

The Influence of Illusion Marketing and Psychological Marketing on Social and Commercial Activities

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Abstract. Against the backdrop of the popularization of the Internet, the marketing environment of enterprises has ushered in new changes. The real economy industry has gradually entered the Internet, which has brought about huge changes in the original marketing landscape and led to intensified competition: expensive advertising has become inexpensive. It can be said that new marketing strategies and tactics have become particularly important at present. This paper will study and discuss the marketing methods of enterprises in the new era, with a focus on psychological marketing and illusion marketing, shifting from the forced infusion of marketing concepts to making consumers subjectively and spontaneously recognize and consume. This study mainly uses three research methods: literature analysis, questionnaire survey, and data analysis. Through the research, the common characteristics of psychological marketing and illusion marketing are summarized, and the subsequent application scenarios, application scope, and impacts and roles on enterprise marketing of psychological marketing and illusion marketing are analyzed. The research conclusions indicate that the essence of marketing lies in capturing consumers' core demands and certain implicit demands. For example, enterprises achieve a certain psychological resonance with consumers or satisfy their potential psychological needs, such as stress relief. For enterprises, psychological marketing should be given due attention.

Keywords: Psychological Marketing, Illusion Marketing, Intuition, Subjective Choice, Behavioral Economics

1. Introduction

Against the backdrop of the widespread adoption of the internet in the new era, this study focuses on the transformative trends in corporate marketing models. It highlights that during the gradual transition of the real economy to the online economy, the internet's influence in consumer markets has grown increasingly prominent. There is an urgent need to explore how enterprises should formulate effective marketing strategies amid this transformation. This study has significant practical implications, particularly in the current era of increasingly fierce market competition. Enterprises are in urgent need of adopting innovative and targeted marketing approaches to enhance their competitiveness and expand their consumer base. This study primarily approaches from two perspectives: psychological marketing and illusion marketing, comprehensively analyzing the assistance and influence of disciplines such as fine arts, music, psychology, and sociology on

corporate marketing. During the research process, literature analysis, questionnaire surveys, and data analysis were mainly used to collect data and information.

Literature analysis involves searching for and reading relevant materials and documents. The advantage of this method lies in its ability to effectively analyze existing cases of successful corporate marketing, organize and classify the common elements and principles therein, and provide substantial factual support while ensuring the authenticity and reliability of the information. Questionnaire analysis is primarily responsible for collecting respondents' subjective opinions and their perceptions of psychological marketing and illusion marketing. It aims to analyze the impact of psychological marketing on consumers and understand the current real-world status of psychological marketing. Data analysis involves collating data from authoritative and well-known corporate data analysis websites such as eMarketer, which annually analyzes data from various enterprises to corroborate the impact of psychological marketing and illusion marketing on corporate revenue. These three methods will facilitate the progress of research.

The ultimate research goal of this study is to summarize the importance of psychological marketing and illusion marketing in the business activities of enterprises in the new era, and to provide some marketing ideas for enterprises.

2. Background

In real life, consumers' perceptions are not always accurate. Visual experiences are often jointly influenced by subjective psychology and external cues, making "what you see is not necessarily what you get" an important proposition in the study of consumer behavior. Numerous studies have shown that individuals are prone to being disturbed by non-core information during the cognitive and decision-making processes, leading to judgment biases. In marketing and business practices, this characteristic is widely applied in strategies such as "illusion marketing," serving as a crucial tool for enterprises to manipulate consumer psychology and guide purchasing behavior.

Dan Ariely, a renowned American psychologist and economist, is an expert in behavioral economics and has conducted in-depth research on illusions and psychological influence. Behavioral economics, as the term suggests, studies the role of human psychology in economic activities, while also exploring how to leverage unique human psychological traits to influence economic behavior. Ariely suggests that such subconscious illusions subtly influence the choices we make. Therefore, in many cases, impulsive or unwise consumption behaviors, when reflected upon calmly, are often caused by misinformation.

Professor Ariely once conducted an experiment: he randomly selected two groups of participants from various industries and age groups in society and presented both groups with a choice question. There were two travel agencies: one offered a one-week trip to Rome for \$2,000, including all food, accommodation, transportation, and other expenses; the other offered a one-week trip to Paris for the same price of \$2,000, also including all expenses. The experimental results showed that the proportion of participants choosing Paris and Rome was almost close to 50%. The second group was given three options. The first two were the same as those in the first group, while the third option was a \$2,000 trip to Rome that did not include meals and accommodation. The results showed that more than 70% of the volunteers in the second group chose Rome (Option 2), far exceeding 50% in the first experiment.

