

# DEEP DIVES

with Olson Zaltman Associates



Above: Cisco Systems emphasizes the human connection. Page three.

## SPRING 2009

### PAGE TWO & THREE INSIGHT SPOTLIGHT

Discover how to gain a competitive advantage in today's volatile marketplace.

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Get in touch with the CEO and founder of *fathom*, a cutting-edge architectural insight firm, Christine Astorino.

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The crucial role of emotion in decision making.

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The importance of uniting politicians in Washington over this timeless issue.

## What is the Value of a Consumer Insight?

by Joe Plummer, Columbia Business School Professor & OZA Senior Advisor

Most marketers and consumer researchers today place a high value on discovering “consumer insights.” Many new company titles include “insights” or “consumer insights” as part of their title. A new group of research methods are emerging or becoming bundles under “insight tools.” Thus, it would be difficult to argue that the search for consumer insights is unimportant to marketers today. But how important is uncovering a consumer insight really? How much are marketers willing to do to uncover and act on a consumer insight? What is the ultimate value of having a consumer insight?

In the Winter 2008 issue of *Marketing Research*, Marco Vriens and

Rogier Verhulst provide their view on the value of consumer insights:

• “*Why do insights matter and how can we think about this somewhat elusive concept? Insights matter because there is plenty of evidence that supports the contention that decisions informed by insights are better decisions and are more likely to lead to a competitive advantage.*”

This notion of having a consumer insight as a competitive advantage is a useful way to gauge the value of an insight – that “a-ha” experience that translates into a successful go-to-market effort. A few recent examples are instructive. Apple’s highly successful iPhone is a stunning example of a consumer insight helping to create a competitive advantage in the crowded, highly competitive mobile

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## Note from the Editors

Over the years, OZA had discovered strong emotions in the unlikeliest of places. Do truck drivers really get emotional over motor oil? (Yes). Can farmers get weepy talking about soybean seeds? (Very). Doctors and business-to-business customers can only make good decisions if they set their emotions aside, right? (Wrong).

In sum, is there such a thing as an “uninvolving” category, product, or service? (Absolutely not.)

In this issue of **Deep Dives** we will look more closely at the role that emotions play in all decisions that we make. We have included a discussion about the role of emotions in

architectural design, a review of a study that suggests how emotional short-cuts play a role in our perceptions, and a column about the strategic value of unearthing deep emotional insights.

As always, we are eager to hear your feedback and ideas.

**Katja Bressette and James Forr**

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**What is the Value of a Consumer Insight?**

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device category. The majority of the competitors marketed their devices on the basis of price or matching a new feature, like picture-taking, introduced by competitors. Apple uncovered the insight that the most emotionally engaging part of a mobile device experience for many people was a sensory one – the touch and sight as well as sound. It was not operational features. The iPhone with its multi-faceted touch screen took the competition by surprise and delighted consumers. The global success of the iPhone has added significant new revenue to Apple (and to its partner, AT&T) and enhanced the overall market value of Apple.

The GEICO insurance brand had built a reputation for competitive auto insurance rates. The introduction of GEICO’s online application site lowered

already low prices. GEICO learned from research that many consumers wanted to benefit from even lower premiums but were intimidated by the thought of an online application process. GEICO’s agency, the Martin Agency in Richmond, had the consumer insight that they needed to dramatize the ease of applying for GEICO’s low on-line rates without insulting the intelligence of potential customers. The insight led to the now famous “Caveman” campaign – signing up with GEICO: So simple a caveman can do it. This campaign based upon a powerful consumer insight has widened GEICO’s market share lead.

