


Paradox

Feeling Machines and the Rise of Post-Modern Marketing

The Pre-Modern Era

September 2017

Chapter 1



"The greatest advertising isn't great for moving merchandise any more than the greatest literature is great for compelling plots. Somehow -- in the service of carmakers and brassiere manufacturers and car rental agencies -- these campaigns have discovered our humanity. They have touched us, understood us, reflected our lives and often enough enriched them."

"Ad Age Advertising Century: The Top 100 Campaigns"
Advertising Age, March 29, 1999.

To paraphrase Peter Pan: All of this has happened before, and it is all happening again.

While the rise of digital technology has radically reshaped marketing, advertising, and public relations over the last two decades, the marketing industry often closely follows the latest insights from science and technology. It's not a new thing. It happened at the beginning of the last century (as we're about to discuss); it happened again in the 1960s when mainframe computers became available; and it happened again at the century's close with the rise of the internet. From our vantage point today, we believe it is happening yet again: artificial intelligence, augmented reality, virtual reality, and "smart" mobility will reshape marketing at least once more in the next decade.

But, in the beginning, it was the science of psychology that led to the emergence of what we think of today as marketing, advertising and public relations. Starting in the early 1900s, using the tools of psychoanalysis and motivational research – wielded through the still-emerging technology of mass media – U.S. businesses seized on the "pursuit of happiness" promised in the Declaration of Independence and built the underpinnings of modern consumer culture. The idea was to make people happy by fulfilling the secret (perhaps even to them) desires of their inner selves.

Students of advertising history know that this emergence can be traced all the way back to Sigmund Freud, the father of psychoanalysis. In fact, the Pre-Modern Marketing era begins with Freud's nephew, Edward Bernays, who introduced Freud's work to New York City immediately following World War I, earning his reputation as the "father of public relations." It was furthered by Ernest Dichter, a trained Freudian psychoanalyst who arrived in New York in 1934 and became known as the "father of motivational research." And it lasted through the end of the century, although its erosion began years earlier with the rise of mainframes and the turbocharged quantitative analysis they enabled.



The Birth of Pre-Modern Marketing

Bernays was born in Vienna, Austria, in 1891 but was a New Yorker from the following year until he died in 1995 at the age of 103. He hobnobbed with his famous uncle on skiing trips in the Alps, receiving an early copy of *A General Introduction to Psychoanalysis* – Freud’s most famous work – in return for a gift of Havana cigars. Bernays helped orchestrate the U.S. entry into World War I by marketing the idea of “bringing democracy” to foreign countries while working as a propagandist in the Woodrow Wilson administration. After the war, as Bernays said to The New York Times, “If this [psychoanalysis] could be used for war, it can be used for peace.”

The Pre-Modern Marketing Era was born.

Starting in 1919, Bernays became the first person to introduce the business world to Freud’s ‘Self’ and to “convince American corporations they could sell products by connecting them with people’s unconscious feelings,” according to the 2002 documentary *The Century of the Self*. The film depicts how Bernays showed businesses they didn’t necessarily have to offer people what they “needed.” Instead, they could link their brands with people’s deepest hopes and fears – persuading them to buy what they dreamt of. Nudged by subtle subconscious influences, they would shop for the lifestyle portrayed by advertisements.


Among Bernays’ earliest and most successful applications of the Freudian approach was a program to expand the market for Lucky Strike cigarettes. The challenge: get the non-smoking female half of the U.S. to start smoking. To do so, Bernays consulted with a psychoanalyst who told him that, to women, cigarettes symbolized male power. That was the insight Bernays needed – after all, it was only eight years since women

won the right to vote. “Equating smoking with challenging male power was the cornerstone of Lucky Strike’s “Torches of Freedom” campaign, which debuted during New York’s annual Easter Parade on April 1, 1929. Bernays had procured a list of debutantes from the editor of Vogue magazine and pitched the idea that they could contribute to the expansion of women’s rights by lighting up cigarettes and smoking them in the most public of places—Fifth Avenue. The press was warned beforehand and couldn’t resist the story. The “Torches of Freedom Parade” was covered not only by the local papers, but also by newspapers nationwide and internationally... In reality, of course, women were no freer for having taken up smoking, but linking smoking to women’s rights fostered a feeling of independence.”¹

Given subsequent sales growth, the campaign was deemed a brilliant success.

