

# The effectiveness of neuromarketing marketing essay



This research project examines the new concept of marketing research methodology called neuromarketing to find out the intrinsic values that lay behind consumers purchasing behaviour. The research will focus on the soft drink industry in the UK, especially on the two major carbonated, cola drinks producers Coca-Cola and Pepsi.

## **Brief Background**

Soft drinks sector is a £11.5 billion industry. A report by Mintel (2008) shows that the soft drinks market is represented by five categories such as: carbonated drinks, bottled water, fruit juices and fruit drinks, smoothies and premium soft drinks. Carbonated soft drinks, or known in the UK as 'fizzy drinks', account for over half of the soft drinks market, with sales worth £6.038 billion in 2008. They are usually described as being sweet, with great amount of sugar or artificial sweeteners, and containing carbon dioxide, which makes them 'fizzy'. The leading flavours are cola and lemon. More than half of the UK market value is shared between two international giants: Coca-Cola and Pepsi. Both companies are based in the US. In the UK, Coca-Cola is produced by Coca-Cola Enterprises Ltd., and Pepsi by Britvic Soft Drinks PLC. (Keynote, 2008) By far, Coke holds the strongest position within the market with 48% of the retail sales. Holding the second place Pepsi is far behind with only 12% of the sales.

For the past few years, due to health awareness, the demand for carbonated drinks has decreased. It was especially noticeable within the cola drinks such as Coca-Cola and Pepsi, hence the release of the low-sugar, healthy versions such as Coca-Cola Zero and Pepsi Raw. According to Carbonated Soft Drinks report (Mintel, 2008) cola drinkers are most likely to be aged under 25. Since <https://assignbuster.com/the-effectiveness-of-neuromarketing-marketing-essay/>

young men are less concerned about the health dangers, they are more likely to be cola drinkers than women. Diet colas are more popular within women and have almost as many consumers as regular colas.

There is a noticeable marketing battle between the two cola leaders; Coca-Cola and Pepsi. Local bottlers are trying to get into the fight for consumers with the international leaders. That is where marketing plays a very important role.

Marketing research helps companies understand consumer behaviour. It involves surveying or observing consumers. The most popular techniques include surveys, observations, focus groups or in-depth interviews. However, according to Malhotra et al (2007) there are limitations of the marketing research and that making the decision based on the research results may not always be successful. Zaltman and Coulter (1995) say that traditional techniques have problems with codifying how consumers think about the product and how marketing affects consumers' behaviour. Moreover, Zaltman (2003) argues that while consumers' world has changed, marketing and methods of understanding consumers have not. No wonder why, even though billions of dollars are spent on marketing, 80% of the new products in the marketplace fail (Pradeep, 2010).

Pradeep (2010) believes that as much as 95% of our consumer behaviour is unconscious. It is hard to find out why consumer buys what he/she buys because he/she doesn't really know the reason. In order to find out the unknowable, marketers became more and more interested in the consumer's brain. Neuroscience started to play more important role and in connection

with marketing, a new concept was created: Nueromarketing. Lee et al (2007) explained neuromarketing as” the application of neuroscientific methods to analyze and understand human behaviour in relation to markets and marketing exchanges.” By the use of technology scientists watch our brain’s activity. According to Lindstrom (2008) fMRI (functional Magnetic Resonance Imaging) and EEG (electroencephalography) are “ the most sophisticated brain-scanning instruments in the world”. These equipments can show how a consumer’s brain reacts to different kinds of stimuli, whether it is increased activity in part of the brain responsible for emotions, memory retention or both.

Since these methodologies require advanced technological equipment, the research might be costly. However, there is a one-on-one interview method that can also examine consumer behaviour by the use of metaphors. This method is called ZMET (Zaltan Metaphor Elicitation Technique) and was created by Gerald Zaltman. It uses “ consumers’ visual and other sensory images and employs qualitative methods to elicit the metaphors, constructs, and mental models that drive consumers’ thinking and behaviour” (Zaltman and Coulter, 1995).

