

SUMMARY

BUYOLOGY

MARTIN LINDSTROM



Summary of “Buyology” by Martin Lindstrom

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Discover the truth and lies about why we buy.

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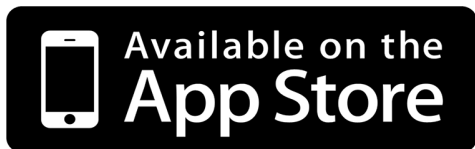


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Introduction

Today we are all consumers. Whether you're buying a cell phone or just a Coca-Cola, shopping has become a large part of our everyday lives. For this reason, every day we are bombarded with hundreds of messages in the form of highway billboards, TV commercials, internet banner ads, and more. With opportunities for endless marketing, brands are coming at us at full speed from all directions, how is it possible that we can remember it all? Think about the times you set down your cell phone or keys and immediately forget where you put them, why does that happen? Well, in today's world, our brains are constantly collecting and filtering through information, some of that information will make it into our long-term memory whereas most will be dispensed into oblivion and forgotten forever. Unfortunately, many companies today become just another set of lost keys and struggle to become a better lasting brand that consumers remember. Instead, consumers are becoming brand loyal, they choose particular brands of clothing, certain makes of cars, or particular shampoos, chocolate, and even shaving cream. But why? Author Martin Lindstrom sought to answer this very question and spent three years and millions of dollars diving into the world of consumers, brands, and science. What he found is that traditional marketing research no longer works. Instead, the future of marketing lies in completely understanding the thoughts, feelings, motivations, needs, and desires of consumers. That is why marketers should look to neuromarketing, the practice of using marketing and science to produce even better marketing strategies. By focusing on *why we buy*, Lindstrom believes the key to marketing is in our *buyology*.

The Power of Mirror Neurons

In 2004, Steve Jobs, the CEO, chairman, and co-founder of Apple, noticed something amazing. As he was strolling the streets of New York City, he noticed the number of people with hip white earphones dangling out of their ears. They were poking out of people's pockets, backpacks, and purses, it was as if someone on every block had a pair of Apple's iconic white headphones. While some may have called it a fad or a revolution, Jobs knew it was something more. It "was nothing less than the triumph of a region of our brains associated with something called the mirror neuron."

You may not realize it, but mirror neurons can explain why we do many unexplainable actions every day. For example, when someone next to us on an airplane begins to whisper to us, we tend to lower our voice in return. Or perhaps that same person has a pronounced accent, then we unconsciously begin to imitate it. Mirror neurons can even explain why we often smile when we see others who are happy, or we cringe when we see someone experience physical pain.

In 1992, Italian scientist Giacomo Rizzolatti studied the brains of a species of monkey called the macaque in hopes of finding out how the brain organizes our motor behaviors. Specifically, they were looking at a region of the brain known as the premotor area, the area which registers activity when monkeys carry out certain activities like picking up a nut. Scientists observed that the macaque's premotor neurons would light up not just when the monkeys reached for a nut, but when they saw *other* monkeys reaching for a nut. This observation came as a surprise as neurons in premotor regions don't typically respond to visual stimulation.

Even more surprising was when one of Dr. Rizzolatti's grad students returned to the lab holding an ice cream cone. As one of the macaques was staring longingly at the ice cream cone, the grad student raised the cone to his mouth and took a lick. At that moment, the macaque's promoter region fired even though the monkey had done nothing at all. It hadn't moved its

arm or taken a lick of ice cream, it simply *observed* the student and the monkey's brain had mentally imitated the same gesture. Immediately, Dr. Rizzolatti wondered if human brains worked the same way.

Many fMRI and EEG scans point to a resounding yes, as these regions are activated both when someone is performing an action, as well as when the person observes others performing that action. So when Steve Jobs observed all those white headphones in New York City, he also observed how mirror neurons play an important role in our everyday lives. You see, when we see other people with unusual earphones, our mirror neurons begin firing, triggering a desire for us to have the same cool-looking accessories.

For example, when a woman passes the storefront window of the Gap and sees a shapely mannequin wearing a pair of hip-hugging jeans with a summery white blouse, she might think that the mannequin looks “slim, sexy, confident, relaxed, and appealing.” Subconsciously, the woman begins to think that she could look like that too if she bought that outfit. She thinks that if she wears those clothes, she will feel slim, sexy, confident, and appealing too! Before she knows it, she's inside the store pulling out her Visa and walking out with that same outfit. This is how mirror neurons work: we see a good looking outfit and subconsciously believe we can immediately achieve that same look and feel by purchasing that exact outfit.

