



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
- New marketing strategies approaches: Relationship Marketing and Many-to-Many network; Experience marketing; Non-conventional marketing
- New marketing vision: Service Research - from S-D logic & Service Science to service ecosystems & service systems

Case studies  
Examples  
Project work

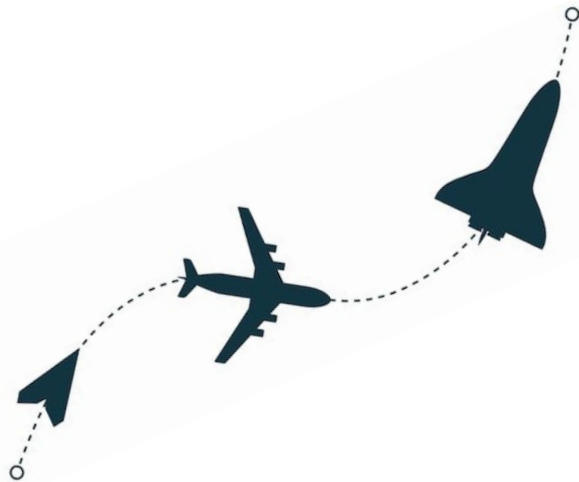


# Agenda: Lesson 3

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- New approaches: Relationship Marketing and Many-to-Many network; Experience marketing; Non-conventional marketing



Examples





# 3.2

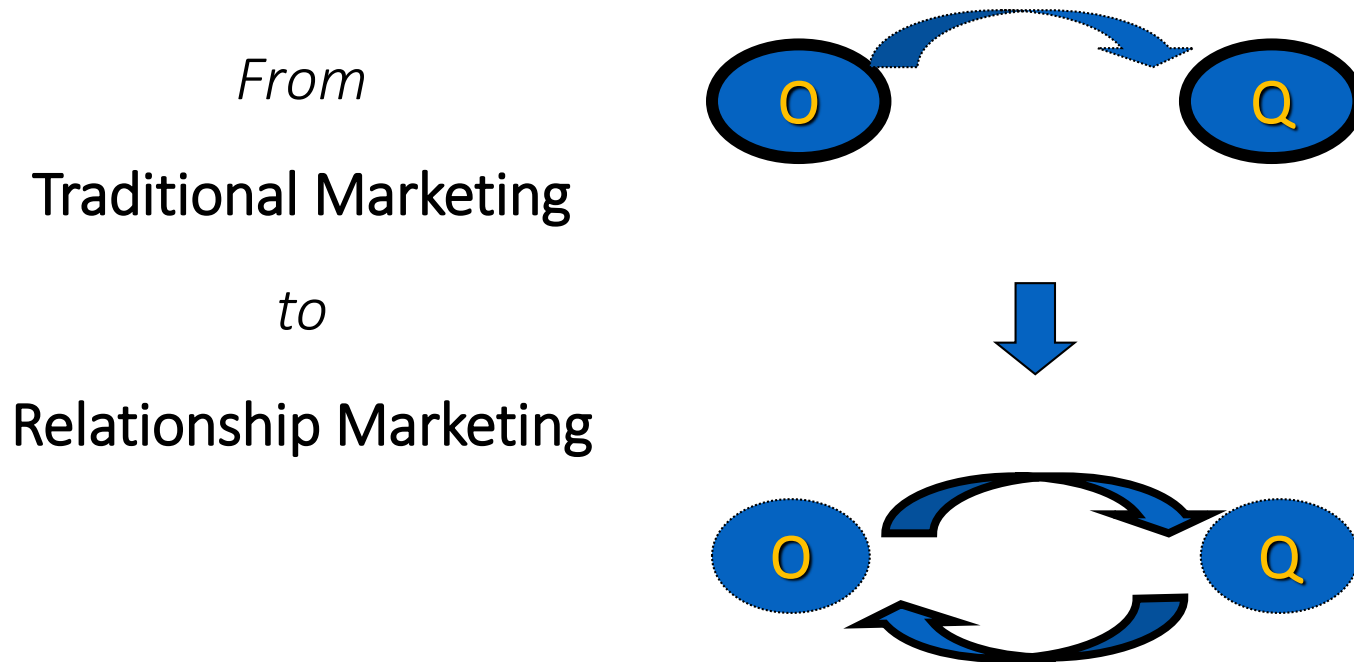
## From Traditional Marketing to Relationship Marketing

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# 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 managing the relationships with other actors.

