



UNIVERSITÀ DEGLI STUDI DI SALERNO



DIPARTIMENTO
DI SCIENZE AZIENDALI
MANAGEMENT
& INNOVATION SYSTEMS



SISTEMI PER L'INNOVAZIONE
E MANAGEMENT SOSTENIBILE

Marketing Strategy **in** Service Business

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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

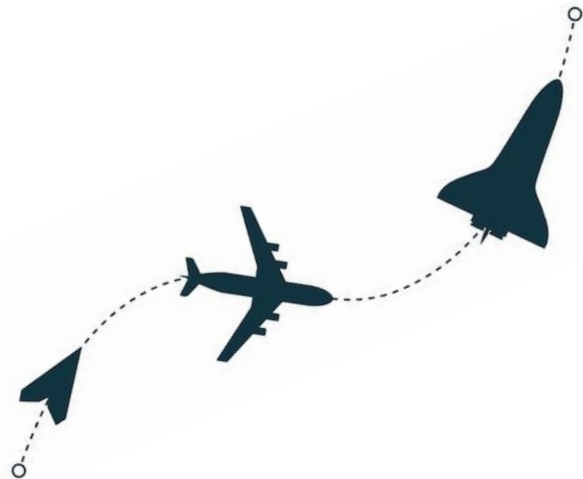
Project work



Agenda: Lesson 3



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



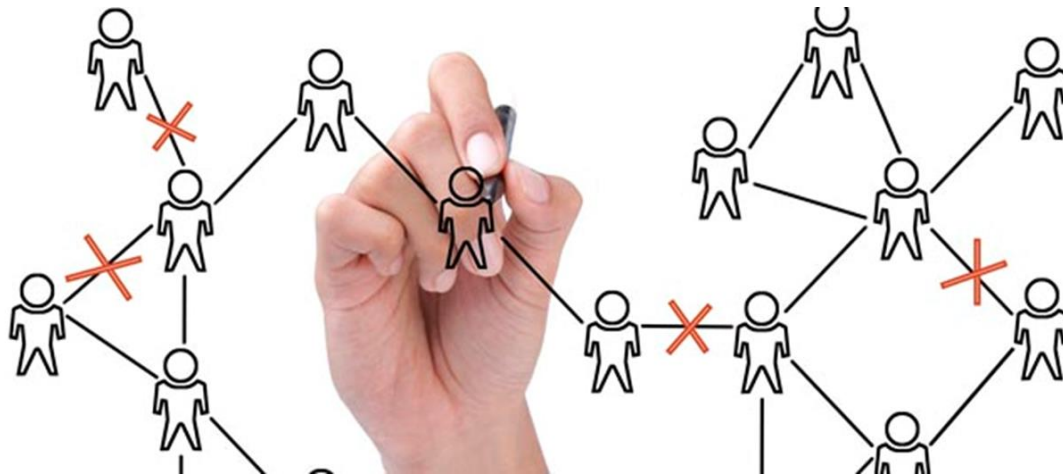
Examples





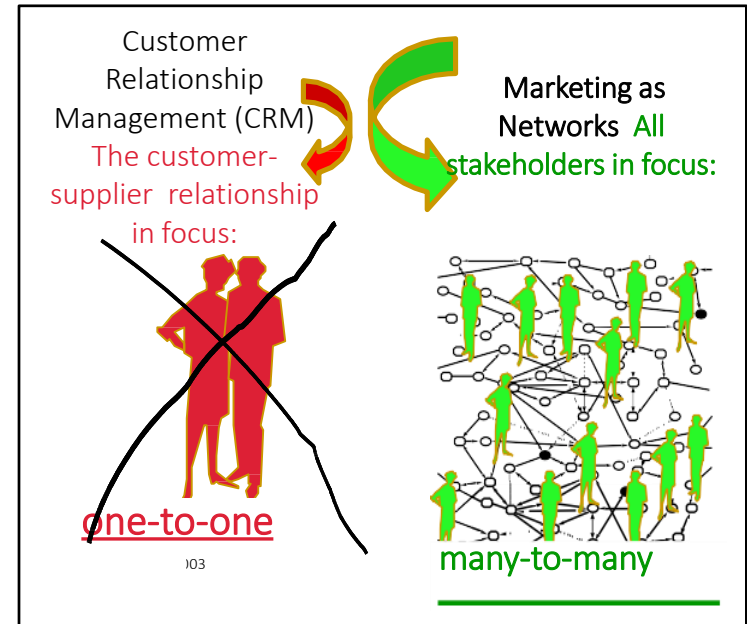
