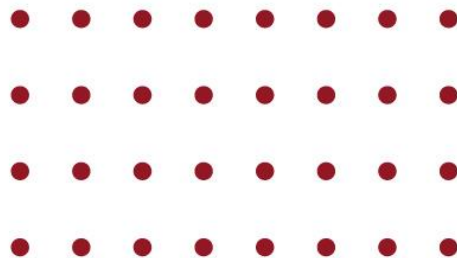


Consumer Experience
in the Digital
Environment

Neuromarketing & Consumer Be- haviour

Unit 2





Contents

- Discovery of Neuromarketing
- Definition of Neuromarketing
- Functions of the Brain
- Uses of Neuromarketing
- Sensorial & Experiential Neuromarketing

Discovery of Neuromarketing: Coke vs. Pepsi Experiment in 2004



<https://medium.com/@neurosensum/the-pepsi-challenge-how-neuroscience-discovered-the-hidden-truth-e5da7997f046>

Researchers at Emory University served both Coca-Cola and Pepsi to participants of the study and measured their brain activity.

When they didn't know what they were drinking, the response was neutral.

As soon as they saw the brands, the part of the brain related to memory, emotions and unconscious processing became active and they chose Coca-Cola.

- ➔ Knowledge of the brand changed the perception of the beverage
- ➔ Neural activity in certain brain areas related to memory when seeing the Coca Cola brand

Definition of Neuromarketing

Neuromarketing = Consumer Neuroscience:

- Study of the human brain and its reactions to stimuli
- Cognitive and affective sides of human behaviour
- Understanding the subconscious processing of the consumers' buying decision making
- Intersection between behavioral psychology, human emotions and economic development
- Application of neuroscience to marketing, to understand consumer behaviour better

Francis Crick called it *the astonishing hypothesis*:

that “all human feelings, thoughts, and actions – even consciousness itself – are just the products of neural activity of the brain”.

Harrell, E. (2019). Neuromarketing, What you Need to Know. *Harvard Business Review*, 23(1), 90

