

THE
BUSINESS
OF
CHOICE

MARKETING TO CONSUMERS' INSTINCTS



MATTHEW WILLCOX

Executive Director of the Institute of Decision Making at FCB

THE BUSINESS OF CHOICE

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THE BUSINESS OF CHOICE

**Marketing to
Consumers' Instincts**

Matthew Willcox

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*To the two women in my life: my mother Charlotte who raised me
to be curious, and my wife and accomplice Patrizia who,
using a cognitive process yet to be revealed by science, chose me*

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About the Author

Matthew Willcox is Founder and Executive Director of the Institute of Decision Making, which is part of FCB, a global and fully integrated marketing communications company within the Interpublic Group of Companies, IPG. The Institute of Decision Making is a unique offering, charged with bringing the findings from scientists who study human behavior and how people make choices into the practice of marketing for our clients. Matthew is also Chief Strategy Officer of FCB West. He has more than 25 years of brand strategy experience throughout Europe, Asia, and North America. Over that time he has helped organizations such as Levi Strauss and Co., Electronic Arts, Hilton Worldwide, Unilever, Nestle, Shell, GlaxoSmith-Kline, and American Express get their products chosen. In the process, he has helped his clients win eight Effie awards for effective communication. He has acted as a subject matter expert on behavior change for the Food and Drug Administration and is a frequent speaker at business schools and at marketing and communication events, including the Cannes Lions in 2010, 2011, and 2013.

Matthew brings a global perspective to observing behavior. He is based in San Francisco, has worked in both London and Bangkok with Ogilvy & Mather, grew up in Ireland, and is married to an Italian.

Preface

In my first proper job as a trainee at an advertising agency in London, one of my tasks was to spend hours looking at video of toothpaste advertising from around the world. I studied and analyzed every copy claim, diagram, and tagline. Decades later, I still find myself involuntarily whistling a couple of bars from a jingle for Pepsodent or Aquafresh.

One consistent technique in the toothpaste ads was the use of spokespeople, normally men with gray-flecked hair and steel-rimmed spectacles, wearing a white lab coat, who, while reeking of apparent authority would say, “I am not a dentist, but...”¹

In my current job, I often feel compelled to give a similar disclaimer. I’m certainly not a dentist, but I am also not a behavioral scientist—or any other sort of scientist—either.

But...over the last decade, I have had the opportunity to immerse myself in the work of people studying human behavior and how people make choices. What started as a professional interest has become a personal passion. I’ve met, talked to, interviewed, worked with, and taught alongside some of the brightest minds in the field of judgment and decision making. I’ve given talks at marketing and academic conferences alike, and I have even participated as a subject in the sorts of behavioral and neuroscience experiments I write about in this book. But my training and experience remains that of a marketing practitioner, and that is the perspective from which I write this book.

The Business of Choice isn’t a science book. It’s not even a business or marketing book in the conventional sense; it’s not about brand management or how to put together a marketing plan. It is a book about how behavioral science and related fields cast light on human nature and how human nature

¹ This approach reached either a zenith or a nadir in 1986 in an advertisement for Vicks Formula 44 cough syrup that used Peter Bergman, the actor who played Dr. Cliff Warner in the long-running soap opera *All My Children*, as a spokesman. He started the commercial with the immortal line “I’m not a doctor, but I play one on TV.”

affects our choices. It is a book about how and why people make choices and what that means for brands and businesses.

Another disclaimer: This isn't a book with silver bullets that will enable you to unlock the secrets of human behavior and change it at your behest. Dr. Robert Cialdini, author of the excellent and justifiably best-selling book *Influence—The Psychology of Persuasion*, told me about a colleague who had spent 16 years trying to identify the single most effective persuasive appeal, the golden rule of persuasion, if you will. His conclusion? The golden rule is that there isn't one. You have to size up every situation from a behavioral perspective and ascertain which tendencies are most active in those circumstances.

Every situation is different, and context has a profound effect on how we make choices. A behavioral principle that works in one scenario may fall flat in another scenario that seems, on the surface, to be very similar (as we will see in Chapter 6, “Thanks for Sharing [Whether You Meant to or Not]”). So, it's best to think of *The Business of Choice* as a selection of useful starting points to consider, experiment with, and adapt to the unique circumstances of the behavior you are trying to change and the choices you are trying to influence.

