



UNIVERSITÀ DEGLI STUDI DI SALERNO



DIPARTIMENTO
DI SCIENZE AZIENDALI
MANAGEMENT
& INNOVATION SYSTEMS



Marketing Strategy in Service Business

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Programme



- Marketing and Service Marketing: an overview
- Marketing plan
- Complexity management
- New approaches: Relationship Marketing and Many-to-Many network; Experiential marketing; Unconventional marketing
- Service Theories: from S-D logic & Service Science to service ecosystems & service systems
- Technologies as Decision Support Systems for marketing strategies

Case studies

Examples

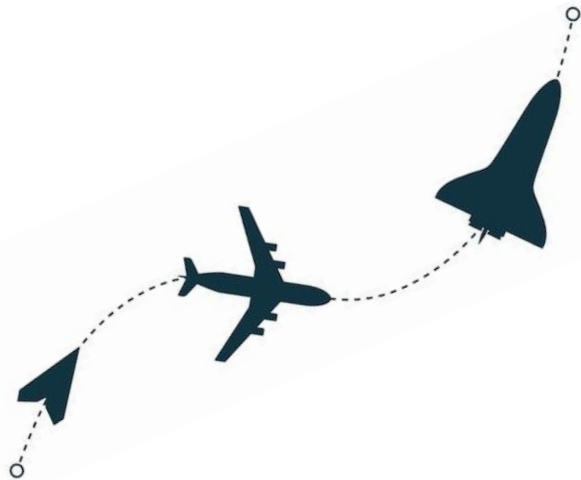
Project work



Agenda: Lesson 1 - Pt.2



- Marketing plan: structure and aims
- Strategic marketing



Examples





2.1

The Marketing Plan

Marketing Planning

Systematic, structured process that involves:

Research and analysis of current and future market and business situation

Development and Diffusion of firm's objectives, strategies and programs,

Implementing, evaluating and controlling marketing activities.

CORPORATE MISSION

SITUATIONAL ANALYSIS

INTERNAL FACTORS
Strengths & Weaknesses

EXTERNAL FACTORS
Opportunities & Threats

CORPORATE STRATEGY
Objectives & Tactics

Sales

Market Share

...

Marketing
Objectives

Marketing
Strategy

Marketing
Tactics

Control

Segmenting
Targeting
Positioning

Marketing
mix

PRODUCT

PRICE

TARGET
MARKET

PROMOTION

PLACE

THE MARKETING PLANNING PROCESS



A mission statement is a short description of organization's raison d'être, of its overall goal and of the objectives for the future (VISION).

Examples of mission statements



"To be the Ultimate House of Luxury, defining style and creating desire, now and forever."

Chanel's objectives seek to maintain its legacy while successfully moving it to the future, and continuing to be at the forefront of fashion .



"To refresh the world in mind, body and spirit. To inspire moments of optimism and happiness through our brands and actions. To create value and make a difference."

The Coca Cola Company values are leadership, collaboration, integrity, accountability, passion, diversity and quality



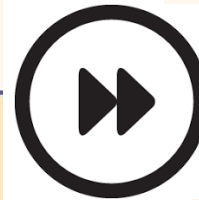
"McDonald's brand mission is to be our customers' favourite place and way to eat and drink."

McDonald's aims to provide exceptional customer experiences by focusing on - people, products, price and prom



"Our mission is to enable people and businesses throughout the world to realize their full potential. We consider our mission statement a commitment to our customers. We deliver on that commitment by striving to create technology that is accessible to everyone—of all ages and abilities."

Microsoft's core values are integrity & honesty, passion, big challenges, accountability and self-criticism.





Example: PASTA Market

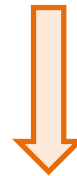
Healthy
←
Environmental
friendly
Joy

“
We bring to the world
JOYFUL, WHOLESOME
and **HONEST FOOD**, inspired
by the **ITALIAN LIFESTYLE**
and the **MEDITERRANEAN DIET**
”



Barilla
The Italian Food Company. Since 1877.

Culture and
Lifestyle



Traditions
and
Habits

THE MARKETING PLANNING PROCESS



Corporate Strategy: A strategy that determines the means for the use of resources in the various functional areas to reach the organization's goals.

Stakeholder Analysis

Stakeholder Analysis is the process of understanding who has a vested interest in a change effort and working with them to ensure success.



SWOT Analysis

S

Qualities that separate your firm from competitors

Internal resources (skills, knowledge, staff)

Tangible assets: intellectual-capital property, technologies

W

Things your company lacks

Things your competitors do better than you

Resource limitations

Unclear unique selling proposition

O

Underserved markets

Few competitors in your area

Emerging needs for your product-service

Press/media coverage of your company

T

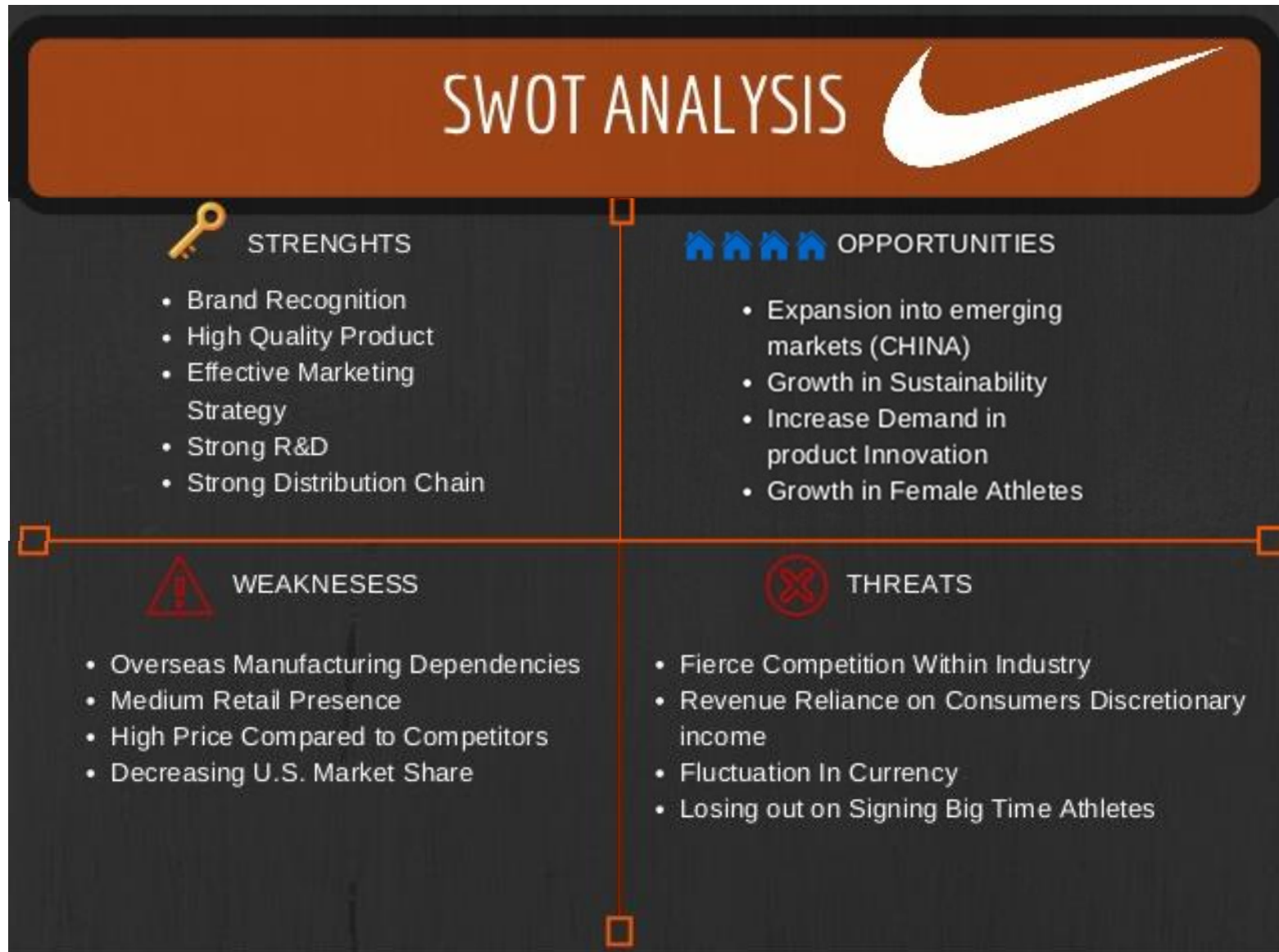
Emerging competitors

Changing environmental conditions (law, regulation)

Changing customer's attitude toward the company (need)

Negative Press/Media coverage

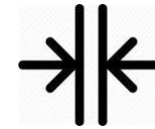
SWOT Analysis: Example



THE MARKETING PLANNING PROCESS



"The marketing strategy lays out **target markets** and the **value proposition** that will be offered based on an analysis of the best market opportunities." (Kotler & Keller)



Development and maintenance of **strategic alignment** between:

- Market opportunities/competitor's behaviors.
- Goals/organization's capabilities

Strategic and Operational Marketing

Strategic marketing

Operational marketing

MARKETING MIX & the 4 Ps

PRODUCT

PRICE

POSITIONING

Build and improve brand equity to chosen target

PLACE

PROMOTION

SEGMENTATION

Identify meaningful groups of customers

TARGETING

Select which segment(s) to serve



Marketing Managers

To guide business process in the short and in the long run based on **users'** expectations and **competitor's** actions.



