



UNIVERSITÀ DEGLI STUDI DI SALERNO



DIPARTIMENTO
DI SCIENZE AZIENDALI
MANAGEMENT
& INNOVATION SYSTEMS



SISTEMI PER L'INNOVAZIONE
E MANAGEMENT SOSTENIBILE

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

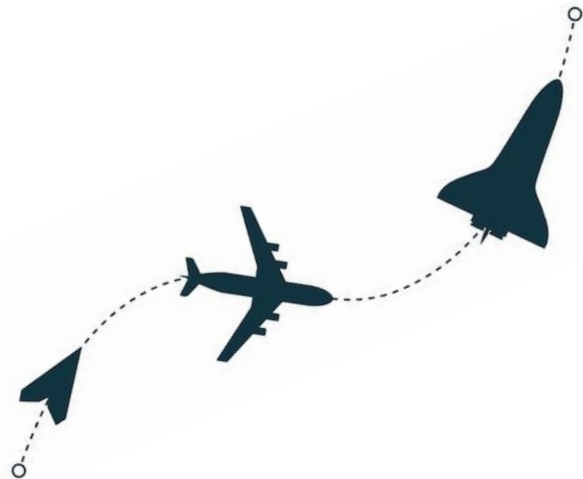
Project work



Agenda: Lesson 3



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



Examples



3.1

Complexity management



Complexity definitions

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 not sufficient.

Complexity definitions

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 and even simple by another one?

In other words, what does make a phenomenon "complex"?

Complexity definitions

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...

Complexity definitions

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.*
-

Complexity definitions

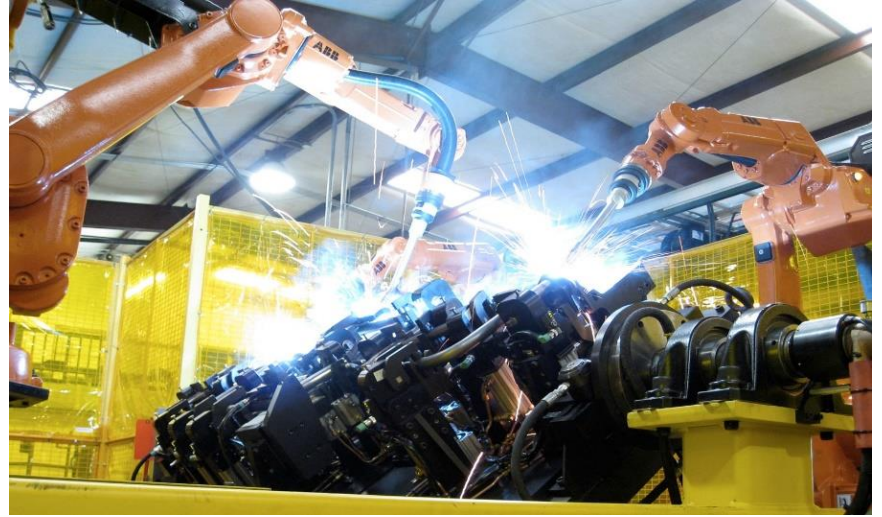
In the qualitative dimension:

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

Complexity definitions

Do we share the same idea of complexity?

complication *versus* complexity





Manu keeps title hopes alive



astonishing win in US

up to 35% Plus get a gift card worth £5



BORBONESE

la Repubblica



BORBONESE

Fondatore Eugenio Scalfari

ROBINSON

Direttore Carlo Verdelli

Anno 45 - N° 5

Sabato 22 febbraio 2020

Oggi con Robinson e D

in Euro € 2.50

The Daily Telegraph

BRITAIN'S BEST QUALITY NEWSPAPER

Coronavirus pandemic alert as UK and Italy hit

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

By Henry Hallett
HEALTH CORRESPONDENT
FOUR new cases of coronavirus were confirmed in the UK last night, as reports emerged of an emerging pandemic, with parts of Italy in lockdown after a massive rise in the number of new infections there.
The new British patients had been passengers on the Diamond Princess cruise ship and were to quarantine on the island where they fell ill. Testing revealed them to be the first. They have now been transferred to specialist NHS infection centres.
It brings the total number of UK cases to 12, and raises the fear that the disease could spread to Italy following reports of more than 12,000 cases. Already known to be the world's most densely populated, and Italy is particularly vulnerable to the virus, the pathogen spreading from one city to another.
Reports that in Milan 100,000 have fallen ill, closed shops and the financial capital was hit. In London, there have only 10 cases. The British authorities stated that the number of the virus in Italy has risen to 12,000 cases in a few days. Health experts suggest that the proportion of the population that is being infected is far higher than in the UK, where the virus has only 12 cases.



'Furious' MI5 bosses deny Patel relations have soured

By Charles Hymas
POLITICAL COMMENTATOR

MI5 recently has been dragged into the national war between Prime Minister Boris Johnson and an ally, India's Prime Minister Narendra Modi. The British intelligence chief has denied that the relationship has soured. He said that the British intelligence chief has denied that the relationship has soured. He said that the British intelligence chief has denied that the relationship has soured.



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

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



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\$3.00

Sanders Seeks Knockout Blow Against Biden

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 his 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

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.

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.
di a pagina 38

L'interessato
Armani: la moda fa del male alle donne
di Serena Tibaldi



di 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.

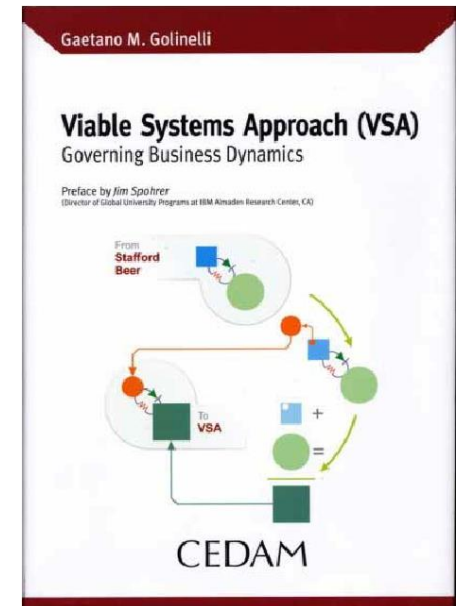
Observers are forced to analyze objects characterized by:

- indistinct relational boundaries,
 - changing and evolving relationships (in time and space),
 - emergent and not predictable behavior,
 - dynamic social interactions.
-

Viability 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 emerges when the interaction emerging from relations in a specific process does not comply with clear behavioral rules and criteria.
 - 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**.



Ceci n'est pas une pipe.

Magnit

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.