Finally, as a non-scientist immersing myself in decision science, I learned two lessons about the intersection of science and marketing. The first lesson is that rather than providing certainty, science is about advancing ideas. It is tempting for marketers, from the legendary Claude Hopkins² onward, to see the potential of science as proof that one approach will work better than another. This way of thinking misses the point of science—rather than thinking about it as validation, think of science as inspiration. Most of the revelations about human choice I refer to in this book come from scientists devising and conducting highly creative experiments that dig deep into human nature. Scientists' ingenuity in looking at things in different ways, and in creating decision experiments that reveal effects of non-conscious cognitive mechanisms, has led to breakthroughs in understanding how people arrive at their decisions. Science, it turns out, is surprisingly creative,

² Claude Hopkins was a creative director at the agency Lord & Thomas; his reputation was such that he commanded a salary of \$185,000 in 1907 (which is equivalent to approximately \$5 million in 2014). He published *Scientific Advertising* in 1923, a book that influenced industry giants such as David Ogilvy. In 1942, Lord & Thomas became Foote, Cone and Belding, the agency that also had the foresight to set up the Institute of Decision Making five years ago.

and if anyone can appreciate the effect of creativity to change the game, it should be those of us in marketing and advertising.

The second lesson I learned after immersing myself in the science of choice is that science is much more fluid than I had thought. Ideas that seemed immutable 10 or 20 years ago are now up for debate.

For example, what scientists know about the function of the amygdala—an important brain area for marketing—has changed greatly in the past two decades. The amygdala is involved in translating what we sense and perceive into emotions, and it plays an important role in recognizing emotions in social interactions and facial expressions. Just over 10 years ago, the amygdala was still considered to be absolutely essential for recognizing and experiencing fear. Today, its exact role is much less defined, but it is not essential for fear. The hypothesis of the amygdala being essential for recognizing and experiencing fear was based on studying a rare brain lesion patient called S.M., who has damage specific only to the amygdala. S.M. has abnormal behavioral responses to fear and also abnormal social interactions; additionally, lots of experiments with S.M. showed that she could not identify fearful-looking human faces.³ But the same researchers who first uncovered S.M.'s inability to recognize fearful faces realized something fascinating 10 years after the first experiments: When S.M. viewed faces, she did not look at the eyes. Viewing the eyes is necessary to discriminate emotions from facial expressions, and when specifically instructed to look at the eyes, it turns out that S.M. could indeed recognize fear just like people with intact amygdala regions.⁴ The function of the amygdala has since been refined to include being an important influence on the visual system. Recognizing fear involves more brain areas than just the amygdala, but one specific role the amygdala may play is in directing our eyes to where we will see signs of fear—such as people's eyes.

I want to make two points here. The first is that we are still learning, especially when it comes to understanding the human brain. To use a cliché, science is not a destination, but a journey. Marketers might do well to remember this cliché when being presented with research (I elaborate on

³ Adolphs, R., Tranel, D., Damasio, H., Damasio, A. (1994) "Impaired recognition of emotion in facial expressions following bilateral damage to the human amygdala." *Nature* 372: 669–672.

⁴ Adolphs, R., Gosselin, F., Buchanan, T.W., Tranel, D., Schyns, P., Damasio, A. (2005) "A mechanism for impaired fear recognition after amygdala damage." *Nature* 433: 68–72.

this caution in Chapter 15, “Think Differently About Market Research”). Research based on the “latest from science” probably won’t remain the latest for very long. And, as the amygdala story demonstrates, science self-corrects, so research might not even be considered science for very long. Or, as Christian Jarrett says in his book *Great Myths of the Brain*,

Anyone who spends time researching brain myths soon discovers today’s myths were yesterday’s facts.

Science does self-correct, but being a healthy skeptic is also a good idea.

In experimental psychology and other disciplines, this self-correcting is increasingly helped along by other scientists attempting to replicate the original research. But experiments don’t always replicate and the reasons why are numerous. The most common reason is simple statistics; the world is noisy. For example, if you sample a group of 20 males and 20 females, sometimes the group of females will be taller than the men, but this result will not hold up with repetition. Another reason why an experiment might not replicate is context (something I cover extensively in Chapter 12, “If Content Is King, Context Is Queen”). Sometimes the effects shown in a particular study are exquisitely sensitive to the specific context of the experiment.⁵

Another, much less common, reason why experiments might not replicate is scientific fraud. Uri Simonsohn, from the Wharton School of the University of Pennsylvania, has a reputation as a “data vigilante,”⁶ which he acquired by identifying practices that generate results that seem too good to be true. Simonsohn showed that continuing to collect data until a sought-after result is confirmed is not good practice. In science, this is called “p-hacking” (for collecting data until the desired statistic, or p-value, is reached), but it happens outside of the laboratory, too. It’s human nature and something I discuss in Chapter 14, “The Power of Affirmation,” under the scaffold of the confirmation bias.

