Marketing Strategy in Service Business

- amegaro@unisa.it -

Programme

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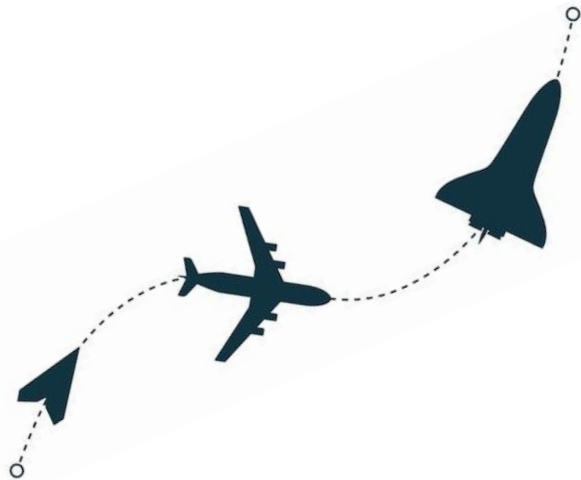
Case studies
Examples
Project work

Agenda: Lesson 3

- **Complexity** management

- **New approaches**: Relationship Marketing and Many-to-Many network; Experiential marketing; Unconventional marketing

Examples

3.1

Complexity management

Definitions of complexity

The world of business is increasingly interested in the evolution of research studies concerning **complexity**, in the widespread conviction that, to deal with new situations and survive in a context characterized by an elevated degree of dynamism, existing interpretation schemes, based on predefined and standardized solutions, are often insufficient.

Definitions of complexity

Phenomena for which there isn't a potential solution in the realm of *problem solving approach* can be identified, and they are ever more widespread and complex.

Should the phenomenon in itself be considered as complex?

Is it possible that the same phenomenon can be perceived as complex by one subject and even simple by another one?

In other words, what defines a phenomenon as "complex"?

Definitions of **complexity**

Decision makers are increasingly facing new situations and behave in contexts characterized by an elevated degree of dynamism (change, social inference, numerous actors, numerous external resources, different goals/perspectives)

This is the reason why their existing interpretation schemes, based on predefined and standardized solutions, are often inadequate...

Definitions of **complexity**

Definitions on complexity have to take into account the traditional distinction between *quantitative* and *qualitative* elements.

In quantitative terms, complexity generally depends on elements such as:

- *size of the market;*
- *number and parts;*
- *different social roles incorporated, the number of social personalities present;*
- *many coordination mechanisms.*

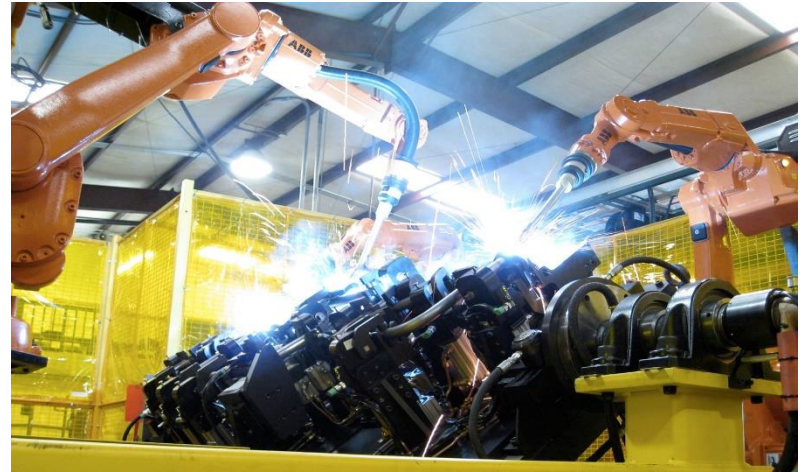# Definitions of complexity
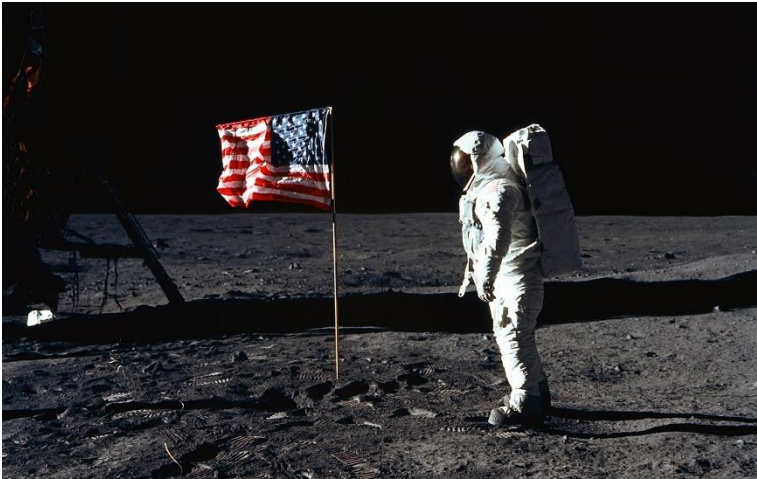
In the qualitative dimension:

- *complexity is characterized by a large number of parts that are linked in various ways;*
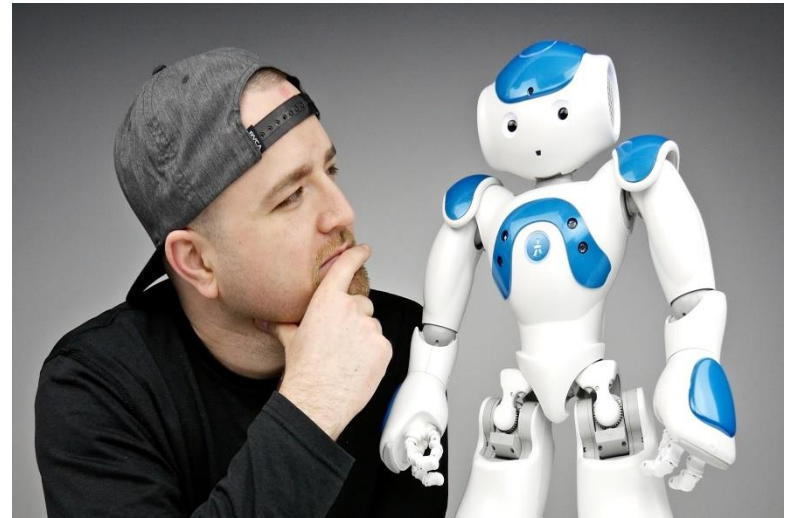- *complexity is an emerging phenomenon whose exact form cannot be predicted.*

Definitions of complexity

Do we share the same idea of complexity?

complication *versus* complexity

The Daily Telegraph

Manu keeps title hopes alive

astonishing win in US

up to 35%
Plus get a gift card worth £25

Coronavirus pandemic alert as UK and Italy hit

Four new cases in Britain, and Lombardy towns in lockdown after major outbreak

By Henry Bodkin
HEALTH CORRESPONDENT

'Furious' MI5 bosses deny Patel relations have soured

By Charles Hymas
HOME AFFAIRS EDITOR

BORBONESE

la Repubblica

Fondatore *Eugenio Scalfari*   Direttore *Carlo Verdelli*

Anno 45 - N°45   Sabato 22 febbraio 2020   Oggi con *Robinson* e *D*   In Italia € 2,50

L'EMERGENZA

Virus, il Nord nella paura

L'allarme Già quindici contagiati in Lombardia, tra cui medici e infermieri a Codogno. Un focolaio anche a Padova

Il blocco Dieci Comuni isolati, 50 mila abitanti costretti a rimanere in casa Scuole chiuse, no messe e partite di calcio

Il piano Il ministro Speranza: quarantena obbligatoria per chi arriva dalla Cina Salvini: confini blindati. Conte: non serve

In Veneto muore anziano contagiato: è la prima vittima in Italia

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The New York Times

"All the News That's Fit to Print"

Late Edition
Today, increasing cloudiness, mild, high 56. Tonight, cloudy, low 42. Tomorrow, cloudy, a bit of rain, high 50. Wind becoming east at 5 to 10 miles per hour. Weather map, Page D6.

VOL. CLXIX ... No. 58,613   © 2020 The New York Times Company   NEW YORK, MONDAY, FEBRUARY 24, 2020 $3.00

NEWS BRIEFING

Puzzles
Obituaries
TV listings
Weather

Sanders Seeks Knockout Blow Against Biden

Enjoying Pole Position in a Crowded Field

By SYDNEY EMBER and JONATHAN MARTIN

HOUSTON — Energized by his landslide victory in the Nevada caucuses, Senator Bernie Sanders turned his focus to President Trump on Sunday while his campaign made plans to try to win the coming South Carolina primary and amass an insurmountable delegate lead on Super Tuesday next week.

Mr. Sanders plans to be up on the air with commercials in every South Carolina media market this week, and his staff is scrambling to add new rallies to their schedule as they take aim at their next big target: overtaking the front-runner in Saturday's primary there, former Vice President Joseph R. Biden Jr., to all but extinguish his candidacy.

But attacks on Mr. Sanders began mounting on Sunday, with Mr.

CLUSTER OF CASES IN ITALY KINDLES FEARS IN EUROPE

CHALLENGE TO OPENNESS

In West, Virus Poses Test to Health Policy and Border Controls

By JASON HOROWITZ and ELISABETTA POVOLEDO

CASALPUSTERLENGO, Italy — Europe confronted its first major outbreak of the coronavirus as an eruption of more than 150 cases in Italy prompted officials on Sunday to lock down at least 10 towns, close schools in major cities and cancel sporting events and cultural touchstones, including the end of the annual Venice Carnival.

The worrisome spike — from fewer than five known cases in Italy before Thursday — shattered the sense of safety and distance that much of the continent had felt in recent months even as the virus

L'esperto

Ma la scienza può fermarlo

di Alberto Mantovani

Racconta una favola africana che un incendio si sviluppò nella foresta. Tutti gli animali fuggirono, tranne un colibrì.
● a pagina 38

L'intervista

Armani: la moda fa del male alle donne

di Serena Tibaldi

● a pagina 27

Perspectives of analysis

Complexity within the realm of social sciences, and therefore in business organizations, intervenes when it is forced to neglect a structural perspective to analyze the context, and needs to evaluate "objects", both tangible or intangible, not solvable through calculation criteria.

Observers are forced to analyze objects characterized by:
- indistinct relational boundaries,
- changing and evolving relationships (in time and space),
- emergent and not predictable behavior,
- dynamic social interactions.

Viable Systems Approach (vSa) as an interpretative approach

We can adopt the Viable Systems Approach:

- as an *interpretative approach* to qualify the concept of complexity, highlighting its **systemic nature**

- **-** as a governance approach for investigating the general **implications** of complexity for **decision making and** the specific **implications** for the **marketing approach**
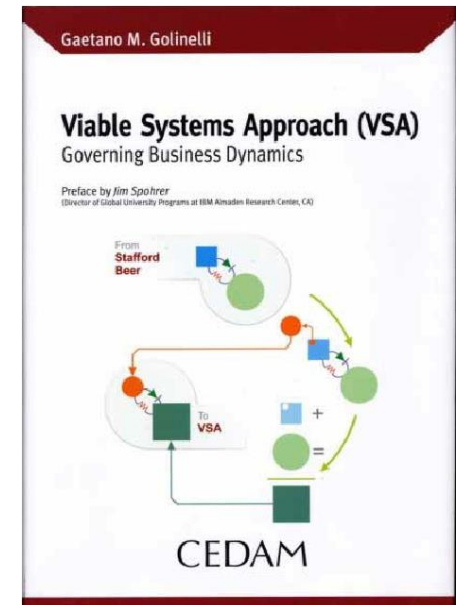
vSa as an interpretative approach

- Complexity does not characterize the system in itself, but emerges subjectively, charactering the interpretation of the context made by the decision maker.

- A phenomenon can generate chaos, complexity or simply complication. It depends on the interpretative capacity of the decision maker, not on the characteristics of the phenomenon (huge variety, variability, etc.).

- Complexity manifests itself when the interaction emerging from relations in a specific process does not respond to clear cut criteria of behavioral rules.

- Organizations are **viable systems** aiming at surviving in their **context**
  - the context conditions in which they act are relevant for the system's outcome

vSa as an interpretative approach

The VSA suggests that the adoption of a systemic view of the phenomenal reality helps to highlight some important aspects of complexity, which allow to manage organizations with greater awareness.

Different observers perceive different levels of complexity because the complexity is fundamentally linked to the understanding of the subject observer than the observed reality; it follows that it is necessarily **subjective**.

vSa as an interpretative approach

An observer with an important understanding skills and deep knowledge of the phenomenon observed, will be able to interpret the analysis in more than a untrained observer that, therefore, will give a more complex reality in question.

Ceci n'est pas une pipe.

Premises

Premise I
Different observers perceive different levels of complexity.

The affirmation in 1. postulates an important element: whilst referring mainly to a phenomenon as much as to a process or a material object being observed, the attribute *"complex"* qualifies not only the case or the object in itself, but also the *context* in which it is perceived.