From  
exchange...

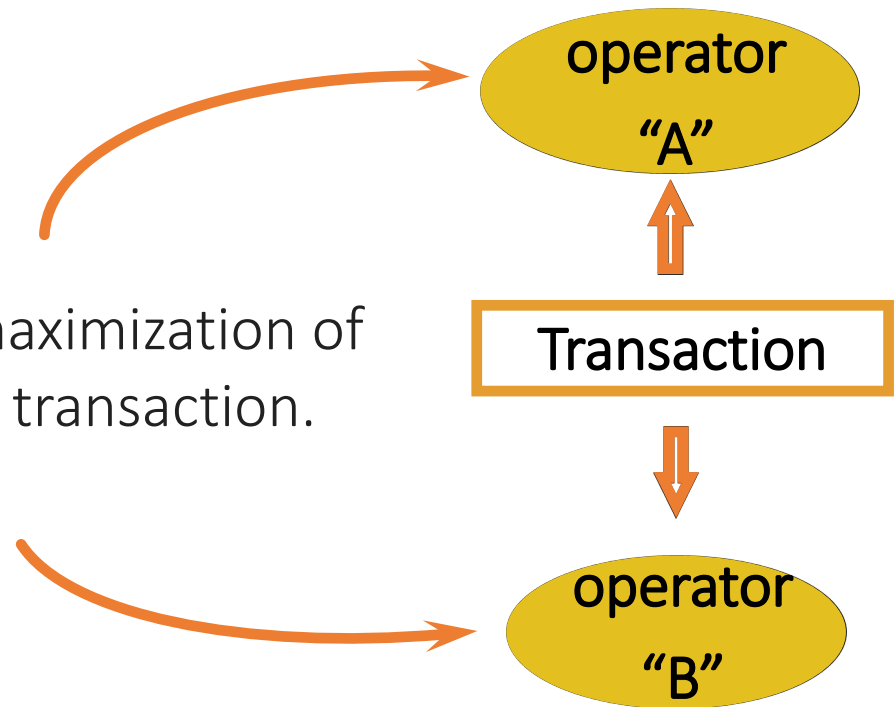


... to strategic  
relationships

# From traditional to Relationship Marketing

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

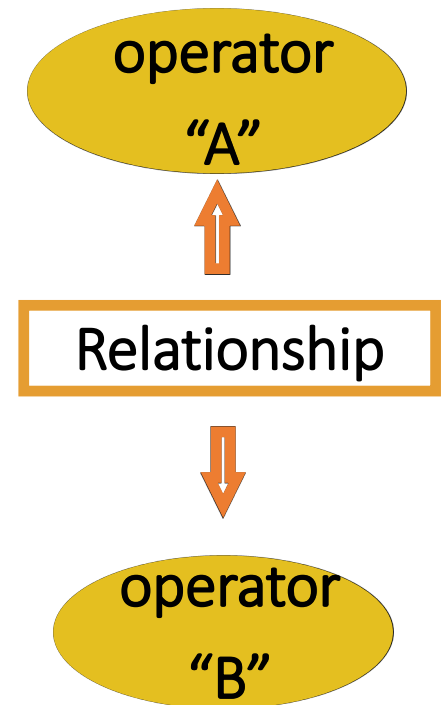
Search for the subjective maximization of the value generated by the transaction.