Over time, Bernays’ work became deeply embedded in contemporary culture. Not only did Bernays make it “cool” for women to smoke, he made it cool for kids to love soap through soap-sculpting competitions (on behalf of Ivory Soap), and he invented the “hearty” American breakfast of bacon and eggs (on behalf of The Beechnut Packing Company, whose bacon sales were lagging).

He called his approach “the engineering of consent,” and authored a book by that title in 1947. His client list was a who’s who of American industry: Procter & Gamble; General Electric; General Motors; Philco; United Fruit Company; Westinghouse Electric; Time Inc.; CBS, and NBC. For United Fruit, succeeded today by Chiquita Brands International, he even engineered an infamous 1954 coup in the banana republic of Guatemala.



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Edward Bernays

The importance of Bernays' work comes as much from the moment at which it arrived as its focus on subconscious emotion. Mass production was spreading; the concept of planned obsolescence was rising. The present-day consumer society was emerging, as America's manufacturing might turned to products for domestic consumption. Business and industry were a pump primed and ready to satisfy the Self's shifting desires. But they needed more sophisticated marketing strategies and tactics to drive demand. As an article in The Guardian explained:

"[Bernays] knew that the Self, once owned, would prove very expensive of attention. It required all sorts of therapies and counselling, but most of all it needed to express itself - and one day it might want to express itself in one way, and the next it might want to do it in another. It was fickle, the Self, a follower of whim and fashion, and its only constant seemed to be that urgent aggressive fact of wanting. So, in Bernays's future, you didn't buy a new car because the old one had burnt out; you bought a more modern one to increase your Self-esteem, or a more low slung one to enhance your sense of your sex-appeal. You didn't choose a pair of running shoes for comfort or practicality; you did so because somewhere deep inside you, you felt they might liberate you to 'Just Do It'." ²

Motivational Research, and Products' Souls

Psychoanalysis actually reached the zenith of its popularity on Madison Avenue during the post-World War II period, thanks to Ernest Dichter. During this time, Dichter's motivational research approach – deep, hours-long interviews with target customers – rapidly evolved into the key supporting tool. Dichter believed quantitative research offered little or no insight into why people really behaved the way did; instead, "If you let somebody talk long enough, you can read between the lines to find out what he really means," Dichter said.

In the late 1930s, the Compton Advertising Agency became one of Dichter's first clients, on behalf of Ivory Soap. In mining his interviews for unconscious motives or desires, Dichter came upon the big idea of his career: products have souls. From The Economist:

"In the case of soap, he found that bathing was a ritual that afforded rare moments of personal indulgence, particularly before a romantic date ("You never can tell," explained one woman). He discerned an erotic element to bathing, observing that "one of the few occasions when the puritanical American [is] allowed to caress himself or herself [is] while applying soap." As for why customers picked a particular brand, Dichter concluded that it wasn't exactly the smell or price or look or feel of the soap, but all that and something else besides – that is, the gestalt or "personality" of the soap.



“This was a big idea. Dichter understood that every product has an image, even a “soul,” and is bought not merely for the purpose it serves but for the values it seems to embody.”