It is not the problem in itself that is *complex,* but rather the relative problem solving process in which complexity emerges, depending on the perspective from which reality is observed and objectives are set forth.
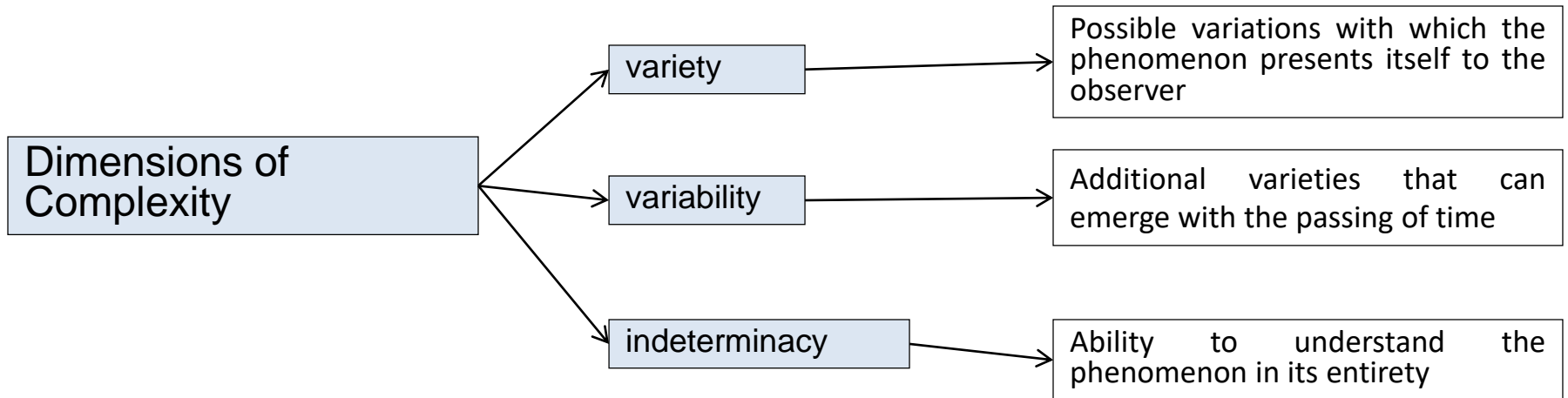
Premises

Premise II
An observer, at different times, perceives different levels of complexity.

The observer is in fact able to increase his knowledge and his understanding of the situation observed over time, and gradually he will perceive a decreasing level of complexity of the same phenomenon, since he, with a repeated observation, will be able to understand more and most operating rules and the explanatory variables than in analysis.
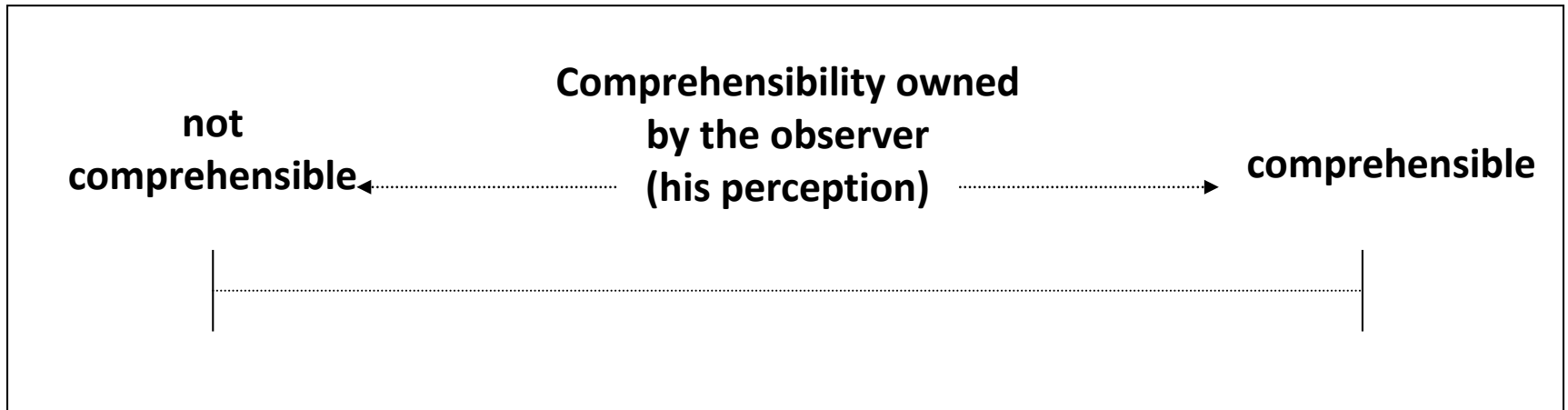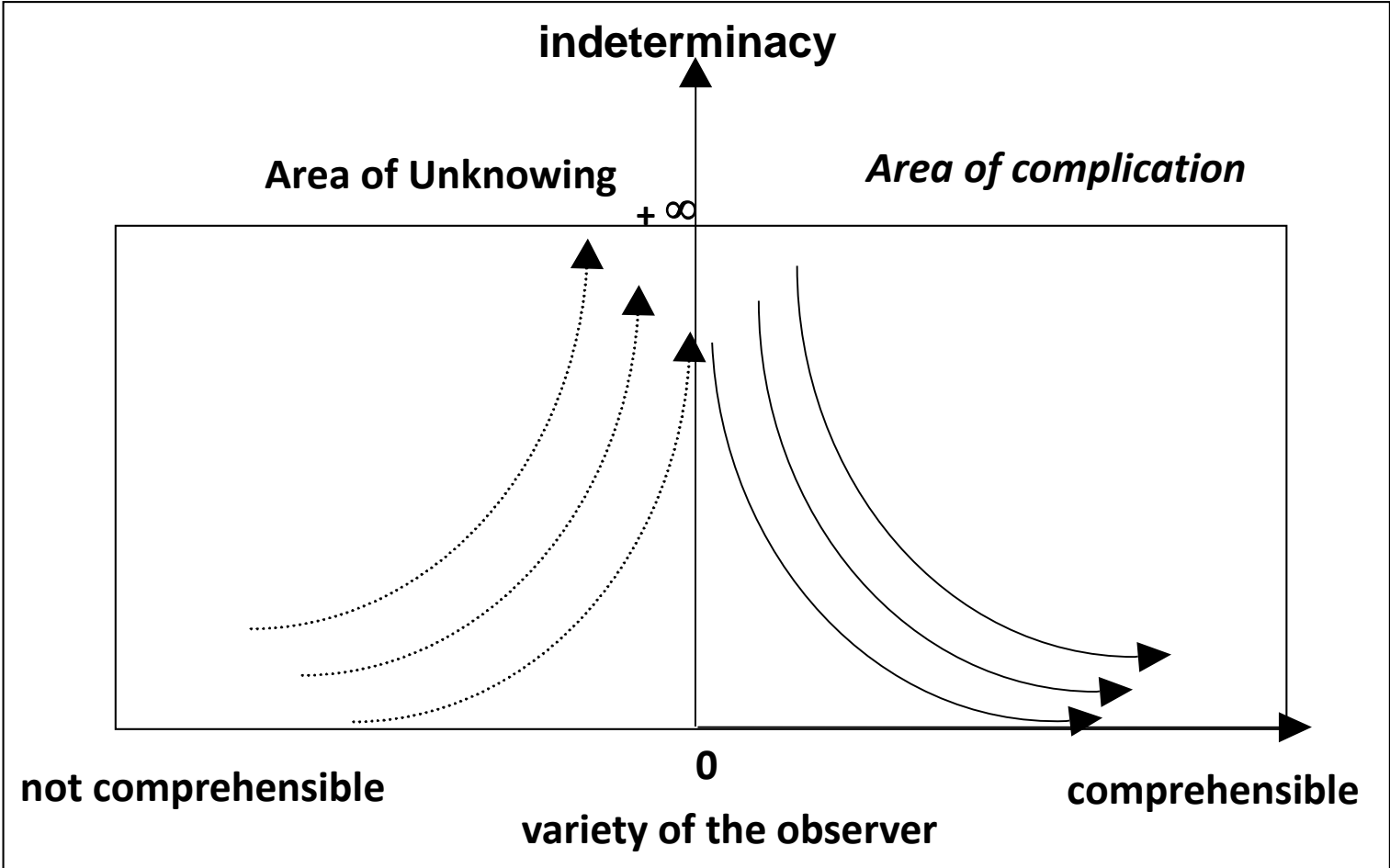
vSa as an interpretative approach

```
                                    ┌─────────┐      ┌────────────────────────────────┐
                              ┌────→ │ variety │ ───→ │ Possible variations with which │
                              │      └─────────┘      │ the phenomenon presents itself │
┌──────────────────┐         │                        │ to the observer                │
│ Dimensions of    │─────────┤                        └────────────────────────────────┘
│ Complexity       │         │      ┌─────────────┐   ┌────────────────────────────────┐
└──────────────────┘         ├────→ │ variability │→  │ Additional varieties that can  │
                              │      └─────────────┘   │ emerge with the passing of time│
                              │                        └────────────────────────────────┘
                              │      ┌───────────────┐ ┌────────────────────────────────┐
                              └────→ │ indeterminacy │→│ Ability to understand the      │
                                     └───────────────┘ │ phenomenon in its entirety     │
                                                        └────────────────────────────────┘
```

- **variety**
  - Characters of differentiation of the phenomenon
  - Aspects of the identified character
  - Explicative attributes of the aspects
  - Numerosity of elements and interdependencies

- **variability**
  - New attributes previously unknown
  - Changes affecting the quantitative measure of a phenomenon

vSa as an interpretative approach

Level of subjective
understanding of the variety

**Comprehensibility owned
by the observer
(his perception)**

**not
comprehensible**

comprehensible

vSa as an interpretative approach

Representation Model of Complexity

vSa as an interpretative approach

Usually it should be possible to contrast what is *simple* with what is *complex,* the dichotomy exhausting all casuistry of phenomena and possible   events.   By definition   what is intended   as *simple*,   by exclusion, establishes what is *complex.*

A more adequate process would consist in a taxonomy that includes in the description of phenomena and events, the categories of *chaotic* and *complicated.*

Only then would it be possible to detect and justify circumstances and situations that are generically   definable as *complex* but that in substance can be considered   at most governable   (with commitment)   and defined *complicated*   and in other cases, as ungovernable, impossible to frame within any type of interpretation scheme and therefore, *chaotic*.

The knowledge curve: the «4C»

In business economics, changing contexts, have led to the constant revision of reference paradigms where the inefficiency of interpretation schemes based on non codified rules have resulted in complexity.

This is best expressed in the **curve of the "4C"** where individual knowledge is applied initially in a context of chaos, i.e. incapacity to understand the dynamics of the phenomenon/problem observed and an interpretation scheme of cognition is devised through three phases: abduction, induction and deduction.
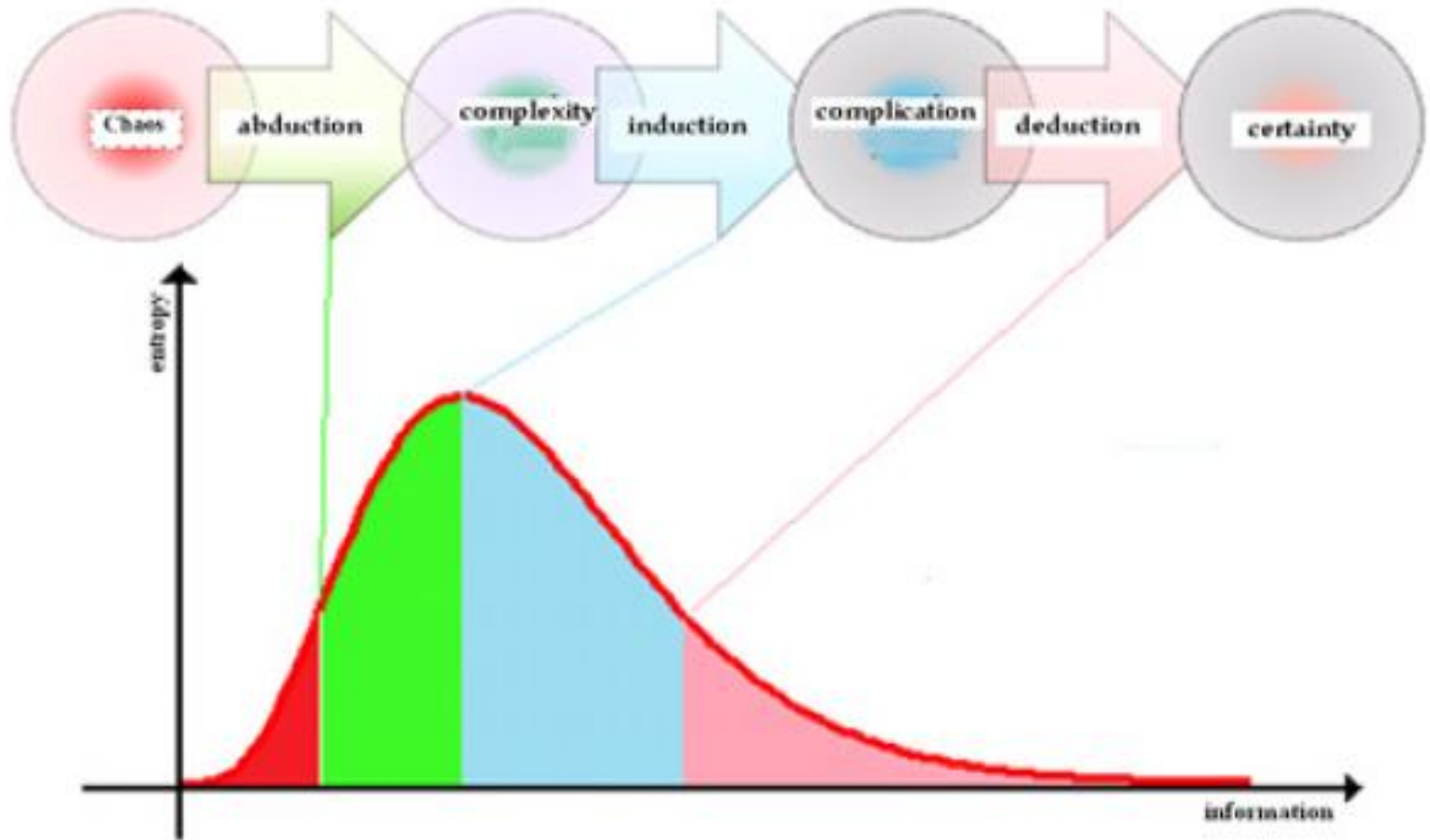
The knowledge curve: the «4C»

