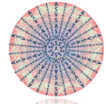




UNIVERSITÀ DEGLI STUDI DI SALERNO



DIPARTIMENTO  
DI SCIENZE AZIENDALI  
MANAGEMENT  
& INNOVATION SYSTEMS



ASVSA



SISTEMI PER L'INNOVAZIONE  
E MANAGEMENT SANITARIO

# Marketing Strategies **in** Service Business



- margrimaldi@unisa.it -

# Programme



- Marketing and Service Marketing: origins, evolutions & trends
- Service Theories: from S-D logic & Service Science to service ecosystems & service systems



- Marketing Plan



- Many-to-Many Marketing
- Value co-creation
- Unconventional marketing



Case studies  
Examples  
Exercises



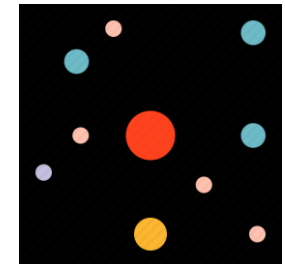
# Agenda: Lesson 4



- Many-to-many marketing: from network theories to Total Relationship Marketing



- Value co-creation



- New trends:
  - ❖ Unconventional marketing
  - ❖ Guerrilla marketing
  - ❖ Viral Marketing
  - ❖ Neuro-marketing



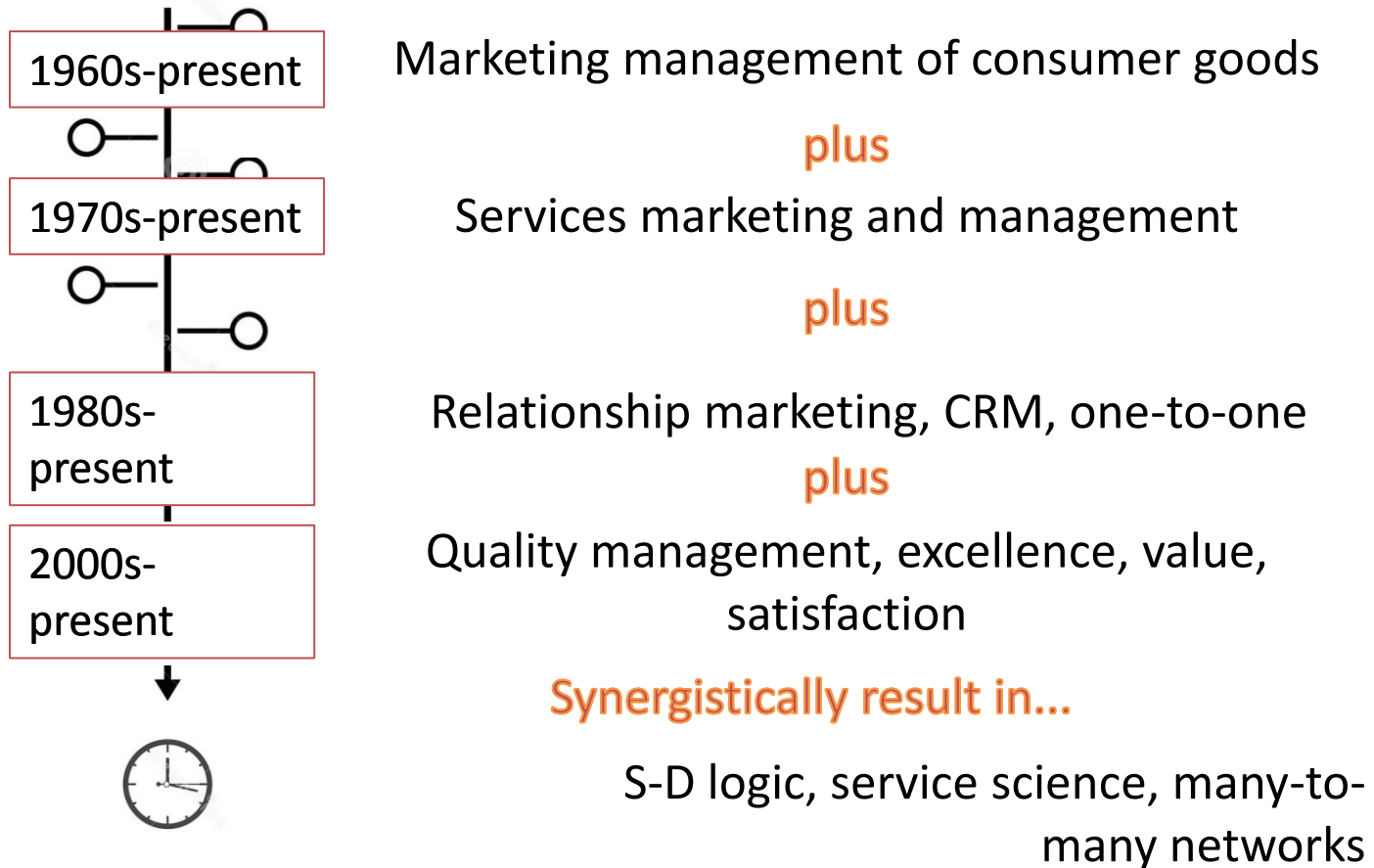
- Case studies and examples

# 4.1

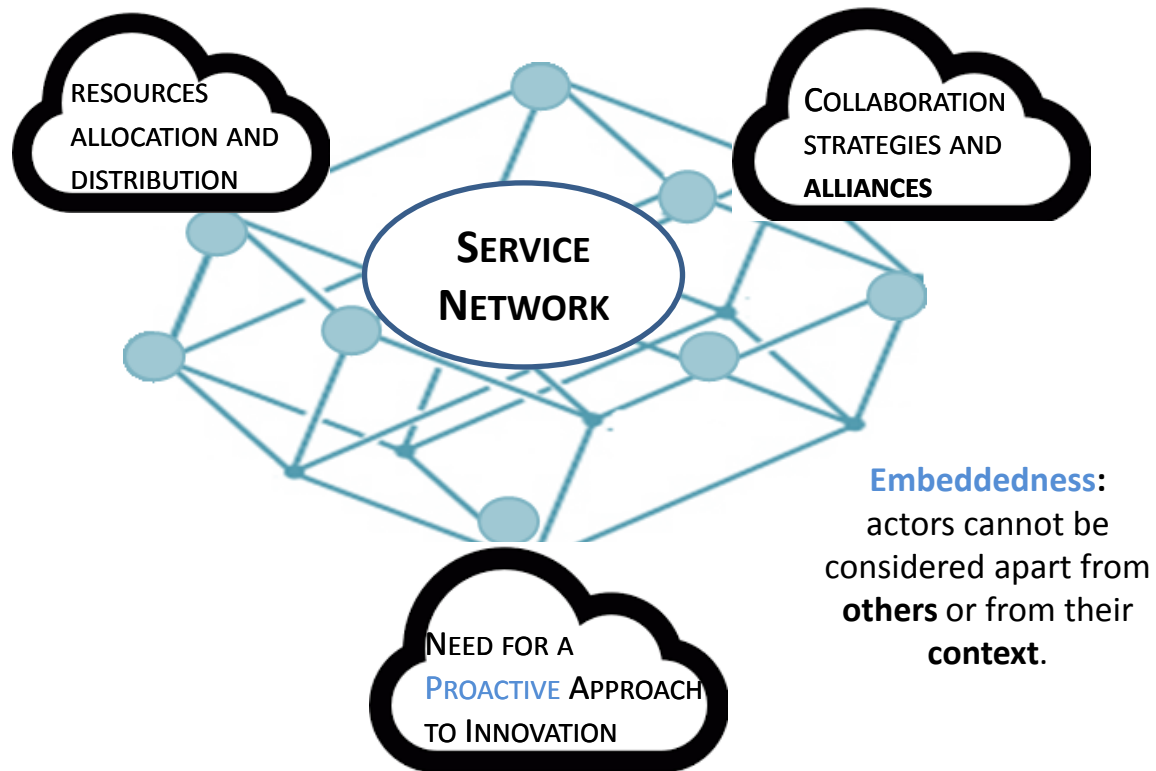
## Many-to-Many Marketing

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# Evolution in Marketing



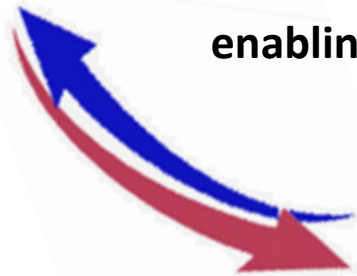
# Service Networks



# Service Networks

In line with a relational optic of business performance, network theories consider actors as:

**dynamic**, operant and active resources



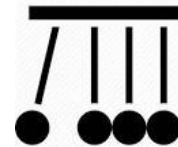
**enabling** reticular/networked interactions

embedding organizations and their activities in many-to-many **relationships**

System's relationships lead business actors to a necessary mutual satisfaction for the attainment of value co-creation and **competitiveness**.

