

# Brand Up: Lift Sales, Profits and the Customer Experience



**Erik Radle** 

CEO

Miller Ad Agency

Dallas, TX

972-243-2211

eradle@milleradagency.com

The views and opinions presented in this educational program and any accompanying handout material are those of the speakers, and do not necessarily represent the views or opinions of NADA. The speakers are not NADA representatives, and their presence on the program is not a NADA endorsement or sponsorship of the speaker or the speaker's company, product, or services.

Nothing that is presented during this educational program is intended as legal advice, and this program may not address all federal, state, or local regulatory or other legal issues raised by the subject matter it addresses. The purpose of the program is to help dealers improve the effectiveness of their business practices. The information presented is also not intended to urge or suggest that dealers adopt any specific practices or policies for their dealerships, nor is it intended to encourage concerted action among competitors or any other action on the part of dealers that would in any manner fix or stabilize the price or any element of the price of any good or service.

The Human Condition- The Best Things In Life Make You Sweaty!

- We seek out experiences that excite our senses
- Our bodies possess over 2.6 million sweat glands
- Entire cities, economies are based on the premise that we'll seek positive experiences
- Notes:

## Neuroplasticity and Blood Flow

- Our brains are not static objects
- The pathways can be remapped based on life experiences and emotions
- The 1977 Discovery of the MRI tells is that ALL decision involve the part of the brain that processes emotions
- The brain comprises 2% of but requires 20% of our energy/blood flow. How do we address this imbalance?
- Notes:

### The Reptilian Brain:

- Neo-cortex- The outer layer, recently evolved that processes language, logic, calculations
- Limbic- Mid region that processes emotion, along with sound and smell
- Reptilian- Inner most and oldest part of the brain that makes snap decisions, instinctual decisions, relying on short cuts to address the 2%/20% brain imbalance. These short cuts are called COGNITIVE BIASES or COGNITIVE LEANINGS.
- Notes:

## **Cognitive Biases**

Attentional Bias- The more we see something, the more likely we are to like/buy it.

# Familiarity= Like and includes these three elements:

- Cognitive Fluency- The object is easy to think about
- Prototypicality- The object is like other object that do what it does
- Habit- The object is predictable and repeats behaviors
- Notes:

Anchoring Bias- We associate true value of an object based on the first price we see on an object

- Always show MSRP w/ a discount vs. just a sales price
- "Charm" pricing works, \$9.99 id much more effective than \$10
- Removing the "\$" from prices allows people to spend more money
- Notes:

Impact Bias-People drastically overestimate how happy (or sad) and event or purchase can make them

Zeigarnik Bias- The brain remembers unfinished events or incomplete things better than completed

- Pre-roll and other media opportunities
- Notes:

Cochran Bias- The brain remember things that rhyme better than those that do not

- Opportunities with tagline, SEM, email subjects
- Notes:

Peltzman Bias- The (reptile) brain is more likely to take risk in an environment that appears safe

- Importance of trust badges and testimonials
- Notes:

Websifting- The human brain assesses like/don't like about a website in 50 milliseconds

- While storage in the brain is nearly infinite, processing speed is just 120 bits per second
- Just visually, the brain is bombarded with 10,000 bit per second of info
- We can't process as much as comes our way, we can't truly multi-task
- Notes:

Ambiguity Bias- The (reptile) brain, in accordance with avoiding pain avoids the unknown

- Impact to (non-pricing) and reverse-cold-calling
- Notes

Cheerleader Bias/Effect- We are more likely to believe/accept something when we hear it from multiple sources

- Testimonial
- Notes

Cognitive Leaning- Priming: Our emotions and even behaviors can be influenced by the meaning of the words we are exposed to in advertising

Cognitive Leaning- Contrast: Our reptile brain make incredibly quick decisions when two choices are juxtaposed.

