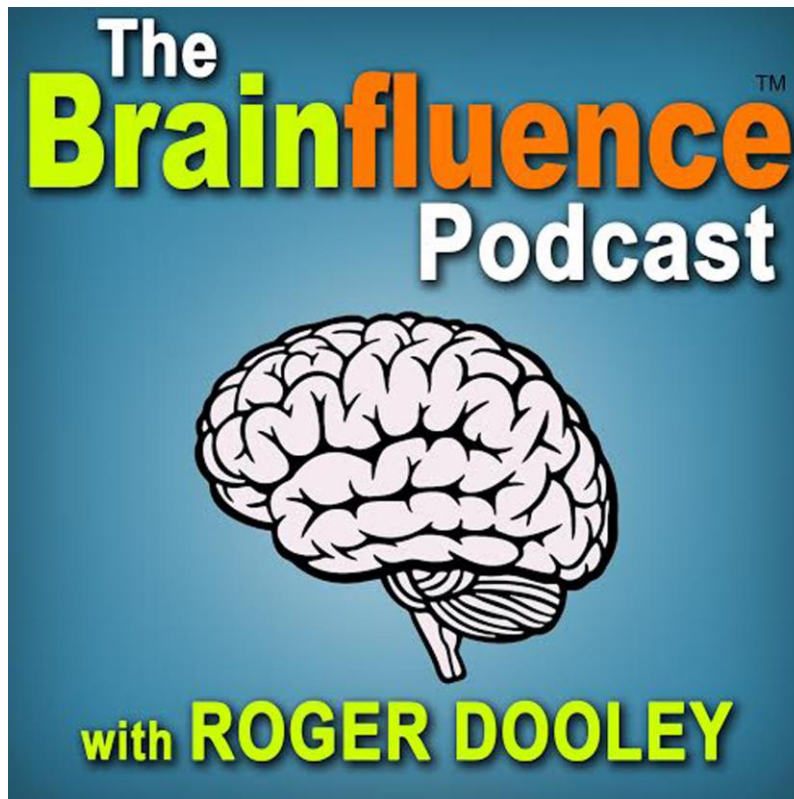


Ep# 15: The Future of Neuromarketing World Wide
with Carla Nagel



Full Episode Transcript

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Roger Dooley

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Welcome to the Brainfluence Podcast with Roger Dooley, author, speaker and educator on neuromarketing and the psychology of persuasion. Every week, we talk with thought leaders that will help you improve your influence with factual evidence and concrete research. Introducing your host, Roger Dooley.

Roger: Welcome to the Brainfluence Podcast. This is Roger Dooley and today with us we have Carla Nagel, executive director of the Neuromarketing Science and Business Association also known as the NMSBA. I'm really excited to have Carla on the show. We first met when I was in Amsterdam to speak at Affiliate a couple of years ago and then again we met in Sao Paulo, Brazil at the Neuromarketing World Forum there which is really one event that brought everybody who is anybody in neuromarketing to one city. It's great to connect with you here on The Brainfluence Podcast, Carla.

Carla: Thank you.

Roger: For starters, if you could just tell us a little bit about your background. I know you have a background in conference management which probably explains why the events has been this successful as they have. Tell us how you got interested in neuromarketing in the first place and a little bit of the origin of the NMSBA.

Carla: I can talk about that. It was back in 2011 when I was doing a conference on the new waves of watching TV, sort of IPTV kind of conference. Some of the speakers were talking about neuromarketing. One of the guys, the next speaker actually was listening to this neuromarketing talk and this next speaker was working for an archeologist, our biggest broadcaster in the Netherlands. They really loved the topic.

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The program where I was not aware about the impact of it but then I realized this is something really interesting. I started talking to the speakers after the conference and we discussed doing a conference on neuromarketing. He told me that the field of neuromarketing might need something more than a conference only. As naive as I sometimes can be I thought, "Well, I can do an association to help the people to promote the field and to work on ethical issues and to connect people all around the world." That's how it really started. It was just a 10-minute conversation.

