

REDUCE THE PAIN OF PAYING

INCREASE THE PAIN OF PAYING

VISIBILITY

How visible is the payment?

Make it less visible

Credit or debit card

No notifications

No notifications about the spend

Convert money to another format

Chips in a casino
Pay using balance amount in a prepaid account
Pay with a bottle of wine/gift card rather than cash

Make it more visible

Cash payment

Immediate notifications

Immediate notifications of a credit spend, e.g. Via SMS or email

Money stays in money format

Cold, hard cash

WHEN

When do you pay?

Paying much later

Paying much later is usually less painful as long as it's not highly visible

Pre-pay for experiences

Pre-pay for a trip months before departure

Pay as you consume

At the fuel pump or sushi train

Pay at end of experience

When getting off a cruise ship
Restaurant bill at the end of a meal

DENOMINATION

What denomination is the payment in?

Spending smaller bills

5 x \$1 coins is less painful than spending a \$5 note

Spending larger bills

A \$5 note is more painful than spending smaller coins/notes

WHO

Who pays?

Someone else pays for you

Employer pays on your behalf using your salary
Significant other pays using your joint card

You personally make the payment

You physically make the payment

REFERENCE

What's the reference point?

Going from a paid option to a higher paid option

There's a diminishing pain of paying if your starting price is higher

Going from a free option to a paid option

Going from a free option to a paid option is usually more painful

BENEFIT

Who benefits from the payment?

Someone else benefits

When a payment is coupled with a donation, or for a philanthropic cause, it will feel less painful

Only you benefit

You get the sole benefit of the payment