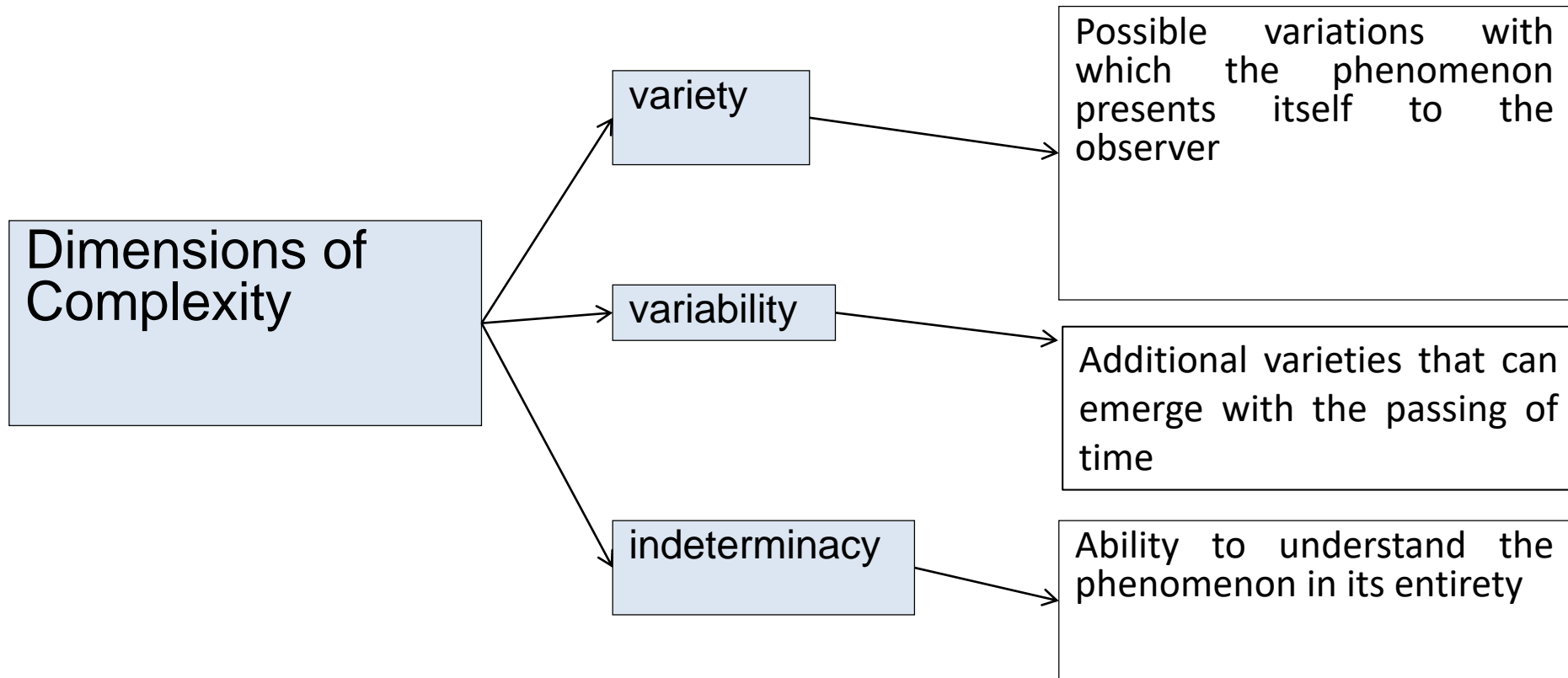
Premises

Premise II

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

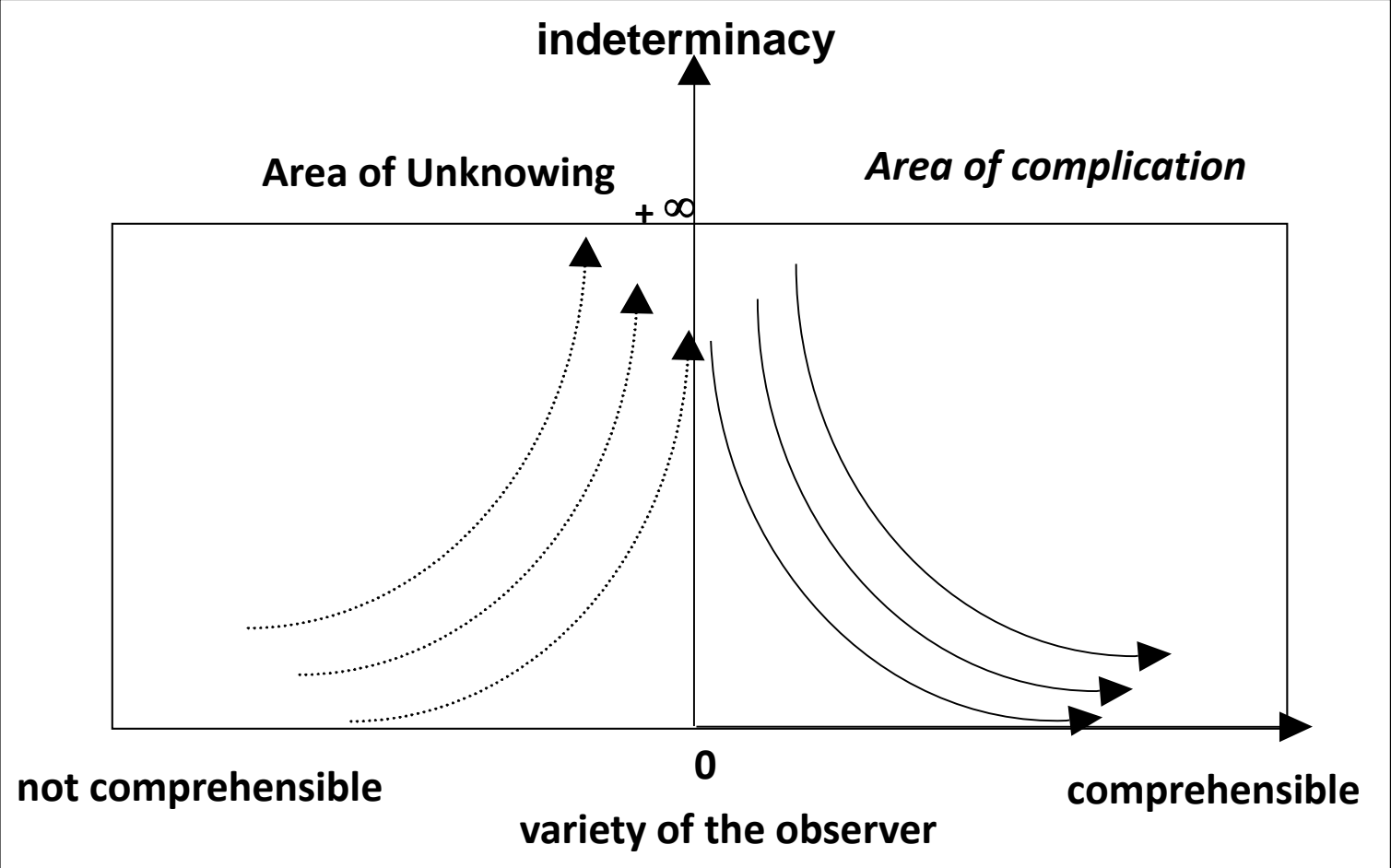
The observer is in fact able to increase his knowledge and his understanding of the situation observed over time, and gradually he will perceive a decreasing level of complexity of the same phenomenon, since he, with a repeated observation, will be able to understand more and most operating rules and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

