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Innovation Inside

Tim Westall

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Abstract

When it comes to successful product and service innovation, the marketing team might have done a good job in developing a winning proposition, but unless they pay as much attention to organizational innovation to enable delivery, they may not get it off the ground.

Organizations exhibit two distinct behavioral cycles. The first is “business as usual” — a continuous improvement cycle focused on today’s performance. The second is the innovation cycle — focused on externally scanning the horizon for future value opportunities.

Organization leaders know they need to perform and innovate but tend to be preoccupied with the former. Power and resource gravitate toward the performance cycle, making innovation sometimes an optional extra. Given the obvious importance of both, how should leadership teams ensure both cycles run smoothly and integrate?

Management thinkers talk of “performance engines” and “disruption engines,” requiring very different skills, governance, and resources. The inherent friction between the two “engines” stalls many innovations. Lubrication is clearly required. Yet, they are not engines at all; they are teams of people working together to do their best. For successful “innovation inside,” we believe leadership needs to adopt a more human-centric approach, actively managing the ‘evolution cycle’ between performance and innovation.

Keywords: organizational innovation, marketing, product development, innovation, change, innovation inside

1. Introduction

The author and colleagues at April Strategy have spent more than 20 years engaging with large organizations on assignments relating to strategy, innovation, organization design, and

change management. Assignments have spanned the public and private sectors, particularly in the CPG, automotive, and financial services and healthcare sectors.

This paper is informed principally by the team's collective direct experience as consulting practitioners and to a lesser extent from academic study.

On the topic of innovation, the received wisdom is that around 80% of initiatives fail for one reason or another. What are the reasons? Why is the failure rate so high? Is it inevitably something of a random process for which we have no choice but to tolerate 20% success, or are there more predictable and actionable reasons that organization leaders can do something about?

There has been a huge amount of energy expended around improving the innovation process itself and addressing points such as the importance of a strong customer insight, the clarity of the framing of the "customer job to be done" to inform ideation and design thinking, and the helpful rigor required to frame an innovation as "greenfield" investment proposition to potential investors.

Our observation is that rather less attention has been given to another significant cause of innovation's low strike rate—the ability of an organization to reshape itself so that it is able to effectively execute a new proposition.

Amidst all the talk of open innovation, partnering, and outsourcing, there is a concern about the ceding of value and control to third parties, but relatively little talk about how organizations can evolve their core—from the high-performance, dominant model that prevail today and toward what they need to become in the future to retain greater ownership of the value chain and build in greater responsiveness to customer opportunities.

This chapter explores the challenge of "innovation inside" and proposes a new way of framing a response from leadership. It should be emphasized that the thinking is embryonic and very much an "idea under study" with various pilots currently underway with clients. Therefore, the author would welcome feedback, challenge, and commentary.

2. The changing nature of innovation

2.1. Product innovation

There was a time when innovation was called new product development (NPD). All that mattered was product performance, with customers making rational choices based upon the attributes and relative performance of a product compared to alternatives. The job of NPD was to create a flow of new products (or more often existing products with new/improved features) that could be demonstrated to be superior and preferable.

Most of these new products were borne of the same capabilities and expertise as their predecessors. They were designed by the same teams and produced on the same lines. They were

mainly incremental innovations. The job of marketers was to stay abreast of what customers valued most about their products and then to package and position new products in a way that would emphasize those benefits. Competitors found themselves engaged in a “new/improved” arms race, sometimes choosing to differentiate on performance and sometimes on value.

As markets have matured, products have tended to converge. The same technology and know-how have become widely available. At the same time, the capacity to innovate has become more specialized and dispersed. Organizations are increasingly faced with the classic “Innovator’s Dilemma” [1] where the capabilities that have taken an organization to a position of success become rigidities that can inhibit innovation, leaving the ground open to more flexible competitors.

2.2. Beyond product innovation

Twenty years ago, a car produced by one company could set itself apart from that of a competitor based on a number of physical differences. That is patently no longer the case. Value is found not just in what organizations offer but the experience that surrounds it. What might be called a postindustrial model is emphasizing customer experience as one of the few sustainable sources of competitive differentiation.

How have organizations broken out of the product convergence trap? Some have persevered with product innovation but with ever-diminishing returns. Some have tried to brand their way out of trouble, investing heavily to encourage loyalty and build durable emotional bonds with their customers. Others look beyond product, making the most of new digital technologies to innovate in channel, brand, and customer experience. There has also been a considerable “behind the scene” innovation in process and business model, again enabled by technology. Doblin, an innovation consultancy, estimates that while 80% of effort still goes into product innovation, 80% of returns come from innovation elsewhere in the value chain [2].

Going “beyond product” for innovation does appear to be fertile territory from a customer value perspective, but it brings with it many new executional challenges. How to build or gain access to new capabilities, and how to successfully manage an extended network of partners, suppliers, outsource providers? How to retain sufficient value and control within a more complex network of participants? How to maintain some strategic alignment with core business purpose and values?

A global life insurance business found itself in a position where significant innovation opportunities had been identified in relation to healthcare. Rather than just giving people a lump-sum when they were diagnosed with a serious illness, why not go further and offer support across the entire care pathway, helping select the best qualified doctors and best performing hospitals for treatment, helping organize care and rehabilitation, and even helping them with ongoing healthier lifestyle nudges (that will help to reduce their insurance premiums)? This

proposition was highly appealing to customers, particularly in countries with less well-developed healthcare infrastructure and availability.

This convergence of financial protection with healthcare management might be an exciting and potentially valuable customer proposition, but how do you go about delivering it when your main competence is in actuarial science and product distribution through an agency model? For what healthcare and wellness services would you be a credible provider?

Insurance and healthcare are different sectors that are regulated separately and based on different capabilities. Therefore, it is tempting to respond to such questions with a start point of “we are in the business of insurance, not healthcare” and to preclude the option of organic organization development in favor of partnerships and alliances.

One could have made the same argument about automotive manufacture and distribution compared to vehicle finance and insurance. Yet, over the past 20–30 years, the major automotive brands have successfully evolved their organizations to include sizeable core banking operations.

2.3. Emerging approaches to innovation

There has been a trend toward more “open-source” innovation, encouraging participation from beyond the organization in order to access expertise that the company does not have and would struggle to develop organically. Notable players in this space include Unilever (Unilever Ventures and Unilever Foundry) and Coca-Cola (VEB) (see Section 3.2.6).

While large organizations have found new ways to generate innovative ideas, bringing them to fruition through the established organization remains a challenge. The focus of this paper is not on the identification of valuable innovation opportunities (innovation outside), but more on the challenges related to their realization and delivery (innovation inside).

3. Exploring current approaches to innovation

3.1. Performance cycle and innovation cycle

Most leadership teams are alive to the challenge of delivering for today while conceiving innovations for tomorrow. They are well aware that they need to address the questions of:

1. How can we improve what we do to drive **performance** in the short term? (focus on getting **BETTER**)
2. Where and how should we be **innovating** in the future to sustain value growth? (focus on being **DIFFERENT**)

They recognize that while the first question is always more pressing, some thought and effort need to be simultaneously dedicated to the second question.

Most established organizations are centered around the “performance cycle” (**Figure 1**). The performance cycle is what creates value for today. It is where core capabilities and processes reside, with focus on consistency, repeatability, targets, control, and strong governance. If the performance cycle is malfunctioning, resource will be drawn from elsewhere, sometimes sacrificing innovation.

For listed companies that need to report quarterly, leadership can become preoccupied with “feeding the monster,” fueling, tweaking, and fettling the performance cycle to deliver ever more. The performance cycle attracts the lion’s share of talent, resource, and political influence.

There is a separate requirement to ponder the future, to provide stimulation and inspiration, and to understand where future value growth is going to come from. Let us call this the innovation cycle (**Figure 2**). The innovation cycle takes into account trends in technology,

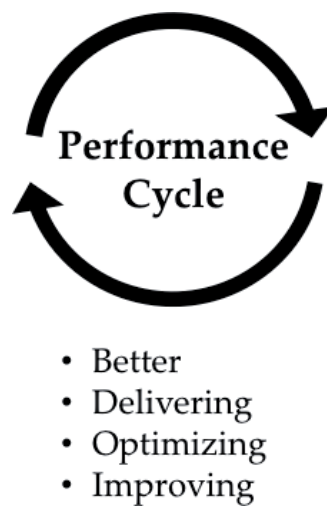


Figure 1. Performance Cycle.

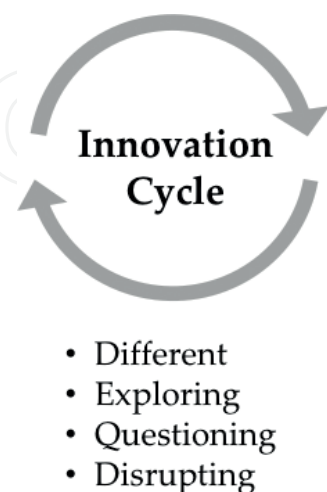


Figure 2. Innovation Cycle.

competitor activity, regulatory change, and social/cultural influences. Most importantly, the innovation cycle explores how customers' needs are changing and their "jobs to be done."

All these inputs are then the fodder for generation of ideas for new customer propositions which are then developed, filtered, and tested. The output from the innovation cycle will vary from an articulation of high-level opportunity areas through to headline business plans and implementation pathways.

3.2. Current approaches to innovation

Most organization leaders recognize that different resources, capabilities, and processes are needed for innovation. Where they differ is in their approach to handling innovation alongside "business as usual." Detailed below are some of the archetypal approaches we have observed, from the rudimentary to the more sophisticated. Notably, none of them fully address the inherent tensions between bridging performance and innovation.

3.2.1. Awayday innovation

The organization is entirely preoccupied with short-term performance and next quarter's results. Topics such as strategy and innovation only make it onto the annual awayday agenda as afterthoughts. They are discussed in an unstructured way and get sidelined if anything else overruns. No individual is specifically accountable for innovation; it is deemed to be a little bit of everybody's job, which of course ends up as nobody's job.

Real innovation happens either at the whim of a senior manager who has seen what a competitor is doing and thinks "we should be doing that" or in a state of panic when the organization faces existential crisis from, e.g., a new disruptive competitor or the loss of a major customer.

3.2.2. Suggestion box innovation

The CEO has read somewhere that innovation is everybody's job, which encourages suggestions from across the organization. The majority of suggestions will be about fixing operational issues and dealing with everyday gripes. If the suggestion box is supported by working groups to pick up the ideas, this can be a great way to channel a flow of improvements.

However, the usual outcome from such schemes is an initial flurry of enthusiasm and ideas, followed by organizational indigestion, silence, and disillusionment.

The main limitation of "suggestion box innovation" is that it will primarily provide incremental performance improvement ideas, which is really better considered as an underpinning of the performance cycle rather than the innovation cycle.

3.2.3. Side-of-desk innovation

The importance of innovation has been recognized, and somebody (usually a middle manager) is assigned responsibility for it, in addition to their regular core business responsibilities. It is supposed to be 50% of their time, but because of the prevailing power structure and

priorities, they struggle to dedicate even 20%. Innovation becomes consigned to the “important, but not urgent” quadrant of the organization’s priorities. The innovation manager is more of a cheerleader than an impactful practitioner and will always default to operational matters when under pressure.

In many ways, side-of-desk innovation represents the worst of all worlds. Some resource is dedicated to it, and there is some level of expectation that “somebody is looking after it, so I don’t have to.” But under this setup, innovation is poorly handled, delivers little, and is visibly a low priority. Perhaps better not to bother at all.

3.2.4. Agency innovation

In a fast-moving industry, the organization recognizes that it needs external help to stay up to speed with what is happening in the world outside. Disruptive thinking is outsourced to an expensive innovation agency that is fantastic at idea generation and beard cultivation—but would struggle to boil an egg.

While they may be steeped in the language of design thinking and agile project management, they know little of the realities of business and what it takes to cross the bridge from idea to delivery.

Recently, technology and business process outsourcing consultants have been acquiring innovation agencies in the hope of owning the entire customer experience, leveraging digital technologies and getting into space that has traditionally been the domain of the large advertising groups. We are skeptical of treating core innovation as an outsourced service.

3.2.5. Semidetached innovation

Under the semidetached model (**Figure 3**), there is an explicit recognition that innovation is different from operations, needs proper resourcing, and should be a discrete unit. There is a team in a purpose-built location (often on the main business site) that enjoys the benefits of corporate resources but is not subject to the usual rigors of corporate governance.

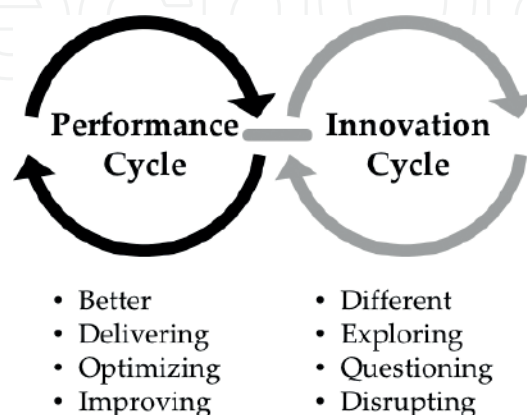


Figure 3. Semidetached innovation.

Innovation thus has time and space to flourish, within an environment that has at least an eye on migration of new ideas into the main business.

One of the biggest challenges to making this model work is finding the right team. Those who have risen up through the internal hierarchy will have done so because of their expertise in incremental performance improvement rather than disruptive innovation, and their corporate-received wisdom may in fact be a liability in this context. Conversely, those more unconventional types that fancy themselves as “intrapreneurs” or “creovator” in the spirit of Martin Lukes [3] might be good at getting new thinking off the ground but struggle to achieve traction because they are not taken seriously by their colleagues.

A manufacturer in the automotive industry set up a semidetached innovation unit with the task of plotting the course toward an electric-based, multichannel, mobility-driven future that looked very different to the current business model and infrastructure. The team leaders were high-potential managers picked from the existing business. They were given 6 months to develop their plans, with the expectation of presenting challenging and expansive new initiatives for the main board to consider.

Within a few months, it became clear that they had not escaped the gravitational pull of the mother ship. A more relaxed dress code could not prevent the building of new, insular siloes to match the old, insular siloes, and senior management soon reverted to type as “demanding, critical parents,” firmly grounded in the performance cycle, and behaving as if their brief dalliance with innovative thinking had never happened.

3.2.6. *Detached innovation*

The detached model creates a separate innovation/ventures/incubator unit that is free from most of the governance constraints of the main organization and is often led by a real entrepreneur who might also be a shareholder in the new venture.

The unit may be sited on the campus of a leading-edge university, or in an edgy part of town, surrounded by an ambitious, creative, and mobile workforce.

There are numerous permutations of these “open innovation” models, with the role of the main organization varying from the minimum (provider of seed capital) through a full commercialization model (e.g., people, finance, brand, route to market).

The detached model is likely to attract more ambitious and creative people and to create a flow of genuinely innovative ideas. The downside risks of “detachment” are a dilution of shareholding and control, and the risk of new business ideas that have a limited fit with the core.

3.2.6.1. *Case study: Unilever*

Unilever is a multinational consumer goods firm with more than 400 brands focused on health and well-being.

Founded in 2002, Unilever Ventures is the venture capital and private equity arm of Unilever, investing in young, promising companies and accelerating their growth through access to Unilever’s global ecosystem, assets, and expertise.

Unilever Ventures currently has 46 investments and 15 lead investments and has made 6 successful exits.

Founded in 2014, Unilever Foundry is Unilever's platform for start-ups and innovators to engage, collaborate, and explore business opportunities with Unilever and its 400+ brands. Start-ups can apply to address new briefs from Unilever and if successful will be provided with:

- Financial support for pilots and test models, with a focus on start-ups who are ready to scale up across geographies and brands
- Access to one of Unilever's 7000 marketers to help with development of brand positioning, marketing strategy, and a product roadmap
- Opportunities to participate in networking events, hacks, and competitions

The platform has launched over 100 pilots with start-ups, roughly 50 of which have been scaled based on metrics around effectiveness, efficiency, and sustainability.

Unilever Ventures works closely with the Unilever Foundry to provide technology innovators with access to paid pilot projects, mentorship, and growth financing.

3.2.6.2. Case study: Coca Cola

Founded in 2007, Coca Cola set up the Venturing & Emerging Brands (VEB) team.

VEB wears four different hats. First, VEB focuses on the future, identifying longer-term consumer opportunities. Then, they put on a venture capital hat, which means deciding where to make investments. Third, VEB acts as an incubator, bringing brands to market—or to a wider market. Finally, in the integrator role, VEB aims to “graduate” successful brands out of VEB into Coca Cola's larger portfolio.

In the 10 years since VEB launched, the unit has either built or invested in 42 brands. Honest Tea is one of the top success stories. VEB recognized that health and wellness were a growing trend and understood that consumers were looking for drinks that would align with healthier lifestyles. With Coca Cola's help, the brand has expanded to more than 100,000 locations in the United States and debuted in Great Britain in 2016.

4. Unlocking innovation inside

We have established that the performance cycle and the innovation cycle are very different in terms of objectives, capabilities, and processes.

We have examined the types of responses from organizations to managing the innovation cycle alongside the performance cycle and found them to be less than ideal.

Where should we go next in pursuit of a solution? First, let us examine the prescriptions from other leading management thinkers.

4.1. Prescriptions

Christensen and Raynor [1] advocate the building of a “Disruptive Growth Engine” founded on the following principles:

- Start before you need to: invest in disruption when the company is still growing and create time to think.
- Put a senior manager in charge: to monitor the resource allocation process and to keep communication flowing across the disruptive-sustaining boundary.
- Assemble an expert team of movers and shakers: responsible for shaping ideas to fit the litmus test of disruption.
- Train the troops: team members who are close to the market and are trained to look in the right places and to send the right ideas into the process.

Govindarajan and Trimble [4] also argue for the purposeful separation of innovation initiatives from ongoing operations. They also argue that there is a gap between “committing to an innovative idea” and “making innovation happen,” with a need to reassess the approach to organizing and planning in the same way that one would ordinarily do between strategy and execution.

Their recommendation is, for each innovation initiative, to build a team with a custom organizational model and a plan that is revised only through a rigorous learning process. The custom team works in parallel with ongoing operations, and the plan evolves through a series of disciplined “test and learn” experiments.

Outram [5] advocates three things behind organizing for a successful delivery of strategy (for which we read “organizational innovation” in this context):

- Choose the right people and organize them effectively—and do not be afraid to lose people who cannot or will not align with the strategy.
- Clarity from the top, often best achieved by a CEO surrounded by a loyal coterie of “true believers” who act in line with the strategy and can explain it to doubters (the Conspiracy Theory of Management).
- Communication to each and every person in the company—a “ripple” method which reaches each level in the business in a way which is relevant to them.

We would argue that these are sensible suggestions that are necessary but not sufficient. It is not enough to reach a point where a small team of smart people has done most of the thinking and then expect to be able to roll out/train the troops, with the assumption common in management thinking that it is simply a question of deterministic “execution.”

4.2. Additional challenges

We believe there are additional challenges to be overcome:

4.2.1. Getting past the engineer's fallacy

The language used to describe the challenges we are discussing often betrays the mindset of the engineer. We are introduced to “engines,” “systems,” “transformations,” “cycles,” and “capabilities.” These are mechanistic things that can be designed, controlled, taken apart, repaired, and reconfigured.

Yet, organizations are not machines; they are human organisms. Our understanding might be better served by insights from bioscience, psychology, and behavioral science rather than business, economics, and engineering.

It is something of a cliché to say that organizations stand or fall because of the people who work in them. Organizations are driven by human motivation, energy, ingenuity, perseverance, and collective endeavor.

They cannot be “transformed” from one state to another at the flick of switch; they cannot be restructured or reconfigured like some MBA version of Frankenstein’s monster. Rather, sustainable organizations tend to evolve through thousands of small, individual changes, one day at a time.

4.2.2. Overcoming the innovator's impatience

Innovation leaders are naturally impatient and want to get on to the next thing. They can see it. Why cannot everybody else? Yet, within any large, established organization that is trying to do something different, the change will only come from many people doing many things differently.

Innovation leaders sometimes have a tendency to go around telling people what it is they need to do differently, taking it as read that changes are self-evident, desirable, and achievable.

There are two important counters to this way of thinking. First, the complexity of organizational change means that it is near impossible to figure out in advance the full implications of a significant innovation. They are not self-evident. We need a mechanism to work out “what this means for me/my team/my function.”

Second, there is a human challenge to motivate and persuade. Nobody likes to be told what to do differently without also understanding “what’s in it for me.” Yet, many organizations are in such a hurry that they persuade themselves there is not time to engage and align their people.

4.3. Reframing the question

We can sum this up in the form of two further questions we need to address in order to successfully innovate inside:

1. How do we **evolve** our organization and get in shape to execute the innovations that we need to sustain value growth?
2. How do we **engage** people across the organization so that they will enthusiastically participate on the journey?

4.4. Evolution and engagement

Our response to these questions contains two discrete, complementary elements:

4.4.1. Evolution Cycle

The **evolution cycle** is a new process that should sit between the performance cycle and the innovation cycle. It enables the continuous innovation of the established performance cycle catalyzed by the stimulus, ideas, and business plans that are outputs from the innovation cycle.

The evolution cycle (**Figure 4**) does much more than just manages the friction at the interface between the Performance and innovation cycles. It also determines what new capabilities and activities should be added, what core processes should be changed, and what should be stopped or outsourced (framing the task of change management).

The evolution cycle is appreciatively disruptive: building on what's working and what's valuable while infusing innovative ideas and challenging received wisdom. The evolution cycle creates a movement for change through involving a broad cross section of people in the co-discovery of the strategic, operational, and behavioral consequences of an innovative proposition.

We have encountered aspects of the evolution cycle in our work, although it has never been called out in its entirety. It has been variously talked about as:

- The “diamond cog” that sits between legacy operations and future innovation, fusing an appreciative understanding of the established business with a customer-centric view of where future value lies
- The “membrane” that wraps around the entire organization, maintaining the integrity of the whole and preventing the new ideas from never getting off the ground in the first place, drifting away, or being picked off by competitors
- The “bridge” between strategy and execution, ensuring that organizational delivery is fully considered as part of the formulation of strategy, with both domains viewed as part of a continuum rather than as discrete activities

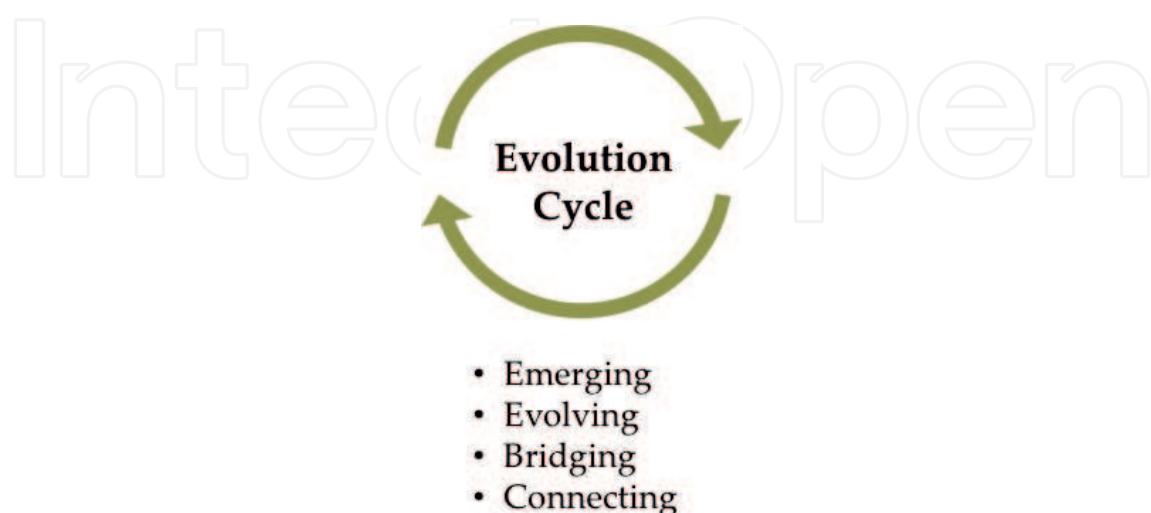


Figure 4. Evolution Cycle.

- The change management capability that helps the established organization to continuously evolve toward what it needs to become in order to deliver a full business plan for a new, innovative initiative

Whatever we choose to call it, we can describe the essential characteristics in terms of resources, processes, and values. Our non-exhaustive checklist covers the following elements:

Resource: a dedicated team providing:

- Leadership that is energetic, positive, persuasive, and collaborative—from a leader who is known by and commands respect in the core organization
- Deep knowledge and appreciation of the performance cycle (core business operations, assets, capabilities, and “how we do things around here”)—as a grounding for the bridging of “business as usual” with innovation
- Expertise in disruption and innovation—fully appreciative of fresh thinking and new ideas, driven by customer insight, based on observation of the world outside and congruent with the organization’s purpose and values. In other words, able to intelligently assimilate input from the innovation cycle
- Expertise in organization development and change management—covering the structural, political, diplomatic, and technical domains of organizational change
- Expertise in scaling up the outcomes and learning from tests and prototypes

Process: integrated, interlocking processes (**Figure 5**) providing:

- Strategic and operational connection between the dynamic pipeline process of the innovation cycle and the mid-/long-term strategy and planning process of the performance cycle—to ensure that organization innovation to deliver proposition innovation is a regular topic on the leadership team agenda

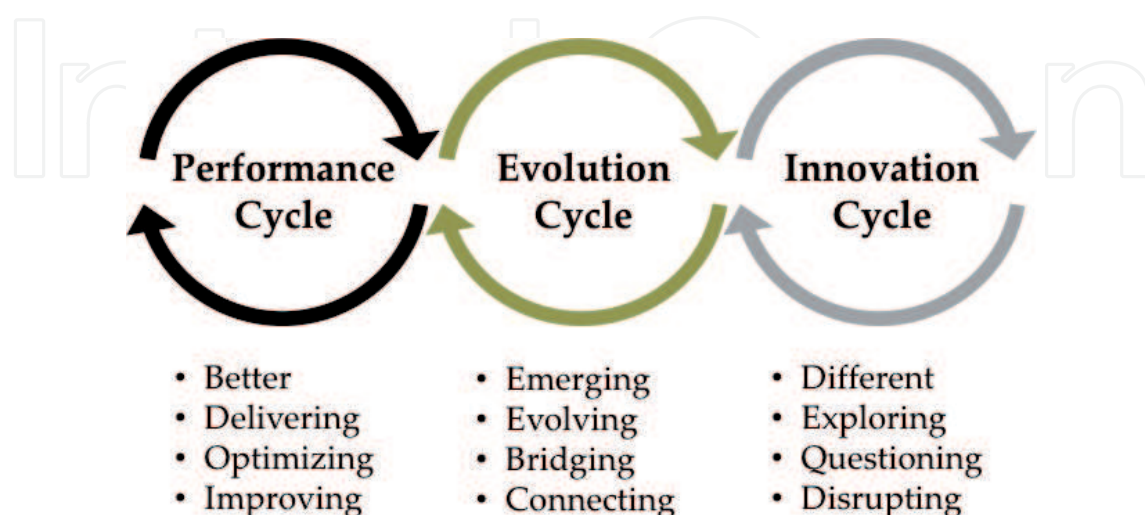


Figure 5. Integrated processes.

- Active, structured facilitation of the conversation to manage the inherent tension and conflicting priorities of the “improvers” versus the “disrupters” —making explicit the criteria being applied, the choices being made, the goals and KPIs being agreed, and the issues that need to be elevated for executive discussion
- A regime for continuous development of prototypes, formulation of experiments, and live testing of new ideas—to ensure consistency, shared learning, and habituation of the process of evolution. This particular process may be part of the innovation cycle, depending on the scope and capability of the dedicated innovation team

Values: a foundation of common purpose and culture.

To maintain the integrity of the organization overall, it may seem obvious that purpose and values must be aligned across the performance cycle and innovation cycle. However, it is a natural consequence of an effective innovation cycle that new opportunities and new ways of working will emerge and challenge the ideological underpinnings of the core business.

Automotive manufacturers used to think of themselves as being in the business of selling as many cars as possible and needing to compete vigorously with other manufacturers for share of market. Nowadays, they are all in the process of reframing their purpose toward “provision of mobility solutions,” where access to mobility becomes more important than ownership of a car. This requires major industry players to collaborate more extensively with another one on industry challenges such as electric vehicle standards and charging infrastructure.

Constant sense check of alignment is therefore integral to the evolution cycle process. The innovation cycle can and should continuously stretch and test the legacy purpose and established values of the performance cycle.

To emphasize, the proposed evolution cycle is not a reframing of the innovation cycle or an upgrade to the performance cycle. It is a new process that explicitly concerns itself with the challenge of evolving the established organization, fusing performance and innovation perspectives into a continuous process of organization change.

4.4.2. *Active engagement*

Engage the organization: tap into the latent potential of the established organization in driving change.

How should leadership think about evolving the organization? There is one way of looking at it which is to consider the core organization as an obstacle that does not want to change, a deadweight impeding progress that requires intervention.

There is another way of looking at it which is to view the people in the organization as a source of energy and inspiration, a latent competitive advantage with the potential to be engaged and energized behind a new direction.

Our experience is that in reality, most people want to go to work and to do a good job. Most desire to understand how to give their best. Most care about their role and their organization’s success—and want to know what they can do to best contribute. Yet, a lack of investment in engaging people’s enthusiasm and helping them realize their potential means they can lose

their “sense of purpose.” Instead, they “float” in the organization and withhold their discretionary effort. Shared aspirations are lost and opportunities are squandered.

Our work [6] has revealed four conditions for positive engagement (**Figure 6**) that leadership can create and promote.

Condition 1: Alignment to purpose

People have a clear sense of what the organization is about (and share this belief) and understand how they are a meaningful part of this. People’s behaviors are aligned with the expectations held within their organization. Hence, people work toward a meaningful, common purpose, in an authentic manner. This condition underpins engagement:

- Shared values and behaviors are collectively translated into purposeful action.
- The efforts of an engaged workforce are harnessed toward organizational goals.
- People feel part of, and proud of, their organization—becoming powerful advocates.

Condition 2: Connected across boundaries

Through visible and accessible leadership and effective communication channels, people are connected with colleagues across boundaries (i.e., hierarchal, professional, departmental) and are aware of, and appreciate, the interdependence of different roles and what’s happening across their organization:

- Ideas, knowledge, and best practices are shared—developing individuals and processes.
- People learn of the strengths, and good, in others—encouraging consistency and teamwork.
- Shared experiences help people build more positive working relationships.

Condition 3: Enabled to contribute

People are enabled to voice opinions about organizational issues, input new ideas, and positively influence how they perform their roles. Leaders believe that staff contributions are integral to success and foster an environment of true collaboration:

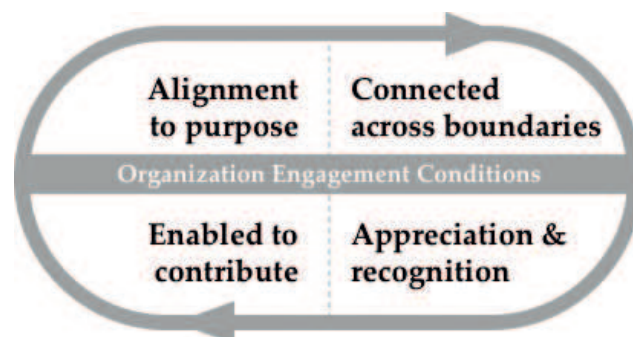


Figure 6. Conditions for engagement.

- Contributions from different roles, giving different ideas and perspectives.
- Change led by those “who know” directs resources to areas that need them most and creates an inbuilt ability to adapt to rapidly changing circumstances.
- Increased autonomy encourages people to see tasks from start to finish, promoting productivity and job satisfaction.

