



LEAGUE OF EXTRAORDINARY MINDS Panel 2 – Interview

Using Brain Based marketing to Engineer “Irrefusable Offers”: Getting People Who don’t Buy to Buy Enthusiastically

Panel Experts (in order):

Robert Cialdini
Ori Brafman
Pam Danziger
Dan Hill
Christophe Morin
Dan Ariely

Hello and welcome. Obviously, I’m Jay Abraham and my colleague Rich Schefren is here. Say hello Rich.

Rich: Hello Jay.

Jay: And we are here rolling up our sleeves and preparing to take you on a very interesting and a very rewarding journey. Today, Panel number 2 is going to be probably one of the most provocative and cutting-edge panels we might ever do and it has the capacity to dramatically change the scope and the direction if not all, very much of your marketing activities. Because the title is “Using Brain-Based Marketing to Engineer Irrefusable Offers” and the sub-concept is “Getting People Who Don’t Buy to Start Buying Everything You Want to Sell Them.” It’s really going to be a very – a very revealing session. This is a cutting-edge element in a breakthrough area of marketing and there’s a very handful of people who are the leading experts and guess what? We have every one of them as your panelists.

Rich and I will take turns telling you who are the panelists are. You will remember from last week that what we do is we just go right in to the questions and we basically address the panelists by first name so you should listen carefully as we take turns setting the stage for the expertise that you’ll be hearing and you’ll certainly see them and their profiles on the computer screen.



Our first panelist, Ori Brafman, is exceedingly respected and well-known. He's recognized as the definitive thinker on a broad array of very current breakthrough topics, but his two-time New York Times bestselling books – one is called “The Starfish and the Spider” and the last – and it's really seminal is called “Sway” S-W-A-Y. It really delves into behavior and how to totally understand it and harness it as a marketer. Ori is a lifetime entrepreneur who's engineered and started some really amazing and successful enterprises and his work in the social area is profound. But he's going to really give you some answers that's going to set your thinking really on its ear, totally, totally, fresh new perspective. Rich?

Rich: Yep and the next one is Dan Ariely. Dan's a Professor of Behavioral Economics at MIT. He also wrote the New York Times Bestseller, “Predictably Irrational,” which has quickly become a classic for marketers. Many of the concepts that Dan wrote about in “Predictably Irrational” were quickly embraced online and many of the people, some of my clients who used those, saw immediate increases in conversion – immediate increases in price points - in other words, larger transactions and a whole host of other improvements to their marketing. And, he's really a continual source of breakthrough marketing concepts based on the meticulous research that he does at MIT and really has a unique way of translating the irrational behaviors that all humans have and how to leverage those irrational behaviors because they're predictable and that's why he came up with the title - how to leverage them in your marketing and in every element of your marketing. So it's a real pleasure to have him on. Back to you Jay.

Jay: Next expert is Pan Danziger and she's basically a specialist in and incredible insights into selling more affluent people and affluent based products and services. She's got many books, but the three that Rich and I are most intrigued with – one is called, “Shopping: Why We Love it and How Retailers Can Create the Ultimate Customer Experience.” The next one is called, “Let Them Eat Cake: Marketing Luxury to the Masses.” And, the one I like the best is called, “Why People Buy Things They Don't Need.” So, this is going to be very intriguing. Rich, do you want me to do the next one?

Rich: Yeah, go ahead.

Jay: Okay, well we also have another really brilliant seminal thinker in this emerging area of marketing. His name is Christophe Morin and he really



and truly is probably the world's most recognized leader in the emerging field in of neuromarketing – it's really brain marketing. He's very passionate and very well recognized and he's written two books. The first one was, "Selling to the Old Brain." (meaning the old reptilian brain). The latest one is, "Neuromarketing: Understanding the Buy (B-U-Y) Buttons in your Customer's Brain." He's one of the most knowledgeable people you're going to meet and he has studied the emerging field at a level that you're not going believe and the stories he'll tell and the examples he'll give and the insights he's about ready to share will be worthy of taking so many pages of notes. So have your pen ready. Rich?

Rich: Yep and the next expert is Robert Cialdini, who really needs no introduction. And it's a honor to have him on the line. He's really the preeminent researcher and also disseminator of information about the psychology of persuasion. In fact, burst really that whole field of study in triggers and tactics that get compliance – get people to ultimately do what it is that you want them to do and that's why it's so fitting to have him here on this panel. He wrote his first book, "Influence: The Psychology of Persuasion," which really spawned that whole new discipline of persuasion and influence. And it really also modified the whole marketing landscape. I think more than he even realized – his strategies, his tactics, all the different experiments that he's done have really driven into the entire marketing process that you see displayed daily online. It's really dramatically altered the way most marketers market today. He's written five books, "Influence: The Psychology of Persuasion," that really spawned the whole industry; "Yes, 50 Scientifically Proven Ways to be Persuasive;" "Influence: The Science and Practice;" "Harnessing the Signs of Persuasion and Influence;" and those are the books he has written. They're all must-reads for marketers today. So it's a real pleasure to have him on the line with us as well. And Jay, why don't you introduce the last panelist?

Jay: And the last panelist is equally as impressive, interesting and specialized. His name is Dan Hill. He's really specialized in studying the emotions and how they really affect the consumer or the business mind in their buying decisions. And he's the author of a critical best seller called "Emotionomics." It describes, explains and analyzes the role of emotions in business and buying and he's a frequent consultant for people like FOX News, MSNBC. He predicts outcomes of everything from Presidential races to, you know, volatile and embarrassing activities that happen to public figures. He is retained by major advertising agencies to really study



commercials, read people's eyes, facial expressions and adjust them so they'll be more compelling and believable. And his work is incredibly insightful.

The combination of these people are going transform your understanding of probably the most important new development in marketing mastery probably of the last certainly decade, if not the last century. And, we have every one of the top people that you could possibly want to plumb the minds of all here, ready, waiting to roll up their sleeves and answer the most penetrating questions we throw at them. So, get your pen out. Get your pad ready. Fasten your seatbelt and this is going to be one fast-paced, mile-a-minute ride.

Question 1 – take it away Rich.

Rich: It's a real pleasure and honor to have you on this call, Dr. Cialdini.

Robert: Well I'm pleasure to be with you Rich and Jay and with your listeners. Great, so we'll dive in and let me ask you the first question.
In all the research and analysis that you've done on the subject, can you tell us and everyone listening one to four of what you believe are the most important, perhaps unexpected distinctions that you realized or discovered that would benefit all of our entrepreneurs on the call today?

Robert: Well, let me suggest three. First, the ability to be more persuasive, more influential, that is the ability to move others successfully in our direction, is not simply inborn.

There are those artisans of the process out there. But there's also a science to it. And if it's scientific, it means it can be taught and it can be learned. So we all have the potential to become more influential as a consequence of learning the skills.

Secondly, because the principles we can learn principles of influence that we can learn, can be so powerful in changing others we have to consider our ethical responsibilities in the process.

The third most important insight, I think, regarding the process of successful persuasion requires me to take a step back and tell you a little bit about how I came to that particular insight. After several years



studying the persuasion process in a scientific way in a laboratory kind of setting, I realized it was important to get out of the laboratory, out of the campus environment where I was studying the process and into the world where the influence wars are being fought every day after all.

So I began to answer ads in the newspaper and I took training in as many influence professions as I could get access to.

What were people doing to get others to buy cars? What were they doing to get others to buy portrait photography? What were they doing to get people to donate to charity? What were they doing to get people to respond to a magazine advertisement? What were they doing to get people who were happy in a particular environment to change jobs and be recruited into another one? What were the lobbyists doing to get our elected representatives to come along with them? I was looking for the commonalities, those things that were successful across the widest range of influence professions.

And I got some surprises there, I have to say. The first one was how few universal principles of influence I found. There were hundreds, maybe thousands of individual tactics, but I thought the majority of them could be categorized in terms of just six overarching universal principles of persuasion that if included in a request or proposal or recommendation significantly influenced the likelihood of yes. So I was doing that and I found these six, and we'll cover the six later in the interview.

But there was something that was even more surprising to me than that there were just six of these things. It was that those individuals who were most effective at getting us to say yes to their requests were doing something I never recognized. Wouldn't you think that somebody who would be best at getting us to comply with a request would spend a lot of time structuring that request – the features of it, the aspects of it, the benefits and advantages of it?

Rich: Sure.

Robert: That's not what I found! I found that the aces, the people who were the best at getting people to comply with their requests, spent more time on what they did immediately before they made their request. They created a psychological context, a psychological environment in which people were eager to listen deeply to the next thing that they heard. They created a



kind of psychological state that made people receptive to the message that the aces of the process were then going to send to them.

So it was remarkable to me, and I kind of coined a term for it. It's going to be in the title of my next book. It's the psychology of pre-suasion, not persuasion. It's pre-suasion. It's what you do first; it really is. It's all about what you do first. Because if you've got a good case to make, the most important thing is to get people to open their ears and open their minds to it. Then the case will sell itself. Your product, if it's a good one, if your service, if it's a valuable one, will sell itself. But you've got to get people to bring down the barriers and open themselves to this good case that you have to make.

You know, I don't know how many of your listeners are gardeners, but any gardener knows that you can have a great seed. You throw it on stony ground and it won't bear fruit. You have to cultivate that ground first. There's something you have to do first. You have to create a relationship, perhaps. You have to establish your credibility perhaps. And then that seed will indeed flourish because it will have been placed in an environment that allows it to grow and bear fruit.

Jay: Ori, have at it please.

Ori: It turns out that first impressions are incredibly important over the long run. And that once we form a first impression, specifically around the idea of value, so that if we perceive something, we call it this value attribution, so if you perceive something as having a lot of value so let's say something is high quality, they're expensive, it's a Rolex watch. Then you'll always perceive that item or that person as high value regardless of the actual performance of said product.

Likewise, if you have an initial perception that something is a cheapo, knock-off or some guy's kind of not the sharpest tool in the shed, then that perception will forever stay in your mind and affect how you judge them years down the road.

One of the examples that we looked at in the book "Sway" was the NBA draft picks. Players who were picked were early draft picks. So people with very high value attributions got significantly more playing time than players who were low draft picks. Well, that makes sense because you think if you're a high draft pick you're probably a better player. If you look



at the actual statistics and you look at the actual performance on the basketball court, it turns out that your place on the initial draft pick is more important than how many points you score, and how good of a team player you are, how fast you are, or how agile you are, so that initial impression stayed with players five years down the road. It mattered about how much playing time they got, it mattered about whether they were going to get traded or not. What happens is that we basically put on blinders and that once we perceive a person or situation in that specific role, we just have a very hard time changing that perception. And it matters a lot for entrepreneurial companies, right? So how are you going to be making your first impression? Are you going to come off as a high draft pick or a low draft pick? Are you going to come off as high value or low value? And, spending as much energy as possible in that first impression I think is vital especially in new ventures.

Jay: Okay everyone, Pam?

Pam: Before I founded “Unity Marketing”, the training that I had in the corporate environment was really to one, help understand the competition and look at the channels of distribution of your products through the chain. A little bit on the consumer but really the focus was more on that industry side, that business side of information. Once I got out on my own and started and I was applying those things that I had learned in the corporate world to my business, what I discovered was I was really not doing justice to the consumer side of the equation. The more I focused on the competitors and the more I focused on industry information, the less effective I think that I was in terms of helping my clients understand the marketplace in which they worked.