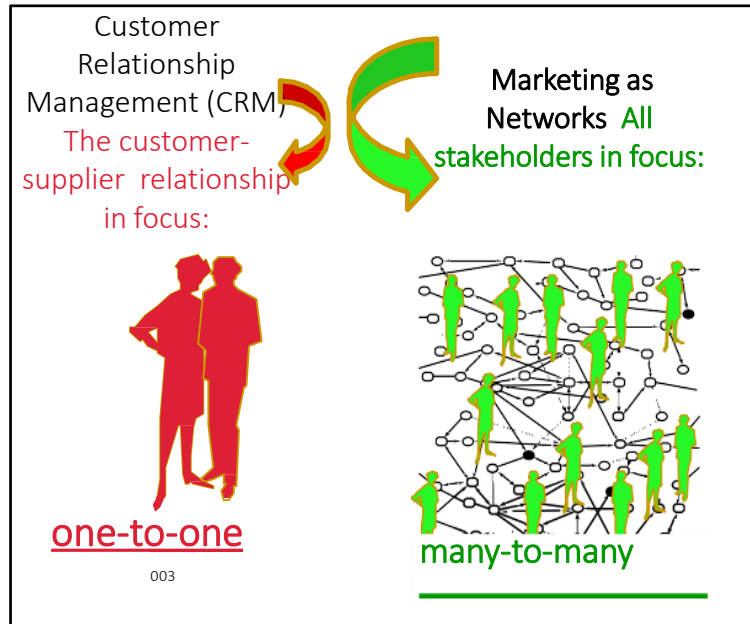
3.3

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, 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.

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

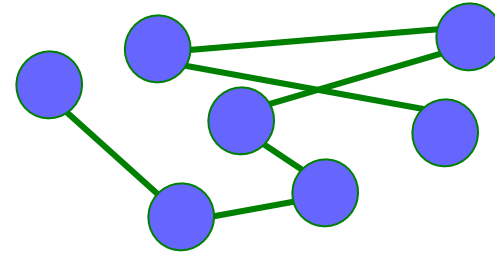
Time

Capabilities

Relationship

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*.

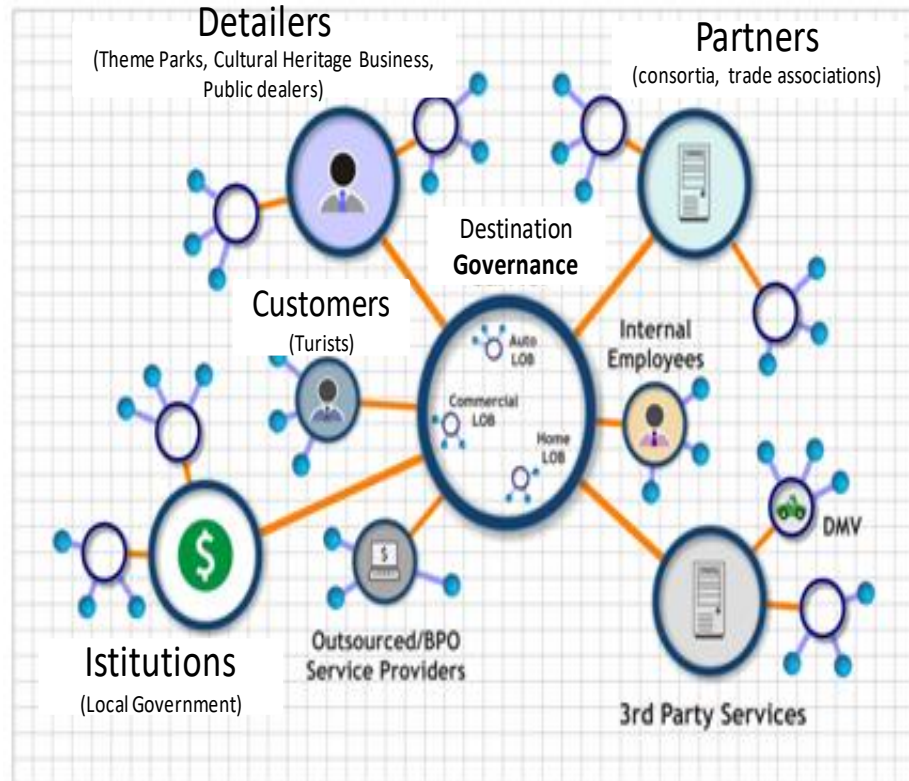
The network view of decision making imply that many contributing actors more or less consciously support value creation processes, thus also supporting business competitiveness.

