Stage hypnosis is a style of hypnosis that is usually done at a theater or comedy club in front of an audience for the purpose of entertainment. While stage hypnosis does employ some of the same techniques and methods of other types of hypnosis, it is generally thought to be a lesser form of hypnosis. Stage hypnosis uses direct commands to alter the behavioral patterns and mindsets of those participating. Participants are generally volunteers from an audience, or part of a party group, who are willing to be hypnotized during a stage hypnosis show.

During a stage hypnosis show, a hypnotist will use methods and techniques to test the overall suggestibility of the audience before choosing a few willing participants. It's important to note that in order to be hypnotized, a person must be willing to be hypnotized and also believe that the hypnosis will work. Therefore, stage hypnotists will not select people that are outright skeptics because the chances that those people will be hypnotized under stage hypnosis is very low.

The selected audience members on stage will normally enter a hypnotic state through forms of hypnotic induction that are common to stage hypnosis. These hypnotic inductions can be similar to hypnotic inductions used in more formal types of hypnosis, but often they are quick and might involve touch between the hypnotist and the audience member's forehead or shoulder. Once under hypnosis, the audience members being hypnotized are normally made to perform embarrassing or comical acts in order to entertain the remaining audience that is watching the show.

It is often debated and speculated about how stage hypnosis truly works and whether or not the selected audience members are truly under hypnosis when performing any acts. While some hypnosis techniques are used during the show, other tactics such as stagecraft and trickery do contribute to the showmanship and overall performance of the show. Stage hypnotists make sure to select willing participants who are very suggestible in order to increase the chances or the participant being successfully hypnotized. However, even when a participant is not truly under hypnosis, they will often play along with the act because of confusion about being hypnotized or the pressure to please the hypnotists and the audience. These factors are what make it difficult to tell if stage hypnosis is legitimate or not.

To perform stage hypnosis, hypnotists often use sleight of hand tricks or common deceptions to fool the audience and make the overall experience more entertaining. In this way, stage hypnosis is more of a show than an actual hypnosis session. The purpose of stage hypnosis is not similar to many other forms of hypnosis that aim to solve problems or issues. Stage hypnosis is almost exclusively for entertainment's sake, so deception is generally accepted.

A successful stage hypnotist will be able to control the participants and the audience without much effort. To do this, the stage hypnotist must be able to select the most suggestible and outgoing members of the audience, and to also employ a series of sleight of hand, or deception, techniques. The most common deception techniques involve off-microphone whispers to the audience, failure to challenge, and tricks of illusion.
When the right audience members are chosen and a stage hypnotist is able to employ common deception techniques, the show is almost always a success in terms of audience enjoyment. Even if the participants are not actually under hypnosis, a stage hypnotist will whisper to them throughout the show to play along or fake hypnosis reactions in order to fool the audience. Stage hypnosis is much like a game where the hypnotist and participants act in a certain way to elicit a positive response from the audience. This type of hypnosis is meant to be fun and entertaining, but not have any real merit within the hypnosis community.