The way I look at it is if you’re running a race and you’re going down the track and you’re looking at the goal and you look over your shoulder to look at your competitor at where they’re at in terms of that race, you’re going to lose the race. And I think that’s what too many executives do, they pay more attention to the competition, they pay more attention where they should be focusing on the consumer and what’s driving that consumer and having passion for the consumer. We can talk about reasons why I think that that’s the case, but for me, the biggest and most powerful message I can give to entrepreneurs us just spend – spend like 98% of your time looking at the consumer – yeah you got to understand a little bit about what’s going on in the competition, but whether you’re in a three billion dollar market or 30 billion dollar market or 3 million dollar



market, that's not what's going – that's not what you're going to sink or swim on. What you're going to win with is if you really understand that consumer and you can really make the connections with those people.

Jay: Dan Hill, give us your answer.

Dan H I'm going to go for the whole hog and I'm going to go for four distinctions.

The first key thing is to be on emotion. Now, traditionally we know about being on message. That is very 20th Century marketing. Twenty-first Century marketing will recognize the breakthroughs in brain science and say I can't just spin messaging at people. I have to say what emotions will engage them? Am I playing toward hope? Am I playing the fear factor card instead? What emotions am I specifically trying to create in my audience that will make their problem resonate with them emotionally, therefore making my solution more valuable to them.

By the time you move to the solution, you're always selling hope. But initially you could be playing toward things that people want to achieve or things they want to avoid. Which one is it? What kind of emotion? How strongly do you want them to feel the emotion? What triggers are you going to be able to use to create emotions and not just message comprehension? That's the first one.

The other key point on the emotional front is authenticity. I was speaking in Estonia a few years ago. I finished the speech. Someone from the audience's first question was, ah, you Americans. You're always smiling. Aren't they phony? Well, sometimes they are, and sometimes they're not. It is really important in this economy these days to give the real deal; you know, the real thing. That's Coke's famous slogan. They should have stuck to it. People want true smiles and the talent. They want a true payoff of happiness. And authenticity is certainly one of the most important hallmarks I think of 21st Century marketing.

Two other points quickly on the eye tracking side. One is to simplify and slow down.

The last thing, and I think a real crucial distinction for business -unbranded advertising. It happens all the time. Average consumer looks at a print ad, for instance, less than 2 seconds; about 1.6 seconds. In that 1.6 seconds, do they get to the lower right hand corner where the brand logo



is usually placed? Answer is no. That's the second to last place people typically get to. I therefore call the lower right hand corner the corner of death because it goes unnoticed. That's where the brand logo gets stuck by most agencies. It's the wrong move.

Jay: Christophe, let's hear your ideas on it.

Christophe: The first major breakthrough, I believe, from neuromarketing is to establish that there is a visible and provable pattern of activity in our brains that corresponds to buying behavior. And this is something that marketers have dreamed about for decades. There are biological bases for how we produce a choice, for why we actually choose a product the way we choose that product. So number one, it is now established and proven that there is a biological basis for our buying behavior.

Number two, there is universality in such buying behaviors, which is really an important consideration knowing that people struggle, companies struggle, all around the world to figure out if they should change their message based on culture, based on sets of beliefs. This finding through neuromarketing has confirmed that if the mechanism by which we produce a decision is biological, it is universal.

Number three, it is in fact now possible to influence and you could say trigger buying behaviors by I would say talking or stimulating specific parts of your customer's brain. I know it sounds extraordinarily manipulating, but the truth is you can do that safely and you can do it legally, and you can do it without violating ethical standards.

And the fourth I was going to mention is that there is already evidence from companies that have been using those neuromarketing techniques that it works for them. So it's not just a theoretical field. It's not just based on assumption. It's based on results.

Rich: Dan Ariely, your turn.

Dan A: The most important point is that we and our consumers have lots and lots of mistakes in our decision making process. We're influenced by lots and lots of small seemingly irrelevant things. And, we have very bad intuitions about it.



Now, think about it. If there are all kinds of unexpected influences and you are unaware of it, you can't just have intuitiveness and say oh if I just add this other alternative something different will happen, what you need to do is experimentation. I think that particularly for small businesses their main advantage is that they can easily experiment. I've been trying to get companies like HP and P&G and all kinds of huge companies to do experiments. They are just not willing. They are so slow. They are so clumsy. Everything is so involved. The legal department always jumps up and down.

And there's a consequence, large companies aren't able to do any experiments and really unable to learn in my experience. I think the advantage of small companies is the flexibility, the ability to question themselves and the ability to do small scale quick experiments to learn what is going on. So, that's kind of the main call for action which is to say don't assume that you understand everything.

Jay: Great answer.

Rich: Good answer, yeah.

Jay: Really good answer, Rich.

Rich: So the next question is - **How does conventional marketing overlook or miss totally the power of your perspective, the brain based understanding, the brain based messaging and these deeper reasons why people buy?**

Rich: Robert?

Robert: Here's what I would say, that conventional marketing spends too much time on the features, the benefits and advantages of what is being offered. That's all we were taught. Sell the features, sell the advantages, sell the aspects, sell the case, the arguments on your side.

Jay: Right.

Robert: Before doing that, it's necessary to activate certain areas of the brain that make recipients cognitively receptive to hearing about those benefits and advantages. Far too often, marketing failures, it seems to me, are not due to poor products or services. Instead, it's - the lack of success is due to a



marketer's failure to first arrange for recipients of the message to be open to learning about it in the first place.

I'll give you an example of a new study that was just done on brain imaging. It was done on people making financial choices.

Jay: Okay.

When there was no advice of an expert that accompanied a message, a choice, their brains were working so that those regions of the brain associated with critical thinking were very active. People were considering the pros and cons of the decision, entering various factors into the equation and making their choice based on this cognitive effort that they were putting into the decision, right, just as you would expect.

When similar choices were presented with a prestigious expert's advice accompanying it, those areas of the brain associated with critical thinking flat lined.

They were simply deferring to the expert.

Jay: So there was total default to what they said?

Robert: Right. So what's the implication, then, for what I was just saying? Before you present the features and the aspects of what you have to offer, you need to first give people your expert credentials in the arena and they will have an entirely different response to those features and benefits than if they don't have the honest information of your genuine credentials and background and experience. It's what you do first.

Rich: Okay. Share your perspective Ori.

Ori: The biggest thing that we miss is that we assume that people are rational. We've talked to judges, to doctors, to lawyers, to executives and time and again, perfectly rational people make irrational decisions. And what happens is that we tend to discount kind of the more subtle elements of communication or presentation.

Another element is the perception of fairness. People really, really, really want to feel that the process or the procedure is a fair one. One of the implications of that is it's very important for both customers and investors,



alike, to feel that they're heard. One of the studies that we looked at asked venture capitalist to rank their most successful investments. You think again that venture capitalist, of all people, would be pretty rational. They'd be looking at the bottom-line results.

It turned out that they liked the investments most where the CEO would most frequently call them. Just like calling a venture capitalist and keeping them informed of what was happening, good or bad. Many venture capitalists feel better about the investment. The reason for that is that you feel that you have a voice in a process. You feel that you have say and that therefore the outcome is more aligned with what you want in the get-go.

How can we think about that thought from an investor perspective and also from a marketing perspective? So, how can we give our customers a voice? How can we make them feel that they are a part of the process?

Rich: Your turn, Pam.

Pam: Having dealt with lots of business executives, lots of corporate people, most of these people or many, many of these people come from MBA backgrounds where they are taught by other MBA type of people and they have a real numbers driven focus. They would much rather deal with reading annual reports and reading profit and loss statements, reading numbers reports because that's the kind of information that they are most comfortable with. I think that they look at consumers and they look at consumer insights as soft and fuzzy and unreliable. Therefore, they dismiss it. I think that the payoff for companies and businesses is really is to do their due diligence with consumers.

When you look at consumers, I mean, the simple fact is the world is divided into right brain and left brain type of people and if you are a right brain person which means that you're more emotional and you're more artistic and you come from that kind right brain artistic side, you have - those kinds of people have less respect for or maybe tolerance for people that come from sort of a left brain certain numbers focus and vice versa. I think the real challenge is for consumers to really kind of integrate the right brain; this is for the executives, to integrate their right brain and their left brain and make up for the weaknesses. And as I say, what I find more in business - people in positions of authority, they tend to have that more left



brain dominate rational view of the world and they really need to tap the right brain. I mean, we all are emotional creatures.

Rich: Over to you Dan Hill.

Dan H: Behavioral economics tells you that people are not rational decision makers. They don't buy merely out of utility. They respond out of hope and greed and empathy and altruism.

There are lots of other things that drive them, and I think that conventional marketing is still back in a message-itis sort of framework. If I tell them 12 features, supposedly they're going to notice and remember and be won over by all of them. So I think that's the first problem. And then it's accentuated by the role of the focus groups. Think about it; we're discussing here the power of emotions. You don't go shopping with 12 strangers. You're not going to emotionally open yourself up to 12 strangers in a focus group, either. Far too often what focus groups and even online panels fall back to is people parroting back, repeating the feature benefits, statements, claims made in the advertising copy. So in other words, they heard those claims. But did they feel them? Did they believe them? Are they engaged by them? That's what's really important.

I call it hot spots and bald spots. Hot spots is when you're emotionally turned on. Bald spots is when you fade away. A focus group isn't going to tell you when you've got a bald spot.

Rich: What's your take Christophe?

Christophe: I would say to simplify, and I know this is going to be rather provocative, but conventional marketing has assumed for way too long that decision-making is a rational process. It's been largely influenced by older psychological models that established that decision-making is a process that is followed in a fairly linear fashion. The evidence that comes from neuromarketing demonstrates otherwise. It demonstrates that it is not about a process as much as it is a chemical response within the brain that is triggering a position called a decision. And therefore, the first thing that I would challenge in conventional marketing is to shift from looking at decision-making at a rational level into much more of an emotional level, into a level that is much more subconscious than it is conscious.



The second thing that I find conventional marketing missing, if not poorly examining, is the inflated view that text or words or written language is effective in selling. The evidence that I think we can find now within the neuroscientific community is that the brain is not terribly excited about processing messages that have too much text, because it is burning too much energy.

And when we are in the situation of trying to figure out where we're supposed to put our attention, we are all naturally biased – you could say prewired or programmed – to minimize the amount of energy that we're going to dedicate to a message. So I would like marketers, generally speaking, to understand that visuals, and strong visuals, particularly, are absolutely necessary and text should be punctuation, but certainly not an exercise that is meant to use too much brain energy.

Rich: Thank you. What do you think Dan Ariely?

Dan A: So, first of all, I think it is one of the big mistakes in general is that people think about marketing as a post product function. That you involve marketing once you have your product ready and now the question is how to sell it. There is no question marketing can do a lot about it but most companies miss the opportunities of thinking about how to use marketing before the product is created and actually create something that people might want.

The second thing that I think people are wrong about can be described by this idea of supply and demand. The idea for demand function is that people actually know what they want. If they saw it and you explained it to them they would know what they want and they would know how much they're willing to pay for it. I think intuitively any person in marketing knows this is not the case.

We have shown this with lots and lots of different experiments. The idea is that we don't know a lot. We don't know what we like. We don't know what we don't like. We don't know how much we're willing to pay for something. We're not sure what features are benefits and what features are not.

That's not a kind of an incredible belief; it just means that you have incredible flexibility in terms of what you're going to do and what kind of things that you're going to establish.



I'll just give you an example, when they estimated how many cars there will be in the U.S.; the estimation was that there will be a million cars. How did they come up with this number? They said the economy can only support a million chauffeurs because nobody would ever want to drive by themselves. Now people have joy rides. Less so with the gas prices recently, right, but there is an issue about joy rides. How did it happen? It is not that the cars are more interesting cars these days but we have just changed the experience.

