## **A New Role For Marketing**

Posted by Roger Dooley under Neuromarketing, Neuroscience Research

Brain studies are providing lots of new insights into consumer behavior, but this post recognizes **a new and important role for marketing** based on neuroscience research. If you are an occasional *Neuromarketing* reader (or grazer!), this is one post that you may want to bookmark.

Few advertising and marketing execs discount the value of marketing, but how often have you heard these kinds of statements?

- Our product will sell itself!
- Once people try the product, they'll love it!
- We count on advertising mainly to build awareness.

Many business executives assume that marketing is a front-end activity designed to get people to buy the product at least once. At that point, the product itself takes over - the customer will like it, or not, and future purchases will depend on which it is. That's true, as far as it goes, but it neglects an important fact: **the customer's** *real experience* **with the product will be shaped by his expectations and beliefs about the product.** 

Note that I'm not saying that the customer's **reported** experience is affected by preconcieved notions - for example, it's common for consumers to rationalize an expensive purchase and report higher levels of satisfaction than are really accurate. I'm saying that the customer's **actual** experience - before any rationalization or even conscious thought occurs - is affected by what he knows about the product.

The basis for this bold assertion is research on wine, of all things. Wine is actually a good product to study, because most people aren't wine experts and hence are more suggestible. Here are a few data points that illustrate what I'm talking about:

**Price Influences Taste.** In the post, <u>Why Expensive Wine Tastes Better</u>, I described new research that showed people's brains lit up more in the part of the brain that registers a pleasant experience when they thought they were drinking a \$45 wine instead of a \$5 wine - even though the two wines were actually the same! The subjects anticipated a better experience from the \$45 wine, and they got it.

Wine Label Makes Food Better. In Wine and The Spillover Effect, I described how diners offered a free glass of wine from "Noah's Winery in California" ate more food at a fixed-price French restaurant, and were even more likely to book a new reservation than diners who were given a glass from "Noah's Winery in North Dakota." As in the previously described experiment, the wine was actually the same for all diners.

What this research shows is that what a customer believes about a product can turn into reality - if they believe a product is better, it WILL be better. If you want to look at it another way, if the customer has doubts about a product, as in the case of "North Dakota" wine, the experience can be diminished. (This would certainly be a frustrating situation for a real North Dakota wine producer, whose customers would find that their wine never tasted quite as good as that from California or France - even if in objective terms the wines were comparable.)

## The Role of Marketing

Critics often assume that marketing, advertising, and branding efforts are intended to manipulate consumers into buying things they don't need. A more common (and benign) view is that these activities are geared to informing consumers about products that they may enjoy or that may improve their life in some way. Individual marketers could add to this list with specifics like, "encourage repeat purchases," "build brand awareness," and so on.

Here's the role that won't be on any of those lists: a key role of marketing is to establish customer expectations that will improve their actual experience with the product or service. The wine research shows that what consumers "know" - "expensive wines are likely to taste better than cheap ones," or, "California wines are famous worldwide, and I didn't even know that North Dakota wines existed" - affects their satisfaction with the product beyond the actual characteristics of the product itself.

It's not a big leap to assert that what a customer knows about a brand will similarly affect the product experience. Lexus traditionally ranks near the top of customer satisfaction surveys. Certainly, the actual quality of the vehicles plays a role in this. But there are a host of other factors - the reputation of the brand, the premium price, the unusually well-appointed dealerships - all of these create the expectation of a superior quality product. As long as the product itself doesn't disappoint in some major way, the Lexus buyer is likely to really be more satisfied than had he purchased a comparable Toyota.

## **Product Still Counts**

It would be nice to think that good marketing could create a fantastic customer experience on its own, but that's obviously not the case. If a customer buys a \$100 wine and it tastes like vinegar, the expectation of an outstanding wine experience will be crushed by the reality of the awful flavor. A small amount of dissonance between expectation and reality can be overcome, but if the gap is too wide, all bets are off. The customer will realize that the expectation was wrong, and indeed, may find the product **worse** than it really is. Buying a \$5 bottle of wine that has an unpleasant flavor is an experience likely to be forgotten in a day, but buying a \$50 bottle from a famous winery that features nasty off-notes is likely to create both an immediate high level of dissatisfaction and a long-term suspicion of that brand.

In my opinion, the product has to fall in the general range of expectations for marketing to improve the customer's real experience. In addition, the expertise of the customer will determine how much he will be affected by preconceived notions. The more knowledge and experience a customer has, the more he will use objective factors in judging a product. A professional wine taster is unlikely to be fooled by putting a French label and a \$100 price tag on last Tuesday's bottling of Two Buck Chuck. Even pros can be influenced, of course - think of the audiophiles who reported better sound from bizarre accessories like balancing stones. It's all a matter of degree - the professional wine taster might easily reject \$3 plonk, but might well be convinced that a good wine was a bit better than it really is with the right priming.

Here's the message: be sure your marketing is geared not only to getting customers to buy your product, but to improving their experience once they try it. That means setting high but realistic expectations for the product's quality, taste, performance, or whatever measures apply to it. Brand positioning should emphasize those variables that will lead to a positive customer experience - less emphasis on low prices or value, and more on superior flavor, fine craftsmanship, and so on. If you succeed, you'll have happier customers and, of course, higher sales.