LEVEL 3

Criteria for suppliers' selection

Whether you're in retail, consumer services, or business-to-business, it's crucial to find the right suppliers. Here's some advice.

How do I find suppliers?

Trade directories

Looking through business-to-business trade directories is an obvious way to find suppliers. So is using internet search engines, but be prepared to look through many pages of suggestions and to remember to vary your keywords so that you minimise your chances of missing suppliers who could be just right for you. Remember what the military say: 'time spent in reconnaissance is seldom wasted'.

Trade shows and exhibitions

Trade shows and exhibitions offer opportunities to identify suppliers. It can be a good idea to book appointments with potential suppliers instead of just pitching up at their stand. Be prepared to network – you may well meet other visitors who can give you valuable advice. Going to shows can give you a much better feel for who's out there than just through searching directories.

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Social networks

If you establish a business presence on the social networks, suppliers may come to you instead of you needing to seek them out. Professional networking sites like LInkedin can be good places for consultancy type businesses to meet other professionals who could work for them when the right project comes up.

Trade association

Identify a trade association that might be able to signpost suitable suppliers.

Utilities

For services such as electricity, telephone and internet, do as the same as you do (or should be doing) for your home services – shop around using price comparison sites or doing your own research.

What should I be looking for in a supplier?

Here are key factors to consider when selecting suppliers.

Price

Pretty obvious this one, isn't it? Ask the supplier to quote for different quantities.

Example: delivering one day of training compared to delivering 10 days; supplying 500 widgets compared to 5,000; supplying five pies compared to 50.

Quality

Your supplier might quote you a fantastically low price, but you need to make sure the quality's right. It's no good getting your widgets at a knock-down price, if they fall apart after a year or two. Find ways to evaluate the quality of the supplier's work or products, such as asking for samples, customer endorsements, etc. Where appropriate, ask to visit them at their premises and see for yourself what quality control measures they take.

Minimum order quantity

Ask the supplier what's their minimum order quantity. Being able to order frequently and in low quantities, ('just in time') means that you don't have to tie up a lot of working capital in stock, nor have large storage facilities. However, the cost to the supplier of production, and/or delivery of very low quantities might rocket up the price.

Delivery time

How long would it take from the time and date the order is issued until they actually deliver it? Would this vary according to precisely what's being ordered? E.g. if they need to ship goods in from abroad this could take longer than sourcing locally. If they're manufacturing a bespoke product for you, how long will it take them to tool-up?

Payment terms

Will they give you credit, and if so how much? How many days would they give you to pay their invoice? If you pay promptly, would you get a discount? If you pay up-front for the first order, would they be willing to give you credit on future orders?

Financial stability

You need to be confident that your supplier isn't going to suddenly go insolvent. Take out credit checks with an agency, or request copies of their latest accounts from **Companies House** (but bear in mind that the supplier's situation might have changed since the accounts were filed). If you pay in advance and the supplier's business goes under, your chances of getting your money back might be slim.

Capacity

Does the supplier have the infrastructure to cope with your business? If you're only ordering a small number of items or commissioning small amounts of work it's unlikely to be a problem. But if you, or another customer, are placing significant orders, will they be able to cope? If they're planning to hire more staff, buy more kit, or sub-contract work, can they do this and still maintain the required quality?

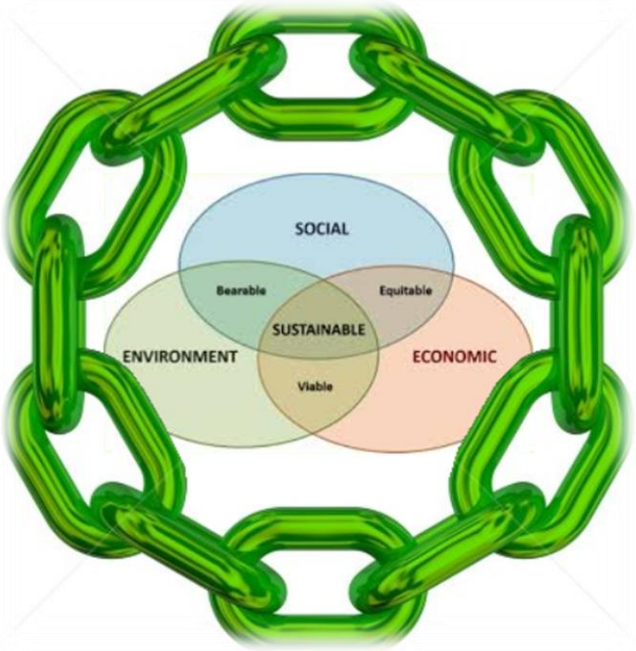
Customer service

When you're checking out prospective suppliers, pay careful attention to how they deal with you – this may be a good indicator of how they will perform if you do business with them. How well do they communicate with you on the phone and via email? Are they polite and clear? Do they return your calls promptly. Do they send you the samples you requested by the date they promised?

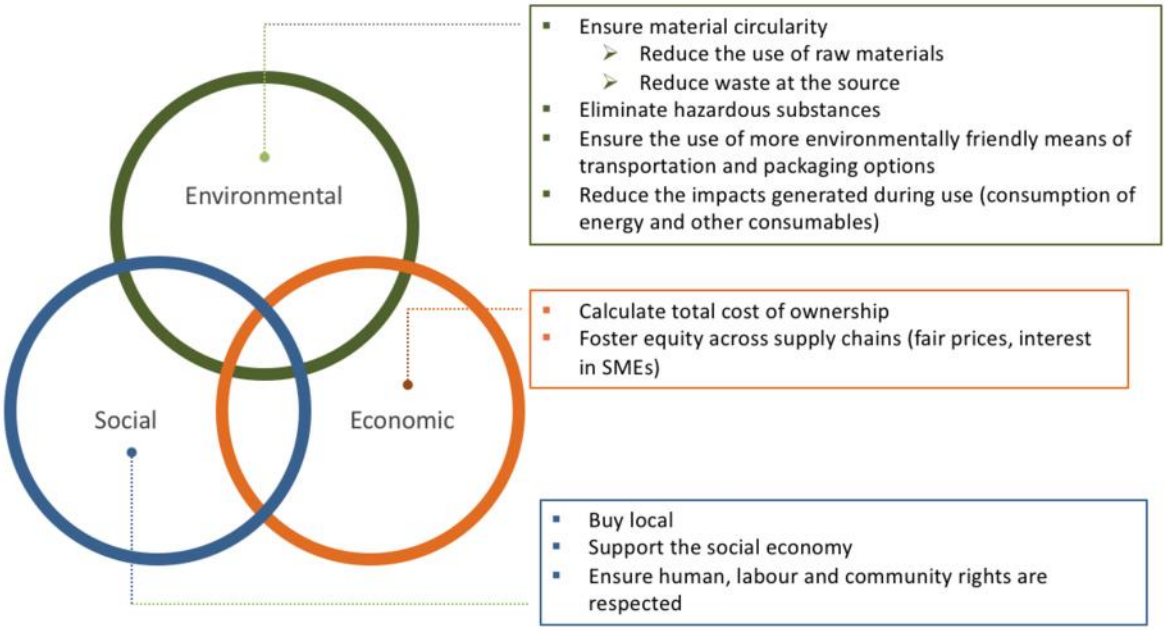
Social responsibility

In terms of social and environmental responsibility, your business will be judged not only on what you do, but also what your suppliers do. For instance, if a customer complains to you about over-packaged products, you can't excuse yourself by blaming it on the supplier – you are the business that is selling the product and must take responsibility ultimately.

What is a Sustainable supplier?



In addition to the criteria mentioned above, it is important to remember that the search for suppliers must also consider the concept of sustainability.
In other words, within the supply chain it is necessary to keep in mind that sustainability takes into account three additional criteria: economic, environmental and social.
When selecting suppliers, it is good to check that they also meet these three requirements.
In the diagram you will also find a list of sub criteria to consider:



In conclusion, sustainable procurement involves a thorough review of what you are buying and who you are buying from. For sustainably oriented companies choosing suppliers that align with a companies values and improve overall performance can be daunting. Analyzing each link in the supply chain is a good starting point.
Suppliers should be assessed in terms of the environmental, social and economic risks they present.
1)Environmentally oriented supply chains look at procurement with an eye to reducing carbon footprints and minimizing energy and water use. Resource efficiency is essential as we are currently using almost twice the amount of resources the earth can produce. Recycling, waste and end of life issues should also be considered throughout the supply chain.
2) Socially oriented supply chains focus on procurement from suppliers that respect human and labor rights and are mindful of poverty concerns.
3)Economic considerations are about ensuring adequate margins and secure access. Other important supply chain considerations include logistics and transportation.
Reassessments of suppliers should occur on a regular and ongoing basis.

Here's the steps you should consider:

The quote

When you decide to buy a good or service, it is normal that you want to look for the best price: it is therefore necessary to ask for a quote from different suppliers to find the best price for what you

want. Usually, it is easier to send an email to the various suppliers to be "tested". This is for two reasons:

1. You can ask for exactly what you want and need in writing, so as not to get confused
2. Having the written estimate, the supplier will then not be able to change price suddenly during construction, unless you agree.

