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MARKETING 7.0

A GUIDE FOR THINKING MARKETERS IN THE AGE OF AI

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WILEY

Published by John Wiley & Sons, Inc., Hoboken, New Jersey.

Library of Congress Cataloging-in-Publication Data

Names: Kotler, Philip author | Kartajaya, Hermawan, 1947- author | Setiawan, Iwan author
Title: Marketing 7.0 : unlocking the human mind / Philip Kotler, Hermawan Kartajaya, Iwan Setiawan.
Description: [Seventh edition]. | Hoboken, New Jersey : Wiley, [2026] | Includes index.
Identifiers: LCCN 2025047142 (print) | LCCN 2025047143 (ebook) | ISBN 9781394329861 cloth | ISBN 9781394329885 adobe pdf | ISBN 9781394329878 epub
Subjects: LCSH: Marketing | Technology
Classification: LCC HF5415 .K686 2026 (print) | LCC HF5415 (ebook)
LC record available at https://lccn.loc.gov/2025047142
LC ebook record available at https://lccn.loc.gov/2025047143

Cover Design: Paul McCarthy
Cover Art: © Getty Images | Imaginima
Photos: Courtesy of the Authors

Marketing's purpose always is to enhance people's lives and contribute to the Common Good.

—Philip Kotler

I dedicate this book to Mike, Stephany, and Darren. All with the Hermawan family name to continue the contribution to the Marketing World.

—Hermawan Kartajaya

Dedicated to my beloved family: Louise, Jovin, and Justin.

—Iwan Setiawan

Contents

PART 1

The Path to the Human Mind

CHAPTER 1

The Path to Marketing 7.0

Why Social Media, Artificial Intelligence, and Immersive Tech Unlock the Human Mind

Technology undergoes consistent evolution, with each iteration building on its predecessors. Microsoft Windows was first released in 1985 and has gone through multiple milestones. Google Chrome browser takes this to another level with its rapid update cycle, reaching Version 133 by March 2025. These numbering conventions do not just indicate software updates; they reflect the iterative nature of technology itself. Similarly, marketing has never been static; technological advancements, from digital media and artificial intelligence (AI) to immersive technology, have always shaped its evolution.

Marketing 7.0 is the fifth title in the *Marketing X.0* series, spanning 16 years. The naming convention does follow the pattern commonly used by technology companies to mark product evolution. This approach reflects the core premise of our series: marketing is *market-ing*—a continuous process of adapting to an ever-changing market.

Before the digital era, marketing primarily relied on mass approaches with limited customization possibilities. The rise of digital channels, such as social media and e-commerce, shifted significant parts of business operations online, enabling more targeted marketing.

A key by-product of digital marketing growth is the big data accumulated from content creation and audience engagement. This data has fueled breakthrough advancements in AI, empowering companies to implement even more precise, data-driven targeting.

AI now drives personalization not only in digital spaces but also in physical environments. It enhances immersive technology like extended reality (XR) by allowing real-time personalization of content and interactions. This has transformed marketing from broad mass offerings to one-to-one personalized experiences.

Now, marketing stands at the threshold of its next transformation: integrating cognitive science—the study of how the human mind works—into the marketer's arsenal. Like AI and immersive technology, cognitive science is not new. However, its effectiveness depends on the technological foundation laid by its predecessors.

Cognitive science has provided valuable insights into human behavior for decades, but scalability and real-time adaptation have constrained its application in marketing. This is where AI and immersive technology become essential. Without them, cognitive marketing would remain theoretical rather than a mainstream application. AI and XR bring cognitive science to life, enabling businesses to achieve mass personalization.

Let's review how digitalization, AI, and immersive technology have progressively shaped marketing's evolution, paving the way for cognitive science to become the subsequent major influence in the field.

Marketing 3.0: The Dawn of Human Centricity

The first book in the series, *Marketing 3.0: From Products to Customers to the Human Spirit*, was published in 2010. As the subtitle implied, the book outlined the milestone shifts from product-driven marketing (1.0) to customer-oriented marketing (2.0) to human-centric marketing (3.0).

In the 1.0 era, marketing primarily focused on selling standardized products to a mass market. With the advent of the internet, customers became more informed and could easily compare similar product offerings. This shift led to the 2.0 era, when marketing became customer-oriented. Marketers had to understand customer needs and wants before developing products tailored to specific market segments.

However, customer centricity alone did not guarantee differentiation, as competitors could analyze the same customer insights and create similar offerings. To stand out, marketers needed to dive deeper. This led to the emergence of *Marketing 3.0*, when businesses began to see customers as whole humans with minds, hearts, and spirits. For the first time, we introduced the concept of human centricity, emphasizing that brands must go beyond addressing rational needs to resonate with customers' emotions, beliefs, and values.

Marketing 4.0: The Rise of the Social Human

Humans are inherently social, which helped propel the internet into the mainstream. For younger generations, the internet became primarily a space for social interaction rather than just information seeking. Social media came to dominate online activity, with over 90 percent of internet users having accounts and spending more than a third of their time on these platforms (according to creative agency We Are Social and media intelligence company Meltwater).

This shift in behavior led to a very social customer journey that we call the 5As—aware, appeal, ask, act, and advocate—first introduced in *Marketing 4.0* in 2017. Customers encountered brands (aware) and narrowed them down to a shortlist (appeal). Before deciding, they sought opinions and validation from their social circles (ask). Once convinced, they engaged with the brand (act), and over time, satisfied customers recommended the brand to others (advocate).

The social interactions in the digital space uncovered customer emotions, beliefs, and values that were previously difficult for brands to decode. Customers began openly sharing their thoughts and opinions on social media without brands needing to commission traditional market research. As a result, brands found it easier to adopt a human-centric approach in the digital era. Moreover, brands evolved to be more human, displaying strength and vulnerability so customers saw them as more authentic.

Marketing 5.0: From Social to Personal

We foresaw that marketing would become increasingly data-driven as businesses moved more and more online. Every customer action—searching, clicking, purchasing, and sharing—became a valuable data point. These massive datasets provided AI with the fuel it needed to improve. As AI became more accurate, even hesitant companies would start adopting it, which, in turn, accelerated its learning. This created a virtuous cycle—the more AI was used, the smarter it became.

This belief led us to introduce *Marketing 5.0* in 2021, advocating for AI-driven strategies. We encouraged companies to build a robust data infrastructure, integrating many data sources to take full advantage of AI. With AI, marketers could predict customer behavior and optimize campaign designs. AI would also enable businesses to personalize marketing at an individual level, delivering highly relevant experiences to each user.

Beyond personalization, AI would improve efficiency by augmenting human efforts, combining the speed and reliability of automation with the warmth and empathy of human interactions. It would also help companies stay agile, quickly adapting to changing customer trends.

In the beginning, social data enabled AI to take off, feeding it with the vast amounts of information needed to learn. Now, AI has matured into a powerful tool that marketers can use to turn that data into personalized experiences, making one-to-one marketing at scale a reality.

Marketing 6.0: From Personal to Experiential

At first, AI was most prominent in digital channels, with early applications in audience targeting on social media, product recommendations in e-commerce, and chatbots or virtual assistants. However, AI is increasingly integrated into physical spaces to create immersive experiences.

In *Marketing 6.0*, published in 2023, we identified several technologies that bridge the physical and digital divide, enabling AI to enhance real-world customer experience. One of these is the Internet of Things (IoT)—devices equipped with sensors that collect data from the physical environment and transform it into valuable real-time digital data for AI. For example, IoT enables retail stores to detect specific customers and deliver personalized advertisements.

Another important one is immersive technology, such as augmented reality (AR) and virtual reality (VR). VR fully replaces the physical world with a simulated environment using head-mounted displays, creating a completely immersive experience. By contrast, AR overlays digital content onto the real world, enabling users to interact with digital and physical elements through mobile devices or AR glasses.

Just as social media provided the foundation for AI's growth, AI played a crucial role in advancing immersive technology. It made immersive experiences more realistic, interactive, and personalized, unlocking new possibilities for customer engagement.

Marketing 7.0: The Destination Was Always the Human Mind

Marketing 7.0 sits at the intersection of social, personal, and experiential marketing, marking the next evolution in how brands connect with customers (Figure 1.1). Built on the foundation laid by its predecessors, this marketing era retains the essence of Marketing 3.0—treating customers as whole humans with minds, hearts, and spirits—but is now powered by advanced technological enablers. We argue that marketers must use three key gateways to influence the human mind: social, personal, and experiential. These gateways help

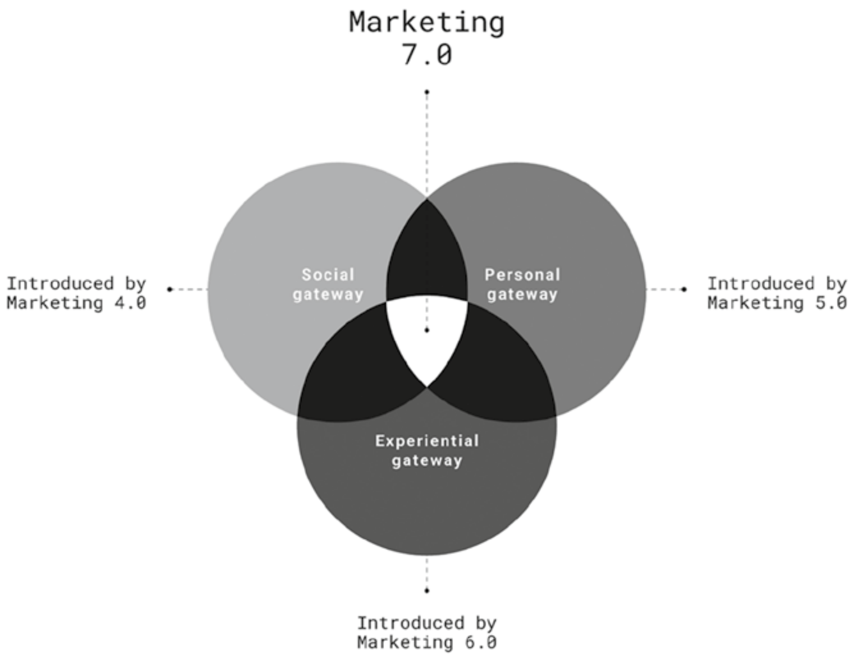

FIGURE 1.1 Enablers of Marketing 7.0.

marketers shape perception, drive decision-making, and create meaningful connections with customers in an increasingly digital world.

Social Gateway

Cognitive science confirms that social stimuli are a powerful gateway for shaping how customers perceive and interpret brands. Customers do not evaluate brands in isolation; instead, their judgments are influenced by the collective opinions of others. Two key insights from cognitive science help explain this social gateway: one rooted in the brain's structure and the other in humans' subconscious tendency to mimic their peers' behaviors.

The first insight is the concept of the social brain, a network of brain regions responsible for interpreting social cues and regulating human interactions. At its center lies the amygdala, a small but crucial part of the limbic brain that processes emotions and influences how we respond to the social environment. In marketing, this explains why customers trust brands that appear popular and have a strong track record built on social validation.

This phenomenon, known as social proof, is a powerful psychological tool marketers use to influence consumer behavior. When people see that a brand is widely accepted and endorsed by others, they are more likely to trust and adopt it themselves. Marketers leverage social proof in various ways, such as customer ratings and reviews on digital platforms, long queues or waiting lists in retail stores that signal high demand, and brand features in well-known media outlets or collaborations with established brands. These signals create a perception of credibility and desirability, reinforcing customer confidence in a brand.

The second key insight comes from mirror neurons, specialized brain cells that activate not only when humans perform an action but also when they observe others doing it. In essence, these neurons cause humans to mirror the behavior of others, making them feel as if they are experiencing the action themselves. This explains the effectiveness of marketing via social media.

Influencer marketing, where individuals with social influence endorse brands, and user-generated content marketing, where satisfied customers advocate for a brand, take advantage of the mirror neurons. When potential buyers see influencers or real customers using a product, their brains simulate the experience, creating a sense of personal involvement. This makes it easier for them to evaluate a product's value compared to simply reading marketing claims. As a result, social recommendations shape buying decisions more than traditional advertisements, making peer influence and authentic brand experiences more effective than ever.

Duolingo, a language learning app, effectively illustrates the social gateway concept through its humorous, Gen Z–targeted content on platforms like TikTok and YouTube Shorts. The content's viral nature and high engagement generate strong social proof, signaling wide acceptance. Duolingo activates the audience's mirror neurons by simulating relatable and hilarious language-learning situations, creating a sense of shared experience. This approach has significantly driven active user growth, demonstrating the power of social influence in accelerating brand adoption.

Personal Gateway

Emotionally and socially validated messaging helps marketers pass through the brain's social gateway. However, marketers must use personalized messaging to pass through the personal gateway to achieve deeper engagement and truly connect with a customer's mind.

While social stimuli engage emotional responses in the human brain, personal stimuli activate rational processing. This aligns with Daniel Kahneman's framework in *Thinking, Fast and Slow,* which describes two distinct brain systems: System 1 is fast and emotional, and System 2 is slow and rational.

Bridging the two systems is the salience network, a large-scale brain network that prioritizes important stimuli and regulates attention. Think of it as a gatekeeper determining which marketing messages warrant more attention and require deeper rational processing. Acting as a filter, the salience network screens out irrelevant information, allowing only meaningful messages to pass through.

When a message demands further analysis, it is sent to the prefrontal cortex, the brain's center for rational processing. The prefrontal cortex evaluates the message against past experience and existing knowledge. The more relevant the message, the easier it is for the brain to process. And the higher likelihood of it ending up in favorable actions.

How the brain processes this relevant information underscores the power of personalized marketing. In an era of content overload, most marketing messages are dismissed as noise. Customers instinctively ignore irrelevant content, while messages that align with their interests are more likely to capture attention and elicit a positive response.

AI plays a role in helping marketers predict which messages resonate with each customer. Modern AI models, particularly neural networks, are trained to replicate the analytical process of the prefrontal cortex. By predicting relevance, AI ensures that marketing content cuts through this personal gateway, making personalization at scale now possible.

Through continuous learning, AI refines what to offer based on real-time user interactions, improving over time. This dynamic adaptation enables marketers to anticipate emerging interests, ensuring that personalization evolves alongside customer behavior rather than remaining static.

Top streaming services like Spotify and Netflix rely heavily on personalization to keep users engaged. Spotify creates playlists such as "Discover Weekly" and "Release Radar," specifically tailored to users' listening habits and favorite genres. Additionally, Spotify sends personalized notifications about new music from favorite artists, upcoming concerts nearby, and recommended podcasts.

Netflix similarly provides personalized movie and TV show suggestions based on viewing history, likes, and ratings. It considers viewing patterns, preferred watching times, and the devices used. Each user's Netflix home page is unique, prioritizing content that aligns closely with their preferences. By consistently delivering personalized offerings, the streaming platforms encourage users to stream more, providing a rational justification to maintain their subscriptions.

Experiential Gateway

The ultimate goal of influencing the human mind is to create a lasting memory, as strong brand recall shapes future purchasing decisions. A brand that stays at the top of mind—the first brand a customer thinks of in a given category—has a higher chance of being chosen when a purchase decision arises. With strong brand recall, each interaction becomes more efficient, as the message is more likely to capture attention and reinforce brand perception.

The brain remembers a brand better if it interacts with the customers through experiences. Central to this process is the amygdala and its role in regulating emotions. The amygdala encodes emotional stimuli and prioritizes emotionally charged memories for long-term storage. Thus, brand experiences that trigger powerful emotions are more likely to be vividly recalled.

Experiences that balance familiarity and novelty are especially effective in capturing attention and enhancing memory formation. Familiar experiences evoke positive emotional responses because they feel safe and predictable. However, novel experiences activate brain regions associated with excitement, primarily through the release of dopamine, the feel-good chemical messenger in the brain.

The Korean eyewear brand Gentle Monster exemplifies the blend between novelty and familiarity in its retail spaces. At its New Jersey flagship store, customers encounter an environment that fuses the unexpected with the usual setting. Animatronic installations such as a hyperrealistic moving bison and a large blinking eye sculpture create an unfamiliar scene, instantly capturing attention.

Yet this striking setting is balanced by familiar comforts that customers typically expect from an eyewear retailer: high-quality, wearable products displayed neatly on shelves, inviting spaces to try on glasses, and friendly staff ready to assist. This careful blend ensures customers remain intrigued without feeling overwhelmed.

Immersive, multisensory experiences further enhance memory formation by activating a wider network of brain regions for stronger encoding. Visual, auditory, and tactile stimuli activate the occipital, temporal, and somatosensory cortex, respectively. However, multisensory experiences are most effective when the sensory inputs are congruent and consistent.

Luxury hospitality brands illustrate how immersive, multisensory experiences are enhanced through advanced personalization. They have gone beyond standard practices, such as signature scent or specialized bedding. For instance, several Four Seasons resorts in Hawaii offer data-driven wellness programs that begin with pre-arrival health questionnaires and diagnostic tools, capturing biological data to customize every wellness aspect from nutrition to therapy.

Each guest will then get a personalized experience. Guests may receive massages tailored to tension areas identified through thermal imaging or immerse themselves in a VR-equipped vessel that synchronizes sight, sound, touch, and scent in a 20-minute treatment. By combining personalized insights and immersive experiences, luxury hospitality brands create a memorable, transformative experience.

What Is Different About Marketing 7.0

But what truly sets Marketing 7.0 apart from its predecessors? To see the whole picture, we must compare how each era has reshaped the customer's expectations and therefore the marketer's role (Figure 1.2).

The evolution begins with Marketing 1.0, driven by industrial technology. At this stage, the focus is on selling products to mass buyers. The market is seen as people with basic needs and wants. The approach is product-centric. Companies create goods and push them to consumers through mass production and distribution.

Marketing 2.0 emerges with the rise of broadcasting media. This marks a shift from product to customer. The market evolves into a more informed and knowledgeable audience. Marketing efforts focus on satisfying the customer. Businesses adopt a customer-centric approach. Communication moves from one-way selling to two-way interaction.

The next shift is Marketing 3.0. Powered by the internet, it introduces a deeper understanding of the customer.

Evolution of Marketing	MARKETING 1.0 Product	MARKETING 2.0 Customer	MARKETING 3.0 Human	MARKETING 4.0 Digital	MARKETING 5.0 AI	MARKETING 6.0 Immersive	MARKETING 7.0 Mind
The Technology	Industrial technology	Broadcasting media	The Internet	Social media	Artificial intelligence	Immersive technology	Cognitive technology
The Market	Mass buyer with needs and wants	Knowledgeable customer, with mind and heart	Whole human, with mind, heart, and spirit	Connected customer	Segment of one	Phygital native	Augmented human
Marketing Focus	Sell product	Satisfy customer	Drive change	Facilitate social connection	Personalize offering	Immerse customer	Influence the mind
Marketing Approach	Product-centric	Customer-centric	Human-centric	Digital marketing	AI-powered marketing	Immersive marketing	Cognitive marketing

FIGURE 1.2 Evolution of Marketing.

The focus moves from the customer's mind to their whole self, with mind, heart, and spirit. Companies aim not only to solve problems but also to drive change. Brands embrace values and social missions. This phase becomes human-centric. Marketing speaks to people's beliefs and sense of purpose.

Then comes Marketing 4.0, which integrates social media into the marketing playbook. The customer becomes a connected customer. People are no longer passive recipients of messages. They create and share content. The marketing focus shifts to facilitating social connection. Word-of-mouth becomes more powerful than advertising. The approach is digital marketing. Content must be engaging, shareable, and conversational.

Marketing 5.0 builds on AI. This phase introduces the idea of a "segment of one." Instead of targeting broad demographics, brands use data to personalize at the individual level. Marketing becomes predictive, responsive, and hyper-relevant. AI enables automated customer journeys, chatbots, and recommendation engines. The focus is on personalizing offerings in real time. This gives rise to AI-powered marketing, fueled by machine learning.

Marketing 6.0 brings in immersive technology. This includes AR, VR, and other forms of experiential tech. The market shifts again, now toward "phygital natives"—customers who live seamlessly between physical and digital worlds. The focus is on immersion. Marketing goes beyond screens and enters the customer's environment. The goal is to create multisensory, interactive experiences. The approach becomes immersive marketing. Brands design moments that customers can see, touch, and feel—whether in a physical or virtual world.

Each phase sharpens the understanding of the customer. Each stage lays the foundation for the next, leading naturally to Marketing 7.0, where the mind becomes the new frontier.

Marketing 7.0 introduces cognitive technology as its core driver. The customer evolves into an augmented human—someone who relies on digital tools to think, decide, and act. The focus shifts to influencing the mind. Marketing becomes more attuned to how people process information, form memories, and make decisions. Since the goal is resonance, the approach is cognitive marketing, which leverages cognitive understanding of the customers to shape their decision-making.

The Structure of the Book

This book explores mind-centric marketing in depth, from the trends shaping today's consumers to practical tactics for the new cognitive approach. While reading it sequentially offers a holistic view of Marketing 7.0, the structure also enables you to jump directly to chapters that match your interests.

The Why

If you are a trendwatcher who likes to start with the big picture, begin with Part 1 (Chapters 2 to 4). These chapters explain the evolution of marketing and the significant shifts driving the rise of Marketing 7.0. We focus on five drivers of change—technology, political and legal, economy, socio-culture, and market dynamics (see Figure 1.3).

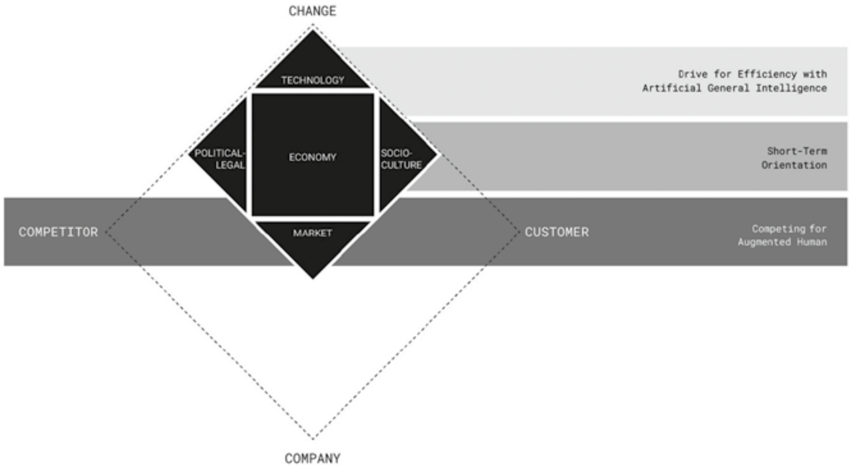

FIGURE 1.3 The Business Landscape.

These forces are reshaping both competition and consumer behavior. We summarize the trends into three parts:

- **Chapter 2** explores the technology shift toward artificial general intelligence (AGI), raising concerns that efficiency will replace the human touch in marketing. The real challenge is not adopting AI, but ensuring marketers stay relevant as partners in the human-machine dynamic.
- **Chapter 3** examines geopolitical instability and economic uncertainty, which push brands toward short-term performance. As a result, digital marketing becomes more homogenized, and AI tools accelerate this uniformity.
- **Chapter 4** introduces a new customer archetype: augmented humans—digital-first individuals whose minds are shaped by technology. They filter out ads, live in algorithm-driven echo chambers, and feel exhausted by constant micro trends.

The What

If you are a conceptual thinker who prefers models and frameworks, turn to Part 2 (Chapters 5 and 6). These chapters introduce the cognitive compass (Figure 1.4)—Marketing 7.0's central framework for decoding the human mind and translating insight into strategy.

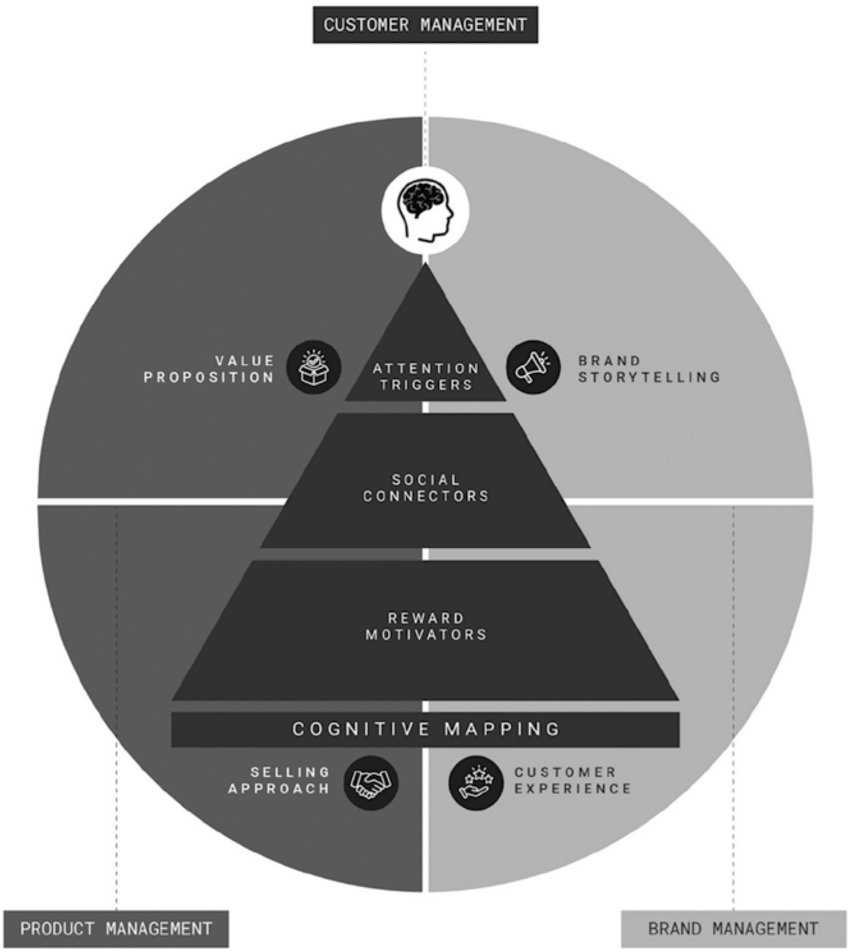

FIGURE 1.4 Cognitive Marketing Compass.

The cognitive compass has two parts. The cognitive map is a customer insight model grounded in how the brain processes marketing stimuli. The stimuli quadrants are a strategic tool that converts insights into action, spanning brand storytelling, value proposition, selling approach, and customer experience.

These elements map onto a broader triangle of marketing: cognitive mapping relates to customer management, value proposition, and the selling approach to product management, and brand storytelling and customer experience to brand management.

- **Chapter 5** explains the complete model and emphasizes that even in the AI age, marketing begins with understanding people. It offers a guide to aligning marketing with how the brain works.
- **Chapter 6** introduces empathic observation as a way to decode the minds of augmented humans. Cognitive mapping draws from three core systems: the attention brain (what people notice), the social brain (how they relate), and the reward brain (what drives behavior).

The How

If you are a practitioner focused on execution, Part 3 (Chapters 7 to 10) offers tactical guidance for applying mind-centric marketing across functions:

- **Chapter 7** is for communication professionals developing brand stories. It presents three storytelling formulas and their practical use.
- **Chapter 8** is for product managers shaping value propositions. It introduces the value equation and explains how customers mentally weigh benefits and sacrifices.

- **Chapter 9** is for salespeople aiming to convert leads. It aligns sales techniques with the way customers buy, offering practical, brain-based conversation tips.
- **Chapter 10** is for customer experience teams designing end-to-end journeys. It provides a checklist and design principles for creating memorable, high-impact experiences across both digital and physical channels.

Summary

Technology evolves in iterations, and so does marketing. The journey began with Marketing 1.0 and 2.0, when the focus moved from selling products to understanding customer needs. Marketing 3.0 added depth by seeing customers as whole humans—mind, heart, and spirit.

Then came the rise of the connected consumer in Marketing 4.0, driven by social media. Marketing 5.0 introduced AI to personalize at scale. Marketing 6.0 expanded this personalization into immersive experiences that blur the line between physical and digital. Each phase deepened our understanding of the customer and brought us closer to the human mind. Marketing 7.0 builds on this foundation by integrating cognitive science. It leverages three gateways—social, personal, and experiential—to engage the brain more effectively.

The first part of the book explains the forces that set the stage for this shift. From the rise of AGI to global uncertainty and digital fatigue, today's business landscape has given birth to a new kind of customer: the augmented human. These are individuals whose decisions are shaped by algorithms.

The second part presents the cognitive compass, a strategic framework for navigating this new business landscape.

It introduces the idea of cognitive mapping—understanding how people process attention, social input, and rewards—and turns those insights into action through four strategic levers: brand storytelling, value proposition, selling approach, and customer experience.

The final chapters turn strategy into execution. Whether you are crafting a brand story, shaping a product offering, designing a sales conversation, or curating an end-to-end experience, each chapter provides practical tools aligned with how the brain works.

REFLECTION QUESTIONS

- How has your marketing evolved alongside technology?
- Which Marketing X.0 stage best reflects your current approach? What is missing to reach 7.0?
- How well do you understand how your customers think and decide?

CHAPTER 2

The Threats of Artificial General Intelligence

Why Minds and Machines Must Coexist for Better Marketing

Technology has advanced so rapidly that many people forget that computers were originally humans. From the early 17th century to the mid-20th century, "computers" referred to people who performed tedious mathematical calculations by hand, often teams of women working at desks. Their work included producing mathematical tables for astronomy, performing wartime computations, and supporting early space exploration.

As electronic computers became more prevalent in the mid-20th century, the role of human computers evolved into that of "programmers." Early programmers worked directly with machine code, requiring a deep understanding of the hardware. Eventually, they began to use programming languages: systems of instructions that tell machines what to do.

Today, the human–machine relationship is shifting once again. With the rise of artificial intelligence (AI), programmers become "trainers." Rather than providing explicit instructions, humans now feed prepared datasets, enabling machines to learn patterns and adjust their algorithms. This marks a new phase for humans: not just using machines but also collaborating with them.

Over time, AI training has become increasingly autonomous, requiring less human involvement. It has evolved from "supervised learning," which relies on labeled data—information tagged with clear descriptions—to "unsupervised learning," where the AI identifies patterns in raw data without explicit labels. AI also learns through "reinforcement learning," where it adapts in real time by making decisions and improving through trial and error. As a result, the human role has shifted toward that of "Orchestrators," defining and monitoring goals rather than managing every step (Figure 2.1).

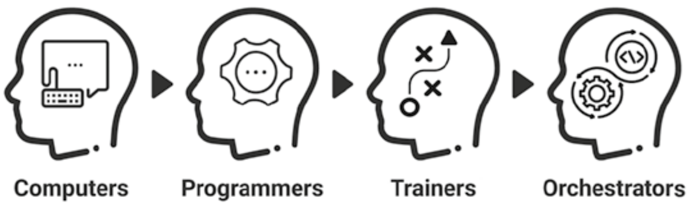

FIGURE 2.1 The Evolving Human Role in the Human–Machine Relationship.

This growing autonomy of AI systems has sparked concern about the rise of artificial general intelligence (AGI): machines capable of matching or surpassing human cognitive abilities across a wide range of tasks. Unlike narrow AI, which is designed for specific functions, AGI would be able to learn and act independently across domains. This possibility raises deeper concerns about machines eventually replacing human decision-making.

The shift toward greater machine autonomy is already unfolding in marketing today. A brand might begin by training an AI model using "supervised learning," which involves training it on labeled advertising copy that is tagged with performance metrics, such as click-through rate.

As campaigns run, the AI uses "unsupervised learning" to identify emerging themes in social media comments by itself, uncovering new advertising copy ideas. "Reinforcement learning" enables the AI to test variations of advertising copy components, learning which combinations perform best and adjusting in real time to maximize performance.

But as AI handles more tasks with less oversight, a new concern emerges. Humans who set goals for AI systems often no longer fully understand the computations happening inside them. This phenomenon is known as "black box AI," where algorithms become so complex that even their creators cannot fully explain how outputs are made.

More autonomous AI training offers clear benefits in efficiency and scalability. Marketers can optimize campaigns at scale without large teams or heavy reliance on external agencies. But this progress raises an existential question: if AI can do it all, what is left for human marketers?"

The Movement Toward AGI

AI has transformed since the 1980s, with the majority of progress occurring since about 2020. Originally designed to assist humans, AI has evolved into autonomous agents and is now moving toward AGI.

This evolution can be traced through four key phases (Figure 2.2). In its early stages, AI was rigidly programmed to follow specific rules or statistical models, relying heavily on pre-fed data and manual fine-tuning by humans.

As it advanced, AI gained greater autonomy, able to interpret patterns in data independently. It was also granted more direct access to real-time user feedback, enabling it to learn continuously from real-world interactions.

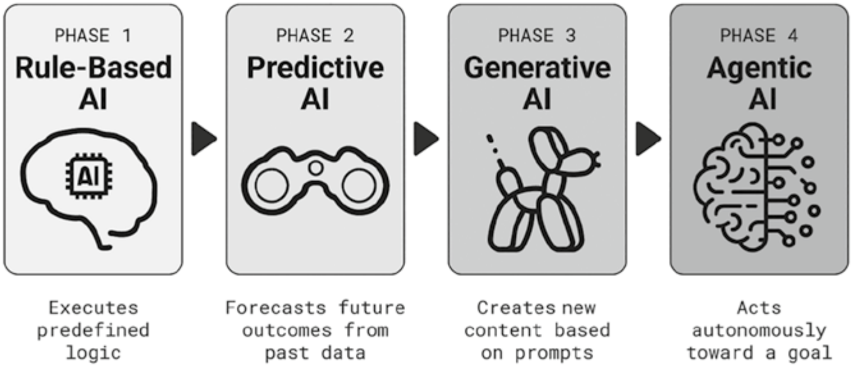

FIGURE 2.2 The Four Phases of AI Advancement.

