

## A Review on the Potential Growth of Neuromarketing and Consumer Behaviour Research in India

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### ABSTRACT

Understanding consumer behaviour has always been challenging to the marketers across the globe. It has never been easy, and will never be, due to the fact that the human brain is not static and is constantly changing and evolving as it adapts to new states of affairs and processes new information. This makes the marketers to put extra efforts in the area of market and consumer research. There are various strategies to understand consumer behaviour. One such strategy is neuromarketing, which combines the principles of psychology, neuroscience, and marketing. The growing popularity and demands of this strategy can be witnessed not only in the foreign markets, but also in the Indian market as well. The potential growth of neuromarketing in India is foreseeable, and thus this research paper intends to review the scope of growth of the same in India.

**Keywords:** *Consumer behaviour, Marketing, Neuromarketing*

Consumer behaviour is the study of the process involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires (Solomon et al, 2006). “Consumer buying behaviour is a set of activities which involves the purchase and use of goods and services which resulted from the customer’s emotional and mental needs, and behavioural responses” (Stallworth, 2008). Understanding consumer buying behaviour is an important aspect in boosting the quality of the goods and services offered to the targeted buyers. Consumer buying behaviour includes several factors such as attitudes, motivation, learning, perception, decision making processes, etc. A consumer psychologist study and understands these variables and focuses on relating it to the marketing processes. Kotler et al (2005) stated that it is necessary to mention that despite the great efforts to learn and understand the buying behaviour of the consumers, it is very difficult to recognize why a consumer prefers and purchases one product or service over the other. And there can be numerous reasons behind it since every buyer is unique in their needs, motivation, and perception, and thus, creating individual differences among the buyers. It is also important to note that apart from the internal/psychological factors, there are certain external factors such as economic class, family and culture that has a strong role in influencing the consumer buying behaviour.

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There are several strategies and techniques designed to understand the various psychological factors that influence the buying processes. But the researchers in the market sector are currently intrigued by the tool of neuromarketing that particularly gives insight into the composite human brain by making use of various physiological measures to understand the buyer's perception, preferences, information, emotional and decision-making processes. These physiological measures include Functional MRI (fMRI), Electrocardiography (ECG), Electroencephalography (EEG), Magnetoencephalography (MRG), Eye tracking, Facial encoding, Galvanic Skin Response (GSR), and Steady State Topography (SST).

Neuromarketing is a distinctive approach to understand the consumer behaviour in the market place. The evidence gathered and interpreted, and the conclusions produced are purely based on the brain science.

### **EMERGENCE OF NEUROMARKETING AND ITS APPLICATIONS**

Neuromarketing was developed in the early 2000s, and since then it has been a great guide to the market researchers in exploring the modern consumers in this expansive market place. The term neuromarketing was coined by the Dutch organizational theorist and marketing expert Ale Smidts in the year 2002. The psychologists at the Harvard University conceptualized the notion of neuromarketing, including professor Gerald Zaltman, who is best known for his neuromarketing technique called the Zaltman Metaphor Elicitation Technique (ZMET). This technique elicits the conscious and unconscious thoughts by exploring people's (consumers) non-literal or metaphoric expressions. It is one of the new techniques developed in the early 1990s and is currently used by the market researchers for the customer's thought exploration.

Marketing had already a long tradition of investigating consumer behaviour as one of the aspects of applied psychology, and putting marketing researchers in contact with the intellectual and technological innovations in this field (Schumann, Haughtvedt, & Davidson, 2008; Schneider & Woolgar, 2012), With the development of cognitive neuroscience and the non-invasive neuroimaging techniques such as fMRI, not only the healthcare sector, but also the market research gained a boost and expanded rapidly.

With the ever-expanding market place, it becomes very essential for the business organisations to constantly level up their understanding of their customer's behaviour to stay up on relevant trends and maintain a competitive edge. The applications of neuromarketing are not only limited to the production of goods and services, but also in the entertainment sector, political campaigns, and architecture and real estates.

Discussing about its applications, neuromarketing is certainly leading the marketers to pay more attention and make more efforts in several important factors, such as the effective packaging of their goods. Many top brands take careful considerations regarding their packaging strategies. For example, Frito-Lay Inc., the American subsidiary of Pepsi Co, through market research, identified that their customers preferred the shiny packets of potato chips and not the matte bags. The fMRI measures the brain activities by detecting any changes in the blood flow in the region of the brain. This technique is most commonly used tool in neuromarketing, for instance, to study the ad efficiency, i.e., the impact the advertising campaigns have on the mental processes of the potential buyers.

