

Neuromarketing – Luring Rural Customers

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ABSTRACT

The brain is one of the most important parts of human body. It is through which the individual thinks logically and takes decision. In fact, lot of studies has taken place regarding the working of brain and its impact on any decision making. Neuromarketing is one of the emerging disciplines of Neuroscience and Marketing. Not only Neuromarketing helps us to understand the human mind but also help us to study how brain influences our purchase intention. It can provide valuable insights about consumer behaviour which can in turn help us to develop products and services to create customer delight. Rural consumers are complex and diverse in nature.

In Neuromarketing the basic investigation on information pertaining to general consumer purchase decisions take place at a mental, emotional and instinctive level. It take place in the subconscious brain that is under the levels of controlled awareness.

This paper is an attempt to understand how neuromarketing can provide better insights about purchase intentions of customers, in particular the rural customers.

Key words: Neuromarketing, Neuroscience, consumer behavior, customer delight

Introduction:

Neuromarketing is a new field of marketing research that studies consumers' sensorimotor, cognitive, and affective response to marketing stimuli. Researchers use technologies such as functional Magnetic Resonance Imaging (fMRI) to measure changes in activity in parts of the brain, electroencephalography (EEG) and Steady State Topography (SST) to measure activity in specific regional spectra of the brain response, and/or sensors to measure changes in one's physiological state, also known as biometrics, including (heart rate and respiratory rate, galvanic skin response) to learn why consumers make the decisions they do, and which brain areas are responsible. Neuromarketing research is expanding rapidly in both academics as well as and business. In fact, certain companies, particularly those with large-scale ambitions to predict consumer behaviour, have invested in their own laboratories, science personnel and / or partnerships with academia. [1]

Companies such as Google, CBS, Frito-Lay, and A & E Television amongst others have used neuromarketing research services to measure consumer thoughts on their advertisements or products.[2]

While the origin of the term "neuromarketing" has been attributed to Ale Smidts in 2002, in actual fact the phrase was in use much earlier. In the late 1990s, both Neurosense (UK) and Gerry Zaltmann (USA) had established neuromarketing companies. Unilever's Consumer Research Exploratory Fund (CREF) too had been publishing white papers on the potential applications of Neuromarketing. [3]

What is Neuromarketing:

The neuromarketing concept was developed by psychologists at Harvard University in 1990. The technology is based on a model whereby the major thinking part of human activity (over 90%), including emotion, takes place in the subconscious area that is below the levels of controlled awareness. For this reason, the perception technologists of the market are very tempted to learn the techniques of effective manipulation of the subconscious brain activity. The main reason is to inspire the desired reaction in person's perception as deeply as possible.

