or feelings such as:

- Less Satisfaction
- Cognitive Dissonance
- Analysis Paralysis
- Lower Conversions

Paradox of Choice: Example



WHY DOES THIS HAPPEN

- Decision fatigue / cognitive load
- Loss Aversion

Paradox of Choice: Applied

WHAT IT MEANS FOR MARKETERS

- Recommendations: logic, rules, quantity
- Message / CTA simplicity
- Audience segments

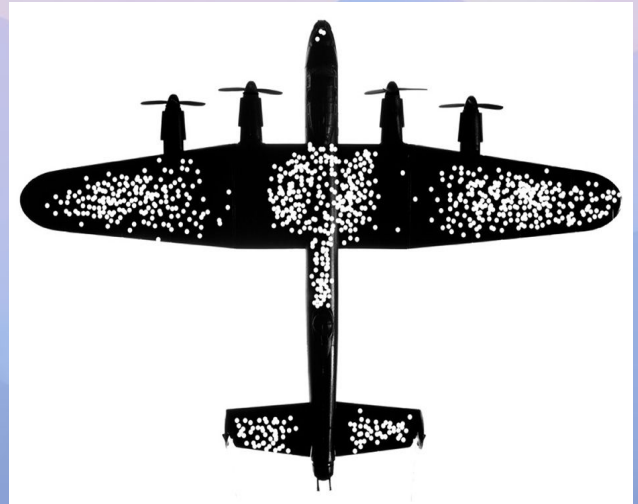
Survivorship Bias

a.k.a. **Negative Selection Bias**



Survivorship Bias

- Logical error focused on a partial data
- Navy analyzing WWII planes that had returned from combat
- The most critical data may be the data we do *not* see



Survivorship: Idea

OVERVIEW

Misinterpreting Data

87% of statistics are made up

- Data Fits Theory vs. ALL Possible Theories
- Sample vs. Population
- Outside Perspective

Survivorship: Example

HOW / WHY THIS HAPPENS

- Framing
- Assumptions, Biases, Heuristics
- Model Simplification / Partial Data Sets

Survivorship: Applied

WHERE WE SEE THIS

- Segmentation / Audience Selection
- List hygiene / deliverability
- Attribution Modeling and KPIs (*e.g., "impression" tracking*)
- Marketing / Data collection / analysis / AIML is never done!

Key Takeaways

- Law of Least Effort
 - Ex: Interactive Email & AI / ML Tools
- Paradox of Choice
 - Ex: Message Simplicity & Reducing Friction
- Survivorship Bias
 - Ex: Data / Audience Consideration



Other Fun Concepts

- Prospect Theory
(+Certainty & Possibility Effects)
- Positivity Bias / Cognitive Dissonance
- Salience / Availability Heuristic / Top of Mind Awareness
- Anchoring (Value, Branding)
- Sunk Cost Heuristic
- Endowment Effect
- Decoy + Goldilocks Effects



Thank You



SCAN ME

Let's Connect!

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