

CREATIVE MARKETING IN SERVICES

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ABSTRACT

Increasing worldwide competition due to liberal economies and globalization, rapid and continuous development in communication and information technologies have created a new type of consumer. Today, consumers are more demanding. They want to be more informed, more valuable, and taken into consideration. Even, they wish to play an active role in creating and marketing of products. All these have changed marketing concept and perception. Marketing and communication managers must plan and apply creative and contemporary marketing strategies and media to be able to reach new type of consumers and to be able to compete. This conceptual study is consisted of mainly two parts. In the first part; creativity concept, and characteristics of creativity in marketing are tried to explained. In the second part; the concept and importance of services marketing is mentioned and some examples are given from creative marketing practices in services. Such as; one of the most creative, destination marketing campaigns using the social web, "The Best Job in the World" campaign of Tourism Queensland. Starbucks, the world's most engaged brand online and a social media role model in service business.

Introduction

In a new age, with new consumers, marketing managers need to shift away from a features-and-benefits approach, as advocated by traditional approaches to consumer experiences. They need to consider new concepts and approaches which capitalise on the opportunities offered by these new consumers (Williams, 2006). New consumers are more informative and more demanding. As Boone et al. (2010) state "customer loyalty is the

watchword of 21st-century marketing. Individual consumers and business purchasers have so many goods and services from which to choose – and so many different ways to purchase them – that marketers must continually seek out new and better ways to attract and keep customers”. Unfortunately, marketing programs for many established products fall short in terms of creativity. As a result, manufacturer – initiated price wars have arisen in product categories ranging from disposable diapers to mutual funds (Andrews, Smith, 1996). On the other side; in recent years a growing number of economic studies worldwide have demonstrated the impressive contribution of creative enterprises to economic growth, jobs and wealth creation. Creative enterprises are increasingly considered today as new tools for sustainable development (Grefe, 2006). Creativity offers insights and new ideas that eventually become innovative solutions to problems. Combined with clever, skillful marketing strategies, creative ideas become commercial successes that lead to dynamic societies, political influence and economic development (Pitta et al., 2008). As Dragoon (2010) points out “Creativity is perhaps the key attribute most needed and desired to address our 21st century business challenges”. Thus; creativity in marketing is the most important issue in the new business environment.

Creativity concept in marketing

Levitt (1983) determines that “in marketing, the main object is to get and keep a customer, and also to get existing buyers to prefer to do business with you rather than your competitors. In marketing therefore, the imagination must constantly focus on that objective”. Every company must serve customer needs – create customer satisfaction – to succeed. Boone et al. (2010) call customer satisfaction as an art because it requires imagination and creativity and a science because it requires technical knowledge, skill, and experience. Marketing strategies are the tools by which business people identify and analyze customers’ needs and then inform these customers about how the company can meet those needs. Tomorrow’s market leaders will be companies that can make the most of these strategies to create satisfied customers.

The essence of competition is differentiation: providing something different and better than your competitors. Sometimes an obvious functional difference doesn’t sell unless it is also presented or positioned differently (Levitt, 1983). As the competitive landscape has changed, so too has management’s response to those changes (Coy, 2000). Rapidly changing business landscapes create new challenges for companies, whether they are giant multinational firms or small companies, profit-oriented or not-for-profit organizations. Companies and organizations must react quickly to shifts in consumer tastes, competitive offerings, and other market dynamics. Fortunately, information technologies give organizations fast new ways to interact and develop long-term relationships with their customers and suppliers. In fact, such links have become a core element of marketing today (Boone et al., 2010). As a result, businesses are clamoring for creative breakthrough ideas, products, and services that provide significant competitive advantages (Titus, 2007). Today, creativity and marketing imagination are essential core competencies for marketers (Jaskari, 2013).

Characteristics of Creativity in Marketing

John Dragoon (2010), senior vice president at Novell points out that “creativity is needed at all levels within an organization. Like many others, Novell has a company-wide “Incubator” program where we encourage and reward employees who submit business proposals for new solutions they feel deserve development funding. In the last year, two completely original ideas have been taken to market. This scenario demonstrates how product development

initiatives can be driven by many individuals across an organization and how a creative approach embraced by everyone within a company can ultimately play a significant role in driving market leadership”.

