Episode 46 Transcript – Les Binet

MAF: [00:00:00] Welcome back to Behavioral Science for Brands, a podcast where we bridge the gap between academics and practical marketing. Every other week, we sit down and go deep behind the science of some of America's most successful brands. And every so often, we have a visiting guest to join us. I'm MichaelAaron Flicker.

RS: and I'm Richard Shotton.

MAF: …and today we're visiting with Les Binet, Group Head of Effectiveness - Welcome Les - Group Head of Effectiveness at Adam and Eve DDB. Let's get into it.

So Les, welcome to Behavioral Science for Brands. We're very excited to have you.

LB: Nice to be here.

MAF: Richard and I have been big fans of your work for many, many years, and we're so excited to have you today. Les, I thought that maybe I could start by doing my best at a main stage presentation, 20 minute introduction.

Okay, [00:01:00] maybe I should just do a very short introduction for those that may not be as familiar with your work. And then maybe we can just have an interesting discussion between the three of us today, if that sounds good to everyone. Yeah. So Les, for those that may have not been exposed to your work, you are a world renowned expert in the field of marketing effectiveness.

And according to the IPA, for our American listeners who may not know the IPA, that is the Institute of Practitioners in Advertising, the UK's leading association for marketers and advertisers, the IPA says, Les, that you have probably won more effectiveness awards than anyone else. In fact, in 2014, they awarded you the President's Medal in recognition of your contributions to marketing effectiveness.

And as importantly, you've written extensively on how advertising works, how to make it work better, and how [00:02:00] to evaluate it. And of course, your work with Peter Fields has attracted lots of international attention. But really, for Richard and I, reading about your work and watching you talk to other leaders in the field has been a study of seeing how your interests have changed over the years, how you've kind of pulled at a thread and continue to learn and ask questions.

And so I thought before we got into specifically talking about behavioral science and seeing where that takes us, I'm wondering if you could maybe share some of, in two minutes, some of your biggest insights or reflections on your work so that those that would be interested can get a little bit of a primer.

And then, of course, in our show notes, as everyone knows, we'll have links to all of your [00:03:00] publications and for people to find more information. But maybe you could start us off that way.

LB: Okay. Um, I'll probably go on far longer than two minutes. I think maybe if I can, I'd just like to start by saying I'm not an academic.

You talk about the bridge between academia and practice. I'm not an academic, I'm a practitioner.

LB: So I work for what is probably the UK's best advertising agency, Adam and Eve DDB. I have to say that, it's in my contract. And my job as head of effectiveness is to measure the effectiveness of our advertising, to understand how advertising works and to make it work better.

And I've been doing that for 37 years for the company. I think it's fair to say I've learned a thing or two along the way. [00:04:00] But I have this - I mean, Adam and Eve are very generous in that they allow me to basically do semi academic work as part of that job. So I've done a lot of work with the IPA, which is the body that represents the UK advertising industry.

And they have a huge database of effectiveness case studies and data. And together with my colleague, Peter Field, we've spent the last, I suppose, nearly 20 years analyzing that data, looking for general patterns about what works and what doesn't. So I have my day job, which is just, you know, making sure that the ads work, and my semi-academic job, which is to sort of try and understand how it works in general.

The books are based on all of that stuff. And probably the most famous book that Peter and [00:05:00] I've written - We've written five books together, and I've written one with Sarah Carter - The most famous book is called The Long and the Short of It. And it's about how advertising works in the short term versus how it works in the long term.

The central idea is that short-term and long-term effects are quite different. They work in different ways, over different time scales, and they require different media, different content, different measurement systems. And that you need to understand these short and long term differences if you're going to avoid wasting money and maximize your profit.

So it's that tension between the short and the long term. And there is a tension. That's the other thing, is that people assume that if you get the short term right, the long term will look after itself. Wrong. Absolutely wrong. What we see in the data is that when you [00:06:00] try to maximize short term effects, you reduce the long term effects.

So much of what people are doing in marketing today is focused on maximizing short term effects, and that is reducing companies' profits. So that's the central idea I think I'd like to get across to people. And I think during this conversation, we'll tease out some of the reasons why.

MAF: I mean that sounds really great.

And maybe we can, for those that are new to the idea of the short and the long term, we can talk just a little bit about when we talk about short and long - I've sat in rooms where they've taken your original definitions, and then it's gotten a little confusing, as it's been tried to be applied. So in the simplest of terms, the difference between short advertising and long advertising would be described how?

LB: Okay, well, it's really a question of how long the effects last. So if you do stuff that is, [00:07:00] you know, the, the traditional kind of performance marketing, a lot of the digital marketing, direct response, stuff that is really focused on getting someone to do something right now, to buy right now, you want to get really close to the point of purchase and you want to influence people's purchase behavior.