There are important rules for requesting a quote:

1. Be as specific as possible, then provide as much detail about the type of product or service you want;
2. Be short and concise;
3. Be formal but polite.

Example request
Let's see how to structure an email and then an example fac simile.
To send an email with the request for a quote, be formal and polite.

In the email subject write "**Request a quote**". Then it starts like this:
Dear Sir/Madam ____,
If you know the name of your interlocutor, otherwise even
Dear Sir/Madam,

After that, you must immediately say the reason why you are sending the email. Here are some example phrases:

- **I would like to request a quote for _____.**
- **I would be interested to know the price of _____.**
- **Please send me a quote per_____.**
- **Please, could you provide me with a quote for _____.**
- **I would be grateful if you would send me a quote for _____.**

Provide as much detail as possible about the product you want but be concise. If applicable, you should include the following information:

If you are asking for a service, please indicate:

- When you want it (the time within which you want the product or work);
- Where you want it
- Material required.

If you are asking for a product, please indicate:

- Where you want them to deliver it;
- What do you need it for.

To conclude, close the email like this:

- **I hope to have an answer as soon as possible;**
- **I look forward to hearing from you.**

Then sign the email with your name and surname, after writing:

- **Kind regards;**
- **Cordially;**
- **Thank you in advance.**

Refuse

You have received quotes and there are some that have not satisfied you: for example, one is too high, another is unclear. You therefore wish to inform the company that you do not accept it, but you want **to politely refuse the proposal**.
In fact, consider that the person who sent you the quote has dedicated part of his time to you, and it would be courteous of you to at least provide an answer.

Here's what you can write to politely decline a quote:
Dear Sirs,

Thank you for your availability and for the offer you have sent us. We would like to inform you that we have received another proposal more suited to our needs and that we have accepted.

Kind regards,

John Doe

How to ask for a discount

You have received a quote, that company convinces you and you would like to make it do the work or, if it is a product, you would like to buy it from there. Only that the quote is a bit high and you would like to ask for a discount.

Here is an email requesting discount.

Dear Sirs,

Thank you for your availability and for the offer you have sent us. We found your proposal interesting and would like to come to a conclusion. However, the price is beyond our budget: what is the discount you are willing to offer us?

Kind regards

John Doe

MARKETING: GENERAL DEFINITION AND BASIC CONCEPTS

Marketing: consists in the identification and satisfaction of human and social needs. Marketing is an organizational function and a set of processes aimed at creating, communicating and offering value to customers, as well as managing the relationship with the customer that generates a benefit for the organization and its members.

Marketing management: it is the art and science of choosing target markets, as well as acquiring, maintaining and growing through the creation, distribution and communication of superior customer value.

Social definition of marketing: it is the social process by which individuals and groups obtain what they need through the creation, offer and free exchange of valuable products and services. (offer a higher quality of life).

EXCHANGE AND TRANSACTIONS

Exchange: process that consists of obtaining the desired product by offering something in return. Exchange is a process of value creation , as it satisfies both parties. When an agreement is reached, a transaction is said to take place. The transaction: it is an exchange of value between the two or more parties: A provides X to B and receives Y in return.

A transaction involves various dimensions: at least two valuables, the agreed conditions, the time and place of the agreement. The legal system defines the various elements of the transaction. The transfer: A provides X to B without receiving anything tangible in return .

THE FIELD OF ACTION OF MARKETING:

Goods: Physical goods form the core of production and marketing activities in most countries.

Services: airlines, hotels, car rental companies, hairdressers, beauticians, repair and maintenance, consultants, lawyers, engineers, doctors etc.

Events: they take place on a regular basis (trade fairs, artistic events, company anniversaries) Experiences: by coordinating goods and services a company can create, realize and market real experiences (walt disney: enchanted kingdom, pirate ship).

People: Celebrity marketing: Every star has a marketing consultant for their image. Places: competition to attract tourists.

Property rights: power that belongs to the owner or owner of a physical or intangible asset to dispose of it (a property , or shares or bonds) property rights can be bought and sold and this requires marketing.

Organizations: they work to build in the mind of their target audience a distinctive, strong and positive image of themselves and make many investments in advertising to create a corporate identity.

Information: can be produced and promoted as goods (universities, encyclopedias, books except fiction offer information).

Ideas: every market offer is born from an idea.(social marketing promotes ideas such as the importance of education)

MARKETING ACTORS

A marketing operator: is someone who solicits a response (attention, purchase, vote, donation) from the counterparty, defined as a potential customer. Marketers are responsible for "demand management" and there are 8 possible demand statuses:

1) Negative demand: consumers have an aversion to the product and may be willing to pay to avoid it;

2) Non-existent demand: consumers are uninterested or indifferent to the product.

3) Latent demand: consumers feel a strong need and cannot be satisfied by existingproducts on the market;

4) Declining demand: consumers reduce the frequency of purchase or stop buying. 5)Irregular demand: consumers generate variable demand at seasonal, monthly, weekly, daily and hourly levels.

6) Full demand: consumers generate a demand equal to the volume of supply;

7) Excessive demand: consumers generate demand above the level that can be met

8) Harmful demand: consumers are attracted to products that have social and environmental consequences. In each of these cases, operators must identify the factors determining demand and define an action plan that can guide it more favourably for the enterprise.

Markets: for ECONOMISTS it is a set of buyers and sellers who make transitions on a product or on a class of products. Producers access the market of resources (raw materials), buy resources, transform them into goods and services and then sell the finished products to "intermediaries" who sell them to "consumers". Consumers sell their labour and receive money, through which they buy goods and services. The state collects taxes to buy from the markets of resources, producers and intermediaries uses these goods / services to provide public services.

For MARKETERS, the market indicates various customer groupings. Sellers make up the industry and buyers make up the market.

Relationship between sector and market: sellers and buyers are connected by 4 flows: sellers sell goods/services and communications to the market and in return receive money and information (buying habits and sales data).

Main types of markets

Consumer markets: companies that sell mass goods/services spend a lot of time improving brand image (the consumer is attracted to the brand) and advertising (the brand needs advertising).

Business markets: Companies buy goods to create or resell a product to third parties for profit.Marketers must demonstrate how their products will help customers make more profits or reduce costs. In this case plays an important role the sales force,the price and the reputation of reliability and quality of the company.

Global markets: import and export of products.

Nonprofit and government markets: Businesses selling to nonprofits should pay attention to low pricing and public relations.

Market place, market space, and meta market: the market place is a physical space (shop, the market space is a virtual environment (online). The meta market is a set of complementary products/services closely related to each other in the minds of consumers, but located in distinct sectors. Changes in business and marketing (the new marketing)

Technological change: the digital revolution has brought us into the information age (more accurate production processes, more targeted communication, more effective pricing policies, internet, intranet and extranet)

Globalization: operating in foreign markets and consumers are more likely to buy from abroad.

Deregulation: abolition of certain rules to encourage increased competition and to create more opportunities for growth.

Privatization: of public companies to increase their efficiency. Higher demands on the part of the customer: higher levels of quality, service and personalization.

Customization): companies offer the customer the opportunity to design their own products.

The increase in competition: due to the increase in production costs and reduced profit margins. Added to this is the contrast with the large retail operators who have the power of exhibition spaces.

The convergence of sectors: the boundaries between various sectors become increasingly undefined (pharmacies in addition to selling, produce).

The transformation of retail: retailers face competition on the internet through the entertainment component (bookstores : author as a guest)

Disintermediation: many traditional companies have responded to this by adding online services to the existing offer.

ORIENTATION OF COMPANIES TOWARDS THE MARKET The concept of production: provides that consumers prefer widely distributed and low-cost products. So managers of production-oriented enterprises focus on achieving high production efficiency, cost reduction and mass distribution. The product concept: Consumers prefer products that offer higher quality, higher performance, or innovative features. Managers, in this case, focus on making superior products and improving them over time. The concept of sales: consumers and businesses do not buy sufficiently if they are not solicited. Organizations must therefore engage in aggressive sales and promotion. This concept is applied to goods that buyers would not normally buy (insurance, encyclopedias, funeral services) and the purpose is to sell what is produced instead of producing what the market wants. However this type of marketing is risky. The concept of marketing: the aim is not to find the right customers for the product but the right product for the customers. According to this concept, the key to achieving the company's objectives lies in the ability to create, transmit and communicate to its target markets a value for the customer superior to that offered by the competition.

Responsive marketing : consists of understanding and satisfying the needs expressed by customers .

Proactive marketing: it consists of understanding and satisfying the latent needs of customers.

