

Neuromarketing Study on How Emotions Drive Consumer Choices with Special Reference to Banking and Financial Services

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ABSTRACT

Neuromarketing is an emerging interdisciplinary field that combines neuroscience, psychology, and marketing to understand how consumers make decisions at a subconscious level. Traditional marketing research methods such as surveys and interviews often fail to capture the hidden emotional drivers that influence consumer behaviour. Neuromarketing overcomes these limitations by using scientific techniques such as Electroencephalography (EEG), Functional Magnetic Resonance Imaging (fMRI), eye-tracking, and biometric measurements to study brain activity and emotional responses to marketing stimuli. Emotions such as trust, fear, happiness, excitement, and security play a crucial role in shaping consumer choices, especially in service-oriented sectors like banking and financial services. In India, leading banks such as State Bank of India, HDFC Bank, and ICICI Bank actively use emotional branding strategies to influence customer perception and loyalty.

Keywords: Neuromarketing, Consumer Emotions, Banking Sector, Brand Trust, Emotional Branding, Customer Decision-Making

1.1 INTRODUCTION

Neuromarketing is a modern approach to understanding consumer behaviour by analysing the relationship between brain activity and marketing stimuli. It integrates principles from neuroscience and psychology with traditional marketing strategies to identify how subconscious emotions influence purchasing decisions. Unlike conventional marketing research, which relies heavily on self-reported data, neuromarketing focuses on actual emotional and cognitive responses. Consumers are exposed to numerous advertisements, brand messages, and promotional campaigns daily. However, decisions are not always based on logical reasoning. Research in behavioural science indicates that emotions often dominate rational thinking. The human brain processes emotional information faster than logical information, and these emotional reactions significantly influence preferences and buying behaviour. In the banking sector, emotions play an even more significant role because financial decisions involve risk and long-term commitment. Customers often choose banks based on feelings of trust, security, reliability, and convenience rather than solely on interest rates or service charges. Public sector banks like State Bank of India are often associated with stability and government backing, whereas private banks such as HDFC Bank and ICICI Bank emphasize innovation, digital convenience, and personalized services.

1.2 SCOPE OF THE STUDY

This study focuses on analysing the role of emotions in consumer decision-making within the banking sector. It examines how neuromarketing principles can be applied to understand customer preferences toward selected banks, namely State Bank of India, HDFC Bank, and ICICI Bank. The study evaluates emotional factors such as trust, security, brand image, advertisement appeal, and customer service experience. It compares public and private sector banks based on emotional perception and branding strategies. The research is limited to selected respondents within a specific geographical area and does not include financial performance analysis of banks.

1.3 OBJECTIVES OF THE STUDY

- ❖ To understand the concept of neuromarketing and its role in consumer decision-making.
- ❖ To identify the key emotions influencing customers while choosing banking and financial services.
- ❖ To analyse how emotional factors affect customer preference toward selected banks.

1.4 LITERATURE REVIEW

Kumar and Sharma (2020) examined the influence of emotions on consumer decision-making using neuromarketing concepts. The study found that emotional attachment significantly increases brand preference and loyalty. **Singh (2020)** analysed emotional branding in service industries and concluded that emotional connections strengthen long-term customer relationships and improve retention rates. **Reddy (2021)** explored neuromarketing techniques and found that subconscious emotional responses influence consumer choices before rational evaluation takes place. **Mehta and Kaur (2021)** studied emotional trust factors in banking services and concluded that perceived security and brand reputation are major determinants of customer preference.

1.5 RESEARCH METHODOLOGY

The research methodology adopted for this study is descriptive in nature. The study primarily uses primary and secondary data sources.

Primary Data:

Collected through a structured questionnaire distributed to customers of selected banks. Responses are measured using a Likert scale to analyse emotional perception and preference.

Secondary Data:

Collected from research journals, academic articles, books, and credible online sources related to neuromarketing and consumer psychology.

