



Exploring new Horizons: Using Neuromarketing as a Tool for Modern Marketers

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ABSTRACT

This study aims to understand how Marketers use Neuromarketing as an Innovative Marketing Campaign wherein consumers in the buying process through scanning brain activity of the salesperson's behavior and customers. Through this activity, the consumers can engage and participate and have a real time shopping experience. It provides useful information about the consumer behavior to the Marketers. Neuromarketing guides the customers to take a final decision while purchasing the product. It also helps in understanding different types of customer's needs and preferences thereby providing more opportunities for the marketers in the 21st Century. Neuromarketing tries to uncover the Emotional Appeal, Rational Appeal or both of the consumer behavior in order to measure the effectiveness of Ad Campaigns. Keeping in the mind the research objectives of this study, this paper uses exploratory and descriptive research design. A Survey Method is used by personal interaction. The Personal Interaction is limited to administration of questionnaires to collect required data. The statistical tools like z-test were used for statistical analysis.

KEYWORDS : Emotional Appeal, Neuromarketing, Rational Appeal

1. Introduction

Neuromarketing helps in understanding the impact of Marketing Stimuli by observing and interpreting human emotions and feelings, either through Emotional Appeal or Rational Appeal or combination of both. The underlying principle behind Neuromarketing is that when a consumer tends to buy the product, the decision will not be a complete conscious process. They tend to opt for the decision which triggers an emotional process, wherein the brain uses a lot of short cuts to accelerate the decision making process.

Neuromarketing can be applied in Product Design, Advertising and Promotion, Merchandise Design, where it enhances the consumer experience as a whole. Studies also reveals that emotions are relevant in human decision making and it uses this knowledge to make marketing more effective. The Neuromarketing field takes in to account of Neuro Economics, Neuro Science, Consumer Neuro Science and Cognitive Psychology.

Our neuromarketing experience and database

Input category	Quantity of measured stimuli
Spot TV	295
Logos	85
Printed AD	48
Packaging	15
Radio	12
Animatic	4
Auto-promo	4
Integrated product	12
Magazine covers	17
Web pages	20
Point of purchase	9
Perfumes	2
TOTAL	523

Figure 1 clearly indicates that 56% of consumers get inspired by seeing the TV Commercials.

2.0 Neuromarketing as a tool in different areas of Marketing

2.1 Neuromarketing in Market Research

The companies use Neuromarketing for evaluating TV Commercials, New Product Launch. They tend to measure the effectiveness of Media either through broadcasting or movies.

2.2 Neuromarketing in Product Design and Packaging

Neuromarketing uncovers the acceptance of the new product look, feel, and design from the consumers. Hence Neuromarketing testing helps the companies to evaluate the emotional appeal from the consumers so that the Product Design and Packaging can trigger the consumers to buy the product, thereby accelerating

acceptance of the new products by the consumers.

2.3 Neuromarketing in Pricing

Marketers believe that for any success of product or services, Price is an important factor. Hence Neuromarketing tends to analyze the perception of the consumers towards the Price vis-à-vis the value of the product. Hence Neuromarketing plays a vital role in pricing of the products.

2.4 Neuromarketing in Merchandise Design

While opening Retail, Store or Malls the Marketers should focus on two aspects i.e. Social Aspect and Functional Aspect. For Merchandise Planning and Category Management, Neuromarketing enables the Marketers to showcase the Products or Services, whether it is for Price or for Promotion, thereby impacting consumer satisfaction and shopping experience. Neuromarketing can also assess the real time measurements of the participants and their response.

2.5 Neuromarketing in Services

When we observe the Services Industry, the success rate will always depend on people interactions. In B2B Transactions, the key note for success is Buyer-Seller Relationship, which is largely based on an emotional process. Neuromarketing enables the Marketers to market better quality when compared to perceived quality from the consumers since the decision will be taken before the service is delivered.

2.6 Neuromarketing in Advertising

Neuromarketing helps in developing innovative ads and campaigns. Advertising is a Creative Process where Neuromarketing enables to understand the effects on the consumers. Neuromarketing is a tool for testing the effectiveness of the Ad campaigns.

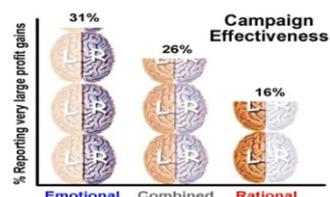


Figure 2 clearly indicates that when Marketers check the effectiveness of the Neuromarketing Campaign, it is observed that 31% of Emotional Appeal has an impact on consumers during buying process.

3.0 Objectives of the Study

1. To identify whether Emotional Appeal has a significant impact on consumers than Rational Appeal.
2. To ascertain whether Neuromarketing helps Marketers to understand the needs and preferences of the consumers.

4.0 Methodology of the Study

Research Design: Exploratory and Descriptive Research Design.

Data Sources

Primary data has been used by administering questionnaire to the customers.

Secondary data has been used through appropriate websites, Magazines, E-Journals, Newspaper articles.

Procedure: The questionnaire was administered to 100 customers who are actively involved in Buying Process for purchasing the products in and around Mysuru, Karnataka region during January, 2017 and the information was collected back.

Questionnaire: Self structured questionnaire was prepared with the help of the experts to analyze the perception of the customers towards Emotional Appeal and Rational Appeal with the Products/Services offered by Marketers. The Marketers are responsible for implementing Neuromarketing Innovative Campaigns.

The questionnaire consisting of 15 questions of which 5 questions each is used for 3 parameters.

Parameters: Emotional Appeal, Neuromarketing, Rational Appeal

Definition of Terms:

Rational Appeal:

Emotional Appeal:

Statistical Tool: To fulfill the objectives of the study z-test was used.

5.0 Limitations

The study had to be completed in a short span. The study is restricted to Neuromarketing Innovative Campaigns as a Modern tool for Marketers for the company's products or services.

Analysis:

To fulfill the objectives following statistical hypothesis was constructed and tested subsequently.

Statistical Hypothesis:

HO: P = 0.5; The proportion of customers prefers equally for Rational Appeal and Emotional Appeal.

H1: P ≠ 0.5; The proportion of customers does not prefers equally for Rational Appeal and Emotional Appeal.

Where P = Proportion of customers, who prefers Emotional Appeal. To test above hypothesis, z-test was used and

$$z = \frac{(p-P)}{\sqrt{\frac{PQ}{N}}}$$

Where $p = \frac{X}{N} = \frac{84}{100} = 0.84$

X = Number of customers who preferred Emotional Appeal

N = Total number of Respondents

Therefore, **z = 9.27**

Since calculated z-value was greater than 1.96, the test was significant at 5% levels i.e. Emotional Appeal has a significant impact on consumers than Rational Appeal while purchasing the product/services offered by Marketers implementing Neuromarketing Innovative Campaigns (at 5% levels).

5.0 Conclusions

In the 21st Century, Neuromarketing is growing extensively and has been very well accepted from both Consumers and Marketers. The customers love to get involved in real time shopping experience. Neuromarketing encourages the customers to participate in the buying process and respond to events displayed on the screen.

Hence it is prudent to reach a conclusion that Neuromarketing will provide more opportunities for Marketers and B2B Companies as well. Hence Neuromarketing provides a right platform where marketers can come up with innovative programs to cater to different types of customers by providing the right product at the right time. Hence most of the time consumers tend to rely more on Emotional Appeal than Rational Appeal in the buying process.

Neuromarketing ensures that the Marketers understand the Consumer Behavior better, and help the Marketer's to come up with effective Marketing Program, so that they can cater better to their customer tastes and preferences.

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