vSa as an interpretative approach



vSa as an interpretative approach

Representation Model of Complexity



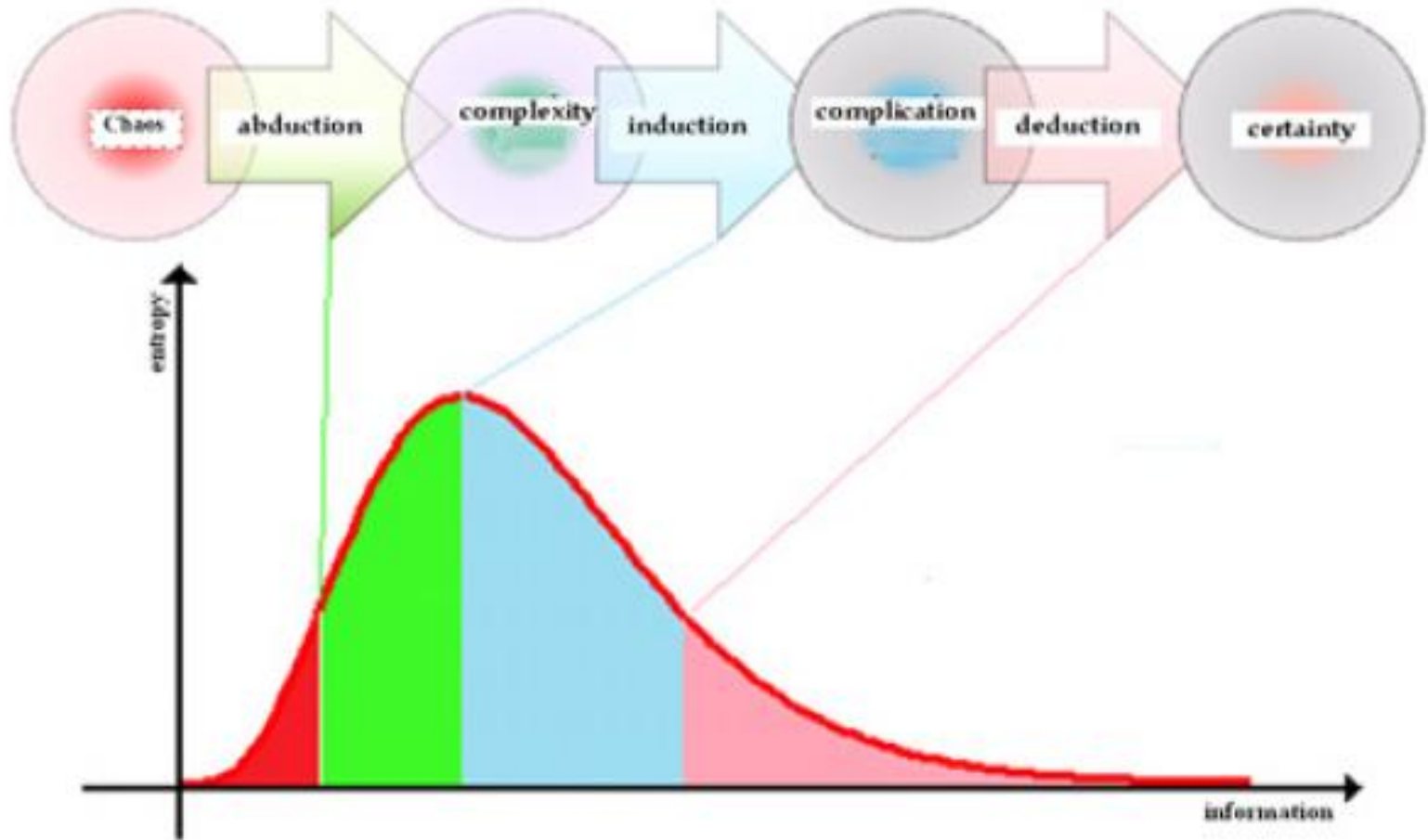
The knowledge curve: the «4C»

A taxonomy of difficult situations was necessary.

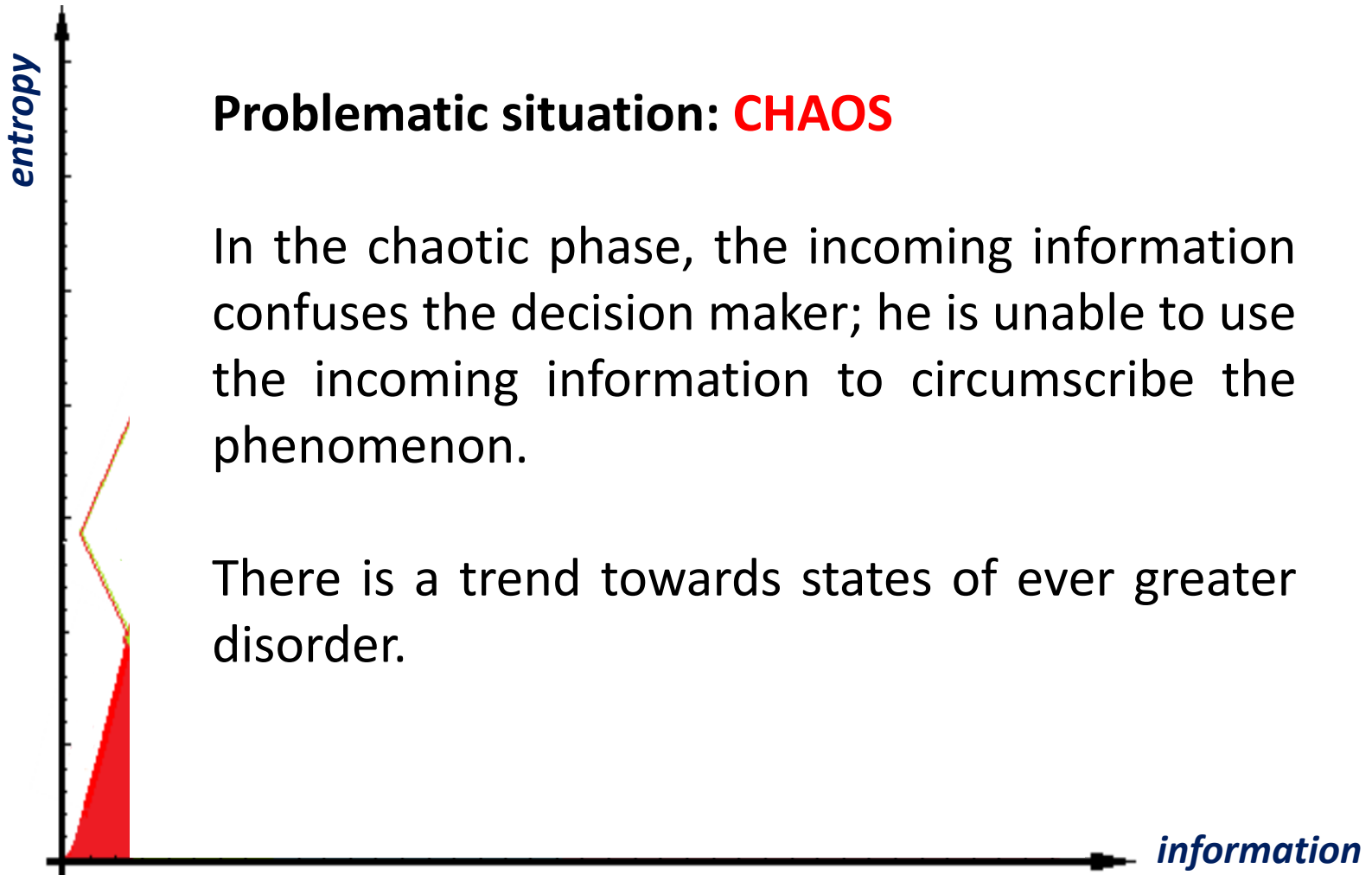
In business economics, changing contexts, have led to the constant revision of reference paradigms where the inefficiency of interpretation schemes based on non codified rules have resulted in complexity.

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.

