

Brain activity predicts crowdfunding outcomes better than self-reports

October 18 2017, by Greta Guest



Credit: University of Michigan

Surveys and self-reports are a time-honored way of trying to predict consumer behavior, but they have limitations. People often give socially

desirable answers or they simply don't know or remember things clearly.

A new study by Carolyn Yoon, University of Michigan professor of marketing, and colleagues Alexander Genevsky of Rotterdam School of Management and Brian Knutson of Stanford University suggests neural activity can not only be a better predictor of individual choices, but also can help forecast aggregate outcomes in the marketplace.

The researchers literally got inside people's heads using [functional magnetic resonance](#) imaging (fMRI) to scan test participants during a decision-making task. What Yoon and her co-authors found could eventually be used by marketers to better predict a product's success.

"Surveys and behavioral reporting can work for a lot of things, but they're not great for everything," Yoon said. "So much [consumer behavior](#) happens at the implicit level, and traditional tools often fall short of capturing what's unobservable."

Yoon and colleagues measured people's [neural activity](#) with fMRI scans while they performed a task selecting which documentary films to support on the popular crowdfunding site Kickstarter. They then asked them questions on what they thought about particular pitches.

The researchers subsequently tracked which projects achieved funding on Kickstarter. In the first study, 18 of the 36 selected projects were funded, and in the second 14 were eventually funded.

When they evaluated both the fMRI scans and responses to the questionnaires, they found that greater activity in a specific part of the [brain](#) (nucleus accumbens) during the decision task predicted the success of a project being funded more reliably than the questionnaires.

"Relatively early response in the brain carries a great deal of weight in

predicting what people will choose for themselves as well as what others in the marketplace will choose," Yoon said. "We did a second experiment, to check that the findings replicate and they do."

The study shows that it's possible to get a look into the human brain to see what drives people's choices. That could eventually help marketers understand the biases inherent in surveys and self-reports and figure out how the neural measures and more traditional measures can be used in a complementary fashion.

While fMRI scans like the ones performed in the study aren't necessarily expensive, the more researchers find out about neural mechanisms the more likely they can develop better "paper and pencil" measures.

"It seems we can get a fine-grained look at what, exactly, in the brain may be driving people's choices at the population level," Yoon said. "Eventually this could inform marketing research about consumer decisions that rely on processes that can not be readily captured currently."

The study, "When Brain Beats Behavior: Neuroforecasting Crowdfunding Outcomes," was published in the *Journal of Neuroscience*.

More information: Alexander Genevsky et al. When Brain Beats Behavior: Neuroforecasting Crowdfunding Outcomes, *The Journal of Neuroscience* (2017). [DOI: 10.1523/JNEUROSCI.1633-16.2017](https://doi.org/10.1523/JNEUROSCI.1633-16.2017)

Provided by University of Michigan

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