## **Research Aims and Objectives**

To compare the effectiveness of neuromarketing with the classic research methods.

To analyse the consumer awareness of the reason why they buy.

To analyse the actual reasons that lay behind the choice of a soft drink.

## **Literature Review**

### **Subconscious Mind.**

More than 90% of our thinking is made unconsciously (Landstrom, 2008).

Landstrom (2008) suggests that “ people tend to say one thing while their behaviour suggests something entirely different.” That is one of the reasons that traditional research methods, which rely on consumers’ truthfulness and accuracy, often bring unsuccessful results. Cusick (2009) says that marketers traditionally were logically gathering information about consumer behaviour and were making logical assumption about what consumers want and why. However, the research shows that what we want and why is decided by our “ irrational subconscious”. Most of the time, what we thought was our conscious decision in fact was created by our subconscious mind.

### **Neuromarketing.**

Still a young approach to marketing, yet becoming more and more important. Compared to surveys, focus groups and other classic research methods, it is bias-free. By the use of high-tech brain scanning technologies it measures our subconscious responses to different kinds of stimuli like brands, packaging, advertising or other marketing elements (NeuroFocus, 2010). As Lindstrom (2010) explains on his website, this kind of method bypasses the consumer opinion, which most of the times differs from the actual behaviour, and goes straight and examines our brains. And even though as I mentioned this method is still quite new, and there is so much we don’t know about our brains yet, it already becomes the “ inevitable” in effective marketing.

## **Metaphor Elicitation (ZMET).**

ZMET was created by Gerald Zaltman. He argues that consumers can't tell you what they think, because the thoughts that power their behaviour are hidden within their subconscious mind (Zaltman, 2002, cited in Eakin, 2002). Moreover he says that these thoughts are mostly visual. That is why by using visual images and consumers' metaphors, ZMET can examine " the mental models that drive consumer thinking and behaviour" (Zaltman and Coulter, 1995).

## **Ethical Issues.**

Neuromarketing involves brain scanning and that is why many people are afraid that it will be used against us for the profit of the corporations. It is feared that companies will use it for commercial gain by applying subliminal messages into our every day life, and " making" us buy their products. Many people will oppose the newly born methodology. Lindstrom (2003) brings up an organization called Commercial Alert, based in the US, who petitioned to the US Congress to " put an end to neuromarketing". This organization warns of the experts that might use neuroscience for commercial gain, or even use it as political propaganda.

## **Research Methodology**

### **Secondary Research**

Information gathered from secondary research will be used as a base of this research project. Academic journals, books and websites are going to be the sources of my secondary data collection.

## **Primary Research**

In order to analyse consumer awareness of the purchasing behaviour reasons and to analyse the reasons that lay behind the choice of a soft drink I will use primary data collection tools such as online surveys, interviews and focus groups. I will also use a Zaltman Metaphor Elicitation Technique (ZMET) to find out consumers' thoughts about the soft drinks, such as Coca-Cola and Pepsi, underlying the buyer behaviour.

The sample will consist of the University of Hertfordshire students and staff. Different group of people will be used for interviews, focus groups and different for the ZMET interview.

## **Intended Outcome**

The intended outcome is for this research to help companies such as Coca-Cola and Pepsi to better communicate with consumers by understanding what they are subconsciously thinking when purchasing either Coca-Cola or Pepsi.

## **Potential Problems and Opportunities**

### **Time and financial limitations.**

Interviews, focus groups and especially ZMET interviews require a lot of time. It might be hard to find people who are willing to participate in my research for free.

### **Limitation of resources.**

Sample groups are limited to students and staff of the University of Hertfordshire.

## **ZMET.**

Since ZMET interviewing requires professional training I will have to back up my analysis from this technique with the outcomes of other primary data collection techniques I am going to use.

## **Gantt Chart**