Phase 1: Rule-Based AI

Early AI systems relied on rule-based approaches, using predefined if-then logic to respond to queries or make decisions. This method remains common in basic marketing automation—for example, "If a customer adds items to their cart but does not check out, then send a reminder email." Rule-based AI also powers simple chatbots, such as "If a customer asks for product information, then send the product catalog."

Phase 2: Predictive AI

A more advanced form of AI is predictive AI, which uses statistical tools to model historical data and estimate the probability of future outcomes. In marketing, common use cases of predictive AI include churn analysis. This helps identify which customers are likely to stop using a product or service. Another use is product recommendation, where AI suggests the next best item to cross-sell based on a customer's past purchases.

Phase 3: Generative AI

The most popular form of AI in recent years is generative AI, which can create new content, including text, images, multimedia, and code. It typically relies on machine learning algorithms to identify patterns in large datasets and generate content that reflects those patterns.

Marketers can use generative AI to write personalized email campaigns tailored to individual customers. It can also produce social media content at scale, helping brands stay active across multiple platforms. Generative AI can also power advanced chatbots that handle a wide range of customer questions, including those that are not explicitly predefined.

Phase 4: Agentic AI

The current focus in AI development is agentic AI—systems designed to pursue complex goals by making autonomous decisions with minimal human supervision. Unlike generative AI, which responds to prompts, agentic AI takes a proactive approach, initiating actions independently to achieve specific outcomes. It represents a critical step toward AGI, laying the groundwork for machines that could one day operate with human-like reasoning.

In marketing, agentic AI can serve as a campaign manager. Marketers define a goal, such as driving brand awareness, and the AI handles audience targeting, creative optimization, and media budget allocation in real time. Agentic AI can also manage the entire sales funnel. It autonomously qualifies leads, initiates contact, nurtures relationships, and even helps close the sale, all with near complete autonomy.

The End Goal of AGI

The evolution toward more autonomous AI is indeed a step forward toward AGI. While the idea of human-level AI has existed since the 1950s, the term *AGI* was introduced in 2002 by AI researchers Shane Legg and Ben Goertzel. AGI is often associated with the concept of the singularity, a hypothetical future in which AI surpasses human intelligence.

AGI remains a highly debated topic. Supporters see it as a breakthrough that could help humans overcome their limitations. Critics, however, warn of existential risks, where machines become more powerful than their creators. There is also an ongoing debate about whether AGI is even possible. Some experts believe it is just a few years away, while others argue that machines can never replicate the abstract aspects of human cognition, such as common sense and intuition.

For years, these discussions remained mostly theoretical. Publicly released AIs, primarily in the form of chatbots, had mainly been disappointing. That changed in November 2022, when OpenAI released ChatGPT, a generative AI model. It impressed more than one million people in the first five days with well-written responses to prompts.

Suddenly, AI became a mainstream topic in the tech business world. Microsoft became OpenAI's primary investor, enabling it to integrate OpenAI's models into its AI product, Copilot. Other major tech players, including Google and Meta, ramped up their AI efforts, driven by fears of losing ground in the search engine and social media markets.

New AI-powered search players also began to emerge. Perplexity, backed by ChatGPT and Microsoft Bing, positioned itself as a challenger to traditional search engines. In response, Google integrated AI into its core search experience and introduced AI Overviews—summaries of key information that appear at the top of search results. Meta also accelerated its AI push by launching Meta AI, now embedded in WhatsApp and Instagram, which enables users to interact directly with an AI assistant within the apps.

Meanwhile, in China, the startup DeepSeek launched its AI model R1 in January 2025, directly challenging OpenAI by claiming it matches ChatGPT's capabilities at a fraction of the cost to develop and operate.

The AI race has generally benefited businesses by accelerating the mainstream adoption of AI. A 2025 report by McKinsey found that 92 percent of companies plan to invest in generative AI over the next three years. A global study by The Conversation also revealed that 58 percent of the workforce is already using AI to enhance productivity.

Interestingly, AI is no longer used solely for tasks like idea generation or content creation. Filtered, a learning tech company, analyzed discussions on forums such as Reddit and Quora and found that the most common use for AI in 2025 is now therapy and companionship. The conversational nature of today's AI has enabled this more emotional use.

By March 2025, the University of California, San Diego reported that GPT-4.5 had passed the Turing test—a benchmark proposed by AI pioneer Alan Turing to assess whether a machine can carry on a conversation so convincingly that human evaluators cannot reliably tell it apart from a person. When prompted to adopt a human-like persona, GPT-4.5 was judged to be human 73 percent of the time. With this result, people began to wonder whether AGI is closer than they thought.

The Road Map to AGI and the Risks Along the Way

We introduce a framework to help marketers anticipate how technology may evolve toward the ultimate goal of AGI.

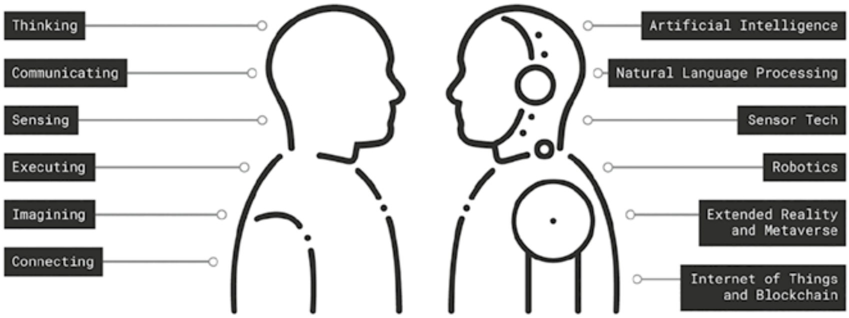

FIGURE 2.3 The Road Map to AGI.

This framework is built on the premise that humans create machines in their image (see Figure 2.3).

There are six key human attributes that machines must emulate: thinking, communicating, sensing, executing, imagining, and connecting. While AI, mainly driven by natural language processing (NLP), has advanced rapidly, achieving AGI will require progress across all six dimensions.

As machines develop more human-like qualities, there are growing risks that marketers will become passive participants, replaced not only in execution but also in strategy.

Machines That Think

Thinking is the most fundamental human capability. AI models like ChatGPT rely on a "neural network" system, a structure modeled after the human brain's connected neurons. The models mimic human thinking by following a similar flow: learning from experience, recognizing patterns, and solving problems based on those patterns. As humans learn from past experiences, AI systems train on large datasets. This process enables machines to build a knowledge base, much like humans form memories. Both humans and machines learn from mistakes and feedback, fine-tuning their thinking.

Humans and machines apply this learning process to recognize patterns. For example, marketers may conclude that a particular storytelling campaign is more effective than others through trial and error. Similarly, AI can identify campaign attributes that drive higher engagement by analyzing social media data.

Just as humans apply experience to make decisions, AI uses learned models to recommend actions. Most human thinking involves intuitive shortcuts for quick decision-making, known as heuristics. For example, Apple employees might cross-sell AirPods to customers buying iPhones based on experience. Similarly, Amazon's AI recommendation engine might suggest comfortable athletic wear to a customer who leaves a positive review titled "comfortable running shoes."

Some thinking requires more systematic analysis. This involves well-defined, step-by-step problem-solving, often referred to as algorithmic thinking. Both humans and machines use this approach for tasks that demand precision, such as customer segmentation based on market research or campaign optimization driven by data analytics.

AI can mimic human thought, often processing more data with greater consistency. But that strength is also a limitation—it typically requires large volumes of data to learn. Humans, however, can improvise even with limited experience. This ability stems from humans' conceptual abstractions, which involve making generalizations or analogies between seemingly unrelated ideas.

Many tech companies have attempted to replicate this strength of human thinking through "zero-shot learning," an AI model training designed to recognize patterns without prior examples. However, AI has not yet fully matched the adaptability of human thinking.

Recent AI developments are indeed grounded in cognitive science and a deeper understanding of how the human brain works. Google DeepMind and the Microsoft-inait collaboration are advancing neuroscience-inspired AI by modeling biological intelligence. On the experimental frontier, Organoid Intelligence explores lab-grown 3D brain cell cultures, known as brain organoids, as the basis for developing synthetic biological computing systems.

As machines begin to match human thinking, marketers face the risk of becoming complacent. Focused on training AI, they may neglect to hone their own intuition and judgment capabilities, which are essential to play the role of devil's advocate. Marketers must continue to challenge assumptions, question recommendations, and identify blind spots machines may overlook.

Moreover, when customers are seen merely as data points, marketers may become overly reliant on analysis and lose empathy. Marketing without empathy misses the hidden needs and deeper motivations behind behavior. While data reveals trends, only empathy uncovers what truly moves people.

Machines That Communicate

Language shapes the way humans think, as it is the primary tool through which we teach and learn. Humans use it to express complex thoughts and share knowledge. The structure and vocabulary of a language influence what we notice in an experience and how vividly we remember or describe it.

In marketing, language is just as powerful. Different linguistic structures shape how brands communicate to various parts of the world. A well-known example is Coca-Cola's "Share a Coke" campaign. In the United States, bottles featured popular first names to encourage personalized gifting. However, in China, where first names are more diverse and collectivism is more culturally valued, Coca-Cola used social identity labels like "Xiǎo Kě′ài" (Cutie) and "Dàshén" (Guru), which resonated more strongly with Chinese Gen Z consumers.

Language has also played a pivotal role in accelerating AI. A breakthrough came through NLP, a branch of AI that enables machines to understand and generate human language. NLP gave rise to large language models (LLMs), such as ChatGPT, which enables users to interact with AI using everyday language rather than code. By lowering the barrier to entry, NLP has made AI more accessible and fueled its widespread adoption.

Yet a key limitation remains: most reasoning within LLMs still occurs in English. While these systems support multilingual input and output, their internal logic is predominantly shaped by the English language. Even in China-based models like DeepSeek, English reasoning is often the default due to the richness of English training data.

This presents a challenge. Since language shapes human thinking, English-based reasoning may overlook the cultural nuances embedded in other languages. Subtle meaning can get lost in translation, weakening the persuasive impact of a message. This limitation is particularly critical in marketing, where cultural resonance and semantics are crucial for influencing customers. Recognizing this, recent advances in NLP are now pushing beyond multilingual communication toward multilingual reasoning. This is an essential step for culturally intelligent AI.

In practice, machines that communicate are transforming the marketing landscape. LLM enables real-time market sensing by analyzing social media conversations, detecting emerging trends, and assessing public sentiment. LLM also powers increasingly natural conversations through chatbots in service and sales.

However, this convenience can come at a cost. As marketers spend more time interpreting digital discussions and rely on chatbots, they may neglect direct conversations with customers, which is often the source of deeper insights and genuine customer relationships.

LLMs are also revolutionizing brand communication and content creation. LLM can write copy and generate creative concepts. It enables brands to tailor tone and language dynamically based on audience context. However, as brands delegate more of their voice to machines, there is also a risk of losing the authenticity that initially draws customers to the brands.

Machines That Sense

Many experts argue that machines still lack one crucial aspect of human intelligence: embodiment. Human thinking sits atop a biological body that interacts with the physical world—something machines do not possess. Entire body cells are reading and adapting to the environment.

In other words, human cognition is not just a brain function; it involves the entire body to perceive the world. This embodied intelligence enables humans to rely on heuristics informed by intuition. By contrast, machines operate through algorithms, systematically processing information and requiring massive amounts of data every single time.

A key aspect of this embodiment is the role of the five senses—sight, hearing, touch, smell, and taste—which act as receptors for external stimuli. These senses collect data from the environment and initiate cognitive brain responses. Machines aim to replicate human sensing capabilities through the use of cameras, microphones, tactile sensors, and other sensory technologies.

Computer vision enables machines to perceive and interpret visual information such as facial expressions, images, and video. Speech recognition converts spoken language into text for further processing and is commonly used in AI voice assistants. Motion and tactile sensors are crucial in self-driving cars and robotics, enabling machines to detect movement and orientation. Meanwhile, electronic nose and electronic tongue technologies are being developed to mimic the senses of smell and taste, although they remain less advanced compared to other sensor systems.

As machines become more capable of sensing the world around them, they begin to interpret and react to real-time environmental inputs, much like humans do. The concept of "living intelligence," introduced by futurist Amy Webb, explores the idea of combining AI, sensors, and biotechnology, enabling AI to learn from its environment in real time.

This shift comes with significant risks. Marketing has long been rooted in a deep understanding of human needs—insights often gained by observing customers in their natural environments. The ethnographic approach, which encourages marketers to immerse themselves in the daily lives of their customers, risks being sidelined as market sensing is increasingly outsourced to machines. Without this human-centered perspective, marketers may lose touch with the realities of their customers.

While sensor-based insights offer scale and speed, they often lack context. Machines may detect facial expressions and gestures, but they do not truly understand the emotions behind them. A smile may signal joy, deception, or embarrassment—something only human interpretation, shaped by empathy, can decode.

Machines That Execute

Action is where thinking turns into reality. In humans, execution involves translating thought into behavior, such as making a purchase or recommending a product. For machines, execution refers to the process of carrying out tasks based on decisions informed by AI and sensor systems.

In some cases, this includes physical robotic actions. For example, when guests arrive at a hotel, a front desk robot might greet them and prompt them to place their ID on a designated scanner for check-in, automating a process that once required human interaction.

Execution can also take the form of robotic process automation (RPA). Consider a bank receiving a loan application: the RPA system extracts customer data, retrieves credit scores from external databases, applies risk assessment, and initiates the approval process—all without human intervention.

Machines that execute are rapidly transforming marketing operations. Agentic AI is the form of AI designed to perform tasks with autonomy. It can manage the entire marketing funnel, from qualifying leads to nurturing them and ultimately closing them. It can now autonomously launch campaigns, A/B test creatives, and allocate budgets without the need for human marketers. Campaigns that once took weeks to plan and deploy can now go live in minutes, thanks to AI systems that optimize every variable in real robotic process automation (RPA) time.

But this level of automation also introduces serious risks in treating marketing as a black box. As machines become more proficient at execution, marketers may become overly detached from the process, focusing solely on inputs and outputs while overlooking the mechanics in between.

Treating marketing as a black box also invites ethical blind spots. When execution is entirely delegated to machines, marketers may lose insight into how decisions are made and who might be unfairly affected. For example, an AI system trained on historical customer data may inadvertently learn to prioritize high-income zip codes while excluding lower-income neighborhoods from personalized offers. This algorithmic bias can reinforce social inequalities, even if it was not intentional. While the machine executes the task, the responsibility still lies with the marketers.

Machines That Imagine

Imagination enables humans to envision what does not yet exist—to develop new products, design novel experiences, and write compelling stories. At its core, imagination relies on abstract thinking, a higher-level form of reasoning that goes beyond what is immediately visible.

When we analyze the deeper meaning behind a film or contemplate concepts like love and freedom, we are engaging in abstract thought. It enables us to see the bigger picture. This is why storytelling is deeply linked with abstract thinking: it requires us to grasp themes that transcend literal events.

Imagination is also the driving force of creativity. It enables visioning—visualizing futures that have not happened yet and solutions that do not yet exist. It draws power from metaphors and analogies, enabling us to connect the dots across unrelated fields or draw inspiration from unexpected sources. Any innovation in marketing starts from human imagination.

Yet imagination is also the most difficult human capability for machines to copy. While generative AI operates within the boundaries of training data, human imagination ventures beyond what is already known. We envision futures that have not yet occurred. No dataset can confirm whether a vision will work until it is tested in the real world.

When AI attempts to "imagine" beyond its training, it often produces what is known as "AI hallucination"—a confident but false output that is not based on fact. In essence, it is the machine's flawed version of imagination. As machines take on more creative tasks, it becomes increasingly difficult to determine whether they are envisioning or simply hallucinating.

For machines, the best version of imagination takes form through extended reality and metaverse technologies. These immersive technologies enable machines to deliver immersive environments where seemingly impossible ideas can be imagined.

Extended reality—including augmented reality, virtual reality, and mixed reality—enables machines to create imaginative spaces that play with human perception. In marketing, this means creating virtual showrooms or product demos. The metaverse expands this further, enabling brands to simulate possibilities beyond the physical world's limits, such as flying cars on Roblox.

However, at the heart of every immersive experience is storytelling, which still demands human imagination. Outsourcing the narrative role to machines that we cannot distinguish from visioning or hallucination poses a serious risk.

When machines generate stories without a grounding in human judgment, they can unintentionally reinforce harmful stereotypes, mispresent cultural values, or promote unrealistic expectations. These missteps risk damaging brand reputation and eroding audience trust.

Machines That Connect

Connection is a distinctly human strength that has a profound impact on cognitive abilities. Humans thrive in social environments: families, communities, and teams. The human brain even has a dedicated network that manages social interactions, showing how deeply we are wired for connection. Poor social connections have been shown to significantly contribute to cognitive decline, underscoring the importance of relationships. Indeed, the progress of human civilization has been built on our ability to collaborate.

But machines are now beginning to mirror this form of connection, albeit without forming emotional bonds. The Internet of Things (IoT) connects intelligent machines to gather data from their surroundings. Blockchain links computers in a peer-to-peer network to collaboratively maintain secure records of information. Together, IoT and blockchain enable machines to form a connected ecosystem of processing power.

Recent research suggests that the connection between machines is evolving further. In a 2024 study published in *Nature*, scientists developed an AI model capable of learning tasks and then teaching them to another AI. AI agents can connect not only to transfer a knowledge base but also entire best practices.

This advancement carries risk. As machines begin to teach and learn independently, the role of humans may become increasingly peripheral. While an ecosystem of AI agents can enhance productivity, it is not a substitute for human connection. If marketers outsource too much coordination to intelligent systems, they risk losing touch with the human context that gives brands meaning.

Summary

The relationship between humans and machines has evolved significantly, from humans once acting as "computers" to becoming "programmers," and now, in the age of AI, playing a role as "trainers" and "orchestrators." Instead of writing explicit instructions, humans now feed data into models, enabling machines to learn and improve on their own. As AI becomes increasingly autonomous, transitioning from rule-based systems to agentic intelligence, the human role in this collaboration becomes uncertain.

This shift is especially critical in marketing. While AI offers unprecedented efficiency and scale, it also raises the risk of marketers becoming passive participants in their own field. As machines advance toward AGI, they are not just tools but potential decision-makers.

When machines can think, they may begin setting marketing strategies. When they can communicate, they may control brand narratives. They may understand customer needs more deeply than market researchers. When they can execute across channels, they might control the marketing process. If they can imagine it, they can generate immersive experiences. And if they can connect, they will manage customer relationships without supervision.

Each capability that machines acquire mirrors a core human strength. While this accelerates the path to AGI, it also threatens to displace the human role in the marketing field. The challenge ahead is not simply adopting AI but ensuring that marketers remain active partners in the machine-human relationship.

REFLECTION QUESTIONS

- Are you still setting the strategy or just approving what AI recommends?
- Are you maintaining genuine relationships with your customers, or are you letting AI manage them for you?
- Do you understand how your AI systems make decisions, or are you operating in a black box?

CHAPTER 3

The Pitfalls of Marketing in the Digital World

Why Performance and AI Obsessions Kill Authenticity

Who knew VUCA—a term from the US Army War College in the 1980s—would fit today's world so well? It stands for volatility, uncertainty, complexity, and ambiguity, and sums up how unpredictable business is now.

Geopolitical volatility is more pronounced than ever. Wars and conflicts disrupt global supply chains, leading to shortages in many regions. Trade wars add more pressure. Countries raise tariffs to protect domestic industries but risk driving prices up. Businesses are concerned about reduced purchasing power and the risk of a recession.

This volatility fuels uncertainty in financial markets. Stock markets worldwide have responded negatively to rising tensions as investors have become cautious. The global trading order is now more complex than ever.

The markets have bounced back before. However, it is the ambiguity that worries businesses the most. Under pressure, many companies now focus only on short-term results, making long-term planning increasingly challenging. Marketers face the challenge of balancing speed-driven results with creating long-lasting connections—along with incorporating artificial intelligence (AI), which offers both solutions and hazards in producing a digital impact.

Organization Turns Short Term

Business short-termism is putting more pressure on leaders. Shareholders expect quick and measurable results. Executive compensation is often tied to short-term performance and punishes long-term investments. As a result, leaders prioritize quick wins.

If leaders fail to deliver, companies often consider uncertain times the right moment to make leadership changes. In fact, CEO turnover reached a record high in 2025, according to executive outplacement firm Challenger, Gray & Christmas.

Chief marketing officers (CMOs) are also under pressure. They must adopt new technologies and deliver fast results in a rapidly changing, tech-driven world. According to executive search firm Spencer Stuart, the average CMO tenure is just over four years, showing how tough the role has become.

Frequent leadership changes can create a cycle of instability. New leaders often bring different visions and strategies. As a result, previous plans may be dropped before they have time to succeed. This can lower employee morale, as they are constantly forced to adjust. Many become apathetic and less committed to their work.

The issue is worsened by the younger workforce's tendency to have shorter job tenures. According to the Bureau of Labor Statistics, the average employment duration for younger workers is roughly one-third that of older workers.

This job-hopping behavior is partly due to how quickly younger workers feel dissatisfied. Generation Y (born between 1981 and 1996), now mostly in managerial roles, is ambitious. They seek career growth but value work-life balance and flexibility.

Generation Z (born between 1997 and 2012), now mainly in operational roles, looks for meaningful work. They want to work at companies that match their values and where they can make a real impact. They are also highly aware of mental health and prefer workplaces that support emotional well-being.

When leaders, managers, and employees are all focused on the short term, worried about being replaced or constantly looking for better opportunities, the organization must be more adaptable.

Many organizations use lean and agile strategies to adapt when leadership changes or plans fall through. They draw inspiration from lean manufacturing. It aims to optimize processes and cut waste. Similarly, agile startup principles emphasize rapid experimentation and continuous iteration. These philosophies help companies adapt quickly to change.

Marketing Goes Lean and Agile

These lean and agile approaches are also reshaping marketing trends. Companies are shifting more of their budgets toward digital marketing. Studies by Deloitte and Gartner show that 50–60 percent of marketing spend now goes digital. This shift makes sense, as digital marketing is easier to tweak than traditional channels.

Many businesses now focus on performance marketing in digital marketing. This strategy aims for quick results instead of long-term brand building. It is especially popular with brands that sell primarily online. These brands use platforms like Google, Meta, and Amazon to drive rapid growth.

For example, a bank using performance marketing might show an ad to people searching for a travel credit card.

The ad could say, "Get $100 cashback—Apply Now." It is direct and focused on sales. By contrast, brand-building ads use stories to create emotional bonds with customers.

A key strength of performance marketing is its data-driven approach, often enhanced by AI. When guided by data, digital marketing becomes more precise and minimizes waste. It is also highly accountable. Businesses pay only for tangible results, like leads or sales.

Marketers can immediately see results and adjust targeting, content, and budget in real time. They do not need to wait for quarterly brand health reports. Performance marketing also encourages testing. Companies can try small campaigns first, then scale up what works. This helps them use resources wisely.

Marketers Fall into a Performance Trap

Even with its benefits, performance marketing has downsides. Focusing too much on quick sales can be detrimental in the long run. Brands may forget to build lasting brand value, which is key to lowering marketing costs over time.

Many companies rely heavily on paid campaigns on third-party digital platforms to acquire customers. While these campaigns can deliver quick results, they also attract more competition. Since most platforms operate on an auction-based bidding system, the increasing demand for the same audience inevitably drives advertising costs higher over time.

A more pressing concern, however, is how audiences perceive these tactics. Performance marketing can become addictive for brands. They keep increasing ad spending in pursuit of higher sales. However, over time, excessive use results in ad fatigue. Audiences see the same ads too often and start feeling annoyed.

Moreover, many performance marketing ads use limited-time offers or discounts to drive action. This fosters deal-driven behavior, where customers purchase based on price incentives rather than genuine brand loyalty. This hurts profit margins and weakens the brand over time.

In the relentless pursuit of immediate results, marketing risks becoming dangerously shortsighted. Rising ad costs, audience fatigue, and discount-driven customer behavior are warning signs. Brands may find themselves stuck in a performance trap, constantly chasing quick wins at the expense of long-term brand equity.

AI and Homogenization of Marketing

Modern marketing's shortsightedness is just one of the challenges in the digital era. A bigger issue with AI-powered marketing is its reliance on predicting the future based on past choices.

Have you ever noticed how Spotify and Netflix suggest music or movies? They do this by analyzing what people have liked before. The formula is simple: "You enjoyed this, so you might also like that." Over time, these recommendations feel repetitive, trapping users in a personal bubble. Instead of introducing fresh content, they reinforce existing preferences and limit exposure to new ideas.

This is not just bad for audiences but also a threat to creativity. With fewer discoveries, creative thinking declines.

Even worse, music and movie creators prioritize what appeals to the broadest audience. That makes it harder for fresh, original ideas to break through.

Similarly, AI-powered marketing often steers marketers toward what has worked in the past: content that has performed well based on the metrics. As a result, brands start producing similar content. Instead of shaping their narratives, they follow what works for others. AI-driven systems, built for mass appeal, unintentionally create uniform marketing. In the end, they limit new differentiation.

Currently, generative AI models used in marketing are trained on human-created content. But what happens when the internet becomes flooded with AI-generated content? These models will increasingly learn from their past outputs. Consequently, AI-driven marketing will become more homogeneous and lose its authenticity.

The Decline of Authentic Marketers

To clarify, we are not against digital marketing and AI. In fact, we advocated them in *Marketing 4.0* and *Marketing 5.0*. However, the increasing reliance on digital tools carries significant risks. Marketing is not just becoming shortsighted with a focus on performance—it is facing a deeper existential threat. Marketing is in danger of losing its authenticity. The root cause is in the marketer's mindset. Here is why.

Since the early 2010s, we have witnessed the rise of a new generation of marketers whose skill sets differ vastly from those of their predecessors. Traditional marketers saw marketing as more art than science, primarily because they lacked today's technologies. By contrast, modern marketers, being more digitally savvy, view marketing as a science—equipping themselves with an array of tools, many powered by AI.

With heavy dependence on digital marketing channels, mainly social media and search platforms, many next-generation marketers have become obsessed with algorithms. Marketing has become overly technical. Today's marketing education and training emphasize hacking the algorithm and optimizing performance metrics rather than understanding the deeper psychology of customers.

This approach has an apparent flaw: marketers merely try to game the system rather than decipher the human mind. While algorithms can serve as a proxy for human behavior, AI is still far from replicating the complexity of the customer's mind.

Moreover, performance marketing often pushes marketers to chase trends to ride the algorithm. Companies that constantly shift their messaging based on trending content risk losing focus on consistent positioning and authentic brand values. The pursuit of short-term engagement leads to a commoditization of marketing. Every marketer relies on the same tools, follows the same trends, and produces campaigns that look and feel the same.

As a result, marketing is becoming increasingly uninspired and lacks authenticity. The artistry that once made marketing compelling is fading, replaced by an over-optimized approach prioritizing efficiency over authenticity.

Authenticity in marketing stems from a brand's unique voice and the people behind it. Values, culture, and real-life experiences shape this voice. Although AI tools are fast and efficient, the resulting marketing often appears generic. They can miss the human touch that makes a story relatable. This is why AI-driven marketing typically lacks the emotion and warmth that storytelling provides.

The Best of Both Worlds

To succeed in today's landscape, businesses must combine the best of both worlds. They need AI-powered performance marketing and human-led brand building. This complementary approach is highlighted in Figure 3.1.

	PERFORMANCE MARKETING	BRAND BUILDING
OBJECTIVE	Tangible results (leads, sales)	Intangible results (brand equity)
AUDIENCE	Deal seekers and impulse buyers	Loyal customers and brand advocates
CONTENT	Promotions	Brand stories
CHANNELS	Paid media (social media, search engine, e-commerce)	Owned and earned media (organic content, publicity)
TIMEFRAME	Short term, immediate impact	Long term, lasting impact
OUTCOME	Actions	Emotional connections
METRICS	Cost per acquisition (CPA), return on ad spend (ROAS)	Brand awareness, associations, perceived quality, loyalty
OPTIMIZATION	Data-driven testing, algorithm optimization	Emotional resonance, consistency

FIGURE 3.1 Performance Marketing and Brand Building.

Performance marketing brings in quick results. It attracts deal seekers, impulse buyers, and people ready to act. This type of marketing works well on platforms like search engines, e-commerce sites, and social media. It uses short-term tactics such as discounts and limited-time offers. These campaigns are data-driven. Marketers use metrics like cost per acquisition and return on ad spend to measure success. Therefore, it is easy to optimize. Marketers can tweak campaigns to boost performance.

Brand building, however, takes time. It focuses on emotional connection and long-term loyalty. Instead of pushing sales, it tells stories. It shares brand purpose and creates meaning. The brand building relies on owned and earned media, such as organic content and press coverage. Brand awareness, associations, quality, and loyalty measure its success. The key is to be consistent while staying relevant over time.

Most marketers believe they must balance performance marketing with brand building. They manage the trade-off by allocating the budget: some for short-term sales and the remainder for long-term branding. However, when businesses strive to be lean and agile, dividing their limited budget into two categories is unwise.

There is a more effective approach. Rather than balancing them, marketers should integrate them. Performance campaigns must connect with brand building. Campaigns should not focus solely on deals and discounts. They can drive sales while also building the brand. This concept is called *brandformance*—a fusion of brand and performance. It enables brands to succeed in the short term while staying strong in the long term.

IKEA's U Up: Turning Performance into Brand

IKEA's U Up campaign is a clever twist on how performance marketing can benefit brands in the long run. Launched by IKEA Canada in 2025, the campaign targeted late-night social media users who were still awake and scrolling after hours. Between 10 p.m. and 5 a.m., IKEA sent Instagram users a simple, casual message: "U Up?"—a phrase famously used in late-night texting culture.

Those who replied to the message received a 15 percent discount on IKEA mattresses. The idea was clear and inventive. Instead of promoting discounts through traditional ads, IKEA entered people's personal spaces—their direct messages—and engaged them in their most intimate online moments.

This phrase resonated strongly with younger audiences because "U Up?" is part of their digital language. It is playful, relatable, and instantly recognizable from dating apps and meme culture. However, IKEA subverted the usual meaning. The message was not about flirting but about sleep and self-care. This cultural relevance made the campaign feel human, not corporate.

U Up drove direct sales. It offered a strong call to action (buy a better mattress) while reinforcing IKEA's brand story—a company that cares about improving everyday life, primarily through affordable, functional home solutions. The campaign highlighted IKEA's positioning as a life-improvement brand.

More important, IKEA demonstrated that marketing does not need to choose between short-term performance and long-term brand building. U Up achieved both. It generated engagements and conversions while deepening emotional connections with younger customers.

Marketers must also harness the strengths of both AI and humans. Figure 3.2 highlights the key differences between AI's efficiency and human creativity. AI relies on established patterns and historical data to generate outputs quickly. Its process is systematic, linear, and convergent. This results in speed and consistency, particularly when remixing existing ideas and conveying clear, direct messages.

	AI EFFICIENCY	HUMAN CREATIVITY
RESEARCH	Proven patterns	Emphatic observation
LEARNING	Based on past data	Comes from memories and personal experience
PROCESS	Systematic, linear, and convergent	Intuitive, nonlinear, and divergent
QUALITY	Fast output	Rich sensory details
ORIGINALITY	Remix known patterns	Reimagine new patterns
MEANING	Explicit storytelling with direct messages	Implicit storytelling with hidden messages

FIGURE 3.2 AI Efficiency and Human Creativity.

Human creativity works differently. It draws on memory, emotion, and real-world observation. The creative process is intuitive, nonlinear, and often messy. While it may take longer, it leads to rich sensory details and the ability to reimagine ideas in new ways. Unlike more direct AI, human storytelling usually carries hidden layers and subtle emotional cues.

The comparison shows how AI brings speed and structure while humans bring depth and originality. Each has unique strengths, but combined, they can complement one another in powerful ways.

Performance Marketing × Brand Building

In the digital era, meaningful connections are fading from modern marketing, which has become increasingly mechanical and numerical. The rise of digital marketing and AI has made marketing more efficient, but often at the expense of authentic engagement.

While brands can now target their audience precisely, focusing on short-term gains has overshadowed the human centricity of marketing. This shift has led to brands struggling to create lasting impressions beyond promotional offers.

True human centricity in marketing means building meaningful connections with people and engaging their minds, hearts, and spirits. From the lens of cognitive science, this means activating all brain areas involved in how people make decisions. Yet, many marketing strategies today—especially those focused only on performance marketing—tend to engage just a small part of that decision-making process.

The triune brain model, proposed by neuroscientist Paul D. MacLean in the 1960s, is a simple framework for understanding how the brain processes marketing. While modern neuroscience has moved beyond this model—recognizing it as an oversimplification—it remains a helpful way to conceptualize how different marketing stimuli influence different brain layers.

