Neuromarketing - Fundamentals and insights for advantageous advertising in a luxury watch context

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ABSTRACT

Advertising effectiveness has received attention from academic researchers in the neuromarketing field. However, the emerging character of the discipline implicates that research has been limited and many key areas remain insufficiently explored. Possible applications of neuromarketing techniques to generate data whose analysis result may enable practitioners in the luxury watch industry to create more effective advertisements and drive purchasing behaviour represents one such critical area that remains undeveloped. This dissertation aims at examining the potential of neuromarketing techniques to inform the effectiveness of luxury watch advertising.

In order to build a more cohesive understanding of a potential neuromarketing practice in the luxury watch industry, possible applications of neuromarketing techniques to inform the various components or stages of advertising effectiveness are determined and contrasted with areas for amendment and improvement that luxury watch advertisements exhibit. In this regard, the researcher unvels various findings that have not been addressed in previous and more research pertinent to academics and practitioners alike.

INTRODUCTION

Methods and insights from the field of neuroscience have received much interest and attention in the field of marketing and consumer research from academics and practitioners alike which fostered the emergence of a new discipline composed of both elements, firmly known as neuromarketing. As the discipline of neuromarketing continues to evolve, its methods are becoming increasingly important to deliver meaningful data to effectively create advertising campaigns and influence purchasing behaviour.

Likewise, luxury watch brands, seek to create target-group specific advertisements emphasising facets of luxury that refer to exclusivity and aesthetic aspects. This implies the importance for luxury watch brands to establish a relationship with its customers by innovative experience design as well as the generation of brand-specific associations in order to encourage purchase (Tungate, 2009, pp. 56-58).

The recall of these memory associations also plays an important role in the burgeoning field of neuroscience research. Relevant brain areas for the recall are well-known and a before/after comparison of data allows to determine a brand’s potential to induce a re-evaluation of a product through a previously shown advertisement (Perrachione and Perrachione, 2008, pp. 309-310).

Neuromarketing literature evaded addressing individual advertising relevant problems with methods and insights from brain research without basing the research on an underlying framework that demonstrates effectiveness on this subject. This dissertation seeks to add to the currently existing literature in academia. It takes secondary literature findings into account and strives to build on this existing knowledge by conducting primary research.

The study hereby presented answers the following research question:

Do neuromarketing techniques have the potential to inform the effectiveness of luxury watch advertising in Cologne?

The following research objectives were developed from the research question in order to add an element of precision, whereby objectives are based on the P/E/M model of advertising effectiveness:

1. To investigate neuromarketing techniques as an alternative research method tool.
2. To investigate the potential added value of neuromarketing in framing consumer perceptions of advertisements.
3. To ascertain if neuroscientifically tested advertisements can enhance sensory and social experiences.
4. To examine the role of neuromarketing techniques in creating advertisement related brand equity.
5. To investigate luxury watch consumers’ perceived effectiveness of luxury watch advertisements.

RESULTS

Neuromarketing techniques as an alternative research method tool

Qualitative primary research indicated that neuromarketing techniques are fundamentally used to generate an additional marker for human behaviour; more precisely, to have access to consumers' reactions without the filter of a conscious response which cannot be achieved by explicit questioning. The main shortcomings symbolise the high cost to employ the methods and limitations of the individual technique themselves. Neuromarketing is currently used as a qualitative approach to market research which supplements traditional research methods.

Neuromarketing techniques applied to the P/E/M model of advertising effectiveness

The following table combines qualitative and quantitative data analysis results, whereby quantitative data was placed in a qualitative context to facilitate comparability. It illustrates research opportunities and capacities of neuromarketing techniques to inform exposure stages of luxury watch advertisements based on consumers’ perceived advertising effectiveness.

DISCUSSION

Research findings indicate that that luxury watch consumer’s perceived advertising effectiveness varies in regard to different exposure phases but unveils an overall scope for improvement. Thus, employing neuromarketing techniques and particularly fMRI to inform advertising effectiveness is both viable and beneficial to the luxury watch industry but limitations are present at the current point in time. Three uninvestigated effects of critical advertisement functions deserve acknowledgement and further exploration by neuroscientists.

CONCLUSIONS

Applicability of neuromarketing techniques in the luxury watch industry

Neuromarketing techniques have the potential to complement traditional qualitative market research in the luxury watch industry by revealing additional variance which consumers cannot express explicitly and therefore cannot be obtained through traditional interviewing techniques. In this regard, a multimodal approach (triangularization) increases the certainty to trace a reaction back to a certain stimulus and accommodates disadvantages and advantages that individual methods incorporate.

Framing perception of luxury watch advertisements

Anticipations and mood are confronted with data whose analysis result can be used as further marker in addition to explicit questioning. Thus, neuromarketing methods can deliver insights that help to maximise the brand’s potential in creating a sense of anticipation of a certain luxury watch experience.

A neuroscientific approach, and particularly fMRI, are beneficial to the luxury watch industry in order to investigate which anticipations or reactions a luxury watch advertisement (signal in the brain) triggers.

Enhancing the luxury watch advertisement experience

Visual luxury watch advertisements are most likely to provide customers with an enhanced sensory experience. Neuromarketing techniques cannot reliably identify emotions based on brain activity patterns which can be used as further marker in addition to explicit questioning. Thus, neuromarketing methods can deliver insights that help to maximise the brand’s potential in creating a sense of anticipation of a certain luxury watch experience.

A neuroscientific approach, and particularly fMRI, are beneficial to the luxury watch industry in order to investigate which anticipations or reactions a luxury watch advertisement (signal in the brain) triggers.

Utilising neuromarketing techniques in regard to social enhancement does not benefit practitioners in luxury watch industry at the current point in time since knowledge about measures for trust, has not been applied in a marketing/brand context.

Luxury watch advertisements to organise memory

Based on brain research neuroscientific techniques can be employed to design a luxury watch advertisement better or differently whereby a differentiation between a general advertising recall and a brand related recall is redundant. It is currently not possible to measure which emotions a consumer is experiencing when confronted with a luxury watch advertisement, only positive and negative arousal.

Even though neuromarketing techniques cannot reliably identify emotions based on brain activity patterns, the techniques can be complemented with neuroscientific techniques to generate beneficial to create advertisement related brand equity.

REFERENCES