

Applications of Availability Heuristic and Anchoring Effect: A Consumer Perspective

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Abstract. In today's dynamic social and economic environment, consumer behavior is significantly influenced by cognitive biases such as the availability heuristic and anchoring effect. This paper examines how these biases are leveraged in advertising and mobile phone marketing, using the cases of Safeguard's antibacterial soap and Huawei's collaboration with Porsche Design. The study aims to reveal how these biases shape consumer decisions and offers suggestions for more rational consumer behavior. The analysis shows that advertising can manipulate information recall to influence consumer perceptions, while the anchoring effect can alter willingness to pay through high-end brand associations. These strategies are effective but often leave consumers unaware of their impact, leading to potentially optimal decisions. The study's significance lies in its contribution to understanding marketing strategies and cognitive biases in consumer behavior. It highlights the importance of consumer awareness and rational decision-making. The paper suggests that consumers should seek comprehensive product information, consider real user reviews, and align purchases with actual needs to mitigate the influence of these biases. This approach can lead to more informed and cost-effective choices. Future research could explore the interplay between these biases and other factors such as cultural differences and technological advancements.

Keywords: Behavior Economic, Availability Heuristic, Anchoring effect.

1. Introduction

In today's complex and changeable social and economic environment, individual decision-making behavior is often influenced by many cognitive biases [1]. Among them, the availability heuristic and the anchoring effect are two representative cognitive biases, which commonly exist in people's daily life and profoundly affect consumer behavior and choice [2].

The availability heuristic is when people over-rely on information that can be easily recalled or accessed when judging the likelihood or frequency of an event, while ignoring other information that may be more important. On the other hand, the anchoring effect is when people over-rely on the initial information (the "anchoring point") when making decisions, and make judgments and decisions based on it.

The availability heuristic was proposed by Daniel Kahneman and Amos Tversky in 1973 [3]. They believe that people rely on information that can be easily recalled when judging the probability of an event, and the availability of this information affects the accuracy of the judgment [4]. The availability heuristic means that in a certain situation, people evaluate the frequency or likelihood of a class of events by easy-to-think of instances or events.

Anchoring effect, also proposed by Tversky and Kahneman, refers to the estimation bias that occurs when the results of judgments and decisions are too close to the direction of the initial information or initial value (the "anchor") [5]. Anchoring effects play a crucial role in pricing strategies. By setting a high initial price point, firms can create a perception of premium value, which influences consumers' willingness to pay. This strategy is particularly effective in markets where consumers are sensitive to brand prestige and status symbols. Anchoring occurs not only when the starting point is given to the subject, but also when the subject bases his estimate on the result of some incomplete computation. The theoretical development of anchoring effect is also deepening, including the selective access model and the digital priming hypothesis, which further explains the mechanism of anchoring effect. At the same time, it is found that the strength of anchoring effect is

affected by anchoring value type, knowledge and experience, individual differences and other factors. The anchoring effect has significant influence in many fields such as economics, consumption behavior and legal judgment [6]. In practical application, the research of anchoring effect is helpful to understand the negative influence of heuristic strategies on decision making, and to explore effective ways to reduce decision bias [7].

These two phenomena are widely used in commercial scenarios such as advertising and mobile phone marketing. Through clever design and strategy, merchants use consumers' cognitive biases to guide their purchasing behaviors. However, consumers often fail to realize the potential impact behind these strategies, leaving them vulnerable to misdirection in the decision-making process [5].

Therefore, in-depth research on the application scenarios, behavioral motivations and optimization strategies of availability heuristics and anchoring effects not only helps to reveal the marketing methods of merchants, but also provides a reference basis for consumers to make rational decisions. This paper will discuss the application of these two cognitive biases in advertising and mobile phone marketing through specific case analysis, and make theoretical analysis from the perspective of behavioral economics, and put forward suggestions for optimizing consumer decision-making behavior.

2. The application of availability bias in advertising

2.1. Case description

Life is full of ads, there are ads watching videos, there are ads in the elevator, and even there are ads on the subway. Advertising is everywhere, so why do businesses advertise?

Take Safeguard as an example, Safeguard is a well-known personal care brand owned by Procter & Gamble (P&G). Procter & Gamble is a leading global consumer products company with businesses in beauty, personal care, home care and other areas. As one of its key brands, Safeguard focuses on providing antibacterial, cleansing and skin care products, including soaps, body washes, hand sanitizers and more. After entering the Chinese market, Safeguard successfully surpassed Lux soap, which dominated the market at that time, through the concept of "sterilization". According to the data of China Enterprise Brand Research Center, the brand Power index (C-BPI) score of Safeguard in the Chinese body wash market in 2019 reached 596.4, 46.4% of consumers first mentioned Safeguard, and the brand association degree reached 80.9%.