The term 'Neurocinema' was coined by Lacey (2010). It is also known as Neurocinematics, which aims to understand is how watching movies, or certain scenes from movies affect the

human brain, and its response to the given movie or scene. Neurologists study which pieces of a film can have the most control over the audience's brain. These studies are conducted with viewers who are screened movies while simultaneously being monitored and examined in the fMRI machines that map the brain's activities. Numerous studies have shown that certain scenes in the movies stimulate different parts of the brain in different ways. Attaining this knowledge is not only beneficial on a neuroscience level, but for the movie makers as well. It is important to note that even Disney uses neuromarketing research as their strategy for success. Disney invests in the Disney Lab meant for their neuromarketing studies. They make use of tools such as eye tracking, facial encoding, and EEG techniques to understand the emotions, mood, memory, thought processes, etc of their audience. It is done not only to make their movies successful, but also to understand deeply the buying behaviours of their thousands of visitors coming from across the globe to their various Disneylands.

### **NEUROMARKETING IN INDIA**

India is emerging as the fastest growing country in terms of its economy. "India's GDP has reached \$3.75 trillion in 2023, from around \$2 trillion in 2014, moving from the 10<sup>th</sup> largest economy to 5<sup>th</sup> largest economy in the world. India is now being called a Bright Spot in the global economy," tweeted the Minister of Finance, Nirmala Sitaraman's office. Gross Domestic Product (GDP) refers to the total monetary or market value of all the finished goods and services produced within the country in a specific period of time, say a year. The further growth of the economy is foreseeable in India; thus, it is important to pay attention to how marketing affects the economy, and vice versa.

Though consumer research is rapidly expanding in India, neuromarketing is still in its initial stages. To further understand, we need to look into the current status of neuroscience in India. The country has seen a growth since the establishment of National Institute of Mental Health and Neuro Sciences (NIMHANS) in 1974. There are other institutions such as the Indian Institute of Science (IISc), Indian Institute of Technology (IITs), National Brain Research Centre (NBRC), Centre for Behavioural and Cognitive Science (CBCS), etc that focuses and conducts research on cognitive and neuroscience domain every year. According to a report by Itihaasa Research and Digital 2018, India produces only 2% of the annual world research papers in the field of neuroscience. USA produces 19 times the number of citable documents as compared to India and are cited 36 times more often. However, it cannot be denied that India can still make use of its resources and expand the neuroscience domain and compete with the countries leading in the neuroscience researches. The evolution of neuroscience in India can act as a boon to the consumer research and might vitalize the awareness on the neuromarketing strategies to enhance the positive buying behaviour.

Similarly, the Indian market place and its growth can be expanded by emphasizing on consumer psychology and its various domains. Indian consumers are constantly changing, leading to rapid shifts and transformations in the consumer landscape. Some of the key factors in influencing the consumer behaviour in India include digitalization, evolution of the local brands, growing Indian economy, sustainability, and environmental consciousness. These components are challenging to explore and thus, there is a need to develop strategies that would quench the thirst of the market researchers regarding the ever-changing minds and behaviours of the consumers. There are organisations such as the Tata Group, Vodafone, LinkedIn, etc that are adopting to the neuromarketing strategies to gain insights regarding the efficacy of marketing, advertising, and packaging. Thus, there is definitely a potential growth of neuromarketing in India. In fact, there are consulting firms in India such as

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Nielsen Consumer Neuroscience Research Centre, that provides neuromarketing services. It offers its clients the valuable insights into the consumer behaviour and provides information regarding the appropriate marketing strategies. India is also known for its hundreds of start-ups developed each year by its motivated population. Decoding the consumer's mind and understanding its processes can evidently be beneficial for the organisation's success.

There might be challenges to establish neuromarketing strategies in India, but with carefully curated planning, development, and research, the Indian marketers can make the best use of it to achieve the desirable outcomes.

### **CONCLUSION**

Understanding consumer behaviour is important because it helps the marketers identify what influences consumers' buying decisions. By understanding how consumers decide on their product, they can fill in the gaps in the market and recognize the products that are needed and the products that are to be discarded. Using neuromarketing as a strategy to do so can be potentially favourable to understand the consumers in the Indian market place deeply and accurately. There is an imaginable potential growth of neuromarketing and consumer research as per the current scenario in India.

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### **Conflict of Interest**

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