

Neuromarketing

Course code MNG238

Compulsory in the programmes Bachelor of Business Management

Level of studies Undergraduate

Number of credits and 6 ECTS (48 contact hours + 6 consultation hours, 106

individual work hours)

Course coordinator (title and name) Dr. Dalia Bagdžiūnaitė and Indrė Razbadauskaitė-Venskė

Prerequisites Basic understanding of Marketing subject

Language of instruction English

THE AIM OF THE COURSE:

This course will introduce contemporary approaches and their application to the marketing mix and design processes. The course literature will cover different topics of consumer decision-making, attention, emotion, motivation, habit formation, and senses providing a better understanding of the underlying conscious and unconscious processes that ultimately drive consumer choices. Relevant theories will be analyzed in reflection on different marketing cases. Furthermore, neural, physiological, and behavioural measurement methods such as eye-tracking, electroencephalography, fMRI, and others, will be introduced and discussed regarding their application to solving different marketing challenges. This understanding will provide a deeper insight into how brand, product design, advertising, and in-store information are processed in consumers' brains and how this knowledge can be used to inform marketing strategy.

To provide students with the fundamental knowledge of neuromarketing principles, methods, and their application to seek for more effective marketing solutions.

MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESMENT AND TEACHING METHODS

Course level learning outcomes (objectives)	Degree level learning objectives (Number of LO)	Assessment methods	Teaching methods
CLO1. To understand the key concepts of neuromarketing and	BLO1.1.	Lecture,	Midterm, exam,
be able to reflect upon the role of in reaching marketing goals.		discussions,	homework
		self-study, group	assessment
		work	during seminars
CLO2. To discuss processes such as attention, perception,	BLO1.1.	Lecture,	Midterm, exam,
emotion, motivation, habits, senses, and their relevance to		discussions,	homework
marketing-related topics.		self-study, group	assessment
		work	during seminars
CLO3. To be able to reflect upon the course literature and the	BLO1.1.		
practical application of the neuromarketing and consumer	BLO1.2.		
neuroscience theories and methods to solve specific marketing	BLO2.1	Lecture,	Midterm, exam,
challenges.		discussions,	homework
		self-study, group	assessment
		work	during seminars



CLO4. To identify and discuss the limitations of different	BLO4.2.	Lecture,	Midterm and final
theoretical and methodological approaches in relation to		discussions,	exam, homework
neuromarketing.		self-study, group	assessment
		work	during seminars
CLO5. To identify and articulate the marketing research	BLO1.1.	Lecture,	Homework
objectives and discuss pros and cons of the traditional	BLO1.2.	discussions,	assessment
approaches in comparison to the modern research approaches	BLO2.1.	self-study, group	during seminars
application to reach those objectives.		work	
CLO6. To work in a team, to present work results in written or	BLO4.2.	Lecture,	Homework
oral form, to argue decisions.	BLO 4.3.	discussions,	assessment
		self-study, group	during seminars
		work	

ACADEMIC HONESTY AND INTEGRITY

The teaching and testing methods are chosen considering the purpose of the minimization of cheating opportunities. Individual tasks are assigned. Tasks rotate year by year, from student to student. The ISM regulations on academic ethics will be fully applied in the course.

COURSE OUTLINE

Topic	In-class hours	Readings
Introduction to the Course	4	See: Session 1 Taught by Dr. Dalia Bagdžiūnaitė
Introduction to Neuromarketing and Consumer Neuroscience Research Methods and Tools Introduction to different research methods (attitudinal / behavioral) Pros and cons of traditional and neuromarketing methods Testing environments (lab, online vs. real-life) Al in Neuromarketing Group exercise in class /seminar Introduction to experiment design Application of neuromarketing tools for business impact Group discussion	4	See: Session 2 Taught by Dr. Dalia Bagdžiūnaitė



