Audio-Tech Business Book Summaries

How Customers Think

Essential Insights into the Mind of the Market

by **Gerald Zaltman**

A summary of the original text.

In this issue:

- ***Penetrate...*** the mystery that baffles marketers in every industry: why customers don't buy products and services that they insist they want.
- ***Understand...*** how a customer's buying decision is influenced by the complex interactions between his mind, brain, body, and society in general.
- ***Transform...*** insights about buying decisions from the latest neurological research into products and services that customers truly value.
- ***Avoid...*** the six common marketing fallacies that frequently cause executives to make disastrous decisions.
- ***Improve...*** the effectiveness of your marketing messages by tapping into the unconscious needs and wants of your customers.

Volume 12, No. 2 (2 sections). Section 1, February 2003

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After years of costly R&D, a company launches a new soft drink, only to see it ignored in the marketplace. Focus group participants rave about a new personal digital assistant and say they can't wait to buy it — and then they don't buy it when it goes on sale two months later.

These are just two among hundreds of cases in which customers said one thing and did another. All too often, companies ask customers what they want, give it to them, and then watch the customers buy competing products instead.

According to research by the Marketing Science Institute, four out of every five new products or services fail within six months, or fall well short of forecasted profits. The cost of these mistakes is high: lost revenues, low customer satisfaction, and poor employee morale.

Believe it or not, the reasons for nearly every one of these failures boil down to a common, deceptively simple truth: Too many marketers don't understand how their own and their consumers' minds interact.

To exploit new opportunities, managers must know more than they now do about how customers think and act. Fortunately, science has made tremendous progress in understanding the human mind in recent years. During the 1990s, researchers discovered more truths about the brain in that single decade than they had during the entire history of psychology and neuroscience.

For example, neurological research revealed that people don't think in linear, hierarchical ways. That is, they don't experience a cake by sampling a sequence of raw ingredients. Instead, they experience fully baked cakes. This insight prompted companies like Citibank, Disney, Kraft, McNeil Health Care, and John Deere to change the ways in which they engaged customers.

To fully understand what happens when consumers evaluate and buy things, these companies are drawing upon many disciplines — ranging from zoology to musicology, from neurology to anthropology. This research is pointing marketers to a new understanding of how a customer's buying decision is influenced by the complex interactions between mind, brain, body, and society in general.

Some managers are even importing experts, asking new questions, discovering powerful new knowledge, and then creating products that offer unprecedented value.

Most importantly, these efforts are paying off with real benefits. For example, the managers of one company met for two days with a neurobiologist, a psychiatrist, an Olympic coach, a specialist in adult intellectual development, and a sociologist. Their mission was to examine new ways to use consumer incentives. The meeting generated several innovative ideas, one of which the company implemented within two weeks. In the next seven months, the effectiveness of its consumer incentive program soared by almost 40 percent.

Marketers are also starting to understand how their own minds work, and how they distort their perceptions of consumers' responses. When consumers and marketers interact, the result is a concept we'll call ***the mind of the market.*** That's what successful managers must understand — and leverage creatively — to seize competitive advantage.

This new way of thinking about customers is much different than the way marketers usually think. Currently, more than 80 percent of market research is used to reinforce existing conclusions, rather than to test or develop new possibilities, according to Harvard Business School professor Rohit Desphandé.

By focusing on their own assumptions, managers prevent themselves from gaining a true understanding of their customers. Too many managers make decisions based on six common marketing fallacies. These fallacies are:

- First, *consumers think in well-reasoned, linear ways* as they evaluate products. They don't. For example, consumers do not consciously assess a car's benefits attribute by attribute and decide whether to buy it. Instead, their emotions — the desire for happiness, prestige, and so on — play a bigger role than logic in the purchase decision.

- Second, *consumers can plausibly explain their thinking and behavior.* In reality, however, 95 percent of thinking takes place in our unconscious minds. People use conscious thought primarily as a way to rationalize behavior.

- Third, *consumers' minds, brains, bodies, and surrounding culture can be studied independently of one another.* In fact, the mind, brain, and external world interact with, and help shape, one another. For example, people from different cultures experience physical pain differently.

- Fourth, *consumers' memories accurately reflect their experience.* Research reveals that memory is not perfect, and in fact it changes depending on the situation. For example, when people are asked to recall an experience, their memories are influenced by the sequence in which the questions are asked, and even the color of the paper on which the survey is printed.

- Fifth, *consumers think primarily in words.* Yet brain scans suggest that only a small portion of the brain's neural activity ultimately surfaces in language.

- Sixth, *consumers can receive "injections" of company messages — and interpret them correctly.* However, consumers do not passively absorb messages. They constantly reinterpret such messages in terms of their unique experiences. For instance, people have long heard that they should visit the dentist every six months. But research shows that most individuals are very skeptical about the need for such regular dental visits.

In falling prey to the six misconceptions listed, marketers make three errors:

1. Mistaking descriptive information for real insight.

2. Confusing consumer data with understanding.

3. Focusing on the wrong elements of the consumer experience. These errors can destroy product launches.

Most marketers believe merely knowing that consumers prefer a container with a round shape rather than a square one is enough. But digging more deeply into *why* consumers lean toward one shape can produce some real insights. It may even suggest that another shape, such as rectangular or oblong, would spark better sales.

Managers can't achieve truly insightful consumer analysis by scratching the surfaces of thought and behavior. To understand consumers, it's biological factors that underlie mental activity. It is also essential to grasp the social and psychological processes that affect consumers' experiences.

Those steps lead to a fuller understanding of how mental activity occurs. Then, the marketer can gain a more complete understanding of customers.

The Mind of the Market

The goal for marketers is to achieve ***customer-centricity***. It occurs when:

- First, the *customer* hears and fully comprehends that a firm's offerings merit a purchase.
- Second, the *company* hears and fully understands the customers' deepest thoughts and strongest yearnings.

Without listening carefully and systematically to customers, marketers can't develop effective strategies. As for customers, the more they understand a product's value, the more they'll want to buy.

Thinking *inside the box* limits the ability to tap into consumers' minds. To find out what they're really thinking — consciously and unconsciously — we need to use better research methods. Then, we need to make better use of our imaginations.

Obviously, such high-quality thinking can pay dividends for marketers. But several factors limit its presence in business.

One reason is that it takes time, energy, and unusual openness to new possibilities. Also, imaginative thinking and bold actions require people with the rare courage to accept occasional failures.

But an open, active mind can help managers win more customers, and satisfy more of them.