A final example of a company gaining a competitive advantage based upon a powerful consumer insight is Cisco. Cisco is the global leader in networking hardware and software for the internet and corporate intranets. Cisco had concerns that customers and stakeholders didn’t have a strong commitment to the Cisco

brand; they merely benefitted from their technology. Cisco commissioned OZA to conduct deep research with customers to see how to better engage them with the Cisco brand and strengthen their commitment to Cisco products and services long-term. Using the ZMET technique, Cisco and OZA learned that the core meaning of Cisco was enabling the internet. The insight emerged, however, that the essence of the internet was human (not technology) – connecting people to people and people to information and ideas. This led to a redesign of the Cisco logo and a successful campaign built around the insight of “human networks.” Cisco has increased its market leadership and, importantly, expanded awareness of its brand.

Clearly, uncovering a powerful consumer insight can lead to a valuable competitive advantage – in a new product or service, a more engaging campaign, or a complete repositioning of a company to potential customers. There are numerous examples beyond the scope of this short thought piece showcasing the competitive value of a consumer insight. Two recent books, Marketing Mavens by Noel Capon and Learning From Winners by Raymond Pettit are filled with other examples.

There is, however, to my way of thinking, another interesting perspective on the value of a consumer insight. That is the cost of an opportunity lost because you missed out on an insight or had an incorrect insight driving your strategy. A vivid example of missing out on an insight and holding onto an incorrect one was the recent presidential election. Senator McCain and Governor Palin missed out on the insight that most people wanted real change, and they held onto an incorrect insight for far too long, that most people were not convinced about climate change and energy independence. Not sure if we want to get political?

Detroit also held onto a perception that few consumers were interested in fuel efficient, high mileage cars until the success

Cisco’s original logo and campaign lacked emotional connection with consumers. A rebranding with emphasis on human connection greatly transformed the company’s image.



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**Above:** In the ZMET process, participants create digital images to visually represent their thoughts and feelings. This digital image is a depiction of how one consumer feels about Cisco keeping her connected to her world.

### ***What is the Value of a Consumer Insight?***

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of the Prius from Toyota and the growing success of Honda. Interestingly, when GM, Chrysler, and Ford finally responded by introducing hybrid technology they missed out on a critical consumer insight that Toyota understood by marketing the Prius. Toyota understood that consumers deeply committed to saving the planet by lowering CO<sub>2</sub> emissions wanted others to see their commitment. Thus, the Prius was a hybrid-only model that looked different outside and inside from any other car on the market. You couldn't mistake it for anything but a new generation hybrid car. GM on the other hand initially introduced hybrid as an option on several of their best selling SUVs. Another example of the cost of missing a consumer insight involved the two leading coffee brands from the '70s, '80s, and '90s – Maxwell

House from Kraft and Folgers, formerly of P&G. Both Maxwell House and Folgers had tracked a steady decline in coffee sales in the late 1980s and early '90s. They interpreted the sales decline in grocery stores as declining interest in coffee drinking. Starbucks saw a huge opportunity in coffee and had the consumer insight that supported their growth strategy. Starbucks learned that the decline in coffee sales was a decline in at home consumption. The opportunity was outside the home as CEO Howard Shultz observed in street cafes all over Europe. Starbucks is now the leading coffee brand through their cafes. Kraft, the maker of Maxwell House, now distributes Starbucks in grocery stores.

A final example of the cost of a missed opportunity is in the farm seed category. Since the beginning of seed brand marketing, the proven strategy for selling farm seed was either proven yield

or pest resistance (and sometimes both). Thus, as everyone promised the same thing, over time distribution and price became the drivers of marketplace success. Syngenta (manufacturer of NK Seeds) wondered if there was another possibility to sell seeds which could maintain higher profit margins. OZA, working for Syngenta, uncovered the insight that for many farmers what they did was a calling, a life journey than was more than just another job or business. This led to an award-winning ad campaign, "Born to Farm," that helped Syngenta make a powerful emotional connection with farmers and protect their profit margins. Competitors continue to sell yields and engage in serious price competition. A true

opportunity lost and a gain for Syngenta. Consumer insights do matter and are worth real money and customer loyalty to the marketer who uncovers a rich insight that can deliver a competitive advantage or point to an opportunity everyone else has missed. You have to dig deeply to get them and engage in "workable wondering" to apply and act on them. It often begins with hunches, new questions or observations, but it always requires some deep insights from customers. Jerry Zaltman, co-founder of OZA, believes that in order to discover deep insights about customers, you must get deep information from them. When you do land on a rich, deep consumer insight you will find incredible value.