Tools Used for Analysis:

- ✔ Percentage Analysis
- ✔ Chi-Square Test
- ✔ ANOVA

1.6 ANALYSIS AND INTERPRETATIONS

AGE OF THE RESPONDENTS		
AGE	NO. OF RESPONDENT	PERCENTAGE
18–25	56	48.7
26–35	26	22.6
36 AND ABOVE	7	6.1
BELOW 18	26	22.6
Total	115	100.0
GENDER OF THE RESPONDENTS		
OPTIONS	NO. OF RESPONDENT	PERCENTAGE
FEMALE	56	48.7
MALE	59	51.3
TOTAL	115	100.0
OCCUPATION OF THE RESPONDENTS		
OPTIONS	NO. OF RESPONDENT	PERCENTAGE
DIPLOMA	21	18.3

POSTGRADUATE DEGREE	23	20.0
SCHOOL LEVEL	14	12.2
UNDERGRADUATE DEGREE	57	49.6
TOTAL	115	100.0

INTERPRETATION

1. AGE OF THE RESPONDENTS

From the table, it can be inferred that 48.7% of the respondents are between 18–25 years, 22.6% of the respondents are between 26–35 years, 6.1% of the respondents are 36 years and above, and 22.6% of the respondents are below 18 years. The majority (48.7%) of the respondents belong to the 18–25 years age group, indicating that most of the participants are young adults.

2. GENDER OF THE RESPONDENTS

From the table, it can be inferred that 51.3% of the respondents are male and 48.7% of the respondents are female. The majority (51.3%) of the respondents are male, indicating that male participants slightly outnumber female participants in the study.

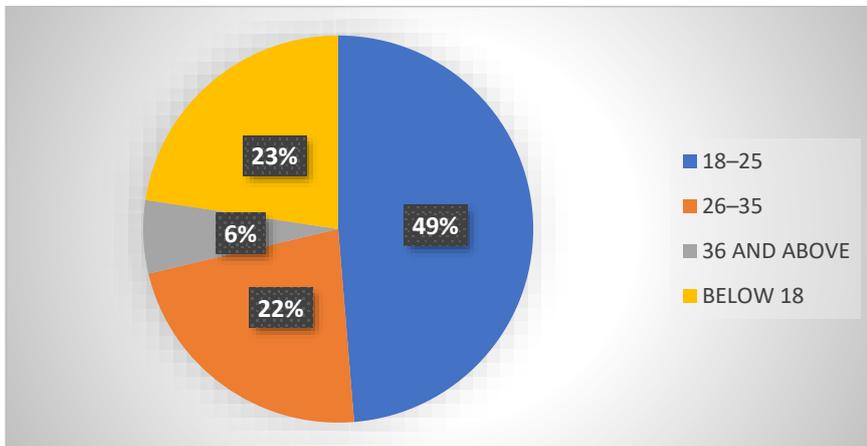
3. OCCUPATION OF THE RESPONDENTS

From the table, it can be inferred that 49.6% of the respondents have an undergraduate degree, 20.0% of the respondents have a postgraduate degree, 18.3% of the respondents hold a diploma qualification, and 12.2% of the respondents have school-level education.

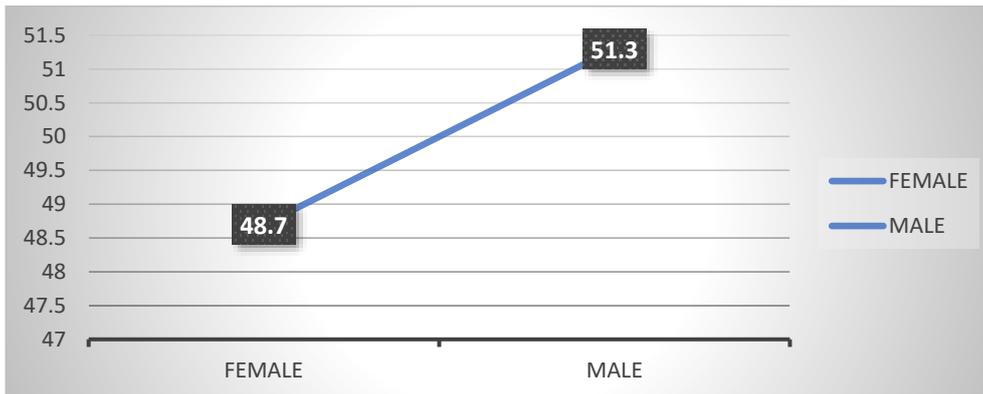
The majority (49.6%) of the respondents possess an undergraduate degree, indicating that most of the participants are pursuing or have completed undergraduate education.