It's an arduous process to understand the mind of the market. For instance, the number of known particles in the universe is 10, followed by approximately 79 zeros. But the number of possible neural connections in the human brain is 10, followed by more than a *million zeros.*

But even with its vast complexity, the brain isn't an entity unto itself. It interacts with the body, mind, and social world. As the brain links up with the social and physical world, the body mediates the connection.

The body senses information about the world. It then generates chemical and physical responses that create emotions and thoughts. The body then moves in response to the cerebral activity.

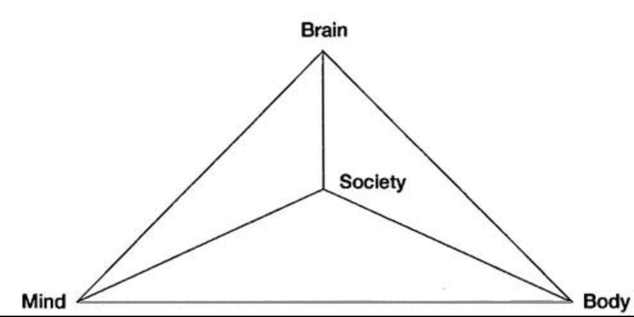
Traditional market research over-relies on consciousness — in other words, on rationality, economic logic, and verbalization. However, in consumers' purchasing choices, 95 percent of the decision-making process takes place *below* the conscious level.

This means that the complex reasons why people buy one product and reject another operate well below the market researcher's "radar screen" — one traditionally focused on consciousness.

Note that unconscious thought is preverbal. It involves mental activity, but primarily at the level of impulses and fragmentary images. Tying our shoes, for example, obviously involves a kind of thought, but at a subconscious level.

In terms of consciousness, thoughts are ideas or concepts. However, more precisely, a thought is an electrochemical "behavior" or occurrence that we can't see without a neuroimaging device.

The New Paradigm of an Integrated Mind-Body-Brain-Society



Why should marketers care about such complex matters? For two main reasons: first, because marketing lies right at the hub of the interactions; and second, because the new paradigm reminds us that we can't study consumers in isolation from the factors that influence them.

The mind-body-society-pyramid shapes thinking and behavior for each consumer, as well as each marketer. What happens when a "marketer pyramid" and a "consumer pyramid" come together and interact?

We see the results in the figure below called "The Mind of the Market." Conscious processes play a relatively small part; this is the top of each pyramid. In contrast, unconscious processes play a large role, represented by the broad base of each pyramid.

However, as we've seen, marketers traditionally have focused on conscious processes — and largely ignored the hard-to-read unconscious.

That's a big problem, one of which all of us are at least dimly aware. As we've already suggested, a person purchasing a high-performance sports car is not just buying a device to convey him from one place to another. In purely rational terms, the purchase may make little practical or economic sense. After all, speed limits prevent the driver from reaching the top speed on the speedometer, so he cannot drive a $100,000 Porsche faster than a $20,000 Ford.

Instead, the sports car makes a statement about the owner's personal identity — perhaps regarding youthfulness, daringness, sexiness, or aggressiveness.

In some cases, consumers make purchases whose real purpose they try to conceal. For example, consider people who buy expensive chocolate products. When questioned, they often indicate it's a gift to others. However, in-depth research finds that it's usually intended for personal consumption. The purchase is tangled up in emotions of joy and guilt that the consumer may not even understand at the conscious level; all the person knows is that the sight of the box, or the smell of the chocolate, triggers a desire to buy.

Discussions of how neural activity takes place and ultimately expresses itself in conscious thought tend to be very technical. But the key point is that consciousness results from neurons processing stimuli in largely unconscious ways.

Sights, sounds, and smells — for example, smelling coffee brewing at Starbucks — may unleash brain activities tracing back to pleasurable memories from childhood. Does it make practical sense to go in and spend several dollars for what's basically just a cup of coffee? Maybe not, but millions of people do so every day.

The unconscious regularly reveals itself through *metaphors*. A metaphor is "figurative language," referring to the representation of one thing in terms of another.

For instance, if a poet says, "My love is a red, red rose," he doesn't mean she's turned into a flower. He means that in sight and scent she *resembles* a rose.

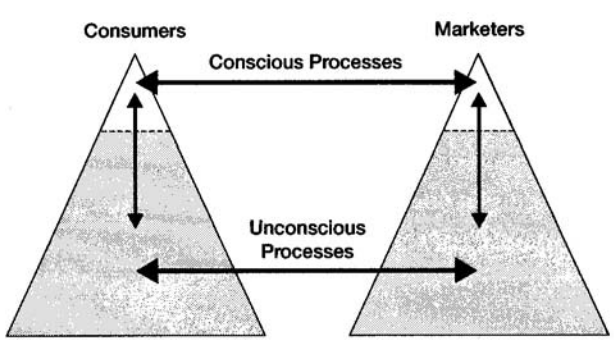
Similarly, if someone says, "My hair is my signature," it's clearly not meant precisely. Rather, it suggests the hair signals something about him or her as a person.

By one estimate, human beings use about *six metaphors per minute of spoken language*. Why so frequently? Mainly because they *establish connections,* helping us interpret the world and make it intelligible.

Marketers benefit greatly by getting consumers to use metaphors about products. They can help bring unconscious thoughts and feelings to the surface. They can show the real connections consumers see between products and their own lives.

Historically, marketers have gained knowledge about

<u>The Mind of the Market</u>



consumer decision making through such means as telephone interviews, focus groups, and questionnaires. These approaches rely on self-reflection and awareness.

But how does that square with estimates that more than nine-tenths of thought, emotion, and even learning occur in the unconscious mind? The obvious answer: It doesn't.

Clearly, consciousness, which expresses itself in carefully crafted words, regularly involves self-censorship. Consciousness relies less on candor than on social acceptability.

The point is this: Much potential knowledge about consumers remains hidden. For marketers charged with achieving a deep understanding of consumers, that presents a major problem. The remainder of this summary examines the techniques marketers can use to surface more of the vast amount of consumer information that lurks in the unconscious.

Exploring the Unconscious Mind of the Customer

To understand how customers think and act, we need to understand the human mind. As we've already discussed, the greatest influences on consumer decisions take place below the surface of conscious thought.

The term *cognitive unconscious* — a synonym for the unconscious mind — refers to the mental processes operating *outside consumer awareness.* Together with conscious processes, they constitute an individual's experience of the world.

Our degree of consciousness varies over a lifetime — and even during the course of a day or an hour. It fades in and out as we work, move about, sleep, and dream.

Only a tiny portion of mental activity occurs as real awareness and thought. However, it's that consciousness which allows us to reflect on unconscious events.