2.2.

Strategic Marketing

Strategic Marketing

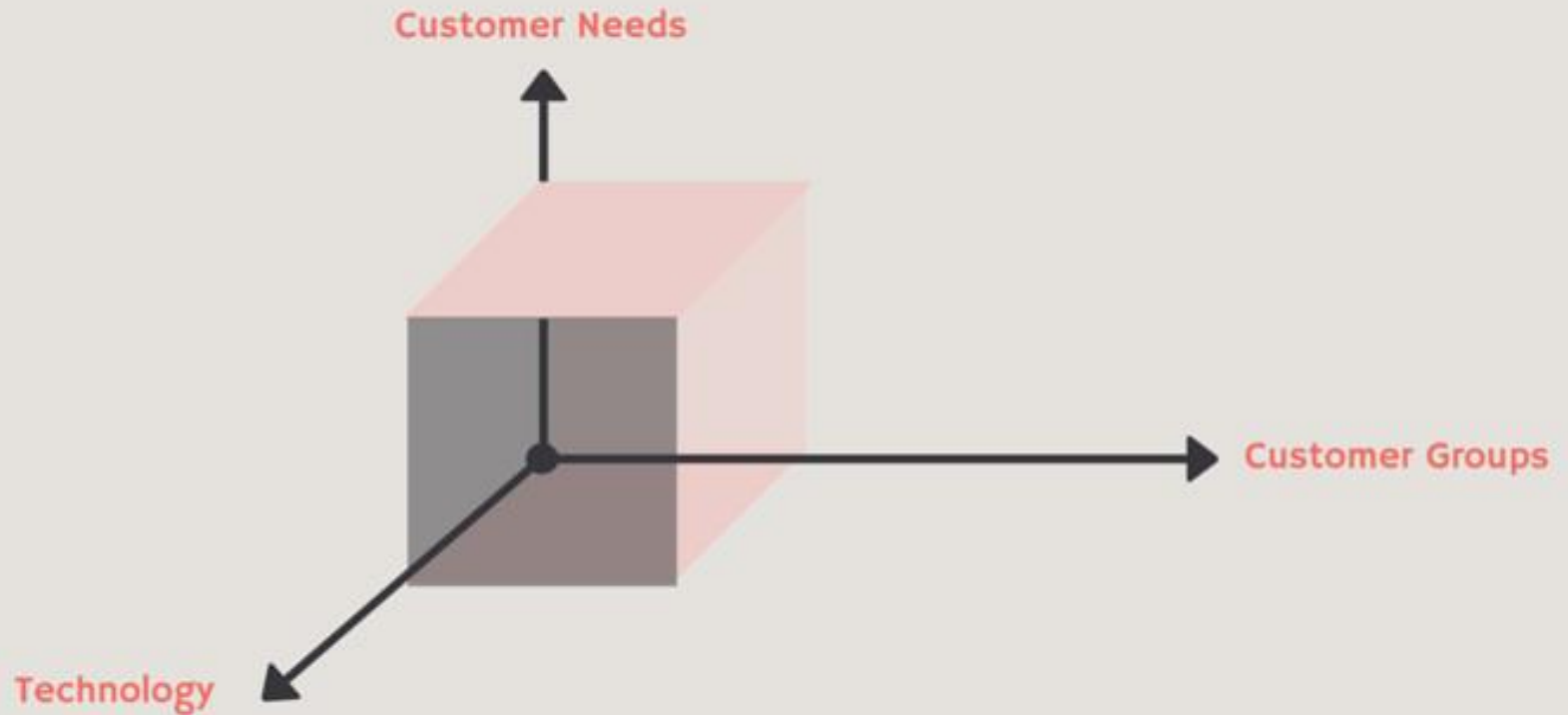
Tools and techniques required for the analysis, measurement and selection of **dynamic scenario** and potential **targets** for *value proposition*.

AIMS

1. To decrease errors;
2. To identify the **targets** interested in the offering (or potentially interested);
3. To codify strategic guidelines to create or establish/consolidate the reputation and awareness of the offering.



Framework your business: **Abell's Matrix**



STP- segmentation, targeting, positioning

S

1. To identify customers' needs and expected benefits
2. To classify segments



T

3. To measure segments' attractiveness, profitability, accessibility and differences
4. To select target segments

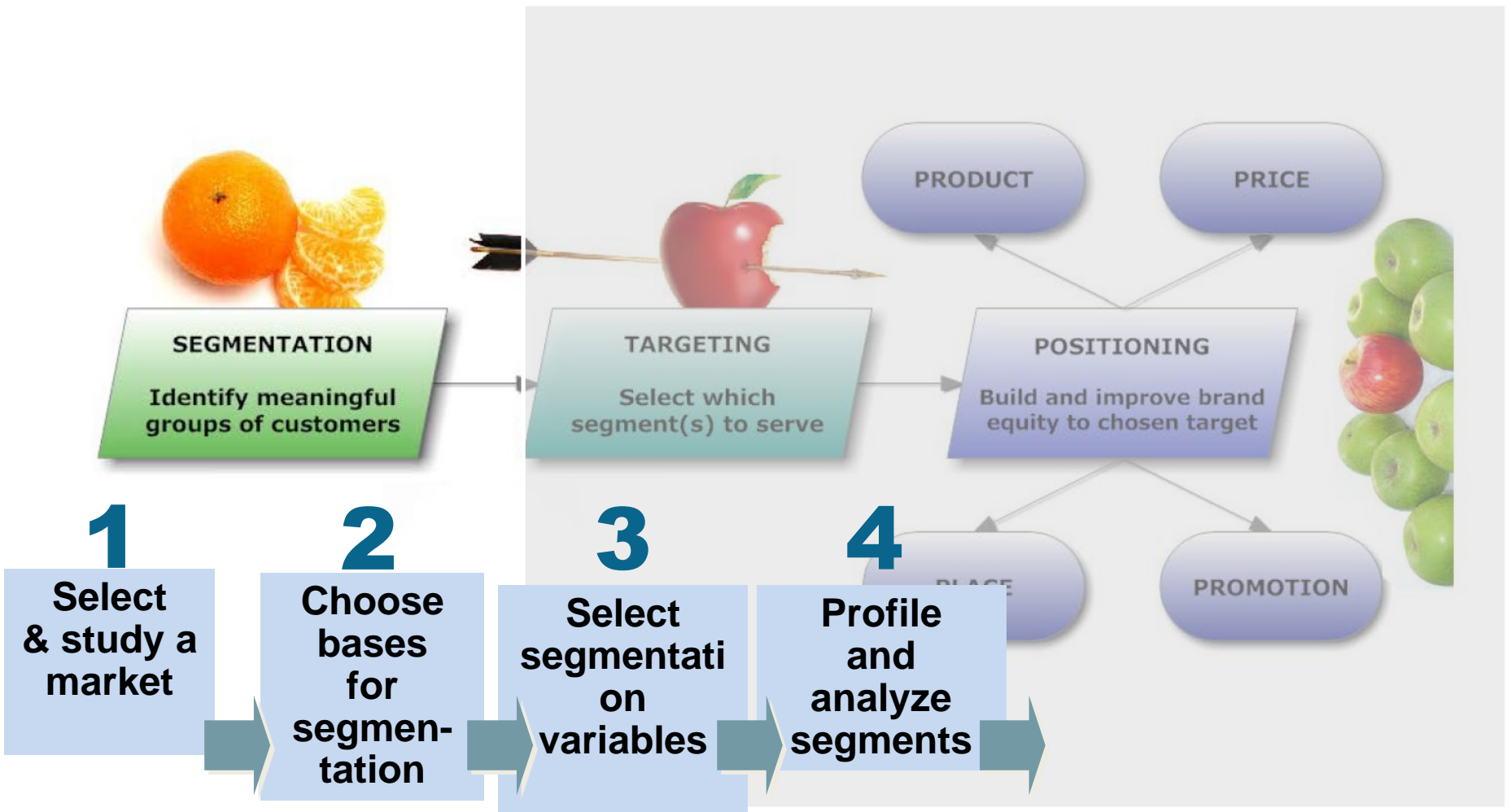


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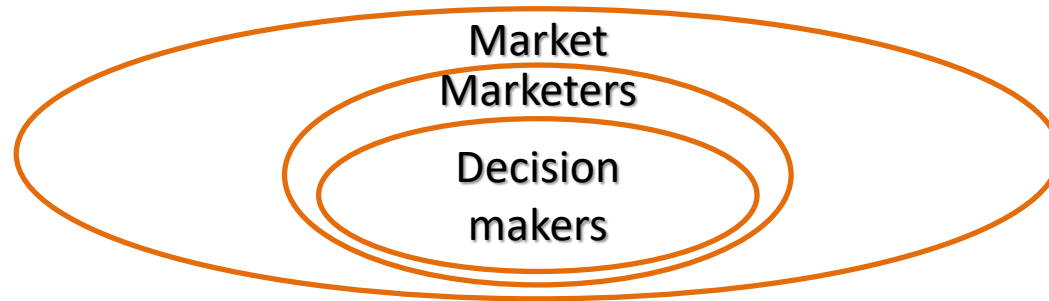
5. To establish the positioning for each target
6. To develop a marketing mix plan *for each target*