That's great. That's what they call that, you know, the hard working stuff. That's great - But the effects are incredibly short term. They decay away to nothing very, very quickly. You know, you hit people with an outbound email and you'll get a surge of sales. And then when you turn it off, it decays away to nothing very, very quickly.

You do paid search. That's great. You get a surge of sales, you turn it off, it decays away to nothing. So it's great, it's immediate, but it's transient and short term. The other approach is you talk to people, you talk to a much wider pool of people who are not necessarily shopping right now. You [00:08:00] get them when they're relaxed and receptive and kind of open to be, uh, seduced,

rather than persuaded. And you create lasting feelings and memories that will last for years potentially and will influence their behavior for years. So this is how brand advertising tends to work. So you're not - it's not about closing the deal or giving them offers or telling them the specifications of the product or getting them to click it on anything.

It's about planting associations and feelings and memories in their brains, which will last tomorrow, the next day, the next week, the next month, the next year, 10, 15 years later. And that stuff, the sales effect in the short term, It does have an immediate sales effect. You run a brand out on TV and some people will [00:09:00] go to your website right there and then, but the effects in the short term are much more modest, but they last for a very long time.

And we can all think of ads from our childhood, which in my case is uh, not recently - we can think of ads where we can remember the songs and the catchphrases and things from when we were kids, you know, these things influence buying behavior over months, years, and sometimes decades. And if you measure it in the right way, you can measure the cash flow that's generated.

So I worked on one recently where in financial services where we could see a TV ad now, keeps generating additional cash for, for at least 15 years. So that's what I mean about long term. And it's not delayed - It's not a delayed effect. You're not doing an ad now in the hope that you, you know, that somehow – it's [00:10:00] not like a time bomb that blows up in a year's time, it's long lasting and durable, and you need both of these kinds of, approaches to marketing and you need them working in synergy.

MAF: Richard, do you want to maybe take us to, uh, some parts of the, of, of the work that we talked about around emotional campaigns? Because I think that connects to what Les is saying here.

RS: Yeah. So Les, you've talked about the split between the long and the short. One of the most famous findings that you and Peter have found is that when you're trying to deliver long term results, emotional campaigns tend to outperform rational ones.

Now that's interesting language because I think sometimes people misinterpret what you mean by emotion. They might think you mean heart wrenching or deeply affecting. What is it that you actually mean by emotion? [00:11:00]

LB: Okay. Yeah, this is one of the things that gets misinterpreted. So what we've done is within the database of several thousand campaigners that we have access to, the influence mechanism is divided up into several different categories. There's those that work by what you might call more rational persuasive methods, you know, giving people information, telling them something that's going to change their mind, you know, telling a truth and making it matter, all that kind of thing.

So the, the kind of rational persuasion model. And then what we call the emotional model is about, um, where it's not about rational persuasion, it's about emotions, feelings and associations, [00:12:00] much of which is actually just about whether or not people like the ad. Now that can go from, you know, making someone burst into tears with a really emotional substory, which

Adam and Eve, we've done a few of those and they can work really well, but it can really go right down to from that to, you know, make a wry smile, you know, a little laugh, or just a sort of - I know with a poster, just a beautifully divine design poster where people go, 'Oh, I like that. That's nice.

Really nice piece of design.' The key thing is it's not about telling people things. It's not about making them understand a proposition. It's about making them feel something. And I guess psychologists would make this distinction [00:13:00] between System 1 and System 2 processing. You know, that System 1 processing, what, you know, Daniel Kahneman's, you know, thinking fast and slow.

It's the fast part of mental processing. It's the quick, intuitive, immediate response, not thought through, the 'animal response', if you like, that makes up almost all of what goes on in the brain. Psychologists sometimes say maybe 95 percent of the processing in your brain is this immediate, associative, parallel processing, rapid fire, intuitive response to something.

What we call emotional ads work at that level, whereas the persuasion, information, rational ads work at the level of telling someone something and getting them to think about it and believe it. Now, in fact, actually, most ads work on both levels to some [00:14:00] extent. So if you go into our data, I hate to overcomplicate this, but what we're actually talking about is campaigns that work at primarily the emotional level, primarily the rational level.

And there's a third category, which is kind of, even emotional/rational. We have over the years, toyed with talking about system one versus system two processing, but the problem there is you've then gotta explain what you mean to people. So we kind of reverted to talk about emotional and rational.

So when we first did this analysis in 2007, what Peter and I expected to see was that the most effective campaigns would be the ones that had both emotional and rational working together. That's how we've been trained as advertising people. You know - yeah you need messages, yeah you need feelings.