Here are some research-verified examples of the unconscious mind at work:

- The exact same dinner tastes better if we like the person with whom we're dining.
- The difference between a product costing $10 and one costing $9.99 is a mere penny — but consumers treat it like a bargain.
- The participants in blind taste tests frequently change their stated preferences, often without awareness of doing so, when testers identify the brand and show the packaging.
- The typical consumer realizes that generic medications are as good as expensive national brands, but he or she generally pays the higher price for the comfort of the brand name.
- The use of infants or baby animals in ads invariably causes consumers to rank them high in *sincerity,* perhaps associating infancy with innocence and honesty.
- The use of *subliminal messages,* those below the level of consciousness, demonstrably influences behavior.
- The delivery of overnight mail gets rated as "fast" or "slow" not so much on time of arrival as on the recipient's eagerness to get it.
- The *placebo effect* occurs, for example, when patients think they're receiving an analgesic, but instead are getting a sugar pill. A significant number of placebo recipients experience an easing of pain, apparently because their brains produce endorphins with effects similar to the chemicals in the medicines.

In other words, when people expect a positive experience, they tend to get it. That holds true not only for medicines but also for other products.

These examples call into sharp question the strongly held notion that consumers are savvy shoppers who operate rationally.

But shouldn't a product's price and demonstrated effectiveness, combined with consumers' own stated beliefs about the product, determine their buying behavior? Yes, but in many cases, they don't, and the answer lies in the unconscious.

The unconscious mind clearly represents a significant frontier. It's a place marketers must explore if they want to achieve competitive advantage.

The pressing need is to establish research methods that penetrate more deeply into the human mind. In this regard, metaphors offer fertile ground.

By metaphors, we mean similes, analogies, allegories, personifications, and proverbs.

When the unconscious mind reveals itself in metaphors, they're available for conscious examination. The conscious mind can examine the unconscious, but the reverse isn't true.

Enlightened managers invite consumers to use metaphors when describing products. That's because metaphors offer a glimpse into consumers' unconscious thoughts and feelings.

For example, the technique of *metaphor elicitation* can be highly effective. This method involves encouraging consumers or employees to use metaphors in talking about companies, brands, and products. Researchers can speed up the elicitation process by presenting lists of metaphors or by showing pictures.

One global industrial-goods company used metaphor elicitation to find out what executives thought about the company's attitude toward innovation. Before the interviews, participants chose from among several pictures they could use as metaphors.

One woman selected a picture of Godzilla, the giant lizard who destroys modern cities in old movies. In the common portrayal of Godzilla, he's a protector of the old way of doing things.

Metaphorically, Godzilla represents the woman's view of senior management. It protected approaches that impeded learning, moved ponderously, and obstructed innovation.

At a deeper level, she expressed feelings of impotence and isolation in the face of a powerful, slow-moving status quo.

Clearly, the use of a metaphoric approach encouraged candor and passion. Apparently, it's easier to make a critical analysis of Godzilla than of one's employer.

It turned out that other employees agreed with the "Godzilla" characterization. In response, senior management decentralized and simplified the process of initiating new procedures.

The additional autonomy given to people paid dividends, leading to a tripling in the number of promising new ideas.

Here are two ways that firms have used metaphors in product development and refinement:

- Hallmark launched an entire new division based on consumer metaphors related to *memory,* which is a subject of great interest to the marketer of cards, picture frames, and gifts.

- A European cosmetics maker has used three core metaphors it discovered in consumers' thinking to develop entire new lines of business.

Many companies use consumer metaphors to generate new products, including Bank of America, Samsung, P&G, and DuPont. Other firms have used metaphors to achieve several key goals, including:

- Determining auto design preferences.

- Understanding patients' experiences of medical conditions.

- Developing home healthcare products.

- Gauging audience reactions to television programming.

Metaphors can surface consumer issues that don't reveal themselves by other means, such as questionnaires. Conscious expressions have a guarded quality. Metaphoric expressions reflect more personal and uninhibited views.

For example, a DuPont researcher focusing on hosiery products said metaphor research provided "intensity, texture, and depth that we'd never gotten from other studies." She saw the research as "bringing out subtleties related to sexual issues that you don't get in a straight interview."

Based on the research, hosiery manufacturers modified their ads. Instead of emphasizing super-competent career women, the new ads provided images of sexiness, allure, and female affirmation.

Overall, understanding metaphors helps marketers communicate more effectively about brands — and increase the likelihood of purchases. For example, a Midwestern bank had found it was hurting itself by conveying a stodgy image.

Reviewing metaphors valued by its small business customers, the bank found these go-getters stressed vitality. It modified its marketing to emphasize its energy, resourcefulness, and commitment to growth.

Understandably, when marketers seek to elicit metaphors from consumers, the process can be challenging. People get suspicious when questioned by someone they don't know — especially when the inquiries deal with their deepest thoughts and feelings.

It's important to conduct in-depth interviews, at least one hour long. It's also helpful to make them one-on-one encounters, free from the social influences of groups.

In conducting effective sessions, it's essential to resist the tendency to get participants to give the answers *you* want to hear. Remember, you're trying to trigger the *consumers'* thoughts and feelings, not your own.

In other words, don't *prompt.* Instead, *probe.* Metaphorically speaking, prompting is a mirror reflecting the researcher. Conversely, probing is a window that looks into the consumers' mind.

Effective probing requires the establishment of trust between the interviewer and participants. At times, participants might become quite emotional as one thought triggers another feeling or thought.

High levels of trust don't occur immediately, but instead require time, patience, and understanding.

However, the payoff is worth the effort. Researchers find that eight one-hour, one-person interviews produce the same number of ideas as eight focus groups involving a total of 65 people.

What's more, in validation studies conducted with Eastman Kodak, DuPont, and General Motors, these techniques doubled the number of ideas judged actionable and relevant to managers compared with other methods, including focus groups and surveys of more than 30,000 people.

Response Latency and Neuroimaging

Metaphor elicitation is an important technique to access the content of what consumers think and feel. Other methods also help us learn what consumers experience unconsciously.

Two such techniques are *response latency* and *neuroimaging.*

Response latency techniques avoid one problem with traditional approaches: that consumers' survey responses often contradict what they really feel or do. The atmosphere of a survey differs radically from that surrounding a purchasing event, and buying decisions get strongly influenced by context.

To overcome that problem, researchers measure respondents' response latency — how long it takes them to respond to a certain pairing of words or images. The quickness of response indicates the presence or absence of "noise," or barriers to action in respondents' thoughts and feelings.

Researchers generally measure response times through the speed of participants' computer clicks.

Response latency distinguishes between participants' *explicit,* or conscious, emotions and thoughts and their *implicit,* or unconscious, ones. Whenever there's a difference between explicit and implicit thoughts, the implicit ones give better indications of future behavior.