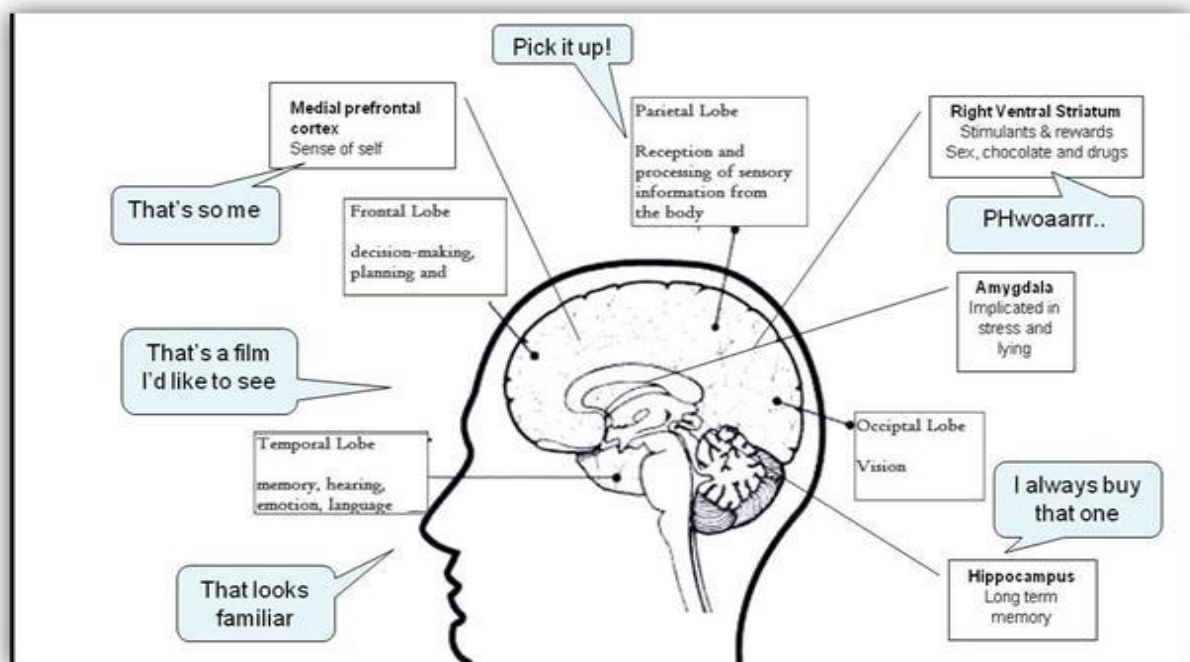
The base of neuromarketing is "meme" [4][5] (by Richard Dawkins - a unit of cultural information similar to gene).[6] Meme is a unit of information stored in the brain. These units are effective at influencing a person who is making choices and decisions within 2.6 seconds. If "meme" is chosen properly we remember the good, joke or song and would share it. "Memos stay in memory and they are affected by marketers".

Examples of memes: Aromas of fresh bread, sweets, grandmother's pie; Characters in fairy tales, melodies that cannot be forced out of one's mind. Thus neuromarketers examine people (brain scan, revealing subconscious motives) and manipulate them.

Best-known technology of neuromarketing was developed in the late 1990s by Harvard professor Jerry Zaltman (Gerald Zaltman), once it was patented under the name of Zaltman Metaphor Elicitation Technique (ZMET). The essence of ZMET reduces to exploring the human unconscious with specially selected sets of images that cause a positive emotional response and activate hidden images, metaphors stimulating the purchase.[7] Graphical collages are constructed on the base of detected images, which lays in the basis for commercials. Marketing Technology ZMET quickly gained popularity among hundreds of major companies-customers including Coca-Cola, General Motors, Nestle, Procter & Gamble

In June 2010, Pantene adopted a Neuromarketing application to redefine its advertising strategy and to compete against Suave and other low priced competitors. Though Pantene is already having brand value and recognition, it wasn't able to explain its dropping sales. In one ad, P&G noticed viewers were distracted when a model, with a look of frustration, was trying to deal with her unruly hair; they were wondering why she was upset and stopped focusing on the rest of the advertisement. P&G re-edited the spot to focus less on the model's expression and more on her hair.

Fig 1: Various parts of brain which affects buying decisions of consumers



Source: www.managementcanvas.iimindore

Campbell's updated their soup label using eye tracking, pupil dilation, biometric heart and measurement tests, sweat levels and changes in body posture in 40 subjects. To summarize changes to the old label, steam was added to the bowl of soup to evoke emotional engagement from the customer, the spoon from the original advertisement was removed, as it was deemed unnecessary, the bowl was updated and the Campbell's logo was put at the bottom of the logo, because it drew too much attention at the time on the old one. Thus, it was concluded that certain brands are linked with certain neural activity, driving consumer preference.

Why Indian Rural Market is different?

