



FEAR PSYCHOSIS: MARKETING STRATEGY FOR NEXT GEN BUYERS

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Abstract

Marketing has reached the holistic concept era where a business is acting as a single entity not to ignore any potential segment. Hence, companies look for profitable segments and strategies holistically for sustainable business performance. The Millennials are considered the largest buyers & influencers of new and proven commodities worldwide. This generation has taken over the workforce and is the strongest economic force segment to recognize. This generation is vulnerable to choices with rational/less emotional buying approaches, evaluative on advantages, benefits and disadvantages, with great buying power and sources of information. So making them remain associated with the brand, making them do repeat buys, and controlling their rationality and evaluative approach is not an easy task. Marketers need to do something strategically to “hold” them to buy their products and remain engaged. Companies believe that the only thing this rational, non-emotional, evaluative, money-minded customer could be handled is to make him “fearful about his health, safety & security. Create threats to these sensitive aspects and then offer solutions for those, he will believe that you care for him the most. In recent years this strategy has come up as Fear Psychosis, an extension of emotional Psychosis in a marketing context. It is the only thing that seems to be working in this generation. Fear-based marketing influences the audiences’ psychology and urges them to take action to minimize that fear. This strategy has helped businesses to keep the customers engaged with the brand and believes that the company cares for them better than others.

Keywords: *Millennial, rational customers, fear-based marketing, customer engagement*

1. Introduction

The holistic approach in marketing is about considering all the different parts of a business as one single entity with a shared aim and purpose for all the activities related to a business. Aligning and integrating activities under a common objective for all stakeholders is the key element of this approach. It creates cohesiveness in all the related areas of a brand effectively ‘under one roof,’ to display and provide greater consistency and cohesiveness for customers to perceive the brand value. It is the approach where profitability through sustainability is the key. Martin **Luenendonk (2019)** in his blog on Holistic marketing explained this in length by quoting that the holistic marketing approach is based on the premise that the whole is greater than the sum of its parts. It helps in strong, sustainable brand building, consistency in performance, effectiveness & efficiency in task accomplishments on objectives. As this approach helps in exploring new and existing opportunities

for value creation and value delivery, it has changed the traditional strategic approaches of targeting, positioning and marketing. Under this approach, big companies play in multiple market segments catering to different customer types with different offerings at different markets with an integrated approach to maintain uniform standards of quality and customer handling. **Manoj Sharma (nd)** in his article “Overview of holistic marketing” has stated that now in this holistic approach competition is not between companies but between the marketing networks and strategies. To attain profitable growth it requires catching the large spenders and snatching a larger share of each customer’s spending by building high customer association and focusing on customer lifetime value. That means it needs to associate more buyers with more spending capacities and make them buy your brand over other competitors for sustainable business performance. In potential Indian markets and even in global markets, the Millennials are considered the largest buyers & influencers of new and proven commodities. **Buljubašić, Iva** (2021), in the article published in International Journal Vallis Aurea, explained the Millennial generation and its unique characteristics. The generation born from the early eighties (around 1983) to mid-nineties (around 1996), is known as “the Millennials”. This generation, also known as Generation Y thinks and learns differently from the preceding generations. This generation is different from others in behaviours and responses towards rapidly changing & highly technological environments of businesses, as they have been raised in such environments than previous generations. Also, this generation is the most educated, well travelled, well-informed, rational and technologically sophisticated generation in general.

Marry Lister (2009) in her blog on Generational marketing explained this by quoting that the millennials are the generation that has taken over the workforce globally now and they are an economic force to recognize. With \$200B in annual buying power, smart marketers of the holistic era are turning to new channels to hook this generation. This generation is most widely talked to about its social media and pop culture which has reshaped the way that goods and services are being marketed by staying unresponsive to traditional marketing tactics. This generation is vulnerable to choices, rational/ less emotional on buying approach, and evaluative on advantages and disadvantages but with great buying power and sources of information. So making them remain associated with the brand, making them do repeat buys, and controlling their rationality and an evaluative approach is not an easy task. Marketers need to do something strategically to “hold” them to buy their products. In recent years this strategy has come up as **Fear Psychosis** which is an extension of emotional Psychosis in a marketing context. It is the only thing that seems to be working in this generation and it needs to be understood well through the elements of EQ by the marketers to create that fear and offer solutions accordingly.

In this article, the fear strategy, its psychology and its implications are discussed.