*Joe Plummer has an extensive history with leading advertising agencies. He is a Senior Advisor at OZA and a professor at Columbia Business School.*

# Q&A

**Deep Dives chats with Christine Astorino, founder and CEO of *fathom*. *fathom* helps architectural firms uncover unconscious needs and translate them into design guidelines.**

**Deep Dives:** *Some people may think architecture is only about brick and mortar, concrete and steel. Why do emotions matter?*



**Christine Astorino:**

Designing the right environment for people is a very unique opportunity to enhance the lives of others, whether it is how they heal, learn, play or live. Architecture and Design are about people, and instinct alone may not give us the best solution

that will resonate with those people. We have found that by digging deeper into the minds of the users, we can gain relevant insights into how to connect with those users emotionally. Beauty and function can happily co exist with emotional relevance, and the most successful design will commit to all three.

**DD:** *What attracted you to ZMET?*

**CA:** Several years ago, while I was working at Astorino, we were given an exciting opportunity to design a state-of-the-art children's hospital in Pittsburgh, PA. We wanted to create a design that could help heal patients, provide parents with hope, and keep the staff energized day to day.

As Architects and Designers, we think in visual terms, and we use metaphor in our design process, so we began to think about the potential benefits for incorporating a tool like ZMET. We then hired OZA to conduct a ZMET study on the patients, parents, and staff that would use this new hospital. The insights we gained inspired the design for Children's Hospital of Pittsburgh of UPMC. We were able to make valuable design decisions that we could not have made without ZMET.



Visit *fathom* online: [gofathom.com](http://gofathom.com)

**DD:** *How are ZMET interviews different from the typical kinds of interviews that architectural design firms conduct?*

**CA:** Architects typically ask questions of their client that deal with pragmatic issues, and overall aesthetics gets weaved into that conversation as well. Rarely do we ask the users how they want to feel in a space, and what is meaningful to them. Making a building function well is the responsibility of an architect, but giving a building a soul needs to be a true collaboration of the user and the architect.

**DD:** *What are some examples of insights *fathom* has gleaned from ZMET?*

**CA:** The metaphor of Transformation surfaced in the ZMET study for Children's Hospital of Pittsburgh of UPMC. This metaphor inspired a design for a Transformation Corridor that connects the main parking garage to the central lobby. The corridor has a butterfly motif along the approximately 260-foot wall and the terrazzo floor pattern changes to represent the seasons. This corridor was designed for all of the patients, parents and staff to feel empowered to heal through their Children's Hospital experience.

We also worked with the Pittsburgh Penguins of the National Hockey League to enhance their fan experience in their new state-of-the-art arena. The ZMET results helped us to recognize the significance of Purity to a hockey fan. The materials like the wood of the stick, the metal of the skate blade and the translucent materials of water and ice are used throughout the arena and serve to connect fans to the pure and humble roots of the game on an emotional level.

**DD:** *When you can deliver a truly creative, innovative design idea to your clients, what does that feel like for you?*

