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## Moving From USPs to ESPs

Capturing Lifetime Value Through Innovative Emotional Marketing Strategies



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By Jeanette McMurtry

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Remember the last time you bought something you were so excited about you told all your friends about it? Do you find yourself continuously going out of your way to patronize a store that makes you feel really important or pays special attention to you when another option is right around the corner? Ever found yourself preaching about the virtues of a store that gave you a really good deal or more bang for the buck?

If you shop at all, you probably answered yes to all the above questions. And if you're still part of the human race, the majority of your purchasing decisions are strongly influenced by emotions without your ever realizing it. Research shows that 95% of all thought is unconscious, and that our subconscious drives many of the choices we make while shopping. If these theories hold up, and I believe they do based upon the research cited in this article, then its imperative that marketers understand the emotions that drive their customers' decisions. If you can do this, you stand a much higher chance of creating marketing messages, promises, graphic images, and even selling experiences that will attract your desired customers, convince them to do business with you, and ultimately assign their loyalty for a lifetime to you.

To build emotional connections with customers, you must first change the way you approach your marketing. In the past, business owners created a unique selling proposition (USP) that set it apart from the throng of competing businesses. A USP might be a price point, location, selection, extraordinary service, in-store atmosphere, purchasing options, added-value services, store policies and so on.

For decades, USPs were the foundation of successful businesses as being even a little unique tended to attract consumers and generate businesses. Today, USPs are not enough to stay competitive or profitable. The foundation of success now is to capture customers lifetime value by creating emotional bonds so strong that competitors' offers will never get a second

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Capturing lifetime value requires moving from USPs to ESPs - emotional selling propositions. An ESP is essentially the emotional fulfillment you promise to deliver with the products, services, or experiences you offer. Whether we realize it or not, our decisions are largely based upon what we think will make us feel happy, secure, confident, successful, fulfilled and so on. As adults, we often subconsciously chase the emotional highs of our childhood, like those we felt after our first roller coaster ride, scoring our first soccer or basketball goal, making a new friend, a first kiss. We want the thrill of feeling excited, enthusiastic, accomplished, intelligent, and powerful, and often base our personal and business decisions upon what we believe will achieve this the best.

If you want to get the most out of your marketing investments, you need to know what emotions are behind the decision to purchase the products or services you sell, and what emotional experiences your customers are seeking to fulfill consciously and unconsciously. Are they looking to feel secure and confident in their choices for products; do they want to feel excited about getting a great price and overall value; are they seeking to feel appreciated and valued as a result of extraordinary service? Are they hoping to appear smart and valuable to their professional peers or superiors? When you are able to identify the emotions that drive and influence your customers you can create an ESP that will help you resonate directly with consumers, build lasting bonds and lifetime value, and outperform the competition.

ESPs can be manifest in many ways, such as:

- Customer service practices
- Refund policies, satisfaction guaranties, generous warranties
- Selling environment and interaction
- Campaign messages, promises
- Personalized direct marketing and promotions
- Interactive marketing campaigns
- "Feel good" added values such as free educational events, white papers and articles, purchasing assistance and so on

Nordstrom's return policy is a good example of an ESP as it provides security and confidence, and trust in the brand. No matter what or when you purchase something from any Nordstrom's, you have the comfort of knowing that for any reason and at any time, you can take it back and get a full refund, no questions asked. This takes the fear out of the decision process and stimulates impulse purchases as customers know that if they can't really afford to keep the items they splurged on, they can take them back and rescue their budgets. Another successful ESP example comes from Armani Exchange which caters to urban youth. The company conducted research to identify the type of music that gives their customers an emotional high. As a result, they play these soundtracks loudly at their retail stores which helps to create a highly emotional selling environment. Customers feel engaged and energized in their stores, feel happy and good about themselves and essentially "get in an emotional groove." What happens when we are energized with emotional energy and self confidence while shopping? We tend to spend more. Armani's revenue per square soared as a result of creating a total emotional experience in their stores.