Roger: Right. Well, that's fascinating, Carla. I think the need for an association is pretty clear because you've got this really diverse global population of companies. You do have ethical concerns. You have concerns about the quality of the work that could exist simply because there isn't necessarily always a lot of science. I think that having an association certainly adds some credibility to the industry and provides a forum for resolving issues that might come up.

Carla: Yeah, thank you for bringing that up. The board of directions, we have an elected board of five people. They are working on corporate accreditation indeed to check the credibility of the company and to check the science behind it. We are really moving forward with the process and I hope we can launch it this year. It would be very valuable for both the neuromarketing industry companies and the clients who are buying neuromarketing services.

Roger: I think you're right. I think there has always been this of whip of pseudoscience about the industry not because the people in it are necessarily bad or sketchy but are rather because oftentimes the commercial firms are ahead of the academic science. Many of the techniques have not really been

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demonstrated in serious academic journals and so on, although there may be a lot of data that is held by the companies themselves. I think that any kind of a process would be good.

Carla: Well, it's not only that. It's also that the time to publish an article in an academic paper can take up to 2 years before you get your work published. That's the reason. The other thing is that the practice is so different from the theory. You can isolate the subjects in a lab and really focus on one single question but that answer is not so interesting for people in business. They are looking at the whole picture. That's a big difference between science and business. As our pay-off of the association, we are trying to build a bridge between science and business but that is sometimes hard.

Roger: Right. I think it will come. I know that Carl Marci at Innerscope just now published an academic study involving the work that his firm is doing in conjunction with at least one educational institution. I think there's promise. I've seen other work. There are a couple of universities in the US that do have some neuromarketing labs setup but I haven't really seen a lot of academic productivity in terms of paper but there is this long lead sign to get stuff out there and get published. I agree with what you're saying.

Carla: Yes, and we need to realize this field is really in another stage. It's really just happening. It takes time. You can tell the difference from the moment we start working for the association in 2011 and where we are right now. It's a huge difference but it will change in the next year for sure.

Roger: One thing that I feel is happening even just purely in the commercial sense without you getting into the academic publication process, I'm seeing more companies release at

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least some data about what they're doing, not necessarily publishing it in the same way an academic paper would publish it but at least providing some results so other people can look at and gauge whether the data is any good as opposed to perhaps a couple of years ago when nobody would say much of anything. They wouldn't talk about their secret sauce because that is a trade secret. They had clients that want to be confidential and so but I know even in Sao Paulo which is I guess more than a year ago now, there were a couple of companies that released some pretty interesting data that at the most recent one I think that's true as well.

Carla: Yes. We had Estee Lauder speaking. Brooks Sports were sharing results which you also could tell we just finished the program committee for the next edition in Barcelona in March. We have now people from Vandellos and Danone, Spain joining the program committee. Even now, clients are more involved in the backhand part of the conference as well.

Roger: Do you find that end user companies like the big brands are more willing to talk about neuromarketing now than they were a year or two ago?

Carla: Yes, absolutely. I see a big difference. They still think that intellectual property or competitive advantage still hasn't paid them to publish work but on the other hand the other reason to now publish that neuromarketing is a bad word or is about manipulating, that's not so much the case anymore.

Roger: I guess I was going to ask you about that directly, Carla. Do you still see the fear factor out there that when you talk about neuromarketing in at least some portion of the listeners, there's this fear that it's dangerous, it's scary, the marketers will be manipulating people into buying stuff that they don't want or

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need? That's been a theme probably; I know I started writing about neuromarketing about 10 years ago. For a while I joked that there could not be an article written about the field of neuromarketing that didn't somehow incorporate a reference to George Orwell in 1984 where you're being monitored and watched and so on. I'm seeing a little bit less of that but do you think the fear factor is declining now?

Carla: I agree with you. Well, I'm always afraid, I'm afraid now to say that because every time I say, "Well, there's not so much bad press on neuromarketing anymore," some article pops up out all of a sudden. In fact, I do think blog posts and bad publications on neuromarketing are decreasing.

Roger: Well, that's good. Hopefully we've all contributed to that a little bit.