Of course, what happens as she walks out of the store? Suddenly, she might start to wonder if she will ever wear this outfit and if she really needed the entire outfit in the first place. Sound familiar? This is because mirror neurons work in tandem with dopamine. This is why “retail therapy” has become so popular and even addictive. Our dopamine levels increase in the anticipation of buying something new that will make us feel good; however, that rush can wear off as soon as we leave the store. However, imagine a few weeks later when that same woman walks past that exact storefront, only to see another outfit that looks just as good or even better. She'll suddenly be reminded of that euphoric feeling just a few weeks prior and yearn to buy that new outfit.

Simply put, advertising isn't just smoke and mirrors - it's mirror neurons and those neurons are powerful in driving our loyalty, minds, and even our wallets.

The Power of Subliminal Messaging

It was the year of 1957. It began inside a movie theater in Fort Lee, New Jersey, where 45,699 moviegoers went to see the cinematic version of William Inge's play *Picnic*. Of course, this version of the film was very different. It was manipulated by market researcher James Vicary who had placed a mechanical slide projector in the screening room which projected words like "Drink Coca-Cola" and "Eat Popcorn" throughout the film, they were short bursts not long enough to be caught by the conscious mind. Vicary coined the term *subliminal advertising* and claimed the Fort Lee theater saw an 18.1 percent increase in Coca-Cola sales and a 57.8 percent surge in popcorn purchases. Of course, he also claimed this was all due to his hidden messages.

In 1962, Dr. Henry Link completed this same experiment. Yet this time, there was no jump whatsoever in Coke or popcorn sales. In the end, Vicary was forced to admit that his experiment was false, it was all a gimmick. Unfortunately, Vicary's admission would do little to appease the American public's mind, and the National Association of Broadcasters banned subliminal messaging to ease the public's anxiety. Furthermore, this faux experiment was only the beginning of the public's fear of subliminal advertising.

Defined as visual, auditory, or other sensory messages that register just below our level of conscious perception, stories about subliminal messaging are usually met with skepticism and doubt. But the accusations still do surface from time to time. For example, in 1973, one petrified moviegoer fainted during a showing of *The Exorcist* and broke his jaw on the seat in front of him. Afterward, the movie patron sued Warner Brothers for using subliminal images of a demon's face causing him to pass out.

Subliminal messaging in advertising, however, is less subtle in today's market. For example, think about the Gershwin standard that plays in the background of the clothing store as we shop for a new swanky outfit. While

we can certainly hear the music, we're too distracted to register that it's playing. What about aromas that are pumped into casinos, hotel rooms, or even new cars? Could these be considered subliminal messages? If so, do they work? Recently, two researchers studied how subliminal messages can influence our decision making. When exposed to smiling or frowning faces for sixteen milliseconds (not long enough to consciously register the image), volunteers who saw a smiling face were more likely to fill their beverage pitchers with more drink and even pay twice as much for it. Others that were shown an angry face were not as willing!

The researchers termed this as "unconscious emotion" and essentially means that smiling faces can subconsciously get us to buy more stuff. So store managers who instruct their employees to smile may be on to something bigger than just having happy employees!

How Somatic Markers Influence Our Decisions

Imagine walking into the grocery store and heading to the peanut butter section, the generic supermarket offers big brands like Skippy, Peter Pan, and Jif. Most consumers can make their choice of peanut butter in about two seconds. But why? Was your decision a rational one? If you're like most people, you probably can't explain why you made your decision. In fact, "A recent study conducted by German brand and retail experts, Gruppe Nymphenburg, found that over 50 percent of all purchasing decisions by shoppers are made spontaneously - and therefore unconsciously - at the point of sale." However, the real rationale behind your choice was actually built on a lifetime of associations. This is a result of our brains' *somatic markers* or shortcuts that trigger automatic responses.

To prove that our somatic markers influence our decision making, Professor Robert Heath examined the success of a brand of British toilet paper known as Andrex that outsells its rival, Kleenex, in the United Kingdom by an almost two-to-one margin. Both companies have high-quality ads that cost approximately the same, so what's Andrex's secret? Well, according to Heath, the secret is in the small Labrador puppy. Using a puppy as its mascot, Andrex has created a connection between toilet paper and families that seems a bit random. However, it's not random at all.

As Heath writes, "Puppies are linked with growing young families; puppies are even linked to toilet training. The connections between any of these concepts and the puppy associations can be created and reinforced every time the ads are seen." So when a consumer is faced with the decision of choosing a toilet paper brand, a consumer will not consciously think about the ads; however, they will somehow "feel better" about purchasing Andrex. At the end of the day, somatic markers are an incredibly effective marketing tool and advertisers will often try to create associations to trigger the somatic markers in our brains.