CHART

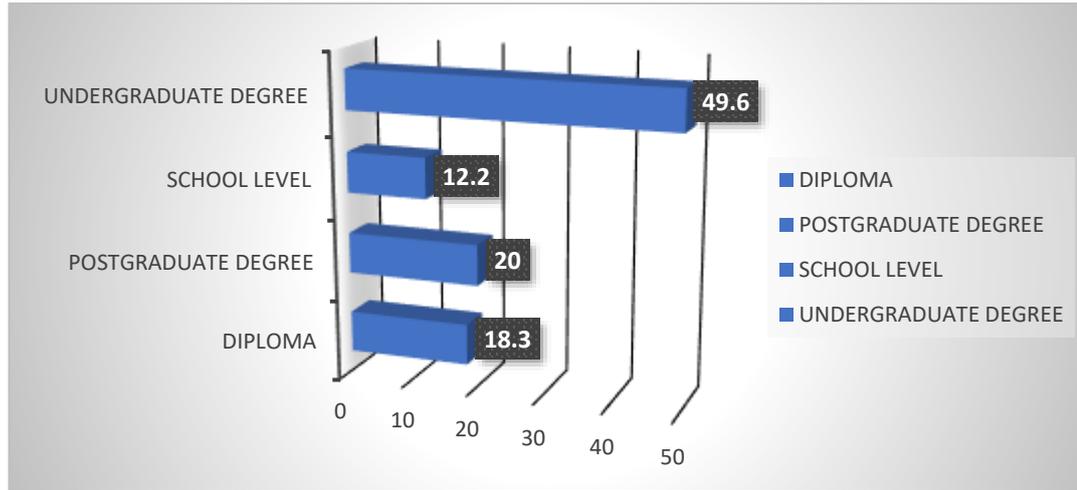
1. AGE OF THE RESPONDENTS



2. GENDER OF THE RESPONDENTS



3. OCCUPATION OF THE RESPONDENTS



ONE - WAY ANOVA

PARTICULARS		N	Mean	SD	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
AGE GROUP & EMOTIONAL CONNECTION TOWARDS BANK BRAND IMAGE	1	16	2.19	.834	.209	1.74	2.63	1	3
	2	49	2.20	.912	.130	1.94	2.47	1	4
	3	42	2.07	.745	.115	1.84	2.30	1	4
	4	8	1.75	.707	.250	1.16	2.34	1	3
	Total	115	2.12	.829	.077	1.97	2.27	1	4

PARTICULARS		Sum of Squares	df	Mean Square	F	Sig.
AGE GROUP & EMOTIONAL CONNECTION TOWARDS BANK BRAND IMAGE	Between Groups	1.613	3	.538	.778	.508
	Within Groups	76.682	111	.691		
	Total	78.296	114			

INTERPRETATION

The mean emotional connection scores toward bank brand image across different age groups range from 1.75 to 2.20, indicating only slight variation in perception. The standard deviation values (0.707 to 0.912) show moderate variability within each group. The 95% confidence interval for the overall mean lies between 1.97 and 2.27. The One-Way ANOVA result shows an F value of 0.778 with a significance level of 0.508, which is greater than 0.05. Therefore, there is no significant difference among age groups, and the null hypothesis is accepted.

1.7 CONCLUSION

Neuromarketing plays a significant role in understanding how emotions influence consumer choices in the banking sector. The study reveals that emotional factors such as trust, security, brand image, and advertisement appeal strongly impact customer preference toward banks. Public sector banks like State Bank of India are largely associated with reliability and long-term trust, whereas private sector banks such as HDFC Bank and ICICI Bank emphasize innovation, convenience, and customer-centric services. The findings suggest that emotional connection plays a more influential role than purely rational factors in shaping banking decisions. Banks should focus on emotional branding, transparent

communication, and enhanced digital experiences to strengthen customer loyalty. Understanding subconscious emotional triggers can help financial institutions design more effective marketing strategies and build long-term relationships with customers.

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