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## **AWARENESS OF NEUROMARKETING AMONG THE SELECTED INDIGENOUS STARTUPS OF NORTH EAST INDIA**

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### **Abstract**

The traditional methods are fading away with the scientific methods taking a plunge into the field of market research. Neuro marketing is the recent technique in the field of market research that is attracting many eye-balls. It applies neuropsychology to marketing research. Human decision-making is both a conscious and non-conscious process in the brain, and while this method of research succeeded in gathering explicit (or conscious) emotions, the traditional methods failed to gain the consumer's implicit (or unconscious) emotions. Non-conscious information has a large influence in the decision-making process. The goal of the present study is to analyze the Awareness of Neuro marketing as a tool for studying Consumer behavior among the indigenous North- Eastern startups of India. This concept is less known and unexplored not only in Assam but the whole of North-East, yet the startups do not ignore the fact that studying consumer psychology is an important aspect. As Neuromarketing further evolves, we can expect more and more revelation of intricacies involved which determines the consumer's purchasing behavior. The awareness of Neuromarketing is to be studied in order to know its application, success and failure as a tool for studying consumer behavior as this type of studies have an important role for the future of marketing. The study will help the local entrepreneurs and marketers to know about Neuromarketing and upgrade their tools and techniques for studying consumer behavior.

**Keywords: Neuromarketing, Startups, indigenous, awareness, neuropsychology.**

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### **Introduction**

Neuromarketing is a recent emerging disciplinary field in marketing which borrows tools and methodologies from fields such as neuroscience and psychology. Although "Neuromarketing"

was introduced in 2002 by Dutch marketing professor Ale Smidts, researches can be found since 1990s. With traditional methods fading away and scientific methods taking plunge into market research. Neuromarketing is a commercial marketing communication field that applies neuropsychology to marketing research, studying consumers' sensor motor, cognitive, and affective response to marketing stimuli. Neuromarketing seeks to understand the rationale behind how consumers make purchasing decisions and their responses to marketing stimuli and apply those learning in marketing realm. The potential benefits to marketers include more efficient and effective marketing campaigns and strategies, fewer product and campaign failures, and ultimately the manipulation of the real needs and wants of people to suit the needs and wants of marketing interests. A greater understanding of human cognition and behavior has led to the integration of biological and social sciences. Research is conducted around the implicit motivations to understand consumer decisions by non-invasive psychoanalysis methods of measuring brain activity. These include electroencephalography (EEG), magneto encephalography (MEG) and functional magnetic resonance imaging (fMRI), eye tracking, electro dermal response measures and other Neuro-technologies. Researchers investigate and learn how consumers respond and feel when presented with products or related stimuli. Observations can then be correlated with a participant's surmised emotions and social interactions Market researchers use this information to determine if products or advertisements stimulate responses in the brain linked with positive emotions. Traditionally marketing research looks at the conscious mind, asking customers or potential customers about adverts and their purchasing experience in general.

Although vital, this research limits insight in to what actually satisfies and makes purchasers tick. Neuromarketing researches more deeply than this, learning how to effectively market to the deeper levels of our mind that motivate real decision making. This is done by testing with EEGs and fMRIs while they are engaged with marketing services and products to identify what areas of the brain have been stimulated from priming, engagement, and emotion through decision taking. There are several limitations to neuromarketing. There are individuals who see neuromarketing as ethically irresponsible. In their opinion marketers are given too much power with neuromarketing as it enables them to take a peek in the consumer's mind to manipulate them afterwards. Some even suggest that political groups could potentially use this type of marketing strategy in order to create and spread very powerful propaganda. Neuromarketing gives insight into the mind of the average consumer. Neuromarketing research is expensive and much smaller samples are being used than in other marketing research methodologies.

### **Industrial scenario of North East India:**

The main strength of the region for industrial development comes from its natural resource base. The huge hydro-electric potential has been assessed. Minerals like oil, gas and limestone have been used to feed various industries and there is scope for further use of such resources. Forest

based industrial units have been on decline following the ban on felling of trees by the honorable Supreme Court of India in 1995. Forest and bio-diversity can yet be the resource base for developing industries in the region in the future. Besides the present crisis faced by it, the tea industry continues to be a major strand in the region's industrial set up. Processing of rubber and high value horticulture crops can also emerge as important industrial activity once the agriculture sector of the region gets commercialized and diversified. Traditional handicrafts skills of the people of the region is yet another resource with potential for supporting considerable industrial employment once the highly acclaimed tourism potential of the region is harnessed.

