

Neuromarketing and its internal marketing applications

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Abstract: *The main objective of this paper is to highlight the potential application of neuromarketing techniques in internal marketing, representing a qualitative and exploratory approach of specialized literature. The research results indicate that there are considerable advantages of using neuroscience research in internal marketing activities such as employee motivation, testing the job attractiveness, choosing the best candidates, promoting employer branding, employee retention and organizational career planning. The new field allows in-depth study of employee behaviour and the drawing up of strategies for their retention.*

Key-words: *Neuromarketing, internal marketing, employee behaviour, employee retention*

1. Introduction

In an era of technology, where products are very easy to imitate, employers put increasing value on staff. Considering that "the lifetime job" is gone, people are more willing to leave the organization for a better offer. And unfortunately, people who are willing to leave are exactly those the company wants to keep (Armstrong, 2009). This is why managers focus more on internal marketing activities in order to retain valuable employees. There are major differences between what people say and what they do, so it is necessary to understand how employees think and make decisions (Zurawicki, 2010) in order to retain talented employees in the organization.

The literature review performed for this paper presents the advantages of using neuromarketing techniques in internal marketing activities in order to enter the world of employee behaviour. The article captures the main activities that can contribute to employee retention and how neuromarketing techniques can be used for each.

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2. Neuromarketing

Neuromarketing is an interdisciplinary science which combines psychology, neuroscience and marketing. Many researchers consider neuromarketing as a management tool (Fischer, Chin and Klitzman, 2010), while Hubert and Kenning (2008) call it „consumer neuroscience”, which generates ideas for substantiating managers decisions based on the knowledge of information processing mechanisms. Neuromarketing also allows measuring the effect caused by a product or marketing action in the human brain.

Classical research methods often fail because opinion polls and focus groups provide correct information when it comes to past occurrences, but not when we need to find out reasons, emotions, and reactions. It is difficult for participants to describe in precise words the emotions they experienced when they were exposed to certain stimuli. Actually we are asking the conscious mind to reconstruct what has been recorded by the subconscious mind and to translate into specific language that must accurately reflect how we felt or what we remembered from an earlier time (Pradeep, 2010).

Application of neuroimaging in marketing research is becoming more widespread, especially in the field of market research, product development, sales, advertising, loyalty programs, customer service etc. (Zurawicki, 2010). Neuromarketing techniques have been applied successfully even in the film industry, music industry and architecture (Ariely and Berns, 2010). However, according to my knowledge, they have not been applied in internal marketing yet, although they allow the assessment of a wide range of emotions that underlie the employees' decisions, such as interest, loyalty, trust, fear etc.

2.1. The neuroscientific research

According to Peruzzo (2013), the human brain has three layers and each of them reacts differently: the reptilian brain, the limbic complex and the neocortex. The reptilian brain acts impulsively, being only able of simple reflexes. The limbic complex connects the outside environment to the reptilian brain, thus forming emotions. The neocortex adjusts emotions with the rational thinking.

Perrachionne T.K. and Perrachionne J.R. (2008) argue that the neuroscientific research is based on three components: location, connectivity and representation. When we talk about location, we refer to the area of the brain capable of perceiving more intense stimuli, such as the superior colliculus, the hypothalamus or the amygdala. Connectivity refers to connections between neurons from different brain areas, achieved with the purpose of processing information. These correlations can be seen easily through functional magnetic resonance imaging (fMRI). Representation involves analysing the encoding process of the information in the brain.

The most widely used neuromarketing techniques for the human behaviour analysis are the functional magnetic resonance imaging (fMRI), electroencephalography (EEG), eye tracking glasses, the magnetoencephalography (MEG), the positron emission tomography (PET) (Zurawicki, 2010). The first one allows a deeper study of the brain, but the most comfortable and non-invasive technique is the portable electroencephalograph, which takes the form of a headset that uses sensors to capture the electrical signals produced by the brain activity during the exposure to certain stimuli.

It is important to note that neurological tests do not require a sample as big as traditional research methods, while providing reliable and more accurate information. According to Pradeep (2010), a neuromarketing research project requires approximately 10% of the subjects required in conventional research studies.