# Service Networks

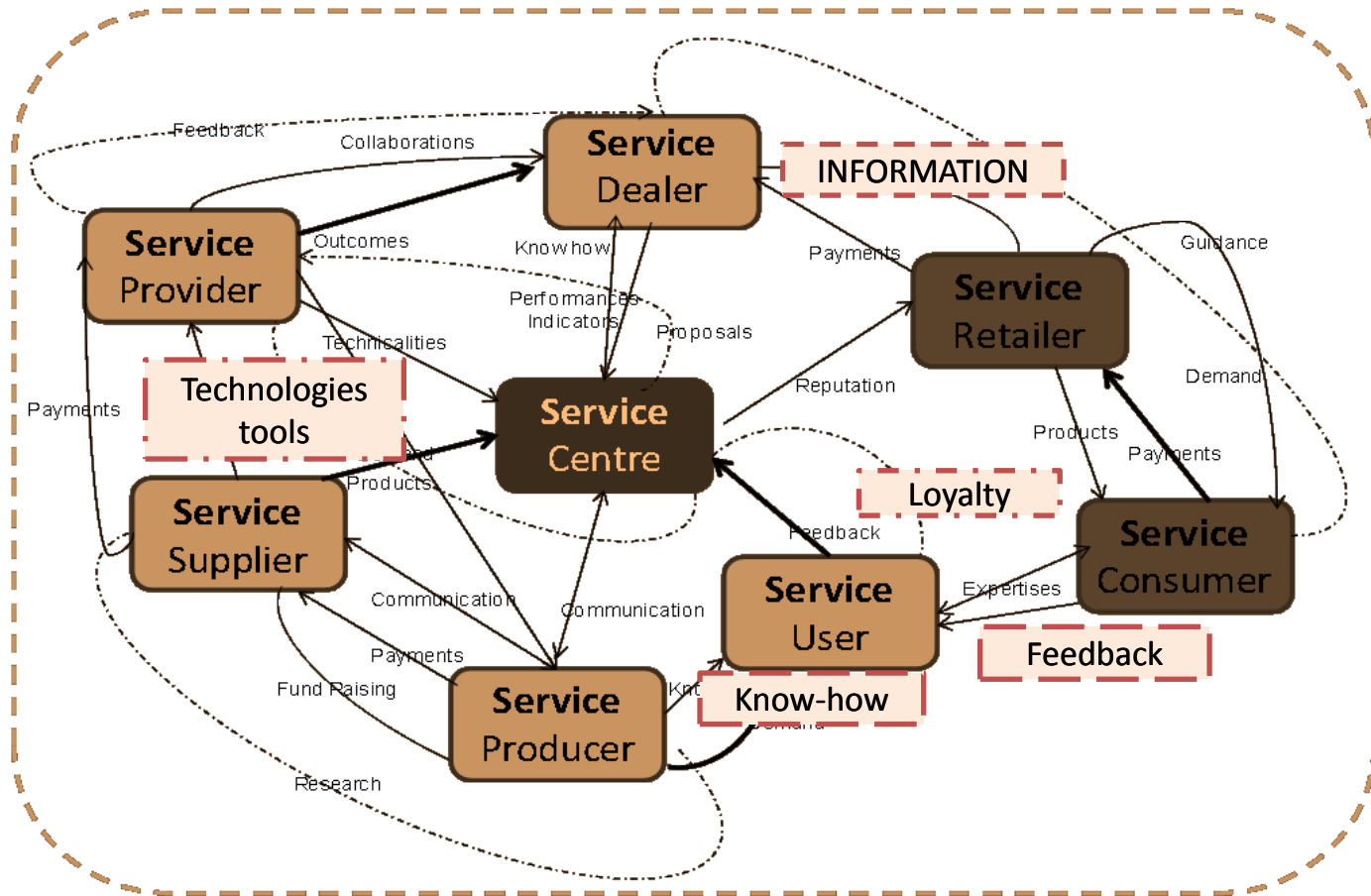
In service networks features, multiple solutions of *value* are generated through **interactions**, which can increase firm's ability to communicate with individual customers and the capacity to obtain **advantages**.



Actors in service networks are **affected** (or positively influenced) by many system's elements (like technological, economical, political and social influences).

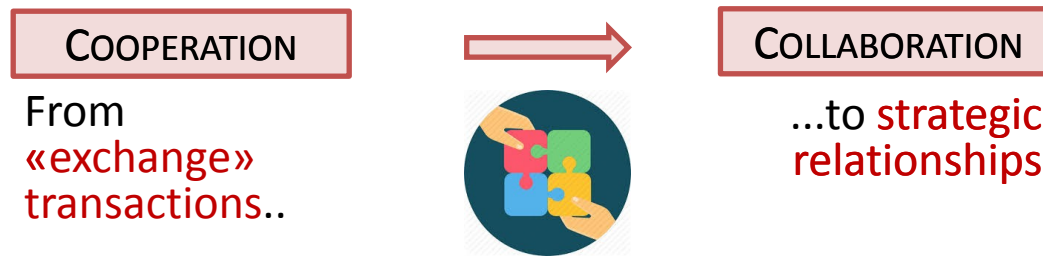
As the model of service systems emphasizes, **technology** is one of the key lever for resource and knowledge integration and for the enhancement of skills in complex networks.





# The Relationship Marketing

Relationship marketing involves a change in the management of relationships with customers and other stakeholders.



The search for the maximization of total system's value does not affect the maximization of each actor's subjective value thanks to some coordination mechanisms:

- The sharing of a common language;
- The development of an homogeneous culture.



# Relationship Marketing

## INTEGRATED MARKETING

- To strengthen the **quality** of the offering:
- Alignment of the service provided with the service designed and conceived
  - Compliance with customer's needs



Management's integration of traditional marketing strategies with relational and internal marketing strategies

# Total relationship Marketing



Gummesson (1999)



- ✓ Strategic alliances with *co-makers* (suppliers, employees, customers, other companies) to increase loyalty and satisfaction
- ✓ **Networks** based on interactions and long term win-win relationships to create joint value
- ✓ **Organization's flexibility:** softening of boundaries, reduction in *management costs* and *proactive adaptation* to emerging environmental condition
- ✓ Process-based view and dynamic capabilities to overcome rigidity and hierarchy

# The **Internal** Marketing

The contribution to the quality of the product offered involves, *directly or indirectly*, all the players in the system, in order to strengthen in all employees a strong **culture** of relational marketing service, it is necessary to **complement** internal marketing actions (e.g. training and communication plan).

## Internal marketing



Enhancement of employee's and management's attention to the customer.

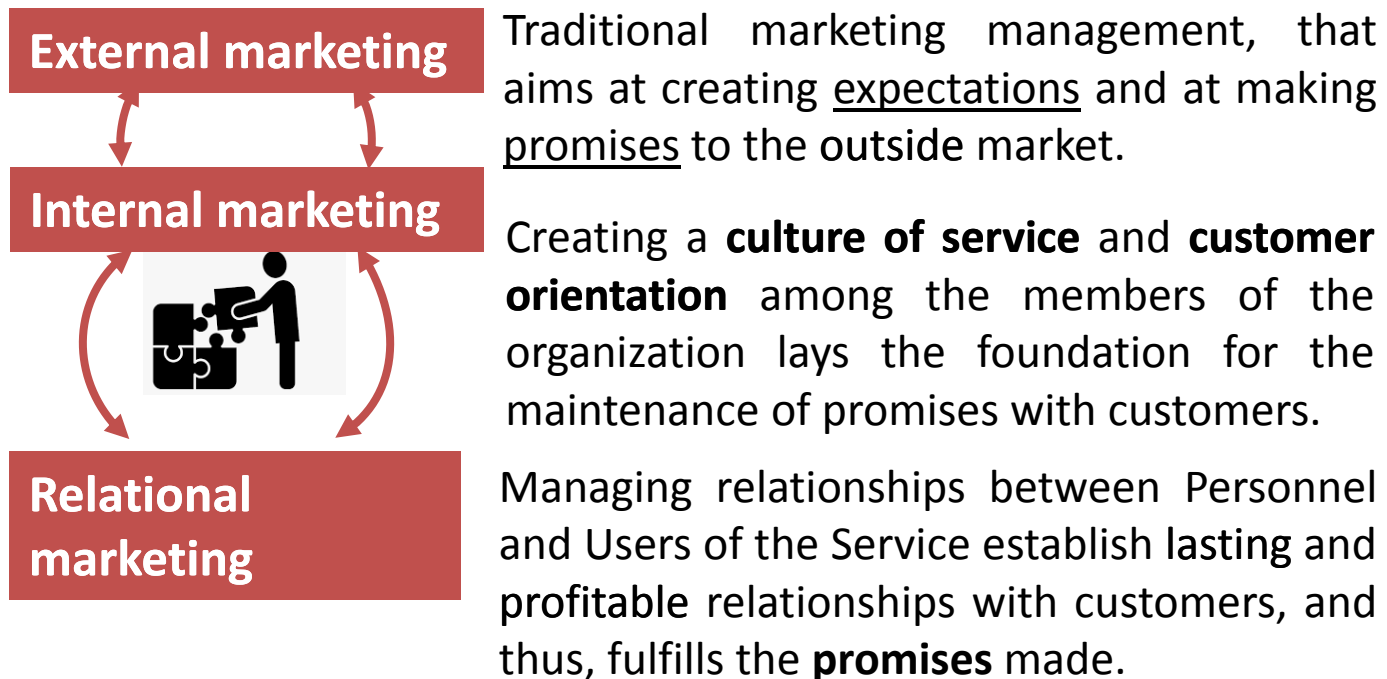
The first customer of any organization is represented by internal staff, which must be first satisfied. Explaining and sharing times, methods, and activities, the clear definition of tasks, duties and roles, create a positive atmosphere (high levels of cooperation, **trust** and **satisfaction**), which strongly influences the **quality perceived** by the end customer.

# The **Integrated** Marketing

In order to strengthen the quality levels of the offer and to constantly align the service delivered with the designed and conceived service, in line with customer needs...