The very function was into something that was incredibly pleasurable. Lots of things are like this. Companies have to start realizing that the world is much more open.

Jay: Alright, question 3. And this is really going to be a stimulating one for the listeners. **How do you shift your marketing focus from old school to brain based and why?**

Jay: Robert, Let's hear your take.

Robert: Well, according to my research, as marketers we can shift to that brain-based approach by recognizing and implementing the six universal principles of influence that have the ability to activate areas of the brain that make recipients of the message ready and even eager to move in our direction.

The first is reciprocation. People want to give back to you the kind of treatment they've first received from you. There's a very important implication of that. Whatever you want in a situation, you should give it first. And by this rule that says we feel socially obligated to give back to others what they have given to us, what you give first will flow back to you.

Is it that you want more information from the people you're working with at the office so you can do your job better? Well, you give them information. Do you want respect from your clients? You give them respect.

The second is scarcity, the idea that people will try to seize opportunities that you offer them that are rare, scarce or dwindling in availability. I think it was interesting, just this last year there were two products that had people lined up waiting for the doors of the shop or store to open, sometimes in sleeping bags all night long to get at a product. And there



were two; it was the iPhone and the Wii system. Now, those are good products, but that's not why those people were lined up around the doors. It was because they were scarce.

Again, make that an early part of your presentation and believe me, people will listen differently now to what it is you have to offer because they can't get it. That makes them want it. And once again, they're leaning forward. They're opening their ears, they're opening their minds to what it is we have to offer.

Third is the principle of authority. We've already covered that a little bit. People will be persuaded most by you when they see you as having knowledge and credibility on the topic.

Fourth is commitment and consistency. People feel a need to comply with your request if it's consistent with what they have already publicly committed themselves to in your presence. So what do we do first there? We ask people to take a small step, even a preliminary or tentative step in our direction, the sort of thing that people would be happy to do. Once they've taken a step in our direction, they will become significantly more likely to say yes to a larger request that's logically related or logically congruent with that first step that they've taken.

Fifth is liking. People prefer to say yes to your request to the degree that they know and like you. There is no surprise there. In fact, in every sales training program I've ever been associated with, we're told first rule of sales is to get your customer to like you. Right? You've heard that many times. I think that's wrong. I think that's the second rule of sales. The first rule is to come to like your customer, because when they see that you like them, everything changes. Down come the barriers again because they're in the hands of an expert who likes them and they're safe there.

And then finally is the principle of consensus, the idea that people want to take, want to follow the lead of multiple comparable others to decide what they should do.

Jay: Great answer. Okay, you're on Ori.

Ori: So the thing about this is that it's counterintuitive. The way to shift our thinking is by being willing to look at very counterintuitive studies and findings. So, even your friend who was a great sales person could say



well you know from a rational perspective maybe he shouldn't have called three people and just focus on the customers actually that are the best leads and really developed strong relationship with them and not waste your time calling them and wishing them a Merry Christmas or Happy Hanukkah.

It turns out that obviously that has a huge impact. I believe the reason that it has such a big impact is because we as consumers have so much information that is thrown at us. What the psychologists have found is that the more information you're presented with, the less you actually take in to make a decision. If you have three or four factors going into a decision then you actually weigh them very carefully. But if you have a thousand factors, you're only going to look at one or two and make a decision based on that. Because it's just a heuristic that we have to use - our brains are still built to farm and maybe back in the 18th century, we're not quite adapted to the amount of information that were [inaudible]. Therefore if you can give people shortcuts and some of the shortcuts we've already talked about, right, value, attribution, feeling of fairness, then those shortcuts are going to make a big difference for the customer. The question is how do you tap into that shortcut?

Jay: Pam, give us your ideas.

Pam: I happen to like the focus group kind of environment for doing research. That's because I'm very good at managing the groups and the discussions. Whether you like focus groups, or you like interviews or just talking to people in your store or that you deal with, it's really listening to people. And it's really understanding what they're trying to say.

When I'll be in a focus group and it can often be when I'm sitting in a room and I have a person sitting across from me and they'll say one thing to me and about ten minutes later they'll say something that totally contradicts what they said before. They're not conscious of that. They have no awareness of that. The clients in the back room will hear that and will dismiss everything that out of the groups because they're contradictory and they don't – the fact is that people have contradictory ideas in their minds and they respond to one at one moment and one contradiction at another moment. We really need to wrap our heads around these contradictory people that we're trying to sell to and really understand them at a very deep and fundamental level.



So for entrepreneurs, it's really the more that you can sit and talk and hear and learn and do your due diligence with the consumers—I will talk to people in airports. I love to talk to people in airports and airplanes. I get a lot of insight into if I see somebody has a handbag, for example, that they like and I can chat about it. I learn from that. I think that's what we really need. We need to be students of humanity really and pay attention to people and really have a great deal of respect for people even if they are contradictory because guess what, we all are.

Again, we did a major study of online marketing with the Google Company. The findings were really amazing. Again, the world that I come from, this luxury world that I come from, luxury brands; many of those luxury brands don't want to have anything to do with the Internet because they believe it is beneath them and that all of their customers want to go into their stores, their boutiques and deal with snobby salespeople behind the counter. It's like they want that experience. That's what they think and it's like the last thing in the world affluent have is a lot of excess time to waste in a store. They want the Internet because it is so time efficient. I think that that's what Internet entrepreneurs, if they're designing websites, make them time efficient. Don't try to replicate the in store expenses. If people wanted that in store experience, heck they would go to the store. They want the unique benefits of online and they are many of them. The most important one is that time efficiency that people really value.

Jay: Okay, Dan Hill you're on.

Dan H: We have a sensory brain, an emotional brain, and finally in much later in evolutionary terms, a rational brain. Most marketing is leveraging one-third of the brain, the rational brain. Let's go back to the sensory brain and let's go back to the emotional brain and let me try to put this in a little more concrete terms for you.

One of the greatest, actually voted the number one all-time advertising campaign was "think small" when the Volkswagen was introduced to the U.S. market in 1959. Number one of all time, and what does it use? Something I call a sensory metaphor. The oldest part of the brain is based on looking at contrast. In this case, small versus big cars. In other cases, fast versus slow, heavy versus light and so forth. The oldest part of the brain, what's called the reptilian part of the brain, does sensory matching. It's looking for patterns. Most marketing is not like the great



“think small” campaign that inverted everything and said small is the new, cool thing. Most marketing doesn’t get to the sensory brain and pay much attention to it.

The next thing it doesn’t do is pay attention to emotions. And it doesn’t pay attention to emotions in the fact that they happen so quickly. The estimation is that you will have an emotional response in one-fifth of the time you have a conscious rational response. I think your subconscious reaction is about 95% of what goes on in the brain. To put it another way, the joke that has to be explained to you is never as funny as the joke you just get. So if you don’t make the quick, obvious, simple emotional connection, you’re going to be dead in the water. That’s why I would say all marketing should be revisited to make sure that it’s simple and it slices through and it makes the quick, emotional connection. If it’s got to be explained, it’s dead on arrival.

Jay: Christophe, let’s hear your ideas on it.

Christophe: The first shift is simple. First, recognize that the people you’re trying to influence are a bunch of brains. And once you understand that they’re not going to respond to your message unless you have optimized the way that your message is produced for their brains, you begin to understand that there is actually a way of repackaging the content of your message and the delivery of your message.

It is really critical that we assume people have to do something with that input. And that input is your message. That input is the way you show up. That input is a TV commercial, an email, a letter – whatever it is – but it has to be examined and optimized from the standpoint that it has to go through that brain. And that organ is operating way below our level of consciousness and it has very simple principles that once you know will affect the effectiveness, the stickiness and the ultimate result that you would achieve with that message.

Jay: Dan Ariely, go for it.

Dan A: First of all, what you need to realize is the opportunity lies in new products. Why? Because in those products there is no set behavior that has been established already, so you start with a blank slate. If I’m going to sell you another toothpaste and you’ve had a whole history of buying a certain toothpaste I can deviate you from it, I can change something from it but it



is very hard to change something drastically. When I sell you something different now we can talk. So when P&G came up with the first whitening toothpaste there was a question of what is it. Is it toothpaste or is it equivalent to a dentist whitening treatment?

A tooth paste is \$2 a thing and a dentist treatment is \$80 a visit. And, the question is what will it be? My friends at P&G basically said that they gambled and they just made up a price, it was halfway between more or less and it was unbelievable hit.

Let's talk more generally for a second. So, if you understand that people have all these irrational tendencies, what do you practically do as a company? First of all I think it is very good for people to be educated on some of these mistakes. Am I given too many options? Am I confusing people? Am I creating some barrier?

So, the way to think about it is very much like an engineering problem - when you say I'm building a bridge, I'm building something, I need to understand what are the constraints, what are people doing, how are they coming, what are they thinking about and therefore with this in mind, what kind of mistakes are susceptible and not susceptible to?

Jay: Very interesting, Rich?

Rich: Yep, alright, question 4. **So how would you go about specifically using your findings or methodologies to improve or transform the performance of specific marketing steps?**

Rich: Your turn, Robert.

Robert: Let me be specific about the first one, where's there's an initial contact, because I'm all about what you're doing first in this call. And it really comes - it's a true example. It comes from a study that was done by Steven Martin, one of my co-authors and one of our company's business partners who's in London. He was consulting for a large realty office there and based on his knowledge of the authority principle that people want to follow the lead of legitimate authorities, he recommended one small change that resulted in a 32% increase in conversions from prospects who called into that realty office into buyers of property from that. So an increase in 32% in transforming prospects into buyers.



Here's what he did. He listened to - he called in and listened to what the receptionist said when she took a call. And previously, she would find out some information – are you looking for commercial real estate? Are you looking for residential real estate? What area of London are you looking for and so on? She would get some initial information like that and then she would say, hold on, let me connect you with James or let me connect you with Karen.

Now she says let me connect you with James because he is our expert in commercial real estate in Central London. In fact, he's been in that position for 11 years now. And he knows, in fact he just came back from a conference where he got the latest information about what are the trends in Central London commercial real estate. Or she will say, well, let me connect you to Karen because she's our expert in Knight Bridge residential real estate. She's been there for eight years now.

Rich: Great answer. You're up Ori.

Ori: That's a great question. That's really where it really matters because that will translate into direct sales. I'd say the first thing that you have to be aware of is the first ten seconds that someone is going to be making up his/her mind about a product. You look at – I don't know, even something like Zune from Microsoft versus the Apple iPod. People have looked at the iPod and said well, a lot about why it has been so special. The interesting thing for me is why hasn't Zune been as successful? Why hasn't it been – it really as good of a product. It looks about the same. It costs less and for a while they were actually offering features that the iPod didn't.

The biggest mistake that I think Microsoft made was from the get-go it didn't position it as being cool. Once you have that market perception of being kind of old and kind of not very exciting, there is nothing that you can do to change that perception. So, if I was Microsoft I would probably launch a new product all together with a new name and maybe even a different look because they fell into a trap which is once you've put money into a product or an idea, you put good money after bad. Let's start over here and let's actually start off on the right note.

The second big application that people can actually use in the marketing world is the - they have social marketing. What you do as a consumer,



you make your decisions based on what everyone else is perceiving as being the kind of cool, or in, or value rich product.

And, how can you focus on a community marketing rather than individual marketing? I think Nike does this really, really well with some of their shoe brands like Converse. So rather than marketing to a individual to buy the shoe, you're thinking about okay how's the community - how am I going to build a community around the product? How can I build a Converse community and therefore everyone in the Converse community will obviously buy Converse?

