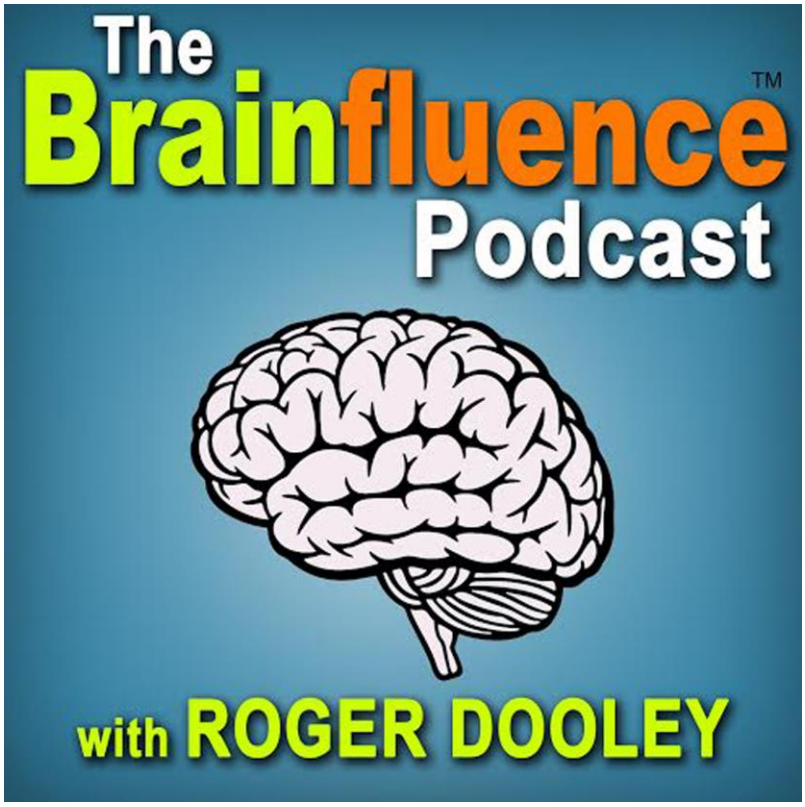
Ep #92: Best Neuromarketing Ideas, Part 1



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.

Welcome to the *Brainfluence Podcast*. I'm Roger Dooley. This is the first podcast of 2016. It's going to be just me today, no special guest. I thought since we're all trying to find new and better ways to do things, what I'd do is run down a few of the most important takeaways from neuromarketing for the last twelve months.

The way I've selected these is mostly by things that were written on the blog either by me or by some of our really great guest posters that got the most shares, the most reads, and so on. So to some degree, this is a crowdsourced best of and what I want to focus on in the podcast are some takeaways that we can all use.

Some of these you may have read when they first came out, in which case this will be a useful reminder. Or you may not have seen them and you can go back and either use this information directly or if you want to dig in a little bit deeper, go back to the original blog post. One thing I'll start off with by referencing is the best of 2015 post itself which you can find at the neuromarketing blog and the URL for that would be neurosciencemarketing.com/blog/best15.

We're going to kind of do these in reverse order of popularity, although I have to say that this isn't necessarily reverse order of utility or quality of idea or anything else, but it's a way of doing it. So the first thing I want to talk about is a really simple thing that you can do to improve trust. That is when you meet somebody or even if they see your photo, to make yourself seem more trustworthy.

Psychologists use something called the trust game. I'm not going to really go into the details of that here but it's one simple tool that they use to measure trust. It involves a couple of subjects passing money back and

forth. In each case, they can try either keep it for themselves or they can pass it back.

In a high trust condition, the money is passed back and forth and it multiplies. So the maximum gain occurs when there's high trust. But of course at any given moment, in a moment of low trust, an individual can just keep the money for him or herself. Then what psychologist do is use this to measure trust under different conditions. They found something that significantly increased the trust in this game and it was simply a smile. People were more trustworthy when they smiled.

There was even a more subtle variation, and you may have heard about this before from folks like Guy Kawasaki makes a big point of it, and that is that a true smile is better than a social smile. A social smile is that kind of smile where we sort of know we're supposed to smile. Like we run into somebody socially at a meeting that we don't really care that much about or perhaps we don't even like them but we sort of paste a smile onto our face by turning up the corners of our mouth.

A true smile is the kind when say we unexpectantly see an old friend and our whole face lights up in a smile and our eyes crinkle a little bit and our mouth goes up of course. Even subconsciously, people can detect the difference between a social smile and a true smile. So if you really want to be perceived of as being trustworthy, smile and involve your whole face in the process. You can practice that in front of the mirror if you want but it really does make a difference and the science shows it.