For example, when Lindstrom was visiting Eastern Europe, he met with the CEO of one of the region's largest banks. The CEO asked Lindstrom how he could boost the bank's awareness. Now, Lindstrom wants to remind us that he'd had a few glasses of wine, but he gave him some rather unusual advice: paint everything pink. That's right, every branch, car, staff uniform, everything, paint it pink! After six months, the bank's CEO was confused, everyone hated it. Lindstrom told him to stick it out and that he'll notice a difference in just 90 days. Sure enough, Lindstrom received an email saying that his bank was now thriving. But why? Customers had begun to associate the bank's pink with the comfort and security of a childhood piggy bank! In the end, the bank had the highest brand awareness in the country, allowing them to cut their marketing costs in half.

Somatic Markers and Fear

Somatic markers can be used in a variety of ways. In fact, because somatic markers are based on both positive and negative experiences, companies will even use fear as a powerful somatic marker to take advantage of your greatest insecurities. Take Colgate toothpaste, for example, who claimed that “emerging scientific” research associated serious gum disease with other diseases like heart disease, diabetes, and strokes. In other words, “brush with Colgate - or else you’ll die!”

I mean think about all the medicines that are aimed to cure our depression or make us lose weight that. Think about all the creams and ointments meant to prevent wrinkles and acne. Think of computer software that is sold to prevent our hard drives from crashing. All these products are bought out of fear, whether the consumer is conscious of the fear or not. We are scared of becoming obese, so we buy diet pills and gym memberships. We are scared of aging and of having pimples on our face, so we buy creams and ointments. We are scared of our computer losing all of our data and information, so we buy hard drives for back up. “Advertisers attempt to scare us into believing that *not* buying their product will make us feel less safe, less happy, less free, and less in control of our lives.”

One of the most popular fear-driven ads is that of Johnson’s No More Tears Baby Shampoo. The product evokes fear, right? You’re immediately flooded with memories of stinging red eyes from your childhood, perhaps you even experienced this pain recently. These memories influence you to purchase a tear-free shampoo because you would never want to subject your poor baby to that same pain!

Of course, the use of somatic markers and fear can be seen in more than just the world of advertising. Let’s take a look at how fear is used in election campaigns that are aimed to convince the public to vote in a particular way. For example, Lyndon Johnson’s infamous 1964 “Daisy” ad pictured a young girl frolicking with a daisy as a nuclear explosion detonates and explodes

around her. Johnson's ad played to the public's fear of an impending nuclear war and even helped ensure his victory in the 1964 election. His ad portrayed a message that stated, "vote for me or die of nuclear war" which scared the public and made them want to vote for someone they believed would protect them.

Political strategist, Tom Freedman, founded a company known as FKF Applied Research to study our brains and the decision-making process. Through his research, Freedman found that when watching ads such as Johnson's "Daisy" and when looking at images of the 9/11 World Trade Center terrorist attacks, there was a noticeable increase in activity in the amygdala. The amygdala is a small region in the brain that governs things like fear, anxiety, and dread. In other words, Freedman proved that designing ad campaigns that play on voters' fear has proven time and time again to be the key in securing a politician's win.

Subliminal Messaging in Tobacco Ads

It's no secret that antismoking advertisements are meant to be gruesome, explicit, and elicit fear. They are meant to scare those who smoke to stop and to scare people who have never picked up a cigarette to never start. But how effective are these ads? Lindstrom discusses one of the most repulsive anti-smoking ads that depicted a group of people sitting around talking and smoking. But instead of smoke, thick, greenish-yellow globules of fat begin pouring out of the tips of their cigarettes, congealing and splattering onto their ashtrays. As the smokers talked and gestured, the wads of fat spread to the floor, their shirtsleeves, all over the table, everywhere. The point, of course, was to show that smoking spreads these same globules of fat through your bloodstream, resulting in clogged arteries and poor health.

This ad, however, like most antismoking campaigns had the opposite effect on smokers. Viewing the ad triggers the smokers' "craving spots" to come alive, so instead of turning people off smoking, the ad simply stimulated their urge to smoke. In other words, overt and direct anti-smoking messages did more to encourage smoking than to stop it. But what about *subliminal* tobacco ads? Think of a good-looking cowboy with a rugged landscape behind him. Two men on horseback. The American West. A jeep, a lipstick-colored sunset, a parched desert. A bright red Ferrari. NASCAR. These were among the images that Lindstrom showed the volunteers of a subliminal tobacco experiment.

