

Full Episode Transcript

With Your Host



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.

Hello, I'm Roger Dooley and this is the Brainfluence Podcast. In this week, we're going to do things just a little bit differently. We're going to reprise more or less my presentation from the neuromarketing, retail and shopper marketing conference that just took place this week in Amsterdam.

This is really interesting conference, it was sponsored by the Neuromarketing Science and Business Association also based in Amsterdam and its objective was to focus on the neuro side of retail and shopper marketing. It's pretty interesting stuff.

What I'm going to do is talk a little bit about the sensory side of retails and in particular how the five senses can be used to reach shoppers. I'm going to begin by making a little bit of a confession. I am an addict, but not the kind of addict that you might think. I am addicted to Amazon Prime where I can find almost any product that I can imagine on amazon.com and I can buy it with one simple click.

I know when it's going to arrive, the shipping will be free, it will be here in two days which is pretty amazing for essentially no additional cost within 48 hours I can get my product. I can even determine right from that little tiny interface order direct if I want it sent to my home address or perhaps some address that I have previously stored.

This is an extremely compelling experience and it's even more compelling because of the social proof offered by reviews. Reviews become really an essential part of my purchasing process and when I'm in a retail store, I'm frustrated. If I pick up an item and can immediately see what other people think about it, it makes the retail experience somehow a

little bit more shallowed and the Amazon experience which sounds counterintuitive, but in that sense, it's true.

To me, I may only be one data point, but there is clearly a storm that's coming to retail and that is the ubiquity of online commerce. Ecommerce has doubled in the last six years and some prediction say that within just a few more years, it will be 10% of all retail which means that instore retail is going to go down. It's doubtful that e-commerce is going to expand the total market and people's total purchases rather that ecommerce share will be coming out of conventional retail.

One advantage that retail has always had has been instant gratification. If I ordered online, I might have to wait days or even a week or two to get my product where I could pop my cargo to the store and in a short amount of time be using the product. That has been a big advantage, but the online giants are even trying to whittle that down.

Now, Amazon in certain places is testing same-day delivery on product. Even in Austin, we don't have a same-day delivery yet, but I can get Sunday delivery in some items which is very convenient. Google is testing same-day delivery and Amazon famously testing drones to make delivery even easier and faster. I have no idea how practical that will prove to be.

I can't quite imagine the skies filled with drones, but nevertheless, these trends are emblematic of what online vendors are trying to do and that is make their process as convenient or even more convenient than retail, because even though I can get that instant gratification if I go to the store, in my case, I have to get my car, drive for probably 10, 15, 20 minutes to a store, find a parking place, shop around and then repeat the process in reverse. That could easily take an hour or two, perhaps even more.

Comparing that to an online process where it may take me a little bit longer to get the product but I don't have to do anything, I don't have to expand any effort. That's a big difference. To me, the one big advantage

that conventional in-person retail has over e-commerce is its ability to appeal to the customer's five senses.

If you look at what the online experience is like, it's basically two dimensional and visual. Yeah, there could be a little bit of video and perhaps some sound, but by enlarge, it's two-dimensional and it's appealing only to the site. If you look at the smartphone which more and more e-commerce is taking place over smartphones, that's an even more limiting experience because of the size of the screen.

Comparing that to the multi-sensory delight that you can get in a large shopping mall or even big retail store, it's a big difference and that the products themselves offer very different experience. I don't mind Amazon's interface at all, I think it's a pretty easy to use way to search for products and examining them in their characteristics, but basically, we're looking at little two-dimensional pictures of products.

On a phone, these little two-dimensional pictures are even smaller. Compare that to the ability to go to a store where you can touch the product, you can hold it, feel it, you can feel its weight, its texture. You may even smell the product if it has any aroma perhaps, say in a leather shop. We've all been in one of those and we've been overwhelmed by the sensory experience. It's just a very, very different experience.