Condition 4: Appreciation and recognition

Leaders and managers regularly and consistently notice and appreciate the contributions and achievements of staff. This can be through implementing contributions, saying “thank you,” personal feedback, or corporate recognition. Contributions are made meaningful to the individual and the organization, and a “feedback loop” ensures that staff know that they are valued:

- Recognition increases, morale, productivity, competitiveness, and pride and singles out those not meeting expectations.
- Leader appreciation encourages peer-peer appreciation—fostering a culture of value and respect.
- Ideas are translated into action, improving the performance of the organization and accelerating innovation.
- A positive value exchange is created, where positive rewards shape positive behavior (positive reinforcement).

5. Conclusions

For any innovative customer proposition that goes beyond incremental, innovation to the delivery model is often required at the same time. Whether this is done through acquiring new assets, developing new capabilities, or working with partners, you will need to innovate within your own organization.

The central question we are addressing is how best to evolve an existing organization focused on delivering today’s proposition? While most people recognize the difference between the performance cycle (delivering results today) and the innovation cycle (identifying sources of future value growth), many pay insufficient attention to the challenge of connecting the two. In other words, we know what our future value proposition might look like, but we do not know how we will evolve our existing organization to deliver it. Consequently, many exciting innovations are either mothballed or executed elsewhere, often by nimbler start-ups or competitors.

Our view is that established organizations can do a better job at “innovating inside.” The conventional combination of performance cycle and innovation cycle needs to be bolstered by an evolution cycle (specifically focused on organizational innovation) and an active approach to

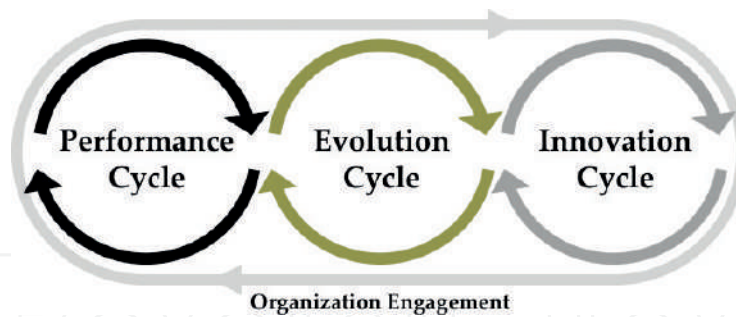


Figure 7. Complete model for “innovation inside.”.

organization engagement, enabling the whole organization to evolve in a joined-up, strategically sustainable manner (**Figure 7**). While much time and energy have been dedicated to the performance cycle and innovation cycle, we are still at the relatively early stages of exploring the evolutionary process that connects the two.

The benefits that one should expect from a fully functional evolution cycle include:

- A more reflexive and dynamic organization that is in the habit of change
- Greater retention of business and customer value (as opposed to the dissipation that can occur through open innovation and extensive outsourcing)
- Greater enterprise cohesion, with people better aligned and engaged

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Marketing Platform Strategy

Emmanuel Chao

Additional information is available at the end of the chapter

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Abstract

Platforms have revolutionized the way we think about marketing and strategy. Further, the platform strategy is a growing area that has provided the business firms with multiple opportunities for generating value. Many firms are employing noticeably different tactics depending on whether they see a platform as a way to improve performance (by focusing on what they do best), grow their footprint (by leveraging capabilities that in the past they would have had to own), innovate (drawing on that vast majority of smart people who aren't strictly in their employ), or capture more value. Platform thinking has thus revolutionized the way value is created and transferred. The business, which will survive in the modern era, should place a platform strategy as one of the key priority areas. It is not just enough to prioritize the platforms, but understanding that they can be integrated within a marketing strategy is very essential. Even though the study on platform strategy only focuses on digital platforms, this chapter provides a comprehensive overview of both digital and non-digital platforms and the strategic implications of both.

Keywords: platforms, strategy, marketing

1. Introduction

While platforms and open business models are not new, their mathematical formalization is very recent. The underlying economics of such business were first set out in 2003 scholarly article by 2014 economic Nobel Prize winner Jean Tirole. His seminal work was primarily focused on market dynamics and antitrust concerns rather than the management of platform business themselves. Since then, new platform-empowered challengers have emerged and have been disrupting entrenched competitors with their meteoric rise. More importantly, these new model companies have revealed that some markets once thought to be traditional, such as taxis and hotels, could in fact be served more efficiently with innovative and open platform

business model enabled by digital technologies. In many cases, platforms are able to bring to bear the power of communities to become real competitors to established companies [1].

The concept of platform has moved through different phases and each had its specific orientation. Product development researchers first used the term “platform” to describe project that generated a new family or a cluster of products for a particular firm [2]. The concept of “platform product” was later introduced to describe new products that address the need of a core consumer group [3]. This work was followed by research on “platform investments” [4], “platform technology” [5], “platform thinking” [6], along with rich field studies [7] and managerial advice on platform-oriented product planning [8, 9]. In the second wave, technology strategists identified platforms as valuable points of control in an industry. Industrial economists adopted the concept of a “platform” to characterize products, services, firms, or institutions that mediate transactions between two or more groups of agents [10]. An important property of platform systems is that they are evolvable, in the sense that they can adapt to unanticipated changes in the external environment [2].

The platform strategy is a growing area that has provided the business firms with multiple opportunities for generating value. Whatever a platform does, it only comes down to two main issues which are relationship building and solution delivery (products and services). Within this line is where a range of other things comes to feature. There are several types of platforms but a general category falls within the digital and non-digital platforms. Within this general classification, there are also specific forms of platforms. What drives the classification of these platforms is their primary functions. The study on platform strategies narrowly focuses on digital platforms; however, what defines platform is not just the technology behind but the level of interaction which is provided. With this thinking in mind, even simple relations can be viewed as platforms. The non-digital platforms have existed in the past but what has now changed is harnessing the potential for value creation. Today, the entire networking market is built in terms of relationships. The relationship can be optimized to generate value through combining the multiple individual relationships.

Platforms can be designed to provide social interaction (e.g., Facebook and Instagram) or can be created for providing a specific product or a service (e.g., the Air bnb and Uber). Whatever the primary motive for the creation of a platform, its ability to drive user traffic can be transformed into a value creation potential. A major concern for managers is how to develop sustainable business models with platforms. This chapter thus provides a comprehensive overview of how marketers can strategically utilize platforms. The chapter does not intend to address the designing and development of platforms.

2. Platform trends and prospects

Platforms command a total market share value of \$4.3 trillion and an employment base of at least 1.3 million direct employees and millions of other indirectly employed; platforms have become an important economic force [11]. In the third quarter of 2016, the five largest companies in the world were platform-empowered: Apple, Google, Microsoft, Amazon, and Facebook [11].

Enterprises that utilize the power of platform business models have grown intensely in size and scale over the past decade. No longer the solitary domain of social media, travel, books,

or music, platform business models have covered transportation, banking, and even health care and energy [11]. The innate reason that platforms have lately captured so many business leaders' imaginations is that they enable the "pull-based" approaches which have long been seen as the future of serving customers profitably [12].

Many firms are employing noticeably different tactics depending on whether they see a platform as a way to improve performance (by focusing on what they do best), grow their footprint (by leveraging capabilities that in the past they would have had to own), innovate (drawing on that vast majority of smart people who aren't strictly in their employ), or capture more value [13]. At the same time, platform companies have been disruptive. Online platforms have upended several brick and mortar chain and are making profound penetration into other industries from television to transportation [11]. It is becoming increasingly possible and therefore crucial for sellers to move to pull-based approaches. These reorient operations such that nothing happens until actual demand signals are received from real buyers [13].

The rise of platforms is propagating strong reaction. A growing number of traditional firms are beginning to explore business models through a variety of strategies. Some attempt to grow them organically while others are using acquisitions to speed growth [11]. Smart managers will refocus their platform strategies again on the deliberate pursuit of the learning advantages that platform participation exclusively affords [11]. There is thus money to be made in providing layers of capabilities and standards that other players in that market can tap into and use to interact more efficiently [13].

3. Conceptual overview of marketing platform strategy

Strategy is convened with the long-term direction of the firm, the overall plan for deploying the resources that a firm possesses, the willingness to make trade-offs, achieving unique positioning, and achieving sustainable competitive advantage over rivals [14].

The term platform has been used in a variety of ways. Platforms have unique characteristics, with a central feature being the presence of network effect. Network effects are predominant in platforms, and they mean that more users create more users, a dynamic which in turn prompts a self-enforcing cycle of growth [11].

A platform is a space where there is an opportunity for interaction. Though we find much of the study of platform strategy, which focuses on digital platform, the phenomenon applies to many other categories, which are not digital. Platform can range from transport mode (boats, airline, care, etc.), meetings, even in a relationship. As long as there is an interaction that takes place, then this is a potential for a platform. What differentiates a platform and markets or distribution channels is that the focus is not products but interactions. Such interactions can be optimized to generate value beyond the primary reasons. Key functions of a platform are thus matching, interaction, complementary, and ecosystem [11].

Platforms help to make resources and participants more accessible to each other on demand basis. Properly structured, they can become strong catalysts for rich ecosystems of resources and participants. A couple of key elements come together to support a well-functioning platform:

A governance structure includes a set of protocols that determines who can participate, what roles they might play, how they might interact, and how disputes get resolved. An additional set of protocols or standards is typically designed to facilitate connection, coordination, and collaboration [13].

Unlike traditional business, platforms don't produce anything and don't just produce anything and don't just distribute goods or services. What they do is directly connect different customer groups to enable transaction [1]. Platform business models can be customized to meet a wide range of needs [1]. They include the following:

Marketplaces, which attract, match, and link those looking to provide a product or a service (producers) with those looking to buy that product or service (users).

Social and content networks, which enable users to communicate with each other by sharing information, comments, messages, videos, and pictures, and then connect users with third parties such as advertisers, developers, and content providers.

Some platforms are hybrid, meaning they can combine different aspects. For example, WeChat is a social network combining an app store with payment functionality.

4. Types and forms of platforms

There are several ways to classify platforms. One of the dominant ways is to classify them in terms of the technology. Under this classification, there are two major types of platforms. These include digital and traditional (classical) platforms.

4.1. Technology-based classification

4.1.1. Digital platforms

Technology has enabled business models to scale to a global level. The very first platforms that scaled globally were the credit card companies (such as Discover, Visa, Mastercard, and Amex). However, no one scaled as quickly or as globally as new technology-focused players such as Apple, Google, and eBay. Digital marketing platforms are designed to support an extensible set of requirements within a single neighborhood or two. A digital marketing platform exposes key elements as standardized services via a programmed application interface for building custom applications, extensions, and integrations with other custom and commercial applications and data. Digital platform is a technology-based for platform which involves the interaction between two.

Platforms are progressively supported by global digital technology infrastructures that help to scale participation and collaboration, but this is an enabler, rather than a requirement, for a platform [13]. Digital platforms, however, may not be merely digital, but they use the supremacy of Internet communication technology to connect with a wide range of the Internet consumers [24].

4.1.2. Non-digital platforms

For thousands of years, markets have been physical and local. Connecting groups of buyers and sellers have played a huge part in the structure of human society. As long as there is the opportunity for interaction, there is a platform. A relationship, for example, is a platform. The entire concept of networking marketing is actually built upon the relationships. Within this relationship, which exists for the sake of mutual cooperation, it has been transformed to other forms of markets. This is what I refer to as a second and third transformation of marketing. The first fundamental marketing transformation occurred when the market changed from the seller to the buyer (meaning the marketers have to understand the needs of the customer before developing the product). The second transformation was that of the increased interaction between the buyer and the seller via the use of technology. The third transformation within marketing is to turn every form of that interaction to a market. With this form of transformation, the products are no longer located into a large physical location. Transportation mode is another example of a non-digital platform. Buses, trains, ships, and airlines provide an interaction space, which can be optimized the same as how it is performed online. The passengers in these transportation modes can be turned into a market for other products even though this was not the original intent of them being there. The study on platforms has, however, provided less focus on this form of platforms with an assumption that these are traditional, but there is significant value which can be generated in these platforms.

4.1.3. Hybrid platforms (digital and non-digital platforms)

The hybrid platform marketing involves the combination of both digital and non-digital forms of marketing strategies. A good example of hybrid platform strategies is where an organization has both online and offline product offerings. The hybrid platform strategy will define the future of marketing strategy as we know it. There are several reasons why the hybrid platform strategy is common. In places like developing countries where it is not easy to establish trust with purely online platforms, some companies can establish the underground physical platforms, for example, start the physical office/agents and then optimize the digital platform afterwards. Autorec Japan and BeFoward car exporting companies had to establish the non-digital platform so as to build more trust locally.

4.2. Motives and usage classification

The second way to classify platforms is by their motives. Hagel (see [13]) provides a classification of platforms of bases of aggregation.

4.2.1. Aggregation

Aggregation platforms bring together a broad array of relevant resources and help users of the platform to connect with the most suitable resources:

- assist transaction
- link users to resources
- tend to operate on a hub-and-spoke model.

Within this category there are three subcategories. First, there are data or information accumulation platforms like stock performance databases for investors or scientific databases. Second, there are marketplace and broker platforms like eBay and the App Store online store.

Aggregation can also be subclassified on the bases of transaction, innovation, investment, and integration [11]:

Transaction is a technology, product, or service that functions as a channel (or intermediary), enabling exchange between different users, buyers, or suppliers.

Innovation: a technology, product, or service that serves as a basis on top of which other firms (loosely organized into an innovative ecosystem) develop complementary technologies, products, or services.

Investment: consists of companies that have developed a platform portfolio strategy and act as a holding company, active platform investor, or both.

Integrated Is both transaction platform and an innovation platform. It includes companies such as Apple, which has both matching platform like App store and large third-party developer ecosystems that support content creation.

4.2.2. Social platforms

These are similar to aggregation platforms in the sense of gathering a lot of people. The existence of broad-based social platforms has to be thought about. They differ by the following specific dimensions:

- enable social interactions
- link individual to communities
- foster net relationship networks (*people connect with each other over time in more diverse ways that usually do not involve the platform organizer or owner*).

4.2.3. Mobilization platforms

These platforms are not just about talks and interests; they focus on moving people to act together to accomplish something beyond the capabilities of any individual participant. These platforms achieve the following:

- enable mobilization
- move people to act together
- foster long-term relationship to achieve a common goal.

All the platforms have the potential to evolve into learning platforms. The companies that find ways to design and deploy learning platforms will likely be in the best position to create and capture economic value.

4.3. Structural and governance based

4.3.1. Dedicated versus referral digital platforms

Platforms can also be viewed in terms of the nature of solution that they provide. We can view them in terms of whether they provide a dedicated solution for a given business firm or whether the platform provides solution for other firms. The dedicated platforms are those that are designed to save the specific business solutions for a given firm. Examples of such platforms are Uber and Air bnb. The referral digital platforms are those that have been designed for other purposes such as interaction or social purposes but can be converted for business purposes. Within this, we can have a subclassification of owned versus outsourced platforms. The owned platforms are those that have been developed by the organizations to save their own purpose.

5. Value creation through platforms

5.1. Value concept of a platform

The concept of value creation is at core of what a firm does, since only superior value creation vis-à-vis rival opens up the opportunity for superior profitability. Value created is the difference between the consumer's perceived benefit from a given product and the firm's cost for providing that product. In other words, value is the difference between the benefit that consumers get from using a product and the costs that are incurred to produce the product.

Platforms create value in two principal ways. The first way, which corresponds to transaction platform, facilitates transactions between different types of individual and organizations that would otherwise have been difficult finding each other. Examples include Uber, Google search, Amazon Marketplace, and eBay. This is sometimes called multisided platform [11]. There are also innovation platforms, which consist of technological building blocks that are used as a foundation on top of which a large number of innovators can develop complementary services or products. These complementary innovators can be anyone, anywhere in the world, and together they form what is called an innovation ecosystem around the platform.

Within any platform ecosystem, the users value is important because they provide the foundation for the value creation process and business concept of the platform. The business model is then built on this primary layer of the established. Marketing strategy that is built on this platform has to clearly understand the nature of the value within the platform before synchronizing the business concept within this. Marketers should understand how to match between the value proposed and the platform structure. Segmentation is thus important especially when communicating in multi-platforms.

5.2. Align digital and physical platforms to enhance value

The alignment of organization's physical-world strategy and its e-strategy requires strategic decisions to be made on issues such as branding, pricing, IT, and channel conflict. Guiding

question is what we should do regarding our physical operations and our digital operations. Concerning the channel issue, when adding the electronic channel, we need to determine how to align it with the existing physical channel conflict and setting prices for different channels. In this first issue, if the old and new channels compete for the same group of customers, then this is likely to result in a conflict because of cannibalization effect. The old channel is expected to remain important and the likelihood of a channel conflict is high, then it is essential to address this conflict early on and to find ways to reconcile the interests of the two channels. This can be achieved for instance by creating one unified profit center. For example, in a digital-based grocery, we should

- apply the same product price
- charge lower prices
- charge higher prices.

6. Platform strategy

6.1. Overview

A platform strategy is an approach to entering a market that revolves around the task of allowing platform participants to benefit from the presence of others. In a traditional competitive strategy, it is generally assumed that customers can determine their willingness to pay for the product or the service independently. This assumption breaks down when studying platforms, as the participation of platform participants is interdependent with the choices of other users. This is why the formulation of a platform strategy requires somewhat distinct tools to help platform entrepreneurs and managers tackle the challenges of value creation and value capture [15]. Platforms present different strategic objectives than traditional frameworks for corporate strategy, which will often emphasize concepts like “lean” and “just-in-time” supply chain delivery. Platforms change what it means to lead organizations, forcing them to rethink their strategies, business models, leadership, organizational structures, and approaches to value creation and capture systems. Aiming to become a platform leader entails a vision that extends beyond one’s own firm and aims to build and sustain in an ecosystem of partners, where the platform leader has to be the equivalent of a captain [11].

Platforms can thus be effective vehicles to create new value [13]. The risk is that they might also undermine the ability of individual companies to capture their fair share of the value being created, especially if they do not own the platform [13]. By creating a far more visibility into options and facilitating the ability of participants to switch from one resource or provider to another, platforms can commoditize business and constrain the margins of participants. The greatest opportunities for value capture on platforms require an understanding of influence points that can create and sustain sources of advantage and make it feasible to capture a disproportionate share of the value created on the platform. Influence points tend to emerge whenever and wherever relationships begin to concentrate on platforms. By having privileged

access to a larger and more diverse array of knowledge flows, the company occupying an influence point has an opportunity to predict what is going to happen by seeing signals before anyone else does. That company is also better positioned to shape these flows in ways that can strengthen its position and provide greater influence. When you are in the center of flows, small moves, smartly made, can indeed set very big things into motion.

Where would these influence points tend to emerge on platforms? These points often provide a significant and sustainable functionality to the broader platform or ecosystem. For example, the broker positions in a market platform. It is also better if the functionality of these influence points evolves rapidly over time because it creates incentives for other participants to stay in close contact with the occupier of the influence point.

6.2. Approach for developing the marketing platform strategy

6.2.1. SWOT analysis

The first key step in establishing a platform marketing strategy is to conduct an internal and external environmental analysis. The external environment analysis will provide the insight on the existing opportunity and threat. The opportunities are promising factors or trends in the external environment that the firm can exploit for its own advantage. The threats are unfavorable external factors or trends that may present challenges to performance. The goal is to establish a match between the firm's strength to attractive opportunities in the environment, while eliminating or overcoming the weaknesses and minimizing the threats. The internal analysis will provide an insight on the organization strength and weaknesses. Strength includes internal capabilities, resource, and positive situational factors that may help the firm to survive. Weaknesses include internal limitations and negative situational factors that may interfere with the company's performance.

6.2.2. Goal formulation

Once the firm has performed a SWOT analysis, it can proceed to goal formulation and develop specific goals for the planning period. Goals are objectives that are specific with respect to magnitude and time. Most business units tend to have a mix of objectives, including profitability, market share improvement, innovation, reputation, and sales growth. The reasons for firm to utilize single or multiple platforms for its marketing functions have to be clearly established. Careful designing of the objectives will provide guidance in terms of the required platform approach.

6.2.3. Strategy formulation

Goals indicate what a business unit wants to achieve; strategy is a brave blueprint for arriving there [16]. Every business must purpose strategy for achieving its goals, consisting of a marketing strategy and a compatible technology strategy and outsourcing strategy.

Some specific questions could be, for example, whether your business has a product.

The following are key steps in creating a platform strategy [17]:

1. Create social media marketing goals that solve your biggest challenges: understand what your needs in the platform. Set goals that you know are attainable.
2. Research your platform audience: a significant number of adults use Facebook and Instagram but you need to ask whether your customers (target group) use this platform. Understanding the audience will assist in learning issues like who buys your products, what age group is the toughest to sell, and what income makes up most of our returning customers.
3. Establish the most important metrics. Evaluate the platform metrics associated with the overall goal rather than that of platform owner (e.g., metrics performance tools such as reach, clicks, engagement, Hashtag performance).
4. Research platform competitive landscape: research on similar and related existing platforms and compare their advantages and disadvantages.
5. Build and establish engaging platform content: avoid things like reaching out to your unpopular demographics without a complete strategy in place.
6. Engage with audience.
7. Track your efforts and always improve.

6.3. Program formulation and implementation

A good strategy can fail due to poor implementation. If the business entity has decided to attain technological leadership, it must strengthen its R&D department, gather technological intelligence, develop leading-edge products, train its technical sales force, and communicate its technological leadership [16]. Many managers think that doing things right (implementation) is as important than doing right things (strategy), but the fact is that both are critical to success, and companies can gain competitive advantage through effective implementation [18].

The following are steps for building a successful digital platform [19]:

1. conduct training
2. review existing distribution and supply channels
3. comprehend what your customers and partners anticipate from the web
4. reexamine the kind of products and services
5. give a new role to your human resource department
6. extend current systems to the outside
7. track new competitors and market shares
8. develop web-centric marketing strategy
9. participate in the creation and development of virtual market place
10. instill management style.

6.4. Feedback and control

A company's strategic fit with the environment will inevitably erode, because the market changes faster than the company's efforts [16]. Obtaining feedback is very essential for ensuring the continuity of a strategy. This is even more critical with platforms because their evolution is dynamic. There are several means to gather feedbacks but again this will depend on the nature of platforms. Digital platforms offer a variety of metrics but there are also comments and other forms of reactions, which are provided by platform users. The organization can decide to update its strategic orientation based on acquired feedback. This should not take time to be implemented because the impact on business performance can be very drastic.

7. Determinants for successful marketing platform strategy

Boncheck and Choudary (see [20]) provided the following list of a successful strategy:

1. **Connection:** how easily others can enter into the platform to exchange and transact.
2. **Gravity:** how well the platform attracts participants, both producers and consumers.
3. **Flow:** how well the platform fosters the exchange and co-creation of value.

The authors argue that the success is achieved through the following building block:

1. **The Toolbox** creates connection by making it easy for others to enter into the platform. For example, Apple provides developers with the OS and main code.
2. **The Magnet** creates influence that attracts participants to the platform with a kind of social gravity. For example, Apple needed to attract both developers and users.
3. **The Matchmaker** promotes the flow of value by making links between producers and consumers. The Matchmaker captures rich data about the participants and leverages that data to facilitate connections between producers and consumers. For example, Google matches the supply and demand of online content, while marketplaces like eBay match buyers to relevant products.

Dreyer (see [21]) provided the following to be the key strategies from marketing to the multi-platforms:

1. Develop customer-centric, not platform-centric, marketing strategies
 - The ultimate objectives should revolve around how they reach, engage, and influence consumers, not platforms. They should first pursue to answer how these consumers are moving from screen to screen and consuming content.
 - Marketers need to place the customers at the center and explore how the platform can enrich the delivery of the value to the customers. Balancing between content.

2. Create consistent, integrated, and platform-agnostic experiences for your customers

- Strive to build products, content, and marketing experiences that operate seamlessly and are complementary across platforms.
- Responsive design and optimization is an area that must be addressed.

3. Maximize effectiveness by leveraging multi-platform synergies

- However, optimizing performance channel by channel creates inefficiencies that are a drag on ROI, which can be remedied by managing them in a more holistic (rather than competitive) fashion.
- Provide key employees with third-party multi-platform data that can still help a business take a broader look at its own current and potential impact on the media and advertising landscape.

4. Understand demographic differences between platforms to drive audience targeting efficiencies

Because not every audience segment behaves in a same way across media platforms, both publishers and advertisers can

- enhance the efficiency of how they capture their core audiences with holistic multi-platform targeting strategies;
- layer in these additional platforms and channels and evaluate campaigns in an integrated fashion, marketers can attain their reach and frequency objectives more efficiently;
- develop their content strategies to better position with the audiences who are more likely to consume content on various channels;
- optimize their content and determine the best marketing mix.

5. Reevaluate your business metrics and KPIs to better optimize your strategies

- As change business KPIs may need to be updated to reflect that. The downside of continuing to optimize to the wrong or outdated KPIs is that it can lead businesses further and further away from the optimal business strategies, especially as the meaning of those metrics changes over time.
- As platform proliferation raises: visitor metrics get expanded while conversion and average engagement metrics drop, thus reevaluating your KPIs to get a sense of how and when this may be appearing is the first step to fix the problem. With a unified view of the digital consumer that takes into account their behavior across platforms, businesses can bring order to this chaos, measure their businesses according to the best metrics, and develop product and marketing strategies that align with how their customers are actually visiting, engaging, and converting.

8. Managing and sustaining marketing platform strategy

8.1. Overview

Managing and sustaining the platform strategy to a great level is determined by the nature and type of platform, but more specifically on the governance of the platforms. For the platforms, which are created by a firm for the sole purpose of serving their products and services, the governance issues will be extensive compared to those, which are outsourced. When it comes to managing platform strategy that applies the outsourcing strategy, the important issue will be to monitor their performance using their own tools and other organizational feedback mechanisms.

Approaches to platform management must consider the way value is created. While traditional business models would incent managers to maximize the price for each product or service, different approaches are needed to management platform [11]. A greater value may be created by offering low or even offering products or services for free to one side of a market if it can attract the participation of another valuable customer.

Platform firms face the formidable task to orchestrating complex ecosystems and to design and develop the governance systems and organizational capital needed to make them succeed. The traditional lever of action of controlling centrally what is done within the firm is exerting power over supplier will not be sufficient, as much of the value is created outside the traditional boundaries of the firm [11].

A fundamental new capability for firms will be the ability to articulate business model not just for themselves but for members of their ecosystem, which are mutually compatible and even self-reinforcing at the organizational level, siloed organizations will fare worse than those who can harness cooperation across technological divisions and business divisions [11].

Identify useful platforms that have yet to be established and choose whether to create those unilaterally or by forming consortia. All should survey the platforms arising in their markets and consider the degree to which they will be active participants in them. According to Hagel (see [13]), the strategic choices for platform are based on the four major kinds of benefits they expect to gain from platforms:

- Performance improvement: as an example, many small-focused product vendors and merchants now depend on Amazon's selling platform to handle a variety of complex and scale-intensive tasks, including website management and fulfillment operations.
- Leveraged growth: some allow participants to link with the abilities of others and make them accessible to their customers in ways that create a significant value for the platform members and the customers.
- Distributed innovation: some companies are concentrating on the use of platforms to tap into creative new ideas and problem-solving from a range of third parties through the use of competitions.

- Shaping strategies: the ability to change how an entire marketplace operates—and seize more value by doing so.

8.2. Measuring performance of the platform

The platform can be measured in terms of the level of activity or the number of users in the platform.

Measuring the performance of a platform is important for ensuring the value for money and to ensure the achievement of the intended objectives. For most platforms, the switching cost varies extensively, thus marketers need to keep track on their choices and the changes within the entire platform ecosystem. For the online-based platforms, there are several metrics that are provided by the systems, but they should be evaluated from both technical and marketing perspectives. The number of viewers, for example, may seem as an attractive measure but may have less to do the increase in sales.

8.3. Influence and control platforms

Marketers can strategically influence the way people behave and interact in the platform. This can be done by the ability to synchronize the principal and secondary value of a platform. Most of the value generated from the platform is an outcome of the activity level that platforms generate. Segmenting, targeting, and positioning the products and services with a right platform member should be done by an external looking (focusing on the users). This will guarantee that the marketing activities are allied with the platform context.

To some extent, the ability to control platforms will be contingent on the nature of governance (dedicated vs. referrals). Even though there is value that can be generated from a platform, there is a need for organization and to provide a soft control mechanism which will ensure that the primary role of the platform is sustainable and the secondary is achieved. Failure to balance the two will have negative results on the other. Another form of control is the control of supply. Normally, the supply control can be done with the non-digital platforms or in combination of digital. For example, imagine that you are traveling within a ship, and in this controlled environment, your only choice on what to buy will depend on what is available. This is what I refer to as an artificial scarcity, which can be strategically established within a platform.

9. Platform ecosystem

A platform system consists of a core, its complements, and the interfaces between them [2]. The new companies are made of powerful platform ecosystem uniquely able to attract, match, and connect people to enable them to transact. These platforms often use open business model that do not require keeping or manufacturing anything, but harness the power of communities to enable transaction. This is different from traditional organizations which tend to run as linear [1].

Platform-based ecosystems are a vital source of dynamism and innovation for many technologies, products, and services in the global economy. A defining feature of platform ecosystems

is the interdependency between a stable core or a “platform” that interfaces with a dynamic and heterogeneous set of complementary components to generate a stream of derivative products. Platforms spur innovation and efficiency in diverse sectors such as computers, video games, mobile phones, automobiles, payment systems, and e-commerce. Platforms’ successes require coordination and integration across organizational units and firms that often have conflicting interests and requirements.

Platforms raise interesting and complex issues that strategic management scholars are exclusively equipped to address. At the same time, platforms offer new kinds of contexts for strategy scholars to reexamine existing theories of organization, cooperation, competition, and decision making. Platform owners must consider their own competences, technologies, and processes as well as those of their suppliers and rivals to design for modularity and interoperability. Meanwhile, the strategies of platform participants influence how they contribute value to the platform ecosystem and how much of that value they will be able to appropriate. Consequently, managers must understand the nature of competition and collaboration in platform-based ecosystems. Such a strategic decision making goes beyond issues such as critical mass, switching costs, compatibility, and network effects and encompasses a broader set of social, cognitive, and technical aspects. Hakansson et al. (see [22]) support this framework by suggesting that a network analysis of business evolution takes into account resources and web of actors.

Platforms create new connections and new opportunities for trade, but also there have been concerns of its dominance on competition [23–25]. Being a savvy, successful participant may offer a path to profit without the enormous risk of managing the platform itself, if you are willing to cede the glory in favor of growth and stability [24]. In addition, there is the issue of governance of the platform ecosystem, which considers who has access to platform, how to divide value between ecosystem members, and how to resolve conflicts or manage sometimes increasingly different objective [26]. The goal is to arrange complementors and consumer rules to create and sustain vibrant ecosystems. Policies must ensure value creation and also high-quality participation on platform. At the same time, the right mix of incentives is required to encourage joining and good behavior. Platform ecosystems are thus gaining ground through the digitalization of products, services, and business processes in the process of shaping the global landscape.

10. Conclusion

The platform strategy is a growing area, which has provided the business firms with multiple opportunities for generating value. Whatever a platform does, it only comes down to two main issues, which are relationship building and solution delivery (products and services). Within this line is where a range of other things come to feature. Platforms thus form an important part of the marketing strategy. Dynamic and demanding environments will favor those who are able to learn best and fast. Business leaders who understand this will likely seek out platforms, which make work lighter for their participants, but also grow their knowledge, accelerate performance improvement, and enhance their capabilities in the process.

Conflict of interest

I declare that I do not have any conflict of interest with this work.