	1	as of 31st January 2024
Attention and Consciousness	4	See: Session 3 Taught by Dr. Dalia Bagdžiūnaitė
Myths, Experiments, and Ethical Concerns Neuromarketing myths and ethical concerns (Neuroethics) Regulatory guidelines for ethical research Concerns about scientific validity Critics of consumer neuroscience research Neuropricing (price effect) Rounded price effect Rounded price effect Group exercise in class /seminar Neuromarketing ethical concerns (when neuromarketing crosses the line?) Pricing effect (how we perceive a higher price)	4	See: Session 4 Taught by Indré Razbadauskaité- Venské
Senses and Perception: Sensory Marketing and Perception Process • Hedonic consumption + motivational conflict • Sensory marketing vs. digital sensory marketing – 5 senses: smell, touch, sight, hearing, and taste • Psychology of colors. How do we see colors? • Stages in the perception: exposure, attention, interpretation • EXTRA: Sensory branding + blanding vs. branding Group exercise in class /seminar • Brand experience - five senses into product campaign	4	See: Session 5 Taught by Indrė Razbadauskaitė- Venskė
Learning and Memory Learning: behavioral learning and cognitive learning theories Gamification: the new frontier for learning applications Memory: how our brains encode information Memory systems How our memory store information What makes us forget? Nostalgia marketing EXTRA: the role of dopaminergic reward in processing; enclothed cognition; gendered marketing Group exercise in class /seminar	4	See: Session 6 Taught by Indrė Razbadauskaitė- Venskė
Nostalgia marketing applications		



			as of 3 ist January 2022
•	Group discussion		
Midterm	n exam (graded)		Topics from sessions 1-6 included
Emotion	ns, Feelings, and Motivation		
•	Defining emotions		
•	Emotions dimensions: valence, arousal, motivation		See: Session 7
•	Emotions and decision-making		Taught by
•	Consumer needs and emotions	4	Dr. Dalia Bagdžiūnaitė
•	Emotional design principles	4	
Group e	exercise in class /seminar		
•	Influential ads/product designs Emotions analysis		
•	Group discussion		
Habit fo	rmation and hooked model		
•	Defining habit		
•	Creating and changing good and bad habits		
•	Defining habit-building products		See: Session 8
•	Hooked model: triggers, action, rewards, investment	4	Taught by Dr. Dalia
•	Ethical concerns		Bagdžiūnaitė
Group e	exercise in class /seminar		
•	Hooked model application to build a habit-building product		
•	Group discussion		
Group v	work presentation and feedback (graded)	4	See: Group work assignment Group work presentation, evaluation, and discussion led by Dr. Dalia Bagdžiūnaitė
The Sel	f: Mind, Gender, and Body		
•	Self-concept		
•	Real vs. Ideal selves		
•	Embodied cognition		
•	The digital self		
•	Gender identity + Gendered marketing		See: Session 10
•	The body: ideals of beauty EXTRA: enclothed cognition	4	Taught by Indrė
•	EXTRA: enclottied cognition	4	Razbadauskaitė-
Persona	ality, Lifestyles and Values		Venskė
•	Trait theory		
•	The influence of personality traits on consumer behavior		
•	Brand personality		
•	Lifestyles and consumer identity		
•	Psychographics		



Values – how do values link to consumer behavior?		
Group exercise in class /seminar Gendered marketing - gender differences in advertising between men and women		
The Effects of Social Media Marketing on Online Consumer Behavior Online social networks Brand communities E-word of mouth EXTRA: loyalty; the future of neuromarketing Group exercise in class /seminar The future of neuromarketing	4	See: Session 11 Taught by Indrė Razbadauskaitė- Venskė
Wrap-up. Preparation for the Final Exam	4	See: Session 12 Taught by Indrė Razbadauskaitė- Venskė
Final exam	Total: 48 hours	Topics from sessions 1-12 included
FINAL EXAM	2	

FINAL GRADE COMPOSITION

Type of assignment	%
Group Components 30%	
Group work and presentation	30
Individual Components 65%	
Midterm exam	25
Final exam	45
Total:	100

DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

MIDTERM EXAM

The Mid-term Exam is given to students to check their theoretical knowledge of concepts, classifications, applications, and correct identifications of practical situations. The mid-term exam will cover topics of sessions 1-6. The accumulative weight of the midterm exam is 25%

GROUP WORK ASSIGNMENT



Group work assignment consists of practical tasks that are performed in out-of-class and in-class environments to strengthen skills in the theoretical material covered in the class. During the semester each group must prepare **one** group work assignment. The size of a group is determined by the lecturer when the final group participant list is available.