**CA:** Like I am making a difference in the world.

## Harnessing Emotions to Understand Consumers

by Devra Jacobs, Director of Media Research, Innerscope Research

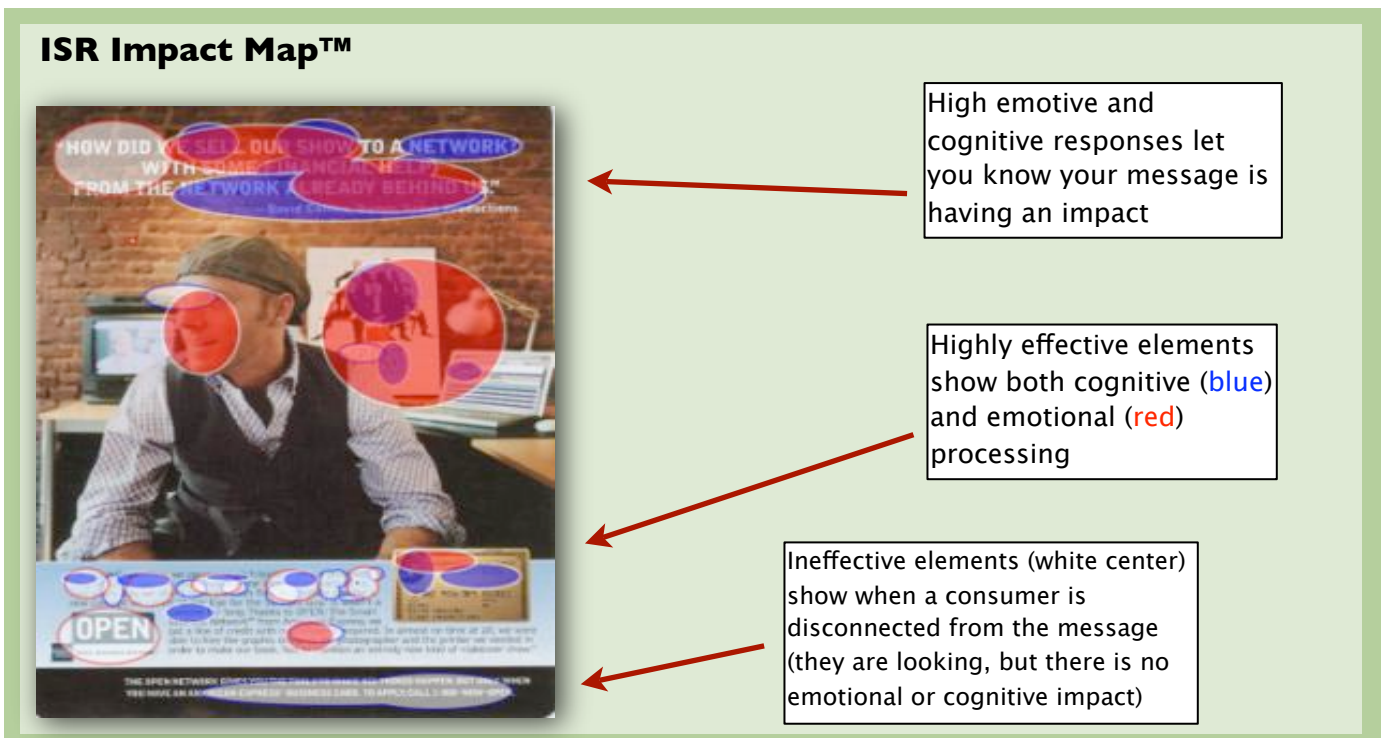
Imagine if the developers of television shows, movies, and games, as well as advertisers and internet content creators had the power to measure and understand the pre-conscious emotional reactions in consumers as they were directly experiencing their products or watching a television advertisement. They would have a much better sense of what was engaging emotionally, what was attended to, what was passed over, and what things impact consumers. Innerscope Research® measures pre-conscious emotional responses where they happen (using biometrics of emotion

and eye-tracking) and when they happen (through moment-to-moment measurement of consumer's engagement with a product or media content). Our collaborative approach with OZA harnesses the power of both methodologies to understand how consumers think, experience, and engage emotionally with brands, products, and advertising content. This is essential for businesses that wish to stay successful (Zaltman, 2003).

To combine deep metaphor elicitation work with a technique that measures non-verbal response was a bold

move that could easily have yielded incompatible findings. Instead, the collaboration produced integrated results with each approach adding something valuable that was easy to communicate and ultimately informed and guided key decisions in the selection of creative executions.