The knowledge curve: the «4C»

entropy

information

Problematic situation: CHAOS

In the chaotic phase, the incoming information confuses the decision maker; he is unable to use the incoming information to circumscribe the phenomenon.

There is a trend towards states of ever greater disorder.

The knowledge curve: the «4C»

entropy

ABDUCTION

The decision maker has a decisive idea. The solution idea allows him to start observing more clearly.

Abduction occurs in a moment of cognitive effort: it takes passion, interest, commitment.

Abduction ≠ Intuition that does not presuppose the availability of information.

information

The knowledge curve: the «4C»

Problematic situation: COMPLEXITY

The growth of entropy is still ongoing and the confusion is still increasing, but at a decreasing rate. The decision maker still does not know how to approach the problem. In this phase, the maximum peak of entropy is reached.

information

The knowledge curve: the «4C»

INDUCTION

Induction implies the empirical test of the hypothesis developed in the abductive moment.

In this phase the decision-maker has built an interpretative scheme but has to understand if it may be valid or not to solve that situation.
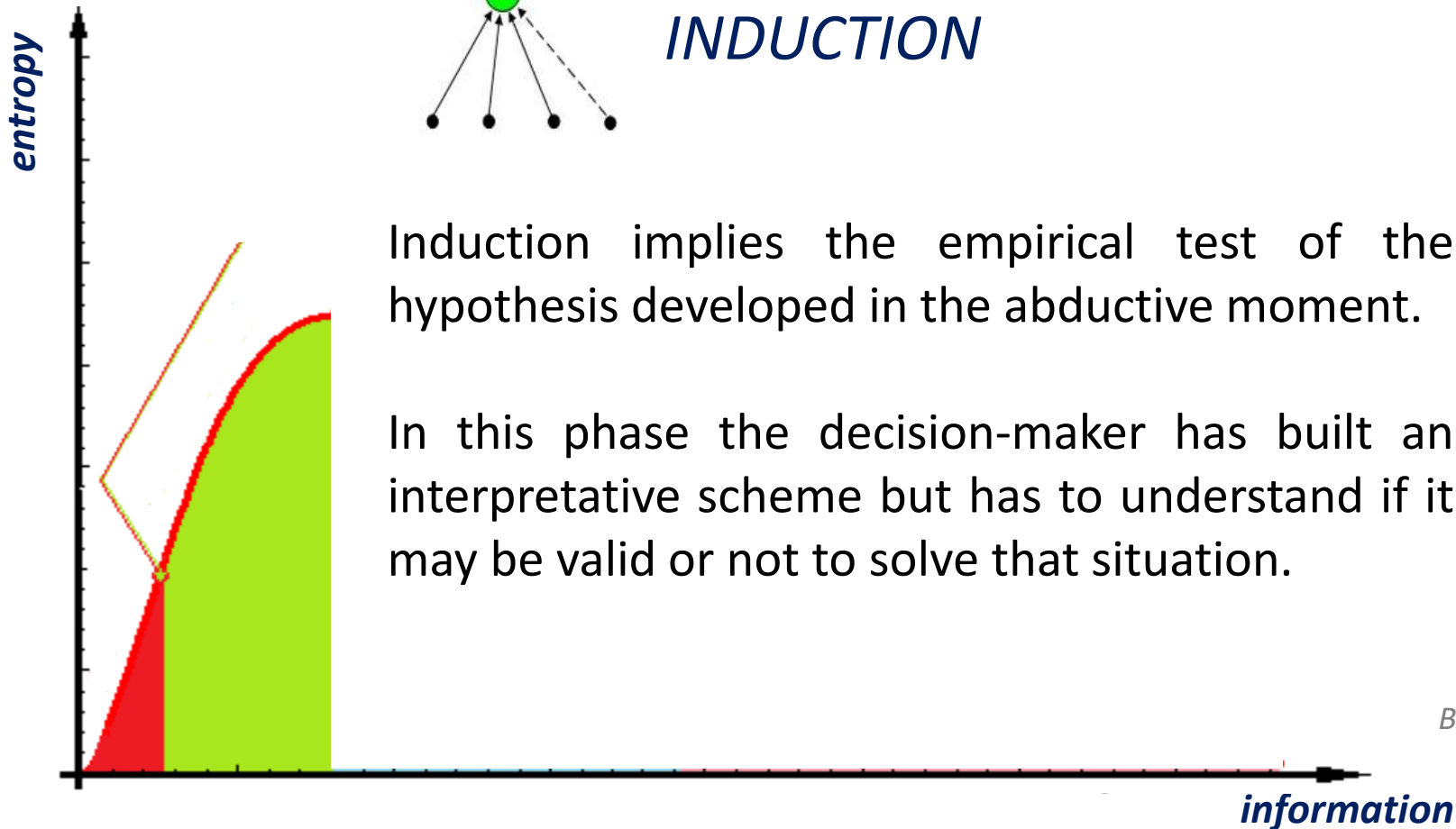
Barile, 2009

The knowledge curve: the «4C»
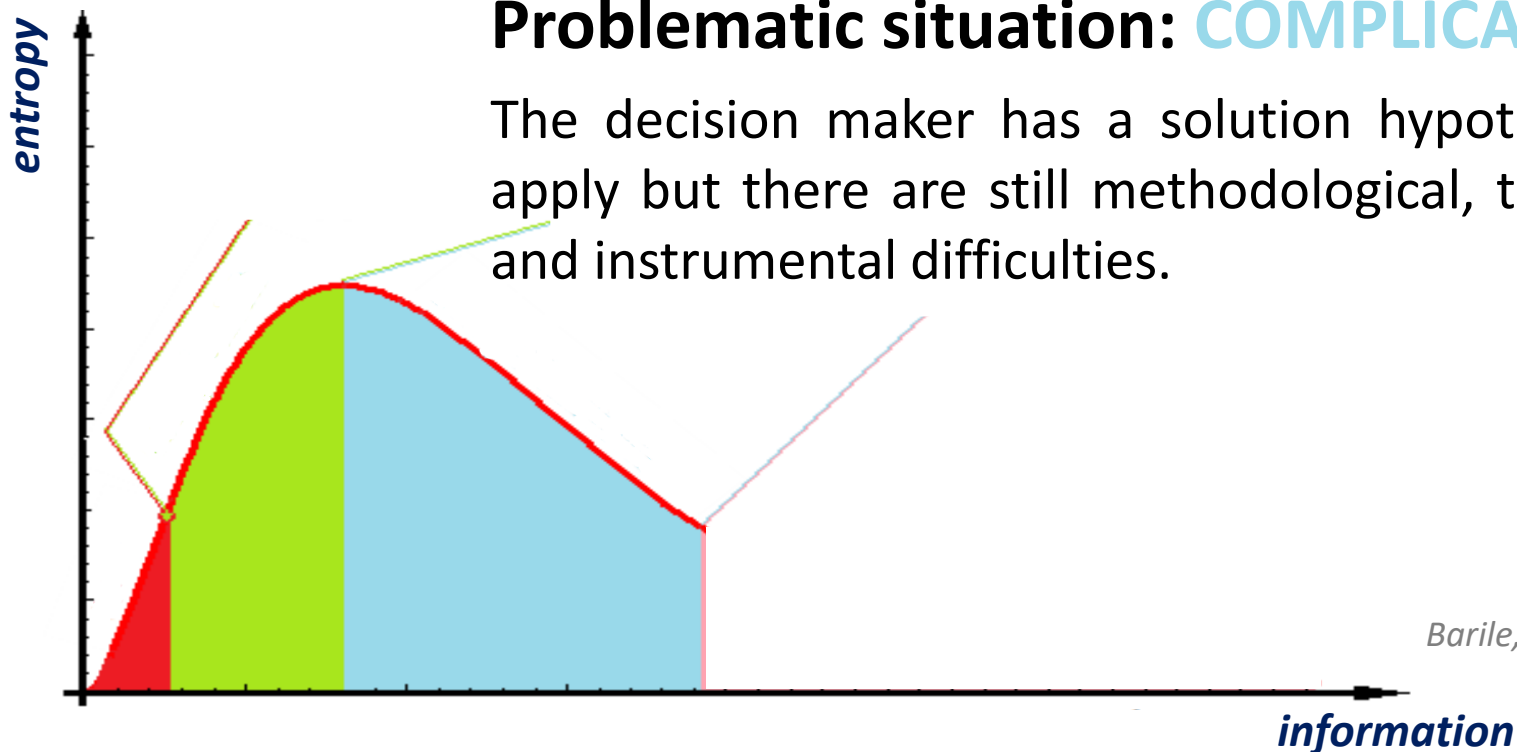
Problematic situation: COMPLICATION

The decision maker has a solution hypothesis to apply but there are still methodological, technical and instrumental difficulties.

Barile, 2009

entropy

information

The knowledge curve: the «4C»
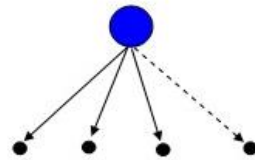
DEDUCTION

The hypothesis test gave a positive result.
The hypothesis, confirmed by experience and repeated application to the problem, is schematized in technique or operating model.
This phase is centered on the formalization of problem solving criteria, as a specific interpretative scheme for a generalized use.

Barile, 2009

entropy

information
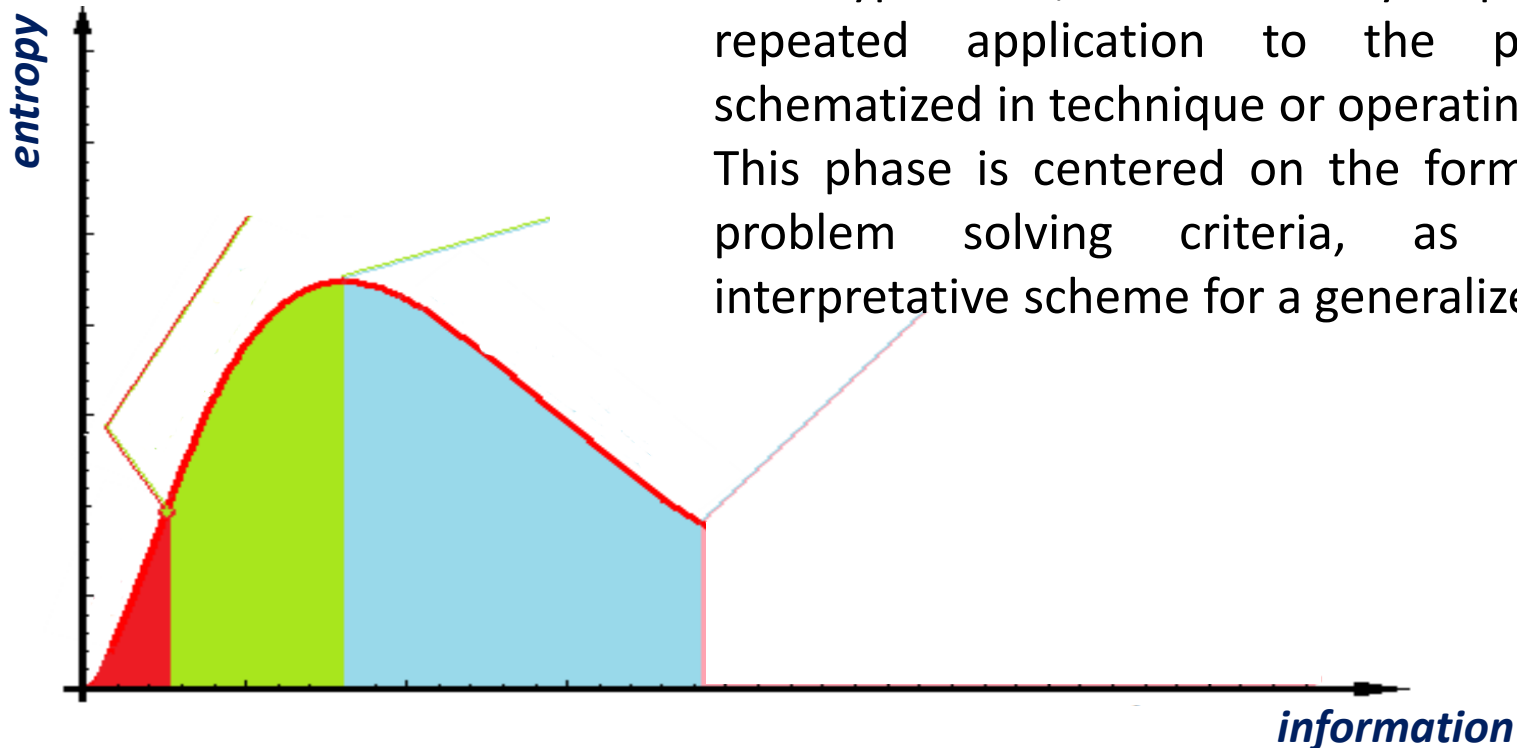
The knowledge curve: the «4C»

