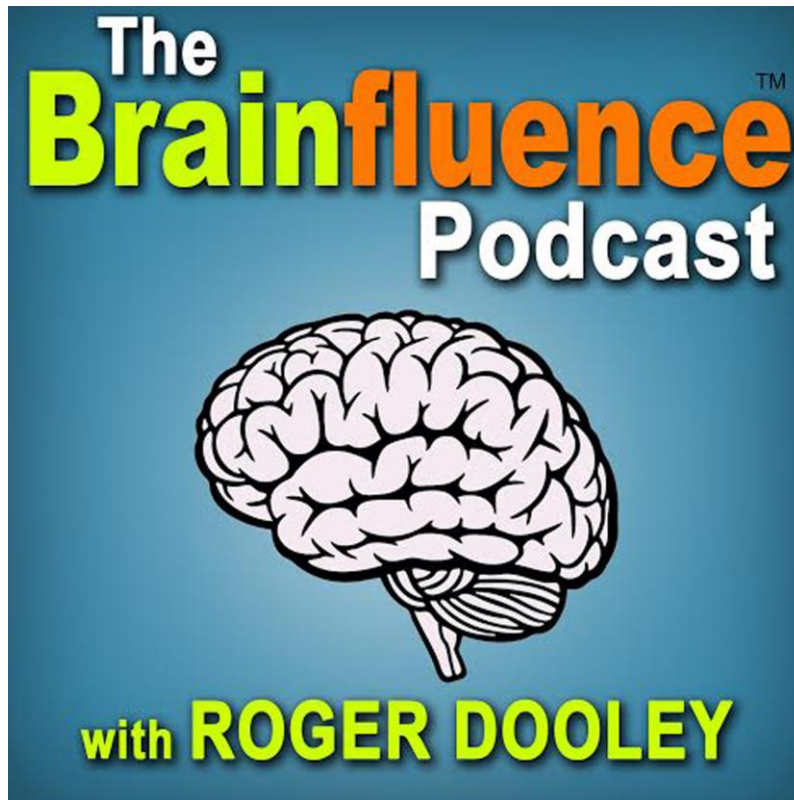


Ep #17: Business Anthropology with Christian Madsbjerg



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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, this is not a guest host actually, I sound a little bit different than usual because, I just got back from an international trip that involved a lot of time on air planes, and along the way picked up some kind of a bug but with me today and fortunately, in a remote location where I cannot infect him is, Christian Madsbjerg, who is the founder of Red Associates.

A firm that specializes in applied business anthropology and he's the co-author of a new book, The Moment of Clarity. Using the human sciences to solve your toughest business problems. Christian to start off, can you explain what exactly applied business anthropology is?

Christian: Well anthropology is probably well known to most people, that it's a social science and it's interested in people in their context. It's not so much interested in the individual like psychology would be interested in the individual. More interested in the individual with others and in context. That's a different view of what most market research is and what more and what some psychology is about.

We use that perspective with the idea that people, are geared into wells and are mostly in for, in their context to study commercial things. That would be, how to make a new luxury car or how to make meaningful products in different areas of the world. Anthropology is just a name of a science we inspired by many others. That are having a common, that they look at people are social creatures, not so much as rational creatures.

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Roger: Yeah, I think that on that topic your philosophy and mine have a lot in common and may come at it from different angles, but so many marketing errors were made because people are just selling features and benefits as opposed to looking at humans as non-robots and not necessarily always rational in their decision making processes.

I'm curious though, you talk about anthropology is focused on sort of the big picture, culture and what not. Is that at odds with big data, which is sort of focused on the drilling down to every individual and perhaps, treating each individual differently?

Christian: I think there's many good things to be said about big data. The first thing is that it's based on actual behavior rather than reported behavior. I think if the world spends about \$50 billion a year on asking people what they think about this or that and what they want. That's sort of notoriously stupid because people don't know what they want or how to choose something they know nothing about. It's just dumb the way we've done market research for many years.