**Integration** of the traditional marketing strategies (4P) with relational marketing strategies and internal marketing



# Total Relationship Marketing

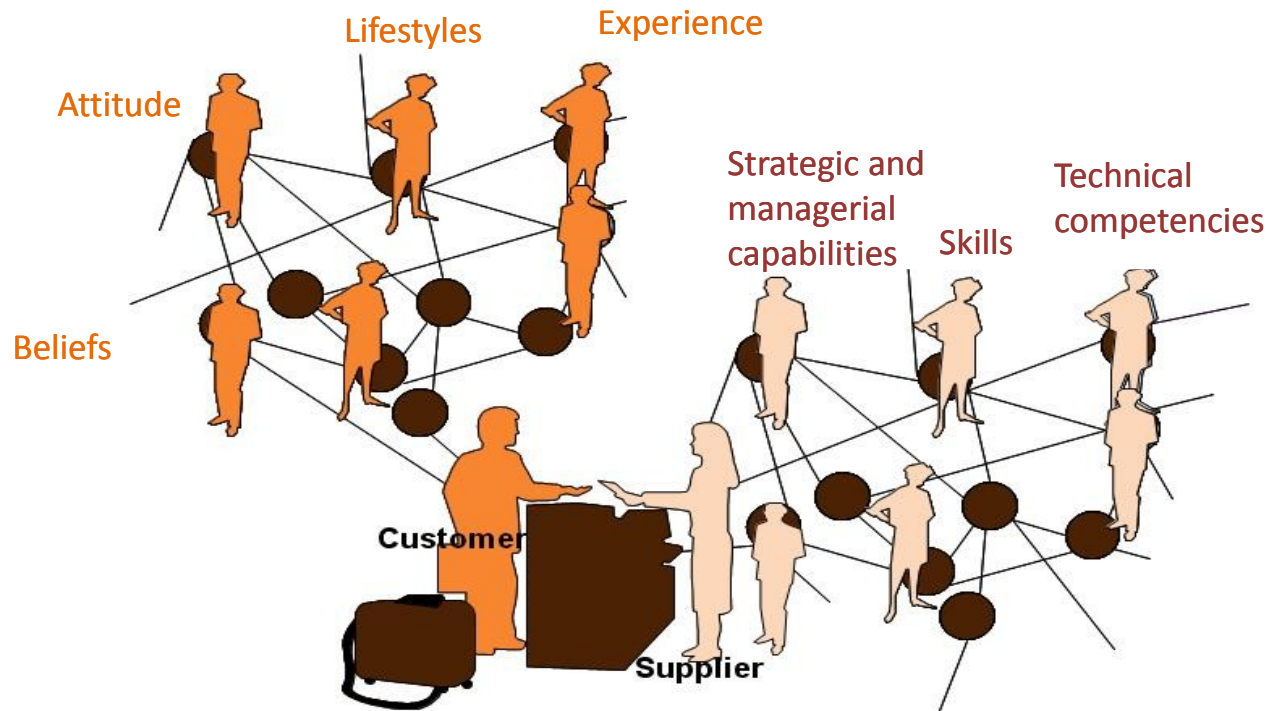
The need for businesses to increase user's satisfaction and loyalty stimulates systematic alliances and collaborative relationships with all the other parties in value creation process (suppliers, co-makers, internal staff, customers, other stakeholders)

## Total relationship marketing



- based on relationships, network and interaction;
- aimed at long-term positive relationships with individual customers and other stakeholder;
- joint creation of value between the parties involved.
- high organizational flexibility, with rapid and mobile purposes;
- low management costs;
- rapid adaptation and flexibility to emerging environmental conditions;
- low hierarchy, structures and attention to physical resources in favor of **intangible resources** and skills that facilitate dynamic adaptation.

# The Many-to-Many Marketing



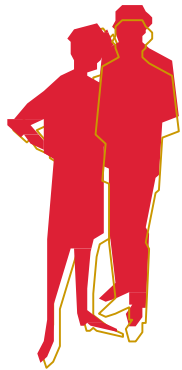
*Many-to-many* marketing defines and analyses the **network** aspect of marketing.



# The Many-to-Many Marketing



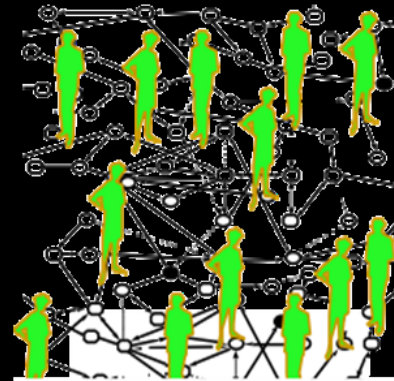
**Customer  
Relationship  
Management  
(CRM)**



**The customer-  
supplier  
relationship in  
focus:**

**one-to-one**

Gummesson  
2003



**many-to-many**

**Focus on all  
stakeholders**

# The **Many-to-Many** Marketing

From relational and system's point of view, competitive behaviour today seems to be based no longer upon dyadic relationships between actors, but rather upon a *many-to-many* relational and system pattern daily involving supplier and customer networks with dense and intricate connections, **win-win based** and **service-oriented**.

## Total Relationship **Marketing**

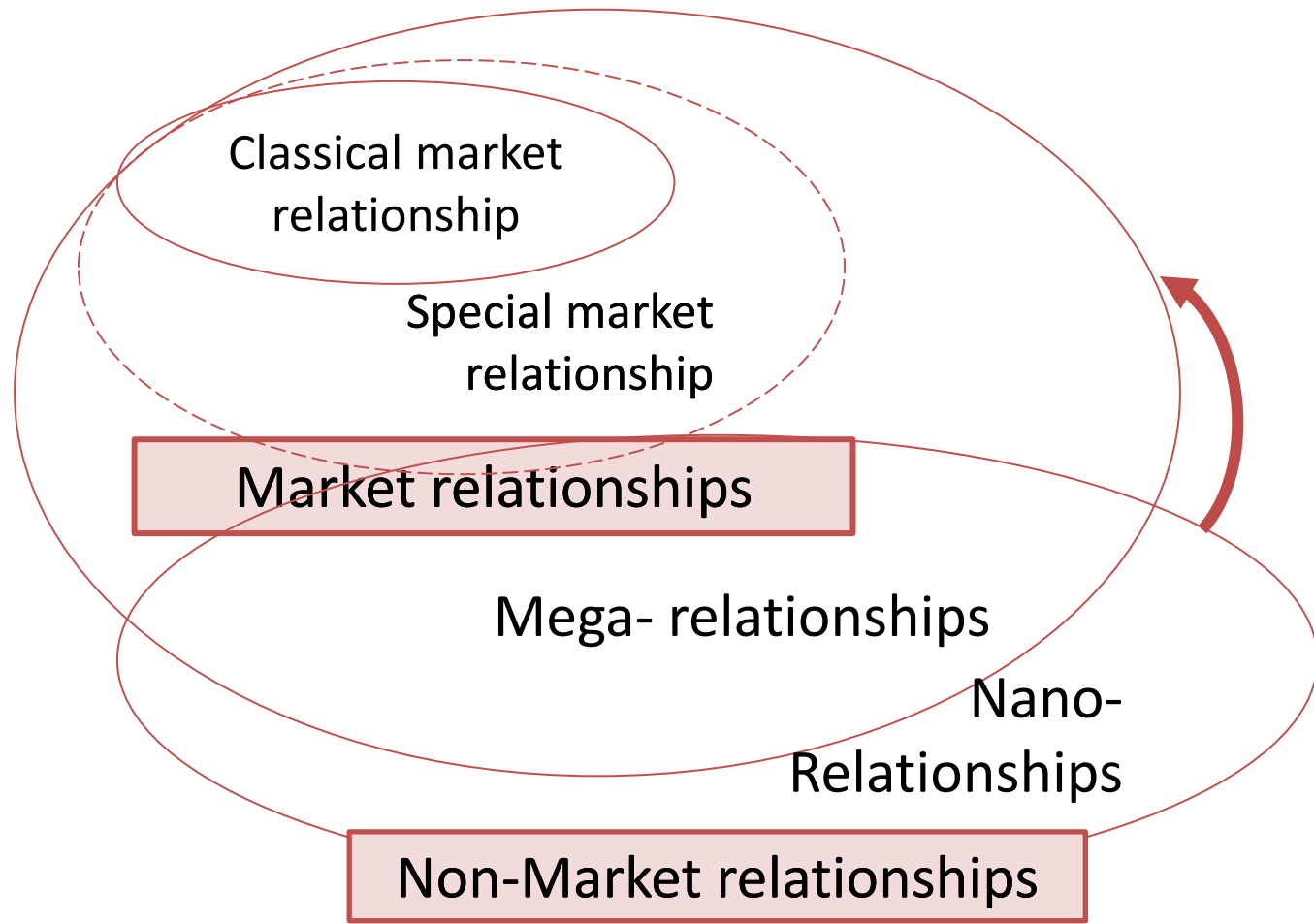
Gummesson (1999)

Broadening of the perspective on marketing management grounded on the interactional focus

- **Relationships** exist only if there are at least 2 parties;
- **Interactions** are relationships activated in the **encounter** that establish a contact;
- **Networks** are complex systems of relationships, that act as a **lens** to interpret society.



# Total Relationship Marketing





# (1) Classic Market Relationships

The classic **dyad** → the relationship between the supplier and producer is the basis of business.



The classic **triad** → the drama of the customer – supplier – competitor triangle

Competition is a central ingredient of the market economy.

The classic **network-** distribution channels and the modern channel management including goods, services, people and information consists of a interconnected relationships.



## (2) Special Market Relationships

A condition for success is the understanding of the customer's customer; and what suppliers can do to help their customers become successful.