2. Literature review

Danielle Yannotti(2017) in his write up emphasized that fear is the most powerful emotion which could be used in effective selling even above the most preferred factor of ‘sex’ she wrote in the article “Fear Factor In Advertising” which stated that there are many commercials that use scare tactics like this because fear is one of the most persuasive emotions, and it’s one of the best ways to get viewers to take action (e.g. visit a website, dial a phone number, visit a store, or make a purchase). Fear also stimulates a high level of brand attachment, and according to a recent study, people have better recall for ads that evoke fear than for ads that evoke joy and happiness.

The author also quoted Todd Van Slyke (nd), an advertising instructor at The Illinois Institute of Art-Schaumburg, who states: “Fear appeals strike a nerve with people who have doubts about things. They play on our inherent fears of the unknown or that something is going to kill us. That is why scare tactics are stunningly effective.” The old saying that sex sells may be true, but fear is better at it. In

his book *Buyology Truth Lies About Why We Buy*, Mike Lindstrom (2008) discusses how fear taps into our primal concerns for survival, making us more apt to take action, whereas sex-based ads often just distract us from the focus of the ad, decreasing our desire to take action, and our attachment to the brand. It raises questions like how much do we know about why we buy? What truly influences our decisions in today's message-cluttered world? An eye-grabbing advertisement, a catchy slogan, an infectious jingle? Or do our buying decisions take place below the surface, so deep within our subconscious minds that we're barely aware of them, maybe fear or deep emotions?

Vi Mai (nd) a PR & Communications Manager at EloQ Communications explained in the article titled "Fear-based marketing" influences the audiences' psychology and urges them to take action to minimize that fear. This is a traditional communication method that has been used by organizations for years to push the community into changing perceptions, abandoning old habits, or converting into new consumer behaviours. The "fear-based communications" method consists of three elements: information on the potential threat that evokes a feeling of anxiety, information on how the target group can be affected by these threats, and finally, solutions to safeguard or reduce the negative effects

Work the Funnel: A marketing newsletter (nd)[8] defined the concept of fear in marketing stating that the definition of fear-based marketing is noted as: "Communication designed to stimulate anxiety in an audience with the expectation that the audience will attempt to reduce this anxiety by adopting, continuing, discontinuing, or avoiding a specified course of thought or action. consumers take this action in the form of buying the product which reduces the fear in their perception. But at the same time it has a risk too as it comes across as manipulative and detrimental to the audience's health and if the audiences detect marketing messaging is purposely trying to induce specific feelings then it could go reverse for the marketer.

In the blog "the fear factor of Advertising" by **adHOME (nd)**, it is suggested that Fear appeal advertising is based on a persuasive message that emphasizes the potential dangers and harm that will befall individuals (in this case, the audience) if they do not adopt the messages' [or adverts] recommendations. There are very few circumstances where Fear Appeal ads are not effective and according to a study done at the University of Illinois, there are no identifiable circumstances where fear-based advertisements backfire and lead to undesirable outcomes.

Amanda Ray(2015) in her write-up "The Four-Letter Word in Advertising: Fear" also quoted **Todd Van Slyke**; an advertising instructor at The Illinois Institute of Art-Schaumburg; saying that the reason fear appeals are used in advertising is simple, just as sex sells, fear sells too. "Fear appeals strike a nerve with people who have doubts about things or do not know about things. Marketing communicators play on our inherent fears of the unknown like something is going to kill us. This is why scare tactics are stunningly effective." She also quoted **Harjot Singh**, the Senior Vice President of Planning at Marketing communications firm Grey Canada, explaining that advertising is so persuasive that it can change how people think and behave. Fear is effective in advertising because it is a familiar sensation that causes people to respond quickly. On the other hand, she quoted Jennifer Perkins, director of ethnography/consumer insights at Smith Brothers Agency, a marketing agency in Pittsburgh saying that fear may cause people to stop and think momentarily, but in the long run, it may just cause frustration and have the opposite effect of what you had hoped for. For marketers, it could be very effective but may create difficulties in long run. It may be very effective in one segment until it gets matured on fear-inducing aspects.

Mahesh Kulkarni (2019), in his blog on LinkedIn titled Importance of Emotional Quotient in Business Success, emphasized that emotions play a vital role in one's perception towards objects. **Emotion Recognition Technology** –ERT developed by Social media players which is represented in the form of emojis. They created emojis for people to express their thoughts about that post or to express how they feel about that post. Emotional Intelligence or EI is referred to as the ability to recognize,

evaluate and regulate your own emotions, emotions of those around you and groups of people. It is the ability to understand, use, and manage your own emotions in positive ways to relieve stress, communicate effectively, empathize with others, overcome challenges and defuse conflict. Business needs a high level of EQ / EI. as the success of the strategy depends upon our ability to read other people's signals/emotions and react appropriately to them. So, as a business or as an individual, we need to develop mature emotional intelligence skills to understand and negotiate with other people to win the business deal. Fear is the extension of emotional elements in different forms.

