

BRAIN MATTERS

## **SELLING WITH NEUROSCIENCE**

"Neuroscience is where the intellectual action is these days" – The Observer

"We seem to read about neuroscience everywhere these days. Why are people so interested in it right now?" – Harvard Business Review

"The possibilities for neuroscience are almost limitless" – The Financial Times

'Brain Matters' – gaining the competitive advantage through neuroscience

# NEUROSCIENCE A REVOLUTION IN SELLING

It can sometimes appear that there has not been much progress in the technique of selling since the first caveman flogged a furry mammoth skin to his neighbour, swearing that his spouse would be delighted with the purchase.

Admittedly, in the mid-19<sup>th</sup> Century, that doyen of sales and champion of the positive mental attitude, William Clement Stone said:

"Sales are contingent upon the attitude of the salesman, not the attitude of the prospect".

Now, that was an interesting theory, well ahead of its time. What would Mr Stone have made of the modern advances in neuroscience, I wonder? One can only suspect he would have fallen upon such tools as it presents with alacrity, recognising that through this research we now have the opportunity not only to shape the attitude of the salesman, but also to identify and therefore better understand the attitude of the 'prospect.'

It is easy to forget in this electronic age that all sales eventually involve interacting with people. People with brains, feelings, emotions and, wait for it, yes, needs. It is more important than ever in today's tough economic climate that we re-examine much of the old-fashioned thinking on sales strategies. Many top companies continue to invest large sums of money in formal sales training that is proving inadequate to the demands of modern markets. It would be no exaggeration to say that they are merely compounding the mistakes of the past.

These selling systems are largely redundant today because they assume an adversarial environment. But when your customers are your partners – hopefully long term – such tactics are obviously counter-productive. Nowadays, the sales person and the customer are looking for a co-operative and supportive relationship, not a quick fix. This involves mutual respect, trust and essentially, empathy between seller and buyer.

So, how can you achieve this selling alchemy?

Neuroscience works by giving you an invaluable insight into the brain's processing patterns, which can influence sales strategies in any given situation and therefore stimulate sales growth. Neuroscience offers us the historically unparalleled prospect of illuminating our understanding of both sides of the equation – i.e. the sellers and the buyers – and therefore achieving results that are mutually satisfying.



In his work, 'Harnessing the Science of Persuasion' for the Harvard Business Review, Robert B. Cialdini, Professor of Psychology, Arizona State Business School, wrote:

"Do you have it – that magical power to capture your audience, sway undecided customers and convert opponents? Is persuasion really magic? Must we ordinary types struggling with leadership's greatest challenge – getting things done through others – despair of ever mastering this art? Good news – from behavioural science: persuasion works by appealing predictably to deeply rooted human needs."

All selling is brain-to-brain process, in which the salesperson's brain communicates with the customer's. As much as 95% of our decisions are made by the subconscious mind. As a result, the world's largest and most sophisticated companies are applying the latest advances in neuroscience to create brands, products, package designs, marketing campaigns, store

environments, and much more that are designed to appeal directly and powerfully to our brains.

Neuro-selling involves making use of the latest discoveries about the brain to understand how it influences decision-making, the buying process, empathy, building rapport, communication, the sales process and customer service. All of these areas now have a brain-based perspective that should change how we approach or prioritise our selling strategies.

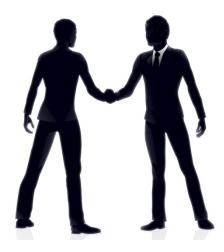
Our brain has what could be termed a 'threat detector' whose sole function is to decide at the moment of first contact whether the person in front of us is a friend or a foe. Located within the subcortical brain, it is incapable of thought or rationalization and reacts purely on instinct by how it perceives the world around it.

So let's bring this back to practicalities and think about what this means in the typical sales situation.

If your initial approach to a customer is seen as 'unfavourable' to their 'threat detector' it will instantly switch on the fight/flight response. Part of this process includes shutting down all other message receptors which means any opportunity you had to establish rapport has just been made much more difficult.