To create a long-term sustaining relationship, it has become increasingly common to enlist customers as members of various loyalty programmes.

Production and delivery of services involve the customer in an interactive relationship with the service provider, often referred to as the moment of truth (*Service encounter*).



The dissatisfied customer perceives a special type of relationship, more intense than the normal situation, and often badly managed by the provider. The way of handling a complaint – the recovery – can determine the quality of the future relationship.



## (3) Mega Relationships

Non market relationships go beyond classical relationships firms-stakeholders- shareholders to involve **personal** and **social networks**, lobbies, government, institutions that ask for and release resources (legitimacy) and at the same time share rules release

**Alliances** change the market mechanisms and mean closer relationships and collaborations between companies. **Competition through collaboration** is necessary to make the market economy work.

**Knowledge** can be the most strategic and critical resource and knowledge acquisition is often the rationale for alliances.



**Relationships** with governments, legislators and influential individuals make marketing feasible on an *operational* level.

The **media** can be supportive or damaging to marketing and they are particularly influential in forming public opinion.



## (4) Nano-Relationships

Market mechanisms are **brought inside** the company: internal as well as external relationships of a new kind emerge in a process that encompasses the relationships between internal customers and internal suppliers.

**Internal marketing** can be seen as a part of relationship marketing as it gives indirect and necessary support to the relationships with external customers.

**External providers** reinforce the marketing function by supplying a series of services, such as those offered by advertising agencies and market research institutes

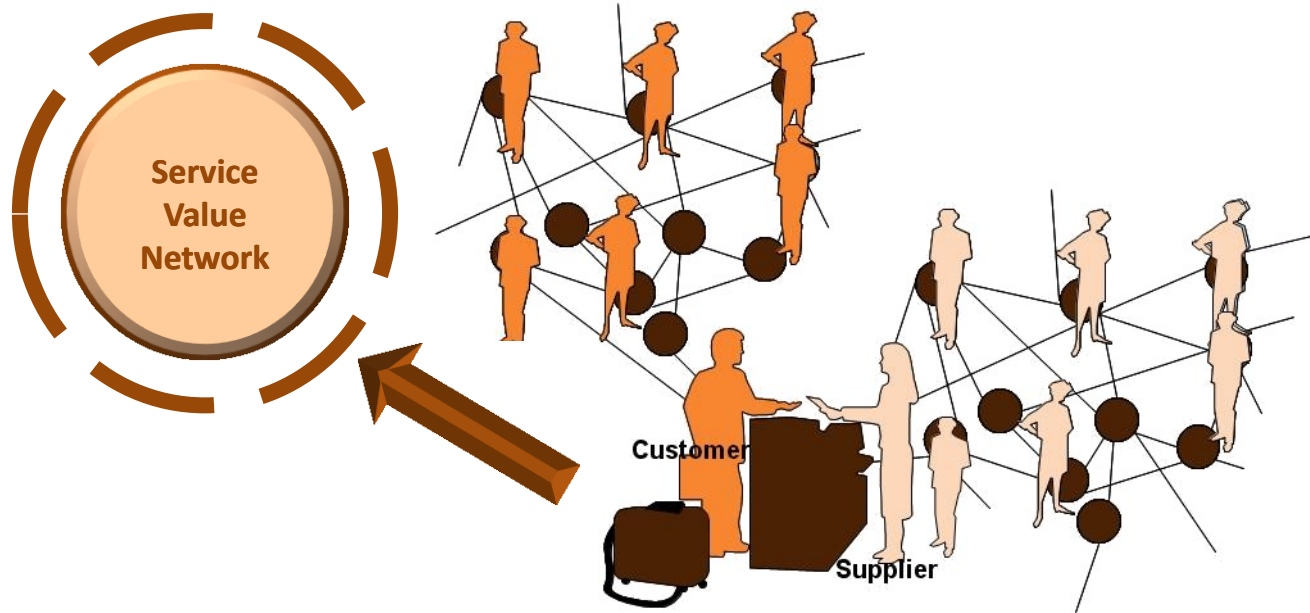


The quality concept is a bridge between design, manufacturing and other technology-based activities and marketing.