2.2. Behavior analysis

Through the way of advertising, businesses allow consumers to easily accept the information of advertising in daily life and understand the product, which is equivalent to establishing a shortcut in the brain to connect such products with the brand. Compared with other goods that are not recognized by consumers, advertised goods break the information barrier and increase the information availability of their own products. Therefore, when consumers really need such products, they will unconsciously emerge in their minds those advertising pictures and brand names they have seen, so that it is easier to recall these brands that have appeared in advertisements.

In the TV advert for Safeguard, children are depicted sweating and blushing after playing football, then wiping the sweat with their hands before grabbing food with their hands. The scene suddenly cuts to a magnifying glass, zooming in on the bacteria on the children's hands, which are chillingly visible on the screen. Finally, the picture appears Safeguard soap, with the slogan emphasizing its "antibacterial" function and calling on consumers to "protect the health of their families with Safeguard."

This kind of advertising picture has a profound impact on people's psychological cognition. First, by amplifying the visual effects of bacteria, advertising creates a strong sense of insecurity and hygiene anxiety. When the audience sees the enlarged bacteria, it will instinctively produce fear and aversion to bacteria, and then pay high attention to health issues. This fear and concern makes the concept of "sterilisation" even more important and urgent in the minds of viewers. Second, the AD

provides viewers with a simple and straightforward solution by deeply binding Safeguard soap with its "antibacterial" function. After seeing the AD, viewers will be more likely to recall Safeguard and see it as an effective tool to protect the health of their families. This psychological association has greatly enhanced the availability of Safeguard in the minds of consumers, and consumers are more likely to choose Safeguard when they need to buy soap, because it has been closely linked with the important function of "sterilization".

2.3. Behavior optimization

In the face of advertising, consumers should not blindly buy products just because of the attraction of advertising. Advertisements are often carefully designed to highlight the advantages of the product, but these advantages may not be fully in line with the reality [8]. Therefore, consumers need to further understand the actual information of the product, such as the composition, function, use method and after-sales service of the product, and then make a decision combined with real user evaluation. These reviews come from consumers who have used the product, and their real experience can provide information that is not available in advertisements, helping consumers to more fully understand the advantages and disadvantages of the product and make a more informed purchase decision.

At the same time, consumers need to consider their actual needs more, not only according to the content of the advertisement impulse consumption. The content of advertisements often stimulates consumers' desire to buy, but this desire does not necessarily match the real personal needs. Impulse spending often leads to the purchase of products that are not really needed, resulting in unnecessary waste. It is worth noting that the content of the advertisement may involve exaggerated claims. In order to attract consumers, some advertisements may exaggerate the effect or function of the product, or ignore some possible problems. Consumers need to keep rational and critical thinking and not be fooled by exaggerations in advertising [9].

In order to make more informed consumer decisions, consumers can broaden their information sources beyond the single channel of advertising. In addition to advertising, consumers can choose to try offline experience and personally feel the actual effect of the product. For example, for electronic products, consumers can go to the physical store to operate and experience; For clothing, you can try it on for texture and comfort. In addition, it is also a good way to seek recommendations from friends and family around you.

3. Anchoring effect in mobile phone marketing

3.1. Case description

In 2016, Huawei and Porsche Design started working together for the first time and released the Huawei Mate9 Porsche Design Edition. The Huawei Mate 9 series has sold 5 million units in just four months since its release in November 2016. Among them, Mate 9 Porsche design edition as a high-end limited edition, although the price is as high as 8999 yuan, but the market response is warm, the first sale of the day was snapped up.

Huawei Technologies Co., Ltd. is a global leader in information and communications technology (ICT) solutions for operators, enterprises and consumers. Huawei has strong technical strength in 5G, cloud computing, big data and other fields, and its smartphone brand occupies a significant share in the global market. Huawei keeps pace with Honor brands to continuously enhance user loyalty and market scale.

Porsche Design is a company focused on high-end design and is part of the Porsche Group. Porsche Design is known for high quality, high performance and unique design, and its products cover a wide range of fields such as automobiles, electronics and fashion accessories. Ferdinand Alexander Porsche, the founder of Porsche Design, introduced Porsche's sports car design philosophy to other product areas, creating many classic designs.

The cooperation between Huawei and Porsche Design has successfully utilized the anchoring effect to enhance the brand image of Huawei mobile phones in the high-end market by anchoring

Porsche's high-end image to mobile phone products [10]. Consumers' perception of the Porsche brand (premium, luxury, excellent quality) was transferred to Huawei Porsche co-branded phones, making them more competitive in the high-end market.