All these images can be associated with cigarette commercials from back in the day when the government allowed cigarette ads. Whether a smoker lived in the era or not, the old ads are well-known and still seen today on the internet, in stores, etc. Additionally, none of the images included a cigarette, logo, or brand name anywhere in sight. After two months of testing, fMRI scans revealed a pronounced response in the participants' nucleus accumbens - the area of the brain involved with reward, craving, and addiction - when they viewed actual cigarette packs. However, even when participants were exposed to nonexplicit images like the red Ferrari

and cowboys on horseback, there was immediate activity in the craving region of their brains.

In fact, researchers discovered that participants experienced even *more* activity in the reward and craving centers of the brain when they viewed the subliminal messages versus when they viewed overt images. In other words, logo-free images that are simply associated with cigarettes triggered more cravings among smokers than the logos or images of the cigarette packs themselves. So does subliminal advertising work? Simply put, yes.

Successful Companies Rely on Rituals and Comfort

In today's fast-paced world, we are constantly searching for stability and familiarity. This is perhaps one of the biggest reasons consumers become loyal to brands. Take a look at the cell phone industry, people are likely to choose a brand and stick with it: Apple or Samsung. You see, when we find a brand or ritual that we like, we find comfort in having that particular blend of coffee each morning, that signature shampoo with a familiar smell, or that favorite make of a running sneaker that we feel comfortable with. At the end of the day, we are creatures of habit and when we find a ritual we like, we form an emotional connection to the brand.

Take a look at food rituals that can be found everywhere. When it comes to Oreos, for example, there are two distinct rituals that people choose. Some choose to pry open the cookie, lick the white frosting, then eat the two wafers. Others keep the sandwich cookie intact and dunk the whole thing in a glass of cold milk. Even senior business director, Mike Faherty, once said, "Oreo is not just a cookie, it's a ritual. Dunking Oreo cookies in milk is part of the American fabric." Therefore, people don't simply choose Oreos because of the cookie, they choose Oreos for the experience and the comforting ritual that has created an emotional bond between the consumer and the brand.

In fact, big brands are similar to religions. While religions aim to achieve a spiritual goal, big brands have similar missions to change the world. For instance, Steve Job's vision for Apple began with, "Man is the creator of change in this world. As such he should be above systems and structures, and not subordinate to them." Or take a look at high-end audio and video product maker Bang and Olufsen's mission statement, "Courage to constantly question the ordinary in search of surprising, long-lasting experiences." Like religions, successful companies have a clear and powerful sense of mission.

Similarly, religions also strive to exert power over their enemies. Lindstrom considers this the “us vs. them” mentality that can be seen in major brands as well, Coke vs. Pepsi, Visa vs. Mastercard, Apple vs. Samsung. Think about the Hertz campaign that simply stated, “We’re Hertz and they’re not.” While this strategy may seem controversial, it helps attract fanatic followers who will become loyal to the brand. So while big brands and religions have many differences, big brands can certainly be compared to religion in that they seek to change the world, have a clear mission, and aim to exert power over others.

Does Sex Really Sell?

Imagine a young woman sprawled across the hood of a new 1966 Ford Mustang. Surrounding her are delicate flower petals placed to spell out the number six to reference the year and the car's six-cylinder engine. The tagline? *Six and the Single Girl*. Or let's take a look at the 1971 National Airlines ad featuring a stewardess with sultry eyes. The tagline? "I'm Cheryl, Fly me." Just a year later, National Airlines saw a 23 percent increase in passengers, prompting them to release follow-up ads with beautiful stewardesses with a tagline that read, "I'm going to fly you like you've never been flown before."

Sex has long dominated our advertising as people have largely believed that "sex sells." In fact, according to a 2005 book entitled *Sex in Advertising: Perspectives on the Erotic Appeal*, roughly one-fifth of all advertising today uses overt sexual content to sell its products. The proof is in the ads you're bombarded with every day, the fragrance ads with scantily clad women, the Abercrombie & Fitch store that has female mannequins with unnaturally large breasts and male mannequins that are incredibly well endowed. But it's not just perfume and clothing companies, it's in restaurant ads, airline ads, TV commercials, on the side of a giant bus. Sex advertising is everywhere, but does it work?