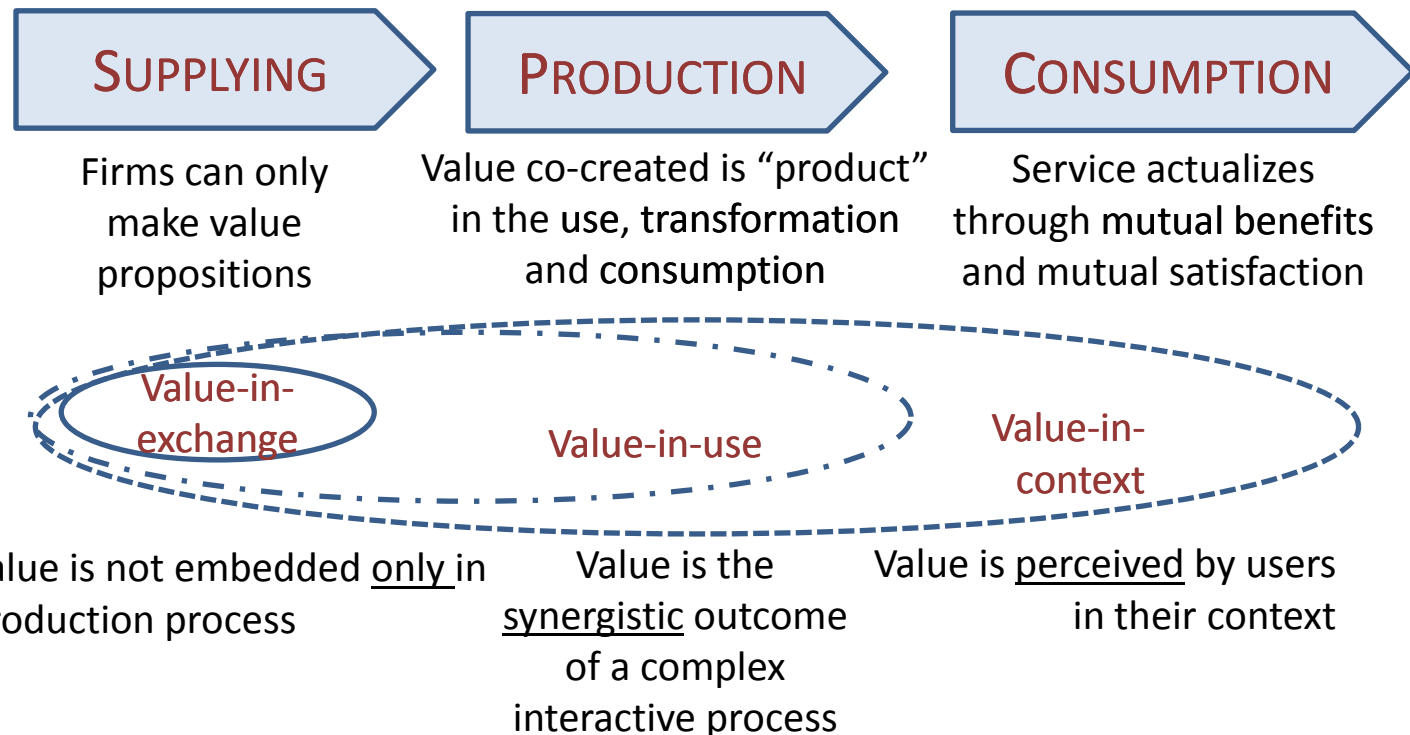


# The Many-to-Many Marketing



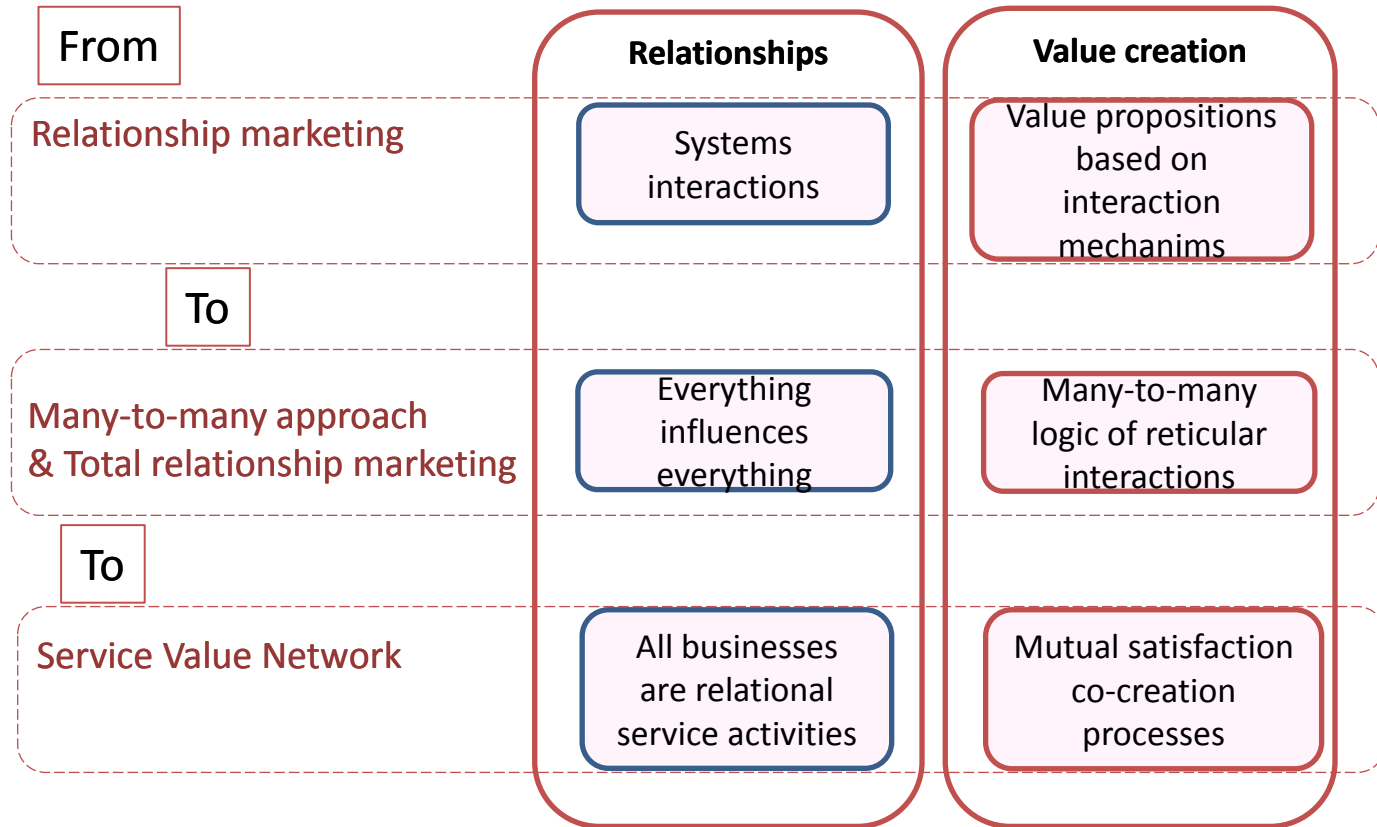
# From value chain to value network

**S-D logic** replaces the conventional **supply chain** with **service value networks** (Allee, 2000).



According to systems thinking and service logic, **Service Science** explores how service value is created in a network context and how the structure and dynamics of the value network, as well as customer **expectations**, influence service (eco)systems complexity

# From value chain to value network



# 4.2

## Value co-creation in Service

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# Value co-creation



**'Co-Create IKEA'**, a digital platform encouraging customers and fans to develop new products.

IKEA's co-creation platform focuses on four specific areas:

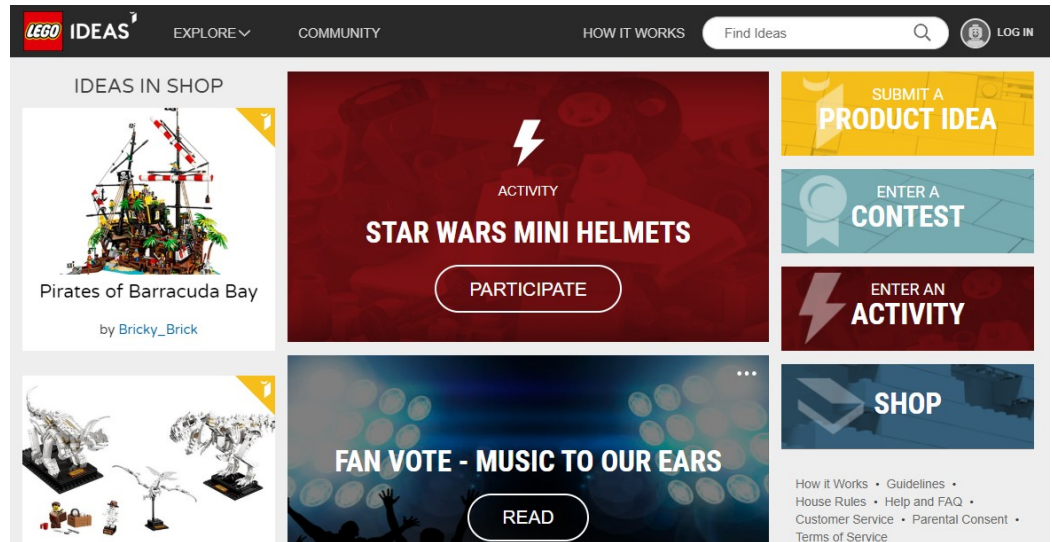
- Asking customers for product idea suggestions
- Running **IKEA Bootcamps** to work with entrepreneurs
- Collaborating with **university students** on product solutions
- Connecting with **innovation labs** around the world

If a suggestion for furniture or product design is successful, IKEA may license the technology or agree to invest in future products. For designers and technically talented fans, this creates a strong incentive: to gain exposure through the world's largest furniture retailer.

# Value co-creation



<https://ideas.lego.com/>



LEGO Ideas is an online community which brings together passionate **fans** and creators from around the world to imagine, iterate, and evaluate ideas for new LEGO kits. It is a great example of **open innovation** and co-creation, where members have actively participated in the journeys of several successful products **from idea to development**.

The LEGO Group first dove into the online open innovation space in the early days of crowdsourcing when they launched LEGO Cusoo in 2008, where Japanese fans shared their own LEGO creations that ultimately made their way onto toy store shelves. LEGO Ideas officially launched in April 2014

# Overcoming the past

## «*producer vs. consumer*»



One of the most improper conceptualization of G-D logic is the contrast between “producer-consumer”, in which:

**some actors** (ex. companies)

“**produce**” (create) value (*value-added*),

**while others** (es. consumers) “**consume**” (destroy) that value (*value-destroyers*)

... once consumed any product will no longer have the initial value.

# About Value Creation

The continuous tension to value creation represents the basilar activity of firm's business process and decision-making, which influence the decisions as well as behavior of all the **systems** (value culture).

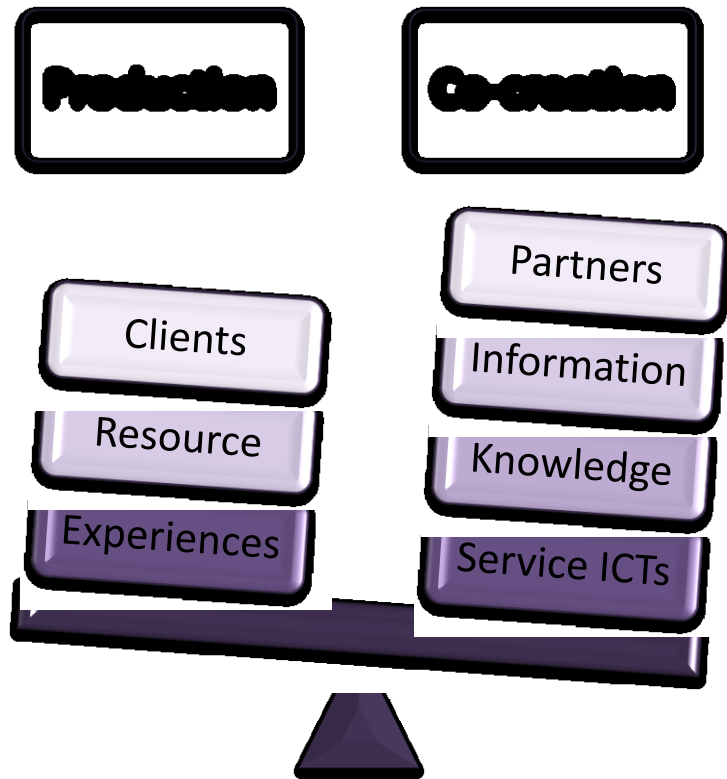
The focus of value creation and the new interpretation on value co-creation should be both:

- **internal** (resources improvement);
- **external** (collaborative relationships).





# Co-creation advantages



Customers are key **strategic resources** for product improvement and are, thus, *prosumers*, fundamental for competitive supplies.

The value creation process involves users in a personal consumption process, considering them as real **strategic value co-creators**, thus suggesting that firms may be the integrators and managers of necessary resources for the benefit of competitive behaviour.

# Why Value?

Value creation processes suggest a **change** of roles → today, an important **part** of the process is played by customers, who are not viewed just as **value destroyers** (or **value receivers**) but are instead considered **key** actors, engaged from the early stages of the production process and not only in the final consumption **stage**.

Customers do not acquire value directly from purchase but derive it from products' **use**, transformation and consumption



A firm doesn't autonomously create value for clients, but can only offer value **propositions**, **experiencing** them and transforming them into value through use.