The concept of holistic marketing: it is based on the development, design and application of programs, processes to marketing activities that recognize their scope and related interdependencies. According to a holistic approach, every business activity is related to marketing directly or indirectly, so it is necessary to take a broad and integrated perspective that seeks to recognize and reconcile the importance and complexity of marketing activities. The four components of holistic marketing are: relational, integrated, internal and social marketing. Relational marketing aims to build long-term relationships with mutual satisfaction of the parties involved in order to improve and develop their respective activities. So the company cultivates the right kind of relationship with the various categories of subjects involved which are four: customers, employees, marketing partners (channel members, distributors, suppliers, retailers, advertising companies) and members of the company's financial community (shareholders, investors, analysts) The final result of relational marketing is the establishment of a specific asset of the company called marketing network: consisting of the company and its fundamental interlocutors, or "stakeholders": customers, employees, suppliers, retailers, advertising companies, researchers and others with whom commercial relationships of mutual profit are established. The operating principle is to build an effective network of relationships with key partners and profits will result.

Integrated marketing : the task of the marketer is to plan marketing activities and prepare perfectly integrated marketing programs in order to create, communicate and transmit value to consumers.

A traditional description of the activities includes the concept of Marketing mix: set of marketing tools adopted by the company to achieve its marketing objectives.

The instruments are the four "P":

product(product variety,quality,design,features,brand,packaging,sizes and measurements, service,warranty,returns) price(list price,discounts,discounts,payment terms,credit conditions), point of sale(distribution channels,coverage,assortment,location,stocks,transport) and promotion(sales promotion,advertising,strength of sales, public relations, direct marketing).

The four P's of the seller correspond to the four "c" of the customer: solution for the customer, cost for the customer, convenience, communication), so the most efficient companies will be those able to respond to the needs of the customer in a practical and economical way and with a more effective communication. In integrated marketing, the planning and application of any marketing activity cannot fail to take into account the other activities. Companies need to integrate their own demand, resource and network management systems. To maximize sales and brand value, the integrated channel strategy must ensure synergy between direct (online sales) and indirect (retail) channels.

Internal marketing: ensures that within the organization they are inspired by appropriate marketing principles. It consists of hiring, training and motivating capable employees, willing to serve customers at best.

Social marketing: also called "sustainable marketing" and "green marketing" . It presupposes that the task of the company is to determine the needs, desires, interests of the target markets and to obtain customer satisfaction more effectively and efficiently than competitors, while preserving or increasing the well-being of consumers and societies. The concept requires operators to introduce social and ethical considerations into their marketing practices .

Cause-related marketing or marketing aimed at a cause: seen as an opportunity to improve one's reputation, develop brand image, increase customer loyalty, increase sales and increase coverage in the press.

MARKETING CONCEPTS, TRENDS AND TASKS

Needs, desires and demand: "Needs" are the basic needs of every human being. They become "desires" when they are turned towards specific objects that can satisfy them (being hungry and wanting a hamburger). The "demand" is represented by the desire for specific products, flanked by the ability to pay for them. Companies must measure not only how many people want their product but also how many of them can and intend to buy it. Firms do not create needs because the needs pre-exist to market participants. Practitioners, along with social factors, influence desires.

Five types of needs can be distinguished: express(wants the product), real (low cost), unexpressed (expects a good service from the retailer), gratification (discount , gift), secrets (make a good impression) .

Target markets, positioning and segmentation: the company cannot satisfy all those who make up the market. Marketers need to divide the market into multiple segments, identifying and profiling distinct groups of buyers who may prefer or require a different mix of products and services. Market segments can be identified by examining demographic, psychographic, and behavioral differences between buyers. Once the market has been segmented, it is decided which segments represent the best opportunities for the company, i.e. identifying its "target markets". For each of the chosen markets, the firm develops a "market offering", which is "positioned" in the minds of the target customers by providing some key advantages.

Offers and brands: companies respond to needs by defining a value proposition, i.e. a set of benefits offered by customers to meet their needs. The value proposition is made physical through the "offer", which can be a combination of products, services, information and experiences. A "brand"

is an offer from a well-known brand. Associations of ideas make up the image of the brand. All companies try to strengthen their brand, that is, they try to give the brand a strong, unique and positive image.

Value and satisfaction: "value" reflects tangible and intangible benefits and costs for the client and can be understood as a combination of quality, service and price. Value increases with quality and service and decreases with price. Satisfaction is the result of comparing the perceived performance of the product with the expectations formulated before the purchase. If the performance of the purchased product is lower than expected, the customer is dissatisfied and disappointed; If the performance matches the expectations is satisfied; if the performance exceeds expectations the customer is enthusiastic. Marketing channels: connect the business to buyers. To reach the market, operators use three types of channels: communication channels that allow you to send and receive messages from buyers (newspapers, TV, radio, billboards), distribution channels that allow you to show, sell and deliver services or products to the buyer or user (distributors, wholesalers, retailers, agents), and service channels to carry out transactions with potential buyers (warehouses, transport companies, banks).

Value chain: it is a channel that goes from raw materials to components to final profits that are delivered to the final buyer. The value chain is a value transfer system. Each company acquires only a certain percentage of the total value generated by the value chain.

Competition: includes all actual and potential competing offers and possible substitutes that can be considered by a buyer.

Marketing environment: consists of the functional environment and the enlarged environment. The functional environment includes all those who are immediately involved in the production, distribution and promotion of the products and services offered. The enlarged environment consists of six components: demographic, economic, natural, socio-cultural, technological and political-legal environment .

Marketing planning: it opens with an analysis of opportunities, followed by the choice of target markets, the design of strategies, the development of marketing programs and finally the management control of marketing actions

DEFINE MARKETING STRATEGIES AND PLANS

The value distribution process: the sequence of the value creation and distribution process consists of three phases: 1) "value choice", marketing managers must segment the market, select an appropriate target and then develop the positioning of the value of the offer. At the base of strategic marketing is the SPT formula (segmentation, targeting, positioning); 2) provide value to the market, where the specific characteristics, price and distribution of the product are determined ;3) value communication, through the sales force promotions, advertising in which the purpose is to inform customers and promote the product. Each stage of the deployment process has a cost.

Key competences: to be such it must have three characteristics: 1) it must be a source of competitive advantage,as it contributes significantly to the benefits perceived by the customer;2) it must be applied in many markets;3) it must be difficult to reproduce by competitors. The key competences refer to areas of particular technical and productive expertise, the distinctive skills, consist of strong qualities of the company in commercial processes in the broadest sense.

Holistic marketing and customer value: in holistic marketing, the interaction between key players (customers, business and employees) and valuable activities (exploration, creation and distribution

of value) help to generate, maintain and renew value for the customer. The holistic concept aims to answer three management questions:

1) Seeking value: how can the company identify new value opportunities? Businesses need a strategy to identify value. It is necessary to understand the relationships and interaction between three spaces:

- "the client's cognitive space", which reflects manifest and latent needs and includes the need for participation, stability, freedom and change;
- "the competence space of the enterprise", described in terms of breadth (broad or limited scope of the business) and depth (physical and knowledge-based capabilities);
- "the space of employees' resources", includes horizontal partnerships (companies choose their partners based on their ability to exploit related market opportunities) and vertical partnerships (based on the ability to contribute to value creation).

2) Value creation: how can the company successfully create new value offers? Operators must be able to identify new benefits for the customer from the customer's point of view, employ key skills in their business sector and choose and manage their partners within the collaboration network. To generate new benefits for the customer you need to understand what the customer thinks, what he wants, what he does and what he cares about.

3) Value distribution: How can the company leverage its capabilities and infrastructure for the efficient distribution of new value offerings? The organization must become an expert in customer relationship management (to find out who their customers are, how they behave, what they want), in the management of internal resources (integrate the fundamental operational processes, such as order management, accounting, salaries of employees, in a single software system), and in the management of corporate partnerships (manage complex relationships with business partners). The central role in strategic planning: the creation, supply and communication of value require appropriate marketing activities and therefore a strategic planning at the base. The strategic position provides interventions in three areas: 1) the management of the company's business as an investment portfolio;2) the evaluation of the strengths of each business considering the market growth rate, the positioning of the company and its adequacy to the market;3) the definition of a strategy. Many enterprises are made up of four organizational levels: the enterprise or corporate level, the division level, the business unit or business unit level and the product level. The general management is responsible for designing a strategic plan that guides the entire business activity; It must determine the level of resources to be allocated to each division and which businesses to start or eliminate. Each division establishes its own plan for allocating funds to each of its component business units. The individual business units develop a strategic plan aimed at delivering value and consequently creating profits. Finally, each product level of a business unit develops a marketing goal to achieve its market objectives.

The marketing plan: it represents the tool for the direction and coordination of marketing activities. It is developed on two levels: 1) Strategic: it defines the target markets and the value offer based on an analysis of the best market opportunities. 2) Tactical: specifies marketing levers, including product and service features, promotion, price, sales channels and support.

CREATE VALUE, SATISFACTION AND CUSTOMER LOYALTY

Value perceived by the customer: it is the difference between the evaluation that the potential buyer makes of all the advantages and of all and all the costs of a specific offer compared to the perceived alternatives.

Total value for the customer: it is the economic value perceived by the set of economic, functional and psychological advantages that customers expect from a given market offer.