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.

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.

Relationship
between an
hospital and
the patients.

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, etc.



Many-to-many Marketing

Example: Healthcare

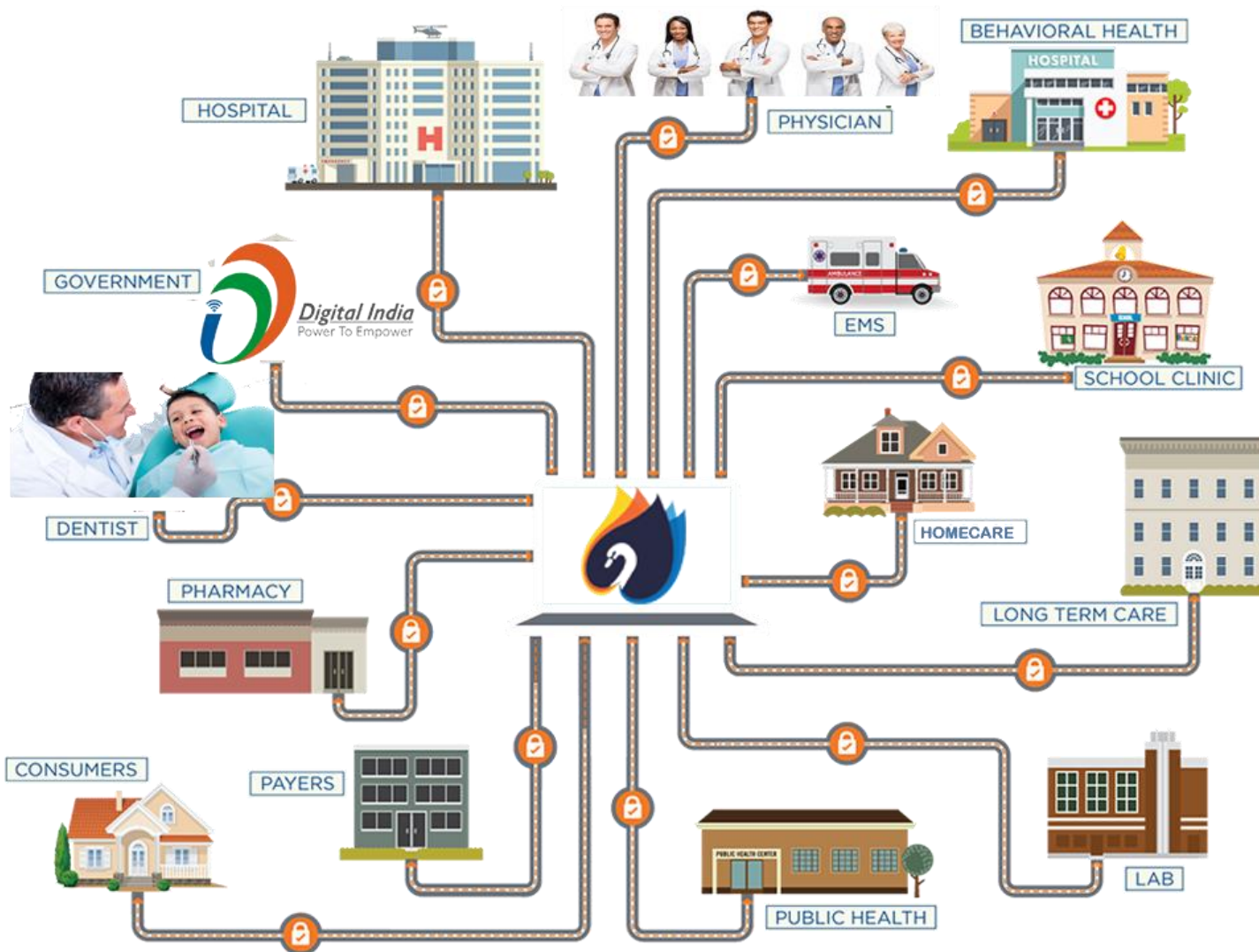


The health system is composed by a complex network of actors who, in various ways, are configured as useful resources for the system itself.