# Effects on value creation & competitiveness

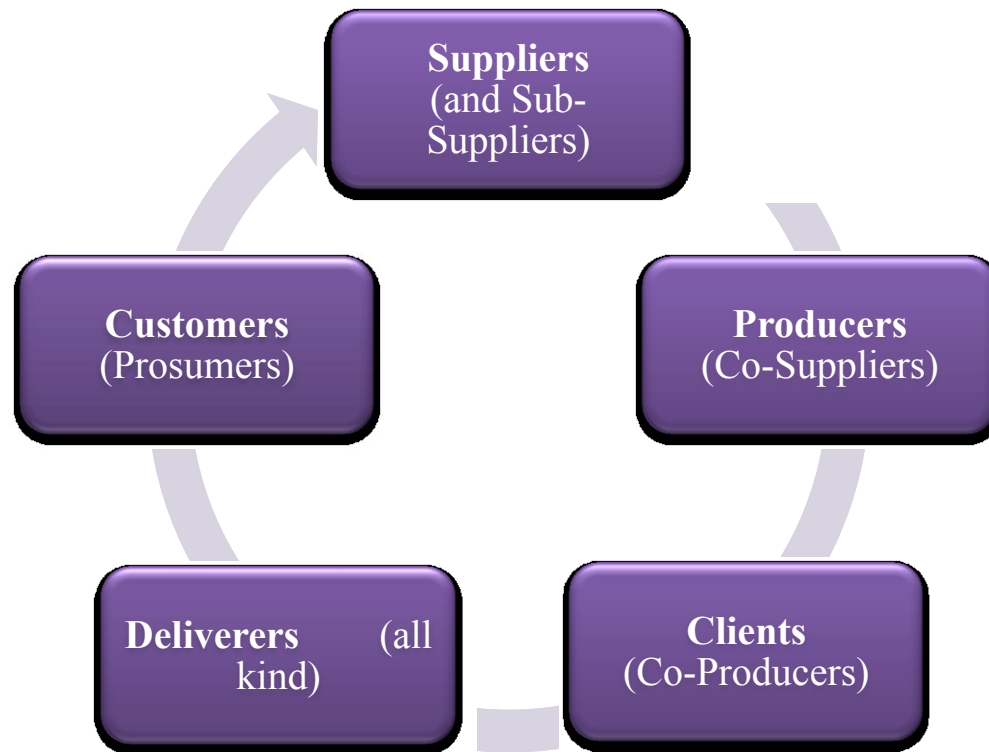
- the consumer is no longer seen exclusively as a target (**value destroyer**);
- companies have a right only to make **their value proposals** (value proposition);
- consumers are considered real **factors of production** (value co-creator) within a complex system of service delivery (service system);
- consumers are able to benefit not only from the products purchase, but also from **processing, use** and **consumption** of the same (value in use), revealing their role as active (participant) in the value generation process



The rules of business competition changed: the more companies are able to create value, the more competitive they can be, since they can be able to engage users in **co-creative purposes**, through sustainable **value propositions**.

# Service **Value** Chain or Service **Value** Networks?

A networked System based on service-centered logic should evolve continuously:



# S-D logic and centrality of «*Market-ing*»

In S-D logic the main purpose of enterprise is to **serve itself by serving others**, by integrating its internal and external resources available from public and market sources, to create additional resources to be applied for the benefit of other actors (individuals, family, companies, etc.).



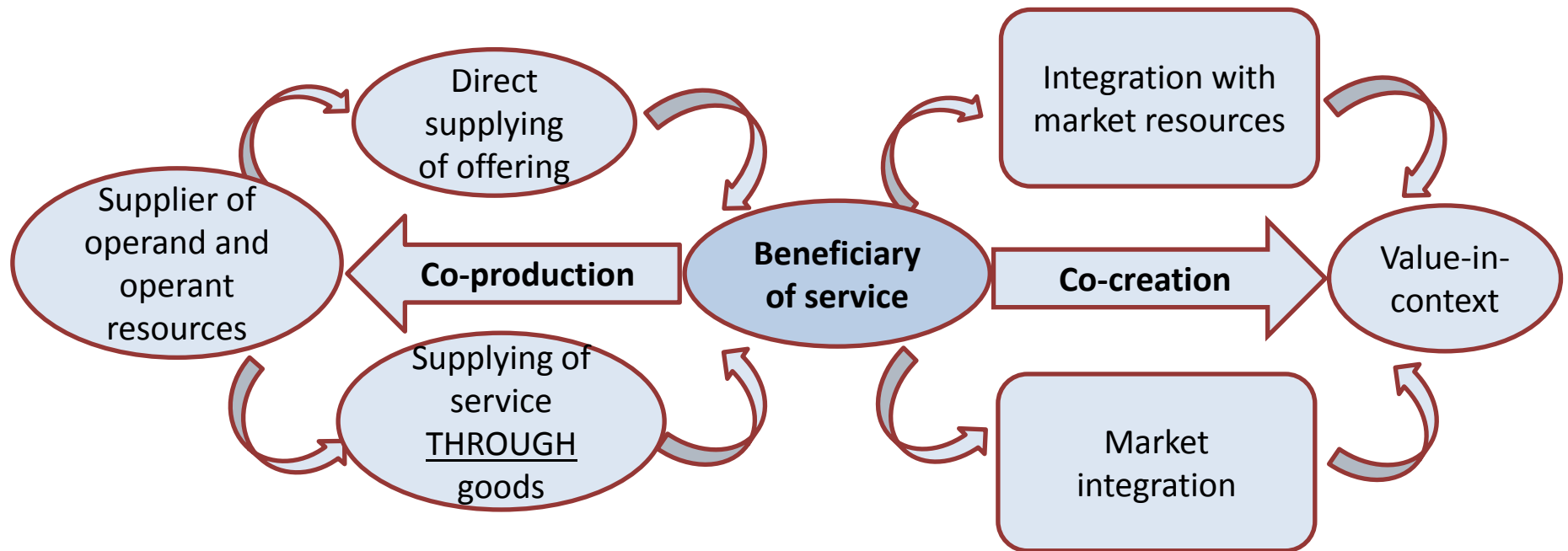
Service opportunities change because the available resources continuously change

# S-D logic and centrality of «*Market-ing*»

In S-D logic marketing, value creation is not anymore a responsibility of a single department, but it's a major function of the organization: to connect with other businesses and offer them a service in a constantly changing market.

This is «*market-ing*».

# Co-production vs Co-creation



<https://www.youtube.com/watch?v=Az6D6vzfFrU&t=15s>

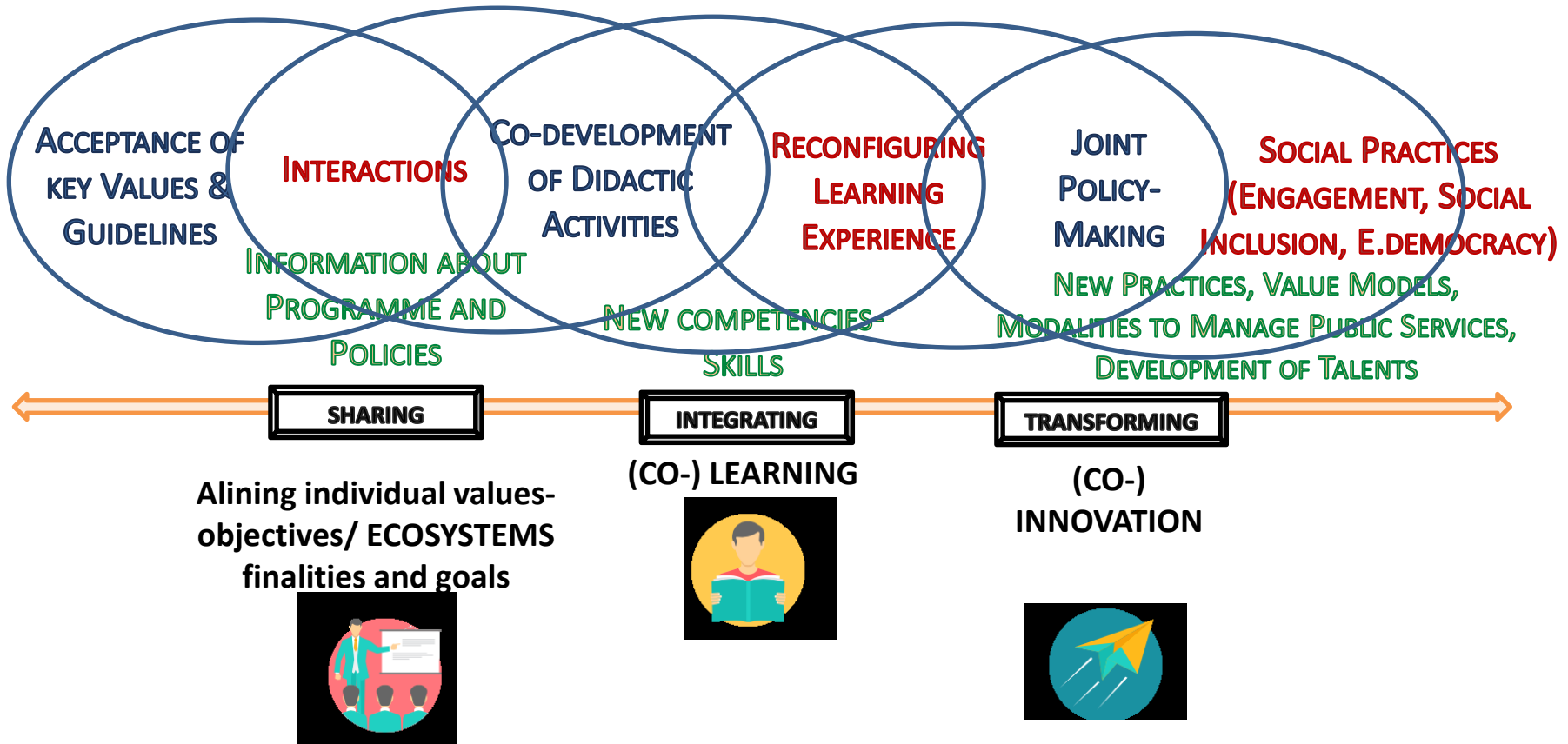


# Case studies and examples

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# Case study: Education ecosystem



# Examples: Value co-creation

## Pizza Hut Table

<https://www.youtube.com/watch?v=UzRZRyPReJk>



## IKEA

[https://www.youtube.com/watch?v=fKfxBl\\_nu3c](https://www.youtube.com/watch?v=fKfxBl_nu3c)



We met with them at  
**COAM\*** on **23rd May.**

### THE WORK TEAM:

**22** participants  
Divided in  
**2** co-creation tables

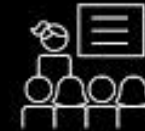
- 13** Co-workers
- 4** Interior Designers
- 3** Customers
- 2** Facilitators

\*Colegio Oficial de Arquitectos de Madrid



During  
those  
days...