3.2. Behavior analysis

Consumers often use price as a cue to assess the quality and value of a product. Higher prices can signal higher quality and exclusivity, while lower prices may suggest better value for money. Huawei Mate 9 Porsche Design Edition with Porsche as the anchor point, by anchoring Porsche's high-end image to the mobile phone products, making Huawei's mobile phone has also been marked with the "high-end" label, its price of 1395 euros has become reasonable, while the iPhone 7 Plus is only 969 euros.

On the one hand, the "high-end" Huawei Mate 9 Porsche Design Edition has successfully attracted consumers who pursue high-end quality and unique status symbols to pay for it with its luxurious exterior design, top-notch hardware configuration and joint cooperation with the Porsche brand. This mobile phone not only represents Huawei's technical strength in the high-end market, but also a symbol of identity and taste, its price is as high as 1395 euros, far more than other mobile phone products in the same period, but it is still sought after by the market, the first day of sale was snapped up, and even later was scalped to a higher price.

On the other hand, in contrast, the ordinary version of Huawei Mate 9, which is only 699 euros, is more cost-effective and user-friendly. Although the ordinary version of the Mate 9 is slightly less than the Porsche design in configuration and design, it is still equipped with the top Kirin 960 processor at the time, equipped with a 4GB+64GB storage combination, and has excellent battery life and high-end features such as Leica dual camera. This mobile phone also meets the needs of consumers for high performance, long battery life and excellent photo experience, and is sought after by middle and low consumer levels.

Huawei has not only successfully established a brand image in the high-end market, but also further expanded its market share through the ordinary version of the cost-effective strategy, covering the needs of different levels of consumption. This strategy makes Huawei Mate 9 series prominent in the market competition in 2016, whether high-end users or ordinary consumers, can find products that meet their needs in Mate 9 series.

3.3. Behavior optimization

Take the Huawei Mate 9 Porsche Design Edition as an example, this mobile phone has attracted the attention of many consumers when it was released. At 8,999 yuan (about 1,395 euros), it is the most expensive version of Huawei's phone. For most consumers, the ordinary Mate 9 has been able to meet the needs of daily use, while the Porsche design version is more symbolic of status and taste.

However, consumers should remain rational in the face of such high prices. Although the Mate 9 Porsche Design edition is impeccable in design and performance, its price is much higher than the ordinary Mate 9. The price of the ordinary Mate 9 is 699 euros, although the configuration is slightly less than the Porsche design, but still equipped with the top Kirin 960 processor at the time, equipped with 4GB+64GB storage combination, and has excellent battery life and high-end features such as Leica dual camera. For most consumers, the ordinary Mate 9 has been able to meet the needs of daily use, while the Porsche design version is more of a symbol of status and taste.

At the same time, consumers need to pay more attention to the product itself, rather than just being attracted by the publicity. Consumers should focus on the quality and actual needs of the product, carefully study the performance, composition, after-sales service and other aspects of the product, and analyze whether the product itself is really worth the money. For example, although the Mate 9 Porsche Design edition is high in price, its design and craftsmanship do reach a high-end level, suitable for consumers who have extremely high requirements for quality. The ordinary version of Mate 9 is more suitable for those who pursue cost-effective and practical users.

4. Conclusion

The availability heuristic and anchoring effect are two significant cognitive biases that have a profound impact on consumer behavior. In the realm of advertising, the case of Safeguard demonstrates how the availability heuristic can be leveraged to shape consumer perceptions and purchasing decisions. By creating a strong psychological association between the brand and the concept of "sterilization," Safeguard's advertising effectively increased the availability of its products in consumers' minds. This highlights the power of advertising in influencing consumer choices by manipulating the ease of information recall. However, consumers can counteract this bias by seeking comprehensive product information, considering real user reviews, and aligning their purchases with their actual needs rather than being swayed by exaggerated claims. In mobile phone marketing, the collaboration between Huawei and Porsche Design illustrates the strategic use of the anchoring effect. By anchoring the high-end image of Porsche to its mobile phone products, Huawei successfully positioned the Mate 9 Porsche Design Edition as a luxury item, commanding a premium price and attracting consumers seeking status symbols. This case underscores how the anchoring effect can influence consumers' willingness to pay and their perception of product value. Consumers, however, should remain rational and critically evaluate the actual worth of products, especially when faced with high-priced, status-driven options. Focusing on product quality, performance, and personal needs rather than brand prestige alone can lead to more informed and cost-effective purchasing decisions.

In conclusion, while the availability heuristic and anchoring effect are powerful tools in the hands of marketers, consumers can mitigate their influence by adopting a more informed and rational approach to decision-making. By broadening their information sources, critically assessing product claims, and aligning purchases with personal needs, consumers can navigate the complex landscape of marketing strategies and make more optimal choices. Future research could further explore the interplay between these cognitive biases and other factors such as cultural differences, technological advancements, and changing market dynamics to provide a more comprehensive understanding of consumer behavior.

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