3. Internal Marketing

The concept of internal marketing appeared in the early 1980s in the service marketing literature, starting from the premise that customer satisfaction depends on employee satisfaction (Foreman and Money, 1995; Barnes, Brandley and Morris, 2000; Ahmed and Rafiq, 2002). Although in recent years the concept has been developed, it has not gained the recognition it deserves among managers, probably because of the lack of a single definition (Ahmed and Rafiq, 2002).

Internal marketing represents the marketing perspective on human resource management strategies and should focus on the employees' professional development, including activities for attracting, selecting and retaining of employees that would contribute to change the employees' attitude and behaviour in the direction the employer desires (Tansuhaj, Randall and McCullough, 1991). Therefore, internal marketing activities increase employee satisfaction and commitment towards the organization.

Efficient internal marketing activities can improve employee job satisfaction. Previous studies have shown that satisfaction at work is positively correlated with the degree of emotional commitment (Susskind, Borchgrevink and Kacmar, 2000). Therefore, increased satisfaction at work can lead to a higher performance and increased loyalty towards the organization.

Hence, internal marketing activities help in retaining valuable people in the company, which is very important on the labour market. World at Work (2007, p.12) explains the concept of "retention" as the ability of companies to keep employees who help the organization succeed as long as the relationship is mutually beneficial. According to Balta (2014) companies should create and maintain a pleasant working environment that supports and encourages employees to remain in the organization as long as possible, taking into consideration their individual needs. Otherwise, they

are forced to leave the organization, and sometimes it is the only way to remove employee dissatisfaction, when the working conditions cannot be changed (Noe et al, 2012).

4. Neuromarketing and internal marketing activities

The brain is responsible for all human decisions, and emotions play the role of mediators in the consumers' message processing. Considering that about 95% of the thoughts and feelings that influence our decisions are subconscious, as we act almost without realizing it (Kotler and Armstrong, 2008), neuromarketing may come as a complementary way to enable penetration into the people's behavioural universe. This allows a more accurate identification of motivational factors that influence employee decisions. Furthermore, the use of neuroimaging allows testing the attractiveness of jobs, choosing the right employees, testing branding activities, studying labour market trends or the loyalty phenomenon.

4.1. Emotions and employees' motivation

Even though the human brain has separate structures responsible for the cognitive and emotional processing, they interact and emotions affect people's behaviour (Zurawicki, 2010, p. 36). Emotions can be described in terms of physical states elicited by punishments and rewards. People avoid punishments, but are willing to make efforts to get rewards (Rolls, 2005). According to Frijda (2007), motivation reflects people's willingness to act, to make an effort to get a reward or to avoid a punishment.

The limbic system is responsible for detecting and processing emotions. The source of the elementary emotions, such as hunger, thirst, pain or pleasure is the hypothalamus. The amygdala is the emotional guard of the brain, depositing emotional impressions and memories of which the people are not totally conscious (Zurawicki, 2010, p. 36). Dopamine is a substance produced in the midbrain, but when it arrives at the amygdala, it stimulates motivation when anticipating the reward, being directly related to desire, loyalty and dependence. If the reward exceeds expectations, dopamine intensifies desire and increase motivation (Schultz 2006).

During neurological research, it must be taken into account that emotions are individual and determine a subjective well-being (Frijda, 2007). Many of the emotions that people feel are conditioned by the social context, such as envy, gratitude, shame, guilt. Even anxiety is caused by situations of uncertainty in which people can not anticipate the evolution of things or understand them (Zurawicki, 2010, p. 38).

Studying employees involves analysing of how people perceive certain benefits and how they feel within an organization. To understand how employees

take certain decisions about their career, it is necessary to know what people experience about organizational stimuli, and this can be studied using neuromarketing techniques and hypothetical situations or virtual reality.

4.2. Employer branding

Employer branding contributes to employees retention, reducing turnover and increasing employee involvement in achieving organizational objectives (Backhaus and Tikoo, 2004). According to Kucherov and Zavyalova (2012), organizations with a strong employer brand enjoy a positive image on the labor market, a number of promises of psychological contract, economic and symbolic characteristics valuable to their employees, and a specific differentiation as an employer.