Two of the most effective response latency techniques are *priming* and the *Implicit Association Test.*

Priming reflects the fact that specific brands "prime" or elicit certain thoughts. Two different product designs might get associated with very different concepts, one in line with the positioning strategy, one not. For example, Nike athletic footwear generally will elicit a much different response, especially from teenagers, than "sensible shoes."

The *Implicit Association Test,* or IAT, builds on priming research. It measures how consumers associate certain concepts — for example, "pleasant" or "irritating" — with products or experiences.

In one case, a "clicks-and-mortar" company found from the IAT that consumers were more likely to buy some products at a physical store and others on the Internet. The payoff was greater efficiency in order processing, fewer returns, lower shipping costs, and higher customer satisfaction.

Implicit measures work better than explicit measures, such as surveys, for two main reasons. First, the implicit approaches uncover attitudes of which consumers may not be aware. Second, they reveal the social drivers affecting behavior.

For example, if a person wants to be perceived as health conscious, he may report on a survey or in a focus group that he does not consume much alcohol and may give negative ratings to brands in that category. Implicit measures get closer to the truth.

In one study comparing implicit measures with focus groups and surveys, response latency measures revealed that there is a much larger market for alcoholic beverages than the other methods suggested. People displayed much more positive attitudes toward specific brands, and toward consuming alcohol in general.

Other research indicates that implicit measures can be especially powerful tools in the understanding of consumer attitudes about brands. For example, evidence suggests that the IAT predicts actual product usage better than self-report measures.

A second powerful technique for capturing unconscious thoughts and feelings is ***neuroimaging.*** This involves brain-scanning techniques that produce pictures of the structure or functioning of neurons. Neuroimaging allows researchers to make direct observations of people's brain activity while they engage in various mental tasks.

Neuroimaging offers great promise for marketers, especially in advertising and positioning.

The main neuroimaging techniques are:

1. Functional Magnetic Resonance Imaging, or fMRI.

2. Functional Diffuse Optical Tomography, or fDOT.

Functional Magnetic Resonance Imaging tracks changes in neural activity. The most common form of fMRI is the Blood Oxygen Level Dependent, or "BOLD" technique. It identifies brain areas with a high level of blood flow, indicating significant neural activity. In a broad sense, it shows what excites consumers.

In fMRI, neuroscientists take a number of steps to measure an individual's brain activity. The results suggest which factors, such as metaphors, ads, and the like, elicit positive memories and encode new memory.

The second neuroimaging technique is *Functional Diffuse Optical Tomography,* or fDOT. The technique is new and needs more validation. However, it avoids the main disadvantage of the fMRI technique, which is that participants must lie still in an expensive, noisy, cramped device.

How does fDOT operate? It's something like shining a flashlight through your hand. That occurs because light travels a significant distance.

In fDOT, a researcher uses laser sources and detectors applied to the head, right above the area of the brain under examination. Through this method, the researcher can get measures of neural activity.

Here's how fDOT might benefit a researcher:

Imagine an exercise where participants are asked to view a number of icons, or images. Then they are asked to generate mental pictures of the icons. The brain activation should reveal how strongly visual areas become activated when people generate their images of the icons they've seen. If your product elicites a heavy degree of positive activity, you've probably got a market winner.

Clearly, neuroimaging techniques can improve the content and application of standard market research techniques. What's more, they can detect and measure consumer reactions to various stimuli. This means they can help isolate the key metaphors and symbols helpful in developing marketing strategies.

Understanding and Using Consensus Maps

Metaphors clearly help managers tap into critical, but elusive, drivers of consumer behavior. The next subject we'll explore is consensus maps, which build on metaphor elicitation and serve as valuable tools for looking into consumers' unconscious minds.

Basically, ***consensus maps*** are graphic displays with two elements:

1. Words describing the thoughts and feelings that consumers share about a particular topic.

2. A linear suggestion of the linkages between the thoughts and feelings.

Such maps represent *widely shared thoughts* by consumers about products. They reflect general concepts gleaned from original data, based on extended interviews with consumers.

Understanding common elements in values, goals, and behaviors is essential in marketing. The next step for marketers is to determine which of the shared elements they must acknowledge and respect.

Consensus maps help marketers identify such common features and how they interact. Using metaphor-elicitation techniques, researchers can make consensus maps that show most of the thinking of most consumers on a topic.

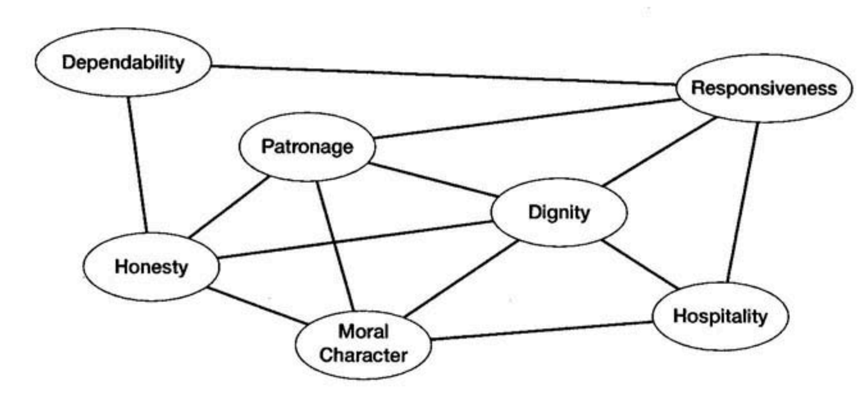
An example of a consensus map is shown on the right. It depicts consumers' thoughts about companies that have their best interests at heart.

The seven qualities in this consensus map are: dependability, honesty, patronage, moral character, dignity, responsiveness, and hospitality. Each of these circles is connected to some of the other circles by lines to show how consumers link them. For example, honesty is connected to dependability, patronage, dignity, and moral character. It is not directly connected to responsiveness or hospitality.

For many companies, a key quality to trace on the map is "dignity." By further analyzing the data, they can create a submap around dignity that shows several other qualities that influence it.