The total cost to the customer: is the sum of the costs that the customer expects to have to bear for the evaluation, acquisition, use and final disposal of a given market offer, including monetary, time, energy and psychological costs.

The " perceived value" of the customer therefore consists in the difference between what he gets from every possible choice and what he must give in return. The customer gets benefits and bears costs. The marketer can increase the value of the offer thanks to a combination that provides for the increase of functional or emotional benefits and / or reduction of one or more types of costs.

Developing high customer value: customer loyalty:

The key to creating high customer loyalty is to develop high customer value. A company must, therefore, develop a value proposition superior to the competition, aimed at a precise market segment and flanked by a superior system of value creation and delivery. The value proposition: it is made up of the whole set of advantages that the company promises to offer. The value proposition is a statement about the final experience that customers will get from the market offer and their relationship with the company. The brand must represent a promise on the total experience that customers can expect. Fulfilling this promise depends on the company's ability to manage its own "value distribution system", which includes the overall experience of the customer in obtaining and using the company's offer.

Total customer satisfaction: customer satisfaction emerges from the comparison between the performance of the product purchased and the expectations formulated before the purchase. In general, when the performance of the product is lower than expected, the customer is dissatisfied; when they correspond to expectations he is satisfied, and when they exceed expectations the customer is extremely satisfied or enthusiastic. The company must operate trying to achieve a high level of customer satisfaction with an acceptable level of satisfaction for other stakeholders considering the available resources.

Customer expectations: How do customers shape their expectations? They can be based on past shopping experiences, on the advice of friends or colleagues and on information or promises from a company and its competitors .if operators create expectations that are too high, they are likely to be disregarded, generating dissatisfaction. If, on the other hand, they set expectations at a low level, the company will fail to attract a sufficient number of buyers, even if they will be very satisfied. Successful businesses continue to raise expectations, but also to meet them.

Satisfaction measurement: there are several ways to measure customer satisfaction: 1) periodic requests, where participants may also be asked additional questions to assess the intention to repeat the purchase or the possibility or willingness to recommend the company and its brands to third parties;2) check the rate of lost customers, contact consumers who have stopped buying their products or switched to the competition, to find out the reasons for this decision ; 3) simulated purchases, i.e. using people who pretend to be potential buyers and report the strengths and weaknesses found in the shopping experiences with the company and its competitors. For customer-oriented businesses, customer satisfaction is both a goal and a marketing tool. Today,

companies must be particularly attentive to the level of satisfaction because through the internet consumers can quickly spread a positive or negative word of mouth all over the world.

The quality of products and services: quality is the set of attributes and characteristics of a product or service that reflect its ability to satisfy explicit or implicit needs. This definition presents a clear customer orientation. It can be said that the company offers quality only when its products and services meet or exceed customer expectations. The quality company is the one that manages to satisfy most of the needs of customers over time.

Total quality management: total quality management is an approach applied to the entire organization that provides for a continuous improvement of the quality of all processes, products and services of the company. The quality of products/services, customer satisfaction and profitability of the company are closely related to each other. A high level of quality leads to greater customer satisfaction, which in turn allows higher prices to be charged and, often, to reduce costs. Scholars have shown a strong correlation between the relative quality of the product and the profitability of the company. Some companies have encountered difficulties in managing total quality due to excessive and sometimes even obsessive attention to processes and the way in which they carry out their business. To react to these attitudes, some operators are now focusing their efforts on "quality profitability". Supporters of this principle consider it appropriate to improve quality only for those aspects that will produce tangible benefits for the customer, a reduction in costs or an increase in sales. This orientation towards the final result forces companies to ensure that the quality of their offers coincides with the quality actually demanded by consumers.

Customer lifecycle value optimization: Marketing is the art of acquiring and retaining profitable customers. The profitability of the customer: a profitable customer is an individual, a family or a company that, over time, allows to obtain revenues able to cover with a fair profit margin costs incurred by the selling company to attract the customer, conclude the sale and offer the necessary assistance services. Managing unprofitable customers has two alternatives: increase prices reduce services. Analysis of customer profitability: (custodian profitability analysis). Customers are arranged by columns and products by rows. Through this analysis we can classify customers on the basis of profit level: platinum customers (very profitable), gold customers (profitable), iron customers (unprofitable but still acceptable) and lead customers (unprofitable and unwanted). The company's goal is to turn iron customers into gold, gold into platinum, and eliminate lead customers or improve their profits by increasing prices or reducing the costs needed to serve them.

Competitive advantage: it is the ability of the company to carry out one or more activities at levels that competitors cannot or do not want to achieve. A company that wants to last a long time must develop new competitive advantages. Every competitive advantage must be perceived as an advantage for the customer. (fast deliveries).

Customer equity: the value of customers: the higher the customer loyalty, the higher the value of customers. Zeithmal and Lemon highlight 3 elements that determine it: 1) Value equity: it is the objective evaluation by the customer of the usefulness of an offer based on the perception of advantages over cost (value compared to the product). The elements that make up the equity of value are quality, price and comfort. 2) Brand equity: it is a subjective evaluation of the intangible elements of the brand by the customer, which goes beyond the perceived value in objective terms (subjective perception of the buyer). It includes the customer's awareness of the brand, his predisposition towards the brand and his perception of brand ethics. To influence these elements, companies use advertising messages, etc. 3) Relationship equity: it is the tendency of the customer to fixate on a brand,regardless of the objective and subjective evaluation of its value.(fixation on the brand).includes loyalty programs,special value recognition and treatment programs,programs

for the development of communities and knowledge building programs. Relational equity: it is the overall value of the network of relationships with customers, partners, suppliers, employees and shareholders, which depends on the company's ability to attract and retain talent, customers, investors and business partners.

CULTIVATE THE RELATIONSHIP WITH THE CUSTOMER

Mass customization: it is the ability of the company to meet the demands of each individual customer, creating products, services, programs and personalized messages on a large scale. Customer relationship management (CRM): developing stronger relationships with customers. This process involves organizing detailed information about individual customers and carefully managing all touchpoints to maximize their loyalty. A customer touchpoint is an occasion where a meeting occurs between the customer and the brand or product, from actual experience to personal or mass communication and casual observation. CRM allows businesses to provide the customer with excellent service in real time through the effective use of information acquired about each customer. On the basis of this information, companies can personalize offers, services, programs, messages and media selection. Individual marketing is a process that can be applied to CRM and consists of 4 phases: 1) Identify current and potential customers; 2) Distinguish customers according to their needs and their value for the company; 3) Interact with individual customers to improve knowledge about their specific needs and build stronger relationships. 4) customize products , services, and messages for each customer The best companies are able to increase customer value by successfully applying the following strategies: - reduction of customer defection rate; - increase in the duration of the relationship with the customer; - improvement of the growth potential of each customer by extending its "share of expenditure", cross-selling techniques and selling superior products. - Improving the profitability of less profitable customers or driving them away; - Particular attention to the best customers. Attracting, retaining and nurturing customers businesses looking to improve profits and sales need to spend time and resources looking for new customers. But attracting new customers is not enough, the company must maintain and grow the business. Too many businesses suffer from a high level of customer defection. In order to consolidate customer retention, the company can act in two ways: one possibility is to create high costs related to the change of brand; or to make customers satisfied so that they do not switch to competitors who offer lower prices. The process of acquiring and retaining customers: the starting point is anyone who can theoretically buy the product, i.e. potential customers. Among these, the company identifies available customers whom it hopes to convert into new customers, then into repeat customers and finally into loyal customers. The next challenge is to turn customers into members by starting an association program that benefits those who join it, and therefore into supporters, i.e. customers who recommend the company and its products. The ultimate challenge is to turn supporters into partners.

Markets can be classified according to long-term purchasing dynamics and the frequency and ease of customer travel to and from other markets: 1) Markets with permanent acquisition: the customer, once acquired, remains loyal forever; 2) Markets with easy maintenance: at the end of each period a permanent loss of the customer may occur (telecommunications); 3) Migration markets: Customers can move away and return.

Creating loyalty: in customer marketing we can distinguish 5 different levels of investment:

1) Basic marketing: the seller merely sells the product;

2) Responsive marketing: the seller sells the product and encourages the customer to get in touch with the company for any information.

3) Individualized marketing: the seller contacts the customer by phone after the sale to check if the purchased product has met his expectations

4) Proactive marketing: the seller regularly contacts the customer to suggest a more effective use of the product or recommend new products

5) Collaborative marketing: the company collaborates with the most important customers to improve performance.

The reduction of the defection rate: to reduce the defection rate, the company can intervene in 5 ways: 1) It must define and quantify the customer retention rate; 2) It must identify the causes of the gradual reduction of customers and identify those that, with appropriate intervention, can be reduced or eliminated. 3) It must quantify the profits lost in the event that customers switch to the competition; 4) The costs to be incurred in reducing the defection rate should be defined. 5) Listen to customers.

