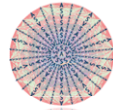UNIVERSITÀ DEGLI STUDI DI SALERNO

DIPARTIMENTO DI SCIENZE AZIENDALI MANAGEMENT & INNOVATION SYSTEMS

ASVSA

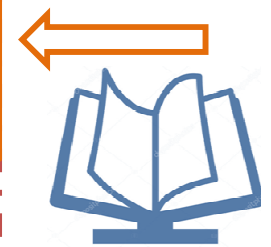SIMAS

SISTEMI PER L'INNOVAZIONE E MANAGEMENT SANITARIO

Marketing Strategy in Service Business

- margrimaldi@unisa.it -

Programme

- Marketing and Service Marketing: origins, evolutions & trends

- Service Theories: from S-D logic & Service Science to service ecosystems & service systems

- Many-to-Many Marketing
- Marketing Plan

- Value co-creation
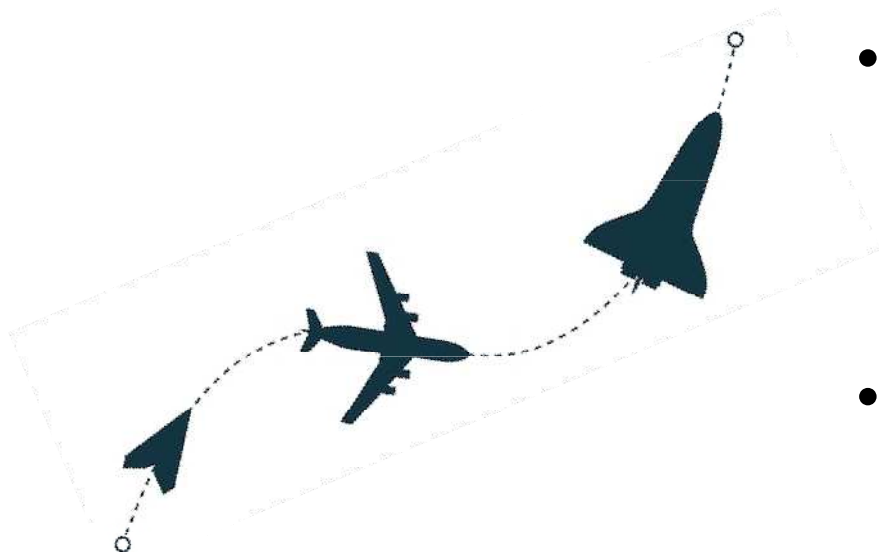- Unconventional marketing

Case studies
Examples
Exercises

Agenda: Lesson 1

- Marketing: origins, evolution and definitions

- Service Marketing: the advent of service-dominant mind-set

- New trends:
  - ❖ Experiential marketing
  - ❖ Relational marketing

- Case studies and examples

1.1

Marketing: origins, evolution, definitions

Definition of Marketing

AMA (1985):

"Marketing is the process of planning and executing the design of offering (product), pricing, promotion and distribution of goods, ideas and services designed to create exchanges that meet the individual and organizational objectives"
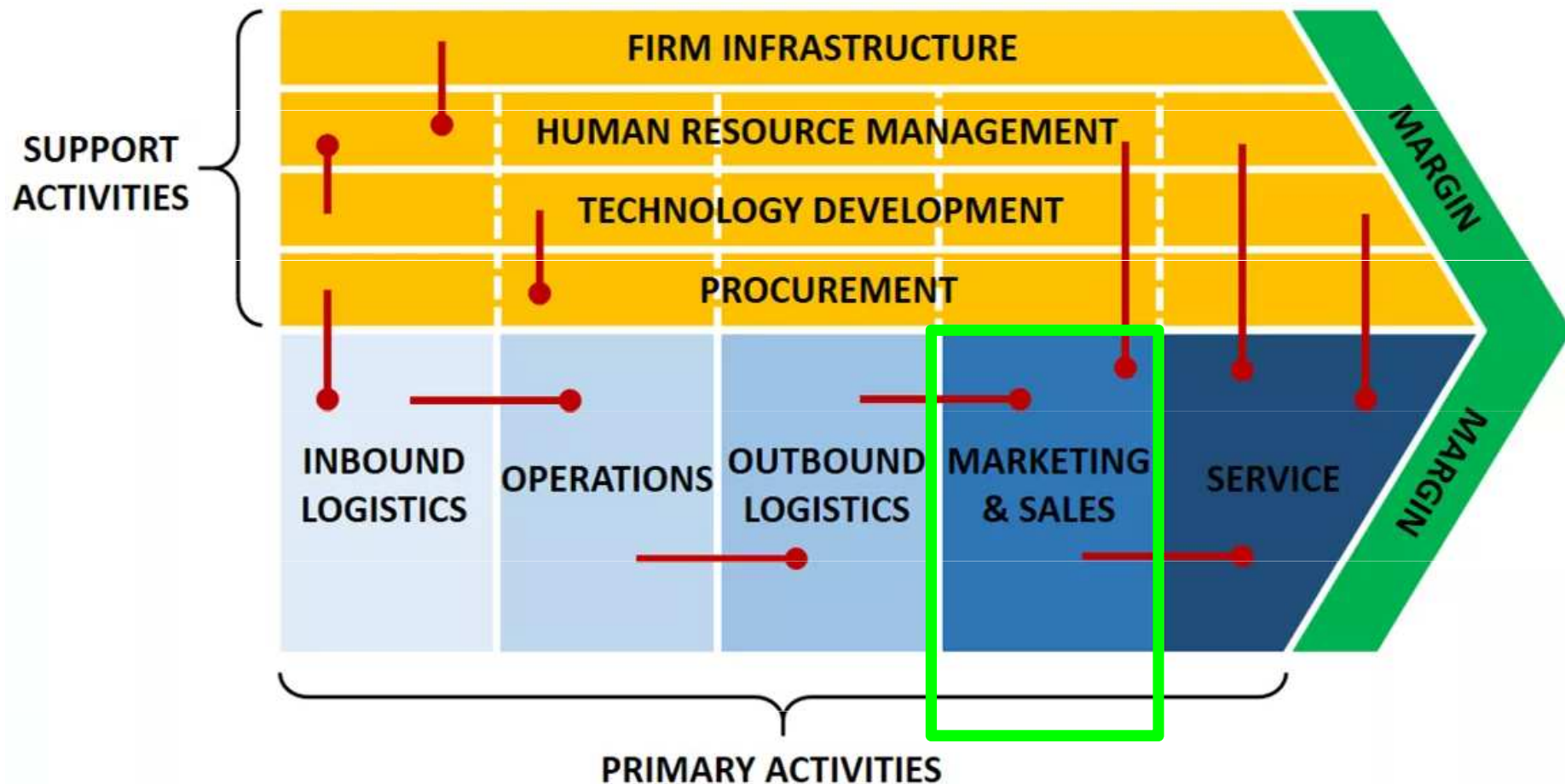
Over time,
Marketing has been
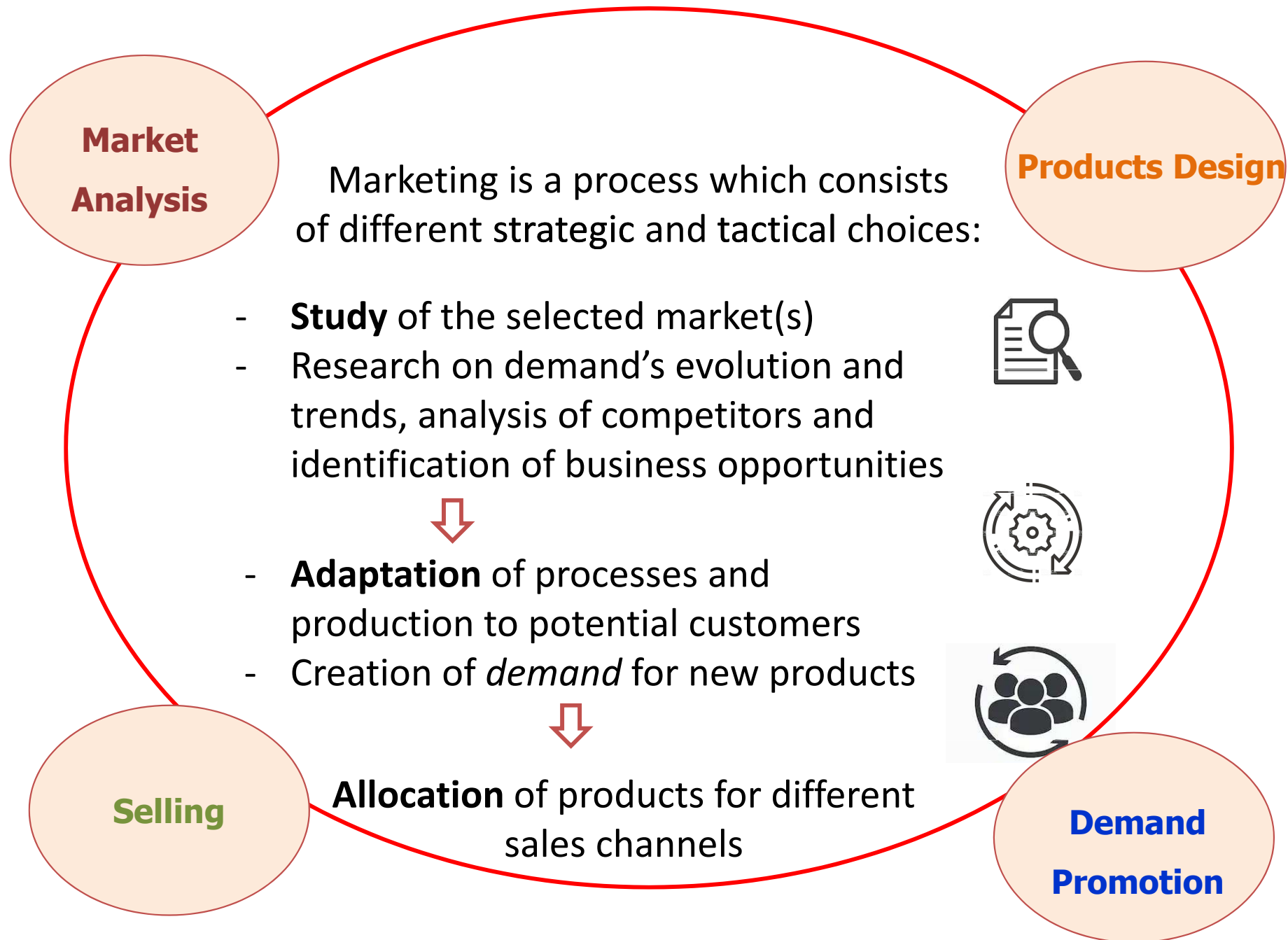conceptualized as a(n)

> **Business function**

> **Process**

> **Orientation**

(1) Marketing: a business function?

Porter's Value chain **(1985)**

(2) Marketing as a process

Market Analysis

Products Design

Marketing is a process which consists of different strategic and tactical choices:

- **Study** of the selected market(s)
- Research on demand's evolution and trends, analysis of competitors and identification of business opportunities

⇩

- **Adaptation** of processes and production to potential customers
- Creation of *demand* for new products

⇩

Allocation of products for different sales channels

Selling

Demand Promotion

Marketing Management

Institutional goals ⇐ **MISSION**

VISION

Definition of the activities/markets

STRATEGIC MARKETING

MARKETING MANAGEMENT

Segmentation

RESEARCH ⟶ Targeting

Positioning for the selected segment

Marketing information system | MIS

OPERATIONAL MARKETING

⋯RESEARCH⋯➤ Marketing mix tactics for the selected segment(s)
- product
- price
- place
- promotion

GAP

GAP

GAP

GAP

GAP

What ?

Which value?

For **Whom** ?
Creating value

Consumers

Segments
s1 s2 s3

Target
st

Value proposition

S E L E C T I O N

Selection of different «levels» of benefits required by users

HOW?
Can be value translated into products for the selected targets?

THROUGH?
Which kind of marketing mix
Value can be spread and take shape?