The third element that we really focus on is related to the second one in terms of the momentum that people have once you make up your mind about something. It's very difficult to change away from that momentum. You basically keep on going down that path. The question for marketers is how do you take advent of that? If a customer has been with you for a couple of years and they've been a loyal customer, how do you reinforce that kind of behavior?

Rich: What's your take Pam?

Pam: Well, what I really think is important to kind of explain here, understand, is that we have – when we look at consumers there are two things that we study. One is consumer behavior which is where they go shopping and how often they shop and how often they shop and how much they spend and what they buy. So, that's the behavior aspect of it which is very easily studied in a quantitative kind of way.

And then there's the attitudinal side of it which is what are the values, the underlying emotions, the underlying drives and passions that people have that ultimately affect their behavior.

What we're seeing right now in this recession is changes in consumer behavior because we've got this people that are either losing jobs or their neighbors are losing jobs, their houses have gone down in value so they're kind of holding back and withdrawing. They're hearing all the bad news on television so they're simply deciding not to go to the store. So we're seeing a behavioral change here.

But, more fundamentally and what's really going to help entrepreneurs in understanding the future and really being better marketers is really tapping



into the attitudes and underline the behavior. Because the attitudes don't change. They will change over time but it is more like major climatic changes, not like the weather.

They take hold and they take shape and they change slowly over time. The attitudes, because they don't change, really allow you as marketers to see the future and to predict where the consumer market is going.

Right now when we see the luxury market comes back it is going to be very different than it was before. It's going to be different not because we had a recession, it's going to be different because we have older consumers who are less materialistically oriented and people are reassessing their values and simply saying spending so much money for luxury goods doesn't mean that much to me and is focusing on other non-material ways of enjoying their life, spending their time and ultimately spending their resource.

Rich: Thank you. Your turn Dan Hill.

Dan H: There's a wonderful, strange term from Walt Disney. He referred to the most arresting dominant single visual in the theme park as the weenie. In other words, Cinderella's Castle is the weenie. But if you even go and say I'm looking down this street, I'm on this ride, at every point, what Walt Disney wanted was a hierarchy of visual details, like this is most important, then this, then this, and he wanted a flow to it, a natural flow to those visuals.

A lot of stuff gets done by committee. And when it gets done by committee, you've got 18 visuals fighting for attention. I once looked at a piece for an insurance company. They had 13 people in the direct mail piece. I said then 13 almost never works. I said I'll give you an exception. "The Last Supper" by Leonardo da Vinci. But that's because we know the story. Jesus Christ was in the middle and he's got a halo around his head and everybody knows where to look. You give me 13 indiscriminated faces in a direct mail piece, no one knows what's most important. The easiest thing to do in that case is simply give up and move on to something else in your life. So that's the first way I'd say you can really nail this down. Look at is there a natural flow for someone through anything. Visuals are very important; half the brain is devoted to processing visuals.



The second thing, moving over to facial coding and getting really specific about it. What is the facial expression of the talent that's onscreen or in the photography? Those facial expressions will draw an appropriate reaction. Emotions are very contagious.

The last thing I would say regarding expressions is be careful about contempt. There's research using facial coding in marriage counseling. Contempt is the most reliable indicator that a marriage will fail. So accurate, in fact, that with only 15 minutes of videotape, this particular professor has a 90% accuracy rate as to whether or not the couple will stay married.

Well, that's man and wife, but what about brand and consumer? It's the same thing in the end. It's a relationship, and contempt means there's a moral rejection and disregard and disrespect for the other party. Never go there emotionally. Very hard to recover.

Rich: Alright, over to you Christophe.

Christophe: Well, that's the most exciting part of the interview because I get an opportunity to share to your listeners what was truly so exciting about our research for a couple of years, digging into brain functioning and trying to figure out where they buy buttons in the brain would be. And you invite me to share this very simple story. It's a story that happened to my partner, Patrick Renvoise, who worked with me on putting the book together and discovered, in quite an amazing way, the power of doing neuromarketing without knowing he was doing neuromarketing by helping a homeless man in San Francisco.

Unfortunately, in large cities as you know we see a lot of those people trying to get your attention, trying to produce a message that will compel you to give money. And this poor man was giving the best he could into this particular message, but the message was rather pathetic, actually. It was just calling for help. We need help. And Patrick came up with this idea of actually thinking more in terms of how it would trigger more emotion towards whoever would see that message. And he gave him a message, which I'm not going to reveal now, and told him to experiment with it. And that he would come back and if he were to report some progress and improvement, he would actually give him some good money to thank him for doing that experimentation.



And he came back the following day and the gentleman, the homeless, reported some amazing improvement in the performance of that sign that Patrick had asked him to use. And so, you know, to honor the deal that he had made, Patrick did give him a nice donation. But what was the sign saying? Well, the sign was saying, “What if you were hungry?” And so rather than putting the message from the perspective of the person begging and wanting attention, the message was really designed to call for how that message would be processed in everybody’s brain by the time they would see the message. And the result, we believe, was that it somehow triggered a buy button in the customers or the prospects of that gentleman.

The first button that you should recognize, the first stimuli, we call it, is that the part of the brain that is responsible for decision-making is called the old brain. It’s the most ancient brain structure and it’s terribly selfish. Therefore, you must be putting whoever you’re talking to at the center of your message. A very simple technique that you can use to do that is by using “you” as the most powerful word in the English language. In emails and correspondence and of course when you talk to people, when you use “you,” you put them at the center of the message and that appeals to their old brain.

The second very important stimuli that we discovered is the importance, the necessity for producing contrast in your messaging.

Therefore, you must be willing to use claims, to be able to attract attention by suggesting that you are maybe the only company to do this or the best at doing that.

And all those techniques have been used for a long time, but some people have a tendency to neutralize, to modify and become more humble in the way they approach the statement of their benefits. I don’t believe in neutrality. I don’t believe that it’s going to have any kind of results of the level of the brain.

The third stimuli to the brain is the necessity to give things simple and tangible for the brain. Do you know why? Even though the brain is only 2% of our body mass, it will burn nearly 25% of our entire energy. And somehow it’s been programmed to prefer simple, concrete easy to process input. And that is why I’m on almost a mission to remove 90% of text in advertising, because text is processed in the new brain and it



requires more energy than the old brain wants to spend when you are trying to influence someone. So keep things simple. I tell my clients make sure your message is so simple that a 5-year-old can understand it.

The fourth and very simple law is attention in everybody's brain is going to optimum at the beginning and at the end of the message.

So always place the most important content at the beginning, repeat it at the end, and just don't screw up in the middle.

And the last two in just a couple of minutes, the importance of visual communication. I've already alluded that, but we are by design visual decision-making machines. Our eyes are capturing information in milliseconds way below our level of consciousness. We love it.

And the last and probably most fascinating aspect of the language of the brain, the part of the brain that makes decisions is the importance of emotions. Because emotions are produced chemically in the brain stem and they change our state. And they do create the glue that is necessary for people to remember. So if you want to influence or if you want to trigger a decision, it is your responsibility to create an emotional cocktail so that people can actually remember you or your message.

Rich: What do you think Dan Ariely

Dan A: Sadly our journals are not meant to be read by anybody I think. They're boring, they're uninteresting, they're written in jargon, and they're not very approachable. I think conferences are usually better. The reason conferences are better is because people can both listen to a talk, they get the essence of it and if they have further questions they can go and talk to the person and understand a bit more about it.

Human behavior is incredibly complex and difficult. While we identify principles like the roles of complexity, the role of decoy, the role of free and so on, to truly understand how does thing works in the particular domain, I think that people really need to have domain expertise and they will be some differences in how these principles play out. I don't think they will not work out. What you find I think is very general but the intensity of how they will work out might be different. I'll give you an example.



So every year this insurance company sends you a form and said did you drive last year. Everybody wants to exaggerate the number downward. You want to say you drove less so your insurance premium would go down. We basically changed the form. Some people signed the top and some people would sign the bottom. The people that signed at the top basically reported to be driving 15 percent more, 2700 miles more a year. Here is a trivial thing, right? Changing the line of the signature – by the way, to my great disappointment this insurance company even with this data has not implemented this in the form and has not implemented it the other forms which are much more important.

Here is a simple idea basically saying you understand that people are tempted to cheat. You understand that if invoke their own morality you remind them of the wrong thing this is what happens.

Jay: That's interesting, that's good. Rich?

Rich: Yeah, that was good.
Jay: That was very good.

Rich: Alright, so let's go a little bit deeper. **Give us a process or a simplified short course primer on how best to immerse your business or your marketing or advertising people, if you have advertising people working for you. How do you get them immersed in the latest scientific understanding about buying behavior?**

Jay: Robert?

Robert: I'd recommend that marketing, advertising, sales personnel have a list of the six universal principles of influence at their desks or in their wallets.

And when constructing a marketing campaign, I recommend taking out the list and going over it to see if the available principles have indeed been used. So if the product being offered has a unique or uncommon feature, be sure to mention that at the outset. If it enjoys consensus by virtue of its popularity in the market, mention that one. If it has received positive reviews from experts on the topic, mention that.

I did a talk to the Bose Acoustics Corporation marketing department. And I went away and they didn't need me for this. They realized they had the



authority principle. They had reviews from experts in acoustics with regard to one of their products – the Bose wave music system.

And they changed their magazine advertising just to put a list of those expert testimonials down the left-hand side of the ad. That increased the response to the ad by 45%. Something they had, and they just weren't using it.

We should only use the principles that are really there. That way the recipient of our message is steered in our direction for the right reasons, which makes our message both ethical and effective.

Rich: That was great. On to you Ori.

Ori: So, again, it's about understanding that people are not going to be rational. We tend to put much more weight on the potential loss than we do on potential gain. So if we frame things as avoiding a potential loss, you're going to motivate people a lot more than saying this is something that you can gain from buying the products. This will prevent you from losing ten dollars that would be much more of an incentive than if I say this will potentially make you ten dollars. Another force that we've talked about is fairness, how important it is that the process feels fair. The idea of commitment, that if you're committed to a product or a person or a company you're going to keep on going down that road.

The importance of value attribution that once we ascribe a value to a person or thing that value tends to stay with someone. For that reason, in a job interview there are actually terrible predictors of actual performance because we diagnose a person as being really smart or being really capable and then hire them without really fully looking at their resumes or their expertise. The same when you sign a contract with a sales rep. You're looking at how you're perceiving them from that first second as opposed to their actual performance.

Rich: You're up Pam

Pam: The marketplace, the first principle of marketing is the consumer so you want to start by studying your own consumers and that means not just quantitative, not just doing a survey, a lot of people spend time doing a customer satisfaction surveys. Well, those are all well and good but I would go deeper than that but start with your consumer. Then start



looking at your competitor's consumers and study them. Understand why your competitor's consumers are choosing their brand not your brand.

I think nothing compares to sitting across the room and looking into people's eyes and talking to people. We are people to people relationship – it's far better. I think the qualitative really needs to be done in a personal way.

You have to have an open and inquisitive mind; you've got to believe what people are saying to you. Even again, if they're contradictory, believe them and learn from them.

Another thing that I think is really important and I'm astounded by the low-level of knowledge or understanding about the demographics of a population. I think people really need to learn something about demographics. How you can take demographic characteristics of a population and divide your market up into segments, as male/female and ages, and incomes. People don't really seem to understand demographics in a way.

I think the last thing that's really important for people for marketing is they really need to be willing to change. When the information, the insights and the understanding of the consumer demands that you make a change, you've got to be willing to do that. In mean, the fact is that the consumer is always changing and no sooner do you figure them out then they've gone off and changed in some new and unexpected way.

Rich: Dan Hill.