Creating strong bonds with the customer:

1) Offers of financial advantages: The enterprise can offer 2 financial advantages: - loyalty programs are designed to reward customers who buy frequently and in large quantities. They are seen as a means of building loyalty in the long term, which generates potential cross-selling opportunities. - - Club membership programs: designed to create even stronger bonds with customers. Membership can be open to all those who purchase a product or service, or limited to a small group of customers or those who are willing to pay a small fee. Open associations are great for building a database or stealing customers from competitors, while exclusive associations are particularly important for promoting long-term loyalty.

2) Offer of interaction advantages: the company's staff always develops new social ties with customers, individualizing and personalizing relationships. Consumers are served en masse, customers individually, and by professionals.

3) Offering structural links: the firm can provide special customers with systems or computer connections to help them manage orders, payroll and quotas. Here are good tips to create strong structural ties with the customer: - Create long-term contacts (subscription); guarantee a lower price to those who buy larger quantities; transform the product into a long-term service (food, pensions, dog insurance).

CUSTOMER DATABASES AND MARKETING DATABASES

Customer database: it is an organized collection of information about existing or future customers that must be updated, accessible and useful for marketing purposes such as acquiring new customers, their classification, selling a product / service or maintaining customer relationships. Database marketing: is the process of creating, maintaining and using customer databases or other databases for the purpose of contacting customers, making transactions and building a business/customer relationship. Business database: information archive on industrial customers, in which data relating to previous purchases, order volume, prices charged and profits of the company are organized. The data warehouse: collection of updated data, entered, organized and stored in the company's contact center. Staff can collect and analyze data, query the database and derive information on the needs and reactions of individual customers.

Dataminig: Researchers can research and discover useful information about individuals, detect trends and profile customer segments using a huge volume of data. This type of activity involves the use of sophisticated statistical techniques. Use of the database: 1) Identify potential customers; 2)

decide which customers to address a particular offer; 3) increase customer loyalty (gifts, discount coupons); 4) promote the renewal of purchases (birthday wishes); 5) avoid serious errors towards customers.

The downsides of the database and CRM

There are 4 problems that can prevent a company from using CRM effectively:

1) The creation and management of a customer database requires huge investments in terms of hardware, software, analytical programs, communication networks and qualified personnel; the construction of a database is not advantageous in the following cases: when the purchase of the product is made only once in a lifetime; when customers do not demonstrate particular loyalty to the brand; when the item has little value; when the cost of acquiring information is too high.

2) The difficulty of getting everyone in the company to pay attention to the importance of customers and use available information;

3) Not all consumers want to have a relationship with the business and may not even like the fact that it has collected too much personal information;

4) It is not said that serving the most loyal customers actually implies lower costs for the company: loyal customers could use the situation to their advantage, or complain about the increase in prices or look with suspicion at the attention paid to others.

CREATING BRAND VALUE

A brand is a name, term, symbol, design or a combination of these elements that identifies the goods or services of a seller or group of sellers and differentiates them from those of competitors.

The role of brands: brands generate valuable benefits for companies: 1) they simplify the management and traceability of the product;2) they facilitate the organization of stocks and accounting data;3) they ensure legal protection of the characteristics or exclusive aspects of the product. Brands can indicate a certain level of quality, which allows satisfied customers to easily find the product and repeat the purchase and in this case branding is a powerful tool to ensure a competitive advantage. For companies, brands are therefore a legal property of enormous value, capable of influencing consumer behavior. A brand can be sold and bought, ensuring the owner a lasting source of revenue.

The definition of the brand (or branding) : consists in giving a product or service a power deriving from the brand itself. It's about creating differences. To define a brand, consumers need to be taught "who" the product is – by giving it a name and using brand elements that contribute to its identification – "what it does and "why" it is interesting. Branding involves the creation of mental structures that help consumers organize their knowledge of products/services in a way that facilitates their decision-making process and, at the same time, brings value to the company. For branding strategies to be successful and brand value to be created, consumers must be aware of the existence of significant differences between brands within the product / service category considered. For the purpose of defining the brand it is essential that they do not think that all brands within the category are the same. Brand differences are often related to product attributes or benefits.

Brand equity: it is the added value that the brand gives to a product / service. This value is reflected both in the ideas, perceptions and reactions of consumers towards the brand, in prices, market share and profitability of the brand itself for the company. In studying brand value, researchers take

various perspectives: - Customer-centric approaches: The power of a brand lies in what consumers have seen, read, heard, learned, thought and felt towards the brand over time. Customer-based brand value: can be defined as the impact of brand awareness on the consumer's reaction to marketing activities for the brand. The value of the brand derives from differences in consumer reaction: if there is no difference, the product can be classified as generic or widely consumed. In this case, competition will be based on price. Differences in consumer reaction are the result of brand awareness.

Brand knowledge: it comes from all the thoughts, sensations, images, experiences, beliefs and other elements associated with the brand. Finally, the difference in consumer reaction that generates brand value is reflected in the perceptions, preferences and behavior related to all aspects of brand marketing. The advantages of strong brands: better perception of product performance, better loyalty, less vulnerability to competitive actions, less vulnerability to marketing crises; wider margins, more static reaction of consumers to price increases; more elastic consumer reaction to price reductions; greater support and business cooperation; effectiveness in marketing communication; possible opportunities for licensing agreements; further opportunities for brand extension.

The value of the brand as a bridge: the "quality" of the investment is fundamental compared to the quantity. A brand is a promise of certain performance of the product or service by the enterprise. A "brand promise" is marketing's vision of what the brand should be and what it should do for consumers. Brand value models: the brand resonance model: this model sees brand construction as an ascending series of sequential steps: 1) ensuring brand identification and brand association with a specific product class or need in customers' minds;2) defining and fixing all aspects of brand significance in customers' minds through a strategic link with a range of tangible brand associations and intangible;3) elicit appropriate reactions from the customer in terms of judgments and feelings related to the brand;4) convert the reaction to the brand to create an intense and active relationship of loyalty between customers and the brand. According to this model the application of these four stages requires the creation of 6 bricks for the construction of the brand. The model emphasizes the duality of brands, bringing the rational path back to the left side and the emotional path to the right side. Creating a high brand value requires reaching the top of the pyramid, and this is only possible by putting each brick in its place. -The importance of the brand: frequency and ease with which the brand is mentioned in various consumption situations; -the performance of the brand: ability of the product to meet the functional needs of customers; -the image of the brand: extrinsic properties of the product, including how the brand seeks to meet the social and psychological needs of customers; - brand reviews: personal opinions and evaluations of customers; - the sensations related to the brand: reactions and emotional responses of customers to the brand ; - brand resonance: nature of the relationship between customers and brand and the extent to which customers feel in tune with the brand.

BUILDING BRAND VALUE: There are three main categories of brand equity stimuli: 1) The initial choices of the elements or identities that make up the brand (names, urls, logos, symbols, characters, spokespersons, slogans, musical motifs, packaging and distinctive signs); 2) the product and service and all related marketing and support activities;(smile on boxers) 3) other associations transmitted indirectly to the brand that link to other entities (a person, a place, a thing)

The choice of brand elements: the brand elements are those expedients that can be protected by trademark and that serve to identify and differentiate the brand (nike mustache). With careful selection of brand elements you can create the greatest possible value for the brand itself. There are 6 possible criteria for choosing brand elements. The first three criteria can be indicated as "brand

building" criteria, i.e. the reaction of brand equity through a weighted choice of brand element: 1) easy to remember, meaningful (is it credible?); 3) Pleasant. The other three criteria are "defensive" in nature and concern the possibility of exploiting and preserving the value generated by the brand element in the face of opportunities and restrictions of various kinds: 1) transferable;2) adaptable; 3) protectable.

The planning of holistic marketing activities: Regardless of the specific tools and methods, holistic marketers emphasize three new and important themes for designing marketing programs aimed at building the brand: personalization, integration and internalization. –

Integration: Integrated marketing is about combining and associating marketing activities in order to maximize individual and collective effects. Operators must carry out a variety that reinforces the brand promise. Integration is a key factor in marketing communications. From a brand building perspective, all communication options should be evaluated in terms of their ability to influence brand value. Brand awareness: it is the ability of consumers to identify the brand in different conditions and is reflected in the ease with which the brand is recognized or recalled to memory. The image of the brand: consists of the perceptions and beliefs of consumers and is reflected in the associations present in their memory. The various communication options have different strengths and allow you to achieve different goals . It is important to adopt a mix of multiple options, each of which plays a specific role in building or maintaining brand value. The marketing communication program should be designed in such a way that in its entirety it can add value to the individual elements that compose it and should present a correspondence between the various communication options so that the effects of one channel are amplified by the presence of others. - Internalization: make sure that employees and marketing partners understand the meaning and importance of the basics of branding, and how they can contribute to brand—equity. Internal branding: includes activities and processes that help inform and inspire employees. Brand ties are established when customers are able to see that the company fulfils its brand promises. All customer contact must be positive. The brand promise will be kept only if everyone within the company "lives the brand". Secondary associations: The third way to build brand value is to borrow it. Brand associations may be linked to other entities which in turn have additional associations, which is the kind of secondary brand associations. In other words, the value of the brand can be created by linking the brand to other information in the memory of consumers that conveys a certain meaning to them.

