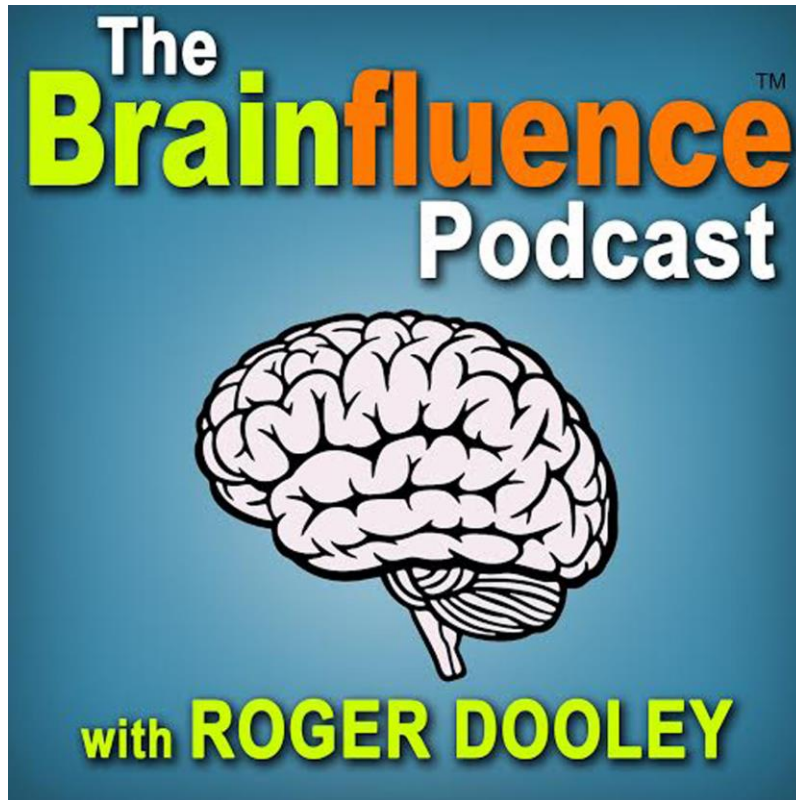


Ep #37: Marketing Optimization and Brainfluence with Alex Harris



Full Episode Transcript

With Your Host



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 Dooley: Welcome to the Brainfluence Podcast. I'm Roger Dooley.

This week is a departure from the usual format. It's an interview, but I'm the one being interviewed. In this episode I speak with Alex Harris about a variety of conversion topics, many related to topics in my book Brainfluence. We recorded our conversation for his video podcast, Marketing Optimization TV, but I thought we covered so much useful content, that I asked Alex if I could publish the audio version here.

Alex Harris is the founder and creative director at alexdesigns.com. He and his team specialize in website design to improve conversion rates and lead generation. Alex is also the author of Boost E-commerce Sales and Make More Money: Three Hundred Tips to Increase Conversion Rates and Generate Leads. It's available in Kindle and paperback formats at Amazon. You can also score an audio version for free at his website, boostecommercebook.com.

Alex's book has a phenomenal rating at Amazon with 58 five-star reviews and one outlier who was dissatisfied enough to rate it a mere four stars. It also has an endorsement from recent Brainfluence podcast guest Brian Eisenberg. So you've got social proof, you've got

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authority. That's pretty much it. You can find links to the book's various versions at rogerdooley.com/podcast.

I think you'll find this session be full of useful tips.

Now, here's my chat with Alex on his podcast.

Alex Harris: Hi, and welcome to Marketing Optimization with alexdesigns.

I'm your host, Alex Harris. Today we're chatting with Roger Dooley.

How you doing, Roger?

Roger Dooley: Great, Alex. Great to be here.

Alex Harris: Thanks for being here.

Roger has a great podcast, if you haven't heard it, Brain Influence. That's based on his book of the same name, Brain Influence, and he's a great author, speaker and talks about using neuromarketing online, off-line and in direct marketing as well.

To get started, Roger, what is your definition of "optimization," and why is it beneficial?

Roger Dooley: I'll make one small correction. I invented the name of my book, and it's "Brainfluence," one word, so it skips the "l." It rendered it absolutely untranslatable in two other languages. Now it's in I think seven different languages, and some of the translations are things like "Mind Control" and other kind of fascinating interpretations of it. It's great for SEO to create your own word. You'll definitely rank if you invented it. But for translations, maybe not so good.