Now the next article I'm going to talk about also involves trust and even was using the trust game that I just described but in a rather different way. In this case, scientists play the trust game with a subject and a virtual partner, that is a partner that was simulated. They did something kind of tricky, they altered the pupil size in the virtual partner. So everything was the same about the interaction except that in some of the cases, the pupils in the eyes of the virtual partner were made larger. Interestingly enough, that increased the trust even though people were not aware of the change.

They couldn't consciously say, "Oh I saw that person's pupils were bigger." They responded in a couple of ways. The trust game was more trusting and then also they measured a brain response in the amygdala of the subjects using fMRI. Now the amygdala is a brain area that is often associated with fear but really more broadly it has to do with emotion and sometimes with decision making.

They found that when the virtual partner's pupils were larger, that people's amygdales responded in a different way. So they were more trusting. And even they responded with what's called mimicry. That is their own pupils dilated somewhat in response to seeing their partner's pupils dilate. So it's a rather interesting thing.

It's unfortunate though that we can't really control that very effectively in person. I suppose you could get those horrible eye drops that they give you occasionally at the eye doctor to dilate your pupils, but then of course, you wouldn't be able to see anything very well. There are contact lens that will adjust the size of your pupils but you probably don't want to mess with those either. But one thing that you can do is when you are for instance creating a print ad or taking a photograph or using a photograph on a website, you could digitally modify those pupils just a little bit to make them larger and increase the trust factor of your imagery. That can be a significant thing too.

There's one other little kind of weird thing about eyes that people notice, not consciously, but subconsciously. That is something called the limbal ring. It's the sort of little dark ring that is separating the white of your eye from the pupil. That varies a little bit in people. It's been found that people who have a wider, slightly thicker limbal ring are more attractive. It could be that that's an aging effect because that limbal ring gets smaller as you age so it could be that in a nonconscious way, we're associating that slightly bigger limbal ring with health and youth and so on. Again, this isn't something that you can control at all short of using specialized contacts.

But again, in choosing photography for an advertisement or for a website or in tweaking that photography, you could make that limbal ring

just a wee bit bigger and make your model or the subject of the photograph look just a little bit more attractive. The good thing is these tweaks are very simple, very inexpensive. People aren't going to consciously notice the difference but they could increase your results just a little bit because of either a higher level of trust or perceived higher level of attractiveness.

Now the next article was based on some data from WhichTestWon which is a site I highly recommend because they publish really fascinating A/B test comparisons and sometimes their results are quite surprising. Now, this one talks about a relatively simple change that you can make on a website or particularly on a product page and increase sales. They cite one study where putting a single line of text on a product page increased sales nine percent. In another context, adding a rather simple line of text tripled the results from that page.

Now with these kinds of gains, you might be wondering what that little line of text is. The answer is that it is a countdown timer. One of those little things that says how much time is left to order at this price, or how much time is left before free shipping ends, or that you'll get it by Wednesday if you order by this time. The key thing is that it is first of all a time and second of all that it is moving. It's decreasing. What this does is it triggers an effect and could be called urgency. It has to do with Cialdini's principle of scarcity and there's also something called the fear of missing out.

These countdown timers play on all of this to spur your customers to a sense of action. That's really what you want to do. The worst thing that can happen when you have a product that you're trying to sell is a customer says, "Well that's pretty interesting, I like it and I think I'll come back later and do it." Or "I don't have to take care of it right now." You really need to create that sense of urgency and the numbers show that a countdown timer is one good way of doing this.

Now you might call this the Jack Bauer effect after the TV show *24* that really featured timers prominently. Every commercial break had this ticking clock with this sort of booming sound of impending doom. Then of course, frequently during the course of the show, there would be some kind

of device that Jack or someone else had to disarm before the world ended. It was some sort of a nuclear device or bioterror device but there was always this constant sense of urgency that time was passing too quickly and made the show wildly popular.

Now one site that really does a good job with timers is Amazon. Of course, they know a little bit about ecommerce. If you look they almost always have some kind of a timer on the page, “Order by this time and you’ll get it by Tuesday for free.” It may not necessarily be clicking down but they show you that time and it really helps create that sense that, “Okay, I need to act now,” especially if time is running out.

Daily deal businesses like Groupon and Living Social pretty much got their entire boost from the timer effect where their deals all had expiration dates on them. Now it seems that over time they’ve morphed into less of a daily deal business and more of general ecommerce and merchandise sites. But nevertheless, that concept that the time is going to run out for this deal motivated their customers to action and really created their initial huge burst in sales and their high valuations.

In fact, on Living Social, I recently saw a double timer. There was a deal that naturally had a timer associated with it, that this deal was going to expire at a certain time if I failed to buy it. When I clicked through to the ad for that product, a second timer launched, which gave me ten minutes to buy for an additional discount. So Living Social clearly has discovered that timers work for their customer base.