Big brands are starting to understand the impact of emotional marketing and

are focusing a great deal of their resources on getting to the heart of what drives consumers decisions, consciously and subconsciously. For example, "emotional marketers" such as Proctor and Gamble, Coke, Pepsi, and more, are turning to neuromarketers to give them in-depth insight as to how their customers really think and what emotions most powerfully drive their purchasing behavior.

As noted earlier, neuromarketing pioneer, George Zaltman, points out that "95% of all thought occurs in the unconscious."

And based upon Zaltman's theory, marketers worldwide are putting traditional market research methods such as focus groups and questionnaire-based survey tools aside and putting their energy into consumer labs where neuromarketers can study thought waves and unconscious reactions of individual consumers.

So what actually is neuromarketing? According to the definition on Wikipedia, the free online encyclopedia:

Neuromarketing is a new field of marketing which uses medical technologies such as functional Magnetic Resonance Imaging (fMRI) to study the brain's responses to marketing stimuli. Researchers use the fMRI to measure changes in activity in parts of the brain and to learn why consumers make the decisions they do, and what part of the brain is telling them to do it.

Marketing analysts will use neuromarketing to better measure a consumer's preference, as the verbal response given to the question "Do you like this product?" may not always be the true answer. This knowledge will help marketers create products and services designed more effectively and marketing campaigns focused more on the brain's response.

Through neuromarketing practices, researchers monitor the body expressions and facial gestures of consumers when presented with new designs and then use this information to guide new product designs, packages, and campaigns that mimic the emotional energy such as excitement, intrigue, tranquility, and so on that was presented most often by the target consumer group. This ability to monitor and harness the emotional influences of human behavior has spawned the rapid growth of the neuromarketing industry.

You may have noticed that packages for some of the products we've used for years have recently changed. A good example is Clairol Herbal Essence shampoo and conditioner. For years, this shampoo came in a dirty pink rectangle bottle with the typical package copy that told you how to use the product. The new bottles are clear, brightly colored, with a strong curve or twist. The copy reads like the product is talking to you, and it even has a riddle (for the answer to the shampoo bottle riddle, you have to go to the conditioner bottle - very clever cross marketing).

According to J. Duncan Berry, Ph. D. principal of the firm Applied Iconology, Inc. and creator of the emerging discipline of neuromarketing research analysis, the premise behind many new package designs is that we are subconsciously drawn to products that mimic our perception of ourselves, or projects the image of what we want to be.

"People can't articulate the emotions behind a purchase because it typically is subconscious. On average, we encounter 30,000 products at a grocery

story during a 30-minute trip. This gives us less than one second to review each product. There is little time to compare or evaluate products or prepare rational decisions for each choice. So we look for cues we recognize, and this is where emotionally relevant design becomes critical."

The Dyson vacuum cleaner is another good example of an emotional product design. Rumor has it that these high-end vacuum cleaners were designed to portray the robotic toys that the little boys play with and played with a generation ago. Rumor also has it that Dyson vacuum cleaners have a high purchase rate among males.

In 2004, Read Montague, the director of the Human Neuroimaging Lab and the Center for Theoretical Neuroscience at Baylor University, published an article in *Neuron*, about the Pepsi challenge and its implications for emotional marketing. In this study, 67 people had their brains scanned while engaged in a blind taste test of Coca-Cola and Pepsi. Half the people chose Pepsi, the same product that produced the strongest response in the region of the brain that is believed to process feelings of reward and satisfaction. However, when the subjects were told they were drinking Coke, 75% said that they preferred the taste of Coke. When this happened, the brain function switched from processing feelings of reward to a more high-level cognitive function which indicated that the test subjects were thinking about Coke and related it to other impressions or experiences.

One conclusion of this research was that Pepsi should have half the market share due to customers' taste preference studies, but that consumers choose Coke due to their experience or perception of the brand vs their taste preference. Or in my words, the emotional fulfillment they perceive to be associated with one brand over another.

