



The Discussion on Anchoring Effect

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Abstract. Anchoring effect is very important in our lives. Anchoring effects need to be applied in many processes. So who proposed the anchor effect? Why is it so important to us? What aspects of the anchorage effect can be applied in life? Are all the subjects that we need to study. In the process of research, we mainly use digital research and case studies. Data sources were mainly derived from surveys as well as literature abstracts. The results and conclusions of the investigation are the effects of anchor effect on the life of consumers. Therefore, the psychological anchoring effect proposed according to the anchoring effect can affect the sufficient way to deal with the anchoring effect [1]. Is to recognize its harm, and take positive measures to reduce the anchor effect, on us.

Keywords: Anchoring Effect · Consumer behavior · Mental health · Marketing

1 Introduction

Anchoring effect is also called sinking anchor effect aiming at the trap, which is a very important psychological phenomenon. It always affects our behavior orientation. When people make quantitative estimates of something, they usually take some specific value as the starting value, the starting value like restricts the quantitative straight when people make decisions, will unconsciously give the most initial information, a lot of attention. Many psychologists will use the anchoring effect to describe a harmful thinking phenomenon in human brain activity. Because when people make a decision, they first rely on the first impression, the first information. The initial data usually affects the setting of people's subsequent thinking and judgment, form a certain framework, and finally form a certain guidance. But what exactly is the anchoring effect? Anchoring effect is that people tend to link the estimates of the future with the estimates that have been adopted, and at the same time, accept the advice of people around them. When people predict whether something is good or bad, in fact, there is no decisive significance, their predictions are relative, and the most important thing is to determine the person itself. How to define it, how to judge the position of their starting mind? Like an anchor, it sets the evaluation system, it determines good or bad, it determines. In 1973 Kannaman and Kovch noted. Anchoring effect When making a judgment, people often pay too much attention to those significant evidence, even when they will distort their own knowledge. For example, when the patient is estimated to commit suicide caused by extreme disappointment, it is usually easy to occur when the patient commits suicide.

At this moment, if the representative economic judgment, it is likely to exaggerate the probability of suicide. This is the aiming effect that people often have in the judgment. In 1974, Kanaman and Swarsky conducted many experiments to further prove the anchoring effect, which required an estimate of the percentage of seats in African countries and the United Nations with a denominator of 100, so they actually estimated the molecular values. First, they asked the experimenter to select numbers from 0 to 100 in the rotated placed compass needle. Then the experimenter will be suggested whether the value he chose is large or small. The experimenter is then asked to randomly debug their random numbers down or up. The estimated molecular values are found through this experiment, Kanaman and Swarsky, when different groups make different judgments with different numbers. These random numbers have effects on the later estimates, such as they select two numbers, 1 and 65 as starting points, and their means for molecular estimates are 25 and 45, respectively. So we can conclude from this numerical experiment that although the experimenters have adjusted for the random number, they still call it the value of the molecule, within the range of the estimated anchoring effect.