Cognitive Leaning- (Large) Eye Contact: We assign trust to large eyes, specifically huge pupils

- Large pupils once thought as a sign of arousal, actually a sign of total engagement
- Impact to talent, video shoots
- Notes:

Cognitive Leaning- Thin Slicing: We judge another human face to be trustworthy or not in 33 milliseconds, by shape before we even realize it is a face.

- In assessing another person the reptile brain asks, "Am I safe?" and the "Are you like me?"
- Also called IN GROUP BIAS, we want to be around people like ourselves
- Impact to talent selection and ego
- Notes:

Cognitive Leaning- Perspective: The reptile brain as selfish (as it seeks self-preservation) and loves to see the word as if through the camera of its own eyes

Reactance Bias- The retile brain, even when confronted with the facts, is reticent to change position on a previous decision

- Impact to Superlatives
- Impact to Tonality
- Notes:

Cognitive Leanings- TMI: Providing to much logical, factual information to the brain can <u>prevent</u> a decision from being made.

- Fallacy of focus groups, fallacy of VDP
- Top Online Retailer Amazon converts to sales at 13% vs. Top 500 retailers at 3.3% (by providing less information, a familiar environment and trust)
- Notes:

**Sensory Processing Elements:** 

Sight- We process visual images 60x faster than text, as we have been using sight for 8+ million years and language for only 10,000 (written).

- Images tell your story better than any other sense option
- Image that MOVE further excite/engage the reptile brain
- Images with sound (which we have processed as language for 60,000) years represent the penultimate marketing combination
- Notes:

Names: We associate meaning to a name even when we don't know the language

- Rhymes and alliteration can both aid in RECALL FLUENCY
- Names should be assessed for their current, not historical value
- Notes:

Colors: Can impact the brain in many ways

- Strong brands can be fully identified by color
- Color can influence mood and behavior
- Notes:

# **Logos and Taglines**

- Logos should have meaning, longevity and mass applicability
- Taglines should rhyme, alliterate and express both mission and safety to the (reptile) brain
- Notes:

Attenuation Theory (Voice Volume)- Yelling at someone causes retreat

- It can further cause the recipient to lash out in the same way in future interaction
- Impact to creative strategy
- Notes:

Sound ID: A brand can take ownership of a certain (short) sound aiding in recall/retrieval fluency

- Brands owning sounds include Intel, South West Airlines
- Notes:

Jingles: A song with Repetition (plus rhyme, plus alliteration anchored to familiar music)

- Aids in recall fluency
- Recipe for # 1 hits on Top 40 over the last 55 years? Repetition of lyrics, chorus, words
- Notes:

Smell and Branding- Smell can influence behavior and emotion

- Processed in the same portion of the brain as sound and emotion
- What do the slots at the Hilton smell like?
- Jasmine, lavender, as soothing scents

Occam's Razor- When in doubt, seek the most simple solution (to be correct)

- Strive for cognitive fluency
- Strive for recall fluency
- Strive for personalization (soothe that inner reptile)
- Notes:

Defining A Winning Brand- The "purchase" funnel literally inverts

- Positive familiarity
- Affinity and Preference
- Market Protection
- Pricing Power
- Loyal Fans
- Notes:

Weak Brands- Fighting (with the wrong sense-elements) at the bottom of the funnel

Strong Brand Case Studies: They're doing it right, engaging the (reptile) brain with multiple biases

- Red Bull
- South West Airlines
- Nordstrom
- Notes:

Brand Grenades- What poor decisions can hurt your brand?

- Outside Influences
- Inconsistency
- Fighting The (Reptile) Brain
  - o Lack of attention to cognitive biases
  - o Choosing media in conflict with how we process sensical information
- Wrong spokesperson
- Ignoring opportunities for humor (emotion) and parody
- Notes:

Beauty, Not The Beast- The retile brain is attracted to beautiful people

- o Choose talent that is beautiful, has symmetrical face, big eyes, high cheekbones, full lips & narrow chin
- o HBR Study- Women wearing make-up perceived to be more competent and trustworthy
- o Notes:

Media Choices and The Human Brain:

Notes: