

The history of marketing and neuromarketing



Marketing has developed tremendously with the evolution of technology. The internet, which is continuing to grow rapidly, is one of the most important technologies that have affected marketing. It has destroyed all boundaries such as time and distance. Manufacturers can now connect with customers without any constraints. It also gave an opportunity for small regional companies to access bigger markets and compete internationally. The internet exposes customers to these various markets, which gives them the chance to choose from a wider range of products so they would find exactly what they are looking for. Another positive impact of technology on marketing is that it allows companies to store information about each customer in order to understand them more thoroughly using past behavioural data. Getting feedback from customers has an important role in marketing. Knowing the weaknesses and strengths of their product would be extremely useful if they received feedback from customers instantly. If there were any deficiencies or traits in the product which customers were complaining about, the manufacturers could find solutions or enhance their product as soon as possible so it doesn't result in a loss in sales. On the other hand receiving positive feedback and knowing the strengths of their product lets them know what to focus on in manufacturing the next product or what to focus on in advertising for this product.

As well as the many advantages of technology, we cannot ignore the disadvantages that affect marketing. Most people have privacy concerns when it comes to using the internet. From the company's point of view, it may fear that their database of clients and suppliers or other important data such as unreleased financial information would be hacked and stolen by

competitors. From the customer's point of view, the fact that the company can save and utilize large amounts of diverse information about their activities and interests using cookies can be unpleasant. People have been debating whether this act is ethical or not for years. Some say it is an invasion of the customer's privacy because the company would track every move they make on their website. Others say that it is actually ethical because the information collected wouldn't be shared with a third party and it will only be used to enhance the buying experience for the consumer.

Marketing and Neuromarketing

For decades, most marketing theories searched ways to convince consumers buy products. This particular task is becoming more difficult in modern societies; consumers are becoming wiser in their preferences and selection especially when the markets itself offer them with wide range of options. In the contrary, Saren (2011) believes that People put their creative energies into consumption. They regularly purchase products based on their mood or feelings rather than making sure they buy the product with the best quality at the lowest price.

One of the contemporary ideas in marketing is neuromarketing. This concept originated from advancement of neurosciences research. Developments in neuroscience over the past two decades have transformed our understanding of the brain and how it works. Therefore marketers and researchers have started to think about how it could be used in order to improve their researches in brand marketing. Neuroscience techniques offer an objective view of what consumers actually think without resorting to an

interviewer or a questionnaire that might lead to bias results (Page and Raymond 2007).

Most of what we know about how the brain works is based on the study of the brain functions, where neurological conditions are clear and closely monitored. Ian Addie (2011) argues that it is necessary to have an accurate and inclusive understanding of the brain's function so that the results could be correctly interpreted and fully understood.

Findings from neurosciences and brain research enlightened marketing researchers to explore unique ways to enhance their understanding about the consumers and the term “ neuromarketing” was introduced in marketing prestigious journals. We basically focused on how to use brain imaging to analyze the degree of positive emotions bred by the product experience. According to Zurawicki (2010, p. 211) there are approximately 90 private neuroscience labs contracting with businesses to perform applied studies on consumer behavior, attitudes and related issues.

Studying consumers describes how they understand, recall and feel about acquiring and using products and services. Zurawicki (2010) also suggested that enhanced knowledge of people's experience is crucial in order to comprehend how consumers decide to buy. Neuromarketing has addressed a diversified range of problems encountered in consumer behavior. This is due to constraints imposed by the available technology, the diverse complexity of the research task, and the difficulty in organizing different kinds of experiments.

The brains process most of their sensory input subconsciously. Most of the information taken by our senses comes through our eyes, as a quarter of the brain's volume is devoted to the visual image processing and integration. All the other senses contribute as well; the hearing sense enables the basic function of communication and allows us to interpret the speech. Taste and smell senses enable us to detect chemicals in the environment; they separate the healthy and useful substances from those which are undesirable or even toxic. Marketers can significantly improve a product's success in the marketplace by linking it with a pleasant, iconic smell. Combining senses generates a higher level of engagement with the consumer if you stimulate multiple senses that make sense together. (Pradeep 2010)

Assuming that you can access the subconscious mind or get true measures of emotion only by using biometric measures is false. Many conclusions about the brain are obtained by relating stimuli which generate a known feeling such as excitement or anxiety with the brain activity. These feelings are clearly involved in a conscious experience rather than subconscious. (Page and Raymond 2007)