Dan H: I outline five books that I think might be helpful here. The first one is a wonderfully illustrated beautiful book by Rita Carter. It's called "Mapping the Mind." I think for the layman it will lay out pretty clearly what they've learned and it will do it in a way that's largely visual so that it's not as overwhelming and as intimidating as some more academic texts might be.

There is kind of on that same line a new book by Jonah Lehrer called "How We Decide." And it's got stories. So what I'm giving you here is two key ways in which people learn – visuals, which is Rita Carter's book, and stories, through Jonah Lehrer's book.

Beyond that, three specifically business books – "Predictably Irrational," by Dan Ariely introduces behavior economics with experiments and examples



for people, a third way we learn. And then two specific books, “Brand Sense” by Martin Lindstrom I think speaks pretty well to the sensory brain, that oldest reptilian brain that I mentioned earlier. And then John Hallward, he works for Ipsos, he’s published a book called “Gimme” and I think it does a reasonable job of starting to introduce why emotions matter in advertising.

Rich: Next, Christophe?

Christophe: And here are the three steps that companies of any size of any sector of any geography can do to maximize the learnings from neuromarketing.

So number one, identify the pain points of your customers. Ask them what keeps them awake at night.

Once you’ve done that, you have opened an opportunity to pick and carefully select a maximum of three benefits. You cannot bore people into the 10 reasons why they should buy from you. It’s overwhelming. You have to pick three and they have to be obviously targeting the specific pains.

And you must contrast those benefits, which is why we call them claims, they have to be bold, you have to be aggressive, and you have to demonstrate that there’s going to be a huge difference between the moment you are today in your business and where you’re taking them. So that is the second step of our methodology; identify your specific claims.

And the third step which many, many businesses and entrepreneurs do a poor job at doing and that is present the evidence that the claims are going to produce results that are deliverable and demonstratable. So the burden of the evidence, producing customer stories, doing a demonstration, showing visual evidence that all of this is actually provable and has happened is the third and most compelling steps in closing the deal.

Rich: Dan Ariely, it’s over to you.

Dan A: The amazing thing is that most people test incredible boring stuff. Even if you go to Amazon and you talk to them about what they are testing, it is like a blue button versus a red button, putting it on top or on the bottom, I



don't want to say it is not important because they find that some of those things are incredibly important. Increase sales by half a percent or a percent and make things quicker, people search less, so it is not that it is not important, it is incredibly important but it is not driven by any theory. So, every time you change something you have to test the whole lots of things and you don't understand why red is better than blue. Why the right is better than the left and so on and so forth.

If your hypothesis is just let me change things randomly and see what happens you'll be short-term learning for a specific situation when the business changes or the website changes or you would not know what to do with it.

There is a notion that when we make decisions we're influenced by things like behavior economics which is actually an incredible useful source for ideas and hypothesis.

For example, we have Joe and Jim and Joe is a type 1 and Jim is type 2 and we add to the set another person that is like Joe but slightly uglier and not as funny and nobody wants this uglier version of Joe but people start choosing Joe because of that. The same thing happens with products and all kinds of other things.

Rich: Okay, Question 6. **What do you think is the single biggest change that our listeners could do right now? You know, if you were to do an immediate intervention in one of the listeners' businesses, what would you do and why?**

Let's hear your perspective, Robert?

Robert: I think what I would do is recognize that right now - today, we're in a period of great economic uncertainty. And as a consequence, I would recommend two of the six principles that we've talked about as being prioritized, because these two principles gain special power when people are uncertain, where they're just unsure of what to do.

These are the principles of authority and consensus. Why these two? Because when people are uncertain, they don't look inside themselves for answers for what they should do. All they see is that ambiguity, that lack of confidence. They look outside and they look to two places for reducing their uncertainty.



One place is to authorities. The other is to peers; people just like them. What are the people around me doing? That reduces my uncertainty about what I should do in that situation. So if this is the most popular item on the menu and I'm uncertain because it's a new restaurant, you'll be sure that's the one I'm going to choose.

Rich: Over to you, Ori.

Ori: The intervention would be about first impressions and really, really, really focusing on that. And, the second intervention would be about compared to what.

And here's what I mean by compared to what is the way that humans think is we always think in terms of metaphors. This reminds me of...Romeo and Juliet or whatever. When people give out metaphors for their products or their companies, the metaphors are often times non-convincing and non-simple and don't always tap into human irrationalities. Right now we're in a terrible economy so framing something rather than framing it as oh, this product will save you a lot of money or this product will help you in tough times say how this product will prevent you from losing your XYZ. It will prevent you from losing your customers. It will prevent you from losing your money.

Rich: Over to you, Pam.

Pam: This thing that I think is really most important is to learn about your consumers, learn about your marketplace.

Two more formal methods of research which of course I personally like, but you know, the focus group environment, the one-on-one interviews, going into people's homes and actually doing what we called ethnographic research and conducting surveys, using your website, reading the comments, opening your website to commentary. That was one of the things in our Google study we found was that people really loved review sites where people, consumers can add reviews and how they feel about a product and what they experienced about the product. Amazon does it. QVC does it. HSN does it. Some of the mass market kind of websites do it. Well, people love that.



Michael Dell just – he opened the Dell website to those kind of review comments and he said I would rather have my customers talking in my living room than writing about my products in the whole world. That’s how we need to think about it and that is to keep the dialogue within the family with your customers.

Rich: Dan Hill, you’re up.

Dan H: The slogan for my company is ‘step closer, step ahead’, and by that I mean step closer to the customer, step ahead of the competition. If you look at how to pick out an ad agency, for instance, I think the number one criteria should be that they can get closer to their audience, to your audience, your target market, than you can. They have a better innate feeling for it. It may be because they’re younger in some cases, that they’re more hip, that they’re more diverse – whatever it may be. But I think the truth is, despite all the blather in the last few years about being customer-centric, that companies still struggle with this big time.

It’s really easy to take the factory view, to see your product or service as the hero. You spend most of your days in company headquarters or the main office, wherever it is, and that’s your differentiator. That’s what you want to believe it is. But in fact you need to be concentrating on what’s the whiff and what’s in it for me, the customer.

Again and again I’ve found that there’s a failure to communicate, and the failure to communicate is because it all goes back to the seller of the service. My favorite cartoon from the *New Yorker*, two women are talking. One says to the other, “Enough about me. What do you think about me?” That’s the predicament a lot of companies face.

Rich: Share your perspective on this, Christophe.

Christophe: I’m going to speak from experience of what we’ve done for nearly 6,000 companies of 20 different countries. And that is by the time you use those filters that I just shared with you, you apply those filters to the material that people are currently using. You know, whether it’s their web pages, whether it’s their PowerPoint slides and so forth, 99% of the content has to be shredded. Because 99% of the content that we have seen is used in businesses will strongly violate those core principles. It’s too text-centric. It’s too complicated.



Now the good news, once you have a clear path, once you have a process by which you can rebuild what I call creative assets for the old brain, it can go very, very fast. And so I do not advocate spending a lot of money, hiring agencies. In fact, I would suggest you listeners just apply those six principles. Redo a piece of collateral and try it out.

But I think people will be excited. They will be reenergized, convinced quickly and effectively.

Rich: Dan Ariely, your turn.

Dan A: In this particular time after the recession, it is a time when people are examining their purchases and thinking about what they're going to do. What they're going to cut. What they're going to keep. How they're going to deal with this. Because of this, this is the time for breaking up old habits. People are doing all kinds of interesting things in terms of breaking up old habits. The opportunity here is to create new habits. We can think about businesses trying to sell something is a one-time transaction but I think a more efficient way to think about is how you create a long-term habit.

Rich: So this is the last question and this question is really – we put it in to kind of give you all as much latitude as we could realizing that it's very hard to compress the knowledge that any expert has accumulated over an extensive period of time into such a short interview. So we extend this last question as a way for you to kind of tell us what we should have asked that we haven't and what your answer would have been.

So, through the lense of your expertise, what one question do you wish we would have asked you that we didn't that relates to helping all the members on this call make their business more profitable, more successful, more competitively advantageous right now and into the future? What question should we have asked? Why is it an important question? And had we asked it, what would your answer be?

Rich: Robert?

Robert: It's the one I frequently get in the workshops and presentations I do, which gives me a chance, because it's asked, to clear up a central misunderstanding that a lot of people have.



The question is which of the six universal principles is the most powerful?

The best way to answer that is to tell you about a colleague of mine who spent the majority of his professional life – 16 years – searching for the single most successful sales tactic. I saw him at a conference a while ago and he caught me by the elbow. He said, Bob, I found it. I found the single most successful sales tactic. It is not to have a single sales tactic. That's a fool's game.

And if there was one thing I would tell your listeners, it is not to have a single approach, but to go into every situation like a detective looking for those aspects of the situation, those available principles that will allow you to be more successful that are already there, and use the ones that are there, the ones whose engines are running. Align ourselves with their power and then we're sailing with the wind instead of against it.

Jay: How would someone gain more direct access to you, your organization, your various products and services?

Robert: Well, the best way would be our web site. It's influence at work, that's all one word - www.influenceatwork.com.

Rich: Last question, Ori?

Ori: I wish you would have asked me the question about the role of 'a pain in the butt' person in your company. And here's what I say about that. We're actually writing a Fortune piece about this. Scientists have found that when you're in a decision making environment, it really, really helps to have contrarians or pain in the butt, stick in the mud type of person in the company nay-saying all of your ideas. Especially as marketing folks, we hate those kind of people because they're always telling us why something is not going to work. You can sit in a room for years and I can tell you why every single product should not have made it, right. I can argue against it until the cows come home. When that happens a company becomes disabled and is no longer capable of doing new projects or new ideas. We've all seen so many examples of this where you're basically stuck in a gear because one or two people keep on shooting down every single idea.



On the other hand those same kind of ‘pain in the butt’ members of a team are essential to make sure that we don’t waste resources in places that we should have and when we make a decision that it is the most rational decision possible.

How can we think about things from a contrarian perspective? I don’t care if it’s in investing in the market or going into a new industry, how can you use that power of that ‘pain in the butt’ participator? And, rather than trying to shut them down and rather than trying to silence them, get some of their very useful input into the process is that tension that is created. How do we turn that tension into something that is productive for our company?

Jay: If anyone has the desire to contact you in a more direct way Ori, is there a way they can do so?

Ori: Sure, just use my website. It is [www.oribrafman](http://www.oribrafman.com) (O-R-I-B-R-A-F-M-A-N).com.

Rich: Thanks, your turn Pam.

Pam: The most important question I think that any of us in business need to be asking ourselves is why people buy. There is no easy answer.

In my book, “Shopping” I did propose a theory. Let me explain it. It’s propensity to buy is the sum of some product, some need people feel plus product features that make something more attractive or more desirable, plus affordability which a key factor particularly in today. Can I afford it or not or will I stretch my budget to afford it? Those factors (need plus features plus affordability) are ultimately multiplied by emotion squared. If you know anything about algebra you know that the emotion squared is the dominate factor in the whole equation and need and features and affordability all stimulate the consumer emotions, but so do so many other things in this shopping environment or the way you present your products to stimulate desire and emotion that you’ve absolutely have to buy this thing.

In my book I use an example of red velvet shoes. I know the price, generally, of high brand, luxury brand shoes. Somewhere in the \$400-\$800 range is where I figured these shoes would be but I’m not – I wasn’t familiar with that boutique and I’m not familiar with Rodeo Drive.



Anyway, I went back to the store after I had finished my work and tried the shoes on and you know I discover that I saved \$445 on these shoes because they only cost \$360. I essentially saved so much money buying these shoes. That was an emotional thing. It was like great, you know. I didn't even think twice. They were a lot less than I thought they would be.