What we're going to do is talk about some sensory tools that can be used. In particular, how those senses can appeal to the brain directly and the reason we're focused on the brain is because neuroscientists say that only 5% of our decision-making is conscious, 95% is subconscious; according to folks like Gerald Zaltman of Harvard.

What that means is if we're selling futures and benefits and price and discounts, we're appealing to a very small part of our customer's brain. Let's look at some ways that we can use a sensory selling and I think the first thing to realize is that every retail store already currently offers a multi-sensory experience.

The key question is whether that sensory experience is planned or unplanned and obviously planned is a lot better than unplanned particular when it comes to things like scent. There will probably be some kind of a scent in the story and if you don't know what it is, it may not be a good one.

The first step in any retail sensory marketing plan is to first audit what you have and then start designing the sensory experience. What important thing to realize right out of the gate too is that our first impressions take place very, very quickly. Faces form our first impression in a hundred milliseconds. Websites, some number say is as low as 50 milliseconds, other perhaps a few hundred milliseconds, but all of these first impressions occur before cognitive processing.

I haven't seen a specific number for retail, but I have to believe that much in the same way that you would view a website or a person or an object, you're going to form a first impression of that store far before any cognitive processing takes place before you read any signage or actually process the merchandise that you're seeing.

The important thing about first impression is that they are long lasting and aren't easily changed. One recent experiment showed that even when people were presented with factual information that contradicted their first impression, they tended to stick with their first impression despite the data that should have swayed them to some degree of rationality.

For starters, your first impression of your store ... Actually, the first impression of your store forms has to be consistent with your brand and the image that you're trying to create. If it isn't ... This is primarily a visual impression, although it could also involve scent or sound if those are particularly promoted features. When somebody enters the store or use it from a few feet away, those first impressions have to support everything else that you're trying to do.

One thing I'd like you to do now is develop a mental image of a gas station. In Texas, we have a gas station called Buc-ee's that defies the imagination of anybody who has not been to one. These gas stations are

absolutely enormous. The biggest one has 120 gas pumps, 32 checkout lanes and has a farmer's market that has amazing bathrooms that just go on and on and on.

It's just an amazing experience inside. It looks more like a large store like a Walmart or a Target rather than a gas station convenience store. It's really an experience that takes people out of their normal impression of what a gas station is and that creates a sense of awe.

According to Dr. David Lewis, when consumers are awed by an environment, time slows down and spending increases. That's why you have some of these huge malls that are being built whether it's the Mall of America or the Dubai Mall with its amazing aquarium and so on.

When people are taken away from what they're expecting and develop the sense of awe, they will spend more time shopping and as every retailer knows, more time spent in the stores, means more money spent in higher sales. One thing that every retailer can do is amaze its shopper to keep them buying and doesn't necessarily have to be as awesome as a million gallon aquarium, but rather some part of the experience has to cause the shopper to slow down, stop and say, "Whoa, that's cool."

Color psychology is kind of beyond the scope ... We're not going to talk about it today. There are lots of guides to that. I've seen some fascinating infographics, there's blog posts, there are entire books about the psychology of color and so we're not going to go in that in any great depth, but I think that when we're talking about appealing to the sense of sight of consumers, color has to be ever present in our mind.

Bright colors like reds, yellows, oranges can be used to draw attention to for instance sale items. There are some evidence that shows that people's brains light up when they see one of those little sales stickers on a shelf in a store even if the savings themselves aren't that great. Merely saying that sign is processed by the brain as an indicator that, "Whoa, there's savings ahead here, I should pay attention."

In that case, those bright colors are great. On the other hand, those same bright, intense primary colors may not be a good choice for the interior of a store. There is evidence that shows that people actually spend less time in stores that have a bright red interior.

Throughout the process, it's important to use color to support one's brand. Many brands have a distinctive color and carrying after through the store is a great idea. That could be used to get attention and even extend shopping by choosing the right color.

Even the color of prices can make a big difference. The same price in black or red is obviously no different in rational terms, but when men view a price in red, one experiment showed that they perceive the savings as about twice as high as when they viewed at the exact same price in black. Women on the other hand are not easily swayed by that and they see the two prices in a more rational way as being just about the same.

