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Risk Factor:The happy pill

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Optimism may save you, and it may get you killed. It's a drug produced by most people's brains that can work for or against your organisation's marketing efforts. One could argue that positive thinking, also called optimism bias, in the face of adversity is terribly important for our ability to survive and prosper. It is a fact that visions of positive outcomes from our efforts motivate us and this motivation likely helps us contribute substantially to our success. However, there is a problem with optimism and it is that optimism makes us easier to get manipulated.

In this regard, some pessimists may make better leaders because they can more clearly see the downsides and pitfalls of things, and they are better able to estimate actual outcomes. Most people, however, behave as optimists, particularly when it comes to themselves. This optimism makes us very likely to overestimate how soon we will complete an assignment, for example, or be able to repay a mortgage.

It is observed by researchers that optimists take personal risks believing in the likelihood of their success. While working as optimists, we tend to ignore the astronomical odds against our success. This optimism may make us play the lottery by actually envisioning ourselves winning.

Tali Sharot, gave a TED talk recently describing research into the optimism bias. Her studies show that 80 per cent of us are optimists and in that we are persistently optimistic about our own personal future. Her research also shows that this optimism is not significantly tempered by experience. We do not learn from our mistakes of optimism. We can be counted on to remain optimistic despite clear evidence to the contrary.

As the optimism bias study shows, we do learn from our mistakes of pessimism, but when it comes to our own future prospects, we repeatedly overestimate how well we will do relative to the facts, or indications of general trends, or even the fates of our peers. The optimism bias should be understood and used by those intent on making a difference with their marketing efforts. The optimism bias, for example, explains why the warning labels on cigarettes are so ineffective.

It turns out that most of us are wired to pay little attention to such warnings when applied to our own future. At the level of the basic human interface with the product, cigarettes deliver in terms of their ability to satisfy our immediate need. The warning label, which works contrary to our tendency toward optimism and self-indulgence, misses its optimal leverage point because the possible future consequence of smoking is easy to set aside in the face of our immediate craving. It turns out that most of us are wired to pay little attention to such warnings when applied to our own future. The truth of it matters little in the face of our optimistic belief in ourselves. As the optimism bias study demonstrates, we naturally and persistently assume that, despite any statistics to the contrary, we will be able to avoid these dangers. Meanwhile the pull of the nicotine for immediate gratification is strong and persistent. So it simply does not work.

Beyond optimism, another aspect of successful marketing is the ingroup bias. As per this

bias, we show strong preferences for our group while being negative towards others. When in groups, we produce oxytocin (also called the love hormone) that helps us form strong bonds with other members of the group. That makes us show preferences for them. For the same reason, we tend to be suspicious and negative towards other groups. We often assume that the others are wrong, boring, dangerous, etc., only because they are not a part of our group. So, how could one use ingroup bias in marketing efforts? One could craft one's marketing of products so that it points out that the potential consumers are in the same group as your prospect. For example, if your target is a 20 to 40 year old single man, then speak to him like a 20 to 40 year old single man. Show him that you're similar and that you understand him. One way in which this could be done is by using testimonials of people similar to one's target group. Another way is to use images and overall design that will reflect an ingroup effect. Furthermore, for ingroup bias, there is a suggestive technique in copywriting called 'Us vs. Them'. The technique requires positioning oneself with the prospect (Us) and in opposition to others (Them). For example, if one's selling a dieting product, then one can use this technique to position yourself with your prospect against the dieting industry, by pointing things like: dieting industry only wants to make more money, but they don't think of us; diets are unhealthy; diets don't work (after you finish a diet, your weight bounces back). So what's the bottom line? Both optimism and ingroup biases are powerful methods of marketing. One could use these biases effectively to lure people into one's products and boost overall sales.

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