# 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.



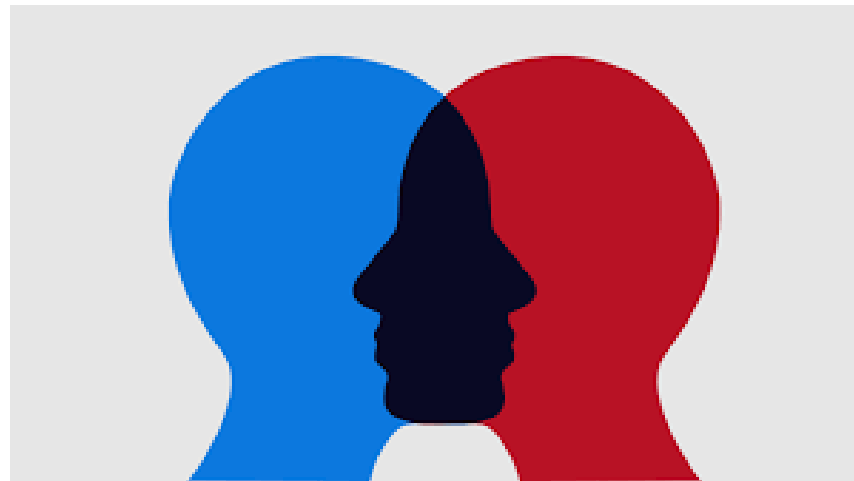




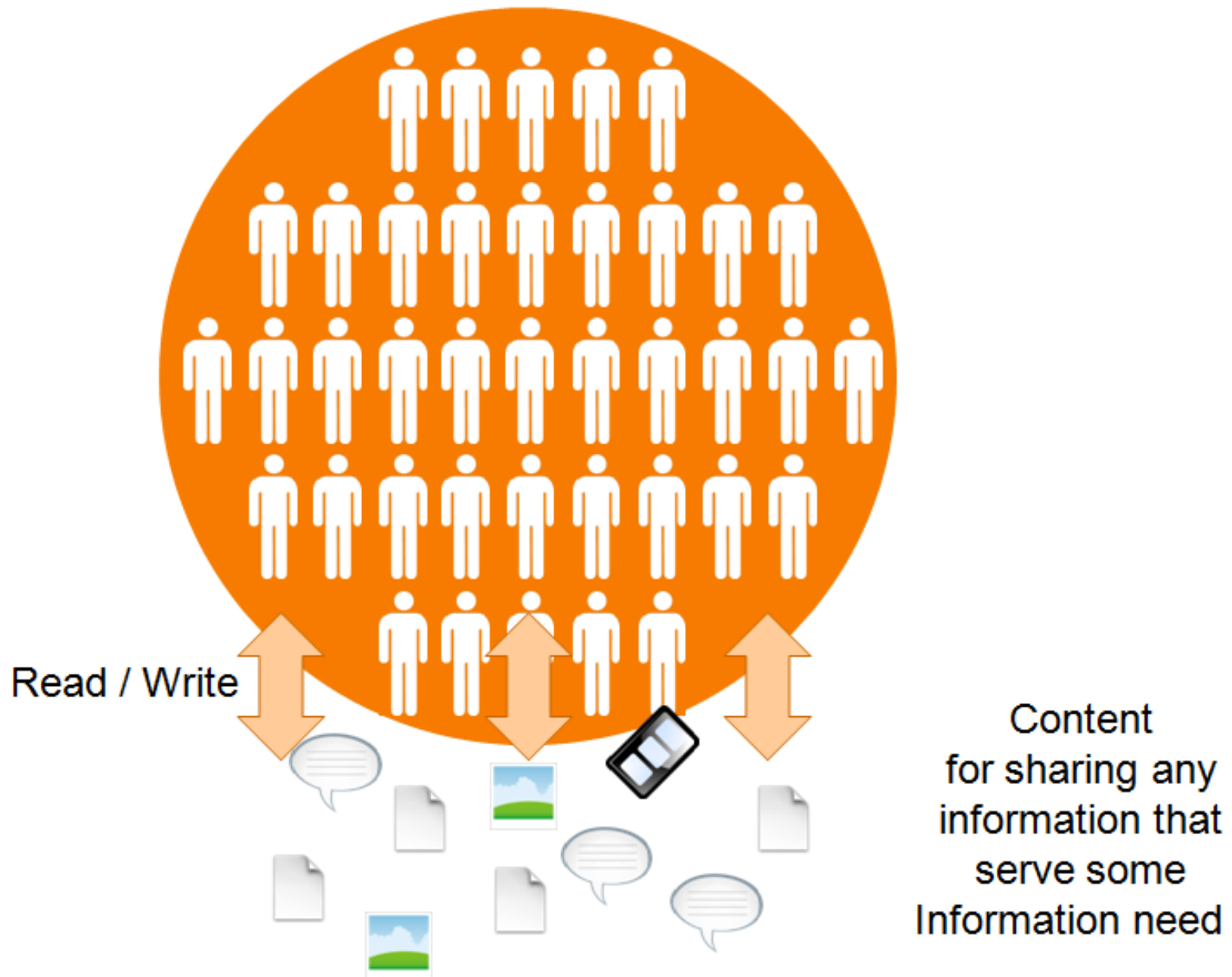
**3.1**

# Relationship Marketing

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# 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

[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

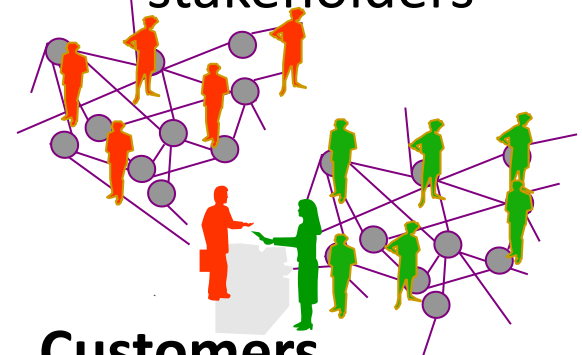
After 2000...

## Many-to-many approach

## Network orientation

Focus on multi-levelled networks

of actors/  
stakeholders

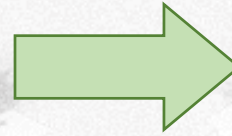


Customers

Providers

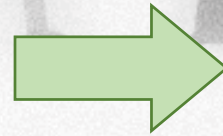
# Relationship Marketing

**PASSIVE  
Marketing**



**ACTIVE  
Marketing**

**Marketing  
=  
Selling**



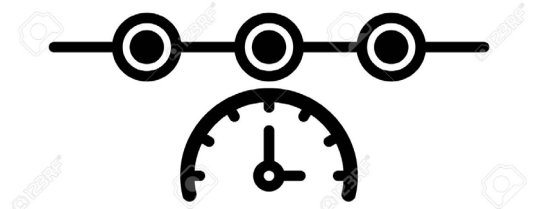
**Relationship  
Marketing**



# 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

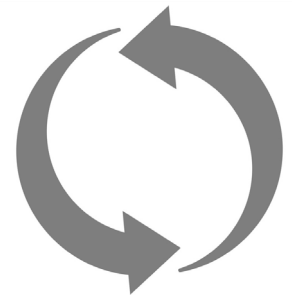
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# Relationship Marketing: a new mindset

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

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**

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# 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



The advertisement is divided into two horizontal sections. The top section features three jars of Nutella spread on bread, each with a personalized label: 'andrea', 'laura', and 'chiara'. The bottom section features a condensation-covered bottle of Coca-Cola with a personalized red label that reads 'Lorenzo'. To the left of the bottle, the text reads: 'Condividi una *Coca-Cola* con', 'Creane una su', and 'condividiunacocacola.com'.

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

andrea laura chiara

Condividi una *Coca-Cola* con

Creane una su  
[condividiunacocacola.com](http://condividiunacocacola.com)

Lorenzo

# 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.

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# 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