⁵ The exact number of experiments that do not replicate is unknown, in large part because it requires publishing a null result. There is a journal dedicated to null results, though: the *Journal of Articles in Support of the Null Hypothesis*. (www.jasnh.com)

⁶ Simonsohn’s investigations have led to two scientists resigning from their posts and to a number of papers being retracted. An article by Christopher Shea in the December 2012 edition of *The Atlantic* covers Simonsohn’s efforts in more detail.

One of the themes of this book is that marketers don't embrace the findings of behavioral science and neuroscience as much as they could and should. At the same time, I also urge that marketers be cautious against basing a strategy or an idea on the latest scientific study to be written up yesterday in the popular press—be it a blog or a respected newspaper.

The second point I want to make about the fluidity of decision science is somewhat of an understatement: The brain is complex. Neuroscience experiments might single out individual brain areas—and elegantly relate regional responses to a specific behavior—but brain areas work together. Two decades ago, neuroscience was convinced that the amygdala specially processed fear. Today, the amygdala is just one part, albeit an important one, of a fear-processing network.

Neuroscience has also provided the evidence to demolish some popular myths about the brain.⁷ One is the belief that “we only use 10% of our brains,” the premise of the 2014 movie *Lucy*, starring Scarlett Johansson and Morgan Freeman. Neuroimaging shows that this clearly isn't the case. Another myth is that there are “left brain” people and “right brain” people. Certain functions are reliant on one side of the brain—speech is generally centered in the left hemisphere for right-handed people. But creative or (their supposed opposite) analytical tasks, nor the people who excel in either of these areas are more dependent on one side of the brain than the other.

In an interview with LiveScience,⁸ Dr. Jeff Anderson, director of the fMRI Neurosurgical Mapping Service at the University of Utah said

It is not the case that the left hemisphere is associated with logic or reasoning more than the right. Also, creativity is no more processed in the right hemisphere than the left.

So we will just have to find some other language to describe our colleagues who seem either more creative, or more analytical.

I also want to address some of the language and terms that you will come across in this book. The broad academic field from which I have drawn

⁷ Christian Jarrett covers these two examples and more in *Great Myths of the Brain*. Jarrett is also author of *The Rough Guide to Psychology*, an excellent introduction to the subject.

⁸ “Left Brain vs. Right: It's a Myth, Research Finds” by Christopher Wanjek, September 3, 2013. <http://www.livescience.com/39373-left-brain-right-brain-myth.html>

most of the material included in the book is judgment and decision making (JDM). I am aware that the term *decision making* often leads people to think of planned decisions, of the carefully considered steps that people may go through to make a choice. “To make a decision,” does, after all, sound active and rather deliberative. One of the pioneers in JDM, the late Hillel Einhorn, was described as someone who specialized in studying how people *reach* decisions. Although a subtle distinction, the difference between *making* and *reaching* is, to me, a significant one. It suggests the importance of non-conscious factors of which the decision maker (or reacher) is unaware. Unfortunately, the “Institute of Decision Reaching” didn’t roll off the tongue quite as easily as the “Institute of Decision Making.” But when you read the term *decision making*, think of people reaching or arriving at their decisions as much as, or more than, deliberatively making them.

Research on how humans reach decisions shows that many of the processes leading to decisions are outside the realm of conscious awareness. Sometimes people (including myself until a few years ago) refer to these processes as being in the “subconscious.” With all respect to Freud and Jung, that word now connotes a mysterious and vaguely sinister approach to studying cognition, like a black box that needs to be “unlocked.” Psychology and neuroscience abandoned the term *subconscious* in favor of the terms *unconscious*, *non-conscious*, and *preconscious*.⁹ Although these three terms can mean different things in spite of often being used interchangeably, I use the last two in this book. The term *unconscious* makes me think of people who are not just unaware of their cognitive processes, but pretty much unaware of anything. When it comes to how people reach decisions, *non-conscious* and *preconscious* seem to describe better what actually happens, and those are the words I use in this book.

I would also like to suggest that we in marketing are more careful with our own language, particularly with words that describe people to whom we market. In a March 2013 interview,¹⁰ Keith Weed, Unilever’s Global Chief Marketing Officer, described how prevalent terminology is problematic:

⁹ Although the people who advise me on such matters tell me that the new favored word among psychologists and neuroscientists for reactions that are not conscious is *reflexive*. This creates a nice pairing with *reflective*, a term that can be used for conscious thinking.

