

**NEURO-MARKETING: OPPORTUNITIES AND CHALLENGES IN INDIA****A. Kumar<sup>1</sup>, A. Gawande<sup>2</sup> and V. Brar<sup>3</sup>**<sup>1</sup>Siddhant Institute of Business Management, Pune, Maharashtra, India<sup>2</sup>Dr. D. Y. Patil B-School, Pune, Maharashtra, India<sup>3</sup>S.N.G. Institute of Management & Research, Pune, Maharashtra, India**ABSTRACT**

*Neuro-marketing is the new revolutionary idea in marketing research as it combines the ideologies of psychology, neuroscience, economics, and marketing. India being a briskly growing economy with a large consumer presence and buying capacity is a ripe field for the philosophy of Neuro-marketing, this review plans to delve deeper into this notion of Neuro-sensory marketing and its status of opportunities and challenges in the Indian market. This review has expanded on the uses of Neuro-marketing in telecom, medical tourism and retail marketing which has successfully been known to exploit the principles of Neuro-marketing to boost their sales. But this kind of marketing is not deprived of ethical concerns regarding the consumer's privacy and confidentiality. We interviewed five marketing experts and they feel that neuro-marketing has good potential in India.*

**Keywords:** *Neuro- marketing, Brain imaging Techniques*

**Introduction**

Neuro-marketing is a revolutionary idea in marketing research as it combines the ideologies of psychology, neuroscience, economics, and marketing. The concept of Neuro-marketing relies on sensory stimuli mainly vision for perceiving names, brands, logos which creates a robust bonding with the brand. This idea of visual stimulation is relied upon by the company to sell their products effectively. Even the sound, colours, ambiance, touch, smell, music, the architecture of certain branded stores have a pleasing influence on the customer, and the consumers not only associate themselves with the brand but are compelled to buy from those stores and recommend it to their friends and family. This experience is also used by hotels and restaurants that study their target consumers and try to cater to their specific needs using the principles of Neuro-marketing (Elangovan and Padma, 2017).

An in-depth study of these phenomena has carried out using brain scans like MRI, EEG, PET, etc. to assess the consumer's mental reaction to specific products, advertisements, and brands (Greefield. 2006). This technology has been developed at Harvard in 1990, and the notion is based on the fact that ninety percent of the emotion is stored at the subconscious level which needs to be stimulated to invoke the desired reaction in a person by motivating their cognitive and psychological functions which help them to develop the behaviour of

choice, for example, while buying certain products of a particular brand (Sreedevi et al, 2013).

India being a briskly growing economy with a large consumer presence and buying capacity is a ripe field for the philosophy of Neuro-marketing. According to Solomon (2018) India with a population of approximately 130 billion, is all set to emerge as the biggest consumer market by 2025 with a CPI index of 137.60 Index Points by 2017. The electronic market in 2015 has escalated from 14 billion to an estimated 29 billion by 2020. Similarly, the advertisement market was 693 billion in 2018. Therefore this review plans to delve deeper into this notion of Neuro-marketing and its status of opportunities and challenges in the Indian market.

**Literature Review****Marketing Drive with Neuro-marketing**

Vrtana et al (2019) have elaborated on the concept of communication as of the most necessary tools for marketing to attain the company's strategic goals. This can be achieved by influencing the consumer's purchasing behaviour by using tools such as Neuro-marketing which analyses brain activity with various marketing stimuli through sensory stimulation.

This point has been illustrated by the authors (Vrtana et al., 2019) by taking an example from the Slovak Telekom Group. This group

has a strong marketing presence as it has built itself as a brand to reckon with due to its vast array of services and products and good promotional advertisement, especially its pre-Christmas slogans. It has used sincerity as its emotional contrivance to support the purchase of its telecom services during Christmas time at a lower price and discount for their loved ones. They used *Eye tracking* of advertisements as a Neuro-marketing device. They used eleven respondents for their experiment which was based on thermal or heat maps captured by photos on the faces of its respondents to judge the outcome of their advertisements. Red-colour heat maps on the eyes and faces of the thermal photos showed the respondents agreed sincerely about the company's, campaign.

