

CHAPTER I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Businesses and marketers have been using logically planned strategies for their campaigns and running their businesses. Companies invest over 400 billion dollars each year in advertising campaigns. Despite this, however, those investments that implemented conventional methods for testing and predicting effectiveness have failed to gain returns. This is because of marketers' reliance on consumers' willingness and competency to describe their feelings upon exposure to an advertisement. Throughout the years, businesses have started to realize the importance of understanding human behaviors to increase sales. As a result, researches on human behaviors have been increasing. However, most researches are still focusing on the rational side, whereas the subconscious mind (often misrecognized as "unconscious") plays a greater role in purchase decisions. Marketing is a field of study that highly considers consumer behavior. The understanding of human behavior and the subconscious mind are indispensable in any marketing activities from creating a successful marketing campaign to attracting customers and converting them into buying customers.

The subconscious mind is influenced by what is perceived by the conscious mind through the five senses, where three of them could play a huge role in businesses. Visual, auditory and olfaction stimulus can be introduced in the business environment to build perceptions and encourage desired behaviors such as trying something new or buying a product. Several cases in point would be the use of the red color in a restaurant to increase consumption speed, playing French songs to increase the purchase

of French wines in a supermarket, and the use of lavender aroma in a relaxation center.

Marketers often think of atmospherics as a means of creating ambience atmosphere. Although this is true, the underlying role the stimulus produce could be vary depending on the introduced stimulus. For instance, there are classical music and top-chart music, and further derivatives are two diverse kinds of music modes commonly known as “major” and “minor”. There are also other variables in the music modes such as tempo. All of these might produce different effects and efficiency.

It has always been perceived by the human that “classical” things are of “high social class” or “expensive”, such as classical art pieces like Van Gogh or classical music. These associations enable people to value goods as of higher value. People are also more willing to spend more on goods that help with social identity products. Businesses can use this knowledge to shape perceptions and encourage buying behaviors. The auditory stimulus introduced into a retail environment could produce different effects. The brand image and target market should also be put into consideration. Playing top-chart music will attract those of the younger demographics but might drive away the older demographics. However, the use of classical music, also often miscalled as “instrumental music” is effective in increasing conversion. In fact, many researches on increasing conversion by playing classical music in the background in a retail environment had been conducted in the past. These researches, however, are mostly focused on the retail business, supermarkets. Auditory stimulus is proven to be effective in affecting behaviors as it targets the subconscious mind.

The use of external stimulus to affect the subconscious mind is called priming. Most people think that they are rational when making decisions. However, emotions in the subconscious mind play a huge rule in affecting one’s decision, which is why some people purchase one brand

instead of the others. Emotions can be affected through the environment. Priming is effective because it attacks the subconscious mind and emotions in the limbic system. The end-goal of businesses is to generate conversion, in which priming plays a significant role in.

Research shows that certain emotions encourage buying behaviors. These emotions can be created through the introduction of external stimulus for the brain to absorb subconsciously. Sad emotions influence a person to spend more. Priming the brain to feel mellow emotions helps the brain to link it back to sad emotions that encourage buying behaviors. This can be achieved by playing mellow music or spraying a certain scent in a retail environment. Researches on music modes show that music in “minor” generates higher conversion compared to “major” music.

The number of stores that play background music in their retail store nowadays is still low. Many are also unaware of its benefits as well as how the unconscious mind plays a significant role in decision making. Burghilea, Plaias, and El-Murad (2015) mentioned the plentiful benefits of auditory brain stimulus, especially in generating conversion. However, it is unfortunate that there are still few researches conducted on auditory brain stimulus, especially in music genre. Previous researches also did not focus on the value perception of goods affected by music genre as well as the correlation with the type of goods, whether they are convenient, normal or luxury goods. Upon the interest and curiosity of the subject, the writer decided to conduct a study titled “**The Influence of Priming through Auditory Brain Stimulus to Generate Conversion**”.

1.2 PROBLEM FORMULATION

One of the biggest limitations is the low external validity of the research. This is due to the research being focused on internal validity instead of external validity. Although the number of sampling has been adjusted similar to previous researches and to further increase the external

validity, the external validity is still not high. Therefore, like any other behavioral researches, replication might be needed.