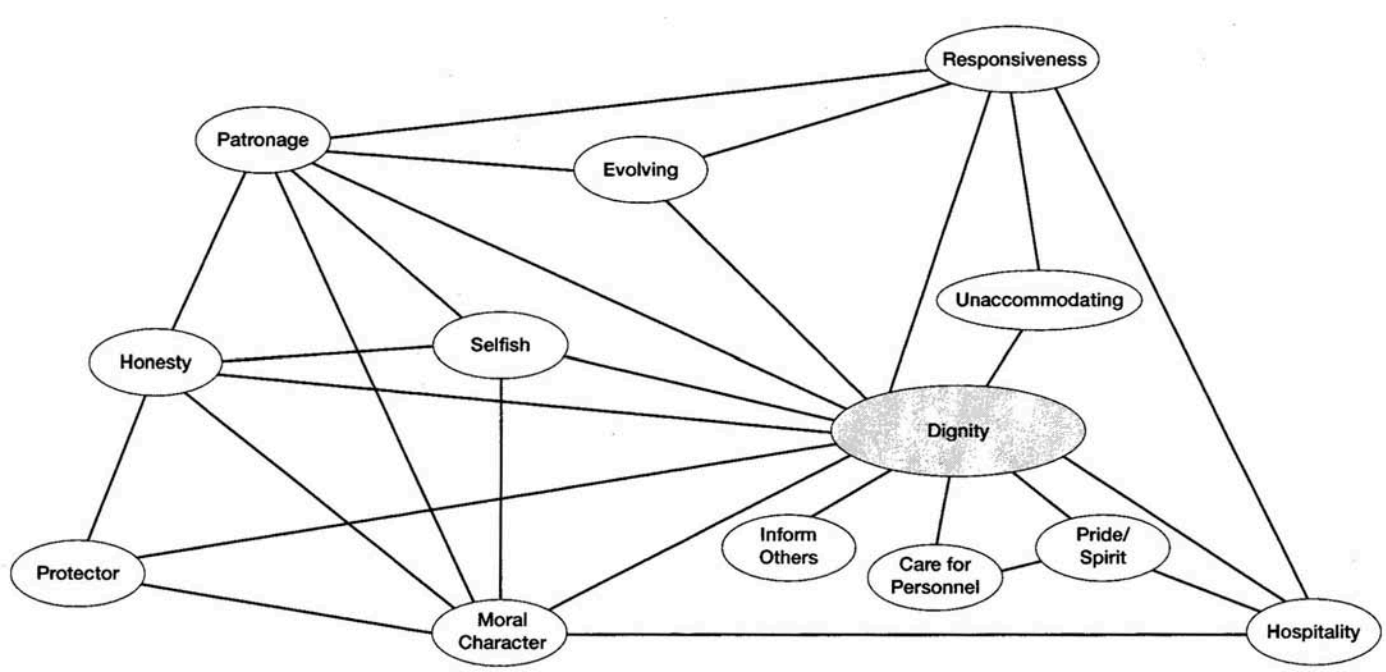
A submap for how consumers view dignity at one company is shown below. Customers' judgments about how the company respects their dignity are connected to their perceptions of how the company treats its employees, whether the company appears

A SUBMAP OF THOUGHTS ABOUT A COMPANY THAT HAS CONSUMERS' BEST INTERESTS AT HEART



Source: Mind of the Market Laboratory/Harvard Business School

A SUBMAP FOR THE CONSTRUCT OF DIGNITY



Source: Mind of the Market Laboratory/Harvard Business School to act selfishly, has a sense of pride, and is evolving.

When a major camera manufacturer conducted corporate-image surveys, it found that consumers questioned the firm's respect for its employees. The company changed its marketing campaign to stress that it treated its workers well. The next time it conducted the survey, it found that consumers rated the company higher not only in how well it treated its personnel, but also in dignity, which led to higher overall ratings of the company and its treatment of customers.

As the example shows, marketers that study consensus maps can reengineer these maps. In that way, they can help boost customer satisfaction, strengthen brand loyalty, and enhance sales.

Various companies use consensus maps in diverse ways. Here are some examples:

- Immunex, the drugmaker, used a consensus map about physician decision-making in a highly successful drug launch.
- Schiefflin and Somerset used such maps to reposition several beverage brands.
- Procter & Gamble, AT&T, IBM, and Samsung use consensus maps to develop new product concepts.
- Coca-Cola, Bank of America, J. Walter Thompson, and Fidelity Investments use them to develop communication strategies.

When working with consensus maps, managers must ask themselves several questions about the qualities of the business they are studying. These qualities are also known as *constructs*. The questions should include:

- Which constructs merit further analysis?
- Which points should the company convey to customers relative to each construct?
- Which ranking does the company have on each of these constructs compared to competitors?
- Which degree of quality does the company achieve in terms of the strength of associations between constructs?
- Which constructs affect the company's or brand's desired position relative to other constructs?

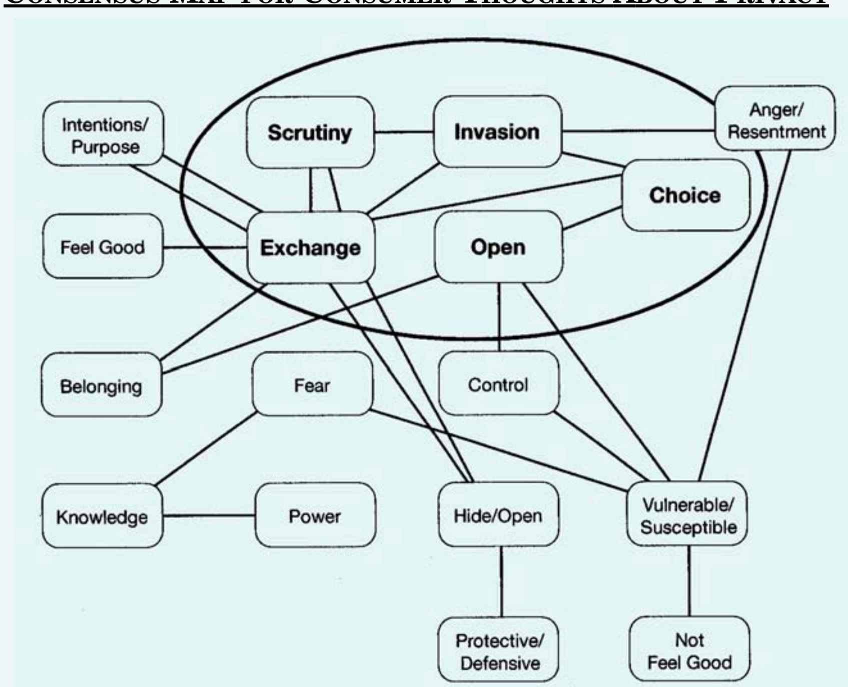
The answers to such questions can help managers evaluate how well their marketing plans dovetail with consumer thinking. They can help target aspects of marketing strategy that need reexamination.

In analyzing and acting on a consensus map, a critical factor is the original raw data. It comes in the form of metaphoric images and verbatim quotes — both of which are invaluable supplements to managers' unique knowledge of their products.