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# Relationship Marketing

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



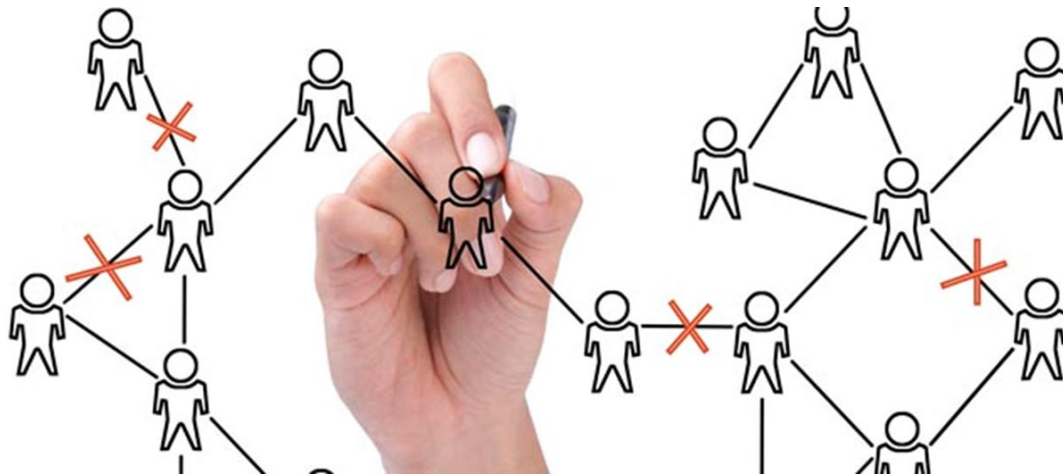
The aim of relationship marketing is to establish, strengthen and renew over time stable and durable relationships with customers to *create* and *regenerate* constantly the production of mutual benefits



# 3.3

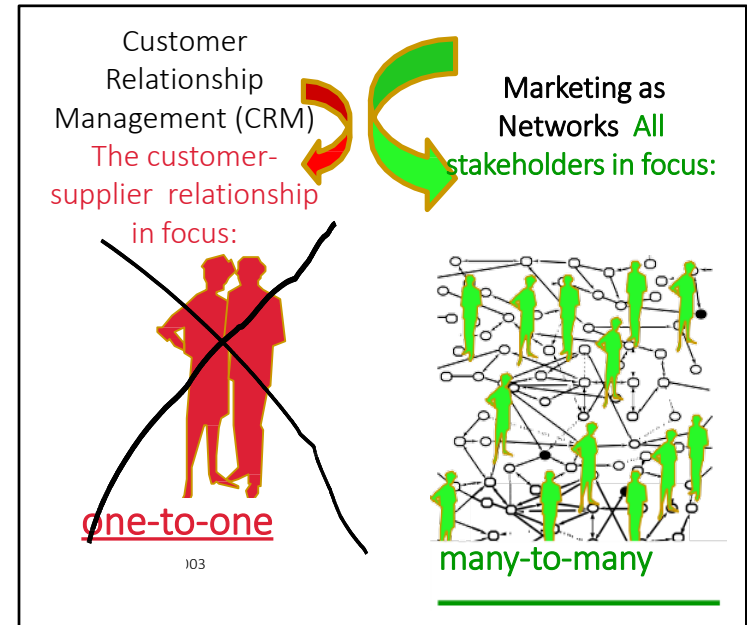
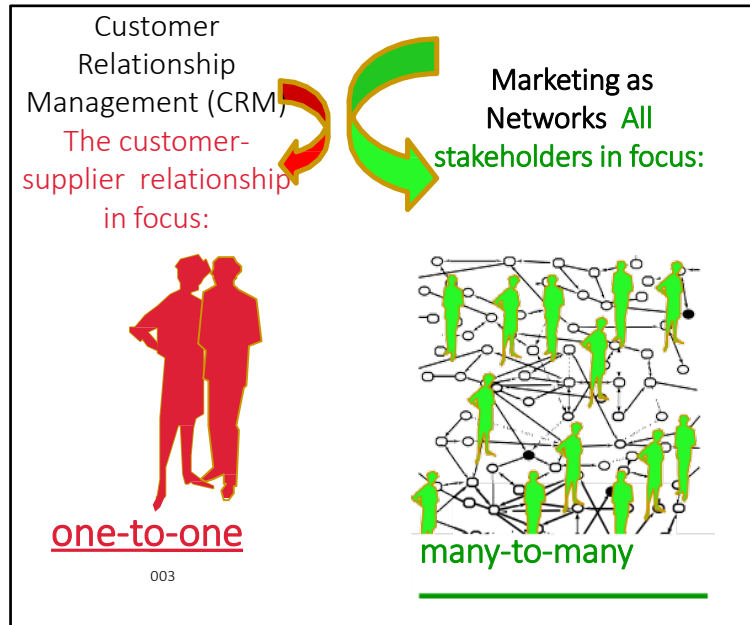
## Total Relationship Marketing

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# 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.