Carla: Yes. In fact you can easily explain that neuromarketing is not manipulated but advertising in general. We all accept advertising as a normal field of selling their product. I think if we understand better how we and our brains are involved in this advertising, it's better to warn people about risks of advertising. Now, it has a good point to it but I think fear is still around to start with your first question, it is. It's natural maybe.

Roger: Right. It will probably always be there but what I've seen particularly in maybe just last year too is most of the criticism is from organizations or individuals who have an overall fear of advertising. In other words, they feel that all advertising is bad and hence if neuromarketing improves advertising in any way or makes it more effective in any way then by definition it's bad too, where I think as a consumer do I want to see an ad if I'm watching a TV show that I find boring or doesn't engage me at all?

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No, I would much prefer to see a commercial that really lights up my brain if you will and engages me that I find interesting and fun. Really that seems to be one of the benefits of neuromarketing ad studies is not that you're making these super ads that somehow will turn consumers into buying drones that march to the store and buy stuff. What you're really doing is eliminating some of the bad advertising that's out there. Certainly you've seen a lot of ads that you wonder "What possessed some to even make that ad and spend millions of dollars airing it on TV?"

Carla: It is right. I think half or 60% of advertising is wasted. Maybe if neuromarketing can contribute to that, that would be helpful. I agree that there is trend with people that are complaining at big companies in general. I think that is the fact especially since the crisis started that people say, "Well, it's the fold of the big companies, the big banks, the big institutes who are trying to make us consumer zombies or what it's called ... Yeah, there's a group of people. Everybody has an opinion.

Roger: Right. I think that's overall probably a positive for the industry because chances are those folks are never going to like neuromarketing or probably a lot of commercial activity. Do you see some countries as being ahead of the curb or some regions in the globe is being ahead of the curb? I mean you've got an interesting perspective, Carla, because you've got members from all over and you travel both with persons with conferences to different areas. Who is doing the most exciting work you can tell?

Carla: Well, we have members in 53 different countries. If I mention one country being more innovative, that's different but I can share that I see a huge difference between the end users around neuromarketing. I think you see the same in your

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mailing list that countries like Turkey and Brazil or maybe the whole South American area are more excited about neuromarketing in general. I don't know why. I can make an educated guess but it's more difficult in countries like Germany or maybe the US or in Netherlands who have a bigger part of traditional market research. Maybe that is the reason but that is a guess.

I see a difference. I see not so much activity in the whole continent of Africa. It is hard for us but to get connected with the continent of Asia by maybe that is because of the language difference, language and culture.

Roger: Yeah. I haven't seen that much activity out of Asia. I have seen a couple of Chinese firms advertising neuromarketing services but it just seems like the overall activity isn't that well although strangely my book Brainfluence has been translated into Chinese, Korean and Japanese. Weirdly it has not been translated into Spanish yet where I monitor social media activity mentioning neuromarketing. I think there's more Spanish activity than English which is surprising because the technology began in the English-speaking countries but it's been adopted, as you say, very enthusiastically both by Latin American countries and Spain as well. I'm sure Asia will come along.

I think attitudes toward advertising are a little bit different there. If you look at a wildly successful website in Korea really doesn't resemble a successful US website. I mean there's a different aesthetic sensibilities, different attitudes and so on. It could just be that it takes a little while to migrate across that barrier but it will come I think.

Do you think that neuromarketing is getting more accessible to smaller companies and smaller bands because certainly when

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we're talking about it a few years ago and even now some of the names you just mentioned is talking about their neuromarketing efforts, there are still the big brands that are doing fairly large budget television or print campaigns. As a result, taking on a neuromarketing study to an overall large campaign budget isn't a big deal. I think one barrier to small and medium-sized business is that the cost of a neuromarketing study might end up being of the same order of magnitude as they're going spend on the entire campaign. Then suddenly it's well that we run twice as many ads or do the study.

Carla: Well, I'm not sure about that. Maybe these companies do not invest that much in market research but you have neuromarketing for any budget. It's not that expensive as many people say. There's really a misunderstanding. It also depends on the tooling of course. I'm not sure if you've heard about the tool where you can upload a picture and if a model behind it automatically calculates where most of the eye-tracking attention would be going.