The extended consensus mapping shown here illustrates a sample consensus map and the raw data underlying it. The map is a product of a study on privacy conducted by the Harvard Business School Mind of the Market Lab.

The figure below shows the consensus map reflecting key constructs and the connections between them — elements mentioned by nearly *all* participants in the study. The five constructs highlighted are those certain firms, including Johnson & Johnson, General Mills, and GM, found especially interesting.

Consensus Map for Consumer Thoughts About Privacy



The upper- and middle-right figures shown here depict excerpts from the electronic version of the map, as well as the raw data behind the highlighted constructs. The specific data relates to two constructs: "scrutiny" and "invasion."

Clicking on a construct enables a user to access various information about the construct, including: its definition, a set of sample quotations from which it emerged, and visual metaphors that participants used to express their thoughts about it.

Far more important than the individual constructs are their associations. The connections — or "lines" — in the upper and middle figures represent consumers' reasoning processes. They give texture and significance to beliefs and feelings.

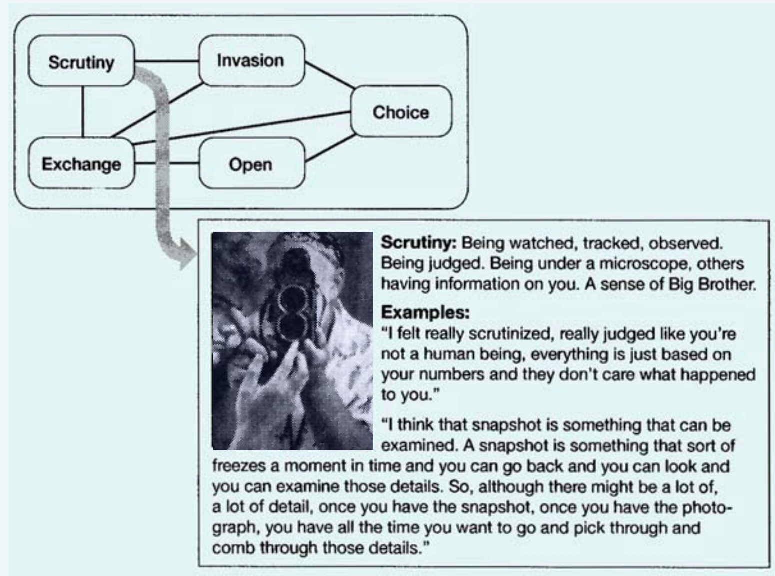
As illustrated in the lower-right figure, clicking on a line allows users to see how two constructs — in this case, "scrutiny" and "invasion" — relate to one another.

Understanding such linkages is crucial. They provide the best available basis for market segmentation.

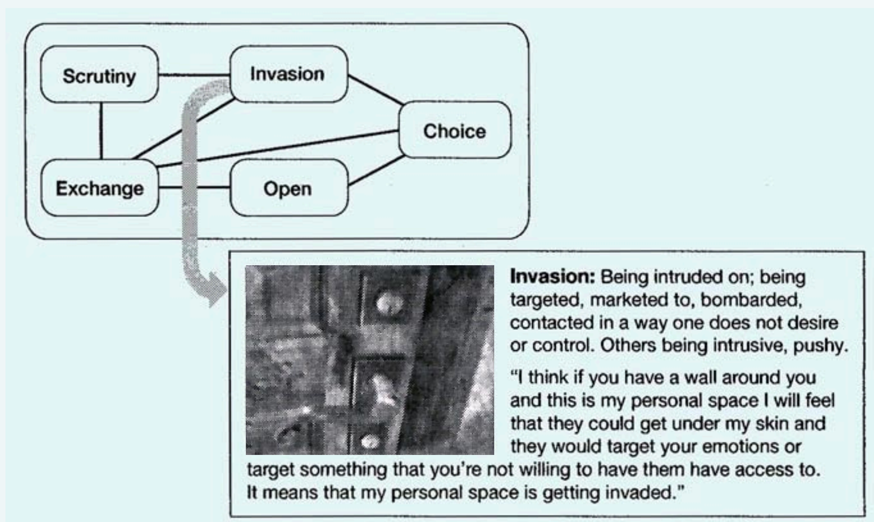
Companies should define consumer segments on the basis of similarities in reasoning, not on the constructs alone. It's the thinking processes — not the constructs, and certainly not criteria like demographics or purchase volume — that reveal "why" consumers buy.

■

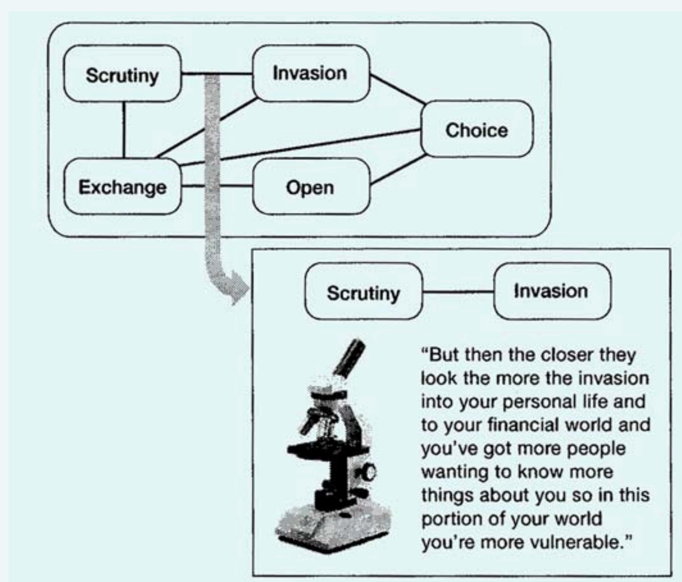
The Meaning of Scrutiny



The Meaning of Invasion



The Reasoning Process Involving Scrutiny and Invasion



Don't look at consensus maps as static. However, fundamental issues, such as what it means to "feel good," probably don't change much over time.

In the same way, central human issues, such as the meaning of "home," generally remain stable over several years.

But sub-issues related to home could change. These might include:

- The experience of keeping a home clean, which is significant to a company like DuPont.
- The use of exercise equipment in the home, which is relevant to Nautilus and its competitors.
- The use of home appliances, which is important to companies like Maytag and Samsung.

A consensus map helps managers reengineer how they interact with consumers. The map can help highlight ways companies can encourage purchasers to see offerings in new ways, with new usages.

Marketers can play key roles in helping new constructs penetrate consumers' thinking. That is, they can help consumers form fresh associations among existing ideas.