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# 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.

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# 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 )

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Information

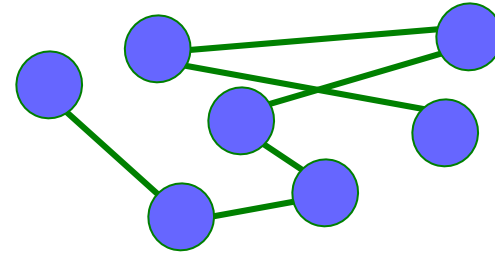
Time

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 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.)
-

# 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*.

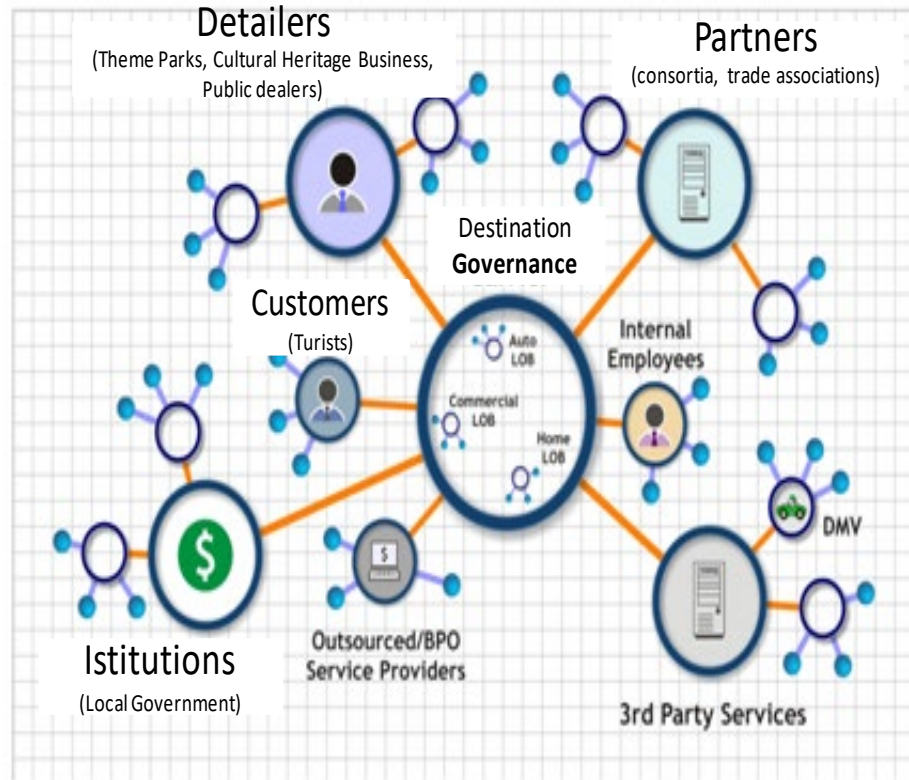
The network view of decision making imply that many contributing actors more or less consciously support value creation processes, thus also supporting business competitiveness.