Jay: If anyone is listening and hopefully everyone listening wants to contact you either just to get whatever you have on your website or to explore your services or products, what do they do?

Pam: Okay, well, I have one website devoted to my more researchy data heavy services. It is called www.unitymarketingonline.com, so that's kind of the research side of my business. Another website devoted to my books and sort of helping – it is more targeted towards smaller businesses, how they can really utilize some of the insights that we have discovered in terms of our publications and our books and that's www.whypeoplebuy.com.

Rich: What do you think Dan Hill?

Dan H: I would say that the big thing that would be missing that's really relevant right now is what's the dynamic between price, value and emotions? And I say that in part because here we sit in the midst of the Great Recession, and if you turn on the TV, the radio, flip through the magazine, you are seeing the word value over and over and over again. You know, value pack, value this, value that. Most of the time what they're really talking about is we're going to give you more quantity and/or we're going to reduce the price.

But here's the distinction between price and what really value is about. Price only has to be heard to be pigeonholed. It's cheap, it's okay, it's a great deal. Value has to be assessed emotionally. I mentioned earlier three brains? Well, it's the emotional brain that determines value. Is it relevant? Is it credible? Does it do something for me? That is an emotional decision and that's something that I think companies can stand on.

Part of your question was how to make the company more profitable? I would say the answer there is don't try to fight on price unless you absolutely have to. And I say that because there's only one lowest provider by definition in a category. It's a brutal, cannibalistic way to go. I



think the better way is to produce value; value that people believe in, value that people will pay for.

And if you're going to do that, even if it's a small company, I think the key thing is how do you start to build brand associations? Very few companies even with big budgets do this well. And that's because they're not very consistent. What adjective, what special quality, what face, detail of customer service, what is it that you can implant in people's mind so that they go there readily. The mind likes to file things. Give people an easy handle. Activate brand associations that make you stand for something other than price. That's the way to be profitable long-term.

Jay: If our listeners want to connect with you, to get more, to talk to you, to see what your resources are, how do they reach you?

Dan H: Well, we've got a web site. So it's the obligatory www.sensorylogic.com. I'm also happy to give out my email address. That is dhill@sensorylogic.com. I do travel a lot, so I can't promise I'll get back the very day, but it will certainly be pretty quickly.

Rich: Okay, Christophe?

Christophe: Can I afford this? Can I afford to do all this, especially when the economy is not going as well? And so the question that I want to address is that you cannot look at this question and leave it at that.

The truth is I think you cannot afford not to. And the truth is based on now seven years of existence and thousands of companies using this. I know that there is a way to start the process of experimenting with those techniques, of redoing your collateral, of redoing your PowerPoint slides, of preparing way more before you actually are in front of a customer. And by sampling, if you will, you don't have to spend a lot of money. You certainly have to let go to your attachment of some of the collateral, some of the web pages. But the truth is they are not producing the results that they're supposed to because they are not speaking the language of the old brain.

Jay: Christophe, if any or all of our listeners want to get more info on you, learn more, access you, what's the most direct way they can reach you?



Christophe: The one platform that we recently developed is meant to create a community of people interested in neuromarketing. It's not the commercial platform, and it's called www.neuromarketing.com.

SalesBrain.com S-A-L-E-S-B-R-A-I-N.com is a site that is describing not just our services, but it's also describing our methodology. And I've had some customers who told me that they were able to redo their entire website just by following the content that was posted on our own website. So this is not-for-a-fee. It's offered for people to look at and they can access our content at no charge at all.

Jay: Dan Ariely, go for it.

Dan A: So, I would ask the question of is marketing behavioral economics businesses good or bad for people and what does it mean?

You can say I wake up every morning and I said oh my goodness I'm not as rational as I think. My wife is clearly not as rational as she thinks. We make mistakes. I probably make 15 mistakes today, just in the next few hours. We are foolish, we can't think very well and we're confused. We don't know what we want and so on and so forth.

In some sense, this is a sad perspective. In another way it is a very optimistic perspective because it means that we (I mean businesses) can actually change the world for the better.

I want to give you one example. And the example is about internet enabled pill boxes. So this is some research that we're doing right now on these internet enabled pill boxes.

So, imagine somebody who had a stroke. After the stroke they started getting a medication called Coumadin. Coumadin is a very cheap medication. It was based on rat poisons so the R&D cost was not that high and it dilutes the blood, it is very good to take it as a certain dosage but it turns out that if you take too much of it you die but the right dosage it's basically a wonder drug. It reduces the chance of a second stroke from 23 percent or so to 4. Really wonderful but nevertheless only about half the people take regularly. This is not a medication that you want to take irregularly.



So here we have a situation in which people should do something. It is cheap, it is efficient, it is good for them, it is good for their families and it is good for the healthcare system but people just don't do it.

If we understand human mistakes we can say people forget, we can say people don't – they care in the long run but they don't feel like doing it in the short term.

Here comes this Internet enabled pill box which is how businesses can enter the picture. So businesses can say here's a mistake that happens in the market. People just don't do it in time; let us enter with some technology. What we're doing now is we're playing with all kinds of incentives and penalties to get people to take the medication more or less on time. Imagine the following situation. Imagine in one condition, every time you take the pill I give you \$3. It turns out that doesn't really help.

The first thing we can do is give people a lottery. Instead of giving people \$3 for sure, we will give them a lottery ticket that has 10 percent chance of giving them \$30. For us as a provider, it is the same thing but for you as the receiver it's a different psychological mechanism by which you're getting the money and it turns out that it has a bigger effect.

Let's think about the final condition. The final condition is trying to introduce the notion of regret.

What you do is you tell people that you're going to give them a lottery ticket regardless of whether they open the pill box or not. Then you call them up and you say congratulations, you're the lucky winner of this pill box, you're the winner of the desired lottery, regrettably I see that today you did not open your pill box so therefore you're not getting the money.

That experience of regret in the pilot side that was done basically increased compliance rate to about 97 percent.

This I think is kind of desperation of your rationality and behavioral economics. We have all these mistakes. This is who we are. Why don't we try to understand them, understand where they lead us astray in healthcare, in savings, in driving, in fighting with our spouses, in every small aspect and think about how we inject new technologies, new business ideas, new procedures, new habits in a way that will overcome



some of our irrationalities and actually make this world more fun and enjoyable to live in.

Rich: If people want to stay abreast of all your new discoveries and what you're working on, how do you recommend that they best follow your work and also stay abreast of what you're currently working on?

Dan: Besides the website called www.predictablyirrational.com and I blog and I describe new things that we find as we find them. So, if somebody has a situation that they're willing to test something they can just contact me. My email is just twice my first name dandan@duke.edu and I'm always happy to try and do real experiments provided we can then use the data and learn something from it.

Jay: That was great. Okay. It's come to that time. We just had one of the most mind-stretching, paradigm-shifting panel discussions you probably have ever experienced in your life and that's cool as heck and we're excited.

However, we're at a part that Rich and I selfishly delight in and really enjoy and we call this our impressions and the action elements. We try very rapidly to interpret and really explain the most important action items we think just came out of the entire panel and what you might want to focus on. And, we're going to do it rather rapidly tonight. We're trying different experiments and we've talked about them. We think that it's important to focus on the most critical ones for the purposes of just getting you re-aligned with what to do that's most relevant. So, we're just going to take turns and we're going to power through it and I hope you take great notes because we're ready to go. Rich, are you ready?

Rich: I am ready Jay.

Jay: Take it away.

Rich: Okay. Well the first takeaway was from – that sticks out in my mind is what Dr. Cialdini shared with us about that it's all really pre-suasion not persuasion, it's what you do first. It's all about what you do first. That really reminded me of a quote from Peter Drucker that said – when he said 'marketing makes selling superfluous.' And I've always tried to follow that in my own marketing and that's one of the reasons why I've created reports that I've done for all my major programs. The reports were really



about what came way before the sales pitch ever happened and it was really setting the case – getting people in the right perspective – laying down all those triggers and it was all of those elements, all done up front to lay the groundwork for the sale that came 30 days or 45 days later. And I think that that makes such a huge difference in your sales.

Jay: And I can elaborate, but I think that you’ve nailed it there. And I think most people really go right for the juggler instead of systematically building the foundation and building each element just like you would – a very solid, earthquake proof building.

So, let’s go to next impression and I think it’s really an appropriate one and it’s really a category...by the way, Rich and I have categorized a little bit of this for you as we’re going and not all of them, but we’re going to call this the category of first impressions. We think it’s very important that the first impression to your marketplace in whatever means of communication, marketing, email, website, your key word search – whatever you’re doing. It’s got to basically build the perception you want the marketplace to get because it’s really difficult if you don’t establish the right perception right off the bat. That depends certainly on what you’re trying to do and the perception needs to apply to the right strategical – is it the business you want to have the right perception, the leading edge, the cutting edge, the safest, the most trusted? Is it the person themselves, you, the expert, the go-to source, the maven? Is it the product the only source for solving this dilemma? Whatever it is, you’ve got to be able right out of the bat, to establish the exact desired perception that you want in the marketplace’s mind because as you’ll see in a few minutes, because either Rich or I I’m sure will discuss it, if you start with a bad impression and perspective and perception, you’re going to work your heart out to get right back to ground zero. Rich?

Rich: Yeah, I mean, the only thing I would add to that Jay, is that if you’re an entrepreneur there is – and your business is online or you’re in any kind of business where its personality based or service based, you’d be a strong recommendation to actually position yourself as the expert. And Jay and I wrote a whole free report on it called the “Maven Manifesto.” You can find it online – it’s absolutely free and it is – it’s been very well received and it’s made a huge impact on a lot of people who’ve read it. So, just grab that and I guess we should move on to the next area, huh?



Jay: Yeah. And the other thing is besides what I said about you're going to work your heart out to get back to zero if you do it wrong in the beginning, is take advantage of some of the communities that can basically get the buzz and the peer confirmation – and we'll talk more about peer confirmation later on – to help build the perception because you can refer people to that for validation and credibility. Rich?

Rich: Sure. Okay, on this next point that I want to surface and it's really something that we found in the first panel as well and I'm sure we'll hear about it in other panels as well, and that is that you really got to study your customers, your prospects, your marketplace. Dan Hill had that great comment where he said 'step closer to the customer – step ahead of the competition.' I love that because it's so true. Whoever knows the customer the best – what turns them on – what gets them – what are their pain points – what makes them buy – they're the ones who are going to win. And so it's not a sexy topic because it doesn't have that push button appeal, however studying your marketplace and studying your customers and getting inside their heads is really - really what's necessary for any great marketer or for any great marketing campaign or for any business that's going to have great marketing. Some of the ways that we do it and then Jay you could talk about a few of the ways, is surveys, testing, monitoring the competition, and forums, question and answer sites, and also just analyzing blog post comments. Two things that I like to look at is whenever I see a blog post have more comments than it normally gets on that site, I want to know why and then I look at all the comments to see what people are saying because you can get a very good idea of the mindset of the prospect and the marketplace by doing that. Jay, a couple of ways to– other ways to get.....