Before facilitating such shifts, managers should ask themselves questions like the following:

- What do we want this map to look like in six months or a year?
- What changes in this map would align it better with our strategic vision?
- What constructs do we want to erase?
- Which constructs should we seek to de-emphasize or reinforce?
- Which constructs should we add that would distinguish us from our competitors?

Additional tests over time should demonstrate how well a company is succeeding in its "construct reengineering" efforts.

A consensus map serves as a guide for getting from one point in the mind of the market to another. The map helps managers identify opportunities and obstacles to successful marketing efforts.

Broadly speaking, a consensus map reflects the shared frame of reference on a topic. As consumers experience change — and marketing actions play a key role in this — the map also changes.

Memory, Stories, and Brands

As we've already mentioned, customers' memories about products serve as a foundation for metaphors. Metaphors and memories involve *re-presentation,* or *re-shaping,* as do stories.

A metaphor re-presents one thing in terms of another. A story also re-presents, through linking events into a coherent whole, a story.

All three — metaphor, memory, and story — contain elements of truth and fiction, as well as thought and emotion.

Thus, the three categories overlap. Memories are stories, but stories have a basis in memory. Both memories and stories contain elements of metaphor.

These concepts may seem abstract. But most of us have memories and stories about certain products, such as automobiles we've owned, theme parks we've visited as children and adults, and vacation spots. Many of us can recite advertising jingles from our memories about products that no longer exist.

Consumers use metaphors, memories, and stories to give a personal meaning to products and brands. But it's important to realize that outside influences, including marketers, can cause people to change their memories. They can help create new meaning, and new stories, about their brands.

In one study, moviegoers who expressed negative responses to a film they'd seen were shown a favorable review. The researchers then asked the study participants to repeat their *original impression* of the film. That is, they asked them not to let the positive review be an influence.

The result was almost predictable. The moviegoers generally remembered judging the film in much more positive terms than they originally had. However, they firmly believed they were merely repeating what they had said before.

Clearly, the glowing review had influenced

them, subconsciously, to alter their story about the product, the film. Obviously, memory and product stories aren't static, but rather "works in progress."

The implication for marketers is this: If your product originally founders in the marketplace, don't despair. Even negative consumer experiences are subject to alteration. By re-presenting events, marketers can influence how consumers re-present their stories about a product.

Psychologists tell us that brands invariably link themselves with storytelling. When managers tell a brand story, they influence consumers' consensus maps. When managers tell new stories, they're reengineering those maps.

■■

THE 10 CROWBARS FOR CREATIVE THINKING

It's not enough for managers to understand consumers' unconscious thinking, as expressed in consensus maps. They also have to understand the role of their own unconscious, and then think in new, interdisciplinary ways.

Managers who want to reshape their own thinking face four challenges:

- First, creating or identifying new ideas.
- Second, understanding the new ideas.
- Third, critically examining their usefulness.
- Fourth, leveraging them imaginatively in their own work.

We'll conclude this summary with 10 ways for managers to "break out of the box" to meet these four challenges. You don't need to make dramatic changes in your thinking. Instead, you should consider alternatives for times when customary habits of mind fall short.

The following approaches are "crowbars" for leveraging change and encouraging unconventional thinking. You should evaluate each of these 10 crowbars in terms of your own situation and style.

First, *favor restlessness over contentment.* Marketers that become too content give a green light to competitors. Motorola used restlessness as a crowbar in improving employee safety. It recognized that one of its consumer products, a device allowing a business traveler to summon help, could benefit its own personnel.

Second, *wonder about the cow's crumpled horn.* In the children's story *This Is the House That Jack Built,* the cow's "crumpled horn" comes as a given.

Using "crowbar thinking," we pry up questions like: How did it happen? Who crumpled it? What did it feel like for the cow? Is the crumpling the kind of thing we might do ourselves?

The crumpled horn is an irregularity. Unusual data, such as an unexpected increase or decrease in sales can be important.

Home Depot noticed a dramatic spike in sales at one store for a home plumbing kit. It found that the reason was the kit's placement next to certain bathroom fixtures: a discovery with important marketing implications.

Third, *play with accidental data.* In many cases, we notice effects without causes. At one hospital, patients randomly assigned to one side of a floor were discharged more quickly than their counterparts across the hall. Why?

A persistent staffer finally provided a solution: The rooms of patients with shorter stays overlooked an attractive park. Patients on the other side faced a parking lot. The staffer developed the important concept of "therapeutic imaging," in which appealing scenes speed patient recovery.

Fourth, *view conclusions as beginnings.* Creative marketers not only solve mysteries, but also create them. When they receive the results of market research, they don't just accept the conclusions; instead, they ask more questions.

For example, a marketing director for a dentistry company noticed a lack of data in focus groups about waiting-room experiences. Including such questions in further research noted that the closed doors, odors, strange noises, and uninviting rooms were major turn-offs for patients. Adding insulation to doors and brightening up waiting areas turned around the situation.

Fifth, *get outdated.* That is, try to make what you already know and do look out of date as soon as possible. For example, Ford found that improving the grooming of those responsible for car care significantly improved customer loyalty. The idea had its origin in a very unlikely place: a magazine article about social bonding among primates.

Sixth, *stop squeezing the same baby chicken.* In other words, don't put the same "death grip" on your ideas that children do with baby chickens. When people are overly attached to an idea, they block the path to progress because they can't consider other options that may be better.

Seventh, *nurture cool passion.* Imaginative thinking should blend reason, or coolness, and emotion, or passion. Cool passion requires knowing under which conditions ideas will work, and then helping create them.

Eighth, *have the courage of your convictions, not someone else's.* Every company has its share of "yes, but" types and people who are always uncomfortable with new ideas.

Yes, point out potential obstacles. But don't portray difficulties as insurmountable. The president of one health-care concern handles the "yes, but" people in this way: He accepts their concerns, and then insists they solve the issues they raise.

Ninth, *ask generic questions.* Remember that market research doesn't exist for its own sake. Instead, it seeks to examine fundamental human and social processes. For example, General Mills has developed several brands that reflect mothers' concerns about their children's life-stages.

Tenth, *avoid premature dismissal.* Before you reject an idea, reflect on whether it might have unexpected relevance.

The goal of the 10 "crowbars" is to facilitate high-quality thinking and intellectual agility. These qualities are in short supply at many companies. That's true for many reasons, including: restrictive work environments, unfamiliarity with out-of-the-box thinking, and fear of trying to implement new ideas.

The companies that are successful in market share, margins, and profitability, will encourage the following characteristics: self-confidence, honesty about what one does — and doesn't — know, courage to admit mistakes, and, especially, curiosity. Curiosity is important because it prevents confidence from becoming arrogance.