To avoid alarming the 'threat detector' in your customer's brain, the signals that you need to give out at that very first point of contact need to be favourable and instinctive, i.e. your body language. This includes your movements, gestures, facial expression, eye contact, your appearance, clothes, enthusiasm and posture. Once you're past this initial first impression you can get on with developing a relationship with your customer. It is important to note that what alarms one person's brain 'threat detector' may well make another person's 'threat detector' feel comfortable or reassured.

So, the first step in achieving great sales is have total focus on getting past the brain's 'threat detector'. After we have 'disarmed' it we can then move on to develop and build rapport, and open the potential customer's message receptors so we can sell to them. This means that we must focus on the customer to identify his or her behavioural preferences so that all our subsequent communication matches his or her behavioural needs.



It has long been the view that emotion is the opposite of rationality, or from a sales or marketing perspective, the argument is whether people buy brands for rational or emotional reasons. In the modern argument it is often stated that people are emotional and not rational in their decision making.

However, Professor Antonio Damasio, Professor of Neuroscience and Director of the Brain and Creativity Institute at the University of Southern California, has made it very clear that emotions are an important input to rationality. He reinforces the importance of emotion in interpersonal relationships including the buying process saying:

"We are not thinking machines that feel, we are feeling machines that think."



An emotion is a reaction to something in our environment. It is a survival mechanism that exists in all animals. Neurologically, an emotion starts in the amygdala, part of the limbic system of our brain. For example, when we see something, the process starts in the occipital regions at the back of our brains and via neural recruitment proceeds to the frontal lobes. This process of interpretation (based on memories) proceeds via the limbic system (centre brain) where it includes not only 'what it is', but also 'how we feel about it' memories. The frontal lobes are now presented with all the memories we have about the thing we see, and can now make rational decisions about how to react to this. The emotion guides our consciousness to give attention to what is in our environment, and also whether we should be motivated toward or away from it.

The implications for salespeople are considerable. In essence, people make emotional decisions which they then try to rationalise. To influence buying decisions, successful salespeople need to be able to activate the appropriate areas of the customer's brain - some customers use more emotion than rational analysis when making buying decisions. For others, the reverse is true.

Correctly identifying the customer's buying preference and responding to it appropriately is crucial. If done correctly, when faced with a buying choice, a customer's subconscious will encourage them to choose you rather than your competitors - even if your customer believes they are acting completely rationally. This sales approach is known as 'adaptive selling'.

A comprehensive study by Louisiana State University has revealed a scarcity of adaptive sales training in initial sales training programmes. Despite this finding, adaptive selling was shown to have a positive influence on a salesperson's performance.

### The study concluded:

'In the midst of increased competition and rising training costs, management should consider incorporating adaptive sales training into their training structure. Salespeople in this study buy into adaptive selling as an effective method. It has been shown to increase sales performance, and salespeople have indicated in this study that more adaptive sales training is necessary, in relation to other training topics.'

As a result of the dramatic growth in interest in neuro-selling/adaptive selling, a three-year research project has now been set up at Oxford University to examine its potential role in sales and marketing - in particular, the neural processes underlying an individual's buying choice.

Project leader, Professor Steve Woolgar says:

"This three-year project will be the first large-scale study of how emerging neurological knowledge about human decision-making is transforming the techniques of those who seek to influence the behaviour of consumers. It has far reaching implications for what we know about how humans make their choices, the role of the brain and the factors at play in everyday decisions we all take."

Neuroscience has changed the whole paradigm of how one should view the issue of emotions and rationality. It teaches us that emotions play an 'attentioning' role in the scheme of how we become conscious of things and that when attention is given to something, the synapses between the neurons involved are strengthened – i.e. memories are laid down. This consequently means that any other reference to the brand leads to bigger neuronal networks (memories) being stimulated.

Neuroscience teaches us that this 'attentioning' role of emotions has a positive or negative valence. Or, as we use the term in marketing, it motivates us toward or away from something. Neuroscience demonstrates that this role of emotion plays against the background of other feelings. Soma is the 'state of the body' or how we feel. Neuroscience demonstrates that a consumer's expected soma of a brand will affect their own soma. Neuroscience leads us to understand issues about how repeated exposure to advertisements and recognition of advertisements effect might work.

For instance, the mind-altering power of advertising has been demonstrated in a remarkable study of the way in which brand recognition affects the workings of the human brain. Values associated with particular brands can be so powerful that they have the ability to physically alter consumers' brains and thus change their perceptions of a product, according to results from a ground-breaking experiment.