Another limitation in this research is the time in which this research is conducted. Some researches are conducted for a longer time period. This research, however, will only be conducted in a period of one week. Many experiments are conducted at shorter periods of time. This research is conducted for one week for several reasons. Although the nature of this research does not need to be conducted for a long period of time due to its simplicity, it is still conducted at a frame of one week to increase external validity and reduce bias in sampling.

The next limitation in this research is the materials used. Due to financial limitation, the experiments conducted will deploy goods in pictures instead of bona fide goods. However, because one of the researches question the perception of value, not providing bona fide goods may be helpful for the research to reduce disturbances in establishing the relationship between the variables. The last limitation is the nature of this study, which is in a controlled environment instead of a field experiment.

1.3 PROBLEM FORMULATION

- 1 Which auditory brain stimulus provides the highest increase in the value perception of goods?
- 2 Does the type of auditory brain stimulus affect value perception and conversion depending on the type of goods?
- 3 Which auditory stimulus generates the highest selection of number of items and total value of items?

1.4 OBJECTIVE OF THE RESEARCH

- 1 To find out which type of auditory brain stimulus provide the highest increase in value perception of goods?

- 2 To find out if the type of auditory brain stimulus affect value perception and conversion depending on the type of goods.
- 3 To find out which auditory stimulus generate the highest selection of number of items and total value of items.

1.5 BENEFIT OF THE RESEARCH

1.5.1 THEORETICAL BENEFIT

One of the theoretical benefits in the business sector is to solidify the already existing theory on audio priming used in retail stores in generating higher sales. Further knowledge on the audio used to achieve the desired result will also be discussed. As each company has different targets and goals in influencing consumer behaviors, the audio stimulus used in retail environment will vary.

The discussion in this paper might encourage further exploration on other ways of priming that can help increase conversion in a retail environment as well, specifically on auditory brain stimulus.

This paper will also benefit future researchers focusing on audio atmospherics and/or increasing conversion in a retail environment. Future researchers could use this paper as reference to expand the knowledge of audio stimulus in a retail environment.

1.5.2 PRACTICAL BENEFIT

Marketers are always looking for ways to increase conversion, especially in a retail environment where atmospherics play as an important factor. This paper will provide a deeper insight on how marketers can use audio stimulus in a retail environment to increase conversion. They might also benefit by replacing retractors and replacing it with strategies discussed in this paper.

Small business owners who do not have a lot of financial resources to spend on costly strategies might be able to use the strategies in this paper to generate more conversion and develop their businesses further. As an addition, entrepreneurs could gain knowledge before starting and operating their businesses to maximize the effectiveness of conversion-generating strategies in a retail environment.

Managers could also increase sales through auditory stimulus in their stores. They would also be able to learn other benefits of auditory stimulus aside from increasing sales.

Businesses which have other businesses as their customers (B2B) in this field can also employ use the findings in this research to further expand their businesses and to attract more customers, especially since many businesses are still unaware of the impact of auditory brain stimulus in retail environments, especially in generating higher conversion.

1.6 SYSTEMS OF WRITING

Chapter I – Introduction

The first chapter is the introduction of this paper, which covers background of study, problem formulation, research focus, research objective, benefits of the research that are sub-divided into theoretical benefits and practical benefits, as well as systems of writing. The whole chapter covers a broad overview on marketing as well as phenomena observed in the business environment.

Chapter II – Literature Review

The second chapter is the literature review, which covers theoretical background, previous research as well as framework of thinking. This chapter provides deeper insights on how decisions are made. Further understanding on the different levels of consciousness will be presented. More explanation will be given priming, which also covers the different

types of semantic and sensory stimulus that can be used as a prime to influence behavior. Various researches and experiments that supports priming theories and provide new knowledge on priming will be shown.

Chapter III – Research Methodology

The third chapter is the research methodology, which covers research design, research object, data collection method and data analysis method. Not only will the research design be discussed in this chapter, the experiment will also be explained in great detail in accordance to common behavior psychology research.

Chapter IV – Data Analysis and Discussion

The fourth chapter is the data analysis and discussion, which covers general description of priming, as well as data analysis and discussion. The history of priming will be mentioned in more detail. The data gathered and processed in SPSS will be shown and analyzed in this chapter.

Chapter V – Conclusion

The last chapter is the conclusion, which covers, conclusion, implication and recommendation. This chapter is a summary of the study. It will also cover the implications obtained from this chapter, including several recommendations and improvements that can be made for future researches on similar topics.