STP: segmentation



The importance of **segmentation**



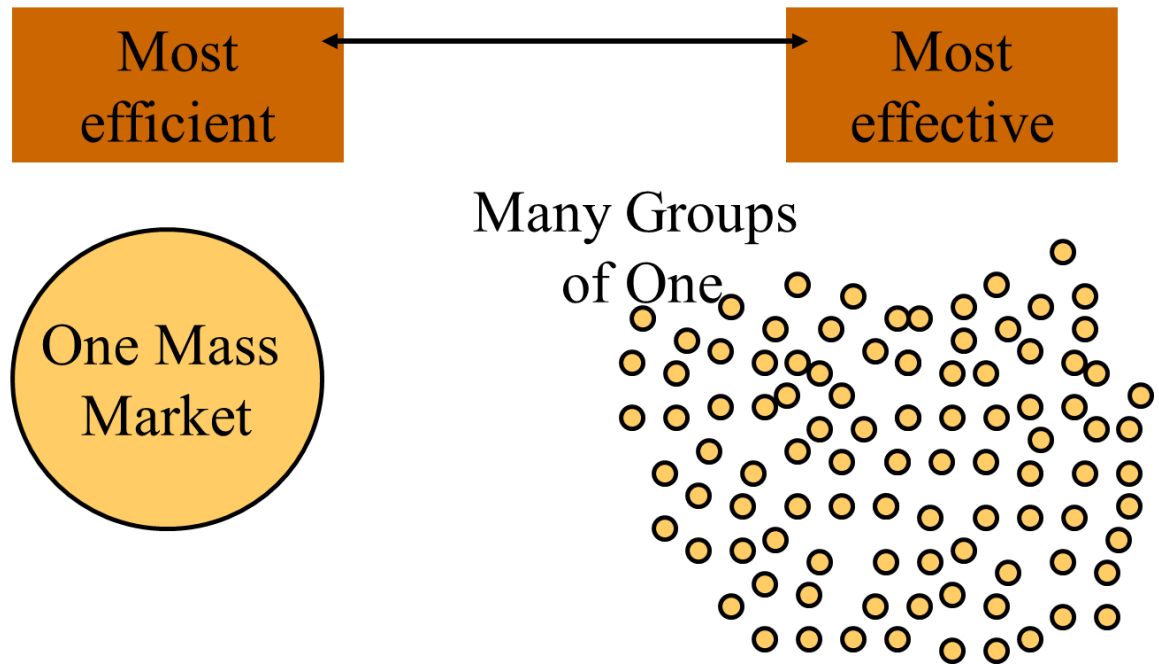
- **Markets** have a variety of **product** needs and preferences.
 - **Marketers** can better define **customer needs**
 - **Decision makers** can define **objectives** and **allocate resources** more accurately.
-



Segmentation

- **Definition:** Division of the total market into smaller, relatively homogeneous groups

- **Why?**



- **Levels:** Mass, Segment, and Niche
-



Example: PASTA Market

TRADITIONALISTS

- **Heavy** consumers
- **Culture** of food and meals consumption as «rituals»
- **Medium** interest in product quality
- High **Price sensitivity**

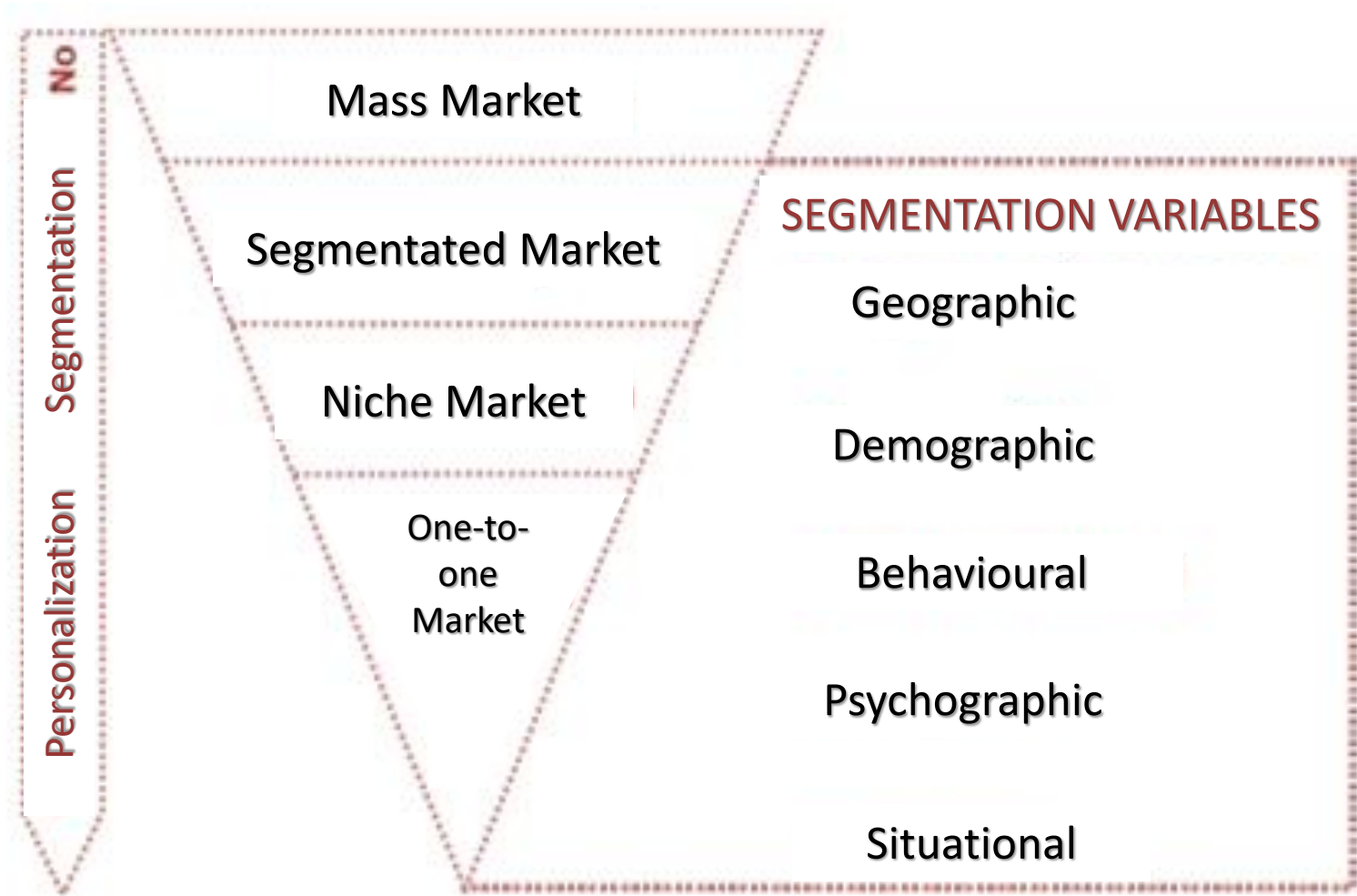
POST-MODERNISTS

- **Light** users
- **Low** familiarity with cooking and «processed» food
- **Low** interest in product quality
- Medium **Price sensitivity**

HEALTHY CONSUMERS

- **Heavy consumers** of organic, lactose-free and gluten-free food
- **Specific** requirements on organoleptic properties of products
- Low **Price sensitivity**