8

Purchasing Process

Purchasing Process

Purchasing Motivations

Indirect competition
(Needs)

Direct competition
(Products & Brand)

Rational motivation
(price-quality)

Emotional motivation
(feelings)

Advocacy motivation
(Loyalty)

Relationship between:
- ✓ OFFERED BENEFITS/REQUIRED BENEFITS
- ✓ PRODUCT PRICE/ CUSTOMERS SPENDING

(3) Marketing as an Orientation

	Focus	Product-Market	
ENDOGENOUS **Production Orientation**	Production Process	Process & product standardization	**D>O**
Product Orientation	Product features	To sell what can be produced	**Goods** ⇩ **Selling**
Selling orientation	Ways to attract consumers	Efficiency of production	
EXOGENOUS **Marketing Orientation**	Users' needs Business' survival	Research on consumers: To product the goods wich can be sold	**O>D** **Needs** ⇩ **Products**

(3) Marketing as an Orientation

Redefining the role of Marketing in Value chain
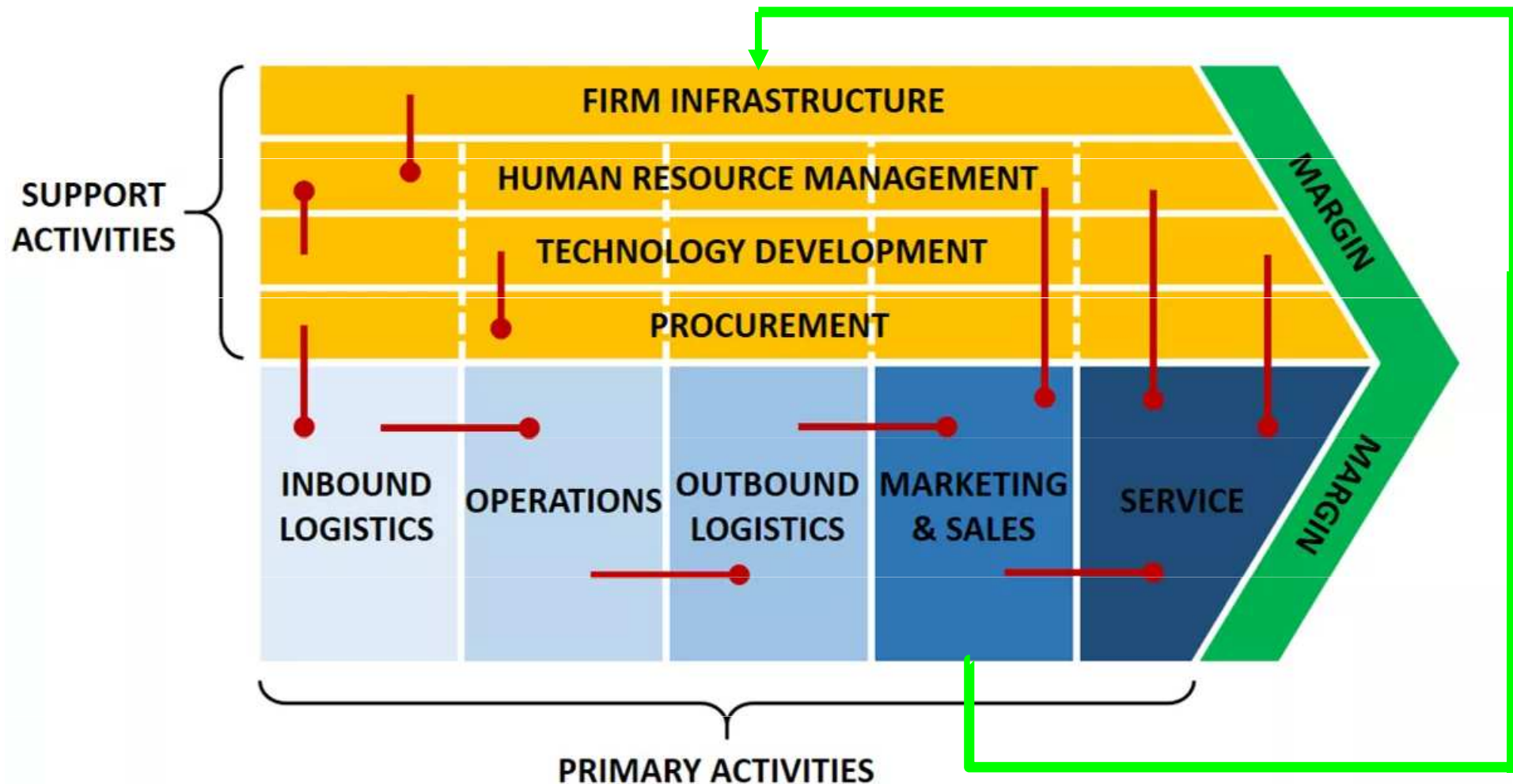
(3) Marketing as an Orientation

Product orientation

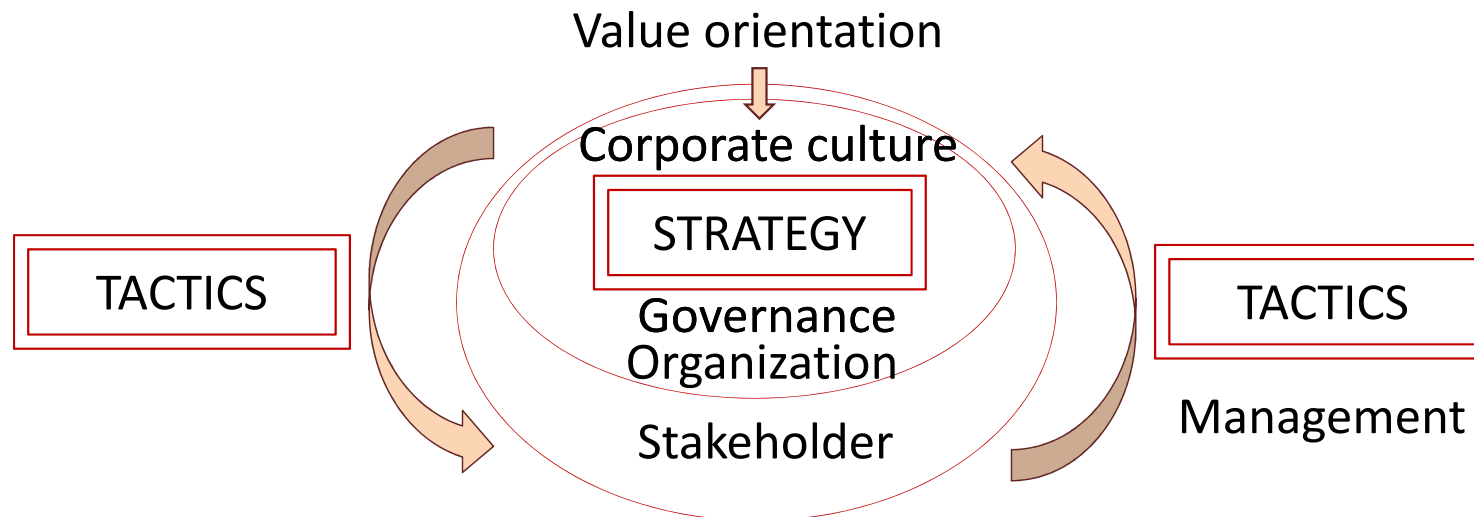Production capacity → Production → Selling → *CUSTOMERS*

Marketing orientation

Study of demand →

- New needs of users
- Needs of POTENTIAL users

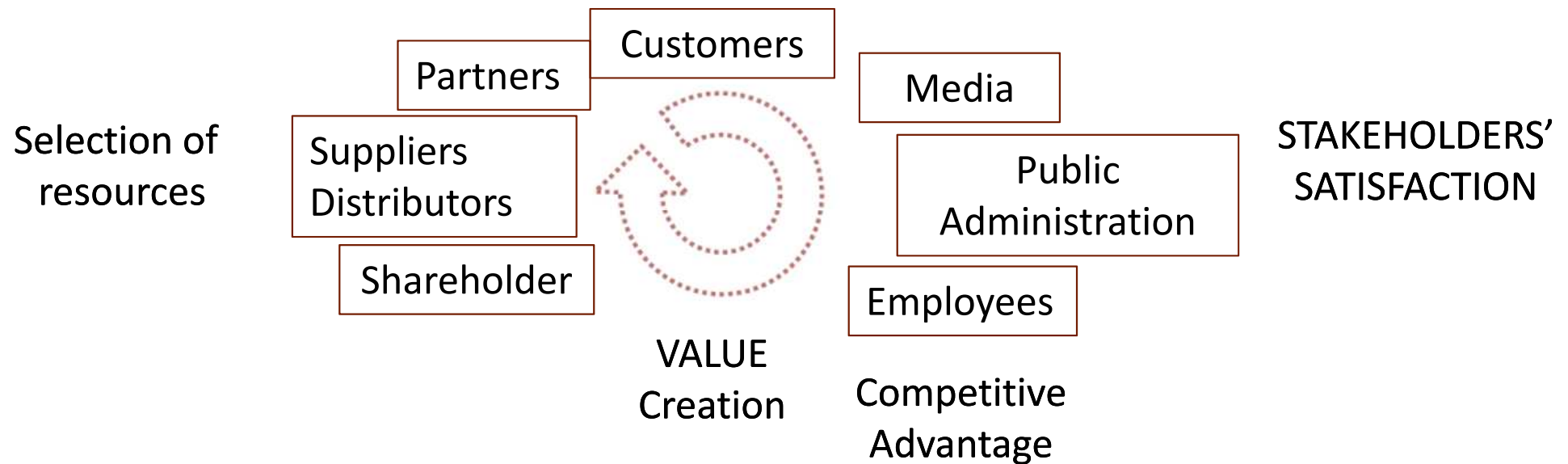→ New *business* opportunities → Production PLANNING → Production → Selling → *CUSTOMERS*

Feedback
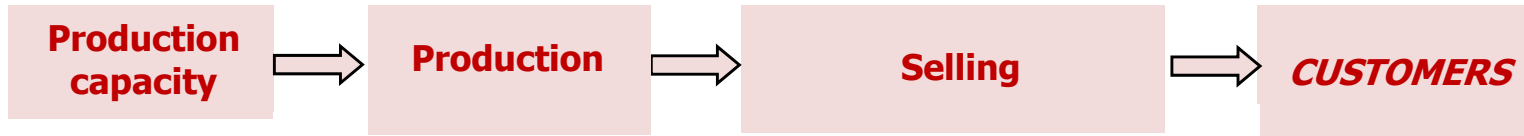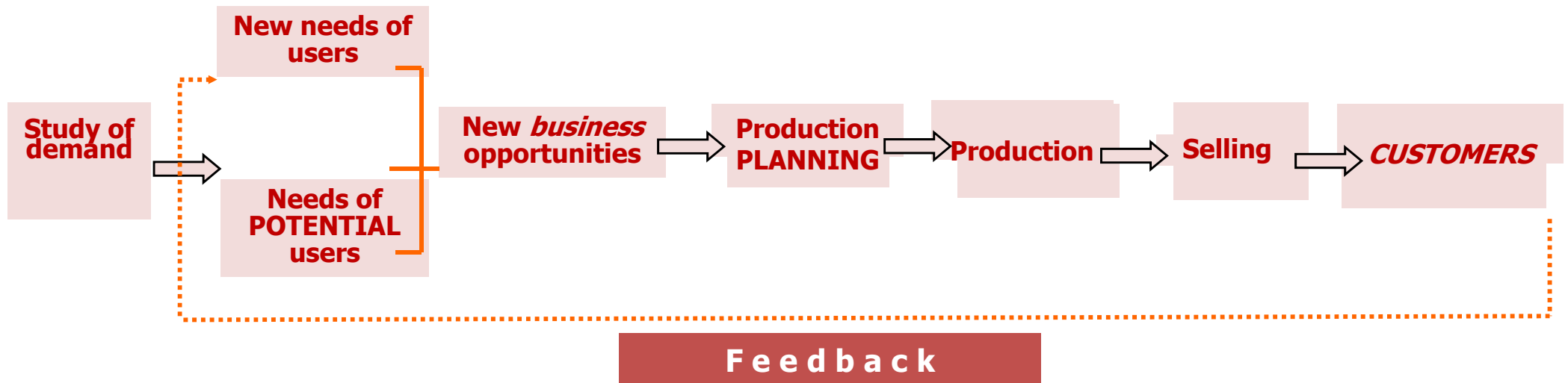
(3) Marketing as an Orientation

✓ Complex selection and diffusion of values, personality, story and identity (brand)

✓ Translation of value into a coherent culture to be spread within and oustide the organization