¹⁰ “Unilever Logic. Keith Weed wants Unilever to be the trust mark of sustainable living.” *Hub Magazine*, March/April 2013.

Marketers need to...engage with consumers as people, not as consumers. I think the term “consumers” doesn’t help. Once you start looking at people’s lives, they are not a pair of armpits in search of deodorant or a head of hair in search of hair benefits. They are people with full lives and a lot of challenges in a rapidly changing world.

Weed’s concern is the practice of defining people through the lens of consumption in an age when all of us (from governments, companies, to individuals) need to focus on sustainability. I agree. But, for this book, my beef with the word *consumer* is more about how we marketers label the people we want to choose our products. For example, we talk about them as “targets.” In most aspects of life beyond marketing, things don’t turn out so well for actual targets. As my colleague, Rebecca Pollock says, the word target is more properly used by hunters and hitmen.

Another example. I’ve often heard marketers say that a marketing tactic “should drive the consumer to retail.”

Unfortunately, the meaning here isn’t literally that the brand will drive the consumer to retail by laying on a car service to pick the consumer up at 10 a.m. on a Saturday to drop them off at the mall (which would be nice), but somehow that the marketing will herd them in droves, like cattle to the abattoir. Not only is this a ridiculous exaggeration of the likely effect of any marketing, but it also disrespects the people whose decisions to buy our products pay our salaries and finance our lifestyles.

I will try to use the word *target* as little as possible in this book, but I have not yet come up with an alternative I am happy with. Any suggestions are very welcome.

Instead of *consumer*, I suggest another option. In her excellent book *The Art of Choosing* Sheena Iyengar, a professor at Columbia Business School, frequently refers to people who are making, or have made a choice, as *choosers*. I like this word for two reasons. First, it reflects and respects the importance of the “consumer” in that purchasing/buying/consuming is their choice. Second, the word *chooser* aligns with something I believe in deeply and that is also a major theme of this book. Marketing should be about making it intuitive and easy for people to choose your brand, your product, your service, or your cause. To buy a product in the first place is a choice, to use a product is a choice, to continue buying a product and keep using it are further choices, and recommending a product (should we be so lucky) is yet another choice.

Marketing is more about choice than consumption.

While I may sometimes use *consumer* in this book (in fact, it is on the cover of the book), I aim to use *chooser* or *potential chooser* whenever it makes sense. And, of course, eschewing jargon, and just using the word *people* works pretty well, too.

Two things about the book format: First, at the end of every chapter, you'll see a number of comments from people saying what they found interesting about that chapter. I asked 40 people from around the world to give me their thoughts—many are marketers or come from advertising agencies, but I have also included the opinions of people from other businesses and professions, including realtors, management consultants, executive recruiters, lawyers, and judges.

Second, like most similar books, this one has many footnotes. Sometimes they are part of the story, other times they are references to research. We have collected a list of links to further information at the addresses in this footnote.¹¹

I'll end this preface by telling you about the experience that led me to see the science described in this book in a whole new light. I think many people who have become proponents for the practical application of behavioral sciences have had an “aha” moment in which they understand how some principle or insight could improve something they are passionate about. This is how that moment happened for me.

One Tuesday in November 2009, I was in an Irish bar in Washington D.C., and things were getting ugly. I was watching my team, Ireland, play France in a playoff game to qualify for the 2010 FIFA World Cup finals in South Africa.

As the game went into extra time, Ireland was well on top and looked the most likely to score the goal that would take them to the finals. Until, in the 103rd minute, the French striker Thierry Henry blatantly handled the ball (not once, but twice) to set up a French goal that was against the run of play, giving them the victory that meant the French went to South Africa,

¹¹ Perhaps for the first time ever, a footnote about footnotes. You can find links to many of the studies and articles mentioned in this book at www.instituteof-decisionmaking.com/businessofchoice/references and www.thebusinessofchoice.com/references.

while the Irish stayed at home.¹² The goal should have been disallowed, but unsighted, the referee and his team of officials allowed the non-goal to stand, and a nation's hopes were dashed by an act of cheating that was captured on TV for all the world to see. The joshing between some of the Irish fans in the bar and a small handful of French fans started to lose its good humor, which was unusual as the French and the Irish, united by a common sporting enemy, normally get on famously. I slunk out of the bar to catch my train to Boston, as I was due to attend a conference there for the Society for Judgment and Decision Making.¹³

The fallout from the incident went beyond the heated words exchanged between the patrons of that bar; it became a full-blown international crisis. Irish bookmaker firm Paddy Power ran ads in the arrivals area of Dublin Airport that said, "Welcome to Ireland, unless you are called Thierry." The Irish Prime Minister and the French President discussed it at a European Union meeting. FIFA¹⁴ promised to set up an inquiry to study using extra officials and technology to reduce the chance of transgressions like Henry's going unnoticed. It was generally felt that more officials or increased technology might also help stamp out the practice of "diving" where a player pretends they have been fouled in order to gain a penalty kick.