Great advertising makes the two work together. And that is not what we found. We interrogated the data. You know how you do, right? You, you've [00:15:00] got a hypothesis, the data says you're wrong. We interrogated the data back and forth and back and forth. And it would not give us the answer we wanted. We found that in every category, in every medium, in every decade, in all economic circumstances, et cetera, et cetera, that what worked least well was rational advertising.

Rational and emotional together worked quite well, but leading with emotion worked best. In every single subdivision of the data, except one, and that was direct response, where it was the other way around. So that was in our 2007 book. And then what happened was in, in 2013, when we did the long and the short of it, we started looking at short and long term effects.

And that's when it got really interesting, because what we found was if you want to maximize short term direct response effects, go rational. If you want to maximize long [00:16:00] term profit and growth., go emotional. And if you want to make everything work best, lead with the emotions, support with the rational. And a typical optimum balance is 60 percent long-term emotional brand building, 40 percent short-term activation performance, call it what you will. So we call that the 60 40 rule.

MAF: And Les, when I've read, when I've heard you speak about that, I have interpreted that as overall media plan, look to have 60 40, but is that also applied to any piece of creative? No, that would fall in the middle. That would fall in the middle of one, which is both emotional and rational. So we're talking about overall media plans here or overall exposure to consumers.

LB: Exactly. So, um, at the very top level of budget setting, you should devote about 60 percent of your budget to the long-term stuff and about 40 percent to the short term [00:17:00] stuff.

And again, what we've always said is that overall on average, it's about 60/40, but it does vary depending on category and size of brands, stuff like that. So we wrote another book in 2018, which then looked at how it varies for different brands in different situations. So there are examples, for example, financial services, you need to go brand heavy. B to B, you need to go activation heavy. But an important gloss on that is within any particular bit of creative, what we did find was attempting to do both jobs in the same piece of creative is inefficient.

MAF: Right.

LB: And so of course that has real implications for you know, that people produce lovely, gorgeous, emotive, creative brand ads, and then they think, ‘oh, then we’ll put a 10-second sting on the end of it saying, you know, 50% off.’ [00:18:00] That's a great way to fuck your advertising up.

RS: I didn't know, there's a thing in the news for me that you had gone into the process and the research thinking you'd find a different result. And I really like that because I’m always skeptical of research that conveniently enough proves the hypothesis.

LB: No, I mean, the whole process was a complete revelation to us because it refuted all of our training.

And we, you know, we had been taught, because Peter - so Adam and Eve used to be called BMP in the old days, and Peter worked at BMP as well before I did. So we're both trained by the same people in the same tradition. And the whole agency was trained in this belief that advertising was primarily a rational communication mechanism.

But what [00:19:00] creativity did was to get people's attention and to sugar the pill, if you like. So we used to use the phrase rational messages in emotional envelopes. So the idea is you have the cartoon characters and the music and the, acting and the jokes and things like that, which make people pay attention to the ads.

You use that to then slip, you know, a rational proposition in and help to make sure that people remember it. And all of the advertising that my agency used to produce was based on that message. And what we came to believe as a result of our analysis of the data was that was completely wrong - really good brand advertising, you know, the music, the fluffy animals, the, the dancing, etc, etc.

that's what sells not the message. And in fact, we began to realize that for brand advertising, a [00:20:00] lot of the time, the product points and the messages and things that were inserted into the ads, sometimes were actually making them less effective. And they were mostly there to keep the clients happy. Um, so before we started this recording, we were briefly talking about music and I'm going to be talking about music in the meeting after this one.

One of the things that we found is that for some ads, I mean, it's very hard to put a precise estimate on this, but it looks like about 20 to 30 percent of the selling power of the ads is due to the choice of music. You know, and that tells you that it's not a rational communications message, you know. And we see this, you know, the effectiveness of an ad could be massively changed by casting.

We had an ad that we ran, a campaign that we ran in the agency, and there were several executions, [00:21:00] and we had two versions of basically exactly the same script, but with a different actor in the lead role. And one worked way, way better than the other. It's not the proposition, it's whether or not people like the actress or the music, whether the lighting's good.

So all of this was a revelation to us.

MAF: And this is really a critical point. You used the word liking and Richard and I were listening to you in a podcast recently on the On Strategy podcast where you talked about an AARF research from the 1990s that showed that liking was a rare predictor of success.

Maybe you could talk a little bit - if our listeners want to make a greater impactful emotional connections, then they need a playbook. How are we going to approach that? Everybody wants to be emotionally connected, but how? [00:22:00]

LB: Yeah. So the advertising, the US Advertising Research Foundation, the ARF, did this fantastic piece of research, which I think, I think it may have taken them something like 15 years or something like that.

It was an amazing - and I think it's largely forgotten now, apart from amongst old people.

RS: I'd never heard of it until I watched that podcast.