It’s kind of similar to something I saw at another site that is very good at marketing, that’s AppSumo. After you place an order there, you are sometimes given an expiring timer to buy something else, buy some additional credits, or something of that nature. It expires within just a matter of minutes so you really have this sense of urgency that, “Boy, I better get this now or that opportunity is going to be gone.” I'm sure they have tested this and they know that it works. These timers don’t have to be a big investment or require a lot of coding. There’s some relatively simple little

code snippets and plugins and whatnot that you can use that I link to in the actual post.

The next topic deals with pricing and in particular, that age old question, should the price come first or last? Do you lead with price or do you talk about the product and then save the price for the end? Scientists looked at this question using fMRI brain imaging and what they found was that people do process the information differently if they see the price first or the product first. When the product came first, in simple terms, the decision question seemed to be sort of, “Do I like it? Do I like the product?”

On the other hand, when the price was presented first, they seemed to be thinking, and this is kind of a simplification, but the subjects seemed to be thinking, “Is it worth it?” The scientists determine that by which areas of the brain were lighting up and the patterns that they observed. Now the question is then what kind of product are you selling and how are you positioning it?

If your product offers a really excellent value, perhaps you’ve reduced the price significantly, or it’s significantly cheaper than the competition, then you want your product to be evaluated by the value that it offers. And in that case, putting the price first may in fact be the best approach. Walmart does that a lot when they talk about their value of the day. They put the price first before you even see the product description.

On the other hand, if you're selling a product that it is primarily being sold on its characteristics, its specifications, its design, then you want to lead with the product first. Show images, show the description, the features, the benefits, and so on before you get to the price. That’s particularly true for luxury products. You never want to make it sound like you're selling based on value if you're selling a luxury product. Indeed, you’ll see those types of ads either not mention a price or the price will be very small at the bottom.

The Harvard scientists who did this study had one caution in the way to use this. If you are planning on a value-based sell, in other words, you

think that you offer a good value and you're going to lead with the price, you want to be sure that your customers will in fact perceive that you are offering a good value. They note that it could backfire if you take the value-selling approach, lead with price, and the customers look and say, “Man, that’s not really a very good deal” and it might actually hurt your sales.

Of course, as with everything that we talk about here, you should always test it yourself. You really can’t go with best practices or lab findings or even what worked on somebody else’s website or in their ad. You really have to check for your product, your situation, your customers, and see for yourself what works best. But hopefully, some of these are ideas that you can use to formulate those tests and come up with some profitable ideas for the future.

Now I want to tell you about something that you can do that’s very simple to make yourself seem smarter and more competent. Now who would not want that, right? This also, like most of things that you’ll hear about, is based on a scientific study. This one at Chicago’s Booth School of Business where they evaluated pitches presented in three different ways. Basically, MBA students introduced themselves and created a pitch but it was presented either in written form, in audio form, or in video, which included audio format.

Interestingly enough, the written pitches were not all that persuasive but the video and audio were much more so. Video did provide a boost over audio but the big step up was between video and/or audio and the written version. If all you have is a print ad to work with, this information won’t help you much. But if for example you're working on a website or an app, then rather than trying to persuade with purely written information, consider incorporating video. You could incorporate audio alone but that isn’t all that common these days. Of course, the video component can include audio as well.

There’s some good examples of this from crowdfunding campaigns. Kickstarter says that on their site, they get an 85 percent lift in funding from video. And Indiegogo, the other big site, says that pitches that incorporate

video raise 115 percent more money than pitches without those videos. So pretty big difference and definitely worth incorporating. There's also some data from A/B testing that has similar results where incorporating a video on a landing page for example will increase conversion rates.

Yet one more data point comes from product launches. You've probably seen these launches often by internet entrepreneurs who will entice you with a sequence of three videos and typically they incorporate some useful content as well as, as time passes, a sales pitch. Most of these are based on Jeff Walker's Product Launch Formula. A key part of that is this three video sequence.

Now there may be a lot of factors that go into that sort of credibility building process but I do think that we are seeing evidence of that that seeing and hearing the person increases trust and increases the credibility of their pitch. Of course, as with most things, this should be tested too. As I mentioned a moment ago, don't assume because it worked for somebody else it will work for you.

Next let's talk about fonts. If you're a regular reader of *Neuromarketing* or have been to any of my speeches, you'll find that I frequently mention the power of fonts. It almost defies the imagination because a more difficult-to-read font translates into a perceived difficulty in whatever appeared in that font. So the classic example is a set of exercise instructions, very brief, two sentences, where people estimated that it would take almost twice as long to do those exercises when they read the exact same words in a more complex font.

Now there's a new study out of the UK that showed that medical instructions have pretty much the same issue. They presented the same set of medical instructions to patients in either an easy-to-read font or in a harder-to-read font. What they found was that the process seemed more complex to the people when the font was more complex. Now again, as in all of the other experiments, the actual text was the same. The instructions were the same. But perceived complexity and difficulty of these medical instructions was higher when they were a little bit harder to read.

