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RATIONAL

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ADVERTISING

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IS DEAD.

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NEUROSCIENCE

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KILLED IT.

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A Wasabi Rabbit White Paper

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Jan 2016

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**WASABI**RABBIT



Whether harnessing the lightning-fast pace of change in advertising technology and digital media, embracing multi-screen, integrated channel connection maps, employing programmatic media or blazing new trails while riding the wave of explosive growth in mobile advertising, the ways we reach our audiences today bear little resemblance to the tried and true best practices of twenty, ten, or even just five years ago.

It's easy when immersed in this unyielding stream of new challenges and opportunities to lose sight of our primary task: ***to create deep, genuine and lasting connections with our customers and prospects.***

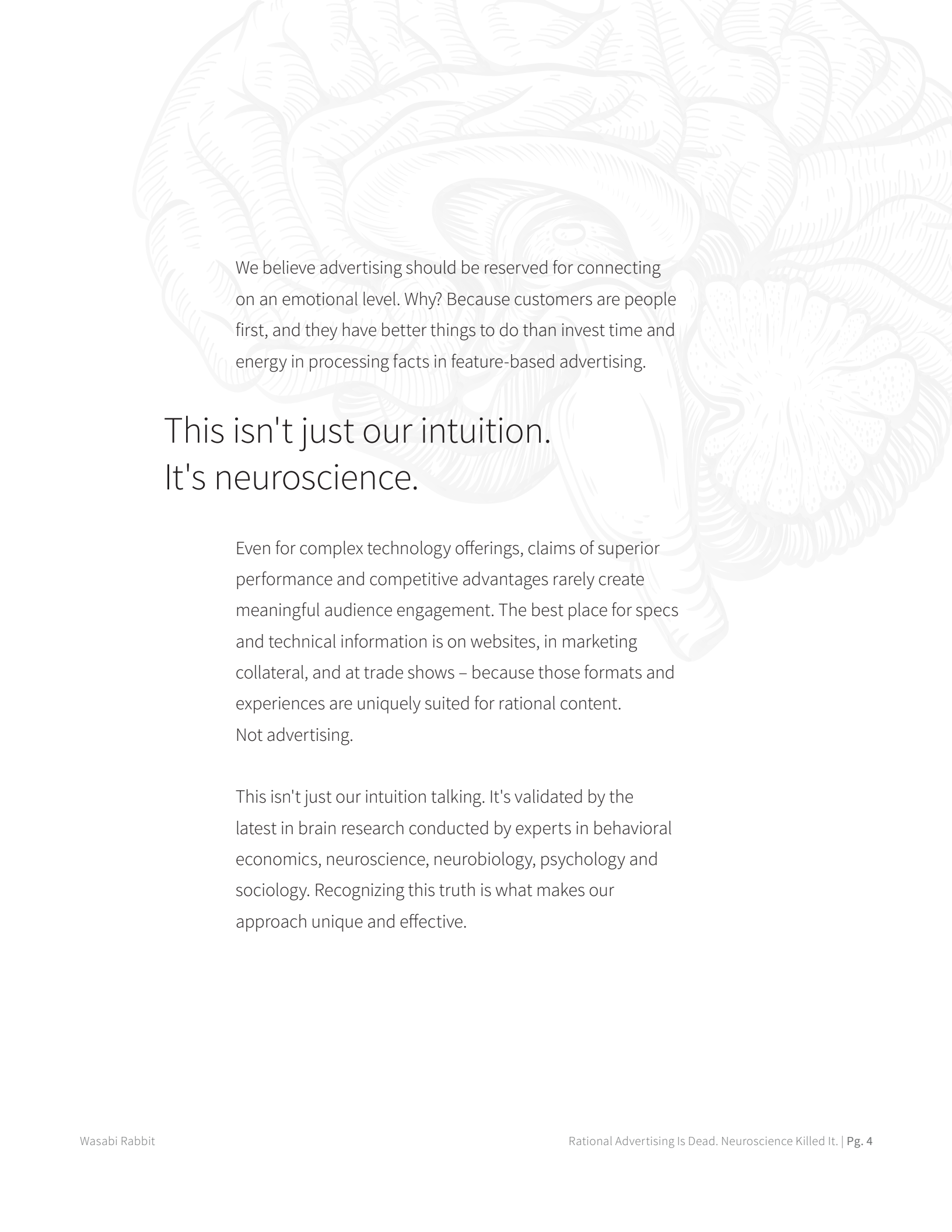
At Wasabi Rabbit, we're creating these connections by rethinking the traditional approach of trying to make customers want our brands. Instead, we're figuring out how to match our brands with the customers who need them -- and will value them. Why the change? Because what science teaches us about how the brain works confirms that this is the way to deliver the best results for our clients.