LB: Okay, so what they did, let me see if I can remember the methodology, um, what they did was they looked for advertising campaigns in the U. S. where advertising was run in some states but not others - which is much more common in the U.S. than it is in many other countries. You know, because you've got 50 states, a lot of regional stuff. And they were able to do - they had a collaboration with a research company. I can't remember [00:23:00] which one or might have been a group of research companies, but basically were able to use these as controlled experiments.

So the minute they discovered a brand that had done this, they looked at the sales results, you know, like in advertisements sales like this in advertised versus non-advertised regions. So, you know, a lovely direct experimental measure of the sales effects. And what they did also at the same time was they put those ads into pre-testing framework.

Well, I say pre testing, a testing framework. So they, they took the actual ads that were being run. They showed them to audiences and they ran them through a number of different pre-testing methodologies. So they got lots of the pre-testing companies to all measure the same ads. So you said, okay, [00:24:00] you know, how effective do you think this ad should be, based on how the audiences responded to it.

So they had the actual sales results and they had a bunch of different pre-testing scores. And the idea was to see, does pre-testing actually correlate with actual business performance? So I think it took them about 15 years or something, a very long time to finally get a decent sample together because the circumstances were rare.

They had to move very fast in order to find audiences that haven't seen the ad and stuff like that. But yeah, I mean, the overall conclusions, there were several papers published on this and it was quite controversial. I mean, one reading of the findings is basically that pre-testing is about as good as tossing a coin at predicting sales effects. At least it was then. [00:25:00] And that most of the sort of dimensions and scores that people looked at, very little predictive power. But one thing that did have some predictive power was liking. So in other words, if you wanna know if an ad ad's gonna sell anything, just find out whether people like the ad or not.

So, and of course there was a lot of political dancing around the results. 'cause of course the pre-testing companies did not want them to say that openly, so you have to read between the lines in the papers. But I think we, I think I actually came to - went back to that research when we did our 2007 analysis.

You know, actually the answer was already there in the data. It's not about - So for brand advertising at least, my overall conclusion is brand advertising is not a communications mechanism. [00:26:00] It's a training mechanism. It's like

Pavlovian conditioning. You're conditioning the public to like the brand by getting them to like the ad, broadly speaking, you know, you ring the bell and the dog salivates.

So I think that's quite a radical finding. And I think probably Richard, you can see how that shades over into behavioral economics, you know, because, you know, I mean, if there's the overall big finding from behavioral economics is that people are much less rational than they like to pretend. They don't think as much as they think they think.

And therefore, if you're going to do good advertising, you have to take all that into account.

RS: And I think it really fits with a principle in behavioral science known as the halo effect. So you can go all the way back to the 1930s work of Thorndike. And there's this finding that when we are weighing up our view of a [00:27:00] person or a product, we don't judge all their attributes independently. We take one element of their personality. Maybe they're particularly good looking or particularly clever, particularly funny, and we use that as a guide to all the other metrics. So if we think they're really intelligent, we'll think they're prettier or funny. If we think they're really beautiful, we'll think they smell nicer and are funner to have around.

So I think it's this idea of you can achieve a business goal quite obliquely.

LB: Yeah.

RS: Boost one metric really powerfully and the others will follow. And maybe the easiest thing to do in an advert is to change liking. Because you can actually be funny in an advert, whereas all the other things that you often want to communicate, you can only claim them.

And people will be of greater weight to an action and a behavior than a claim.

LB: Yeah, absolutely. Absolutely. So, I often forget which cognitive biases have which names, because I don't spend as much [00:28:00] time as you do thinking about these things. But definitely, I would say the halo effect is part of it.

And I've seen some great examples of this. Um, so there's a famous case study, for a brand of bread called Hovis in the UK, where they did this wonderful emotional ad to celebrate their centenary, I think, around about 20 something years ago, and it showed a hundred years of, you know, like the boy running through a hundred years of British history.

But it was - it said nothing about the bread at all. So there's a little boy going in, you know, a hundred years ago, goes out to buy a loaf of bread. He finds himself running through London, and through scenes over a hundred years. Actually, as I say this, I'm getting goose pimples on my arms because - and this happens a lot, because it is, um, if you're a British person, [00:29:00] it's got a lot of very emotional stuff in there.

You know, it's got Winston Churchill and it's got, you know, the 1966 World Cup and all sorts of things, the Beatles, and it gives you a really visceral emotional response. But it says nothing about the bread at all. Nothing at all. There is no product point. There is a loaf of bread in the ad, but that's, you know, I think the end line is something like as good as today as it's always been.

That's all. But people who saw that and compared with people who hadn't seen the ad that did these tests, they said it was more nutritious. It was, it tasted better. Um, it was more indulgent. It was better value. It was more premium. It was, you know, any single dimension, every single dimension improved.