I think big data is a big step ahead because it's tracking actual behavior. It's tracking where you are and what you do and so on. The problem is, with big data I think and particularly with the big data, data evangelists. Is that they think that sort of the data answers questions itself without being sort of interpretation. That would be nice, because you would get rid of biases and all kinds of human problems. It's just not the case that data speaks for itself and it's sort of a 400 year old philosophical debate since Francis Bacon. And the idea that the data ... If there's just enough data, it could speak for itself.

That's been refuted the past 400 years, over and over again. It's showing its head in the big data evangelists that they can get rid of the problems with social science by means of technology. I think one thing is that the data is interesting and a new source. The problem is, that it still needs interpretation and if you have interpretation, you need theory and you need

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thoughts and you need all sorts of things. You are back to the old problems of buyers and preconceived notions and predispositions when you analyze data. It's a step ahead when it comes to the type of data we're talking about and the vastness of it is exciting. The problem is that the people that use it use the wrong sort of methods in terms of interpreting it.

Roger: Christian, in the pre-show chat, you mentioned the difference between studying culture and studying nature. What do you mean by that?

Christian: Well, the big difference between people and say, bacteria or quirks and atoms is that we take a stance on our own being. We have some identity that we constantly think about and so, we evaluate our being in this world. To our knowledge yet, bacteria doesn't do that. Or other animals, so you rarely see talk about a fox, think about whether it should be more wood-like today. Right? That is a major difference in terms how to study culture, how to study people. When you study culture you have to take that into account, that the way to understand what's going on and if you have to constantly suffer once you loop around identity of people.

People change when you study them and you need to use yourself and you need to use your own interpretative skills in order to understand what's going on. That then introduces the problem of what is called the hermetic circle. That, once you start using yourself and understanding something cultural, you don't have what natural scientists has called the view from nowhere. You can't study people and make any sense of people or culture from nowhere. Multi-techniques from the natural sciences I'd say, any technique I've ever seen gets that wrong.

If that's wrong, then you have major problems with your data. In a sense it's hard to use natural science techniques. It would lovely if we could just figure out how culture works but to my knowledge, there are no techniques from natural sciences that

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in any sort of way is more helpful than the social sciences or the human sciences themselves. That's the first thing. The second thing is, that the brain as you might know, is a very complicated thing, and most people say it's the most complicated thing that we have ever studied. When two fringes of these very complicated things meet, very complicated things happen and when millions of these very complicated things end, even more complicated things happen.

The phenomenon of humanity, some people call it our soul, our spirit or our shared humanity. Is a very complicated thing and reducing that to simple behavior like, Google would think that they know everything about me because they know where I am, with my phone, or what I click on online? I'd say, you know nothing. You know nothing about us. The same goes with when Facebook claims that they have the most advanced model of the world, they don't.

Even though they have very interesting new data, they don't have the most advanced model of the world. The problem is when you sort of claim too much based on natural science, and methods when it comes to understanding culture. That's a fundamental problem of today. I think that you have a lot of scientific nonsense going on when it comes to using actual science techniques to understand culture, human culture.

Roger: Would your marketing techniques has currently applied things like, EEG or FMRI or bio-metrics and so on, into that category?

Christian: Yes, clearly. I think if you talk to anybody honest in the scientific community that does these things, they would say, "I very much agree that the technologies, FMRI, scans and so on are extraordinary" and the brain ... The getting closer to understanding something about the brain is just wonderful. I mean we should marvel at what we see. Having any connection between the data that we get and psychology as we know it, is a very big leap for many reasons? The first reason is, if we take the scans of one example, that the kind of areas that you can

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locate having activity if you show them a picture of a tiger, or a particularly interesting ad or something like that, is slow.

You need five seconds or something like that in order to have more oxygen intake in that particular area and that place lights up. Whereas you know, thoughts happens in nanoseconds and can be super-fast. When people say that, when the areas lights up when they see this or that. Or the same area lights up when they see an Apple logo and when people talk about their religion. Hence Apple is the religion. It's just the dumbest thing I've ever heard. The reason that you don't know, because of the time difference between a thought and the accuracy of... in the brain, and secondly, the areas that light up do so many things.

I mean for instance it's not just about fear, it's also about novelty, it's about many, many other things and we don't know which one. It's so early days and I think you can almost characterize it as a pre Galilean science. It's exciting and thrilling and amazing. We're not at a stage where we can predict anything and I've seen a lot going on in the clients I work with, with these scanning techniques and all of it has been unhelpful, until now.