DESIGN AND MANAGE SERVICES The service: can be defined as any activity or performance that one party can offer to another, whose nature is essentially intangible and does not involve the transfer of ownership of each physical element. The categories of the service mix: the offer of a company includes services that can be a more or less relevant component of the global offer.

We can distinguish 5 categories of an offer. 1) Pure tangible good: offer consisting of a tangible good to which no service is associated. 2) Tangible good associated with services: tangible good with one or more services that increase its attractiveness to the consumer. 3) Hybrid: goods and services in equal parts (restaurants: food and service) 4) Basic service associated with secondary goods and services: offer consisting of a service, flanked by secondary services and / or supporting goods. (air ticket, but also food, drinks, hostess). 5) Pure service: offer consists mainly of a service. - Services can be based on equipment (car washes) or on people (window washing); - Companies can choose between various processes for the provision of the service (restaurants-fast food, bars). - Some servants require the presence of the customer, others do not (surgery-car repair); - Services differ greatly from each other to depending on whether the need to be satisfied is of a personal or

professional nature. - Service providers are also distinguished by their purpose (whether for profit or not) and their nature (private or public)

Consumers trust word of mouth more than advertising, look at price, personnel and physical indices to judge quality; they are loyal to the service providers that satisfy them.

Distinctive features of the services:

Intangibility: unlike physical goods, services cannot be seen, tasted, touched, heard or smelled before purchase. The task of those who offer a service is to manage the quality indicators and to make the intangible tangible. The buyer will look for quality indicators and form expectations based on factors such as physical environment, personnel, equipment, information material , symbols and price.

Inseparability: services are generally consumed at the time they are carried out. Who provides a service is part of the service itself. Variability: since they depend on the supplier, the time and place where they are provided, the services are extremely variable. Buyers know that there is variability and often consult with other people before choosing the supplier to turn to. To increase quality, companies can take 3 possible actions: 1) invest in the selection and training of personnel;2) standardize the service delivery process for the entire organization;3) monitor the level of customer satisfaction (collection of suggestions, complaints, surveys) perishability: services cannot be stored . (Some doctors charge the client for the missed appointment. Various strategies allow for a greater correspondence between supply and demand in the services sector.

With regard to demand: - A policy of differentiated prices (reduction of cinema tickets during the week) - Develop demand in off-peak periods (McDonald's has included breakfast) - Establish complementary services, which provide viable alternatives for waiting customers (cocktails) - Booking services (ticket reservation)

Regarding supply: - Hire part-time staff to cope with peak demand (restaurants-weekends) - Establish an efficiency routine for peak periods (nurses assist doctors) - Encourage greater consumer participation (customers bag goods) - Develop shared services (hostesses who work in multiple companies) - Provide subsequent expansions(an amusement park plus buy the surrounding land)

MARKETING STRATEGIES FOR SERVICE COMPANIES

The evolution of the relationship with the customer: in the past, service companies were available to all customers, but today they have such a volume of data on individuals that they can divide customers according to the profit they generate for the company. Businesses spoil their best customers, with special discounts, promotional offers and many extra services. Others are offered higher rates and basic services. This shift from democratic to meritocratic treatment is partly a response to reduced profit margins due to higher price orientation and lower customer loyalty. Companies that implement such customer distinguishability mechanisms must pay attention to the claims of less followed users, which can generate negative word of mouth and damage the company's reputation.

Holistic service marketing: In the services market, holistic marketing requires internal, external and interactive marketing activities.

External marketing consists of the normal activities of preparation, pricing, distribution and promotion of customer service.

Internal marketing is all about providing staff with the right training and stimulation to serve customers properly.

Interactive marketing refers to the ability of employees to serve the customer, who makes judgments based only on technical quality, but also on functional quality.

SERVICE QUALITY MANAGEMENT: the quality of a company's service is put to the test with each service delivery.

Customer expectations: In general, customers compare the perceived service with the expected one. If the first is less than the second they are disappointed; If it lives up to or exceeds expectations they will choose the same provider. The service quality model: identifies 5 gaps that characterize an unsatisfactory delivery. 1) Gap between consumer expectations and management perception: management does not always have a correct perception of what the consumer wants. 2) Gap between management's perception and service quality indication 3) Gap between quality indication and service delivery: staff may be poorly trained and unable or unwilling to reach the required standard. 4) Gap between service delivery and external communication: customer expectations are influenced by advertising materials which must respect reality. 5) Gap between perceived service and expected service: the customer has a wrong perception of the quality of the service (the doctor visits the patient several times, who interprets it as a serious thing)

The 5 determining elements of the quality of a service: 1) Reliability: the ability to perform the promised service safely and accurately; 2) Responsiveness: the willingness to help customers and provide timely service; 3) Trust: the competence and courtesy of employees 4) Empathy: interest and attention to the individual customer 5) Tangibility: equipment, personnel and information material.

The most effective practices for service quality management: 1) Strategic concept: the main service companies know their end customer and their needs and have developed a distinctive strategy aimed at satisfying them. 2) Commitment of top management: the management is not only concerned with the monthly financial results, but also with the performance of the service. 3) High standards: a company can differentiate itself by studying a faster and more efficient delivery system.

There are 3 levels of differentiation: 1) reliability (punctuality); 2) resilience (emergency situation); 3) innovativeness .

Self-service technology: such as traditional ATMs, self-service stations, online booking. Transactions are more precise, convenient and faster. Businesses should, however, give customers the option to turn to offices if they are not satisfied with the self-service.

Monitoring systems: constantly monitor the performance of your service and that of competitors. They collect the opinion of consumers, use the technique of false purchase.

Reduction of customer complaints: Customers whose complaints have been satisfactorily resolved become even more loyal to the brand than those who have never been dissatisfied. If handled correctly, a complaint can turn positive. Research has shown that clients evaluate incidents related to complaints based on the results obtained, the procedures that generated those results, and the nature of interpersonal processing throughout the process.

Employee and customer satisfaction: It is important to monitor the level of employee satisfaction with their work. Dissatisfied employees can turn into "internal terrorists." Employees must become

the main target when the company aims to really satisfy its customers. It is essential to train staff so that they can be available, open and sociable.

GREEN MARKETING BACKGROUND

Green Marketing is a marketing approach aimed at developing and promoting eco-sustainable products and services, i.e. able to satisfy consumers without having negative impacts on the environment. Green Marketing, therefore, involves the review of company strategies and includes different activities: modification of the product, production processes, packaging materials and communication towards the inside and outside of the company

1 . The main purpose of Green Marketing, understood in its most authentic form, could be summarized in the slogan "make the ecological alternative seem normal and acceptable".

2 ". The concepts of ecology and marketing can apparently be diametrically opposed: ecology aims to reduce consumption, marketing to thicken them. However, there is an operational lever of marketing that can represent a point of contact with the world of ecology: communication. Marketing, in fact, in addition to promoting the sale of products and services, offers new lifestyles to consumers. This strength becomes potentially very important for environmental activists, whose goal is to communicate new cultural codes of behavior that are more environmentally friendly, more ethical, more sustainable, in one word greener. Sustainability is the idea that environmental (and ethical) goals are compatible with maintaining economic prosperity.

3 . Raising awareness of environmental issues is not the only objective, therefore, Green Marketing is also oriented towards economic profit, it represents a meeting point between the environmental and commercial reality, a win-win game between the parties involved.

Green Marketing can act in different ways and at different levels of intensity:

- with information, the greater the knowledge of green issues, the greater the willingness of people to change their behavior;
- with the promotion of sustainable lifestyles, so that they expand and leave the "green" niche;
- with cultural action, making ecological innovations attractive and reprehensible behaviors that go in the opposite direction, such as excessive use of the plane.

To be effective in the medium-long term, a Green Marketing action must have at least 5 fundamental characteristics (the 5 "I" of Green Marketing), it must be:

1. Intuitive, able to make ecological alternatives accessible, understandable, normal for consumers;

2. Integrating, it must combine the ecological aspect with the commercial, technological and social aspect. Business results must be integrated with environmental results. The consumer is called upon to act;

3. Innovative, it must produce a real innovation that creates new products and new lifestyles;

4. Inviting, it must emphasize the positive aspect and attractiveness of green choices, thus freeing environmentalism from the aura of discomfort and sacrifice;

5. Informed, it must stimulate environmental education and active participation of customers. Companies with an advanced managerial model usually adopt the following environmental strategies:

• Product and packaging strategies. They are aimed at designing and promoting ecological products whose life process, from realization to consumption, is respectful of the environment.

• Process strategies. They refer to the use of clean technologies that allow to use rationally and save raw materials and environmental resources, reducing emissions, discharges and waste. http://www.ecoage.it/marketing-verde.htm

• Image and communication strategies. They concern communication initiatives (advertising, promotions, projects, sponsorships, public relations) that aim to raise awareness of the "green actions" of companies to obtain public recognition and improve the relationship with institutions.

