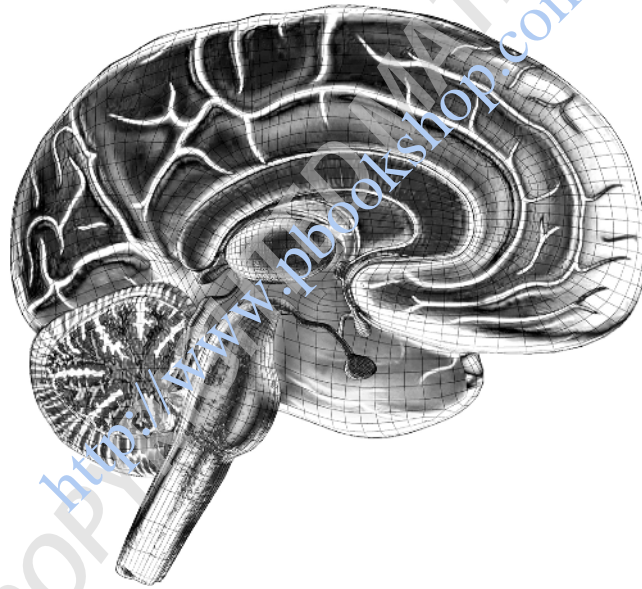


PART 1

INTRODUCING THE BUYING BRAIN



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Understanding the human mind in biological terms has emerged as the central challenge of science in the twenty-first century.

—Dr. Eric Kandel, Neuroscientist and winner of the Nobel Prize for Physiology or Medicine; NeuroFocus Advisory Board Member.

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CHAPTER 1

\$1 TRILLION TO PERSUADE THE BRAIN

Millions of people in our global economy have jobs that depend on communicating with and persuading human brains. A trillion dollars is spent on this effort every year.

Yet few of us understand how all those human brains really work—what is attractive to them, how they decide what they like and don't like, or how they decide to buy or not buy the infinite variety of products and services presented for their consideration every day.

This book is about **how and why brains buy**. It dips into a wellspring of new knowledge that has been pouring out of the neurosciences over the last few decades, especially the last five years, and describes actionable insights for businesspeople and marketers that can be derived from that knowledge and applied directly to the global industry of persuasion.

These are remarkable times. It is a rare event when a science, its enabling technology, and a set of real, practical problems come together all at once to revolutionize and expand our capabilities in the world. It happened with chemistry in the eighteenth century, physics in the nineteenth century, microbiology in the twentieth century, and now neuroscience in the twenty-first century. As Charlie Rose said in a recent series of interviews devoted to the neurosciences, “we have learned more about the brain in the last five years than in all human history combined.”

I am lucky to be surrounded by the best neuroscience team in the world to help me understand these developments and I am going to share them with you in this book.

What have we learned?

The basic lesson is that human brains process much of their sensory input subconsciously. This is, of course, counterintuitive because we can't think

about how we think when we're not aware of the thinking we're thinking about! But the basic fact is undeniable and is validated by literally thousands of scientific studies. Most of the work our brains are doing day and night occurs below the threshold of our personal conscious awareness. Imagine all the work your brain was doing (that you weren't aware of) just decoding the second sentence in this paragraph!

Scientists have tried to express the ratio of subconscious to conscious brain activity in many ways. I like the formulation I first came across in Timothy Wilson's book, *Strangers to Ourselves: Discovering the Adaptive Unconscious*.

Our senses are taking in about 11 million bits of information every second. Most of that comes through our eyes, but all the other senses are contributing as well—hearing, touch, smell, taste, and spatial sensations. Our conscious brains—that part of thinking in which we are aware of thinking—can only process, at best, 40 bits of information per second. All the rest is processed subconsciously. That's a ratio, if I'm doing my math correctly, of 99.999 percent subconscious to conscious processing. No wonder our brains often appear to be a mystery to us.

The challenge for marketers and product developers is obvious. "How do I get into that 40 bits of consciously considered information?" That's what this book is about.

It is written for marketers and businesspeople. There are enough books about the brain that make me go "wow!" They are written by neuroscientists, social scientists, and psychologists. They create a sense of wonder for the brain and what it does.

In this book I tackle the question that my Fortune 500 clients ask me, "Brain science is nice, but, *so what?* Tell me how I use this knowledge. How do I change my brand strategy using neuromarketing? How do I change product design and pricing using neuromarketing? How do I analyze packages to make sure they will pop on the shelf? Are there things I should be doing in the store in the aisles to make our consumers desire our products? How can I make sure I get the returns on our investment in advertising?"

"And by the way," (clients tell me) "neuromarketing cannot be a set of 'cool, cute ideas,' but must be a systematic process and framework that can live and flourish in the workplace and workflow of my corporation."

This book explains those frameworks, workflows, and processes that enable a Chief Executive Officer (CEO), Chief Marketing Officer (CMO), Vice President of Brands, Vice President of Insights, and a Market Researcher to implement brain-based marketing in a corporation. These frameworks are born from analyzing thousands of brands, products, designs, pricing mechanisms,

packages, in-store Point-of-Sale (POS) elements, Web storefronts, TV advertising, print advertising, Internet advertising, and more in our NeuroLabs across the world.

The frameworks and actionable concepts presented in this book will also be invaluable to those in the supply chain: brand marketing consultants, product designers, pricing clinicians, package design firms, in-store designers, Web design firms, and advertising agencies.

The interplay of conscious and subconscious processes in the human brain presents a fundamental challenge for people in the business of developing products and getting other people to buy and try them. Marketers and product developers have suspected this for years.

If people do not have access to all the sources of their decisions and behaviors, then **they can't tell us why they do what they do**. So if we only listen to their articulated reports of what they like and don't like, we may well be led astray. An 80 percent failure rate of new products in the marketplace, with all the economic costs that implies, gives us some pretty strong evidence that this is the case!

The problem for marketers and product developers is how to find out what people really want and need. That's where brain scientists come in.

I love helping companies do marketing and product development. I love being able to apply these new neuro-based tools to making products and messages more effective. The business I lead has worked with many companies—large and small, domestic and global—and I can tell you this: Companies come to us with humility and tremendous respect for their current and potential customers. They all want to know the same things:

- Do consumers notice us?
- Do consumers like us?
- Do consumers remember us?

In a free marketplace of competing ideas, the consumer is, and will remain, the boss. Giant corporations still rise and fall at the whim of the consumer, based on their ability to meet that consumer's wants and needs better than their competition.

So here are the basic principles that drive everything you are going to read in this book.

- Neuromarketing provides a real competitive advantage in a crowded and cluttered marketplace.

- While the languages of people and the ways they express themselves change from country to country and culture to culture, the language of the brain is universal, thus opening the door for global norms.
- Neuro-design of products and services opens the door to design products and services that appeal to the inner truths and aesthetic sensibilities within all of us.
- Every aspect of brands, products, packages, in-store, and advertising is changed by neuromarketing today, and that trend is explosive.
- My goal is to get you to put the book down and apply what you learned in your work tomorrow.

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