Indeed economic census data reveal abundance of enterprises emerging at the grassroots. Thus budding local entrepreneur class may not yet be ready to spearhead the industrialization process of the region. Yet the emergence of the pool of local entrepreneurial talent is significant development for taking advantage of the positive externalities arising from establishment of large scale industrial units. This leaves marketing and transport bottleneck as the most serious constraint on industrial progress of the region.

#### **Review of literatures:**

The researcher has come across the following literature-

**Douglas L Fugate (2007)** conducted a study on the area of "Neuromarketing: A Layman's look at neuroscience and its potential application to marketing practice" with a goal to cover the origins of Neuromarketing, explain the process in layman's terms and suggest future consumer behavior research directions explored that Combining neural activity with conventional tools may produce more effective marketing practices.

**Armando da Rocha et.al (2013)** made a study entitled "A Neuromarketing Study of Consumer Satisfaction" the study validated the EEG technology as an adequate neuromarketing tool and shows that consumer's satisfaction evaluation with the aesthetical dermatological treatment involved the activation of neural circuits involved with facial beauty evaluation. EEG technology as an adequate neuromarketing tool and shows that consumer's satisfaction evaluation with the aesthetical dermatological treatment involved the activation of neural circuits involved with facial beauty evaluation. This finding is in agreement with the fact that the left hemisphere contributed more to a more positive appearance self-evaluation after than before the treatment and with the high satisfaction of family and friends with the volunteer's new appearance.

**Palokangas et.al (2013)** conducted a study "Measuring the Willingness to Purchase using methods of neuromarketing" aimed to increase understanding on how marketing assets in the retail store affect the customer's degree of willingness to purchase in different phases of consultative selling process. The expected subjective preferences and reward might not be driving factors during the consultative selling process, rather than the valuation mechanism that evaluates the risks associated to the choice.

**Martina Hedda Sola, (2013)** made a study “NEUROMARKETING – SCIENCE AND PRACTICE” was conducted by the study determines the technological and general limitations in doing research, which have a direct influence on: product development, graphic design, distribution and promotion of products/services in general. Neuromarketing is a discipline that represents a quality addition to marketing research, in which the provided data analyses can be used in a way for startups to produce and sell products in accordance with consumer preferences.

**Doris Berger et.al (2016)** conducted a research on “The effect of Neuromarketing elements at the point of sale on the consumer’s decision making process in the retail sector” to outline the effect of Neuromarketing on product presentation at the point of sale in the retail sector and the results revealed that customers with a higher dwelling time buy more and customers also buy more when they taste products. Also customers spend more money when they buy for their own consumption coupled with a gift.

**Manish Madan et.al (2016)** in the study “A study on Neuromarketing as Emerging Innovative Market Research Strategy: An Interpretive Structural Model Approach” intended to identify the key variables that influences the acceptance of Neuromarketing in Indian Society. The study revealed that Acceptance of neuromarketing depends upon a lot of factor which can be controlled. The startups should focus upon adopting strategies for focusing more on driving variables in order to achieve the dependence variables.

**ThabaniNyoni et.al (2017)** made a study entitled “Neuromarketing: No brain, No Gain.” The objective of the study is to uncover the neurological aspects of market research which have been largely neglected in traditional marketing research. The study concludes with a discussion on the professional challenges and ethical issues in neuromarketing and recommendations on the way forward.

**Harsit Kumar et.al (2017)** conducted a study entitled “Consumer’s Perception Towards Neuromarketing in India with Special Reference to Kano Model” To investigate the consumer’s perception towards Neuromarketing by Kano Questionnaire; includes questions involving consumer awareness, consent and understanding to what may be viewed as foray of the privacy rights and the results of the study revealed that as per the perception of Indian consumers’ neuromarketing plays a vital role in terms of understanding Buy-ology of customer, Customer Purchase Decisions and contribute in building the efficacy of marketing activities. Indian consumers have a clear perception that application of Neuromarketing without revealing is totally unethical and it creates consumer dissonance.

### **Objective of the Study:**

To analyze the Awareness of Neuromarketing as a tool for studying Consumer behavior among the indigenous North- Eastern Startups of India

### **Research Methodology:**

The study is based on exploratory research design and has been conducted among the selected Indigenous startups of North East India. Both the primary and secondary data has been used for the purpose of the study. Convenient sampling technique has been used since there were no records of the exact number of startups. The primary data has been collected through structured questionnaire having both close-ended as well as open-ended questions. The questionnaires were distributed to 14 selected startups through Google Forms, but out of it only 11 responses have been received. The secondary data used in the study were based on related studies published on various journals, articles, reports and websites. The study was conducted in the month of September- December, 2020.