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Reimagining m-Commerce App Design: The Development of Seductive Marketing through UX

Christopher J. Parker

Additional information is available at the end of the chapter

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Abstract

To increase the market share of m-Commerce in the retail sector, new user interaction paradigms must be sought to break out of the current saturation of ideas. While the global fashion industry is worth over \$2.7 Trillion, less than 15% of sales derive from online transactions. Growth in the m-Commerce platform is slow and unlikely to recapture the monumental shift of the early Web 2.0 era without further innovation. Such change needs to address the overwhelming approach by m-Commerce apps to sell to customers through presenting a stream of products rather than develop an experiential marketing platform. This chapter re-imagines the customer experience of m-Commerce fashion apps to encapsulate seductive and powerful marketing experiences. These experiences are alongside the media traditionally used to make sales within apps. We present a conceptual app framework, grounded in contemporary research in marketing and UX design, inspiring designers and marketers alike in their future developments.

Keywords: m-Commerce, design, UX

1. Introduction

We can only see the future as far as our societal limits allow, but once an idea has entered the world it is impossible to imagine the future without it [1, 2]. Electronic Commerce (e-Commerce) is one such concept. Initially it was treated with scepticism [3, 4] yet has grown to be a powerful juggernaut of retail. In 2018 for example Mobile Commerce (m-Commerce) accounting for 14.7% of all UK retail sales [5]. This concept of e-Commerce could not have been envisioned in the mid-1990s [6], in line with Clarke's concept of our limited ability to imagine the future. Therefore design's evolution and the way we create consumer technology interactions in retail is a constantly

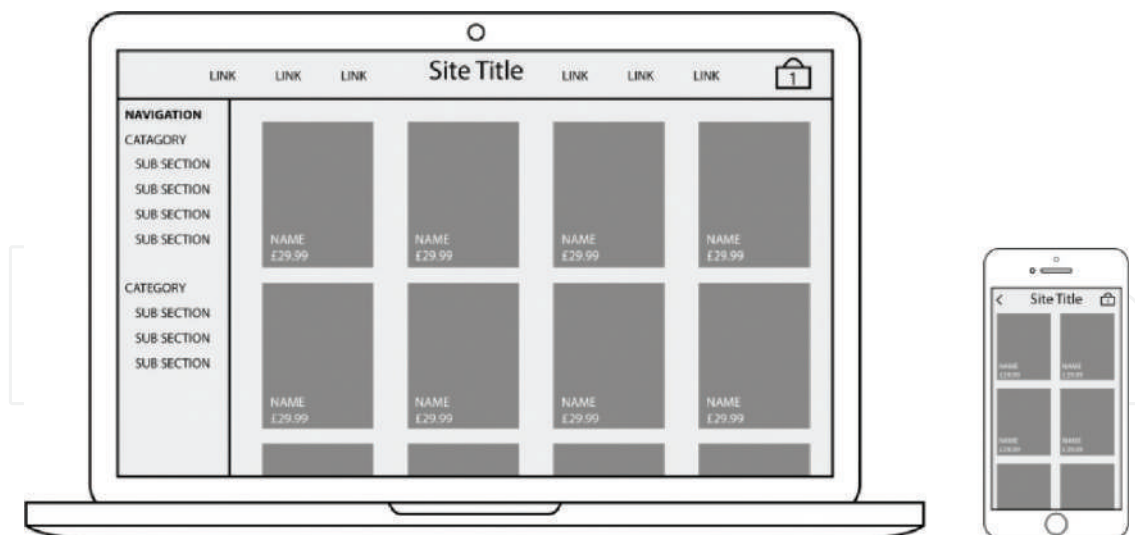


Figure 1. Translation of e-commerce website to m-Commerce app designs.

evolving concept. While we cannot know the future, considering different opportunities of interaction design (design paradigms) allows us to consider what the future may be. Currently 85.3% of all UK sales come from physical retail stores [7] at a time where m-Commerce design is considered to be mature [8–10]. This relatively low market share highlights that the approach to app design and consumer engagement is needed to increase the revenue m-Commerce platforms. This chapter therefore addresses this need to reimagine m-Commerce app design.

After the release of the iPhone in 2007, m-Commerce apps have focused on translating the ‘tiled view’ of products as developed for websites into the smaller smartphone screen; see **Figure 1**. It should surprise any designer that despite exponential advances in smartphone technology (including native augmented reality capabilities [11]), there have been limited advances in m-Commerce UX design since the iPhone’s launch [12]. This is exemplified in how retailers seek incremental additions of app features over revolutionary rethinking of the underlying retail concept [8].

Besides the holistic limited variation in m-Commerce app design, consideration needs to be given to how retail markets are divided. One of the clearest examples of market segmentation is found in fashion retail; global worth over \$2.7 Trillion [13]. However not all fashion retailers are equal in their market sector, which Jackson and Shaw [14] describing four sector levels:

1. **Economy** (e.g. Primark, Walmart)
2. **High Street**
 - a. Mass Market (e.g. H&M, New Look)
 - b. Mid-Level (e.g. Top Shop, M&S)
 - c. High End (e.g. All Saints, Coast)
4. **Diffusion** (e.g. Marc by Marc Jacobs, Vivian Westwood Red Label)
5. **Luxury** (e.g. Channel, Marc Jacobs, Vivian Westwood)

Traditionally only luxury brands had the resources to create seductive experiences in their physical stores [14]. However times have changed. Fast fashion brands Zara and H&M now claim the third and sixth positions as the world's most profitable fashion brands [15]. These multi-billion dollar companies eclipse the capabilities of almost all luxury brands in their resources to create exceptional m-Commerce offerings. Therefore, we should consider all design and interaction opportunities as equally available to all retailers. The future offers a democratisation of the m-Commerce experience. But just because you can do something, it doesn't mean you should. Therefore, it is important for designers and marketers to understand how consumers can be engaged for maximum impact. It is important that current retail channels are preserved, but at the same time it is clear that the notion of what an app can be needs to be expanded further.

The objective of this chapter is to explore new design paradigms of m-Commerce to foster new conversations in the UX Design community. In order to achieve this, the following aims need to be addressed:

1. We need to *uncover the key dimensions of consumer interaction with m-Commerce apps* in order to build a UX Design Paradigm Framework that describes different sectors of user interaction.
2. We need to *explore how current m-Commerce apps relate the sectors of the UX Design Paradigm Framework* in order to reveal under-exploited areas of consumer interaction
3. We need to *explore concept designs for under-exploited sectors of the UX Design Paradigm Framework* in order to present new ways to connect with consumers for marketing and sales purposes.

2. The dimensions of consumer interaction

To uncover the key dimensions of consumer interaction with m-Commerce apps, this section reviews the contemporary literature concerning m-Commerce and retail engagement motivations.

2.1. Brand communication vs. sales focus

With the internet nothing is new, only online and interactive [16]. As Parker and Doyle [17] point out, high street retail brands cannot operate in the same experiential sphere in physical stores as luxury brands can. While a luxury brand can present a highly hedonic experience within a flagship store due to high profit margins and relatively low footfall, a fast fashion or high street fashion brand cannot reproduce this; even if desired. This is because of a fast fashion business model based on high turnover of low profit margins. While the virtual space of m-Commerce removes all of these limitations, consumer expectations still exist. For example, luxury fashion brands by their definition must only be accessible by a small group of affluent customers. Through this the vast majority of consumers are actively excluded. If a fast fashion

brand (e.g. H&M [14, 15]) produces an app that mirrors the ‘superior’ interaction of a luxury brand (e.g. Gucci), then Gucci must respond by creating a more ‘luxurious and superior’ experience. Ultimately the luxury brands are maintaining their exalted position of perceived excellence and aspiration.

Research in marketing is converging on the concept that apps need to focus on different levels of interaction relative to the brand presentation. Research at the University of Manchester [17] has proven that two overarching focuses exist; brand communication and sales focus. This connects with the key steps of Kuo et al.’s [18] 10 steps of purchasing; information seeking before product acquisition. e-Commerce can therefore be seen as a negative motivator for luxury fashion purchases [17]. As such, luxury brands may use social media and m-Commerce apps’ native ability to diffuse information rather than purely sell through the m-Commerce platform. This is in line with Rogers [19] who showed that interpersonal communication is the most powerful conduit of innovation diffusion. Consequently these studies demonstrate that a duality exists in app design:

1. The creation of apps to communicate the brand marketing messages
2. The creation of apps with an explicit focus on m-Commerce sales

Irrespective of the focus a designer or marketer takes with an app, it is essential that the experience of the consumer is positive [20]. This presents the possibility of a third dimension to be added to a UX Design Paradigm Framework (positive/negative experience). However the complexities of such a three dimensional model exceed the scope of this chapter. Therefore for analysis, the following definitions are adopted by this chapter:

- *Brand communication* – An app whose primary focus is mixed media communication that enhances the consumer’s perception of the brand.
- *Sales focus* – An app whose primary focus is the sale of items from within the application.

2.2. Interactivity and seduction vs. passive presentation

The field of user centred design is considered as starting with the seminal work of Norman [21], primarily focused on function over form.¹ In their insightful work, Parker and Wang [9] prove that in m-Commerce, utilitarian functions are of a higher importance to users than hedonic experience. This is in contrast to earlier studies that have suggested that hedonic experiences are critical to physical retail channels [22, 23]. Furthermore, credence is given to hedonism’s importance in retail channels. For example, earlier research [25–27] shows that enjoying an interaction increases one’s perception of the product’s utility. However it would be naïve to consider that a single way exists to best design an app for a fashion brand. Instead there is no single right or wrong with these two dimensions. To quote the seminal work of Lao

¹A position Norman [24] did however concede on in later years to extend his position to include experience and beauty as a necessary function.

Tzu [27] ‘*The sage has no fixed ideas about anything, so he takes in a broad range of information*’. We must therefore embrace uncertainty and be open to all possibilities in our design.

It is important to note that consumers are not a single homogeneous group, but instead comprise multiple sub-groups. For example, Parker and Wenyu [7] prove that demographics of age and gender are less important in profiling consumers than their behaviours and purchase motivators. Therefore, the question cannot be which form of app is best (interaction or information presentation), but instead, which is the best form of interaction for the brand and target consumer. In his excellent book, Anderson [28] argues that the emotional experience is as important as interaction’s function.

These studies present a duality that must exist, one of utilitarian function and presentation, and one of seductive hedonism. This chapter does not hold one form of engagement as necessarily higher than the other. This is because all human experience exists on a scale where even negative aspects can (under the right circumstances) be useful [29, 30]. For analysis, the following definitions are adopted by this chapter:

- *Seductive interaction* - An app that utilise hedonically engaging or interactive media to achieve its primary purpose.
- *Passive presentation* – An app that utilises static media to achieve its primary purpose.

Giving consideration to the two dimensions of brand communication/sales, and seduction/information presentation, a series of four paradigms are clear from their intersection; as visualised within the UX Design Paradigm Framework of **Figure 2**. From this we must explore the spectrum of current m-Commerce apps.

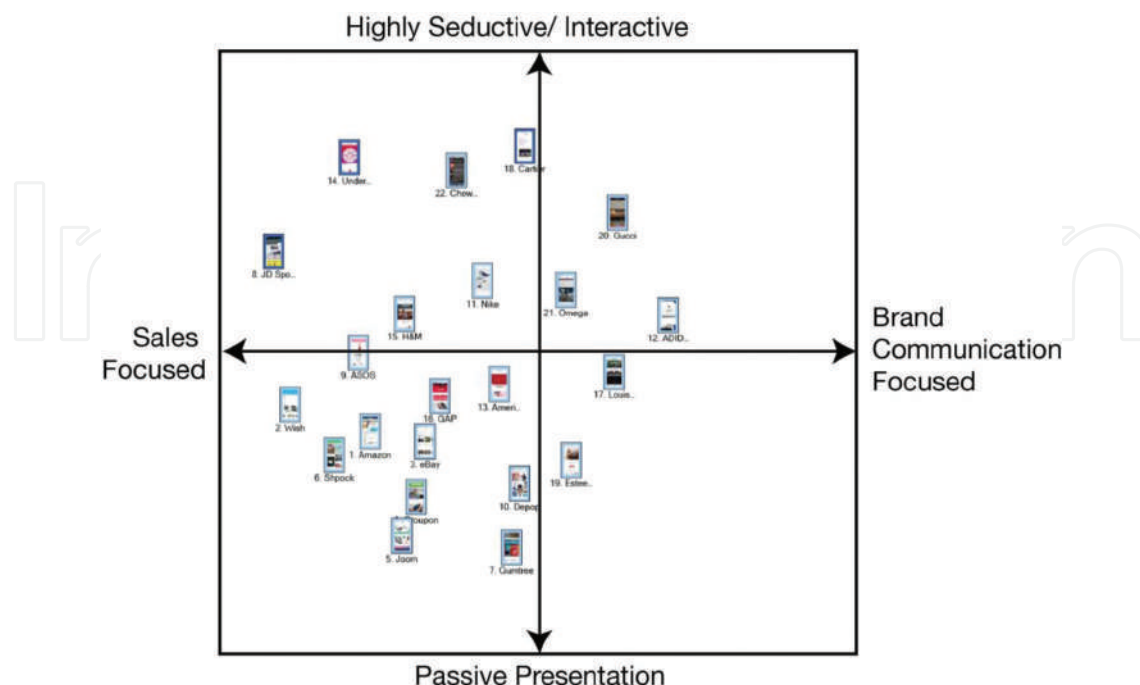


Figure 2. The UX design paradigm framework elements.

3. Analysis of current m-Commerce apps

To explore how current m-Commerce apps relate the sectors of the UX Design Paradigm Framework, this section analyses the most prevalent m-Commerce apps on the iOS App store. To provide an insight into the current state of fashion m-Commerce apps and their design ethos, Apple's iOS 11 platform [31] was selected. This is due to its consistent performance as the most profitable m-Commerce platform, being responsible for a 63% share of all m-Commerce revenue [32]. For apps, it is essential to focus on a cross section of brands to uncover the variety of approaches to app design and consumer engagement. Therefore apps were chosen to represent:

1. The most popular retail apps on the Apple App Store (December 2017)
2. The most commonly recognised fashion retail brands according to a survey of 15,000 individuals [33]
3. The most profitable luxury fashion retailers [34].

The apps which met these criteria are displayed within **Table 1**. It is also important to note that the 22 apps selected bisect each market level from fast fashion to luxury.

Apps were downloaded onto an iPhone X (iOS11 [31]) in December 2017. All apps were extensively used, explored, and tested to uncover features both prominent and discoverable. Thematic analysis of screen shots was conducted with the aid of NVivo 11 [35] to systematically record the brand communication, sales focus, seductive interaction, and passive presentation elements. This was done in line with the guidelines set in **Table 2**. To facilitate open academic discourse, the data freely² available for use via Mendeley Data [36].

After thematic analysis, cluster analysis (Jaccard Coefficient) was applied to identify how the apps group together based on coding similarity. Once achieved, the visual output of the cluster was applied to the Dimensions of Consumer Interaction (see Section 2), as visualised within **Figure 2**.

As **Figure 2** shows, most the apps within this study focus on direct sales rather than brand communication. In short, the app is a replacement for the physical store rather than being a form of advert. At first this may seem obvious. After all, why would a retail company looking to increase profits not seek to sell their products on the interactive device in everyone's pocket? However, in 2016 UK high street retailer Marks & Spencer spent £19 million on advertising alone [39]. Bear in mind that an app costs around £50,000 to create and the scope of the advertising budget is clear. What's more, apps are already encroaching on this territory. Even a cursory study of Facebook (the world's most popular social network and mobile app) reveals a platform dedicated to delivering seductive advertising. Furthermore, while fashion magazines are seen by many to be a source of entertainment, almost all of the content are adverts for products, or articles focused on native advertising. To conclude, society is already paying to engage with advertisements, although they may not consider their engagement as such.

²CC BY 4.0

Category	App names	
Most popular iPhone Shopping Apps (December 2017)	1. Amazon	6. Shpock
	2. Wish	7. Gumtree
	3. eBay	8. JD Sports
	4. Groupon	9. ASOS
	5. Joom	10. Depop
Most popular fashion brands [33]	11. Nike	14. Under Armour
	12. ADIDAS	15. H&M
	13. American Eagle	16. Gap
Global power of luxury goods by sales [34]	17. Louis Vuitton	20. Gucci
	18. Cartier	21. Omega
	19. Estee Lauder	22. Chow Tai Fook

Table 1. Selected iPhone apps for this exploratory study (filtered for iPhone app store presence).

Framework element	Category	Reference
Brand communication	Application of mixed media that supports brand engagement and loyalty over the purchase of specific products.	[17]
Sales focus	Application of mixed media that supports the consumer in finding a specific product or items to meet their needs.	[18]
Seductive interaction	Multisensory engagement of the senses to elicit emotional experiences for the user.	[28]
Passive presentation	Non-interactive presentation of images and text to achieve the aims of the app.	[37, 38]

Table 2. Categories of the UX design paradigm framework.

I am sure upon reading the above paragraph that an obvious question arises; why should fashion retailers change their approach to apps when globally fashion m-Commerce experiences increasingly healthy profits of \$225 billion [13]? The answer returns to the words of Arthur C. Clarke [1] that we can only see the future as far as our societal limits allow. So exploring such potential new paradigms, such conditions of both seductive and passive forms of brand communication in apps needs to be explored further. It is the hope of this chapter that in doing so, new concepts of app design and consumer engagement may be drawn in the minds of designers.

4. New concepts in m-Commerce app design

In order to explore concept designs for under-exploited sectors of the UX Design Paradigm Framework, design briefs for both seductive and passive brand communication apps are presented alongside an exploration of how the concepts may be designed.

In creating retail apps, there are seven principles that direct the designer through a well-planned brief [40].

1. **Objectives and goals** – What is product trying to achieve?
2. **Budget and schedule** – How much will it cost and when must it be delivered?
3. **Target audience** – Who is the primary user of the product, and to what degree are other user groups important to its design?
4. **Scope of the project** – The explicit criteria the product must meet to be successful.
5. **Materials** – What do the designers have to work with?
6. **Overall look and style** – How should the product appear to the user?
7. **Any do not's** – What should be avoided at all costs?

All seven steps of the Design brief are essential in any commercial venture (particularly #2 – Budget and Schedule). But in exploring new paradigms, our focus can afford to be more limited than when developing in the real world. Therefore the concept designs within this chapter focus on objectives and goals, scope, materials, and look and style. Other elements may be considered brand associated or universal to a degree that while influential, shall be left to the reader to imagine further creative opportunities.

4.1. Seductive brand communication

4.1.1. *The design brief*

The objectives and goals of a seductive brand communication app should be to nothing short of deep visceral immersion that plays like entertainment. Through this the app instils positive brand association into the subconscious of the user to promote purchase behaviours. In short, the seductively brand communication app is to be an advert the consumer wants to engage with. This concept may sound a little alien to some. After all, why would anyone choose to be part of an advert when so much of technology has been to rid our lives of adverts? However you do not have to search hard to find examples of voluntary advert engagement. Amsterdam's Heineken Experience (a tour of the old Heineken beer brewery. Here, cues of tourists line up to walk through what is part museum to the history of the brand, part entertainment, and full brand communication. Guides brandishing free promotional souvenirs show off with pride the historic medals the beer won for excellence of taste. They show the purity of ingredients and direct guests into fully immersive 360° simulations of the brewing process. All of this is before entering the exhilarating football history recreation and possibly the trendiest bar in all of Amsterdam; accompanied throughout with brand appropriate house music. In a nutshell, every visitor is paying to be advertised through every medium. Through this, Heineken are ensuring future purchases of their beer, and all for the modest price of €18 to the tourist. If the brand communication experience is seductive enough, they will cue round the corner and still pay for it.

In his exceptional Ted Talk, Lee [41] discusses how anything we interact with must be considered an experience. Naturally our engagement cannot be a single experience, and so the designer must turn to the five senses: touch, taste, smell, sight, and sound. It is not enough to excel in one category. After all, a sports car that looks incredible won't sell well if the engine sounds like nails in a grinder. When designing for the five senses, the strength of a combined approach is worth more than the sum of its parts. This is all very well for the industrial designer, but how can this possibly translate to the 2D world of a smartphone app? For that, we need to consider the materials we have at our disposal.

With any virtual product, the materials (or in this case technology) available to the designer are of upmost importance. Since introducing iOS11 [31], augmented reality is a feature natively available for designers to use and exploit in their creations. Coupled with an ever increasing sophistication of connected home items the designer need not be limited to the technology in the phone. With smart TVs, Speakers, Virtual Assistance, Security Systems, and cross device play compatibilities (etc.) they can instead play with interaction of the human in their entire environment. Consider the smartphone less as a single gateway, but more as a controller or portal to launch a full range of sensual experiences in the users' environment. To the seductive communicator, one must imagine a household filled with smart enabled devices.

Finally, let's turn to the look and style of the app. Here there can be no absolutes presented since any two brands in the same market sector (let's say Pepsi and Coca-Cola) will have unique branding materials. So how can we approach the style of a seductive app when everything from typography to colour is intrinsically linked to the particular brand? The answer is 'truth'. It is essential that everything the user interacts with is true to the core brand message. Let's stay inside the realm of Fashion retail and consider the example of the luxury brand Gucci. Vogue [42] describes the brand as '*retro made modern ... jewel-coloured ruffled ready-to-wear garments... girly, geeky, gloriously decorated... deliciously colourful*'. This is one we are invited to imagine belonging to a '*bespectacled beret-wearing girl staying over at her boyfriend's place, taking a little overnight bag and not bothering to unpack the night before, and so the morning after, things are a little crinkled, a little imperfect*'. Collide this with the necessities of luxury fashion – high quality, exclusivity, and trend leading amongst others [17] – and images form in the mind. I would name this 'the emotions connected with the highest quality second hand charity shop New York'. You get the picture. Any experience we create must above all else be true to these emotions we imagine while reading the description above. For example, an app that delivers a virtual reality fashion show set in London's Brick Lane, shot on a 1970s TEAC HC-100 as the sun goes down (accompanied by the sound of Captain Beefheart's *Trout Mask Replica*³) would communicate the brand very well. However, a slick catwalk in a pure white, cold, and stark expanse (set to the sound of Chelsea Wolfe's *Hiss Spun*) would be in complete contrast to the brand. Thus this scenario would not communicate the brand's emotions and visions effectively. Therefore, the designer must always put the core emotional imagery and story of the brand before any experience, no matter how seductive.

³I recommend every reader immediately visits YouTube to experience these artists in full.

4.1.2. *The concept: beyond the smart home environment*

So what should a seductive brand communication app? The answer is multiplicity. The crux here is that seductive interaction cannot be a universal concept. While one person may find exultant bliss of Mozart's operatic symphony, a similar person may feel a comparable (if altered) experience in the throes of a Cannibal Corpse's death metal concert. As the excellent journalistic observer Malcolm Gladwell [43] testified, there are no perfect products that will be revered by all. Instead, there can only be a suit of items catering to the range of personal preferences which people emotionally feel, yet cannot completely describe. By establishing multiple experiences, the chance of the consumer connecting at a deep level with at least one is increased.

The designer therefore has to choose between creating a single, complex app delivering a cornucopia of experiences, or a suit of apps each one tuned to a single purpose. While there are merits to both options, I hold that when several highly engaging experiences are combined into one platform compromises must be made. Therefore, to keep the experience as unfettered as possible, a suit of immersive and seductive experiences is the most suitable for fulfilling the brief. Therefore, consider how a seductively involving app might function in practice.

Fashion retail focuses on delivering in-store atmospherics that communicate the brand's impression [44]. The first concept is brand-appropriate atmospherics in the home. From thermostats to blinds, lighting, doors, music, and personal assistants, smart technology is becoming ever more pervasive within our home environments. Google Home, Amazon Alexa, and Apple Siri (for example) seeks to connect all of our appliances and environment features together in one ecosystem. However, when all appliances are connected by one of three ubiquitous virtual assistants, uniqueness and exclusivity (key concepts for fashion retail) are lost [45]. Let us then imagine an app by Chanel installed onto the smart home hub (e.g. Apple TV) that controls your environment.

When interacting with your Chanel Smart Home, every room has a microphone and speaker. This allows you to ask the Chanel Virtual Assistant (let us call her Coco) anything at any time. Not only is Coco equipped with the latest in machine learning to mimic human personality, the tone of voice (and the assistant's accent) is set to mimic the tone of voice appropriate for the Chanel brand. Whenever a question is asked, Coco needs to make assumptions to fit the moment. For example, asking Coco to play relaxing music is to balance the user's learnt preference with the style appropriate with the Chanel brand. Taking this further, the lighting in the room can be set to automatically fit the time of day and mood of the music, delivering the perfect ambience. This lighting and background music can know who is home and their schedule. This allows the user to enter the home and step into a predetermined ambience through smart lighting, connected sound systems, and automated temperature. In short, the elegance and sophistication with which the house is managed allows the user to not just wear the Chanel clothing, but to live within the Chanel world. By focusing on the smart home, the user interaction is not through screens or keys, but through ubiquitous voice at all times. Given the right level of sophisticated interaction design, the user is constantly interacting, constantly engaging, and at every turn being seduced by the brand.

But what about experiencing the stories and ethos of what is ultimately a very visual industry. An augmented reality app may allow the user to watch the latest runway show from the comfort of their own home. Here, the user is adopting their smart device as a portal to this virtual world. Connected to Coco, the lighting level, colour, and intensity can be set automatically to match that of the show. All of this is while the room's surround sound speakers perfectly deliver the high quality sound missing from conventional video media in 2018. Navigation through such a device can be through both traditional touch and through Coco. You want to buy the dress shown and matching accessories? Then just ask Coco and the garments appear on the Smart TV on the wall. Home atmospherics, smartphone, and television are no longer single points of contact but a connected arrangement in the symphony of brand delivery. However such examples may be limited. While the user would be engaging in the home at all times, shopping with the brand (no matter how entertaining and game-like) can only be an occasional interaction. Therefore we need to expand the concept further.

Gone are the days of watching live TV in favour of online streaming of films and media on demand. Chanel could release a curated media app for the smart TV platform. In this app each movie, TV show, or documentary is chosen for its complimentary qualities to the core brand story. For example, in 2017 Burberry produced a short film titled '*The Tale of Thomas Burberry*' [46], a romanticized and stylised version of the brands founder and his passion for style. Not only would a curated media platform allow for seductive media to be delivered to the home without effort, but each film selected builds upon these emotions and images. With such a media outlet, every evening of entertainment can be suitably sophisticated, intelligent, and stylised to reflect the values and aesthetics of the Chanel brand. Also, linking with Coco means the user would never have to guess which lighting setting or sound EQ is the most appropriate. This is because Coco would know the setting for each room and film, and set it accordingly. While Google or Amazon may match these features, their universal and playful attitude would be at clear odds to the more sophisticated and elegant approach that Coco can deliver.

This concept is in every way feasible with the technology of 2018, and is thus limited regarding its full potential. I therefore encourage every reader to imagine how this story can be evolved and pushed further with new technology that cannot at present be envisioned.

4.2. Passive brand communication

4.2.1. The design brief

Compared to the highly evocative world of seductive brand communication, you can be forgiven for assuming that passive communication can only be a poor cousin. However the continued prevalence of books in a world where Hollywood has delivered stimulating visuals for over 100 years holds credence to the idea that passive presentation is not dead. To consider passive brand communication in apps is therefore to uncover and celebrate its unique strengths to a commercial advantage. So what is the objective in building such apps? When pure sales are the goal, the answer is simple. This is to start a direct and explicit connection between the customer and the brand ideas with no interactivity getting in the way. But when

the brand communication is itself experiential and intangible, you may be forgiven for asking if removing the seductive element doesn't remove the communication. My answer to this is 'not so'. The philosophy (and theology) of Taoism has at the core of its philosophy meditation on the notion of stillness. This is exemplified by the quote '*Maintain a perfect stillness, and you will witness everything arising from this quietude*' ([27]; Chapter 16). In passive brand communication, while a seductive experience may be one of excitement and hedonism, a passive mediation offers a more tranquil interaction with the subject. Engaging a consumer in such a calm way may lead to a deeper connection with the brand than possible through seduction. Therefore the objective must be a calm, serene, and not overly distracting communication of the brand principles; imagine reading a book in a snow filled landscape instead of the extreme passion of a rock show.

To match this passive objective, the scope of the app must therefore be able to unobtrusively communicate the key brand message. While a seductive app may require a significant chunk of time to engage with a passive app should be easy to engage with for short periods of time. In 2018 the most popular apps on the app store (and the most popular social networks) are Twitter and Facebook. These both offer bite sized interactions. Imagine the user opening the app, reading a 280 character message, laughing at a cat video, and then closing the app. The fact that these interactions are so short makes them effective, and the positive content makes them enjoyable. In summary, the apps are quick fixes of serotonin to the brain, easily engaged with throughout the day. Passively presenting information is the most effective way to create such interactions, communicating the brand in a satisfying way not possible through a billboard advert. However, the key must be enjoyment, if only for short periods of time.

The materials a designer has are similar to that of the seductive communicator. But unlike the highly engaging apps mentioned previously, limitations have to be put in place. First, the designer should only use the technology within the smartphone's native OS with none of the proprietary packages used by more exciting apps. Second, despite the average smartphone boasting enough processing power to run an augmented reality first person war game, the designer must ignore it. Instead, only the basic functions of information display native to both Android and iPhone since the early 2010s should be used. Ultimately it is up to the individual designer to choose where they draw the line on this restrictive issue. I suggest a very limited pallet of tools and technologies for the designer's utilisation for a single reason: simplicity. By removing all but the essential libraries of a programming language the designer is forced to consider the simplest way to achieve their objective. This creates a quieter, and purer communication of core brand values when compared to the decadence of seduction. So how can these materials be interpreted? Holistically through audio, simple page transitions, short (280 characters) snippets of written text, stories, and short videos. The balance must be found between enjoyable experiences and causal engagement here, which shall require great skill and restraint by the designer.

If the materials of the passive brand communication app are to be limited and tranquil, how does this relate to the look and feel of the app? While high street brands in 2018 have a focus on simplicity (notably *Zara Home* and *The White Company*), other fashion brands such as *Gucci*, *Abercrombie & Finch*, and *ADIDAS* seem to define complexity and exhilaration in their image. However to see a conflict here is to misinterpret simplicity. As Turner Prize winning artist Grayson Perry [47] said '*some people think that subtle is dull, they get muddled up. I think you can*

be subtle with bright colours'. In your mind visualise any action blockbuster you have ever seen. Visualise the flashing lights, explosions, and shrapnel screaming through the air. Now pause that scene into a single crisp freeze frame. In that frozen moment all the exhilaration is still present, still engaging, and still communicating all the dynamics of the scene. However the viewer is no longer glued to watching it, and they can choose to engage, to reflect, or to move on with greater freedom. So the visual identity of the brand need not be compromised, only the methods they used to communicate the said identity should be suitable for a short attention span.

4.2.2. *The concept*

After exploring the suit of seductive apps, all working together in harmony to create an immersive environment, it is easy to consider the same should apply to passive apps too. After all, one of the most powerful technologies of the last decade has been the Kindle eBook reader. The Kindle casts off the high performance of iPads and the like to present one thing: books. Simplicity is a pathway to uninterrupted engagement. As the remarkable designer John Maeda put it [30], we must:

1. Reduce the content until it cannot be reduced further
2. Organise the system to make it appear limited
3. Reduce the time needs to engage
4. Add the opportunity for the user to learn
5. Allow for complexity to appear in order to contrast the simplicity
6. Provide everything in context
7. Increase emotional response
8. Gain the users trust
9. Subtract the obvious while adding meaningful artefacts

Through these nine rules, the simplest way of presenting a brand is after all through one app that focuses on one single form of brand communication. For some brands this may mean delivering one app, and for others a suit of apps. However caution should be provided to only produce as many apps as is necessary to communicate the brand even if that number is just one. While many other options present themselves for app concepts, I present below one which embraces these principles while fulfilling the design brief.