All discussion was about detection rather than prevention.

A couple of days later, at the Society for Judgment and Decision Making conference in Boston, I listened to the inspirational Dan Ariely, a professor of Psychology and Behavioral Economics at Duke University and author of *Predictably Irrational*, present research he and his colleagues conducted on honesty. Ariely and colleagues showed that simple "nudges" could make people more ethical. (Nudges are anything that influences choices you

¹² The French team would have been better off staying at home. Their performance at the 2010 FIFA World Cup Finals was abysmal, with the team rent apart by infighting. They failed to reach the last 16, finished bottom of their group, and only scored one goal in the process. However, Ireland may not have done much better. Although the national team did qualify for the 2012 European Championship two years later, they lost all three games they played in that tournament, conceding nine goals while scoring just one, resulting in Ireland's worst ever performance at a major championship.

¹³ Yes, this society really does exist and holds an excellent conference every year in North America.

¹⁴ FIFA is the abbreviation for Fédération Internationale de Football Association, the global governing body of football (or soccer) and organizer of the World Cup, which is held every four years.

make, without limiting options and without force; I discuss them many times in this book.) In one of Ariely's experiments, having people sign their name on tax return forms *before* they filled in the form led to more honest claims than if people signed the form last.¹⁵ A signature is, of course, a representation of our names, and we'll talk more about the effect that names have on people later in the book.

During Ariely's talk, it struck me that FIFA was looking at measures of enforcement, which would come at considerable cost and could only be used for the most prestigious tournaments and leagues. But something similar to Ariely's experiment could be applied to soccer¹⁶ at any level and at relatively little expense.

Ariely agreed to let me use his name and research to approach a number of the leading soccer organizations (FIFA, UEFA, and the FAI—the global, European, and Irish bodies, respectively) with a proposal. My proposal was that they test the idea of having every player sign an agreement to an ethics code with specific do's and don'ts immediately before coming on to the field of play.

None of the federations or associations took us up on the offer, so we haven't yet changed the game of soccer yet. But if you are reading this and you have influence with a sports governing body with an interest in testing low cost ways of reducing cheating, we would be delighted to help with some experiments!

In a way, the purpose of this book is to encourage the kind of thinking that led to my idea for decreasing cheating in soccer. Ariely's original experiments had nothing to do with sports. Would the same mechanism that led to greater compliance in the relatively unchanged environment of filling out insurance forms affect soccer players' decisions in the physical tussle and adrenaline rush of a game? I don't know the answer, but the glimpse into human nature revealed by Ariely and his colleagues made me feel that it's worth trying.

¹⁵ Shu, L., Mazar, N., Gino, F., Ariely, D., Bazerman, M. (2012) "Signing at the Beginning Makes Ethics Salient and Decreases Dishonest Self-reports in Comparison to Signing at the End." *Proceedings of the National Academy of Sciences of the United States of America* September, 109(38): 15197–15200.

¹⁶ Before any readers get on my case for using the word "soccer," in Ireland (where I grew up), the beautiful game has been historically known as soccer in order to distinguish it from Gaelic Football. A map can be found at <http://i.imgur.com/2GHdRDg.jpg> that shows how football/soccer is named around the world. "Soccer" is not just an American thing..

In the world of commercial market research, most studies are designed to answer a specific brand question. In contrast, very few of the science experiments discussed in this book were designed to cast light on a specific brand or business issue. But all of them reveal something about human nature that could be relevant to helping get your brand chosen, or creating the behavior change you need for your organization to succeed (which is, of course, why they are in the book). If this book does nothing more than spark some thoughts as to how you can engineer behavioral change, I'll be very happy.

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1

The Business of Choice

For a brand or business to be successful, it needs people to choose it, so it is important to understand how people choose.

We are all faced throughout our lives with agonizing decisions. Moral choices. Some are on a grand scale. Most of these choices are on lesser points. But! We define ourselves by the choices we have made. We are in fact the sum total of our choices.