# Science holds hidden surprises

The important insight here isn't that emotional advertising works. Creative teams have known that for decades.

*The big news is that rational advertising does not work.*



We believe advertising should be reserved for connecting on an emotional level. Why? Because customers are people first, and they have better things to do than invest time and energy in processing facts in feature-based advertising.

## This isn't just our intuition. It's neuroscience.

Even for complex technology offerings, claims of superior performance and competitive advantages rarely create meaningful audience engagement. The best place for specs and technical information is on websites, in marketing collateral, and at trade shows – because those formats and experiences are uniquely suited for rational content. Not advertising.

This isn't just our intuition talking. It's validated by the latest in brain research conducted by experts in behavioral economics, neuroscience, neurobiology, psychology and sociology. Recognizing this truth is what makes our approach unique and effective.

Appreciating how the brain processes our messages is fundamental to our approach. We look to the System 1 and System 2 model developed by Nobel Prize winner Daniel Kahneman for insights that guide us to more effective marketing and advertising.



## System 1 and System 2 thinking.

What's the difference between System 1 and System 2 thinking?

System 1 thinking focuses on immediate payoffs. It overlooks long-term consequences and the need for follow-through. System 1 hates uncertainty and will fill in information gaps and construct a cohesive story to overcome uncertainty. The better the story, the firmer the belief it inspires.

System 2 thinking is what we mean by rational thought and reasoned decision-making. It's a controlled mental process that takes a great deal of focus and effort.

## System 1 & System 2 Thinking



### SYSTEM 1

Fast, Unconscious  
Automatic, Instinctive  
Emotional

#### *Things you do with System 1*

Complete the phrase “bread and ...”

Detect hostility in a voice.

Answer  $2 + 2 = ?$

Understand words on a  
large billboard.



### SYSTEM 2

Slow, Conscious  
Effortful, Analytical  
Cognitive

#### *Things you do with System 2*

Search memory to identify a  
surprising sound.

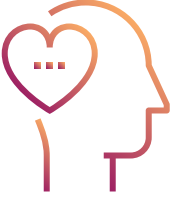
Tell someone your phone number.

Compare two washing machines  
for overall value.

Fill out a tax form.

So what does  
the science behind  
System 1 & System 2  
tell us?

Revelation #1

“We are not  thinking machines that feel. We are feeling machines that think.”

— *Antonio Damasio*, Neurobiologist

We all like to think of ourselves as rational beings, but it's not really the case. Unconscious motives and preferences drive us in ways we're not even aware of. We can offer what seem like rational reasons for our decisions, but desire for a particular outcome colors how convincing these reasons seem to us.

## Revelation #2

# We rely heavily on System 1 thinking.

This isn't a knock on our analytical abilities, in which we take great pride. System 2 thinking simply has its limits. The part of the brain responsible for it—the prefrontal cortex—is easily overwhelmed by even small amounts of data. This type of thinking requires concentration, and it can't multi-task. When System 2 is overwhelmed, the brain defaults to System 1.

System 1 works through the process of associative memory. It continually looks for connections between words and images, feelings and actions, ideas and memories to build a cohesive interpretation of life as we experience it. It's our internal storyteller. (ADbites)



### Revelation #3

# System 1 and System 2 are not in competition.

We're able to function precisely because these two different kinds of thinking work together. It's a marvel of evolutionary development that lets us meet most of life's challenges with efficient, often reflexive action while reserving the bandwidth needed for complicated, difficult decision-making.



# If our brains were computers

Using the analogy of computer processing speed can help us understand the difference between these two kinds of thinking.<sup>1</sup>

SYSTEM 1

**11,000,000 bit/sec**

SYSTEM 2

**50 bit/sec.**

<sup>1</sup> Zimmerman, M (1989) "The Nervous System in the Context of Information Theory."

**At Wasabi Rabbit,**  
*what makes us unique is that  
we focus on applying what we know  
about how the brain works to  
getting the marketing results we  
want for our clients. This means  
appealing to unconscious System 1  
thinking to reach customers and  
prospects. To do this, we follow  
a three-step process:*

**STEP #1**

**Command attention!**

Break through the filters  
people put up to avoid being  
flooded with information.