Problematic situation: CERTAINTY

The area of certainty is the area in which the problem appears to be completely overcome. The decision maker, at this moment, has full knowledge of the problem and of the solution path. He only needs new information to better circumscribe the situation and how to manage it.
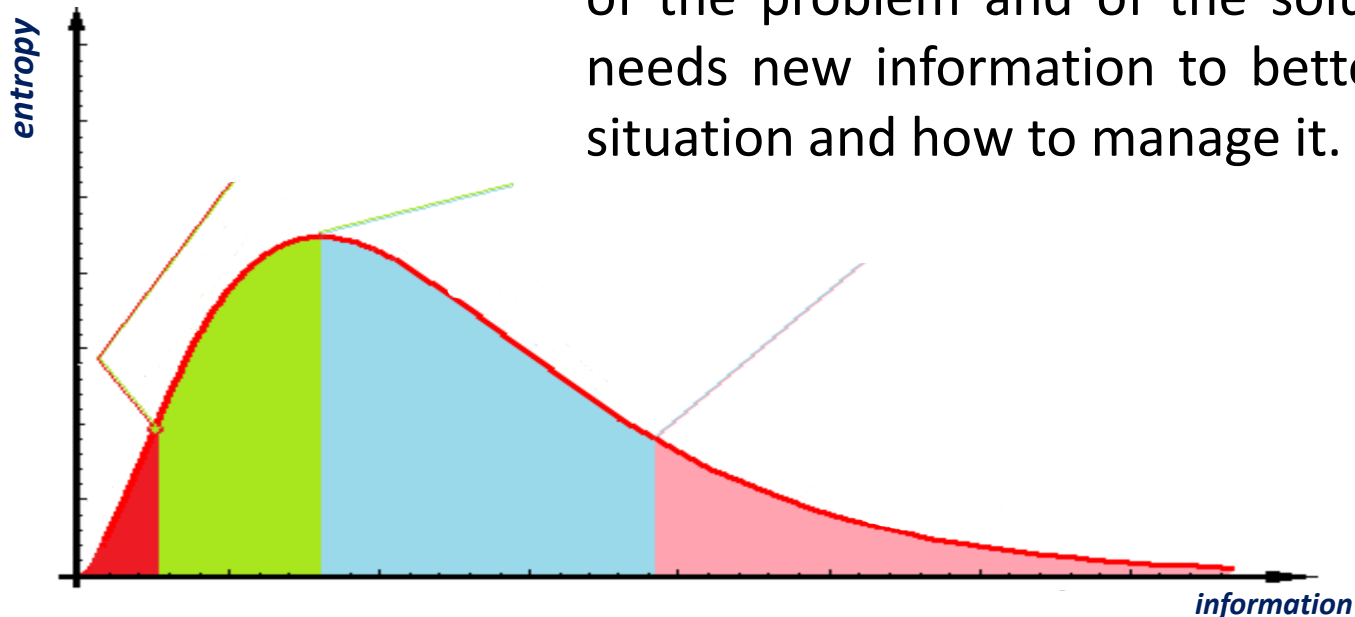
Barile, 2009

The knowledge curve: the «4C»

The curve of the "4C" illustrates the distinction between the three *critical phases* relative to the evolution through problematic situations of *chaos, complexity, complication and certainty*.

1. abduction, by means of creativity, posits a solution to the problem;
2. *induction,* implies the empirical testing of such a hypothesis;
3.*deduction*, is centered on the formalization of problem solving criteria, as a specific *interpretation scheme* for generalized use.

The described dynamic manifests itself each time context conditions change and decision makers are impeded from fully grasping the change.

3.2

From Traditional Marketing to Relationship Marketing

Traditional Marketing
TALKS AT PEOPLE

Relationship Marketing
Talks with them.

www.c4compete.com

From traditional to Relationship Marketing

A New Perspective of Marketing

From

Traditional Marketing

to

Relationship Marketing
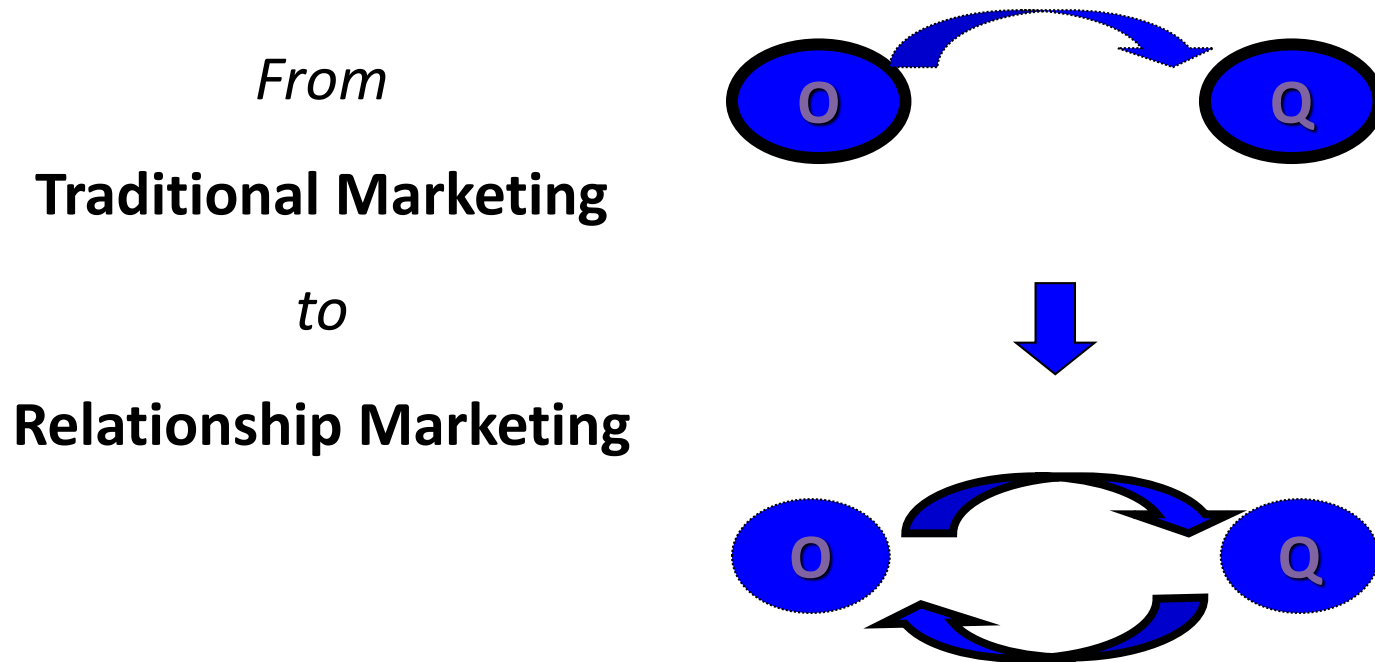
From traditional to Relationship Marketing

Relationship marketing involves a change in managing the relationship with customers and other stakeholders.

This change involves the adoption of a collaborative logic, in the management of a business and in the managing the relationships with other actors.

From exchange…

… to strategic relationships

From traditional to Relationship Marketing

The ***exchange approach*** implies that the companies involved in the transaction are oriented to exclusively maximize subjective value.

Search for the subjective maximization of the value generated by the transaction.

operator "A"

Transaction

operator "B"
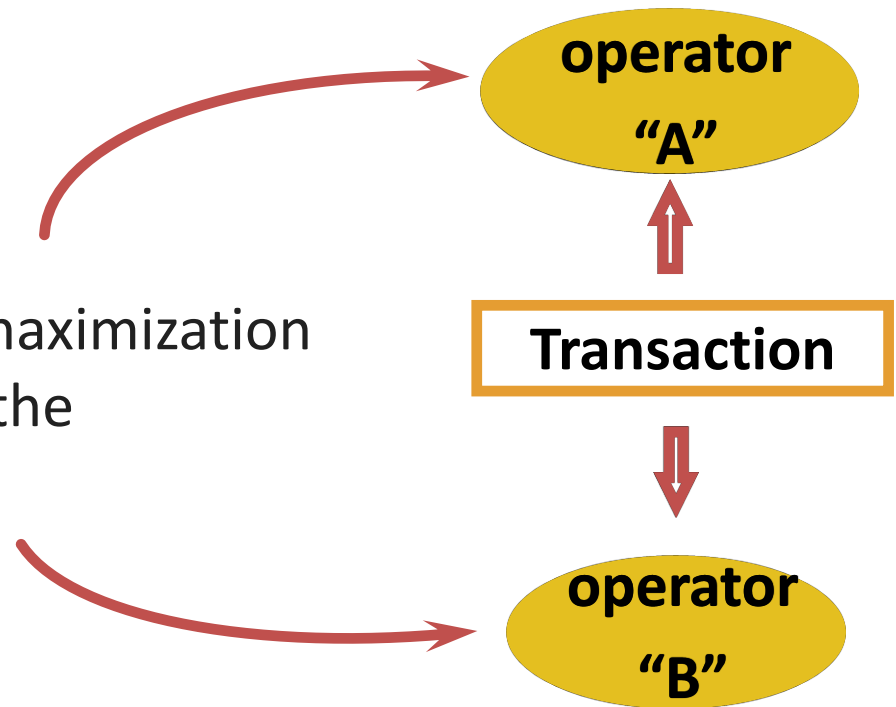
From traditional to Relationship Marketing

The **Relational Approach** implies that companies involved in strategic relationships are oriented to create and share new value.