According to the model, the brain has three distinct parts (Figure 3.3).

- The old brain (reptilian brain), which is the most primitive part of the brain, responsible for instinctive decisions—primarily related to survival, such as the classic "fight-or-flight" response.
- The middle brain (limbic system) is known as the emotional brain and processes feelings, social connections, and memories.

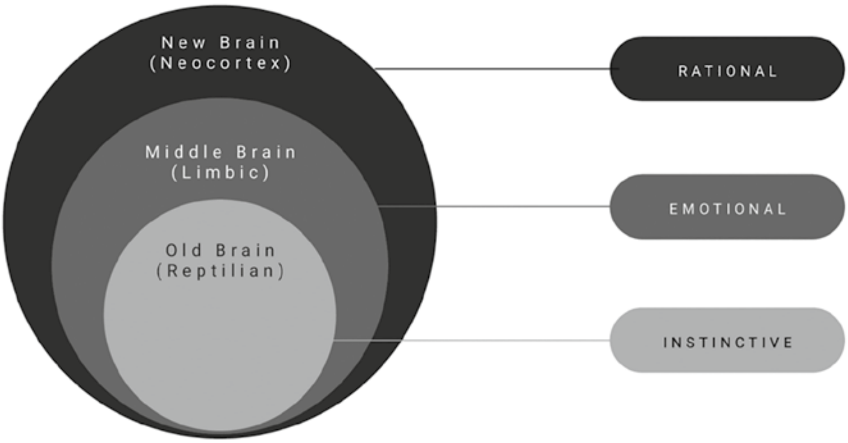

FIGURE 3.3 The Simplified Triune Brain Model.

- The new brain (rational and analytical neocortex) is responsible for logical reasoning, language, and complex problem-solving.

Performance marketing mainly targets the old brain, which controls quick, instinctive decisions. This part of the brain reacts automatically, without much thinking, and focuses on immediate rewards. Because it processes information fast, it responds well to short-term marketing tactics. Messages that highlight scarcity (like "Only a few left!") or urgency (like "limited-time offer!") push people to act before they lose the opportunity.

Performance marketing often does not build strong emotional connections with customers. It does not create lasting memories. Emotional connections are closely linked to memory, which is mainly processed in the middle brain. Brands and experiences that make people feel positive emotions are easier to remember.

Emotions are essential for brand recall—when customers are ready to buy, they naturally think of the brands they like. Brands that create an emotional bond with customers are likelier to be at the top of their minds, making them the preferred choice when purchasing.

Performance marketing also fails to engage the new brain, which is responsible for rational thinking. Since it focuses on impulsive purchases, customers often buy just because of a good deal rather than a strong connection to the brand. As a result, the brand does not establish clear differentiation in the customer's mind. It makes it easy for competitors with better deals to win over the same customers, leading to low brand loyalty.

Moreover, without a strong rational foundation, customers may regret their purchase after they have more time to evaluate the product or service. This weakens customer trust and means brands miss out on advocacy, crucial for reducing long-term marketing costs.

The brand-building fills the gaps left by performance marketing. Beyond appealing to the emotional brain through compelling brand stories, a well-positioned brand with clear differentiation and a strong reason to believe also engages the rational brain. Brand building completes the human-centric approach by activating the whole brain and fostering deeper connections.

Being lean and agile is essential in an uncertain world. Prioritizing measurable results is crucial. Leveraging digital marketing channels and AI tools is a necessity. However, we must remind next-generation marketers that marketing goes beyond the tangibles. It is not just about numbers and efficiency. It is about creating meaningful connections. Let us bring purpose back to marketing.

Studio Ghibli and OpenAI: Soul Versus Speed

In 2025, OpenAI updated its GPT-4o model to create high-quality images in various artistic styles, including Studio Ghibli's, the beloved Japanese animation studio with a global fan base. Users can upload an existing image they want to transform and prompt ChatGPT to re-create it in Studio Ghibli's style.

The update quickly went viral, with social media users and brands joining the trend. For instance, Airbus posted a Ghibli-style version of its BelugaXL plane. Other users transformed family photos and memes into AI-generated animations. Many praised the AI's ability to replicate the Ghibli aesthetic. However, it also drew criticism for imitating established art rather than creating something new.

Studio Ghibli cofounder Hayao Miyazaki has long opposed AI in creative endeavors. He believes that true art originates from people, not machines. The documentary *Hayao Miyazaki and the Heron* highlights the distinction between the human creative process and AI. It tells the story of Miyazaki's journey in creating the Academy Award–winning animation, *The Boy and the Heron*.

The documentary emphasizes that the human creative process is often nonlinear. Individuals can become stuck and may occasionally need to start over completely. There are no predetermined scripts; ideas and visuals arise exploratively during storyboarding.

Miyazaki's approach is also deeply empathic. He puts himself in the shoes of children, his primary audience. He often observes children at a nearby kindergarten to understand their world. This helps him capture their imagination in his storytelling.

Personal experiences also shape Miyazaki's work. The main character, Mahito, is inspired by Miyazaki's childhood. Mahito's mentor, Granduncle, is based on Isao Takahata, Miyazaki's close friend and the late cofounder of Studio Ghibli. The film reflects Miyazaki's grief over Takahata's death and his thoughts on mortality.

Miyazaki's creative process moves between reality and fantasy. His stories feel familiar but also new. They invite audiences to see the world from different perspectives and often explore human and social issues through fantasy.

> Sensory details are key in Miyazaki's work. He studies human emotion, natural movement, and verbal expression. His art is meticulously drawn frame by frame. He keeps making changes until the animation feels real. This shows how deeply human the creative process can be.
>
> Despite reaching a satisfying ending, *The Boy and the Heron* took seven years. The long process was slowed down by the pandemic and the creators' pursuit of perfection. The film might have benefited from using AI to work more efficiently in today's fast-paced world.

AI Efficiency × Human Creativity

Modern cognitive science shows that creativity depends on divergent thinking—looking at many possible solutions. However, AI-driven marketing often uses convergent thinking. It narrows everything down to one optimized solution, making things efficient but limiting the exploration needed for real innovation.

Human creativity is complex and challenging for AI to copy. It depends on the brain's memory and executive functions working together. When we develop new ideas, we tap into past experiences stored in long-term memory. Two types of long-term memory play a role in this creative thinking (Figure 3.4):

- Semantic memory (the "knowing" memory) stores general knowledge, including facts, concepts, and ideas. It is a foundation for creativity, ensuring new ideas align with existing expertise and logical frameworks.

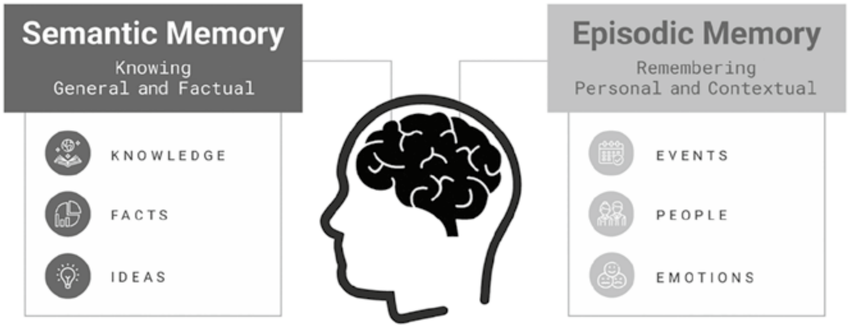

FIGURE 3.4 Semantic and Episodic Memories.

- Episodic memory (the "remembering" memory) consists of personal experiences of everyday life. It is crucial in stimulating imagination by enabling individuals to revisit past experiences and explore what-if scenarios.

Creativity also involves the brain's executive functions, which are primarily associated with the new brain. Whereas memory serves as storage, executive functions act as processors. Research reveals several unique human intelligences that are essential for creativity:

- **Broad retrieval ability.** The brain can recall relevant information from memory and identify the connections between seemingly unrelated concepts to generate solutions to a novel problem.
- **Fluid intelligence.** Strongly linked to abstract thinking, fluid intelligence enables flexible problem-solving, even without prior knowledge. It relies on episodic memories to imagine new possibilities.

While AI can access a broad spectrum of information and find unseen patterns, it does not fully understand the meaning. What AI lacks in its current state is the ability to experience everyday life, which involves complex emotions.

In cognitive science, this is called *subjective experience*: the ability to feel "what it is like" from a personal perspective. Creativity is deeply tied to subjective experience because emotions, memories, and perspectives shape it. AI can generate content based on patterns, but true creativity requires lived experiences.

Therefore, AI can only remix existing ideas based on data-driven patterns of what has worked before. However, humans can reimagine entirely new ideas by drawing from personal experience and felt emotions.

Continuous exposure to new knowledge and diverse experiences is essential for fostering creativity. Creativity thrives when marketers look beyond data-driven insights and explore unfamiliar and unproven ideas. Creativity begins where data ends. However, once the creative idea is well defined, AI can speed up the execution and save time. Data informs, creativity explores, and AI delivers.

Summary

In today's unpredictable world, long-term planning has become difficult. Businesses face volatility from global conflicts and trade wars. Under pressure, many focus on short-term results. This mindset affects how marketing is done.

Digital marketing has become more performance-driven. Marketers rely on fast, measurable tactics—like paid ads and promotions—to drive quick sales. These are optimized using data and algorithms. While efficient, this approach often comes at a cost: rising ad prices, customer fatigue, and weak brand loyalty.

Performance marketing tends to target short-term instincts. It works well for quick decisions but rarely creates deep emotional connections. Brands become trapped in a cycle of chasing results without building lasting value.

AI has added to this shift. It recommends content based on what worked before. Over time, this leads to low differentiation. Marketing starts to look and feel the same across brands. The more marketers follow the algorithm, the more they lose their unique voice.

This chapter argues for a better integration. Successful marketers design performance marketing with brand building in mind. Brand building is essential to connect with people's emotions and values. It activates deeper parts of the brain tied to long-term memory.

AI can boost efficiency but lacks the emotional depth of human creativity. Real creativity still comes from human experience and imagination. Brands that succeed in the long run combine AI's strengths with human empathy.

Marketing must be more than just data and optimization. It must be meaningful. In a world full of noise, authenticity matters more than ever. Marketers need to go back to the basics of human centricity.

REFLECTION QUESTIONS

- Is your brand too dependent on performance marketing and a short-term mindset?
- Are you letting social media algorithms dictate your brand story instead of crafting your unique voice?
- How can you make your marketing more human in the age of AI?

CHAPTER 4

The Challenges of Engaging Augmented Humans

Why Filtering, Fragmentation, and Frugality Define the New Market

Many people have more negative than positive views about how artificial intelligence (AI) will affect society in the future. People worry that AI will make it easier to spread false information online. They are also concerned that technology will weaken human relationships and make people feel less connected. The risk of losing jobs to automation is another major fear, along with the threat AI could pose to national security.

Yet, despite these fears, AI has quietly become a part of everyday life. From the moment people wake up, AI is already at work. They ask their virtual assistant for the weather. On the way to work, they use navigation apps to find the route with minimal traffic. During breaks, they scroll through social media, where AI decides which content they see. After work, they stream movies or music that AI recommends. Before bed, they browse online stores with smart suggestions on what to buy next. Even in bed, AI tracks sleep quality through the app on their phone.

Many people do not even realize it—their whole day runs on AI-powered technology. A study by Gallup and Telescope found that 99 percent of Americans used at least one AI-powered product in the past week. Surprisingly, two out of three did not know they were using it.

The Rise of Augmented Humans

We are seeing the rise of augmented humans: individuals whose daily lives are deeply integrated with digital tools. They rely on technology to think, feel, connect, and shop. From cognitive shortcuts to emotional support, social interaction, and seamless shopping, every part of their journey is shaped by digital experiences (see Figure 4.1).

The five components of an augmented human are defined as follows:

- **Cognitive outsourcing** is a key trait of the augmented human. People now depend on digital tools to help them think and remember. For example, many no longer memorize phone numbers or important dates. Instead, they use smartphones to store contacts, set reminders, and keep track of tasks. When they have a question, they quickly search online instead of trying to remember.
- **Emotion management via content** enables augmented humans to use digital media to regulate their feelings throughout the day. Spotify, for example, has become a personal soundtrack for many. People use it to shape their mood throughout the day—playing upbeat songs

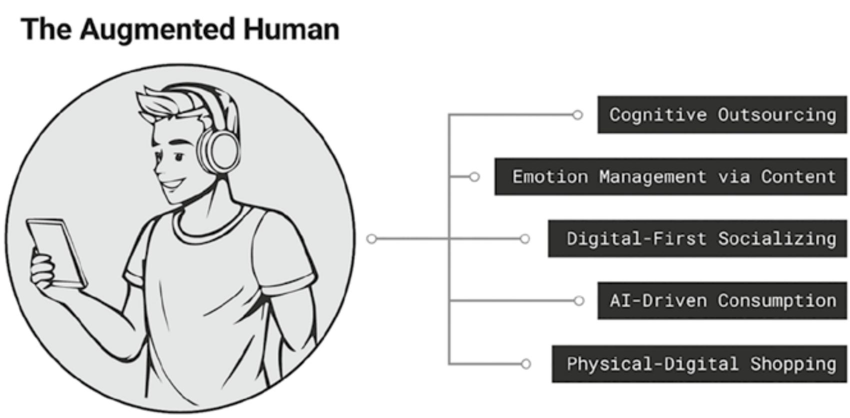

FIGURE 4.1 The Augmented Human Persona.

in the morning, calming music at night, or sad tunes during emotional moments. They create playlists like "focus," "chill," or "heartbreak" to match how they feel. Beyond music, people scroll through funny videos or inspiring short content on TikTok and YouTube to lift their mood.

- **Digital-first socializing** is when, in terms of social interaction, augmented humans often prefer screens over face-to-face conversations. Instead of meeting in person, they chat with friends using messaging apps, voice notes, or emojis. Younger generations, like Gen Alpha, may even gather in the same room to play games, but interact mainly through in-game chat. Digital interaction feels natural, sometimes even more comfortable than real-life conversation.
- **AI-driven consumption** plays a major role in shaping what augmented humans buy. On social media, AI decides what content and products users see, often based on their interests or trending topics. On e-commerce sites, it recommends items by analyzing past purchases and browsing behavior. On other media, ads are also personalized using audience data, making them feel timely and relevant. Many shoppers discover new brands this way without actively searching. As a result, much of today's buying journey is quietly guided by AI.
- **Physical-digital shopping** sees the augmented human move easily between the physical and digital worlds and expects both to work together. Even in a store, they want a connected and smooth experience. They do not see a clear line between online and offline. They might

expect to get product suggestions from an in-store screen display, scan a QR code to learn more, or pay with a digital wallet. For them, technology is part of every step in the shopping experience.

While technology empowers augmented humans to live more efficiently, it also creates new challenges for marketers (Figure 4.2). As digital tools become deeply embedded in daily life, they reshape how people think, feel, and buy.

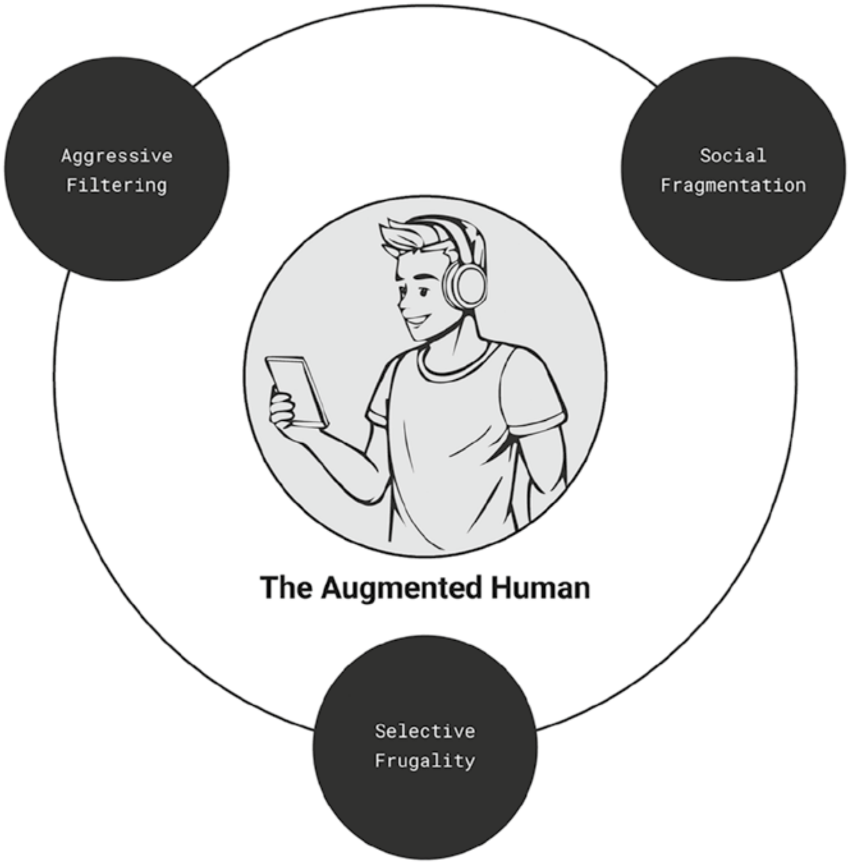

FIGURE 4.2 The Challenges of Engaging Augmented Humans.

To truly connect with these tech-shaped individuals, marketers must understand their evolving attention, emotion, and behavior patterns.

Thinking: Aggressive Filtering

Augmented humans are aggressive content filterers. Information overload has forced the human brain to adapt. It is now wired to skip anything that looks like advertising—a behavior known as *banner blindness*. To win attention, marketers need to break pattern expectations. Raw, unpolished content, known as lo-fi, is an effective way to do that. It engages the attention brain by breaking through the filters that block overwhelming content.

Banner Blindness

In the late 1990s, the early days of web marketing shaped a cognitive phenomenon known as banner blindness: the tendency for users to ignore banner ads on websites and focus only on the main content. Ads were overwhelming and often seen as distractions. Since the patterns rarely changed, audiences quickly learned the typical locations and visual cues of ads and trained themselves to look past them.

Today, banner blindness is even more pronounced. People are flooded with information, especially on social media, which offers endless feeds. Digital interfaces are more cluttered with ads, pop-ups, and calls to action. It is more distracting than ever, creating cognitive overload for the audience. What began as a conscious effort to avoid ads has become an automatic behavior.

At the same time, content is becoming more repetitive. AI-generated, template-based formats add to the sameness. As a result, audiences learn to filter most of it out. Their brains become conditioned to scan for important information while skipping anything that resembles a typical ad. Even when ads break through the noise but fail to be useful, many users end up disappointed, labeling them clickbait.

This has serious consequences for advertising effectiveness. With banner blindness, brands may appear to be getting views, but far fewer people actually notice the ads. Engagement drops even further, as audiences scroll past without clicking or responding. Traditional metrics like impressions and views become misleading, masking the reality that proper attention is not being earned. Ultimately, much of the ad spend delivers little impact.

Lo-Fi Content

As banner blindness becomes more prevalent, marketers are forced to find new ways to break through. One emerging solution is lo-fi content, which is short for low-fidelity. Unlike traditional polished ads, lo-fi embraces unedited content that feels more natural. Think everyday settings, self-shot videos, shaky footage, imperfect lighting, unwanted background objects, candid emotions, and minimal editing.

The brain tends to ignore content that follows predictable ad patterns. Over time, it has learned to associate polished visuals, scripted language, and brand-heavy messages with advertising. Lo-fi content breaks these expectations. Its imperfections signal something different and make the brain take notice.

At the same time, lo-fi does not feel disruptive. Instead of standing out like a traditional ad, it blends in with the native content people are used to seeing from friends on social media. They feel familiar. That is the power of lo-fi: it breaks the advertising pattern while matching the native social media content.

Short-form platforms like TikTok sparked the lo-fi trend by making it convenient to shoot, edit, and even livestream using a mobile phone. At first, it empowered Gen Z to create content without needing advanced production skills. This generation values authenticity and prefers content that feels spontaneous.

Today, brands are following suit to appear more human and connect with Gen Z. From budget-friendly companies like Walmart to luxury labels like Loewe, companies are embracing lo-fi. Instead of professional production, they capture and share seemingly unscripted everyday moments, shot and edited on mobile phones. The content becomes less promotional and more emotional.

Lo-fi marketing fits the era where marketers are battling for attention. The brain has limited resources to focus while the volume of information keeps growing. To cope, it filters aggressively. Lo-fi content stands a better chance of breaking through.

The Attention Brain

Attention is a central topic in cognitive science. The brain has specialized ways to filter information and manage its limited mental resources. In a nutshell, it involves three essential processes: sensory gating, selective attention, and processing fluency:

- **Sensory gating.** From the outside in, the brain uses a mechanism called *sensory gating*. Our senses receive far more input than the brain can handle, so sensory gating is an early filter, screening out trivial or irrelevant stimuli.
- **Selective attention.** From the inside out, the brain relies on selective attention to decide what to focus on. It does this by drawing on past experiences and recognizing patterns. In the case of banner blindness, for example, the brain learns what ads typically look like and automatically tunes them out. Based on these internal templates, selective attention prioritizes what deserves focus and what can be ignored.
- **Processing fluency.** Once a message passes through these filters and gets attention, the brain evaluates it through processing fluency—the ease with which it understands the information. When content is easy to digest, the brain processes it more smoothly. This ease creates a feeling of familiarity, even if the content is new. And it leads to higher likability. That's why people enjoy easy-listening music or find simple, clear speeches more persuasive.

Research shows that the brain is getting better at filtering distractions. Yet, even with this improved filtering, the overwhelming volume of digital content still puts pressure on the cognitive system. As a result, the way information is delivered has adapted.

Long-form content has given way to short, easily digestible formats. Social media now favors quick takes and livestreams over edited videos. The shift from search engines to conversational AI follows the same trend. The audience now prefers summary AI answers to search result pages. Detailed, polished content is increasingly being replaced with bite-sized, lo-fi formats. These changes reflect the learning habits of Gen Z and Gen Alpha: audiences shaped by environments that favor low cognitive load.

Lo-fi marketing works because it breaks traditional ad patterns. It does not look like an ad, so it slips past the brain's filters. And it is simple, making it easy to process, familiar, and likable. Ultimately, a good marketing message should strike a balance: novel enough to break the pattern but native enough that it does not feel disruptive.

Feeling: Social Fragmentation

Augmented humans are socially fragmented. Their thoughts and feelings are shaped by algorithm-driven content tailored to their past behavior. Over time, this creates echo chambers—digital spaces that repeatedly expose a group of people to the same ideas. It divides users into niche tribes. As a result, influence is shifting from mass reach to micro and nano communities. In these circles, smaller influencers shape the emotional tone of the group. This taps into the social brain, which is wired to seek belonging and shared identity.

Echo Chamber

Algorithms have a powerful influence on augmented humans. Their thoughts and emotions are shaped by the content they see, curated by algorithms based on past preferences and behaviors. Content discovery is often no longer intentional. It is outsourced to machines.

The problem is that platforms have biases. They are designed to retain users and maximize time spent. To do this, they push content that aligns with users' past behavior and preferences. They also prioritize highly engaging posts, often those that reinforce group beliefs. While this boosts interaction, it can also promote extreme or polarizing content.

Over time, each user receives more of the same, reinforcing their current mindset. This deepens group biases and makes users more emotionally reactive. This is known as an echo chamber: a digital environment where people are repeatedly exposed to ideas confirming their beliefs.

Echo chambers divide audiences into micro and nano clusters. Social media platforms label these groups as lookalike audiences—segments built using targeting variables like interests, behaviors, and engagement patterns.

For marketers, echo chambers create significant challenges. They trap users in fixed mindsets, making them less open to new perspectives. The market fragments into tightly knit tribes that are increasingly closed to outsiders. Expanding brand reach beyond existing audiences becomes difficult. Content not aligning with a tribe's worldview is often dismissed.

Tailoring messages to each tribe may increase relevance, but it comes at a cost. As the number of tribes grows, so do content production demands. And as brands adjust messaging to suit different narratives, they risk diluting their core positioning.

Micro and Nano Tribes

Social media began as the antithesis of traditional media, which relied on mass communication. It promised more intimate, interactive connections. But over time, it began to mirror the very model it disrupted. Celebrities and public figures from traditional media migrated to social platforms, becoming large-scale influencers. Social media marketing started to resemble traditional advertising—only the channels changed.

Today, mass marketing on social media is losing relevance. Echo chambers and digital tribalism have fractured audiences into niche communities. As a result, influence is shifting from mass reach to smaller, tightly knit circles.

Social platforms are adapting. Algorithms now favor content that drives engagement over reach. Micro and nano influencers with smaller, more niche followings often spur frequent interactions, making their content appear more often.

Many brands now collaborate with influencers to reach these fragmented audiences (Figure 4.3). Rather than relying on macro influencers (over 100K followers) or mega influencers (over one million), brands are shifting toward micro (10K–100K) and nano influencers (1K–10K).

Large-scale influencers often resemble traditional brand ambassadors. They are perceived to be overly commercial, and their posts seem transactional. By contrast, micro and

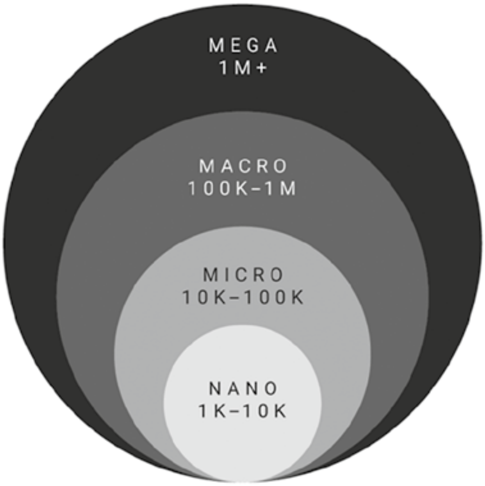

FIGURE 4.3 Influencer Tiers and Number of Followers.

nano influencers come across as everyday people. Their content is typically lo-fi, which builds trust. This aligns closely with the values of Gen Z, who gravitate toward creators who look and act like them.

More important, mega and macro influencers effectively build mass awareness but often struggle to break into tightly knit communities. They are not seen as credible participants in the conversation. Micro and nano influencers, however, are embedded in specific interest groups. They are community insiders who shape opinions and trends within their circles.

While large-scale influencers serve as central figures that followers rally around, smaller influencers are members of communities united by shared passions. Their influence stems not from status but from common characteristics within the tribe.

The Social Brain

Growing emotional tribalism is deeply rooted in how the human brain is wired. The same brain regions that regulate emotion also play key roles in interpreting social cues and managing social interactions. The emotional and social brains are closely intertwined—how one feels is inseparable from how one relates to others.

The media industry has long shaped this connection. Audiences often form parasocial relationships with public figures—one-sided emotional bonds that feel real despite no actual interaction. Through this form of fandom, audiences feel inspired and seek social attachment. These relationships provide a powerful bridge for companies and brands to reach audiences.

Social media has amplified these dynamics. It strengthens a perception of intimacy by allowing some forms of interaction through likes, comments, and direct messages. However, with large-scale influencers, this engagement is rarely mutual. Over time, the interaction feels superficial, leaving audiences emotionally unfulfilled.

As a result, audiences increasingly seek more reciprocal relationships with smaller influencers. This shift is closely linked to the way humans form social identity. People naturally gravitate toward groups that reflect their values, attitudes, and lifestyle. They are drawn to relatable peers mirroring their behaviors and communities where they feel a sense of belonging.

What drives this shift is not just preference but how the brain simplifies complex social environments. To avoid overload, it relies on a mental shortcut called *in-group bias*—favoring people who feel familiar.

In-group bias creates stronger emotional resonance because the human brain is wired for tribes. From an evolutionary perspective, group belonging was essential for survival. This instinct remains embedded in the brain's architecture. When audiences encounter creators who feel like tribe members, the brain senses that familiarity. These tribal cues are also easier for the brain to process. When tone and manner match the audience's worldview, the message flows with less mental effort.

Another reason tribal connection feels so powerful is the role of mirror neurons—specialized brain cells that activate when we perform an action and when we observe someone else doing it. These neurons guide empathy, which helps humans intuitively feel others' emotions. When audiences see their tribe expressing certain emotions through content, their mirror neuron system enables them to feel that emotion.

This is why micro and nano influencers thrive in fragmented fandoms. Their influence is grounded in emotional resonance and social mirroring. People listen to those who feel like one of their own.

Buying: Selective Frugality

Augmented humans are selectively frugal. Constant exposure to social media content may initially drive them to buy what is trending. But over time, the excitement fades. Chasing trends becomes exhausting and less rewarding. As a result, they grow more mindful of their purchases, spending less on everyday essentials and redirecting their budget toward experiences or products that stimulate joy, known as the *lipstick effect*. This behavior reflects a shift in the reward brain, which begins to prioritize lasting satisfaction over temporary excitement.

Micro Trend Fatigue

When the economy feels unstable, consumers tend to respond with restraint. Concerns about rising prices and financial pressures often lead to cautious spending. But frugality today goes beyond short-term economic anxiety. It signals a deeper, long-term shift in consumer priorities and decision-making.

Modern consumers—what we call *augmented humans*—are constantly bombarded by niche microtrends on social media. These trends are hyper-specific and short-lived. Sparked by influencers, they are amplified and made viral by platform algorithms.

In fashion, we have seen microtrends like “quiet luxury” (subtle, high-quality pieces) and “athleisure” (stylish athletic wear). In food and beverage, examples include the “internal shower drink” (a chia and lemon mix for digestive health) and “cloud bread” (a low-calorie, airy bread).

Because content moves quickly, these microtrends rise and fall fast, resulting in shorter product life cycles and growing audience fatigue. At first, consumers followed microtrends eagerly, driven by fear of missing out. However, over time, they became overwhelmed and exhausted trying to catch up. Constant exposure to new trends increases the mental effort required to evaluate, decide, and adopt.

Moreover, these trends may initially appear personalized, tailored to specific audiences or niches. But because they are optimized for virality, they quickly become widespread.

As a result, everyone ends up chasing the same trends—wearing similar outfits, eating the same trending foods, and traveling to the same viral destinations.

Many consumers, especially Generation Z, have begun to reject trend-chasing altogether. They now embrace minimalism and intentional consumerism, which does not require frequent decision-making. At the same time, they continue to express their identity through the products and experiences they invest in. They no longer buy to keep up with others but instead to feel good about themselves. A new mindset is emerging: consumption driven by personal joy, not social validation.

Lipstick Effect

Marie Kondo popularized the idea of keeping only items that "spark joy" through her decluttering method. Her philosophy encourages people to hold onto things that evoke emotional resonance. This approach resonates strongly with Generation Z, who optimize emotional return on investment (ROI) over social conformity when deciding how to spend.

A key cognitive phenomenon related to this is the lipstick effect: the tendency to indulge in small, affordable luxuries that offer emotional comfort during economic uncertainty. Consumers may cut back on expenses but still seek emotional uplift in select purchases. The term stems from the observation that lipstick sales often rise during recessions, not because people want to impress others but because they want to feel better about themselves.

The lipstick effect can be defined more broadly, not just as spending on beauty products, but as any indulgence that offers emotional uplift. Traditionally, this has included small luxuries like coffee shop visits or cinema outings. However, it can also extend to larger experiential purchases, such as travel or concerts, with similar emotional benefits.

In the digital age, the lipstick effect also manifests through digital indulgences, especially among younger generations. Subscriptions or micro purchases in gaming, multimedia editing, wellness, and streaming apps offer accessible ways to feel good. While often low in cost, these digital products deliver high emotional value.

The lipstick effect also reflects a broader shift toward polarized spending. Imagine a three-tiered consumer pyramid: the bottom represents economical choices, the middle stands for value for money, and the top represents premium offerings (Figure 4.4). As the middle market shrinks, consumers increasingly trade down in everyday categories to save and then trade up in select areas that bring emotional fulfillment.

McKinsey's 2025 study confirms this shift. Amid economic uncertainty, many consumers are making some trade-offs.

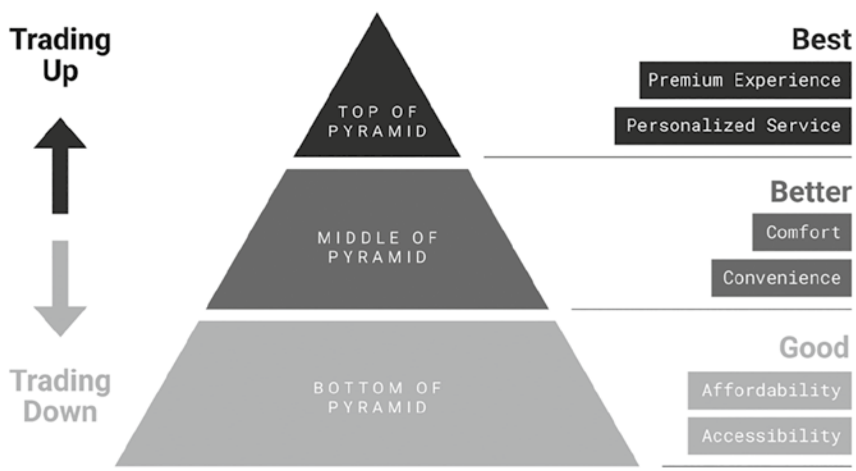

FIGURE 4.4 Polarized Spending Behavior.