There are many types of brain research methods. Electroencephalography (EEG) is an important type which is a diagnostic tool for brain disorders. It can show the brain's activity in certain psychological states. Observation of the brain waves whose different amplitudes correspond with different mental states, such as wakefulness, relaxation, calmness, and light and deep sleep can tell a lot about the subject's mental state. (zurawicki 2010, pradeep 2010)

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Zurawicki (2010) explained that measuring the brain activity happens by placing numerous electrodes in various locations on the scalp. Each electrode makes a recording of its own so we could draw a meaningful conclusion by comparing them with the baseline level. We can now study the brain activity through a naturalistic observation by using portable EEG devices which allow us to collect data anytime and anywhere.

Functional Magnetic Resonance Imaging (fMRI) measures the increase in oxygen in the blood flow within the brain. It accurately indicates when activity in a particular area of the brain increases. When neurological activity increases, the oxygen in the brain increases in order to support this activity, and fMRI scans capture this increase. It takes up to 5 seconds for the added blood supply to reach the specific area of the brain, and that is considered a downside of the fMRI technology for marketing research purposes. Another shortcoming is that the equipment used is very expensive, so as hiring an expert who would skillfully use it and interpret the results. Using fMRI is impractical because only one person at a time could be tested, and he has to stay still for the entire session or else it can render test results useless.

(zurawicki 2010, pradeep 2010)

In order to understand how our brains process and respond to the aspects of marketing, we need metric tools to do so. The main NeuroMetrics measure attention, emotional engagement, and memory. Attention is an essential function of the brain. We never know when we are going to pay attention to something; therefore we often don't know what stimulates us to begin paying attention except by using a brain-based NeuroMetric. Just like attention, emotional engagement can fade over time. Although our

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conscious awareness of emotion feels consistent, at a subconscious level our brains are continuously renewing our emotional engagement with the surrounding world. Memory is one of the most thoroughly studied aspects of the brain in action. The mechanisms and frameworks by which the brain engages in both memory encoding and memory retrieval have been closely mapped and analyzed. These memory processes produce continuous and measurable brainwave patterns that show when memory processing is active. (pradeep 2010)

According to Pradeep (2010) Initial and most significant and complex responses to stimuli are formed in the brain. To be more specific, elements that are essential to marketing success are formed in the subconscious level of the brain and remain there.

One of a marketer's jobs is to figure out what customers want and need to buy. Understanding the brain and applying neuro-based tools helps in improving products and creating more affective advertisements.

Maden (2010) stated that in neuromarketing, two methods are used in evaluating an individual's preference between products. These methods are brand familiarity and product preference.

Brand familiarity

Brand familiarity is the comparison between familiar and unfamiliar products. Consumers feel negative uncertainty towards unfamiliar brands when they first appear in advertisements. However, if the advertisement message is repeated at low levels, then it would decrease the uncertainty and increase the effectiveness. Advertisements should not be repeated too much though,

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as repeated exposures annoy the viewer and would lead to a decrease in the effectiveness of the advertisement. If the product was already familiar, repeated exposure would allow the consumer to process the advertisement and their associated experiences from using the product. For unfamiliar brands, there would be less knowledge to process and this causes the consumer to get bored or even annoyed. New brands need to be conservative in their marketing efforts, they should make consumers recognize their brand but at the same time they should not exaggerate.

Product preference

Product preference is the comparison between two known products or brands. Preference for one product over the other is primarily due to personal experiences as well as the cultural background or that the preferred product shows more reinforcing qualities.

Even though neuromarketing is mainly used in creating commercials, Dragolea and Cotîrlea (2011) believe that neuromarketing is not restricted on that; it could be used in packaging or even shelf display. Other than that, neuromarketing plays an important role in developing new products and rebranding.

Ethics

Despite the desirable applications of neuromarketing, there are many ethical and controversial issues regarding this new emerging concept. Fisher et al. (2010) feared that neuromarketing might threaten individual independence by effectively manipulating consumer behaviours. There were also concerns that advertisers would find a “buy button” in the brain that would control

what the consumer buys. Another ethical issue raised by Lee et al. (2007) is that consumers may be harmed by constantly being exposed to a market with purchase addictions and overconsumption. Currently, the state of imaging technology does not give us accurate predictions of human decision making, therefore these worries are premature.