The Economist

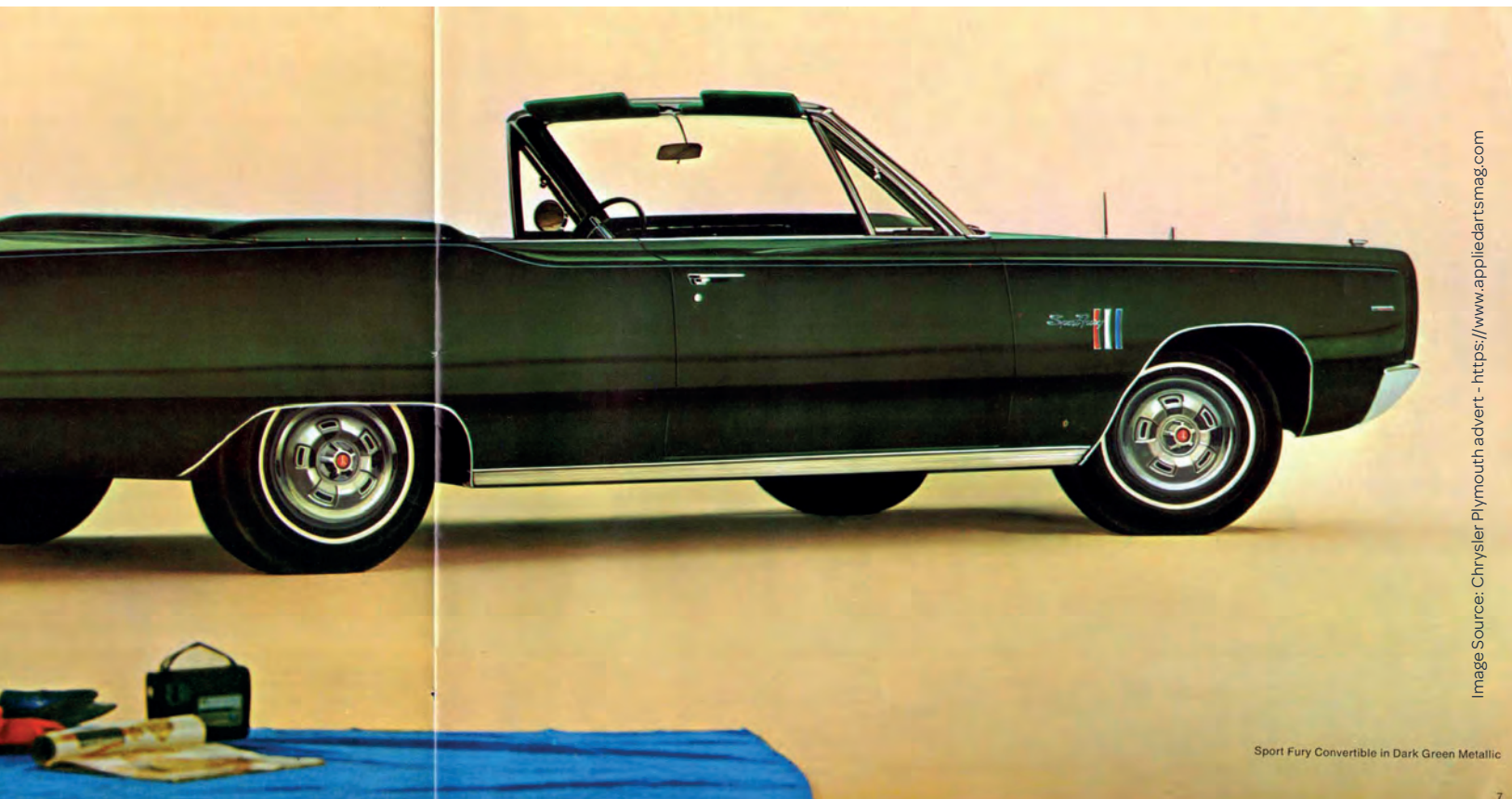
"This was a big idea. Dichter understood that every product has an image, even a "soul," and is bought not merely for the purpose it serves but for the values it seems to embody. Our possessions are extensions of our own personalities, which serve as a "kind of mirror which reflects our own image." Dichter's message to advertisers was: figure out the personality of a product, and you will understand how to market it. Soaps could be old or young, flirty or conservative. Ivory, Dichter inferred, had a "somber, utilitarian, thoroughly cleansing character." It was the mother-daughter of soaps, whereas a brand like Camay was a seductress. Such insights led to the slogans "Be smart and get a fresh start with Ivory Soap" and "Wash your troubles away."³

From these insights developed another key Dichter precept, "that desire is essentially sexual in nature, thus yielding sex into sales as the key to greater consumption in a market awash with surplus production."

In another early landmark moment, Dichter juiced sales of Chrysler's then-young Plymouth sedans by advertising their convertibles – which made up only 2 percent of sales. "Dichter gathered that the convertible symbolized youth, freedom and the secret wish for a mistress: an idle bit of temptation," according to The Economist article. Men were seduced into dealerships by convertibles, but when ready to buy they brought in their wives and ended up with a more sensible sedan.