They traded down to lower-priced private-label food items while splurging on travel and jewelry. This suggests a deliberate prioritization of emotional value over utility.

Spending is becoming more intentional, with savings redirected toward products and experiences with higher emotional ROI. More important, these purchases are no longer driven by microtrends; they are deeply personal.

The Reward Brain

Spending behavior is primarily regulated by the brain's reward system. The center of this system is dopamine, often referred to as the brain's pleasure hormone. Dopamine influences the entire customer journey—before, during, and after a purchase.

In the prepurchase phase, dopamine is triggered by anticipation. Just thinking about buying something exciting, like a new gadget or a favorite drink, can spark a dopamine release, creating a craving and motivation to act. During consumption, dopamine continues to flow if the experience meets or exceeds expectations, reinforcing the pleasure.

In the post-purchase phase, if the outcome feels rewarding, the brain stores that experience as a positive memory, which increases the likelihood of repeat behavior. This anticipation, reward, and reinforcement cycle demonstrates how the brain's reward system shapes customer habits over time.

Constant exposure to microtrends can trigger repeated bursts of dopamine. But over time, this overstimulation can lead to burnout of the brain's reward system. What once felt exciting begins to feel indifferent. Eventually, the brain adapts by reducing its response, making trend chasing feel less satisfying. This often leads to a growing desire to escape from microtrends as the brain starts to filter them out as noise.

By contrast, the lipstick effect functions as a reset mechanism, offering a way to restore balance in the reward system. Instead of chasing the latest social trends, customers intentionally choose purchases that provide personal comfort. These purchases require less cognitive effort and trigger an appropriate level of dopamine, delivering emotional uplift without overwhelming the brain.

Unlike microtrend-driven purchases that often feel imposed, those shaped by the lipstick effect reflect mindful choices. This sense of perceived control is especially important for today's augmented humans, who navigate constant digital noise and social pressure. It reinforces a powerful message in the minds of consumers: "Even in uncertain times, I'm still in control."

This shift signals an important lesson for marketers: augmented customers are no longer chasing the next trend; they are seeking emotional clarity. They desire fewer but more meaningful moments that feel personal and mindful. Brands focusing less on hype and more on lasting emotional value will stand out.

Summary

We are seeing the rise of augmented humans, whose daily lives are increasingly influenced by digital technologies. They rely on digital tools to think, feel, and shop.

This change brings new challenges. First, their brains aggressively filter content, making them prone to banner blindness—the tendency to ignore anything that looks like advertising. Second, their emotions are shaped by echo chambers, where algorithm-curated content reinforces existing beliefs and divides audiences into niche digital tribes. Third, they are fatigued by micro trends—fast-moving fads that feel overwhelming.

To engage these individuals, marketers must shift strategies. One way forward is embracing lo-fi content that is unpolished and native to social media platforms. This breaks through ad filters and feels more authentic. Second, brands should partner with micro and nano influencers—community insiders who shape group opinion. Third, they can tap into the lipstick effect by offering small emotional indulgences that feel rewarding during uncertain times.

Ultimately, winning the attention of augmented humans requires comprehensively engaging the brain. The attention brain filters content aggressively and responds to messages that feel novel yet easy to process. The social brain responds to tribal dynamics, making social connections key. The reward brain drives behavior through emotional satisfaction, reinforcing habits, and shaping future choices.

To engage augmented humans, marketing must not overwhelm but resonate.

REFLECTION QUESTIONS

- Is your current content strategy aligned with how the augmented human filters information?
- Are you collaborating with the right voices inside the right communities?
- How are you delivering emotional experiences, not just functional utility, in a frugal market?

PART 2

The Keys to Unlocking the Human Mind

CHAPTER 5

The Mind-Centric Marketing

A Guide for Thinking Marketers in the Age of AI

Coca-Cola and Mango are two examples of brands at the forefront of marketing innovation, particularly in their use of AI and immersive technology. Coca-Cola partnered with Microsoft and OpenAI to explore the application of generative AI across various business functions, including campaign development. It also embraced immersive experiences. In Coca-Cola × Marvel: The Heroes campaign, scannable QR codes on product packaging unlocked augmented reality animations featuring Marvel characters.

Mango has likewise invested heavily in AI, building in-house platforms to support functions such as pricing optimization, customer service, and product design. The brand also ventured into immersive experiences, launching the Outfit Shopping Mall on Roblox to reach younger consumers in virtual environments.

While both brands have successfully optimized their marketing operations through technology, tech-driven campaigns can also lead to unintended consequences.

In late 2024, Coca-Cola released an AI-generated campaign as a homage to its beloved 1995 "Holidays Are Coming" ad. It reused the iconic soundtrack and re-created the nostalgic imagery—brightly lit red trucks rolling through snowy streets, with smiling faces along the way. But this time, everything was AI-generated.

The response was mixed, with much of it critical. Many viewers described the ad as "soulless." Some found it ironic that a campaign with the tagline "Real Magic" was artificial. Others criticized the brand for choosing automation over hiring real actors or animators. A few even noticed a typo on one of the digitally rendered trucks.

Around the same time, Mango unveiled an AI-generated model to introduce its new teen collection lookbook. The company used real clothing images to train a generative AI that dressed virtual models. This campaign also drew criticism. Some viewers called the visuals "fake," others said it made assessing sizing and fit more difficult. Many expressed concern that the move undermined the work of real models and photographers.

These examples reveal key challenges in AI-powered marketing. Nostalgia and realism often get lost through the AI lens, especially among younger audiences. Deeper anxieties about machines replacing humans further fuel resistance. In an age of overoptimization and emotional disconnect, marketers need a mind-centric approach rooted in human insight.

Overview of Mind-Centric Marketing

The mind-centric marketing is a strategic approach to designing marketing stimuli guided by human cognition in an increasingly tech-driven world. It aligns every marketing stimulus with how people pay attention, relate, and decide, ensuring that technology enhances, rather than weakens, the human experience.

As discussed in Chapter 2, the rise of agentic AI enables machines to act with near autonomy, putting marketers at risk of becoming passive. At the same time, digital marketing has become overoptimized, often lacking emotional depth, while augmented humans are more fragmented and harder than ever to engage.

In an era dominated by automation, it is easy for marketers to lose their way. Marketers could optimize and deploy AI-powered marketing without fully understanding the humans on the receiving end.

Marketing in the age of AI must be grounded in empathy, a trait that sets humans apart from intelligent machines. For marketers, empathy means the ability to understand the customer's perspective. It may arise from shared backgrounds, values, or experiences. But even without those, humans have the imagination to step into another person's shoes. Empathy is what enables marketers to understand how the human mind works.

The cognitive compass is a tool for discovering deep customer insight through empathy and a handbook for questioning and safeguarding AI-powered implementations. Designed as both a strategic framework and a practical guide, the cognitive compass helps marketers stay aligned with the human mind.

The Cognitive Compass

The cognitive compass is built on two core components (Figure 5.1). First is the cognitive map, a framework that guides the discovery of insights into how people process marketing stimuli through three brain systems: attention, social, and reward. These customer insights serve as the foundation for the second part: The stimuli quadrants—brand storytelling, value proposition, selling approach, and customer experience—the building blocks of modern marketing that must adapt to shifts in human cognition in an AI-augmented world.

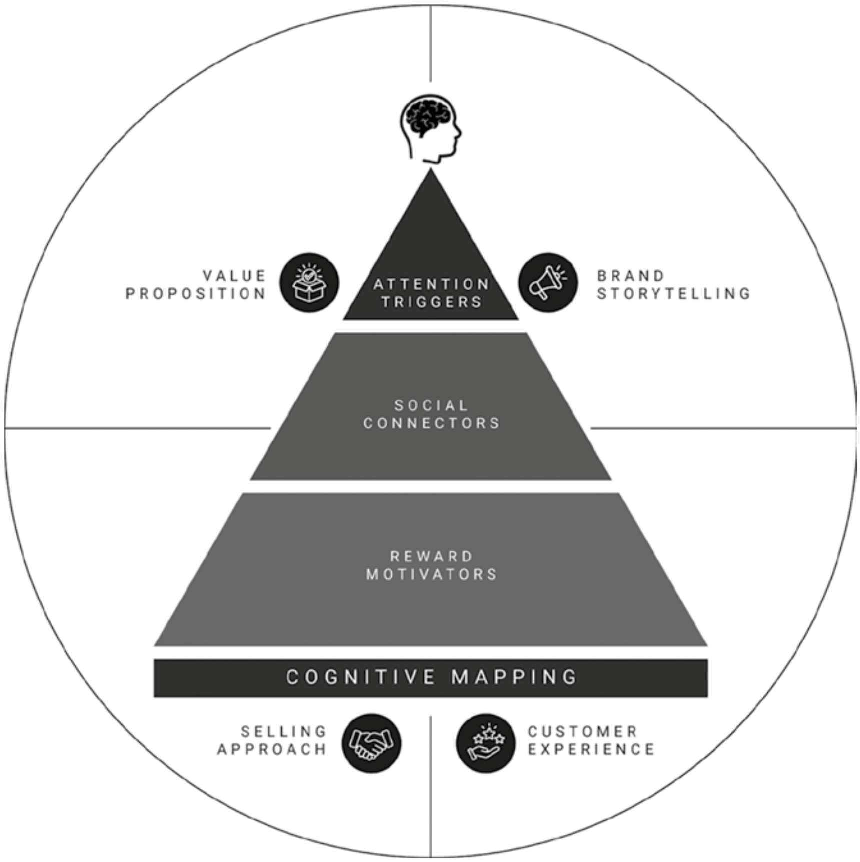

FIGURE 5.1 The Cognitive Compass.

The Cognitive Map

In Chapter 4, we introduced three brain systems that are most relevant to engage augmented humans: attention, social, and reward. While these are not clearly defined anatomical zones, they are well-established functional concepts in neuroscience.

In reality, these brain systems are deeply interconnected and operate in parallel. But for simplicity, we explore them sequentially, as if your marketing message is traveling through a funnel inside the customer's mind. The message must capture attention, resonate on an emotional level, and prompt a decision (Figure 5.2).

Thinking of the process as linear helps marketers visualize what's happening inside the customer's mind. It serves as a practical tool for capturing customer insights. Each of these three brain systems presents a unique challenge—and opportunity—for marketers. They shape how people respond to messaging. The better marketers understand what activates each system, so they can more effectively design marketing touchpoints.

These insights provide the foundation for strategy development, helping marketers design brand storytelling, value proposition, selling approach, and customer experience. It also provides the guidelines for marketers to continually question their approach in tech-driven campaigns, such as how customers evaluate marketing messages.

The attention–social–reward framework shares structural similarities with the well-known triune brain model.

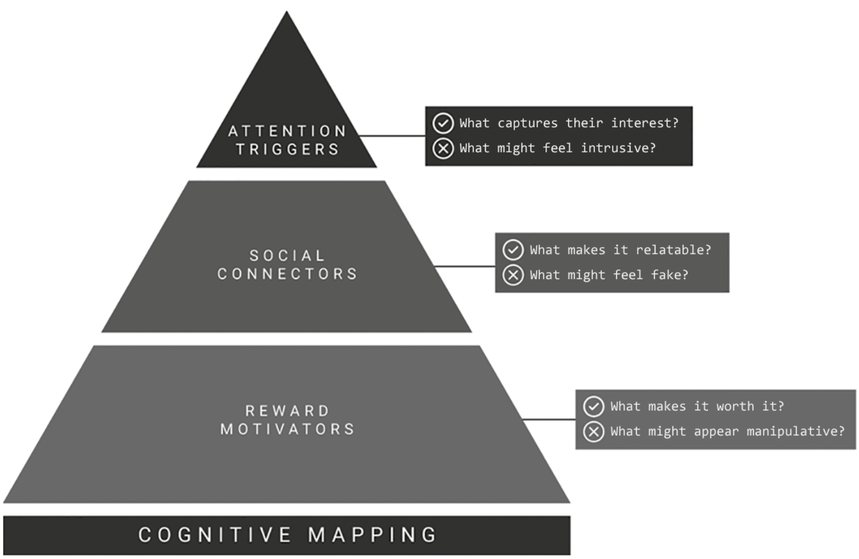

FIGURE 5.2 The Cognitive Map: A Customer Insight Framework.

The triune model organizes the brain into three evolutionary layers: the old brain (instinctive), the middle brain (emotional), and the new brain (rational). Both frameworks are functional classifications of how the brain processes stimuli, and both metaphorically represent the way the brain processes information into layered sequences.

What sets the attention–social–reward model apart is its contextual relevance to the modern marketing landscape. In an age of massive content overload, the battle is for attention. Marketers must understand how the brain filters information.

In an era of connected customers and digital tribes, the battle is for influence. Marketers must understand how the brain assesses social and emotional relevance. And in a time of mindful consumption, the battle is for value. The brain has a judgment mechanism of whether a product or experience is truly worth it.

This framework reframes cognition through the lens of modern marketing dynamics, making it more actionable for today's marketers.

The Attention Triggers

The top funnel is the part of the brain responsible for attention. It determines what to focus on and what to ignore. The customers are exposed to a massive volume of messages every minute. The attention brain acts like a filter. It only lets in what feels interesting.

Marketers must continually question their approach in tech-driven campaigns, especially when trying to break through the noise. One of the first filters is attention. The key question is, "What captures the audience's interest?" If a message does not spark curiosity, it is filtered out immediately.

But there is a fine line. "What might feel intrusive instead?" When content feels disruptive, it can trigger irritation.

The Social Connectors

Once attention is captured, the social brain, as the middle funnel, takes over. It searches for an emotional connection with the person or brand conveying the message. That connection often comes from relatable stories or familiar behavior. This is how people come to trust influencers or feel that a brand truly understands them.

Marketers must discover "What makes the message relatable?" The brain scans for signals of trust and connections. But also ask, "What might feel fake?" A campaign that uses technology risks feeling too mechanical, as if it were designed for optimization rather than genuine human connection. When the execution lacks emotional depth, audiences may choose to disengage.

The Reward Motivators

If the message gets past the social brain, the reward system begins to activate. The reward brain supports deliberate decisions. It weighs the value of products and experiences, both emotionally and rationally. While emotion often leads, rational considerations play a role in guiding the final choice. This decision-making system is key to purchase behavior and becomes the bottom funnel in the mind of the customers.

The key is to ask, "What makes the offer worth it?" The message may be novel and emotionally engaging, but if the perceived payoff is low, the decision stalls. And also ask, "What might appear manipulative?" If the offer feels deceptive, customers might decide against it.

Renault's "Cars to Work"

In 2024, Renault launched an award-winning initiative called "Cars to Work," designed to help unemployed individuals in transportation-disadvantaged regions of France secure stable jobs. Through the program, Renault offered job seekers the temporary use of a car, free of charge, for the duration of their probation period. If the individual secured a permanent contract, they could then begin paying for the vehicle. The campaign earned top honors at the Cannes Lions International Festival of Creativity, including the Grand Prix for both Creative Commerce and Sustainable Development Goals.

What made this campaign stand out was not just its social impact. It was its deep alignment with how the human brain processes information and makes decisions. It captured attention with its counterintuitive proposition: a car brand giving vehicles away for free to people without jobs. This surprising offer defied expectations, and thus, among typical car ads, this message instantly stood out.

Next, the campaign built an emotional connection through empathy. By aligning itself with two real societal problems—access to mobility and employment—Renault activated the social brain. People perceive the brand as human-centered.

The brand also benefited from the halo effect. Since the initiative seemed generous, those feelings extended to the Renault brand as a whole. Real user stories helped reinforce social proof, demonstrating to others that the program was already making a positive impact.

Finally, the campaign tapped into the reward system by structuring the offer in a way that leveraged the principle of loss aversion. Once users got used to having a car, the idea of giving it up became emotionally costly. It motivated people to pursue job stability, just to keep the vehicle.

By engaging all three brain systems—attention, social, and reward—Renault's "Cars to Work" initiative serves as an inspiration in mind-centric marketing. It demonstrates how a well-designed program can strengthen brand equity. All by aligning with how the human mind works.

The Stimuli Quadrants

Mind-centric effects manifest in four building blocks, each of which must align with how the human brain processes stimuli and makes decisions (Figure 5.3). These marketing applications require marketers to understand and influence cognition at every stage of the customer journey.

In the digital media era, a customer's first interaction with a brand often begins with exposure to its content. Brand

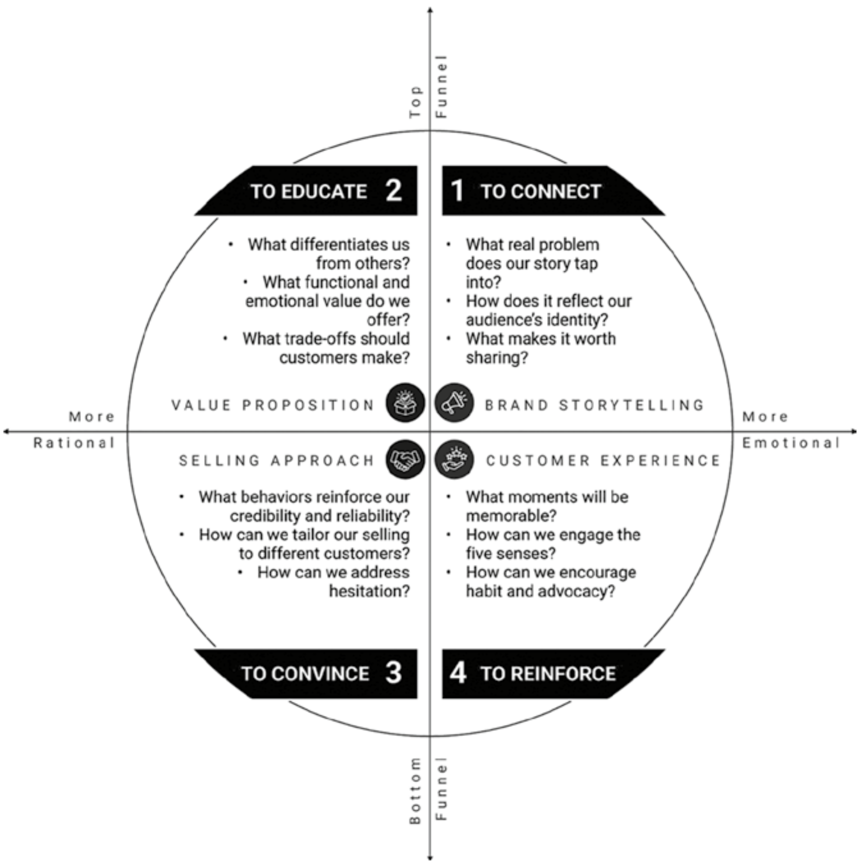

FIGURE 5.3 The Stimuli Quadrants: A Marketing Design Framework.

storytelling serves as the entry point to the customer's mind. Its main role is to connect, showing that the brand understands what matters to the audience.

Although all three brain systems—attention, social, and reward—are activated, the attention and social systems play the dominant role at this stage. Both determine whether the customer stays engaged or moves on. When the narrative fails to connect, the engagement stops.

If the story resonates, customers typically move into a discovery phase, seeking more information about the brand. This leads them to encounter the brand's value proposition—the promise embedded in its products or services. At this stage, the goal is to educate: clearly explaining the brand's benefits and what makes it unique.

Here, the reward system in the brain becomes most active, weighing the perceived benefits against the costs. A strong value proposition must deliver a compelling reason to believe that the brand is worth engaging with further.

As customers progress toward a buying decision, they experience the brand's sales approach. This may involve direct interactions with a salesperson or be mediated through digital platforms. The goal here is to convince customers.

The selling approach must activate the social and reward systems in the brain by building trust and reinforcing perceived value. The quality of this interaction often determines whether the customer completes the purchase.

Ultimately, the most lasting impression is formed by the customer's experience during the purchase, product use, and post-sale interactions. This stage aims to reinforce. A satisfying experience reinforces positive memories and strengthens affinity toward the brand. This stage determines whether customers become repeat buyers or even loyal advocates.

Altogether, these four building blocks form the stimuli quadrants. They are organized along two key axes: the rational–emotional axis and the funnel-progression axis, each representing how marketing interacts with the human mind.

The horizontal axis reflects the rational–emotional spectrum, metaphorically symbolized by the left and right brain functions. On the left side are value proposition and selling approach—building blocks grounded primarily in rational thinking. On the right side are brand storytelling and customer experience, the two building blocks designed to connect emotionally.

The vertical axis represents the progression from top to bottom in the marketing funnel. The top half consists of brand storytelling and value proposition, which drive awareness and interest in the early stages of the customer journey. The bottom half includes selling approach and customer experience, which guide purchase decisions and post-purchase behavior.

Together, the two axes form a holistic framework that aligns marketing stimuli with the cognitive map to engage minds while driving results.

Brand Storytelling

In the digital age, where attention spans are short and content is abundant, storytelling is the most powerful stimulus for a brand to capture attention. However, many brand narratives fall flat because they place the company, not the customer, at the center of the story.

Effective brand storytelling begins with a profound understanding of the customer's emotional world. The tension at the heart of a good story often stems from unmet emotional needs. The problem can take the form of personal insecurities, such as body image concerns or anxiety about job security. They may arise from social tensions, like the fear of missing out or the pressure to gain peer approval. They can also be driven by aspirational pressure—the desire for work–life balance or to save the planet. This is the first step to connection.

The second ingredient is alignment with audience identity. Customers are drawn to narratives that affirm who they are or who they want to be. A customer's identity can encompass values: the beliefs that guide what people consider essential in life. It can also reflect personal attitudes, such as openness to new ideas. Identity is also revealed through behavior—what people choose to do or consume. For example, a Gen Z professional who values progress, embraces innovation, and works long hours may be drawn to a brand story that celebrates modern hustle culture.

Great brand stories do not stop at creating personal resonance. They scale by becoming shareable within customer tribes. To be share-worthy, a brand story must evoke strong emotions, such as sadness or hope, that compel people to act. But emotional pull alone is not enough. The story should also serve as a vehicle for self-expression. Sharing becomes a way of saying, "This is who I am." Just as important, stories gain traction when they foster a sense of affiliation. People are drawn to content that helps them feel part of something larger, like a cause or a movement.

Dove's "Cost of Beauty" brand story is a powerful illustration of cognitive storytelling in action. The campaign is part of the broader Dove Self-Esteem Project, which aspires to become the world's largest body confidence education platform.

At the heart of the story is a deeply relevant issue among young people: the toxic beauty standards perpetuated by social media. These unrealistic ideals have fueled a rise in body dissatisfaction among young people, leading to widespread mental health issues.

To align with the identity of today's youth, Dove chose to spotlight the real story of Mary, a young girl who developed an eating disorder while trying to conform to online beauty ideals. However, Mary's story is not presented as an isolated case; it represents millions of girls facing similar pressures.

The short film concludes with a call to action, urging viewers to support the Kids Online Safety Act. This rallying cry transforms the story from a personal story into a shareable movement, inviting people to become part of the solution.

Value Proposition

While brand storytelling creates emotional resonance, a value proposition guides the customer's mental comparison. The human brain is wired to contrast options, weigh trade-offs, and choose the one that offers the greatest perceived value for the least cost. Customers rarely evaluate products in isolation. This means companies must craft value propositions that stand out in a competitive context.

The first task is to grab attention by signaling clear differentiation. In a crowded market with many choices, customers filter fast. They rely on stand-out cues—bold design or catchy tagline—to decide which offers are even worth considering. This is where differentiation matters most. If a product appears like everything else, it gets ignored before deeper evaluation begins.

Once attention is captured, companies must strike a balance between functional and emotional value. Customers begin to weigh what the product does against how it makes them feel. A sleek laptop, for example, may offer tangible benefits like fast processing and long battery life. Those are the functional attributes. However, it should also carry emotional meaning, such as confidence or social status. It is about what owning the product says about the customer and how it fits into their desired identity.

Ultimately, companies must address the final question, "Is it worth it?" Customers face a trade-off between what they get and what they give. At this stage, the value proposition must communicate that the benefits outweigh the costs. These costs may go beyond the price tag but also include the efforts required to obtain the offer, hidden fees, ongoing maintenance, or the risk of making the wrong choice. A strong value proposition simplifies this mental calculation. It reassures the customer that the rewards outweigh the sacrifices, making the decision feel wise.

The battle between Nike and emerging players, such as On, illustrates these principles. Nike has long dominated the sportswear industry by expanding the definition of its market. With the brand story that "If you have a body, you're an athlete," Nike positioned itself as a brand for everyone.

However, as Nike increasingly leaned on retro designs and heritage technology, its value proposition began to blur. The shoes often looked the same, while prices rose, making the trade-off between what customers received and what they paid harder to justify.

That is where On found its opening. On grabs attention with sneaker cushioning that stands out visually. The brand simplifies its value as “Swiss Engineering,” offering clarity for what customers gain. While Nike shifted to a direct-to-consumer model toward the end of the pandemic, On offered availability through retail partnerships.

Nike remains significantly larger than On due to its broad market appeal. However, in a market shaped by comparison, Nike may need to recalibrate its value proposition to address newer alternatives.

Selling Approach

After educating the market with a strong value proposition, the next challenge is to provide the final nudge for customers to make a purchase. This is where the selling approach becomes critical. While customers may have already engaged with the brand’s story and explored its value proposition online, they now seek reassurance through a human connection before committing.

At this stage, companies must shift from promises to action. Salespeople must demonstrate credibility and reliability while maintaining emotional relationships. In an age when AI agents can simulate the act of selling, these human moments often make the decisive difference.

To begin, frontline salespeople must signal trustworthiness. Customers subconsciously scan for cues that indicate whether a brand’s human representatives can be trusted. When salespeople communicate with confidence, they begin to build that trust. Even simple behaviors—like timely responses and proactive follow-ups—serve as powerful signals of reliability.

Once trust opens the door, salespeople must establish a deeper connection through tailored interactions. This is when personalization matters. When salespeople demonstrate an understanding of the customer's context, offer the right solution, and communicate it with confidence, they begin to build intimacy.

Finally, the selling approach must eliminate remaining hesitation. Customers might still have doubts or weigh the risks. Salespeople must be ready to address those concerns and create peace of mind. For example, if the product is too expensive, salespeople can offer financing. If customers are unsure about clothing fit, salespeople can reiterate the return policy. Every hesitation should be met with reassurance.

Salesforce, the world's leading provider of customer relationship management software, offers a compelling example of how these cognitive selling approaches can be strengthened with AI. The company empowers its frontline sales team by augmenting their capabilities with intelligent tools.

Salesforce delegates lead generation and qualification to AI agents. This enables salespeople to concentrate their efforts on high-value, human-to-human interactions where trust is most crucial. In addition, Salesforce enhances its sales team's preparedness through an AI coach.

The AI coach generates detailed customer dossiers, including industry insights, company profiles, and relevant pain points. Salespeople can rehearse with the AI agent, which simulates prospect conversations and provides personalized feedback tailored to different buyer personas. This enables greater confidence in real sales interactions.

Salesforce also equips its teams to address hesitation. If a prospect mentions a competitor, the AI coach may provide favorable comparisons or success stories from similar clients. If pricing becomes a concern, the coach can quickly equip salespeople with a return on investment simulation.

By leveraging AI, Salesforce enables its salespeople to focus on becoming the trusted face of the brand.

Customer Experience

The final building block in the cognitive compass is customer experience. It comes after the purchase and influences whether the customer returns and advocates. This stage is where brands are truly tested in the customer's mind. Every brand promise, value proposition, and sales pitch will be validated directly by the customers.

Customers may not recall every interaction they have with a brand. Trivial touchpoints are often forgotten. But there should be some memorable moments that are deeply ingrained in their memories. Brands must focus on creating these wow moments, such as surprise upgrades or exceptional customer complaint handling. A brand must think, "If there is one thing that customers remember about the brand, what would that be?"

One powerful way to create a remarkable experience is through multisensory design. Engaging all five senses makes the experience more immersive, thereby enhancing memory encoding. A hotel, for example, may be remembered for its distinctive decor, ambient music, signature scent, specialty bedding, or standout dish. All of these leave deep sensory impressions in the guest's mind that might prompt them to come back.

Companies can also reinforce repeat purchase behavior by engaging the brain's reward system. Loyalty programs, for example, help build habits by offering incentives that encourage repeat buying. But advocacy goes a step further. True advocates do not recommend brands for incentives.

They do it because they want others to enjoy the same exceptional experience. In the customer's mind, making a recommendation carries risk. If the experience falls short, it can damage their reputation. That is why only truly remarkable experiences earn advocacy.

Costco exemplifies how an exceptional customer experience fosters loyalty among more than 130 million members worldwide. The membership model acts as a sunk cost that encourages repeat visits, but it is the remarkable in-store experience that earns Costco its cult-like devotion.

Shopping at Costco feels like a multisensory treasure hunt. Customers wander through unmarked aisles, discovering a rotating mix of products while enjoying complimentary samples along the way. Although known as a discount retailer, Costco also offers an aspirational shopping experience, where members can find luxury items alongside everyday essentials. It is a place where smart savings meet occasional indulgence.

Another key differentiator is Costco's consistently good service, driven by well-paid and motivated frontline employees. Their attentiveness helps turn each visit into a memorable experience. Costco creates a joyous shopping experience, which keeps customers coming back and motivates them to advocate for the brand.

Summary

Mind-centric marketing offers a thinking guide for navigating marketing in a tech-driven world. When AI agents can generate content, personalize offers, and carry out conversations, marketers risk losing sight of what truly matters: the human connection.

The approach uses the cognitive compass, which is built on two core components. First, the cognitive map—a customer insight model based on how the brain processes marketing stimuli. The attention system filters content. The social brain seeks emotional relevance. The reward brain evaluates whether a product or service is truly worth it.

Second, the stimuli quadrants translate these insights into actionable steps: brand storytelling, value proposition, selling approach, and customer experience. Storytelling captures attention by reflecting the audience's anxieties. A strong value proposition simplifies the trade-offs customers make in their minds. The selling approach builds trust and provides the final nudge. And customer experience delivers memorable moments that reinforce the brand story.

Together, these elements remind marketers that in an era of AI, marketing is still about understanding people. The cognitive compass provides a comprehensive guide, grounded in an understanding of how the human mind works.

REFLECTION QUESTIONS

- Does your market research uncover how customers think, feel, and decide?
- Which part of your marketing falls short in engaging the human mind?
- Are you using technology to deepen human connection or to replace it?

CHAPTER 6

The Cognitive Mapping

Observing the Human Mind in Action to Extract Deep Customer Insights

The year 2025 marks the arrival of Generation Beta, the newest generational cohort. It follows the five previous cohorts: baby boomers, Generation X, Generation Y, Generation Z, and Generation Alpha.

Generation Beta babies will grow up in a world shaped by transformative trends, with artificial intelligence (AI) at the center. They are the first generation born after the COVID-19 pandemic and the launch of ChatGPT—both key accelerators of global AI adoption. So, unlike previous generations, they will never know the world before AI.

Born to Generation Z parents, Generation Beta is also the first to be raised by true digital natives. Just as Generation Z came of age in a connected world, their children will experience the same. But there is a key difference: their role models are already deeply immersed in a tech-enabled lifestyle. Generation Beta will grow up observing their augmented human parents using AI-powered technologies. At the same time, they will enter education systems that are beginning to incorporate AI into classroom experiences.

Generation Beta will also grow up facing a range of challenges. Climate change will intensify during their lifetime. Geopolitical tensions and rising nationalism will shape the global landscape. Social justice will be a central theme in their upbringing, influenced by their Generation Z parents—the most diverse generation to date.

The rise of Generation Beta may also reshape Generation Z's priorities. As new parents, Gen Z will assume a new set of responsibilities, becoming decision-makers not only for themselves but also for their children over the next two decades.

How Generation Z chooses to parent will profoundly shape Generation Beta. A generation raised on social media, Generation Z is likely to turn to those platforms for parenting advice. More important, how they introduce their children to social media will determine the values and attitudes of Generation Beta.

Indeed, the formative years have a lasting influence on the human mind—a truth that applies to all generations. In cognitive science, this early phase is referred to as imprinting, a foundational learning period that shapes decision-making well into adulthood. The values and attitudes that drive consumer behavior are often rooted in this critical window of development. For marketers, understanding this offers a powerful lens to uncover the underlying insights behind customer choices.

This chapter introduces a method we call *Cognitive Mapping*, an approach to uncovering deep customer insight by observing real-world behavior through a cognitive perspective. It captures what lies beneath the surface: imprinted values and attitudes that shape behavior but remain invisible to algorithms.

Anatomy of Customer Insight

By definition, insight refers to a deep understanding of customers, encompassing not only what they do but also why they do it. It moves beyond surface-level behaviors and digs into the mental framework shaped by early imprinting. It cuts through socially acceptable reasons to reveal true motivations. Thus, true insight goes beyond collecting data or tracking actions. It involves interpreting those facts to uncover the invisible drivers deeply rooted in the human mind.

Understanding the Anatomy

We visualize the anatomy of customer insight as an iceberg (Figure 6.1). The visible tip represents what customers say and do—the observable behaviors that are easy to capture. When asked, customers often justify their choices with logical or socially acceptable answers, such as "I bought this because it is high quality and on sale." These responses, along with observable actions throughout the customer journey—from discovery to purchase—form the surface layer of insight. Marketers are drawn to this visible portion because it is easier to measure and report.