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

A 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



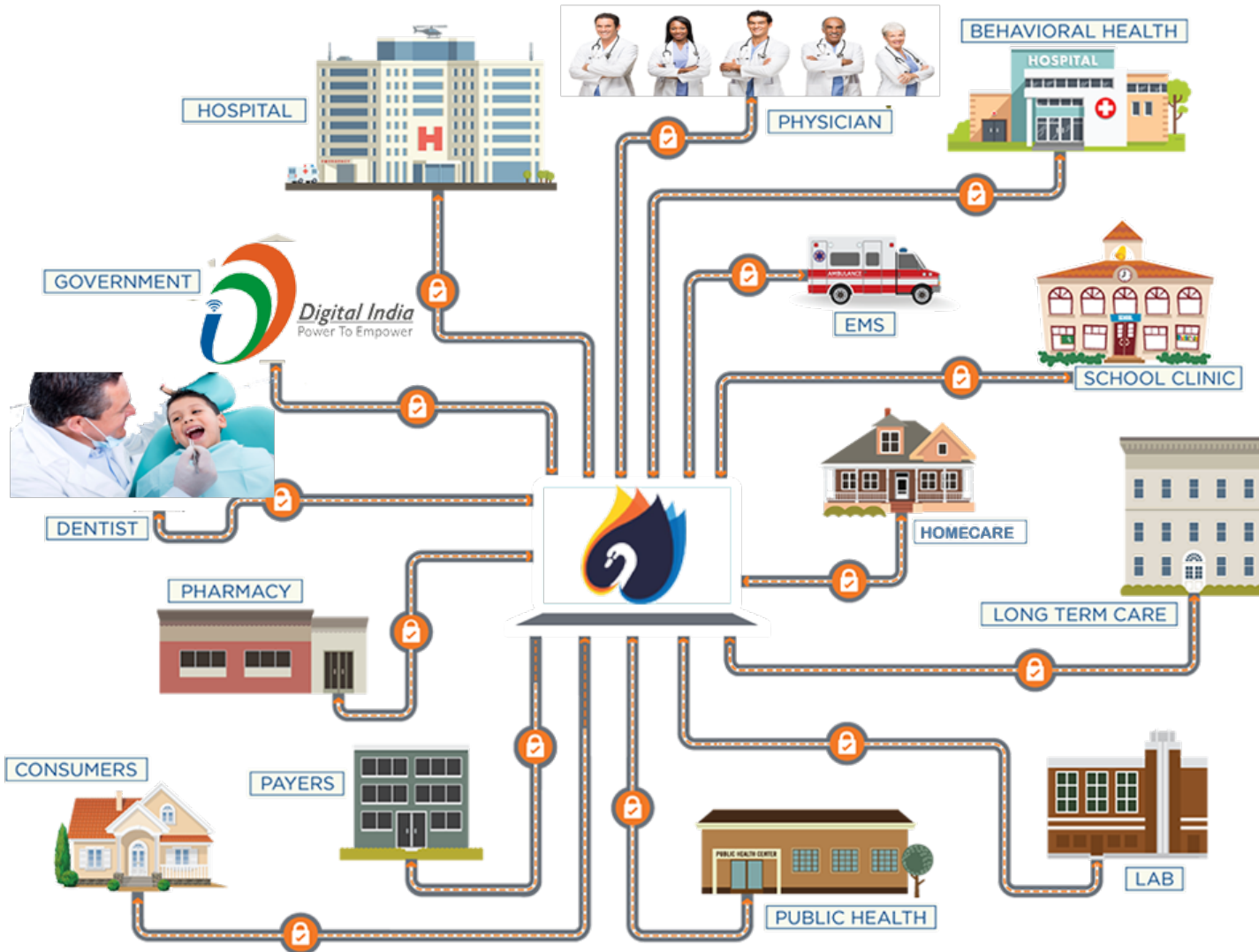
The health system is composed by a complex network of actors who, in various ways, are configured as useful resources for the system itself.

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.

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# 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:

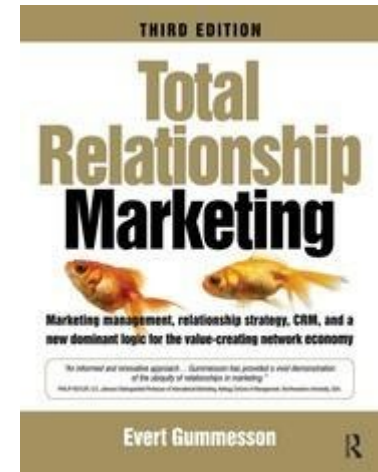
- On *relations* – the existence of a relation is perceivable in case two or more parts are in contact; usually B2C relations represent the classic relation between business and customer;
- On *interactions* - interactions correspond to activated relations capable of representing a contact;
- And on *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