Roger: That's interesting, I do think the science is improving in that area and we're going to start to see some polished results. That's one thing the field has been really lacking is academic quality research showing that, okay if people respond in certain way to an ad that means that they will be more likely to remember the brand or buy the product or something. There have been some more business type case studies that have been published but there is not a lot of academic data out there yet. Hopefully it will happen, I think that more and more universities are looking at that area not necessarily establishing programs and marketing but at least they're devoting some thought to it.

Christian: It is exciting. I mean it's exciting to take a look at it. I think the problem is, once it gets applied with tenacity and arrogance.

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That's my problem. If you read a book like the biology book, it's basically fundamentally nonsense in my book. It's over reaching in a way, that I don't know, I just don't ... I don't buy that. Then what I think is exciting is investing in the area. I think a scientific research in the area is exciting and as long as we don't underestimate human beings and the complexity of the human condition. As long as we don't reduce our soul and spirit and common humanity to brain waves and chemicals happening in the brain. I am all for it. If we start reducing us to our brain, I am very skeptical.

Roger: You mentioned Apple and religion. Well, I think actually Martin Lindstrom had an article in the New York Times about people loving their iPhones in much the same way as romantic love which drew a lot of derision from neuroscientists but I think the ...

Christian: The idea is that ...

Roger: The religious aspect of Apple is probably pretty well brought out by what you would call human science, which our social identity. Where they have really built that over the decades to create this sort of cult of the Apple user as distinct from other people especially PC users of course and they have exploited that very well.

Christian: Yeah, and I mean think Steve Jobs even said that. He said that Apple was that the crossroads of the humanities and technology, right? He was in love with music, that's one of the reasons why they were so strong in music. I think the Lindstrom example is particularly interesting because what ... The Insula lit up when they showed gadgets like the iPhone. Never mind, I mean you can ask the question then does the Insula mediate other emotions than just love? If you know anything about the brain, you would say "Yes it does." How do you know its love, right? It's just nonsense and I don't know how it gets time in the media at all.

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The other thing is that I was at a conference not long ago and there was a this apparently brain guy was saying that, which is interesting. He said that; when people see a picture of a tiger, the ... lights up, right. He said that, so when people are ... Then other parts of the brain shut down. He says that, "Leaders" and he was talking to business crowd. "Leaders shouldn't, if they're fearful it creates a problem because they can't imagine the future" and so on. You can say; "What on earth does fearing for the future a company have to do with seeing a picture of a tiger," correct? There are many other types of fear.

By the way, it also lights up when we see something noble or when we anticipate something noble or when we anticipate fear. The direct linear conclusion between seeing a tiger and leadership conclusions for the future, is just again sort of quack ... sales people trying to use science to say their banal things. I think unfortunate because the technology and the science area are so exciting. It's frankly sort of destroying the name of anything noble in my work but that's just my opinion.

Roger: What I was going to say is, there was one study even among neuroscientists that showed that they were swayed by the presence of brain scans in scientific papers that were irrelevant to the conclusion in the papers. They found the paper more convincing when it included some brain scans ... Brain scan imagery. Even though the images didn't relate to what the paper concluded. I guess we'll, even neuroscientists can be victims of that.

Christian: They're the most skeptical the ones that really know about this are the most skeptical because they know it so early days. I think it's exciting that you can see that a particular activity happens in a place in the brain. I think it's exciting that we can sort of map these things. We have to remember, that the colors you watch when you look at one of those scientific papers, that's graphic design, you know?



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When you see a bright red color, that's a choice made by a graphic designer or somebody coloring it rather than what actually happens in the brain. You can choose a grey color for a lot and red color for a little if you wanted to. It's dangerous in any science, right, to over shoot what the ability is.

Roger: Right. When I think on the plus side for commercial neuro-marketing firms, to some degree they can try and understand the science. At the end of the day they don't fully have to understand the science if they can develop reliable predictors of behaviors so that they consistently show that, if they see a certain type of activity that results in higher brand recall in some statistically significant way. They can just apply it out without necessarily drawing a lot of conclusions about ... Well this activating a fear response or love response or anything else. If they can just say "When we see these three areas light up people remember stuff better" that is probably sufficient for business purposes even though from a science stand point it's particularly interesting.