Innerscope has developed Impact Maps™ (below) which uniquely combine both pre-conscious cognitive (blue) and emotive (red) processing at the point of visual attention (i.e. where the consumers are actually looking). Red circles depict an emotive response while blue circles depict



a cognitive response to the product, shelf or package attribute.

During testing, Innerscope's eye tracking technology assists OZA's interviewers in real-time as they conduct the ZMET interview with participants. After testing, OZA's ZMET metaphoric analysis provides valuable direction to dive deeper into the analysis of the biometric data and emotional responses.

This unique combination of ZMET, eye tracking, and biometrics provides insights into the strength and importance of each creative element and informs how each element relates to the overall impact of an Ad's message. This information allows clients to make real-world decisions between creative executions and to identify effective elements across Ads that could be integrated into future executions.

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*Devra Jacobs is responsible for identifying new product directions and architecting study design for Innerscope's Entertainment division. Ms. Jacobs earned her B.A. in Psychology and Linguistics with Distinction and Honors from the University of Pennsylvania. Ms. Jacobs has published numerous articles in peer-reviewed journals and has presented at various neuroscience, neuropsychological and neurolinguistic conferences and roundtables.*  
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**Fundamental Foundations of the Mind** • by Kristin James, Senior Research Associate

## Affective Decision Making

### Emotion.

One word, yet suffice to say we all know what it means. We may not be able to adequately describe it with words, but we can certainly “feel” the definition. And whether we are always conscious of it or not, our emotions play a key role in our decision making.

Although most research on decision making has focused on cognition (so-called “rational” choices), affective decision making (essentially, your “gut” emotional reaction) is beginning to get its fair share of study. Although we could take time to create a list of pros and cons for every decision we make, this is not always desirable or possible due to time

constraints or a lack of (or over-abundance of) information. Heuristics, or “mental shortcuts”, help us in many ways by simplifying situations and giving us rules of thumb. An article in the Journal of Behavioral Decision Making studies the relationship between heuristics and decision making.

Research has shown perceived risk and perceived benefit to be inversely related in people’s minds, meaning that as the perceived risk of something goes up, the perceived benefit of that same thing goes down (and vice versa). Consider your own feelings about nuclear power. If you believe there is high risk involved with nuclear power, then you also likely believe

there is low benefit. In their article, Finucane *et al* propose that this inverse relationship occurs because people rely on their emotions (affect) when judging the risk and benefit of certain situations. They suggest that people use an “affect heuristic” (or an emotion-driven shortcut) to simplify their decision-making.

A study described in the article required participants to make judgments about both the risk and benefit of 26 different activities and technologies (including cigarettes, cars, solar power, cell phones, and pesticides, among others) using a 7-point scale. Individuals in the

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## BREAKING NEWS



Frito-Lay’s “Orange Underground” campaign has been named a Packaged Goods category finalist for the 2009 David Ogilvy Awards, sponsored by the Advertising Research Foundation.

Olson Zaltman Associates (which conducted ZMET research into the

meaning of Cheetos) is listed as one of the research partners that contributed to the development of the campaign. See the full list of Ogilvy Award finalists at:

<http://www.thearf.org/assets/ogilvy-09#finalists>

You can see a few of the “Orange Underground” ads here:

<http://www.youtube.com/watch?v=zZwrQOXhFu8>

In 2008, OZA was listed as a research partner for Frito-Lay’s “Small Steps” campaign for SunChips, which was

a silver winner in the Packaged Goods category. Many print and video ads from that campaign are viewable at:

[http://www.sunchips.com/advertising\\_print.shtml](http://www.sunchips.com/advertising_print.shtml)



## ZMET INTERNATIONAL

Dr. Kyu Hyung NO, the president of Research & Research (R&R), OZA’s Korean partner and exclusive licensee of ZMET since 2003, has been appointed by President Lee Myung Bak as a civilian member of the National Brand Committee, which aims to monitor, evaluate and promote Korea as a brand in the world.