Relying solely on what is visible can lead to a misunderstanding of customer needs. Beneath the surface lie the real drivers of behavior, often unspoken or even unknown to customers themselves. These include values, the deeply held beliefs that shape how people see the world. Values influence attitudes, which are the feelings customers hold

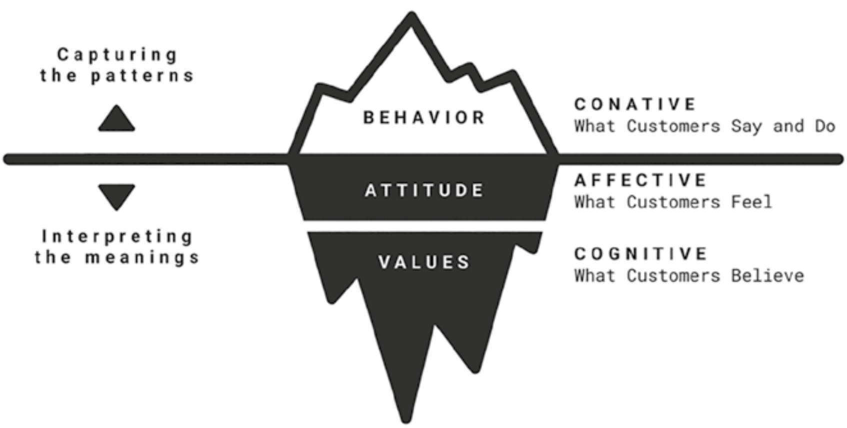

FIGURE 6.1 Anatomy of Customer Insight.

toward a category or brand. Attitudes act as a bridge between values and behavior.

However, behavior is not always a direct reflection of values and attitudes. Social pressures and cultural norms may influence customers to behave in ways that contradict their personal beliefs. Customers may act in ways that feel rational while suppressing their true feelings.

Generational Lens

Let us examine Generation Z using the anatomy of customer insight. Market research often identifies them as valuing authenticity. In surveys—the tip of the iceberg—they report rejecting the stereotypical standards of beauty and success promoted by influencers. They claim to favor self-acceptance over an idealized image.

But beneath the surface, a deeper insight emerges. Born between the mid-1990s and early 2010s, Generation Z grew up immersed in social media, where idealized portrayals of beauty and success were constantly reinforced. While they may aspire to authenticity, they remain psychologically imprinted with perfectionist standards. This dissonance creates inner conflict, often leading to mental health struggles. Brands that acknowledge these tensions are more likely to resonate with Generation Z.

Now, let us examine Generation Alpha. Born in the early 2010s through the mid-2020s, they are often referred to as the “iPad generation,” having been surrounded by smart devices since infancy. Their formative years were marked by the COVID-19 pandemic, which forced online learning. As a result, their reliance on technology is deeply imprinted.

Generation Alpha is deeply accustomed to short-form video content, shaping their attention toward low-effort learning. Their digital experiences are infused with gamification features that promote instant gratification, enabling them to be quickly rewarded for any action. Over time, these experiences led to an unconscious expectation for immediate results and fostered a low tolerance for frustration.

The pandemic also left a lasting impact. Many in this generation developed anxieties about health and family illness. Socially, they became used to virtual interactions. This shift reinforces our prediction in *Marketing 6.0* that the gaming metaverse, such as Roblox, has become Generation Alpha's version of social media. These imprinted values and attitudes will shape many of their behaviors in the next decade when they will be making purchase decisions themselves.

Understanding the general values and attitudes of generational cohorts is a good starting point for marketers to unlock the minds of their customers. The next step is to go deeper into specific insights relevant for particular industry categories and brands through practical methods.

Observation for Customer Insights

Observation is a key method in Cognitive Mapping, enabling marketers to uncover subtle behavioral cues in real-world contexts. Unlike traditional market research or AI-powered analytics that only capture what customers say and do, observation reveals the underlying reasons behind those actions.

Traditional Market Research

The approach to discovering customer insights has indeed shifted in recent times. Before the rise of AI, marketers primarily relied on market research to understand customer preferences and behavior. These insights informed everything from customer segmentation and product development to brand tracking and satisfaction measurement.

The process often began with a quantitative method, as it provides robust evidence for decision-making. It involves a structured questionnaire and a statistically valid sample size.

Marketers often combine quantitative methods to get the what with qualitative approaches to get the why. In a qualitative, exploratory method, researchers ask questions in personal interviews or focus groups to explain the findings captured in the quantitative method.

A deeper form of qualitative research is empathic observation. It includes ethnography, where researchers observe customers in their natural environment while asking questions. They experience the lives of their customers to develop an empathetic understanding of them. When researchers stay long enough and are welcomed into their customers' homes, customers become more open to revealing their actual values and attitudes.

Netnography also emerges as a form of online ethnography, involving the observation of conversations in online forums. Netnographers also sometimes engage with the conversations. They position themselves as part of the digital tribe in the forums, thereby gaining access to the conversational themes that are usually hidden from outsiders.

AI-Powered Analytics

But the landscape changed with the rise of big data and AI. Marketers began supplementing—or even replacing—traditional research with AI-powered analytics. Customer behavior could now be tracked through point-of-sale systems, loyalty programs, and digital footprints. Preferences, channel use, content consumption, and purchasing patterns can be analyzed quickly. Predictive models could instantly identify drivers of churn, loyalty, or cross-sell opportunities. This automation enabled marketers to make faster decisions, from product design to budget allocation.

This real-time speed of research is more pronounced for digital products. A/B testing became more widespread, enabling marketers to compare alternatives and attribute results to specific factors, such as copy or interface. The language learning app Duolingo, for example, has conducted thousands of A/B tests to test new features and experiment with different app notification copies.

Despite its efficiency, reliance on this tactical approach alone has risks. Overreliance on AI insights can also lead brands astray. AI models are often black boxes, with shifting recommendations that lack explainability. This can pull brands in inconsistent directions. By contrast, when marketers understand the deeper human motivations, they can establish strategic guidelines up-front and then make tactical adjustments that remain aligned with the underlying insight.

Marketers may also confuse surface-level stimuli with deeper motives. For example, marketers may think from an A/B test that an ad is effective because it uses humor. But the real question remains: Why does humor work? Do customers respond to any humor as a way to escape daily stress? Or is it because the story is relevant regardless of the tone? Even the whys have different depths.

Empathic Observation

Therefore, despite the shift to more automation, the customer insight approach should always have a component of empathic observation. Customers can be observed as they use and interact with digital products, such as an e-commerce mobile app. It observes why customers hesitate to check out the items in the shopping basket or why they struggle to navigate the app's menu.

Marketers can also learn deeper motives why certain social media posts have better engagement than others. Not by looking at the patterns captured by AI, but by directly observing customers as they scroll through their social media feed during screen time. Nonverbal cues, such as facial expressions and body language, can provide valuable insights not available from analytics.

Why Observation Reveals Insights That AI Cannot See

First-hand observation is becoming increasingly relevant in the era of AI, precisely because it uncovers insights that data patterns alone cannot reveal. Observation captures what AI has yet to see. AI detects trends by analyzing large volumes of behavioral data, such as social media conversations and purchase histories. But when those behaviors have not yet emerged—when no one is talking about them, and no products exist to support them—AI has nothing to detect.

By contrast, latent and unspoken needs often reveal themselves through real-world behavior. These needs can only be uncovered by observing people in their natural environments, where subtle tensions and workarounds surface.

Human behavior is often full of contradictions. What people say does not always align with their actions. For instance, many parents claim in surveys that they limit their children's screen time, often shaped by a desire to avoid social judgment. Yet simple observation tells a different story. In practice, parents frequently rely on screens to manage their parental fatigue. To ease the guilt, they steer their children toward educational apps rather than pure entertainment, reframing screen time as learning time.

The identity that the social brain wants to project is not always aligned with what the reward brain calculates. This tension often leads to new ideas for brand differentiation. Consider the case of Liquid Death, a brand that sells drinking water in cans designed to resemble beer or sugary energy drinks. Founder Mike Cessario got the idea while attending the Vans Warped Tour, where he noticed musicians drinking water poured into Monster energy drink cans to stay hydrated on stage. It was a striking contradiction that revealed a hidden need: the desire to project a rebellious identity without compromising personal health.

Values and attitudes precede behaviors. A desire rooted in personal beliefs or identity may not yet manifest in purchase behaviors because no product exists to serve it. However, subtle behaviors may already be emerging through creative workarounds that customers devise on their own. When marketers can spot these early signals, they gain the opportunity to get ahead of the curve.

Who to Observe

One of the most important decisions is who to observe. A brand must identify the research participants based on specific characteristics and category experiences. Selecting the right participants means going beyond demographics.

A luxury car brand, for instance, might be interested in observing the relationship between the car owners and their vehicles. It might select participants who not only own premium cars but also exhibit a distinct emotional attachment to their vehicles. Some may treat their cars as status symbols, while others view them as personal sanctuaries.

One of the most valuable groups to observe is extreme users—individuals whose behaviors sit at either end of the adoption spectrum (Figure 6.2). They differ from the

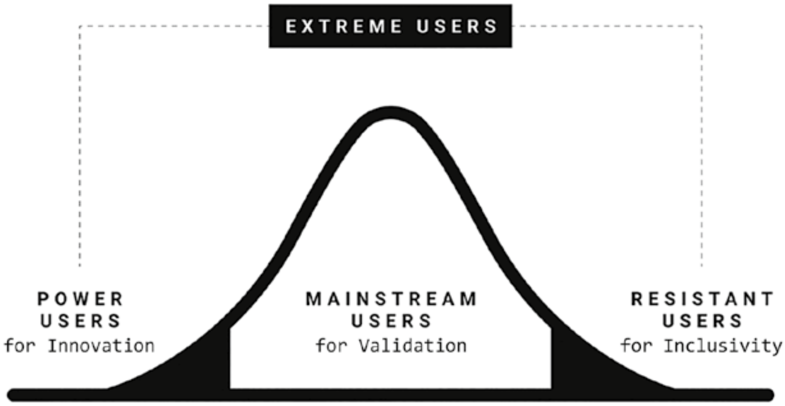

FIGURE 6.2 Who to Observe in Cognitive Mapping.

mainstream and are often dismissed by AI as anomalies or outliers. Yet, it is precisely this deviation that makes them a powerful source of insight.

At one end, extreme users include power users. They can be early adopters or heavy users who engage with a product more frequently or more creatively than the average customer. They often uncover what makes a product compelling and may reveal emergent use cases that mainstream users have not considered. This end of the spectrum usually inspires innovation.

At the other end are people who resist or struggle to engage with the product. Observing them can expose adoption barriers or usability issues that might otherwise lead to marketing failures. By engaging this end of the spectrum, marketers gain an inclusive view of the market.

Cognitive Mapping combines observation of extreme users and mainstream users. While extreme users offer breakthrough insights by stretching the boundaries of product experience, mainstream users provide the baseline. Observing them is essential to understanding typical behaviors within the core market. Cognitive Mapping should also validate whether ideas inspired by extreme users are viable to scale to the average audience.

Who Should Be Observing

The people observing are just as important as those being observed. Empathic observation is about building a connection. Participants feel comfortable and psychologically safe. Only in that state will authentic behavior naturally emerge. That is why research must take place in the customer's natural environment. Observers must blend in seamlessly, observing each moment with curiosity, but not judgment. To establish this connection, it may take some time. Observers might need to spend a few days in the lives of the customers.

Customer insight also requires more than just observation. It demands interpretation, which is inherently subjective. Each researcher brings a unique lens, shaped by personal experiences and backgrounds. What feels like a breakthrough to one observer may be overlooked as mundane by another. Even when witnessing the same phenomenon, different researchers may infer different meanings. These variations stem from the way each person perceives the world.

That is why cognitive mapping is most effective when conducted by multidisciplinary teams assigned to observe different customers. Diverse backgrounds not only foster a more holistic understanding of the customer experience but also help mitigate the bias inherent in any single perspective. More important, when everyone, from research to design to marketing, is actively involved in the process, insights tend to translate into action much faster.

For example, psychologists may interpret emotional triggers and cultural tensions. Marketers can spot storytelling angles, while designers focus on usability, and engineers assess feasibility. Together, this integrated perspective enables the brand to move swiftly from insight to prototyping to product launch, with greater confidence that the solution resonates from multiple perspectives.

What Activities to Observe

The focus of observation should be on the interactions customers have with the category. We use the word *category* because it covers a wide range, from using a product like driving a car, to consuming a service like ride-hailing, to enjoying an experience like watching a car race. This is what we primarily observe, as we aim to uncover insights about the relationship between the customer and the category.

We should also observe life routines outside of category interactions. People do not live their lives in categories but in moments. They move through life in moments: waking up, having breakfast, driving to work, and so on. A car is just one category in a customer's day. When we observe only direct interactions with a category, we risk missing the broader story. We might see the choice, but not the circumstances that led to it.

Since the behavior may differ when customers are alone and when they are around others, we should always observe them in both contexts. Alone, they may be more impulsive and honest in their choices. By contrast, when they are with others, a different consideration emerges. They may try to impress, follow others, or avoid judgment.

Alone time with an observer, however, is not truly alone. The presence of another person can change how the customer behaves. That is why observation takes patience and trust. The observer must blend into the background and enable the customer to forget they are there.

These dimensions form the basis of our observational matrix (Figure 6.3). By combining the nature of the

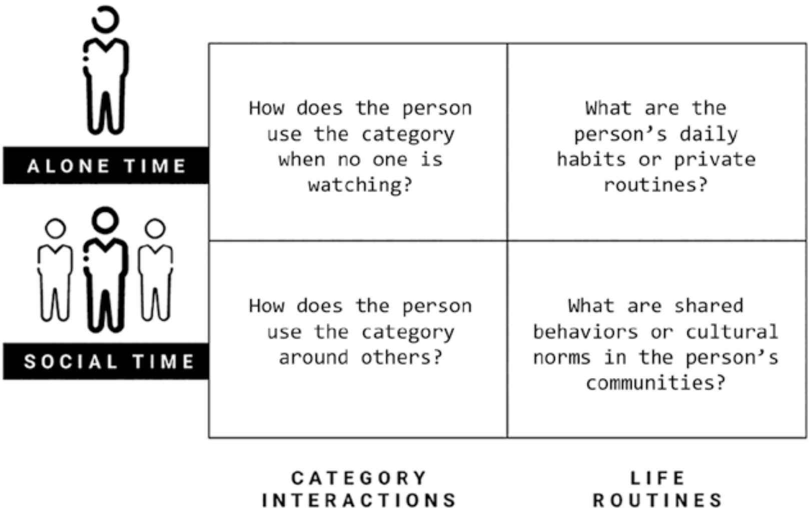

FIGURE 6.3 Activities to Observe in Cognitive Mapping.

interaction (category-related and general life routines) with the social setting (alone and with others), we add depth to the observation.

What Behaviors to Look For and How to Interpret

The observer must know exactly what to look for when conducting cognitive mapping. Each brain system in the cognitive map is associated with specific behavioral markers. A behavioral marker is an observable cue—such as body language, facial expression, tone of voice, or visible action—that signals a mental process occurring in the person's mind.

In controlled experiments, these behaviors can be linked to specific brain activity using technologies like eye tracking

	Observable Behavior Markers	Underlying Cognitive Processes
ATTENTION BRAIN	• **Body Orientation:** directs attention to stimuli • **Long Pause:** allocates higher mental processing	• **Salience:** notices what stands out from the rest • **Attentional:** focuses on what feels emotionally relevant
SOCIAL BRAIN	• **Behavioral Mimicry:** copies others' actions • **Contradiction:** displays conflicting actions	• **Social Conformity:** follows social norms to guide behavior • **Self-Presentation:** shapes the image in social settings
REWARD BRAIN	• **Impulsive Versus Deliberate Action:** acts fast or slow in response to stimuli • **Workaround:** devises makeshift solutions to problems	• **Loss Aversion:** fears of losing more than gaining • **Trade-Off:** evaluates different options

FIGURE 6.4 Cognitive Mapping Cheat Sheet.

or neuroimaging. However, such tools are rarely practical in business settings, especially within the context of empathic observation.

To address this, we introduce a practical cheat sheet that maps observable behavioral markers and underlying cognitive processes across the three brain systems. Marketers can use this guide to spot meaningful behaviors in the field and interpret them to uncover deeper customer insights (Figure 6.4).

Attention Brain

The attention brain refers to the system in the human mind responsible for filtering and focusing on information that takes priority in a given context. It is the first gateway to the human mind. Common behavioral markers include body orientation. When people turn their head, lean in, or move closer to a stimulus, it signals focused attention. Another marker is the long pause, which often reflects a higher cognitive load, indicating that the attention is heightened.

This heightened attention often indicates that an active mental process is taking place. One such process is salience: the tendency for people to focus on what stands out or contrasts with its surroundings. Marketers can leverage salience to capture audience attention, especially by creating campaigns that break category norms and appear more distinctive.

Nationwide, a UK-based financial services company, demonstrated the power of salience through humor in its "In Your Best Interest" campaign. In a typically serious industry, Nationwide stood out with witty ads that positioned it as the antithesis of traditional banks. The approach proved highly memorable, with significantly more viewers recalling the ads.

Another key process is attentional, where focus is drawn to stimuli that feel personally resonant in the moment. Customers live their lives through a series of moments. While most days seem routine, certain micro moments stand out and shape their emotional state. These meaningful flashes often linger in memory. A brand story that recalls these moments is far more likely to capture attention.

Babyganics, a baby care brand, illustrates this attentional process by embracing the chaos and imperfection of real-life parenting. When these everyday moments become the focus of a campaign, they grab attention because they feel so familiar. By aligning its brand story with the reality of perfectly imperfect parenting, Babyganics creates a platform for content that connects with the emotional highs and lows its audience experiences every day.

Recognizing both salience and attentional mental processes helps marketers align messaging with what truly captures the customer's mind. Marketers can observe which stimuli trigger attention to craft more effective short-form content or design compelling elevator pitches.

These moments of attention are just the starting point in cognitive mapping. To uncover deeper insights, marketers must also explore how people behave in social contexts.

Social Brain

The social brain governs how humans interpret social cues and regulates emotional response. Common behavioral markers include behavioral mimicry, when people subconsciously copy the actions of others as a way to blend in. These signals often reflect a deeper mental process, such as social conformity: the tendency to follow group norms.

A recent example comes from Pop Mart's viral success with Labubu dolls, a line of collectible toys that exploded in popularity. Fans line up for hours outside Pop Mart stores, share unboxings online, and clip their Labubus to luxury handbags. The behavior intensified after celebrities like Lisa from Blackpink, Rihanna, and Dua Lipa were spotted with Labubu dolls. As people saw others covet the dolls, demand surged due to the social affirmation they represented.

Another observable marker of the social brain is the contradiction between outward behavior in social settings and the hidden truth. This often stems from self-presentation: the tendency to act in ways that reinforce the social image one wishes to project.

A great example is GoDaddy's "Act Like You Know" campaign featuring actor Walton Goggins, built on a powerful insight about small business owners: the pressure to act capable, even when they are uncertain. Entrepreneurs must demonstrate credibility to gain the trust of customers and employees. Yet, empathetic observation often reveals that many are figuring things out as they go.

The campaign cleverly personifies this tension through Goggins, an actor known for convincingly playing roles he doesn't actually live. It follows his entrepreneurial journey launching Walton Goggins Goggle Glasses, with GoDaddy Airo's AI tools guiding him through each step. The result is a compelling dramatization of how technology enables entrepreneurs to act as if they know, until they actually do.

Reward Brain

Observation is also helpful to understand how the reward brain evaluates value and drives action in pursuit of desirable outcomes. Observable behavioral markers include how fast stimuli drive behaviors. It could be fast and impulsive, such as making purchases during a TikTok Shop livestream. These actions often reflect loss aversion: a mental bias where people are motivated to avoid missing out on a discount.

TikTok Shop's success lies in how it conditions customers to behave impulsively by immersing them in short-form entertainment. Over time, this shapes a low-cognitive-load environment where decisions are made quickly and emotionally, rather than slowly and rationally. Flash deals also appeal to loss aversion, and purchases seem like a win.

Impulsive behaviors are often observed in low-involvement categories, such as fast-moving consumer goods. In these categories, customers do not invest a significant amount of mental resources in decision-making, either due to a low price point or a low risk associated with making the wrong choice.

For high-involvement categories such as automotive or education, typically, there are high prices or high risks involved. Behaviors such as switching between browser tabs to compare options or saving items for later are markers for high-involvement categories.

An example is how Gen Z is rethinking college. Many are questioning whether a degree is worth the cost and are exploring alternatives, such as trade schools and skilled blue-collar careers. This shift is partly influenced by social media, where the success stories of trade workers are widely shared. The decision reflects a more deliberate evaluation process.

Another essential reward brain marker is the presence of workarounds: improvised solutions customers devise to overcome product or service limitations. Unlike impulsive actions driven by quick rewards, workarounds reflect slower, more deliberate thinking.

Grab, Southeast Asia's leading super app for ride-hailing and delivery, observed a common workaround driven by present bias: passengers directly approaching nearby uniformed GrabBike drivers to avoid waiting for app-assigned drivers during busy hours.

Grab turned the workaround into a feature: GrabNow lets users connect with nearby drivers face-to-face, then link the ride through the app. It streamlined a friction point by formalizing real-world behavior.

Workarounds are usually tied to a trade-off: the mental process of comparing options when the ideal choice is not available. They reveal not only unmet needs but also strong motivation. When a need is so significant that customers think of their own solution, it signals a powerful value gap and a potential opportunity for a strong value proposition.

Cognitive mapping enables marketers to go beyond what customers say and observe what truly drives them. By recognizing the behavioral markers associated with attention, social, and reward systems, marketers can decode the mental processes underlying every decision. It offers a window into the human mind, helping brands design more effective marketing stimuli.

Summary

Cognitive mapping is a powerful approach for uncovering deep customer insights by observing human behavior through a cognitive lens. We visualized insight as an iceberg, where surface behaviors are easy to capture, but the fundamental drivers—values and attitudes—lie beneath the surface. These deep drivers are often shaped during early childhood, making them highly influential in shaping long-term behavior.

Cognitive mapping draws from three key brain systems: the attention brain, which determines what captures focus; the social brain, which regulates group dynamics; and the reward brain, which drives value-seeking behavior. Each system has observable behavioral markers and associated mental processes, providing marketers with a practical framework for decoding behaviors.

While AI provides fast, scalable analysis, it can miss emerging behaviors and hidden contradictions. That is why empathic observation remains critical. Cognitive mapping reminds us that in an AI-driven world, human insight still begins with making the human connection during observation to see what machines cannot.

REFLECTION QUESTIONS

- Do you spend time directly observing how customers use your product in real life?
- Have you identified and learned from extreme users at both ends of the use spectrum?
- Do you capture the contradictions or workarounds your customers do in their daily lives?

PART 3

Essential Marketing Stimuli for Engaging the Human Mind

CHAPTER 7

Brand Storytelling

Leveraging Three Storytelling Paths into the Customer's Mind

In 2023, a 14-second video on TikTok went viral. A woman shows her burnt car, and inside the cup holder, a surviving Stanley tumbler with ice still inside. Stanley's then-president responded on TikTok, saying he was glad she was okay and offered to replace both her tumbler and her car, while reiterating that the product is built for life. Despite some skepticism about whether the video was staged, the response was largely positive toward Stanley. Many praised the company's reaction and said they were now thinking about buying a Stanley product.

Indeed, the brand already had a strong fan base on TikTok. Many, including celebrities, had posted videos reviewing and unboxing Stanley products, many of which had gone viral. People lined up to buy them, driven by a fear of missing out. Storytelling based on trends like these, especially on short-form platforms like TikTok, tends to have a limited life cycle and eventually fades. By contrast, a story about durability—like a tumbler surviving a fire—connects on a deeper emotional level.

As Yuval Noah Harari argues in *Sapiens*, what makes humans unique is the ability to use language to share stories. Stories enable people to connect and mobilize on common goals. Stories enable brands to build trust and influence behavior.

Storytelling resonates deeply with humans because life itself unfolds as a story. People think and remember through narratives. Stories are easier to follow and far more likely to stick in memory.

Because stories are so powerful, brand storytelling must go beyond delivering messages. It should reflect a deep understanding of the customer's emotional world, resonate with their sense of identity, and spread organically within their social communities.

To be effective, however, brand stories need structure. This chapter introduces three distinct storytelling paths, each suited to a different type of cognitive journey. These paths are designed to activate specific brain systems, including attention, emotion, and reward. They help marketers craft narratives that work, whether the goal is to spark instant action, build emotional connection, or guide a more deliberate decision.

Attention–Decision Path

This path is most effective for shorter cognitive journeys with limited attention spans. Customers often encounter brands in micro moments: while scrolling through social media, watching a 30-second ad, glancing at a billboard, or walking down a store aisle. In these moments, the brain relies on heuristics or mental shortcuts to make quick decisions.

Unlike longer-form storytelling, this formula avoids cognitive overload. Its primary goal is to capture the brain's attention system and trigger immediate action. Salience is key, as the brain processes high-contrast stimuli more quickly, making standout content more likely to convert.

Attention–Decision Formula

In essence, the formula is a three-step process: grab attention, tell a story, and drive an action (Figure 7.1). Since it relies

FIGURE 7.1 Attention–Decision Formula.

on the audience's swift decision-making, it must engage the attention–social–reward brain systems in quick succession.

The first step is to interrupt the audience's current focus by activating the brain's attention system, which prioritizes salience. In fast-paced environments like social media or retail aisles, this step must happen instantly. This can be done through contrasting visuals, provocative headlines, or unexpected audio cues.

Since about 90 percent of the information processed by the brain is visual and roughly 40 percent of nerve fibers are connected to the retina, visuals are especially powerful. In fact, the brain processes images up to 60,000 times faster than text, making visual contrast the strongest trigger for attention.

However, in some cases, a provocative headline is needed to spark curiosity and draw the viewer deeper into the message. Audio cues can also enhance engagement by reinforcing the visual and maintaining focus.

Once attention is secured, the brand must tell a compelling story quickly to establish relevance. This is often achieved through a familiar scenario that makes the audience think, "That is me." It creates instant recognition by reflecting a situation they have experienced. Another method is showing a snapshot of emotion, such as joy or frustration, prompting the response, “That is how I feel.” A third approach is to tap into an aspirational desire, showing something the audience craves in the moment, thereby triggering the thought, “That is what I want.”

The final step is to drive action. In this phase, the message must engage the brain’s reward system to convert attention and relevance into behavior. A compelling call to action consists of three essential elements. First, it must deliver a clear reward. The audience should immediately understand what they will get. Second, the action must be effortless, requiring minimal steps such as a click or a scan. Any friction can cause the audience to abandon the process. The call to action should introduce a sense of urgency with a limited-time offer.

Together, these three steps—grabbing attention, telling a story, and driving an action—form a fast formula to engage the human mind. It compresses the customer journey into a moment of focus, making it effective for instant brand storytelling.

Formula Variations

Several well-known brand storytelling variations follow the attention–decision formula, often using mnemonics. While their phases might differ slightly, they share a common focus on capturing attention and driving decisions:

- **Attention–Interest–Desire–Action (AIDA).** Created by E. St. Elmo Lewis as a framework for sales pitches, the AIDA model outlines the mental journey customers take when considering a purchase and how salespeople can use these steps in crafting their sales presentations. It begins by capturing the audience’s attention, planting a seed of interest, nurturing it into desire, and ultimately leading to a purchase. The formula gained popularity in the advertising space for shorter ad formats, such as 30-second ads.

- **Stop–Look–Act–Purchase (SLAP).** SLAP is a popular variation that starts by making the audience stop, whether they are scrolling a social media feed or walking down an aisle. It then draws them in with a compelling reason to take a closer look at the product or service. This leads to a call to action, such as clicking or adding to cart, and concludes by addressing remaining concerns through warranties or limited-time discounts.
- **Hook–Story–Offer (HSO).** HSO is a storytelling framework often used in digital marketing. It begins with a hook: a striking statement or visual designed to grab immediate attention. What sets this model apart is that it is accompanied by a story that fosters emotional engagement. Finally, it concludes with a compelling offer that drives action. In this approach, the brand narrative is equally important as the call to action.

Use Cases

The attention–decision formula is especially effective for low-involvement categories, where customers do not spend much mental effort in their decision-making process. Top categories using these types of brand storytelling include beauty and personal care, as well as fashion and accessories.

Brandformance marketing, which integrates brand marketing and performance marketing, also favors this formula. Although this formula focuses on driving action, it also incorporates an embedded element of brand story.

Social media is a natural fit for this approach, particularly in the context of shoppable content. The rise of short-form, livestreaming, and integrated shopping features has accelerated the use of this attention-decision pattern. Platforms like TikTok, Instagram Reels, and YouTube Shorts capitalize on short attention spans and personalization to maintain audience immersion. Livestreaming adds a layer of real-time interaction. Integrated shopping enables users to make purchases directly within the content, completing the full-funnel journey without ever leaving the platform.

In such an environment, brands must engage shoppers' minds quickly. That is why the attention–decision formula is so effective. It compresses the entire customer journey into a single moment of focus and action.

This formula also applies to impulse purchases in physical retail environments. Just like digital platforms, the longer shoppers remain immersed in a store, the more likely they are to buy. Eye-catching packaging and contrasting visuals are designed to capture attention as customers stroll down the aisles, much like attention-grabbing content on social media feeds.

Retailers like IKEA guide customers through a predetermined path, encouraging them to explore products in a specific sequence. This layout turns the store into a narrative experience, where every section contributes to IKEA's overall brand story.

By contrast, retailers like Costco offer a more open, self-directed shopping experience. Customers roam freely, discovering products as they go, including a mix of brands and Costco's private label. For brands selling at Costco, storytelling must occur quickly as shoppers move swiftly through the aisles.

For retailers applying the attention–decision formula, the focus should be on packaging, product displays, and promotional materials that instantly capture attention and convey value. Frontline staff also play a crucial role by assisting customers, explaining products, and offering recommendations. Each small interaction serves as an opportunity to reinforce the brand's story.

Duolingo: Turning Attention into Habit

Duo, the green owl mascot of language learning app Duolingo, has become an internet sensation and the face of the brand's storytelling strategy. From crashing concerts and staging April Fool's pranks to making an unexpected appearance in the Super Bowl, Duo is everywhere. Duolingo leverages pop culture moments to capture attention in a crowded digital world. What makes this campaign stand out, however, is its conversion.

The campaign followed the attention–decision storytelling path. The stunts were salient: Duo-masked people appearing at a Charli XCX concert, a fake ice-skating musical starring Duo, and a five-second Super Bowl ad featuring Duo's backside synchronized with a push notification sent to millions of users.

But Duolingo's goal was not just creating buzz. These attention-grabbing moments funneled users toward action. TikTok became a powerful acquisition tool, contributing to significant increases in daily active users and revenue. Yet the biggest impact lies in habit formation. By keeping users engaged with playful content and sending timely in-app notifications, Duolingo enhances user retention in the highly competitive app landscape.

As the future of TikTok in the United States remains uncertain, Duolingo is exploring new platforms and long-form content. But its mantra remains clear: grab attention, drive action, and build daily learning habits.

Conflict–Resolution Path

The conflict–resolution path is designed for a deeper emotional journey, aiming to build lasting connections between brands and their audiences. This approach is particularly effective when the goal is to establish and maintain a consistent brand positioning over time. It works well in long-form formats, such as brand films or websites, where the brand has more space to develop emotional narratives.

Unlike the transactional nature of the attention–decision model, conflict–resolution appeals primarily to the social brain, which processes emotional resonance. Typical emotional storytelling often involves an element of conflict. Conflict adds the emotional stake to the story, making it more meaningful and captivating.

Conflict–Resolution Formula

This brand storytelling model mirrors the traditional structure found in cinematic storytelling, which involves setting the scene, revealing the conflict, and delivering the resolution (Figure 7.2). It typically uses the customer representation as the central character in the story. The brand is usually the figure that guides the customer through its character development in the story.

It begins by setting the scene, a crucial step for capturing the audience's attention and drawing them into the story. A familiar setting helps the audience feel immediately at home. To strengthen this engagement, the story must establish an emotional tone that mirrors how the character feels in that moment. At the heart of the scene is a relatable

FIGURE 7.2 Conflict–Resolution Formula.

character: someone the audience either identifies with or aspires to become.

The next step is to reveal the conflict, which sustains the audience's attention by introducing a meaningful tension. This conflict should stem from a genuine tension that audiences experience every day. The tensions are usually sourced and found through empathic observations when searching for customer insights.

The story should also convey a deeper emotional struggle that the audience can empathize with. As the story progresses, the stakes must rise, making the consequences of inaction clear. This narrative escalation keeps the audience emotionally invested.

The final step is to deliver the resolution, providing closure to the conflict that has been building. This involves presenting a solution to the conflict, ideally one that the brand helps make possible. The brand plays a guiding role in enabling customer character development, whether directly through its products and services or indirectly through the transformation it empowers. The story concludes with an emotional payoff, such as a happy ending or a hope, that leaves the audience feeling fulfilled.