<https://hbr.org/2019/01/neuromarketing-what-you-need-to-know>

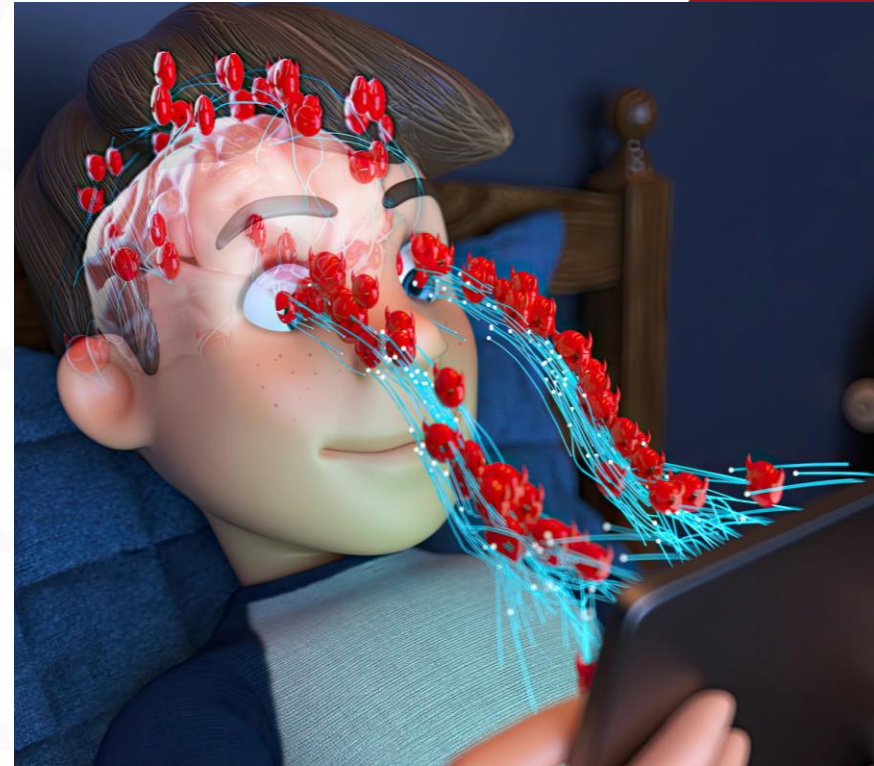


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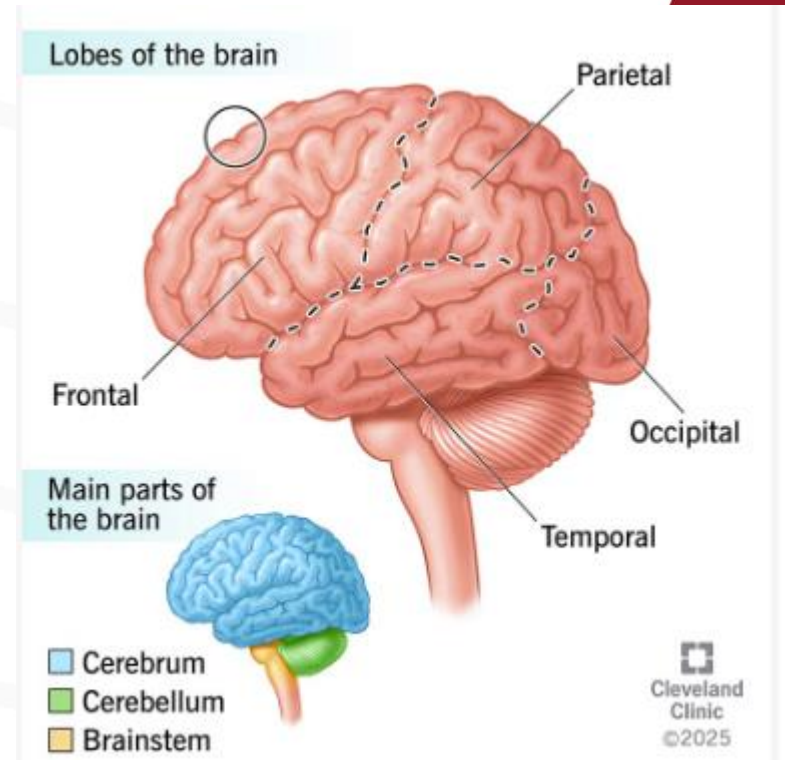
How Does your Brain Work?

Definition of the Brain:

- Complex organ that controls senses, emotions, thoughts, memories and behaviour
- Brain consists of four main parts or lobes, they work together to receive and exchange information
- The information exchange runs through nerve cells or neurons that form the brain

Functions of the Brain:

- Automatic behaviours like the heart beat, the breathing, sleeping and temperature control
- Stress response
- Maintaining the organs working
- Memories and emotions
- Movements, balance
- Vision, hearing, touch, smell
- Thoughts and decision making



Cerebrum: 5 senses

Cerebellum: Movement

Brainstem: Automatic body functions

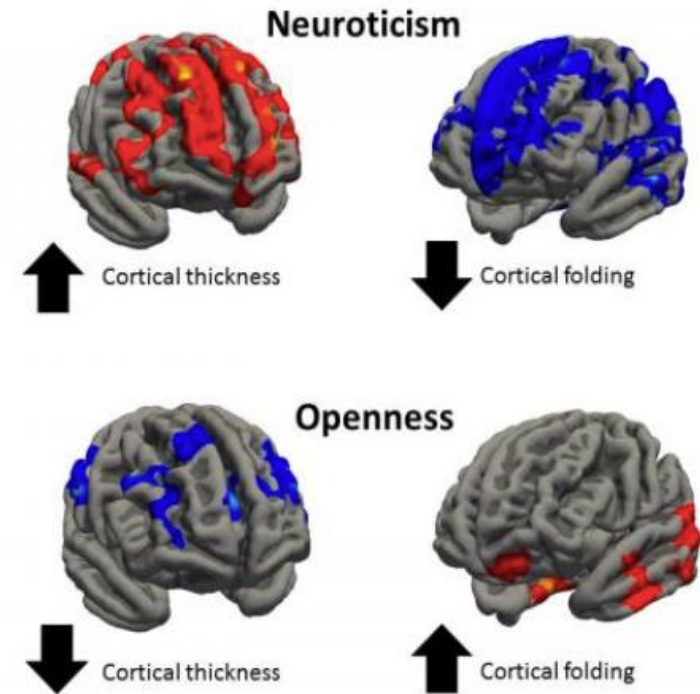
Different Brain Structure: Generic & Individual Factors