Value orientation

Corporate culture

STRATEGY

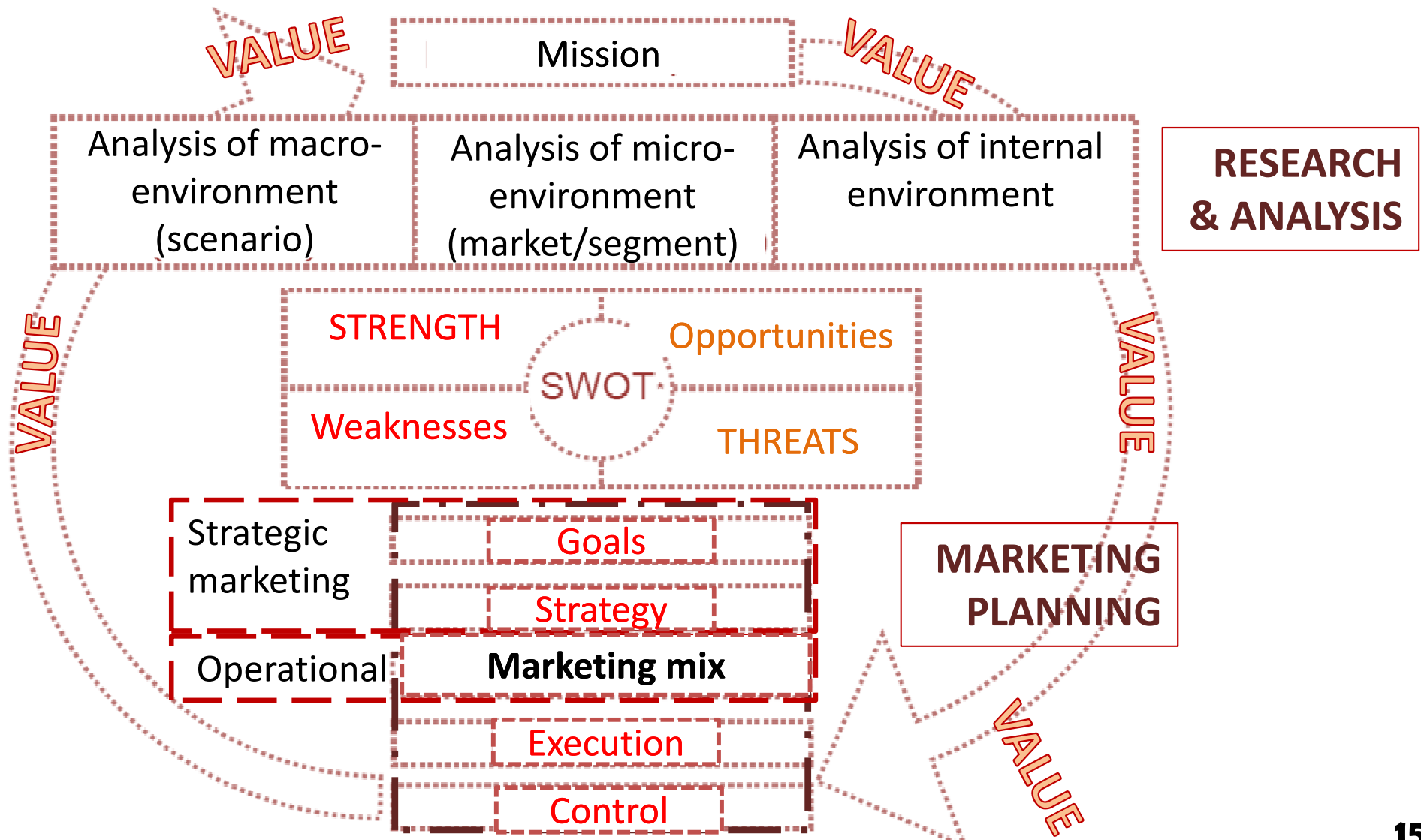Governance
Organization

Stakeholder

TACTICS

TACTICS

Management

Value Proposition and Creation

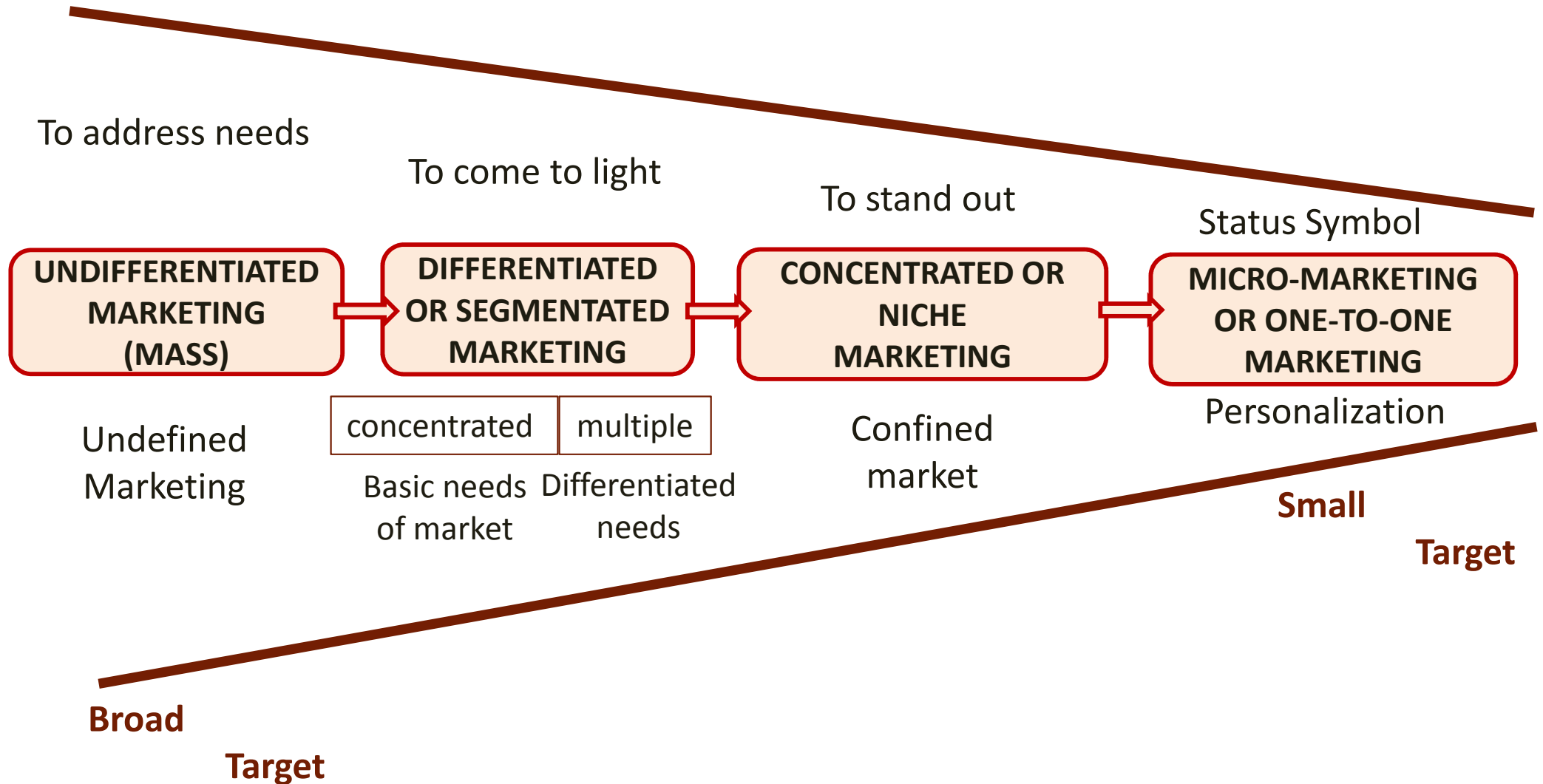Marketing orientation redefines the entire organization and permeates the strategic objectives and decision-making

Selection of resources

Customers

Partners

Suppliers
Distributors

Shareholder

Media

Public
Administration

Employees

STAKEHOLDERS' SATISFACTION

VALUE
Creation

Competitive
Advantage

Value is the complex set of *economic*, *functional*, *psychological* and *social* benefits that customers want to receive (or receive actually) in exchange for the money spent (or for the money they want to spend) to enjoy a good or service

Marketing for Value Creation & Diffusion

VALUE   VALUE

Mission

RESEARCH & ANALYSIS

Analysis of macro-environment (scenario)

Analysis of micro-environment (market/segment)

Analysis of internal environment

VALUE   VALUE

STRENGTH   Opportunities

SWOT

Weaknesses   THREATS

Strategic marketing

Goals

Strategy

MARKETING PLANNING

Operational

Marketing mix

Execution

Control

VALUE

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Different kinds of Marketing

To address needs

To come to light

To stand out

Status Symbol

| UNDIFFERENTIATED MARKETING (MASS) | → | DIFFERENTIATED OR SEGMENTATED MARKETING | → | CONCENTRATED OR NICHE MARKETING | → | MICRO-MARKETING OR ONE-TO-ONE MARKETING |

Undefined Marketing

| concentrated | multiple |

Basic needs of market

Differentiated needs

Confined market

Personalization

Small

Target

Broad

Target

Undifferentiated Marketing	Differentiated Marketing	Concentrated Marketing
Target: <u>whole</u> market Offering: single **Marketing plan**: standard Communication: undifferentiated **Distribution** channels: Mass	Target: <u>one or more segments</u> Offering: differentiated for each target **Marketing plan:** One for each target **Communication/ Distribution** channels: differentiated for target	Target: <u>a single segment or a sub-section</u> Offering: focused **Marketing plan:** unique for the target selected **Communication/ Distribution** channels: tailored for the target
Goal: to attract the highest possible number of customers	**Goal:** to conquer big segments of market	**Goal:** to «nurture» a specific market
Pros: costs and price **Cons:** high competition	**Pros:** targeted marketing activities **Cons:** high costs (multiple offering)	**Pros:** costs reduction; better knoweldge of the segment; enhancement of the image. **Cons:** dissolution of segment or modification of tastes

Different approaches for **different orientations**

PRODUCTION ORIENTATION

PRODUCT ORIENTATION

SELLING ORIENTATION

MARKETING ORIENTATION

BVLGARI

MASS APPROACH	BROAD SEGMENTS	ADJACENT SEGMENTS	MULTI-SEGMENTATION	For small segments	For niche segment	MASS CUSTOMIZATION
	Segment A	Segment A	Segment A			Segment A1
						Segment A2
						Segment A3
						Segment A4
						Segment A5
		Segment B	Segment B			Segment B1
						Segment B2
			Segment C			Segment C1
				Segment C		Segment C2
					Segment C3	Segment C3

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Different kinds of marketing

Mass customers

Standard goods
Unidirectional
communication

«Capture» of customers

Individual customer

Unique product and
tailored production
One-to-one
communication

Users' loyalty

Market

X

Unique segment

X

Different segments

X   X   X

Niche   Xa

Single
customer
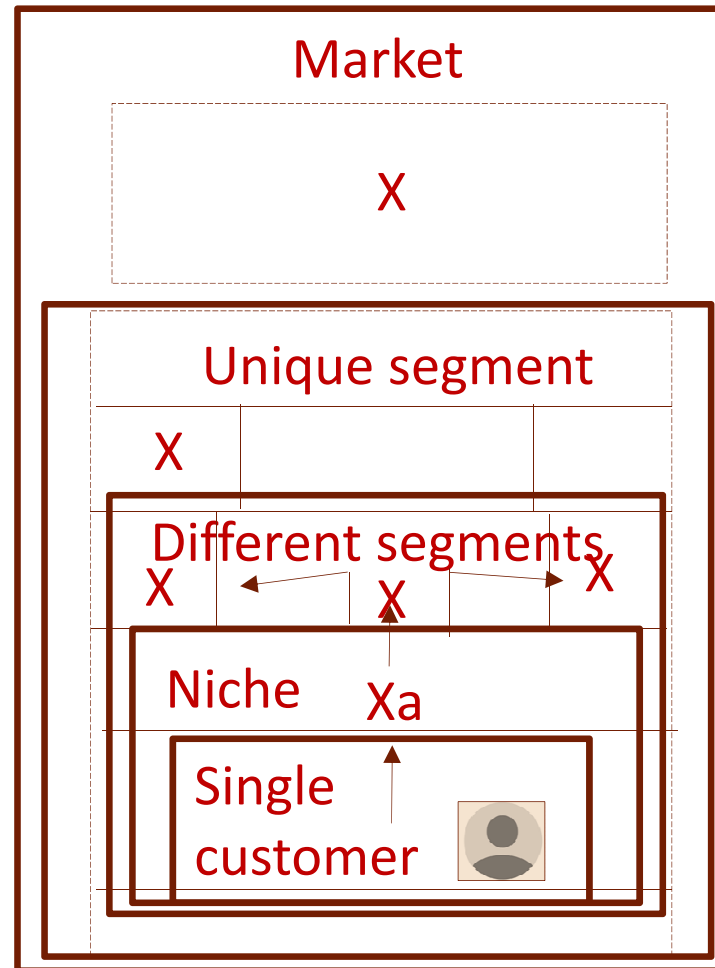
UNDIFFERENTIATED
MARKETING

DIFFERENTIATED
MARKETING

CONCENTRATED
MARKETING

Evolution of Marketing Focus

Managerial (Kotler, Keller and Brady 1967)

Organizational (Grönroos, 1983)

Collaboration-oriented
(Hakansson and Snehota, 1989)

Relational (Gummesson, 1997)

Value-based and co-creation-based
(Prahalad and Ramaswamy, 2004)
(Ballantyne and Varey, 2006)
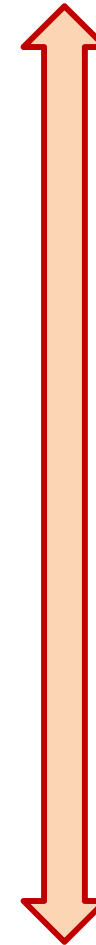
INTERNAL

....and
Service-Dominant
(Vargo and Lusch)

EXTERNAL

New definitions of Marketing

AMA (1985):

"Marketing is the process of planning and executing the design of offering (product), pricing, promotion and distribution of goods, ideas and services designed to create exchanges that meet the individual and organizational objectives"

AMA (2004):

"Marketing is an organizational function and a set of processes aimed at creating, communicating, and delivering **value** to customers and managing relationships with customers in order to benefit from the organization and related stakeholders."