—Professor Louis Levy

Before you go looking for the “Collected Works of Professor Louis Levy,” I should explain that Levy is a character in Woody Allen’s film *Crime and Misdemeanors*, and this quote is part of a monologue about human destiny, love, and our choices that draws the movie to a close.

It might seem almost insultingly obvious that *we are in fact the sum total of our choices*, as Levy says. If I hadn’t chosen to accept a job with an advertising agency nearly 30 years ago, I wouldn’t have been in San Francisco 20 years later working on a new business pitch for a client that offered its customers a dizzying array of choices. If I hadn’t been working on that pitch, I wouldn’t have decided to contact Barry Schwartz, Professor of Social Theory and Social Action at Swarthmore College and author of the excellent book, *The Paradox of Choice*. He wouldn’t have suggested I attend the Society of Judgment and Decision Making Conference, and I wouldn’t have had the experience outlined in the preface that led to my writing this book.

Yet, if our choices define us, as Woody Allen via his mouthpiece Professor Levy suggests, if they determine to a large extent whether we will be happy, how comfortable our retirement will turn out, and even how healthy we will

be, then it is amazing that while we spend huge amounts of time pondering the outcomes of our choices, we spend so little time thinking about *how* we make the choices we make. (Now don't feel bad about that—there are very good reasons why we think so little about how we make our choices that we'll explore in Chapter 4, “Shortcuts Versus Analysis—Ignoring is Decisional Bliss.”)

Perhaps more surprising is how little time and money marketers, whose paycheck, bonuses, job security, and promotion prospects are dependent on influencing the choices of others, spend seeking to understand how humans choose. The success of businesses depends on ensuring people choose the “right” way: be it the procurement team at an airline wrestling with the decision to spend billions on Airbus or Boeing; a shopper in a supermarket choosing between Crest, Colgate, Aquafresh, or store brand toothpaste; a middle-aged man opting to try on a pair of slightly more fitted jeans for the first time; or a homeowner deciding to install energy-efficient light bulbs. The outcomes of these choices, and hundreds of billions like them every day, can edge marketing teams closer to or further away from their goals and lead companies to post a bullish or a bearish outlook for the next quarter. Every business is dependent on how people choose, and marketing is simply how businesses influence choices to contribute to their objectives.

Businesses fail or succeed based on products or services being chosen; marketing is at the sharp end of this—it is the business of choice. And marketers spend a lot of time, effort, and money learning about things that may affect that choice—understanding purchase paths and decision journeys, where their brand sits in culture, how their brand is perceived or how likely people say they are to purchase it. But, for how important choice is, businesses spend little time thinking about how our choices are actually made, and how they are guided by the instinctual aspects of human behavior.

When I interviewed Robert Cialdini, one of the world's authorities on what actually influences people to act, at the 2010 Behavior, Energy and Climate Change conference, he noted this discrepancy:

I think marketers study things that are related to behavior. They study attitudes, they study beliefs, they study perceptions, they'll study memories of brands and the relationships people have with them. But it seems to me that these are all under investigation in the service of predicting behavior. Why don't we just cut to the chase? Why do we examine those things that are bridges and links of an imperfect sort to behavior when we can study behavior itself?

Funding isn't an excuse for this oversight. We are in an era where marketers spend more on research every year. We are awash with data: dashboards with real-time sales data; brand equity studies tracking changes on how brands are perceived; web metrics revealing what potential choosers are researching, liking, recommending, buying, and even what they are discarding from their shopping baskets at the last moment; and face-to-face discussions to understand at a deeper level how people seem to feel about brands and how marketing approaches might resonate with them.

Not surprisingly, the market research industry is doing pretty well. According to business intelligence publisher, IBISWorld, the industry has achieved annual growth rates over the last five years of more than three percent and global revenues of \$21 billion last year.

However, a huge gap exists in this research, as Cialdini suggested.

You might disagree, and argue that you and your team are very familiar with the decision-making process when it comes to buying cars, insurance, pet food, or whatever line of business you are in.

You also might argue that you understand how people use different channels and can even give a very accurate estimate for return on marketing investment for activity in these channels. The point I want to make is not so much about how marketers understand decision-making in their specific category, but more about how little attention we pay to understanding how humans generally make decisions. The car buyer, the insurance buyer, and the pet food buyer are not different species (even if the end consumer in the latter example is). Although the choices may differ, they are made by the same overall decision-making system, which has been evolving in its current form for around six million years. It is, of course, the human brain. Although most successful marketers are pretty good at understanding the proximate nature of choices, we don't consider the importance of the decision-making system that drives them, the overall anatomy of how we make choices.