As Maeda [30] explains, people experience deeper levels of interaction when they are actively learning. While education in the traditional sense (i.e. Skills) may be inappropriate for a fashion brand⁴, style as an evolving concept presents one possibility. Therefore, a High Street fashion brand, such as All Saints an app, has a single focus: instructing customers on the 'rules of style'. This app should be more than a simple catalogue or lookbook, focusing instead

⁴The exception to this could be an outdoor clothing brand (for example) teaching customers about outdoor crafts, etc.

on lessons how style works would be more appropriate. Add in makeup tutorials and the app becomes a pocket reference guide, all the time communicating the essence and style of the brand. A sports brand such as ADIDAS could take a similar lead on delivering a sports trainer, or gym personal trainer, although this is an obvious step. A more interesting option could be a cooking guide to use in the kitchen, allowing novices to produce highly nutritious meals to support training. Sidestep the obvious, focusing on one core concept of learning a brand appropriate skill, and bringing this to the forefront. This shall allow regular interaction with the brand's core values in short and meaningful interactions. Furthermore, the ways in which these skills are communicated must be the simplest way possible. Consider putting the user into a relaxed state rather than engaging excitement. This doesn't mean exciting and stimulating imagery can't be used, but an app does not need fast videos and high quality graphics when a single photograph can suffice.

5. Conclusion

This chapter set out to explore new paradigms of m-Commerce to foster new conversations in the UX Design community. In addressing the objective, this chapter achieves the following contributions.

1. The key dimensions of consumer interaction with m-Commerce apps are shown to be based on seductive interaction/passive presentation, and brand communication/sales focus.
2. Current m-Commerce apps in relation to the sectors of the UX Design Paradigm Framework are shown to focus almost exclusively on passive sales focus. This means brand communication is an under represented yet important potential for app design.
3. Concept designs for under-exploited sectors of the UX Design Paradigm Framework presented new forms of seductive and passive brand presentation to enhance the market position of fashion retailers.

The main contribution of this chapter is establishing that brand communication is a viable and important target for app designers seeking to market fashion retail brands to a wider audience. Moreover, a new approach to app design and consumer engagement is provided in Section 4 to direct designers and marketers in their activities. Designers should pay particular attention to the design briefs to direct their actions.

Ultimately, I hope they can consider new ways to produce a competitive advantage through differentiation and selecting the most appropriate design paradigm for their brands need. This is in contrast to more standard perspectives of following the crowd, designing apps to mirror existing high performing m-Commerce apps. An alternative is innovating or stopping to consider more suitable interaction alternatives. The limitations of this chapter are that the concept m-Commerce interfaces of Section 4 are conceptual and therefore have not been tested. As such, they represent the initial ideation phase of the Design Thinking process. Future research should produce low-fi and hi-fi prototypes of the concept apps to understand how consumers react to the new paradigms of app design.

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Theory of New Product Development and Its Applications

Esen Gürbüz

Additional information is available at the end of the chapter

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Abstract

A product which can be a physical object or a service should be functional and emotional to satisfy the customer's need, and to offer value, be delivered as the way customer demanded. Also, it has to include other specific elements like providing customer services. New product is the result of a creative and unique idea that is able to make consumers satisfied. In the process of new product development, it should not be thought that the change will only be on product physically but also on every aspect of the product. The difference between ideas increases production of different goods. The different kind of goods can positively affect the customers' opinion about a business. When a new business starts to produce a product which satisfies customer's need, then the demand of competitor's product which was already in the market may be decreased. Establishment of new product development (NPD) departments and their direct influence in the production process is crucial for businesses. They can determine demand and needs of consumers by applying different theories. These theories can be classified as (i) product-service systems, (ii) the Kano model, (iii) conjoint analysis, (iv) the product value matrix and (v) quality function deployment.

Keywords: product, new product development (NPD), product mix (portfolio), product life cycle (PLC), customer requirements (CRs)

1. Introduction

Marketing can be defined as an exchange which consumers expect to benefit from the firm and firms expect more market share, customer share and more pay. As a result of the fact that the market is dynamic, expectation of more customer share from customers in this exchange requires marketing to be managed with new techniques and strategies. The 7P mix, which classifies marketing's

basic strategies and tactics in seven main categories, can be described as 7 N to emphasize the importance of managing the innovation process in marketing. **Figure 1** explains the transition process from 7P to 7 N and the marketing success because of mutual interactive interaction of 7P and 7 N. **Figure 1** illustrates the need to not only reactively implement but also proactively implement marketing mix elements. Mutually and integrally, management and implementation of the marketing mix elements are also important for handling new products, new prices, new places, new promotions, new physical environment, new processes and new people.

According to Fojt [1], the general view about new product development (NPD) is that it brings considerable profits to the businesses if new product is introduced to the market at the right time, is priced at the suitable amount and targets suitable customer group. Accuracy of this view was questioned by Fojt [1], and it was stated that NPD can result in new profit or loss. It is advised that various questions should be answered by the managers before new product decisions to determine whether NPD will bring profit or loss to the business. These questions are:

- What markets are they looking at?
- What types of products or services should they offer?
- Is the product new to the business or its customers?

There are several descriptions made for product term in the literature. Few descriptions will be given here to make clear what it is meant by product.

Product is defined as an entity that is brought to a market for attention, acquisition, use or consumption which meets a need of consumers. Product does not mean only tangible items such as houses, foods and computers but also intangible items such as services including thoughts, events, organizations, persons, places, etc. or a mixture of these. Services are the form of product that consists of activities, benefits or satisfactions offered for sale. Therefore, product is a broad term which defines all those things [2]. **Figure 2** summarizes the elements of a product.

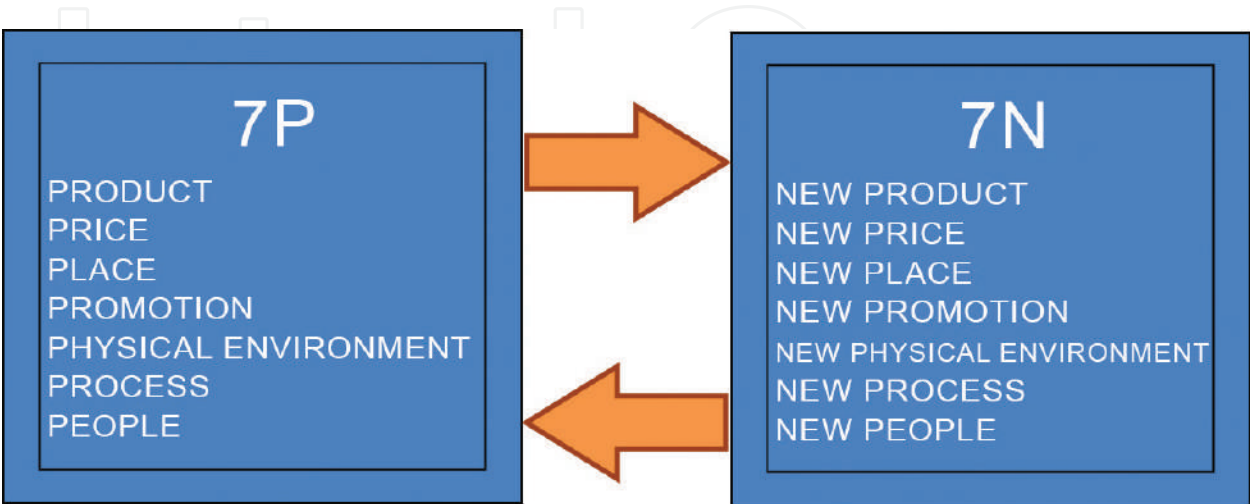


Figure 1. Components of marketing mix.



Figure 2. Components of a product. Source: Adapted from Chunawalla [3], p. 2.

Definition of product term does not stay stable and changes constantly during the time. Before, product was defined as what is produced by businesses, but today it is defined as a want of a customer provided or satisfaction of a customer met in an exchange. Satisfaction can be physical or psychological. Therefore, product includes more elements [3].

2. New product development (NPD)

Various definitions and explanations of its boundaries about 'new product' have been made in the literature. New product is defined by Crawford as 'a product for which the company needs a new marketing, and in which the substantial changes are conveyed but excludes any changes that may require simple promotions' [4].

To make NPD effective, there should be a coordination between the manufacturing, engineering, research and development (R&D), marketing, finance and purchasing departments. Marketing department first has to make an assessment about new product, and then a cross-functional team created for the new product has to come into the scene for development of new product [5].

There are several types of classifications for 'new product'. One of these categorized new product into four groups. These are [6]:

1. **Major innovations.** Major innovations are absolutely new in the market. They are created by new technological developments and provide new experiences to the customers. For example, phones, smart phones, computers and tablets were not present before they were released for the first time. They created new markets instead of old ones as a result of attracting potential customers by claiming to ease their lives with if they use these products. However, there is a risk about attracting potential customers to major innovation product as potential customers may doubt about its worth. They can hesitate to spend money on something which did not yet prove its reliability and usefulness. Therefore, the business that created new product has to find ways to convince them that they need this product. Even though it is risky to produce a major innovation product, it can bring to the business several benefits in addition to the profit such as increased reputation of business among customers, employees, shareholders and potential investors.
2. **Product improvements.** Contrary to the 'major innovation' group, products in 'product improvement' group are not produced with the aim of creating new market. Instead, they target customers of competitors in the market. This kind of new products is popular in cosmetics, chemistry (especially detergent products) and food (diet, fat-free, allergen-free products) industries. Businesses in these industries try to attract customers to their products by differentiating their products from competitors' products in the market.
3. **Product additions.** These are imitation products which use the market created by the producers of original products. Even though these products may claim new features, benefits (which are what customers experience differently to the original product) will be limited. This kind of new product is usually chosen by small businesses which have limited resources to create an original product. Therefore, they use original product's existing market and sell with lower prices because of less costs for production of these products without product development costs. In this situation, business that produced original product will face with imitation products with lower prices which will attract customers and will endure product development costs. Because of this, businesses producing original products try to prevent imitation products by using marketing countermeasures. Therefore, it is difficult to find a distribution line in this market for imitation product businesses.
4. **Repositioned products.** Repositioned products are promoted in a new way to attract different kinds of customers. These are not new products, are not new formulations or are not new features, but they are positioned in a different way in the market for attracting different groups of customers. For example, Lucozade energy drink business changed the product's image from a drink for recovering people from an illness to a drink for people interested in sports.

New product is categorized under the six groups by Booz, Allen and Hamilton. The 'new' feature of product is considered relevant to the business and the market [3]:

1. **Technological breakthroughs:** This group of new products is one-of-a-kind product such as anticancer or AIDS vaccines or new technologic products such as flying cars. These products are new experiences for customers at the time of their release to the market. They

offer quite different or marginal benefits to the customers. Technological breakthrough products are the result of continuous product and marketing researches. These products bring considerable benefits to the businesses produced.

2. **Significant improvements:** These products are made by considerable improvement of existing products in the market. This improvement increases the value of product and benefits both businesses and customers. For example, instant coffee replaces the usual brewed coffee. While customers enjoy making coffee easier and faster for breakfast, businesses increase the sales.
3. **Modified products:** These products are created by making insignificant improvements in the existing products such as adding new smell to the detergent or increasing/decreasing (fries, smart phones) sizes of products. The 'new' here is made to enhance the product experience.
4. **Products new to the business:** These are imitated products which are already sold in the market, but business produces them for the first time. Business uses an existing market to sell these products and tries to attract competitors' customers.
5. **Repositioning:** These products are produced currently by the business in a given market, and this business starts to produce it for new markets.
6. **Cost reductions:** Business releases the same products but with less prices to the market.

NPD completes in eight stages. At the end of each stage, business should make a decision, continue to the next stage, leave to develop products or look for extra information. **Figure 3** illustrates the process. The eight stages shown in **Figure 3** are (1) generation of new product ideas, (2) screening and evaluation of ideas, (3) concept development and testing, (4) marketing strategy, (5) business analysis, (6) product development, (7) test marketing and (8) commercialization [3].

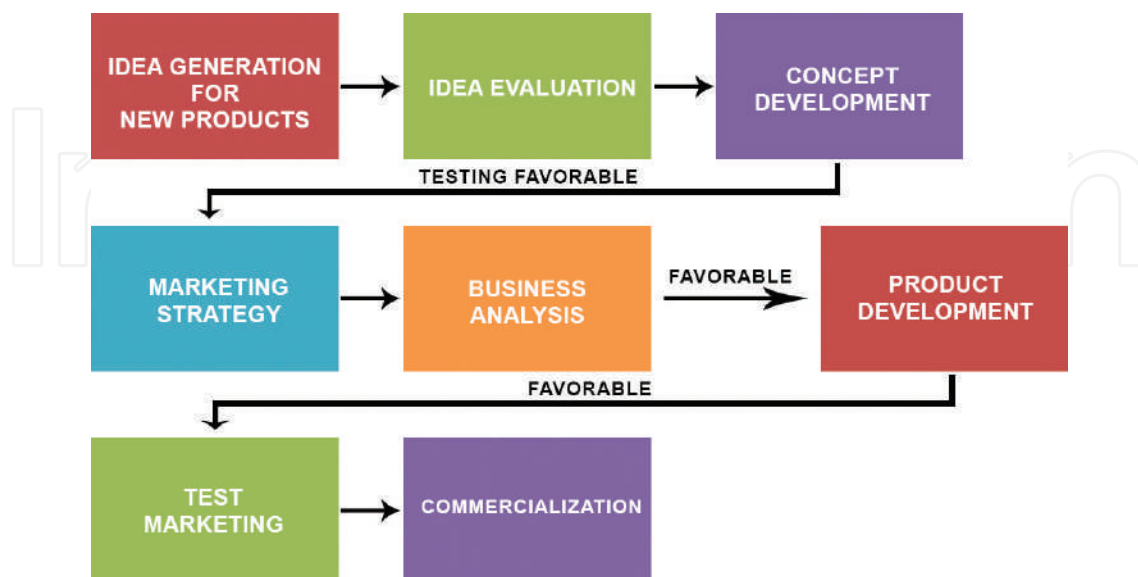


Figure 3. New product development process.

Suppose that there is a business which produces doors and has an idea of producing a door that opens with a face recognition system. The stages of the marketing process for this door should be planned and implemented following the new product development process categorized below.



New product development processes under eight stages are explained below [3]:

Stage 1: Generation of new product ideas

To initiate a new product development, first, there has to be an idea beforehand to create it. A lot of ideas are generated till the business finds the most suitable ones. Businesses use internal sources like R&D department, external sources like customers and competitors and other sources like seminars, universities, investors, etc. to generate ideas for new product development. It was shown in a survey including 750 interviews of CEOs in global businesses that 41% of new product ideas were generated by employees, 36% of ideas were generated by customers and only 14% of ideas were generated by R&D department.

Stage 2: Screening and evaluation of ideas

At this stage, all generated ideas in Stage 1 are screened and evaluated to limit ideas to a manageable number including most useful ideas in order to ease new product development process in later stages and reduce costs and time spent for not useful ideas. Firstly, all ideas are screened to distinguish more useful ideas from less useful ones. Secondly, three questions that are involved in new product screening framework created by a marketing expert are applied to selected ideas. These questions are defined in a sum as R-W-W ('real, win, worth doing'), and business must give all these questions 'yes' answers:

- Is it real? Is there a need that will force customers to buy it?
- Can we win? Does it provide a considerable benefit for the business? Are there enough resources to make new product successful?
- Is it worth doing? Is this product compatible with the business's growth strategy?

Stage 3: Concept development and testing

After the most useful product ideas that are selected at Stage 2, product concepts will be developed. The selected product ideas will be presented in a detailed and meaningful way as product concepts.

Then, concept testing will be applied to the developed product concepts. At this test, the thoughts of selected customer groups about new product concepts will be taken, and the product concept that received the best score will be selected as a new product to be developed.

Stage 4: Marketing strategy

At this stage, a marketing strategy will be created for the selected concept. Marketing strategy is created in three steps. These steps are:

- Identify which market will new product concept be sold, how much profit is targeted from new product concept and what are its planned value proposition, sales and market share for the first few years.
- Identify the price new product concept will be sold, how it will be distributed in the market and what will marketing budget be for the first year.
- Identify how much new product concept will be sold in the long term, how much profit is targeted from long-term sale and what will be long-term marketing mix strategy.

Stage 5: Business strategy

Business strategy is created in two steps:

- The first step is projection of new product concept sales. Sales can be projected by market research and review of similar products' sale numbers in the past. Then, business calculates risk by estimating minimum and maximum sales.
- The second one is projection of cost and profit. All costs involved in new product development such as investment, operation, marketing, R&D costs and profits from sales of new product are estimated at this stage. Calculated numbers will indicate financial attractiveness of new product.

If these projections are compatible with the business's objectives, it will be moved to the next stage.

Stage 6: Product development

A sample or samples of new product will be created by the R&D department of the business. Then, samples will be tested to assess new product concept whether it is attractive for customers; it can be produced at expected cost and time. Several tests are made to samples to ensure the safety, attractiveness and effectiveness of new product concept; therefore, test process may take a while to choose the most suitable sample. Businesses either do tests themselves or get a service from another business.

Stage 7: Test marketing

At this stage, tests will be made to identify how marketing of new product concept must be conducted for the best results before enduring costs for unsuitable marketing strategies. All

marketing elements such as new product concept's target market, position in the market, advertisement, distribution, packaging, costs, etc.

Marketing test provides businesses a suitable marketing strategy for new product concept to be commercialized at the next stage. Passing marketing test and going to commercialization directly may make business face with more than expected costs till the level of exceeding profit. Therefore, it is crucial for the businesses to conduct marketing test before going for commercialization at the next stage.

Stage 8: Commercialization

The first thing to be done at this stage is determining the time when new product concept will be commercialized or introduced to the market. Then, at in which scale new product concept will be introduced to the market, at a small scale such as a city, medium scale such as a region, or at a big scale such as the national market, or the international market. Usually, most businesses prefer to introduce new products into the market at small or medium scales and expand the market in the process as introduction of new product at a big scale requires more capital, confidence and capacity which only few businesses have.

3. New product development in portfolio management

New product development is usually done by the businesses in the kind of significant improvement or modified products which are explained in the previous section. For example, Sony's over 80% of new products are improvements of existing products. Similar to Sony, Nike started with running shoes in the beginning and then enlarged its product range to a whole range of sports apparel with constant improvements [7]. Therefore, the place of new product developments among existing products, product line or portfolio has to be carefully assessed during the initial stages of new product development.

Product line can be defined as a product group which consists of several products related to each other because of being sold by same type of marketing tools to the same customers, functioning in a similar way or priced similarly. For example, Apple produces different kinds of computers, and Nike produces several types of sports shoes. Both businesses aim to address the needs of different kinds of customers.

Assessment of how many related products will be produced or in other words what the length of product line will be and how each product in line will contribute to the profit periodically is an important subject for businesses to observe profit variations. If product line is too short, there is a potential to increase profit by adding new product into the line, or if the line is too long, a poor performing product can be excluded from the line to increase profit.

Business objectives and resources are what determine the length of product line. For example, business may have an objective to attract high-income customers; therefore, new products are developed by adding luxury features to the existing product to attract high-income customers such as automobile series starting from average model and going up to a luxury model. Or,

business may object to do cross-selling such as selling HP printers and cartridges. In addition, business may object to avoid profit losses in case of economic problems by creating different brands with different prices such as Gap which has several brands (Gap, Old Navy and Banana Republic) addressing customers with different income levels. If a business has several product lines, it has a product portfolio. A product portfolio has four major dimensions which are width, length, depth and consistency [2]. For example, the portfolio of Nine West business includes hundreds of products. It has four major product lines which are shoes, bags, wallet and accessory and several sublines such as shoes line consisting of heeled shoes, flat shoes, stilettos, etc. They are shown in **Figure 4**.

Product mix width refers to the number of different product lines the company carries. Nine West's product mix width is four as shoes, bags, wallet and accessory.

Product mix length refers to the total number of items a company carries within its product lines. Nine West's product mix length is eight as heeled shoes, flat shoes, spore shoes, buskin, stiletto, boot, sandals and slippers within its shoe product lines.

Product mix depth refers to the number of versions offered for each product in the line. Nine West's product mix depth is eight within its heeled shoes as open-toed heeled shoes, padded high heels, rear high heels, pointed nose, abiye shoes, platform shoes, short-heeled shoes and filler heel slippers.

The consistency of the product mix refers to how closely related the various product lines are in end use, production requirements, distribution channels or some other way. Nine West as a company has many product lines which are completely dependent on each other. Thus, the product mix consistency is high.

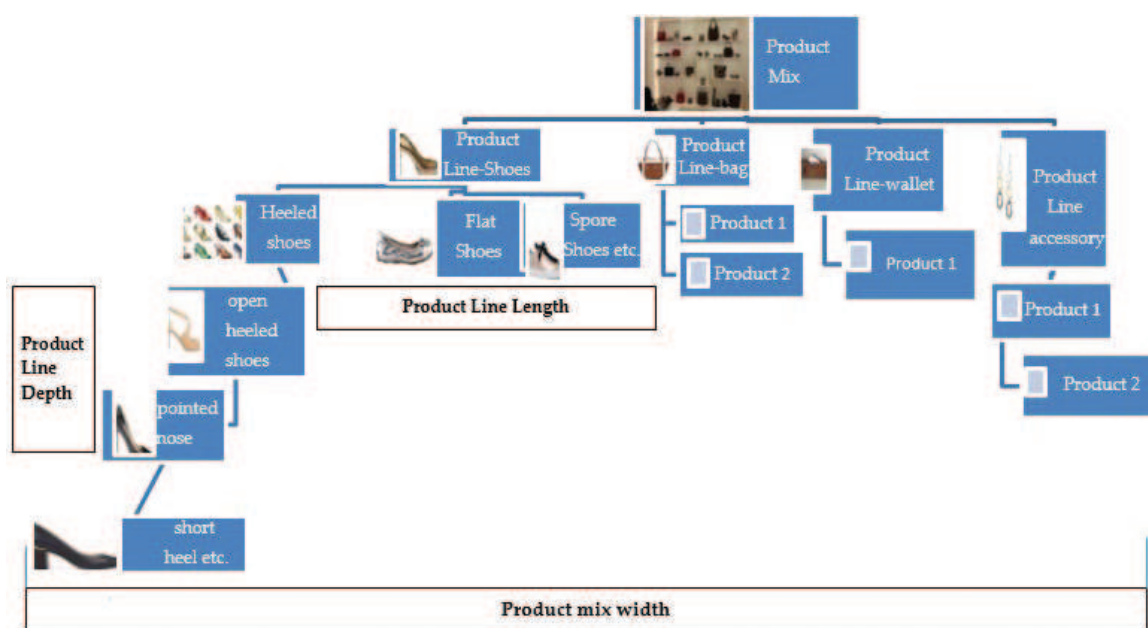


Figure 4. Product mix (portfolio) of a shoe business.

This means that a business can expand its product portfolio in four ways: expand the width of portfolio by adding new lines to the portfolio; increase the length by adding new products/product types (existing product improvements) into the product lines; increase the depth by adding more products to product types, therefore enhancing or deepening the portfolio; and change the consistency by increasing or decreasing product types according to whether business aims to be strong in a single field or operates in several fields [2].

Portfolio management is an ongoing process that new products and existing products are assessed continuously, high-profit expected new products are selected and poorly performing existing products are stopped to share business resources to products in the portfolio effectively. If portfolio management is not done accurately, businesses face with several issues. For example, resources may not be adequate if there are quite a number of new product ideas, new product ideas may not be compatible with business's strategies, poorly performing products may not be caught at the right time or the quality of portfolio can deteriorate with wrong new product decisions [8, 9].

Portfolio matrix is useful for deciding which products will be added to portfolio or which ones will be removed from portfolio. It assesses products with two criteria which are relative market share and market growth. Relative market share which is especially important for businesses in the commercial sector as holding larger market shares than its competitors is an advantage for these businesses. High-growth markets provide more benefits to businesses than low-growth ones such as more customers, increasing market shares. **Figure 5** shows that the matrix has four groups merging into one. These groups have very different names to highlight their importance [10].

1. **Stars.** Products in stars group have high relative market shares and operate in a high-growth market. While these products require high amount of investment, they also provide high profit. If market growth rate decreases, investment needed will be less; therefore, these products will be classed as cash cows.
2. **Cash cows.** Cash cows are defined as products that have high shares and low market growth rate. Because of saturated market, these products will not need high investments.
3. **Problem children.** Problem children products have low market shares but operate in a high-growth market. It means that these products will require high amount of investment because of high market share, but they will not earn significant profit as much as stars and cash cows. It is not very clear which direction (cash cows or dogs) problem children products will go on in later time.
4. **Dogs.** Products in dogs group have low market shares and operate in a low-growth market. It is a challenging task to move dogs group products to other groups because of their low market share positions.

It is often advised to use profit from 'cash cows' for the investment of stars group of products in portfolio management. It is known that there has to be some stars group of products in a portfolio to maintain a well-balanced portfolio. There is a need for cash cows group of

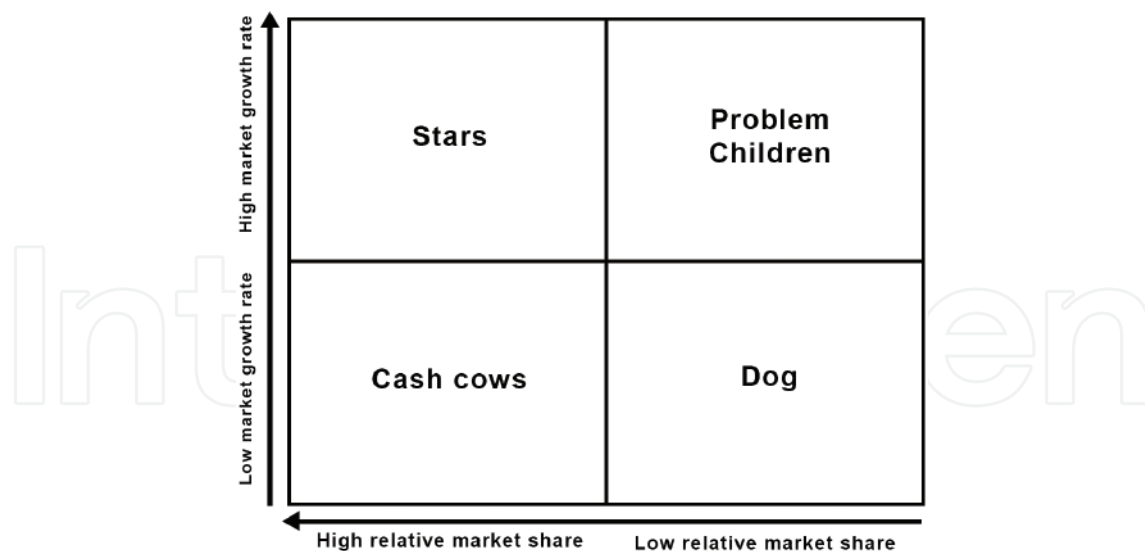


Figure 5. Portfolio matrix. Source: Walton [10].

products to earn profit. Major advantages of portfolio matrix are that it helps to find a product which will provide high profit and is useful for developing production strategies and long-term growth plans of portfolio. Also, showing portfolio in a graphic image like in portfolio matrix makes understanding how portfolio shapes and what it would bring to the business easier. Despite of advantages, portfolio matrix has been criticized from few points. One point is that portfolio matrix is very broad and developing successful strategies requires more than market analysis. Another point is that it has too many objective indicators, while subjective indicators take more places in real environment. Also, using pejorative terms like ‘cash cow’ and ‘dog’ can lead to self-fulfilling prophecies [10].

4. New product development and meeting customer needs or requirements (CRs)

Competition in global market is quite high which makes businesses to give more concern to meeting customer needs. It is really difficult for businesses to be successful in global market by depending only on high-volume production and low cost. Having a desirable position in highly competitive markets requires making effort to produce products (NPD) which will meet the customer needs and satisfy them. There are several models created to be useful for businesses to understand customer requirements (CRs) [11]. Some models categorized below promote innovation during NPD’s first stage (generating idea) and therefore are useful at making cost-effective decisions:

1. **Product-service system (PSS):** This model is first presented by Goedkoop et al. to make more benefits from integration of new product development with related services. It is defined as an integrated system of products, services, networks of players and supporting

infrastructure which come together to satisfy customer needs, to be competitive and to have less environmental impacts than traditional business models. Some specialized versions of PSS were also created such as technical PSS and industrial PSS. How PSS is designed is given below [12]:

- **Customer analysis:** First, PSS designers find out the CRs and then identify the functional requirements (FRs) and engineering characteristics (ECs) of the product and service by assessing the CRs. Modeling of interrelations of CRs, FRs and ECs can be done with mapping.
- **PSS conceptual design:** Conceptual ideas are developed by using CRs, FRs and ECs such as case-based reasoning and knowledge reasoning. The most semantically similar conceptual ideas will be referenced for the specific CRs.
- **PSS detailed design:** PSS designers distribute selected ideas within a detailed structure after defining the referenced ideas. Then, specifications of PSS details are explained to understand PSS better.

2. **The Kano model:** The Kano model categorizes attributes of new product into various groups according to effects of attributes on customer satisfaction. Model assumptions are shown in **Figure 6** [13].

Attributes are categorized into five different groups by the Kano model. These groups are [13, 14]:

- **(M) Must-be:** This kind of attributes meets the basic needs which are not to be noticed by customers when met, but it will have a quite strong effect if not met.

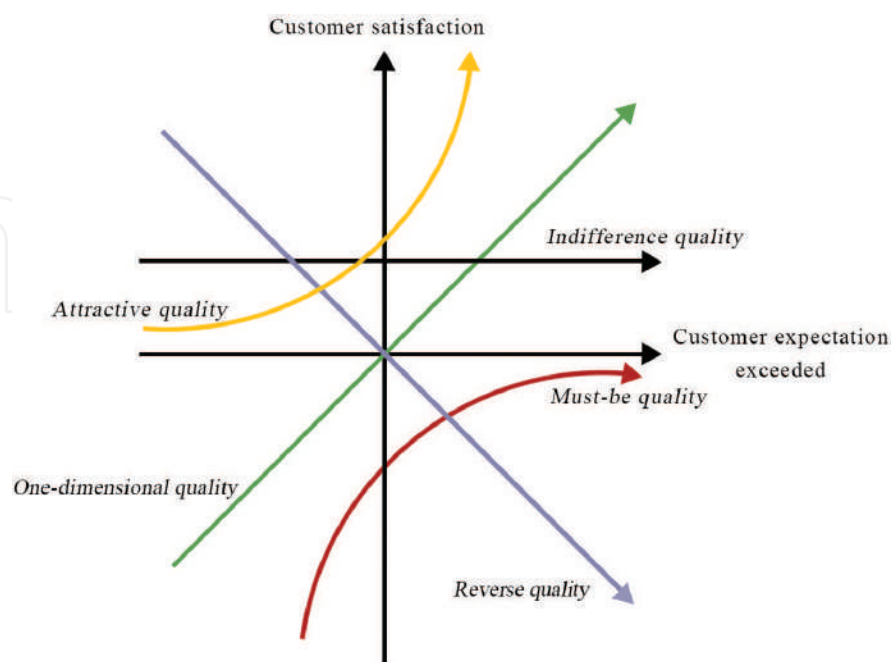


Figure 6. The Kano model assumptions. Source: Szymczak and Kowal [13].

