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The Influence of Merchant's Marketing Strategies on Consumers' Decision

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Abstract:

In today's consumer market, advertisements have become increasingly pervasive, serving as a crucial bridge between merchants and consumers. However, many of these advertisements are designed not merely to inform but to persuade—often in ways that may mislead individuals into making purchases they might otherwise avoid. Consumer purchasing decisions are highly susceptible to external influences, with advertising being one of the most powerful. Among the psychological mechanisms leveraged by marketers, the framing effect stands out due to its close connection with loss aversion—a cognitive bias in which potential losses exert a stronger emotional impact than equivalent gains. The findings reviewed in this study suggest that the framing effect can significantly distort consumer judgment, reinforcing the asymmetry between risk aversion and risk seeking. The conclusion emphasizes that while framing is an effective marketing strategy, consumers must adopt critical awareness and decision-making strategies—such as evaluating numerical information independently of its wording—to mitigate undue influence and make more rational purchasing decisions.

Keywords: framing effect; loss aversion; marketing; marketing strategies

1. Introduction

In an era of rapid economic development, the consumer market is not merely saturated with products but also characterized by fierce competition among brands, leaving consumers frequently faced with an overwhelming array of similar choices—whether choosing a daily skincare product, a household appliance, or even a casual meal. In this context, advertising has evolved into an indispensable tool for merchants to promote products, highlight unique. Advertisements appear on social media feeds, television screens, street billboards, and even the packaging of purchased goods—subtly shaping consumers' spending habits, brand perceptions, and even values. However, consumers often fail to make fully rational decisions; instead, they are easily swayed by exter-

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nal factors such as social trends, peer recommendations, and especially advertising—one of the most influential forces[1]. To gain a competitive edge and boost sales, businesses continuously innovate their marketing strategies, from celebrity endorsements to limited-time promotions, all aiming to steer consumers toward choices that align with commercial interests. Central to many of these seemingly diverse strategies is the framing effect—a well-documented cognitive bias in which consumers' decision-making is significantly influenced by how information is presented, rather than the information itself.

This paper explores in detail how merchants skillfully utilize the framing effect in conjunction with another key psychological trait, loss aversion, to manipulate consumer perceptions and behaviors, and further suggests multi-level responses—including individual cognitive training and social regulatory measures—to help individuals resist such manipulations and make more informed, rational consumption decisions.

2. An Overview of the Framework Effect

2.1 Definitions

The framing effect is a cognitive bias in which preferences between options may reverse due to variations in how actions, contingencies, or outcomes are framed.[2]. In short, consumers will have different feelings and judgments when the same information is expressed in different ways, which will affect their decision-making. For example, a doctor might tell a patient there is a 10% chance the surgery will fail, and the patient may decline the surgery; If the doctor tells the patient that there is a 90% chance of success, the patient may choose to undergo surgery. This is an example of the framing effect in real life, and merchants also use this effect to guide consumers to make purchases.

2.2 Associated Psychological Factors

The framing effect exerts a significant impact in the consumer domain largely due to its connection with loss aversion. Loss aversion refers to that people do not have the same sensitivity to equal gains and losses, and the sensitivity to losses is much greater than gains.[3]In the consumer market, merchants take advantage of this psychology by adjusting the presentation of marketing information to shift the consumer's attention to "revenue" and weaken the "loss" aspect, thus guiding the consumer to make a decision. For example, when a business wants to promote a product, if it emphasizes the benefits that consumers can get from purchasing the product, like "Using this product can save a lot of time and energy," instead of emphasizing the inconvenience of not buying the product, such as "Not using this product will waste a lot of time and effort," consumers are more likely to be attracted by the former statement and then generate a purchase intention.

3. The Application Scenarios of the Framing Effect in Business Marketing

3.1 Limited-time Promotion

In time-limited promotion campaigns, merchants rarely present offers in a straightforward way like" pay 220 for a 300 product"; instead, they intentionally frame the discount as"300 off 80". This wording strategically shifts consumers' focus from the actual payment amount to the "80-yuan savings", making them perceive the purchase as a "gain" rather than a routine expense. Psychologically, this framing taps into people's inherent preference for" securing benefit", directly stimulating their initial desire to buy.

Meanwhile, the inclusion of the term "limited time[4]" is not a random addition but a key tactic to amplify the framing effect. It injects a strong sense of urgency into the promotion, tightly linking the offer to consumers' loss aversion. When faced with a time constraint, consumers no longer just see the 80 discount as a potential gain—they start to view missing the promotion as an actual"loss"of those benefits. This perceived loss exponentially enhances the appeal of the discounted offer : instead of rationally evaluating whether they truly need the product or comparing its cost against other options, consumers rush to shorten their decision-making process, driven by the instinct to avoid losing out. Ultimately, this combination of framed discounts and time pressure pushes many consumers to make impulsive purchasing choices that align with the merchant's goals, rather than their own practical needs.

3.2 Price Sychological Suggestion

Some merchants often use "as low as 100" instead of "original price 100". The essence of this tactic is to obscure the price reference point—leading consumers to question their original price perceptions and reassess the product's value [5]. The use of expressions such as "as low as XX" and "starting from XX" by merchants does not only convey price information, but also builds a virtual "low price reference system" for consumers through vague prices, so that consumers implicitly assume that the price range of the product is generally low. This expression constructs a "low-price framework," making consumers subconsciously think that the default price of the product is at a low level, thus creating the illusion of "more favorable prices." Even if the actual price of the product is consistent with the price of similar competitors on the market, or even slightly higher, due to the influence of this kind of price psychological hint, consumers will still feel that the product is more attractive. For example, in the clothing market, there are two similar styles of shirts with similar costs, one labeled "Original price 150, The current price is as low as 120", and another one marked "original price 120"[6]. Consumers are more likely to choose the former, as "as low as 120 yuan" makes them feel they are getting better cost-effectiveness.