Evolution of Marketing Mix

Over time, different models have been adopted by practitioners and scholars for the definition and study of the marketing mix:

McCarthy, 1964:

       - Product, Price, Promotion, Place

Kotler, 1986:

       - Product, Price, Promotion, Place, **Public Relations, Politics**

Booms and Bitner, 1981:

       - Product, Price, Promotion, Place, **People, Physical Evidence, Process**

P

Lauterborn, 1990:

       - **Consumer, Cost, Communication, Convenience**

C

Kotler, 2018:

       - **Customers, Company, Collaborators, Competitors, Context**

22

1.2

Service Marketing

The advent of Service Era

| Servicing (White et al., 1999) | Servitization (Vandemerwe & Rada, 1988) | Servicescape (Bitner & Brown, 2006) |

Revolution in contemporary hypercompetitive and dynamic markets based on the new **centrality of service** and on the preeminence of the **immaterial aspects** of consumption.

Triggers	**ECONOMIC**	**INFORMATIONAL**	**SOCIAL**
	Complexity and Market saturation ⬇ Sustainable competitive advantage based on **know- how**	**ICT** diffusion ⬇ Impact of new technologies on the traditional value chain	Beyond the economic profit: *Prosumers* pay increasing attention to the **social outcome** of businesses

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Service research: toward systems perspective

This revolution leads to the metamorphosis of traditional marketing and managerial paradigms determining the emergence of a shared:

Holistic view

Systemic approach centred on <u>collaboration</u> among companies, <u>customer engagement</u> and <u>knowledge exchange</u> among all the actors aimed at value co- creation.

Parallel shifts

- **Service**: From good- centred logic to service- centred logic;
- **Value**: From product orientation to value orientation;
- **Firm**: From single firm to network firms.

(1) Service dimension: from good-centred logic to service-centred logic

Services ⊆ Products	Products ⊆ Service
Service as a particular kind of products	Products as components of a <u>total offering</u> of service

Say (1982)
"Services are activities consumed in the same moment of production"

Lovelock (1983)
IHIP: 4 characteristics aimed at distinguishing service from product (inseparability, heterogeneity, intangibility, perishability)

Grönroos (1990)
"The physical goods become one element among others in a total service offering [..]This means that physical goods marketing and services marketing converge, but services-oriented thinking will dominate"

(2) Value dimension: from product orientation to value orientation

D > O   D = O   O > D

PRODUCT ORIENTATION

Mass production (taylorism): immediate economic **profit**

⇩

To produce in order to sell

SELLING ORIENTATION

To sell what is produced

MARKETING/ CUSTOMER ORIENTATION

Customers are not anymore viewed as an undifferentiated mass

⇩

To produce only what can be sold

Value orientation

"Customers do not look for goods and services per se: they look for solutions that serve their own value-generating processes" (Grönroos, 2000).

⇩

To co- create value and exchange knowledge with customers and other stakeholders

(3) Organizational dimension: from individual to network view
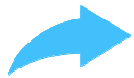
Monocentric view

Endogenous perspective
The mass market phase in which organizations <u>do not</u> study consumer's attitude and desires and do not establish relationships with users.

Dualistic view

One-to-one marketing/ Relationship marketing (Grönroos, 1990)
Interactions between users and providers have a strong impact on marketing decisions. So, companies aims at building **durable relationships** with customers.

Network view

Many to many marketing = Network theory (Richardson, 1972; Castells,1996; Capra, 2002)
<u>Not only customers</u> and other stakeholders contribute to value co- creation, but also the social networks in which they live. Companies build relational networks to generate an offering not anymore based only on goods, service or information but grounded on the **unique knowledge** exchanged among all the actors.

A new mindset for innovation

In order to be able to gain new market shares and to adopt more effective marketing strategies, a growing need for "UNCONVETIONALITY" is emerging in recent years.

Get out of the box, think differently, innovate the way of doing innovation.
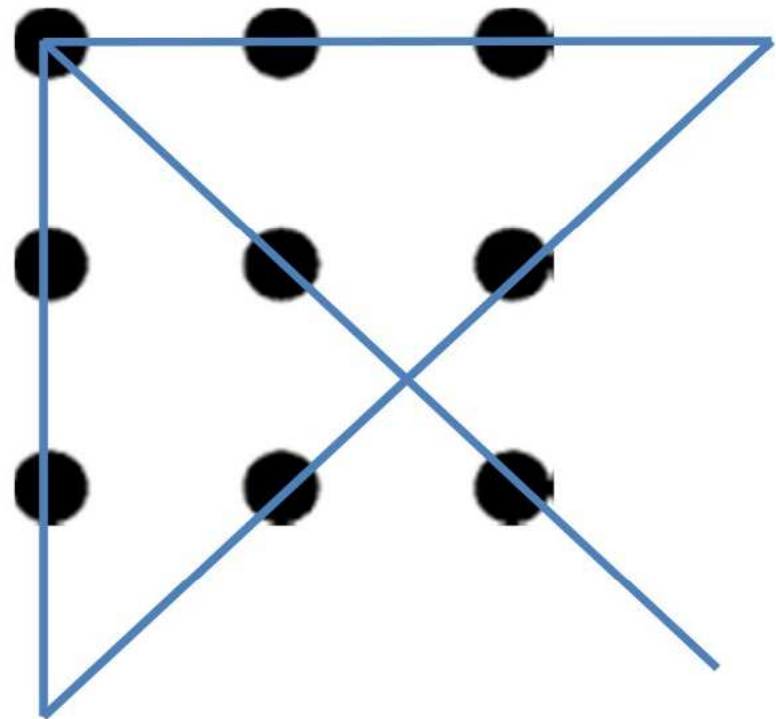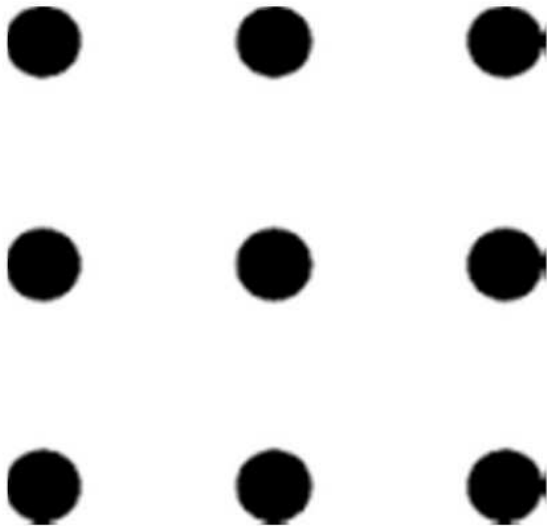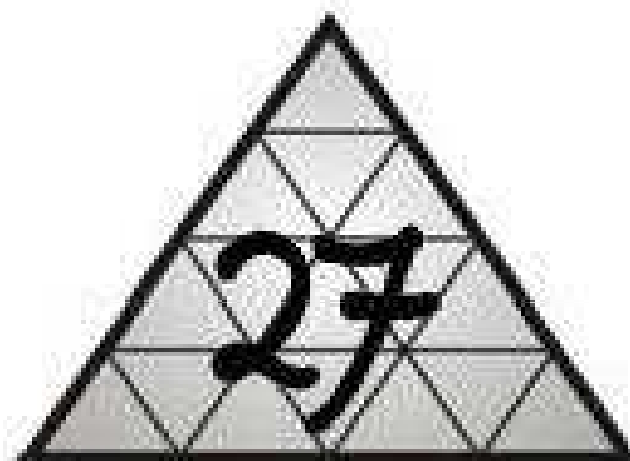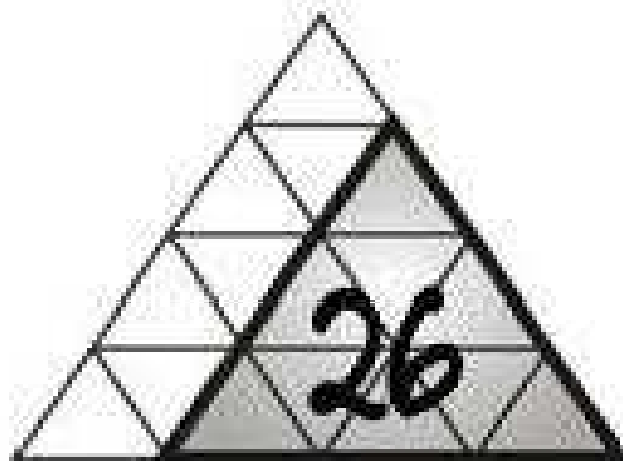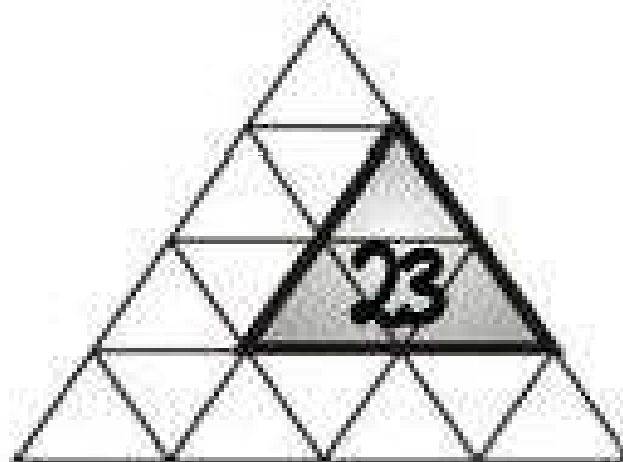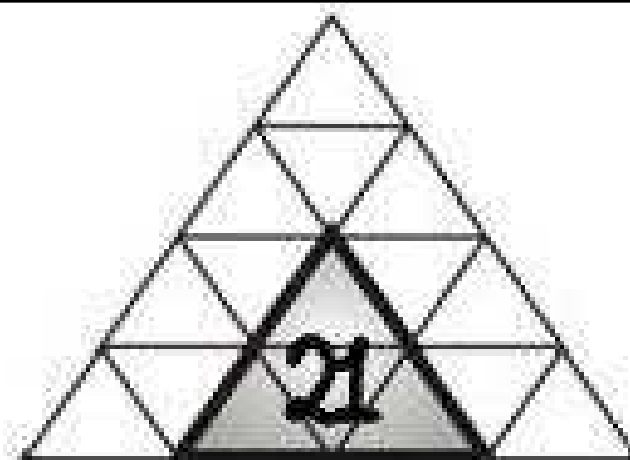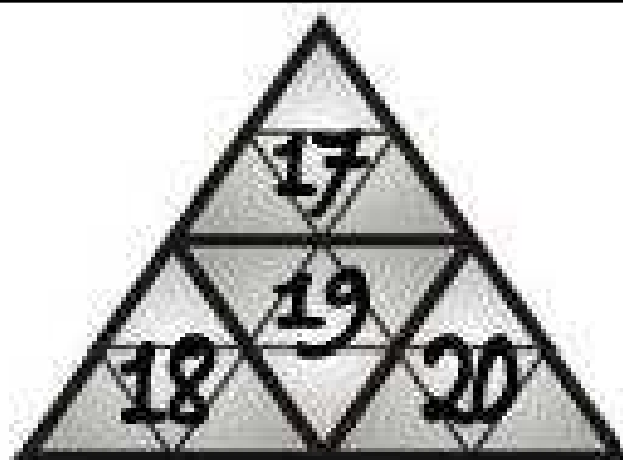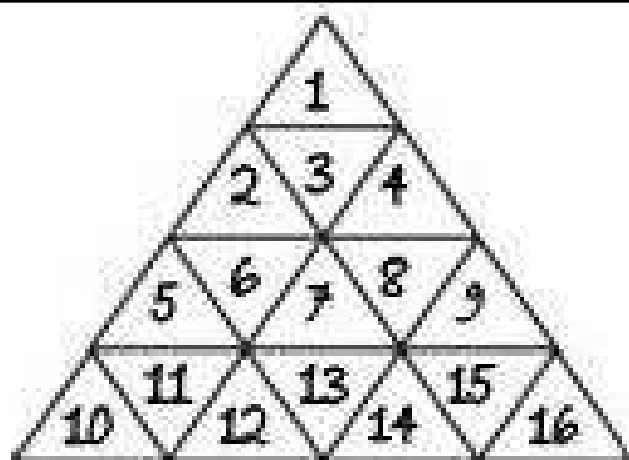
To think outside the box

Conversation "E-FREE"

Set up a normal conversation without using any word containing the letter E. Without pauses between sentences. Example:

Person 1: "What do you want to do now?"