If we were doctors, we would be very good at understanding the personal and specific nature of our patients' ailments, but not how the body operates as a whole. Let's say our patient Mrs. Smith suffers from coccyx pain, for example. Our understanding of Mrs. Smith's problem would be based on that small piece of bone, rather than how it fits overall in the body, how it moves with the body in different environments, how it might be affected when the weather turns colder, or even how our evolutionary history might be relevant in understanding tailbone function and problems. (The bone's

common name, *tailbone*, is a bit of a giveaway here—the coccyx is the remnant of a vestigial tail in humans and other tailless primates.)

Understanding the broader picture is vital to understanding how people arrive at their decisions. If marketing is about influencing choice, then it seems critical to learn about not just product or category insights but also about the more universal aspects of human decision-making. We should understand how humans are naturally effective decision-makers and where we fall short; how different circumstances affect our choices; and the nature of choice, rather than just its consequences.

For a business preoccupied with insights, not seeking to understand *everything* about how decisions are made is a pretty massive oversight. Marketing is obsessed with being consumer-centric. I think the opportunity is for it to become more *decision*-centric.

By decision-centric, I mean using an understanding of how humans choose as the starting point for developing marketing. It seems to be common sense that this will lead to more efficient and effective marketing. Perhaps this is what Cialdini meant when he said, “just cut to the chase.” If your starting point for developing marketing comes from understanding how humans choose, then it seems a reasonable bet that your marketing will be more efficient and effective.

Starting from an understanding of how people choose, and taking a decision-centric approach could be important for another reason. Choice has become a bigger and more time-consuming aspect of people’s lives. An excellent 2010 article in *The Economist* titled “You Choose” quantified just how consuming choice has become:

...the average American supermarket now carries 48,750 items, according to the Food Marketing Institute, more than five times the number in 1975. Britain’s Tesco stocks 91 different shampoos, 93 varieties of toothpaste and 115 of household cleaner.

In this environment, spending some time understanding how people choose—not, as Keith Weed says, as “a pair of armpits in search of deodorant or a head of hair in search of hair benefits,” but as humans making thousands of choices everyday—could be one of the best investments a marketer can make.

Choice isn’t just tough for those trying to choose what brands to buy. Deciding what approach to take has become really difficult for marketers as well. A few years ago, an infographic made the rounds in marketing and

advertising circles. It illustrated the frightening complexity that technology has brought to the landscape of choices marketers need to make. The revised version for 2014, by Scott Brinker,¹ is even scarier, showing 947 different companies (he acknowledges this is a conservative number) classified into 42 different groups. When I started in advertising, there were six different groups: TV, radio, print, outdoor, direct mail, and point-of-sale.

Marketing is increasingly complex, and even in this age of advanced data analytics where a sea of data comes in waves across your desk, it is still really hard for most companies—particularly those that don't do most of their business direct to the public—to pin down what is working and what is not. The old adage “half of my advertising is working, I just don't know which half”² still rings true. While speaking at an Advertising Research Foundation conference on Big Data in 2014, I made an off-the-cuff comment that the modern version of this quip may be “half my data analytics is wasted, I just don't know which half.” I was surprised that many of the attendees, who knew far more about data and analytics than me, agreed.

Beyond the sheer number of choices, another thing has made it more difficult for marketers to get their brands chosen. Brands—with a few glorious exceptions—are becoming less powerful. In his 2008 book *The Brand Bubble*,³ John Gerzema analyzes data from his company's BrandAsset Valuator, a very robust dataset that covers many hundreds of brands. It shows that consumers feel that brands in general have become significantly less trusted, liked, and respected, as well as less salient over the 14-year period from 1996–2008. While I wouldn't discourage any marketers from taking measures to increase their brand strength in these areas, I think we should all be concerned that the issue may not be about making brands stronger, but might be about choosers using “brand” less as a no-questions-asked shortcut in their decision-making. For years, focusing on just checking the boxes about how a brand delivered emotional and functional benefits, and managing it for consistency, was a guarantee of a reasonable level of success. Blind brand belief may have made us complacent as marketers and

¹ You can find the full infographic with very insightful thoughts on the different categories at <http://chiefmartec.com/2014/01/marketing-technology-landscape-supergraphic-2014/>.