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 and resource integration potentialities
Patients	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 related actors in networks focusing:

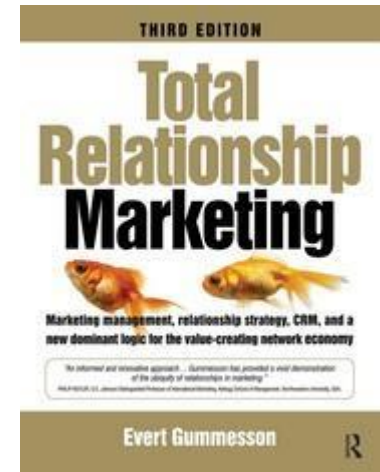
- On *relations* – the existence of a relation is perceivable in case two or more parts are in contact; usually B2C relations represent the classic relation between business and customer;
- On *interactions* - interactions correspond to activated relations capable of representing a contact;
- And on *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. Not satisfied 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



public relations, PR
branding
sponsoring

political influence
public opinion
lobbying

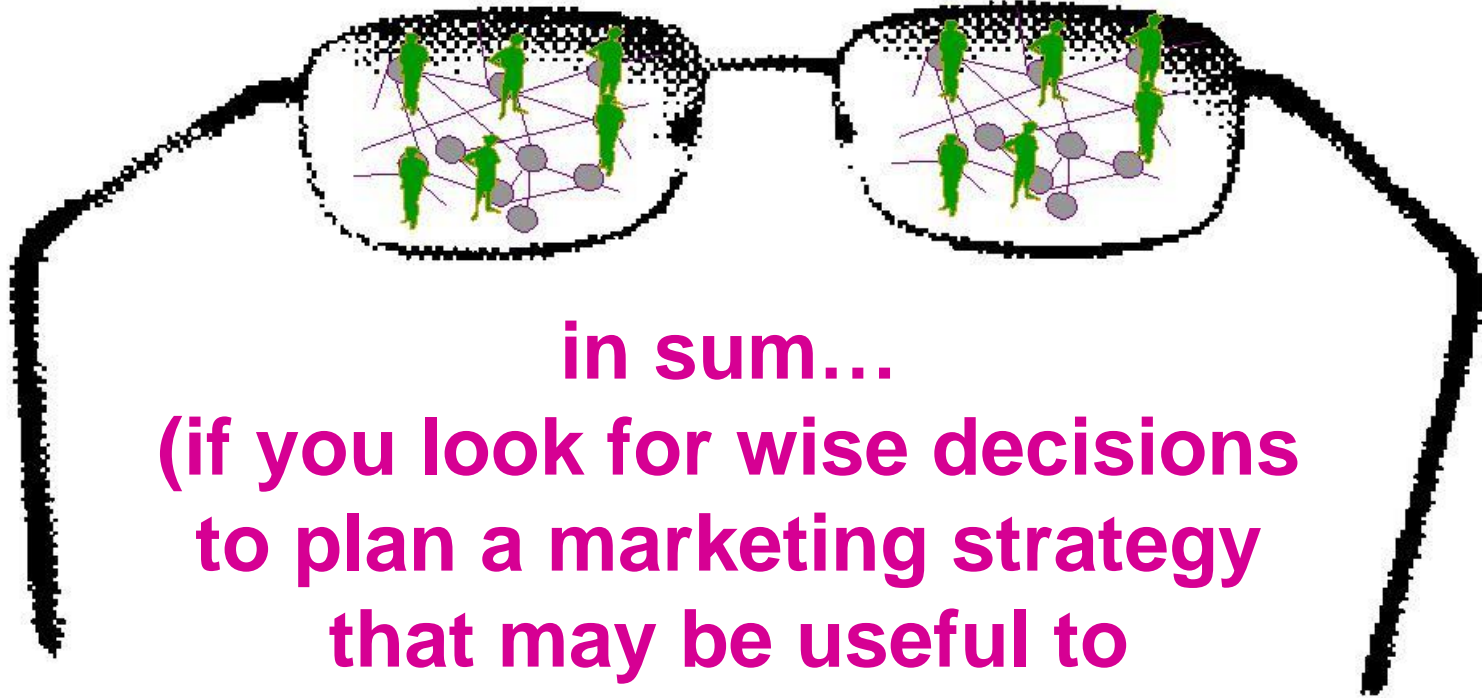


RALPH NADER at
Stockholm University,
September 23, 2010

CSR, Corporate Social Responsibility:
ethical behavior
charity
commitment to a cause
"green": environment 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