The experiment, a laboratory-controlled version of the famous 'PEPSI Challenge', revealed that flavour seems to be the last thing that consumers rely on in their preference between two rival drinks, PEPSI and Coca-Cola.



When asked to taste blind, they showed no preference. However, when the participants were shown company logos before they drank, the Coke label, the more famous of the two, had a dramatic impact: three-quarters of the tasters declared they preferred Coke.



At the same time the researchers found that the Coke label stimulated a huge increase in activity in parts of the brain associated with cultural knowledge, memory and self-image - so much that the scientists could use brain scans to predict which soft drink an individual was likely to prefer. The PEPSI label produced no such increase.

It is believed to be the first time that brand marketing has been shown to have a direct effect on the brain's capacity to make a choice. The finding will be of great interest to marketeers around the world.

Magazine publishers will be interested in the findings on two counts; not only are magazines brands in their own rights, it can also arm publishers with strong arguments surrounding brand recognition generated by their print ads.

The scientists chose PEPSI and Coke because the two drinks are almost indistinguishable in colour and taste yet many people express a definite preference for one or the other soft drink.

"Everybody's heard of Coke and PEPSI. They have messages and, in the case of Coke, those message have insinuated themselves in our nervous system. There's a huge effect of the Coke label on brain activity related to the control of actions, the dredging up of memories and self-image. There is a response in the brain which leads to a behavioural effect."

Dr P Read Montague, Director of the Brown Human Neuroimaging Laboratory Baylor College, Houston, Texas, Simply looking at a person's brain scan, Dr Montague's team were able to predict which soft drink the individual concerned was likely to prefer.

"We were stunned by how easy this was.. "

The ventral putamen, which is involved in reward-related learning, was active when people drink Coke or PEPSI. This is expected as the brain treats the pleasant taste of sugared water as a reward.

However, the scans also showed that the hippocampus and dorsolateral prefrontal cortex, areas of the brain involved in recalling emotions and cultural memories, were involved when the volunteers were exposed to the Coke brand. The PEPSI brand, meanwhile, had virtually no effect.

As equipment that measure brain functions become cheaper, more efficient, and transportable, there will be further applications and knowledge available to marketing. In essence, future neurological scientific discoveries will guide us to understand a lot more about the role of the brain and emotions in selling and marketing.

New discoveries in neuroscience are revolutionizing twenty-first-century life, and selling is no exception. These insights into the human brain promise to reshape the way companies, brands, and products get noticed, get liked, and get bought.

Effective selling is the lifeblood of any organisation. But increased competition and higher customer expectations make it tough to close both new and repeat business. Salespeople and advertisers have always wanted to get inside our heads and they claim to be getting closer than ever to doing just that.

Advertising is everywhere.

Marketeers are being challenged to find new and innovative ways to make their messages stand out.

But do they really know what's cutting through? And how far will they go to find out?

Advertisers are now teaming up with neuroscientists for answers. They're using brain imaging technology to literally look inside our heads. In the hope of selling a brand or message, advertisers are turning to brain science.

The neuro-selling theory is that if we can capture and understand the emotions of the people that are buying a product, then our advertising is going to be far more effective. And if we want to hold our market share, we've got to put messages out there and convince people that they're doing the right thing buying our client's product.

#### Neuroscientist Dr Shane Moon wrote:

"The power of neuroscience can be seen in selling when we move into more complex sales. In simple selling we go straight from action to the close. Being too aggressive means we can miss out on extra business we could get by going by the 'scenic route'. Building rapport, opening up the sale, exploring possible solutions and delivering a bigger, higher margin sale gives more sustainable business and a stronger bottom line. We call this adaptive brain selling because it uses all 4 of the quadrants of classic brain behaviour. Instead of staying simply in the left, results orientated part of the brain which focuses on results you can sell more by consciously using the power of the right brain to build rapport and organise complex information on the way to the close. You will end up in the same place but with a much bigger sale."