This indicates that in the marketing process, what influences mass choices may not just be the product itself, but also other products that appear alongside it. Why does such a situation occur? This is the theme I intend to research - the impact of illusion marketing and psychological marketing on social and commercial activities [1].

3. Article review

This article references multiple literatures and books on psychological marketing, illusion marketing, and behavioral economics, and analyzes successful cases of major renowned enterprises. The literature review section mainly focuses on the analysis and research summary of three literatures related to psychology and behavioral economics.

3.1. Decoding the paradigm of psychological marketing

In the article *From Possessive Existence to Experiential Existence: An Interpretation of the Psychological Marketing Paradigm* by Jia Lijun and Li Yanshu, the authors focus on the establishment and development of the human commercial economic system, emphasizing the importance of psychological marketing in the market. Compared with other papers on similar topics, the authors first take the Industrial Revolution as a dividing point to discuss what "possessive existence" and "experiential existence" are, as well as humanity's developmental journey from the former to the latter. This transition refers to humans shifting from consumption behaviors initially aimed at satisfying survival needs to pursuing consumption experiences, services, and psychological, emotional value during consumption.

Regarding psychological marketing, the author believes that it focuses on the market value and significance of commodities at the psychological level, such as culture, symbolic spirit endowed by consumers, and emotional influences. For a successful marketing case, it requires a complete system that integrates commercial value and positive consumer psychological experiences. The stability of the business system depends on the social compatibility between psychological perception and market value.

The author uses symbols to refer to the logic of material consumption. The symbolic representation of material existence can be summarized as a shift from "possession-consumption" to "possession-possession." In the process of social development, commodities are no longer merely single material satisfactions or products purely for consumption but are abstracted into values. The logic of market consumption has transformed from a single logic of satisfying material consumption to individual value-added logic. This stems from the strained relationship between individuals and material products under unit allocation and the intensification of private ownership, and it will develop from quantitative extensiveness to intensiveness. The original "possession-possession" logic will evolve into the "possession-possession-representation" logic. The "possession-representation" logic places greater emphasis on embodying the discovery or creation of new product values, which can be categorized into "natural valuation" (maximizing the development of original values) and "passive valuation" (attaching selling points that do not inherently belong to the product through marketing).

The author also analyzes artistic existence and mirror existence, interpreting them as highly promising development directions.

Artistic existence refers to a state of being where artistic experiences are integrated with daily life. Once consumers' material needs are met by the market, artistic creations such as music and graphic design generate new consumption goals and motivations for consumer-creating attention-grabbing selling points and artistic or emotionally valuable services during the consumption process. Artistic existence is characterized by virtuality: it pursues spiritual pleasure rather than sensory satisfaction. Although it requires material support, the material attributes undergo a qualitative change. For example, purple sand clay becomes a work of art in the hands of master artists.

Mirror existence refers to the backup of different modes of existence in computers and the internet. In real life, everyone's identity has limitations, but through mirroring, one can gain spiritual value without incurring material costs.

In analyzing the formation and application of modern markets, this article has made certain contributions to this study, particularly in providing a theoretical foundation for analyzing the feasibility of psychological marketing and constructing the symbolization of material existence. However, the article does not delve deeply enough into aspects such as the implementation of psychological marketing, illusion marketing, artistic experiences, and multi-dimensional dynamic services. Additionally, the research on how enterprises can grasp consumer psychology to carry out more competitive commercial behaviors is incomplete. This paper will conduct a more detailed study on the impact of illusion marketing and psychological marketing on social and commercial activities by examining successful corporate marketing cases and behavioral economics, aiming to fill existing research gaps [2].

3.2. The impact of promotional mix on performance in group-buying platforms

In the article *The Impact of Group Buying Platforms' Promotion Mix on Performance - From the Perspective of Anchoring Effect and Loss Aversion*, Tian Zhiwen studies how the optimization of promotion strategy design has become an important way for platforms and merchants to improve sales performance against the backdrop of the rapid development of e-commerce and group buying models. However, in actual markets, there is a lack of systematic exploration of the combined impact of complex promotional rules and psychological effects on consumer decision-making. Based on this phenomenon, the author focuses on the different impacts of immediate discounts and conditional discounts on group buying performance by relying on the anchoring effect and loss aversion theory.