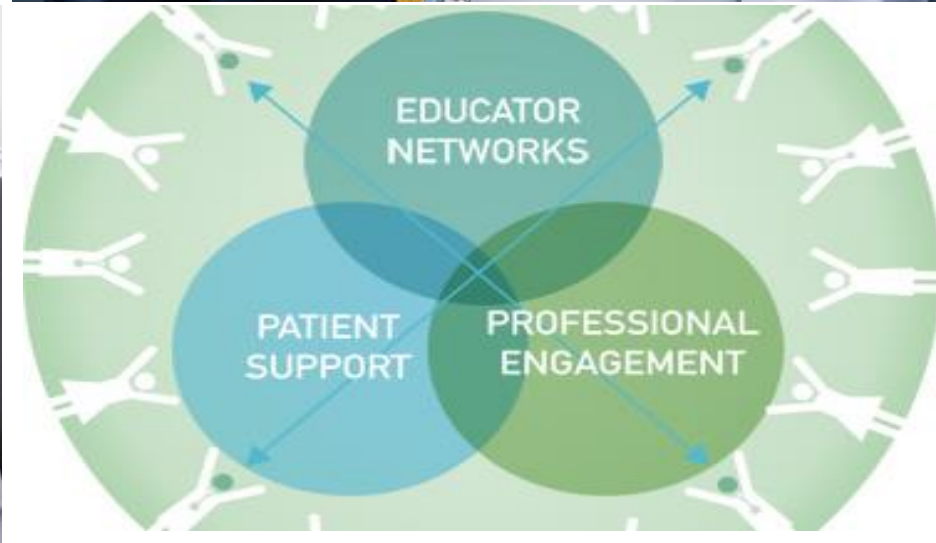
THROUGH

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





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

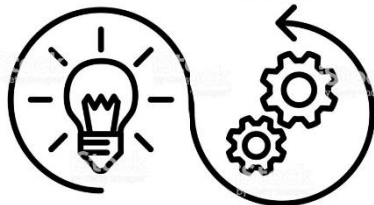
STRATEGY

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.

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



open happiness™



Marketing as experience



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

Marketing as experience



Sprite
REFRESQUE SUAS IDEIAS

Sprite
SHOWER

THE ULTIMATE REFRESHMENT MACHINE

Sprite is always a refreshing way to cool off. But sometimes you need to quench more than your thirst. You need Sprite Shower. A 30 ft tall shower that looks and feels exactly like a Sprite Dispenser. We promoted Sprite during the summer in Rio with 1500 servings a day and product sampling, making the beaches a lot more refreshing.

PUSH **REFRESH** **REPEAT**

Watch the video at: shakemelikeasroll.com/sprite

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



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 principles

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



STAN SMITH 2

US 8
UK 7.5
D 27.5
E 41.5
J 26.0
CHN 25.5

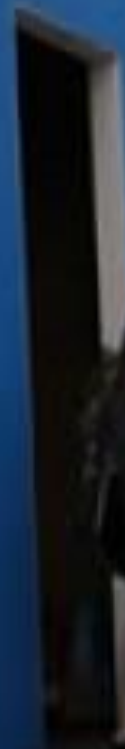
ORIGINALS

617000



adidas

ORIGINALS









95000 Award



NIVEA



NIVEA



NIVEA



NIVEA

good-bye
cellulite

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 the glass containing Pepsi but they kept buying Coca Cola anyway.
- It shows that the consumer behavior depends on different factors: in this case on the brand image.

Neuromarketing: an example

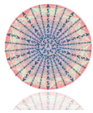




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ASVSA

Associazione per la ricerca sui Sistemi Vitali

THANK YOU.

Questions? Comments?

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