

Nielsen Buys Innerscope: Is Neuromarketing Going Mainstream?

By Ana Iorga

The global market research industry is going through a diversification boom, both in its traditional service offerings and in the introduction of new methodologies and high tech devices to study consumer choice and behavior. Since the emergence of neuromarketing as a research field, some neuromarketing vendors have proclaimed the death of traditional research and presented their neuro-based tools as a panacea that solved all their customers' problems. Traditional research companies, on the other hand, tended to publicly dismiss neuromarketing's claims, if they acknowledged them at all, citing the technology's early stage and a lack of transparency regarding some of the field's data analysis processes.

Nielsen was the first large research company to take firm steps towards neuromarketing when, in 2008, it bought a minority interest in NeuroFocus. This was followed, in 2011, by an acquisition of the remaining shares, and an eventual rebranding of the new neuro-division as Nielsen Neuro. The new acquisition allowed Nielsen to offer a wider range of services, integrating brain-wave measurements using NeuroFocus' EEG technology with its traditional expertise in survey-based methods. More recently, in May 2015, Nielsen extended its commitment to neuromarketing when it announced its acquisition of Innerscope, one of the earliest and most highly respected neuromarketing companies, known for its solid scientific reputation and a portfolio of research methodologies that complemented Nielsen's EEG approach.

According to Joe Willke, president of the new entity, named Nielsen Consumer Neuroscience, the new unit will provide an integrative, science-oriented and globally reachable approach which is going to be serviced by a team of over 100 client-oriented staff and 18 neuroscientists with over 250 peer-reviewed articles in the field. The scientists will be backed up by Nielsen's existing infrastructure of five labs in the US and also multiple labs in other high-potential countries around

the world: UK, Germany, Russia, Mexico, Colombia, Brazil, Japan, China and India. Nielsen anticipates it will be able to deliver significant added value from the new services by combining the expertise of the two companies and offering a wider range of integrated capabilities, which the company believes will provide better predictive power and an ability to offer uniquely customized study designs. Additional value is expected to come from the introduction of wearable measurement devices which will make it possible for research subjects to forget about being monitored and act in a natural manner.

"We see this more as a merger than an acquisition, if you want to look at it that way: two equals coming together. For that reason we wanted a new name for the combined entity. I think that the name, Nielsen Consumer Neuroscience, is also a broader sort of name. I think it speaks to the fact that now we are going to have many more tools and that offers us a broader positioning in the market. I have confidence that this merger will go very well because the cultures are very similar, they are very complementary and we have been working together very well so far", Joe Willke stated to Neuromarketing Theory & Practice.



MediaLab at Nielsen Consumer Neuroscience

In a separate statement, Dr. Carl Marci, co-founder of Innerscope and now chief neuroscientist at Nielsen Consumer Neuroscience, couldn't agree more: "At Innerscope we had grown our client base, technology and reputation to be very strong in the US, but did not have the resources to expand our model extensively overseas. Nielsen, however, has unsurpassed strength in major markets around the world. With access to the unparalleled data and resources of Nielsen, our new combined entity will be able to develop and validate technologies and approaches at a much faster rate around the globe."

The synergetic potential of the two companies has been noted by industry observers: "The two companies getting together makes a lot of sense because they are so complementary: Innerscope US - Nielsen International; Innerscope Biometrics focus - Nielsen EEG; Innerscope - strong with media and tech clients, Nielsen with packaged goods. The fact that a huge player like Nielsen sees this as an important addition to their tool chest shows how neuro is becoming mainstream", suggests Horst Stipp, EVP, Global Business Strategy at the American Research Foundation.

Integrative approach

Nielsen's acquisition of Innerscope, following its acquisition of NeuroFocus, sends a strong signal to the industry that Nielsen sees neuromarketing techniques as both valid and necessary for a complete understanding of the consumer. "We've been able to compare these techniques with a lot of Nielsen market data and they've proved to be valid and they correlate with the behavior of the consumers", said Willke, who calls himself a "true believer" in the new tools and methodologies and describes Carl Marci as "the most credible and enthusiastic neuromarketing expert and evangelist."

Explaining further how the integration is expected to work, Marci told Neuromarketing Theory & Practice that "Innerscope's capabilities largely complement those of Nielsen and augment existing Nielsen analytics. With this acquisition, their leading EEG technology is now integrated with our latest advances in biometrics and facial coding. Both teams now have the resources and connections to expand." By integrating forces with Nielsen Neuro, Marci believes the combined company now has the technologies and resources to provide marketers with the best and most precise

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neuromarketing tools to address any project, without any bias. "Together we are embarking on a new era in consumer neuroscience", Marci concludes.

Innerscope's approach emphasizes facial coding, implicit testing and core biometrics, which complement Nielsen's focus on EEG and eye-tracking. By combining the two approaches, Nielsen hopes to provide clients with more nuanced and precise insights than could be derived from either approach alone.

"We believe that different techniques pick up different kinds of signals. And every signal has information in it. Not one signal has a monopoly on truth and when you combine all of these different signals, whether they are biometric, psychometric or neurometric, the combination is when the most complete picture of the consumer emerges. That is the direction in which we are heading - to integrate as many of these signals as possible and to get a more complete view of the consumer reactions to the various stimuli we are presenting." Willke emphasizes.

Neuromarketing is going mainstream

Another signal this acquisition is sending to the research community is that neuromarketing is finally emerging as a mainstream market research option. As one Nielsen representative shared with us: "I spoke at a Nielsen meeting, about four to six weeks ago, where there were 14 multinational companies in the room, household names, companies you would know, and a lot of them were asking me: 'Is this going mainstream?' And I said to them, 'Ok, there are 14 companies in this room, of which 11 of you already used our services in the past six

months and we are talking with two of the other three about different projects.' To me, that is an indication that this is much more mainstream than people realize. And it wasn't by design. We didn't just invite the clients who worked with neuro. That was all by chance."

In another sign that neuromarketing is going mainstream, Graham Page, Executive VP & Head of Global Research Solutions at Millward Brown, a major Nielsen competitor, reported that his company just conducted its 13,000th ad project using Affectiva's facial coding technology, and is running thousands of brand research projects yearly, augmenting facial coding with implicit methods and making a bold step to scale neuromarketing globally.

One of the reasons for the growing popularity of neuromarketing may be the emergence of extremely competitive pricing, often using home-based and mobile platforms for highly scalable solutions that do not require the expensive setup needed for lab-based research.

According to Dr. Carl Marci, Nielsen Consumer Neuroscience will provide testing on a full range of platforms, from TV ad testing to digital video on computers, tablets, and smartphones, to in-store packaging and point-of-sale materials to out-of-home video, while continuing to offer industry-leading lab-based studies. "Further down the line, we plan to focus on exploring a wide range of data collection platforms. Beyond both companies' mutual commitment to laboratory research, we plan to invest in and leverage opportunities in other data collection venues including kiosks, online, and mobile and wearables (from home to work to retail)," concludes Marci.



Joe Willke, president of Nielsen Consumer Neuroscience



Dr. Carl Marci, co-founder of Innerscope and now chief neuroscientist at Nielsen Consumer Neuroscience