In another case, there's an experiment involving giving people samples of tomato soup and half the people saw the tomato soup described in a rather plain career typewriter type font and the other half saw it in a more elegant Lucinda font.

Amazingly enough, even though the soup was exactly the same and everything else about its presentation was the same, the font that they saw it in made a big difference. People who saw it in a more elegant font were much more likely to consider it tastier and twice as many in that group said they would definitely buy the product as in the soft that saw it in a sort of typewriter font. Even these little visual details, the way a product is presented, the color of the price can make a big difference to the sense of sight. It's important to optimize all of those.

Moving on to the sense of scent, scientist think that that is perhaps our most direct route to the brain. Over the tens of thousands or hundreds of thousands of years, we had evolved our sense of scent to know whether we should be in any given situation feeding or fighting or fleeing or even mating.

In today's society and in modern humans, we've largely suppressed those instincts. We no longer use scent for that purpose, nevertheless those pathways to our brain still exist and are still very powerful. In a shopping environment, a scent can be used in different ways. Products can be scented. Brands can use scents to distinguish themselves and finally there are effects from scent that are simply more or less irrational, in other words, they don't relate to the product or the brand but they can affect shopper behavior.

If you are selling a product that has an inherently pleasant scent, for instance, baked goods, roses, coffee, then it's sort of a no-brainer to use sensory marketing, in particular scent in that case. You could let the natural aroma of the product to do the job or if that on itself is difficult to introduce into the shopping area, then you could augment it with the same scent, but produce by a scent generator.

When you do that, that will increase desire for the products and sell those products because those are good smells. If people are hungry and they smell a rotisserie chicken, that will immediately tell their brain, "Hey, that's something good. You ought to think about buying it."

Beyond those sort of rational sense, you've got a brand sense. Singapore Airlines is famous for always using the same scent in their airplanes, in their waiting areas. Their flight attendants may wear that fragrance. As a result, people who fly Singapore Airlines begin to identify that scent with Singapore Airlines and the great experience they have there.

Stores like Hollister, Abercrombie & Fitch have their own scents that they introduce again to over time build that brand recall, but beyond those rational effects, you've got some hard to explain but very interesting effects from scent. One is that undetectable scents can be more powerful that scents that people are aware of.

One really interesting experiment had people evaluate faces and they use evaluations to place in the presence of a pleasant citrus or lemony sort

of scent and the most favorable evaluations took place when the scent was present but undetectable. In other words, the scientists reduced the scent to just below the threshold where people reported they could smell it. In that case, people viewed the faces most positively.

When there is no scent present or when the scent is intense enough for people to actually detect and recognize, the evaluations for those faces were less positive. Another experiment put the aroma of chocolate into a bookstore and found that when the chocolate aroma was present, people stayed in the store longer, they picked up more items and examined them and ultimately carried more items to the checkout to buy.

There's no reason why chocolate is related to books, but the scent had that effect on consumers. Casinos famously use floral scents to keep people gambling longer, often as long as 30% or 40% when the scent is present versus no scent.

Department stores can introduce complimentary scents. Bloomingdale's for instance may introduce a baby powder smell into the infant wear department or coconut smell into the swimwear department. Again, though these aren't product sense per se, they put their customers in a buying mood. Introducing scents even in particular areas of their retail environment can definitely change the behavior of those retail customers.

Moving on to sound. In those same way that scent can have different aspect, sound can be product related, it can be branded and then also it have some of those less obvious applications. An example of a productrelated scent would be an experiment that played German music and French music in a wine store.

When the French music was playing, they sold more French wine. When the German music was playing, they sold more German wines. You can increase sales if you have music that is relevant to a product or perhaps a season too. Stores always play holiday music as Christmas time approaches because that puts people in a buying mood.

Branded sounds, it can be very powerful too. Think of United Airlines with their Rhapsody in Blue theme that for decades they've employed in their commercials, in their airports, in their airplanes, when they're doing announcements and so on. You constantly hear that theme and now it's at the point where if you hear a few bars of Rhapsody in Blue, it's difficult not to think of United.