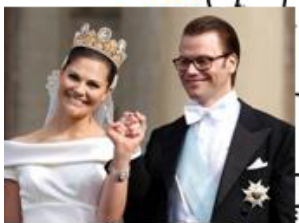
**scientific research**  
**education**



**experiences**  
**lifestyles**  
**dreams**  
**events**  
**storytelling**  
**information**



**call centers**  
**telemarketing**  
**TV**  
**email**  
**Internet**  
**mobile phones**  
**text messaging**



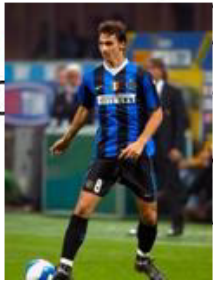
**public relations, PR**  
**branding**  
**sponsoring**

**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)**  
**put on your nose**  
**the network eyeglasses!**



## 3.4

# Experience Marketing

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# Marketing as experience

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

THROUGH

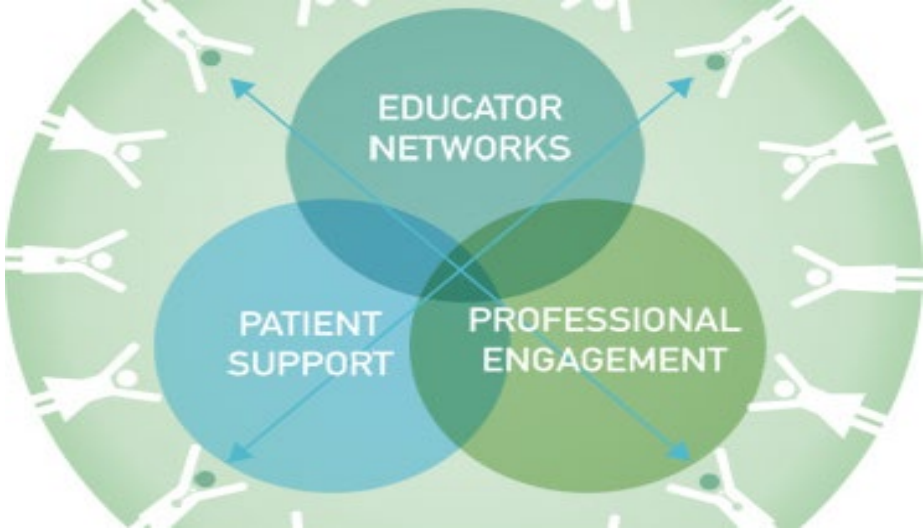
the lens of experience which permeates service with a totalizing experience

- 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

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# 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), *Experience 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»

# 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



# 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](http://shakemelikeasroll.com/sprite)

[https://www.youtube.com/results?search\\_query=SPRITE+SHOWER](https://www.youtube.com/results?search_query=SPRITE+SHOWER)



# Non-conventional Marketing

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# Non-conventional 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

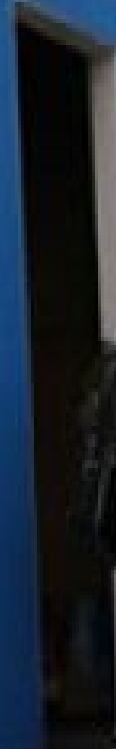
- Unpredictability
  - Originality
  - Strong psychological approach
  - Subversion of the pre-established order
  - Be everywhere and anyway
-



adidas

ORIGINALS

STAR SMITH 2		US 8
		UK 7.5
		D 27.5
		E 41.5
		J 260
		CN 255
017000		









**Mars**  
TRUCK SIZE

Shina Award



NIVEA



NIVEA



NIVEA



NIVEA

good-bye  
cellulite

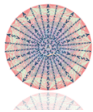




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DI SCIENZE AZIENDALI  
MANAGEMENT  
& INNOVATION SYSTEMS



ASVSA

Associazione per la ricerca sui Sistemi Vitali

**THANK YOU.**

Questions? Comments?

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