Jay: First of all, it's marketing 101, but testing, testing different propositions, different premises, different positioning, different perceptions because you want to see whether you really do understand your market. Talking to them and talking to them means literally that. You pick up the phone and call them. You know, you can get them on a conference call. Do some interaction. Rich blows me away when he does his surveys because people give you the language patterns that they want to be marketed to. I have a concept they call the Amazon.com School of Business and its take the categories that your product or service addresses – see all the books in those categories that are for sale on Amazon. Go to the top ten in each one of the categories. Look at the title and the subtitle because they're going to give you language patterns that resonate with the market in those



fields. Then look at the reviews. Look at the ones and look at the fives. I can't remember whether the ones are the highest or lowest ranked and the fives are the opposite and it doesn't really matter. The highest rank they're going to tell you passionately in their own language what they got that it fulfilled that they were needing. And the low ranked ones are going to tell you what it didn't fulfill that they were needing. Both of those are going to give you language patterns that tell you what the market wants and what it doesn't want. And I'd try to buy from your competition. I'd study your competition. Ones that are doing better – ones that are marketing different and see what they're doing, what they're saying. The market sources they're using to reach them – I'd look at the key words. I'd look at all of that and I would not just look at it because the problem with a lot of people who buy a lot of training programs is they look but they don't use their intelligence to interpret, to process, to you know to understand what that data is telling you. If you don't understand what it is telling you and you don't do anything with it, it's a futile exercise. Rich?

Rich: Yeah, I agree 100%. Let's move on to the next topic of emotions. And we heard a lot about emotions this evening on this panel. I thought the first area that really made a lot of sense to me. It's another area I think most entrepreneurs don't spend enough time thinking about is really what emotions are going to trigger the response that you want. Dan Hill mentioned that ultimately most of the emotional – well in the sale process, the end is going to be selling hope, but what before that - is it curiosity? Is it insecurity? Is it fear? Is it vanity? Is it grief? In my first report that I wrote that really helped launch my entire company, I was really targeting frustration and overwhelm as the two core emotions that I wanted to really stir up before I sold hope. And so you – the big question that you need to ask yourself is what emotions am I targeting? And, the answer to that should be the emotions that will trigger the sale and you need to know that and you'll only know that if you did what we were just talking about previously as far as studying your customers. Jay?

Jay: Related to that, emotions are contagious. Good emotions and bad emotions. If you're not passionate, if you're not excited – not excited just about what you're doing or what you're selling, but excited about who you are selling it to and what your product or service will positively and beneficially do for them, it's going to come across. Before you write copy, before you go on a sales call, before you do a teleconference or a webinar or a video broadcast or whatever you do, get yourself excited. And not superficially excited- passionate. Passionate about what you're doing.



Passionate about the market you're doing it for. Passionate about what a difference it's going to make – what an impact it's going to make – what a change it's going to make – what a savings or protection it's going to make and be genuinely and passionately enthusiastic about the contribution you're going to make because it'll carry through. If you are not, believe it or not, it will be evident in the flatness, in the emotional voidness in your copy, in your sales presentation, in your communication and two sides will suffer. You will certainly suffer for the lack of sales or the ineffectiveness of your marketing or your website or your email or your sales presentation, but the marketplace will suffer because they won't get the benefit of your product or service if it's a worthwhile product or service. So, you have to get your emotions at concert-pitch of authenticity, but of passionate and radiant excitement for the impact you're going to be making in that person's life or business. Rich?

Rich: Yeah, I'll just add to that and then maybe we'll move on. And, the I would say, and Jay if you disagree by all means say so, but I think the idea that all emotions are contagious really means that not only everything that you said, but whatever emotion you are trying to trigger in the minds of your prospects, you're going to have a much easier time doing that if you can get into that mental state while you're creating that messaging. So, even you know on the plus side when you're moving people towards excitement and enthusiasm, you need to be there. But, also on the negatives, like when you want people to feel insecure, or fear or overwhelmed or frustrated, if you can try and put yourself in that state, really imagine yourself in a situation where you would feel that and then convey the message in that state, you'll have an easier time getting the emotional response that you want from the prospect or customer or client on the other side.

Jay: I couldn't agree more and I would add to it because I think this is a really – obviously this is the sweet spot of the whole session. If you understand what true empathy is - it's feeling what your marketplace, your prospect, your buyer feels, it's seeing how they think. It's appreciating their hopes, their dreams, their fears, their struggles, their uncertainties and it's really appreciating that. And if you strive to appreciate it, you will feel it. And the fact that you feel it, emotionally yourself, will resonate. But, Rich is absolutely right, next.

Rich: Alright so the next – let's talk about authority and expertise. It comes right back to almost what we were talking about first impressions. You want to



establish your credentials up front. I don't remember who said it. I think it was Dr. Cialdini, I'm not sure, but he mentioned that when someone was perceived to be the expert the brain scans or whatever showed that there was no thinking, they were simply deferring to the expert. I thought that was so profound and so powerful. So, you really have to establish your credentials up front and even more importantly than that, you have to know what types of credentials even resonate with your marketplace. What is it that they're going to respect? Because what will gain you stature in one marketplace or street cred in one marketplace could often in another marketplace not really serve you at all and actually hinder you. So, in the guise of first impressions being so important, one of the best places to inject your expertise and authority is in those first impressions if you can do it in a way that doesn't come off brash or in a bragging sort of manner. Jay?

Jay: I think – I think that's really, that's really great. And when you want to really know the type of credentials, you want to be able to demonstrate it different ways. I've always tried to be very crisp and clear, but powerful and compare in contrast. In other words, sometime when I was doing my own credentials, I'd talk about all the different clients I've helped. Sometimes I'd talk about all the industries. Sometimes I'd talk about all the dollars I've created. Sometimes I'd talk about all the different forms of marketing, selling that I had been involved in. Sometimes I talked about all the tests in dollar denominated terms. Sometimes I talked about all the different kinds of successes – different Inc. Magazine entrepreneurs of the year. Sometimes I'd name names. It depends, as Rich says, on what resonates to your market. Rich?

Rich: I would just agree. I mean the same thing. In my marketing, I'll just like – sometimes I stress all the gurus that I've coached and that appeals to one market. But, if I'm going after more corporate clients, then I talk about the fact that I've taught Google, Yahoo and Microsoft and very different markets, very different messaging, very different way to establish credentials, but it has to resonate with the people that you're aiming for. So, let's move on.

Jay: Okay. One of the things that came out of one of the discussions which I thought was really important was really and truly is that everyone assumes people are rational but they make a lot of irrational decisions. So the first thing you want to do is gain their trust. No matter which way they're going to go and I think acknowledging them in the copy, respecting their



intelligence - treating them maybe not as a peer if you're an expert, but of somebody of enormous and infinite value and importance in your life and in their life. Relish their opinions. Relish their comments. Relish their feedback. Make them know and feel that they are important and relevant. The key work in all this is – you are relevant – you are important to me. You are the reason that I, my product, my company is in business. Rich?

Rich: I just think that is so vital. It's the different between a blog where the author of the post never comes back and replies to the comments, versus a blog where the author does that. You'll see so many more comments when the author is replying and that's because there's more of a dialogue and there's an understanding that implicit, like in seeing that that this person is reading the comments and this person cares about what my opinion is. And so when you can get that, you want to go for that. We've done in our test – we've seen that we get a higher conversion rate on people that comment on your blog versus people that don't.

The next one I'll take Jay just because I think it relates to my experience a lot, and that is about visuals and strong visuals in particular and how powerful they can be. Really two examples come to mind really quick - One was the very first graphic that I really used in my very first report that I used in presentations beforehand and when I used to ask people after the presentation what made them interested and wanting to be a client of mine, they always referenced this one particular slide. That slide ended up being on the cover of my first report and it's really the graphic that probably it has been most associated with me. It's a graphic that really shows overwhelm and the amount of stuff you need to do in a business. It really sizes up or conveys a whole host of emotions and feelings and pieces of information in one simple graphic. On another level, I've done a lot of different styles of presentations and what I found over time and also over research was that strong graphics in your presentations, less text, often helps you keep the audience engaged and also makes your message more powerful because it's not buried by layers and layers of text. It's not always easy to do. I've tried to create the same type of powerful graphic on a lot of my other covers of reports and I haven't ever gotten as powerful as that first one, but it's definitely something that needs to be given a lot of thought and is there a way that you can convey an important piece of your message in a graphic. Jay?

Jay: One of the ideas that really resonated with me because it was one of the very first marketing impressions that I ever got, as most people wait until



after the product and the company and the business and everything is done before they even deal with the marketing, but the most successful make the marketing an integrated part of the actual product creation. I learned a lesson years ago when I first got into the information business and it was scary to me but it was very hauntingly illustrative and it taught me a great lesson. I saw two different factions of people who were in the book business writing books and selling them. One was the expert that would spend his or her whole life mastering their expertise and they would spend years literally writing their first manuscript of the book and another 6 or 9 or 12 months editing it and formalizing it and finalizing it and then they'd spend a couple of weeks throwing together the marketing and the book wouldn't sell well. The guys that made a fortune spent all their time creating marketing for a book that would satisfy a need in the market. Once they got the marketing great they would have somebody ghost write the book for them and what was even – and it would sell through the roof. And what was even more fascinating to me, not making a comment good or bad, was that the books that were created from the marketing, not the books that were created and then marketing developed for them, but the books that were created from the marketing had a higher success rate, more testimonials, more success stories and greater perceived value than the ones that were written for the experts, which is probably a sad indictment that expertise by itself isn't as important as marketing acumen. But the key lesson here is - make the marketing an integral part of the business from the beginning and the product from the beginning. Rich?

Rich: Yeah and I would just add to that Jay that it's not only a reflection of what you said, but it's also that when you position a product to be sold and you are hitting all the hot buttons that are needed to sell it and then that dictates what's going to be included in the actual product, it doesn't strike me as that shocking at least, that those type of products would actually resonate better and also get better testimonials, etc. just because the expert was guided. Whoever wrote the thing by actually what needed to be in there because those were the compelling points that were needed to make the sale.

Jay: Hey Rich, I think, I like you because you really have lived these six universal principles of influence. I think you could probably do the best job of running with them but also the fastest job because it can take a long time, so why don't you run with them.



Rich: Sure and I'm not going to just reiterate what Dr. Cialdini said, I'll just try and add a perspective on it.

So the first principle that Dr. Cialdini talked about. Well, before we even talk about the principles – these are fundamental. And they're fundamental in every single product launch that you've seen online and as Dr. Cialdini said you really should be leveraging them in any and all marketing communications whichever ones you can appropriate for that particular circumstance.

Do the first one is reciprocation. And, there's two elements to this. First, is that when you invest in people, people will be more likely to invest in you. So, if you give of yourself first you'll more likely get people to give of themselves. But the inverse of that or the flipside of that is also true. That if you can get people to do you a favor they'll automatically think of you better. It's kind of a weird kind of thing. But, you know, if we ask you to fill out a survey and you do, in essence you actually will, odds are, feel better about us after the fact because you have to justify why you did it. So reciprocation on both avenues works well and that's why I give away free reports and things of that nature.

Next is scarcity. Scarcity is such a driver of the purchase, it's kind of shocking. You can't always – some products have scarcity built into it, you know if it's a service, if you're coaching, things like that. But, if you don't have that you can always use bonus scarcity. You can create certain bonuses that you're going to take away. Price increases. But, anything that you can add to scarcity. I mean, it's the reason why people will line up in front of an Apple store the day before the new iPhone comes out because they know it's going to sell out and they want to be one of the first people to have it.

Next is authority. Show your expertise. We talked about that already so I don't think we have to belabor that point.

The next one is commitment and consistency which basically it's easier to get people, prospects, customers, etc. to make a big commitment after you've gotten them to take a small commitment. We've used this consistently and we've seen dramatic increases in conversion rates with this group. We often will have like when we were doing a big product launch, will give – we'll do a blog post that is about a contest where we're going to give this product away and what we want to know is, how would



your life be different if you had this - if you won a copy. So then you get hundreds, sometimes a thousand people saying how their life would be different if they had this product. Now, you're going to award only one, two, three, five of them. But then you still have 999 people who already made a public statement about their lives being different if they won a copy and that's that initial commitment that gets them a lot closer to making the sale.