- **(O) One-dimensional:** If these attributes are included in the product, customers will notice satisfaction. If not met, customers will be dissatisfied. These attributes have to be included in products at the level that their absence will not have a negative effect on customer satisfaction (neutral point). From this point, more attributes may be added for meeting customer satisfaction.
 - **(A) Attractive:** These attributes are defined as 'bonus' which increase satisfaction if they are included in the product, but there is no significant effect when it is not included.
 - **(I) Indifferent:** These attributes have no effect on customer satisfaction. There will be no difference in the customer's purchase decision whether they are included or not.
 - **(R) Reverse:** These attributes affect customer satisfaction negatively; therefore, they need to be avoided.
3. **Conjoint analysis:** This model is used to examine the relative importance of customer needs vis-à-vis product features and attributes with a multiattribute preference analysis. It is useful to understand what will the position of new product be against products currently sold in the market by competitors. For this purpose, first, all feature and price combinations for a given product are listed. Second, a sample group of potential customers are asked to rank these combinations. Third, a statistical analysis is done to rank and weigh the combinations according to the responses to find the best combination and decide to produce it. This model is used generally in market research and preferred usually for high-consuming products [14].
 4. **The product value matrix:** This model is used to create a market requirement specification (MRS) for new product and put product development tasks in order according to their priority. It assures that the needs of all parts involved in supply chain of new product consisting of customers, suppliers, retailers and so on are met. In this model, it is assumed that the sales and marketing team know all the participants and their needs in the supply chain of the given product [14].
 5. **Quality function deployment (QFD):** This model aims to represent customer requirements in new product design and specifications and therefore make new product attractive to the customers. QFD increases quality, while it decreases production cost and development time. QFD suggests to use resources for producing new product according to customer requirements rather than business management. There are three groups of customer requirements which need to be understood well by product development team. These groups are [15]:
 - **First group:** The basic customer requirements are found out using market research methods such as interviews, focus groups and surveying. These requirements are usually unclear or undefined such as 'a fast car'; therefore, they must be defined more to include measurable characteristics. Usually, some attributes such as 'safety specifications of car' about the product are neglected or not expressed by assuming they are already included in the product by the customers during market research. To have a high customer satisfaction, the product must include all expressed and not expressed basic requirements along with high performance.

- **Second group:** These are fundamental customer requirements which are found out by assessing the use of products by customers and customer behaviors. For instance, customers may require banks to work outside 9–5 shift. This request may be provided by working longer hours or by Internet and telephone banking.
- **Third group:** These requirements are called ‘new features’ and defined as ‘delight’ because they are unexpressed and most of the time unknown by customers and excite customers when they are found in the product unexpectedly. They are not known by the customers because customers may be unaware of technical abilities of these products or used to standard products. Even though some new features become available by technological developments, some of them can be provided by understanding customer behaviors and product uses with conducting market research and new product development.

5. Life cycle perspective in new product development

Each product has a life cycle similar to the living creatures: it is born, grows and dies. Eventually, all products will complete the cycle at a time and will die. However, the time the new product will come to the end of the cycle is important for businesses because the main reason behind developing any product is making profit. If the cycle is not sufficiently long to cover any costs endured and make decent profit to the businesses, all the efforts to develop new product will be worthless. Therefore, businesses make an expectation for a desirable life cycle for their new products [2].

The product life cycle has stages similar to the life forms. These stages are: (1) *Introduction stage*: maintenance cost is high at this stage, and profit is limited. Product needs to be sold immediately to earn profit. (2) *Growth*: maintenance cost is lower than the introduction stage, and sales are increased. Competitors are appearing in the market, too. (3) *Maturity*: this stage brings the most profit to the business, sales increase and maintenance cost gets much lower. (4) *Decline and withdrawal*: at this stage, products of competitors are preferred; therefore, profit decreases significantly. At the end, products are withdrawn from the market [10].

There are three major facts agreed on by most about the PLC concept [16]:

1. the speed of products at each stage of life cycle is different;
2. profit per unit increases rapidly in the growth stage and decreases gradually in the maturity phase because competitors enter to the market at this stage; and
3. ‘the functional emphasis required for successful product exploitation—engineering and research, manufacturing, marketing and financial control—changes from phase to phase in the cycle as shifts occur in the economics of profitability’.

There are a few studies about launch of new products, but there are several studies about introduction of new products to the market which will be useful to understand the notion of ‘launch’ within the context of new product development. There are several important key decisions at the tactical level of new product launch which are called ‘4Ps’ and explained below [17]:

1. **Product launch decisions:** Product launch decisions are about brand choice and product line length (also called product assortment) which are used to decide, the new product's position in the market for determining which customer needs are better satisfied to have high profit and the relative quality of product determining which new product solves customer problems better.
2. **Price launch decisions:** Price of new product determines product's position among competitors, and it may be a measure for customers to assess the product's quality. Price decision is not made only for launch price including discounts and promotions, but it also involves a choice between skimming and penetrating in long term. Skimming is preferred often for high technological products because of high profit gain. Penetrating price is advised to benefit from increasing economies of scale and hindering competitive products when new product has a typical diffusion curve as sales increase along with diffusion.
3. **Promotion launch decisions:** There are several activities done while introducing new product to the market such as public relation, advertising, sales promotion and personal selling. It has been suggested that if there is low awareness about a new product, a pull strategy in advertising and promotion is better to be followed rather than push strategy.
4. **Place launch decisions:** Distribution indicates the acceptance and sales of a new product in the market because it shows how new product is available to the customers. The distribution channels must have the highest availability in the target market and reflect the target market's buying behaviour.

NPDs were more often introduced to the markets that have an early stage in the product-market life cycle. There are several advantages of early entry, but they are not given automatically as there are technological and market uncertainties inherent in the development of new products. Original new products if they are an early follower may be more profitable than being the first in the market:

'The apparent lack of consensus regarding whether new products will be more successful if launched early into markets which are more likely to grow (and not later, into markets with established competition and less growth potential) may be at least partly due to the failure to recognize that different tactics can be successfully deployed for a new product launch in both the growth and maturity phases of product-market development' [17].

6. Success and failure in new product development

The interrelation of the market environment, new product strategy and development process that influences the success of a new product. When new product concept is developed, the introduction of it to the market has to be made in an effective and efficient way. For this purpose, organizational factors such as inter-functional coordination, structure and leadership must be involved in the process heavily [18].

Literature has shown that there are various elements affecting success of a new product. These elements are categorized under three groups below [19]:

1. *The need for interdisciplinary inputs.* It was shown in the literature that an interdisciplinary teamwork is necessary for the success of a new product. Because, new product development process involves several works and issues which need to be undertaken by different kinds of professions. The lack of a profession in the team of new product development process may lead to overlooking of important issues which will affect the success of a new product significantly.
2. *The need for quality inputs to the process.* In addition to having both technical and marketing information accurately and timely, updating of this information is also crucial for the success of a new product to be coherent to the changes in conditions.
3. *The need for speed in the process.* The new product needs to be released to the market and produced quickly to collect a significant share of profit from a new product before competitors enter to the market because history has shown that a good chunk of profits is gained by the first business operated in the market at the early stages of new product life cycle while others share the rest (of profit) left by the first business in the market. However, businesses should be cautious about making a speed introduction and production of new product to avoid making mistakes.

Kotler and Armstrong bring several reasons explaining why do so many new products fail, while there are clear instructions about how a new product development can be successful. The first reason is overestimating market size which will cause to overproduction resulting in profit loss. The second reason is poor design of a new product that will not be attractive as much as for potential customers. The third reason is producing it for the wrong segment of market such as selling a luxury product in an economically struggling region. The fourth reason is releasing new product to the market at a wrong time, for example, producing a high-tech product for the use of people at the time of an economic bottleneck when people hesitate spending money for products not necessary for daily needs. The fifth reason is pricing it wrongly, too expensive or too cheap which both will lead to loss in profit. The sixth reason is poor advertisement which will prevent a new product being known by the right customers [2].

7. Conclusion and suggestions

Products released to the market to meet customers' needs are changing almost instantaneously, while consumer needs are not changing. NPD which is the changing process of these products is not only a responsibility of research and development departments of businesses but also requires the cooperation of design, engineering, production and marketing departments. The NPD ideas coming from the channels like the universities, consumers, employees, rival company examples, etc. are first assessed by research and development department, then an NPD idea is created by the department, the idea is designed by the design department, its prototype definition and technical details are arranged by the engineering department and it is launched by the marketing department. NPD is required for the marketing of products which will meet

customer needs or requirements to satisfy the customers beyond their expectations. The success of the newly developed product would begin with the success of planning and implementation of the new product launch and maintenance of the sustainability of this success by the marketing department. The duty of marketing to make the new product successful requires the transition from 7P to 7 N that summarizes the marketing mix elements as new product, new price, new place, new promotion, new physical environment, new process and new people. Thus, with the new product, the price, the place, the promotion, the physical environment, the process and the people elements should be replanned and re-implemented. 7 N product life cycle (PLC) should be adapted at each stage of the marketing strategy. As a matter of fact, incorrect marketing practices such as incorrect price, insufficient promotion, distribution to the wrong market segment, presentation of product to the consumer in an unattractive design and environment, not using the interdisciplinary team work in the process and not being able to enter to the market before competitors are known as reasons for failure of the new product.

New product development for a company is the development of product mix or portfolio. While the product portfolio is developed as important innovations, it can also be developed as product advancement, repositioning of product or product additions. For example, how does the production of a door that includes a face recognition algorithm allowing to recognize faces even from distant locations affect door manufacturer's product portfolio? And, how does production of this kind of door before by competitors affect the sales and market share of the manufacturer? The production of a face recognition door by this manufacturer will enlarge the product portfolio. The production of different varieties of the door such as lock opening, automatic opening, etc. contributes to the length of the product line. The development of locking features such as door opening by a card reading or a device from inside of the lock contributes to the depth of the product line. Not adding this kind of door to the product mix by the door manufacturer although there is a demand by consumers in the target market will lead to a decrease in the market share, or producing it after competitors will lead to loss of taking the best part of the market and increase in the cost of winning the customers lost to the competitors.

FACIAL RECOGNITION SYSTEMS

MAGIC FACE is a facial recognition terminal which is useful in recognition of faces from even a distance by using a facial recognition algorithm. It is used successfully in systems need tracking, controlling or counting such as member or student tracking systems, cafeteria control systems, safety gate systems, prison counting / inspection systems and secure car parking systems.



Employees should be encouraged to develop new product ideas, consumer needs and wants in addition to new product ideas should be researched and complaints and information collected from consumers should be recorded and then converted to new product ideas. The marketing strategy should be evaluated, business analyses should be carried out for ideas which passed transformation from ideas to production test and found suitable for production and the developed products should be commercialized after the market test phase. Different business departments should work in cooperation in order to achieve the success of the new product. For this purpose, creative and innovative personnel should be employed in R&D, engineering, product design and marketing departments as much as in production department. Inadequate coordination between these departments will result in failure of new product development, and failure of new product development will lead to a financial crisis.

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The Progress of the United Nations in Empowerment and Equality for Women

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Carmen de la Calle Maldonado and
Sonia González Iglesias

Additional information is available at the end of the chapter

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Abstract

In this chapter, the authors examine the work done by the United Nations to improve the status of women from its origin until 1995, when the fourth and final United Nations World Conference on Women took place. The study shall be divided into three periods. The first spans the era of legal defence of women's rights. The second period begins with the turn of events spurred by the Programme of Concerted International Action for the Advancement of Women in 1970 and continues with the proclamation of the United Nations' International Women's Year in 1975 and the United Nations Decade for the Advancement of Women (1975–1985). Over this 10-year period, three conferences were held: the one that took place in Mexico (1975), the one in Copenhagen (1980) and finally the one in Nairobi (1985). The third period takes a look at the Beijing Conference (1995) and the unprecedented advances it brought about in terms of equality. While the work done by the United Nations was undeniably valuable, as shown in this study, its efforts were not accompanied by marketing work that would have enabled it to make a greater impact on the international public opinion.

Keywords: woman, United Nations, equality, empowerment, marketing

1. Introduction: the image of women and the fight for equality

After the end of World War II and the failure of the League of Nations, in 1945 the International Community gave its approval for the creation of the United Nations, an organisation established to ensure world peace and security. From the outset, this institution has insisted upon the importance of the communication media in development and cooperation between

nations. The first article of the Constitution of UNESCO, from 1945, states that the UN will always collaborate in the work of advancing the understanding of nations through the mass communication media, establishing such international agreements as may be necessary to promote the free flow of ideas and images.

The freedom of information is a topic that has been present in many of the covenants and agreements drawn up by the United Nations. Thus, in article 19 of the Declaration of Human Rights (1948), as well as in articles 18–20 of the International Covenant on Civil and Political Rights (1966), article 4 of the International Convention on the Elimination of All Forms of Racial Discrimination (1965) and article 2 of the International Convention on the Suppression and Punishment of the Crime of Apartheid, the subject of the freedom of information is mentioned as a fundamental, necessary, principle for the promotion of peace and understanding amongst human beings [1].

Three years after the United Nations was created, a conference on the freedom of information was held in Geneva. Based on this meeting, the rights, obligations and practices to be included within the concept of freedom of information were declared. This text places special emphasis on the fact that the free exchange of information and opinions is essential to the purposes of democracy and peace and for political, social, cultural and economic progress. To accomplish these aims, the media must be free from any kind of pressure, in virtue of its power to influence public opinion. This document stresses the significant responsibility that the media has towards the world and its duty to respect the truth and to promote understanding amongst all nations.

The UNESCO has endeavoured to foster, support and protect the work of the media and the professionals in this sector by creating covenants and agreements that benefit this commendable work. These conventions also aim to protect every human being's right to information while also stipulating certain obligations that all new organisations must fulfil.

However, in the early years of development of the United Nations, there are no serious references to women's status in the media or the impact that the media had on the image of women in the world. It was not until the Conference in Mexico that this subject was specifically addressed for the first time. The World Plan of Action from the meeting in Mexico recognised the importance of communication and information in improving women's status. Paragraphs 83 to 91 establish measures regarding education and the spread of information. These include a special emphasis on the sexist way in which women are portrayed, focusing on the importance of active participation by women in decision-making within the media. Finally, it is pointed out that there is a need to create educational programmes to eradicate the prejudices that restrict women's participation in society [2].

In 1980 in Copenhagen, emphasis was once again placed on this issue. However, it must be pointed out that in the questionnaire sent to the governments to assess the implementation of the Plan of Action of Mexico, no information was requested about the media, which leads to the conclusion that this was not a priority issue for the UN at that time. In fact, as noted in A Report on Action and Research Programmes, 1980–1985: "Yet it was not until three months before the Copenhagen Conference was to begin that a decision was taken, by the Preparatory

Committee to the Conference during its third session, to call for a report on the role of the communication media. This last-minute attempt to 'pull in' the communication issue to the Conference agenda, whose parameters had actually long since been set, partly explains why the Conference did not finally come to grips in any serious way with the actual and potential role of communication media in the development of women's status" [3].

The Platform for Action of Copenhagen stresses the importance of the communication industry in changing the stereotypical image of women and notes that priority must be given to women's participation in taking decisions about communication.

Later, the chapter on Development at the Nairobi Conference in 1985 states that measures need to be taken as necessary to eliminate stereotypes in the media and to fully incorporate women into society. The document encourages the creation of programmes and allocation of resources to support domestic campaigns aimed at informing the public about the need for equality between women and men [3].

While the subject of women and communication media was discussed more thoroughly in Nairobi, it was at the Beijing Conference where the topic was truly addressed in-depth, giving it unprecedented importance. One of the critical areas of concern for the conference, contained in the "Beijing Platform for Action", was a section on women and communication media. This appendix, in addition to describing the situation in this sector and while admitting that significant changes have occurred, stresses that there is still a lot to be done. The document emphasises two strategic objectives. The first of these refers to the access of women to decision-making in the media and new communication technologies. The second refers to promoting a balanced and non-stereotyped image of women in the media. Under each of the objectives, certain actions are established, to be taken by governments, national and international media systems, the communication media, non-governmental organisations and the private sector to promote an active role by women. Some of the objectives proposed at this conference were encouraging the media to refrain from presenting women as inferior beings, sexual objects and commodities, removing sexist stereotypes from the media, taking measures against pornography and images of violence against women and girls and portraying an image of women as actors and beneficiaries of development.

These measures established to improve the image of women have not led to significant changes in marketing, and social stereotypes that do not benefit equality are still found in this area. While this subject has been of great interest to scholars and professionals who study the topic, with the first papers discussing gender differences in marketing [4] and the differing gender roles in advertising [5] published back in 1947, the fact is that this research has not had a noticeable impact in this field up to now.

In the advertising industry, sexist biases continue to be broadcasted, portraying a demeaning image of women, using them as a constant lure to sell and seduce male consumers. In turn, the projection of negative, degrading images of women in the communication media does not help foster or promote equality [6]. To the contrary, we might assert that this media stance is fostering and projecting a patriarchal, sexist society instead of paving the way for an egalitarian society.

Although the UN's work, as evidenced throughout this chapter, has been commendable and entailed an incessant fight for equality between women and men, it is also true that, as we have just seen, this international organisation, in its origins, did not feature an attempt to change the image of women in the media or to launch marketing campaigns to mobilise public opinion in order to promote this equality. The United Nations has undeniably bolstered these campaigns, which have increased over the course of the years and left their mark on society, but just as the fight for the establishment of legal and institutional measures has been part of this organisation's work, the "sales campaign" for them has not been as productive as might have been expected; women were still forced into the background, and their image in the world remained that of the weaker sex that needed protection and care.

2. The legal defence of women's rights (1945–1970)

Ever since it was created in 1945, the objective of the United Nations has been to guarantee equality amongst all human beings and, more specifically, between men and women. Thus, in the Universal Declaration of Human Rights (1948), the organisation reiterated its commitment to promoting equality amongst people without distinction of their gender. These proclamations sparked intergovernmental actions taken in defence of women.

The Commission on the Status of Women created in 1946 was the first body in the United Nations system devoted to defending the status of women. The purpose of this Commission is to draw up recommendations and reports aimed at guaranteeing the rights of women under equal conditions with men in the political, economic, social, and educational spheres.

However, even before the creation of the UN, at the founding summit of the League of Nations (1919), women met at what could be called the "first parallel forum of NGOs". Over the next two decades, contacts between international non-governmental organisations for women and the League of Nations increased, placing pressure on the government delegations present at several summits on essential issues for women such as health, education, peace-keeping and disarmament, although an adequate legal and institutional framework was lacking [7].

It can be asserted that the earliest participation by women in the non-governmental sphere in drawing up international resolutions, conventions and declarations was in the area of labour rights, through the International Labour Organisation (ILO). The two objectives pursued by the ILO since its creation, in relation to female workers, were to protect their role as mothers and to promote equality between men and women in terms of employment. Both the contents of the conventions and the resolutions issued by the ILO have evolved from mere protection from a health and reproduction perspective, progressing towards the adoption of measures focusing on equal conditions and opportunities in employment [8].

The following conventions were issued during the years spanning from 1919 to 1970: Maternity Protection Convention (1919), Night Work (Women) Convention (1919), Underground Work (Women) Convention (1935), Equal Remuneration Convention (1951), Discrimination (Employment and Occupation) Convention (1958), Vocational Training Convention (1962), Employment Policy Convention (1964) and Workers with Family Responsibilities Convention (1965).

During the course of 1966, two International Human Rights Covenants applicable to both men and women were approved. These were the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. These covenants bolstered the Universal Declaration by developing the rights contained therein, turning them into legal obligations for the governments of the countries that ratified or acceded to them.

There is a greater emphasis on the principle of equality between men and women in these two International Covenants than there is in the Declaration of Human Rights. While gender-based discrimination is mentioned in the Declaration of Human Rights as one of several types of distinctions, such as race or religion, in the International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights, an entire article is devoted to stressing that men and women are equally entitled to these rights. Amongst the rights proclaimed in the first of these covenants, some highlights are the right to marriage above a minimum age, consent by husband and wife and equal rights and responsibilities by both spouses in relation to the marriage, within marriage and in the event of dissolution thereof. The right to vote and to hold public office established in the 1951 Convention on the Political Rights of Women was also reiterated.

The United Nations gradually recognised and expanded the rights of women in the civil, political, economic, educational and labour arenas. The status of women was seen essentially as a legal concern by the UN in its early years. The demands were mainly related to access to education, health services, food, work in decent health and wage conditions, etc. [9]. However, during this first period, the UN failed to consider the causes of the inequality that half the population continued to bear merely because they were women. At that time, their marginalisation in decision-making, lack of power and the established roles for men and women did not find their way into the agenda of the United Nations.

In all fairness, we must mention that some early displays of a different perception of the feminine issue were also seen during this first period, in which women were no longer passive beneficiaries of development or vulnerable individuals with rights to be protected, to become actors in the economic and social development of the nations [10]. Starting in the late 1960s, the international community began to make the substantial change that would be seen in its strategy on issues related to promotion of women, based on their integration in the development processes.

3. United Nations decade for the advancement of women (1970–1995)

3.1. Mexico 1975

1975 marked a turning point in the promotion of equality between men and women as the year chosen by the United Nations to be International Women's Year and, at the same time, the first World Conference on Women took place in Mexico, which assessed and reflected on the activity that the UN had carried out up to that time in terms of the promotion of women, the results of which were not very satisfactory. The organisation itself was forced to acknowledge that its mainly legal activity had not achieved much in terms of improving women's status in the world.

At this conference, a dialogue about equality between men and women was held on a global scale for the first time. Never before had the member states of the UN met to discuss agreed goals regarding gender equality, identifying obstacles and designing specific strategies to achieve such goals.

While, on a domestic scale, initiatives had been taken for the advancement of women, raising their participation in all spheres, the Mexico Conference gave these isolated steps forward a platform for institutional support and for implementation on a worldwide scale. The urgent need to improve women's status and the need to educate and train them to give them access to the same opportunities as men were seen at this conference.

In addition to equality, the Plan of Action of Mexico also set the goal of fully integrating women into the entire effort towards development. One of the objectives to be achieved was to increase the contribution of women to securing world peace. It was at this time that women began to be seen not just as passive victims of underdevelopment and conflicts but rather as active agents in the development and peace processes. The goals of equality, development and peace became the motto of the United Nations Decade for Women, declared by the UN at the urging of the conference for the period spanning from 1976 to 1985. The World Plan of Action outlined the fundamental goals of equality, development and peace and urged the governments of the signatory states to implement the necessary measures at national, regional and international levels to reach these goals by the end of the Decade for Women. In an effort to ensure their success, 14 minimum targets were set for the first half of the period. These included participations by women in the debates and in establishing guidelines, promotion of equal education and access thereto at all levels, highlighting the compulsory nature of primary education, reducing female unemployment rates, health, parity in exercising civil rights and the presence of women in decision-making bodies at local, national and international levels. The UN member states were to meet in Copenhagen in 1980 to assess the degree of achievement of these intermediate goals.

As a result of the Mexico Conference, the UN created two new bodies: the International Research and Training Institute for the Advancement of Women (INSTRAW), the purpose of which was to stimulate the advancement of women and their contribution to development through research, training and the spread of information [11], and the United Nations Development Fund for Women (UNIFEM), which would provide financial support and technical assistance to programmes promoting human rights for women and gender equality [12]. The work done by these agencies has been extremely important in improving the status of women around the world.

The UN General Assembly approved the Convention on the Elimination of All Forms of Discrimination against Women (1979). In its 30 articles, this document outlines the measures to be implemented in order to progressively eradicate all forms of discrimination against women in political and public life, in teaching, employment, health, marriage and the family and based on nationality. It represents a compilation of all the efforts made by the United Nations to incorporate the principle of gender equality into domestic laws.

3.2. Copenhagen 1980

Five years later, the states met in Copenhagen to assess the degree of achievement of the World Plan of Action of the Mexico Conference, concluding that, while progress had been made in some of the goals, legal equality between men and women had not been implemented as expected due to obstacles such as insufficient political will, lack of acknowledgement of the value of women's contribution to society, a shortage of women in decision-making positions, insufficient services to enable women to perform their duties in national life, few credit facilities, a shortage of financial resources in general, limited participation by men in improving the role of women in society and a lack of awareness amongst women themselves as to the available opportunities, to name a few. With the aim of assisting women in exercising the rights entitled to them by law, governments were advised to attempt to eliminate these obstacles. Three areas were established, on which the signatory states and the UN agencies were to focus their efforts for achieving the goals of the World Plan of Action over the following 5 years. These were equitable access to education, equal employment opportunities and adequate healthcare.

In the Copenhagen Programme of Action, the signatory states agreed to increase the number of national measures to guarantee women's right to own property and control assets in general, to inherit, of custody of children and to nationality. In turn, the stereotypical images held of women were to be broken down by governments through campaigns aimed at advertising and the communication media.

The resistance that certain official delegations displayed towards the contents of the recommendations, which were incompatible with national legislation in numerous cases and with certain cultural principles that were deeply rooted in their societies, hindered consensus. The political tensions that had already begun to surface at the Mexico Conference grew stronger. Such is the case that the discussion came to a standstill and the final document was approved without reaching a consensus by all the participating states.

3.3. Nairobi 1985

After the Conference in Copenhagen, the third United Nations World Conference was held in Nairobi (Kenya) in 1985. The strategies set in Nairobi revolve around the three cornerstones: equality, development and peace. This document identifies the obstacles found to hinder the achievement of the goals defined in the principles for the decade and draws up basic strategies for the future and measures to be applied at the national level.

Within the subject of development, the subthemes of nutrition, water and agriculture, industry, trade and sales services, science and technology, communications, housing, settlements, development and transportation, energy, environment and social services were added to the subthemes of employment, health and education defined in Mexico. Special attention was given within the field of health to women and children under apartheid, Palestinian women and children and women in areas under the influence of armed conflicts, foreign intervention and threats to peace.

This conference confirmed that the targets and goals set for the decade had only been partially achieved. While the early years of the decade had featured relatively favourable economic conditions in both developed and developing countries, the subsequent decline in the economic situation had prompted a drop in the pace of efforts aimed at promoting the equitable participation of women in society and had generated issues that forced a downturn in the cause for women.

The Nairobi Strategies represent such a change in the UN's focus on the issue of women's status that the organisation itself refers to this conference as the "birth of feminism on a global scale". For the first time, a document passed with full consensus by all the participating states takes an in-depth look at the cultural reasons behind the perpetuation of gender-based inequality and recommends that these obstacles be eliminated not only through legislation but also by educating the population in general, men as well as women.

In this document, the approach to equality is no longer exclusive in terms of non-discrimination of women; instead, the signatory states make a commitment to implement legal and institutional mechanisms that encourage full participation by women in all occupations, particularly in realms that were once considered strictly masculine domain, in order to break down occupational barriers and taboos [10]. Special emphasis is placed on passing measures focused on ensuring equitable representation of men and women in decision-making bodies at all local, national and intergovernmental levels of politics. The fact that equality was no longer approached in terms of "non-discrimination" at this conference but rather as participation by women in all social spheres represents an important qualitative shift because it suggests a change in the very structures of society, in which women are active agents of this transformation. Another issue to be highlighted is the fact that this conference looks more closely at the cultural reasons behind the perpetuation of gender-based inequality and concludes that there are no physiological reasons to consider women as inferior to men nor are there any jobs or tasks specifically for women, and social structures are determined to be the essential element that perpetuates inequality.

In Nairobi, the need to intensify research on the status of women and the causes of discrimination of women became evident, and without actually giving it a name, the approach referred to as "empowerment" also began to take shape here, meaning the need to foster self-esteem, autonomy and greater access to power by women. Although the concept of "empowerment" pervades the Nairobi Strategies, the word itself does not appear for the first time until 7 years later at the International Conference on Population and Development held in Cairo, and it is also included in the Beijing Declaration in 1995.

Another topic that was stressed was the insistence upon taking measures at all levels to counteract gender violence. Violence against women was defined for the first time as "a major obstacle to the achievement of peace and the other objectives of the Decade" and was categorised as a critical area of concern.

In the non-governmental field, the International Women's Rights Action Watch, IWRAP, was created in Nairobi to track the Convention on the Elimination of All Forms of Discrimination against Women.

And it was here that specific studies and actions were defined by the governments to eliminate stereotypes in the media and to incorporate women into society. This document also suggests applying research, creating programmes and allocating resources to support domestic campaigns aimed at informing the public about the need for equality between women and men [13].

4. Fourth world conference in Beijing (1995)

In 1995, the fourth United Nations World Conference was held in the capital of China, Beijing. At the same time, coinciding with the conference, the NGO Forum was held simultaneously, attended by more than 10,000 people from civil society. Preparations for this conference dated back to 1990, with preliminary regional summits held over the years to draw up proposals, which were recorded in regional documents and plans. These preparatory meetings helped to define the draft version of the Platform of Action, which would later be discussed in Beijing. However, despite all the work done, the Draft version of the Platform of Action lacked consensus, and more than 50% of the text was submitted without consensus [14].

The Beijing Conference had an unprecedented impact in the media, thus fully achieving the goal of any United Nations Conference of raising awareness amongst the public about the topics to be addressed. The fourth World Conference on Women in Beijing and the NGO Forum in Huairou generated an enormous mobilisation of the media. The events attracted more than 3200 journalists and people related to the media, compared to some 1400 at the 1985 conference in Nairobi and 800 at the conference in 1980. The Beijing Conference received more coverage than the preceding three conferences all together [15].

As a result of the conference, two documents were issued—the Beijing Declaration and the Platform for Action—which focused on 12 critical areas of concern for women, namely, poverty, education, health, violence against women, armed conflicts, the economy, women in power and decision-making, institutional mechanisms for advancement, human rights, the media, the environment and the girl child.

In Beijing, the term “gender” was introduced, defined as “socially constructed roles assigned to men and women, and the possibilities, opportunities and discriminations deriving from this” [9]. This new approach entails no longer dealing with women’s status in an isolated manner but rather, in order for it to improve, changing the very structures of society, recreating more equal relationships between men and women. Thus, it is noted that the differences between women and men are not just biological but that there are also certain social structures that must be eradicated if full equality is to be achieved.

The United Nations conferences held during the first half of the 1990s had insisted on fostering equitable participation by men and women in order to achieve equitable, sustainable, human development. The fact that equality between men and women had found its way onto the United Nations’ agenda, not just in the field of issues specific to women but integrated into other sector policies, shows that the mainstreaming of the issue had been evolving in the UN’s agencies and organisations as well as in the governments of its member states. In Beijing, the

commitment by the international community in terms of empowerment of women was bolstered, and systematic mainstreaming of the gender perspective was integrated into the policies. This posed a major step forward compared to the preceding conferences.

Hence, the adoption of positive measures focusing on ensuring equal representation of men and women in decision-making was recommended for the first time. The Platform acknowledges that women have lower rates of representation in decision-making positions due to the existence of barriers that are structural as well as ideological, which must be overcome by taking positive measures. Moreover, these measures should be taken not only by governments and political parties but also by trade unions, employers, industries and the private sector, research and academic institutions, non-governmental organisations and the UN system itself, to name a few, to achieve an increase in women's participation in decision-making in all aspects of public life.

There is also an insistence on parity and on the fact that women should reach influential positions, overcoming the invisible obstacles that prevent or hinder their access to executive positions, known as the "glass ceiling". To do this, we must have a decisive number of female leaders, executives and directors in strategic decision-making positions and in all areas of power and insist that governments must drive these measures.

In 1996, the Advisory Committee for Equal Opportunities of the Council of the European Union created a mainstreaming group. This group carries out educational activities and issues publications designed to provide guidance on integrating equal opportunities into the community's set of policies. These initiatives develop the principle of mainstreaming, giving the integration of the focus on gender in the assessment of national, regional and international policies a global boost.

Unprecedented progress was made in Beijing, recognised by the entire international community. Indeed, up to that time, the World Conferences on Women had been meetings by women or meetings to discuss issues that affected women. They were the sole recipients of the guidelines set or the measures proposed (...). However, in Beijing the international community took a step further to recognise, for the first time, that in order to achieve equality between women and men, a broader social change was needed, which not only affected women but also involved men [16].

Other accomplishments of the fourth Conference include spotlighting the precedence of women's human rights over religious beliefs, prioritising the educational and training needs of girls and women by donors and governments in development cooperation programmes, recommending that specific measures be taken to fight against violence affecting women, accepting rape committed during times of war as a war crime, recognising sexual violence as a reason for granting asylum, recommending that governments revise laws that punish women who commit or have committed abortion and calling upon the communication media to set up codes of conduct and self-regulatory mechanisms to eliminate stereotyped images of women.

Yet, as occurred at the three previous conferences, consensus did not reign in Beijing, and of the 2 documents approved, 44 reservations were expressed in relation to the Platform for Action, which show the degree of disagreement with the text issued. The document was criticised mainly for its lack of continuity with previous international documents, its ideological imbalance and the linguistic ambiguity that pervades the text.