And of course, that can have really big impacts on even adherence to those instructions. People may decide not to follow the exercise regimen or take the medicine or whatever they're supposed to be doing simply because it seemed harder to do. Not because it was harder to do but because it seemed harder. So the marketing lesson in all of this is keep it simple. Always use the simplest fonts you can if you are asking somebody to do something because that will minimize the perceived effort of doing that.

The next post is particularly good for people who are either involved in in-person sales or perhaps in-person networking or anything else that involves contact with other people, an attempt perhaps to be persuasive in some way. I call it the ten critical moments to close a deal. Those ten minutes are not during the pitch itself or the sales process or whatever you're trying to do. It's those minutes before you get started. It's important to take those minutes and I'm going to talk just about a few things that you can do in those ten minutes.

First of all, simple socialization has been shown to greatly increase the likelihood of a deal or of cooperation with the other individual. Some really fantastic work involving something called the Ultimatum Game that I'm not going to go into the details of here but it involves two people cooperating with each other, showed that when people immediately launched into the game about half of the deals were concluded successfully and the other half weren't. A third of the deals blew up completely in failure. In other words, there was no deal at all reached, not even a poor one.

But when the two individuals socialized for ten minutes, they weren't told about the game or anything relevant to what they were going to be doing, they were simply allowed to socialize for ten minutes, the fair deals increased from 50 percent to 83 percent and only five percent ended in failure. So that's a reduction from 33 percent failing to five percent solely from letting the people talk to each other for ten minutes beforehand. That is a huge difference and it might involve another effect that I talk about in

this post and that is called Cialdini's liking effect. That is by finding common ground, by finding things you have in common with the other person, you will create a liking effect.

If it turns out that you're both dog owners or you're both Chicago Bears fans or football fans or whatever, those things will create liking and it will end up making you more persuasive and increase the chance that you will have a successful deal or negotiation or whatever. Now as part of the socializing process, what you should try and do is let the other person talk about himself or herself. Research has shown that doing that gives people's brains a dopamine boost.

In other words, our brain's reward center lights up when we're talking about ourselves. So if you give the other person a chance to do that, they will feel better about the whole thing and about you strangely enough. We've all heard that old line about when the other person does all the talking because the second person was a good listener, the first person concludes, "Wow, that person is a great conversationalist." When in fact, the second person was mainly letting the other person talk. So let the other person talk about himself or herself.

Then the last thing that I mention is a little sort of hack that you can use. That is if you are in control of the situation in some way, perhaps it's in your office, you can give the other person a warm beverage to hold. Strangely enough, studies have shown that people feel better about another person when they're holding a warm beverage. They rate that person higher for warmth because the sensory effect of the warm beverage or holding that warm cup translates into the other person being perceived of as being warmer. It sounds kind of weird but you can try it out on your own or if perhaps you're visiting a customer in their office, you can stop at Starbucks on the way and bring them a nice warm beverage.

The last topic I'll cover today is how our brains process digital versus print information. This is obviously important stuff because these days we're faced with that choice of advertising media, do we go with print? In a lot of cases, print is being phased out almost completely in favor of digital.

But there's some interesting data from Temple University researchers who using several different neuromarketing technologies including fMRI and eye tracking measured how people processed both print information and digital information using the more or less the same information but presented in one format or the other.

What they found was that digital ads were processed more quickly. That paper ads engage viewers for more time. People spend a little bit more time with them. People didn't report a preference on way or the other. So self-reporting said, "Okay, there's not really much difference." The subjects absorbed about the same amount of information from both media. But a week later when they measured the emotional response at that point, they found that physical media, that is to say paper, created a greater emotional response. They also caused more brain activity in areas associated with value and desire. So in that case, their data showed that print ads were more impactful than the digital ads.

Now there's a variety of ways that you can interpret and use that data. Obviously, there is something they did not specifically look at was paper versus mobile where I think that mobile screens might even have a bigger gap simply because of the size difference and the different way we process that information. But I think the takeaway from this is that you should not completely write off paper media.

In particular, if you have a product that will present itself well visually where you can create a very nice paper ad or paper catalog that makes the product extremely attractive, that may be more impactful than simply presenting images on a screen. And in most cases though, you're probably going to need a mix because these days people don't, even if they have a paper catalog, typically mail in an order anymore. That's definitely gone. Or even pick up the phone. In a lot of cases, if they see a product they like in a paper ad in a magazine, or in a catalog they've received, what do they do? They jump online to place an order. So you're really going to see not one medium or the other but a mixture of media being used to close these sales.

With that, I'm going to wrap it up. We've got a few more that I'm going to cover next week in part two of this particular podcast. Of course, you can get links to these posts and the other resources on the show notes page at RogerDooley.com/Podcast. Thanks for being here and we'll speak with you next week.

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.