Let's get back to your book and the focus of your company. How do you actually apply these techniques to real business problems, apply the human sciences to real business problems?

Christian: We use a sort of philosophical tradition called phenomenology. Phenomenology it's the study of phenomena, that's lived experience in everyday life. One of the examples in the book is the company; Lego that makes these wonderful toys for kids and also movies and all the things now. What we did there was to say, they had a problem with selling their toys. At the time they were almost going under because of that.

They asked us, "So how do we sell more toys?" We said, "Well we don't know, but we can study why kids play" which is a human phenomenon not a business phenomenon. We went out and basically being with kids and spending time with their families and their friends and their softphone and whatever they

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did for days. Video filmed it and whatever we could and sort of gathered infographic data about the lives of these kids. Came back and could understand certain things about not everything but certain things about why kids play. It turned out that many of the assumptions that the company had at the time about kids. For instance that they had shorter attention spans and that ADHD was rampant and all sorts of problems. That they then based their innovation on was wrong. That kids does not have shorter attention spans than they had before. Play is still about learning and they're still interested in complexity and all kinds of things.

We could cut out vast amounts of the kinds of products they already had and we could make new ones that based on the new idea, and the new understanding of what kids play is like. In order to do that, we need to spend time with kids in their environment, in their context. Following them in the most natural sort of setting, we could possibly get and try to understand what are the assumptions, what are the sort of drivers behind the activity that then leads to pleasurable experiences with toys and fun experiences with toys? What's the dynamics between the kids and the parents, kids and grandparents and so on?

Basically by looking at the phenomenon behind the business, so in this case kids play. For a car company could be driving, for beverage company could be no food, and for alcoholic beverage company could be about bars and going out and so on. Human phenomenon, when you understand those, you can apply that to new product development, you can apply it to marketing and you can apply it to cost reduction and you can apply it to many areas.

Basically fundamental understanding about the phenomenon you are dealing with and interacting with when you send products to the market and try to sort of, when supply tries to talk to demand in a general sense. We use infographic tools to

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understand social phenomenon and use that in order to guide, you know, development and marketing activities is on.

Roger: When are some of the products what kind of product came out of that that was different than what like there was doing before?

Christian: First of all there was a lot of the other type which was basically cutting out a big chunk of the portfolio that were based on wrong assumptions. The second thing was a complexity. If you look at the way kids play today, they mix up well. We called the merger of horizons. Basically they would easily have Batman play with the James Bond in a game among kids. We could see that they would merge well ... For parents it doesn't make sense that they can't see how Mario brothers could compete against I don't know Superman. In the kids world it can. If you look at the new Lego movie, that's what it's all about, it has the merger of all the sorts of worlds in one.

It's completely made in to kids but not to parents, and it gives what we found and what we call under the radar play. The kind of play that is just for kids that the parent doesn't get. There is a lot of those types of cues in the products that you see in the whole portfolio of Lego today. In the board games, in the way they market things and in the new multimedia activities and on-line activities. They have this sort of elements under the radar and elements of making worlds that only kids understand.

Roger: Well, yeah Christian to look at a more of a business to business context. Tell us a little about Intel which is an example in your book and how and what you looked at there and the conclusions that you came to.

Christian: Yeah so I can talk about some of that because the big deal with the Intel as you might know is that they make chipsets that they put on our computers. Right now they are not putting them in phones or smartphones or at tablets. They basically missed the boat on the two major developments for the last 20 years right? That's unfortunate for a chipset maker ... What they are

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interested in is what's going to be the next big deal thing? In order to do that? Let's look at what they call emerging practices or marginal practices.

People that use IT technology in their everyday life for other purposes than what we thought they would. We've been looking primarily in emerging markets and primarily around what is now called internet of things. Places where chips can be put that they aren't in today. That would be tracking thing, that will be usage in sporting activities and fitness activities around food, sleep, all kinds of areas. Where you have computing power other places than we have today. We've been following that in places around the world where, the culture is different and hence they adapt computing different in ways.

