

Chapter 5

Understanding the Logic and Science Behind the Emerging Field of Neuromarketing

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ABSTRACT

The term “consumer behaviour” represents an important concept in the discipline of marketing management. In fact, it’s one of the most researched aspects of the discipline, and with the introduction of neuroscience technology, its investigation potential has become even wider than before. Neuromarketing takes a cue from the Nobel prize winner Francis Crick’s hypothesis that all thoughts, actions, and feelings associated with human beings are the ultimate result of the neural activities that are performed within the brain. The statement has important implications for the marketers as they finally can have a definitive science that can effectively reduce the conjecturing and uncertainty related to the understanding of consumer behaviour. The discipline of neuromarketing, also sometimes referred to as consumer neuroscience, is the study of the brain to predict the ongoing and potential behaviour of consumers. Initially limited to the avenues of frontier science, various studies on neuromarketing have now established their credentials to create potential value for marketers.

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INTRODUCTION

Marketing is a culmination of Art and Science that involves processes related to creating, communicating, and delivering a better value proposition to customers. Most of the phenomena related to marketing can be explained in a rational and logical manner. Whether it is a price, service, on-time delivery, or customer satisfaction, the majority of these aspects can be correlated with the rational and logical sense of consumers (Cruz et al. 2016). That said, there are still many grey areas in marketing field where the logic and science of applying the rationale might not yield accurate results. For example, it is difficult to predict why a particular brand of detergent, despite having higher prices, continues to remain at the top of the priority list of consumers. Or why a majority of customers still today are eager to purchase the brands for gratification purposes. Answer to all these questions requires us to get into the territory of neuromarketing which can be defined as a science-based on the customer psychology to predict their purchasing behaviour. Contrary to the popular belief that neuromarketing is still an emerging area of management that requires a lot of effort before marketers could actually rely on the discipline for making strategic decisions, a lot of companies today are actually using neuromarketing to effectively carry out their strategic marketing decisions. Many companies today rely on neuromarketing for deriving their knowledge and acumen related to customer behaviour and with each passing day, the scope and application of neuromarketing are spreading their wings far and wide. In fact, all processes related to customer segmentation, targeting, and positioning can very well derive their acumen and understanding from the neuromarketing and the discipline is increasingly becoming instrumental in enhancing the accuracy of marketing strategies while delivering better results to companies on both profitability and customer acquisition fronts. Our chapter takes a deep dive into all the concepts, strategies, and issues related to neuromarketing. The chapter also apprises readers about the range of tools and technologies that are involved in neuromarketing, how these can be utilised by both academia and industry, and what possibilities neuromarketing holds for the future of consumer behaviour and marketing management.

INVESTMENT IN NEUROMARKETING: WORTH OR WASTE?

Despite the increasing set of credible evidence, marketers are struggling to find out whether an investment in tools and technologies of neuromarketing is worth it, which are the most important tools that can help the marketers to uncover new insights into consumer behaviour, and more importantly, how well it can be performed for yielding desirable results for the organisation (Dimpfel 2015). The neuromarketing term encompasses all tools and technologies that measure the neural signals associated with the psychological characteristics of consumer behaviour. These characteristics include attitude, intentions, motivation, perception, and insights into all these aspects that can help the marketers to come up with better advertisement campaigns, product features, pricing strategies, distribution channels, and other important aspects related to marketing areas. Some of the most common methods associated with neuromarketing include physiological tracking, brain scanning, biometrics, and facial coding among others.

From the perspective of organisational resources, it is important for all the stakeholders to understand that efficient and optimal utilisation of the money is one of the prerequisites for the success of the company. Especially after the Covid-19 pandemic, companies all over the world are becoming increasingly cognizant of the need to spend each and every penny in the most efficient manner. The cost-cutting is becoming very much rampant and along with reorganizing the businesses, the top corporates around the

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