Even slightly contradictory ones, you know, that was more [00:30:00] premium man, and it was better value. You know, any question you asked about that bread, um, they answered more positively because they felt better about it. And I've seen a similar thing years ago for John Lewis many years ago. We did some research where - what we did is we told some people, because you know John Lewis is - so John Lewis is a UK department store and it's mutually owned, I mean, it's effectively a communist organization - All the staff share the profits. All the profits are shared out to the staff. And most people don't know that.

And when you tell people that it's mutually owned, they say things like, the clothes are more fashionable and the TVs are more reliable. You know, absolutely no logical connection between these things, but basically [00:31:00] you make people like the brand on one level and it improves their lives, their perception on every other level.

RS: Yeah, I think it's super powerful. And in fact, it's that power that then poses a slightly odd question, which is why are so many marketers resistant to that idea of bleakness and indirectness? Yeah. And it persists with the rational persuasion model of advertising.

LB: Okay, I think there are some historical things going on, possibly.

So Paul Feldwig, who some of your listeners and readers may know, is a UK advertising guru, and used to be my boss at the agency. So another one of the London Paddington Mafia - So his view is that this is [00:32:00] partly to do with scandals in the US particularly around, like, the hidden persuaders and – So, I think there were two books in particular - The Hidden Persuaders and The Wantmakers were two books in the 50s and 60s, I think, which were about advertising being evil, manipulative, and, subliminal advertising, brainwashing techniques, et cetera, et cetera. I think the Hidden Persuaders came out in the fifties, I think.

RS: I think 1957. Yeah. The Vance Packard. Yeah.

LB: So Paul says at that time there was a lot of paranoia in the U. S. about brainwashing, which was a term that came into the public debate during the Korean War, because supposedly [00:33:00] the communists were brainwashing the political prisoners, you know, psychological techniques.

If you've ever seen the film The Manchurian Candidate, which is the, um - I think it's set during the Korean War, isn't it? And I think a prisoner of war is brainwashed and then becomes, a sort of mole in U. S. politics. Um, possibly relevant today. So there was lots of sort of paranoia about communist psychological techniques and evil psychological manipulation.

And at that time, if you, you know, in the early, in the, in the fifties, US advertising was deeply into psychology, you know. So you have people like Dictor. A psychologist who I think had come a German [00:34:00] emigre, you had lots of these sort of German and Austrian psychologist emigres, some of whom migrated into the world of advertising and marketing.

And then all of a sudden, there was this scandal about, you know, the evil advertising industry that was manipulating people with this new medium called TV. And there was a complete retreat from that. So now I've forgotten the name of the guy - Rossa Reeves, Rossa Reeves, famous US ad man, said, you know, there are no hidden persuaders.

Advertising works in the cold light of day. And he proposed this model of advertising, which was all about, it's all about, very honestly putting rational messages in front of people, giving people good reasons to buy, you know. The USP, the [00:35:00] rational proposition. With no reason to feel, you know, worried about advertising, no need to regulate advertising.

All we're doing is helping ordinary Americans make better decisions. And so, we had decades of the advertising industry rowing back from any kind of psychology stuff, particularly in the US. Because they were scared, I think, of, um, the political consequences. So I think that's, that's part of the historical model.

And then I think that's had a new lease of life in the last 30 years. Because the digital advertising community has, I think, very much bought into this model. Many people, you know, I may be making this up, but I think the culture of [00:36:00] tech in places like San Francisco and, you know, Silicon Valley -

You've got to remember that Silicon Valley, the Silicon Valley culture has its roots in the 60s counterculture. There was often a lot of overlap. They were, and you know, a lot of those early sixties and seventies programmers, you know, the people that became the Bill Gates's of this world, you know, felt that they were building a better world through technology, a world where, you know, the evils of capitalism would be supplanted, but then people will be allowed to be able to make rational decisions.

Finally, we would overthrow the cognitive biases and the computers would make better decisions for us. I'm thinking of a song by Donald Fagan, uh, [00:37:00] There's a song called I. G. Y. on his album, The Night Fly, which is

RS: Oh, I don't know this.

LB: So it's, it's a song about the naivety of the, of the 1950s American Dream.

I think it's set in international geophysical year 1953, I think. And it's got the line. It's the fifties looking forward to the future and it's got the line something like trust machines to make big decisions, program our fellows with compassion and vision. So that so I'm really rambling off topic aren't I, but people underestimate the degree to which Silicon Valley has always had an anti-capitalist, pro-rational, anti-romanticism sort of mindset. These people are mathematicians and engineers and computer scientists, and they want to [00:38:00] build a world, many of them wanted to build a world, where people would make rational decisions. So there is a sort of thread within the digital marketing community that says, brand advertising is obsolete and wrong and evil. And what we should be doing is getting rid of all that advertising stuff and allowing people to use, you know, online product ratings and referrals and recommendation systems to make rationally-optimized decisions. So there's these huge threads, you know, sort of 1960s advertising works in the plain light of day, and the 1990s, when it finally surfaced, digital marketing is purely rational and gets rid of all that brand stuff.