There are somewhat more subtle forms of using sound. Joie de Vivre Hotels uses in their elevators for example a sound that's something like a falling rain or a white noise sound which is partly environmental to be soothing but also is to make their environment memorable and branded so that when you return there, you have that same identification.

Other examples of branded sounds is ... One would be the Nextel chirp. If you remember Nextel phones with a walkie-talkie feature. Sadly, despite their great branding, that brand is just about dead, but that chirp was indistinguishable or it was a completely distinguishable from across, for example, a store. Somebody's phone went off because they were getting an income walkie-talkie call, you knew that person had a Nextel phone.

You've all heard the Windows launch sound which oddly has not been consistent over time, but nevertheless. Other products have distinctive sounds that are meant to evoke that branded image whenever you hear them. The key to that is repetition.

If you can repeat a sound whether it's music or some other kind of sound in association with the brand, time and time again eventually that will become part of that brand's identity and more importantly, the sound alone in the absence of any other sense will evoke that brand.

One of the less common aspects of using sound is the effect that it can have generally on shopper behavior. One experiment showed that when slow music was played, a store sold 38% more goods than when fast music was played. Apparently, it's slowed down the pace of shopping, kept the shoppers there longer and they were more likely to buy stuff.

Obviously, that's marketing-dependent, teen-oriented stores may use red or fast pace loud music. Nevertheless, that's something to experiment with. Particularly, when you're dealing with a broader range of clientele or rather than a very specific targeted age group, a slower pace to music, perhaps even classical music as being shown to some experiments will help you sell more product.

Beyond that, there are some really interesting things that you could do with sound. It almost kind of creepy. Directed sound beams can create basically a whisper inside the customer's head if they're standing in a particular spot. As they step outside of that spot, they won't hear it.

Some stores have used subliminal ads where ads are placed below the threshold of hearing, but in with the music that's playing and these had been shown to influence shopper behavior. New ways to use sound can definitely influence behavior but I think you also want to be aware of the creepiness factor in today's very transparent world of business.

You can assume that you could say introduce subliminal ads and that nobody would never know about it because chances are somebody will know about it. If that's something that would creep your customers out and make them turn against you, you probably don't want to do that.

Next, looking at the sense of touch, very powerful things like texture, weight have all kinds of interesting psychology effects. For instance, the weight of an object seems to transfer a sort of gravitas to whatever is on it. Famously, one experiment was conducted with people evaluating resumes either on a light clipboard or a very heavy clipboard.

The candidates were attached to the very heavy clipboard were judged to be more suitable and in essence, weightier candidates than the ones with the light clipboard, there's absolutely no relation the resumes were the same but that's one aspect of touch.

In another experiment in a library, librarians inadvertently apparently in some cases touched the hand of the customer, the patron, just sort of a

light brush apparently by accident. The people who had experienced that light brush when they were surveyed afterwards had a better impression of the library environment than once who didn't get that accidental brush.

In another experiment showed that when ... People were taking an experiment about how risk averse they were. In some cases, the experimenter lightly touched them on the shoulder, in other cases not and the people who were likely touched were more willing to take risks in the subsequent experiment.

I think that this is something where retail environments needs to use caution but a light touch could boost sales if it takes place right ... If it's perceived as both culturally and socially appropriate. Certainly, some cultures are less likely to endorse that and individuals may be sensitive too, so something to use with caution and perhaps to try out and use selectively.

Something else psychologists talk about is the near touch effect. When a person touches or holds a product, it increases their sense of ownership and ownership then increases the perceived value of the product. If you can let customers hold merchandise or touch it, they will perceive it as being theirs more or less and they will place a higher value on it.

The flip side of touch is that human contact can contaminate product. When people perceive that a clothing item has already been tried on or worn, it becomes less desirable. They'll avoid to completely or place a lower value in it. In your retail environment, it's a good idea to avoid any appearance that a product has been handled or worn previously because it will be viewed as contaminated by the customers.