2 Analysis

In everyday work and life, negotiations are as ubiquitous as air. From all kinds of business negotiations, buying a car, to promotion, shopping, shopping. When you negotiate, how to get a reasonable price is a science. Rational use of the anchoring effect and how it is applied to everyday negotiations. Anchoring effect, a psychological term, means that people are vulnerable to first impressions or first information, like an anchor sinking under the sea. Next, we will illustrate the application of the anchoring effect. In Beijing, there is a famous shopping center at home and abroad called Silk Street, which is a place where foreign tourists often visit Beijing. Silk Street was founded in 1978 and started with only some scattered shops. In the late 1990s, Xiushui Street became stronger. State-owned time-honored brands such as Quanjude, Nei Liansheng and Ruifuxiang have successively opened stores in Xiushui Street. In addition to a variety of domestic time-honored brands, Xiushui Street merchants also operate all kinds of handicrafts, the world's major brands of sports shoes, major brand bags. In the early years, I like to visit Xiushui Street, Panjiayuan and other old markets. When you visit Xiushui, you will find a particularly interesting phenomenon. The same pair of sneakers priced at 1000 yuan, some with 800 yuan, some with 500 yuan, and some with 400 yuan. If you buy shoes, how much is your offer? Then use the anchor effect for negotiation, is the first bidder advantage, after the bidder's price will be close to the price proposed by the first bidder. There is a great-looking package priced at 2,000 yuan. If you ask the boss to pay prices first, then the boss takes the lead. If you ask, "Can the boss get it cheaper?" So the boss will generally first say how good the leather of this bag, the market price to more than 3000, and then say you give 1900 good. The vast majority of people in the next bid is affected by 1900. For 1,500 yuan, or 1,700 yuan. If you bid first, then you'll take the lead. You can ask like this: "boss, this package I look very good, is the price is too expensive, you see 400 yuan ok?" At this point, the boss will generally have two reactions, and one is to ignore you, do not talk to you. So you know that 400 yuan has broken the price bottom line of this bag. Another reaction was that the price was too low

and he had to give it a price. But he usually doesn't give him 1,900 yuan, but draws his price closer to your bid, such as 1,700 yuan. Then you can continue to bargain. When the teacher shared his negotiating experience with me, he mentioned some precautions. One is the quotation to increase slightly with a certain grain size, can not have no basis for disorderly bid. For example, the initial quotation of 400 yuan, the boss ignore you, can not suddenly jump to 800 yuan, such a quotation is no basis. In the late 1990s, Xiushui Street became stronger. State-owned time-honored brands such as Quanjude, Nei Liansheng and Ruifuxiang have successively opened stores in Xiushui Street. In addition to a variety of domestic time-honored brands, Xiushui Street merchants also operate all kinds of handicrafts, the world's major brands of sports shoes, major brand bags. In the early years, I like to visit Xiushui Street, Panjiayuan and other old markets. When you visit Xiushui, you will find a particularly interesting phenomenon. The same pair of sneakers priced at 1000 yuan, some with 800 yuan, some with 500 yuan, and some with 400 yuan. If you buy shoes, how much is your offer? Then use the anchor effect for negotiation, is the first bidder advantage, after the bidder's price will be close to the price proposed by the first bidder. There is a great-looking package priced at 2,000 yuan. If you ask the boss to pay prices first, then the boss takes the lead. If you ask, "Can the boss get it cheaper?" So the boss will generally first say how good the leather of this bag, the market price to more than 3000, and then say you give 1900 good. The vast majority of people in the next bid is affected by 1900. For 1,500 yuan, or 1,700 yuan. If you bid first, then you'll take the lead. You can ask like this: "boss, this package I look very good, is the price is too expensive, you see 400 yuan ok?" At this point, the boss will generally have two reactions, one is to ignore you, do not talk to you [2]. So you know that 400 yuan has broken the price bottom line of this bag. Another reaction was that the price was too low and he had to give it a price. But he usually doesn't give him 1,900 yuan, but draws his price closer to your bid, such as 1,700 yuan. Then you can continue to bargain. When the teacher shared his negotiating experience with me, he mentioned some precautions. One is the quotation to increase slightly with a certain grain size, can not have no basis for disorderly bid. For example, the initial quotation of 400 yuan, the boss ignore you, can not suddenly jump to 800 yuan, such a quotation is no basis.

People are always thinking relatively rather than absolutely. Anchoring effect had a significant impact on the assessment. Anchor effect is closely related to commercial pricing negotiation, and it is found that inspired by different anchor points. People's perception of their own will also drift differently, thus affecting the reference point, and then the final different transaction price. In practice, on the one hand, the bidder in commercial negotiation can use the negotiation process with the relatively high but not lead to the anchor of the breakdown of the negotiation. On the other hand, party A can also consider how to avoid falling into the psychological trap of being anchored. Based on this thinking, the quantitative research of the reference point can be more refined in the future, such as testing whether the intercept of the usual cost of the transaction price regression can be called a reference point, combined with the mode, or the fairness equilibrium model, trying to "reverse solve" the degree of being anchored, and then make guidance on the counter price.