We do that basically again in context in Indonesia or in western China where we are going, and looking at how they use those things in order to inform chip design for the future. That the chipsets are designed for the kinds of activities that will emerge.

Roger: I may change gears here a little bit Christian. Social science degrees don't get a lot of respect if a student tells his parent "Yeah I'm going to be a psychology major or something of that nature" they say "Well, you're never going to get a job" and really now stem topics are getting a lot of the emphasis, the hard sciences and technology. Do you think that increased application of these techniques will actually be beneficial for folks who pursue an academic background in social sciences?

Christian: See that's a very good question and it's one that I'm deeply interested in today. There are two problems here, the first one is with the human sciences themselves or social sciences themselves. That in school when you go to Yale and you study I don't know our history or history for philosophy. People write very long sentences, right? They quote in French and Latin all the time, and they're not very helpful in a business context in general, and they are not interested right? Something needs to happen in the humanities programs, in order to be more

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applied. Just like Physics has engineering, humanities need to have an applied side of itself.

That's sort of the supply side, the demand side has a different problem and that is ... If you look at particularly I think Silicon Valley but in general technology companies. That they have a very reductive way of looking at people and hence they are wrong most of the time when it comes to people. You have a failure rate. Even Google, I mean Google can't make products if you look at it right now. They have been launching laptops and phones and all kinds of things, and they fail miserably every time. It's because they look wrong, they have a wrong view of what's important about people.

They could benefit from an input of ... From the humanities and social sciences. That's the gap between these two worlds. A world that sees people the way that the stem sort of universe is as a very adaptive behavioral way. Then you have the humanities that who don't want to talk to anybody that has to do with business. That's the big problem, that's one of the reasons why we have trouble integrating humanities in more businesses in this sort of applied world all together. Then you have the political issue, which basically cut research grants in the humanities, there is almost nothing left. There is almost nothing left of the ... National government of the arts.

There is sort of an anti-art and anti-humanities trend going on where the Republican senators want to dis-incentivize people to study things like literature or art or history and so on. I think that's sad because, we human beings have at least two sides, one you could our genius which is our ability to innovate and create and all that that the stem world is very much about. We also have wisdom which is the ability to see whether something is ethical, and whether something is right or wrong that knows about history and can connect the past to the future.

Have a slower metabolism in terms of interpreting what's going on in our world and I think we need both our genius and our

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wisdom. I think we need both of that in the applied world as well, and I think shame on basically use the technology well for not integrating and shame on the humanities for not wanting to be integrated, that's what I think and we ...

Roger: Right, I think you as well you have an academic background I think that you've probably encountered a lot of academics who are really find any business application rather dis-tasteful or bad in many ways. In that I'm sure slow things down, it's not a universal belief but I haven't counted many folks like them

Christian: Yeah and I'm against that. I think they should engage and I think that they have a ton to say right? If you take the concept of identity for instance, that you have to deal within marketing and you're a marketer as well. We've been studying identity for 2500 years right? In the humanities, and we have a lot to say about it but we don't because we think it's distasteful or we think because we are Marxists, I don't know what's wrong with those academics. It's simply not helpful and I think we should ask our humanities departments to sort of come out and start engaging in the rest of the world.

Because they will be messages sent between supply and demand we need to produce things in this world, and if they don't engage, those decisions will be ill informed when it comes to issues that they know something about.

Roger: Right, well great point we are just ran out of time and let me remind the audience that we have been speaking to Christian Madsbjerg whose new book is, "The moment of clarity using the human sciences to solve your toughest business problems." Christian how can our listeners find your stuff online and connect with you if they want to?

Christian: The company I work for is called Red Associates that's redassociates.com where there is a lot of press and movies and stuff about the kind of work we do. We've been trying to explain

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it in a way it's best helpful and not too academic, and then the book is on sale at Amazon, in any bookshop around the corner.

Roger: Okay well, we'll have links to the company website and the book at Amazon and so on, on the show notes page at rogerdooley.com so Christian thanks very much for joining us today.

Christian: Thank you so much and take care.

Thank you for joining me for this episode of the Brainfluence Podcast. To continue the discussion and to find your own path to brainy success, please visit us at [RogerDooley.com](http://RogerDooley.com).