Contribution to maximize total value of the relationship.

operator "A"

↑

Relationship

↓

operator "B"
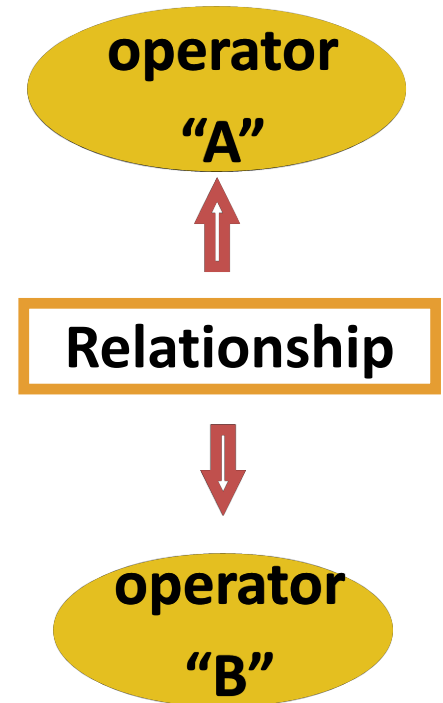
3.1

Relationship Marketing
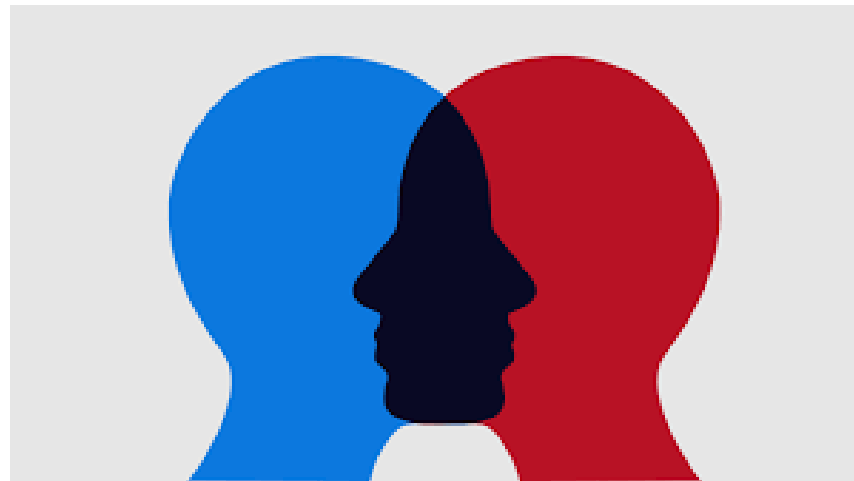
NOW: We are all prosumers

Read / Write

Content for sharing any information that serve some Information need
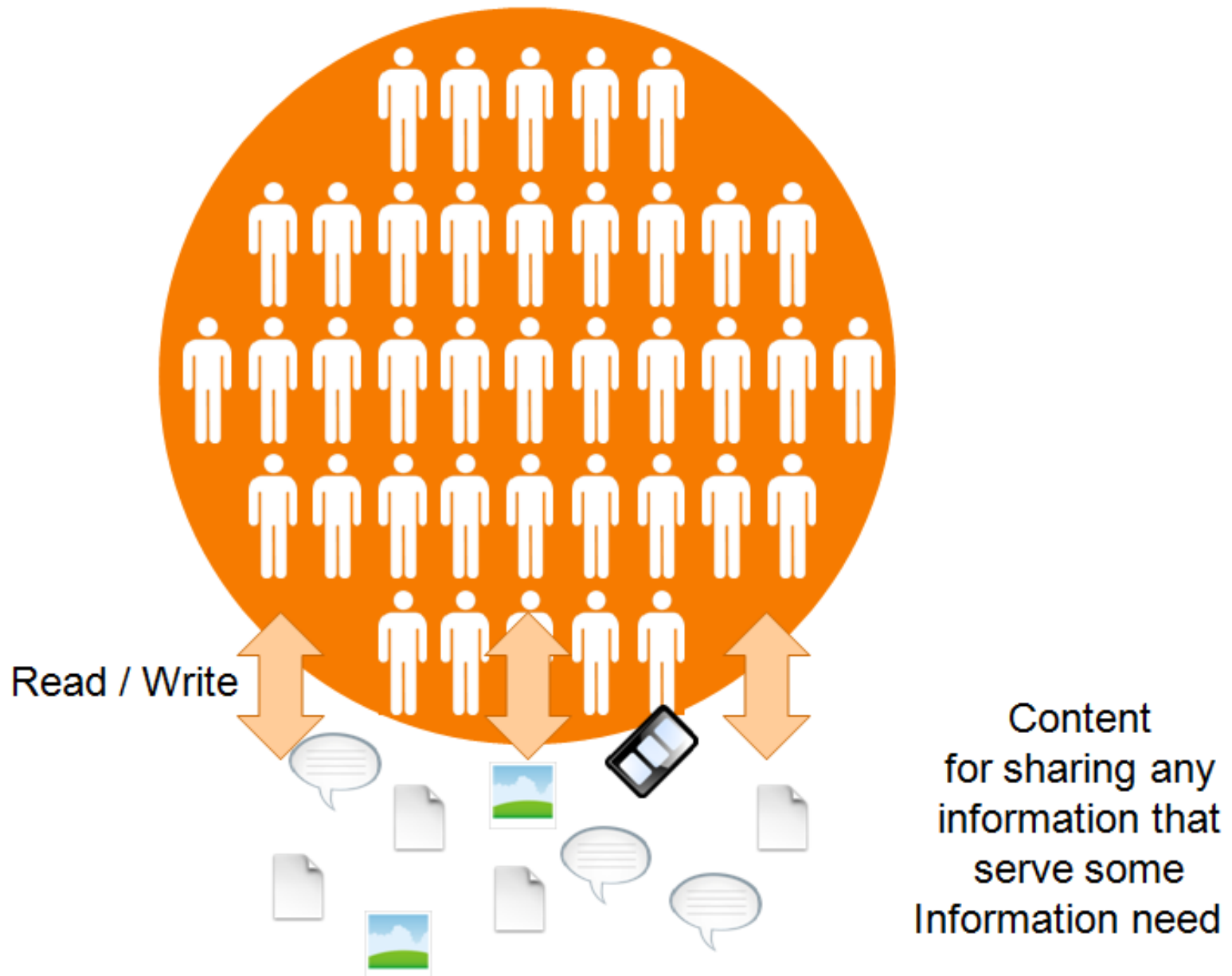
Relationship marketing: example of prosumer

BUILD YOUR OWN SANDWICH

1. CHOOSE YOUR BREAD TYPE
- white
- brown
- whole grain
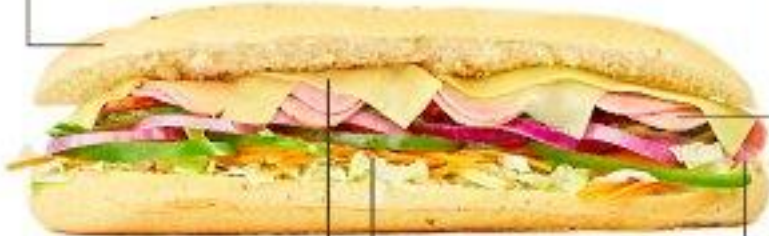
2. CHOOSE YOUR FAVOURITE FILLINGS

chicken / pork / shrimp / fish / veggie

4. CHOOSE YOUR VEGGIES
- lettuce
- carrot
- tomato
- cucumber
- green pepper
- onion
- pickles
- olives

3. WITH CHEESE OR NOT?

5. CHOOOSE YOUR DRESSINGS :

mayonnaise   cheese   pepper sauce   thousand island   sesame

wasabi   spicy bbq   yellow mustard   grape vinegar   ketchup   chili

Relationship marketing: example of prosumer

Relationship marketing: example of prosumer

3 Dec - 7 Dec · $100 AUD
Comfortable Hills Studio
★★★★☆

Public feedback

Robin is a friendly and cheerful host who responds to our needs. His house is centrally located between city, Victor Harbour and Barossa Valley. Hahndorf is just a short drive away too and there are supermarkets and eateries nearby. He has a friendly dog and we enjoyed her company.

Public response

Reply to this review

Private feedback

🖉 This is just for you. It won't appear on your listing or pro

Thanks Robin for hosting us. We wish you and far bless you all!

airbnb

Alejandra
Dec 20 - Dec 22 · $190
【 Walk Score 80 】 Wrap-Around Deck 【Next to GG Park】
★★★☆☆

Public feedback

The house smelled like mold and humidity. The beds were comfortable and linens were clean. It is a very old home with no updates. The bathroom felt dirty and there is no proper shower curtain. The makeshift curtain was taped to the shower entrance and the shower had a lot of mold. No proper ventilation and only space heaters. When we woke in the morning we found that the glass doors and windows were wet from condensation. While the location is great, I would not recommend this place.

Public response

Thank you for the feedback, it's really helpful! I am planning to update a few things over the coming weeks.

Relationship marketing: origins

After 1960...	After 1990...	After 2000...
CUSTOMERS ORIENTATION	**Relational Marketing (RM) Customer Relationship Management (CRM)**	**Many-to-many approach**
Customers as the **pivot**, the focus of attention in the market	The focus is on **the relationships** between **two** **key actors**	**Network orientation** Focus on **multi-levelled networks** of actors/ stakeholders

Customer
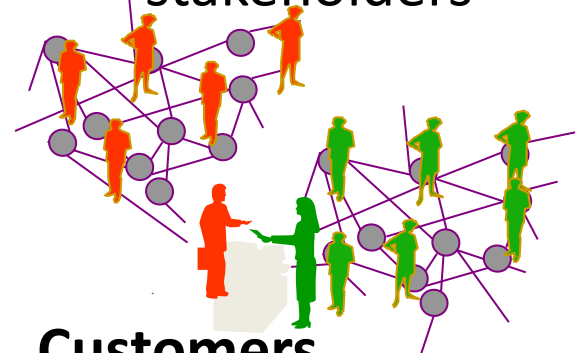
Customer ← → **Provider**

Customers

Providers

Relationship marketing: origins

Hakansson (1979)

Establishing, negotiating and managing relationships with stakeholders is essential to obtain sustainable competitive advantage based on long-term agreements.

The management of relationships between the company and the main stakeholders is entrusted to marketing which should represent the "sensitive soul" of the company capable of understanding, adapting, proposing, measuring.

Kotler (1992)

Focus on long-term objectives and relationships

Relational marketing: origins

Berry (1983)

Service is created, built and developed to start, maintain and improve relationships with users.

Bendapudi and Berry (1997)

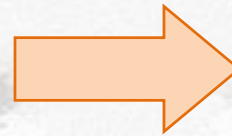Four variables influence the characteristics of relationships:

1. Environmental dimensions

2. Service providers' main features

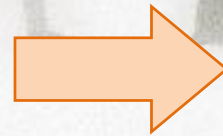3. Consumers interested in the service

4. Interactive dimension
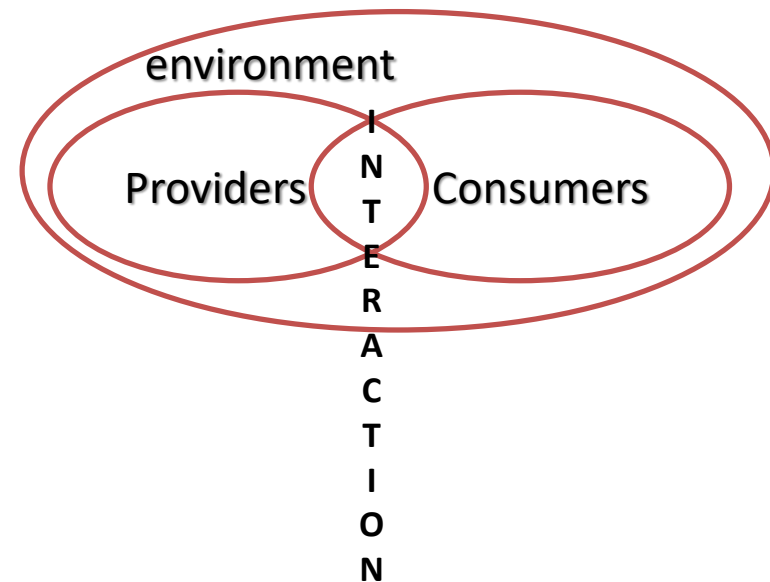
environment

Providers   I N T E R A C T I O N   Consumers

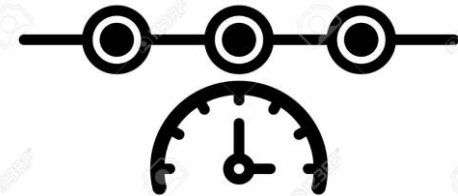# Relationship Marketing

Relationship Marketing

Aim: to increase the value of relationships with customers through the enhancement of users' loyalty

Definition: Creation, development, maintenance and optimization of relationships between customers and organizations

Selection and analysis of specific targets (not anymore broad segments) to reduce the asymmetry between the company and every single user through **multi-channel** strategies: from classic media (telephone/ print) to web communication

Bidirectional relationships and increased knowledge of users

Relationship Marketing: a new mindset

A change in the managerial approach to relationships with users and stakeholder is needed

Shfit to a collaborative approach to relationships that pursues total value maximization and subjective value maximization to improve:

- Synergistic relationships and involvement in the value creation;

- Long term partnerships that contribute to system's well-being.

Relationship Marketing

Identification of strategies to establish durable relationships
consumers-brands

THROUGH the involvement of target users in long term programmes that provide immediate benefits and sense of belonging to brand

⇩

ONE-TO-ONE: direct relations between
consumers- companies and **brand-targets**

Personalizing Relationships

ONE-TO-ONE RELATIONSHIPS

- **Personalization** of relationships with users, seen as *unique individual* entities with specific *needs*.

- Customers become partners of organizations and contribute to the design of value proposition for theirselves, for the organizations, for other customers

- Development and creation of relationships based on **interactivity**, **connection** and **mutual learning**

- New technologies, social networks and IT systems contribute to engage customers in business **decision- making**

Personalizing Relationships

To optimize relationships, personalizing strategies are needed

- Creation of different targets with different needs for different actions and service offering;

- Knowledge on users' requirements, needs and tastes;

- Bidirectional communication.

Personalizing Relationships

- **Marketing mix – Personalizing product**

Product operational decisions concern attributes such as packaging, brand, materials

Personalizing Relationships

- **Marketing mix – Personalizing product**

"Share a Coca-Cola" vs "Nutella is you"

Divergence of intent between the two brands: while the first - starting from the person who buys the drink - wants to involve other people, meaning the buyer as a sort of donor, the second stops with those who buy Nutella who, therefore, do not donate and he does not share, but keeps it for himself.

