MARKETING LUXURY: NEURO INSIGHT

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Considering the lack of Lithuanian researchers’ insights into the field of neuromarketing, it is relevant to analyze the application areas of this paradigm. Considering an intensive competition among product and service providers in the market, it is necessary for marketers to change their point of view from highly transaction-oriented mass marketing efforts to neuromarketing methods which are more subtle in their performance. Neuromarketing research is based on human brain performance; it neglects many contemporary marketing ideas, therefore, modern marketing activities have to be coordinated with subconscious processes in customers’ brain. Achieving to determine the main principles of neuromarketing, which could be considered while marketing luxury, a qualitative content analysis of scientific literature is performed in the article. As a result, structured neuro insights for luxury marketing are provided.

Keywords: luxury, neuromarketing, segment.
JEL codes: M310, M390.

Introduction

Relevance of the research. Previous researches on neuromarketing (see Pilelienė, 2011; 2012) have revealed a wide spectrum of possibilities of its application. Considering the lack of Lithuanian researchers’ insights into the field, it is relevant to analyze the application areas of the paradigm. The attempt of Lithuanian researchers A. Dapkevičius and B. Melnikas (2009) to analyze influence of price and quality to customer satisfaction in the framework of customer satisfaction can be called as initial pointer for Lithuanian marketers into a paradigm shift from transaction-based marketing to brain-action-based marketing.

Considering an intensive competition among product and service providers in the market, it is necessary for marketers to change their point of view from highly transaction-oriented mass marketing efforts to neuromarketing methods which are more subtle in their performance. Neuromarketing research is based on human brain performance; it neglects many contemporary marketing ideas, therefore, modern marketing activities have to be coordinated with subconscious processes in customers’ brain.

The scientific problem solved in the article is: how to apply principles of neuromarketing for luxury products and services.

Accordingly, the object of the article is principles of neuromarketing suitable for a luxury.

The aim of the research is to determine the main principles of neuromarketing which could be considered while marketing luxury.
Achieving to fulfil the aim of the article, following tasks were set for the research:
- to reveal the specifics of luxury marketing;
- to analyze the principle ideas of neuromarketing;
- to define principles of neuromarketing consistent with a luxury specifics.

The qualitative content analysis of scientific literature is provided in the article. The article aims to reveal contemporary specifics of luxury marketing, find its limitations, and suggest modern neuromarketing ideas to improve the marketing activity applied for the category. Considering the lack of Lithuanian scientific insights into the field of neuromarketing, the principal part of the research is based on foreign authors’ (Braidot, 2009, Camerer et al., 2005, Vance, Virtue, 2011 et al.) researches. General scientific research methods of logical literature analysis and synthesis were applied for the research.

**Insignia of luxury marketing**

B. Catry (2003) proposes that “luxury goods offer quality, emotion and rarity”. G. Atwal and A. Williams (2009) argue that despite of a ‘luxury’ brand definition’s openness for debate, the natural evolution of luxury raises new challenges for marketing strategists. F. Vigneron and L. W. Johnson (1999) highlight that “luxury” stands in the extreme-end of the prestige-brand category. Accordingly, three types of prestigious brands can be found in a market: up-market brands, premium brands, and luxury brands – respectively in an increasing order of prestige.

Therefore, F. Vigneron and L. W. Johnson (1999) propose that prestige-seeking behaviour is the results of multiple motivations, but in particular the motives of sociability and self-expression. According to G. Atwal and A. Williams (2009), luxury brands need to stay in front of luxury consumers, through the discovery of new and different ways to give expression to their desires. Authors defined five values of prestige combined with five relevant motivations. Moreover, the existence of values and related motivators exist in accordance to two core dimensions: (1) person’s self-consciousness (publicly self-conscious persons are particularly concerned about how they appear to others, and privately self-conscious persons are more focused on their inner thoughts and feelings) and (2) the importance of the perception of price as an indicator of prestige. The interaction among the two dimensions and the manifestation of motivations are provided in Figure 1.
As it can be seen in Figure 1, customers can be segmented into four groups based on their motivations for choosing a luxury: Bandwagon (consumers may use the perceived extended-self value of luxury to enhance their self-concept), Veblenian (luxury products are bought to display wealth and power), Snob (limited supply of products enhances the consumers’ value and preference for it), Hedonist (consumers value the perceived utility acquired from a luxury to arouse feelings and affective states) and Perfectionist (consumers value the perceived utility acquired from a luxury to suggest superior product characteristics and performance).