The 21st century has brought both opportunities and challenges in this global, boundaryless world. Technological advances continuously revolutionize marketing. Technology can also open up entirely new markets. Cell phones have helped bring the entire continent of Africa into the world marketplace. With a cell phone in hand, farmers no longer have to trek miles to a pay phone to negotiate prices for their goods. Marketing managers face a dynamic and interconnected international environment. As such, they have to consider the many opportunities and threats that Web 2.0, social media, and creative consumers present, and marketing managers need to learn to work within the resulting respective shifts in loci of activity, power, and value (Boone et al., 2010; Berthon et al., 2012). Borrett, & Barreto, 2011 offer a model, *Building the Capabilities: The 4Ts Creativity in Marketing Framework*. Building these capabilities requires new ways of working, mindsets and behaviours. The 4Ts framework, illustrated in Figure 1, supports the development of the skills and discipline required, by reflecting four key enablers to releasing creativity in marketing.

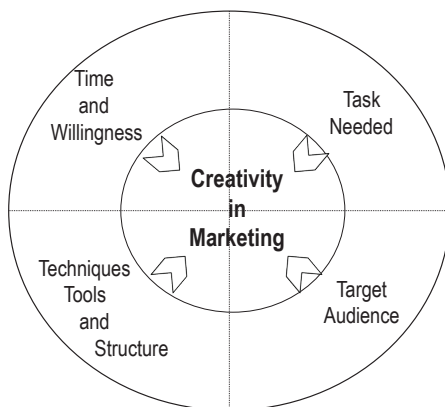


Figure 1. The “4Ts Creativity in Marketing Framework”

Source: Borrett and Barreto (2011).

Work environment also affects the creativity potential of a company. Main points to increase and encourage creativity in a company are (Sefertzi, 2000; Siedel, Rosemann, 2008; Burbiel, 2009).

- supporting participatory decision-making and employees’ contribution,
- enhancing creativity, experiment with new ideas,
- allowing creative freedom, taking initiatives,
- managing creative risk, keeping control of the creative process,
- supporting flexible resource allocation,
- adhocracy perception,
- cooperative – team perception,
- procedural justice,

- keeping communication channels open, knowledge sharing,
- awarding of employees who contribute,
- contacts with external sources of information.

Companies which depend on continuous creativity can benefit if they are located in cities or regions that attract “creatives”. Creatives are those individuals whose viewpoint, skill, motivation and need to succeed allow them to develop innovations of value. To grow and prosper, developed and developing societies must nurture, attract, connect and retain creative “knowledge workers” (Pitta et al., 2008). Creativity and innovation are strategic tools that allow companies to overcome the many difficulties in preparing for the future (Reisman, 2013).

Services Marketing

The service sector is a growing part of the economy in many countries. In the early 1970s the marketing of services started to emerge as a separate area of marketing with concepts and models of its own geared to typical characteristics of services (Grönroos, 1997). Service firms also play a major role in today’s global marketplace. As economies advance, a growing proportion of their activities are focused on the production of services. Many market offerings consist of a variable mix of goods and services. The U.S. economy today consists of a 70–30 services-to-goods mix. Services include airlines, hotels, maintenance, repair etc., as well as professionals such as accountants, lawyers, engineers, and doctors. Many market offerings consist of a variable mix of goods and services (Kotler, 2002).

Service markets have never been larger, competition in services has probably never been more intense, and net employment growth within developed economies is almost exclusively derived from services (Lovelock, Gummesson, 2004). New infrastructures – notably e-mail, internet, powerful laptops, and mobile telephony – but the service applications were more hype and odd cases than marketing reality. In the 2000s, although the bulk of services remain the same as basic customer needs have not changed dramatically, the ordering and production of many services have changed. IT applications have matured into working services and new services have spawned totally new markets and strategies, and will keep doing so (Gummesson, 2007). Internet technology offers the potential for creating new business models, radical new approaches to delivering information- based services, and newways of relating to customers (Lovelock, Gummesson, 2004).

Creative Marketing Practices in Services

Companies, corporations, foundations etc. rely on creativity at all levels to attract the attention and appreciation of their target groups. Herebelow some successful examples mentioned.

Starbucks – Every business can learn from another, especially if a particular business is one that has displayed tremendous success over the years. The Starbucks Corporation and its successful marketing strategies are definitely something that anyone interested in business can learn about (voteorus.com, 2014). Starbucks have been successfully executing their social media marketing plan since the first days of social media and social commerce. Their strategies have played a significant role in their growth. Starbucks rode the baby boomer trend in the 1990s, the swelling ranks of mid-age professionals that created the need for a third place, ‘an affordable luxury’ where people could share and enjoy a cup of coffee with friends and colleagues, away from work and home. According to Schoultz (2014), the company has inserted itself into the American urban landscape more quickly and craftily than any retail company in history. It has forever changed the way, companies market themselves

to customers. The company continues to focus on its original product bundle that includes good coffee, quality service, and a nice environment to hang around. They keep their attention on the details of great execution and service. One of the earliest adopters of the use of social media for marketing and social commerce, Starbucks has certainly taken a leadership position. Their social media strategy is built around their company web site and 6 additional social platforms, including Twitter, Facebook, Pinterest, G+, Youtube, and My Starbucks Ideas.