Segmentation Criteria



Segmentation Criteria

Behavioural Psychographic Situational Demographic



Segments: main characteristics

Segment Size and Growth Potential

- Sales, profitability and growth rates

QUANTITY

Segment Structural Attractiveness

- Competition, substitute products,
- buyers & supplier power, new entrants

QUALITY

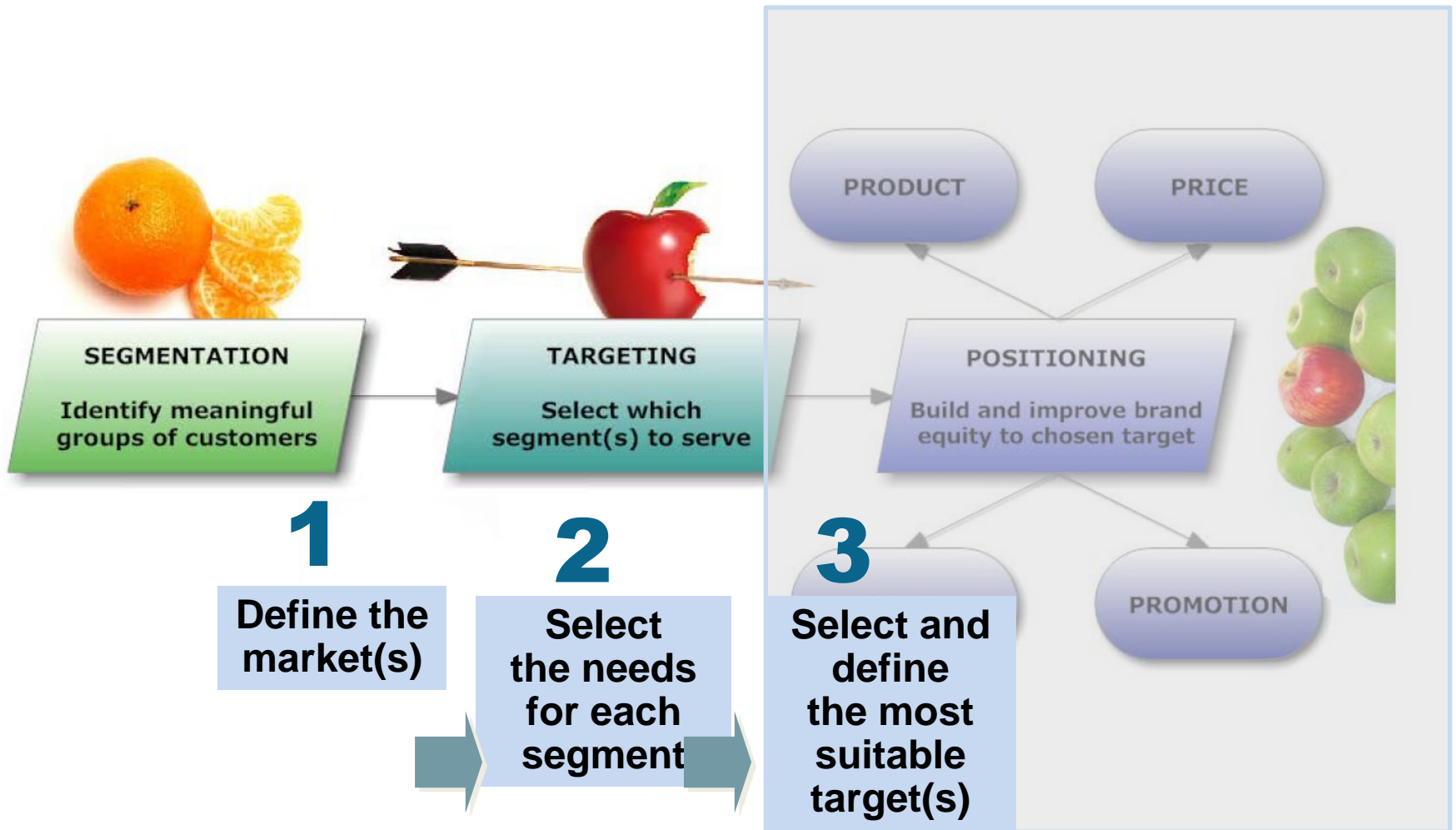


Company Objectives and Resources

- Core competencies
- “What business do we want to be in?”

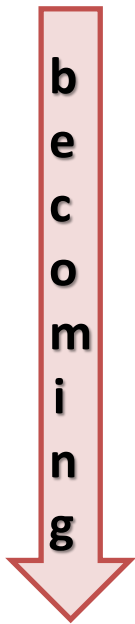
STRATEGY

STP: TARGETING



(2) Targeting

Selection of one or more segments



Targets to “deliver” :

- value propositions
- offering design
- strategies and tactics



Targeting as a **process**

Process that identifies potential markets by analyzing the marketing opportunities arising from the different segments.

This complex decision should balance:



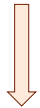
At the end of the process, firms can choose a target market, that is the set of customers with **homogeneous needs** and features that companies aim at «striking»: the **target**.

Targeting: identification of market(s)

RESEARCH: how does the external environment look like?



SEGMENTATIONS: How many and which segments are in the market?



TARGETING: Among the different segments, for whom should firms create value?

After the analysis of external environment and after segmentation, companies use the **quantitative** and qualitative **information** obtained from data to evaluate and decide the segments/targets to whom offering can be delivered through focused marketing actions.

Targeting: Main steps

- COMPETITOR ANALYSIS



- MARKET COVERAGE



(1)Targeting: competitor analysis

Competitor Analysis

After the identification of the segments that help the definition of the markets, firms should evaluate the trade-off:



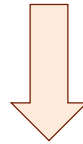
Segments/ **Investments** required to satisfy the segments

Businesses should relate the efforts that can be sustained and the potential outcomes to be achieved.



(1) Competitor Analysis

To define how many and which segments should be selected through an assessment of segment(s) **attractiveness** based on firm's capabilities to employ resources to satisfy it/them.



Two main factors affect the decision:

External

Contextual factors that surround business' activities, for instance the time period in which resources should be available.

Internal

Medium & Long-term goals related to volumes of production and sales, market penetration and (perspective) profits

(1) Competitor Analysis

Potential Limitations

CURRENT

The presence of a large number of competitors, already active in the identified segment (or potentially entering), can limit or damage the entry or permanence of the company in the chosen segment



The consolidated bargaining power of customers and suppliers can make the market segment less profitable for the company

FUTURE

(2) Market Coverage

Market “portion” reached through marketing activity or campaign, or, in relation to sales, through employees and salesforce (market share).

After the step of analysis, firms should assess the possible opportunities deriving from it and identify the possibility to competitive advantage

Undifferentiated marketing strategies



Differentiated marketing strategies

Concentrated marketing strategies

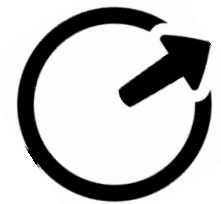


(2) Market Coverage: **Main factors**

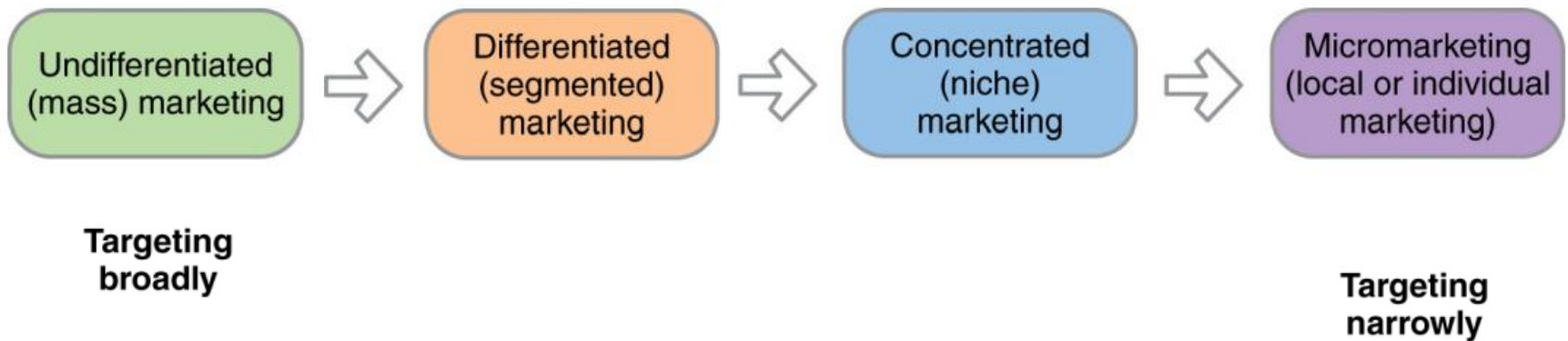


- The kind of **product/service** offered and the degree of homogeneity or specialization of **needs**;
- The stage of the product in its **lifecycle** of the product (in the phase of decisions);
- The **resources** owned.

- The current situation in the target market and the potential **future** evolution (e.g. from homogeneity of needs to the emergence of differences);
- The analysis of **competition**, the level of dynamism and the past strategic decisions of competitors (for comparison, contrast or inspiration).