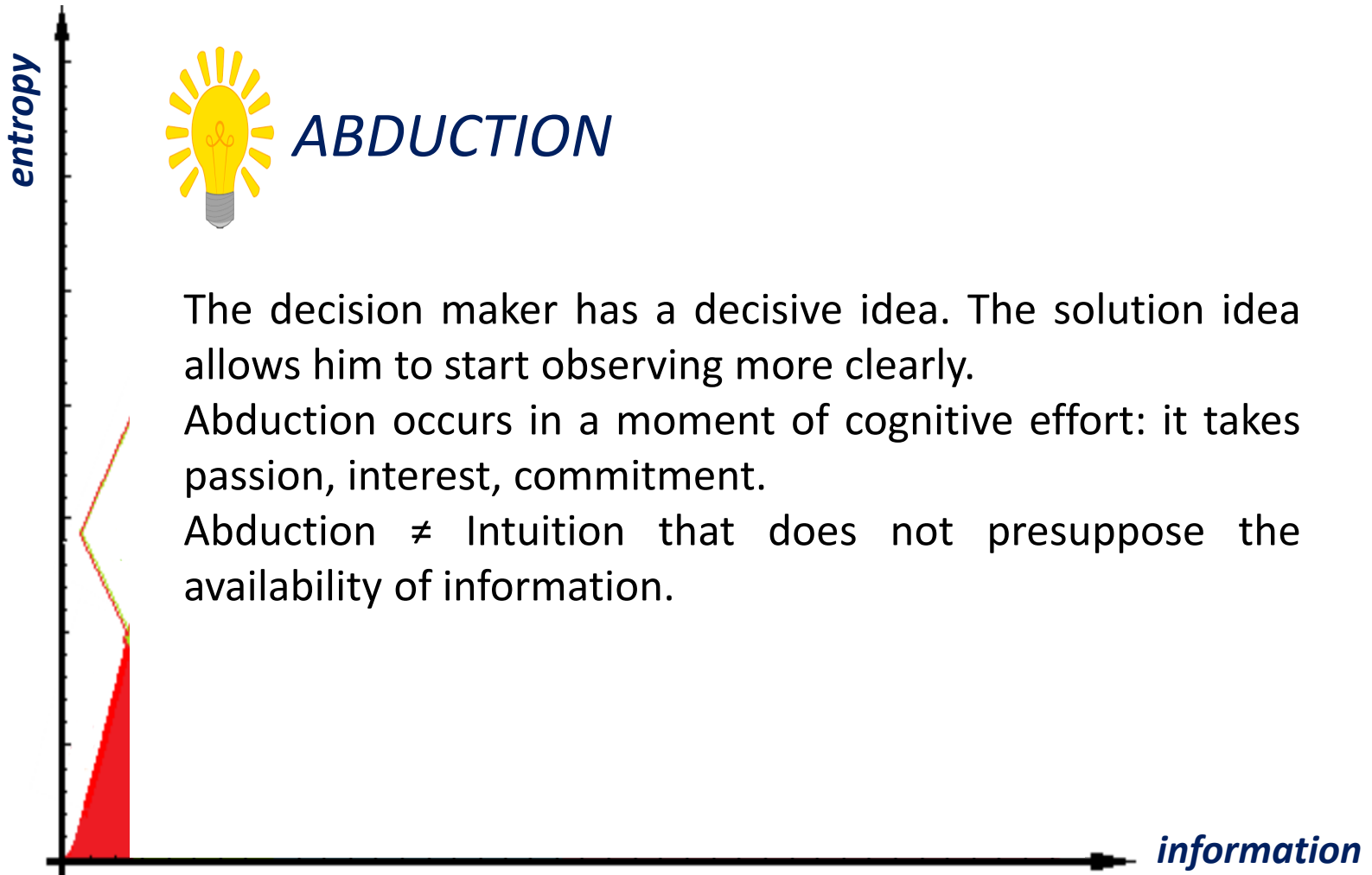
The knowledge curve: the «4C»



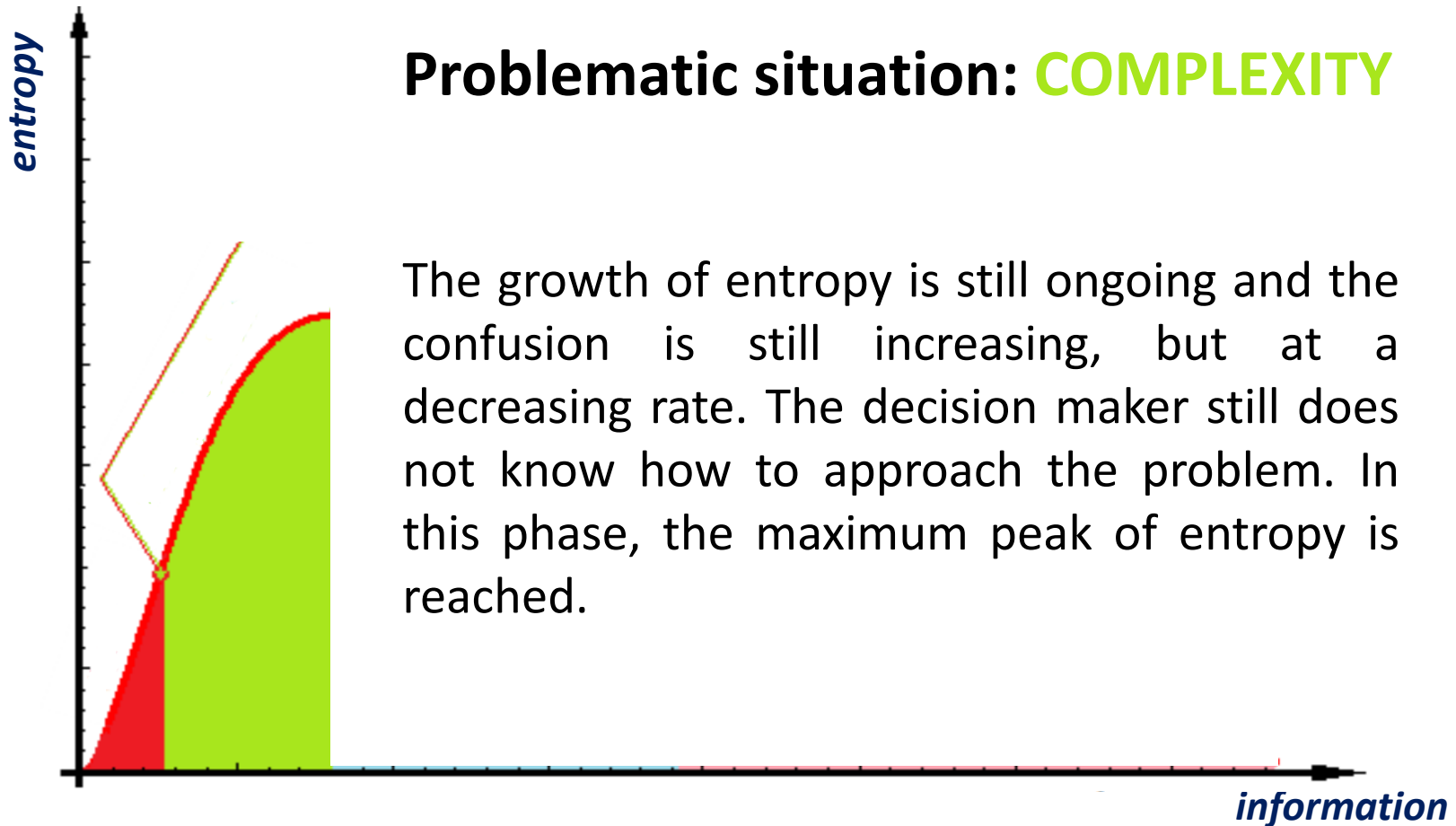
The knowledge curve: the «4C»



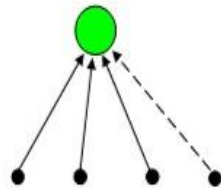
The knowledge curve: the «4C»



The knowledge curve: the «4C»