Roger: Right. There are several tools like that that are an eye-tracking simulation or they create a heat map and both.

Carla: Yeah. There are no subjects in both so I think you can buy it for a small amount or something like 8 Euros or something.

Roger: Yeah. They're very cheap. I think some are available on a subscription basis for a very modest amount and others may be purchased at a one-off deal but I think that's one thing.

Carla: Neuromarketing starts with accepting the idea that advertising is talking to your brain. I just spoke with a creative guy and he said, "Well, I always make campaigns and I never created campaign to the lungs or to an arm. It's always the brain I'm

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communicating with.” If you accept that, you start to get curious what is going on in the brain. We are learning every day in our several good books around including yours where people can read tips and better understand how the brain is working. That is helpful if you are in a creativity industry or in marketing.

Roger: Right. Well, that’s a wise creative person there because I think a lot of creatives may say, “Well, gee, I sort of go with my gut. I think I know what people want and what’s going to resonate with them and that’s what I do,” where one of the things that’s good about neuromarketing is it’s fairly objective. Now, I also deal a little bit in the conversion space. I speak fairly often at conversion-oriented conferences which is really probably the most scientific kind of marketing. One thing that they found is that if you talk to the best conversion experts in the world who spend all day everyday optimizing other people’s websites, fixing problems, you would think they would have a tremendous not only base experience but a tremendous gut-feel for what’s going to work and what isn’t going to work.

If you talk to these guys, they test everything because certainly sometimes you can see something that’s obvious if the buy button can’t be found because it’s so tiny and it’s often the margin. That’s pretty much a no-brainer but once you get down to difference creative wording, different imagery and so on, at that point they can say, “Well, I think that this is going to work better than that,” but they know that their guesses have been wrong so many times that they test everything. In the rest of the world of advertising, that isn’t the way it works. It ends up being a decision by an individual or worse even a decision by a committee where people are looking at three different creative versions guessing which one is going to work.

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I think neuromarketing has an opportunity to bring science to some areas that don't really lend themselves well to traditional AB testing. If you try to see what works on a website, that is relatively a straightforward test but if you're trying to figure out which Superbowl commercial is going to work better, that's a lot tougher.

Carla: It is and I'm willing to share something that's really exciting we are in. Now, I'm not sure where it's going but I call it a journey. The creative guy I was just talking about, he read all the books that are around and he is very interested in the topic. Now we decided to go on a journey this year to find out what all these knowledge about the brain means for the beginning of the creative process because this guy learned about neuromarketing in the end stadium where you can only make a difference between one, two or three edits.

That was obviously bothering him and he said, "Well, I like the idea here. I'm totally with you that you need to involve the brain somehow but why don't we do that in an earlier stadium where my creative concept is still a point of discussion and not all the way on the end?" Well maybe the outcome is a different kind of marketing brief or creative brief. We are both not sure where it's going but it's a journey, let's put it that way.

Roger: That makes a huge amount of sense, Carla, because you're absolutely right. By the time some of the neuromarketing tools like EEG get brought into the picture, oftentimes it's three minor variations of the same ad where it has a different ending or a different message or something like that. At that point, you don't really know whether all three options have missed the point or not. I think that's great and that does require a greater understanding of how people's brains work and what the elements are of human behavior. That's a lot of what I write

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about is not the neuromarketing technology but sort of those influences on behavior that define whether somebody is going to buy or not. Incorporating that ...

Carla: That's probably like about you, Roger.

Roger: Who else should I tell, Carla? Do you see some of the lower cost vendors like there are now folks who will do automated facial coding based on web cams or rather simple camera setups that use a software rather than human experts to analyze people's expressions say as they're viewing an ad or viewing a website. Do you see those folks as making impact because to me if their technology really works, they have also the opportunity I think to bring neuromarketing techniques to a greater range of companies. Obviously compared to bringing people in and wiring up with EEGs, being able to just go to a panel of web testers that's already out there and doing a largely automated process would be significantly less expensive if it gives valid results. Are you seeing those people? Are they getting involved in the organization and they're making that?