• Alliance strategies. They consist of the joint commitment of companies belonging to the same sector. The often fragmented knowledge of the environmental variable requires the sharing of companies' expertise, methodologies and experiences. The challenge of Green Marketing requires a commitment from both fronts:

• consumers (the question), must begin to evaluate the ethical profile of companies not only on the basis of past behavior, but above all taking into account present commitments and future-oriented strategic guidelines, trying as far as possible to intuit the direction and speed of change in the company and to adopt green behavior styles;

• Companies (supply), in turn, must learn to make decisions not only based on financial factors, but also on the social and environmental impact of their work. They must also raise consumer awareness. In a period of crisis in consumption, turnover, labor and rising raw material costs, sustainable innovation becomes a tool to reverse the negative trend. Companies are called to avoid wasting resources, time and money, to focus on winning ideas and to push consumers towards new needs and requirements.

Green Marketing, therefore, is responsible marketing. Companies cannot ignore the Corporate Social Responsibility, CSR advocated by the European Union, which translates into the integration of various ethical concerns into business strategies. Social responsibility is an essential element of the sustainable development strategy. In addition, green action presents itself as an opportunity to develop a sustainable global economy, an economy that the planet is able to support. Green Marketing has become a necessary condition for the survival of corporate business and gives companies social legitimacy. The challenge of Green Marketing, therefore, is proposed as an environmental, economic and social challenge. The main environmental emergencies we have to deal with are:

• Energy and resources. There is the problem of the uncontrolled exploitation of resources, particularly energy resources, and the transition to renewable energies is absolutely unavoidable.

• Climate. There is a need to contain the massive emissions of CO2 and other climate-changing gases that risk compromising the thermal balance of our planet in the coming years. Nowadays the main cause of the increase of CO2 in the atmosphere is precisely the anthropic use of fossil fuels, i.e. the emissions of our means of transport, homes, offices, factories.

•Toxicity and pollution. The consequences on environmental and human health are increasingly serious due to the systematic and uncontrolled introduction of a very wide range of toxic substances - harmful in the air, water and soil. The data on climate change published in February and April 2007 by the IPCC (Intergovernmental Panel on Climate Change) describe the phenomenon of global warming as unequivocal and confirm that it is very likely (ie with a percentage of certainty above 90%) that the observed temperature rises are largely attributable to increased anthropogenic

emissions of greenhouse gases. In turn, the increased emissions are mainly due to the use of fossil fuels. Based on these data, the report predicts an average increase in temperature over the century between 1.8 and 4.0 ° C with consequent melting of glaciers rising sea level. Even if emission levels remain unchanged, the temperature will rise from 0.1% to 0.2% per decade. The report indicates as very likely mass extinctions, droughts, famines, spread of diseases, floods, extreme weather events with significant danger to human life. Green Marketing tackles environmental issues by betting on innovation, research and knowledge.

COMMUNICATING GREEN

In recent decades, communication has assumed an increasing power concentrated in the hands of a few companies, which are able to influence culture and lifestyles: communication therefore represents a sort of weapon of mass conquest. Perhaps the strongest influence is that which communication exerts on consumers, homologating their behaviour, consumption choices, attitudes, languages and values. The Green Revolution is influencing all aspects of everyday life, not leaving even the world of communication unscathed and, in recent years, we are witnessing the full adherence of companies to sustainability policies. Green Marketing aims to develop, promote and enhance products and services that can generate a reduced environmental impact, compared to the alternatives offered on the market. Companies, which choose to inform and sensitize consumers on environmental issues, are today measured with a growing competence, awareness and maturity of the recipients of their communication flows. It is therefore necessary to adopt more careful and responsible strategies than in the past, in relation to the type and characteristics of the information transmitted, both through the product and in marketing campaigns aimed at promoting it.

Green Marketing strategies have been developed driven by the increasingly significant tendency of consumers to express informed purchasing choices, aimed at rewarding companies committed to ecology and preferring sustainable products and services, from an environmental, ethical and social point of view. Since the beginning, these strategies have aimed at the segmentation of the target market, due to the belief that the so-called green consumers represented a niche phenomenon, linked to the socio-economic characteristics of individuals. However, this approach has proved to be wrong and limiting: it has in fact been shown that there is no "typical" consumer always oriented to ecological consumption choices but that the green phenomenon is increasingly widespread among consumers. It is therefore necessary to adopt strategies that abandon the logic of the niche market and aim at a promotion on a wider competitive scale. There are two conditions necessary for such a change:

- Consumers are asking for more certainty that they are actually contributing to improving environmental conditions by purchasing a particular product;

- Consumers demand that the quality (understood as the set of functional and aesthetic performance of the product) is similar to that of conventional products, and that the price is not excessively higher. For an ecological product or service, being competitive in terms of quality and price is not enough: it is necessary to make the improvement deriving from the consumption of the products concrete and perceptible, to convince the customer of the real usefulness of his role in protecting the environment. However, it is not enough to say that your product is green, but you also need to spread new lifestyles, instill in people a new way of consuming. In both cases, these are objectives that can be achieved through adequate communication.

Innovation in the field of sustainable growth is a double opportunity for companies, in the field of innovation and their development:

• to be an active part in protecting environmental resources, with consequences also in the social sphere;

• to provide the consumer with an answer in terms of improving a product or service that meets increasingly specific needs. In this scenario, it is necessary to completely review strategies and reorganize business management: a company is green if it involves all its production processes in protecting the environment and does not think only of communicating sporadic initiatives, which are good for marketing and not for sustainability.

In light of the above, Green Marketing and environmental communication represent a strategic lever and a competitive opportunity of great interest for the most innovative companies, which manifest the need to have tools to support the definition of effective marketing and communication strategies, in relation to the growing maturity, competence and awareness of the recipients.

It is necessary to define the key elements of the communication strategy that allow you to acquire a competitive advantage, which can be summarized in six points:

1. Why communicate? – The product/service, offered by the company, has characteristics that can be exploited on the market, related to the availability to purchase the goods by consumers and the opportunity to extend this availability to other market segments. The company should, first of all, have clear objectives that it intends to achieve towards the customer: it is essential to measure the communication efforts to the purpose that it sets itself towards the different recipients. The objectives of environmental communication vary significantly depending on the type of stakeholder with which the company relates: in some cases it is important to raise awareness and attract attention, in others to offer guarantees (also through certifications) and inform.

2. When to communicate? – An effective strategy should also consider the time variable, in terms of both external events, with respect to which it is effective to synchronize environmental communication, and internal conditions of the company, which can lead to anticipating or postponing communication activities. In the field of Green Marketing, it is essential that the choice of communication is subsequent to the significant improvement of environmental performance and its products / services.

3. Who to communicate to? – It is necessary to identify which are the recipients of the company's communication and what role they have, both as bearers of values, interests and expectations, and in terms of their ability to receive, understand and appreciate the messages addressed to them. In the field of Green Marketing and sustainability, it is necessary to understand which are the categories of subjects who, for various reasons, hold interests in the environmental performance of the company, they can be intermediate and final consumers, suppliers, distributors, employees, with respect to which the motivation of communication also varies. The identification of the recipients of the communication strategy cannot be separated from the knowledge and understanding, on the part of the company, of the context in which it wants to communicate, of its current characteristics, of its prospects for future growth and development, in relation to the internal potential and opportunities of the market. There is no "typical" green consumer but different types of consumers who, in certain circumstances, are more inclined to buy environmentally friendly products.

4. What to communicate? – The content of the communication is fundamental. However, it is not only what you want to communicate that counts, but also what you can communicate, i.e. the actions carried out and the results achieved by the company that could be valued by stakeholders or that, on the contrary, it is not appropriate to communicate. On the other hand, it is also important

to consider what stakeholders want to know through environmental communication and how much they really perceive of this message. Environmental information, which influences consumer behavior, is: • Product price; • Quality and performance; • Corporate commitment; • Guarantees and certifications.

5. How to communicate? – Closely linked to the "what" to communicate, is the choice of "how" to do it in the most effective way (that is, to reach the consumer, modifying choices and purchasing behavior in relation to the company's objectives) and correct (relating to the truthfulness, accuracy and non-deceptiveness of communication) possible, in relation to the recipients of messages and contents. Each type of stakeholder has specific characteristics, such as to make a communication "tailor-made" to the recipient decisive.

Effective and correct communication must meet certain requirements:

• Clarity, the message communicated by the company must be understandable to the recipients, both in language and content. There must therefore be no misunderstanding;

• Accuracy and Specificity, the communication must be complete, not generic, and refer to specific and concrete aspects, avoiding vague statements;

• Relevance, information should focus on environmental aspects that are really significant for the product and not claim false merits;

• Consistency, the characteristics of the product presented must be consistent with the context in which the product is manufactured, distributed and consumed;

• Reliability, it is necessary that the environmental information, in addition to being truthful, is also verifiable and verified, therefore it is necessary to indicate the source of the information and accompany it with environmental data;

• Comparability, information is all the more important when it can offer a basis for a competitive comparison of the product with competitors;

• Visibility, information should be easily readable and traceable on the packaging. Greater standardisation of the format of information is also preferable so as not to confuse consumers.