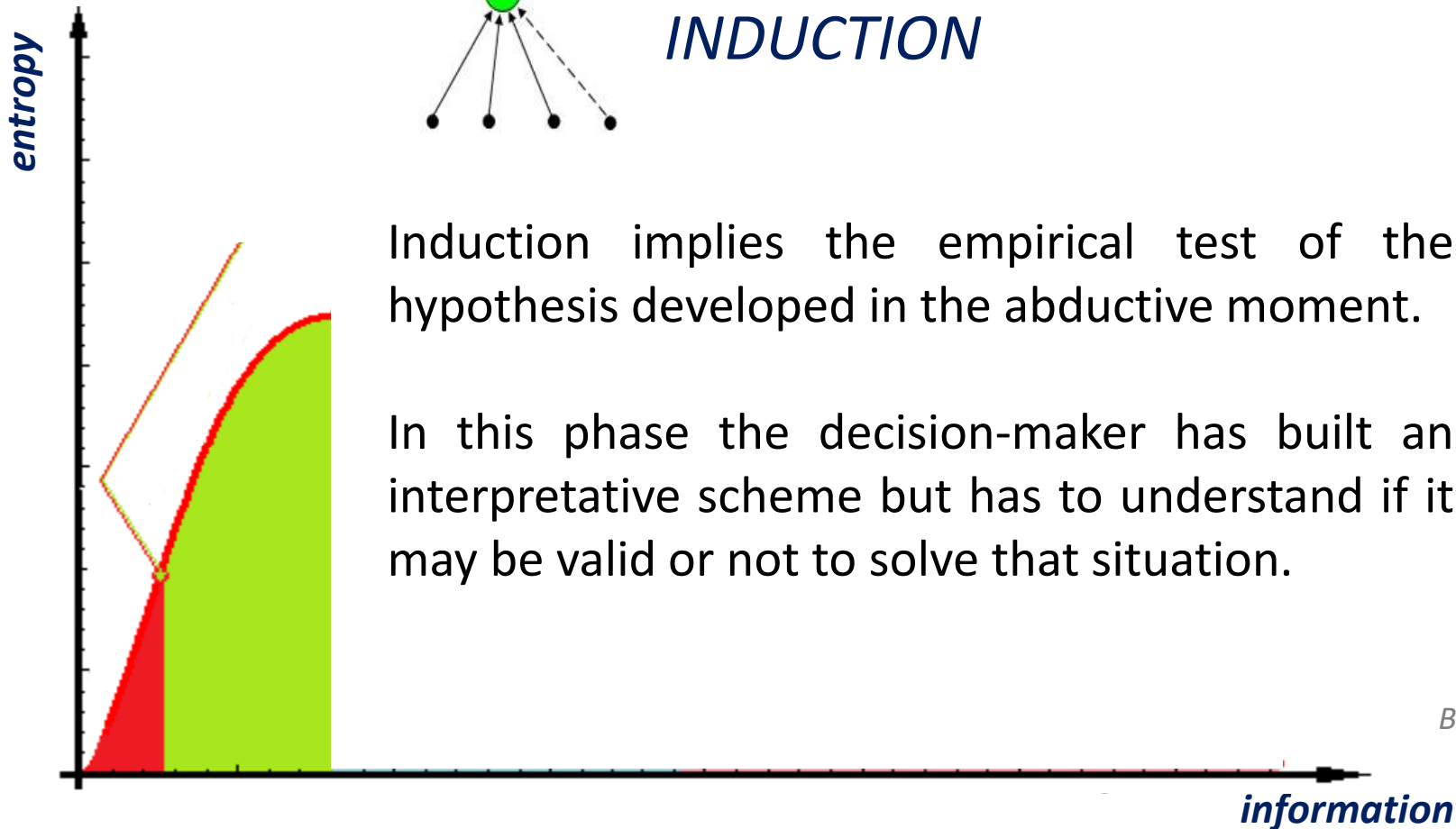
The knowledge curve: the «4C»



INDUCTION

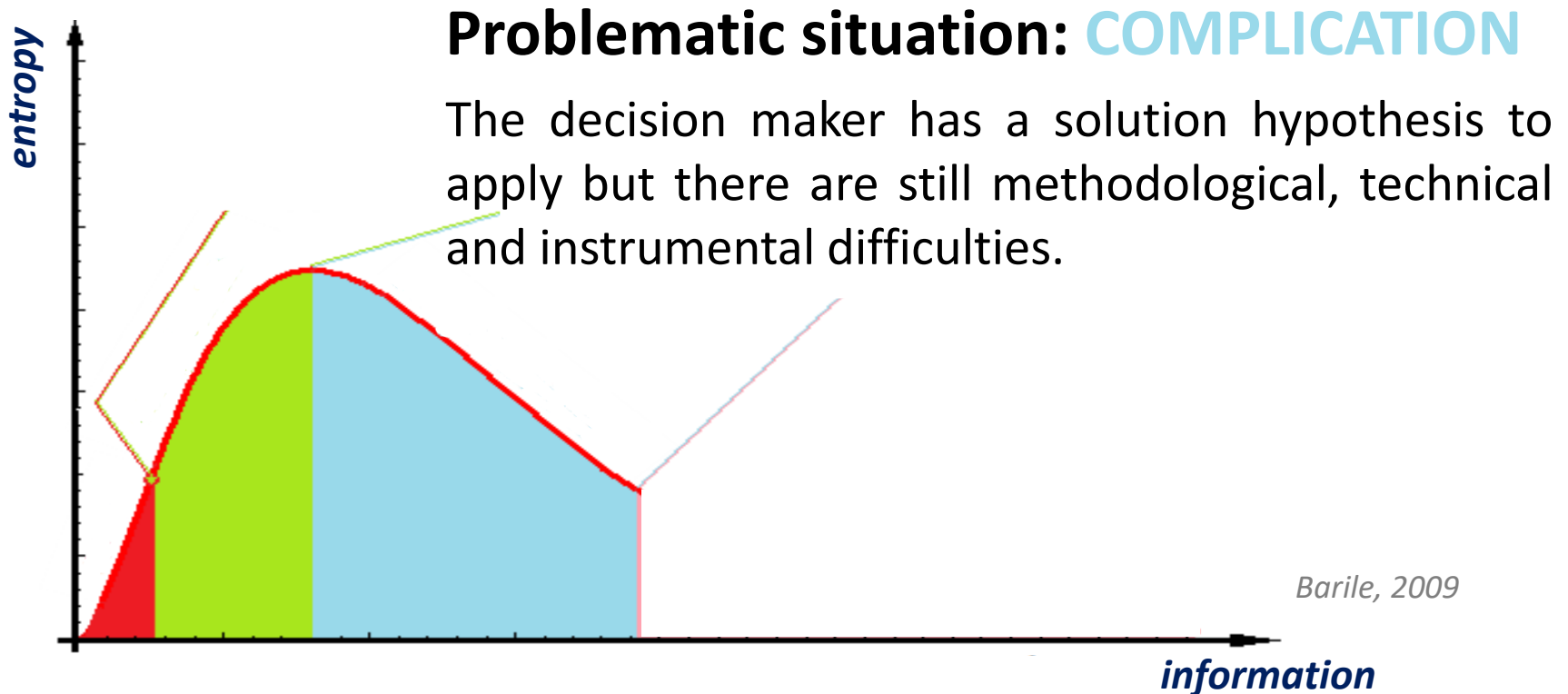
Induction implies the empirical test of the hypothesis developed in the abductive moment.

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.