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Anyway, back to optimization, I look at optimization I guess in a holistic sense. I've been an entrepreneur for years. Even before the internet I was doing direct marketing. We mailed hundreds of thousands of catalogs to people. That was a precursor to the digital marketing of today, because we could actually do A/B tests. We could do square inch analysis as calculate the contribution of different products by how much space we give them in the catalogs. It was a very quantitative kind of marketing. That naturally flowed into an interest in a scientific approach to marketing on the web.

I guess I came into the conversion space from a different angle. I started writing about bringing behavior research in marketing back, gee, more than ten years ago now. What I found was over time although some of the initial focus was on the big brand type activities using FMRI or EEG studies to evaluate advertising's effectiveness.

I found the stuff that was getting the most interest for my readers, most of whom could not afford to do a brain scan themselves, was the use of behavior research to improve their marketing and their business efforts. Ultimately that flowed into a pretty strong interest in conversion and specifically using these techniques to develop hypotheses that can then be tested.

Alex Harris: Yeah. Well, I really enjoy your podcast and I listened to the book as well. What I really like about your approach is that what I'm envious about is how you break things down into the simplest form. I guess it's maybe in your background. I don't know if you were a teacher or anything in the past, but the way you make things ...

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In your book you picked out some of those most famous books, Roger Cialdini, Dan Ariely, some of the best books out there. Then you broke them down into meaningful aspects of how you can use that marketing.

That's some of the things I'd like to talk about today. When you start the book, you talk about appealing to your customer's brain using smarter marketing, understanding how your customers' brains work to get better results with less money. I want to talk about some of those things that people can use in their own online marketing.

The majority of people listening, they test their own WordPress sites or their clients, eCommerce or SAS products, and in your book you talk about a hundred ways to persuade and convince consumers with neuromarketing.

Before we jump into some of those hundred and we can talk about specifically, I want to talk about the mindset. These are new things that I'm learning. I like to ask smarter people than me specific questions.

Let's talk about cognitive fluency, and how does that work with user experience design?

Roger Dooley: Sure. Let me back up. The reason that working with your customer's brain is important is because so often as marketers we focus on the things that we think are important to the customer. In other words, the features of our product or our service, hopefully, the benefits that those will provide the customers. We think about pricing a lot, which of course is an important factor, but when we focus only on those things, we're actually focusing on a

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very small part of our customer's decision-making process.

Neuroscientists say that 95% of our decision-making processes are non-conscious. In other words, not the rational list of features and benefits and so on that we might think of as being the way a customer makes a decision, where we're weighing two alternatives or multiple alternatives.

Instead, a huge amount of the process is non-conscious. It's emotional. It's driven by past experience, by rules that our brain has developed and so on. That's why looking at the brainy side of what you're doing is so important.

Cognitive fluency, it sounds complicated, but it's really a rather simple concept, although it really has some startling implications for marketers. Cognitive fluency refers to how easily our brains process information. As you might expect, things that are processed more easily tend to be more desirable and so on.

But there are some subtle effects that really blow people's minds. One of the best examples of cognitive fluency that I've seen is a study from the University of Minnesota that had people read two sentences, just two sentences, that described a series of exercises that involved leaning your chin forward and pricking your neck up and so on and repeating it six to ten times.

Half the people read the description of the exercise in Ariel, which is a simple sans serif font, very easy to read; and the other half of the subjects read the exact same words in the exact same size, type and so on in a brushy font. That was a chunkier font that is supposed to look a

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little bit like brush strokes, totally legible. You would have absolutely no difficulty reading it, but it's not quite as easy to read as Ariel.

Then they asked all of the subjects, "How long do you think these exercises will take?" The Ariel folks with the simple font estimated it would take about 8 minutes, where the other group estimated it would be more than 15 minutes, so almost twice as long an estimate for the people who read it in brushy.

Now, again, the text was the same. Everything was the same. You can imagine that if you are asking a visitor to your website to do something, say, fill out a form, you don't want to let your designer choose that really cool font. Rather you want to be sure if you want to minimize how long a customer thinks something is going to take, you want to present it as simply as possible.

Alex Harris: These are all new things. I always understood cognitive load and visual hierarchy and storytelling, but putting all these things together is really something I've done for years. I just never labeled it that I was actually doing these things.

Everybody that I interview, I'm just so amazed that there's actually scientific data that backs up why you should be doing certain things.

Roger Dooley: You were on the right track all along, Alex.