Coca-Cola's choice could be defined as "social".
Nutella's choice as "individual".

Both, therefore, try to release a viral-emotional contamination, taking - however - different paths at some point.

Personalizing Relationships

- **Marketing mix – Personalizing price**

Customizing the price means setting different prices for each customer, also possible thanks to Internet:

- different prices depending on the quantity (eg. Reduction of shipping costs based on volumes of sales)

- group prices: different prices for each group of customers with homogeneous characteristics (no shipping costs for Amazon Prime subscribers)

Personalizing Relationships

- **Marketing mix – Personalizing place**

Pizza Hut Table

https://www.youtube.com/watch?v=xvT0MCugb58

Pizza Hut proposes this concept to indicate how ordering a pizza could become an experience in the near future.

The concept is a restaurant table with multi-touch technology that allows you to customize, order and pay for the pizza you want with a few simple touches on your smartphone.

You can pay by simply placing your smartphone on the table thanks to the next NFC technology and wait for the order, perhaps while we are playing on the table which in the meantime has transformed into the mega second screen of your smartphone.

The new pizza experience is served.

Personalizing Relationships

- **Marketing mix – Personalizing promotion**

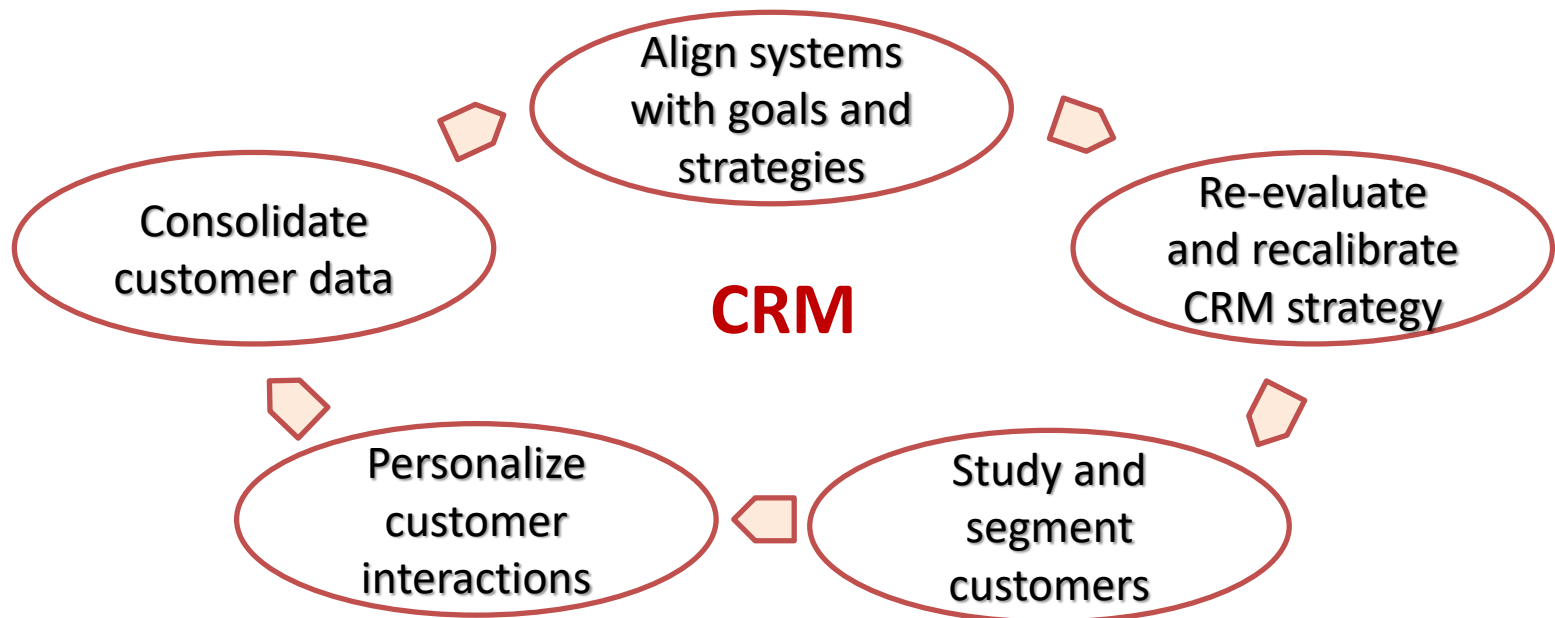**Special birthday promotions**

A clear communication plan must be created, because loyalty is a transversal process in which it is necessary to know and be known.

Customer Relationship Management

Berry, 1999 Pride and Ferrel, 2005; Schael, 2005

- ✓ Model for that all-encompasses *pre-delivery and post-delivery*

- ✓ Key role of information systems and technology

Customer Relationship Management
Everyone is much more than a customer

Customer Lifetime value

Life stage defines a person's major concern

Relationship Marketing

Relationships can be developed over time through:

The sharing of a common language: that can enhance knowledge sharing and the exchange of information that increase marketing collaboration and the creation of a cohesive set of value

A coherent culture: based on common **trust** and **shared purposes** that allow at reducing uncertainty and opportunistic behaviors of partners

Relationship Marketing

To **retain** customers (and obtain loyalty) is better than acquire new ones with the reduction of service quality

The aim of relationship marketing is to establish, strengthen and renew over time stable and durable relationships with customers to *create* and *regenerate* constantly the production of mutual benefits

RESOURCES - WHY?

- Recurrent in our literature
- Useful in practice (**limited**)

Resource integration in S-D Logic

Resources are not inherently " valuable, " but become more or less valuable depending on the context of their integration
(Chandler and Vargo, 2011).

Resources are not, they become

(Zimmerman, 1951; Vargo & Lusch, 2014)
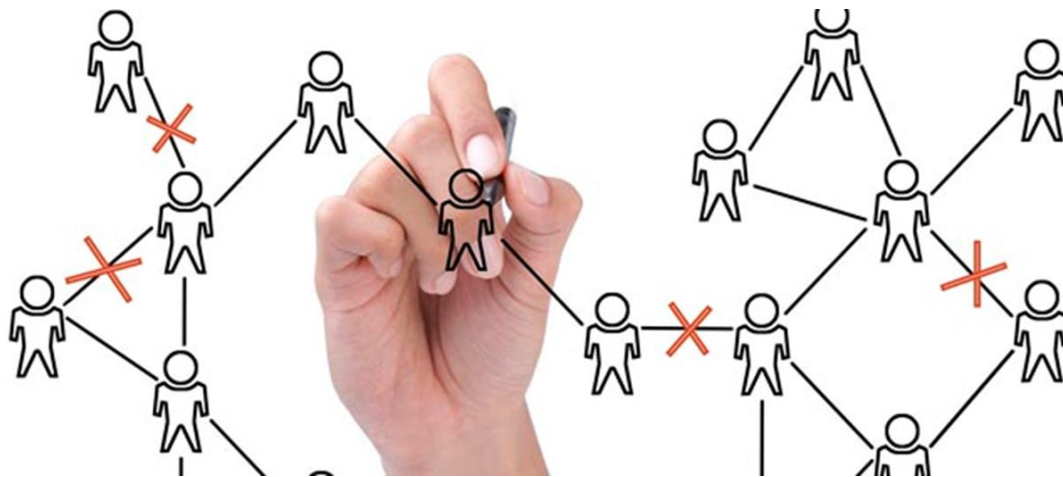
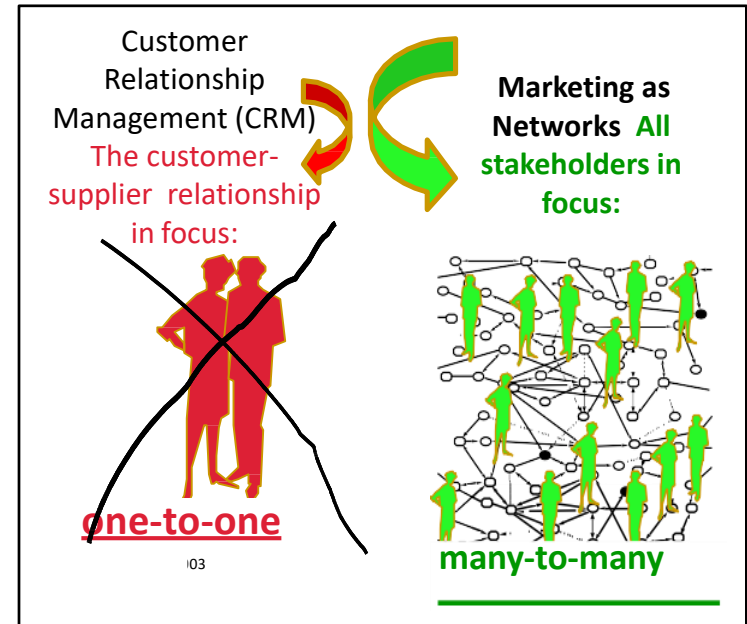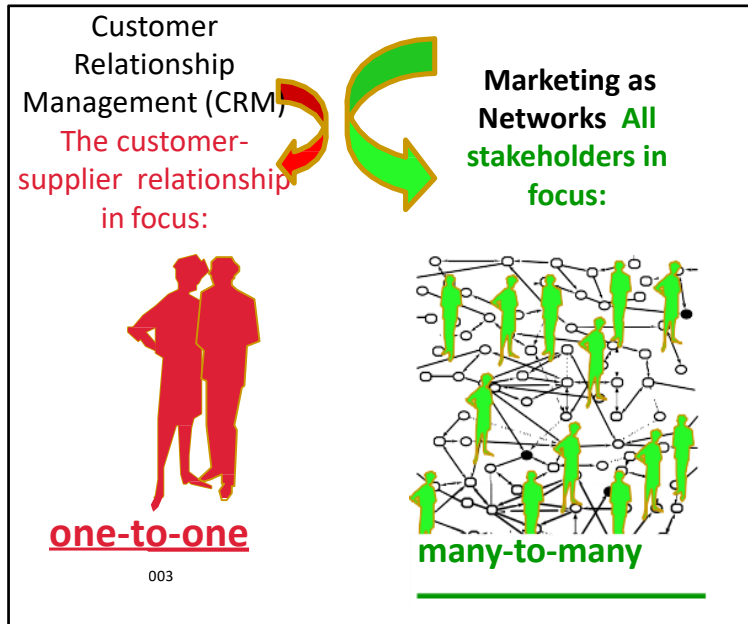Information   Time   Capabilities   Relationship

3.3

Total Relationship Marketing

Many-to-many Marketing

Many-to-many marketing is an expression that describes and analyses the network aspect of marketing.

Network

Some terms have been used to describe the voluntary links between firms and other economic entities, including network, "heterarchy" and "polycentric structure".
However, the term "network" is now generally accepted to describe this **emerging economic entity**.

The networks originate from the desire of different actors to be involved in a common process to enhance resources, skills and synergistic activities.

Relationships exist if there is a network (in theory even composed only of the elementary link between two nodes), which in turn takes shape through the organization of the relationships between the nodes.
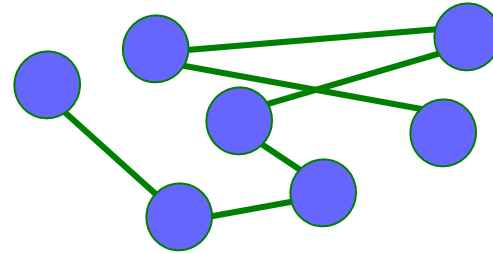
Network

These networks embed suppliers, partners, general practitioners, individuals, banks, government agencies, operators and all those subjects who cannot be considered separately in their operational context, but must be involved in systems from which to benefit from collaboration, roles, rules and strategies.

Network theory attempts to analyze the **phenomena of sharing resources and objectives**, in terms of organizational constructs - including "nodes", "links", "aggregation forces", "central control", "dynamic equilibrium" and "structural variability", used to explain the multiple contributions to **value creation** within the observed systems.

What is a Network?

Endless definitions!

Between these:

"a specific set of links between a specific set of actors with the additional property that the characteristics of these links as a whole can be used to interpret the social behavior of the observed actor"

Network Analysis

It assumes the importance of relationships and interactions between actors and includes theories, models and applications expressed in terms of relational concepts and processes.

In network theories, the unit of investigation is never isolated, but it results as a set of actors, interrelated.

Network studies focus on:

- Dyads (2 actors and the links between them)
- Triads (3 actors and the links between them)
- Network aggregates with a greater number of actors (network)

Network Analysis principles

- Actors (and their actions) are seen as interdependent, rather than autonomous and independent units;

- the relational links between actors are channels for the transfer and/or flow of resources (tangible or intangible);

- network-based models see the environment surrounding the network structure as a source of opportunities and constraints on the action of the actors (nodes) taken individually;

- such models conceptualize a structure (social, economic, political, etc.) as a stable network of links between actors.