Market Coverage: Different Targeting, Different Strategies



Undifferentiated Marketing

Target: whole market

Offering: single

Marketing plan: standard

Communication: undifferentiated

Distribution channels: Mass

Goal: to attract the highest possible number of customers

Pros: costs and price
Cons: high competition

Differentiated Marketing

Target: one or more segments

Offering: differentiated for each target

Marketing plan: One for each target

Communication/
Distribution channels: differentiated for target

Goal: to conquer big segments of market

Pros: targeted marketing activities
Cons: high costs (multiple offering)

Concentrated Marketing

Target: a single segment or a sub-section

Offering: focused

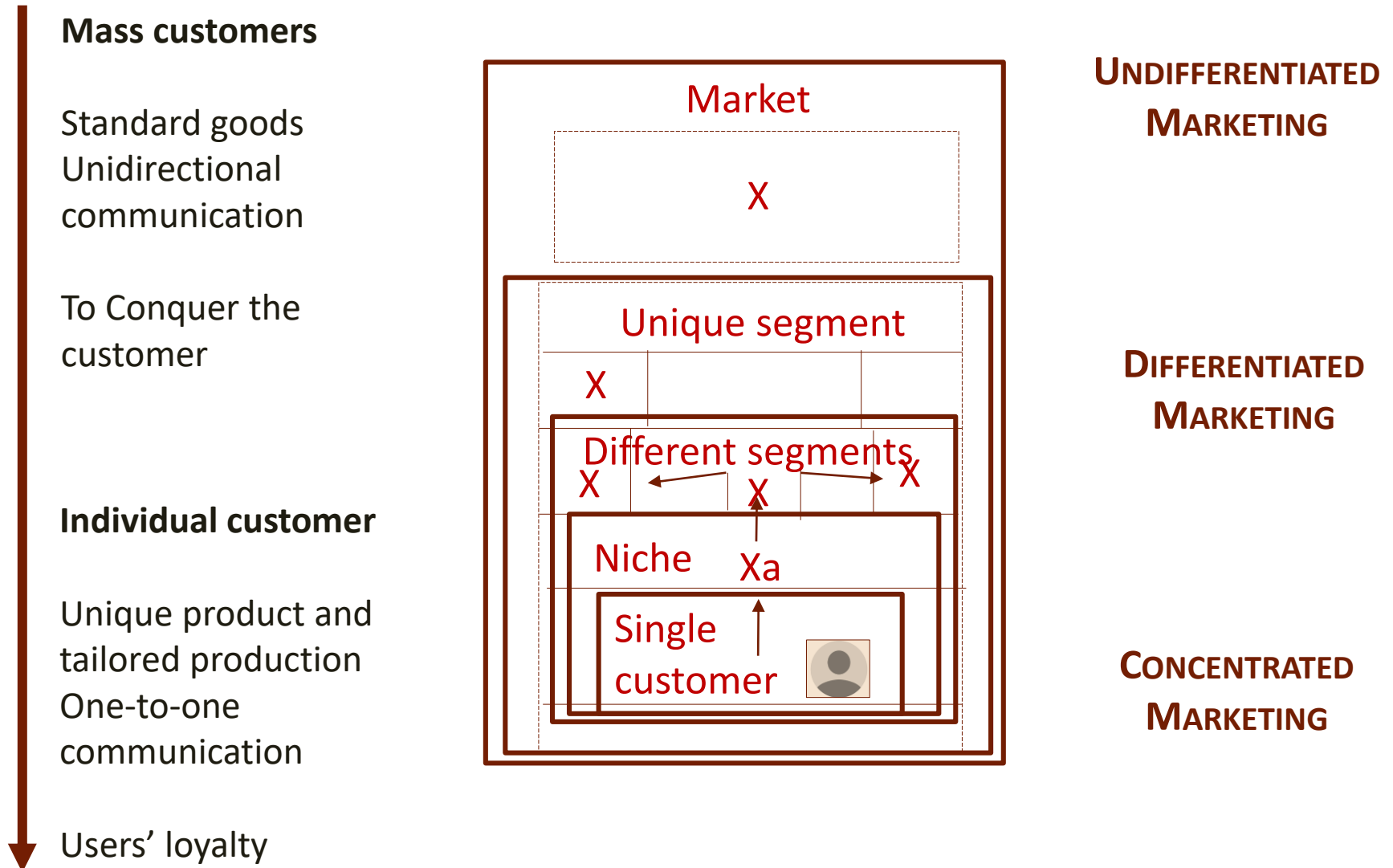
Marketing plan: unique for the target selected

Communication/
Distribution channels: tailored for the target

Goal: to «nurture» a specific market

Pros: costs reduction; better knowledge of the segment; enhancement of the image.
Cons: dissolution of segment or modification of tastes.

Different kinds of marketing



(1) Undifferentiated marketing

PROS



- Possibilities to exploit the advantages economies of scale in production and selling;
- **Lower costs** (e.g. for communication, single marketing mix)
- To maintain **leadership**

CONS



- Complexity of markets and evolution of **consumers' needs and degree of satisfaction**;
 - Difficulties in the coverage of **small segments** with specific needs.
-

(1) Undifferentiated marketing

The brand is too strong to identify the entire market and/or the segment in consumer's mind. The brand **embodies** the whole market.

**Apple iPad in Tablet market
(2010)**



Coca-Cola



(2) Differentiated (Segmented) marketing

- ✓ Target several segments and design separate offers for each

Coca-Cola (Coke, Sprite, Coca Zero/ Diet, Fanta, etc)



Procter & Gamble (Tide, Cheer, Gain, Dreft, etc.)



Toyota (Aygo, Yaris, Corolla, Prius, Camry, etc.)



(2) Differentiated marketing

PROS



- Possibilities to boost the overall selling opportunities;
- Possibility to **maintain** market share.

CONS



- Higher **costs** for production, distribution and communication;
 - Criticalities in the definition of strategic choices of control. (BRAND PORTFOLIO)
-

(3) Concentrated and Niche marketing

- ✓ Target one or a couple of small segments with very **specialized** interests



Status symbol



Luxury Goods



Specific needs



(3) Concentrated and Niche marketing

PROS



- Possibilities to acquire economies of scale and **learning economy** through the focus on a specific segment;
- Specialization of products (and competencies).

CONS



- Risk of the unexpected inability to survive in the market due to iperspecialization. The success of the firm depends only on a specific segment or product-service. The risk of business is not fragmented.

(4) Micro-Marketing/Personalized marketing

Hypercompetition and the rapid evolution of contemporary customer's tastes lead businesses to adopt more and more focused programmes and solutions:

Micro- marketing:

Small group of consumers selected based on common features such as localization (single point of sales, restaurants, typical products);



Personalized/ Taylored Marketing

Satisfaction of the needs of a single consumer (individual or consumer group).

- Loyalty and personalize relationships over time



(4) Micro-Marketing/Personalized marketing and buyer personas

The buyer persona is the portrait of a user who embodies a segment of our target audience. It is the generalized representation of a company's ideal customer, the starting point for identifying potential customers.

Defining buyer personas is useful and makes easier to customize the content within the strategy. In fact, it is much easier to develop ideas and customize messages if companies have a person with defined characteristics in mind.

PERSONA TEMPLATE

NAME _____

AGE _____

OCCUPATION _____

STATUS _____

LOCATION _____

TIER _____

ARCHETYPE _____

IMAGE _____

QUOTE _____

MOTIVATIONS (Shade bar to desired level)

Incentive	_____
Fear	_____
Achievement	_____
Growth	_____
Power	_____
Social	_____

GOALS (The objectives this person hopes to achieve)

- _____
- _____
- _____

FRUSTRATIONS (The pain points they'd like to avoid)

- _____
- _____
- _____

BIO

PERSONALITY

Extrovert	Introvert
Sensing	Intuition
Thinking	Feeling
Judging	Perceiving

TECHNOLOGY

IT and Internet
Software
Mobile Apps
Social Networks

BRANDS

(4) Micro-Marketing/Personalized marketing and **buyer personas**

Divide your target audience and decide who you want to focus on and who you want your brand or product to reach. You can have more types of buyer personas to contact.

Step 1: Analyze!

- Interviews - Talking to people is the best way to get more ideas about your typical customers and inspiration for developing content in your future strategy.
- Questionnaires - You can set up an online questionnaire and email it to your current customers. You will understand what motivates them the most in following you and choosing your products.

!

(4) Micro-Marketing/Personalized marketing and **buyer personas**

- Analytics and Social Media Insights - Take advantage of the analytics available to your website and the insights of social media. From a geographic, demographic and interest point of view, you will have a lot of data.
- Confrontation with the sales team - Managers and agents who are dedicated to sales can have useful input on customers. Even from a simple chat you can get really useful information, more than any statistical data or questionnaire!



(4) Micro-Marketing/Personalized marketing and **buyer personas**

Step 2: Imagine!