Formula Variations

There are several well-known variations of the conflict–resolution model. Each offers a distinct level of detail and emphasis:

- **Setup–Confrontation–Resolution (The Three-Act Structure).** Also known as the three-act structure, this model is widely used in screenwriting. Inspired by Aristotle and popularized by screenwriting expert Syd Field, the narrative structure divides a story into three simple parts. It begins by introducing the main character and setting (setup), then presents a central conflict (confrontation), and concludes with an ending that restores balance (resolution). Its simplicity makes it ideal for brand stories that aim to create an emotional connection within a more concise format.
- **Exposition–Rising Action–Climax–Falling Action–Denouement (Freytag's Pyramid).** Introduced by German novelist Gustav Freytag, this narrative structure is arguably the most influential model for dramatic storytelling. It expands the story arc into five plot elements: exposition (setting the scene), rising action (building suspense), climax (reaching a turning point), falling action (easing tension), and denouement (providing closure). This elaborate structure is particularly useful for longer formats.
- **StoryBrand7 (SB7).** Developed by Donald Miller, the framework uses narrative flow that positions the customer at the center of the story. It follows seven sequential steps: (1) a character, (2) has a problem, (3) and meets a guide, (4) who gives them a plan, (5) and calls them to

action, (6) helping them avoid failure, and (7) ending in success. In this framework, the customer is the hero, and the brand serves as the guide. The framework also emphasizes the customer's character development as a key narrative element.

Use Cases

The conflict–resolution formula is especially effective when brands need to move beyond short-term performance. Unlike the attention–decision formula focused on immediate conversion, this approach enables brands to tell deeper stories that resonate with their audiences. Brands use the conflict–resolution formula to simplify the communication of their offerings, differentiate themselves emotionally from competitors, and establish a more strategic brand positioning.

The storytelling formula is particularly useful when explaining a complex product or service offering that is difficult to communicate. In industries such as technology, health care, finance, or business-to-business (B2B) solutions, brands often rely on fact sheets, technical specifications, or jargon-heavy messaging that can overwhelm audiences, especially those unfamiliar with the category.

Conflict–resolution storytelling solves this issue. The brand can present a relatable character facing a conflict, mirroring the real-life challenges that potential customers encounter. The product or service is then introduced as part of the resolution, helping the character overcome that challenge, making the communication easier to digest.

The formula is also powerful in commoditized industries, where products are largely similar. In many consumer-packaged goods categories, for example, brands are often perceived as interchangeable, making it difficult to differentiate them based solely on tangible features.

In these cases, brands use storytelling to ladder up from functional attributes to emotional benefits, demonstrating a deeper understanding of their customers. They stand out by sharing stories of customer transformation through the use of their products. Beauty and personal care brands, for instance, often frame their narratives on boosted confidence and improved mental well-being, elevating their relevance beyond product performance.

The conflict–resolution formula is also often used when a brand needs to communicate beyond tangible products and services to express the intangible values it represents. When companies align themselves with societal problems—such as climate change or mental health—they typically use this storytelling formula to portray the brand as part of the solution. These narratives humanize the brand beyond its commercial aspects.

In these use cases, brands opt for long-form formats that offer more space for in-depth storytelling. Company profiles, documentaries, origin stories, and YouTube content are all common formats. These stories often contain elements of entertainment or emotional depth, which makes them more likely to be shared organically. As a result, they also amplify the brand through word of mouth.

AXA's Three Words: Resolving Domestic Conflict

In 2025, the French insurance company AXA added just three words, "and domestic violence," to its home insurance policies. Previously, emergency relocation was available only to victims of fires and floods. With those three words, AXA extended the same protection to women fleeing abusive homes.

This campaign is part of a larger brand storytelling platform: "Being a woman shouldn't be a risk," which AXA has been leveraging to engage women. The campaign followed a clear conflict–resolution storytelling arc. The conflict was real and massive. The campaign quoted *Time*, which described the home as the most dangerous place for women. Between 2016 and 2023, reports of domestic violence to French police doubled. Meanwhile, 77 percent of calls to the national domestic violence hotline mentioned the urgent need for relocation. Yet financial constraints often prevented women from finding shelter.

The rewritten policy took effect immediately for 2.5 million households in France, with retroactive application. The policy change was then socialized through national TV, billboards, and social media, raising awareness of this growing issue.

This case demonstrates how the conflict–resolution model is most effective when brands address not only real tensions but also provide meaningful resolution. The brand did not just call for change. AXA embedded the response directly into its insurance business.

Pain–Gain Path

The pain–gain path primarily targets the brain's reward system, which is responsible for evaluating value. It mirrors the way customers assess a brand's offering by presenting a simple yet powerful contrast: the discomfort of a current pain, the appeal of a possible gain, and a clear path to bridge the gap.

Among the three storytelling formulas, it is arguably the one that drives more reasoning, as it encourages customers to compare outcomes and make value-based judgments. This makes it the storytelling approach most closely aligned with how value propositions are evaluated.

Pain–Gain Formula

This brand storytelling model mirrors a motivational structure often found in persuasive messaging, which involves highlighting a pain point, presenting a possible gain, and offering a clear path to achieve it (Figure 7.3). It centers on the contrast between the current state and a better alternative. The brand positions itself as the solution that makes the gain attainable.

The formula begins by highlighting the pain, a critical first step that brings the customer's current struggle into focus. Pain often stems from limitations that prevent customers from reaching better outcomes. As these obstacles persist, they lead to growing frustration. The customer begins to feel stuck, as if they are putting in more effort but seeing diminishing returns. The story then taps into a deeper layer of fear: the fear of falling behind or missing out on opportunities.

The next step is to envision the gain, offering a compelling contrast to the current pain. The first shift the audience

FIGURE 7.3 Pain–Gain Formula.

anticipates is relief—the immediate emotional release that comes when the limitation is lifted. It can then promise an aspiration: a better version of life or self. Finally, the gain must be grounded in a clear outcome—something the audience can visualize. The outcome could be a successful result or a solved problem that becomes the foundation for the brand promise.

The final step is to present the solution, positioning the brand as the bridge between pain and gain. The first move is to make a promise that the brand offers. Next comes the pathway: the product, service, or experience that shows how the promise is delivered. Ultimately, the solution is supported by evidence that the brand can deliver on its promise. This could take the form of testimonials, guarantees, or demonstrations. The brand acts more like an advisor, someone who diagnoses the pain, clarifies the opportunity, and recommends a credible path forward.

Formula Variations

Several well-known storytelling mnemonics follow the pain–gain formula, each using contrast to highlight the brand's role in bridging the gap:

- **Before–After–Bridge (BAB).** This variation presents a clear contrast between the customer's current state (before) and a better future state (after), then introduces the brand as the bridge between the two. BAB is effective because it enables the audience to visualize immediate value without requiring a deep emotional narrative.
- **Problem–Agitate–Solution (PAS).** PAS is a widely used formula that heightens motivational tension by leveraging the discomfort of an unresolved problem. It begins by identifying the problem, then amplifies its

emotional or practical consequences (agitate), before introducing the brand as the solution. By intensifying the pain, PAS increases the urgency to act. This variation is especially effective because it taps into the loss aversion bias: the tendency for people to avoid losses more strongly than they seek equivalent gains.

- **Problem–Advantage–Proof–Action (PAPA).** PAPA adds more logical layers to the pain–gain structure. It begins with the problem, then introduces the advantage offered by the brand, supports that claim with proof, and ends with a clear call to action. This variation is commonly used in B2B, financial services, and technology marketing, where buyers often require both emotional motivation and rational validation before making decisions. The inclusion of proof makes PAPA especially useful in trust-sensitive industries.

Use Cases

The pain–gain formula is especially effective in situations where the decision requires more consideration, often referred to as high-involvement decisions. These are moments when the stakes are higher, the cost of inaction is growing, but the customer remains hesitant. The formula works by creating a convincing contrast: it highlights the discomfort of the current state and presents a compelling alternative, guiding the customer toward commitment.

Unlike the attention–decision formula, which is designed for quick decisions, the pain–gain formula supports a longer cognitive journey. It is well suited for categories where the consequences of making a poor decision are higher, such as health care, education, financial services, and B2B solutions. When deciding for these categories, customers are more cautious, leading to a longer customer journey. In these contexts, the pain–gain formula helps portray the urgency of change and frame the benefits of action.

Unlike emotionally led storytelling, this formula favors a more rational, structured tone. The dominant mode of persuasion is logical: showcasing clear consequences, tangible outcomes, and credible evidence. This tone resonates well with audiences who need to justify their decisions to others.

This formula works best in formats that naturally emphasize contrast and value transformation. These include B2B sales decks, customer case studies, and testimonials, where the narrative often follows a familiar storyline: a challenge faced, a goal envisioned, and how the brand delivered the solution. These stories closely mirror the customer's hesitation and help them visualize the payoff of moving forward.

Vaseline Verified: Clearing Up the Pain

The Vaseline Verified brand storytelling is a strong example of the pain–gain formula. It begins by acknowledging the increasing number of viral beauty hacks involving Vaseline that are circulating on social media. These user-generated workarounds reflect a hidden pain: people are unsure how to treat their skin and uncertain which advice to trust.

In this case, pain has a dual meaning. First, it refers to literal skin issues that consumers are trying to solve. Second, it represents the confusion people feel when bombarded with conflicting tips.

Vaseline acknowledged this pain. The brand collected thousands of hacks and tested them in its labs. Hacks that worked earned a "Vaseline Verified" badge. By doing this, the brand transformed uncertain workarounds into dermatology-approved advice.

The gain was both emotional and practical. The confusion was cleared up. And customers could use Vaseline not just for dry skin, but for a variety of other use cases. By resolving the pain with credibility, the campaign expanded Vaseline's frame of reference. It turned a simple product into a verified lifestyle essential.

Summary

Brand storytelling is one of the most powerful tools in mind-centric marketing. In an age of content saturation, it enables brands to cut through the noise by engaging the human brain through narrative. This chapter introduces three distinct storytelling formulas—attention–decision, conflict–resolution, and pain–gain—each designed to activate a different cognitive system: attention, social, and reward. These formulas help marketers align their stories with how the brain processes information and makes decisions.

The attention–decision path is best suited for low-involvement decisions made in micro moments. It primarily targets the attention and reward systems by capturing focus with salience, creating instant relevance, and prompting rapid action. This formula thrives in environments such as social media and retail, where the customer journey must be compressed within seconds.

The conflict–resolution path supports longer cognitive journeys and builds emotional resonance over time. By tapping primarily into the social brain, brands can position themselves as guides in stories of transformation. Drawing from classic cinematic structures, this approach frames the customer as the central character overcoming conflict. It is especially effective in complex industries, commoditized categories, and purpose-driven branding, where emotional storytelling creates alternative differentiation.

The pain–gain path appeals to the reward system by helping customers mentally contrast their current pain with a potential gain. Often used in high-involvement decisions, this formula provides stronger reasoning for decisions. Brands present themselves as advisors who understand the problem, offer a better future, and demonstrate credibility.

This formula is frequently used in B2B and trust-sensitive categories.

Together, these storytelling models provide marketers with a toolkit for crafting resonant narratives. Whether the goal is to trigger action, build emotional connection, or clarify value, brand storytelling is often the first stimulus for engaging the human mind.

REFLECTION QUESTIONS

- Does your short-form content capture attention and drive the audience toward action?
- Are your long-form brand stories built on real conflicts your audience experiences?
- Have you clearly articulated the gain your brand delivers and the pain it helps eliminate?

CHAPTER 8

Value Proposition

Tapping into Human Biases to Guide Mental Trade-Offs

From its humble beginnings as a Japanese brand inspired by American casual wear, such as Gap, Uniqlo has grown into one of the world's most valuable fashion brands. Its LifeWear brand story promises to create the world's most advanced clothing to improve everyone's life. But Uniqlo's true competitive edge lies in its value proposition—the unique promise of value that defines what the brand offers.

Unlike fast-fashion rivals such as Zara and H&M, which chase the latest trends, or ultra-low-priced competitors like Shein, which compete purely on cost, Uniqlo positions itself differently. It offers timeless essentials: minimalist, well-designed pieces made with high-quality materials to ensure durability. Each item serves as a versatile base that easily pairs with clothing from other labels. This makes Uniqlo the epitome of "value for money" fashion.

What truly sets Uniqlo apart is its focus on fabric technology. In partnership with Toray Industries, it developed innovations such as HEATTECH, AIRism, Ultra Light Down, and PUFFTECH to enhance quality perception.

While Zara races to bring new trending designs to shelves within two weeks, Uniqlo takes the opposite approach. Guided by Japan's Kaizen philosophy of continuous improvement, it refines its products over time based on customer insights, from better-fitting Bra Tops to more comfortable UV Protection Hoodies.

Uniqlo's success demonstrates that the value proposition is never solely about product or price. In reality, it functions as a mental comparison. It is about how customers constantly weigh options in their minds.

When customers evaluate Uniqlo, several comparisons unfold almost instantly. They compare Uniqlo's prices to those of other fast-fashion brands, such as Zara or H&M,

noticing that while it might be comparable, it promises better quality and durability. They also weigh its minimalist designs against trendier options, deciding whether timeless versatility is a smarter choice than seasonal style.

Additionally, they compare its utilities—innovative fabrics like HEATTECH or AIRism—to those of competitors, perceiving it as offering advanced clothing. All these quick, often unconscious, mental calculations shape the perceived value that drives their choice.

The Value Equation

The value equation captures how customers evaluate any offer, whether consciously or subconsciously. At its core, value is calculated as what customers get divided by what they give (Figure 8.1). This equation can serve as a practical framework for developing a value proposition, guiding brands to clearly articulate the key benefits they deliver relative to the costs customers must incur.

The Get Side

The get side refers to the overall benefits customers receive from a product or service. These include functional benefits such as utility, performance, and durability. For example,

$$\textbf{VALUE} = \frac{\text{Total Get}}{\text{Total Give}} = \frac{\text{Functional Benefits + Emotional Benefits}}{\text{Price + Other Costs}}$$

FIGURE 8.1 The Value Equation.

Dove highlights its core functional benefit: moisturizing. Across its product range, Dove emphasizes moisturizing properties to enhance the beauty and health of skin and hair.

A value proposition should not focus solely on functional benefits, because these can easily become commodities in a competitive market. While features may provide an initial point of difference, competitors can quickly replicate or surpass them. As a result, purely functional advantages often become hygiene factors—basic expectations that cannot sustain differentiation over time.

Beyond functional benefits, the get side also includes higher-order emotional benefits. These may involve feelings of joy, increased confidence, or a sense of belonging to a particular social group. These emotional dimensions add depth to the value proposition, making it far more difficult for competitors to imitate.

Dove, for instance, elevates its promise of moisturized, beautiful skin and hair into an emotional benefit of enhanced self-esteem. The brand seeks to redefine beauty itself, inspired by the insight that only 4 percent of women worldwide consider themselves beautiful due to unrealistic standards. Through its "Real Beauty" campaigns, which later evolved into the "Self-Esteem" project, Dove promotes authentic beauty to build self-confidence. By addressing both functional desires and emotional anxieties, Dove's value proposition resonates deeply with its target market.

The Give Side

While the get side focuses on benefits, the give side of the formula refers to what customers must expend to obtain those benefits. This primarily includes the price they pay. For example, to maximize the benefits from Dove, customers may feel compelled to purchase both the shampoo and conditioner, thereby increasing the total cost.

The give also encompasses other associated costs. Customers might also consider the inconvenience of switching to a new product. They might worry that the new product will not work as well, or will be harder to find in their preferred channels. These concerns highlight that give includes not just monetary costs but also the uncertainties associated with trying something new. When evaluating Dove, for example, many assess not only the price but also other potential costs, such as the risk of skin irritation when switching products.

The Mental Trade-Offs

The value equation involves three fundamental mental trade-offs that customers make when evaluating any offer (Figure 8.2). A mental trade-off means that to gain a benefit in one aspect, customers typically have to give up something in another.

First, there is the trade-off between your offer and their reference point. Customers never judge an offer in isolation. They compare what the new product or service provides against something already top of mind for them. Often, this reference point is what they currently use, which serves as the baseline for deciding whether switching brands is worthwhile.

The reference is often a direct competitor. For example, customers usually compare Apple with Samsung, as these two brands dominate global smartphone shipments.

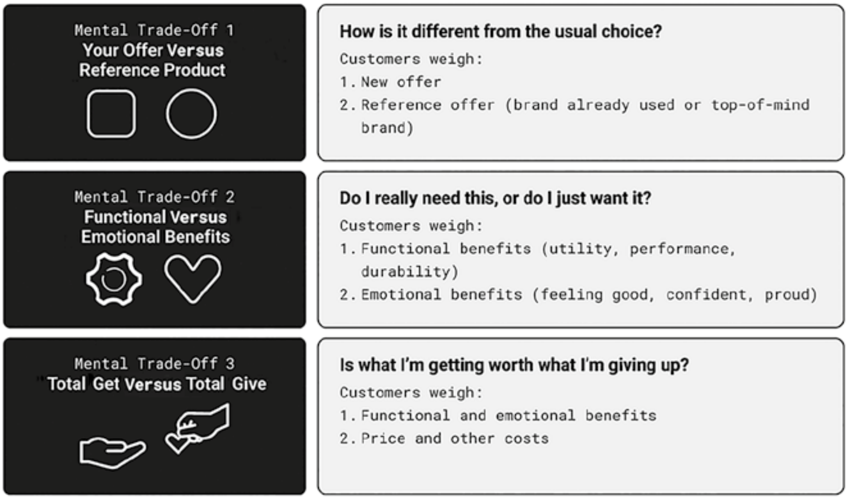

FIGURE 8.2 Three Mental Trade-Offs.

If the category is entirely new to them, the reference point is usually the leading brand that feels most visible and trustworthy in the market. For instance, many customers turn to Amazon for their first e-commerce purchase because it feels like the safest choice. When they later consider emerging low-price marketplaces such as Temu or Shein, they naturally compare them to Amazon as their benchmark.

Second, within the get side of the formula, customers often weigh functional benefits against emotional benefits. They must balance what they want with what they need, which does not always come from the same product. For example, a parent might be drawn to a Ford Mustang for its sleek design and exhilarating driving experience. However, they also realize that its limited rear space may not suit their family's practical needs. This choice between wants and needs is a classic trade-off in marketing.

Even for highly functional products, customers often seek emotional justification. For example, buyers of wireless earbuds may look for features like noise cancellation, but they might ultimately choose products such as Apple AirPods simply because they also look stylish. The reverse is also true. Customers often explain indulgent purchases with rational justifications. They might buy a new smart TV that they do not really need, but convince themselves it was worth it because of a great Black Friday deal.

While customers often perceive themselves as rational decision-makers, research indicates that emotions play a significant role in their purchasing decisions. In most categories, emotional factors outweigh purely rational considerations, although the degree of influence varies.

For example, in luxury or design-driven categories like fashion and jewelry, emotions tend to dominate strongly. In more functional categories, such as health care and financial services, decisions are usually more balanced, combining rational evaluation with the need for emotional reassurance.

Finally, there is the ultimate trade-off between total get and total give. Customers ask themselves whether what they gain is worth what they must give up. Since the formula is a ratio between total benefits and total costs, customers perceive greater value when what they get feels meaningfully larger than what they give up.

A small benefit at a low cost can feel like high value because the benefit-to-cost ratio is large. That is why, for low-priced products, it is easier to communicate value for money. Consider Walmart's Great Value spaghetti, typically priced at about $1 for a 16-oz box. Because the cost is so low, customers are likely to perceive the purchase as offering great value, reinforcing the brand name itself.

By contrast, a large benefit with a disproportionately large cost may feel like low value because the gain does not sufficiently outweigh the sacrifice. For example, someone considering a gym membership might weigh the facilities and classes against the monthly fees and long commute required. If the overall benefits do not feel worth the total cost and effort, they will decide against becoming a member.

Overall, customers make three quick trade-offs: comparing the new offer to their reference point, weighing functional benefits against emotional ones, and judging whether what they get is worth what they give up. They rarely spend much time on these evaluations. Instead, their minds instantly approximate value, guided by heuristics that shape how they interpret products and services.

Guiding Trade-Off Heuristics

Heuristics are mental shortcuts that help people make decisions quickly without overloading their cognitive capacity. However, because heuristics prioritize efficiency, they are also considered cognitive biases, as they can lead to errors in logical reasoning.

When evaluating value propositions, heuristics simplify meticulous comparisons into straightforward judgments. In making mental trade-offs, customers reduce complex choices by focusing on simpler, more salient product or service attributes.

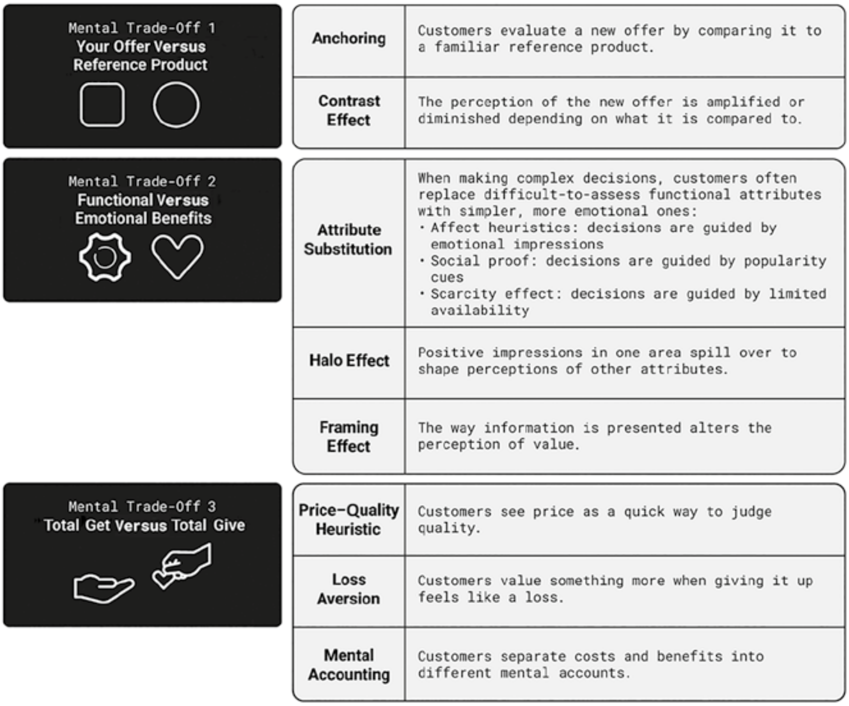

FIGURE 8.3 Heuristics at Play in Each Mental Trade-Off.

Therefore, a value proposition does not need to be overly detailed or sophisticated. Excessive detail can hinder customers from applying their heuristics effectively. Instead, marketers should focus on providing simple cues that activate these heuristics, making it easier for customers to assess the offering. Let us explore the heuristics behind each mental trade-off (summarized in Figure 8.3) and how marketers can leverage them to craft compelling value propositions.

Your Offer Versus Reference Product

The most fundamental heuristic in this mental trade-off is anchoring. This is the cognitive bias where customers evaluate a new offer by comparing it to a familiar reference product. This reference product sets their expectations, and the new offer is evaluated relative to that anchor.

Closely related to anchoring is the contrast effect, where the perception of the new offer is amplified or diminished depending on what it is compared to. If the anchor product is positioned as premium, the new offer may seem more affordable by contrast. Conversely, if the anchor is seen as low-end, the same new offer may appear more premium or sophisticated. In essence, contrast effect shapes the perceived value difference between options, making the framing critical in value proposition design.

Every brand owner needs to identify their anchor brand and understand which specific attributes make it stand out as top of mind. This helps marketers communicate differentiation through the lens of those attributes. For example, Nintendo recognizes that its anchor brands are Sony PlayStation and Microsoft Xbox, which customers associate with high-performance, graphics-intensive gaming.

Using this anchor, Nintendo applied the contrast heuristic by deliberately launching the Switch in 2017 as a unique hybrid device that works both as a portable handheld and a home console. This sharp contrast shifted the focus from gaming power to versatility, offering a different kind of value that competitors did not provide. Moreover, Nintendo emphasized family-friendly and innovative gameplay experiences, such as Super Mario and Animal Crossing, which further contrast the value proposition.

The challenge is different when Nintendo launches the Switch 2 in 2025. Now the anchor is no longer competing consoles, such as PlayStation or Xbox, but the original first-generation Switch itself. The original Switch, priced at $299.99, set the benchmark for what consumers expect a Nintendo hybrid console to cost. With the Switch 2 priced significantly higher at $449.99, customers need a strong justification for this price hike.

Nintendo needed to show clear upgrades to justify the higher price of the Switch 2. For current Switch users, it offers backward compatibility, enabling them to continue playing their existing games on the new, more powerful device. The Switch 2 also comes with new controllers that have mouse-like functions for more varied gameplay. Additionally, it introduces Game Chat, enabling players to talk to each other in real time. It also expands the game lineup by including more third-party titles, making it more appealing to a broader audience.

As a result, when compared to the first-generation Switch, which now serves as the anchor, the Switch 2's value proposition framing shifts. Its new features and expanded game library position it closer to its previous anchors, PlayStation and Xbox.

Another approach is to choose the anchor for the customers and frame the new value proposition accordingly. For example, Apple often anchors its latest iPhone models to their previous versions to emphasize significant upgrades.

The iPhone 16, for instance, is positioned as the first iPhone built for Apple Intelligence, showcasing capabilities that older models simply cannot support. Its value proposition highlights the new A18 processor, portrayed as a "jump two generations ahead" of the A16 Bionic chip in the iPhone 15, signaling a substantial performance leap. By framing the upgrade in this way, Apple makes it feel not just incremental but a milestone advancement.

This dynamic of anchoring and contrast can also be used from an emotional benefit perspective. It is evident in Apple's recent iPad Pro "Crush" ad in 2024. In this commercial, Apple attempted to position the new iPad Pro as the ultimate creative tool by showing a hydraulic press crushing creative tools, revealing the iPad as their replacement. The intention was to anchor the iPad against these familiar instruments and create a contrast that amplified its value as an all-in-one device.

However, the ad backfired because the contrast it created was interpreted negatively. The ad was perceived as symbolizing the destruction of creativity, prompting Apple to apologize and pull the ad. Seizing the moment, Samsung responded with its "UnCrush" ad.

In the ad, a musician walks through the debris left behind by Apple's crushing press, picks up a broken guitar, and plays it while reading sheet music on a Galaxy Tab S9. The message, "Creativity cannot be crushed," positioned Samsung's tablet as a tool that enhances human creativity. By anchoring directly to Apple's controversial ad and contrasting its brand as one that supports creators, Samsung effectively reframed the value proposition.

These examples demonstrate how anchoring and the contrast effect can effectively help marketers guide customers in comparing their offer to others and in perceiving the difference.

Functional Versus Emotional Benefits

In the trade-off between functional and emotional benefits, one of the most important cognitive biases at play is attribute substitution. When faced with complex evaluations, people often replace difficult-to-assess functional attributes with simpler, more emotional ones. This leads to various heuristic shortcuts within attribute substitution:

- **Affect.** Here, decisions are guided by emotional impressions. People often make judgments based on their feelings about a brand, rather than critically evaluating its specifications. For instance, a console like the Nintendo Switch 2 evokes feelings of nostalgia through its colorful and familiar characters. These positive emotions often influence purchase decisions far more than their features.
- **Social proof.** Here, people use popularity cues to judge the value of a product or service. When consumers see that a product has millions of users and strong reviews, they perceive it as more trustworthy. In the case of the Nintendo Switch 2, its status as one of the best-selling consoles created strong social proof. Buyers interpreted its widespread adoption as evidence of its quality.
- **The scarcity effect.** Here, limited availability makes an option seem more desirable. When consumers hear that a product is often out of stock, their fear of missing out increases. Nintendo's Switch 2 leveraged this heuristic effectively. Major retailers such as Walmart and GameStop reportedly sold out of stock shortly after launch, which further drives the desire to purchase the product.
- **The halo effect.** Another powerful heuristic at play is the halo effect, where positive impressions in one area spill over to shape perceptions of other attributes. This means that when people perceive something as good in one aspect, they tend to assume the same in other aspects, even without direct evidence.

Apple's reputation for user-centric design extends to how customers perceive every new product release. Buyers automatically attribute these positive qualities to each newly launched iPhone model, even before they have had the opportunity to experience it in-store. The halo effect lets Apple rely on its strong reputation instead of rebuilding its value proposition with each product launch. It is so powerful that Apple can even sell a simple polishing cloth for $19, showing how far this positive perception reaches.

- **The framing effect.** Finally, there is the framing effect, where the way information is presented alters the perception of value. This means that the same product feature can be seen as more or less attractive depending on how it is described. Framing influences which dimensions feel most important, guiding attention toward certain attributes while downplaying others.

Apple uses the framing effect masterfully when presenting the iPhone camera. Instead of listing technical details, it uses evocative language to shape perception. For example, phrases like "Take your photos further. And closer." illustrate the benefits of zoom and macro photography in an emotional way. To describe its spatial capture feature, it says, "Bring a whole new dimension to your photos and videos." Apple focuses on the user experience rather than technical specifications, which may not necessarily be superior to those of other products on the market.

Total Get Versus Total Give

When estimating benefits and costs, people use the price–quality heuristic. They see price as a quick way to judge quality, especially when they are unsure about a product's true performance.

The Nintendo Switch 2 launched at $449.99, making it Nintendo's most expensive console so far. It costs $150 more than the original Switch, which signals to customers that it comes with major improvements. Its price is also close to the PlayStation 5. This is important because PlayStation 5 is the current market leader. By pricing the Switch 2 at a similar level and equipping it with comparable features, Nintendo shows its ambition to compete directly in the same league.

There is also loss aversion. People value something more when giving it up feels like a loss. This connects closely to the endowment effect, which happens when people place a higher value on something simply because they own it. Just imagining owning a product makes people feel loss aversion if they were to lose it.

For many Android users, the thought of switching to an iPhone feels like giving up familiar settings. The perceived loss often outweighs the benefits of gaining a new phone. Apple understands this deeply. It designs its communication to alleviate this loss aversion.

For example, it highlights how easy it is to transfer data with the "Move to iOS" app. This reassures users that they will not lose their photos and contacts. Apple also emphasizes features that Android users value. For example, it shows that iPhones now allow greater customization. Additionally, it highlights USB-C charging. This aligns with what many Android users are already familiar with. It further reduces the feeling of loss when switching.

Another bias is mental accounting. People separate costs and benefits into different mental "accounts." Instead of treating all money as equal, they assign it to categories based on its source or purpose.

For example, when buying a new iPhone, many treat trade-in credits as free money. This reduces the perceived cost of the new phone. Others justify the purchase by using year-end bonuses or gift money. They feel more comfortable spending these compared to their regular salary.

Many also see monthly instalment payments as a separate small expense. They do not consider the total phone price as a single cost. These mental accounts change how people see value and justify decisions. They make choices feel right emotionally.

In consumer decisions, heuristics simplify complex trade-offs into quick judgments. Anchoring and contrast shape how people compare offers to reference products. The affect heuristic, social proof, scarcity, the halo effect, and the framing effect guide how they weigh functional versus emotional benefits. Finally, biases like price–quality assumptions, loss aversion, and mental accounting influence how they assess whether what they gain is worth what they give up.

While these heuristics shape everyday consumer decisions, value proposition evaluations in business-to-business (B2B) contexts operate under a different dynamic. Unlike individual buyers, B2B customers follow more structured decision-making processes. But they are not entirely free from cognitive shortcuts.

The B2B Difference

The value equation is applied even more rigorously in B2B decision-making. Several characteristics set the B2B context apart. B2B purchases often involve large and long-term investments and carry operational risks. Therefore, B2B buying journeys are longer. It involves multiple stages, such as defining the requirement, searching for suppliers, validating the offering, procuring the product or service, and evaluating the suppliers.

Therefore, B2B purchases involve multiple stakeholders, collectively known as the decision-making unit (DMU). Within this unit, the actual decision-maker—the person who authorizes the purchase—is influenced by others with distinct roles:

- Gatekeepers control access to information and select the shortlist of suppliers.
- Users are those who will ultimately use the product or service.
- Influencers provide recommendations based on their expertise.
- Buyers handle the transactional process and payment.

Each role focuses on a different area. Users, for example, will focus on the get side of the equation while the buyers focus on the give side. This multilayered evaluation makes B2B decisions far more thorough than most consumer purchases. As a result, B2B marketers must apply the value equation in a more comprehensive way to develop compelling value propositions.

However, hidden heuristics still shape B2B value perceptions. Buyers often rely on heuristics such as brand reputation, trusting market leaders, or widely adopted solutions as safer choices. For example, claims like "Trusted by Fortune

500 companies" or "Number 1 in market share" serve as powerful credibility shortcuts.

There is also a bias toward suppliers who have built strong personal relationships with the DMU over time, as familiarity fosters trust. Moreover, B2B customers tend to favor suppliers who demonstrate a deep understanding of their specific needs and can provide customized offerings. This preference for tailored solutions is a powerful heuristic that often influences final decisions.

Ultimately, while a strong value proposition sets the foundation, it is the selling approach that brings it to life for B2B customers. How sales teams demonstrate this value determines whether it resonates with decision-makers. This is an essential focus that we will explore in Chapter 9.

