

Using neuroscience in marketing to understand grudge purchases

Key for financial services sector brands in communicating offerings, which are often not understood or even considered 'grudge' purchases, is consumer market research. The traditional research methodologies have been augmented by neuroscience to gain holistic consumer and market insights.

While traditional market research is designed to probe people's conscious and often rationalised reactions, neuroscience has revealed the stronger determinants of behaviour and the fact that choices have a predominantly subconscious and unconscious basis. This means that an accurate account of the true motives for a behaviour or decision is better studied directly or in absence of consumers' rationalisations and justifications.

Understanding consumer behaviour requires innovation and forward thinking



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To gain insights into consumers and their behaviours, Momentum introduced the Market Insights & Neuro Discoveries Lab (MI.ND Lab). It uses traditional research methods, neuroscientific methods and technology in tandem to gather insights that enable Momentum and other MMI Holdings brands to offer diverse products and solutions that directly address consumers' intrinsic needs.

This innovation, which is South Africa's first in the financial services industry, will provide input into solutions, engagements and experiences that are relevant to both client and business.

Consumers' needs are unique and the successful identification of specific elements will not only distinguish a business from its competitors, but also help ensure that clients get maximum returns on their investments.

Sergio G de Sousa, MI.ND Lab manager at Momentum, describes this, "As understanding the diversified nature of consumers' visceral and cognitive perceptions during the developmental stages of products, solutions and marketing campaigns. This ensures that our products and solutions have broad market appeal."

By employing the neuroscience practice, brands can conduct new forms of consumer and market research. This is achieved by measuring and analysing consumers' conscious (cognitive) as well as unconscious (emotional/affective) responses to stimuli. Neuroscience techniques provide insight into consumer decisions and actions that are invisible to traditional research methodologies for specific types of studies. When the brain processes stimuli, many neurological and physiological events occur.

"This is the use of modern brain science to measure the impact of marketing, advertising and other concepts on consumers. This was mainly about understanding the complex emotions and reasoning behind decisions made by consumers. For us, it is less about probing questions, but rather about observing, hearing, reflecting and evaluating what the consumer needs. By using neuroscience, the group is better equipped to understand what consumers deem appealing, thus enabling sustainable innovations that will drive competitors to follow suit and, over time, make products in the industry less standardised and a more engaging business experience."

Neuromarketing adds deep information

Neuroscience has been combined with other sciences to create new interdisciplinary fields, such as neuromarketing (i.e.

the amalgamation of neuroscience and marketing). Using neuromarketing studies, Momentum is able to determine whether its advertisements gain and maintain the necessary levels of attention and engagement and elicit the correct emotional reactions that are likely to leave consumers with a memorable experience.

For instance, by measuring and analysing a consumer's brain activity, facial expressions, eye movements and fixations, heart rate and sweat levels (skin conductivity), researchers are able to identify advertisement features that are eye-catching and engaging, cause confusion or are ignored altogether. This is key for brands in the financial services sector in communicating about offerings that are often not understood or even considered "grudge" purchases.

This process creates the ability to tailor-make every insurance solution and product for every specific market, allowing the development of offers that answer directly to the needs of clients.

"Before the launch of a product or solution, we need to ensure that it has a sizeable market potential. We have introduced new research methodologies to supplement our traditional methodologies to ensure we gain holistic consumer and market insights," De Sousa concludes.

This advanced response to consumer needs gives a voice to the consumer. For businesses to be competitive, they have to evolve, and this is largely because of the demands placed on them by the modern consumer.

In today's highly competitive world, businesses are faced with more sophisticated and extremely demanding consumers. It is important for brands to understand both consumer needs and behaviour in order to gain competitive advantage, and to provide for the needs of current and future clients. Being top of mind among consumers is no longer the greatest challenge, as consumers have placed increased pressure on businesses to provide value for every rand spent. Due to this, businesses need to identify and understand, in detail, what influences consumer perception and behaviour.

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