The group work assignment should be submitted to the lecturer in written form (as a report) and presented in class (PPT or other presentational technique). Each group will be given a maximum of 5-10 minutes for presentation during seminar sessions. The written report should not exceed 5 pages. The report format has to follow the general format requirements of ISM (APA style). Each report has to have an official title page with a list of contributors. All members of the group should be involved in presentations during the course (being the major presenter at least once).

Use the simplest binding tools (paper clips, transparent envelopes) for environmental reasons. Print on both sides whenever possible. The accumulative weight of the group assignment is **30%**

The group assignment will consist of these parts:

- 1. Introduction to a problem: problem definition through neuroscience, behavioral insights (e.g., decision-making principles, user orientation), the definition of the target group,
- 2. Situation analysis: application of the theories (e.g., including senses; catching attention; affecting emotions; inducing memory; building a habit, motivating action).
- 3. Research proposal: research approach and methods (e.g., argumentation for specific research methods, neuromarketing tools, target group, hypotheses)
- 4. Conclusions and neuromarketing recommendations

Criteria for the assessment:

- KPI1 Completeness of problem presentation from a Neuromarketing and Behavioral Perspective (clear formulation of the problem, selection of target group, theoretical argumentation)
- KPI2 Depth of situation analysis (critical use of neuromarketing theories, clear argumentation, relevant theories application for the case)
- KPI3 Logic and completeness of the research proposal (appropriate selection of research methods, logic and specificity of hypotheses)
- KPI4 Depth and purposefulness of recommendations (targeted description of recommendations, clarity, relativeness to the formed problem area)
- KPI5 Originality and creativity in project presentation

Written assignments are due to the professor NO LATER than the beginning of class on the day the presentation is scheduled. Students cannot redo their homework assignments or re-defend them after the deadline. Students can indicate group mates that were not contributing to the particular assignment. In this case, the grade for the assignment for non-contributing group mate is not entered and equals 0.

END-SEMESTER INDIVIDUAL WRITTEN FINAL EXAM

The end-semester individual written final exam is given to students to check up on the scope (theoretical and practical) of the course as a whole. The exam will include all material covered during the lectures and seminars. The accumulative weight of the Final Exam is **45%.**

The final grading for the course is calculated according to the accumulative formula as indicated in the Regulation of studies at ISM. <u>Negative grades (below 5) are not included in the accumulative grading system!</u>

Students who receive a failing final grade shall have the right to **re-take the exam** during the re-sit week, which will comprise **70% of the final grade** and will include all semester material. Home assignments cannot be retaken later.

MISCELLANEOUS



The lecturer reserves a right to minor changes in the course program (for example, changing places of topics without harm to the overall course logic). Also, the lecturer might decide to invite guest speakers – practitioners for a deeper presentation of some practical aspects of marketing. When changes in schedule/program prevail, students will be informed in advance.