6. Where to communicate? – The communication strategy is completed with the choice of tools and channels through which to get the environmental message to the recipients. Such decisions must be made on the basis of the target audience and objectives. It is necessary to identify communication channels and tools that allow to effectively disseminate, to each individual identified recipient, a specific message capable of influencing purchasing and consumption choices. Very often, the success of a communication strategy arises from the integration of different channels and tools and from the synergies generated by their joint use. The main communication channels used by companies are:

• Physical points of sale (traditional store, large-scale distribution, specialized point of sale), where packaging becomes the business card to express environmental commitment. This must be combined with the professionalism and knowledge of the sales staff, about the characteristics and environmental performance of "green" products;

• Traditional media (television, radio, printed paper), which have always played a key role in the dissemination of advertising messages, are the main channel of environmental communication for companies.

• Virtual points of sale (e-commerce, company website and other sites, social networks), allow transparency and consumer involvement, both for sharing information and for participation in the creation of the brand image. Communication through the Internet is also consistent with the commitment to respect the environment, as it minimizes environmental impact, through the reduction of the consumption of raw materials and resources. It therefore becomes important to analyze user feedback , interact on the network with your interlocutors;

• Certifications, which give credibility to the information provided. Conscious consumers need, in fact, certainty about the reputation and environmental performance of the company and its products. The new communication strategies must follow the 5 I's of Green Marketing, i.e. companies must communicate in a "Intuitive, integrating, innovative, inviting, informed" way, as previously introduced. All this, however, has value only if we talk about a real "green".

GREENWASHING: THE OFF-GREEN

Building a brand's reputation takes time and the path is not easy: a product must be environmentally friendly, sustainable, consistent with the context, open to dialogue with consumers. It must therefore carve out a space and a role within society. However, despite these efforts, it takes very little to destroy the good reputation of a company: it is enough to be accused of Greenwashing, literally "washing with green". This strategy dates back to the 70s and 80s, when it was used to divert the attention of public opinion and the media from the negative environmental impact of some production activities. The term comes from the combination of two words: green, that is the color associated with the environment and the environmental movement and whitewashing, which is used in the United States to indicate actions made to conceal or hide.

Greenwashing is an ecological marketing façade and consists of the set of practices, mainly communication activities, adopted by companies interested in acquiring an ecological reputation, without really affecting the environmental sustainability of the production processes adopted or the products made, in order to acquire more customers and obtain advantages in terms of image and therefore also of turnover.

Greenwashing is therefore generated by communication strategies that are effective in the short term but not correct: the information contains a false or distorted environmental message that, at first, allows the company to obtain advantages but, subsequently, damages its image and competitiveness on the market. There are several companies that have colored their products and their activities green:

•Coca Cola was the subject of the warning of the Danish consumer guarantor, regarding the advertising of the plantbottle, the bottle made of material of vegetable origin. In fact, in addition to recognizing an excessive use of the term plant, the words "reduced environmental impact" and the term "ecological" did not lend faith to the fact that the bottle, in its Danish production, had only 15% of the material of plant origin.

• Herbal Essence (P&G product), the line of shampoos and conditioners boasts absolute naturalness among its corporate values. However, it has been shown that these products contain a high level of substances which, if present in a higher percentage than the standard, become highly toxic and carcinogenic. Another recent accusation, attributed to the trademark by numerous animal welfare organizations, concerns the certified administration of a very dangerous chemical element if ingested, to pregnant animals, locked up for the entire time of the test in cages.

The difference between Green Marketing and Greenwashing is very subtle, made even more difficult by the fact that "washing with green" is a practice that is carried out almost exclusively through communication activities. The most frequent types of Greenwashing activities are:

1. Missing proof, when precise references to the activity developed in a "green" perspective by the company are omitted and, above all, the details necessary for understanding the concrete actions taken to make it more sustainable are missing: environmental communication is not very transparent and poorly informative, not supported by certified and verifiable data;

2. A vague concept, when environmental communication is linked to the emotional sphere, i.e. no particular environmental virtue is communicated, but the green philosophy is supported by suggestive images, evocations, natural and reassuring backgrounds;

3. Self-glorification, when a company pays lip service to be sustainable and celebrates its environmental sensitivity with "green" features that do not actually exist in its products;

4. False certification, when companies exalt the environmental virtues of their processes or products through misleading labels or brands, not recognized by accredited and authoritative third party bodies;

5. Irrelevant data, when environmental characteristics of products that have very little relevance with respect to the company's core business are emphasized;

6. Lesser of evils, the company claims to be greener than its competitors, when, in reality, its rivals are not green. However, not all activities that fall into this category are the result of malicious behaviour, and often depend on a lack of environmental management know-how. The phenomenon of Greenwashing, however, can threaten the entire sector of companies committed to respecting the environment, since widespread skepticism, which arises from unreliable messages, can affect trust in the whole. Stemming this trend requires important education campaigns, in order to make people more aware of the role that everyone plays in the field of sustainability. There are countries, such as France, England and Norway, that are preparing a real legislature to sanction Greenwashing activities and there are many associations that are born and actively committed to countering it.

THE DEL GREEN MARKETING MATRIX

The Green Marketing matrix was conceived by John Grant in his Green Marketing-Il Manifesto to have a tool capable of identifying and analyzing the different strategies possible and feasible by companies in their approach to sustainability. Through this tool, says Grant, each reality will be able to identify the strategy that best approaches the message and the product you want to communicate. Grant realizes his matrix by crossing the objectives of Green Marketing with the levels on which marketing can generally operate. For the columns of the matrix we arrive at the identification of three categories, whose distinction refers to the different objectives of Green Marketing:

- Green. Setting new standards for responsible products, services, brands and companies. This is classic marketing applied to products and companies that pursue greater sustainability than substitutes and competitors and that for this reason set new standards by adopting specific, sensitive control and verification policies. This type of activity pursues only the first of the objectives of Green Marketing, the commercial one. Communication must focus above all on the company itself and on the activities that are actually being implemented with a view to great truthfulness and integrity.

• Greener. Share responsibility with customers. It refers to new marketing in which traditional advertising gives way to new tools such as brand-related events, social networks, communities and word of mouth. We move to a more collaborative approach with users and consumers in which the key word becomes "sharing a passion" or creating participation and enthusiasm around the products. This strategy pursues not only the commercial objective but also the second objective of Green Marketing, the environmental one: to reduce the barriers between customers and the company with the consequent possibility of being able to change the way products are used.

• Very green. Supporting innovation: new habits, new services, new business models. It is about operating a real cultural revolution starting from what people consume daily and coming to introduce innovative products, services and habits with a view to normality. Marketing tools will have the delicate task of communicating new ways of living, radically different and certainly better than the current ones, making them perceived as accessible and familiar, as a new everyday life. This approach based on cultural design and creation responds to all three objectives of Green Marketing: commercial, environmental and cultural.

For the rows of the matrix, on the other hand, Grant refers to the three levels, partially independent of each other, on which the company operates simultaneously and defines the importance of the characteristics of each level:

•Companies & Markets Today it is the consumer who chooses the company, to look behind the brand to evaluate the reliability of its credentials, its political choices and its values. The figure of the consumer has changed, he is more aware and has more knowledge of the product and of what lies behind those who produce it. We are moving from brand power to consumer power to brand.

• Social Brand & Identity People do not like to be labeled easily with respect to the purchase of a particular product and are more aware of image communication, knowing how to separate the value of a successful advertising compared to the goodness of a particular brand. The meaning of the brand passes today from the public, no longer from advertising but, above all, from the authenticity of the social and branding meanings that are transmitted.

•Products & personal habits Most of today's purchasing behaviors start from the satisfaction of practical needs, personal tastes and daily habits and not from the search for status or visibility. This type of purchase is mostly driven by habitual decisions and not by the desire not to change. It is in this direction that we can try to act to insert new, more sustainable proposals. From the intersection between the objectives of Green Marketing and the company's own trends, a 3x3 matrix develops in which each quadrant represents a different strategy towards which the company can direct itself to pursue sustainability. In each quadrant, Grant proposes two possible visions with respect to the same goal, specifying that there is no better approach to another but only a more relevant choice with respect to the company, brand or product to be introduced on the market.

It is therefore a matrix that presents eighteen different approaches to Green Marketing:

	A. Green	B. Greener	C. Greenest
1. Public Company & Markets	*Set an Example*	*Develop the Market*	*New Business Concepts*
2. Social Brands & Belonging	*Credible Partners*	*Tribal Brands*	*Trojan Horse Ideas*
3. Personal Products & Habits	*Market a Benefit*	*Change Usage*	*Challenge Consuming*
	Set new Standards Communicate	Share responsibility Collaborate	Support Innovation Culture Reshaped

Activity:

1. Identify 3 potential suppliers and explain why you choose them and the relation with the 3 established sustainable criteria
2. Create a dynamic presentation (using for example Canva or Prezi) to report your boss the reasons for your choice
3. Request a quote by email for at least 2 products