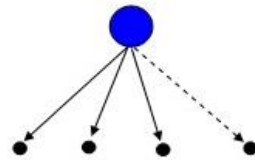


Barile, 2009

The knowledge curve: the «4C»

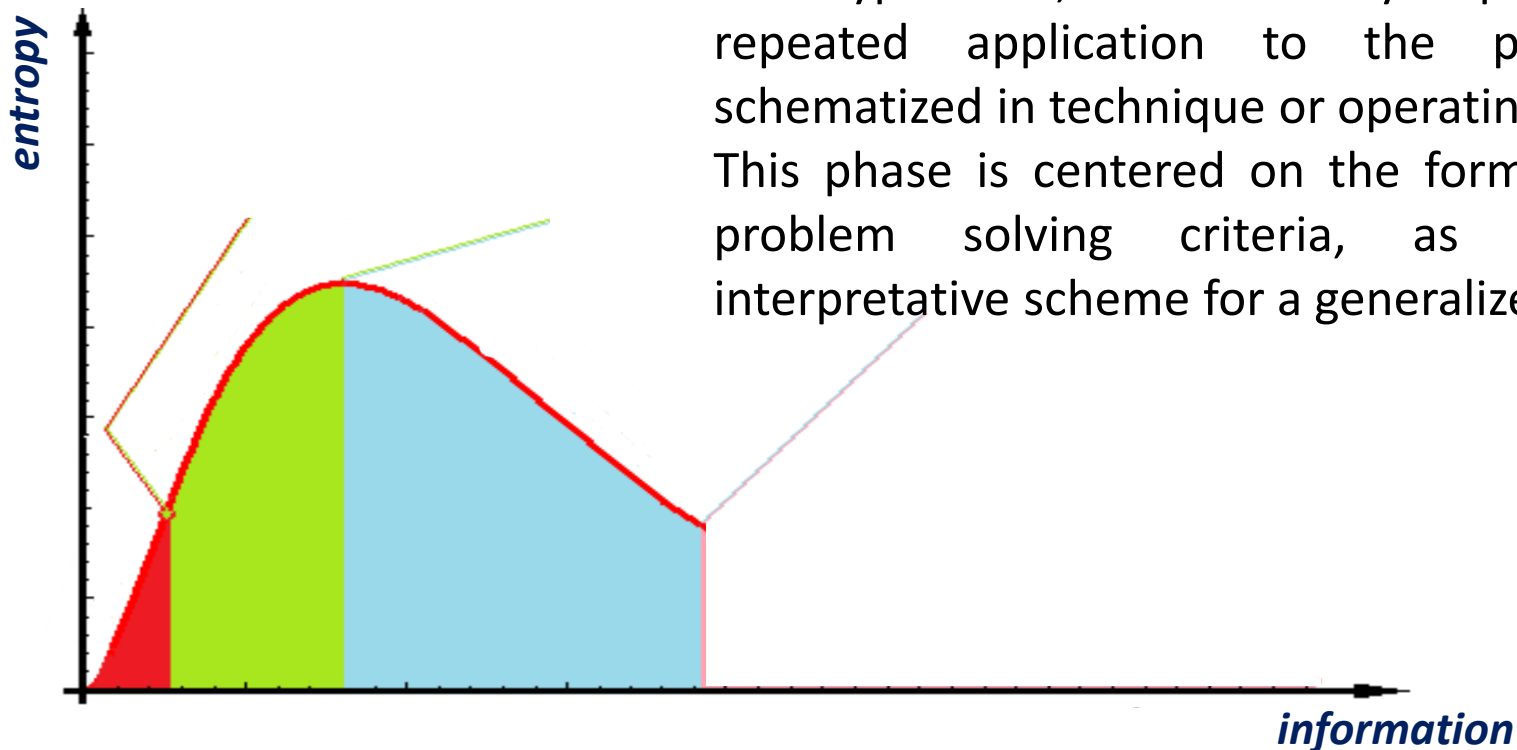


The knowledge curve: the «4C»



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.

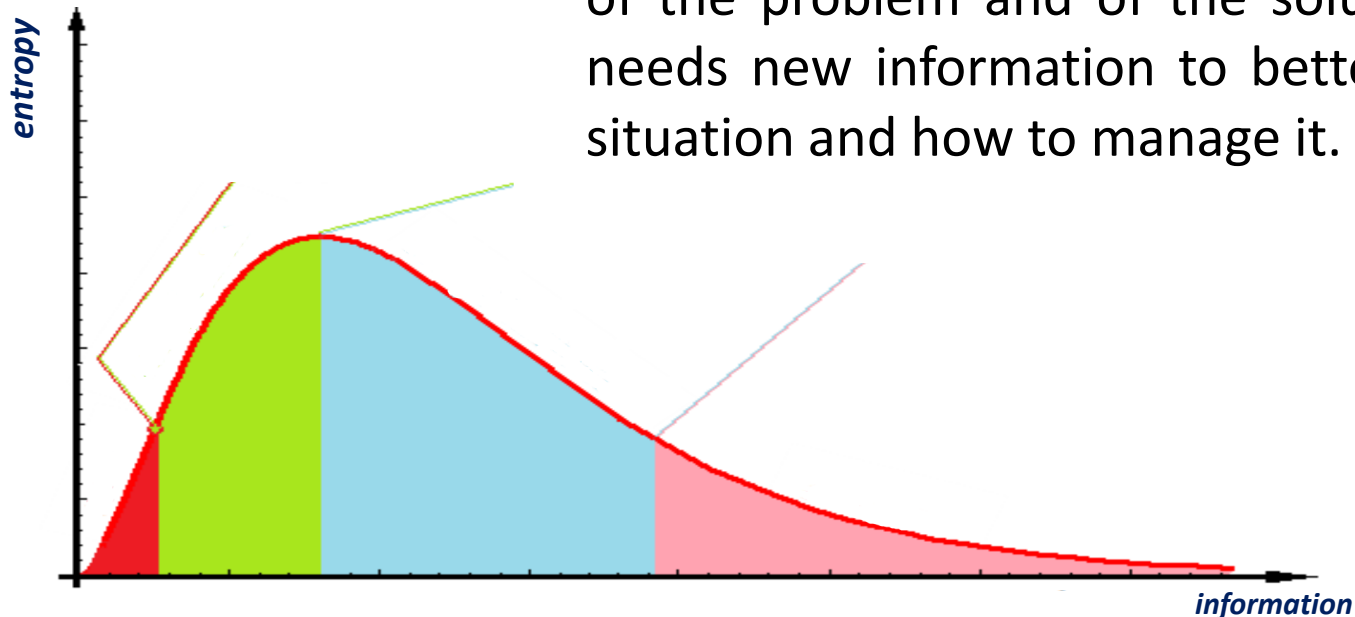


Barile, 2009

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.