We organized a  
**co-creation  
workshop**  
to share impressions  
and opinions with  
some **Millennials.**



# Examples: Value co-creation

<https://www.nelmulinochevorrei.it/index.html>



My idea is è...

Rispondi alle domande del Mulino

Nel Mulino che Vorrei... un BUCCONO SCONTATO di 1,00€

Propose new ideas

Rispondi a Quiz e Sondaggi

Gain discounts and gadgets

**PARTECIPA ANCHE TU**



<https://www.leonardocompany.com/it/innovation/innovation-award>

[https://www.youtube.com/watch?v=09wyJ\\_eMmF0&feature=youtu.be](https://www.youtube.com/watch?v=09wyJ_eMmF0&feature=youtu.be)

# Example: Customization



<https://www.youtube.com/watch?v=JXkMevbija4>



Amazon

Recommendations

Improving shopping experience

 Add to Cart  
or 1-Click Checkout

 Buy now with 1-Click®

Is an easy way to preload a customer's information to do a purchase process with a single click

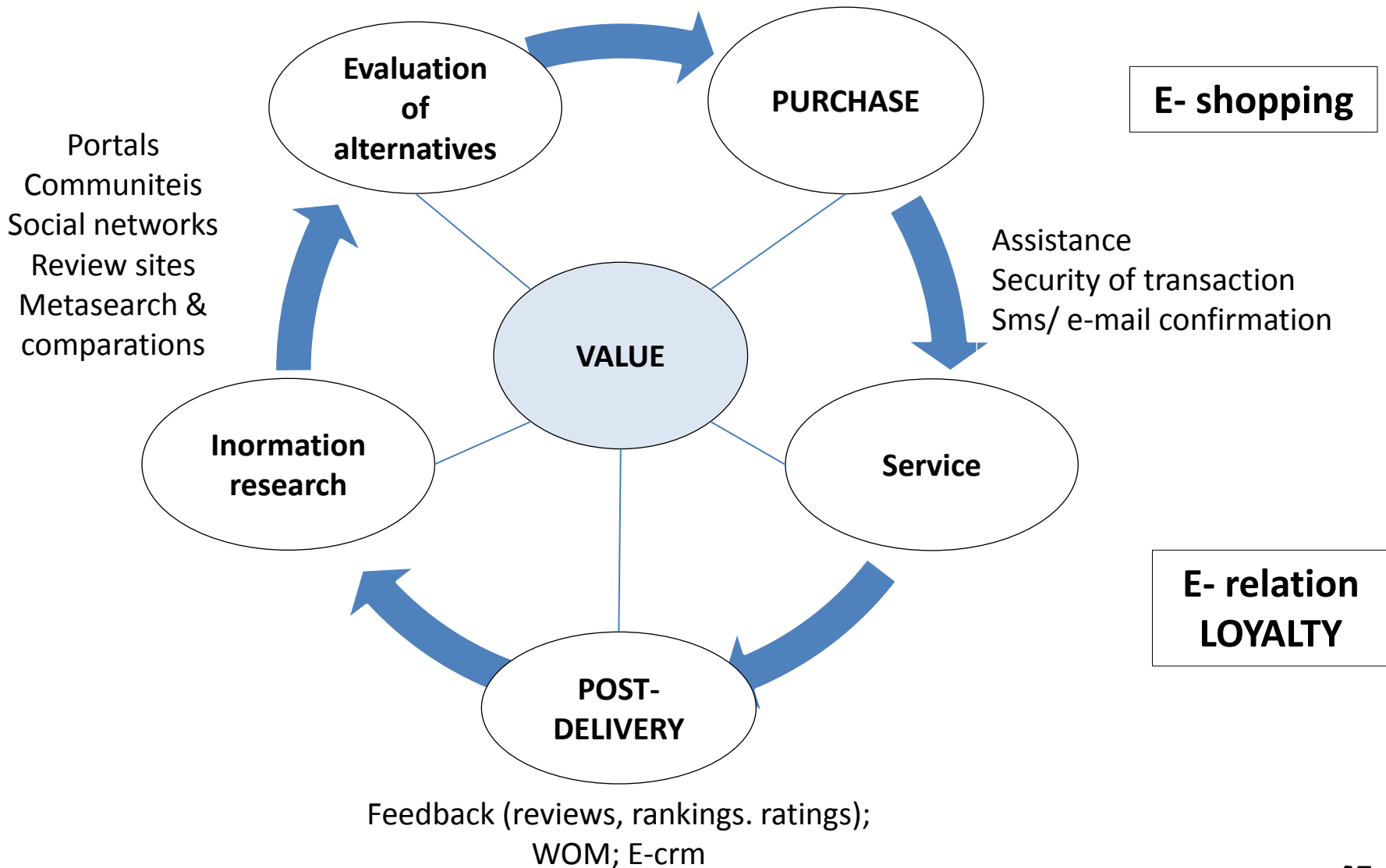
Customers Who Bought This Item Also Bought

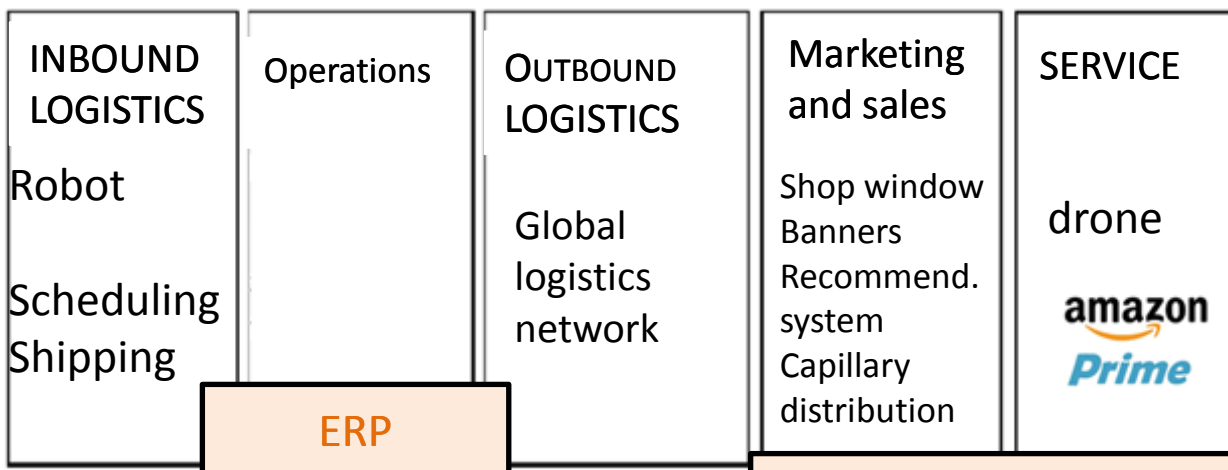
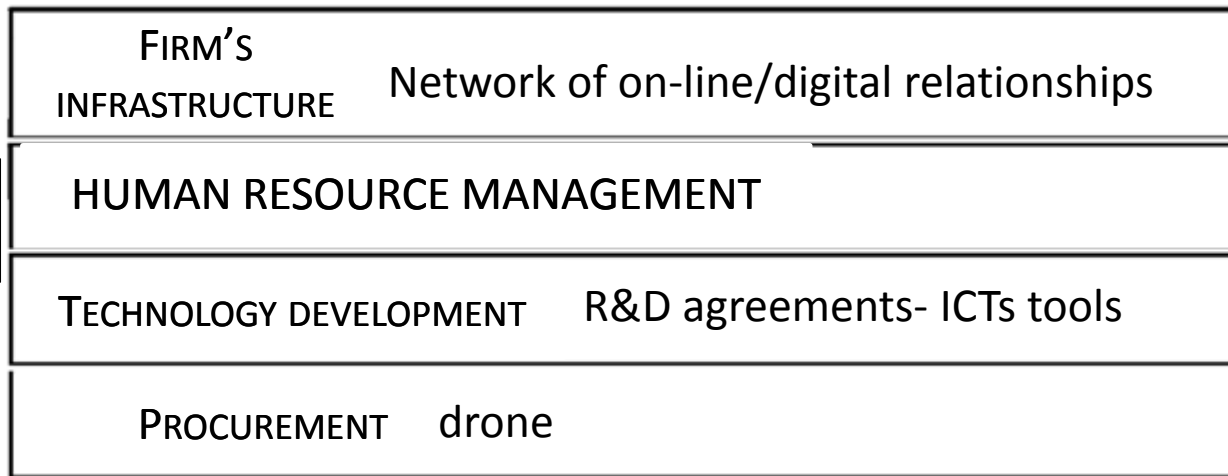
 The Lord of the Rings: The Fellowship of the Ring by J.R.R. Tolkien \$14.99	 The Hobbit and The Lord of the Rings: The Two Towers by J.R.R. Tolkien \$14.99	 The Lord of the Rings: The Return of the King by J.R.R. Tolkien \$14.99
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Price, selection, and convenience are at the core of Amazon's disruptive innovations

# Network and co-creation





Go cash desk  
4.0 E-commerce (smart tv)

ERP

One-to-one & personalized marketing





# Example: Connectivity

Google Inc.



Gmail  
Google Inc.



Maps  
Google Inc.



Google Search  
Google Inc.



YouTube  
Google Inc.



Voice Search  
Google Inc.



Street View on Google  
Google Inc.



Google Play Books  
Google Inc.



Google Play Music  
Google Inc.



Chrome Browser - Google  
Google Inc.