Summary

The value equation explains how customers evaluate any offering, whether they do so consciously or subconsciously. At its simplest, value is what customers get divided by what they give. The get side consists of all the benefits they receive, starting with functional ones like utility and performance. It also includes emotional benefits, which add deeper meaning to the offer and are harder for competitors to replicate.

However, the give side captures what customers must spend to gain those benefits. This is primarily the price paid, but also includes other costs incurred by the hassle of switching to a new product or service.

Embedded within this formula are three mental trade-offs. In consumer decisions, heuristics help simplify these trade-offs. First, customers compare your offer to a reference point, usually an existing product they already know, using anchoring and contrast to frame their evaluation.

Second, within the get side, they weigh functional benefits against emotional benefits, balancing what they need with what they want. Heuristics like affect, social proof, scarcity, the halo effect, and the framing effect shape how they prioritize these dimensions.

Finally, they weigh the total benefits against the total costs, deciding whether what they gain is worth what they sacrifice. Here, biases such as the price–quality heuristic, loss aversion, and mental accounting influence their judgment.

Because of these heuristics, value propositions do not need to be overly detailed. Too much information can actually overwhelm customers and prevent them from using these mental shortcuts effectively. Instead, marketers should provide simple cues that trigger heuristics, making it easier for customers to perceive the value offered.

While such heuristics dominate consumer choices, value proposition evaluations in B2B settings follow a different logic. B2B customers engage in more structured decision-making processes, although cognitive shortcuts still play a role.

REFLECTION QUESTIONS

- What is the anchor reference product your customers use to judge your offer?
- Are you effectively highlighting both functional and emotional benefits?
- How can you frame your offer to make the get–give trade-off feel more favorable?

CHAPTER 9

Selling Approach

Building Trust to Convert with Confidence

A man walks into a car dealership. He heads directly to the Toyota RAV4, the best-selling SUV in the United States.

Salesperson (ready with pitch):

"This model has a 2.5 L engine with up to 203 hp, combined fuel economy of 30 mpg, and Toyota Safety Sense 2.5+, with a starting MSRP about $30,600."

Customer (interrupting, phone in hand):

"I know that. It gets solid fuel economy, and the hybrid variant bumps it to 41 mpg city. I've read Reddit about it. Some people mentioned cabin noise on gravel roads at speeds above 70 mph. What I want to know is this: How does it feel on long highway drives with full cargo? And if I decide to finance through Toyota, can I trade it in next year without early-termination penalties?"

Modern-day car salespeople encounter conversations like this all the time. Customers now have better access to information. According to Google and Kantar, 9 out of 10 car buyers conduct extensive online research before visiting a dealership. In many cases, buyers know more details about the car than the salesperson. It is no longer enough for salespeople to rely on generic product knowledge or use standard pitches.

This shift extends far beyond the automotive industry. In almost every category, purchases are now preceded by online discovery. By the time customers engage with a salesperson, they have often already encountered the brand's story and value proposition.

In some cases, that information alone could have been enough for them to make a decision. With the convenience of digital channels, many purchases can now happen entirely online without any interaction with a company representative. But when prospects choose to meet with a salesperson, it is usually because they still have lingering anxieties about making the final choice. Salespeople no longer need to repeat what prospects already know. Instead, they need to address these concerns.

When customers feel anxious about making the wrong decision, what they seek is a human face to represent the brand. People generally trust other humans more than digital intermediaries. They want someone who will be accountable if things go wrong. This is the new role of selling: not to provide product knowledge, but to give customers the final confidence to say yes.

Different Selling Situations

Selling situations can come in different forms. There are situations where salespeople and their prospects do not meet face-to-face but communicate through various mediums, such as email, chat, phone calls, video calls, or even social media livestreams. These methods are efficient.

The most effective, however, is face-to-face selling. Only in these situations can the prospects evaluate the social cues comprehensively, not only from the choice of words but also from facial expressions, body language, and tone of voice.

There is also a distinction between business-to-consumer (B2C) and business-to-business (B2B) selling.

In B2C, salespeople sell directly to individual buyers. The sales cycle is usually short, with the entire process from lead to purchase happening within one or a few interactions. However, because purchases occur frequently, salespeople may encounter the same buyers again in future transactions.

By contrast, B2B selling involves selling to a team within a company. The sales cycle is typically much longer, especially for high-value purchases, often ranging from three months to a year. These purchases involve multiple stakeholders, collectively known as the decision-making unit (DMU), which was discussed in Chapter 8.

Within the DMU, different roles shape the final decision. Gatekeepers control access to information and shortlist suppliers. Users are those who will actually use the product or service. Influencers provide recommendations based on their expertise. Buyers handle negotiations and payment, while the final decision-maker gives approval.

During these complex B2B sales, salespeople meet leads multiple times, building relationships with various members of the DMU. These relationships play a crucial role in influencing the final purchase decision.

The Changing Role of Selling

Although selling takes many forms, at its core, it has always been about moving people closer to making a purchase. However, the approach to doing this has shifted significantly over time. In the past, there was an apparent information asymmetry: customers were less informed and relied on salespeople as their primary source of product information.

Today, that asymmetry has largely disappeared. Customers arrive well informed, having researched products, compared alternatives, and read reviews before ever speaking to a salesperson. As a result, the role of sales has evolved from merely providing information to guiding customers toward confident decisions.

In essence, selling has progressed through three distinct eras (Figure 9.1). Selling 1.0 was transactional, focusing purely on closing leads, often regardless of the means. Selling 2.0 introduced consultative selling, where interactions deepened to uncover customers' problems and offer tailored solutions. Now, we propose advancing to Selling 3.0, where salespeople truly put themselves in the customers' shoes, mirroring the customer discovery process, identifying the anxieties that arise, and working to alleviate them.

Selling 1.0 is outdated and largely abandoned by modern practitioners. By contrast, Selling 2.0 remains highly relevant and has become standard practice. Although these eras are presented as distinct, Selling 3.0 builds on Selling 2.0 rather than replacing it entirely.

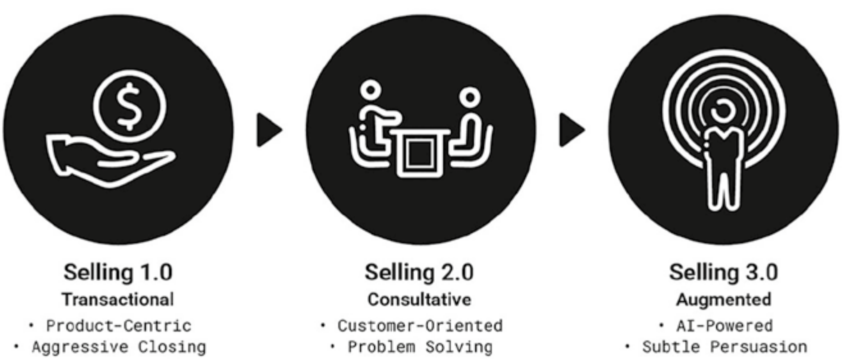

FIGURE 9.1 The Evolution of Selling Approach.

Selling 1.0: Transactional Selling

In the past, selling was transactional, mirroring the era of product-centric marketing. The focus was on selling products to a list of leads, regardless of their actual needs. Prospects often did not need the products and had no other means to validate the offers. Selling relied on high-pressure, aggressive, and often manipulative tactics. Salespeople positioned themselves as the experts who knew what was best for the prospect.

The approach typically involved making cold calls to prospects on a list of leads. Salespeople used scripted pitches to sell their products, driving the conversation themselves and telling customers how beneficial the products would be for them. These calls often relied on pressure tactics to handle objections and urge prospects to make a purchase.

Although outdated today, this approach was dramatic and influential, inspiring many popular culture portrayals. *Glengarry Glen Ross*, a 1984 play later adapted into a 1992 film, personifies this sales era. It depicts real estate salespeople calling on leads and using deceptive tactics to close deals, popularizing the term *ABC: always be closing*. A similar portrayal appears in *The Wolf of Wall Street*, a memoir and film depicting Jordan Belfort's aggressive sales tactics on Wall Street in the late 1980s.

Today, this approach is no longer effective because customers have become increasingly empowered. Cold call emails are often filtered as spam before they are even seen. Phone calls from unknown numbers are rejected. Prospects are also less willing to accept appointments from salespeople soliciting products they did not ask for. Instead of creating opportunities, these intrusive tactics now trigger automatic defenses before any real conversation can begin.

Even if salespeople find ways to circumvent this rejection, the annoyed prospects will often share their negative experience on social media. This will only damage the salesperson's reputation.

Selling 2.0: Consultative Selling

Today, selling has shifted its focus from pitching products to understanding customer needs. Consultative selling has become the standard practice, taught to new salespeople and embraced by experienced professionals alike. This approach prioritizes uncovering the customer's needs before offering a solution, mirroring the principles of customer-centric marketing.

The seminal book on consultative selling is *SPIN Selling* by Neil Rackham, published in the late 1980s. The SPIN acronym represents four types of questions that salespeople ask in a specific sequence to guide the conversation and reveal how their solution can address the customer's needs:

- **Situation questions.** These questions gather background information about the prospect's current situation. For example, "Who is your current cloud computing provider?"
- **Problem questions.** These questions identify specific problems or pain points the prospect is experiencing. For example, "Are you facing any challenges with your current system's scalability?"
- **Implication questions.** These questions explore the consequences of those problems, helping prospects recognize their true costs. For example, "How does that issue affect your ability to grow?"

- **Need–payoff questions.** These questions focus on the benefits of solving the problem, guiding prospects to articulate how a solution would positively affect their business. For example, "If you could achieve better scalability, what impact would that have on your business planning?"

SPIN selling is primarily a tactical questioning framework designed for individual sales conversations. To address more complex sales situations, Robert Miller and Stephen Heiman introduced the Miller–Heiman selling approach, which covers the entire sales process for large deals and account management. It provides documentation for managing sales opportunities and long-term client relationships. The approach consists of several components:

- **Blue sheet (strategic selling).** It is used to identify the stakeholders in the DMU and their roles within the buying organization. It also helps identify relationship status and develop winning strategies to advance opportunities. It is a living document updated throughout the sales cycle.
- **Green sheet (conceptual selling).** It focuses on planning and executing individual sales calls. It helps salespeople prepare for customer interactions, ensuring every meeting is customer-focused and moves the sales process forward.
- **Gold sheet (large account management process or LAMP).** It is designed for managing and growing relationships with large accounts over the long term. It provides a comprehensive account planning framework to build lasting partnerships.

Whereas SPIN selling offers a tactical approach to structuring sales conversations, the Miller–Heiman approach organizes all sales interactions into living documents accessible by sales teams to drive complex sales forward. Both are highly methodical approaches that guide salespeople in executing their work effectively.

Selling 3.0: Augmented Selling

Selling 3.0 augments Selling 2.0 with artificial intelligence (AI). AI is increasingly replacing traditional search engines by collecting and summarizing information about companies, enabling salespeople to prepare comprehensive dossiers on prospective customers. They can easily access living documents of previous interactions, as well as publicly available data when no prior relationship exists. AI also enables them to create detailed account plans that outline the best approach for each prospect. AI can predict customer needs, draft personalized sales pitches, and automate lead management.

Once time-consuming tasks can now be streamlined, freeing sales teams to focus on the actual sales meeting itself. Moreover, AI can support salespeople by facilitating role-playing simulations, enabling them to rehearse conversations, refine their messaging, and build confidence before engaging with prospects. Many customer relationship management software providers, such as Salesforce and HubSpot, have integrated AI capabilities into their platforms.

Selling 3.0 also uses a more subtle mind-centric approach. Robert Cialdini's book *Influence* established the foundation for a more persuasive approach to selling. For example, it introduced the principle of social proof, where demonstrating that similar clients have chosen your product builds credibility and reassures prospects of their decision.

His more recent work, *Pre-suasion*, highlights that much of the influence happens before the actual conversation even begins. By shaping what prospects pay attention to beforehand, salespeople can make their audience more receptive to their message during the meeting. For example, sharing a thought-provoking industry insight before a sales call can prime prospects to view the salesperson as an expert and trust their recommendations.

Many other works advocate a similar approach. Daniel Pink, for example, called it *moving* people, convincing them to take action. This approach focuses not on pushing products but on understanding what motivates people and using that insight to inspire them to make decisions.

In his book *To Sell Is Human*, Pink introduces the new ABC for modern selling: attunement, buoyancy, and clarity. Attunement is about understanding the prospect's perspectives. Buoyancy is the ability to remain resilient in the face of rejection. Clarity is the skill to help others identify problems they did not realize they had.

Richard Thaler and Cass Sunstein called it *nudge*. This concept aligns with the idea of subtle influence rather than forceful push. A nudge changes the way choices are presented to guide people toward better decisions. For example, in a sales context, highlighting the most popular choice can steer customers' decisions in a particular direction while still leaving them with the final say.

Selling 3.0 combines the consultative mindset of Selling 2.0 with the power of AI-driven preparation and the subtlety of behavioral influence. Salespeople are no longer just information providers or solution advisors. They become strategic partners who use technology to deeply understand their prospects and cognitive insight to guide them confidently toward decisions that benefit both parties.

Laying the Groundwork

Customer expectations are indeed higher today. With data widely available, customers expect sales teams to come to every meeting well prepared. Just as customers research potential suppliers online, they expect salespeople to research their prospects before engaging. They want sales professionals to have done their homework and to understand their specific business challenges.

Sales professionals can mirror the buying process customers go through (Figure 9.2). By empathizing with what

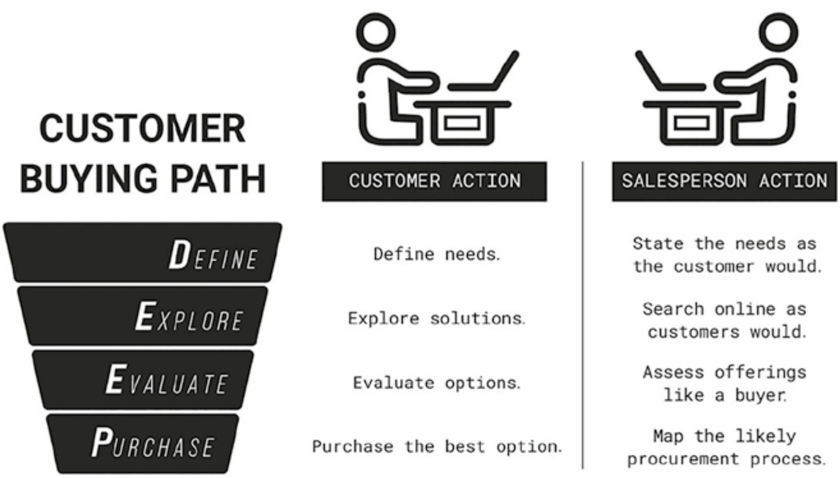

FIGURE 9.2 Mirroring the Customer Buying Path.

customers go through, they can identify common anxieties that hold customers back from making immediate purchases. This enables salespeople to anticipate specific questions or concerns that may arise during their conversations.

Understand the DEEP Journey

DEEP is a practical mnemonic that describes the customer's buying journey to help salespeople prepare effectively before a meeting. It stands for define, explore, evaluate, and purchase. This generic framework applies to both B2B and B2C situations.

In B2B buying situations, customers begin by defining their need. They identify an issue affecting company performance, such as rising operational costs or outdated systems. They formalize this need internally to initiate a procurement process.

Next, they explore available solutions by researching potential suppliers online, reading white papers, and attending webinars. They also gather input from key stakeholders to build an initial list of options. They then request proposals from shortlisted suppliers to gain detailed insights into each offering. The initial contact with salespeople usually happens here.

During the evaluation stage, they conduct technical assessments and check references. They also consider other factors such as pricing, compliance, and post-sale support. Multiple internal meetings typically take place to align on the best fit. Customers might also invite potential suppliers to explain their proposals in detail.

Finally, they secure purchase approvals from decision-makers. They still need to navigate procurement processes, including negotiating terms and contracts. They also plan the implementation to ensure seamless integration of the chosen solution. Here, interactions with the selected supplier intensify.

In B2C buying situations, customers also begin by defining their need, but on a personal level. An individual realizes they need something in their daily life, such as replacing a broken appliance or buying clothing for an upcoming event. They mentally define what they want to search for. Next, they explore available solutions by searching online, browsing e-commerce platforms, visiting physical stores, or asking friends and family for recommendations. Similarly, the initial contact with salespeople is likely to happen here.

Customers then evaluate and compare their options, weighing factors like price, quality, and brand reputation. They may read detailed reviews or watch comparison videos to feel confident in their choice. Finally, they make a purchase decision by completing the transaction online or in-store. When buying in-store, interaction with a company representative might happen again.

Mirror the DEEP Journey

To effectively prepare before meeting a customer, salespeople should mirror the DEEP journey that customers themselves go through. In the define stage, while customers are realizing and defining their problem internally, salespeople should take time to write the customer's problem statement in the customer's own words. This can be done by researching their website, annual reports, recent news, or LinkedIn updates. They may also look at online reviews to identify what customers liked or complained about in the past, offering valuable clues to tailor their message. The purpose is to empathize with their goals and challenges before even stepping into the meeting. This ensures the conversation is grounded in what truly matters to them.

During the explore stage, as customers search online for possible solutions, salespeople should perform the same searches. This includes using the keywords customers might use on Google, browsing supplier directories, reviewing competitor websites, and looking at relevant social media content. By doing this, salespeople can see exactly what the customer sees. Salespeople can understand how competitors are positioning themselves and prepare a clear differentiation to highlight in the meeting.

In the evaluate stage, customers compare shortlisted options. To mirror this, salespeople should create a comparison table of their own solution versus competitors. This table should highlight strengths, acknowledge weaknesses, and note typical customer concerns. This preparation enables salespeople to anticipate evaluation criteria and prepare proof points that address hesitations confidently during the meeting.

Finally, in the purchase stage, while customers navigate internal approvals, salespeople should map the customer's procurement process. This includes identifying the likely DMU roles and recognizing approval bottlenecks. The purpose is to plan clear next-step guidance for the customer and remove any friction that could delay the purchase decision. This will enable a smoother path to closing.

Doing the Selling

After salespeople have mirrored the customer's buying journey using DEEP, the next step is to apply subtle persuasion to guide them toward a decision. The SELL technique provides an easy-to-remember approach to do just that: signal credibility, elevate the pitch, lessen doubt, and lead to action (Figure 9.3). Each step ensures you build trust and help customers move forward with confidence.

Signal Credibility

The first step in SELL is to signal credibility. Trust forms the foundation of any buying decision, and without it, even the strongest pitch is unlikely to succeed. Most

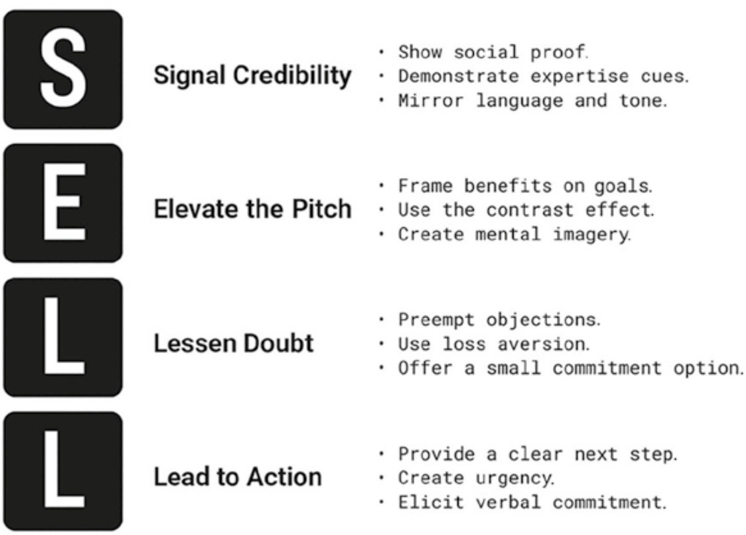

FIGURE 9.3 The SELL Technique.

customers enter sales conversations with a degree of skepticism, instinctively scanning for cues about whether the salesperson and the offer are credible. To make these judgments quickly, customers rely on heuristics, or mental shortcuts, that guide their perception of trustworthiness.

Social proof often emerges as one of the strongest signals of credibility. When past customer lists, testimonials, use statistics, or industry awards are shared, customers subconsciously infer that the offer is safe. Seeing that others have chosen the same solution tends to reduce their perception of risk.

Authority bias also plays a crucial role. People are naturally inclined to trust those they perceive as experts. References to relevant experience, certifications, or a company's proven track record can strengthen this perception. However, research indicates that warmth tends to precede competence when building credibility. Customers generally need to sense genuine intention before valuing expertise. When credibility is conveyed with humility and framed within an understanding of the customer's needs, trust grows more easily.

Mirroring further enhances credibility by activating an in-group trust bias. When a salesperson adopts a customer's language, tone, and pace, the customer's brain perceives similarity and alignment. For example, using a customer's own terminology when discussing their goals and challenges signals that their world is understood.

Overall, signaling credibility involves demonstrating that others trust the solution, that expertise is present, and that the customer's perspective is deeply understood. When credibility is established early, customers become far more receptive to the pitch that follows.

Elevate the Pitch

After establishing credibility, the next step is to elevate the pitch. This phase shifts the conversation from merely presenting features to creating a message that is deeply meaningful to the customer. Cognitive science shows that people are more motivated when benefits are framed in their own context. Simplicity remains crucial throughout this process. Information that is easy to process feels more credible and persuasive.

One way salespeople can elevate their pitch is by framing benefits using the customer's own language. When each feature is connected directly to a specific goal or pain point that customers may have, it makes customers pay more attention because the offer connects directly to their goals.

The contrast effect also plays an important role in making a pitch stand out. Customers tend to evaluate value through comparison. When the gap between their current situation and the improved outcomes offered is highlighted, the benefits appear far more substantial. For instance, instead of saying, "This new cloud service increases efficiency," illustrating how much cost is currently being lost compared to the improvements delivered by the new proposition creates a stronger perception of value.

Mental imagery further enhances pitch effectiveness. When customers imagine themselves using a solution in their daily life, their brain reacts almost as if they are really experiencing it. Asking reflective questions, such as how their daily workflow might look with the new offering, helps make the benefits feel tangible.

Overall, elevate the pitch involves creating a message that aligns with customer goals, contrasts clearly with current pain points, and paints a vivid picture of future gains. With a pitch that resonates at this deeper level, the conversation naturally progresses to the next step.

Lessen Doubt

The third step in SELL is to lessen doubt. Even when customers see value in an offer, hesitation often remains. This hesitation usually comes from hidden fears about making the wrong decision or facing unexpected problems later. Buying decisions are influenced as much by the desire to avoid loss as by the hope of gain.

Addressing common objections early can reduce these doubts. When concerns are raised before customers voice them, it eases their anxiety and builds confidence that their worries are understood. For example, when a salesperson explains how their solution integrates easily with existing systems before the customer even asks, it prevents that concern from growing into resistance.

The principle of loss aversion also plays a role in overcoming hesitation. People are often more motivated to avoid losing something than to gain something of equal value. Highlighting what a customer risks losing by delaying action—such as falling behind competitors—can make it feel more urgent to move forward.

Offering small, low-risk commitments is another way to lessen doubts. When customers are given the option of starting with a trial or a limited contract, the decision feels less risky. Agreeing to a small step first also makes people more likely to agree to a bigger decision later.

Overall, lessening doubts is about reducing the feeling of risk. When customers feel reassured that their concerns are understood, that they might lose out by waiting, and that they have a safe way to start, they become far more ready to make a decision. This creates a natural pathway to the final step.

Lead to Action

The final step in SELL is to lead to action. Even when customers trust the salesperson, see the value of the offer, and feel their doubts have been addressed, many still hesitate at the moment of decision. This hesitation often comes from uncertainty about what to do next.

Providing a clear next step helps remove this barrier. When customers know exactly what action is expected, whether it is signing an agreement or arranging internal approvals, their mental load is eased. Customers are more likely to act when instructions are straightforward.

Creating a sense of urgency can also motivate action. It helps customers see why moving forward now benefits them. When time-sensitive opportunities are explained clearly, customers feel a natural push to act before missing out.

Eliciting a verbal commitment is another effective way to lead customers to action. When customers are asked questions such as whether a solution aligns with their goals or if they see it fitting into their current plans, they begin to articulate their reasons for moving forward. This activates the consistency principle, where people feel driven to act in line with what they have already said.

Overall, leading to action is about guiding customers confidently across the finish line. By providing clear steps, highlighting why action matters now, and encouraging verbal commitment, sales conversations can conclude with decisions based on confidence.

Summary

Today, in nearly every industry, customers conduct online research before making a purchase. By the time they speak with a salesperson, they often already know the brand's story and value proposition. In some cases, this information alone would be enough to make a decision. However, when customers choose to meet with a salesperson, it is usually because they still feel uncertain about making the final choice.

The way salespeople address these lingering anxieties defines the modern approach to selling. In the past, Selling 1.0 was purely transactional, focused on pushing products and closing leads. Selling 2.0 shifted to a consultative approach, uncovering customer needs and offering tailored solutions. Selling 3.0 builds on this by putting salespeople in the customer's shoes.

By mirroring the customer's buying journey, sales professionals can better understand the anxieties that prevent immediate decisions. DEEP is a simple mnemonic that outlines this buying journey, helping salespeople prepare thoroughly. It stands for define, explore, evaluate, and purchase. This understanding enables salespeople to anticipate concerns before they arise in conversation.

Once salespeople have mirrored the buying journey using DEEP, they can guide customers forward with subtle persuasion. The SELL technique makes this process actionable: signal credibility, elevate the pitch, lessen doubt, and lead to action. Each step builds trust and moves customers confidently toward a final decision.

REFLECTION QUESTIONS

- In your recent sales conversations, how did you signal credibility?
- Do you frame your pitch using the customer's own goals to elevate its relevance?
- What hidden concerns do your customers have, and how do you currently address them before they are voiced?

CHAPTER 10

Customer Experience

Designing Memorable Moments to Inspire Advocacy

In most restaurants, long lines are a problem. At Haidilao, they are part of the experience. This Chinese hotpot chain, now with locations across the United States, turns waiting into an experience, offering free manicures, shoeshines, shoulder massages, and even a nanny-staffed playroom for kids. What should feel like dead time becomes an indulgent introduction.

Once seated, the experience continues. Haidilao's communal hotpot brings people together, but what truly sets it apart is the live entertainment woven into the meal. Guests watch servers stretch fresh noodles with a theatrical dance or enjoy the mesmerizing art of face-changing opera, performed tableside.

The entertainment is choreographed, but so is the service. Orders are placed through intuitive digital tablets, allowing for easy customization and faster delivery. Staff move with precision and anticipation. Ingredients arrive promptly, and hotpot refills appear without being asked.

Haidilao has mastered the art of turning routine steps into memorable moments. A hotpot meal may be a commodity, easily copied and hard to differentiate. But Haidilao competes where it matters more: in the customer experience. It creates emotional value that is harder to replicate.

What this shows is that customers do not just want speed. They want to enjoy the time they spend. As Joseph Pine and James Gilmore put it, a service saves time, but an experience makes time well spent.

Customer Experience Imperative

In their seminal book *The Experience Economy*, Pine and Gilmore outline the progression of economic value, showing how businesses can move from low-value offerings to differentiated ones. The journey begins with commodities—traded purely on market price—followed by goods, which are value-added products made from those commodities. Services come next, offering convenience. Despite adding value to commodities, products and services are still vulnerable to price-based competition.

To rise above commoditization, companies must stage experiences: memorable interactions that create lasting impressions. At the highest level are transformations, where the offering leads to a change in the customer's behavior. As goods and services become easier to replicate, the most enduring advantage lies in delivering, at a minimum, a customer experience.

This shift toward experiences reflects how customer behavior is evolving. As people become more discerning, they seek value not just in what they buy but in how it makes them feel and how it fits into their lives. In this context, experiences are a new standard for differentiation. This is especially true in an era where customers are reevaluating how they spend.

Indeed, spending patterns are increasingly polarized. Consumers trade down on commoditized products and services, but trade up on meaningful experiences. Technology-driven products signal efficiency, which often comes with an expectation of lower prices. By contrast, human touch is perceived as premium, something worth paying more for.

Consider Starbucks. In its push to optimize mobile orders, the brand sacrificed much of the in-store experience, the very essence of its coffeehouse appeal. This is especially striking given that Starbucks was once the poster child for customer experience. It was not just selling coffee but also a “third place” between home and work, where people could connect.

That original vision, rooted in ambiance and personalized interaction, was central to Starbucks’ rise as a premium brand. But as mobile orders began to dominate, stores turned into pickup zones. Baristas, once trained to engage with customers, were redirected toward fulfilling digital orders. For many loyal customers, the emotional connection faded. In chasing efficiency, Starbucks began to drift from the very experience that made it iconic.

For brands pursuing premiumization, customer experience—especially those that feature the human touch—is indeed essential. Marketers should focus on augmenting the core product or service with experiences that leave lasting impressions. Two types of experiences that enhance the perceived value are the buying experience and the use experience (Figure 10.1).

The buying experience sets the tone before the product or service is even acquired. A warm greeting, an intuitive

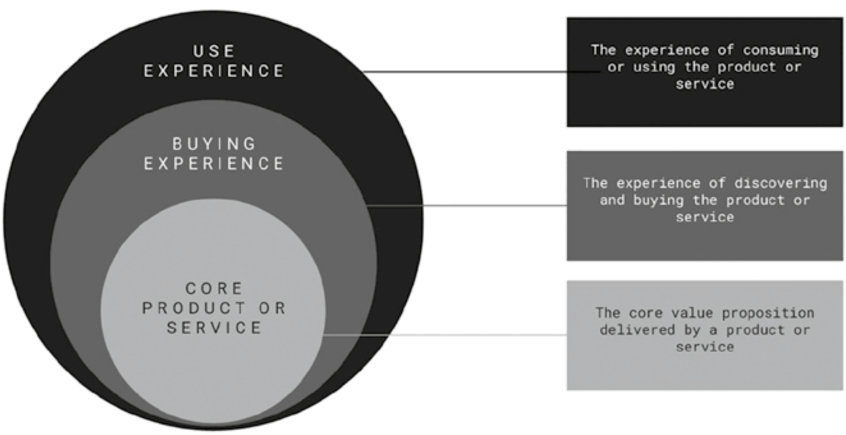

FIGURE 10.1 Augmenting Core Products and Services.

interface, or thoughtful packaging can elevate an otherwise basic offering into something that feels special. It builds anticipation that shapes how the product is ultimately received.

The use experience, however, weaves the product into the customer's personal story. How the product fits into daily life becomes part of its meaning, making it more memorable and shareable. A strong use experience also builds positive habits. Customers who enjoy using a product are more likely to continue using it, recommend it, and develop loyalty over time.

Mapping the Customer Experience

To design effective buying and usage experiences, marketers must begin by mapping the overall customer journey (Figure 10.2). Broadly, the customer experience unfolds in six key steps, spanning both the buying and use journeys.

The buying experience begins the moment a customer first encounters the brand and continues through the point of purchase. It consists of three key touchpoints:

- **Discovery.** The stage when the customer first encounters the brand while exploring and comparing product options.

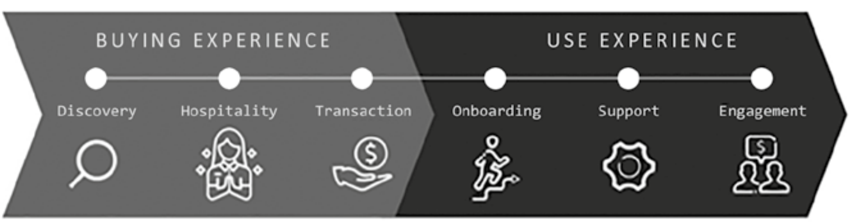

FIGURE 10.2 Customer Experience Map.

- **Hospitality.** The moments when a brand representative, such as a store associate or chat agent, assists the customer.
- **Transaction.** The point of commitment, when the customer pays for and receives the product or service.

The usage experience begins once the customer starts using the product or service. This phase is critical for delivering on the brand promise and building long-term satisfaction. It also consists of three key touchpoints:

- **Onboarding.** The stage when the customer first engages with the product or service, learning how to use it and unlocking its initial value.
- **Support.** The moments when the customer needs help, whether for troubleshooting or asking questions.
- **Engagement.** The ongoing interactions that keep the brand relevant after the initial use, such as follow-ups, loyalty programs, or personalized content.

This customer experience map applies across a wide range of industries—whether offering products or services—and is relevant in both physical and digital channels. Experiences can unfold in various environments, each with its own dynamics.

In physical settings, experiences take shape in places like retail stores, restaurants, car showrooms, bank branches, or pop-up exhibitions. Some experiences span a longer duration, such as those in hotels, hospitals, or schools, where the customer journey extends over days or even months. Others are more mobile, such as in-flight experiences on airlines, train journeys, or cruise ship vacations.

On the digital front, customer experiences are shaped through websites, mobile apps, or other platforms where interaction is screen-based. While these lack the immersion of physical spaces, they offer their own advantages: convenience, personalization, and consistency at scale. Regardless of the format, the same six-step journey can be mapped and optimized to enhance the customer experience.

In a grocery store, for instance, the customer journey begins with discovery, when someone sees a promotional flyer and decides to walk in and browse. Hospitality is delivered as they are greeted by staff and offered assistance or a product sampling. The transaction takes place when they select their items and pay at the self-checkout. Onboarding happens at home, as they use the groceries and check for product freshness. If any items are spoiled, they seek support by asking for a refund or replacement. Engagement is fostered through loyalty program offers and personalized reminders to return.

