

## Neuromarketing - in Retreat.

### By Max Sutherland

Dr. Max Sutherland's column is published monthly and posted on the web at <u>www.sutherlandsurvey.com</u>. Receive an advance copy by email - <u>free subscription</u>. Max Sutherland is author of the book <u>'Advertising</u> <u>& the Mind of the Consumer'</u> (published in 8 languages) and is a registered psychologist. He works as an independent marketing consultant in Australia and USA and is also Adjunct Professor at Bond University. Contact <u>msutherland@adandmind.com</u>.

# In <u>'Brands on the Brain'</u>, (Feb. 03), I said neuromarketing was dominated more by sales pitch than science. The smoke and mirrors merchants were out there running well ahead of the pack. Now, eighteen months later, neuromarketing is in retreat – not into oblivion - just into' the closet'.

The scientific dream of being able to peer into the human brain is possible today through new brain scanning technologies. Brain *wave* recording devices have been available for decades but now they can pinpoint more precisely which regions are active as people respond to products or make brand choices or are exposed to

advertisements.

Marketing's use of these new devices has been called 'neuromarketing'. Yet it is really just an extension of the use of <u>pupilometers</u>, <u>galvanic skin response</u>, <u>eye tracking</u>, <u>voice</u> <u>stress analysis</u> and earlier brain wave measures – each heralded in its time as a revolutionary breakthrough. Despite hype by consultants offering these earlier technologies, none of them ever really found widespread, lasting use in marketing (<u>although eye tracking has carved out a small niche</u>).



**Brain Scan Machine** 

The increasingly commercial nature of science has sometimes

resulted in hyped claims with reporting outstripping the scientific substance. In genetics this is referred to as '<u>genohype</u>': in marketing, it is 'neuromarketing'. In the rush to tout the use of these new devices, suppliers were oblivious to the fears that hyped claims might provoke in society.

#### The Attack

Last year, crusader Ralph Nader sounded the social alarm (<u>Nader Group Slams Emory for</u> <u>Brain Research</u>) and the result has been a backlash and a retreat.

Nader's organization, 'Commercial Alert',' used the media and its <u>website</u> to condemn neuromarketing experiments as unethical. Neuromarketing, it says, is likely to be used to promote "human disease and suffering". In a <u>request to a federal agency</u> in the U.S., it asked that experiments at Emory University be investigated, claiming they violate federal guidelines for research on human subjects. More recently, it <u>requested the U.S. Senate</u> <u>Committee on Commerce, Science and Transportation</u> to investigate.

At the same time as neuromarketing launched, the prime prospects for neuromarketing services were already reeling from attack. Marketing stands accused of being a cause in the social epidemics of obesity, diabetes, alcoholism and gambling. The legacy of Big

Tobacco has left big brands of food, drinks, alcohol etc particularly vulnerable to 'guilt by association'. Throwing neuromarketing into the existing flames was potentially explosive.

Social criticism of marketing is not new, as leading brands like Coca-Cola, McDonalds etc, can attest but this was reminiscent of Vance Packard's demonising finger pointed at subliminal advertising in the 1950's.

#### The Retreat

Since Commercial Alert's attack, the consultancy involved in the experiments at Emory University, has changed its name <u>(from 'Brighthouse Institute for Thought Sciences' to</u> <u>Brighthouse Neurostrategies Group) and says it no longer conducts neuromarketing at the</u> <u>university</u>.

An inaugural conference on neuromarketing, scheduled for April 2004, organized by Baylor College of Medicine in Houston, Texas was <u>cancelled because of too few</u> <u>registrations</u>. This prompted one <u>commentator</u> to say: *"Either corporate America doesn't* believe the hype surrounding neuromarketing or their marketing departments don't understand what "neuromarketing" means." Doubtless, the mounting public disquiet is also a factor. As <u>Newsweek</u> observed, neuromarketing suppliers are now trying to distance themselves from the term with clients and funders of them, often preferring to remain <u>anonymous</u>.

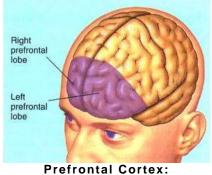
In researching this column, I found that SSPT, a promising ad-testing technology I wrote about in Feb 2001, (New Hi-tech Ad-testing Method) had ceased commercial operation. The founder of it, Richard Silberstein (of the Brain Sciences Institute in Australia) told me that the brain-wave technology had found increasing acceptance with global advertisers but that "the company was undercapitalised to pursue the rapid expansion path it had set itself". Another company offering <u>NASA developed brain wave technology</u> also seems to have disappeared.