It is true that opinions vary as to the results from Beijing. According to the more or less progressive ideologies based on which women launched their reflections, the topics prioritised as achievements within the document sometimes varied substantially. When assessing issues such as poverty, education, work and the economy, there is little disagreement from one ideology to the next, and these are spaces in which building consensus has shown to be plausible. One of the specific achievements highlighted by women with progressive leanings was the recommendation that governments revise laws that punish women who commit or have committed abortion (...). The conservative sectors are the ones that made sharper criticism of the Platform for Action. These groups focused their criticism mainly on one area: women's reproductive health. Not in vain were these the only issues in which they showed any interest in the pre-Beijing period [16].

These views were also reflected in the communication media. Certain issues were handled by the press as successes or failures based on whether they were viewed as being "progressive" or "conservative". Certain newspapers even asserted that "the conservatives", with their backward ideas, had watered down the Beijing document. In this regard, it must be pointed out that the economic and political interests of the West often influenced the form and content of international news items. Because they control the communication media technology, they are considered agents of globalisation because they further the consideration of western values as universal values [17].

Despite the criticism, we can conclude that the Beijing Platform represented a step forward and the bottom line is positive. It is no wonder that the closing statements of the fourth World Conference on Women were made by the Secretary General of the Conference, Gertrude Mongella, who declared "A revolution has begun and there is no turning back", and there has been none. Beijing represented an unprecedented change that mobilised international public opinion, governments and women's movements, offering them the support and strength needed to progress in equality [18].

5. Marketing and the gender perspective

Not surprisingly, these efforts made by the United Nations and other public stakeholders in support of equality have, in some way or another, influenced both consumption and the market. Gender has managed to overcome social barriers and has been incorporated into every field, including the marketing sector. In this way, we find that the first conference on gender, marketing and consumption organised by the Association for Consumer Research (ACR) was held in 1991. This is just one example of countless conferences that have further studied such relevant issues as gender identity, differences between men and women in consumption, the sociocultural dimensions of the purchasing behaviour of men and women, lifestyles and consumer rituals [19].

As some researchers have asserted, the phenomenon of the working woman has probably had a greater effect on marketing than any other social change, since women are working and saving more than men, leading many industries to start considering marketing aimed at women [20].

Gender has opened up new lines of research in the field of marketing. Expanding the market perspective with the current social situation, conditions and context of women and men in mind can be advantageous for brands and companies. If we want to reach everyone, women must be included in the analysis of the exchange relationships, taking into account their viewpoints, which may differ from the predominant ones, and starting to think about new methods, new approaches and new instruments that are more aligned with the new social reality.

Although the gap between the female and the male realms is gradually shrinking, the marketing discourse still remains somewhat sexist, limiting women to the private sphere, confining them into preset images and definitions that do not describe their reality. The distribution of tasks continues to prevail, and it is easy to see that certain household products are only offered to women, men not being considered potential consumers. Women are still being used as a constant lure to sell and to seduce men, an object to be used, desired, had, purchased, enjoyed and discarded. Doing away with these degrading images and continuing to progress towards a gender perspective that pervades the entire marketing sector must be one of the priority goals set by this sector.

It is also important to recall that men are now facing new responsibilities, a certain identity crisis, new places in the private sphere, etc., whereas women are experiencing changes and social pressures and feeling that yearned-for “independence” that is starting to be a constant in their lives. Marketing professionals who are knowledgeable about these new needs will create better strategies to reach their audience better. Let us not forget that all current studies indicate that women take more purchasing decisions than men. On average, women affect 83–87% of the purchasing decisions in households and many brands and companies are attempting to attract female clientele because it is becoming clear that they are the ones who make the decisions and, thus, are the ones that must be swayed.

Market segmenting is one of the fundamental strategies of marketing. By integrating the gender perspective into product and service management, companies more effectively respond to the public’s needs, developing new product ranges and, in this way, building loyalty.

There is still a long way to go, and we must free ourselves from the traditional marketing approach that held a completely masculine world view, endeavouring to abandon that old way of viewing and facing the world. We must support inclusive marketing that seeks to fulfil the needs of all human beings and respects and integrates human dignity in all its sales strategies. Marketing should promote justice and full personal development.

6. Conclusions

In this chapter, we have examined the work done by the United Nations to defend and implement equality for women throughout the world from the time it was created until the fourth and final United Nations World Conference on Women held in Beijing. Of the three periods into which the chapter is divided, the first focused on describing the period of legal defence of women’s rights, spanning from 1945 to 1970. Originally, the fight was aimed at

recognition of the political, labour, civil, educational and economic rights of women, setting the causes of inequality aside. It was not until the late 1960s that the international community began to change its approach and integrated women into the processes of change and global development. The second period begins with the turn of events spurred by the Programme of Concerted International Action for the Advancement of Women in 1970 and continues with the proclamation of the United Nations' International Women's Year in 1975 and the United Nations Decade for the Advancement of Women (1975–1985). Over this 10-year period, three conferences were held: the one that took place in Mexico (1975), the one in Copenhagen (1980) and, finally, the one in Nairobi (1985). Starting in 1975, joint work would be done to improve women's status around the world. Never before had the member states of the UN managed to meet and agree on goals and specific actions regarding gender equality. For the first time in history, women were considered active agents of change, rather than mere spectators. The third period takes a look at the Beijing Conference (1995) and the unprecedented progress it brought about in terms of equality. This progress continues to be recognised today and implemented in the equality policies of the member states.

However, these efforts and achievements accomplished at the national and legal levels have not been reflected in the image of women globally. Despite the changes experienced, we continue to find sexist images and stereotypes spread throughout the marketing world. In fact, some products and the fact of purchasing them are associated with a masculine or feminine image that has no biological grounds, instead being based on stereotypes [21]. We must recall that, at this time, women are taking more purchasing decisions than men. Each year, we see how women surpass men in online purchasing, as the main consumers on the Internet. Therefore, it is imperative that the gender factor is included in the marketing field along with other demographic factors in order to explain behaviour or segment the market [22].

Political leaders and companies still have a long way to go in adjusting the legal framework that the UN has gone to such great lengths to establish over the years in terms of equality. This calls for mechanisms that allow for more permeable relationships between the two: integrating marketing information into the decision-making processes by public organisations and including broader social approaches into marketing [23].

As mentioned before, there is still a long road ahead for women to enter many areas of the public sphere with full rights and equal opportunities. Marketing is no stranger to this situation, and therefore, we must join forces in rejecting the old-fashioned marketing styles and turn to marketing in equality that benefits and supports full human development.

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Antecedents of Satisfaction with Financial Services: Role of Perceived Benefits

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Abstract

This study seeks to confirm whether favourable affective evaluation of financial services can be a significant antecedent of perception of functional, hedonic, and symbolic benefits, and to show whether these benefits can influence customer satisfaction. The relationships were confirmed through confirmatory factor analysis (CFA), applied to a survey of 786 people, using nonprobabilistic quota sampling. The environment characterized by rational decision-making, the customer's affective evaluation, is an explanatory factor of satisfaction. The functional, hedonic, and symbolic benefits play an important amplifying role connecting affective evaluation and customer satisfaction. Given the little attention paid by the specialized literature to the link between affective evaluation-benefits and satisfaction, it may be premature to offer final conclusions. The academic sector is provided with some bases to analyse the effect that the perception of the benefits may have on the relationship between the affective evaluation and the satisfaction of the client. For managers in the financial service sector, it provided some analytical instruments oriented to caring for the tangible and intangible characteristics that intervene in providing financial services to their customers. The originality of this study is that the perceived benefits act as antecedents to satisfaction and as a consequence of the affective evaluation.

Keywords: affective evaluation, benefits, satisfaction, financial services

1. Introduction

Financial service is one of the most dynamic areas in the financial sector. Its dynamism has generated intense competition among the main actors in the market [1]. Constructing a good relationship with customers is essential for the survival of businesses in the long term [2].

The main concern of banking institutions has been to maintain and/or increase connection with their customers by being able to provide products and/or services that give a high degree of satisfaction. The important role of customer satisfaction in the decision-making process has been widely studied. In fact, a satisfied customer will contribute to improve an institution's reputation [3] and will be willing to return and to recommend the institution [4], maintaining a higher degree of loyalty [5] and staying with the institution for a longer period of time [6]. It is thus very important for the banking institution to ensure that its customers obtain the state of satisfaction desired [1]. The different factors oriented to achieve this state of satisfaction are well known: perception of price and post-purchase performance [7], quality of the service received [8], perceived value [9], trust and empathy [1], and evaluation of what is received vs. expected [10]. Although it has been argued that satisfaction is affective in nature [11, 12], satisfaction can also arise from a good perception of the benefits that the customer possesses [4]. Further, these benefits can become a very important point when achieving greater connection between affective evaluation and customer satisfaction. It is known that affective evaluation can be a very important antecedent of the perception of the services the consumer receives [13], but there is still little evidence to show the presence of a connection between affective evaluation—benefits—satisfaction, especially in the financial market. This study proposes that satisfaction can be a result of the perception of functional benefit [14], hedonic benefit [15], and symbolic benefit [16]. It is also proposed that these benefits, in turn, result from the customer's affective evaluation [17]. This benefit triad can play an important role in the relationship affective evaluation–satisfaction. For a financial institution, it is very important that the customer come to identify with the benefits obtained as antecedents of satisfaction, and at the same time, as a result of his or her affective evaluation.

2. Theoretical foundations

2.1. Affective evaluation

It has been argued that affective evaluation can be defined as an individual's set of emotions, whether real, predicted, imagined, or gathered from his or her relationship to others [18]. The specialized literature also indicates that affective evaluation is characterized as emotionally reactive, a response with minimal direct control [19]. In other words, the consumer will respond spontaneously to the stimuli he or she receives from the environment. Affective evaluation can be manifested physically [20]. The consumer will use body language to express his or her emotional state in the presence of these stimuli. Finally, it has been shown that affective evaluation responds to most stimuli and can be learned [21]. Thus, the consumer will express affective well-being in the presence of both material and nonmaterial stimuli received through a specific product or service.

2.2. Functional benefit

The functional benefit expected is essential for a consumer. It is acquired as a result of the consumption of products and/or services that respond to consumers' essential needs and the solving of their problems [22], thereby avoiding frustrating experiences [23]. The customer

will seek to obtain the greatest advantage for the product or service consumed and will generally attempt to find that advantage in the attributes of the product itself. These attributes are often related to basic needs, such as physiological needs or the need for security, which are dedicated to eliminating or avoiding a problem. Customers not only seek answers to their basic needs but also expect integral solutions to their problems ([24]. The customer's experience will expose the reliability and competence of the service received [25].

2.3. Hedonic benefit

Given the relatively rational type of decision made by the customer of a financial institution, hedonic benefit is a very important attribute [26]. The customer will attend this institution motivated not only by need but also by the pleasure experienced through the attention received [27]. This benefit emerges as a result of the customers' psychosensory experiences, as a result fundamentally of the need for stimulation and the search for pleasing sensations that customers expect when using a financial institution [28]. The customer expects to find this pleasure through his or her experience with the service, which is associated with fantasies and feelings characteristic of its nature [29]. The perception of hedonic attributes involves an accumulation of global multisensory experiences. Institutions that can understand the customer's needs and activate these multisensory images by stimulating the different senses will be able to achieve a perfect consumption experience [30].

2.4. Symbolic benefit

Symbolic benefit can contribute to a great extent to strengthen the relationship between customer and financial institution, since it is associated with the underlying needs for social approval and self-esteem and corresponds fundamentally to attributes not directly related to the products [4]. Symbolic benefit is defined as the benefit received from multiple components of "self-concept." One's "self-concept" is essentially the result of the evaluations that others make of one, whether these evaluations are real or not [31]. It is composed of a variety of representations that each person has and that are united to a particular set of social circumstances [32]. The literature has used four components of self-concept to explain the consumer's behavior at the moment of consumption: real self-image, ideal self-image, social self-image, and ideal social self-image [33]. Consumers will seek to surround themselves with their reference group [34] and will prefer the banking institution attended by people who may reinforce their degree of belonging to this group.

2.5. Satisfaction

Customer satisfaction has been widely recognized as a determining factor not only of customer loyalty [6], but also of the firm's sustained profitability [35]. A satisfied customer shows greater resistance to price elasticity, enabling the organization to increase its competitiveness, reduce its costs, and improve its reputation [36]. For a financial institution, it will be very important to have customers with a high degree of satisfaction. Review of the specialized literature enables us to define satisfaction as a post-consumption emotional response that simply happens or that occurs after a process of comparing expected vs. real performance [11]. When satisfaction results from confirmation of expectations, it can be defined as "evaluative satisfaction." When it is the result of nonrational processes, it is defined as "emotional satisfaction" [37].

Satisfaction will have a positive influence on any customer's post-purchase behavior [38], since it stems from general appreciation acquired after the customer's visit to a financial institution.

3. Hypotheses

3.1. Perceived functional benefit of the banking service as antecedent for customer satisfaction

It has been argued that tangible and intangible attributes, the main components of functional benefit, provide a greater degree of consumer satisfaction [39]. These components could form part of the design or esthetic of the products and/or services [40]. Whether or not they are perceptible, these attributes associated with the products and/or services can also influence the consumer's degree of satisfaction [15]. The functional benefit obtained through these components will improve the customer's state of satisfaction [14]. In the context of the financial service industry, it is thus possible to propose the following hypothesis:

H1. The better the perceived functional benefit of the banking service, the greater the customer satisfaction.

3.2. Perceived hedonic benefit of the banking service as antecedent for customer satisfaction

The specialized literature shows the hedonic consumer's tendency to seek experiences of pleasure that provide him or her with the greatest degree of satisfaction [39]. The psychological benefits derived from hedonic experiences can increase the consumer's degree of satisfaction [15]. Therefore, in the context of the financial services industry, it proposed the following hypothesis:

H2. The better the perceived hedonic benefit of the banking service, the greater the customer satisfaction.

3.3. Perceived symbolic benefit of the banking service as antecedent for customer satisfaction

It has been argued that the symbolic benefit obtained by the consumer is directly and positively related to his/her satisfaction [16, 41]. The symbolic meaning granted to specific attributes will be closely linked to the satisfaction the consumer experiences [42]. In the context of the financial service industry, therefore, it can be proposed that:

H3. The better the perceived symbolic benefit of the banking service, the greater the customer satisfaction.

3.4. The affective evaluation of the banking service as antecedent of the functional benefit perceived by the client

The affective purchase leads to greater satisfaction in the long term for purchases considered "important." Affective evaluation, that is, the emotional characteristics created around a product, has a positive influence on the functional benefit the consumer desires [17, 43]. An emotionally

attractive product increases the functional benefit the customer desired [44]. In the context of the financial services industry, it is thus possible to formulate the following hypothesis:

H4. The better the effective evaluation of the banking service, the better the functional benefit perceived by the client.

3.5. The affective evaluation of the banking service as antecedent of the hedonic benefit perceived by the client

In the specialized literature, it has been argued that, during the process of choosing a service, affective evaluation influences the hedonic benefit expected [45]. That is, the pleasure experienced in the purchasing process is the result of the favorable affective evaluation the consumer makes [46]. Further, the consumer's hedonic behavior will be positively affected by the affective evaluation of his/her environment [47]. In the context of the financial services industry, it is thus possible to propose the following hypothesis:

H5. The better the effective evaluation of the banking service, the better the hedonic benefit perceived by the client.

3.6. The affective evaluation of the banking service as antecedent of the symbolic benefit perceived by the client

According to the literature, affective evaluation is highly relevant, since it is an antecedent closely linked to the symbolic benefit that the individual expects [48, 49]. Further, affective evaluation is decisive for the consumer to obtain the symbolic benefit desired [50]. In the context of the financial services industry, therefore, it can be assumed that:

H6. The better the effective evaluation of the banking service, the better the symbolic benefit perceived by the client.

This can be represented schematically as follows (**Figure 1**):

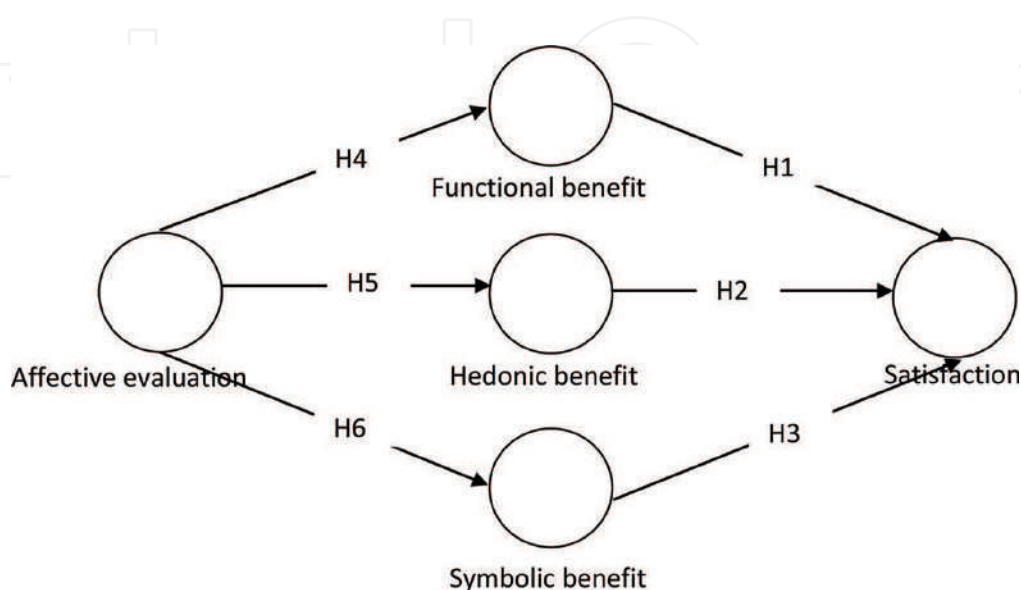


Figure 1. Theoretical model. Source: Own elaboration.

4. Methodology

To identify the most appropriate scales for measuring the relationships proposed with a high degree of reliability, validity, and dimensionality, it developed a process with several stages [51]. The first stage consisted of constructing scales with a good degree of content validity. It made an exhaustive literature review, taking as reference the scales constructed in various prior studies of affective evaluation [52, 53], symbolic benefit [54, 55], functional benefit [56], hedonic benefit [56, 57], and satisfaction [58–60].

A study of critical incidents was done, in which people were asked to describe the factors that formed part of the constructs analyzed. Fifty people chosen by nonprobabilistic convenience sampling participated in this study, from which was obtained the prior scales of the study constructs. A second procedure was done to purify these scales, following the recommendations of [61]. There was also a series of “focus groups” composed of regular clients from different banks in Chile, as well as interviews with business experts and executives from the banking industry. These analyses permitted us to identify the indicators that best reflect the dimensions needed for this study, reformulating and/or eliminating indicators that were problematic or repetitive using a modification of the [62]. Each expert was asked to classify items relative to their dimension, considering three alternatives: clearly, somewhat, or not at all representative. Finally, it was decided to preserve the items in which there was a high level of consensus [63]. From these analyses, it obtained the scales that enabled us to develop the questionnaire. In the second stage, after constructing the questionnaire, it performed a quantitative pre-test with a random sampling of 50 people. Using these data, it calculated an exploratory factor analysis and the Alpha Cronbach for each of the resulting dimensions. This initial analysis enabled us to confirm the existence of each dimension resulting from the preceding analyses. The items were written as statements (see **Table 1**) to be evaluated using a 7-point Likert scale.

It used nonprobabilistic quota sampling proportional to the market participation of the first three leading banks in the private banking sector in Chile: Santander Bank (18%); Chile Bank (17%), and BCI Bank (15%)¹. The surveys were administered outside the main branches of each bank, especially in the downtown of Santiago.

In the third stage, the data was collected. The survey was applied to a total sample of 850 people. It has, however, to eliminate 64 forms because they were incomplete and/or incorrectly answered, leaving a definitive sample of 786 people. For the responses, the last visit the bank was taken as a reference at which the respondents were customers. Of the total interviewees, 64% were men and 49% were married (83% were 25–54 years old, 84% held university degrees, 89% worked full time, and 81% had monthly incomes over 750,000 Chilean pesos (1.114 USD)².

With the data obtained, it has been made a psychometric analysis to develop scales with a good degree of reliability, validity, and dimensionality. It applied exploratory factor analysis, confirmatory factor analysis (CFA), and various reliability analyses with the Alpha Cronbach statistics, reliability construct, and average variance extracted (AVE). To identify the items

¹Risk rating ICR. Knowledge & Trust, December 2016.

²Exchange rate december 23, 2016.

Satisfaction	
Satisfaction 1 (Sat1)	I am generally very satisfied with this bank.
Satisfaction 2 (Sat2)	I have had very satisfactory experience with this bank.
Satisfaction 3 (Sat3)	I have made very significant achievements with this bank.
Satisfaction 4 (Sat4)	I am very satisfied with this bank's conditions.
Satisfaction 5 (Sat5)	I am very satisfied with this bank because it gives perfect attention.
Functional Benefit	
Functional Benefit 1 (Bfun1)	This bank always provides me with the attention I need.
Functional Benefit 2 (Bfun2)	This bank always provides me with the services I am looking for.
Functional Benefit 3 (Bfun3)	This bank is the most convenient.
Functional Benefit 4 (Bfun4)	This bank is the most efficient.
Functional Benefit 5 (Bfun5)	This bank is the best.
Hedonic Benefit	
Hedonic Benefit 1 (Bhed1)	In this bank, I forget my problems.
Hedonic Benefit 2 (Bhed2)	My experience in this bank is unique.
Hedonic Benefit 3 (Bhed3)	This bank makes good use of time.
Hedonic Benefit 4 (Bhed4)	In this bank, I discover what is really important.
Hedonic Benefit 5 (Bhed5)	In this bank, I escape from my routine.
Symbolic Benefit	
Symbolic Benefit 1 (Bsim1)	This bank gives me prestige.
Symbolic Benefit 2 (Bsim2)	This bank gives me status.
Symbolic Benefit 3 (Bsim3)	This bank reflects what I am.
Symbolic Benefit 4 (Bsim4)	This bank expresses my lifestyle.
Symbolic Benefit 5 (Bsim5)	This bank is a social necessity.
Affective Evaluation	
Affective Evaluation 1 (Afe1)	When I come to this bank, I feel very entertained.
Affective Evaluation 2 (Afe2)	When I come to this bank, I feel very enthusiastic.
Affective Evaluation 3 (Afe3)	When I come to this bank, my experience is very pleasant.
Affective Evaluation 4 (Afe4)	When I come to this bank, my experience is very happy.
Affective Evaluation 5 (Afe5)	When I come to this bank, my experience is very energizing.

Table 1. Measurement scales.

that did not adhere well to their dimension, it made various principal components factor analyses with Varimax rotation [64]. This procedure did not indicate the need to eliminate any indicator from the scales analyzed (see **Table 2**); all scales showed a good degree of one-dimensionality, with factor loadings well over 0.4 [65].

Taking into account all of the scales constructed, it developed a CFA using structural equations modeling (SEM) to confirm whether the indicators or variables were appropriate for achieving good model fit. It used the three criteria proposed by [66]. The first criterion consists of eliminating indicators that had a weak convergence condition with their corresponding latent variable. It took as limit a t-student value higher than 2.28 ($p = 0.01$). The second criterion consisted of eliminating from the analysis variables whose loadings translated into standardized coefficients lower than 0.5. Finally, it also had to eliminate the indicators that showed a linear relationship with goodness of fit, R^2 lower than 0.3. In this process, it used the statistical package AMOS SPSS 22. Following this analysis, it was not necessary to eliminate any indicator. The fit indices for the confirmatory factor analysis were acceptable: IFI = 0.948, CFI = 0.948, RMSEA = 0.078, Normed $\chi^2 = 5.81$. Once verified the optimal model, it confirmed the reliability of each scale by applying three tests: Alpha Cronbach (limit = 0.7), composite reliability of the construct (limit = 0.7) [67],

Subscales	Variable	Factor loadings	Explained Variance %	Eigenvalue
Satisfaction	Sat1	0,92	86,29	4,31
	Sat2	0,95		
	Sat3	0,90		
	Sat4	0,93		
	Sat5	0,93		
Functional benefit	Bfun1	0,86	80,66	4,03
	Bfun2	0,89		
	Bfun3	0,88		
	Bfun4	0,92		
	Bfun5	0,91		
Hedonic benefit	Bhed1	0,85	74,94	3,74
	Bhed2	0,91		
	Bhed3	0,81		
	Bhed4	0,86		
	Bhed5	0,87		
Symbolic benefit	Bsim1	0,90	77,236	3,86
	Bsim2	0,92		
	Bsim3	0,93		
	Bsim4	0,92		
	Bsim5	0,67		
Affective Evaluation	Afe1	0,93	84,36	4,21
	Afe2	0,93		
	Afe3	0,86		
	Afe4	0,94		
	Afe5	0,92		

Table 2. Exploratory factorial analysis of the scales.

and analysis of the variance extracted (limit = 0.5) [68]. The results show that the minimum values established for these reliability parameters are fulfilled in all cases (see **Table 3**).

The validity of the SEM model was confirmed using content and construct validity. The scales show a good degree of content validity, since it made a thorough analysis of the literature, a study of critical incidents with customers, and then a purification of the scale using different “focus groups” with customers and in-depth interviews with commercial experts and executives from different banks. To fulfill construct validity, it analyzed if the proposal, purified scale fulfilled the conditions for convergent and discriminant validity. Convergent validity was confirmed by observing that all of the standardized coefficients of the CFA were statistically significant at 0.01 and higher than 0.5 [69]. To confirm the presence of discriminant validity, it was used the confidence interval test [70], which consists of constructing the confidence intervals resulting from the correlations between the different latent variables that compose the CFA model (see **Table 4**). This test indicates the model’s discriminant validity, since no confidence interval contained the value of 1 [71].

With all of these antecedents, it concluded that the proposes model shows a good degree of general validity.

Subscales	Variable	Cronbach's alpha	Construct reliability	Extracted variance
Satisfaction	Sat1	0,96	0,93	0,74
	Sat2			
	Sat3			
	Sat4			
	Sat5			
Functional benefit	Bfun1	0,94	0,95	0,80
	Bfun2			
	Bfun3			
	Bfun4			
	Bfun5			
Hedonic benefit	Bhed1	0,91	0,93	0,74
	Bhed2			
	Bhed3			
	Bhed4			
	Bhed5			
Symbolic benefit	Bsim1	0,92	0,97	0,84
	Bsim2			
	Bsim3			
	Bsim4			
Affective evaluation	Afe1	0,95	0,96	0,84
	Afe2			
	Afe3			
	Afe4			
	Afe5			

Table 3. Reliability analysis of scales.

Confidence interval test		Mean test χ^2 (df)
Bivariate correlation	Confidence intervals	
Functional benefit - Satisfaction	0,848 – 0,888	1579,7 (1)
Symbolic benefit - Satisfaction	0,435 – 0,595	1512,4 (1)
Symbolic benefit - Affective evaluation	0,615 – 0,639	1496,1 (1)
Functional benefit - Affective evaluation	0,525 – 0,557	1497,5 (1)
Functional benefit - Hedonic benefit	0,538 – 0,570	1497,0 (1)
Symbolic benefit - Hedonic benefit	0,740 – 0,768	1495,3 (1)
Affective evaluation - Hedonic benefit	0,685 – 0,721	1515,2 (1)
Hedonic benefit - Satisfaction	0,544 – 0,568	1494,9 (1)
Symbolic benefit - Functional benefit	0,535 – 0,559	1499,6 (1)
Affective evaluation - Satisfaction	0,509 – 0,533	1495,0 (1)

Note: Significant coefficients for a 0.01 significance level.

Table 4. Discriminant validity.

5. Results

The six hypotheses formulated above were contrasted using a SEM model [71]. The fit indices of the model were well above the minimum acceptable values: IFI = 0.956, CFI = 0.956, RMSEA = 0.072, Normed χ^2 5.11. As can be observed through the standardized β -coefficients (**Figure 2**), the functional benefit ($\beta = 0.81$; $p < 0.001$), as well as the hedonic ($\beta = 0.16$; $p < 0.008$) and symbolic benefit ($\beta = 0.02$; $p < 0.001$) have a direct and positive effect on the satisfaction of the private bank customer ($R^2 = 0.72$). It would be advisable to observe in detail the strong impact that functional benefit has on satisfaction, a value clearly higher than those obtained for hedonic and symbolic benefit. The affective evaluation made by the customer in turn has a direct and positive effect on the functional ($\beta = 0.57$; $p < 0.001$; and $R^2 = 0.32$), hedonic ($\beta = 0.72$; $p < 0.001$; and $R^2 = 0.52$), and symbolic ($\beta = 0.64$; $p < 0.001$; and $R^2 = 0.41$) benefit obtained by the customer.

All of the correlations obtained between the constructs had a positive sign (see **Table 5**).

This benefit triad can play a mediating role between affective evaluation and satisfaction. If indirect effects are considered as a special case [72], the mediating effect occurs when a third variable, called the mediating variable (VMe), can influence the relationship between an independent variable (VI) and another, dependent variable (VD) [73]. To confirm this role of the triad, three mediation structures are proposed: (1) affective evaluation—functional benefit—satisfaction, (2) affective evaluation—hedonic benefit—satisfaction, and (3) affective evaluation—symbolic benefit—satisfaction.

These structures were evaluated using a two-path analysis [73], as indicated in **Table 6**. For this analysis, must be confirmed, both in isolation and as a whole, the extent to which incorporating a mediating variable produces less impact of the independent variable on the dependent variable.

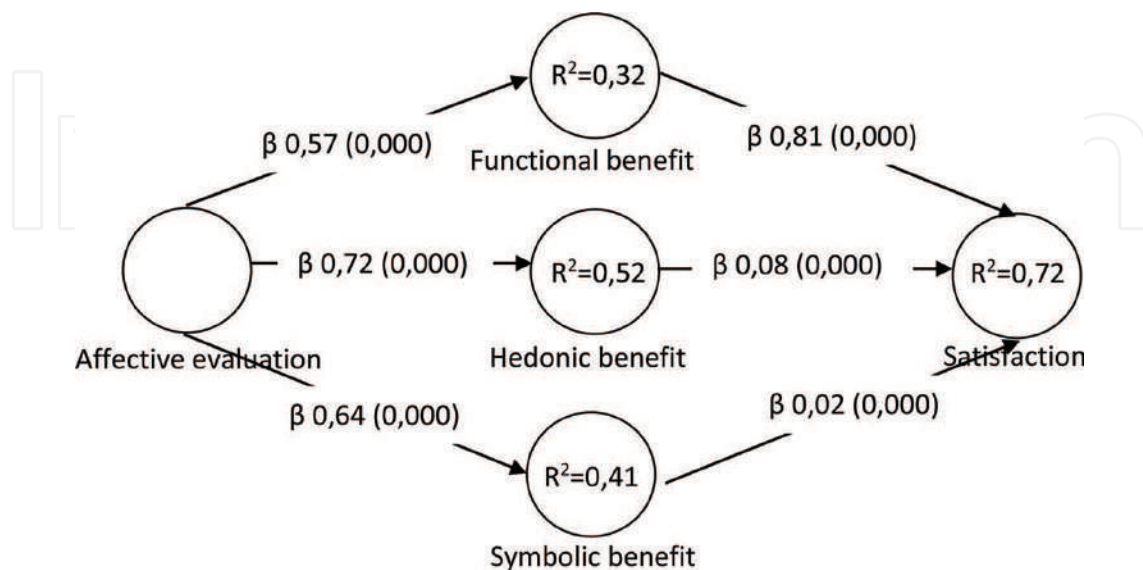


Figure 2. SEM results.

From the results obtained by the [74–76] tests, the presence is deduced of a strong mediating role of the triad of benefits between affective evaluation (VI) and satisfaction (VD) [77].