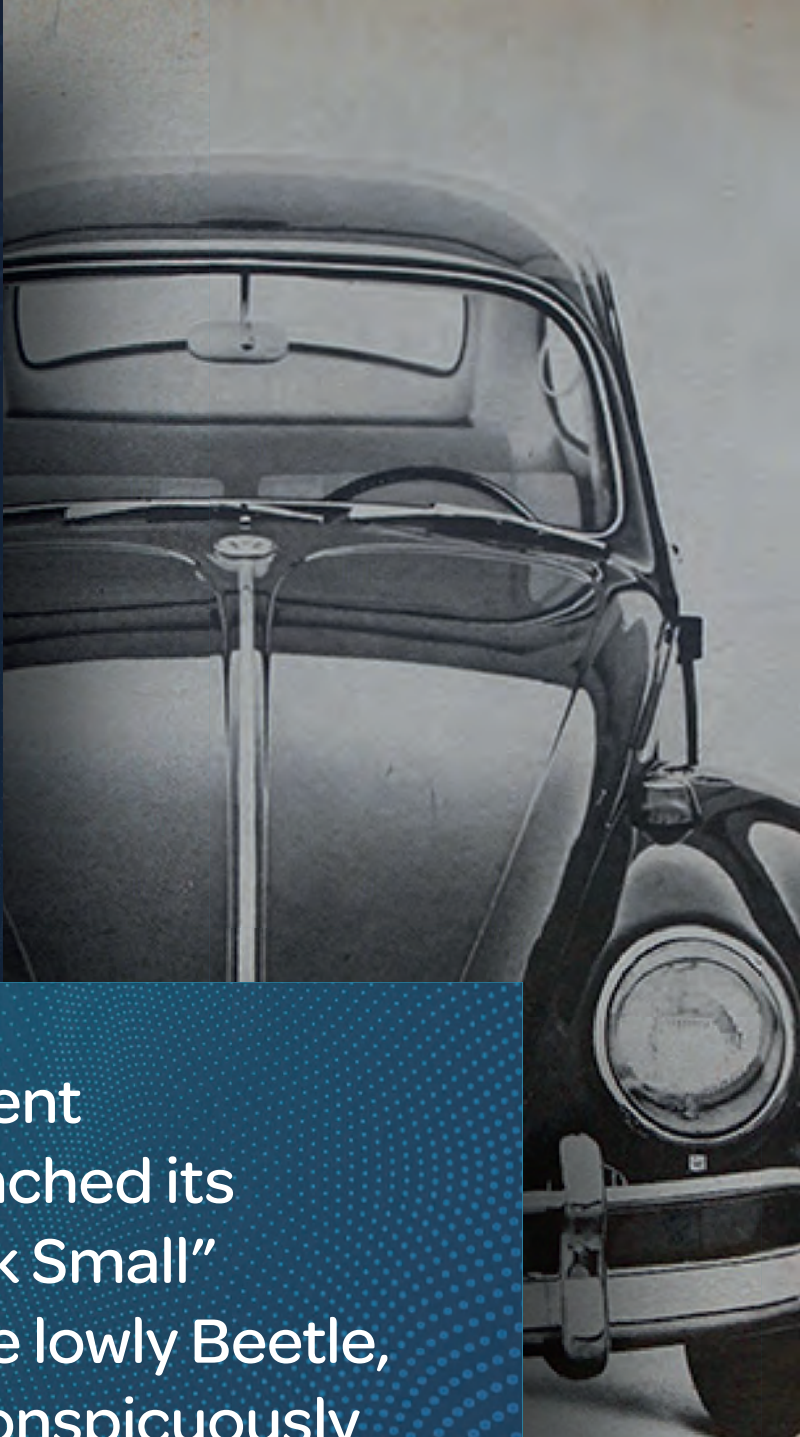


Thus it was that the science of psychoanalysis created the Mad Men of the 1950s, who were then enabled by motivational research and empowered by the nascent medium of broadcast television. Their “pursuit of happiness” fueled the growth of American business far further and faster than could have been imagined – despite being anticipated by some right from the start. In 1928, Commerce Secretary and future president Herbert Hoover (1929-1933) wrote to Bernays, saying, “You have taken over the job of creating desire and have transformed people into constantly moving happiness machines, machines which have become the key to economic progress.” Because, it turned out, the inner Self could not be sated.



The Self's 'Anti-Hero' Breaks Through

But one more psychoanalytical breakthrough remained. By 1959, people had caught on and some 'Selves' were expressing themselves by rebelling against the never-ending pursuit of happiness embodied in the conspicuous consumption driven out of Madison Avenue. What constituted self-esteem appeared to be evolving, becoming more diverse and nuanced; a kind of "anti-hero" self was emerging. That's the moment Volkswagen launched its legendary "Think Small" campaign for the lowly Beetle, and invented "conspicuously inconspicuous consumption," as Ad Age put it.