Neuromarketing is in retreat on a number of fronts.

#### Get Real

Despite the alarm, no magic 'buy-button' is being revealed - as a quick perusal of the studies reported so far, shows (<u>see my neuropsychology webpage</u>). A number of findings converge on the prefrontal cortex located in the lower forehead (see illustration) but no-one is clear yet as to precisely what all this means.

Chris Frith of the Institute of Neurology in London (<u>A</u><u>Probe Inside the Mind of the Shopper</u>) puts it in more realistic perspective: "Just because you can see and measure an increased level of activity in the brain, people feel that is more authoritative than someone saying what they are thinking or feeling. But we don't really know enough about how the brain works as a system to be able to apply this research. It is too early to say what findings like these mean."



No magic 'buy-button'

#### Cost

Cost would hardly be a disincentive if neuromarketing matched the over-hyped claims but the cost-value of information does present a reality-check. If people identify with Coca-Cola and this lights up their prefrontal cortex, that's interesting....but an fMRI brain scanner <u>costs \$US2.5 million and rents for \$US1,000 per hour</u> so the question must always be, what can you do with that information?

#### Hidden Persuaders?

Lingering 'hidden persuader' fears still hang over from the 1950's when advertising promoter and researcher, James Vicary claimed powerful results from flashing 'drink Coca-Cola' and 'Eat popcorn' subliminally on a movie screen. Various countries then rushed to ban 'subliminal advertising' but decades later, after more than 200 failures by other researchers to replicate his findings, Vicary admitted his results were <u>fabricated</u>.<sup>1</sup>

These fears remain even though the alarm was a *false* alarm. The public's belief that subliminal advertising works and that marketing uses it to manipulate consumption, persists.<sup>2</sup> When genies escape from their bottle, even sham ones, people cling to a belief in their magical powers. As Andrew Ehrenberg once said 'Advertising is in an odd position. Its extreme protagonists claim it has extraordinary powers and its severest critics believe them.'<sup>3</sup>

All in all, it is not a good time for companies to flirt with technologies that smack of 'hidden persuaders'. While neuroscience technology undoubtedly holds promise, any notion of it finding a hidden 'buy-button' in the brain is more fantasy than fact. Yet it is a fear that will not be easily dispelled.

#### Where To Neuromarketing?

So, with marketers distancing themselves from the term, conferences cancelled and companies folding, where to neuromarketing?

Activity is retreating into the closet. Studies are being commented upon by researchers in more measured terms. A number of <u>studies</u> are clothed in a more socially acceptable label -<u>neuroeconomics</u>. I think also there will be a refocusing of applications towards products and causes that have a clear social benefit - applications like road safety messages, trying to persuade people to give up smoking or to resist over-eating. Developing and testing strategies designed to cure rather than create social pathologies is hard to argue with. By retreating 'into the closet', the technology will continue to be explored –and to public applause rather than public alarm.

This underscores that the tool itself is not the problem but it is all in how it is used and what it is used for (just like marketing itself). There are some advocates for an ethical charter. (Silberstein's company NueroVu, refused to work on cigarettes or any "products or services which, when used as intended, demonstrably cause harm to people.".) Judging by Big Tobacco, the moral compass of individuals is not a realistic answer – but what about industry codes with enforcement?

At this stage, the codes of ethics of the <u>American</u> and <u>European</u> marketing organizations are silent on neuromarketing. Mounting social pressure may see that change especially if neuromarketing technology delivers on its promise and finds wider use.

#### Conclusion

Unlike subliminal advertising, neuromarketing suffers from hype not hoax. We need to get real about neuromarketing and the claims made for it. Turning back technological development is impossible. Like cloning and stem cell research, some applications will be desirable but others will require guidelines, 'ethical charters' and perhaps even legislation to control the direction of the technology. For the moment, neuromarketing is in retreat. But it is a retreat 'into the closet' not into oblivion.

<sup>&</sup>lt;sup>1</sup> W. Weir, 'Another look at subliminal "facts" ', *Advertising Age*, Oct. 15, 1984, p. 46

<sup>&</sup>lt;sup>2</sup> Stuart Rogers (1993). How a Publicity Blitz Created the Myth of Subliminal Advertising. Public Relations Quarterly, Winter: 12-17.

<sup>&</sup>lt;sup>3</sup> Andrew Ehrenberg, 'Repetitive advertising and the consumer', *Journal of Advertising Research*, vol. 1, Sept. 1982, pp. 70-79