All of the mediation structures yield significant values for the β -coefficients ($p < 0.001$). In the presence of the mediating variables (benefit triad), a reduction is confirmed in the impact

	Bsim1	Bsim2	Bsim3	Bsim4	Bsim5	Bhed1	Bhed2	Bhed3	Bhed4	Bhed5	Eafe1	Eafe2	Eafe3	Eafe4	Eafe5	Bfun1	Bfun2	Bfun3	Bfun4	Bfun5	Sat1	Sat2	Sat3	Sat4	Sat5
Bsim1	1																								
Bsim2	,938**	1																							
Bsim3	,776**	,806**	1																						
Bsim4	,746**	,779**	,914**	1																					
Bsim5	,451**	,484**	,561**	,593**	1																				
Bhed1	,611**	,621**	,602**	,596**	,412**	1																			
Bhed2	,609**	,645**	,653**	,666**	,487**	,804**	1																		
Bhed3	,491**	,514**	,575**	,583**	,439**	,599**	,684**	1																	
Bhed4	,492**	,521**	,613**	,647**	,502**	,591**	,719**	,681**	1																
Bhed5	,558**	,582**	,623**	,644**	,506**	,700**	,739**	,577**	,761**	1															
Eafe1	,534**	,555**	,560**	,536**	,381**	,626**	,622**	,483**	,555**	,623**	1														
Eafe2	,491**	,521**	,567**	,541**	,412**	,550**	,608**	,501**	,573**	,603**	,896**	1													
Eafe3	,425**	,456**	,513**	,502**	,373**	,466**	,534**	,527**	,507**	,524**	,715**	,731**	1												
Eafe4	,489**	,517**	,531**	,525**	,394**	,558**	,582**	,470**	,546**	,589**	,864**	,843**	,754**	1											
Eafe5	,437**	,478**	,542**	,543**	,424**	,493**	,590**	,511**	,620**	,578**	,789**	,808**	,780**	,856**	1										
Bfun1	,300**	,332**	,410**	,416**	,325**	,298**	,417**	,534**	,434**	,315**	,427**	,447**	,505**	,444**	,511**	1									
Bfun2	,321**	,361**	,433**	,430**	,333**	,320**	,432**	,555**	,436**	,326**	,402**	,438**	,472**	,427**	,488**	,865**	1								
Bfun3	,297**	,347**	,439**	,443**	,364**	,369**	,482**	,531**	,490**	,431**	,426**	,451**	,481**	,422**	,487**	,656**	,704**	1							
Bfun4	,395**	,429**	,519**	,526**	,389**	,391**	,507**	,588**	,521**	,462**	,469**	,487**	,508**	,470**	,518**	,694**	,727**	,829**	1						
Bfun5	,456**	,505**	,582**	,581**	,415**	,455**	,559**	,611**	,554**	,521**	,511**	,503**	,549**	,501**	,550**	,685**	,714**	,801**	,903**	1					
Sat1	,338**	,373**	,469**	,486**	,380**	,363**	,500**	,596**	,495**	,387**	,448**	,481**	,512**	,466**	,526**	,819**	,815**	,699**	,768**	,764**	1				
Sat2	,288**	,341**	,468**	,480**	,386**	,325**	,475**	,573**	,529**	,383**	,433**	,485**	,499**	,456**	,545**	,769**	,753**	,671**	,720**	,721**	,872**	1			
Sat3	,265**	,309**	,433**	,433**	,381**	,291**	,447**	,487**	,517**	,383**	,416**	,435**	,425**	,442**	,507**	,676**	,663**	,602**	,684**	,649**	,752**	,847**	1		
Sat4	,342**	,391**	,481**	,496**	,398**	,421**	,521**	,570**	,547**	,454**	,468**	,462**	,487**	,484**	,534**	,746**	,749**	,711**	,744**	,740**	,838**	,839**	,800**	1	
Sat5	,322**	,368**	,470**	,493**	,395**	,324**	,501**	,560**	,563**	,428**	,417**	,463**	,503**	,447**	,539**	,763**	,731**	,694**	,750**	,757**	,827**	,860**	,791**	,857**	1

** Correlation is significant at the level 0.01.

Table 5. Correlation matrix.

ANALYSIS: MEDIATION PATHS								SOBEL, AROIAN AND GOODMAN TESTS					
CONDITION	INDEPENDENT VARIABLE (IV)	DEPENDENT VARIABLE (DV)	STAND. β	NON-STAND. β	STD. ERROR	P-VALUE	R ²	SOBEL Z VALUE	SOBEL P-VALUE	AROIAN Z VALUE	AROIAN P-VALUE	GOODMAN Z VALUE	GOODMAN P-VALUE
In isolation	Affective E.	Functional B. (VMe)	0,58	0,43	0,02	0,001	34%						
	Affective E.	Satisfaction	0,56	0,52	0,03	0,001	31%						
	Functional B. (VMe)	Satisfaction	0,89	0,81	0,02	0,001	80%	0,678	0,497	0,549	0,582	0,987	0,32
As a whole	Affective E.	Functional B. (VMe)	0,58	0,61	0,03	0,01							
	Affective E.	Satisfaction	0,09	0,08	0,02	0,001	75%						
	Functional B. (VMe)	Satisfaction	0,81	0,72	0,02	0,001							
In isolation	Affective E.	Hedonic B. (VMe)	0,73	0,74	0,03	0,001	54%						
	Affective E.	Satisfaction	0,56	0,52	0,03	0,001	31%						
	Hedonic B. (VMe)	Satisfaction	0,60	0,56	0,03	0,001	36%	0,679	0,497	0,547	0,584	1,000	0,317
As a whole	Affective E.	Hedonic B. (VMe)	0,74	0,74	0,03	0,001							
	Affective E.	Satisfaction	0,26	0,24	0,04	0,001	39%						
	Hedonic B. (VMe)	Satisfaction	0,40	0,37	0,04	0,001							
In isolation	Affective E.	Symbolic B. (VMe)	0,60	0,69	0,03	0,001	36%						
	Affective E.	Satisfaction	0,56	0,52	0,03	0,001	31%						
	Symbolic B. (VMe)	Satisfaction	0,52	0,67	0,05	0,001	27%	0,625	0,531	0,518	0,604	0,848	0,396
As a whole	Affective E.	Symbolic B. (VMe)	0,63	0,45	0,03	0,001							
	Affective E.	Satisfaction	0,39	0,36	0,03	0,001	36%						
	Symbolic B. (VMe)	Satisfaction	0,27	0,35	0,05	0,001							

Note: (VMe): Mediating variable; E: Evaluation; B: Benefit.

Table 6. Mediation hypothesis of the proposed model.

(value of β -coefficient) of affective evaluation (VI) on satisfaction (VD). For example, when functional benefit is not present in the relationship “affective evaluation—functional benefit—satisfaction,” the effect of affective evaluation on satisfaction is ($\beta = 0.56$ and $p < 0.001$), whereas incorporating functional benefit as mediating variable reduces this impact by nearly 0.5 points ($\beta = 0.09$ and $p < 0.001$; $\Delta = 0.47$). The same occurs in the relationship “affective evaluation—hedonic benefit—satisfaction,” when one does not consider hedonic benefit ($\beta = 0.56$; $p < 0.001$); incorporating hedonic benefit in the model decreases the impact by 0.3 points ($\beta = 0.26$; $p < 0.001$; $\Delta = 0.3$). For the relationship “affective evaluation—symbolic benefit—satisfaction,” in the absence of symbolic benefit, the impact of affective evaluation on satisfaction is $\beta = 0.56$ ($p < 0.001$), and incorporating symbolic benefit, the relationship decreases by nearly 0.2 points ($\beta = 0.39$; $p < 0.001$; and $\Delta = 0.17$). Therefore, the benefit triad absorbs a large part of the impact of affective evaluation on satisfaction, showing clearly the important mediating role that the triad plays in this kind of relationship. The statistical tests of [74–76] with their respective values of $Z \neq 0$ and associated p-values, show the presence of strong mediation exercised by the benefit triad, in the relationship between affective evaluation and satisfaction of the customers of financial entities.

Taking the theoretical model into account, it also calculated the indirect effects that might have arisen from the intervention of a third variable mediating any given relationship [72]. The standardized β -coefficients (see **Table 7**) show the presence of an indirect, significant impact of affective evaluation on satisfaction. For this case, the indirect effect of affective evaluation is so intense that it not only affects the construct satisfaction but also significantly affects the observable variables of functional benefit, hedonic benefit, and symbolic benefit.

Affective evaluation					
On the latent variables			On the observable variables		
Latent var.	Standardized β	p-value	Observable var.	Standardized β	p-value
Functional benefit	0,000	0,001	Bfun1	0,42	0,001
			Bfun2	0,44	
			Bfun3	0,49	
			Bfun4	0,54	
			Bfun5	0,54	
Hedonic benefit	0,000	0,001	Bhed1	0,62	0,001
			Bhed2	0,65	
			Bhed3	0,52	
			Bhed4	0,62	
			Bhed5	0,61	
Symbolic benefit	0,000	0,001	Bsim1	0,53	0,001
			Bsim2	0,55	
			Bsim3	0,60	
			Bsim4	0,59	
			Bsim5	0,39	
Satisfaction	0,527	0,001	Sat1	0,50	0,001
			Sat2	0,48	
			Sat3	0,43	
			Sat4	0,48	
			Sat5	0,49	

Table 7. Indirect effects.

The benefits triad exercises a mediating influence in the indirect relationship between affective evaluation and satisfaction. In this instance (although it is not always the case), the coincidence was found that the mediating effect and the indirect effect occur between a VD and a VI.

6. Conclusions and implications

This study demonstrates that it is very important for banking service customers to associate their satisfaction with the functional, hedonic, and symbolic benefits obtained. This connection shows that the consumer is buying not only a basic service but also the various benefits this service can provide. That is, it is no good for the customer to make a favorable affective evaluation of a service if the service does not obtain the functional, hedonic, and symbolic benefits desired. For a financial institution to be perceived as an institution capable of granting acceptable standards of satisfaction, it must offer customers experiences that lead them to obtain the triad of benefits expected. Obtaining the benefits indicated will help customers better to connect the affective evaluation they make to their satisfaction. Obtaining this state of satisfaction will facilitate the decision-making process. The customer will also possess the arguments needed to become a truly loyal promoter of the banking institution, able to recommend it to others, thereby improving its reputation. Marketing executives should try to guarantee that customers obtain the triad of benefits they expect as a way of achieving the satisfaction desired with the financial serviced offered.

The banking institution should strive to make the customer perform the most favorable affective evaluation possible of the financial services offered. This evaluation will form the basis for obtaining the triad of benefits expected, which will be received hierarchically, starting with functional benefit, followed by hedonic and symbolic benefit. A good example would be that bank executives and employees should strive to provide good reception of the customer, personalized attention oriented to delivering the financial services available such that the customer feels the emotional comfort needed to make financial decisions. A relaxed environment will help to decrease the tension caused by eminently rational decisions.

The financial institution could also provide financial services differentiated by unique tangible components to achieve the functional benefit the customer expects. Although the results of this study show that it is very important for the customer to obtain the functional benefit expected, he or she also hopes to obtain the hedonic and symbolic benefit that the financial institution can offer. When an institution succeeds in helping customers find the financial services they seek with greater efficiency than at other institutions, giving customers, the attention required and useful for them, the institution will definitely be viewed as able to grant better functional benefits than those of the competition. The institution must also be able to offer financial services in an environment in which the customer has "a pleasant experience." In this sense, both the setting of the installations and the good mood of employees are necessary, as both are oriented to providing the customer with a unique experience, which becomes almost a genuine social need or a stimulating adventure and avoids the tension inherent in financial decision-making. The institution should have the means necessary to create an

environment in which customers can, at least for a few minutes, escape their routine and should help them to discover “what really matters.”

Another unavoidable issue for a financial institution is its ability to provide the customer with symbolic benefits. Marketing executives should take care to know the profile of their customers so as to offer them financial services that can reinforce the diversity of self-concepts that compose their identity. For customers, self-image is very important, as is others' image of them, and both of these concerns lead customers to seek the necessary reinforcement through the connection established with the bank. Customers will thus seek an institution whose financial services provide them with greater status, reflect the best possible image of themselves, grant them prestige, and express their lifestyle. From the results of this study, demonstrating the close connection established between affective evaluation and functional, hedonic, and symbolic benefits constitutes very important information, which shows that any financial institution should make the effort to generate the satisfaction the customer desires.

As to this study's implications for managing financial entities, marketing executives should consider the important role of delivering the functional, hedonic, and symbolic benefits as antecedents of satisfaction and a consequence of affective evaluation. Fulfilling this role is of vital importance in establishing marketing strategies for financial services that guarantee customer satisfaction.

For academics, it is proposed to continue to develop more in-depth knowledge of the relationship between affective evaluation—benefits—customer satisfaction through new studies, as this research will surely make a significant contribution to the banking industry. It is also suggested that this relationship be measured through a multidimensional scale.

7. Limitations

The particular cultural characteristics of the sample, Chilean consumers of banking services, can constitute a limitation when extrapolating from the results of this study to other financial service markets located in other countries.

The conclusions derived from this study must also be taken with the caution inherent in a pioneering application in the banking sector, where the connection between affective evaluation—benefits—customer satisfaction has as yet received little attention.

8. Future lines of research

It is recommended analyzing the effects of functional, hedonic, and symbolic benefit on other variables inherent in consumer behavior in the area of finance, such as loyalty to a bank.

It is proposed replicating this study in the area of finance using probabilistic sampling, such as simple random sampling.

Conflict of interest

I do not have conflicts of interest.

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Marketing Strategies for the Social Good

Alicia de la Peña

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Abstract

Social network sites (SNS) have proven to be a good environment to promote and sell goods and services, but marketing is more than creating commercial strategies. Social marketing strategies can also be used to promote behavioral change and help individuals transform their lives, achieve well-being, and adopt prosocial behaviors. In this chapter, we seek to analyze with a netnographic study, how SNS are being employed by non-profits and nongovernment organizations (NGOs) to enable citizens and consumers to participate in different programs and activities that promote social transformation and well-being. A particular interest is to identify how organizations are using behavioral economic tactics to nudge individuals and motivate them to engage in prosocial actions. By providing an understanding on how SNS can provide an adequate environment for the design of social marketing strategies, we believe our work has practical implications both for academicians and marketers who want to contribute in the transformation of consumer behavior and the achievement of well-being and social change.

Keywords: social marketing, social network sites, well-being, behavioral economics, prosocial behavior

1. Introduction

Colorful ribbons, bumper stickers, billboards, door knocking, protests, and marches are no longer the only tools and activities employed to raise awareness, collect funds for a cause, or promote social change. Nowadays, YouTube challenges, using hashtags, posting profile pictures, and signing online petitions have become the contemporary ways to engage individuals in prosocial activities [1].

It seems that nongovernment organizations (NGOs) and private firms have adopted social network sites (SNS) as one of their key channels to communicate with their stakeholders,

create brand awareness, build community engagement, and distribute useful content [2, 3]. SNS are web-based services that allow individuals to connect with other users and exchange information using different formats (e.g., comments, videos, photos, etc.) [4]. Besides SNS individuals are also using microblogging sites like Twitter and content-sharing sites like Instagram and YouTube to interact with brands and social causes and demonstrate their preferences, opinions, and interests.

With more than 2 billion monthly active users, Facebook is nowadays the most popular social network worldwide [5]. With those numbers in hand, there is no wonder that many NGOs have embraced the opportunity to build their own Facebook fan page or their own Facebook communities in order to engage with their stakeholders, ask for their support, and create awareness about their programs. With thousands of communities to choose from, how are NGOs getting individuals to join their particular Facebook community? What tools are they using to engage visitors and convince them not only to navigate through the page but to take specific actions? How are individuals responding to those communications and marketing efforts?

We aim to answer these questions with a netnographic study and analyze how consumers use the interactive features of SNS to demonstrate their support and participate in prosocial activities. We begin this chapter with a brief description of prosocial behaviors, fourth-generation NGOs, and a general overview of how online social communities can be used to promote social change. Then, we describe how to nudge and incentivize individuals to participate in prosocial activities. In the second part, we describe our research method and present our main findings. The chapter concludes with an outlining of the implications for NGO leaders and small nonprofits willing to adopt SNS as a channel to communicate with their stakeholders.

2. Prosocial behaviors, NGOs, and online communities

Prosocial behaviors are voluntary actions intended to benefit others. Among those actions are helping, sharing, comforting, and cooperation. Psychologists suggest that prosocial behaviors can be learned in early childhood, when parents encourage their children to share their toys or act kindly toward pets and friends; prosocial behaviors are also fostered at school while working in a project or playing with other classmates [6]. It is said that children whose parents are empathic, warm, and comforting are themselves highly empathic with others [7]. Unfortunately, as they grow into adulthood, some individuals begin to lose the impel to act kindly or to demonstrate empathy towards others [8]. It seems that for some people, problems like poverty, hunger, or the prevention of diseases must be solved by institutions, governments, and public firms. On the other hand, there are individuals who believe that even though laws, technology, institutions, and public policies are needed to address social problems, the active participation of people and communities is required to achieve social change in a macro level; therefore, volunteering and cooperation are needed to achieve collective outcomes [7, 9].

NGOs are some of the institutions that have emerged to address some of the humanitarian, social, and environmental problems that affect our world. NGOs are private, self-governing organizations which share values that work to improve the quality of life of people in

disadvantage. Usually, NGOs work at different levels. Some are involved with small-scale community relief activities, while others operate at the international level. The latest are known as fourth-generation NGOs and either work with welfare relief, community development, sustainable development, or people's movement. Having a set of goals established, or a cause to fight for, are not the only elements that NGOs need to be successful. The attainment of the objectives also depends on the support provided by a complex social network, a good communication effort, and effective marketing strategies [10].

Besides supporting the efforts of NGOs, individuals have joined forces to take action and solve their problems, creating groups and communities of like-minded people, willing to drive social change [11]. The members of those groups not only gather in face-to-face meetings, go door knocking asking for donations, or participate in placard-carrying protests. Nowadays, they are taking advantage of SNS to create online communities, also known as issue-based online social change communities (issue-based OSCC) [1]. In general, online social communities are computer-mediated forums where groups of people communicate in various forms (e.g., texts, photographs, videos, hyperlinks, etc.). More specifically, issue-based OSCC focus on particular social issues (e.g., child labor, global warming, etc.) and have a specific agenda that they wish to address through the use of social media. Usually, they use Facebook to form the community and tend to name it by the activity and people they serve, such as breast cancer patient support community, ecotourism, etc. [12, 13].

Usually, the leaders of the issue-based OSCC employ different tools to educate, motivate, entertain, and offer different resources to the members of the community, so they can show their support, have access to newsletters, buy merchandise, or make an online donation. In fact, most nonprofits and NGOs like Greenpeace and the World Wildlife Fund for Nature have also built their own Facebook communities to take advantage of the features that this SNS offers [1]. Being available 24/7, Facebook allows members of communities to interact more frequently and intensely with each other and with their favorite cause. Besides, given that each community has its own set of shared values, language, meanings, and practices, these spaces have the capacity to foster a shared sense of civic identity that might yield a more organized form of prosocial participation and build engagement and a meaningful connection between members of the community [14, 15]. If such engagement is present, we can at least expect that members of the community will engage in positive forms of evangelism, recruiting other people to get informed about the issue-based OSCC or to contribute to the cause [14].

Additionally, Facebook allows individuals to build social capital (i.e., resources accumulated through the relationships among people), which can be linked to different positive social outcomes, such as lower crime rates, better public health, an increased commitment to a community, and the ability to mobilize collective actions, leading to spontaneous grassroots movements that motivate individuals to take responsibility for their community and its main concerns [1, 13].

2.1. Marketing strategies and nudges to create a more participative citizenship

Although NGOs and nonprofits (as their name say) do not work for an economic profit, they still need to develop and implement a strong marketing and communication strategy in order to share their vision, raise awareness, mobilize and motivate people, and create social and

political support [10]. Social marketing has played an important role in the improvement of society's well-being since its introduction during the 1970s, when it was initially defined as the design, implementation, and control of programs calculated to influence the acceptability of social ideas [16]. Specifically, social marketing campaigns can be designed to raise awareness about different social causes like global warming, obesity prevention, reduce water usage, etc. [17].

In order to communicate with different stakeholders (i.e., donors, volunteers, beneficiaries, public policy-makers, etc.), NGOs and nonprofits can use traditional media (i.e., radio, television, newspapers, magazines, billboards, etc.), but given that more and more individuals and organizations are moving to the Internet to collect and share information, it is important that NGOs also use this communication space to improve relationships with stakeholders, raise funds, inform the public, attract and retain volunteers, and increase advocacy efforts [10, 18].

It is important to acknowledge that today's citizens are taking advantage of SNS and blogs to remix content, share meanings, and motivate others to take action. Videos, photos, stories, signs, and symbols play an important role in the effort to communicate a social cause or a political point of view. With a simple e-mail, an individual or a NGO can reach thousands of supporters and collect in a couple of days enough digital firms to exert pressure against a firm that is polluting the environment or exploiting children in a factory [15]. With SNS individuals have been empowered, and they can easily demonstrate their affinity with a social cause, using public forms of endorsements such as liking a Facebook page, sharing content, or posting new information [3]. When supporters of a NGO demonstrate their affinity, they become ambassadors for the organization and have the power to influence their peers and spread the message to other publics via viral marketing. Usually, SNS offer other advantages too: the cost to spread a message is low, the speed to share a message is high, there is a possibility to receive prompt feedback, and individuals around the globe can be easily reached [19].

And, even though communication activities are important to position a NGO among its different publics, the goals of the organization will not be fully accomplished unless individuals become volunteers, make a donation, or sign a petition. Therefore, other efforts have to be made in order to transform goodwill and intentions into specific actions. In other words, NGOs need more than followers and likes; they need dollars, people's time to work as volunteers, and even blood and organs in order to fulfill their mission. And, given that some of the issues that NGOs and nonprofits are trying to solve are complex (e.g., alleviating poverty, reducing hunger, saving endangered animal species, etc.), they also need to establish partnerships with other organizations to join forces and be able to foster the desired behaviors for the common good [20].

2.1.1. Creating awareness with iced cold water

The ALS Ice Bucket Challenge is one of the best examples on how to effectively use SNS to create public awareness about a cause and to raise funds. Amyotrophic lateral sclerosis (ALS) is a rare disease that at this moment has no cure. Resources are needed to sponsor medical research to identify its roots and develop an adequate medicine and therapy. To raise awareness about ALS and also to increase donations, the ALS Association created a challenge:

individuals were given the choice to either donate \$100 to the ALS Association, share a video of soaking themselves with ice water, or pass on the dare to another three people. Athletes, politicians, CEOs, and many celebrities participated in the challenge. More than 17 million of shared videos on Facebook were linked to the challenge, and the ALS Association reported donations by more than \$100 million. An analysis of this Ice Bucket Challenge reveals that the viral power of SNS was one of factors that contributed to its success [19]. As people began sharing their videos, society become conscious about the existence of ALS disease and were moved to contribute to the community.

2.2. All we need is a little nudge

To nudge a good intentioned individual and convince him to take action, some ideas can be taken from the behavioral economic field [21]. Behavioral economics is a research field that blends psychology, economics, and the scientific method to examine human decision-making. In short, authors in this research field posit that human beings usually make irrational decisions, but the environment and context in which they make their decisions can be restructured to facilitate and nudge better choices. According to behavioral economics, consumers are highly loss averse and seek to gain in every situation; they often make decisions on autopilot; rely on heuristics or shortcuts to make a choice; are influenced by anchors, like to receive feedback and incentives; prefer simplified information; and easily respond to descriptive norms (i.e., norms that refer to how most people behave in a situation) [22, 23].

When NGOs and nonprofits have those traits and characteristics in mind, they are able to design specific strategies to influence individuals when making a decision. For example, when asking for a donation, NGOs and charities usually offer a range of options such as \$25, \$50, \$100, or “others.” Giving options is an example of how charities are using anchors to nudge donors and obtain a bigger amount of dollars from each one [21].

A review of the normative social identity literature shows that individuals usually respond to descriptive norms and want to present the right identity to others (i.e., they want to be seen as good, responsible citizens who comply with the norms) to gain social approval; this information can be used to design specific messages in order to encourage the adoption of certain behaviors. For example, in their efforts to save resources and use water wisely, hotel managers around the world have launched environmental programs in which they ask hotel’s guests to reuse the towels. To accomplish the task, they leave printed tags near the towels in each room with messages like “75% of your fellow guests have participated in our reuse and recycle program. If you would like to join our efforts in saving the Planet, please reuse your towel” [23]. It seems that these simple texts convey a powerful message that moves individuals and leads them to engage on prosocial behaviors.

2.2.1. *Ostriches and peacocks in the donors’ arena*

Individuals might have many reasons to embrace prosocial behaviors and donate to charities. While some people are altruistic, and want to maximize the benefit and well-being of others, others are moved by more egoistic reasons and want something in exchange for their good deeds. They might seek public recognition, enhance their self-esteem, create a good impression, or

increase their sense of belonging [20, 24, 25]. There are donors who want to remain in anonymity, and others show a conspicuous donation behavior (i.e., they want to overtly display their support for charities with the use of merchandise or symbols) [24, 25]. For the latest, NGOs and charities usually have empathy ribbons, pins, and badges that visibly demonstrate one person's affiliations, interests, and participation with different causes.

For those NGOs that have moved to the digital world, there is also an opportunity to provide donors with virtual tokens to strengthen relationships with the different stakeholders while providing the desired visibility. Among other tools, there are "twibbons" (i.e., virtual ribbons that can be used both in Facebook and Twitter), photo frames, and badges that donors can share or embed on social media pages [25]. Some Facebook pages also allow donors to update their status and share the information with their own peers. These virtual tokens transform private actions (i.e., blood donation) into a publicly recognized behavior, which might motivate donors who seek social value and benefit from the warm-glow that comes from behaving prosocially [20].

To enhance conversation, share information about a cause, or demonstrate support, members of an OSCC can also use the hashtag symbol (#). The hashtag allows ordering and quick retrieval of information about a specific topic, but it also serves as a channel to get out a message and to attract visibility and attention from different publics. Hashtags can easily become trending topics and inspire others to follow the conversation, turning a simple character into a powerful form of digital activism [26].

3. Exploring issue-based OSCC

To gain a better understanding on how issue-based OSCC are communicating with their stakeholders to obtain their support, raise awareness about their goals and activities, and increase donations, we conducted a netnographic study in **four** different Facebook fan pages [27]. The selected communities for the study have a heterogeneous group of followers, who are highly active by constantly writing comments, uploading photos and videos, or sharing posts with other people; therefore, they provide rich data to analyze. To avoid bias, we chose communities with different goals and agendas: childhood assistance and education (UNICEF), environment (Greenpeace), charity (Suspended Coffees), and social activism (Change.org). The four OSCC are well known and have strong presence in the media. We present the main characteristics of the selected OSCC in **Table 1**.

During the netnographic study, online data were captured on text files using a word-processing software; photos and other images were captured as screenshots of the computer screen as they appeared online [28]. After a 4-month period of observation, we conducted a content analysis to interpret and classify the data. The procedure allowed us to contrast the marketing and communication strategies employed by the observed OSCC with the literature.

3.1. Different posts for different purposes

People do not usually live in isolation. Most individuals are part of groups or communities in which they share common interests, activities, and meanings. This fact was clearly seen in

OSCC	Followers	General description
Greenpeace Mexico	925,331	Greenpeace is an independent global campaigning organization that acts to change attitudes and behavior, to protect and conserve the environment and to promote peace.
Suspended coffees USA	357,482	Suspended Coffees is a nonprofit organization partnering with a variety of businesses around the world, helping to bring communities together and change peoples' lives, by giving free coffee and meals to people in need.
Change.org	1.5 million	Change.org is the largest online petitions platform in the world. It is revolutionizing the way people cause changes in the network. It allows anyone, anywhere, to start and win campaigns for social change.
UNICEF	6.9 million	UNICEF saves children's lives, defends their rights, and helps them fulfill their potential. UNICEF was created with this purpose in mind – to work with others to overcome the obstacles that poverty, violence, disease and discrimination place in a child's path.

Source: Our elaboration with Facebook data.

Table 1. OSCC characteristics.

the four virtual communities studied, where we observed that its members have their goal to support the causes of their interest through donations, voluntary work, or signing petitions for support, among other actions.

Upon joining the Facebook community, members see regular posts from the issue-based OSCC, published by the administrators or leaders of the community in the Facebook news feed. They can use either videos, photos, stories, or infographics to grab people's attention, strengthen the links with the community members, and invite them to take action (e.g., make a donation, share a comment, vote for certain issue, etc.). In turn, the latter demonstrate their commitment and loyalty by using the dynamic and interactive tools of the network (likes, shares, hashtags, etc.), which allow them to interact with other members, engage in conversations, viralize the contents they find more attractive and interesting, or demonstrate their position before a social or ecological cause.

With our analysis, we found that most posts can be classified in six categories: (1) for economic purposes (e.g., raise funds, sale of promotional merchandise, etc.), (2) mobilization/call to action (e.g., sign petitions, use hashtags, share publications, collect signatures, peaceful marches, etc.), (3) educational (i.e., provide facts and/or instructions regarding an specific issue), (4) community building (i.e., encourage dialog among followers, with publications that motivate and generate a sense of pride and belonging), (5) inspiration (i.e., share testimonials and achieved milestones, as well as uplifting and inspiring quotes), and (6) empowerment (i.e., give members of the community skills, knowledge, abilities, and the opportunity to make choices).

To be able to collect funds on Facebook, the organization must set up a dedicated page to share their mission and story and then add a donate button to their page header or to specific posts and live videos. Once the button is set, visitors will be able to donate through a website or through Facebook. Of the four studied communities, three of them have an active donate button that leads potential donors to a website (Greenpeace Mexico, Change.org, and

UNICEF). Even though the Suspended Coffees does not have a donate button on its Facebook page, it does have one to register as member of the community. Once an individual press this button, he/she is taken to a website where he/she can register to receive periodical newsletters and gives the visitor that landed in the website the opportunity to donate through PayPal.

Calls to action are presented in different formats. But the most engaging posts usually have powerful images or videos presenting facts or stories that move individuals into action. Comments on the stories usually contain considerable emotion, either expressed with words or by using one of the six available emojis provided by Facebook to express a reaction (i.e., Like, Love, Haha, Wow, Sad, or Angry emojis). For example, Greenpeace recently published a call to action named "Act for plastic-free oceans." The video was seen by more than 8000 people, shared with 227, and had almost 500 reactions. Comments contained many expressions of anger and disgust and demanded authorities to provide solutions to the problem.

Hashtags are also used either as calls to action or as symbols of pride and empathy with a cause. For example, after the September 19, 2017, earthquakes in Mexico, most social media users began to use the #FuerzaMexico (#ForceMexico) hashtag. These two words convey a powerful message. They denote the courage and strength needed to rescue the victims and begin to rebuild the destroyed homes and business buildings, but they also mean that even though Mexicans were shocked, scared, and suffering, they still had an inner strength that put them back into their feet. We observed that both Greenpeace Mexico and Change.org began to use the hashtag to encourage people to donate and participate as volunteers. Even though UNICEF did not use the hashtag, they created a specific campaign to raise funds in order to provide safe drinking water and hygiene supplies to Mexican children in need.

3.2. Building a bigger community with a transformative purpose

The studied communities are built around the mission and values of the organizations that they represent. When contrasting our findings with extant literature [14], we discovered that their members engage in the following practices: (1) empathy and solidarity demonstrated through social and emotional support toward the cause; (2) evangelization and inspiration to motivate others to join the cause and join efforts; (3) the celebration of milestones or achievements when the goals are achieved; (4) documentation through narratives, videos, and photos with testimonials of success stories; and (5) the use of specific symbols to recognize followers of the brand (e.g., promotional items with the NGO logo, use of hashtags, and use of common phrases that are shared through the networks).

It was interesting to observe that in these communities, members share a greater purpose that goes beyond their main agenda and their individual goals and mission: the general well-being and welfare of society. While each one of the studied OSCC uses Facebook to publicize their projects, encourage donations, and sensitize their followers, our analysis shows that in these communities there is no competition between causes, but a collaborative work between them. Their administrators usually invite to join other NGOs with similar goals, and even, in situations of great transcendence, they adapt their messages to support other OSCC.