Helpage (nd) in their blog on emotional quotient explained that emotional intelligence is the ability to understand, use, and manage your own emotions in positive ways to relieve stress, communicate effectively, empathize with others, overcome challenges and defuse conflict. Emotional intelligence helps you build stronger relationships, succeed at work, and achieve your career and personal goals. It can also help you to connect with your feelings, turn intention into action, and make informed decisions about what matters most to you. Marketers are very keen to utilize their own EQ to sell things to you.

3. Analysis

Most of the MNCs and global companies have attained a holistic approach in marketing practices in this global business world. Their SBUs, channels, stakeholders all are working on strategies with common objectives and purpose i.e. objective of sustainability in business and purpose of gaining more profits and market shares. Despite being successful, such businesses are always under threat of losing customers to competitors who are also equally competent in all comparable attributes. So, they are always interested to come out with some or the other strategy to keep customers "engaged" to them with convincing positive inclinations about the brand and feel of having WIN situation on benefits and advantageous situation over other competitors when they buy that brand. This customer engagement has become so vital to the companies in view of sustaining competitive pressures and to hold the customers in their favor. It can only be done by communicating that "we care for you better than others". This feeling of a customer that "company cares for me" has become the prime element of concern for any business today to formulate competitive business strategies accordingly. In holistic approach of marketing, companies need to formulate many strategies to spread the feeling of "we care" through many ways of marketing, advertising and branding activities while working on bigger horizon of sustainability concept of triple bottom line (caring for people, planet and profits). These different strategies need to be so designed that it must work better than others for you from customer's point of view to create feeling of "company cares better than others". In this context, companies used to try and still try working on establishing clear USPs though providing better than others facts, Offering advantageous value propositions, offer more benefits than competitors and provide believable evidences of being a more valuable product on CPV perspective. In marketing, such strategies fall under the term as FABE strategies – Facts, Advantages, Benefits and Evidence. Till marketing concept approach, such FABE strategies were considered as quite effective and companies which worked effectively & efficiently gained better customer engagement too by communicating that the "company cares its customers". Telling better facts & figure against customer expectations, informing advantages over other competitors customers could attain, emphasizing the brand as more beneficial than anyone in the market and putting across the live evidences were the means of gaining competitive edge and showing "we care" tag. "Better you do it, much better will be the gains", this has been the slogan and still it is for those companies working on marketing or societal marketing era. But in holistic approach of marketing such strategies need some more specific elements to be included which could provided a thrust in the minds of target customers that this brand really cares more, simply saying is not enough now.

As in this era we have more sources of information than any other time in history, so most customers have linked the word “care” not only to materialistic advantages or benefits but to their emotions on wellness & safety as well. They believe that a product must provide protection for their wellness & safety too apart from providing advantages and benefits. This phenomenon has dominated during last decade with new generation customers having better education, more sources of information, enhanced earnings to spend on buying and family orientation to a nucleus family. This generation is better known as the Millennial or generation M is very rational & evaluative even when they drink coca-cola as they are conscious about how much calories are getting in? Most of the FMCG goods, foods, white goods, house hold goods are being looked from health point of view by this “well informed-rational” customer, for him and his loved ones in his nuclear family. This generation M has all the information and have access to get more information at any time on anything. So, despite having “extra spendable income” they have become more rational and evaluative in their buying approach on claimed USPs of product, offered advantages, communicated value propositions, offered benefits etc. This well informed, well to do customer is also very unpredictable. He sometimes buys things which are of hardly any use to him, sometimes becomes too rational for pennies. He is very vulnerable to switch brand loyalties with no reason to justify his own act and has his own logics for every buying and discarding products.