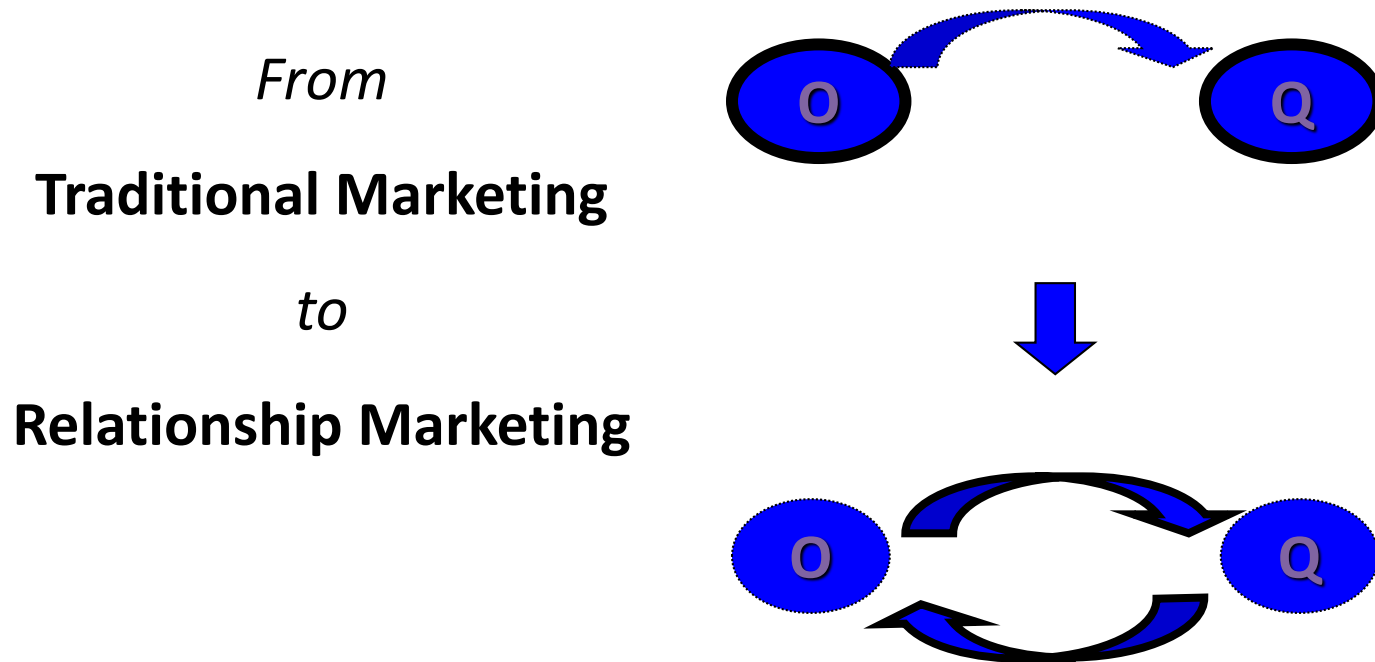
3.2

From Traditional Marketing to Relationship Marketing



From traditional to Relationship Marketing

A New Perspective of 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...

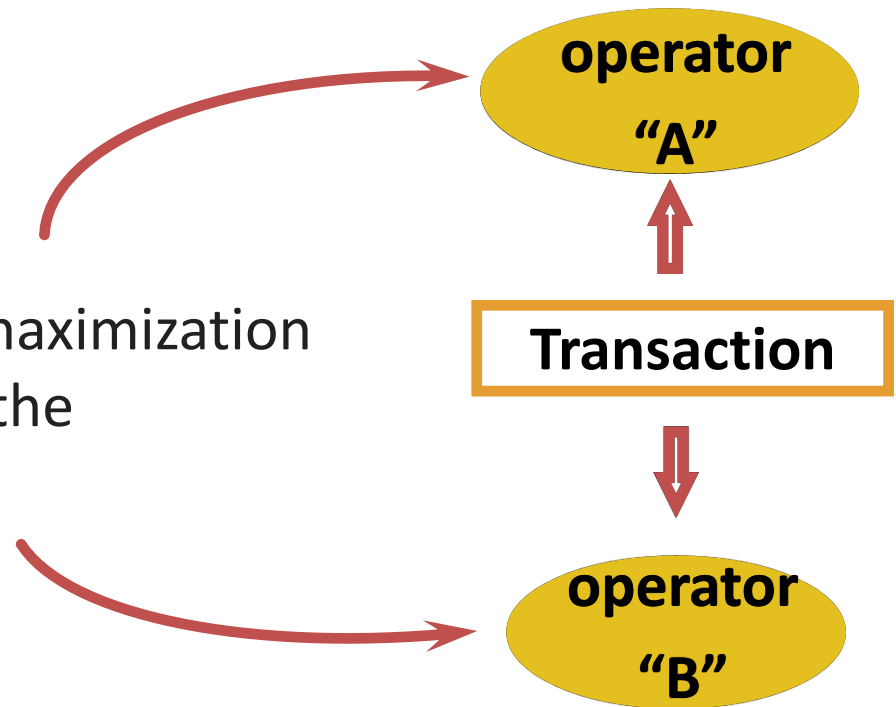


... to strategic
relationships

From traditional to Relationship Marketing

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

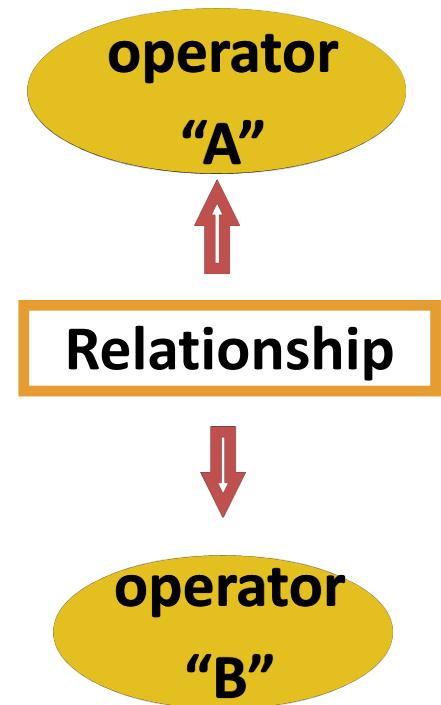
Search for the subjective maximization of the value generated by the transaction.



From traditional to **Relationship Marketing**

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

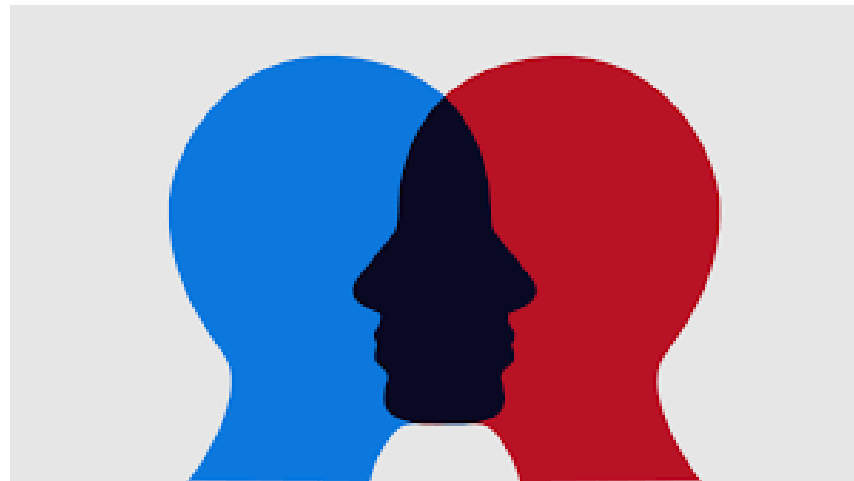
Contribution to maximize total value of the relationship.