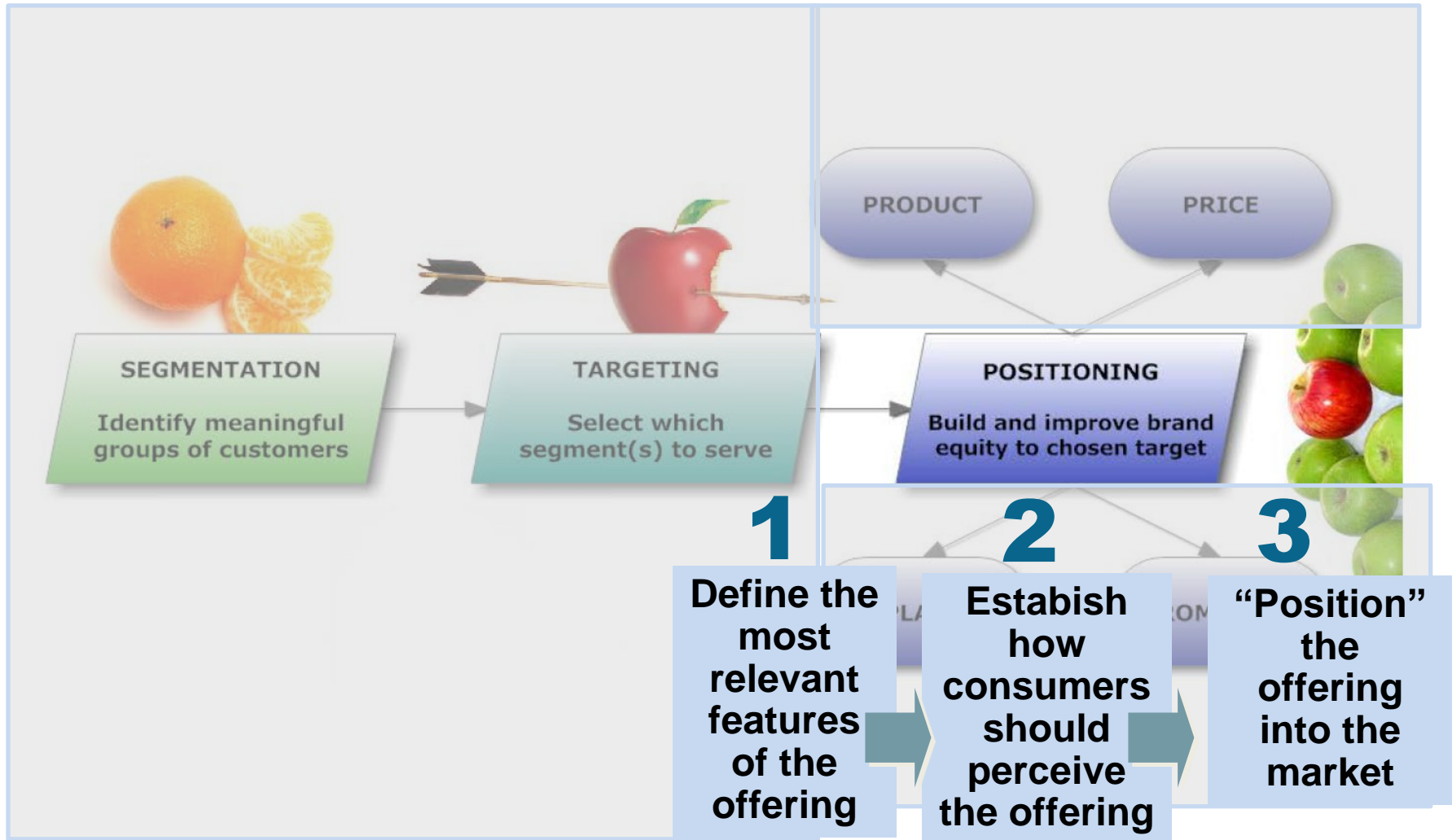
What are their names? What do they look like?

Try to give it a name and take an image that can identify a your typical customer. It will help you make everything more realistic. It will be much easier to have someone with certain characteristics in mind.

Then identify the age, geographic location, type of job, hobbies, interests, character, family situation.

Try to find a phrase that can identify his/her personality. A very useful exercise, essential for developing your marketing campaign and targeting your messages to personalized audiences that will be more responsive to topics of interest to them.

STP: (3) POSITIONING



The definition of Positioning

“the building of a product image in order to give a brand, in the evaluation of consumers, a favorable place, differentiated from competitor’s position» (Ries and Trout, 1991)

Positioning defines the way in which a brand or a firm are **perceived** by potential consumers as *different* from competitors



Positioning

Positioning is a tool for the *analysis* employed by firms to define the optimal strategy to attain competitive advantage



Main **goals**:

- **Favorable perception** of potential buyers;
- **Brand Awareness** (reputation, notoriety)

Positioning

The four elements of a Brand Positioning Statement

To
(Target)

- **Who is in the consumer target?** What slice of the population will be the most motivated to buy what you do? **1**

Your brand is the
(Category)

- **Where do you play?** What is the frame of reference that helps to define the space in the marketplace that you compete in? **2**

That is the
(Benefit)

- **Where do you win?** What is the promise you will make to the consumer target, thinking about the main benefit (rational/emotional) you are promising to deliver? **3**

That's because
(Support Points)

- **Why should they believe us?** What support points help to back up the main benefit? **4**

Positioning

Positioning represents the position occupied by the company's brand in the **consumer's** mind, according to the perception of the latter concerning to specific reference factors and the value proposition of **competitors**.



Positioning

Aim: to define and make perceived the tangible and intangible attributes of the product AS A FUNCTION OF RELEVANT EXPECTED BENEFITS, by DIFFERENTIATING the offer from that of the COMPETITORS, in order to create a STABLE PREFERENCE for the brand / product offered

Positioning Strategies

1. *Stabilization* of current positioning of the product, brand or firm in consumer's mind;

2. Research and achievement of a *new positioning* based on new attributes not yet used or promoted as new value for consumers;



3. *Repositioning* in relation to competitor's offerings, that involves a process of positioning shifting from an old to a new location in potential consumer's mind



The Repositioning

It's a change in positioning if and when market conditions change. It usually happens for two reasons:

- To counter new competitors;
- To be more responsive to consumer preferences.

The repositioning must be carried out without creating confusion in the perception of customers, adopting a specific communication strategy that is credible and consistent with the previous image.

The Repositioning

#CocaColaRenew

«We're an organic tea company. A premium juice company. A coconut water company. And much more»



Coca-Cola's attempt to reposition itself as a "good" product also for health, following the growing attention on the health risks associated with the consumption of sugary soft drinks.



The Repositioning

#CocaColaRenew

<https://www.youtube.com/watch?v=xPb1t3jU3sl>

«The idea that life is messy and natural brings about happiness.
Coca Cola is a part of the package»

It was great that Coca-Cola Company follows trends and capitalizes on it.

Too bad they passed their strong brand totally.

For instance, the brand image of Coca-Cola Life is very green. A green wooden crate with some plants, a few bottles of Life and in the background a haze of green grass. Very nice, but not for Coca-Cola, the brand that just about the real experience of energy, refreshment, joy, enjoy and live positively.



Positioning: Analysis and Strategies

Positioning involves two different moments:

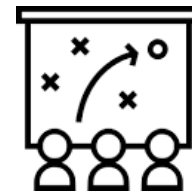
Analytic plan



focus the attention on the identification of the benefits of the product perceivable by the consumer with respect to the expected benefits and assessment of the ability to satisfy them by the competitor's offering

Research for a satisfactory place for the offering and for the brand by identifying the tools (**marketing policies**) to occupy and defend the positioning from competitors' actions

Strategic plan



Positioning

The main activity is the identification of required benefits:

Functional benefits



Strictly connected with product's attributes; referred indirectly to the brand

Referred to product's and consumer's **value** and to brand's ability to put users in relations with the others and with their reference group

Symbolic benefits



www.marketing-planet.com



Example: Pasta Market

Functional benefits

- Complete nutrition
- Taste
- Digestibility

Symbolic Benefits

- Health and physical well-being (weight, fitness)
- Healthy way of life
- Conviviality



Example: Positioning

- **Functional benefits of the brand «Nutella»:**
 - Nutritional properties
- **Symbolic benefits of the brand «Nutella»:**
 - Emotional/hedonistic: delight for taste
 - Sentimental: childhood memories



Example: Positioning

- **Functional benefits of the brands «Bulgari and Cartier»:**
 - Quality of raw materials (stones, emerald, metals etc.)
- **Symbolic benefits of the brands «Bulgari and Cartier»:**
 - Exclusivity
 - Refinement
 - Status symbol

BVLGARI

Cartier

Criteria for Positioning

Main features to differentiate a product (the brand) in the perception of buyers:

- Physical attributes of the product
 - Symbolic attributes of the product
 - Benefits offered
 - Price
 - Contrast to a competitor
 - Association with a class of products
 - Identification with a class of users
 - Identification with an opinion leader
 - Appropriateness for given occasions of use
 - Image of the manufacturer or country of origin
-

Positioning

1. Physical attributes: to emphasize the main (inner characteristics) features that affect performance



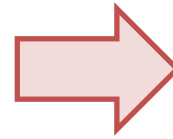
Intense perfume; tapered shape; juicy pulp; absence of seeds.

Rich of vitamin C and essential oils. Delicious, natural, suitable for the preparation of fresh recipes

Food companies can stress the colors, the appearance, the freshness of their goods

Positioning

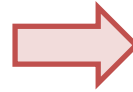
2. Symbolic attributes



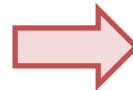
To adopt a given
(dynamic, exclusive,
sporty, adventurous)
lifestyle

Positioning

3. Offered benefits



Anti bacterial; Anti plaque; It protects caries; Helps and strengthens the enamel; Helps protect the gums; Effective on the tongue; Acts in hard-to-reach areas; It guarantees long lasting freshness.



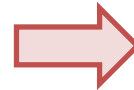
Ferrarelle lights up your vitality because it envelops the well-being of 100% effervescence, perfectly balanced, with a unique and full taste.



Creamy, rich in taste and fat-free, many pieces of fruit.

Positioning

4. Price



Price lower than competitors' services. Focus on basic features and essential characteristics.