Hangouts (replaces  
Google Inc.



Google Play Movies  
Google Inc.



Google+  
Google Inc.



# Example: Variety & assortment

FOX

FOXlife

FOXCRIME

FX

STAR  
WORLD

STAR  
MOVIES

NATIONAL  
GEOGRAPHIC  
CHANNEL

NAT GEO  
WILD

NAT GEO  
ADVENTURE

NAT GEO  
MUSIC

LEARN  
[V]

Baby  
First

tvN

FOXMOVIES

FOX  
HISTORY  
& ENTERTAINMENT

FOX  
SPORTS

SKY  
NEWS

FOX  
NEWS  
ASIA

中文台

台灣  
衛視

台灣  
衛視

星  
星  
星

STAR  
one

STAR  
PLUS

STAR  
GOLD

VIJAY

STAR  
PLUS

NATIONAL  
GEOGRAPHIC  
CHANNEL HD

NAT GEO  
WILD HD

NAT GEO  
ADVENTURE HD

FOX | HD

FX | HD

FOXCRIME | HD

STAR  
WORLD | HD

STAR  
MOVIES | HD



# 4.3

## Marketing. Recent advances

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# 4.3.1

## Unconventional Marketing

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# Marketing 3.0

**Marketing 1.0**  
**(product)**

**industrial era** ( $D > O$ :  
volumes, quantity)



**Marketing 2.0 (customer)**

'O Reilly, 2001 ( $O > D$ : interacting  
with consumers) **informational**  
**and internet era**: active users,  
*prosumers*



**Marketing 3.0 (soul)**

**Globalization era**: (Kotler, 2010)  
the brand interprets and prevents  
user's and societal needs (**ethics &**  
**Corporate Social Responsibility**)

# Toward marketing 4.0

Kotler (2017)

information based on data that sheds light on new purchasing habits and on the three main subcultures: young people, women and "citizens of the Net";

rethinking customer engagement in the digital age, through **humanistic marketing**, the creation of conversations with customers and **omnichannel strategies**.

discover how 4.0 marketing increases productivity by involving customers in all their activities in digital markets

# Unconventional Marketing

Set of strategic and tactics decisions in contemporary marketing aimed at:

- Creating emotion
- Enhancing memorability (*awareness*)
- Developing uniqueness
- Shocking and astonishing consumers
- Enhancing users' participation (*engagement*)



# Unconventional marketing

## Main features

- Narrow set of receivers
- High possibility to engage users
- Selectivity

Target

- Web
- Multi-channel strategies

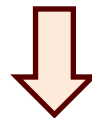
Marketing mix

# Unconventional marketing

Management strategies and tactics coherent with the implementation of unconventional marketing:



- Tactics and actions upwards business strategies
- Integration of above the line- below the line media
- Integration offline online



CONTINUOUS COLLECTION OF DATA  
ALONG THE JOURNEY

# UGC: user-generated content

Users are engaged in the definition of contents (ads, campaign, insights, design, offering) of businesses that lead to:

- Collect insights
- Enhance **users engagement**
- To promote **sharing of information and knowledge** WITH and BETWEEN users
- To monitor perception
- To control Word-of-mouth





# UGC

Unsolicited

<https://www.facebook.com/Apple-Lovers-333551443482498/>



The image shows a screenshot of the Facebook page for 'Apple Lovers'. The page header includes the Facebook logo, the name 'Apple Lovers', and a search icon. Below the header, there are interaction buttons: 'Mi piace' (Like), 'Segui' (Follow), 'Condividi' (Share), and a three-dot menu. A post creation area is visible with options for 'Stato' (Status) and 'Foto/video' (Photo/video), and a prompt to 'Scrivi qualcosa su questa Pagina...' (Write something on this Page...). The left sidebar shows the page name 'Apple Lovers' and navigation options: 'Home', 'Post', 'Foto', 'Informazioni', 'Persone a cui piace', and a green button 'Crea una Pagina' (Create a Page). The main content area shows a post from 'Apple Lovers' dated '3 luglio 2015', which is an update to the profile picture. The profile picture itself is a photograph of two iPhones, one in front of the other, showing their home screens.

# UGC

Solicited

## Areas of intervention

- Product
- Communication
- CSR

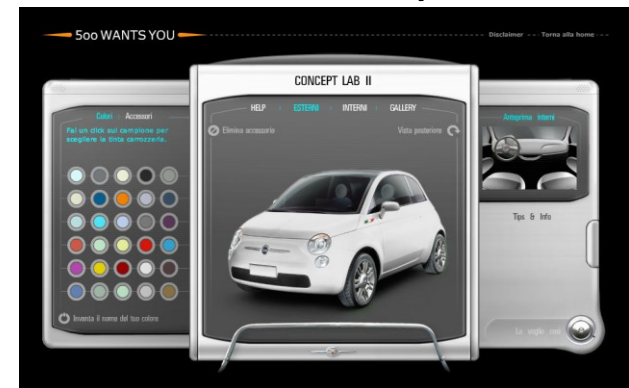


<http://www.nelmulinochevorrei.it/>

## 500 Wants you



## MULTIMEDIA workshop



# 4.3.2

## Guerrilla Marketing

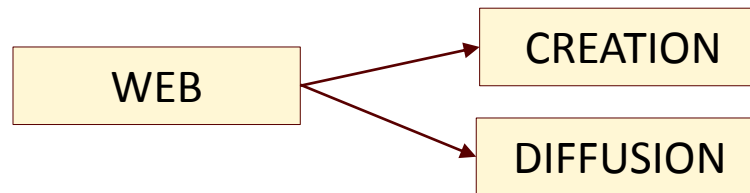
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# Guerrilla Marketing

**Non conventional** communication activities that aim at pursuing **conventional goals** (Levinson, 1993)

Guerrilla marketing has the same advantages of unconventional marketing:

- To renew values and topics
- Emotional bonding, attractiveness, wonder
- Multi-channel communication: connectivity
- Maximum effort/ minimum investment of resources



# Guerrilla Marketing: TEASER

## TEASER Phase

- To create suspense
- To create interest and to attract



## GUERRILLA Phase

The brand shows, discloses itself and enters the city



## CONSOLIDATION phase

Conventional activities:  
commercials and ads



# Guerrilla Marketing: TEASER

- Unpredictability
- Originality
- Strong psychological approach
- Little means available
- Subversion of the pre-established order
- Be everywhere and anyway

# Guerrilla Marketing: STICKERING

- Use of images and concepts shared through stickers

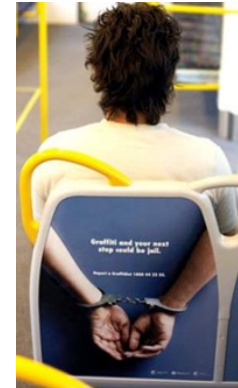
Public places and public means of transportations





# Guerrilla Marketing: STICKERING

To sensitize



To «reawaken»  
the interest

To shock



To surprise





# Guerrilla Marketing: STICKERING

- Brands camouflage in daily context



- Body art and tattoos



# 4.3.3

## Viral marketing

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# Viral marketing: **Word-of-mouth**

Unconventional communication strategies based on the viral diffusion of contents through **word-of-mouth**

«The promotion targeted at everyone is useless. There is the need to target it at interested and influential people that, by sneezing, can spread the virus» (Godin, 2002)

## **Aims:**

- To encourage interest and notoriety
- To engage (loyalty & reputation)



# Word-of-mouth: on-line vs off-line

## Differences

- High frequency of interactions
- Higher sense of belonging to the community
- Commercial interests

## Commonalities

- To create loyalty between and among the actors
- Creation of opinion leaders and legitimacy

«The consumers themselves are vehicles for brand's and product's promotion and put their reputation into the message» (Cottica e Fabbri, 2004)



**4.3.4**

# Neuromarketing

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# Neuromarketing

Application of neuroscience and psychology to the analysis of users buying behaviors to detect **changes** in users' behaviors and context and value

«To enter users' minds» (Lee et al., 2007)



Interdisciplinarity:  
medicine/ behavioral economy

# Neuromarketing

## AIMS:

- To intercept and predict consumer behavior (and changes in attitudes and preferences)
- To compare the brain reactions of consumers to certain stimuli and emotions
- To investigate the brain mechanism that leads consumers to the decision and choice of value proposition
- (**Stimulus- Response**)→ To connect specific feelings (affection) and behaviors (frontal lobe activation) performed by consumers with given impulses (vision of commercial)

# Neuromarketing: example



- Pepsi Challenge (1975): 50% prefers PEPSI
- *Human neuroimaging lab, Houston (2003): 75% declared to prefer Coca Cola but choose PEPSI. (magnetic resonance)*
- *Baylor College of Medicine, Texas (2004): Pre-frontal cortex (instinct and personality) Tastes and images are determinants of the choices*





**Guerriglia marketing** (from spanish) is the definition coined by the American advertising Jay Conrad Levinson in 1984 in his book of the same name, to indicate a form of non-conventional and low-cost advertising promotion obtained through the creative use of aggressive means and tools that leverage the imaginary and psychological mechanisms end users.



adidas

ORIGINALS

STAN SMITH 2



DESCRIPTION  
STAN SMITH 2  
SNEAKER  
LACERATION

017000



US	8
UK	7 1/2
D	7 1/2
E	41 1/2
J	260
CN	255











CBS





NIVEA



NIVEA



NIVEA



NIVEA

good-bye  
cellulite



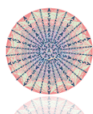
Probably the best poster in the world







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THANK YOU.

Questions?  
Comments?

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