Through data analysis and empirical testing using multiple linear regression methods, it was found that: 1. Immediate price reductions and instant discounts can significantly increase product sales; 2. In-store full reduction promotions inhibit sales due to complex operations; 3. Cross-offline store full reduction promotions by the same enterprise have no obvious impact on single-product sales. This study integrates behavioral economics and price promotion theory, evaluates the role of enterprises' preferential marketing strategies in the current environment through data surveys, and provides theoretical and empirical basis for optimizing promotional algorithms on online platforms and formulating combined strategies for businesses.

In terms of optimizing the marketing of the real economy, such as store marketing, the combined algorithms of promotions, and strategic logic, this study has conducted in-depth research and analysis, making certain contributions. However, it has not delved into the underlying logic of product promotions. The author does not analyze the laws of consumers' subconscious consumption patterns, nor does he analyze marketing logic from the consumers' perspective. The content in these aspects is insufficient, and the specific research is incomplete. This paper will start from the choice logic of most consumers to conduct research on psychological marketing and corporate marketing strategies, supplementing existing research gaps [3].

3.3. Psychological theories and their scholarly heritage

Xu Fuming and Liu Anning's *Daniel Kahneman's Psychological Thoughts and Academic Legacy* primarily provides an overview of Daniel Kahneman's psychological ideas and his significant contributions in the fields of psychology, economics, and behavioral science. The authors

summarize his work from three main aspects: groundbreaking contributions, application of typical cases, and his academic persona.

The groundbreaking contributions cover aspects such as visual attention, psychological biases, psychological prediction theory, framing effects, endowment effects, fairness judgment, experiential utility, and psychological well-being. These are all innovative viewpoints proposed by Professor Kahneman. In the conclusion, the authors systematically summarize the laws of applied psychology extracted and summarized by Professor Kahneman based on empirical research by using typical cases. This also includes examples of how his theories have guided the solutions to real - world social problems. Regarding Professor Kahneman's academic character, the authors conclude that he possesses the spirit of keeping pace with the times and striving for perfection, the courage to self-question, critical thinking, a positively open mindset, and a willingness to engage in adversarial collaboration. Professor Kahneman's psychological ideas have deepened people's understanding of rationality, thinking, and decision-making, facilitated the deep integration of psychology with disciplines such as economics, and hold enlightening and guiding value for major public policies and real-world social issues.

However, it does not cover much content related to business, and the research on marketing - related aspects is incomplete. This paper will start from the application of Kahneman's psychology in business, conduct research in the field of psychological marketing, and fill the research gaps in this area [4].

4. Case analysis

Psychological marketing is not a new term. For a long time, many successful entrepreneurs and enterprises have woven a large network of capital through carefully designed "psychological traps" and "beautiful illusions". Regarding cases of psychological marketing, most people may immediately think of advertising. However, as seen in the previously studied cases and reviews, psychological marketing, illusion marketing, and behavioral psychology are not that simple. The following case studies will focus on the real-world initiatives of coffee giant Starbucks and cosmetics brand SK-II's "Facial Treatment Essence" to analyze the impact of psychology and behavior on the economy.

4.1. Starbucks - the master of the anchoring effect

The anchoring effect refers to a psychological cognitive bias phenomenon, mainly meaning that when people make decisions or evaluations, they will overly rely on the initial information obtained and use it as a benchmark to adjust subsequent judgments. As a result, they may be completely influenced by the initial "anchor" and make irrational judgments and decisions. Of course, in this case, even if the initial information may have no substantial relevance to the decision itself, it does not affect its effect [4].

In the practice of platform consumption, consumers' behaviors are often influenced by their historical decision-making behaviors. When considering whether to purchase a product, consumers typically compare the current price with past prices. At this point, the past price serves as an anchor. If the current price is higher than the anchor, then according to the psychological utility of gains and losses, consumers' perceived utility will decrease, thereby influencing their purchasing decisions. This impact on consumers' buying behavior based on anchors is the anchoring effect [5].