Positioning

5. Opposition to a competitor



A drink created to challenge Coca-Cola, the «hystorical» competitor.

At the beginning, Pepsi aims at curing stomach pains.



Positioning

6. Association with a category of products



... Decaffeinated coffee...



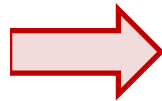
... Analgesics...



... Roll kitchen paper...

Positioning

7. Identification with a segment of users

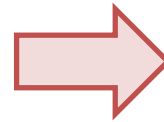
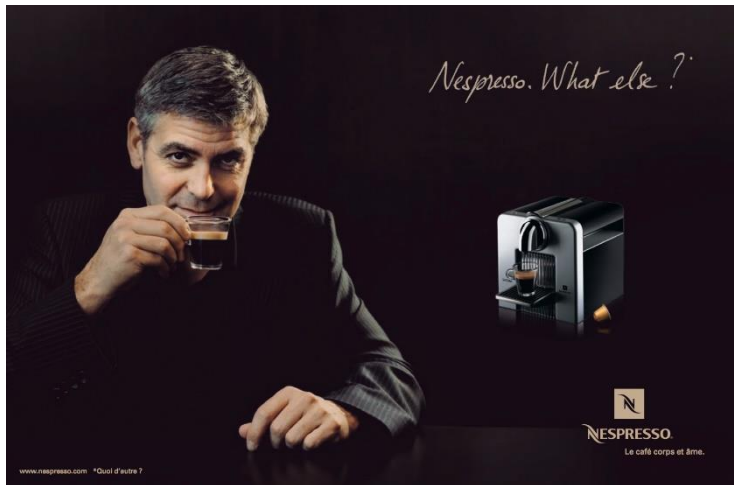


«Dishes as good as homemade... Ready meals»

Users: Singles, working mothers

Positioning

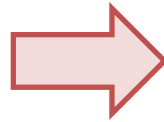
8. Identification with leaders or celebrities



The «personality» of celebrities are associated with brand's and product's personality (elegance, exclusivity, refinement)

Positioning

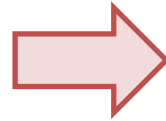
9. Suitability for given occasions of use



On San Valentine's Day
one candy one chocolate
candy out of three is
«Perugina»

Positioning

10. Image of Producer (brand) and Country of Origin Effect



... the focus is not (only) on the features of goods, but on feelings and sense of belonging...promotion of citizenship

Positioning Map

Positioning Maps is a tool that represents graphically the positioning or perception of each group of competing products in respect of two **specific product characteristics**

AIMS:

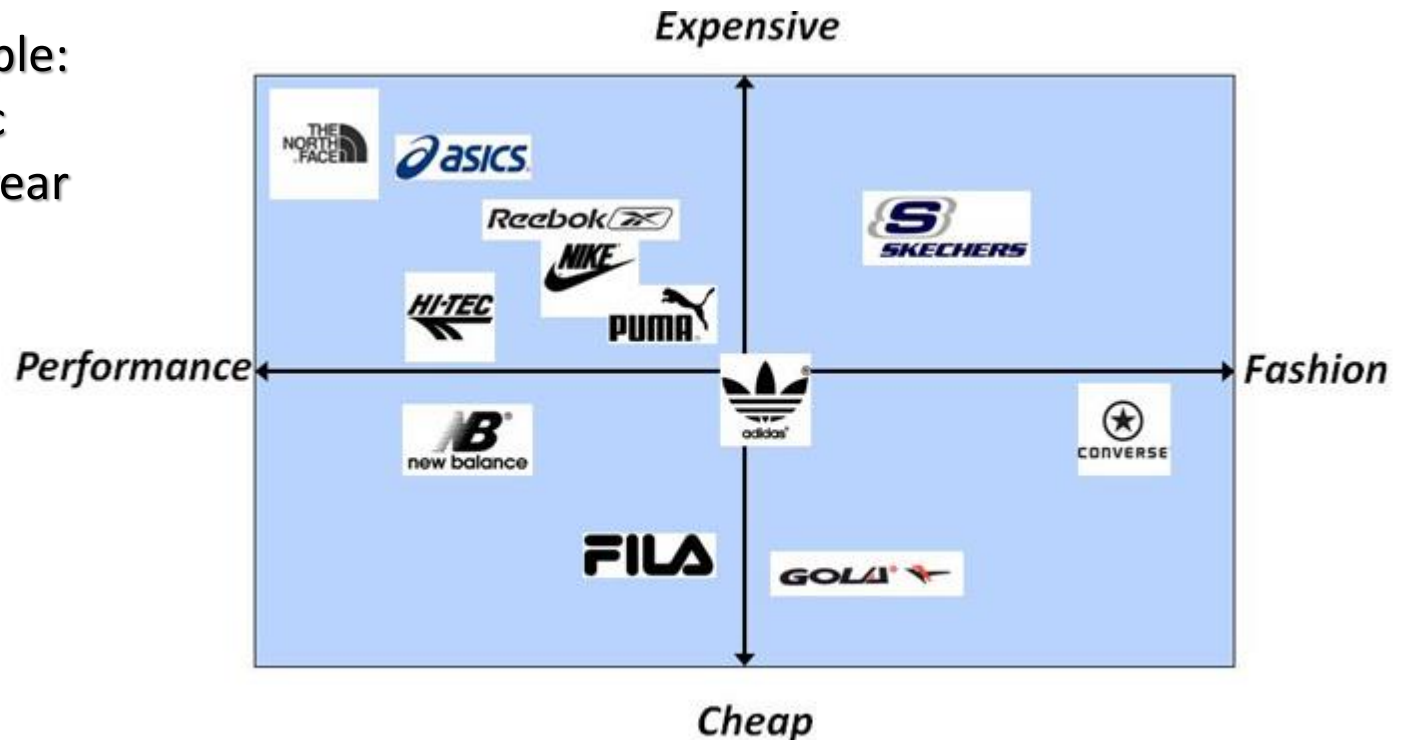
- understand the perception of consumers and the existence of correspondence between **consumer preferences** and **offer positioning**
- compare the positioning of competing products
- identify any ideal **free positions**



Perceptual Positioning Maps

Display consumer's perceptions through a visual picture of how customers perceive their brand versus the competing products or services on relevant buying dimensions