READINGS

Sessions	Required readings	Supplemental readings
Session 1	Genco, S. J., Pohlmann, A. P., & Steidl, P. (2013). <i>Neuromarketing for dummies</i> . John Wiley & Sons.	Plassmann, H., Ramsøy, T. Z., & Milosavljevic, M. (2012). Branding the brain: A critical review and outlook. Journal of consumer psychology,
	 Chapter 1: What Neuromarketing Is and Isn't for? Chapter 2: What we Know Now that We Didn't know Then? 	22(1), 18-36.
	Phan, V. (2010). Neuromarketing: Who decides what you buy. <i>The Triple Helix</i> , 2010, 14-16.	
	Brain structure & functions tutorial (videos):	
	 Https://www.youtube.com/watch?V=kmkc8nfpati Neuromarketing: Inside the Mind of the Consumer: Https://www.youtube.com/watch?V=zbkyv6axdc0 	
Session 2	Genco, S. J., Pohlmann, A. P., & Steidl, P. (2013). Neuromarketing for dummies. John Wiley & Sons. Chapter 16: Neuromarketing Measures: Listening to Signals from the Body and the Brain	Ariely, D., & Berns, G. S. (2010). Neuromarketing: the hope and hype of neuroimaging in business. <i>Nature reviews neuroscience</i> , 11(4), 284-292.
	Neurons Inc. Blog post: Which brain measure is best: https://www.neuronsinc.com/insights/neuromethod-2-which-brain-measure-is-best Fast responses and unconscious preferences: https://www.neuronsinc.com/insights/fast-responses-and-unconscious-preferences	Noble, T. (2013). Neuroscience in practice: The definitive guide for marketers. <i>Admap</i> , <i>48</i> (3), 28-45.
Session 3	Deangelus, M. & Pelz, J. (2009). <i>Top-down control of eye movements: Yarbus revisited</i> , Visual Cognition, 17(6-7), pp. 790-811.	Chartrand, T. L., Huber, J., Shiv, B., & Tanner, R. J. (2008). Nonconscious goals and consumer choice. <i>Journal of Consumer Research</i> , <i>35</i> (2), 189-201
	Milosavljevic, M., & Cerf, M. (2008). First attention then intention: Insights from computational neuroscience of vision. <i>International Journal of advertising</i> , <i>27</i> (3), 381-398.	Clement, J., Kristensen, T., Grønhaug, K. (2013). <i>Understanding consumers' in-store visual perception: The influence of package</i>
	Karremans, J. C., Stroebe, W., & Claus, J. (2006). Beyond Vicary's fantasies: The impact of subliminal priming and brand choice. Journal of experimental social psychology, 42(6), 792-798	design features on visual attention. Journal of Retailing and Consumer Services, 20, (234-239) Dijksterhuis, A., Smith, P. K., Van Baaren, R. B., & Wigboldus, D. H. (2005). The unconscious
	Top-down and bottom-up processing: https://www.youtube.com/watch?V=ajy5 p lahq	consumer: Effects of environment on consumer behavior. Journal of consumer psychology, 15(3), 193-202



		as of 31st January 2024
	Gestalt Principles: https://www.youtube.com/watch?V=20n53kharxa	Milosavljevic M., Navalpakkam V., Koch Ch., Rangel A., 2011, <i>Relative visual saliency</i> differences induce sizable bias in consumer choice. Society for Consumer Psychology 22, (67-74).
Session 4	Genco, S. J., Pohlmann, A. P., & Steidl, P. (2013). Neuromarketing for dummies. John Wiley & Sons. Chapter 22: Neuromarketing Ethics, Standards, and Public Policy Implications Chapter 23: Ten Mistaken Beliefs about Neuromarketing How Brands Are Influencing Your Decisions Neuromarketing Spark - https://www.youtube.com/watch?V=svpsr5xjinw&t=420s Pricing Effect: Why A Higher Price Tag Makes Wine Taste Better Why Are We All So Stupid? https://www.youtube.com/watch?v=Wb3PsQFB3fU How Restaurants Use Psychology to Make You Spend More Money - https://www.youtube.com/watch?v=I4WzImgnP4w	P. Kotler. (2017). Consumer Neuroscience. The Mit press. • Chapter 15 – Ethics in Consumer Neuroscience • Chapter 11 – Pricing
Session 5	5 Examples of Sensory Branding in Retail –	P. Kotler. (2017). Consumer Neuroscience. The Mit press.
	https://blog.hubspot.com/marketing/sensory-branding Behavioral science brand building - https://www.research-live.com/article/news/behavioural-science-brand-building-/id/5049912 Dunkin' Donuts Flavor Radio - https://www.youtube.com/watch?V=v2tp-fan6u8 How Scent Can Influence Your Purchasing Habits Your	Chapter 3 – Sensation and Perception
Session 6	Brain On Shopping Racked - https://www.youtube.com/watch?V=u6m5ud5_cba	P. Kotler. (2017). <i>Consumer Neuroscience</i> . The Mit press.
	Memory, explained Narrated by Emma Stone - https://www.youtube.com/watch?V=d95doh-7GHM Narrative - What do we mean when we talk about storytelling in advertising? How free games are designed to make money - https://www.youtube.com/watch?v=fKK9nVLvhGM	Chapter 6 – Memory
Session 7	Berridge, K. C., & Robinson, T. E. (2003). Parsing reward. Trends in neurosciences, 26(9), 507-513.	Bagozzi, R.P., M. Gopinath & P.U.Nyer (1999): The role of emotions in marketing. Journal of