Now, the biggest challenge for many of the Indian corporate is to make inroads into urban and rural markets. Rural consumer behaviour is more complex and diverse when compared to urban consumers due to socio-cultural, economic and regional differences. So many times the same strategy won't work at all places. Let us explore the key features of rural markets. One among the key features is the influence of opinion leaders in rural areas. The opinion

leaders have a profound influence on rural purchasing behaviour. So perception of opinion leaders has a vital role in decision making. Another important factor influencing the rural purchases is the packaging aesthetics. Rural consumers always appreciate bright colours. The most accepted colours include yellow, red, Violet etc. Here also we difference in rural consumers perception across south and north. In South yellow is the sign of prosperity, purity and auspicious, but in north yellow colour is related with jaundice and ill health. The classical example of Texla Television sets. They initially launched a TV sets with grey and blank cabinets, but sales didn't catch up like they expected. It introduced Red and Yellow cabinets and sales dramatically increased. Dull and Sober colours are not popular among rural consumers

In Rural markets, Brand association is mainly with colours, numbers and visuals. Lifebuoy is identified as Red soap, Eveready as Red battery and Dabur tooth powder as Lal Dant manjan. The numbers include 501 bar soap, 502 Pataka chai. Visuals include Katchua Chaap mosquito, 3 Roses tea and Rin (lighting) etc. In Urban markets people mostly relate products with brand names. So this reveals the complexity of rural markets. International development Enterprises introduced low cost foot operated treadle pump for drawing water. Initially it didn't create any responses. When it was operated in a bore well and then farmers were convinced and they were willing to purchase. The success of Coca cola, Bajaj and Tata roofing sheets can be attributed to understanding rural consumer's perceptions and behaviour in choosing the product. So in order to explore rural markets and establish rural markets we need to understand the mind and perceptions of rural consumers to an extent that we should know the minute details. In such a situation,

Neuromarketing has a vital role in identifying what are the key factors and why these characters are influencing the purchasing behaviour of rural consumers. Why packaging aesthetics, Visuals are influencing the purchasing behaviour of rural consumers. So let us find out why it is happening and how it can be utilized in Indian rural markets which can ensure better products, better quality and services in rural markets of India.

What difference it can make in Indian Rural markets:

Neuromarketing explores the emotions, thoughts and interpretation of products that consumers visualize in their brain. We are making sense out of anything because of the understanding of brain by conditioning. Consider we are launching "X" brand in Rural markets. Since it is a new launched product we cannot predict the success and failure of the brand. But Neuromarketing techniques can show how people perceive your product and what influence or emotions arise in consumers mind on seeing your product? It can provide rational explanation for brand recognition in rural markets.

The acceptance of any brand in rural markets can be influenced by opinion leaders. By brain imaging techniques we can identify what emotions and perceptions arise on opinion leaders which can highlight product attributes which can be influential. So this knowledge about the opinion leader's response can help the company to rethink if it has a negative response. But we should ensure that imaging has to be done on reasonable sample for better outcomes.

In the case of Coke experiment, the Coke itself produces a response in the brain and makes the feeling that cold drinks mean coke. The colour of packaging materials can also play vital role in determining the sales potential of any product in rural markets. The main reason is that bright colours can stimulate the decision center in the brain which results in the purchasing of the product. Another important point is the recollection of branded products especially FMCG by colour, numbers and visuals. Here Neuromarketing techniques can be utilized to understand what are the common colours, numbers and visuals which brain processes easily and the stimulus it can provide to the decision making center of brain. So this can give better insight into branding and product design as well.

Even in the area of rural advertising, Neuromarketing techniques can be used to identify what impact an advertisement about a particular product is creating on the buy button of the brain. The main obstacle in continuing the research in Neuromarketing is its cost factor. It cost around Rs.50 Lakhs to Rs.100 Lakhs for conducting a FMRI survey. On top of that consumers are become aware of their buy button and has already come up with their slogans like "Don't make us robotic shoppers" in US. Nevertheless, the buy button idea is a science fiction though.

CONCLUSION:

Neuromarketing is one of the emerging areas in Marketing. It can provide valuable insights about consumer behaviour which can in turn help us to develop products and services in order to delight the customer. This will not only make a difference in understanding the needs of customers but also will help in product offerings which actually satisfy end users needs. This will automatically increase the quality of products which will ultimately increase sales and thereby will achieve objective of companies of providing both quality products and increased profitability.

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