A black and white photograph showing the front of a classic Volkswagen Beetle. The car's iconic rounded hood, windshield, and front end are visible. The car is positioned on the right side of the frame, partially obscured by a dark blue patterned overlay.

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Ugly is only skin-deep.

"What's brilliant about 'Think Small,'" notes Michael Ruby, Stein IAS' chief content and experience officer, "is that it was the first advertising to be not just provocative, but to be self-deprecating. When did a car brand ever before say that you shouldn't be thinking big and dreaming big, and admitted that their car was smaller than everybody else's? Or a lemon! No one had ever before put out a car ad that equated it to being a piece of junk. It's so simple, and it immediately creates an emotional response."

Or, as Ad Age put it in 1999 when naming "Think Small" the number one ad campaign of the century:

"The car that presented itself as the antidote to conspicuous consumption was itself the badge product for those who fancied themselves a cut above, or at least invulnerable to, the tacky blandishments of the hidden persuaders. "Think Small" was thinking quite big, actually. The rounded fenders were, in effect, the biggest tail fins of all, for what Volkswagen sold with its seductive, disarming candor was nothing more lofty than conspicuously inconspicuous consumption. Beetle ownership allowed you to show off that you didn't need to show off."⁴

Besides "Think Small" and "Lemon," other famous VW headlines were "Ugly is only skin deep"; "Do you have the right kind of wife for it?"; "And if you run out of gas, it's easy to push"; "Live below your means"; and "They said it couldn't be done. It couldn't" (below a photo of Wilt Chamberlain failing to squeeze into a VW's front seat). Naturally, as Hollywood and Madison Avenue are wont to do, there followed a parade of self-deprecating sequels, many of which – like Avis' "When you're only No. 2, you try harder. Or else." – continued to strike emotional gold.



Ugly

The Logic of Intuition

Importantly, ideas like soap as a seductress, selling sedans by advertising convertibles, and thinking small to win big, were not logically provable. They were intuitive, which people of the time equated to a leap of faith. Reuben Webb, Stein IAS' chief creative officer, likes to point out that, in those days, "[Marketers] were out there doing things that would become powerful, emotional, fun and memorable; there was less granular scrutiny. So a brand was a much less self-conscious thing, more free to be intuitive."



Almost incredibly, in order to touch authentic emotions in other people's subconscious minds, marketers of the pre-modern era used intuition to get in touch with, and pull ideas out of, their own subconscious. Almost incredible, in one sense, but with an odd sort of internal logic, in another.

Intuition, in fact, was a core element of an early instruction manual on creativity written by one of the first people to be inducted into the American Advertising Federation Hall of Fame. In *A Technique for Producing Ideas*, first published in 1940 and still in print today, James Webb Young wrote a step-by-step procedure for producing creative ideas, with the following lead-in:

"An idea, I thought, has some of that mysterious quality which romance lends to tales of the sudden appearance of islands in the South Seas. There, according to ancient mariners, in spots where charts showed only deep blue sea, would suddenly appear a lovely atoll above the surface of the waters. An air of magic hung about it. And so it is, I thought, with Ideas. They appear just as suddenly above the surface of the mind; and with that same air of magic and unaccountability. But the scientist knows that the South Sea atoll is the work of countless, unseen coral builders, working below the surface of the sea. And so I asked myself: 'Is an Idea, too, like this? Is it only the final result of a long series of unseen idea-building processes which go on beneath the surface of the conscious mind?'"⁵

Young's intuitive idea that intuition was, in fact, a data-rich leveraging of the mind's subconscious in the service of creativity has been repeated by many – and certified by today's neuroscientists.

But intuition and Freud's Self would not hold sway for long. Though advertisers and marketers continued to seek emotional connection between products and prospects, intuition and Freud's ideas as applied by Bernays and Dichter began their fall out of favor as computers arose in the late 1960s and onward. So, even before the notion of digital media had occurred to anyone other than science fiction authors, the impact of information technology was felt. Because of their immense calculation capability, computers turbocharged quantitative analysis. It became safer and wiser to use quantitative analysis to study behavior and create mathematical models using income and geography, than to intuit secret subconscious motivations for buying cars or soap.