Factors that Affect Brain Structure:

- Genes: the brain structure is mainly inherited
- Environmental: Experiences like learning shape the brain structure (plasticity)
- Developmental environment: Education and social environment of the child

Individual Differences:

- Age
- Gender
- Personalities



Study from the University of Cambridge: Riccelli, R et al. [Surface-based morphometry reveals the neuroanatomical basis of the five-factor model](#). *Social Cognitive and Affective Neuroscience*; 25 Jan 2016; DOI: 10.1093/scan/nsw175

How Does the Brain Work?

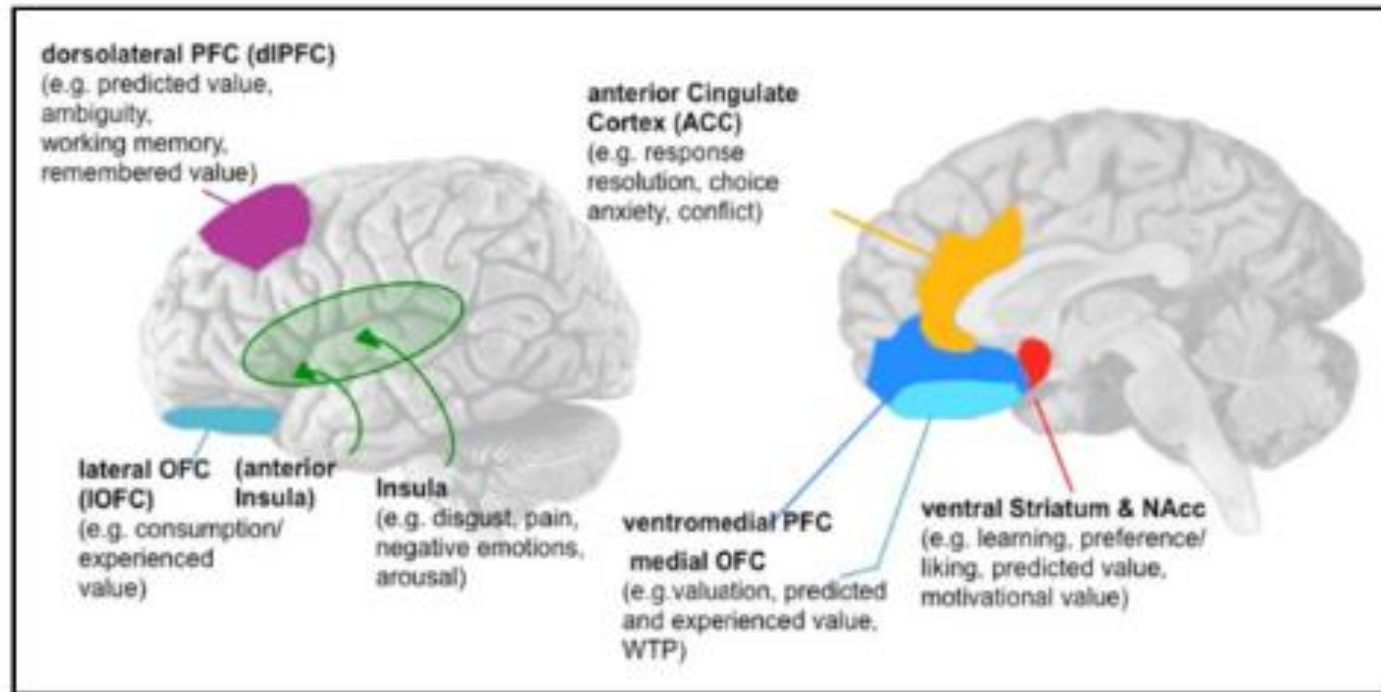


Figure 1. Brain areas important for investigations into consumer decision making (adapted from Plassmann & Karmarkar, 2015).