² Attributed to both U.S. retailer John Wanamaker and British industrialist Lord Leverhulme, depending on which side of the Atlantic you reside. There is some doubt that either of them actually said it.

³ BrandAsset Valuator is a formidable study, covering 50,000 brands and 51 countries since its initiation by Young & Rubicam in the 1990s.

overly reliant on the gravitational pull of our brands to attract people to choose them.

But that, clearly, is no longer enough. I think the remedy to the decline that Gerzema notes should not be just to strengthen your brand in the traditional way, but to think of it from a different perspective.

Everything I have learned about how people make decisions points to how powerful brands can be. When brands work best they dovetail beautifully with how we make choices. They are in tune with how we store memories and trigger us to create vivid and lasting ones. They are active at the right times and places to recall those memories as compelling feelings and emotions. They work beautifully with how the mind filters information to enable it to make fast and efficient choices. Brands are the ultimate man-made decision short cuts. At their best, they enable us to make quick, easy choices that feel right. In doing so, brands are perfectly aligned with how our brain's decision-making systems have evolved; this, I believe is the real power of brands. To make the most of the relationship between brands and our decision-making systems, brands need to become more "brain centric." In an episode of a recent TV series called "Thinking Money," produced in conjunction with Maryland Public Television, noted Stanford neuroeconomist Baba Shiv (who I think makes the science of decision-making and how it relates to marketing more approachable than almost anyone else) was asked why saving money is so difficult, when it clearly makes sense at a rational level. Shiv's reply was

The rational brain simply *rationalizes* what the emotional brain has already decided to do. The only long-term solution for this is to make saving more sexy...for the brain.

Asking how to make your brand and approach to marketing more "sexy" for the brain is a great idea. We all know the saying, "sex sells" (and it does). But making your brand and marketing sexy for the brain may take this concept to a whole new level.

This approach requires a different way of thinking. Very often with marketing we think about our user or chooser's needs from the category, we think about what is compelling about our brand equity and create a cocktail of persuasion, and point it at our (I know I said I wouldn't use this word) target. I call this a "brand in" approach. To be "sexy for the brain" means you need to form an understanding of what the brain wants. What are the things the brain just can't ignore? What works with how the brain guides the choices we make? How can the stimulus you provide align with the

speed and efficiency of the brain? Instead of starting from your brand, this means starting from the brain. I call this a “brain out” approach.

In all of the research I’ve read, brilliant people I have spoken with, and practical experience I have accumulated, I have seen plenty of complexity. Complexity is inevitable. Humans are complex beings whose behavior is driven by a brain, that even though inside our heads, contains as much scientific mystery as the universe does outside. Despite this complexity, I have reached one simple conclusion. From a cognitive and behavioral perspective, marketing has an impact in only three ways:

- It can create, through emotional associations, long-lasting memories of a brand. These memories are implicit, in that we attribute them to the brand at a non-conscious level. The real power of a brand is the amount of people with whom it has created strong, positive, and implicit memories.
- It can act as a trigger to recall those memories. The Apple logo or the Nike swoosh are nothing without our memories of the feelings we have had about those brands—either through experience or the suggestion of marketing and advertising. After those associations are made, they are constantly hovering in the background, ready to color any decision that may involve that brand.
- It can make choices intuitive, or instinctive, in effect making them “no-brainers.” The first two points relate to memories and come from what we have experienced and thus learned as individuals. This third impact has a different source—it is baked into how our brain works. It is our cognitive inheritance or the hand that human nature has in our choices.

In this book I touch on all three of these potential roles for marketing, but the emphasis is on the third. From what I have observed, understanding how human nature and the workings of our brain affect our choices hardly figures in the daily workings of most marketers.

The takeaways from this chapter are

- Think about your “consumer” not just as someone choosing products within your category, or as “a pair of armpits in search of deodorant or a head of hair in search of hair benefits.” Think about how the choices they make, whether buying a car, a pair of jeans, or shampoo, emanate from the same decision-making system.

- Don't just rely on the magnetic pull of your brand. Understand how to make your brand “sexy for the brain.” Think “brain out” rather than “brand in.” Keep this in mind as you read the remaining chapters of this book.
- Consider allocating a percentage of your insights/research budget to understanding the innate behaviors that may be relevant to getting your brand chosen.

What stood out for other people in this chapter:

- “Marketers beginning not with what their brand wants, but with what the brain wants is a potent new approach to reaching today's decision-fatigued consumer.”
- “It's clear we need to move beyond marketing insights that look at surface behavior to cognitive insights that drive choice deep within us. This is where the real advantage lies.”

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