Person 2: "I do not know, what about lunch? I know a good fast food."
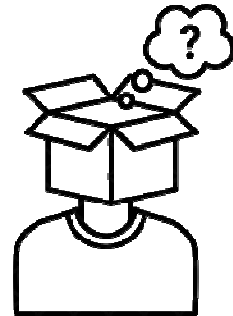
You're constantly looking for the right words to say that your sentence makes sense and you're E-free. It is a thought outside the box.

Add numbers… Quick!

Quickly adding small numbers to your head (4 + 7 + 9 + 3 + 2 + 2 + 8 + 5 + 8 …) forces you to continually change the information you need to work with and remember.

As the numbers are added, the overall total changes constantly and to get to the next total you need to focus exclusively on the current total and the next number you are adding.

Changing the **Perspective**

Products

(output)

Services

(Processes and applied competences)

Goods

(tangibles)

Services

(Intangibles)

Indirects

(Goods)

Directs
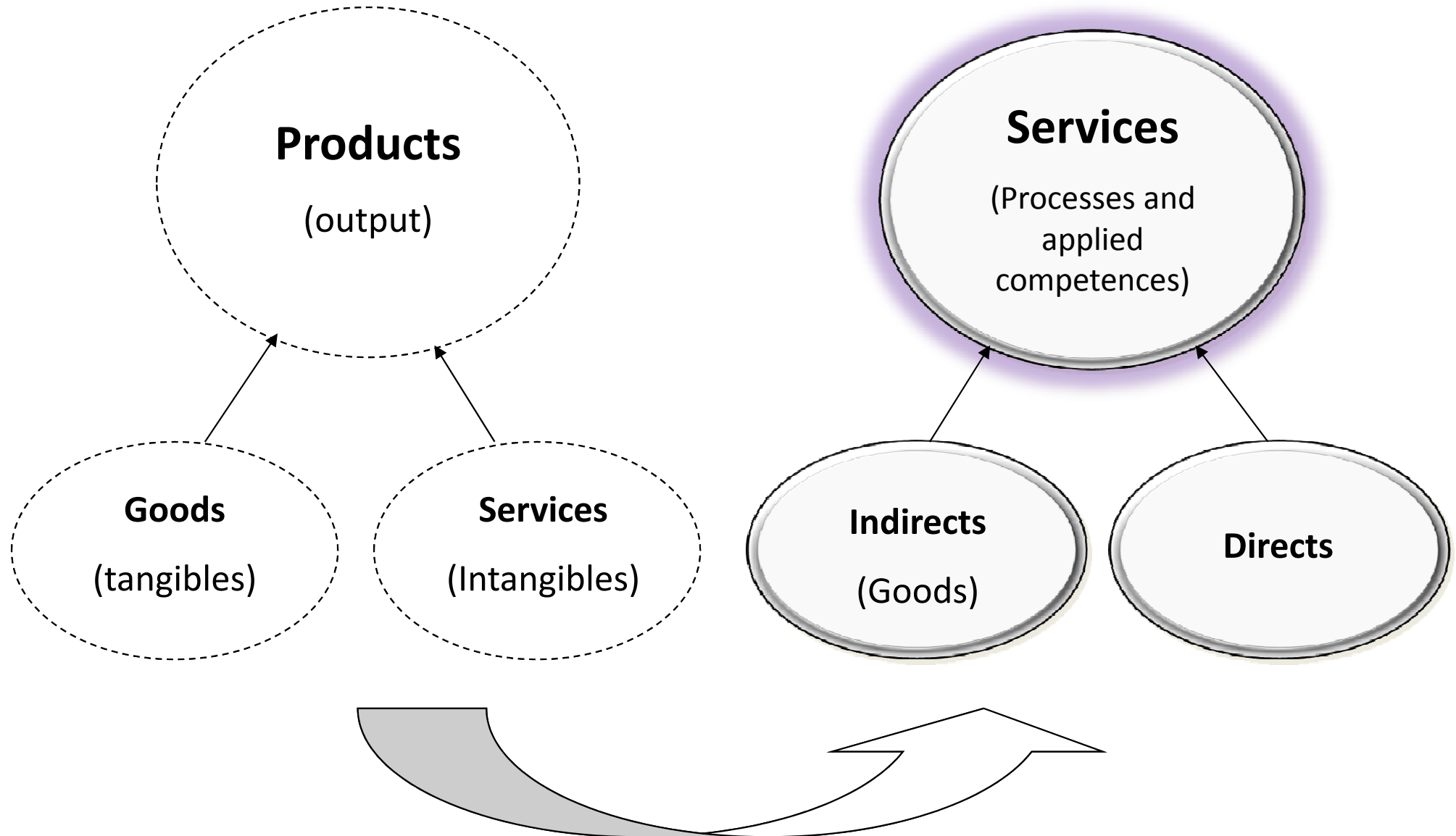
From G-D logic to S-D Logic

Good-dominant logic	Service-dominant logic
Production-Selling orientation ⬇ **PUSH MODEL**	Customer orientation ⬇ **Co-creation and resources integration (Knowledge)**
«Narrow» perspective (shareholders; direct stakeholders)	«Broader» systems view (*multi-stakehoklder*)
«Internal» Production	Service outputs are co-created and co-produced collaboratively
Unidirectional and dyadic relationships	**MANY-TO-MANY** Relationships networks
Consumers are benefeciaries/<u>passive</u> receivers of products	Consumers are **strategic resources** for companies and participate <u>actively</u> in value co-creation
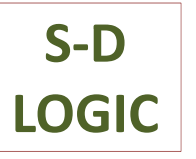
Products ≠ Services

Services are «<u>extra</u>» features added to products

⬇

Value is not produced anymore exclusively by providers, but is negotiated between and among all the stakeholders

⬇

Goods are <u>means</u> to provide service in a totalizing service offering

The evolution of Service

Phase	Definition of service	
G-D LOGIC	**Neoclassical (1890-1930)**	**Value** lies in products. Services are activities consumed in the same moment of production	Service are a **particular kind** of goods
	Hard sell orientation (1930-1960)	Services are a set of activities more or less intangible that take place in the interaction bewteen users and companies	Services are a **cosmetic adjunct** to tangible goods
S-D LOGIC	**Marketing orientation (1960-1985)**	**IHIP Model:** 4 differences Goods vs services→ (1.intangibility; 2. heterogeneity; 3.inseparability; 4. perishability)	
	Service era (1985…)	**Value** is not IN products but it is negotiated collaboratively and built in progress during the experience of service delivery	Services are the real object of exchange and are **co-created** by each actor engaged

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The origins of Service

Adam Smith, *The Wealth of nations (1776)*

Market and exchanges focus on two key dimensions:

- Industrial production of **tangible goods** as activities targeted at value creation;

- **Efficiency and "division of labour"**: manual labour based on differentiated capabilities and competencies.

The foundation of economic exchange is the application of intellectual and material capabilities of actors that act «for» the benefit of other actors (what will be identified next as «service» in S-D logic).

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The origins of Service

The key assumption that tangible goods own a <u>transportable</u> and <u>transferable value</u> leads to the distinction between:

PRODUCTIVE GOODS	Tangible goods with **nominal** value (market price) which makes easier to <u>assess</u> and <u>measure</u> the exchange of value.

These goods contribute directly to the wealth of a nation.

UNPRODUCTIVE GOODS	Goods which cannot increase the surplus of a nation and involve the provision of a non-standardized service with <u>unquantifiable value</u> (e.g. lawyers, doctors, etc.).

Criticism of Classical economic theory

Say, *Traité d'économie politique,* 1821

Production does not generate tangible outputs but create utility and **benefits** (*value in-use*)

Mill, *Principles of Political Economy*, 1848

The work is «productive» even if not targeted to the production of tangible objects

Criticism of Classical economic theory

Jean-Baptiste Say→ UTILITY: *internal feature of material goods*

Underestimation of the differences between <u>value-in-exchange</u> and <u>value-in-use</u> (seen as interchangeable).

PRICE → PERCEIVED VALUE → UTILITY

Mill and the utilitarianism: The price that customers want to pay is the perceived value, which, in turn, is based on *utility,* as a <u>property</u> of the object exchanged.

Criticism of Good-dominant mindset

Frédéric Bastiat, *Harmonies of Political Economy* (1850)

Pioneer of *Service-Dominant logic*, who shifts the attention to:

- *Users' **needs** and **satisfaction**;*

- ***Value** <u>as personal</u> acknoweldgement and (<u>comparative</u>) assessment of the different mutual benefits provided by different services.*

BUT

Bastiat's thought has not been formalized as an «autonomous» economic theory

Good-dominant logic in brief

- The goal of economic activities is to <u>produce</u> and <u>distribute</u> goods that can be sold
- The goods should acquire utility (value) thanks to production and distribution processes and provide consumers with higher value than competitors' propositions

- The company should target all the decisions at the maximization of the profit deriving from sales
- The goods should be <u>standardized</u> and <u>manufactured</u> far from the market to enhance control and maximize production efficiency
- Goods can be <u>stored</u> before customer's demand and, then, can be delivered to consumers in exchange for a certain profit.

Good-dominant logic: main limitations

GOODS

G-D Logic

VALUE-IN-EXCHANGE

COMPANY
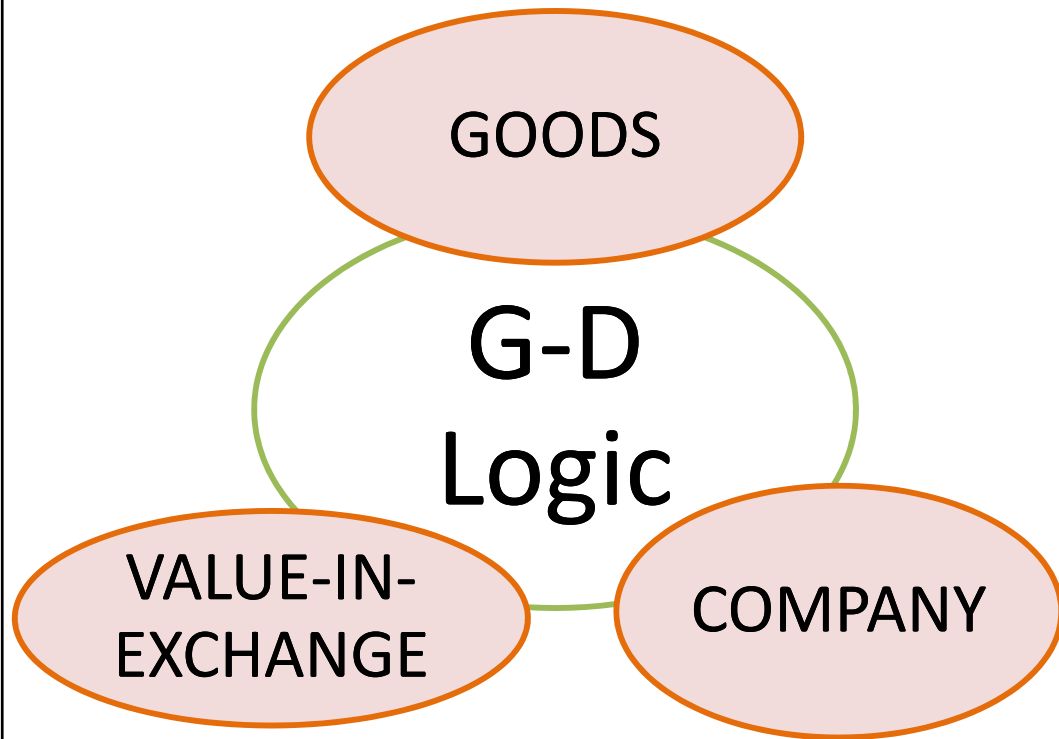
- **Linear** and **uni**directional model;

- Clear opposition USER vs PROVIDER;

- Little consideration for social value;

- Underestimation of the role of context and of relationships in exchanges.