**The startups from which the responses were received are:**

- ❖ **Khumanthem-** luxury clothing brand from Imphal, started by RichanaKhumanthem. They aim to display the histories and cultures of the region through every creation.
- ❖ **Tribe Fiction-** the North-East first legitimate street wear band, started by two brothers, John and Joel Sailo in the year 2013.
- ❖ **Jaapi-** a complete hub for women wear clothing gives a touch of indo-western look, designed by Parineta Borah.
- ❖ **AxomiaFashionista-** deals with different types of mekhalasadar, mugariha and gamosa, Dhakuakhana.
- ❖ **Brahmaputra Fables-** deals with authentic indigenous products manufactured by the states artisans, started by DhurbajyotiDeka in 2017.
- ❖ **Olatus:** provides customized hardware products for both industries and individual customers which includes robotic wheelchair, 3d printers among many others.
- ❖ **Zangfai:** it is the first retail outlet of assamese traditional jewellery in Guwahati, Assam. The enterprise was named by Padmashree recipient ArunSarma.
- ❖ **Makeinsikkim:** a young entrepreneur Ravi KhalingRai hailing from Sikkim, launched the first ever shopping website to take local products of Sikkim to an international level.
- ❖ **RB illuminous:** an entrepreneur from Tripura named RohitBhattacharjee opened an LED bulb manufacturing factory known as RB Illuminations
- ❖ **Zo weave:** Malsawmtluangi Hmar a lady from Mizoram started her business in 2016 by selling the traditional handwovenPuakPuan and puan called zo weave.
- ❖ **Tinsel-** A one- step destination for Assamese traditional fashion. Designed to dazzle the wardrobe by the most unique and exquisite collections.

**Research question:**

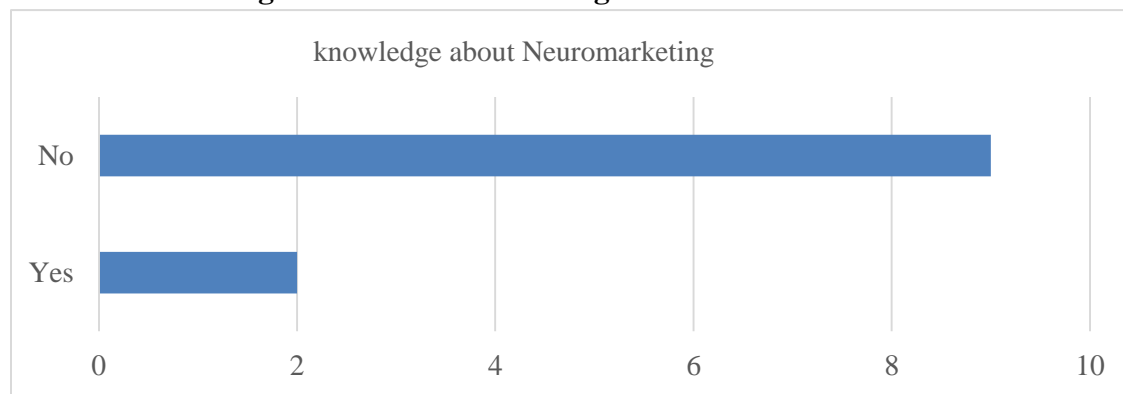
Are the marketers and entrepreneurs of North-East India aware of the Neuromarketing Techniques?

**Limitation of the Study:**

The respondents of our study might not be true to their words since every one might not want to disclose true information about them. Sending Google form turned out to be both advantageous and disadvantageous because 3 out of 14 selected startups did not respond to our questionnaires which decreased our sample size.

**DATA ANALYSIS AND INTERPRETATION:**

From the study, the researcher has come with the following discussion, analysis and findings:

**Chart 1: Knowledge about Neuromarketing.**

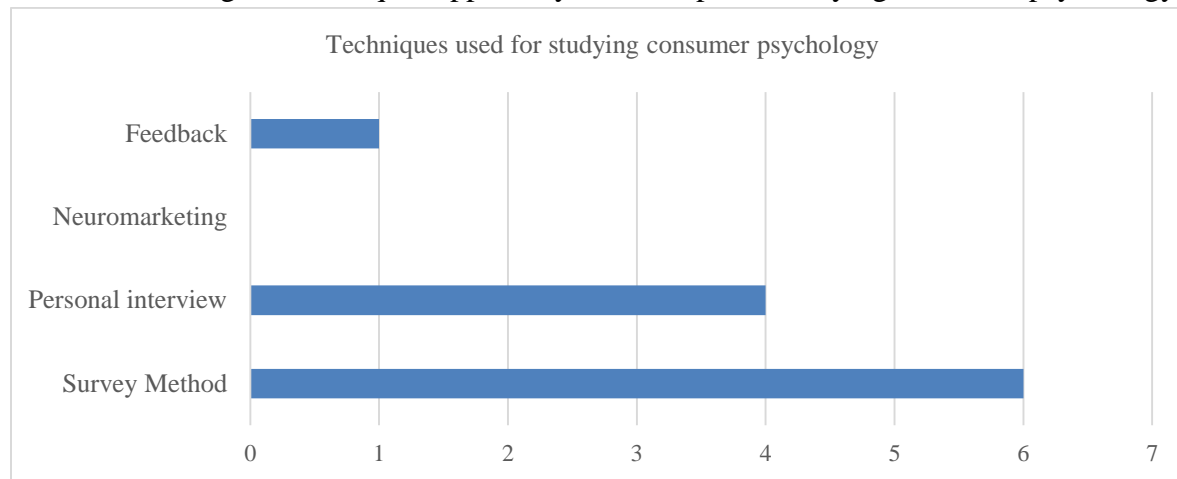
Among the eleven respondent startups only two of them have some knowledge regarding Neuromarketing i.e. 82% of the respondents are unaware of neuromarketing. Hence, there is a lot more to be explored by the startups in this area.

**Table 1: showing the mean scores of statements about neuromarketing practices.**

Sl. No.	Statements	Mean score
1	Studying consumer psychology is essential for the company.	4.19
2	Traditional study of consumer psychology is more convenient than Neuromarketing.	3.81
3	Degree of confidence in Neuromarketing	3.54

It was seen that there is complete acceptance for the statement “Studying consumer psychology is essential for the company.” with a mean score of 4.19. Whereas the startups agrees to the statements “Traditional study of consumer psychology is more convenient than Neuromarketing.” And “Degree of confidence in Neuromarketing” with a mean score 3.81 and 3.54 respectively.

Chart 2: Showing the techniques applied by the startups for studying consumer psychology.



The respondent startups although considers studying their consumers as an essential part of their plan but they are not acquainted with the use of updated techniques. Though the North- East startups are growing rapidly but they seem to be using the traditional techniques for studying consumer psychology which may lead to inaccurate results. The respondent startups are using survey method and Feedback from method. Some of the startups also use personal interview wherein they inquire about their product to the customers who stop by their store to buy the products.

### Findings

1. The concept of Neuromarketing is less known and unexplored not only in Assam but the whole of North-East. Since the study found that use of neuroscience techniques for studying consumer psychology is nil among the respondent startups.
2. The respondents do not ignore the fact that studying consumer psychology is an important aspect for the startups, since the mean score for the statement “studying consumer psychology is essential for the companies” is 4.19 in a scale of 1-5 from strongly disagree to strongly agree.
3. It is found that 55% of the respondents considered survey method to be the most convenient tool for studying consumer psychology. 36% opts for personal interview and 9% uses feedback form. Application of Neuroscience techniques in this region is out of the box question.
4. The birth of a scientifically updated tool for studying consumer psychology like Neuromarketing was expected by 36% startups.

### Conclusion

Neuromarketing indeed is a need of hour, with its limitless scope and applicability it helps in drawing immediate and accurate feedback on consumer’s preferences and behavior when compared to traditional marketing strategies and hence, it is no longer viable for organizations

and conglomerates to keep on glued to conventional practices any more. It can provide valuable insights about consumer behavior which can in turn help us to develop products and services to create customer delight. As Neuromarketing further evolves we can expect more and more revelation of intricacies involved which determines the consumer and purchasing behavior of rural and urban customers for any product or brand. Although the grass is not green on every side and there are certain privacy and ethical concerns rising above the shoulder of this adolescent marketing tools. There is a felt need of transparency in the process and consumers and individual rights are needed to be protected. In nut-shell, Neuromarketing is phenomena that cannot and will not remain unnoticed with the rate of increasing competitiveness with in the global organizations. Though, it is advisable to researchers and practitioners to hold an umbrella above the head of consumer rights and interest before we face this grand sunshine of marketing success. Future of Neuromarketing is without any doubt very promising and it would be too early to predict the extent of success that can be achieved by it in near and distant future.

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