Alex Harris: Yeah.

Roger Dooley: I found that to be true. Occasionally, when you get, say, a brain scan study that shows something, people say,

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"Well, we already knew that," and that's true, because it had been determined either by experience or by other kinds of experiments, but sometimes that additional data helps you understand why it works, helps you use that technique more effectively in the future.

Alex Harris: I'm really impressed with your approach. As you mention certain things, you're always backing up with data, and I think that's actually one of my faults. I actually don't do that enough. I don't research as much as I probably should what everyone else is doing to get real proven scientific data.

Let's talk about using that advertising psychology to neuromarketing and how it applies to conversion rate optimization. You did mention price and how people are affected by price. One of the things that you talk about in the book and people always ask me about price testing. Now, you talk about anchoring price. Let's just give a brief overview and start there.

Roger Dooley: Well, there are several ways you can anchor a price. This is a technique that's used a lot by infomercials, and everybody can relate to that, where they start off by describing this amazing product and all that it will do for you and that it's a \$499 product. That sets the anchor there for it at 499. Then as it goes on, they start adjusting the pitch and saying, "You can take advantage of this special offer. For the next 24 hours, we're selling it for 299." Now you're thinking, "Okay, that's a \$500 product that I can get for \$300." That's one way of setting an anchor.

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These days you see a lot of software companies online maybe offering software as a service, and they'll almost always have, say, three or four levels of service. Maybe a freemium, has very limited features, a sort of a pro-package and then an ultimate package that is a lot more expensive.

If they're smart, rather than starting at the bottom and working up, they'll start at the top and work down, because that ultimate package sets a very high anchor price and it positions the pro package, which is the one they really want to sell you as a much more reasonable alternative.

One of the quirkiest things that Dan Ariely found an experiment was that you could create anchors that are based on absolutely nothing. The price anchoring is all pretty logical. That's why, for instance, these days you've got all these Black Friday sales that we just went through. They give you a price and it's 50% off this weekend only. Whether that original list price has any meaning at all, who knows? But they try and use that as an anchoring technique too, that this is a \$100 pair of slacks that you can get for \$50 today.

What Ariely found was that in one experiment he had each subject in the group write down the last two digits of their Social Security number, which is in essence a random number assigned to each person. Then each person was asked to price a computer keyboard, which is something that most people don't really know how much it costs. You rarely buy a computer keyboard, and there's a lot of variation in quality and everything else.

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If somebody shows you a picture of a computer keyboard, you're probably not going to really know what it's worth. What he found was that there was a huge correlation between the last two digits of the Social Security number of the person, which they had been just forced to write down and their price estimate of the keyboard. People who were in the lowest range, from zero to 20 as the last two digits, estimated very low value, I think below \$20 for the keyboard, where the very highest group was about four times that much.

Introducing this totally random number influenced the value perception of the product for those people.

Alex Harris: Wow. That's really interesting. It's kind of like what I'm trying to determine. I'm building some landing page for a client. I'm trying to figure out what are the pains and problems and the psychology of the customer who are visiting. It's always hard to get that data. Obviously, you can't pull a rabbit out of a hat and get the magic answer for every customer.

How do you determine what's going on in the customer's mind? What tools have you used in the past?

Roger Dooley: Well, I think it's particularly relevant, because we have a conversion optimization audience here, but the important thing I think is to start with a hypothesis based on one of these ideas and then test it. There's obviously a lot of tools out there. You probably know a lot of them more than I do, things like Optimizely and so on that let's you very easily set up different tests. But I would never recommend that somebody take one of these ideas based on psychology or neuroscience and blindly assume

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that it will work in their business for their product or for their service.

I think that all of this data was originally developed by experimentation, and that needs to carry through to the final business decision. Certainly if you look at optimization experiments that folks have carried out over time, you know there's never a single answer. For a while, it was like, "Oh, wow, make your action button orange because that orange converts best." Then they ran some more tests and, "Well, gee, on these sites orange doesn't convert as well as green." If your site has an orange theme, probably a green or blue button is going to convert better than orange, because it contrasts.

Every idea should be tested.

Alex Harris: There's definitely a number of ways that you can do it. I know for me, I'm always gathering this qualitative data, and some of the tools that we do use are usertesting.com, but we watch our specific target audience go through the actual sites and then eventually we'll start to see patterns of what information is actually missing, so we start to get into the mind of the customer that way.