Karmarkar, U. R., & Plassmann, H. (2019). Consumer Neuroscience: Past, Present, and Future. *Organizational Research Methods*, 22(1), 174–195. <https://doi.org/10.1177/1094428117730598>

Uses of Neuromarketing: Key Insights

- ✓ Researchers could identify the main brain areas for product preferences.
- ✓ They were able to find the brain areas responsible for willingness to pay.
- ✓ Some brain zones showed reactions to marketing actions.
- ✓ Discovery of new mechanisms for the decision-making process, such as the impact of the timing of price information on purchasing decisions.
- ✓ There are differences on individual decisions based on age, culture & brain structure.

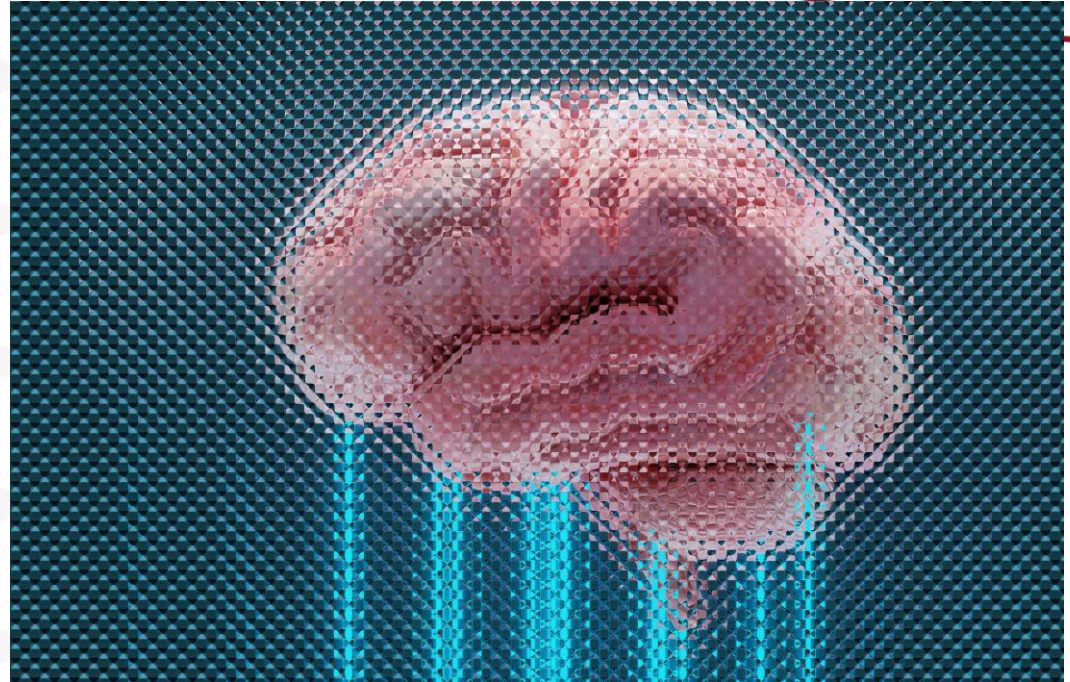


Photo by [Shubham Dhage](#) at [Unsplash](#)

Implications of Neuromarketing: Insights into Decision-Making

- Reevaluation of current models and concepts in terms of consumer behaviour
- Example: Research by Kang showed that there's no difference in motivation for choices. The choice is made independently of the incentive.
- Other studies show that consumers make a choice without any awareness of the decision making, it's almost “automatic”
- How and when the product is shown is not relevant