Network Analysis principles

- Actors linked with others through social ties
- A bond establishes a correlation between at least one pair of actors
- There is a transfer of resources (tangible / intangible: information, transactions, skills, services, etc.)
- **Behavioral interaction: an interaction emerges from the relationship!**
- Sometimes they are formal bonds (authority)
- Sometimes they are informal, but based on strong attractiveness (weak ties such as: esteem, generosity, power, interest, friendship, etc.)

Network Analysis principles
Relationships - interactions

- A relationship structurally describes the possible link between 2 actors (connects 2 nodes).

- Between actors various types of links can be detected and evaluated (between 2 same nodes there can be different links depending on the perspective).

- The relationship refers to the static / structural moment, therefore it does not require an actual exchange.

- When the relationship is activated, there is interaction, exchange.

Each Network is characterized by:

1. Presence of heterogeneous actors (nodes);

2. Relations (connections) between various elements (static condition, concerning the structure);

3. Common goal (equality);

4. Sharing of resources;

5. Existence of a government (be it centralized or widespread);

6. Willingness to define rules, principles, limits and boundaries;

7. Interactions between subjects inside and outside the Network (dynamic condition, concerning the system);

8. Sustainability orientation (long-term survival).

Network theories

These networks involve supplier and customer networks with dense and intricate connections, and are win-win based and service-oriented.

The network view of decision making imply that many contributing actors *more or less consciously* support value creation processes, thus also supporting business competitiveness.
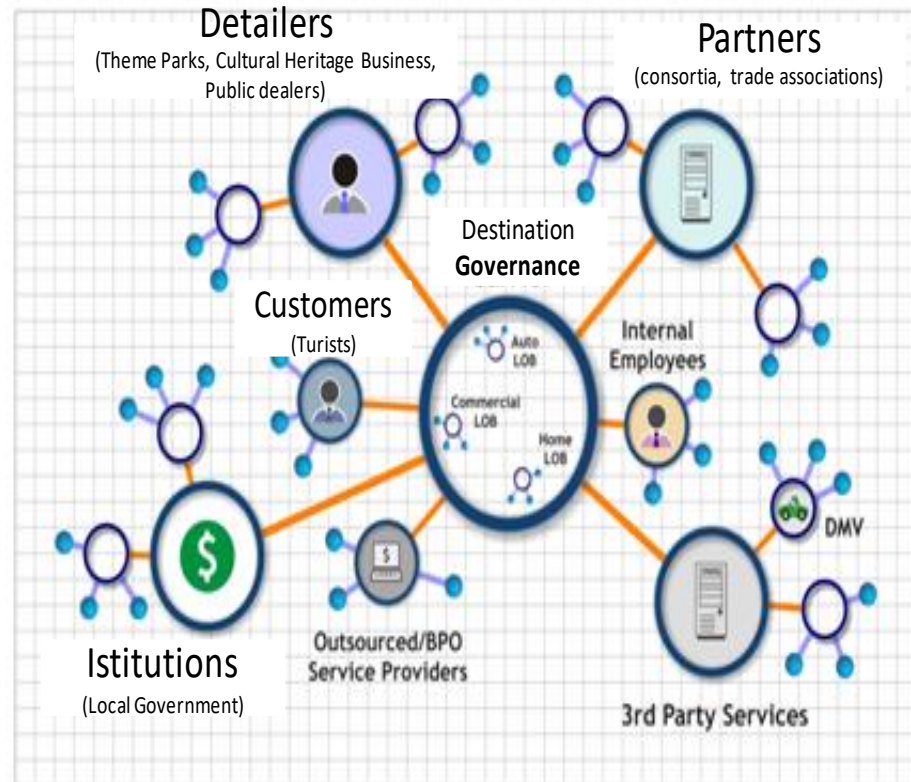
System relationships lead business actors to a necessary *mutual satisfaction* for diffuse value creation and competitiveness.

Value generation and **Networks**

Network

More win-win interactions, more value

Many-to-many Marketing

From relational and systemic 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*.

Many-to-many Marketing
Example: Healthcare

An hospital is represented by its own interface (the administrative counter or the laboratory technician, or the specialist doctor), but all of these actors are part of a much wider relational network in which there are: doctors, nurses/health workers, auxiliary staff, administrative staff, electromedical equipment suppliers, diagnostic equipment suppliers, other generic suppliers of the Diagnostic Center, etc.

The Patient, on the other hand, is embedded in a relational network composed by himself and his family, the general practitioner, the specialist doctor, the pharmacy, the hospital, etc.

Relationship between an hospital and its patient.

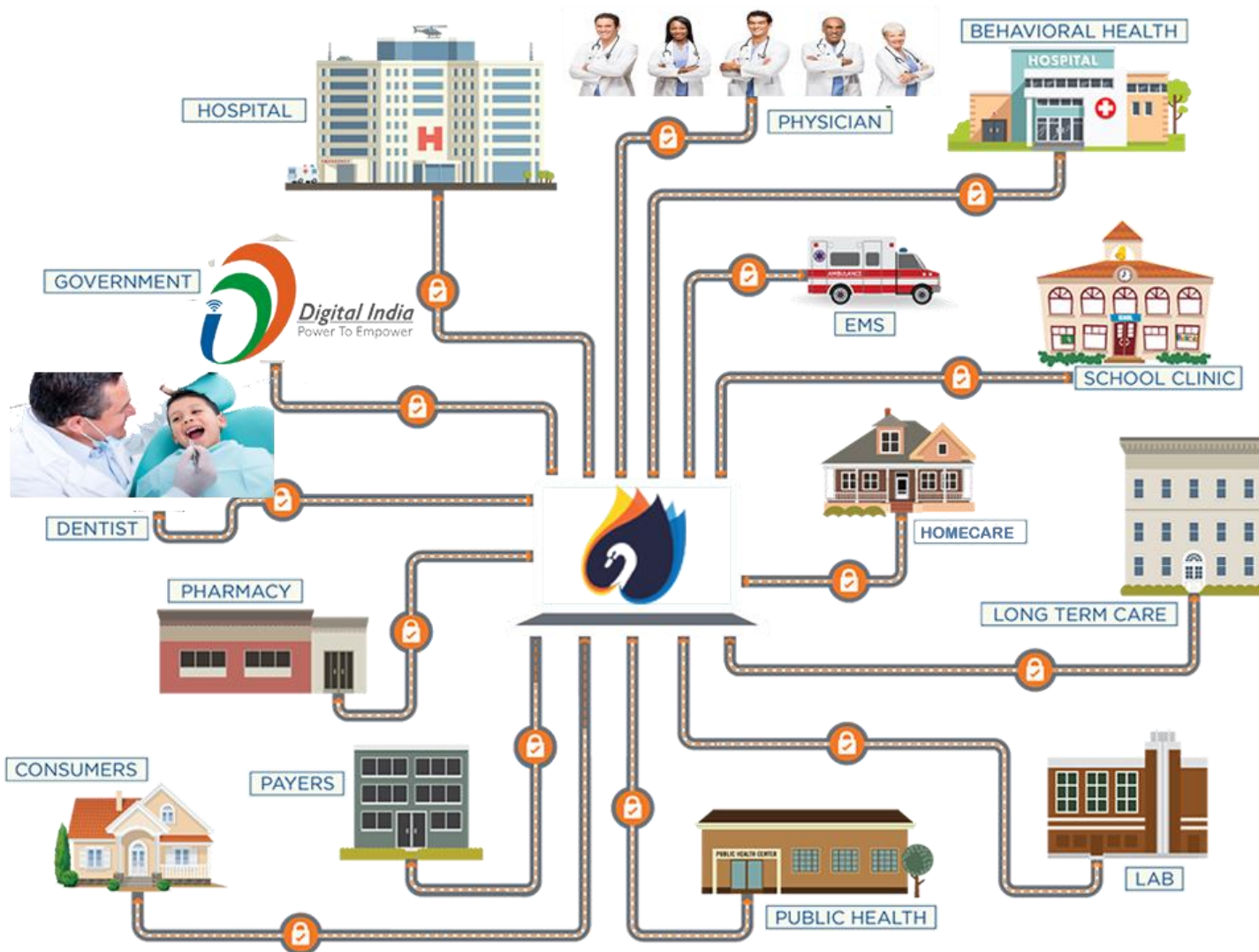# Many-to-many Marketing
Example: Healthcare

The health system is composed by a complex network of actors who, in various ways, are configured as useful resources for the system itself.

Institutional actors (ASL, hospitals, etc.), national and territorial entities (Regions, Municipalities, etc.), organizations (scientific societies, trade unions) and, last but not least, people (citizens, patients..) are all subjects which must necessarily participate in the efficiency and effectiveness of the service and therefore in the overall performance of the system.

Many-to-many **Marketing**
Example: Healthcare

Many-to-many Marketing
Example: Healthcare

Actors	'Information' interests
Patient	inform promptly and in detail about their needs and conditions
Doctor	acquire in time the latest updates on care, administrative procedures, diagnostic and prevention processes
Pharmaceutical company	understand what the real needs of the market are and / or propose reliable and quality solutions to customers
Hospitals	offer the right spaces and adequate professionalism to guarantee a high standard of quality to its users
Universities	acquire the evolution of needs from the healthcare context and consequently plan the various training courses
Ministry of health	define and sponsor practicable, accessible and strategic operational lines
Government	encourage the integration of the communication system, through the unification of databases, the simplification of application and payment procedures, the wide dissemination of information on loans, etc.
Pharmacies, clinics, laboratories, diagnostic centers and general practitioners	Promptly communicate with both territorial and national pharmaceutical distributors and warehouses; try to network (especially locally)

Total Relationship Marketing

**Gummesson**: has proposed a marketing based on interactions between relationed actors in networks focusing:

- On *relations* – the existance of a relation is perceivable in case two or more parts are in contact; usually B2C relations represent the classic relation betweeen business and customer;
- On *interactions* - interactions correspond to activated relations capable of representing a contact;
- And on *networks* – a set of relations can identify a network, sometime this network can be very complex.

Relations can be identified as lens capable of supporting the decision maker in understanding what is going on, supporting wise decisions.

Total Relationship Marketing
Gummesson's 30 Relationships

The introduction of this new philosophy facilitates the synergic development of the value generation and the definition of long-term relationships useful to the growth of the system (producer-customer-retailer-[..]) intended as a whole.
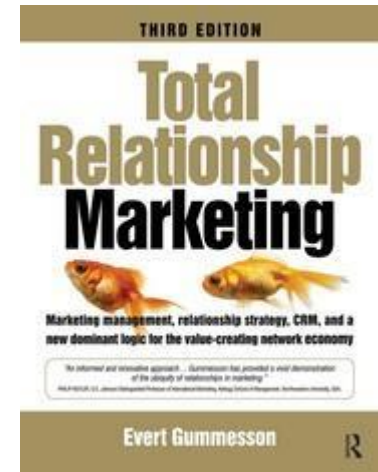
Classic market relationships:

R. 1. Supplier and customer
R. 2. The customer - supplier - competitor
R. 3. Network - distribution channels

Total Relationship Marketing
Gummesson's 30 Relationships

Special market relationships

R. 4. Full-time marketers and part-time marketers

R. 5. Customer and service provider

R. 6. Many-headed customer and many-headed supplier

R. 7. Relationship to the customer's customer

R. 8. Close and distant relationship

R. 9. Dissatisfied customer

R. 10. Monopoly relationship: customer or supplier as prisoner

Total Relationship Marketing
Gummesson's 30 Relationships

Special market relationships

R. 11. Customer as "member"
R. 12. E-relationship
R. 13. Parasocial relationships, with symbols and objects (as the brand)

R. 14. Noncommercial relationship
R. 15. The green relationship
R. 16. The law-based relationship
R. 17. The criminal network

Total Relationship Marketing
Gummesson's 30 Relationships

Mega relationships

R. 18. Personal and social networks

R. 19. Mega marketing - the real "customer" is not always found in the marketplace

R. 20. Alliances change the market mechanism

R. 21. The knowledge relationship

R. 22. Mega alliances change the basic conditions for marketing

R. 23. Mass media relationship

Total Relationship Marketing
Gummesson's 30 Relationships

Nano relationships

R. 24. Market mechanisms are brought inside the company

R. 25. Internal customer relationships

R. 26. Quality providing a relationship between operations management and marketing

R. 27. Internal marketing - relationships with the employee market

R. 28. Two-dimensional matrix relationship

R. 29. Relationship to external providers of marketing services

R. 30. Owner and financier relationship

product: goods/services
price
promotion:
personal selling, advertising, SP
place: distribution

Legal aspects:
contracts
corruption
organized crime
lawyers
courts

scientific research
education

experiences
lifestyles
dreams
events
storytelling
information

call centers
telemarketing
TV
email
Internet
mobile phones
text messaging

political influence
public opinion
lobbying

public relations, PR
branding
sponsoring

RALPH NADER at
Stockholm University,
September 23, 2010

CSR, Corporate Social Resonsibility:
ethical behavior
charity
commitment to a cause
"green": enivironment and health