In digital banking, the journey starts with discovery, when a customer sees a TikTok ad and becomes interested in the service. Hospitality is delivered through a friendly chatbot that greets the user and answers questions during the account setup. The transaction takes place when the customer opens an account directly through the app. Onboarding follows with a guided walkthrough of key features and tools. If issues arise, such as a failed transaction, the customer reaches out for support via chat. Engagement continues through monthly summaries and personalized financial tips that keep the user connected to the bank.

The same structure also applies to service industries like hotels or e-commerce for physical products, as shown in Figure 10.3.

EXAMPLES	DISCOVERY	HOSPITALITY	TRANSACTION	ONBOARDING	SUPPORT	ENGAGEMENT
GROCERY STORE	Sees a promo flyer and walks in to browse	Greeted by staff and offered help or a sampling	Picks items and pays at self-checkout	Uses groceries at home and checks product freshness	Asks for a refund for spoiled items	Gets loyalty program offers or reminders
HOTEL	Finds a hotel via an online travel site and reads reviews	Gets a welcome drink and help with luggage	Checks in and gets a keycard	Gets a room tour and explanation about hotel services	Requests an extra towel and reports A/C issue	Receives email follow-up and loyalty program offers
E-COMMERCE	Finds product via search engine	Asks additional product info via chat	Adds to cart and checks out with a credit card	Gets an email with order tracking and receives the products	Contacts support to return some items	Receives a request for reviews and personalized offers
DIGITAL BANKING	Sees TikTok ad	Friendly chatbot greets and answers questions during setup	Opens account via app	Gets a guided walkthrough of features	Chats about failed transaction	Receives monthly summary and personalized finance tips

FIGURE 10.3 Examples of Customer Experience Journey.

To innovate on the customer experience, it is helpful to map all the customer touchpoints. However, brands do not need to invest effort uniformly across these touchpoints. Customers do not recall entire experiences. Instead, they form their overall impression based on a few standout moments. Mapping touchpoints enables marketers to identify and intentionally design those high-impact moments.

Moreover, different parts of the journey activate specific parts of the brain. Discovery triggers attention. Hospitality builds social trust. Onboarding and engagement infuse loyalty. Once the journey is mapped, the next step is to design each moment with specific stimuli that amplify the intended response.

Customer Experience Design Principles

This section introduces nine customer experience design principles (Figure 10.4). They are grouped into three categories: principles that create WOW moments, those that engage the senses, and those that make the experience more shareable. Together, they offer a practical guide for applying the right design choices to the experience map.

WOW Moments

Some of the most memorable customer experiences do not come from flawless execution. They come from moments that catch customers by surprise. Customers approach each brand interaction with expectations shaped by past encounters and category norms. When a brand breaks that script, it creates surprise, captures attention, and stands out in

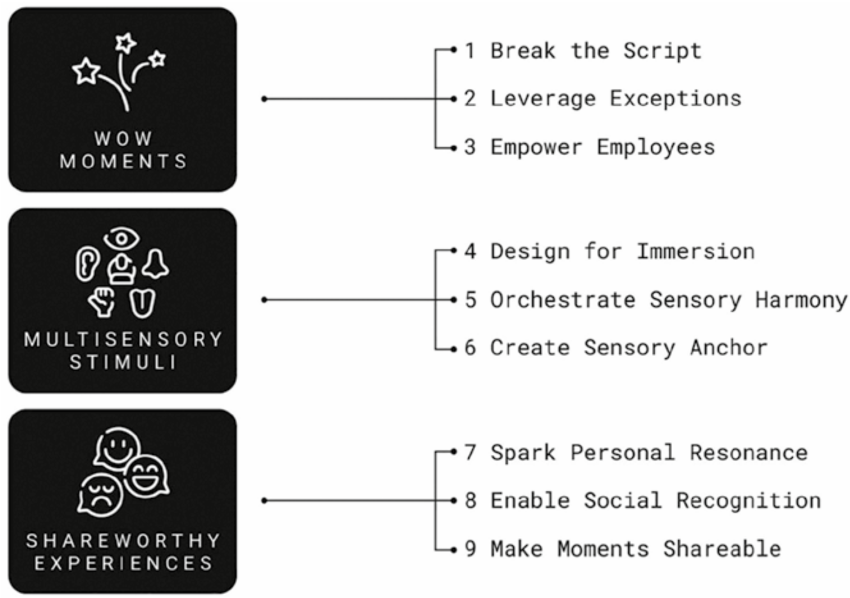

FIGURE 10.4 Customer Experience Design Principles.

memory. These unconventional touchpoints are what prompt customers to say, "WOW!"

Despite seemingly spontaneous, WOW moments are rarely accidental. They result from choices in how the experience is designed. This section explores three principles behind those decisions: breaking the script to disrupt expectations, leveraging exceptions to turn problems into opportunities, and empowering employees to act on the spot.

Principle 1: Break the Script

Customers come into an experience with a set of mental shortcuts. They expect a retail store to have checkout counters near the exit, a clinic to feel sterile, or a bank to follow a formal layout with numbered queues. These patterns—called *schemas* in cognitive science—help people navigate familiar environments without overthinking. When things unfold as expected, the brain stays on autopilot, conserving energy for more complex decisions.

But that efficiency comes at a cost. Because the brain filters out predictable details, routine experiences rarely stand out or get remembered. When a brand changes that mental script—by altering the layout, tone, or sequence—it disrupts the script. The brain shifts from passive to active attention. The moment becomes more likely to be encoded into memory, especially if it is paired with a positive emotional response.

That said, customer experience designers must tread carefully. The goal is to break the script, not the journey. If the unexpected moment aligns with what the customer is trying to achieve—making the touchpoint more enjoyable—it feels like a pleasant surprise. But if it adds friction and slows the customer down, it risks annoyance.

Capital One Café illustrates how to break the script without breaking the flow. By blending café culture with financial services, it replaces the transactional atmosphere of traditional branches with a community feel. Customers can grab a coffee, use free Wi-Fi, or get casual money coaching, all in a space that feels more like a coworking lounge than a bank.

Principle 2: Leverage Exceptions

The best chances to impress often lie outside the standard journey. A routine experience may be efficient, but it rarely stands out. Unexpected turns—like service disruptions, complaints, or unusual requests—can be transformed into powerful moments of delight. Rather than treating them as problems to fix, brands should see them as opportunities to exceed expectations and create emotional impact.

These moments activate the emotional brain. A delayed flight triggers disappointment. A lost item creates anxiety. In these situations, the customer is vulnerable. But that emotional intensity also opens the door for a deeper connection. When handled with care, these moments lead to not only service recovery but also customer delight. Emotionally charged events are more likely to be encoded into long-term memory, especially if the resolution replaces stress with relief.

While brands aim to minimize service failures, some level of exception is inevitable. What matters is how brands respond. Exceptional companies design their recovery moments. In these unscripted moments, an extra-mile gesture can do more for loyalty than any perfectly executed process.

At Disney Parks, service recovery becomes part of the magic. When a child loses a favorite toy, it may return by mail with a handwritten note and a photo album of its "adventures" through the park. Staff follow the HEARD model (hear, empathize, apologize, resolve, diagnose) to not only fix the problem but also add a layer of delight. Disney transforms mistakes into memories that guests proudly retell long after the visit ends.

Principle 3: Empower Employees

The best-designed experiences still rely on frontline execution. No matter how well crafted the journey is, real-world interactions are full of unpredictable moments. Companies can automate the experience, but only human judgment can respond to what is unexpected. The ability to improvise is where the value of the human frontline lies.

To make a real difference, employees need not only the tools but also the trust. If frontline staff are positioned to be as rigid as machines, they may as well be replaced by one. Empowered employees can respond with empathy, adapt to the situation, and personalize the experience in ways that automation simply cannot.

Empowerment taps into a concept known as psychological ownership. When people feel trusted to make decisions, they take greater responsibility and show more discretionary effort. They stop thinking like employees and start acting like stewards of the brand.

At The Ritz-Carlton, every employee—from housekeeping to concierge—is empowered to spend up to $2,000 per guest, per incident, without seeking approval. Most never use the full amount. But the policy sends a clear signal: you are trusted to take care of the guest. That trust gives employees the freedom to resolve issues on the spot or create moments of delight that guests never forget.

Multisensory Stimuli

The five senses act as input channels that feed information to the brain. They shape how people perceive an environment and influence the decisions they make. Sight, sound, smell, touch, and taste each offer a distinct pathway into the customer's mind.

Multisensory experiences are more immersive because they engage more areas of the brain. The more senses involved, the richer the experience feels. It also creates more memorable associations with the brand. When multiple senses are activated, the brain forms deeper emotional connections and encodes the experience more vividly into memory.

This section explores three principles behind that multisensory design: creating immersion that pulls customers into the experience, orchestrating harmony across sensory cues, and creating a memory anchor.

Principle 4: Design for Immersion

Each of the five senses plays a different role in shaping perception and behavior. The more senses an experience engages, the more immersive it feels. Sensory cues can be embedded across the journey, not only in what customers see but also in what they hear, smell, touch, and taste.

Visuals often shape the first impression. Storefronts, lighting, and decor set the tone. Sound, however, influences pace. Fast music speeds things up while slow music calms people down. While sight and sound dominate, the other senses complete the experience.

Smell triggers a memory. A scent can transport someone to a holiday, a childhood kitchen, or a smoky jazz bar. Touch builds connection. Handling a product makes it feel more real and more valuable. Taste is the final layer. Adding food and drink can turn a visit into a wholesome sensory experience.

IKEA is designed for immersion. Its self-guided showroom leads customers through a sequence of everyday spaces—bedrooms, kitchens, and living rooms. Customers are encouraged to open drawers, sit on sofas, and interact with the products. Its restaurant offers signature Scandinavian meals such as the famous Swedish meatballs. It is a complete sensory walkthrough of everyday living.

Principle 5: Orchestrate Sensory Harmony

Each sensory cue should support the others, not feel fragmented or compete for attention. When the senses work in harmony, the experience feels coherent. It starts with a clear story. Brands need an overarching message that guides what each sense should communicate.

Once the story is in place, every cue must align. Visuals, sounds, textures, scents, and even flavors should evoke the same emotions and reinforce the same product values. There should be no contradictions.

More stimuli do not always mean a better experience. Sensory overload can repel customers. The most effective cues are often subtle: a faint scent or a clean sound. The goal is to deliver one clear message through multiple senses.

Apple is a rare example of sensory harmony that spans across every touchpoint—hardware, software, retail, and digital—with remarkable consistency. The hardware reflects minimalism and precision. The software matches that aesthetic: clean interfaces and intuitive gestures.

This same design language extends into the Apple Store. Neutral colors, open space, and soft lighting reflect the same principles seen in the products. Staff are trained to converse in a consultative tone. Even the online store follows suit. Product visuals are center stage, and the transitions are smooth. Whether you hold the device, visit a store, or shop online, it all feels like part of the same world.

Principle 6: Create Sensory Anchor

Senses shape how we remember an experience. Most customer experiences are not remembered in full. They are reduced to a few highlights. Sensory cues, such as a memorable jingle or a signature scent, make an experience easier to remember later. When customers experience the same sensory cue, it can unlock a whole memory and its emotional associations. It reminds customers of past experiences and how they felt at the time.

For brands, this matters. Senses become powerful anchors for brand recall. When used well, sensory cues become emotional shortcuts. They connect back to a feeling the customer already values. However, this only works if the sensory cue is consistent and tied to a memorable experience that customers have had.

Singapore Airlines, for example, anchored its multisensory cues to the iconic batik motif, inspired by 10 native Singaporean flowers. Originally featured in the sarong kebaya uniform since 1968, this motif is now extended across other sensory cues. It inspires the Batik Flora scent, subtly diffused in cabins, towels, and lounges to build familiarity. The same motif also informs a custom musical score, "The Symphony of Flowers," heard during boarding and in lounges, creating a consistent audio identity.

Shareworthy Experiences

Great experiences make people want to talk about them, without needing a reward. There are a few reasons why customers share stories about the products and services they use. Sharing helps express who they are and what they value. It shapes their identity and how they want to be seen. It also helps them connect with others and feel part of a community. And often, customers share simply because the brand makes it easy.

Marketers can design experiences that invite sharing. This section explores three ways to do that: spark personal resonance, enable social recognition, and make moments shareable.

Principle 7: Spark Personal Resonance

Personal experiences leave a stronger impression. When a brand makes a customer feel the experience is personalized, the connection runs deeper. Even small gestures—like addressing a customer by name or sending a handwritten thank-you—can feel thoughtful.

Brands can tie the experience to personal milestones. Birthdays, anniversaries, and achievements offer natural moments to connect. A small reward, a celebration message, or a surprise on a special day shows the brand is paying attention. These timely gestures make the experience feel more human.

Customers also want to participate. Letting them cocreate the experience builds ownership. This can be simple, like choosing a product color, or more involved, like customizing features or building a plan that fits their goals. People value a product or service more when they customize it themselves.

In digital products or luxury segments, brands can take personalization even further. They can tailor messages, recommendations, and experiences based on each user's past behavior or preference. When the experience feels uniquely theirs, customers are more likely to share it.

Duolingo builds this personal connection well. The app adapts to each user's pace, celebrates milestones, and lets learners choose their goals. By making the experience feel truly customized, Duolingo gives users something worth sharing.

Principle 8: Enable Social Recognition

Customers want to feel like they are part of a tribe. A strong customer experience can make that happen. When customers take part in shared activities, attend special events, or visit a branded space, it becomes a statement of identity.

Stores or showrooms can act as gathering spaces. They bring like-minded people together. Customers who join the same sessions, events, or workshops are not only engaging with the brand but also meeting others like them. Sharing the experience signals belonging, and that is something people want to show off.

Group-based programs strengthen the feeling. Private drives, invite-only workouts, or brand-hosted community events give customers a chance to connect. The experience becomes more meaningful because they become more exclusive to the tribe.

Porsche Experience Centers are built on this idea. Customers train with professional instructors, meet other enthusiasts, and join track sessions together. The environment feels exclusive, but with strong community ties. The Porsche brand becomes part of their identity, and that is what they want to share.

Principle 9: Make Moments Shareable

Customers often want to share good experiences, but only if it is easy. Brands must not assume people will go out of their way. The moment must be designed to be captured and passed along with minimal effort.

Designers must facilitate sharing by making the experience visually compelling. Instagrammable décor, well-plated food, or thoughtful packaging help customers capture the moment without editing. Small tweaks in layout or lighting can turn an ordinary space into a shareable scene. Visuals should be tailored to formats people already use—stories, reels, screenshots, or even printed props for photos.

In digital products, brands can offer ready-made content. Templates, quotes, and visual summaries give customers something to post without thinking. These assets must be both platform-friendly and personal. Reducing friction—like adding share buttons—makes sharing effortless.

Spotify Wrapped does this well. It builds a personal story, turns it into sleek visuals, and prompts users to share with one tap. The work is mostly done. All the user has to do is post.

Summary

Simply providing products or services is no longer enough. As value propositions converge and industries commoditize, companies must go beyond utility and stage experiences to stand out.

Customer experience is not the same as service. Pine and Gilmore captured this difference well: a service saves time, but an experience makes time well spent. In a world where technology often signals efficiency—usually tied to lower cost—human-centered experiences are increasingly seen as premium and worth paying more for.

Designing effective experiences starts with mapping the full customer journey. Across industries and channels, this journey typically unfolds in six stages: discovery, hospitality, transaction, onboarding, support, and engagement. While most brands touch all six, not all touchpoints deserve equal attention. Marketers must identify high-impact moments and apply the right experience design principles.

This means creating WOW moments that surprise customers. Brands can do this by breaking the script, delivering the unexpected in familiar settings to capture attention. They can also seize opportunities during moments of exception, such as service issues or special requests, where going the extra mile can leave a lasting impression. Just as important is empowering employees to act in real time. When frontline staff are trusted to make decisions, they can turn ordinary moments into extraordinary ones.

It also means building deeper engagement by involving more of the customer's senses. To do this, brands must design for immersion, surrounding customers with multisensory cues that pull them into the experience. They must orchestrate sensory harmony, ensuring that every cue aligns with the brand's identity. And they must trigger emotional memory, anchoring moments to specific sensory signals that make them more likely to be recalled.

Finally, it means creating share-worthy experiences. This begins with sparking personal resonance by making the experience feel tailored to the individual. It also involves enabling social recognition, giving customers a way to signal that they belong to a valued group. And most practically, it means making the moments easy to share, raising the likelihood of word of mouth.

REFLECTION QUESTIONS

- When was the last time you broke the script and created a WOW moment?
- Are your customer experiences intentionally designed to engage multiple senses?
- Which moments in your customer experience are truly worth sharing?

APPENDIX

Key Elements of Marketing

The Relevant Frameworks Behind the Core Models of Marketing 7.0

Marketing evolves alongside changes in the market. Yet, certain core concepts remain relevant across time. Since the launch of *Marketing 3.0*, the authors have consistently applied a set of foundational frameworks, introduced initially by Philip Kotler and Hermawan Kartajaya in *Repositioning Asia: From Bubble to Sustainable Economy* (2000). These same frameworks now serve as the foundation for the core models of *Marketing 7.0*.

Business Landscape Analysis

Every strong marketing strategy begins with a clear understanding of the business landscape. This involves identifying the key drivers of change—what we call the *5D framework*—and then extending the analysis into a broader outlook using the 4C framework (Figure A.1).

The 5D Framework

Markets are inherently dynamic. Companies must continuously monitor the forces reshaping their industry. We group these forces into five categories: technology, political-legal, economy, socio-culture, and market.

Among these, technology is the primary driver because it is the most disruptive. From industrial machinery to artificial intelligence, each technological leap reshapes how people live. Political and legal decisions trigger immediate effects in the economy. Socio-cultural shifts unfold more gradually, but they shape long-term values and behaviors. Together, these drivers influence market dynamics, prompting businesses to reassess their operations.

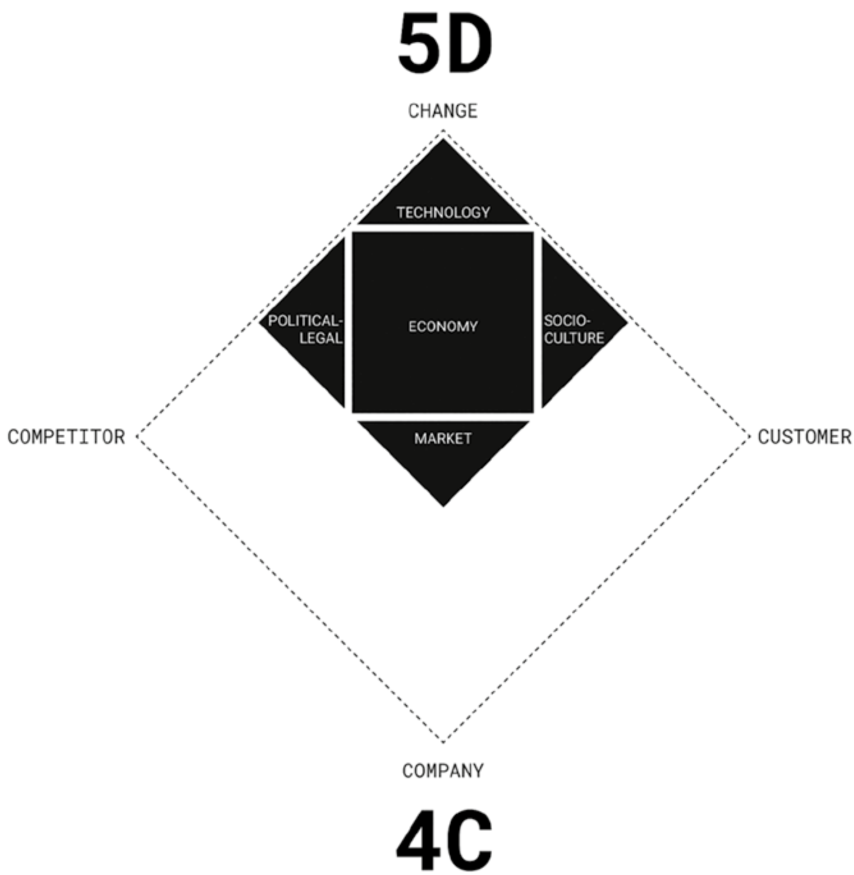

FIGURE A.1 The Business Landscape (5D and 4C Framework).

The 4C Framework

To expand the five drivers into an actionable outlook, we use the 4C framework: change, competitor, customer, and company. The first three represent external forces. The last, company, encompasses internal factors such as capabilities, resources, and culture. Companies often focus on tracking competitors and responding to current customer needs. But in doing so, they risk overlooking early signs of change.

Importantly, the 4C framework is a forward-looking tool. Marketers must look beyond the present to anticipate what lies ahead. Predicting shifts in the environment gives companies a competitive edge, enabling them to lead rather than follow. By staying attuned to change, companies can shape customer behavior, preempt competitive moves, and refine their offerings before the market demands it.

Business Landscape Analysis in Marketing 7.0

The 5D and 4C frameworks form the strategic foundation for *Marketing 7.0* (Figure A.2). As explored in Part 1 (Chapters 1–4), these tools help marketers understand the big picture and anticipate the forces reshaping both competition and customer behavior.

The 5D framework identifies five powerful drivers of change: technology, political-legal, economy, socio-culture, and market dynamics. As described in **Chapter 1**, these

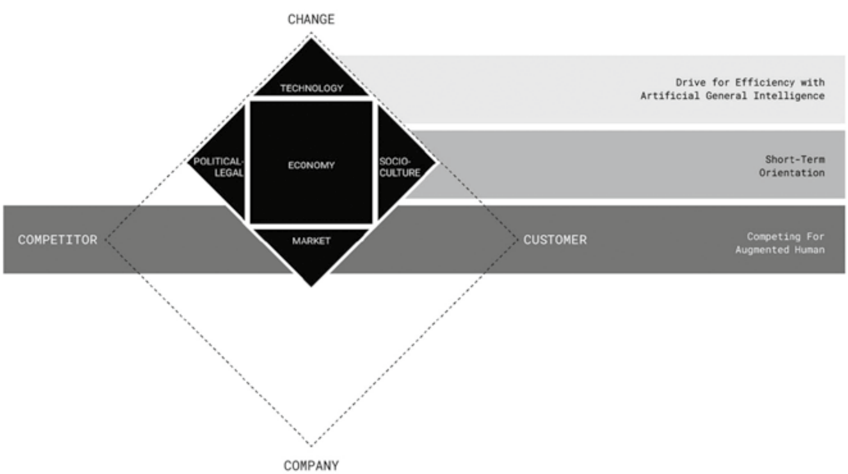

FIGURE A.2 The Business Landscape Driving Marketing 7.0.

forces are not only shaping the external environment but also setting the stage for a transformation toward Marketing 7.0

In **Chapter 2**, the movement toward artificial general intelligence (AGI) is presented as a pivotal shift. Technology is becoming a co-pilot in the decision-making process. The challenge is ensuring that marketers remain relevant by complementing machine efficiency with human empathy.

Chapter 3 discusses the effects of geopolitical instability and economic pressure, which push brands toward short-term performance at the expense of long-term differentiation. This often results in overly similar digital content. The widespread use of AI tools can further accelerate this uniformity unless marketers proactively infuse their work with unique brand values.

In **Chapter 4**, the focus shifts to the market. Today's customers are no longer passive recipients of marketing—they are augmented humans. Understanding this new archetype requires marketers to use the 4C framework to project where the market is heading and how the company must evolve.

Together, the 5D and 4C frameworks turn business landscape analysis into a forward-looking strategy. This is the strategic bridge between the external landscape and internal action in *Marketing 7.0*.

Key Elements of Marketing

Marketing is a multidimensional discipline, but at its foundation lies a simple organizing principle: the interplay of positioning, differentiation, and brand. This strategic triangle serves as a gateway to deeper marketing practices.

From it emerges a broader framework—the nine core elements of marketing (Figure A.3).

Positioning–Differentiation–Brand (PDB)

At its core, marketing revolves around a triangle of positioning, differentiation, and brand. Every brand needs a clear identity in the customer's mind. This is its positioning: the reason for being that a company promises to its audience. For this promise to be credible and easily recognized, it must be backed by strong differentiation: a truly distinctive attribute that sets the brand apart. Only when positioning is

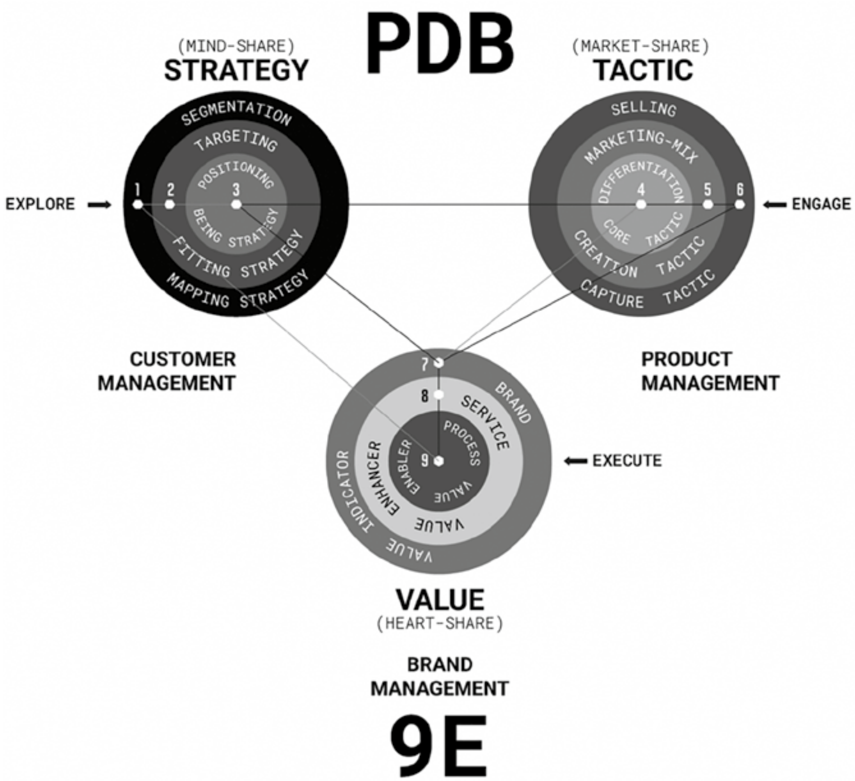

FIGURE A.3 The Key Elements of Marketing (PDB and 9E Framework).

reinforced by differentiation can the brand build a powerful and lasting image.

Nine Elements of Marketing (9E Framework)

Marketing can be viewed through three strategic lenses: customer management strategy, product management tactics, and brand management value. Each is rooted in the triangle of positioning, differentiation, and brand, and expands into distinct yet interconnected elements that shape how companies design and execute their marketing.

Customer Management Strategy At the center of strategy is positioning, which begins with segmentation—the creative way a company maps the market. This is followed by targeting, the process of selecting which segments are the best fit to allocate resources to.

Markets can be segmented in many ways, and the attributes a company chooses to define its segments will shape its view of the market. Ideally, this perspective should differ from that of its competitors. A unique segmentation approach can lead to a distinct target and, ultimately, a differentiated positioning. Together, **segmentation–targeting–positioning (STP)** forms the foundation of effective customer management.

Product Management Tactic Differentiation lies at the core of marketing tactics. It guides how a company creates its marketing mix, also known as the 4Ps—product, price, place, and promotion—as introduced by Jerome McCarthy. We view product and price as representing what to offer, and place and promotion as how to offer it.

Another key tactical element is selling. Rather than focusing on short-term transactions, we see selling as an approach for capturing long-term customer relationships. This approach shapes how a company uses its marketing mix to engage customers over time. Together, **differentiation–marketing mix–selling (DMS)** form the foundation of the company's product management.

Brand Management Value A brand indicates how a company creates value and escapes the commodity trap. It is reinforced by two additional value-creating elements: service and process. Service enhances a company's offering in commoditized markets. It can increase customers' willingness to pay, even when functional differences are minimal. More important, excellent service is difficult for competitors to replicate.

Process lies at the core of value delivery. It enables the company to engage customers beyond the product itself. From operational excellence to memorable customer experiences, everything stems from a well-designed process. Together, **brand–service–process (BSP)** form the foundation of a company's brand management.

Key Elements of Marketing in Marketing 7.0

Cognitive compass, the core model in *Marketing 7.0,* as presented in **Chapter 5**, is directly grounded in the broader 9E framework, which views marketing through the interconnected lenses of customer, product, and brand management (Figure A.4).

The first strategic area, **customer management**, is rooted in the STP framework. These three elements

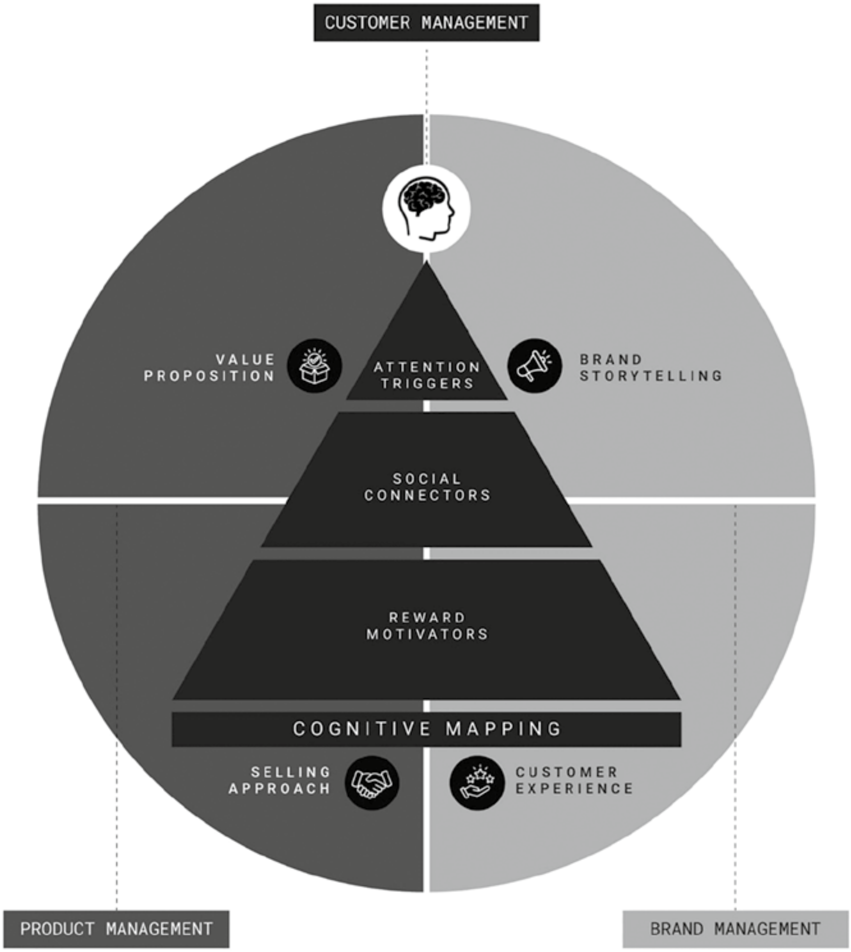

FIGURE A.4 Customer–Product–Brand Management in Marketing 7.0.

are reimagined in **Chapter 6**, which applies cognitive science—specifically the attention, social, and reward brain systems—to understand the augmented humans. This brain-based approach enables marketers to define more meaningful segments, target with clarity, and position in ways that resonate deeply with digital-era customers.

The second cluster, **product management**, centers on differentiation, marketing mix, and selling. These are addressed through two chapters. **Chapter 8** focuses on how customers mentally calculate value by weighing benefits against sacrifices. It reframes differentiation and the 4Ps (product, price, place, and promotion) through a cognitive lens that highlights how people perceive value in real time. **Chapter 9** completes this cluster by aligning the sales conversation with how the brain processes information.

The third strategic area, **brand management**, comprises brand, service, and process. **Chapter 7** addresses the brand element by demonstrating how stories engage the brain, transforming brand messages into emotionally resonant narratives. Meanwhile, **Chapter 10** tackles both service and process by offering principles for designing customer journeys. It elevates service from support to strategic differentiator, and process from operations to a tool for emotional engagement.

Together, these mappings demonstrate how *Marketing 7.0* builds on the 9E framework by incorporating the latest insights from cognitive science. The result is a more mind-centric approach to marketing.

Acknowledgments

When we wrote *Marketing 3.0* in 2009, we never imagined it would become the start of a series. It was Wiley who saw the potential and encouraged us to continue anticipating the next big shifts in marketing.

Over the years, different teams at Wiley have guided us through each installment. For *Marketing 7.0*, we are especially grateful to the current editorial team—Victoria Savanh and Purvi Patel—for their excellent collaboration during its development.

Our sincere thanks also go to the Council at MCorp for their invaluable support throughout the writing process: Michael Hermawan, Taufik, Ence, Estania Rimadini, and Yosanova Savitry.

A special appreciation goes to the team at MCorp who supported us behind the scenes, particularly Moch Ferry Sanny Ismail, and Dwitami Megaswari Chianginata for illustrating the figures featured in this book.

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Index