The employer attractiveness consists of a set of organizational characteristics that could give him a competitive edge on the labour market. Previous studies have identified some elements that can provide such an advantage, like: leadership, organizational values, bidirectional communication (Love and Singh, 2011, p. 178), employee development, diversity, a pleasant and fun work environment, career development opportunities, important tasks (Joo and McLean, 2006, pp. 252-253) remuneration policy, satisfying employee expectations, lack of bureaucracy, communication with employees (Maxwell and Knox, 2009, p. 899).

Given the fact that branding is based on emotions, the use of neuromarketing techniques allows the identification of elements that could help to create a psychological contract between the company and employees. Employees compare the perceived functionality, economic and psychological benefits stated or implied in the brand promise with their own needs to see to what extent they are satisfied (Foster, Khanyapuss and Cheng, 2010). If the importance of the financial benefits for employees can be measured by traditional methods, the psychological benefits can be evaluated through neuromarketing techniques because even employees often are not aware of them, but they can decisively influence their decisions.

4.3. Employee behaviour and organizational career

Classical economics is based on the premise that people are rational beings and their decisions are based on logic, in order to meet their own interests (Camerer and Fehr, 2006). However, research shows that decisions are often irrational, based especially on emotions. Imbriale (2007) argues that people try to justify their choices on the basis of logical arguments only after decisions are made.

According to Armstrong (2009), employee behaviour depends on the characteristics of the role (ambiguity and conflict), job characteristics (autonomy and degree of difficulty), leadership behaviours (focus on objectives and facilitation of work), work characteristics (cooperation and friendly spirit), organizational policies (such as remuneration policies).

People choose a particular job/company according to what they feel that it will offer them, including indirect benefits. Trevisani (2007) states that what employees assess in their job experience is not the reality, but those aspects of the job that pass through the biological filters, senses and cultural schemes of reference, perceptual and memory filters. Due to the price decrease of the equipment used in neuromarketing, researchers have the opportunity to identify how people take decisions, to find out what kind of emotions are produced by various marketing stimuli and the consumer reaction to various marketing strategies (Perrachione T.K. and Perrachione, J.R., 2008).

The turnover rate of an organization is influenced by the fact that, after being employed, people are often dissatisfied with their decisions. The functional utility of a job can be directly measured by financial benefits, but what most interests us is the emotional utility of the job. It should be taken into consideration that today we no longer sell products, but the experience that the user lives in relation to the product. Considering that the job represents a product for the employee, it should include not only physical attributes, but it should also become a lifestyle, a promise of value, a career, turning into a product with prediction power (Trevisani, 2007) compatible with the employees' expectations.

Therefore, an important aspect of internal marketing is the effective planning of the organizational career, which implies the knowledge of employees' needs and expectations. There are several practices that enable an effective management career, such as the evaluation of the professional performance and providing career development opportunities in accordance with the performance, job autonomy, mentoring and participation to decision making (Ito and Brotheridge, 2005).

Employee performance on a job depends on the correlation between the occupational concept about themselves (preferences, needs, skills) and opportunities, constraints and requests that their role provides in the organization. The lack of concern for employees' career can increase staff turnover. Given the costs of recruitment, selection and integration of new employees, as well as their low productivity on a period of at least six months, it appears that this approach has negative consequences on the companies and could have a significant impact on the budget and organizational performance.

5. Conclusions

Although neuromarketing techniques have not been applied in internal marketing, they offer several important advantages. They can be used to obtain the primary data that cannot be captured by conventional research methods that have several limitations, arising from the fact that most of the thinking processes take place in the subconscious mind. They allow anticipating certain decisions of the employees by measuring the emotional commitment to the company, the intention to leave the

organization, the effectiveness of internal marketing strategies and motivation methods. Therefore, the measurement of the brain activity in certain areas of the brain during the exposure to various stimuli allows investigating how employees make decisions and the connection between decision-making and the areas of the human brain.

One last question must be asked: can neuromarketing contribute to the progress of the internal marketing research? The answer is obvious: yes. First, the theory provides a coherent understanding of the employees' behaviour and, secondly, imaging techniques allow achieving results unattainable by any other research method.

6. References

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