Also using SurveyMonkey, actual feedback and surveys. Then also Qualaroo, the actual in-page surveys based on the intent of what they're actually doing.

Now, continue with pricing. Forever, obviously I've been doing direct marketing myself for a while as well, but I've never known the reason why the price is always 499 versus 500. Is there a specific reason for that or some scientific data to back up why you should be using the 99?

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Roger Dooley: Yeah. There's a huge amount of research on pricing. Some of it is a bit contradictory. Take one approach, you might find yourself violating another approach. That's why testing is important; see what works in any given situation. A couple of the key principals are I think that, first of all, is pricing precision.

One set of experiments had people estimate what they thought a product was worth, and the product was labeled with one of three prices, one of which was exactly \$500 and the others were either just a little bit below, like 498.20 or 503.75.

In each case they were asked, "What do you think the real value of this product is?" When the product was priced at the even 500, people estimated a pretty low value. They thought it was really worth \$400. But with both of the more exact prices, it didn't matter whether it was higher or lower than the \$500 since it was only the matter of a very small amount, they estimated that the price was about \$485, so much, much closer to the real price.

The conclusion you can draw from that is that precise prices are more credible. That's one effect.

Now, there's another weird effect that showed people a price that was as abbreviated as possible. For instance, if it was \$1,199, it would be just 1119. Then another added punctuation and decimals to it so it would be 1,199.00.

They found that people, their perception was that the price with the punctuation and decimal places was a higher price than the other one. This kind of perplexed the

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scientists, because of course the prices were absolutely identical.

Through a series of experiments, they determined that unknowingly the customers were sounding out the price in their brain. They weren't consciously doing this, but the higher the number of syllables, that made it seem like a bigger price and hence a higher price. That works against the precision thing, which is why I say test.

I know for years Sears and Roebuck was one of the earliest direct marketers and a huge user of testing even back in the pre-digital days, almost always ended their prices in 97. That was what they found worked for them. Again, seven is a two-syllable number, so that works against the syllable thing, but apparently, at least for a lot of years, it worked for them.

I am a believer in the first effect being precision. I would steer clear of a big round number, because it's going to seem more like you just came up with that number as opposed to something that you carefully determined after evaluating the cost and the value and so on.

Alex Harris: Yeah, I think precision is definitely important. Obviously, when you're selling anything, you're selling it online or you're selling it on the phone or in person to someone, you have to be confident with your pricing. Being precise and backing up the reasons why you're charging a certain thing, I definitely agree with that.

Now let's move on to design and the visual elements of it. I think you mentioned a couple things here. The long price with the decimal points, that looks like a bigger number.

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I think it comes into visualization and design, visual hierarchy. When you're looking at a page, especially coming off of paper click advertising or the things that we talk about on the show, you only have a couple seconds to interpret that page. You only have one to two seconds to make that first impression, and they're literally just going ... and scanning through that page. If they can understand the visual hierarchy, the value proposition, the call to action, and interpret that pricing within just a few seconds, then you have less friction and not make people think.

Now, in your brand ... In you brand. In your book you talk about, "Brains love ..."

Roger Dooley: That's my brand too, so that's okay.

Alex Harris: "Brains love brands they know." I love that line, because it's all about social proof and credibility and authority and the ability to scan across the page, use the right photography. Let's talk a little bit about that. "Brains love brands they know."

Roger Dooley: Right. Well, before we can get to the brand thing, I think you brought up an important point about how quickly people evaluate a page. Actually a second or two is kind of high. There's research showing that it happens in much less than a full second, which means before people have had a chance to process anything ... they haven't processed the images, the headline, the text or anything else. It's that first impression.

Having a good design that comes across as being both professional and appropriate for whatever you're selling is really important. Because before people read anything or

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look at your pretty picture, they'll have decided something about that site and whether they like it or not. It's a huge predictor of their future behaviors. That's really important.

Now, the brand thing is interesting. The research that demonstrates the power of brands that people know expose people to familiar brands and then ones that were just invented brands, and they found a huge difference in the ways people's brain responded.

This was conducted using fMRI, which actually gives you a more or less real-time 3D visualization of brain activity. Brands that people are familiar with lit up the rewards center in their brain, where the unfamiliar brands actually triggered a mild disgust reaction. That doesn't mean that people are totally disgusted by these unfamiliar names, but it was just a different kind of response in their brains to similar names but ones that they weren't familiar with. That's why brands need to keep repeating their exposures.