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Implications of Neuromarketing: Insights into Decision-Making

- Information about a product like the brand and the price can have an impact on the purchasing
- Marketing actions could change the sensory experience of the consumer: A high price would make for high quality of the product and taste better
- Consumers could be explicitly or implicitly influenced by social pressure related to the marketing signal: A higher priced wine tasted better even though it was identical to the other one → Marketing actions can influence consumers as much as physical and tangible attributes



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Implications of Neuromarketing: Insights into Decision-Making

- Consumers perceive brands and individual personalities differently
- Brands are understood using the same criteria as human personalities, though defined in a different way: Excitement, competence, sincerity, ruggedness and sophistication
- Yoon was able to create a neural brain map with these criteria and was able to predict the type of brand people were seeing thanks to the map
- Celebrity endorsements when they are credible can create a deeper trust and processing -> There's a transfer of the positive feeling from famous people to the product that they endorse



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Implications of Neuromarketing: Insights into Decision-Making

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- Timing of price information leads to more purchases. A study from Karmaker in 2015 showed that if the price information was showed first, consumers were more willing to buy. If the product was shown first and the price last, the consumers were thinking “Do I like this?”
- Second study showed there were more purchases with a strategy of showing the price first and then a **clearly defined value for the product**
- Relationship of visual attention and choice. The longer a product is shown the likelier it will get bought
- Visual attention can make a difference if the consumer has to make a quick choice and also as a part of the packaging.



© Mike Hruby

Why Do Cereals Display Heart-Healthy Claims on Packaging?

Sensorial Neuromarketing: Definition

Sensorial neuromarketing integrates marketing with neuroscience to create emotional connections, generate brand loyalty and influence consumer's buying decisions.

It stimulates the human five senses like the sight, smell, sound, touch and taste. The idea is to create great customer experiences through the senses.

Examples:

Scent

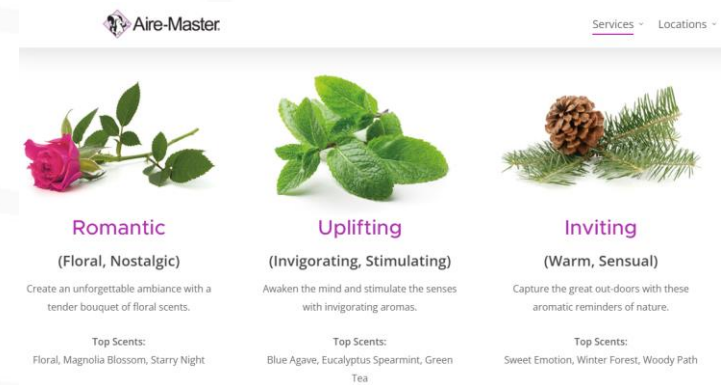
Using specific smells in stores that trigger emotions and memories

Touch

Using different textures in the shops (fashion & cosmetics)

Sight & Sound

Using different cues like colours and sounds in the product packaging and advertisements.



Experiential Neuromarketing: Definition

Experience is at the core of this type of neuromarketing. The goal is to create memorable experiences for customers based on the five senses, which will then generate emotional connections between customers and products or services.

Experiences can be direct, by purchasing the product itself, or indirect, by being exposed to advertising and communication about the product.

“experiential marketing uses credible voices, sensory experiences, and respect for the consumer in its tactics and strategies, and it is employed to create direct and meaningful connections between companies and their customers.” (Leahy, Fenton and Barry, 2022, p. 34)

Examples:

Brandscaping

Two brands partner up to generate a special experiential event: McDonald's 'Day of Joy' with Jessie J.

Instore Experiences

Ikea sleepover in a warehouse in Essex, UK after discovery of FB group

Online

Burberry Kisses, a campaign in which participants took pictures of their kisses with new lipsticks that could be shared on social media



Source: Case Study by Promohire

Thank You