Carla: Yeah, in the organization on our conferences, there is a greater demand for this stuff because there is news stipulating that it's another bookshelf. Well, maybe you cannot get very in-depth insight from these tools. I'm not sure about it but it's another share for another bookshelf and that's what is very interesting about it.

Roger: Right. Presumably sooner or later we'll see some good data because that's data might be susceptible to subsequent AB testing. Even if it's not done on an academic basis, if you're evaluating web contents say with those tools, you could then evaluate how well that web content performs with the existing technology for AB testing. Maybe we'll see some good data out

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of that. I know there's one criticism that said they put a dog in front one of these things that wasn't moving and they found that the dog reacted in various emotional ways to the content. Obviously something wasn't going quite right.

Carla, I think education is one of the key things that the NMSBA can do for the industry. What kind of education initiatives do you have going now?

Carla: Well, for now we have the Neuromarketing Theory in Practice series where we go to different cities with a theory part and a practical conference. We are gathering information about which universities are teaching classes, master's, teachers, whatever on neuro on our website but we don't have the budget to a bigger effort or to start a full master or to start an online course or something like that but it's something possible in the future.

Roger: Right. Now, I could see that although I think there probably ... many individuals like the idea of an established university offering a degree or a certification or something simply because they're a more established brand. I think as the association gets some experience and age and what not that some other kind of certification or education might well make sense.

Carla: What I didn't mention is what is easier feasible for us is a cooperation, some kind of certification for innovative marketing methods together with another association with experience in big data or in pricing something like that.

Roger: Carla, what cities around the globe are the sessions going to be and the education sessions that you mentioned?

Carla: In September, Madrid, in October in Istanbul, Turkey, in December in London, January San Francisco and Mexico. In February we'll go to Columbia.

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Roger: Great. Covering the globe.

Carla: Yes, absolutely. We are doing a conference on neuromarketing and research together with Pop Eye in Amsterdam which is easy for us to do of course but of course you just saw it last year. We will continue that. That is in October and we of course the neuromarketing world forum in Barcelona.

Roger: That's great. Other than that, what new things are coming down the road for the association?

Carla: Well, I mentioned already corporate accreditation but before that we will also start with corporate membership and research membership and maybe something exciting. We will start free membership as well where we offer a bit of online networking and small parts of our magazine in PDF format for people who are interested and not yet ready to become a member.

Roger: Right. Well, premium models for a variety of conditions. Maybe that approach will inevitably grow your paid membership. If you think about it, Carla, you've got a lot of members who know a lot about marketing. Maybe you ought to apply some of these techniques yourself to optimize your membership and education.

Carla: Yes, well if your question was where are you criticized most for, that's our website. Our logo is not neuromarketing-minded or whatever and yes, our abbreviation NMSBA is hard to remember. I know that. We did ask our members for that.

Roger: Right. In terms of fluency, it may not be the most fluent but ...

Carla: No. Well, I discussed ... Actually, it was a topic on the agenda of a board meeting a few months ago to change our name. Well, it ended like we are the Neuromarketing Science and

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Business Association. You can skip the M but still it's NSBA, it's hard.

Roger: Right.

Carla: It's a matter of practice like Michael always says.

Roger: Right. Once you're used to it, it's not a problem.

Well, Carla, I think we're just about out of time. I'll remind our listeners that we've been talking to Carla Nagel. She is the executive director at the Neuromarketing Science and Business Association or the NMSBA. Carla, how can folks find the association online or if they want to connect with you, how can they do that?

Carla: Well, they can always call me or Skype me but the phone and the contact details are on the website, www.nmsba.com. If you can remember that, you'll be fine.

Roger: Right. I think most people can. We'll have the links in the show notes.

Carla: Great.

Roger: Even if folks can't remember it, they'll be able to click through and find it.

Carla: That's great.

Roger: Carla, it's been a pleasure having you and look forward to seeing you again soon.

Carla: Yes, we will. We will meet probably in October I guess.

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Roger: Thanks. This has been the Brainfluence Podcast. I'm Roger Dooley. Thanks for listening.

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