According to the segment characteristics and product’s specifics, different marketing mix strategies have to be applied. Moreover, according to G. Atwal and A. Williams (2009), luxury brands first being adopted by the affluent and wealthy customers, inevitably are translated and reinterpreted down to mass markets. Therefore, it can be stated that once acquired in one segment (e.g., snob), a luxury can be offered to the other (e.g., bandwagon).

**Neuromarketing luxury**

Analysts of consumer behaviour highlight: human thinking proceeds in two levels: conscious and subconscious. N. Braidot (2009) suggests that the subconscious thinking defines the major part of human purchase decisions. According to C. Camerer et al. (2005), much of the brain implements the automatic processes, which are faster than conscious deliberations and which occur with little or no awareness or feeling of effort.

Before suggesting neuroscientific methods for luxury marketing, it is necessary to understand the core principles of human brain performance. According to N. Braidot (2009), there are three levels of human brain: reptilian brain, limbic sys-
tem, and cerebral cortex. Moreover, K. Vance and S. Virtue (2011) suggest that the role of left and right cerebral hemispheres is very different in purchase decision making. The left hemisphere is responsible for analytical, logical and rational thinking, and is often based on numbers; conversely, the right hemisphere is committed to processing of holistic information. The right hemisphere reacts to music, art, and other creative elements.

Accordingly, it can be stated that those segments where price is important to highlight a prestige of a luxury product, should be affected by numbers. The left hemisphere has to be activated before the right. Therefore, the expensiveness of a product has to be highlighted over design, aesthetics and other creative elements. Conversely, for those segments where price is not prestige-related, many creative elements have to be applied first, achieving to hide the price form the left brain hemisphere (see Fig. 2).

![Fig. 2. Neuro insights for luxury marketing](image)

As it is shown in Figure 2, publicity is the second important thing in luxury marketing. For public-concerned segments (Bandwagons and Veblenians), public opinion is important. Thus, a luxury should be well established for the society, positioned as status-symbol or something very exceptional. The place where the luxury product is being bought (or consumed) has to be noticeable, observable by others (e. g., town centre, main street etc.).
Conclusions

1. Scientific analysis revealed that luxury goods offer quality, emotion and rarity to consumers. According to their priorities (values and related motivators) in accordance to two core dimensions: person’s self-consciousness and the importance of the perception of price as an indicator of prestige, luxury consumers can be grouped into four segments: Bandwagons, Veblenians, Snobs and Hedonists & Perfectionists. According to the segment characteristics and product’s specifics, different marketing mix strategies have to be applied.

2. Neuromarketing principles are based on human brain performance. Neuromarketing theory states that the role of left and right cerebral hemispheres is very different in purchase decision making. The left hemisphere is responsible for analytical, logical and rational thinking, and is often based on numbers; conversely, the right hemisphere is committed to processing of holistic information. The right hemisphere reacts to music, art, and other creative elements.

3. While applying neuromarketing principles for a luxury, the sequence of brain hemispheres performance has to be managed. For those segments where price is prestige related, it has to be highlighted by minimising other environmental effects mostly related to design and other forms of art. Whereas for those segments where prices is not prestige-related, it has to be hidden from customer until the right hemisphere starts to work. This can be assured by creative design, music, and other artistic elements in the environment or product itself.

References

PRABANGOS PREKĖS MARKETINGAS: NEURO POŽIŪRIS

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Santrauka

Lietuvos autorių moksliniuose darbuose pasigendama įžvalgų neuromarketingo tematika. Tampa aktualu tyrinėti šios paradigmos taikymo sritis. Intensyvi produktų ir paslaugų teikėjų konkurencija skatina verslo atstovus keisti požiūrį į rinką, atsisakant tradicinių mainais pagrįsto marketingo priemonių ir keičiant pastarąsias subtiliais neuromarketingo įrankiais. Neuromarketingo tyrimai yra grindžiami žmogaus smegenų veiklos stebėjimu; jie paneigia daugelį šiuolaikinio marketingo idėjų, todėl galima teigti, kad modernios marketingo veiklos turi būti koordinuojamos, atsižvelgiant į pasąmoninius procesus, vykstančius vartotojų smegenyse.

Siekiant nustatyti pagrindinius neuromarketingo principus, taikytinus vykdant prabangos prekių marketingą, straipsnyje atlikta kokybinė mokslinės literatūros turinio analizė. Aprašant analizės rezultatą, apibendrintai pateikiamos neuromarketingo įžvalgos, taikytinos prabangos prekėms.

Raktiniai žodžiai: neuromarketingas, prabangos prekė, segmentas.

JEL kodai: M310, M390.