RS: Yeah. There was a - I can't remember if it was Bezos or Musk said something along the advertising attacks that poor products pay. [00:39:00]

LB: Yes, exactly. So it was Bezos who said advertising is the tax that you, that you pay for having an inferior product and somebody else has always said, you know, advertising is a tax on stupidity.

But, and then Bezos in was it 2014? Said in one of his earnings calls, we have fallen in love with advertising. Yeah.

MAF: You know, it's interesting. Uh, when I started my career in the nineties, we were, uh, we started as a digital advertising agency and that emotion that if we only give more rational choice, and right now, Amazon product ratings in the Amazon system, the U.S. Is 1 out of every 2 spent on e-commerce, it felt like that would make sense. But I think harkening back to earlier in our conversation, the problem is that we don't have a ton of confidence in the pre-testing, or people say they're rational, but they [00:40:00] act emotionally and you only have to look as far as what you decided to put on this morning for clothes or what you choose to eat that was much more emotionally driven than rational that starts to, uh, disintegrate that idea.

LB: Yeah, I mean, you know, you start to interrogate it and you go, you know, this doesn't make sense at all. I mean, when you talk about what people eat, this is one of my favorite ones. When you do blind versus branded taste tests, you know, the differences are huge. So, I've seen a good example of this with beer, where you asked people to rank a bunch of brands, some of the most, the biggest beer brands in the UK.

This was a while ago. And you get them to rank them on blind tests and you get them to rank them branded. And the rankings are completely different, and in [00:41:00] particular, the brand, which I won't name, which people think in branded tests is the best tasting beer and the one that they pay most for, is the one that on blind tests they think tastes disgusting.

Um, so, you know, people go, 'Oh yeah, yeah, this is the best beer'. And then, then actually when you do it blind, they don't like the taste of it at all. And this, this applies to all sorts of things. So actually I had a little experience a couple of days ago, so a friend came to stay with me from out of London, and we went to the shop to buy some beer before dinner, uh, and she went to go and pick up - again, I probably shouldn't name the brand, so I won't name the brand.

She went to pick up a particular brand, and we said, she's a great traveler. She's a, you know, somebody who like goes all around the world and loves, you know, backpacking and all this. [00:42:00] She went to pick up what she thought was a brand from Country X. Uh, I'm mindful of not getting sued here.

And she was, you know, 'yeah, I always buy this because it's the taste of Country X.'

And I said, You do know that that's a fake brand that has just been created within the UK, brewed in the UK, to have, you know, these Country X credentials. And I later sent an article from a marketing magazine about how they've done that. I bet you can now guess which brand I'm talking about.

LB: Yeah. She goes, 'I'm never going to fucking buy that brand again!' But you know, she just totally, you know, she just bought into the image and you know 'It's the best tasting' and I believe you get similar effects amongst wine tasting professionals. They don't know what they're talking about.

MAF: Well the brand, let's just put it that brand helps guide them less.

LB: Well, [00:43:00] there is another way of thinking about things, which is that actually, if you think you're having a brilliant dinner, you know, with wonderful wine and wonderful food - that's the real experience.

And, you know, so there was an academic who said, we taste with our minds, not with our mouths. I can't remember who said that, but, I've learned this myself. We're going to completely run out of time before we talk about any of the things you wanted to do.

MAF: This has been wonderful.

LB: But I learned this myself in that, when I cook for my family, which I don't much anymore, actually, because they hate my cooking, but I realized that actually the way that I present the food - so how it's arranged on the plate, the colors, and what I say about the food - affects how they'll [00:44:00] present it. So, you know, if you sort of put it down on the table and it looks brown, and you say, Yeah, this is probably not very good, I'm sorry, you know, it was all I had time to. They'll hate it.

You know, it's the sizzle, you know, is the sausage to some extent,

MAF: We'd call that the illusion of effort.

But I would, you know, I think this does connect, to the topic of the podcast because for us, behavioral science gives us some of the how to get to that liking. It gives us some confidence that if we use these tactics, like the illusion of effort, like social proof, it gives us some of the ways to better increase the chances that they're going to feel that way when they go.

So I think it's very applicable and it directly connects.

LB: I mean, it has lessons for life beyond advertising and marketing. I mean, like, for example, one of the, [00:45:00] behavioral economics findings, you know, about cognitive ease, you know, that thing, for example, if something is written in handwriting, that's easy to read, people are more likely to believe it.