The car maker **Honda** is one of a growing number of businesses using neuroscience to learn how and why consumers decide what to buy. Using some of the latest brain science technology to monitor patients outside the lab - **Honda UK** has researched the emotions of buyers visiting car dealerships. Heart rate, respiration and muscle contraction are among the responses logged in an attempt to identify the triggers for a sale. This is analysed against a range of other data about test subjects' experiences in each salesroom.

Honda found the results so persuasive that it is remodelling showrooms and retraining staff to tailor pitches according to a potential buyer's state of mind.

lan Armstrong, Manager of Customer Communications, Honda UK, explains:

"Conventional research only gets you so far because it's rationalisation after the event, and most decision-making is done subconsciously. We set out to measure physical changes people cannot consciously control."



Honda is not alone in believing brain science can boost the bottom line. A growing number of businesses say that traditional ways of understanding consumers - direct questioning, observing our behaviour - don't explain why we buy one product over another. And they are turning to neuroscience for the answers.

Professor Gemma Calvert is co-founder of the 'Neurosense' consultancy, which claims to provide consumer insight by scanning volunteers' brains. She uses functional magnetic resonance imaging to identify which parts of the brain respond to certain stimuli, and electroencephalography to track the brain's electrical activity. To quote her:

"A growing focus of our work is arming clients with knowledge of when it's most appropriate to use a particular marketing technique."

British broadcaster GMTV used the procedures to gauge receptiveness to adverts at different times of the day.

The GMTV head of research, Steve Elliot, enthuses:

"The findings have been received more positively than any research we've ever done."

It's easy to see why. The study - which monitored responses in parts of the brain associated with enjoyment and understanding - concluded that the brain is more receptive to advertising at breakfast time, and that this is as effective an ad medium as peak-time TV - for which advertisers pay a premium.

#### Steve Flliot adds

"It's an approach that provides a well-rounded argument when combined with other data, and it's hard to question the results when findings are accumulated in lab conditions."

This last point demonstrates the persuasive power of neuroscience-based research.

Growing demand from advertisers for proof of how communications work means the industry is under pressure to find a new model.

Cheaper, more flexible neuro-imaging devices are in the pipeline, as entrepreneurs seek to cash in on an emerging market in the business world for modified medical diagnostic equipment.

**So...** The irresistible forces of demand and supply are propelling neuroscience on the fast track towards the commercial mainstream. **So...** Where do we go from here?

Have look at this recent case study where neuroscience was enlisted to help a failing project:



Graham works for an IT services company selling 'managed services and business solutions'. He was promoted last year from a Senior Sales Engineer's role into a quota bearing Salesperson with several nominated key accounts. His prime objective is to grow business organically within these existing customers. Graham was way behind his revenue and GM target.

Investigation revealed that Graham was spending most of his time with the technical community which was, of course, his comfort zone. Graham's profile showed his preferred behavioural style was analytical i.e. that he was very comfortable, and at his best, engaging with technical people selling on facts, detail and logic.

But, obviously, the decision making units are made up of functional buyers such as Executives, Business/Operations, Procurement and Technical – a mix of decision makers and influencers whose interests also included concepts and futures, results, competitive advantage, personalised relationships and after sales support.

In order to provide Graham with a more holistic approach to selling, the intervention/application of neuroscientific tools enabled him to develop 'key value propositions' for <u>all</u> the behavioural style combinations and functional buyers. Time and determination has shown that Graham is now aware of his blind spots and has developed into a very effective communicator showing new skills in persuasion and influence.

**So** ... A favourable and lucrative resolution for both Graham and his customers.

Until recently, we have not had any means of knowing "how the brain feels" about messages, products and services. But, now with great advances in brain imaging technology, coinciding with huge leaps in computer algorithmic and analytical capabilities, we now know with considerable certainty what the brain likes and what it rejects.

A major advance in the field of neuroscience that has particular relevance to selling has been the discovery of mirror neurons in the brain. Basically, motor neuron theory says that when you watch someone perform an action, you automatically simulate the action in your own brain. More recently, scientists have discovered the existence of strong, pervasive mirror networks for emotions. For example, when you experience a friend exhibiting distress while telling you a sad story, your brain simulates similar distress.