You can visit R&R on the web here: <http://www.randr.co.kr>

## JOIN THE ZMET NETWORK

Follow ZMET on Twitter! Stay in touch with insights and learning about consumers, how the mind works and news about OZA and our global partners.

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Already making connections on LinkedIn? Stop by our company page to keep in touch with the latest in online business networking.

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## Understanding the Challenge Overcoming Obstacles to Health

by Elizabeth Carger, Senior Manager

The Robert Wood Johnson Foundation (RWJF) is the largest health advocacy non-profit organization in the United States. One particular issue they have grappled with for nearly 30 years is the issue of health disparities, or the differing levels of health between Americans living in low income, at-risk neighborhoods and those living in middle class or affluent communities. In 2006 RWJF decided to launch a major new Commission that would unite Republicans and Democrats in Washington D.C. to seriously address the challenge of overcoming health disparities. They wanted this Commission to be substantially different from past forays into this realm of public policy, which were pegged as statistical, dry, Democratic-leaning initiatives. In short, they needed to understand how Democrats and Republicans both think and feel about health disparities and reinvent the way RWJF communicated about the issue.

OZA interviewed Republicans and Democrats who worked for a wide array of federal agencies, policy institutes, and elected politicians in early 2007. We discovered not merely different interpretations of commonly held deep metaphors, but rather that the two groups viewed American society and the issue of health disparities through entirely different metaphoric lenses.

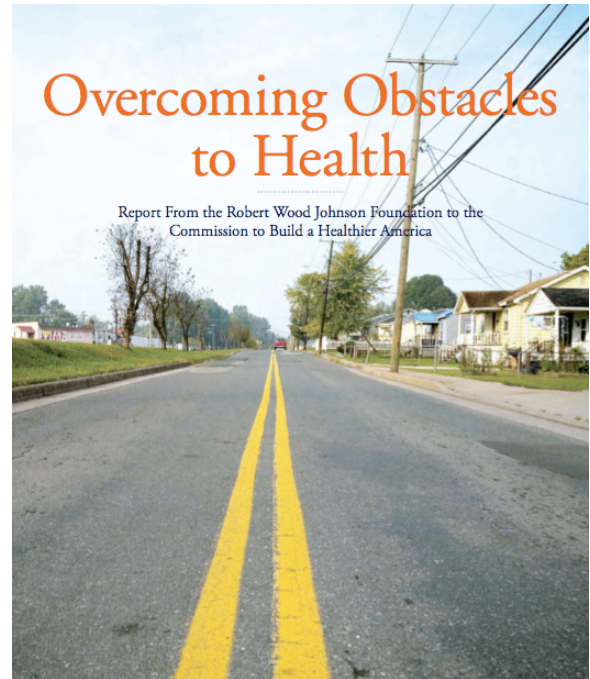
Democrats viewed American society as a complex and interconnected system of individuals, institutions, and even ideals. The important implication of viewing society as a complex system is that the actions of any one agent eventually affect everyone and everything else within our country. To address health disparities between populations, then, requires looking at multiple environmental, social, cultural, and biological factors

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simultaneously rather than addressing a single issue such as lack of health insurance. Democrats also spoke at length about the “container” of poverty in at-risk communities. Individuals were “stuck in holes” and needed to be “pulled out.” This container constituted a barrier that prevented poor populations from fully participating in the larger American social system. Herein laid a major emotional trigger for Democrats. While these groups are in one sense blocked out of the larger social system, they are also

necessarily part of the overarching interconnected society. Feelings of anger and frustration thus emerged out of the Democrats’ view because the existence of these two competing frames within American society will, over time, disrupt the social balance and damage the viability of the country as a whole.