The power of neuromarketing is that it tells marketers what they can likely expect in terms of consumer behavior, and how "little" things such as the color or shape of a product's packaging, the sound it makes when shaken, graphic designs, and so on impact consumers' choices at the point of sale.

Beyond the principles and theories of neuromarketing, psychology theory also validates the influence of emotion in purchasing decisions. Psychologists categorize human behavior in two ways:

- The pursuit of pleasure
- The avoidance of pain

Essentially, all that we humans do in our personal lives and professional lives fit into these categories. Personally, we pursue joy, happiness, security, status, prestige, excitement and thrills - all of which we believe will lead to pleasure. Professionally, we seek to avoid the pain of making decisions that hurt our careers, jeopardize our jobs and our ability to provide for our basic needs and those of our families. We also seek to find pleasure in the work we do, and make choices that lead to praise, recognition, promotion, and wealth.

Dr. Glenn Livingston, a well-known clinical psychologist, describes emotion as a state of psychological arousal and lists four core emotions that most advertising is designed to evoke: Mad, Glad, Scared and Sad. Livingston points out that advertising should be designed to portray an emotional benefit vs. emotions. He claims that the real metric of marketing success is in the emotional benefit perceived by the consumer, or rather, or the

enduring self concept associated with using a product or service.

Understanding how to create the proper emotional benefit is essential to marketing success because as Livingston states, "emotional benefits relate directly and powerfully to enduring self concept."

As marketers, we need to understand how our products and/or services fit those two basic human pursuits, and the emotions that influence decisions along the path to achieving either. To do this, we must understand how decisions are made. And this practice works in the business-to-consumer and the business-to-business world. For example, if your customer is a mid-level office manager, chances are they are emotional about proving their ability to save money, create value for the company, make budget and operational goals in order to grow their career. If you work with a service provider such as a health care practitioner, the emotions associated with a purchasing decision might include fear of not being able to best serve patients due to faulty or inoperable equipment; passion about providing the best possible care in the least amount of time; anxiety over retaining customers and getting qualified referrals, and so on.

Brands must know what emotions consumers seek to fulfill when purchasing products and services in their categories. They must create marketing messages, offers, promotions, benefits and experiences that fulfill the desired emotions or "enduring concept of self" of their customers.

Following are some tips for creating emotional marketing strategies without an in-house neuroscientist:

1. Make sure you know the emotions associated with purchasing your products or services. A friend of mine is the Director of Direct Marketing for AAA Life Insurance. In his case, he has the challenge of addressing a negative emotion - one that people seek to avoid: the fear of death and devastation to loved ones' quality of life. His marketing focuses on providing relief from fear and uncertainty. Emotional marketing is just as much about helping customers avoid negative emotions as it is helping customers achieve positive emotional highs. You can identify relevant emotions through your own research, and by studying current research about your customers' buying behaviors.
2. Create marketing messages, promotions, and experiences that fulfill the desired emotions or "enduring concept of self" of customers. Lean on specialists that can help you convey the right images through compelling copy and design.
3. Develop customer service and store policies that minimize negative emotions such as fear of regret, and elevate feelings of confidence that their needs will be taken care of.
4. Train your staff at all levels on how to help create memorable emotional experiences for customers at every touch point. Customer service training is much more than mandating a friendly greeting every time a customer comes into the store; it is about creating the kind of experience that creates feelings of fun, involvement, empowerment, and

WOW!

In today's customer-driven world, USPs really are an oxymoron. When is the last time you came across a marketing claim or USP that was truly unique? Think about it. Brand promises and claims are almost always founded on best price, best service, best quality. None of which are unique. For products, price is often set by manufacturers; and everyone thinks their quality and service is far better than competitors. The consumer is the only one that can make this determination.

About the Author:

*Jeanette McMurtry, author of "Big Business Marketing for Small Business Budgets" a guide to affordable methods for capturing lifetime value through emotional marketing strategies. She consults companies in all industries on how to build emotional bonds with customers affordably and effectively. She is a principal at The Hanson Group, a total brand marketing firm, and can be reached at 970 390 6909 or jeanettem@hansondenver.com.*

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