PROBLEM

G-D logic: a «myopic» vision

Over time……

The mounting hypercompetition of markets and the complexity of context led to the adoption of a broader, all-encompassing and **systems** vision

Introduction of service management and service marketing as «autonomous» research areas

…until the «explosion» of **SERVICE-DOMINANT LOGIC**

TIME FOR CHANGE

From customer orientation to S-D logic

The development of customer orientation is just one of the main triggers that fostered the rise of services:
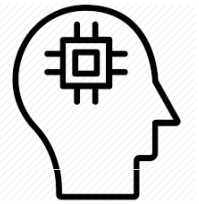
→ The study of consumer behavior and the assumption that consumer choice is more than just a function of the maximization of benefits related to the utility of the goods

→ The growing **social** and economic development deriving from the service economy

→The overcoming of the distinction between customers and providers and the inclusion of "generic actors" in the co-creation of value.

Transactions vs Relationships

Service-dominant logic derives from **relational marketing** (Berry, 1983), then merged into Nordic School (Gummesson and Gronröos, 1994) which focuses on two key concepts:
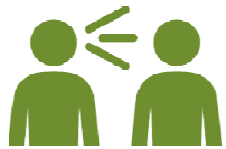
Shift from dyadic relationships (economic transactions) to **many-to-many** approach that reconceptualizes companies as complex *networks* of relationships and interconnected actors

The value deriving from exchanges is interactional and depends on the <u>context</u> in which interactions occur and in which experiences are developed (Pine and Gilmore, 1999)→ **experiential marketing**

S-d logic: (Redefining) key concepts

SERVICE «**application**» of resources for the benefit of other actors, as the basis of economic exchange

GOODS tools/means to provide service

VALUE Always co-created by providers and many beneficiaries…

…always determined exclusively by beneficiary

S-D logic : main insights
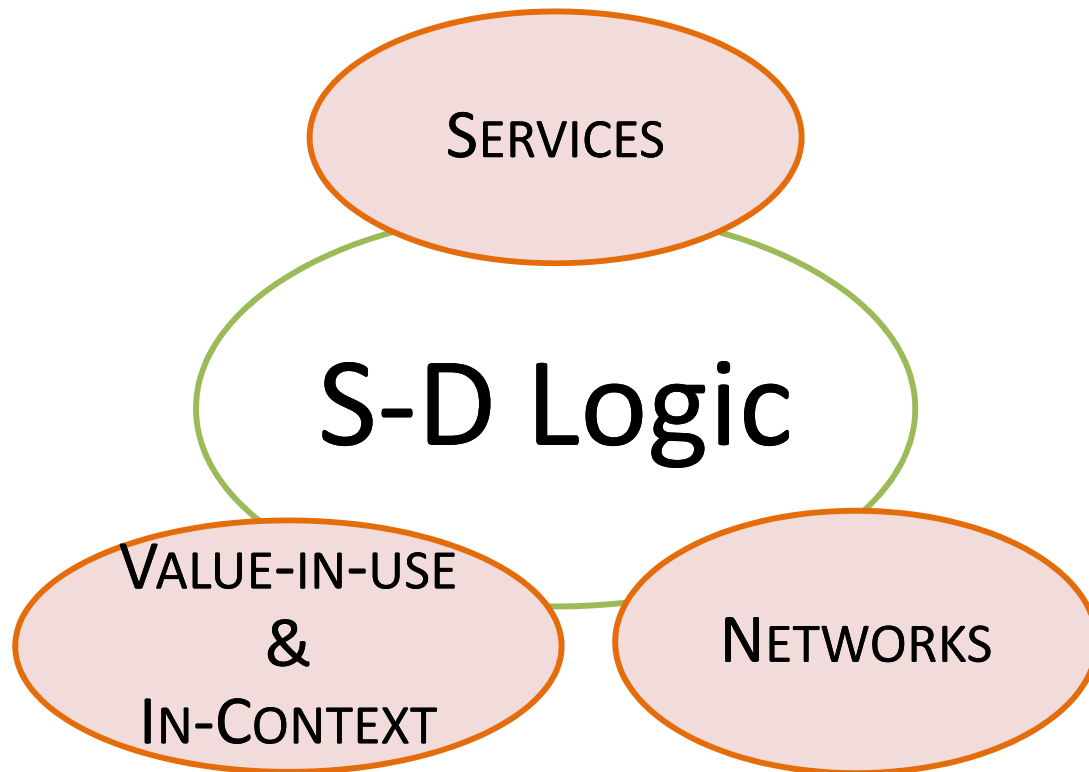
- From value-in-exchange to value-in-use and in-context

- From product orientation to customer orientation

- From transaction to relationships

Everything is...Service

From S-D logic: Definition of Service

Application of *specialized* skills and competences

THROUGH

actions, processes and performance

AIMED AT

producing benefits

FOR

themselves and for third parties

…..directly or indirectly connected
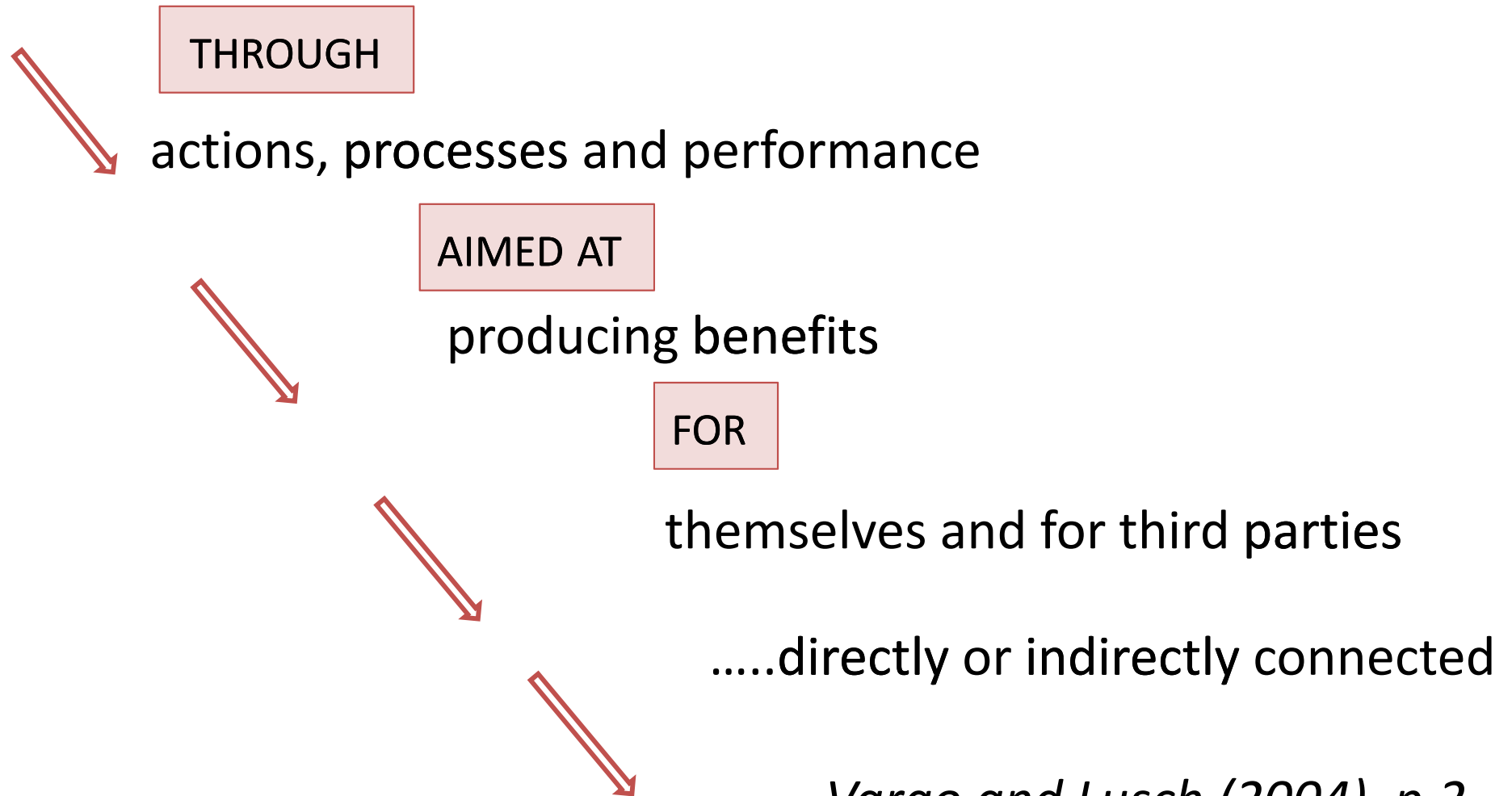
Vargo and Lusch (2004), p.2

The process of value co-creation

Value co-creation

Supplier → **Producer** → **Consumer**

Value destroying

Value
from supply chain

Value
from co-production
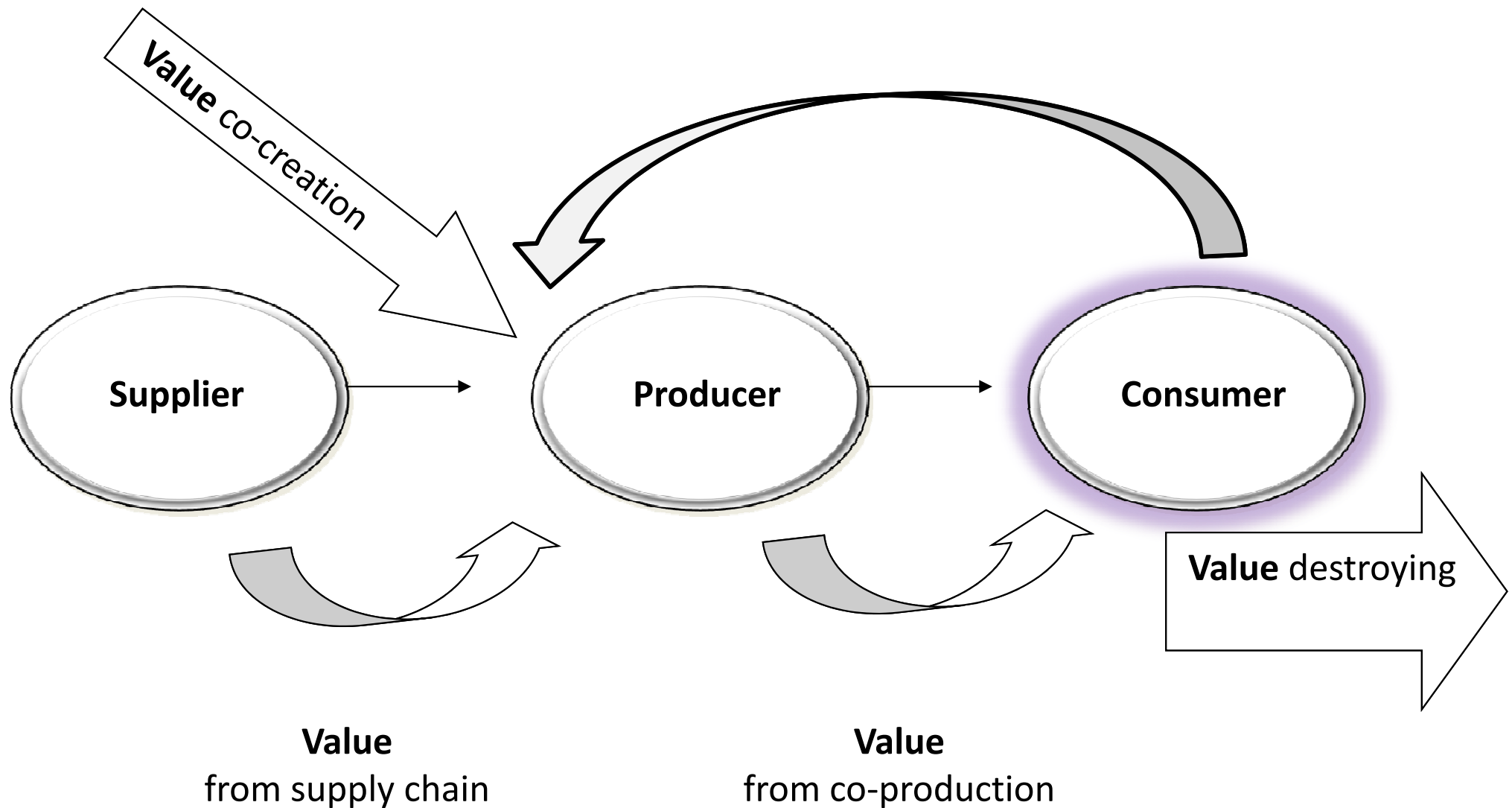
Value

Value-in-use

Value-in-context

Co-creation

Win-win

Mutual benefits

- RESULTS/EFFECTS -

From consumers

value is created when the customer uses or consumes a product or service.