Products can also cross-contaminate. Some products have rather negative characteristics that are often disgust triggers, things like cat litter, lard hygiene products and so on. If these things come in contact or in close proximity with other products like food products for example, they can make those products much less appealing to consumers.

There are some really strange experiments that have been conducted on this showing that calories can migrate from a high calorie product to a low calorie product if they come in contact. Also, the clear packaging makes this transference easier, so products in opaque packages are a little bit less subject to this cross-contamination or what sometimes called the Cootie effect than products that are in clear packages where apparently the cooties can transfer more easily.

You want to be careful when you're displaying your products and not juxtapose any products with characteristics that would be incompatible with each other and in particular anything that would trigger disgust in the mind of a consumer.

The last sense is taste and taste is probably the most difficult and expensive sense to appeal to simply because it has to be done in a controlled and safe fashion. You can't just introduce the same way you could say by putting a sign up or playing a sound over in the audio system, but it can be the most effective.

I just saw some great statistics from ... An article by Joe Pinkster in the Atlantic that showed the average sales increase for products when they were sampled in the store, when people are allowed to taste them and these numbers were in the hundreds of percent lift in sales with the highest being 600% for frozen pizza.

Huge impact and in the same study they looked at the percent of shoppers who made a purchase and those numbers too were much, much higher when samplers were compared to non-samplers. Big, big effect from a very small product sample.

Obviously, giving away food samples has some benefits that are simply rational to make a lot of sense. There's the fun factor. If your store does a lot of samples the way Costco does or Sam's Club does or my favorite HEB Supermarkets in Texas does, it can create a destination effect where people actually go to the store when they know there are going to be samples because it is a fun experience and they like that.

Of course, there's the very logical effect that if somebody gives you a sample of something that taste good, you might decide to buy that product, but some of the less obvious effects are more of a psychological impact. For instance there's reciprocity effect where if you give somebody something with nothing asked in return, that person will then be feel obligated to you and may in turn be persuaded to do something for you, in this case buy a product.

There's a social pressure that can occur when sampling is taking place on an actual human standing there, but if you don't buy something, you may feel, "Gee, I sort of let them down." Or there may be other customers standing behind things and you might feel out of place if you didn't do that.

Then the most unusual aspect is the mood change the sample can cause. In experiment, ask people what they thought of their home television as they exited the supermarket, half the people had been given a food sample shortly before being asked that question and the other half didn't get that sample.

Amazingly enough, the people who had the food sample had a much better impression of their home television than the other group. Obviously, there's no connection between those two things, but somehow the sample put this people in a better mood where they felt better about things and that turned into liking their TV at home better.

If your retail environment does sell food, sell more with samples. Even if you don't have food in your store, if you're not a grocery or something, you can still use this technique, perhaps something simple like a mints or chocolates or cookies or coffee.

Home Depot is not known for its selection of food, but frequently in high shopping days, they will have an employee handing out little bags of free popcorn to their shoppers. This is fun that also creates that same sample effect even though they're not really a food seller. Food and taste aren't just for grocery stores.

If all these sensory marketing sound is too difficult or too expensive, it's important to realize how valuable the effect can be. Dan Hill of Sensory Logic describes some research that shows that multi-sensory marketing produced three to four times the engagement level versus sight alone.

If you can do something to engage those senses, it is really effective and it's well worth the trouble even though it will take effort, time, and money and the important thing to realize in closing here is that your customer's senses are the shortest pathway to his or her brain and if you want to appeal at both the conscious and non-conscious levels, you've simply got to use those senses.

Thank you for listening. Next week, we'll be back with a guest, so you won't have to listen to quite as much from me and if you want links to any of this related content, we've got some sensory marketing links for my blog and so on. Go to rogerdooley.com, click the podcast link and find the show notes for this week's episode. Thanks for listening. This is Roger Dooley. This has been the Brainfluence Podcast.

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 <u>RogerDooley.com</u>.