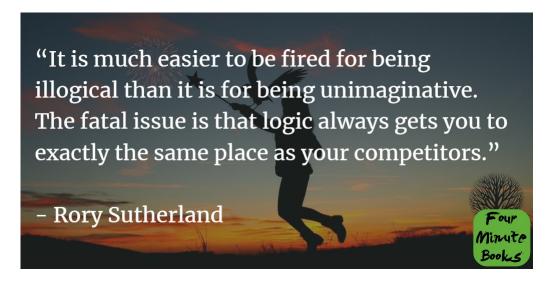
Alchemy Summary

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1-Sentence-Summary: <u>Alchemy</u> is your guide to making magic happen in business and life by teaching you how to practice irrational thinking to stand out and come up with powerful solutions to your problems and those of others.

Read in: 4 minutes

Favorite quote from the author:



Do you like <u>magic</u>? I don't mean the cheap card tricks that your uncle uses to impress you. I'm talking about when everything seems to work out so well that it could only have come from a spell.

While this kind of occurrence isn't usual, it is possible to plan to make it happen, especially in brands and business. But to do so you've got to abandon your typical thinking for a belief in a little wizardry. It's not too difficult once you try to think outside the box and realize that not all people act rationally.

This is what you'll learn about in Rory Sutherland's <u>Alchemy: The Dark Art and Curious Science</u> <u>of Creating Magic in Brands, Business, and Life</u>. This book will help you apply abstract thinking to really stand out and see the money and success start rolling in.

Here are the 3 best magic tricks I've learned from this book:

- 1. Companies like to treat humans as if they all behave in a predictable, rational way, but we don't.
- 2. Changing the small things that seem insignificant can have a big impact on the way people act.

3. The "average customer" doesn't exist, you should instead cater to the outliers for better success.

Are you ready to learn some new spells? Let's begin!

Lesson 1: Knowing that people most often act irrationally is a great foundation for finding ways to get ahead of your competition.

It's easy to compartmentalize people into little boxes of behavior or demographics. People act in just the way we think they do, right? It's easy to correctly assume the choice a person will make in any given situation, isn't it? Actually, this is far from the truth.

While science and reason have given us revolutionary <u>changes upon which our society is built</u>, they don't give an accurate baseline for the way people choose to act. **In the case of brands**, for example, the majority of people favor some over others, often with no logical reason.

Take dental hygiene for example. Did you know that people prefer to use toothpaste that has different colors of stripes in it? There's not any easily identifiable advantage to this kind, so why does it happen? It's a matter of ingenious design.

That extra color stripe in your toothpaste bottle makes it feel like you're getting more out of it. To our brains, it's as if we're getting multiple benefits. We get the illusion that it's more effective than the regular kind. Irrationality governs the way we act, which makes it difficult to make accurate assumptions about people. This is what causes so many businesses to fail.

Lesson 2: The little things may seem insignificant, but they really make the biggest difference on people's actions.

So now that you know the importance of abstract thinking, how can you apply it? Start by looking at the little details that most people don't even think twice about.

Many businesses today are spending a pretty penny on trying to figure out their customers. It's as if they're trying to get the next big breakthrough. But thinking in such gigantic terms is missing the small things that can make the most difference. **The power in microscopic** adjustments is in the <u>butterfly effect</u>, which is when one tiny change gets magnified throughout the system to make a huge difference.

One example the author saw was a publisher that added just four words to a telemarketing script. This small difference made sales conversions double! It might seem difficult to wrap your head around this principle, but the sooner you do, the sooner you'll start seeing success coming your way.

Still skeptical? Take a look at the experience Best Buy had that made sales shoot up 45% with just one change of a button. The company's online ordering process was frustrating customers who had to create an account to make a purchase.

A man by the name of Jared Spool had designers remove this option for the ability to just continue without the account creation hassle. The result? A boost of sales that made Best Buy an extra \$15 million!

Lesson 3: Focus on outliers instead of the "average customer" to have greater success.

There's more to humans than meets the eye. This makes planning for the typical buyer pretty much obsolete. If you're in business or doing any type of marketing, stay away from this tactic.

An example of this important principle dates all the way back to the 1950s. US military asked Lieutenant Gilbert Daniels to design the cockpit for high-speed aircrafts. The common assumption of the time was that designs should be done for "the average man."

But Daniels experience <u>measuring human hands</u> taught him otherwise, and that no hand was exactly the same as the average. This means that the size of "the average man" might not fit any of the pilots! Of the 4,000 pilots the US military took measurements of, not one would have fit comfortably in the cockpit designed for the typical measurements.

If you want to be inspirational and relevant, stop trying to use numbers to get an image of your average customer. Instead, focus on looking at the outlier buyers. What do they do? What do they like?

A lot of sensationally unusual ideas will come from taking this approach, and you'll often appeal to a broader range of people. Some of the most surprising places could be home to the best ideas if you'll just abandon logic and take a look.

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Alchemy Review

Wow, I am blown away at how cool and helpful this book is! I've always loved the idea that some of the best ideas sound illogical, and if you look back throughout history you'll find that's true. <u>Alchemy</u> is a great read for anyone in business and I highly recommend it!

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Who would I recommend the Alchemy summary to?

The 45-year-old brand manager who feels like they don't understand their customers very well, the 29-year-old entrepreneur who with a lot of great ideas that wants to make sure they'll really work, and any creative who's having a hard time breaking out of logical thinking.