BUT

For most organisations value is created by producing products and services which customers want to buy.
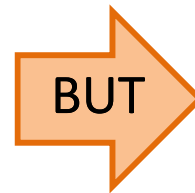
Relationships with Market

To the Market

From the Market

With the Market

"Matter in Motion"

Client Management &
Market Management

Collaboration with customer

endogenous

exogenous

collaborative

A ⟹ B

B ⟹ A

A ⟺ B
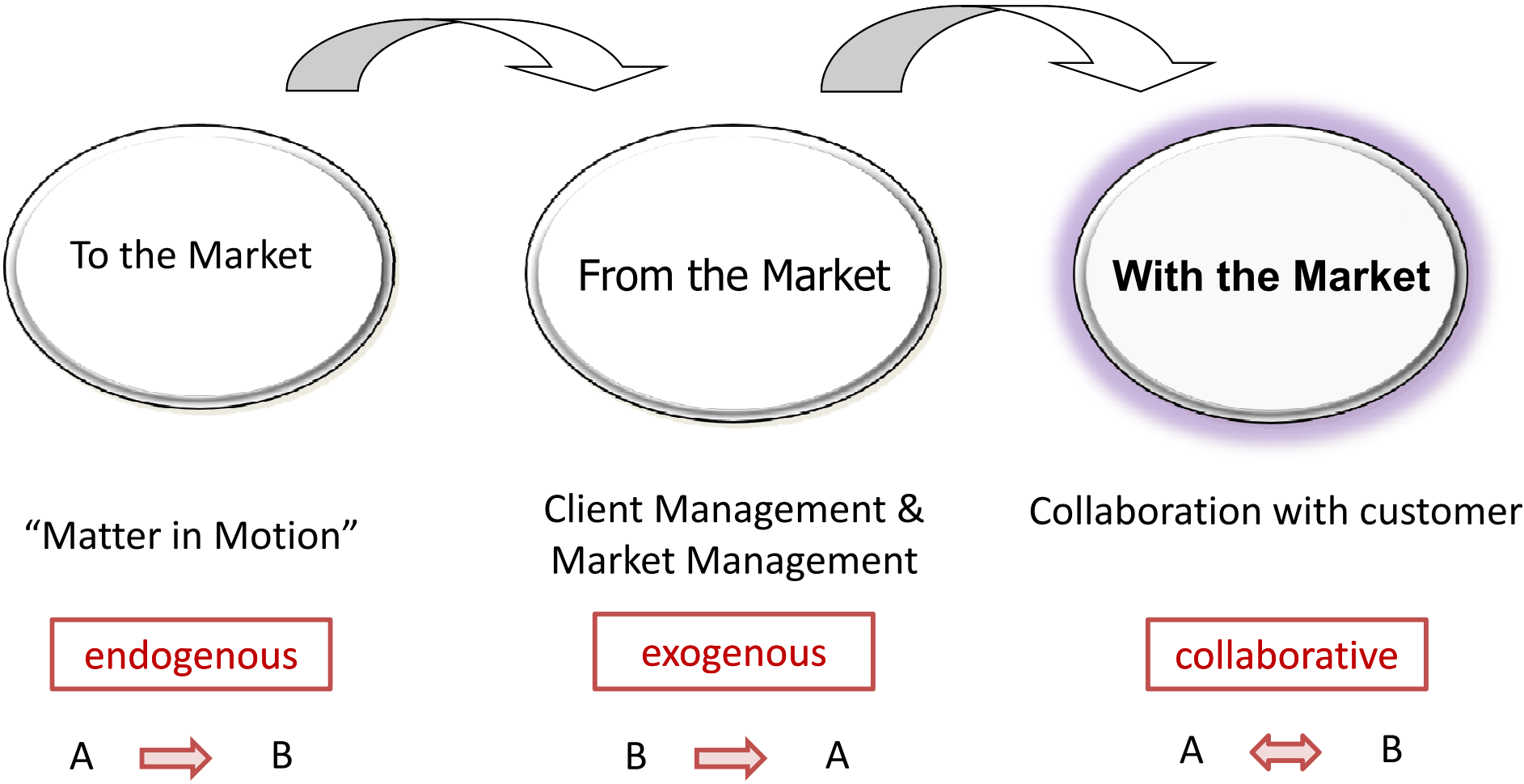
Multi-actors contribution
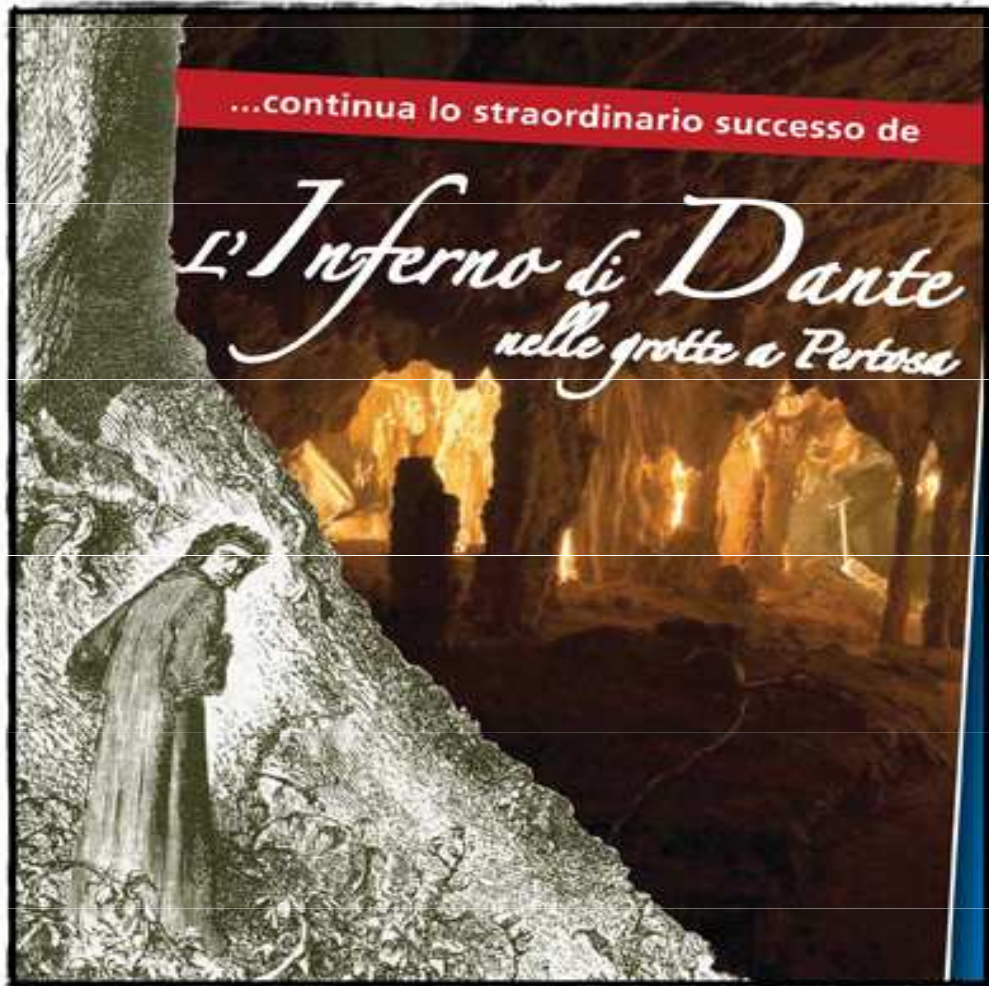
The different shades of **marketing**

The shifts

from:	to:
Production-selling orientation	Marketing orientation
G-D logic	S-D logic
Value-in-exchange	Value-in-use & value-in-context
Dyad	Network
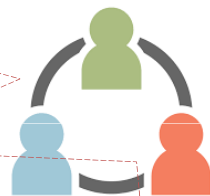
Service-dominant logic's Ancestors

RELATIONSHIP MARKETING

EXPERIENTIAL MARKETING
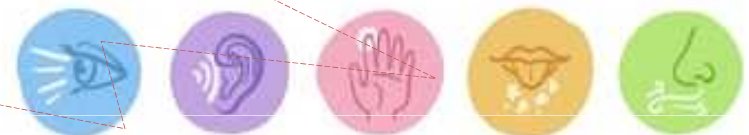
1.3

Relationship Marketing
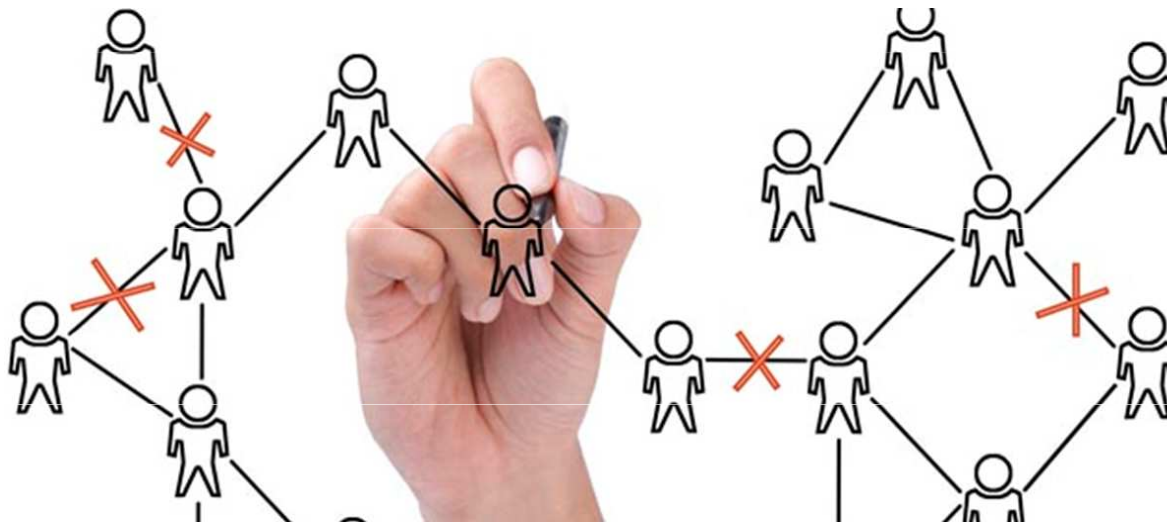
Relationship marketing: origins

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
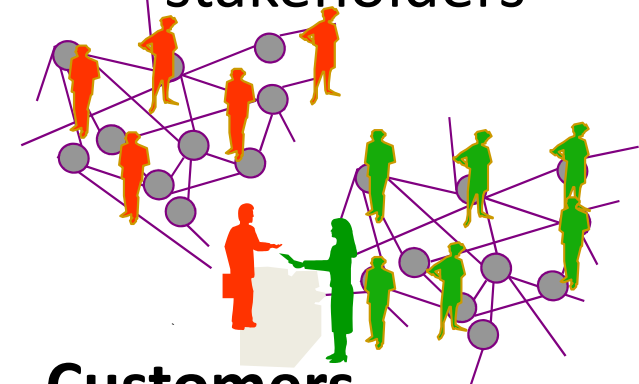
Customers

Providers

57

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

Relationship 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
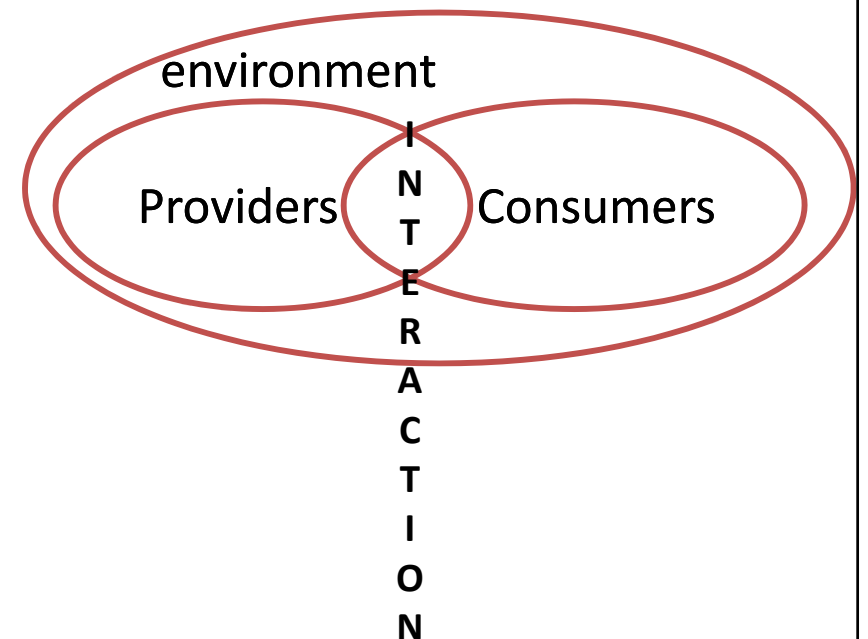
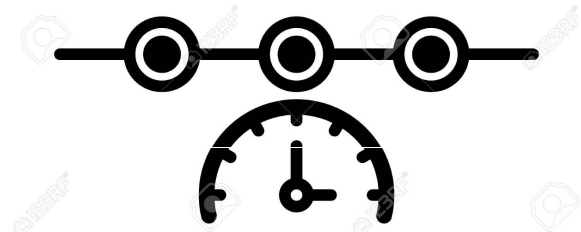# Relationship Marketing

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

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Relationship Marketing: a new mindset

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

Systems thinking, new paradigm that provides businesses with cognitive and rational tools that identify and foresight new ideas to design offering **aligned** with customers' expectation and value

Shfit to a collaborative approach to relationships that pursues <u>total value</u> maximization and <u>subjective value</u> maximization to improve:

- Synergistic relationships in the **value chain**;

- Long term part.nerships 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 (especially B2B) 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**

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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.