Activating the mirror neuron system is one of the most effective ways to connect with customers. Show products being consumed. Celebrate the first sip of hot coffee. Let the customer revel in the action being performed. In the same way as a yawn spreads around a conference room, think of the many ways you can use action and emotion to ignite the mirror neuron system in your customers' minds and bring them subconsciously straight into the experience of your product or service.

### What is the brain looking for?

Familiarity is about security and feeling safe. We seek the familiar, pleasing and reassuring. We seek the connection that we have had before, because we anticipate the rewards that we know the connection will bring. Customers like to buy from those who are like them and who display the

same values, styles of communication, behaviours etc. This is why effective behavioural adaptability is so important for salespeople.

Paradoxically, the brain is also drawn to novelty. It values and seeks out what is new. Novelty is the single most effective factor in effectively capturing its precious attention. A novel message, product, package or layout is the key to penetrating busy and selective sub-conscious minds. And, of course, pleasure or reward images are irresistible to our brains. The trick is to find out what those are and how to present them to each consumer group. Brain imaging technology is moving this goal from pipe dream to reality every day.

Here are the five main senses and what they mean to the buying brain:

**Vision** - About one quarter of the human brain is involved in visual processing, more than to any other sense. About 70 % of the body's receptors are in the eyes, but vision does not happen in the eyes, but in the brain. The easiest and most successful way to capture the 'buying brain's' attention is through good visuals.

**Smell** - Smells are mainlined directly into our centres for emotion and memory. Smell cues are hardwired into the brain's emotional centre to stimulate vivid recollections. We make such immediate, deep, and emotional connections with the smells we encounter, it makes perfect 'sense' to make scents available to delight or engage the brains of our customers. Once a scent is embedded in a person's brain, even visual cues can cause it to be resurrected and even 'experienced'. A TV commercial showing a person savouring the aroma of freshly brewed coffee can trigger these same smell sensations in viewers through what is known as mirror neurons.

**Taste** - Although different, smell and taste share a common goal and often operate in synchrony to distinguish thousands of different flavours. The interaction between taste and smell explains why loss of a sense of smell causes a serious reduction in the overall taste experience, which we call flavour. We tend to smell something before we taste it. Smell hits our brain very quickly. Taste stimulation is one of the senses most easily set off by mirror neurons. Anytime that an appetizing product is displayed, it is important that salespeople show it being enjoyed by others. This is most important in stimulating desire, and, most importantly, to moving to purchase.

**Hearing** - Hearing allows us to generate deep, nostalgic memories associated with highly emotional moments accompanies by sound. We mark our traditional key moments in life with music, for example, birthdays, weddings, graduations and funerals. Our pupils widen and endorphins increase when

we sing and there is well validated scientific data that unconscious patients respond to music. Sounds also influence mood and supermarkets now use music to enhance wine sales etc. When a buying brain hears a drink being poured, the sizzle of frying or the crunch of crisps, mirror neurons fire in some urgency: "I want some of that".

**Touch** - Although our sense of smell is the most emotionally direct of our senses, touch is the oldest human sense. Consider the sensory capabilities of the product or experience you are selling to the buying brain and examine ways that this can be part of your message. Any product or experience that is tactile must excite and invite the sense of touch. The key question for organisations is:

## "OK, brain science is fascinating, but, so what? Tell us how we can use this knowledge to enhance our business."

New discoveries in neuroscience are revolutionising 21<sup>st</sup> Century business life and nowhere more than in the approach to selling. These insights into the human brain promise to reshape the way in which companies ensure that they get their products or services noticed and bought. We have learned how the buying brain functions; what's attractive to it; how it decides what it likes and doesn't like; and, ultimately, how it makes that all-important transition from being a 'shopping brain' to becoming a 'buying brain'.

The brain not only makes behaviour - it makes us who we are. It alone decides what is important enough to pay attention to, to remember and to act on. Brain science is now pointing to a future where companies that properly use brain science findings will reach and serve their customers more effectively and those who do not. Only through enhanced knowledge of the brain, and the improved messages salespeople create as a result of such knowledge, can they reliably expect their brand, product or service to be given the attention it requires if the customer is to buy it.

One UK-based organisation, *PRISM* Brain Mapping, has now developed a sales training programme using some of the latest neuroscience discoveries. For further information about how this unique instrument uses brain science to support business, <u>CLICK HERE</u>.