So there's an immediate lesson for any kid that's, you know, doing an exam, you know. That applies to everything in business, you know if you just make sure your slides, you know, look, put a little bit of effort into making sure that they're nicely legible and not too ugly, then you're going to have the audience on your side a bit more.

RS: Yeah, I think you're absolutely right there. There's a broad theme for behavioral science, which is often when we're faced with a complex problem, a complex question, you replace it with an easier question that gives us an almost a good answer.

LB: Yeah. Exactly.

RS: The complex question might be, is this salesperson going to, you know, trustworthy, deliver on what they say, [00:46:00] selling an amazing products?

That's all very hard to work out. What's easy to work out is, are they smartly dressed? Do I like them? Are the slides put together really well? So sometimes those simple questions are used as a proxy for the more deep and meaningful.

LB: And of course, when you're thinking about market research with questionnaires, you know, these long questionnaires with, you know, which of these brands do you think is most innovative and which, you know, is this good value for money?

The real answer to those most of those questions is ‘I have no idea.’ I mean value for money in particular I have a bit of a be in my bonnet about that because I don't think people know how to answer that question. I mean what we like to think is that value for money is a trade-off between the quality of the goods and services and what you pay for them. I mean, asking people what the price is, is hard enough.

Asking people about the quality is hard enough. Getting them to work out the trade-off is [00:47:00] really hard. So I suspect a lot of the time when you ask people about value for money, what they simply go is, which one's the cheapest, I think. But in general, what happens is when they ask all these questions on a questionnaire, they go, ‘I have no idea.

I have no idea. I have no idea.’ What's an easier question: Have I heard of it? Do I like it? So we haven't really talked about the “Have I heard of it” bit, the mental availability bit. So I said at the beginning, I'm not an academic. Um, but the academics working in this space who are really hardcore are the ones at Ehrenberg Bass in the University of Southwest Australia, Byron Sharpe and his group.

And what they will tell you is that the biggest single influence is simply what they call mental availability, which is how easy the brand comes to mind, the cognitive ease [00:48:00] of thinking about the product in any given situation, how easily the brand comes to mind, any relevant sort of buying situation or prompt.

So what tends to happen is, if you've heard of a brand, if it's well known, you know, you, you immediately think it's one of the big brands in the category. You will tend to think it's good because it's big and it's well known and it's good. You know, familiarity of a, with a product tends to lead to more, a higher rating.

And then on top of that, if it comes to mind is the first thing. And if it comes to mind with some positive associations, a funny cartoon dog, nice music, a logo I like and stuff like that, that also influences people's decisions. And those two things are also bound together because people tend to like things that are familiar.

RS: So how does that link with your [00:49:00] and Peter's finding that fame-driving campaigns are particularly effective.

LB: Absolutely. So, I mean, what we tend to find is that the more you move awareness-type measures, you know, the better the effect. So, prompted awareness is good, spontaneous awareness, even bigger, better. The more awareness measures that move the better, and at the top level, fame, where you know, I know this brand, I immediately think of this brand, I know, you know, this brand and think of this brand.

We talk about this brand is one of the brands in culture. When you get to that level of fame, it seems to be a multiplier. That just makes everything work harder, by our estimates about four times harder.

RS: So fame isn't the same as awareness then? You're saying it's, ‘I know that you know’, is that the difference?

LB: I mean, fame is like, I mean - [00:50:00] so awareness is really just first base, you know, like, yeah, I've heard of, uh, I'm just looking around to see if I can see a brand. Um, I don't know. Uh, I've heard of Kia cars, for example, you know, of course I've heard of them. Everyone’s heard of them. When I'm thinking about buying a hatchback or whatever, does Kia immediately come to mind?

Maybe not. Um, when I'm thinking about, I don't know a sports car, does Kia come to mind? Almost certainly not. Really famous brands would be the brands that, you know, that like they’re the default brands in the category, but also they're kind of, they're bigger than that - They're ones that people, you know, people - Rolls Royce and Lamborghini and Porsche, and these sorts of brands are brands that people think and talk about [00:51:00] when - even when they're not buying a car, you know, and brands like Nike and Apple and Google, they're part of the cultural conversation.

There's not that many brands that can get up to that level, but it's - I'd say mental availability and salience is a higher level than mere awareness. And then there's fame, which is when you really get to the level that people are talking about you. I mean, I would like to say that the work, the best work that we did for the John Lewis department store in the UK, that really was famous because people really were talking about it. It doesn't happen very often. And it's the fame and emotion all go together because it's almost impossible to do famous work. without tapping into people's emotions. People don't talk about stuff that doesn't make them feel or something.