In 2007, University College London set out to study how well we recall sexually suggestive commercials. During the experiment, two groups of participants watched an episode of *Sex and the City* while the other two groups watched the unerotic family sitcom, *Malcolm in the Middle*. During the commercial breaks, one segment of each group viewed sexually suggestive ads for products like shampoo, beer, and perfume while the other two groups watched ads with no sexual content. At the end of the study, researchers asked the participants, "What do you remember?" Turns out that all participants struggled to recall the names of the brands and products they had seen whether they were sexual or not. Furthermore, the group that watched *Sex and the City* actually had an even *worse* recall of

the advertisements than those who watched *Malcolm in the Middle*. Researchers concluded, “that sex does not sell anything other than itself.”

In fact, a company called MediaAnalyzer Software & Research found that sexual content can actually interfere with its effectiveness. For example, they showed four hundred subjects print ads that ranged in suggestiveness and sexual content. They instructed participants to use their computer mice to indicate where exactly their gaze instinctively migrated. While the men spent a large amount of time passing their mice over women’s breasts, they largely bypassed the brand name, logo, and other text. In other words, sexually suggestive material blinded them to all other information, including the brand and product itself.

The Power of Neuromarketing

Now that you have a better understanding of how your brain works, you can have an even better understanding of how advertising takes advantage of your hidden preferences, unconscious desires, and irrational dreams. Furthermore, thanks to neuroimaging, you can better understand what truly drives your behavior, like your preference for Corona over Budweiser or McDonald's over Wendy's.

Not only that, but now advertisers and marketers no longer have to rely on luck, coincidence, chance, or repeating the same old tricks all over again. Now we know that roughly 90 percent of our consumer buying behavior is unconscious, so it's time to take advantage of neuromarketing. For example, Christian Dior used fMRI to advertise their new fragrance J'adore, they tested everything from its scent to its colors to its ad placements. The company won't reveal what they've uncovered; however, J'adore has been one of the most blazingly successful launches at Christian Dior in years.

Dior isn't the only company using neuromarketing, however. Microsoft who acknowledged that "human beings are often poor reporters of their own actions," plans to use EEGs to record electrical activity in people's brains to see what emotions they feel as they interact with their computers. They plan to record when they feel everything from surprise and satisfaction to hair-pulling frustration! However, neuromarketing doesn't stop there. Neuroscientists have even studied how our brains make decisions about how much we're willing to pay for a product.

For example, when participants view luxury products like Louis Vuitton and Gucci bags being sold at full price, both the nucleus accumbens and the anterior cingulate light up, this means that the participants experience both anticipatory pleasure mixed with conflict about buying something so expensive. On the other hand, when participants are shown the same

products at a significant discount, the “conflict” signal decreases while the pleasure activation simultaneously rises.

Perhaps the biggest advantage of neuromarketing is the ability to determine if an ad will induce fear that will make a consumer take action or fear that will scare people away. For instance, an ad by Nationwide Annuities once starred Keven Federline, Britney Spears’s ex-husband. As he’s dressed in all white, K-Fed unwinds himself from a red sports car as bikini-wearing women surround him. The next shot, however, shows real-life Kevin Federline working the counter of a fast-food chain. The tagline? *Life comes at you fast*. The obvious message is that life can change in an instant. You can go from living the high life to having the rug pulled out from beneath you, so you should invest with Nationwide to help you before you fall.

As volunteers viewed this commercial, fMRI scans showed stimulation in their amygdalas, the regions of the brain associated with dread, anxiety, and the fight-or-flight response. This simply means that the commercial left the viewers upset and anxious which scared people away instead of inspiring them to take action!

At the end of the day, it’s impossible to escape the hundreds or thousands of advertisements we see every day. I mean, you can turn off your cell phone, unplug your television and lock yourself inside to avoid the influx of ads. Unfortunately, that doesn’t sound like a life worth living. But now with the knowledge you have, you can live in a world where you understand the mysterious workings of your subconscious. You no longer have to be a slave to marketers, you can seek to control your impulses and understand why you buy the things you do. So be mindful and you’ll be able to escape the tricks and traps laid out by companies to seduce you to buy their products.

Final Summary

Today, we are bombarded by advertising everywhere we go. As companies try to grab your attention, they turn to tricks and perhaps even subliminal messaging to take advantage of your weaknesses and get you to buy their products. Now, however, we can better understand exactly how our brains work and why we make most purchase decisions unconsciously. With this knowledge, we can arm ourselves with the power to control our purchases while companies continue to use neuromarketing to get to the root of why humans behave the way they do. In the past, companies have had to rely on pure luck for successful ad campaigns, but today, companies can better understand their consumers and can predict exactly why they make the purchases they make. Therefore, the future of marketing is neuromarketing as companies continue to employ research techniques to help market their products in a way that sticks.



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