This has further added to the challenges of holistic marketing approach, how to make him buy, repeat buy, remain loyal to the brand, believe that this brand is better for him and finally, how to make him believe that company cares for him. This how to...? has opened avenue for new strategy to make customers believe and trust brand’s offerings as solution to their issues in the markets, where competitors are equally goods on attributes. Scenario has become very tough for companies to sustain in the market with competitive edge. This how to? lead to brainstorm a workable strategy formulation over and above FABE which could help in “handling and engaging” this well informed, rational, vulnerable, evaluative new gen customer with the brand with feeling of “company cares better”. Big companies started working on the aspect of emotional element (in association with FABE) where target customers were provoked on their softer-emotional sides to make them consider the product/brand to take it as “brand is caring one – so best one for me”. Mother-kid, daughter-father, grandmother-grandparents, husband –wife, friendship, relationships, love-care and many more ways came in to provoke emotional feelings of customers and these aspects were adopted in advertising to communicate that “we care better”. For many years, many times this rational customer was made to think on emotional ground while taking buying decisions but slowly the rationality overcame the emotional barrier again with changing family structures and values during last decade. Such emotions again started getting dominated by materialistic mind sets. One can understand it well when kids of nuclear families do not know their grandparents, not seeing any family oriented relationships, not having real friends, not seeing their own parents with emotional attachments to anyone, how come one can sell on emotions and how long? so emotional strategy started losing impact which was expected to convey “we care”. So what next? Companies thought that the only thing this rational, non emotional, evaluative, money minded customer could be handled is make him “fearful about his wellness, health, safety & security. The strategy formulated was better known as Care On Fear - Create threats to these sensitive aspects and then offer solution for those. This strategy came strongly during last decade where companies knew that though the well informed customer is capable of handling complex life & work satiations but he can be made fearful on aforesaid aspects very easily and if some emotions of care are added in this fear psychosis, he will lose his rationality and buy product on account of best caring product for the mentioned threats. (e.g. kid’s immune system- he may/ is getting sick due to weak immune system-offer taking Horlics- so he is not getting sick due to better/improved immunity)

One can observe, this fear psychosis journey starts with newly born kids and covers up to aged citizens. But new gen is more fearful than older gen. Mosquitoes, invisible germs, cockroaches, teeth cavities have been made matter of great concerns for “caring” young parents of gen M and further making those fearful parents to opt for buying products from those companies which are successful in generating this fear “better” and offering solution through their “better product”. The fear spreads and makes parents to react in fearful manner and look for best solution of those fears. Such fearful acts include confining kids in house, not allowing them to play outside due to germs, dirt, cold, sweating and what not, sending kids to costly private schools fearing their kids may not be getting a bright future, insuring themselves & their kid’s life with high premium policies fearing death, buying costly houses in the name of safe places to live, buying high end cars for safety features, going to costly gyms to prevent old age diseases, annual health checks fearing something might have gone wrong in their bodies, buying high priced products in the name of safe products.. the list is endless (examples where companies create threats and offer solution, like some tooth paste claiming charcoal as more protection for teeth..) Most customers hardly know the scientific/logical reasons about the projected fear but in the light of bombardment of online information on it, paid blog, advertisements, publicity in support of the claim makes them to believe that fear exists and company offers the best remedy, again out of fear of losing his or his loved one’s health. Let us take example of Black alkaline water in this context which has crossed all limits of creating fear of bad health and selling at prices ranging from Rs.500 to 10000 per liter. Customers are made strategically through various sources of information to believe that this product is the best care for a good health. Paid blogs, paid advertisements, paid celebrity endorsements, paid publicity and fake evidences on facts & figures have grown to new heights in this era. Most well informed, well to do customers are left clueless on their rationality or evaluation with fear element provoked to dominate especially in new gen segment which is lacking in immune & physical strength and always feel fears for unknown things.

In fact, all such fears are relative things, for someone it could be fear but for someone else it may not be. These are very contrasting things for different customers. One cannot generalize it for all segments but in this era big companies have done it and continually doing it. Being the biggest buyers and influencers the new generation customers are the focus of big corporate on selling in volumes and effective strategic marketing. For this generation, benefits & advantages have become supportive or obvious aspects from any offering and fear of unknown which has become primary concern. So marketers, through a well planned and excellently executed fear psychosis strategy, try to engage them with the brand. This is the dominant strategy of this era where customers happily paying more prices under feeling of fear, in the name of safer products, companies making full advantage of customer’s fears and charging higher prices through a well planned branding process of generating feel of threat and then offering product which is claimed to be capable of handling that fear (in fact that fear is created by the product manufacturer itself). Brands also use emotions to support creation of fear and then offer solution for that fear to make customers believe on offering and start trusting those claims of caring brand. (mosquito repellent, then power packed repellent and then extra power repellent is one example to relate the scenario – they are offer to caring mothers for their kids to prevent from powerful mosquitoes roaming everywhere). Some play with facts & figures/ so called researches which are hardly known to normal customers but help companies to create fear (researches on diabetic / BP/ cancer/ AIDS/bacterial –fungal diseases, figures of cancerous deaths, through unproven facts/researches / data on damage of skin, falling hair, chronic diseases, proclaimed claims of new researches on areas of concerns of customers like on eatable items/oils/fats/ minerals etc.). Some companies play on jargons and terminologies unknown to most customer to generate fear (like “ph value” of body lotions, alkaline black water, sodium-potassium –calcium

minerals, brain attacks, blockage of arteries, low density-high density cholesterol, type I&II diabetes etc). Some use new product ingredients to propagate high claims of providing safety & care to health (like added minerals, aloe-vera, fruits & vegetables mostly not known to common people or from other countries etc.)

