

Chapter 9

Neuromarketing Insights for Start-Up Companies

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ABSTRACT

As the academic interest about start-ups grows, researchers explore reasons behind start-up failures or success stories, and they aim to develop guides for entrepreneurs to succeed. Literature suggests that marketing is one of the crucial fields for successful start-up companies, among many others. Meanwhile, marketing researchers have recently been paying growing attention to applying neuroscience techniques into the marketing field. Even with the rising popularity of neuromarketing research, start-up companies still fall short of using new era marketing tools due to high costs, although they compete with established firms that massively employ neuromarketing techniques in their marketing mix. In this chapter, it is discussed how helpful neuromarketing techniques could be for entrepreneurs as the success of start-up companies depend on efficient allocation of their severely scarce economic resources, and it is argued that publicly supported start-up hubs, in coordination with universities, shall help develop collective neuromarketing researches for the sake of cost cutting.

INTRODUCTION

Start-up companies have been among the most popular research fields for organizational science researchers as they promise fast economic growth and development opportunities to promote the general welfare. Particularly in emerging economies, start-up companies are seen as an important source for economic growth as well as for boosting sustainable employment growth. Therefore, the reasons behind start-up failures and success stories have been searched in every nook and cranny from different perspectives. Meanwhile, the rise of interdisciplinary research, particularly bringing neuroscientists together with economists and organizational scientists, has gained popularity across the last decade, particularly after the growing popularity of neuroeconomics research (Meckl-Sloan, 2015). In parallel to the fast development of neuroscience tools, application fields have grown at a similar pace. Cognitive neuroscience has involved in consumer research as well as in researches on financial and organizational behavior and also

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in marketing research (Massaro, 2017). Neuroeconomics suggests that the consumers' decision-making process takes place in the unconscious mind (Braeutigam, 2005). Therefore, consumer neuroscience techniques have been widely used to understand consumer behavior.

Organizational sciences researchers as well as professional managers have rushed to use these newly emerged neuroscience tools (Cakar. & Gez, 2017). As a result, the concept of neuromanagement has emerged, and it is in a fast popularization process (Drover et al., 2017). Neuromanagement approach from a professional perspective uses new tools created by neurosciences in economic and managerial decision-making processes, while organizational sciences researches use a newly popularized approach to shed light on many unknown areas of the field (Tkachenko et al., 2019). Neuromarketing is the most popular and the fastest growing subfield of the Social Neuroscience approach as the application of neuroscience techniques in marketing research and marketing campaigns have shed light on many unknown points in consumer decision-making processes and they have produced dramatically much more valuable information (Satpathy, 2012).

The traditional approach in marketing research has sought to identify distinctive features of the consumer decision-making process as well as the impacts of external factors such as environment and culture on consumer behavior. However, consumer cognition or decision-making processes have long been seen as an unknown process in the human brain. Organizational sciences researchers have been partnering with neuroscientists in order to identify how consumers' brains and neural mechanisms work. This new field in question is currently a virgin and hard to evaluate the area, but the interest of researchers has been continuously growing. As a lately emerged field, neuromarketing has focused on unconscious processes behind consumer behavior and propensity (Fischer et al., 2010). The 'neuro approach' in marketing research aims to identify unexplained differences in individuals' consumer behaviors. These differences are observed among individuals from the same region, the same education and even the same family. Marketing researchers have evaluated the concept in many layers from cognitive, individual, local, and national to global. Thus, attempts to identify the distinctive features of consumers based on demographic, sociological, educational, geographical differences have failed to produce desired results (Hsu, 2017).

Albeit gaining popularity at an increasing pace, the field of neuromarketing has been searched limitedly and it has yet to scientifically identify consumer behavior (Genco et al., 2013). The literature currently lacks geographical and demographical depth. Meanwhile, start-up companies also lag behind in accessing neuromarketing techniques as well as invaluable information produced by neuromarketing researchers mainly due to cost barriers, although their established competitors have already wakened up to the benefits of applying neuromarketing in their marketing mix. There are no significant differences between start-up companies and major companies in using neuromarketing techniques, but start-up companies lack the required resources in this newly emerged and currently expensive field. Entrepreneurs and academic researchers who are curious about this new field or who aim to seek answers of their questions to identify consumer decision making processes as well as professionals who do not want to lag behind the latest developments that their competitors benefit, professors or officials who aim to train entrepreneurs, and finally business students are just a few examples of the groups who are curious about the state-of-the-art neuromarketing applications in start-up companies, but who, at the same time, can not access required information on this new field ahead of its theoretical framework or application fields. In this article, it is discussed how helpful neuromarketing techniques could be for entrepreneurs as the success of start-up companies dramatically depend on the efficient allocation of their severely scarce economic resources. It is also argued that publicly funded or supported start-up hubs or entrepreneurial

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