Neuroscience Confirms Pre-Modern's Emotional Emphasis And yet ...


The latest scientific investigations into the working processes of the human brain appear to align perfectly with the vision of unseen idea-building processes described by James Webb Young. And, time and again, neuroscientists align almost eerily with Freud (though without the total focus on sex) by defining multiple brain “subsystems”, all of which feed into the conscious mind. “New information about human cognition has led the hard sciences back to the same sort of concerns that preoccupied psychoanalysts in Vienna a century ago,” wrote The Economist.

Beginning with Carl Sagan’s Pulitzer Prize-winning 1977 book, *The Dragons of Eden*, and continuing today with Daniel Kahneman’s *Thinking, Fast and Slow* and Guy Claxton’s Hare Brain, *Tortoise Mind*, the framework of a conscious analytical brain and a more powerful subconscious intuitive engine remains consistent throughout brain science literature.

Perhaps most relevant to advertising and marketing are the ideas of Antonio Damasio, Director of the Brain and Creativity Institute at the University of California at Berkeley. Without intending to do so, Damasio’s work shows that Bernays, Dichter, and the Mad Men who followed were precisely on-target. He asserts that “emotion” is an absolute must-have ingredient in “rational” thinking; you cannot think rationally without emotional input. In *Descartes’ Error: Emotion, Reason, and the Human Brain*, Damasio wrote:

“Feelings, along with the emotions they come from, are not a luxury. They serve as internal guides, and they help us communicate to others signals that can also guide them. And feelings are neither intangible nor elusive. Contrary to traditional scientific opinion, feelings are just as cognitive as other percepts.” ⁶

In other words, just as South Pacific atolls are the work of unseen sub-surface coral builders, and intuition is the result of data-rich subconscious associative processes, so too are emotions a “cognitive” result of subconscious processing meant to serve as context and guidance for rational thought.



Neuroscientists' conclusion that emotion plays a role in rational decision making explains AI start-up Persado's finding, mentioned in the Introduction, "that it's actually the emotional content that has the biggest impact on the performance of messaging."

In the one hundred years from Freud to Damasio, marketing as we know it today emerged and hit all the right notes – often intuitively. Even advertising's basic principle of valuing frequency turns out to be rooted in the subconscious and confirmed by neuroscience. Kahneman, among others, discovered that repeating something makes people "feel" it is true, because the brain cannot easily distinguish familiarity from truth.

Marketing was subsequently seduced from this true, emotionally rooted path by the lure of "left-brain" analytics and math. First, the math of quantitative research made possible by mainframe computers; later the math of modern marketing arising from the internet and digital marketing data and analytics.

We believe the coming Post-Modern Marketing era will mark a return to the true path, with marketers relearning to trust their intuition when it comes to ideas resonant with human emotion. But this reset will not take place with blind trust, because the scientists have shown how intuition can go wrong without the balance of healthy skepticism. Sagan pointed out there is no way to tell if the intuition of the "right" brain is real or not without the "left" brain's analytical scrutiny. But he added: "On the other hand, mere critical thinking, without creative and intuitive insights, without the search for new patterns, is sterile and doomed."



Or, as Stein IAS' Ruby puts it, "People lost sight of the fact that we can make really cool and intuitive and fun and interesting things, and still have the technology that we didn't have before to make it structured and accountable. It should not have been an either-or. It always should have been and."

Finally, it appears no coincidence that Matthew Weiner chose to set his exploration of one man's inner Self, *Mad Men*, in the advertising industry. Watch the pilot episode again. In a series of vignettes that won't be so subtle after having read this chapter, you'll see that the pilot recapitulates this entire history, complete with Lucky Strike as Sterling Cooper's seminal client. In explaining the importance of the episode's climactic moment – a classic Don Draper moment of intuitive inspiration – we return to the centrality of feeling good, of happiness, and of the subconscious.

**DON: Advertising is based on one thing: happiness.
And you know what happiness is?**

**Don looks out the window into the setting sun,
almost lost [in the moment].**

**DON (CONT'D): Happiness is the smell of a new car...
It's freedom from fear. It's a billboard on the side of
the road that screams with reassurance that whatever
you're doing is okay.**

(almost to himself)
You are okay. ⁷

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