The anchoring effect indeed influences many consumption scenarios in daily life. Merchants often do not disclose a product's true value upfront. Instead, when consumers are unaware of the

product's baseline value, they strategically present information such as discounts or the prices of other products to shape consumers' perception of its worth. In the context of price promotions, consumers internalize the preferential information provided by merchants (such as original prices, discount rates, etc.) as an anchor for value judgment and subconsciously recognize the rationality of the anchor, thereby influencing their perception of the product's actual value and the fairness of the transaction. Compared with discount forms that require conversion, "immediate price reduction" creates an intuitive perception of price displacement through absolute value differences. This quantifiable information processing method significantly reduces the cognitive load in the decision-making process [6]. Merchants often set a higher anchor price before disclosing the true selling points, thereby highlighting the scarcity of the real selling points and making consumers genuinely recognize the value of the consumption.

Starbucks has been successful and representative in using the anchoring effect for marketing. Starbucks stores often create an in-store consumption standard for consumers by raising the prices of other items, thereby enhancing the perceived value of their core products. For example, when customers enter the store, high-priced bread or mineral water is first displayed, and then coffee that is far above the market price is shown. Customers will not find the coffee price outrageous [7]. Over time, Starbucks will be defined by consumers as a product of a certain class, with additional value reasonably attached, forming the final closed loop of the anchoring effect. Eventually, marketing becomes internalized as consumers' voluntary consciousness [8].

4.2. SK-II "facial treatment essence" - illusion marketing

An illusion refers to a distorted perception of objective external objects that occurs under specific conditions and has a fixed tendency. It is a sensory perception that inevitably arises under certain circumstances. Although an illusion is a false perception, it is widely applied in daily life and production. For example, in daily life, a person who is slightly overweight will appear thinner when wearing vertical stripes, while horizontal stripes make them look fatter [9].

Illusion marketing can originate from various marketing techniques, including packaging, translated names, and even advertising slogans. Here's a case of illusion in product naming: Due to historical factors, many Chinese consumers subconsciously associate Western countries with more advanced ideas, perceiving products from Europe and the U.S. as having better quality, more sophisticated technology, and a higher premium status. Therefore, some manufacturers give authentic local products foreign names to create an illusion for customers, thus achieving good market results [9].

In traditional commercial advertisements for female products, the attention women receive is actually a false one. Images such as beauty, virtue, and kindness are social expectations shown from a masculine perspective, which are irrelevant to women's own needs and aspirations. However, SK-II has blazed a new trail by advocating brand values such as "female independence" and "rewriting destiny". It breaks the subordinate and otherness status of women in patriarchal culture, boldly and high - profilely voices for independent women groups, and publicly confronts traditional dogmatism. This is actually about stripping away the media image of women from male empowerment and embedding it in a new logic of commercial empowerment [10].

In this marketing culture, continuously suggesting to consumers that "using the product can make you beautiful" will naturally bring more market share and opportunities.

5. Discussion

A questionnaire survey conducted during the research shows that most respondents' understanding of psychological marketing only stays at traditional promotional marketing methods such as creative advertisements, and they are not prepared for newer and more covert psychological marketing. With the widespread popularity of the Internet today, the original advertising industry has been somewhat impacted, and businesses often opt for social media marketing with a broader audience and lower costs [11]. Therefore, to stand out among numerous competitors, new marketing methods and strategies have become particularly important.

If summarizing the case, new types of psychological marketing can imperceptibly influence our judgments and sway our choices. True psychological marketing has never been about forcefully instilling a concept. Instead, it allows consumers to subjectively develop such ideas on their own. Enterprises practicing psychological marketing are more like those responsible for planting a seed of consumption in consumers' minds and inducing its growth. Consumers themselves are the best marketing plans and advertisements in this consumption game.

6. Conclusion

This study demonstrates the importance of psychological marketing to enterprises and analyzes the logic of psychological marketing outcomes. It further concludes that in today's fast-paced and diverse market, the best marketing strategy in the consumption game is to root in consumers' autonomous and proactive consumption awareness. Compared with traditional advertising, consumers themselves are the best "advertisements." The study provides many valuable references for future research in this field, primarily influencing the marketing mindset of enterprises in the new era. Future research should focus more on constructing a reasonable and efficient psychological marketing system for in-depth exploration, and fully apply the knowledge of sociology and psychology to achieve a win-win situation for both buyers and sellers.

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