McDonald's – Real-Time Marketing Learnings: Through the use of an optimized call to action and creative messaging, the fast food chain McDonald's agency H&L Partners was able to increase performance for a localized campaign. McDonald's launched a digital campaign to drive more brand awareness to their breakfast sandwiches and coffee in the St. Louis, Missouri market. The campaign featured social media tie-ins with the ability to tweet and Instagram to share photos and comments on how a consumer's morning was going. After the initial launch drew minimal clicks, H&L Partners and PointRoll recommended utilizing a dynamic text field to revise and optimize the call to action (CTA). The stronger CTA, "Click to tell us about your morning, STL" and subsequent updates increased performance significantly, driving users to the brand's #GoodMorningSTL website where they could share and view other user's McDonald's breakfast photo submissions. The Dynamic call to action drove higher results than the initial impressions:

- McDonald's saw an overall campaign click-thru rate increase of 65%.
- Dynamic campaign click-thru rate lift of 112%.
- Instagram click-thru rate lift of 124%.
- Twitter click-thru rate lift of 110% (Pointroll, 2014).

Tourism Queensland – A very genuine and fantastic campaign was launched by Digital Marketing, Tourism Queensland, Australia to promote and to market the Great Barrier Reef internationally: "The Best Job in the World". PhoCusWright Inc. (2011) admits that "The best job in the world," represents one of the most creative, recent destination marketing campaigns using the social web. Vision of Tourism Queensland is to be the global leader in destination management and champion of world's best practice in sustainable tourism. The mission is to enhance the development and marketing of Queensland tourism destinations in partnership with industry, government and the community (LinkedIn.com, 2011). Tourism Queensland Chief Executive Officer Anthony Hayes (2009) says "the Best Job in the World campaign had received a phenomenal response and achieved its aim of drawing the world's attention towards Queensland's Islands of the Great Barrier Reef. The campaign has opened Queensland's doors to the world". The campaign reached \$390 million AUD of publicity globally, tourism also increased by 20%, 50% of Australia trips now include a Queensland component (Boz, Unal, 2011; Kissane, 2015).

Dell – Dell's Ideastorm (www.ideastorm.com) generates ideas on how to improve the business and uses systemized suggestion boxes. Customers, and even non-customers, can suggest new products and features, as well as better ways of running the business, eg. improvements in their processes. Dell have earned \$10 million from the early stages of Ideastorm. This may seem tiny to a company of Dell's size but, remember, this is brand engagement, a form of brand promotion to the brand zealots, and it also contributes something to the bottom line (Smith, Zook, 2011).

Martha Stewart – Do-It-Yourself (DIY) strategies; for example, the Martha Stewart television program and magazine provide cooking and homemaking tips and tricks for consumers to perform by themselves. In the design stage, consumers can play a part in codesigning products or services; for instance, global fashion brands such as Reebok, Adidas, and Ralph Lauren have let consumers participate in designing their own collections. In the initiating

phase, consumers can engage in expressing their unfulfilled demands; several companies collect this information from online channels such as blogs and customer review sites (Nuttavuthisit, 2010).

Conclusions

Competition becomes tougher day by day in business life. Even local businesses have to compete with new businesses and competitors from all over the world. Because of rapid technologic developments in all areas like communication and transportation, liberalization of economies, free movement of capital around the world, more and more commodity and service businesses are now marketing across national borders. Consumers also change, they become more demanding, more informative and active. As a result of these changes, in the 21st century, marketing also transforms from traditional marketing applications and strategies to creative marketing application and strategies. Businesses have to find new and more creative marketing strategies to be able to compete, to grow and to survive. New marketing tools for creative business for example; a well designed and directed company website, e-mail, social media intermediaries such as Facebook, Twitter, YouTube, Flickr, LinkedIn, Pinterest, g+ offer opportunities for small, medium or huge companies. For example; the Best Job in the World campaign of Tourism Queensland obtained 390 million AUD of publicity globally with a relatively small \$1.2 million budget (Kissane, 2015). Schultz points out that the social media is a cost-effective way of engaging with the customers. Starbucks has with almost 40 million worldwide fans on Facebook as of 2012, a leading company on Twitter and Foursquare. And what that has done, it has given the ability to lower cost of customer acquisition in terms of traditional advertising and build a more enduring, emotional relationship with customers (Perepu, 2013: p. 14). Internet marketing, Guerrilla marketing, Mobile marketing, Real-time marketing, Experiential marketing, Relationship marketing techniques are some other tools for creative marketing strategies.

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