Total Relationship Marketing
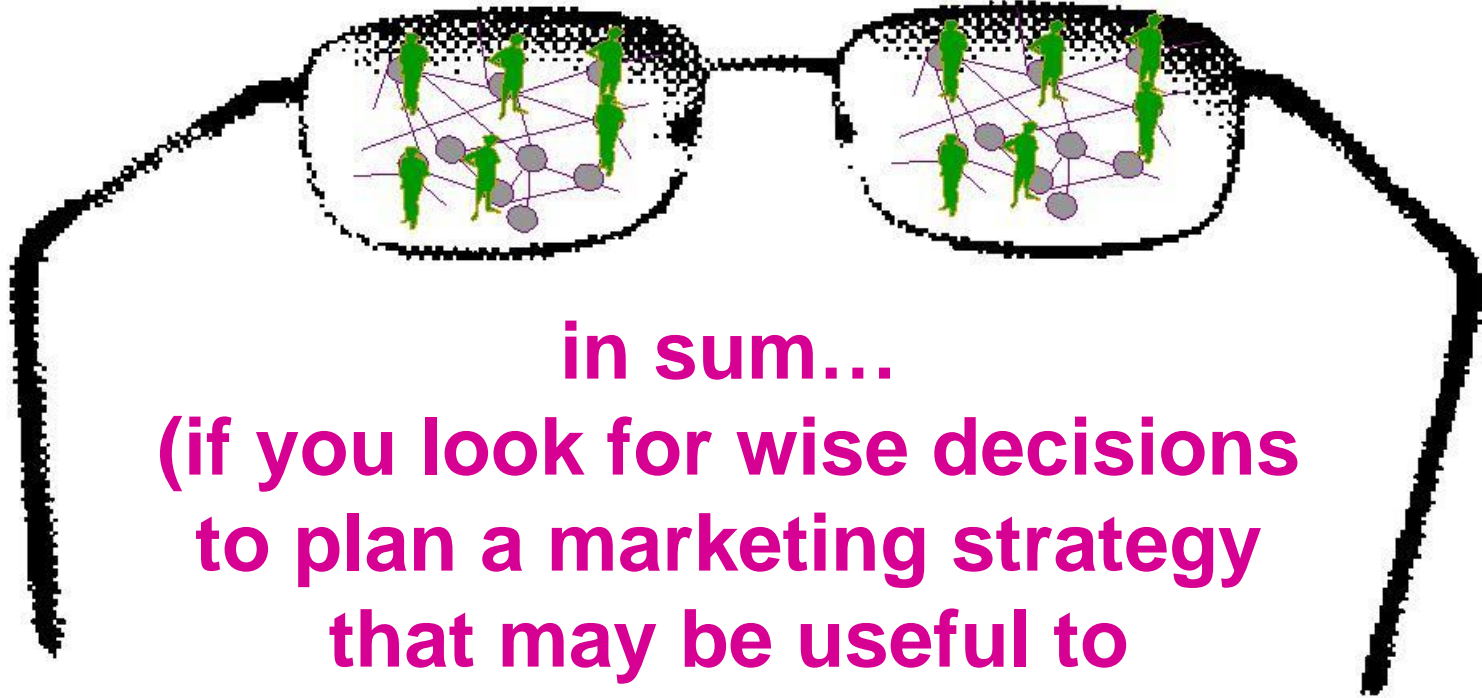
**in sum…
(if you look for wise decisions
to plan a marketing strategy
that may be useful to
overcome complex
situations…)
put on your nose
the network eyeglasses!**

3.4

Experiential Marketing

Marketing as experience

The «traditional» marketing strategies (STP- segmentation, positioning and targeting) and tactics (the 4 Ps) are reread

<div align="center">

THROUGH

</div>

the lens of experience which permeates service with a totalizing experience

- Experiences can turn the moment of consumption into a memorable event
- Experiential **reframing** of the processes of delivery and brand management

Mehrabian and Russell, 1974; Pine and Gilmore, 1998; Schmitt, 1999; Addis, 2007

Marketing as experience

EDUCATOR NETWORKS

PATIENT SUPPORT

PROFESSIONAL ENGAGEMENT
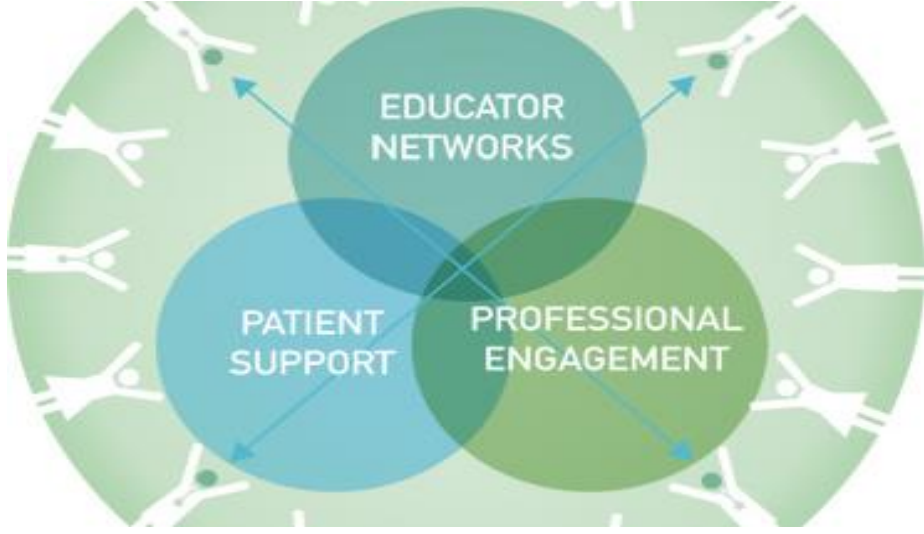
EXPERIENTIAL MARKETING

Experiential or sensory **marketing** starts from an assumption that each of us is driven to purchase by a mix of conscious and unconscious components. While the former are more easily analyzed because they are linked to the rational sphere, the latter are more hidden but exert a strong influence on many of our habitual behaviors.

Consider that the word "know", synonym of knowing (and knowledge is often the basis of every decision, therefore also of a purchase), has its roots in the physical experience of tasting.

Marketing as experience

Schmitt (1999), *Experiential Marketing*

"Today, customers take functional features and benefits, product quality and a positive brand image as a given. Products, communications and marketing campaigns should "dazzle" their senses, touch their hearts, and stimulate their minds.
They want products, communications, and campaigns that they can relate to and that they can incorporate into their lifestyles" (p. 57)

" To provide customers with **engaging** and **attractive** experiences can allow companies at gaining the edge over competitors, in a way that the "simple" satisfaction cannot guarantee»

Customer Experience Management

ANALYSIS	Study of the experiences that customers lived and can live through consumption
STRATEGY	Building of experiential positioning
DESIGN	Planning of Brand Experience
IMPLEMENTATION	Activation of relationships with customers that enter the experience
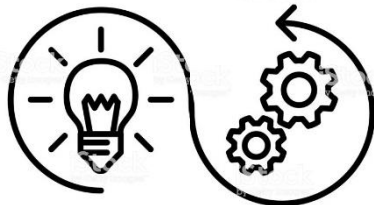
Schmitt's Model (1999)

Sense — The first «level» that builds the sensorial experiences by using the 5 senses (taste, smell, touch, hearing and sight)

Think — Creation of experiences for the mind that stimulate intellectual, creative and problem- solving capabilities

Feel — Emotional experiences related to the brand that evoke and recall emotions and customers' internal feelings

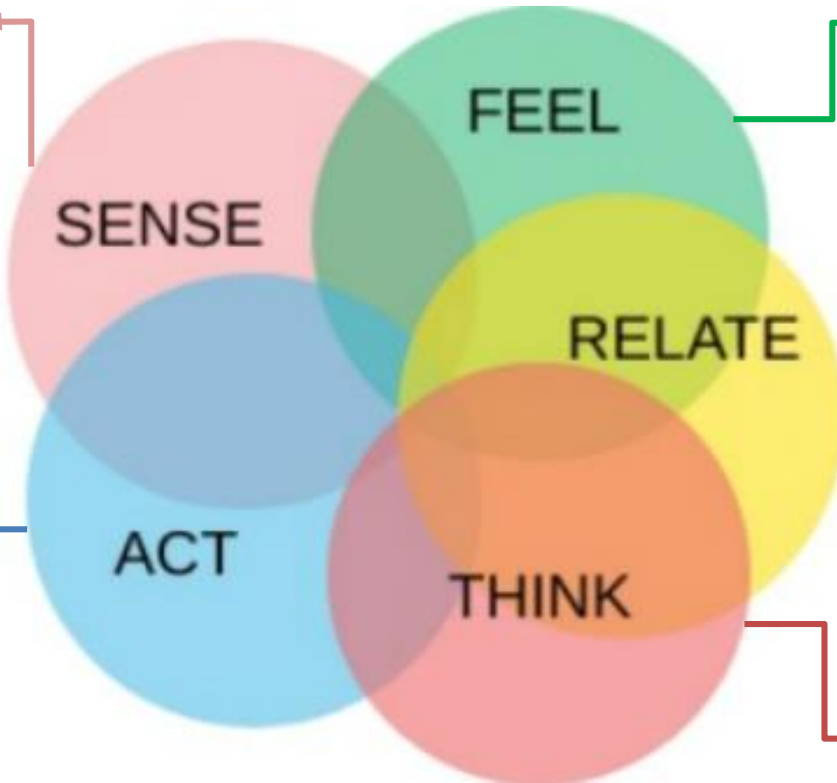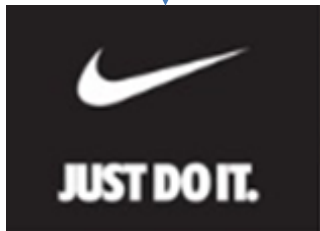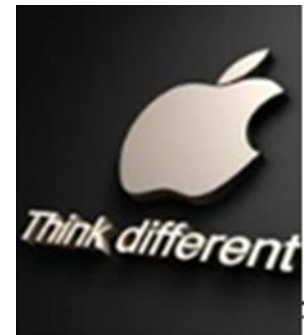**Act** — Impact on corporeal experiences, lifestyles, interactions

Relate — Connection of individuals with themselves, other individuals and culture. This level all-encompasses the features of the other levels.

Schmitt's Model (1999)

SEM — **Strategic Experiential Modules**

Coca Cola

Evergreen brand which symbolizes the *american way of life*

The company turned a drink into a state of mind, a status symbol, a cult product for youngsters worldwide

The brand embodies the value of friendship, fun, happiness

Marketing as experience

https://www.youtube.com/watch?v=BbgrHnbgoDU

Marketing as experience

Starbucks Reserve Roastery, MILAN

Marketing as experience

Marketing as experience

https://www.youtube.com/results?search_query=SPRITE+SHOWER

3.5

Unconventional Marketing

Unconventional marketing

Set of marketing strategies and tactics aimed at:

- Generating emotions
- Memorability (awareness)
- Uniqueness
- Create surprise
- Involve recipients (engagement)

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 feelings in end users.

Guerrilla Marketing

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

ZOO
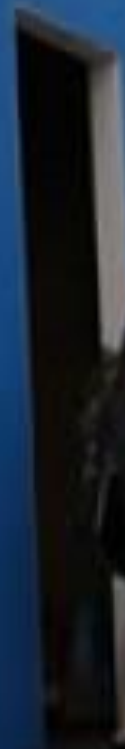
Neuromarketing is a recent branch aimed at identifying communication channels more direct to purchasing decision-making processes, through the use of methodologies linked to neuroscience discoveries.

It fuses traditional marketing (economics) with neurology (medicine) and psychology (behavioral sciences) and aims to illustrate what happens in people's brains in response to some stimuli related to products, brands or advertising with the aim of determining strategies that push to buy.

Neuromarketing

Application of neuroscience and psychological studies to analyze processes and factors that may affect the consumer choice and behavior in order to detect any changes in attitude as the context and value proposition change.

The aim is «to get inside the customer's head» (Lee et al., 2007)

Interdisciplinarity :

medicine/behavioral economy

Neuromarketing

Purposes:

- Intercepting and anticipating consumer behavior (and changes in attitudes and preferences);

- Compare consumers' brain reactions to certain stimuli, solicitations and emotions;

- Investigate the brain mechanism that leads consumers to decide and choose the value proposition.

Neuromarketing: an example

Pepsi Challenge (1975), they offered hundreds of people two anonymous glasses.
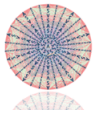One glass contained Pepsi, the other Coca Cola:

- in terms of taste, 75% said they preferred Pepsi but they kept buying Coca Cola anyway.

- It shows that the consumer behavior depends on different factors: in this case, taste and brand image.

THANK YOU.

Questions?
Comments?

Antonietta Megaro

amegaro@unisa.it