**STEP #2**

**Be relevant and worthwhile.**

Create a positive emotional  
appeal through an authentic  
experience.

**STEP #3**

**Build a lasting branded memory.**

Tell a compelling story with  
powerful visuals and a sense  
of novelty and surprise.



*Qualities of*  
a Human  
Brand<sup>2</sup>

Personal

Conversational

Empathetic

Inspirational

Problem Solvers

Humorous

Admitting of mistakes

Authentic

Transparent

Storytellers

## EMOTION-BASED BRANDING ACROSS CHANNELS

Advertising is only one way to connect with customers. Appealing to unconscious System 1 thinking needs to go beyond big-budget print and broadcast campaigns and extend to every experience a customer has with a brand. At Wasabi, we've helped clients strengthen the emotional impact of their full range of branded communications—everything from traditional broadcast advertising to print ads to websites and social media to influencer networking and content marketing. But we've also looked beyond the limits of traditional agencies to shape our clients' brand touch points.

We've found that what customers are looking for is a human brand, and beyond the scope of traditional advertising, we know, for example, customer service plays a key role in delivering it. As a result, we encourage clients to make customer empathy part of their internal employee training. Customers who believe a company representative is determined to make them happy feel a powerful connection with the brand, and we've spearheaded the kinds and types of training necessary to arm our clients' with the knowledge to set them apart from their competition.

Case Study:

### THE BRAND AS LIFE COACH

A new nutraceutical line of products created by former Navy SEALs needed to stand out in a crowded marketplace. Instead of making claims about product superiority, we helped the brand build an authentic connection with women who were pursuing their personal best by filling the role of coach and advisor, offering a promise of support and laying the groundwork for an ongoing community online and in social media.



## DON'T FORGET ABOUT SYSTEM 2

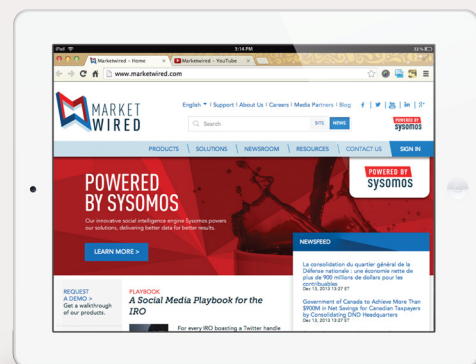
For almost every product or service, the single most powerful decision-making influence comes from branded memories built and reinforced in the unconscious. However, it takes time to build these memories. We help our clients deliver an integrated mix of brand-building activities to create these connections, including recognition, reputation, reviews and referrals.

Some of this relies on engaging System 2 thinking. The trick is to understand how much effort a customer is willing to put into engaging with branded messages. At Wasabi, we apply this knowledge to our messaging throughout the customer purchase journey, to increase the progress customers make at each step along the path toward purchase and brand affinity. That's how we help our clients see better results.

Case Study:

### THE POWER OF INFLUENCE

Wire distribution leader Marketwire needed a major brand makeover to keep up with its expanding offerings in social media intelligence and analytics. Wasabi Rabbit created a new brand identity built around the emotional power of innovation and connection, and brought it to life with a transformative internal and external branding program to help the company live its brand across all channels.





# Looking Ahead

Understanding how the brain works is an evolving science, and we're very excited about the discoveries that lay ahead. As we come to know more about how people truly make decisions, we'll continue to incorporate these insights into our marketing and advertising approach, so we're able to deliver more successful outcomes for our clients.



## Meet the authors



### JOHN MUSTIN

FOUNDER, CEO

As Founder and CEO of Wasabi Rabbit, and as a Captain in the US Navy Reserve, John's vision is focused on building a culture that blends the best of his training as a naval officer with the deep curiosity and energy that sparks innovation.



### PAT COSTELLO

EVP, BRAND

For Pat, all strategy begins with in-depth customer knowledge as the key to sustainable competitive advantage. Through her brand-centric philosophy she believes that every business problem benefits from looking for solutions through the brand lens.



Wasabi Rabbit is a veteran-owned marketing communications firm specializing in strategy, brand and sales-driving campaigns. The agency's expertise in customer behavior, digital technology, analytics, and today's complex media ecosystem leads to award-winning creative that stands out in today's multi-channel, multi-screen, and social marketplace. Wasabi Rabbit's B2B and B2C clients appreciate the delivery of innovative, business-building plans leveraging unique insights and fresh thinking to connect with target markets.

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