Customer Relationship Management

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

- ✓ Operational translation of relationship marketing

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

- ✓ Key role of information systems and technology

CRM

- Align systems with goals and strategies
- Re-evaluate and recalibrate CRM strategy
- Study and segment customers
- Personalize customer interactions
- Consolidate customer data
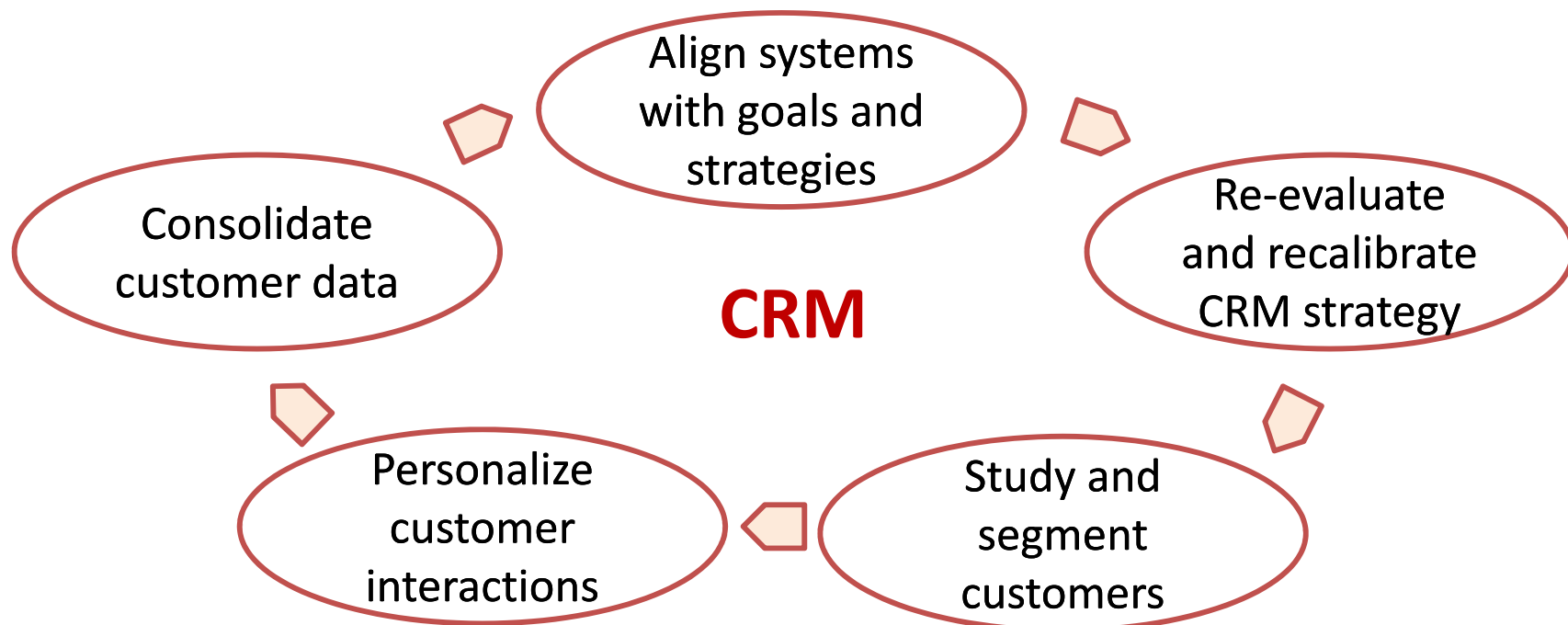
Relationship Marketing

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

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1.4

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**
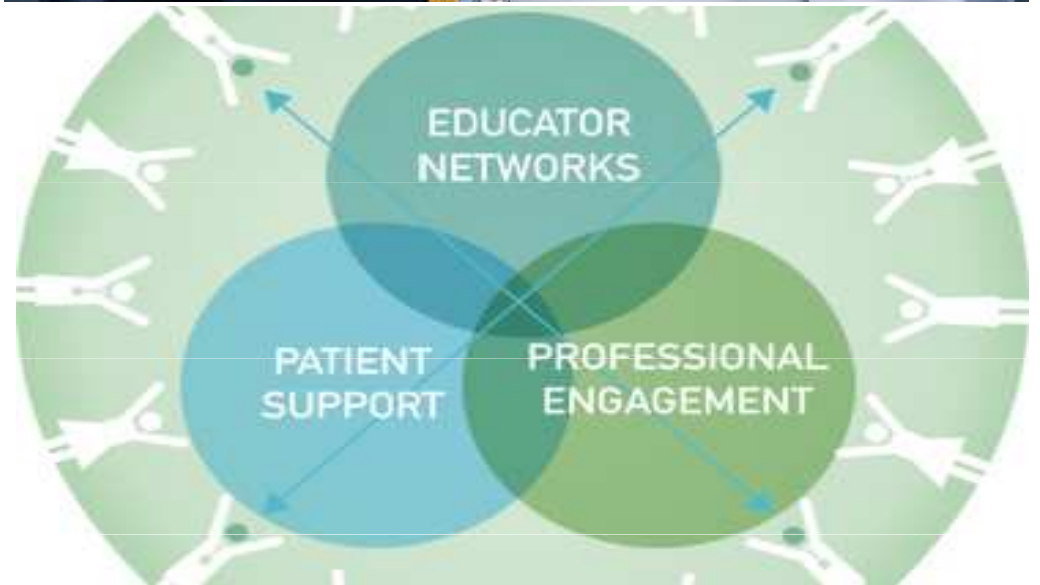
Marketing as experience

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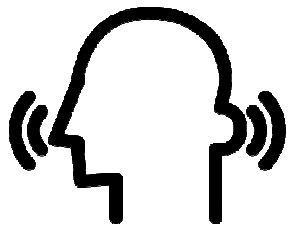
" To provide customers with **engaging** and **attractive** experiences can allow companies at gaining the edge over competitors, in a way that the "simple" satisfaction cannot guarantee»

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Customer Experience Management
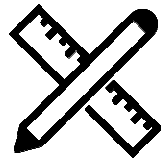
| ANALYSIS | Study of the experiences that customers lived and can live through consumption |

| STRATEGY | Building of experiential positioning |

| DESIGN | Planning of Brand Experience |

| IMPLEMENTATION | Activation of relationships with customers that enter the experience |
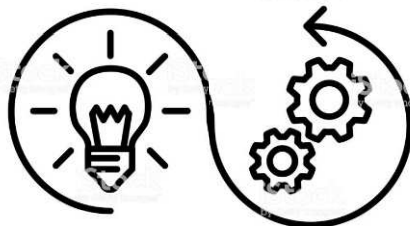
Schmitt's Model (1999)

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

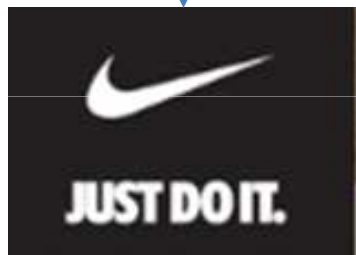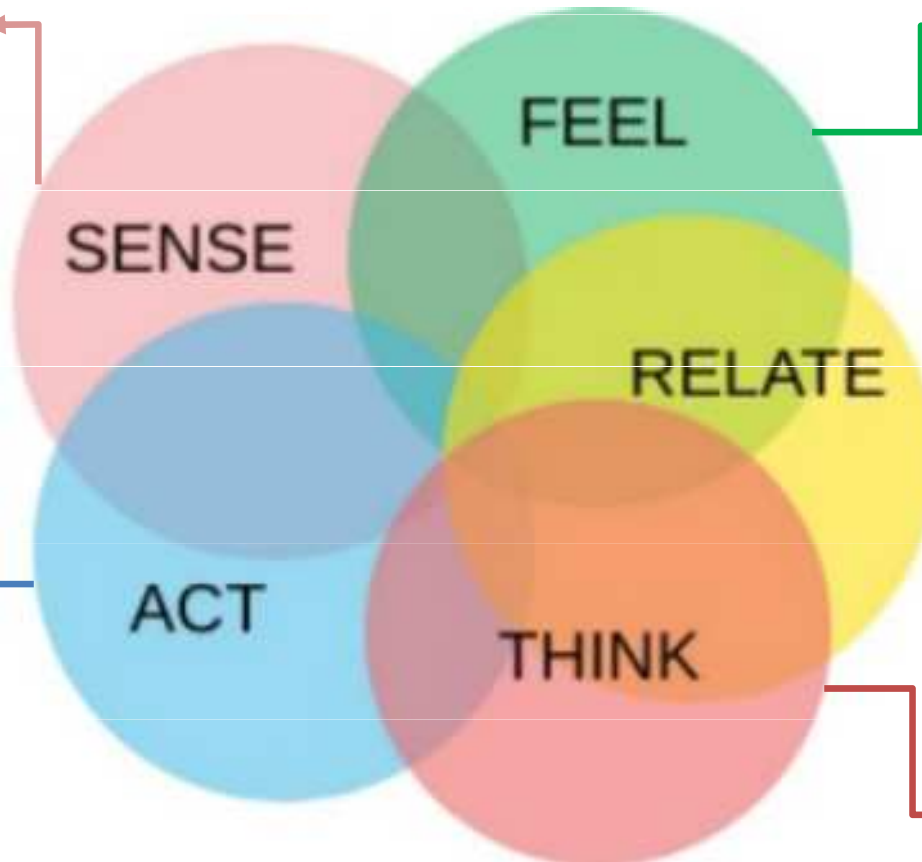**Act** — Impact on corporeal experiences, lifestiles, interactions

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**

SENSE
FEEL
RELATE
ACT
THINK

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

Coca Cola: Sense

Sense

«Taste the feeling»

Core values

⇩

Multisensoriality Hedonism

Product

Glass coke bottle
Aluminum Can

Place

The brand «enter» the cities (3D Poster Time Square)

Coca Cola Freesyle Fountain Machine

Promotion

«Taste the feeling» campaign

Coca Cola: Think

Think

«Keep it going. Recycle»

«Go green!»

Core values
⇩
Sustainability
Inclusion
Diversity
Equal opportunities

Product

Green Packaging
Healthy Low Sugar Coke
Coca Cola «Life»

Place

Zero Consumption
Vending machines

Promotion

Social campaign

Coca Cola: Feel

Feel

Kiss the happiness

Core values

⬇

Happiness
Fun
Storytelling

Product
«Artistic» Packaging

Place

Happiness Machine
«To deliver happiness»

https://www.youtube.com/watch?v=A45sjUX7mp0

https://www.youtube.com/watch?v=lqT_dPApj9U

Promotion

100 years
Marilyn Monroe
Elvis Presley
Ray Charles

I'VE KISSED RAY

100 YEARS OF THE COCA-COLA BOTTLE

Coca Cola: Act

Act

"Coca-Cola is where sport is"

Core values

⇩

Dynamism «Boost» for movement Active and sporty lifestyle

Product

Water Bottles

Limited edition of cans (Olympic games and Football Championship)

https://www.youtube.com/watch?v=_ajONMjOC9s

Place

Basket player vending machines (Olympic Games)

Promotion

Merchandising Sponsorship (FIFA World CUP)

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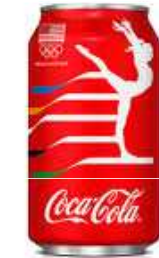
Coca-Cola: **Relate**

Relate

«Coca Cola
is for
everyone»

**Core
values**

⇩

Community
Empowerment
Participation
Universality

Product

Can with people's
names

Place

Vending machines
with locking bottles

https://youtu.be/P7ADWd9Psag

Promotion

«Share a coke» 2018

Share a **Coke** ® with...

Marketing as experience

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

Marketing as **experience**

Marketing as **experience**

Marketing as experience

THANK YOU.

Questions?
Comments?

Mara Grimaldi

**margrimaldi@unisa.
it**