Rather than a system of interrelated factors that cause health disparities, Republicans believe individuals in certain communities lack resources necessary to progress on a journey toward good health. The primary resources any person needs are money and knowledge, largely in the form of learned behaviors from parental role models. The challenge for Republicans is to balance how much the government provides in terms of money and services and how to support the type of guidance that will help individuals utilize these resources in their individual life journeys. Republicans also tended to look at the larger journey of American society and point out how far it has advanced, with technological improvements and overall growth of the country’s resources continually raising the level of what is judged to be an acceptable minimum health status. This resulted in far more optimism.



Armed with a new understanding of the emotional drivers behind what was previously thought to be a very dull topic, RWJF made some strategic decisions. In the past they had frequently talked about the issue of health disparities using the system and container language of Democrats. This time, they realized they needed to communicate this issue in a way that did not alienate Republicans. That meant incorporating language and imagery of journey and resource, which they accomplished by enlisting the help of a Washington Post journalist and a National Geographic photographer who used the Republican deep metaphors as creative inspiration for images and life stories that would populate the reports published by the Commission. This complete rethinking of the language and images of the report brought new life to the issue of health disparities and has made the Commissions’ reports some of the most popular in RWJF’s recent history.

See the full report at <http://www.commissiononhealth.org/PDF/ObstaclesToHealth-Report.pdf>

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### **Affective Decision Making**

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“time-pressure” group had to make their assessments with a clock counting down for each decision, while people in the “no time pressure” group were given as much time as needed.

Results showed that assessments from “time pressure” group reflected a larger gap between “perceived risk” and “perceived benefit” than those in the “no time pressure group.” In other words, the “time pressure” group was more “black and white” in its assessments of the risk or benefit of each activity; the “no time pressure” group thought more in shades of gray. This suggests that people rely more heavily on mental shortcuts and emotional reactions when making quick assessments.

These snap judgments are extremely relevant to marketers because they occur all the time. Finucane *et al.* quoted the work of Zajonc (an early advocate of affect in decision making) who argued that emotional reactions are usually the first reactions and occur automatically. These initial reactions then guide information processing and judgments. Zajonc writes, “We do not just see a house: We see a *handsome* house, an *ugly* house...” Zajonc also points out that deciding on “X” is usually because “I liked X.” Only after the

emotional decision is made do we rationalize our reasons.

The fact that people rely on these mental shortcuts underscores the importance of reaching customers on a more emotional level. Last year, Olson Zaltman Associates completed a ZMET® study on a car not yet released to the public. Although none of the participants ever saw the car in person or had the opportunity to sit in it, they were all able to create very meaningful and emotional connections with the vehicle. In a sense, they experienced a “consumption vision,” a term that describes how people envision what life would be like with a certain product or experience. Why do car salesmen have you take a new car for a test drive? Once you “see” yourself in that new car, and imagine what your life would be like with it, you build an emotional connection with the car, which makes it is more difficult to pass on the “deal” you will be given to purchase. Only after the car is parked in front of your house will you “rationalize” your purchase -- or develop buyer’s remorse. As neurologist V.S. Ramachandran has written, our conscious lives are largely a post-hoc rationalization of things we do for other reasons.

*Finucane, Melissa L., Ali Alhakamie, Paul Slovic, and Stephen M. Johnson. "The Affect*

*Heuristic in Judgments of Risks and Benefits." Journal of Behavioral Decision Making 13 (2000): 1-17.*

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## OLSON ZALTMAN ASSOCIATES

Olson Zaltman Associates is committed to helping its clients think more deeply and successfully about challenging issues. We provide our clients with deep insights about people by capturing deep insights from people.

We deliver on this promise by having: (1) unique research and analytical tools grounded in the behavioral sciences and, (2) creative, intellectually-driven staff with expertise in diverse disciplines. With these resources, we dig deeply into the unconscious mind to learn what really makes people think and act, and then collaborate with our clients to put these insights into action.