I've always felt that even these subliminal exposures, if you go to an airport and perhaps Samsung's sponsored a luggage cart, you're probably not processing that as being a Samsung ad unless you're really bored there waiting for your bags to come off the conveyor. You just get those dozens of little brand impressions there in a short space of time and repeat that over a period of months and years and so on, and that brand will be really embedded in your brain.

Alex Harris: I totally understand where you're coming from. I know here in South Florida when you go and you arrive at the airport, there's always these little commercials going on

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related to the Dolphins or something like that. You don't even interpret them, but after a while coming back and forth, they're like, "Oh, wow, maybe I will watch that football game tonight" or whatever it is.

You could do the same thing online. As people visit your landing pages or your particular pages, using those media logos that people recognize instantly creates that credibility, using thought leaders or influencers testimonials, easily scannable, people can recognize it.

What did Cialdini say? "People like to work with people that they like," as I said. The more that you can relate to them and create some empathy, that you're in the right place for them, then that can help convince a conversion.

Roger Dooley: Right. You've also got authority at work for you there.

Alex Harris: Yep.

Roger Dooley: If you've got an endorsement from somebody who is well-known, then that plays into one of Cialdini's other principles, which is authority, that people respect authority and they're more likely to be persuaded when authority is involved.

Alex Harris: Very cool. That ties into the attention and consciousness that you talk about in the book and then how the similarities between magicians and marketers. We're trying all these different things, sleight of hand, with our marketing in a certain way.

Roger Dooley: Right. The interesting thing about attention is that people are processing more than they think. They may be focused on one part of your web page, and perhaps

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they're reading the text on it or the headline, but if there's an image off to the side, there's a good chance that their brain is processing that too.

There have been certainly plenty of experiments showing that people are influenced by ads that they don't remember seeing, by elements that they don't consciously recall. Even low attention and no attention brand-name really happens.

Alex Harris: Yeah. This would play into retargeting campaigns online; those ads follow you around to Amazon and Google, Facebook, YouTube and so forth.

Awesome. Some really great information right there. It's so much stuff to really test, the ability to test pricing, test photography related to getting people to empathize with you, showing brands that are recognizable and then improving your attention and consciousness.

Before we wrap up, let's tell people specifically about your book, your podcast, and where people can find out more about you.

Roger Dooley: Probably the best starting point is rogerdooley.com. That's where the podcast lives, and you'll find links to my neuromarketing blog. That's at neurosciencemarketing.com and my Forbes blog there as well. Start at rogerdooley.com and you'll be able to find all my other stuff.

Alex Harris: Excellent.

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Roger, what would be one thing that optimizers can do to use neuromarketing to really improve their business and their conversion rates?

Roger Dooley: Not to give a vague answer to that but an overarching answer is to for a while put aside features and benefits and read some of the literature. Not just my book, but read Cialdini's books, *Influence: The Psychology of Persuasion* is his big one that talks about his six principals. Dan Ariely's *Predictably Rational*. It isn't really a business book per se, but it gives you some real interesting insights into human behavior. And some of the other books on the topic. There's a book about pricing by Leigh Caldwell, the *Psychology of Price*.

There are so many books on the topic. Obviously, people don't have time to read everything, but read some things and start focusing on more of the non-conscious aspects of marketing to your customers when coming up with tests. I think that will pay big dividends down the road.

Alex Harris: It's amazing to understand how much more that you can understand about your customers. You can anticipate their click-throughs. You can anticipate where they're going to go on your site, and you can create custom marketing personalized to whatever experiences that you want to actually give them.

Awesome.

Thanks a lot for your time today, Roger.

Roger Dooley: Well, thank you, Alex. It's been fun.

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Roger Dooley: That was my conversation with Alex Harris at marketingoptimization.tv. Be sure to check out Alex's other podcasts. He's talked to people like Nathalie Nahai, Rand Fishkin, Hiten Shah, Pat Flynn, Allie Gardiner and many other digital marketing experts.

Check out his book too. It's *Boost E-commerce Sales and Make More Money: Three Hundred Tips to Increase Conversion Rates and Generate Leads*.

His website is alexdesigns.com, and on Twitter he's [@alexdesigns](https://twitter.com/alexdesigns).

A big thanks to Alex both for setting up the interview and letting me share the audio portion here. You'll find links to his book and websites at rogerdooley.com/podcast.

Thanks for listening.

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.