3 Application 1: Negotiate Experiments

Here we need to mention the most famous soap experiment, because the anchor effect is directly applied in commercial negotiations, it can be the anchor effect of reference points to me, market information, etc., in the process of negotiators personal negotiations, plays the role of measurement, is also an important way of price, is a significant point of Pyongyang scale, it is worth noting that the anchor is a significant point in the mold (salient value). In the experimental environment, we usually choose the more extreme values as the anchors. Such choices can affect the modules used to express concepts and categories, the mapping from excitation values to tuning scales, and the incoming surface affects one's judgment of all excitation values [3]. Therefore, in the design of experiment 2, in order to ensure that the potential goods perceived by the respondents were of the same quality, the experiment introduced different asking price. But little difference, namely \$12 high anchor point and low \$8 anchor point, rather than the design of the mis determined group and reference group.

Experimental subject: ID Qualtrics users in the United States.

Experimental process: Respondents were randomly assigned to high and low anchor points, and successively answered the following main questions:

1. Suppose you need to buy a piece of soap now, and the promoter negatively introduces a lot of good reasons for this brand of soap, and then tell you if you want to sell such a piece of soap for 12/8 dollars? If not, how much would you like to pay back? Or have you already lost interest in the sale?
2. How much do you usually spend on a piece of soap?

Experimental results: 49 people in the high error point group completed the answer, and 51 people in the low anchor point group.

According to the experimental results, regardless of the asking price, clinch a deal rate is no significant difference, but in the process of clinch a deal case, high anchor clinch a deal price is significantly higher than the low anchor, so, in commercial negotiations, the bidder can use, use relatively high, but not the other dislike price to guide, on the other hand, also can consider how to avoid falling into the contradictory psychological trap.

4 Application 2: The Consumer Behavior Experiment

In one study, automotive experts were invited to evaluate the value of a one-car used car. One outside A happened to stand next to the car. A commented on the value of the car without any hint. After the study involving 60 auto experts, the neutral person gave \$3,800 as a price anchor, the experts valued the vehicle at \$3,563[5]. But after the center offered \$2,800 as a price anchor, the average valuation of the experts fell to \$2,520.

A provides a price anchor, affecting experts' price perception of the same car, valued by as much as \$1,043. Similar anchoring effects have occurred in many other studies. "Anchoring is a deep-rooted instinctive reaction to unavoidable." When the seller is cheaper, the buyer thinks it can be a little cheaper, and this is the consumer price anchor.

We cannot erase human nature, but we can use the price anchor to provide consumers with a solid basis for consumption decision-making, reduce the information gap of products, and reduce the cost of consumer decision-making.

5 Conclusion

According to the description and summary of the article, we understand that the anchor effect and the anchor effect on consumers and on life [6]. So, the anchor effect, what kind of effect, first of all, as a psychological law anchor effect, can affect everyone. The most effective way to deal with him is to fully recognize its harm, and take positive measures to reduce his influence. First of all, we should think about the same problem from different angles, and consciously arrange and leave the first impression to avoid falling into the thinking trap formed by the anchoring effect. Second, to think independently and then to others, so as not to be influenced by others' ideas. Third, open-mind, get opinions and information from different people, and find new decision-making ideas and directions. Fourth, for their own consultants, consulting staff staff, to tell their own ideas and ideas, otherwise they will fall into the anchor effect trap. The information they give you feedback may be a burden of your own mind[4]. Fifth, in the negotiation, in order to avoid the anchor effect of the opponent, the best way is to set their own position and principles before the negotiation. Anchoring effect is very important for our behavior mentally, so in our life, we must pay attention to the anchoring effect, the impact on us [7].

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