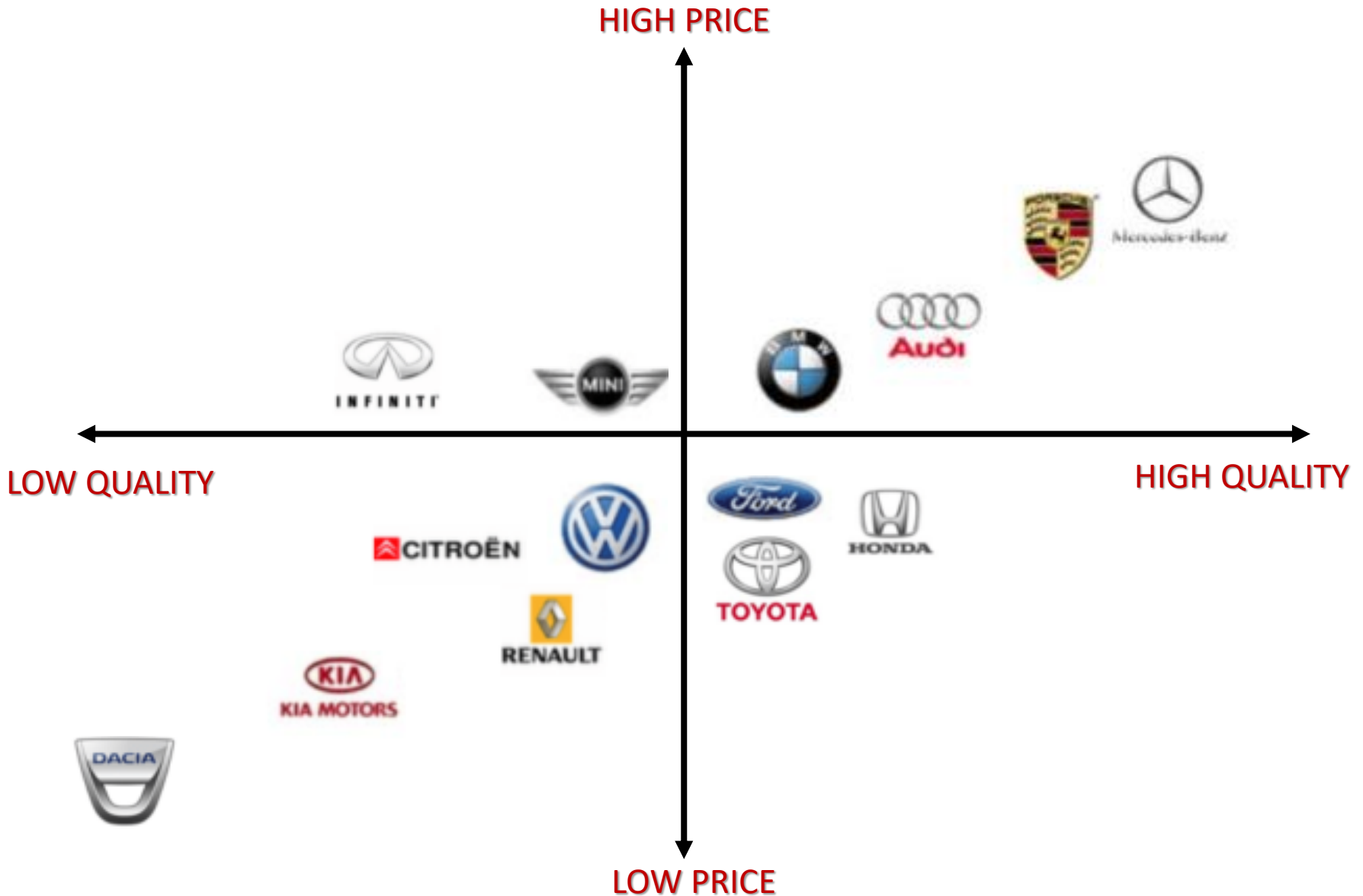
Example:
athletic
footwear



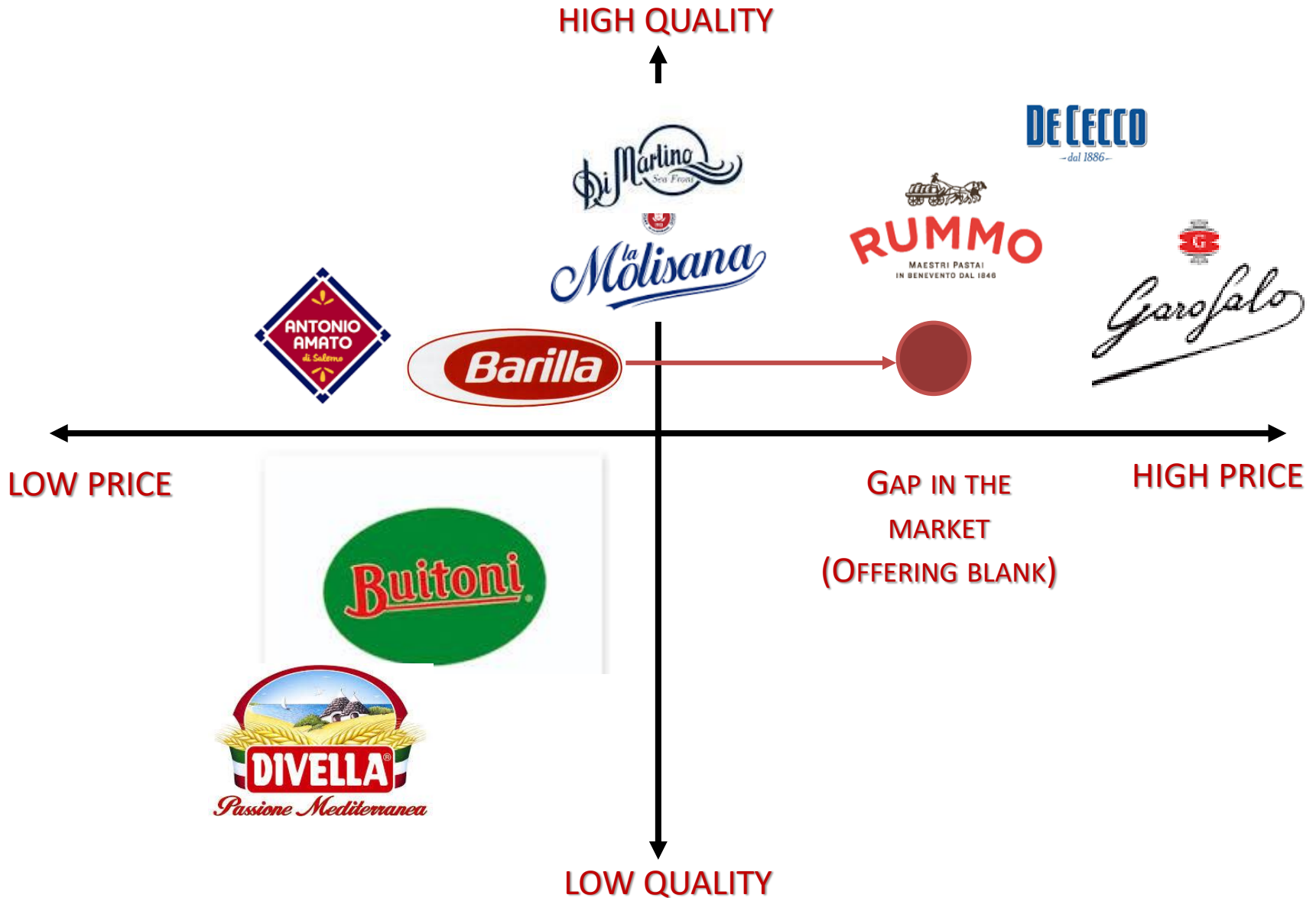
Positioning Map: Fashion



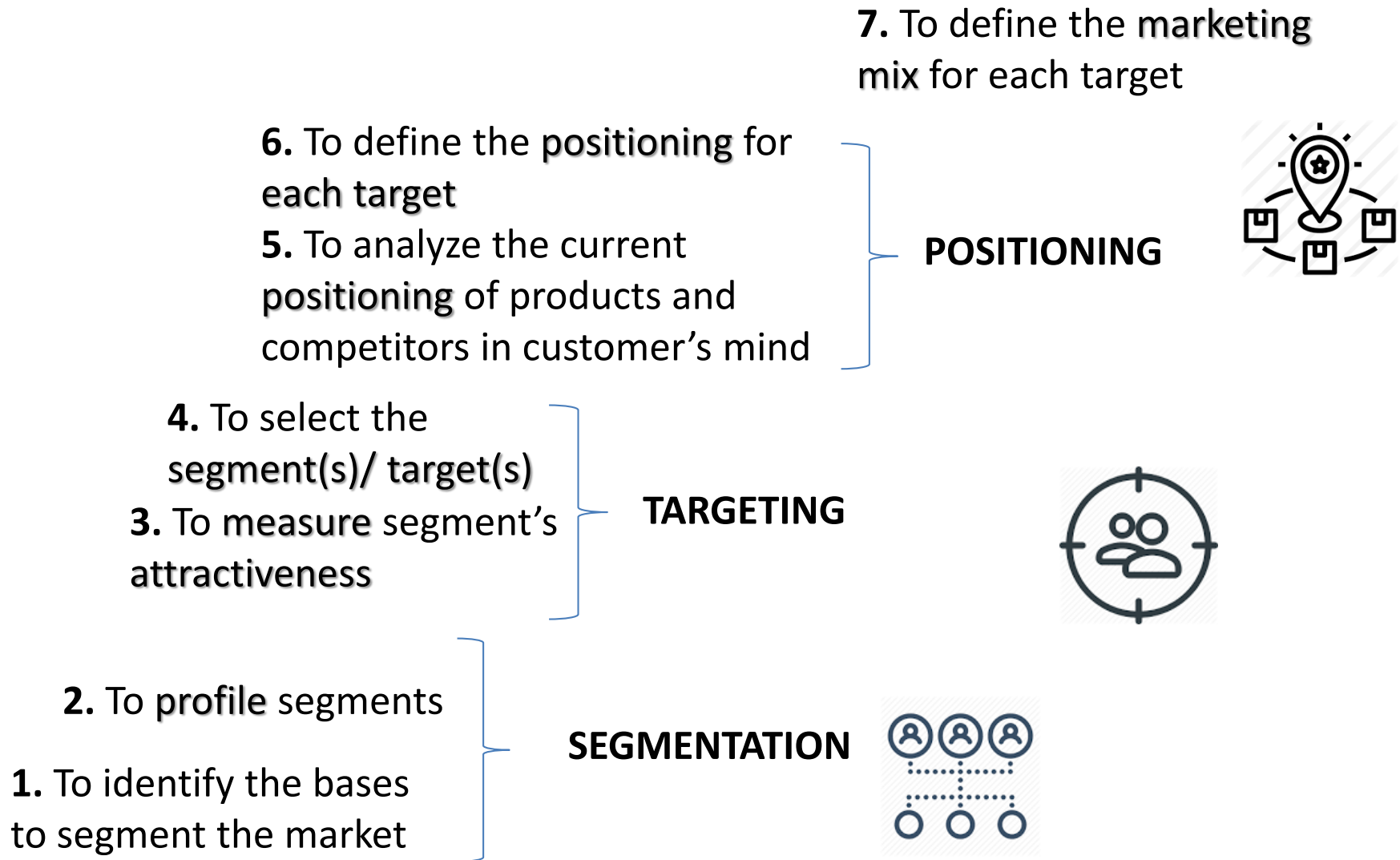
Positioning Map: Fashion



Positioning Map: Pasta Market

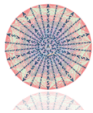


Marketing management **steps: a synthesis**





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THANK YOU.

Questions?
Comments?

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