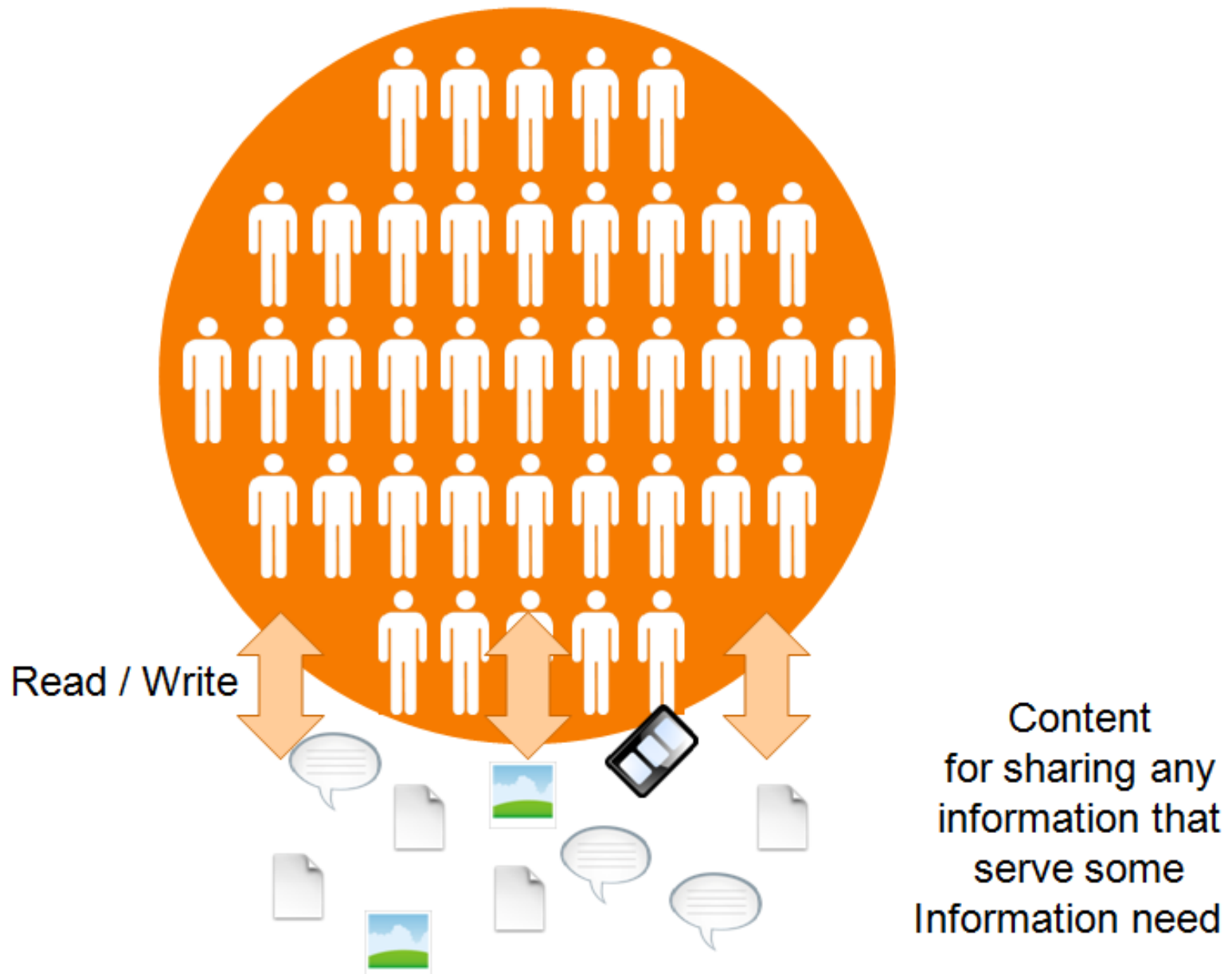


3.1

Relationship Marketing



NOW: We are all prosumers



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

3. WITH CHEESE OR NOT?

4. CHOOSE YOUR VEGGIES

- lettuce
- carrot
- tomato
- cucumber
- green pepper
- onion
- pickles
- olives

5. CHOOSE YOUR DRESSINGS :

mayonnaise cheese pepper sauce thousand island sesame

wasabi spicy bbq yellow mustard grape vinegar ketchup chili

Relationship marketing: example of prosumer

You are unique. So are we.

Build a personalized daily vitamin pack with honest guidance and better ingredients.

[Get started](#)

Hi Madison

Hi Madison's story
"Hi Madison, no matter how small, is our mission." - Hi Madison

Protein Protection

The image shows a top-down view of a person's hands holding various vitamins and a personalized vitamin pack. The left hand holds several pills and capsules, while the right hand holds a white packet labeled 'Hi Madison'. The background is a light beige surface with a glass of water, a red apple, and a small orange packet labeled 'Protein Protection'.

Relationship marketing: example of prosumer

[Hide details](#) ^




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 profile.

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



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...

**CUSTOMERS
ORIENTATION**

Customers as the pivot, the focus of attention in the market



Customer

After 1990...

**Relational
Marketing (RM)
Customer
Relationship
Management
(CRM)**

The focus is on **the relationships** between two key actors



Customer

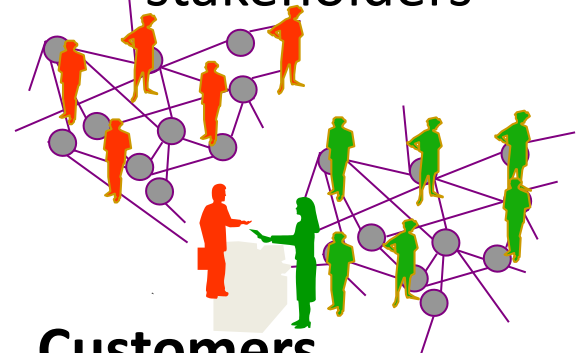


Provider

After 2000...

**Many-to-many
approach**

**Network
orientation**
Focus on multi-
levelled networks
of actors/
stakeholders



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

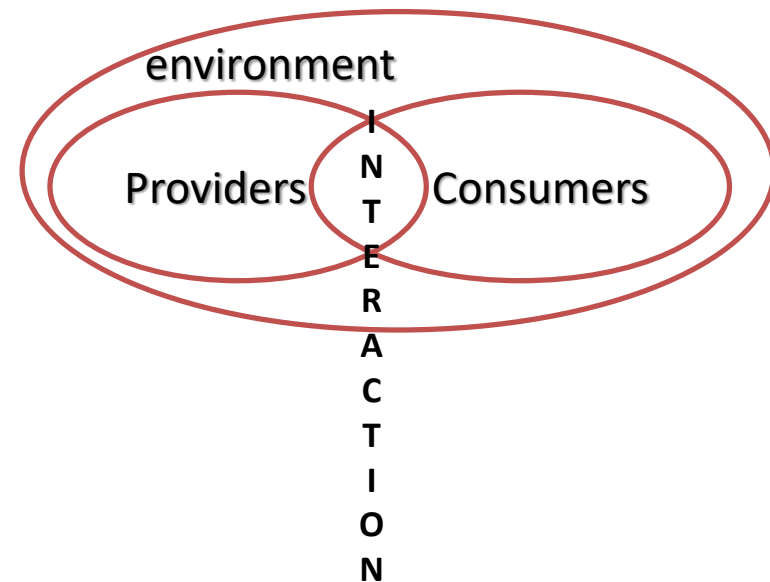
Berry (1983)

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

Bendapudi and Berry (1997)

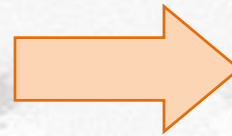
Four variables influence the characteristics of relationships:

1. Environmental dimensions
2. Service providers' main features
3. Consumers interested in the service
4. Interactive dimension



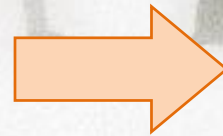
Relationship Marketing

**PASSIVE
Marketing**



**ACTIVE
Marketing**

**Marketing
=
Selling**



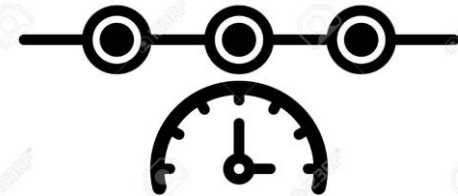
**Relationship
Marketing**



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

Shift 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 themselves, 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, personalized 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



**Il buongiorno
ha un nuovo nome,
il tuo.**

andrea laura chiara

Condividi una *Coca-Cola* con **Lorenzo**

Creane una su
condividiunacocacola.com

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

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



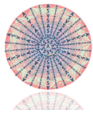
The aim of relationship marketing is to establish, strengthen and renew over time stable and durable relationships with customers to *create* and *regenerate* constantly the production of mutual benefits



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DIPARTIMENTO
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ASVSA

Associazione per la ricerca sui Sistemi Vitali

THANK YOU.

Questions?
Comments?

Antonietta Megaro

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