Next - liking. The idea here is that people like – people like themselves and the more someone likes you the easier it will be to make the sale. So how can you show your marketplace that you're like your prospects or that you were like your prospects before you used the product? The idea here is to make yourself likeable in whichever ways that you can.

And then the last one is consensus which is also goes by the phrase social proof or bandwagon effect, and that is that we look to others to make sure that we're making the right decision. I've often heard it described this way and I had the experience when I was busy on the phone once getting off a plane. I was busy on the phone, getting off the plane, so I didn't really have – I wasn't really thinking. I just followed where everyone else was going and it turned out the few people that were ahead of me weren't going to baggage claim, they were actually going to the bathroom. So, it's that default response that we tend to follow other people's behaviors to know what's appropriate and what the right decision for ourselves. That's why you see a lot of elements when a launch or a product is successful to let the world know how the successful the product is or how much momentum is in the launch because it will wrap other people in by 'oh, I wonder what so many people are so excited about' or 'what's so great about it,' or etc. So those would be the quick recap of that. On to you Jay.

Jay: Those were great. And a couple of extensions of that and reiterations and reapplications is today in this very stressful and uncertain world and time, the two most powerful factors are going to be authority and consensus. Showing that you are the authority – you really – you know what you're doing. You are the master. Your recommendations, your advice, your expertise is accurate and destined to have a successful outcome. And then secondly, here's what everyone else is doing just like you. Here's the decision their making. Here's the product their buying. Here's the place their going to. Here's the source their trusting. Those two factors, authority and consensus of all the factors you learn today are most critical



to incorporate in everything you do today to make certain that you overcome the apathy, the fear, the uncertainty of the people in the marketplace today. Rich?

Rich: Yeah and I would just – that falls right into place with the League. I mean, we're asking all these authorities, all these experts and we're sharing and disseminating it with an extremely large audience of entrepreneurs. And you can see those two elements running parallel in what we're doing here.

The next main point is and I don't remember who said it, but that the more information you're presented with the less you actually take in to make a decision. So the takeaway to me on that was that you've got to be really careful about not giving too many factors. Because when you give too many factors for why people should buy or too many, you know, overall focal points of benefits then what you risk is that the prospect isn't going to go through all of them, they're just going to pick the first few or first and last or whatever and then you're no longer choosing what are the most powerful. So, there is some real guidance here as far as like tightening up your message to make sure that you don't go too wide and instead go deeper. I think on a point that we'll probably cover real soon maybe even next Jay, is what Christophe Morin shared about really focusing on the top three pain points and the benefits really address those.

Jay: I think so. You're welcome to – you introduced it, so why don't you take it and I'll do the next one – go ahead.

Rich: Okay, so in this one brief answer I thought Christophe really laid out a plan of what great marketing that's based on neuromarketing is. Know the three biggest pain points of your prospects which goes back to studying your market. Take those three biggest pain points and create or find or create a product that has three benefits that target those pain points. In other words, three benefits that eliminate those pain points.

Next, contrast those benefits as far as where your prospect is now and how life is going to be with those benefits – the contrast of before and after and then lastly, back up those benefits, back up those claims with proof. So, three biggest pain points – met with the three biggest benefits that overcome them – contrast how life would be different with those benefits versus not – and then back up each of those benefits with proof. On to you Jay.



Jay: I'm going to go fast because we want to respectful of the remaining time here. So, it's an extension of what Rich said, but I have to underscore it. Of all these things, again, another of all these things, but contrast is probably one of the most powerful single elements in neuromarketing and in any kind of marketing – it's rarely used. But think about it. Before and after – you're struggling and you want to be – you want it to be easy. You work hard and you want to work smart. You're confused and you want to be certain. You're unhealthy and you want to be healthy. You don't know where the marketplace is going or the market and you want to learn. I mean everything is contrast and if you can learn to harness contrast in many different ways in your marketing, you are going to be not just harnessing contrast, but harnessing one of the most enduring, oldest neuromarketing forces that is immutable in the way that the brain works and the way the brain relates. When you start with contrast you immediately let my brain process and recognize what it doesn't want verse what it wants. Rich?

Rich: Alright, the next point was, I think it was also Christophe that said it and it was that the ancient brain, the old brain - the part that's responsible for making decisions is terribly selfish. I'm reminded of really two different pieces there. There was a further note about it also as far as people are going to remember what comes first and last and two famous copy writers pieces of advice kind of came to me here. One was what John Carlton once said that we're all selfish little creatures so you always have to appeal to your prospects self interest. I needed to hear that when I was first starting to write sales letters so I was very glad to hear that advice. And then the next thing is that this first and last advice that Clayton Makepeace gave me when writing a sales letters was and you're creating bullets – start with your strongest bullet, right up front, and end with your most curiosity inducing or provocative bullet at the end. That's the structure that he follows and he recommended as a friend to me that I should follow. Jay?

Jay: And another point that came out and I apologize I can't remember who to acknowledge it to, but it was profound in its elegant simplicity but it's the truth. And that is that really people, buyers, prospects put a lot more weight on the potential of their loss than they do on their gain. Everyone tries to make a million, but right now in the world, people just want to be able to keep their houses and pay their bills and put their kids in college. Certainly they want more money, but they want to be able to just keep up and sustain their lifestyle and one of the very finest copy writers out there,



I think it was Gary Bencivenga tells a really interesting story and he uses contrast interestingly to underscore the value of avoiding loss. And he said if somebody called you in the middle of the night and said Rich, there's an incredible sale at Target, if you get down there by 1:00 in the morning you can buy 4 snow tires for only \$59, the odds are you'd say, Jay shut up I want to stay sleeping, good night and hang up. But if I called you at 12:00 and said Rich, there are 4 very, very surly looking guys who are 6'8" carrying a bunch of tires out of your garage, you would jump up right now and you would either run down there with your shotgun or if you're not quite so courageous you'd be on the phone to the police, but you would move mountains to avoid the loss and that's a very inherent human nature immutable factor that very few of us really pick up on. We try to focus more often than not, on the gain over the loss and the loss is much more of an emotional stimulus. Rich?

Rich: I would just even add to that point Jay that even if Target was giving away the tires versus thugs stealing them, it would have the same impact. So whether it's free on both sides, you get to either keep your tires or you get brand new tires, you'd probably much be more stimulated to action to get the – to keep the ones that you have.

The next one is about creating new habits. I think it was Dan Ariely who said it. And it reminded me of an example and I don't know if you've ever heard this example Jay, but they did a study with drycleaners and they found that if a drycleaner issued a coupon and someone came in one time, that the overall likelihood that that person was going to stay a customer was not very high. But if they could induce three different visits, in other words, give a second coupon when they came in the first time, and then a third coupon when they came in the second time – if they did that three times, the likelihood of that person then continuing on as a customer was significantly and I don't remember the stats, but significantly higher. It's the same thing that we're doing here with the League. We're trying to show you over time and get you used to plumbing the depths of the expert minds to get your biggest questions answered on a consistent basis so that you're more likely to continue on. And I'd say that that also applies to auto responders. If you can get someone to open the first bunch of emails that you send out the likelihood that you'll get them to continually to do so is much higher. I've seen in the financial industry and newsletter industry, they call it the gauntlet series. And one of the best messages I've ever seen for that was one written by Michael Masterson in the very beginnings of Early to Rise, where he says in the very first



message, he tells you the whole mission of Early to Rise and then what you can expect over the next 10 days. And he tells you like in the first three days, I'm going to give you three business secrets that are certain to grow your business. On the fourth day I'm going to give you a productivity tip that will double your output and make you get to your goals a lot faster. On the sixth day I'm going to do this and so on and so on. And what he was really doing was getting you to really want to open the next ten emails so that you could start building that habit. You can do that with continuity programs. You can do that in any area and the goal is what Dan Ariely was saying is go for the habit. Try to create that habit. Jay?

Jay: That was great. I think probably the last point that I want to make today in our interpretive summary is – and it's very – it's a little tricky – is that one of the goals that came out is what you want to try to do is stimulate and induce the notion of regret. But, there's two levels of regret I think you have to overcome. Right now I think there's a very high incidence in the marketplace where people don't want to regret making a decision so they face paralysis, procrastination, equivocation. You've got to basically move from that kind of regret to the regret that they would feel by not buying now. Because they've got to have such certainty and you got to use those six different elements Rich talked about earlier to convince me that I'm going to have far more regret by not moving forward than I am by taking no action. Rich?

Rich: I think that wraps it up Jay. So any parting comments?

Jay: I got a couple of final thoughts. One is each panel that Rich and I have organized - were organized basically to focus your mind on a big piece of the puzzle you have not thought about, learned about, understood at the seminal level. Obviously, you've got to be able to take it and apply it to your copywriting, to the marketplace you deal with, to the marketing sources that you use, to the type of buyer, the demographic, psychographics, etc. and that is a requirement of deep really concentrated and really intelligent thinking. We're trying to stimulate that by starting you with these interpretive and very, very relevant implications and applications of what we heard. We promised and we will never breach this that we will not sell you anything on these calls, but I do have to tell you that if you're not taking copious notes – if you don't have the memory of really a photo mind, and you can't remember every word uttered and you don't have an unabridged transcript and a recording. Then if you don't know what to do with it, you don't have an action guide – shame on



you because we make it so readily available and we make this concept that I talked about - regret not an issue because we take all the risk. And it's not meant to be a sales effort. We just want to make sure that everybody who invests the time, the effort and the trust in Rich and I and the enormously impressive panels of experts that we recruit, attract and then really induce and seduce to open their minds to you that you get the very most you can. And you got to be a critical thinker and you got to really be able to process and access. And if you're not really able to do that, do something about it – not a sales – we're not selling anything here, but if we make you an offer in the future, boy if it's to get those things, I would pounce on it and that's from the heart. It's not from the wallet because we just want to see you get a great payoff because we want you stay in this program and keep going to the paid service and the best way for that to happen is for you to realize what somebody said, what the implication is, what the application is, take advantage of it, apply it to your business, your marketing, to your efforts and have it make a huge, tangible bottom line difference in your life so you see that we really are the best return on investment if you take action and do something with it.

Rich, I'm done, how about you?

Rich: Just a couple quick housekeeping notes. I wanted to thank everybody who retweeted our message and it's not too late to retweet it now. We had a tremendous amount of people retweeting on our last panel session and so I hope that it continues on every single time. And also to thank you to all of those – all of you who gave us a testimonial. Please do so on this one as well if you got even a fraction of what I got, I'm sure you will. And, you know, check out these experts because these guys really and also women, they really delivered the goods tonight and hopefully you really did take great notes because there were so many great takeaways and I'm glad we got to highlight a few of them, but there were a lot more than what we just covered and hopefully you grasped them, you recorded them, and you'll put them to use. And if you do, I'm sure you'll watch your profits grow. So with that Jay, I'm done.

Jay: And, thank you all. It was heartwarming to read some of the insights and the very positive and delightfully laudatory comments from those of you who really grasped the real purpose that Rich and I have been doing this. You need someone to be your sword and your shield and your advocate and your champion and your benefactor and your source to a higher level of understanding and ability. We've taken that role on very seriously and



hopefully with each one of these panels and onward into the paid service, you'll really see that that is really a source of great achievement that you can do a lot with. We're very proud to have you associated with us and we hope we never let you down. Thank you.

Rich: Bye-bye.

(End)