Better Answers Through Better Questions

Of course, you can't find better answers to marketing issues without first asking better questions. The question's pointedness ultimately determines the answer's quality.

For example, it's human nature not to want disturbing conclusions in our market research. So, the tendency is to ask consumers how they feel about our brands — questions almost predetermined to get positive answers.

Mercedes, the carmaker, asked consumers what they thought about the brand. The answers were generally positive — referring to such things as "good styling . . . comfort . . . and good maintenance."

Then, the company did something daring: it asked consumers what they believed the Mercedes brand thought about THEM. Negative answers abounded.

Consumers said things like the following: "They *don't* think of us" and "We are sheep." Another response was, "They think I have money to burn." Yet another respondent added, "They think I'm a child that doesn't know better."

In other words, the second question did more than elicit negative comments. It also demonstrated the fragility of the positive comments about the product. What's more, it demonstrated that consumers believed the company had much less interest in them as people than as purchasers.

You can frame better, more valid questions by following these guidelines:

1. ***Determine the generic question you want to explore.* That is, if you have a new product to clean cars, don't just ask about car cleaning. Instead, ask what consumers think about cleaning — and cleanliness — in general. The answers you get from the broad question can be more informative and useful than from a narrowly framed query.**

2. ***Determine whether the basic question should be specific to brand, category, or problem.***

For example, if your product is a tooth whitener, should you ask consumers about your brand? Or about whiteners in general? Or about the problem the whiteners seek to address? Knowing what the problem is — from the consumers' perspectives — can help you design and position your brand.

3. ***Pose more general and more specific versions of the first question that occurs to you.*** **In the case of the car cleaner, a more general question would deal with how consumers feel about keeping things clean. Conversely, a more specific question would ask something like, "What do you like best, and like least, about keeping your car clean?"**

4. ***Determine whether you need to know direction, velocity, or both.*** **In other words, as you sail forth with a new product, decide what's most important to learn: is it the attractiveness or appeal of a concept or product — that is, the direction? Or is it the likely initial sales — the wind's velocity? The direction question is essential to development and launch decisions. The velocity issue is critical to production decisions.**

5. ***Allow for surprises.*** **Recognize that most market research seeks confirmation of managers' existing assumptions rather than illumination. In fact, disconfirming information, even in the form of "bad news," can lead to positive changes. To avoid generating only superficial "good news," ask consumers to share any concerns not covered in the research process.**

6. ***Convert assumptions into questions.*** **Managers must look inward to identify their own assumptions, and then outward to test their accuracy. For instance, light users of your product might tell you more than heavy users. Is the problem less with people's buying habits than with something deficient in the product?**

7. ***Employ a clairvoyant.*** **Or at least imagine you had a clairvoyant, someone who could answer one profound question. Here's an example: A maker of alcoholic beverages didn't pose a basic question about positioning. Instead, it asked a clairvoyant's open-ended question: "What's the anatomy of social well-being?" The question reached out to consumers' thinking and feelings in ways that allowed the company to develop an extremely effective ad campaign.**

8. ***Employ a wizard — someone who can fix broken things.*** **Better yet, *imagine* that something goes wrong — that you have a deficiency in knowledge that *might* lead to a serious problem. Then, *get the knowledge and fix the problem before it occurs.***

Market-research questions should do more than lead to predictable answers. Well-designed, penetrating questions should open doorways into consumers' thinking.

In a practical sense, framing good questions takes you, as a manager, out of the realm of the "same old same old." It forces you to assess what you know — and don't know. It makes you choose what's important — and what's not.

Thoughtfully framing a question can expose well-springs of assumptions, knowledge, and experience. Learn to question your questions, and good answers will begin to flow with abundance.

One key in framing research questions is to distinguish between *velocity* and *direction.* Velocity deals with likely sales, direction with general attitudes about the product.

Too many companies get the cart — the velocity — before the horse — the direction.

In one case, a bank asked customers what they thought about a new savings plan — and, especially, how many of them would be likely to enroll in it. Response was enthusiastic.

However, when the company launched the program, few people enrolled. Eight months after it began, the plan was discontinued. What went wrong?

The bank had paid too much attention to velocity — potential sales — and not enough to direction — general attitudes about the product. It thus

badly misread demand for the new plan.

It was one of those cases where survey participants were saying, "Gee, if I could ever conceive of having a need for such an intriguing product, I'd sure buy it." Unfortunately, few of them really had such a need.

Velocity questions tend to examine surfaces; activating a "let's pretend" level of consciousness. Getting good answers to direction questions requires plumbing the unconscious.

One of the greatest product failures of all time was the sinking of the Titanic. Its captain and crew made several disastrous assumptions. For example, they assumed that the ship was unsinkable, and they assumed that they were navigating in waters that were clear of icebergs. Their assumptions were wrong, and the results were tragic.

Of course, what sinks more conventional products and brands isn't an iceberg. Instead, it's usually the submerged thoughts and feelings of consumers, and of marketers. But the "Titanic Effect" can be seen in the new-product failure rates, in the failed brands that lost their leadership positions, and in the celebrated firms that have recently declared bankruptcy.

For businesses, the Titanic Effect results from managers' unquestioned confidence in customary assumptions about consumers. It reflects a failure to ask hard questions of the "what-if" variety. It suffers from a lack of imagination to look below the surface.

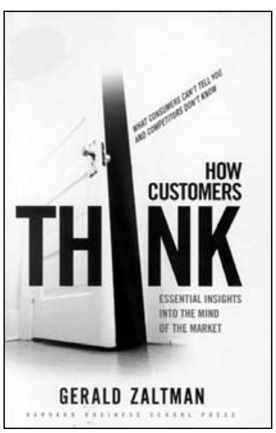
Examining the interaction between the conscious and unconscious minds of consumers can be exhilarating and frightening. It demands a lot of study and reflection. But it's essential for managers who want to reduce product failures and increase customer loyalty and profits.

In a marketing sense, techniques like metaphor elicitation, consensus maps, response latency, and neuroimaging are the waves of the future. They offer marketers opportunities to understand consumers' unconscious minds — the next source of competitive advantage for companies in every industry.

ABOUT THE AUTHOR

Gerald Zaltman is the Joseph C. Wilson Professor of Business Administration, a member of Harvard University's 'Mind, Brain, and Behavior Interfaculty Initiative,' and is Co-Director of the Mind of the Market Laboratory. He has developed a new market research tool (ZMET) which is now being used by major corporations for understanding the mental models underlying customer and manager thinking and behavior.

He is author or co-author of fourteen books and editor or co-editor of twelve other books.



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