3.3 Redeeming Points

Redeeming points stands as a pivotal marketing strategy adopted by countless merchants—particularly those in retail, catering, and e-commerce sectors—to cultivate long-term consumer loyalty and encourage consistent repeat purchases. What makes this strategy highly effective is its subtle yet clever application of the framing effect within incentive exchange mechanisms, which quietly guides consumer behavior without obvious persuasion.

Merchants center their entire points system around the framework of "exchanging points for products," rather than framing points as a trivial "bonus" or "afterthought." By explicitly linking the points consumers accumulate through each purchase to tangible rewards—such as free meals, discount vouchers, or even physical goods—they redefine how consumers perceive points: no longer just abstract numbers, but a form of "stored asset" that can be converted into real, desirable products[7]. This framing fundamentally shifts consumer psychology: during the consumption process, merchants deliberately downplay the "cost" of the current purchase (e.g., the money spent on a meal or a piece of clothing) and instead redirect attention to the "points gain" from that transaction.

When consumers make a purchase, their focus shifts from "how much I'm spending now" to "how many points I'm earning, and how much closer this brings me to redeeming that skincare set or free coffee." This mental shift makes spending feel less like a loss and more like progress toward securing a future benefit, making consumers psychologically more receptive to completing the purchase. Over time, to accumulate enough points to reach their desired redemption goal, consumers will unconsciously increase both the frequency of their visits (e.g., dining at the same restaurant weekly instead of monthly) and the average amount of each purchase (e.g., adding an extra item to reach a higher points tier), ultimately fulfilling the merchant's goal of driving continuous, loyal consumption.

4. Response Strategy

4.1 Consumers Themselves

To avoid excessive influence from the framing effect and make rational purchase decisions, consumers should enhance their ability to recognize and discern the framing effect. In shopping, consumers should actively remove the interference brought by the marketing statements of merchants, not be confused by the surface benefits, but focus on the actual value of the product, their real needs, and the real cost of purchasing the goods. Specifically, when consumers see the promotional information of merchants, they should not only pay attention to the surface discount, but also calmly calculate the actual price of the goods, and compare the prices of similar products of different merchants to judge whether the product truly meets their own needs. In addition, consumers should cultivate ratio-

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nal consumption concepts and avoid impulsive consumer behavior caused by promotional temptations.

4.2 Management and Industry Level

Relevant regulatory authorities should significantly strengthen oversight of merchants' marketing practices, establishing a more robust oversight mechanism that combines regular inspections, random audits, and strict penalty measures for non-compliance. It is imperative to formulate clear, detailed norms and standards for marketing expressions—specifically governing areas like discount claims, product descriptions, and time-limited promotion terms—to eliminate ambiguities that could be exploited. Merchants must be mandated to present key information (such as original prices, discount validity periods, and product limitations) in a clear, prominent, and easily understandable manner during marketing campaigns, thereby minimizing misleading or deceptive publicity. Simultaneously, authorities should promulgate and enforce targeted laws and regulations to curb unethical marketing practices. These measures not only safeguard the fair order of market competition but also protect consumers' legitimate rights and interests, guiding merchants to attract customers through high-quality products and services rather than relying on manipulative or misleading marketing tactics.

4.3 Education and Science Popularization

Strengthening education and science popularization work, popularizing consumer psychology knowledge such as the frame effect to the public, enhancing the rationality of consumer decision-making, and fundamentally addressing the negative impact of the frame effect is an important measure. Consumption education courses can be offered to students of different ages, so that they can learn about the consumer market from a young age and cultivate rational consumption awareness. In addition, all sectors of society should actively carry out the science popularization of consumer psychology knowledge, disseminating knowledge about the framing effect's mechanisms, manifestations, and coping strategies through television programs, online articles, and other channels. Consumers can clearly understand how merchants use the framework to influence their decisions in the marketing process, so that they can actively prevent and make more rational purchasing choices in actual consumption.

5. Conclusion

This study explored how the framing effect (linked to loss aversion) affects consumer decisions in marketing. Findings indicate that minor changes in advertising wording—like emphasizing "gains" over "losses" or "savings" over "payments"—greatly alter consumer perceptions and behaviors. Tactics including limited-time promotions, "as low as" pricing, and loyalty points demonstrate that consumers are more responsive to benefit- or loss-avoidance frames than objective data, confirming framing overrides rational evaluation and causes biased decisions. It also highlights asymmetry: consumers prioritize avoiding losses over pursuing equal gains.

However, the study has limitations. First, it relies heavily on theoretical analysis and secondary research, failing to fully capture cultural and demographic differences in framing responses (socioeconomic status, cultural norms, financial literacy need deeper empirical exploration). Second, most examples focus on short-term purchasing decisions, leaving long-term effects of repeated framing exposure underexplored (e.g., consumer adaptation or impact on brand loyalty needs further study).

Future research should use cross-cultural and longitudinal methods to understand framing across markets and time. Interdisciplinary approaches (psychology, behavioral economics, regulatory studies) could also provide strategies to mitigate manipulative framing's negative effects, helping develop stronger consumer protection and ethical marketing guidelines.

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