You know, nobody goes to the, down to the pub and go, ‘Hey, I got this mailing this [00:52:00] morning that had some great proof points’. No, they don't do that, do they? No.

MAF: Les, as we're coming to the close on our time together, I was hoping that you might do some lightning round things with us. Richard and I had a few questions we couldn't live without asking you about.

So could we do maybe two or three lightning round questions, then we'll come to a close? Okay. In ‘How Not to Plan’, you included a chapter on ‘consistency matters’. And this really raises the idea about creative wearout. Can you share your thinking on creative wearout? Is it exaggerated? Is it how should marketers think about it? And what's caught on?

LB: Where research has been done, it suggests that most ads don't wear out. Ads are rarely run for long enough for them to wear out. There [00:53:00] are exceptions. So the exceptions are rational ads that are time limited, like new product launch or sale on Friday. Most ads don't wear out.

MAF: And do you - and where will you get rational ads that wear out? There's a time element that you just spoke about. Is frequency the other consideration when you're thinking about wearout or there's just not enough exposure to be concerned about it?

LB: Well, the thing is - rational advertising is about getting a message across.

And therefore, once you've got the message across, you don't need to do it, run it anymore.

Brand advertising mostly doesn't work that way. It's about creating a feeling and you can run it again and again and again. Having said that, there is an issue of reach versus frequency. So, reach is more efficient than frequency.

And you should go for reach first, frequency second. And then [00:54:00] once you've done that, I mean, most people don't have the budget - once they've built up reach, they don't have the budget to run it enough times to piss people off.

MAF: Excellent. Richard, you're up. Thank you. Les.

RS: I heard you recently talk about price effects being the dark matter of effectiveness, and I thought this was a wonderful phrase.

Can you, can you explain what you meant by that, please?

LB: Yeah. Almost everybody, when they're measuring the effects of advertising, looks at it in terms of sales volume. I mean, a lot of the stuff is measuring things like tracking measures, which is mostly bullshit. You should be measuring the sales effects.

But the other thing that advertising can do, so advertising does raise your sales level above where it would otherwise have been. But the other thing it can do is reduce price sensitivity and enable you to charge more. And that's the other half of the advertising effect, and that's rarely measured, [00:55:00] and where it is measured, you tend to find that that's the more profitable half.

So, you know, it's like physicists say we haven't measured most of the advertising, most of the matter in the universe, because of dark matter. We have, we routinely ignore most of the profit that comes back from advertising because it comes on the price side, not the volume side.

RS: So there's a real danger people are underspending on advertising if their own, if they're judging what the right amount to spend on just based on half of the effectiveness, volume uplift and they're ignoring price sensitivity. Yeah. Fascinating.

MAF: And I think the last add on that is Richard and I have spent a lot of time talking to marketers about thinking more broadly about their mandate. And of course, price is part of the mandate of how you look at being effective marketers. But as, you know, as brands have evolved, pricing has sometimes become the discipline outside of marketing, but, you know, traditional four [00:56:00] Ps, seven Ps, whatever the, you know, the number is, the price is a critical, um, component of how we make sure brands are successful.

LB: Absolutely.

MAF: Final question, Les. And this one, we are now into things that interest you. Things that you are, you're reading right now or watching that have got you thinking. We ask every guest who joins us, what's got Les Benet thinking, and excited or interested right now?

LB: Well, it wouldn't be about marketing or advertising because that's a trivial subject.

I mean, what we, what we do for a living is really quite trivial. Now, uh, physics. So, uh, I, I trained as a physicist, and my daughter, who's 17, looks like she's going to become a physicist as well. And that has got me [00:57:00] interested in physics again. So most of my reading, when I'm not reading The Economist or whatever, is about, um, things like electromagnetism.

MAF: Fascinating. Amazing.

Do you think that your passion, your studying it as a young man had any effect on her decision or she naturally came to this all on her own?

LB: Well, it is weird because it was unexpected and I certainly haven't pushed her in that direction at all.

I think it might be, to some extent, sort of genetics actually. Her way of thinking is very similar to mine. So the relevant thing is, I approach thinking about advertising as a physicist.

And Peter Field, my co author, is an engineer, so when we think about [00:58:00] advertising, we think about it with that kind of physics and engineering mindset.

MAF: Listen, we can't thank you enough for taking time to be with us today. A wide ranging discussion covering many, many topics. And what we'll do as we always do is drop all the source material that we spoke about today, references that Les made, that Richard and I made will go into the show notes and we'll make sure that as folks are listening and watching, they're also able to do some follow up learning on their own.

LB: Okay.

MAF: Thank you, Les. Until next time, I'm MichaelAaron Flicker.

RS: And I'm Richard Shotton.

LB: And I'm Les Binet!

MAF: Thanks for being with us.

LB: Thank you. It's been fun.

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