In brief, everywhere, everyone is trying to generate fear in customer's mind with more offered guarantee (from the sellers) to handle that fear better than others.

We as marketers know that attaining the holistic marketing concept takes rigorous efforts to reach. Also, today we have different buyers from different generations. They have varying perspectives, choices, understandings, information level and not the least buying experiences. Companies know, whom to target and how to target? "Targeting" has changed its character in the light of changing marketing propositions of advantage & benefits, generated new needs in buyers and strategic competitions created by the quality competitors. With fear or fear with emotional touch has become the most desired marketing strategy of the holistic marketing approach to gain sustainable growth & profitability, there is a dire need to target on Millennial generation which is the major buyer cum influencer today. Though this generation is most challenging to target & handle but requires to be handled on priority as it has more buying capacity, desire to buy and referrals to influence buying. This generation has most sources of information, availability of more alternatives in the market suits its vulnerability, it is also with more facts & figures to match its rationality and innovativeness. But at the same time they are most fearful to their own health, security, risks and hazards. They are status oriented also and the fear of losing status is making them to buy anything for that. In such case of uniqueness, generation M is rightly handled with fear strategy by the marketers. This is very clear to the big brands so they align every product, customer communication and branding process with fears or fears with emotions of this generation to en-cash on it and get success on business objectives. If we see an example how it is being done smartly then the advertisement of Close up toothpaste will tell the whole story. Bad breath and fear of losing boyfriend or girlfriend being en-cashed by Close Up toothpaste and willfully charging more for the product from this generation despite having the same paste like any other toothpaste. (branding is done as if it is the only remedy of bad breath that too offered by this brand only). Another brand Lizol claims 99% germs getting killed from house floors (new mothers educated or uneducated getting carried away with the unproven puffery statement to buy it on higher price than other floor cleaners). One brand claims about sugar free sugar for diabetic persons. (no one knows how it is going to help insulin to use sugar available in body but buy it believing the fear created and its remedy offered). Calorie intakes, skin care, health care, oral care, life care, germs, insects, dirt, travelling safety, driving safety, eateries etc. the list is endless that marketers use to capitalize on fear.

4. Conclusion

Over the years as the market orientation has passed through various approaches and reached to holistic concept, the market challenges have taken different shapes than earlier. The market challenges have taken different shapes and dimension mainly due to explosion in technology and management approaches where youngsters have taken the front seat with their better capabilities to gather information and buying. Also the traditional categories of customers (targeting) has also changed. Now with the availability of the cheapest online buying options, no such classifications are left practically. Even demographic categorization has also lost its sense with stuff being used by unisex buyers. The major issue which has surfaced as the challenge is about handling generation gaps and strong likings and dislikes of different generation customers, especially of the new generation M, the Millennial which is so vulnerable towards choices and buying that companies find it tough to

handle them. But companies are with no choice but to handle this generation in their favor as they are not only the most spenders but influencers too. So, companies have found the way through fear psychosis to handle and mould them in favour. But this strategy will also be losing track soon when the new generation will start taking projected fears of today as obvious things of life like benefits and advantages. What next?

Beyond doubts, the new generation buyers have every information, not only about product but, competitor products, substitute products and almost everything about benefits & advantages, pros & cons before taking a decision to buy. In this condition marketers are left with no other choice but to take the marketing with new perspective which must add to buyer perception beyond standard value propositions. Making customers to feel fear and then provide solution with big claims may not work always and for all. Marketers need to think sustainable strategies beyond fear or emotions. Companies need to work on CPV and value propositions under sustainability concept of TBL-Triple bottom line. Today marketers have the power to influence the customer perceptions, generate artificial needs and trigger the buying motives. Customers have also become soft targets to marketing communications with n-number of media interacting with them. The race should be guided to healthy, fact based, rational and truly caring approach. The Peter Parker Principle, named after the action movie hero Spider Man, states that “with great powers come great responsibilities.” Big companies need to understand their responsibilities rather than en-cashing just on strategies like fear or emotions. Our new generation population also need to understand that not all preventive measures need to be driven by fear but should be driven by hope as well.

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