### **Neuro- marketing and Medical Tourism in India**

India's relatively low cost and good quality healthcare have led to a niche medical tourism market despite competitions from other countries like Thailand, UAE, Malaysia, etc. CII-McKinsey (2002) has projected an estimate of five to ten thousand crores by 2012 from medical tourism in India and it will boost the healthcare market by three to five percent.

The issue faced by India is that it has very little support from the government on this initiative of medical tourism and the hospitals are not standardized on pricing, promotion, and other health standards. Therefore the idea of using Neuro-marketing techniques to boost the business through effective advertisement can help to increase patient inflow from different countries (Kumar et al., 2016).

It has been studied that the human brain can process eleven million bits of information in a second but the storage in the conscious mind is a fraction as compared to that which can be stored in the subconscious mind and this fundamental has been used by researchers to connect the power of the brain in decision making for marketing purposes (Kumar et al., 2016).

Medically, Neuro-marketing has been explained as the reaction of the CNS (Central Nervous System) to marketing incitements i.e. the reactions of the consumer's behaviour to marketing strategies. Experimental tests that are used for Neuro-marketing are fMRI

(measures brain activity with the amount oxygen level in the blood); SST (Steady State Topography, which records the activity of the brain while the consumers look at specific advertisements); respiratory rate; heart rate; eye movement; galvanic conductance of the skin to assess the skin moisture level, etc. The consumers can then be shown health advertisements that deliberate on messages of well-being, longer life span to drive home the idea of a healthy life. The challenge faced by the healthcare sector is that it has too many players in the market who jostle for patients by using advertisements of medical surgeries with advanced techniques.

### **Neuro- marketing and Retail Market in India**

Neuro-marketing is an ideal tool to exploit the emotions of consumers during online retail shopping and is being explored by many leaders of known brands (Marci, 2008). The retailers use the Neuro -marketing science to have competitive prices based on the consumer's perception of the brands which they explore through the steps of – *attention, representation, experience, predicted value, learning, and importance* (Plassmann et al, 2015).

Datta and Mandal (2018), have reflected on the notion of Neuro-marketing in India to be an expensive option as cost per respondent especially with brain imaging techniques and they have suggested other techniques such as Eye-Tracking and Biometrics to understand the consumer's assertiveness. In the rural areas of India, visual stimuli as Neuro-marketing tools are more enhanced with the people there, as they depend on colour, packaging more than the brand name. Companies such as Neuronme, Xanadu Consulting, Affectlab use EEG techniques along with Machine learning to study the phenomena of Neuro-marketing in India. Kumar and Singh (2015) have itemized Neuro- marketing techniques used by the following companies: Hyundai Motors (EEG), Cheetos (Neuro-imaging), Yahoo (EEG cap), PayPal (Brainwave research), Microsoft (EEG cap), Ford Motors (MRI and electrodes on the scalp). They have used these techniques for advertisements, promotions, predictions product design, customer relations, etc.

### Neuro-marketing and ethical concerns

Sharma et al (2014) have pondered over the ethical concerns over the concept of Neuro-marketing as it gives control to the companies to treat consumers as laboratory rats and make them believe something via a falsely created virtual world in the name of marketing. Commercial Alert has raised alarm over the use of medical imaging of the brain for non-medical purposes and marketable moneymaking activities. The other concerns are the privacy of consumers (Voorhees et al., 2011); deficiency of information trustworthiness (Murphy et al., 2008); the information can be exploited by political groups for their agendas (Devaru, 2018).

### Views of five experts

We interviewed five marketing experts, and they feel that neuro-marketing has good potential in India. Following is the gist of the interviews:

- Neuro-marketing is well suited to understand the emotions and feelings of consumers during online retail shopping,

- There are special applications for neuro-marketing like medical tourism,
- Methods like *eye-tracking* of advertisements and red-color heat maps on the eyes and faces can be used to evaluate the stimuli responses to advertisements

However, there are concerns like ethical issues. Neuro-marketing should not come at the cost of violation of the personal privacy of the customers.

### Conclusion

Neuro-marketing is mooted as a science that blends psychology and marketing based on sensory stimulation. This review has expanded on the uses of Neuro-marketing in telecom, medical tourism and retail marketing which has successfully been known to exploit the principles of Neuro-marketing to boost their sales. But this kind of marketing is not deprived of ethical concerns regarding the consumer's privacy and confidentiality. The five experts interviewed opined that neuro-marketing has good potential in India.

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