Genco, S. J., Pohlmann, A. P., & Steidl, P. the Academy of Marketing Science, 27 (2), (2013). Neuromarketing for dummies. John Wiley & Sons. (184-206). Chapter 6: The Central Role of Emotions in Dolan, R., (2002). Emotion, Cognition, and Behaviour. Neuroscience and Psychology, 298 Consumer Responses Chapter 10: Creating Products and Packages That (8)., (1191-1194). Please Consumers' Brains Groeppel-Klein (2005), Arousal and consumer in-store behaviour. Brain Research Bulletin 67, (428-437).Session 8 Eyal, N. (2014). Hooked: How to build habit-forming Wood, W., & Neal, D. T. (2009). The habitual products. Penguin. Workbook: consumer. Journal of Consumer Psychology, https://www.nirandfar.com/download/hooked-workbook.pdf 19(4), 579-592. How to Break Bad Habits - Hooked: How to Build Habit-Forming Products by Nir Eyal: https://www.youtube.com/watch?V=hvdn2mjjpb8 Behavioural Fogg Model: http://www.behaviormodel.org/index.html Session 10 M.R. Solomon (2018). Consumer Behavior: Buying, Having and Being. 12th edition. Yes, Marketing Is Still Sexist https://www.nytimes.com/2021/08/26/us/marketing-industry-Pearson. sexism-brandsplaining.html Chapter 6: The self: mind, gender, and How Fashion Affects Your Brain | ELLE-Chapter 7: Personality, Lifestyles, and https://www.youtube.com/watch?v=zqaM7bQFFic Values Gendered marketing https://www.youtube.com/watch?v=3JDmb_f3E2c&t=173s Session 11 P. Kotler. (2017). Consumer Neuroscience. The Genco, S. J., Pohlmann, A. P., & Steidl, P. Mit press. (2013). Neuromarketing for dummies. John Wiley & Sons. Chapter 12 - Social Marketing Chapter 13: When Consumers' Brains Go Online

EXTRA: Neuromarketing Books: The Ultimate Reading List -

https://www.neurosciencemarketing.com/blog/articles/neuromarketing-books-reading-list.htm

Recommended to buy:

Genco, S. J., Pohlmann, A. P., & Steidl, P. (2013). Neuromarketing for dummies. John Wiley & Sons.



ANNEX

DEGREE LEVEL LEARNING OBJECTIVES

Learning objectives for the Bachelor of Business Management

Programmes:
International Business and Communication,
Business Management and Marketing,
Finance,
Industrial Technology Management,
Entrepreneurship and Innovation

Learning Goals	Learning Objectives
Students will be critical	BLO1.1. Students will be able to understand core concepts and methods in the business
thinkers	disciplines
	BLO1.2. Students will be able to conduct a contextual analysis to identify a problem
	associated with their discipline, to generate managerial options and propose viable solutions
Students will be socially	BLO2.1. Students will be knowledgeable about ethics and social responsibility
responsible in their related	
discipline	
Students will be technology	BLO3.1. Students will demonstrate proficiency in common business software packages
agile	BLO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective	BLO4.1. Students will be able to communicate reasonably in different settings according to
communicators	target audience tasks and situations
	BLO4.2. Students will be able to convey their ideas effectively through an oral presentation
	BLO4.3. Students will be able to convey their ideas effectively in a written paper

Learning objectives for the Bachelor of Social Science

Programmes: Economics and Data Analytics, Economics and Politics

Learning Goals	Learning Objectives
Students will be critical	ELO1.1. Students will be able to understand core concepts and methods in the key economics
thinkers	disciplines
	ELO1.2. Students will be able to identify underlying assumptions and logical consistency of
	causal statements
Students will have skills to	ELO2.1.Students will have a keen sense of ethical criteria for practical problem-solving
employ economic thought	
for the common good	
Students will be technology	ELO3.1. Students will demonstrate proficiency in common business software packages
agile	ELO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective	ELO4.1.Students will be able to communicate reasonably in different settings according to
communicators	target audience tasks and situations
	ELO4.2.Students will be able to convey their ideas effectively through an oral presentation
	ELO4.3. Students will be able to convey their ideas effectively in a written paper