We observed that after the earthquake that occurred in the center of Mexico on September 19, 2017, there was a change in the tone, content, and purpose of the publications of two of the

four communities studied: leaving — temporarily — their traditional publications to focus their attention on the collection of donations, support the victims (people and animals), and awaken collective conscience and sacrificing even immediate objectives of the NGO to join a different project (i.e., provide relief to the victims of the earthquake) with the support, applause, and recognition of the followers of the OSCC. This can be observed in the following comments:

"@GreenpeaceMexico: How can we donate to the rescue teams that are helping the earthquake victims? Can you create a new donate button to raise funds for them?" (K.O.G.)

"@Change.org: we need to create a petition to ask political parties and politicians to donate money for the earthquake victims." (C.V.B.)

"@Change.org:#eldinerodemisimpuestosparadamnificados(#taxmoneyforearthquakevictims)." (M.Q.D.)

3.2.1. Celebrating achievements of the community

By bringing attention to particular social issues, we found that OSCC can become change agents and a motor of transformation. With almost 1 million of followers, Greenpeace Mexico seeks to promote a change in public and corporate policies for a social and responsible application of environmental solutions. They promote a new model of consumption and production toward a world free of threats to the environment and where the effects of climate change are reduced and mitigated. In order to achieve their goals, they use videos, infographics, and photos with calls to action and specific steps to empower and educate individuals. Each call to action is usually supported with scientific evidence and hard data.

When they reach a milestone, they celebrate it and share posts with the members of the community and other stakeholders. For example, after an intense campaign against an international bakery firm (Do you know what goes into your bread?), which included silent marches and placard protests, Greenpeace announced that the firm was finally giving an answer to the petition by publicly manifesting its commitment to initiate changes in their production processes. The reactions to this victory could not be more enthusiastic:

"You and almost 160,000 other people made the largest bakery in the world take another step and commit to promote organic farming in our country. Let's celebrate this great victory! Share and let everyone know the news." (@Greenpeace Mexico)

"Woowooo, I'm super excited. Thanks Green Peace." (V. G.)

3.3. Nudges and engagement

SNS and social media present a unique research opportunity for observing how donors and supporters of an OSCC respond to organizational communication and engagement efforts. With this netnographic study, we were able to compare extant literature on nudging individuals with the use of behavioral economics, with current OSCC actions. The observation of the dynamics of the four Facebook pages allowed us to identify specific tactics employed by OSCC in their posts and updates to attract donors and volunteers, place call to actions, and raise funds.

Our findings are presented in **Table 2**.

Nudge	Description
Stick to default settings	By liking the Facebook page, users agree to receive notifications and updates in their news feed.
Give choices	Users can change their privacy settings.
Conform to social norms	Videos or photos that describe how most people should behave in certain situations (e.g., Suspended coffees photos showing a smiling indigent drinking a free cup of coffee previously paid by one customer; a Greenpeace video explaining how to dispose garbage, etc.).
Reduce effort	Donate with the click of a button; show your support or disgust with one of the six reaction emojis.
Reduce effort	Use of hashtags to join the conversation.
Use anchors	Greenpeace and UNICEF provide a list of dollar amounts, so the potential donor can decide how much money he/she will donate to the cause.
Reduce reputation risks	The four OSCC disclose information regarding its activities, mission and goals.
Reduce economic risks	The websites use encryption technology to protect donors.
Increase social recognition and reputation	Other members of the community can see who is online, read the comments, and see the reactions.
Provide feedback	Facebook allows users to start a conversation, and receive comments and visual forms of support with the reaction emojis.
Provide incentives	Badges and emojis can be used to celebrate victories, or to recognize community heroes.
Create a sense of community	Hashtags and twibbons are visual signals that members of the community can use to denote their active participation within the OSCC.
Use heuristics	Infographics are a good tool to educate and empower stakeholders. Step by step or checklists are always useful.

Source: Our own elaboration with Facebook data.

Table 2. Examples of nudges and incentives used to engage OSCC stakeholders.

4. A little piece of marketing and managerial advice

We believe our findings can be useful for small NGOs and nonprofits willing to take advantage of SNS to improve their communication efforts with their several stakeholders. These insights can guide the effective design and delivery of marketing and communication strategies based on the use of nudges and incentives.

1. We recommend to study and observe your public. Who are your main stakeholders? What moves them to donate or to volunteer? Which are their main concerns? With information in hand, nonprofit leaders and marketers will be able to select the appropriate channels to communicate with their publics.

2. Do not limit to one SNS. Nowadays, it is possible to link Instagram and Facebook posts. While the first one is more visual, the second one offers the possibility to share long texts with compelling stories.
3. Use short but powerful hashtags that convey a clear and strong message and provide supporters of your organization with a tool to start a conversation and demonstrate their affinity with your cause.
4. Remember that a good image is worth a thousand words. Use high-quality photos, with people in real situations.
5. Learn to appreciate lurker and sharers. Even if some individuals chose not to comment or react to your post, they can always share it with their peers and attract new visitors to your page.
6. Write emotional stories or use videos to motivate and inspire others.
7. Always be transparent. Share your goals and motives. If your OSCC reaches a milestone, have a virtual celebration. Individuals want to know that their effort (even if it was a small contribution or a simple like) is giving results.
8. Provide badges and twibbons so your followers can show off their support.
9. Protect your stakeholders. Use technology against hackers.
10. Make a bridge with the offline world. Organize public events, take lots of pictures, and then post them on your Facebook page.
11. Make alliances and partnerships with private firms, schools, universities, public officers, and other NGOs. Joint efforts result in bigger achievements.
12. Go local. Get involved with the community and learn about their concerns. Participation will increase when people feels they are solving the next-door neighbor problem.

5. Conclusion

The virtual world has revolutionized social activism and the construction of communities with a social cause. Thanks to the characteristics of the Internet, and particularly of social media platforms, nowadays people can share videos, sign petitions, make donations, and express their point of view by pressing a simple button, becoming participative actors and not mere bystanders. At the same time, digital tools provide OSCC and nonprofits with different elements to connect with key stakeholders, to spur action, and to drive social change. Notably, individuals are responding to call to action with enthusiasm. They have voice and want to be heard by authorities and private companies. And, social media is offering just the right channel for them.

With the use of videos, infographics, and interesting stories, OSCC are empowering individuals to make informed choices. Motivational quotes and images inculcate positive attitudes.

And, the opportunity to openly join the community provides individuals with the opportunity to participate in the much desired social change.

Nomenclature

App	Smartphone application
NGO	Nongovernment organization
OSCC	Online social change community
SNS	Social network site

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Community Pharmacy Marketing in the New Era: A Global Picture of Extended Community Pharmacy Services

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Azmi Sarriiff and Fahad Saleem

Additional information is available at the end of the chapter

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Abstract

The community pharmacists (CPs) are legally responsible to hand out a wide range of ready-made prescription medications to patients. Additionally, CPs are also involving in advocating customers who determine to self-medicate. Interestingly, it is also noted that CPs in developed countries like the United Kingdom, Germany, and Canada have performed more than these services. What are the extended community pharmacy services available? What are the barriers and perceptions of these extended services? It is rationale to explore such issues globally since it might have potential to give some possible course of action to CPs to incorporate more values to the contemporary services.

Keywords: community pharmacists, extended services, barriers, perception, global

1. Introduction

In the healthcare system, the pharmacists are responsible to audit an instruction inscribed by the medical practitioners to determine potential inappropriate written prescriptions [1]. Such responsibilities are likely to have a profound effect on the success of the healthcare modus operandi since it has potential to wipe out prescribing incongruous medication events [2]. The proceeding is being noticed in the hospital but not at all in non-hospital independent settings. For example, in the developing country like Malaysia, the community pharmacists (CPs) are rarely auditing the written instruction inscribed by the general practitioners (GPs) because GPs are legally given the right to prescribe and dispense medications to their

patients [3]. In other words, GPs are performing their exercises regularly in the absence of CPs to audit their prescribing activities. Such exercises might cause their patients to vulnerable experience potential unwanted effects of improper prescribing and it was noted in an earlier study which corroborates the potentially inappropriate prescribing among the long-term care Irish patients [4]. Therefore, the roles of CPs to audit such improper prescribing among GPs are crucial accountabilities in the healthcare system. Nevertheless, the healthcare modus operandi must act in accordance with the mandatory regulation even though such modus operandi might have potential to inflict harm on anyone else.

As CPs, they are also accountable to advocate the consumers with respect to the safe use of medication, its effectiveness, and cost-effective affair. Such responsibilities were noted in earlier studies throughout the world. For example, it is noted that CPs in the United Kingdom are pointing out their role in maintaining safe use of medication among the consumers [5]. In Canada, CPs are executing the role to corroborate the prescriptions are filled up with quality, safe, and effective medications [6]. Additionally, it is noted that CPs in Finland are having the skills to ensure the rising cost that will not restrict the access to medications by the consumers [7]. Such honorable responsibilities are magnifying the potential roles of CPs in the healthcare system.

Instead of the roles, it is also a crucial intentionality to determine divergent roles which might be performed in the developed and developing countries. Such dissimilar performance might make it easier for CPs to offer particular services in their community pharmacy settings. Furthermore, the services might have potential to intensify the reputation of CPs as a healthcare provider in the eyes of other healthcare practitioners, policymakers, and consumers. Additionally, the extended services might potentially enlarge the earnings scale in community pharmacy settings.

2. Methods of content analysis

A systematic search was performed via international and national literature reviews and studies using Google Scholar and PubMed as an electronic database, searching for abstracts in English from January 2005 till January 2017 for the international search [8] and January 2006 till May 2017 for the national search [3]. The general search terms used were: community pharmacist; extended roles; extended services; expansion roles; expansion services; perception; perspective; attitudes; barriers; limitation; expanded pharmacy services; pharmacist care services; enhanced pharmacy services; private pharmacies; future services; public

Population	CPs, GPs, customers
Phenomenon of interest	CPs' extended services; perceptions among CPs, customers, and GPs of extended services. Identifying barriers toward extended services
Primary outcome measures	The outcome measures but not restricted to it were: (1) to describe extended services; (2) to describe perceptions among CPs, customers, and GPs toward extended services; (3) to identify barriers toward extended services
Types of studies	Quantitative and qualitative studies; article reviews
CPs, community pharmacists; GPs, general practitioners.	

Table 1. Criteria for inclusion of studies in the report.

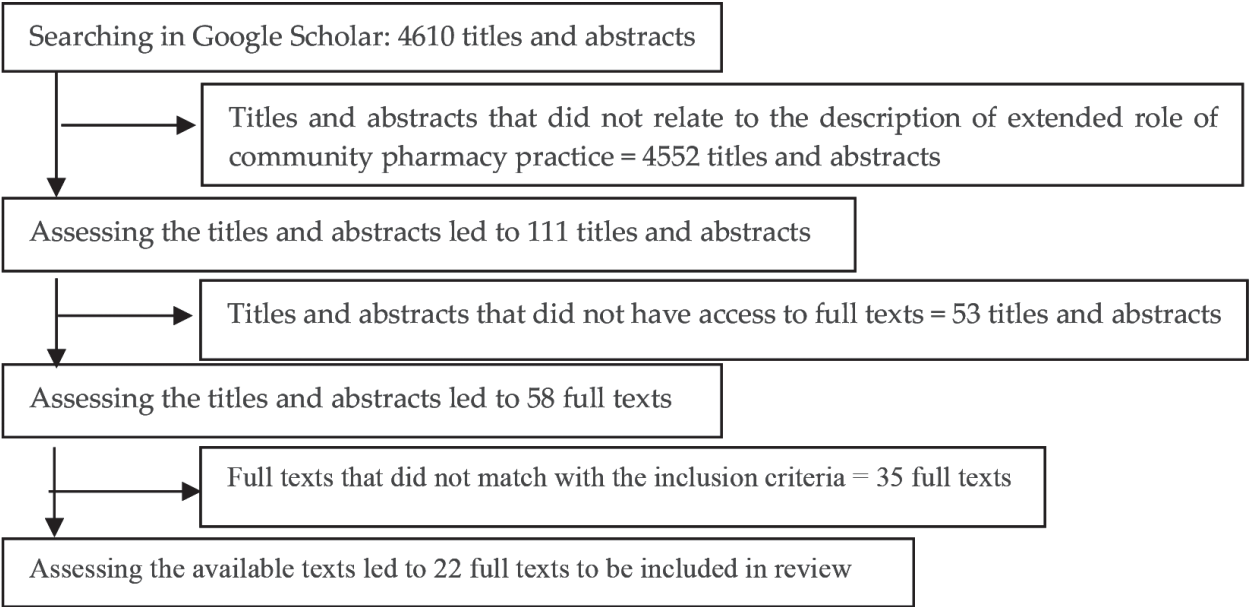


Figure 1. Flow diagram for international search.

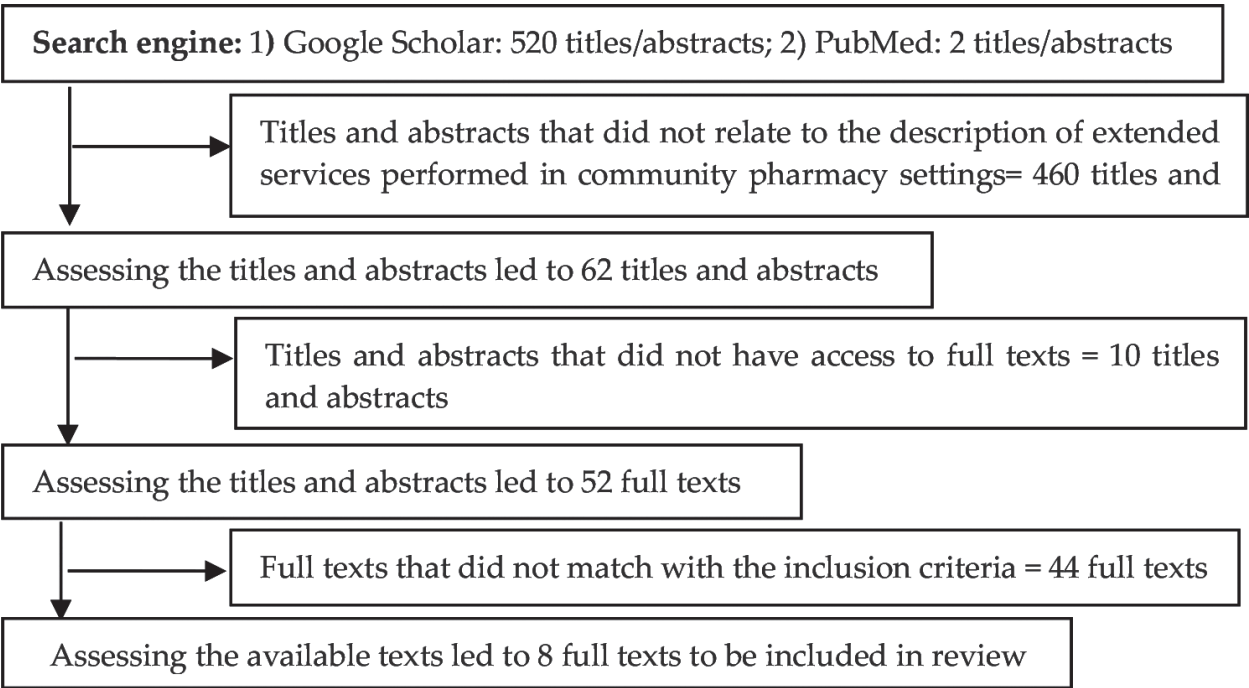


Figure 2. Flow diagram for National Search.

health; healthcare systems; review; pharmacy; community pharmacy; CPs; patient counseling; continuing pharmacy education; disease management; intervention; and healthcare. The abstracts were evaluated by the scholar researcher, searching for relevant materials that fitted with the inclusion criteria as depicted in **Table 1**. The abstracts that concordance with the inclusion criteria were assessed for full texts. Then, another two scholar researchers evaluated in detail the contents of each text, searching for materials that concordance with the criteria in **Table 1**. These inclusive texts were reflected in this report. The flow of the searching process was reflected in **Figures 1 and 2**.

3. Extended pharmacy services

It is noted that there is a wide range of extended pharmacy services available in many countries throughout the world as illustrated in **Table 2** [9–37]. In the absence of Pakistan's scenario [38], other such extended services divulge the true color of CPs' knowledge and skills in an authentic practice. For example, it is noted that CPs in Australia are operating supreme services such as anticoagulant and drug-level monitoring, ostomy counseling, chemotherapy, parenteral, and nutrition preparation. In Canada, it is noted that CPs are executing the roles to advocate their customers for alcohol consumption, smoking cessation, physical activities, and immunization. Interestingly, CPs in the developing country like Sudan are making available services such as emergency oral contraception counseling, hyperlipidemia monitoring, and hypertension care. However, the prominence extended service notified in the table is the provision of pharmaceutical care (PC) in community pharmacy settings as noted in Japan, Hong Kong, China, and the United Arab Emirates. Such extended service is also notified in other countries like Peru [39] and Estonia [40]. It divulges PC as a paramount importance to be performed in the healthcare system side-by-side with other extended services.

There are a lot of earlier studies which disclose such extended service has accomplished positive end results via an authentic practice. For example, it is noted that CPs in Spain are having the quality necessary to exalt medication adherence among the hypertensive patients [41]. In Australia, CPs have executed the role to ameliorate the clinical and humanistic net results among patients who possess type 2 diabetes [42]. Another pharmaceutical care study in Malaysia discloses the potential of CPs to diagnose a wide range of potential undesirable drug-related problems among their customers [43]. It is also notified that there is a review article which divulges the positive impact of smoking cessation program performed by CPs [44]. Consequently, these significant positive impacts are putting on a screen for the consumers and other healthcare practitioners to acknowledge the roles of CPs in community pharmacy settings. Additionally, it might inspire other CPs to persuade the exact service for the benefits of their customers.

Even though there are some CPs who might operate their extended services without demanding dollars as a price from their customers for a service rendered, it is essential to reimburse CPs for their knowledge and skills. For example, an earlier review article has pointed out 60 reimbursement programs for CPs in the United States, Canada, Europe, Australia, and New Zealand [45]. Such reimbursement comprises of payment as such for emergency contraception counseling, advice on minor ailments, comprehensive medication management, medication review, follow-up visit, and time-dependent fee. It is noted that there are variable charges in different countries for the similar extended services. It discloses that the charges must take into account of knowledge, skills, and time exercised by CPs to perform the extended services [46]. Consequently, CPs are given the image as a professional healthcare practitioner like GPs rather than as an entrepreneur.

Nevertheless, it is crucial to perform a systematic inquiry to notify the facts of barriers and perception among the consumers and other healthcare providers so as to establish the truth of these extended services. Such inquiry might intensify the truth operation of these extended services in an authentic practice. Over and above that, the facts and figures which put into picture might have potential to manoeuvre CPs to instigate a strategy formula to get rid of them.

Extended services: Country published [Article #]

Determine DRP: Jordan [14], Netherlands [12], China [15], Sudan [23], UAE [22], Mal [32]

Legal right to prescribe selected medications: United Kingdom [11], Aust [16], South Africa [18]

Proffer the pharmaceutical care concept: Japan [28], HK [29], China [15], UAE [20, 22]

Managing a SC program: Japan [28], Aust [13], Canada [17], Sudan [23], UAE [19], Mal [30, 32, 35]

Advising on healthy diets: Canada [17]

Organizing aboriginal health services: Aust [13]

Counseling on alcohol consumption: Canada [17]

Running an anticoagulation monitoring: Aust [13]

Deliver an asthma care: Aust [13], UAE [22], Mal [30]

Offering a body piercing service: Aust [13]

Chemotherapy preparation: Aust [13]

Community health education: Aust [13], Sin [9], HK [27], China [15], Sudan [23], UAE [22], Mal [30, 32]

Community clinic service: Aust [13], Mal [36, 37]

Counseling on physical activities: Canada [17], Mal [30, 35]

Diabetes care service: Aust [13], Canada [17], UAE [19, 22], Mal [30]

Service for patients discharged from hospital settings: Aust [13], Netherlands [12]

Drug-level monitoring or kinetic dosing service: Aust [13]

Emergency oral contraception counseling: Canada [17], Sudan [23]

Geriatric care service: Aust [13], Japan [26, 28]

Harm reduction methadone service: Aust [13]

Herbal and nutritional supplement counseling: Aust [13], UAE [19], Mal [30, 35]

Hyperlipidaemia monitoring service: Aust [13], Canada [17], Sudan [23]

Hypertension care service: Aust [13], Canada [17], Sudan [23], Mal [30, 35]

Drug misuse counseling: Mal [30]

Immunization program service: Canada [17], UAE [22], Mal [30]

Referring patients to GPs: Mal [32]

Lifestyle modification counseling: HK [27], Canada [17], UAE [19]

Medication counseling or review: Nepal [25], Netherlands [12], Sin [9], HK [27, 29], China [15], Russia [10], Sudan [23], UAE [19, 22], Mal [30, 31, 32, 34]

Minor ailment or self-care consultation: Sin [9], HK [29], China [15], UAE [19], Mal [32]

Naturopathy counseling: Aust [13]

Nutritional support including parenteral and enteral nutrition service: Aust [13]

Osteoporosis care service: Aust [13], Japan [26]

Ostomy counseling: Aust [13]

Pediatric pharmacy service: Aust [13]

Pain management service: Aust [13]
Pharmacist-led patient self-management of chronic disease: HK [27, 29]
Psychiatric pharmacy service: Aust [13], Belgium [24]
Sexual health counseling: Canada [17]
Skin-care management service: Aust [13]
Specialized compounding service: Aust [13], UAE [22]
Weight management counseling: Aust [13], Canada [17], UAE [19], Mal [30]
Wound care service: Aust [13], UAE [19]
Monitoring medication outcome: Mal [32]
Providing medication information to GPs: Mal [32]
Oral health counseling: Mal [30]
Special population counseling: Mal [30]
Breast cancer counseling: Mal [33]

GPs, general practitioners; UAE, United Arab Emirates; HK, Hong Kong; Mal, Malaysia; Aust, Australia; Sin, Singapore; DRP, drug-related problem; SC, smoking cessation; #, number.

Table 2. Details of countries which indicate extended pharmacy services.

4. Barriers and perceptions of extended community pharmacy services

There is a wide range of barriers to the performance of extended services notified as illustrated in **Table 3**. Such barriers are a serious impediment to the extended service’s progress and it is noted that CPs, GPs, and consumers can be the origins of the barriers. For example, CPs in the United Kingdom, Australia, Belgium, Nepal, Netherlands, Singapore, Canada, and the United Arab Emirates specify a lack of time to spend with their customers might be the paramount barrier to the extended services. Additionally, CPs in the United Kingdom and Australia have to reinforce self-confidence to perform such services since there is a potential lack of on-going training for them. Interestingly, it is notified that CPs in Russia and Sudan are incorporating a lack of clinical component in the pharmaceutical education as the obstacle which puts a stop to the extended services. Foremost, it is noted that CPs in the United Kingdom, Singapore, the United Arab Emirates, Canada, Australia, and China might lose their enthusiasm to implement such extended services due to reimbursement affair. Furthermore, CPs in the United Kingdom and Canada intensify the extended services and require financial support. Therefore, it is crucial intentionality to determine such barriers and CPs must have the devotion to rectify the situation with strong feeling and belief of each extended service that can benefit their customers at all.

Most prominent in rank, it is noted that CPs might not have an interest to execute the extended services due to their absence of knowledge and skills as illustrated in **Table 3**. The reasons

Barriers: Country published (Article #)

Lack of on-going interaction between CPs and customer: Jordan [14], Japan [28], Pakistan [38], HK [27, 29], Canada [17]

Not regular customers: Canada [17]

Customers do not like to be condemned for their lifestyles: Canada [17]

CPs put more effort into product-oriented service: Jordan [14], Japan [28], Sin [9], HK [27], Russia [10], UAE [19, 20]

Customers are in rush and do not have much time to interact with pharmacists: Canada [17]

CPs are not always available at pharmacies: Canada [17]

Pharmacy program in university is basically product-oriented rather than patient-oriented: China [15]

Lack of clinical components in pharmacy education: Russia [10], Sudan [23]

Absence of legal regulation to conserve customer medication documentation: Jordan [14]

Lack of time to counsel: UK [11], Aust [13], Belgium [24], Nepal [25], Netherlands [12], Sin [9], Canada [17], UAE [19]

Owner does not have the interest to provide such extended services: Canada [17], Russia [10], Mal [30]

Customers do not have an idea about benefit of such extended services: Canada [17]

Lack of interrelationship among the CPs: Sin [9]

Shortage of pharmacists: Aust [13], Pakistan [38], Canada [17], China [15], Mal [34]

Shortage of supporting staffs: UAE [19], Mal [33]

Lack of financial support: UK [11], Canada [17], Mal [33, 36, 37]

Lack of self-confidence to execute such services: UK [11], Aust [13], South Africa [18]

Low perception of self-competence: UK [11], South Africa [18]

CPs have been overworking: Canada [17]

Language barrier: Mal [34]

Lack of working relationship with other HPs: UK [11], Aust [13], Belgium [24], Sin [9], HK [27], Canada [17]

Lack of managing support: UK [11], Mal [30]

Such extended services are not composed of a conservative pharmacy profession: Aust [13], China [15]

On-going searching for a location to perform: UK [11]

Competition with colleagues for a location to perform: UK [11]

Lack of confidence or trust among customers: UK [11], Belgium [24], Nepal [25], HK [29], UAE [20, 22]

Customers are not ready to undergo a chance in the conservative practice: Canada [17]

Customers reject to reimburse for such extended service: Aust [13]

Lack of reimbursement scheme: UK [11], Aust [13], Belgium [24], Sin [9], UAE [19], Canada [17], China [15], Mal [30]

Lack of clinical supporting tools: Canada [17], South Africa [18]

Lack of recognition as a supreme healthcare practitioner: Pakistan [38], Sin [9], HK [27, 29], Sudan [23], UAE [21, 22]

Lack of continuing support: UK [11]

Having existence of many technical burdens to be sorted out: UK [11], Canada [17]

Lack of knowledge and skills:	Aust [13, 16], Belgium [24], China [15], Pakistan [38], Nepal [25], HK [27], Canada [17], Russia [10], Sudan [23], UAE [22], Mal [33, 34]
Lack of competence to formulate a drug therapy plan:	UK [11]
Other HPs confuse with recent extended services:	UK [11], Aust [13], HK [29], UAE [21], Sudan [23], Mal [32, 36, 37]
Lack of on-going training program:	UK [11], Japan [28], Aust [13], HK [27], Sudan [23], Mal [30, 33, 34]
Lack of profitability:	Mal [30, 33]
Government/organizational puts a stop to such extended services:	UK [11], Pakistan [38], Sin [9], HK [27, 29], UAE [19]
Lack of an access to medication record:	UK [11], Belgium [24], Sin [9], Aust [13], HK [27], Canada [17], Sudan [23]
Other HPs have a negative way of thinking:	UK [11], Aust [16], Pakistan [38], HK [27], Canada [17], UAE [21, 22]
Lack of a return performance evaluation:	UK [11]
Such extended services confusticate the customers:	UK [11], HK [27, 29], China [15], South Africa [18]
Absence of a counseling space:	UK [11], Belgium [24], Canada [17], South Africa [18], Mal [34]
Absence of a principle model as a merit procedure for CPs:	Canada [17], Russia [10], UAE [22], Mal [30]
Lack of confidence and trust among GPs:	Mal [32, 36, 37]
Gender barrier:	Mal [33]
Health promotion which is carried out by the customers:	Mal [30]

GPs, general practitioners; CPs, community pharmacists; HK, Hong Kong; UAE, United Arab Emirates; Sin, Singapore; Aust, Australia; UK, United Kingdom; Mal, Malaysia; CPs, community pharmacists; HPs, healthcare providers; #, number.

Table 3. Details of countries which indicate barriers toward performance of extended pharmacy services.

are putting into the frame that it is crucial to initiate a strategy formula in order to eliminate the barrier toward extended services. In absence of the strategy formula, CPs might not have the opportunity to undergo phenomenal experience via extended services. Therefore, in our opinion, it is necessary to give intellectual to CPs who can take the first step to commerce a triage action mode as an earlier extended service in community pharmacy settings. Such action mode is a critical exercise because CPs are always in the right position to act as a ‘gate-keeper’ to the entire healthcare system. Following the sequence, it is believed that CPs might make a start to acquire knowledge and skills in dissimilar extended services in order to serve the customers. Nonetheless, it is necessary to institute a fundamental procedure for CPs to follow in making an accurate triage action plan. The procedure should be simple and easier to be carried out in the frenetic surrounding.

Nevertheless, the consumers in point of fact are the paramount importance to the provision of extended services in community pharmacy settings. Such extended services turn to be ineffectual if the consumers refuse to admit the true benefits of such services. As a result, the consumers might testify against such extended services via their negative justification. For example, as illustrated in **Table 3**, it is noted that the consumers in Canada possess insufficient time to be in contact with CPs and such extended services are not adjudged to be the recipient to ameliorate their health status. Such feeling and beliefs are obstacles to the normal progress of

commencing a wide range of extended services. Therefore, it is notified that some customers in Australia refuse to reimburse CPs for such services. Consequently, it is crucial to take into account of consumers to be members of policymaker so that their official spokesman can give intellectual, moral, and instruction to the society about the benefits of such extended services.

Foremost, GPs and consumers must acknowledge the role of CPs as the supreme medication protector in the healthcare system. Their feeling and belief might make the extended services look more attractive or otherwise. Therefore, it is critical to determine their point of views regarding the provision of extended services in community pharmacy settings. As illustrated in **Table 4**, it is notified that CPs in the United Kingdom, Australia, Hong Kong, South Africa, the United Arab Emirates, and Sudan have taken into account of collaborating with GPs to

Perception of extended services: Country published (Article #)

Customers rarely adjudge the community pharmacy as a healthcare facility: Jordan [14]
 Having a tendency to minimize the general practitioners' overburden duties: Aust [13]
 Supporting from the pharmacy associations to exercise such extended services: UK [11], Aust [16]
 Government's rule to execute such extended services: UK [11]
 A solution to the shortage of general practitioners: UK [11]
 Reimbursement scheme for such extended service: UK [11]
 Determine to exercise their knowledge and skills: UK [11], Nepal [25], Aust [16], South Africa [18], Sudan [23]
 Determine to experience a new challenge in an on-going practice: UK [11]
 Advancing personal marketability: UK [11]
 A duty to take more responsibilities with their medication action plan: UK [11], South Africa [18]
 A potential to establish a working relationship with other healthcare providers: UK [11], Aust [16], HK [27], South Africa [18], UAE [21], Sudan [23], Mal [31, 33, 36, 37]
 Magnifying the superior image of pharmacy practice: UK [11], South Africa [18], Mal [33]
 A part to enlarge on-going career: UK [11]
 Benefit the profession in many aspects: UK [11], South Africa [18]
 Personal satisfaction: UK [11], Nepal [25]
 Benefit the customers: UK [11], Nepal [25], Sudan [23]
 Improving sales: Nepal [25], UAE [20]
 A strategic plan to eliminate business competition: Nepal [25], UAE [20]
 GPs are not favor of CPs to conduct the smoking cessation program: Mal [32]
 GPs are favor of CPs to determine the drug-related problems: Mal [32]
 GPs are willing to work side-by-side with CPs to review medication outcome: Mal [31, 32]
 GPs are aware of CPs more toward patient-oriented profession: Mal [31]
 GPs are not favor of CPs to document customers' profiles: Mal [31]
 GPs are not favor of CPs to recorrect written prescriptions themselves: Mal [31]

GPs are favor of CPs to refer customers to them: Mal [31, 32]
CPs are not regarded as the best practitioner to advise GPs about the rationale medication use: Mal [31, 32]
GPs should listen to CPs about written prescriptions’ issues: Mal [31, 32]
CPs are not well trained to perform screening tests: Mal [31]
GPs are favor of CPs to treat minor ailments: Mal [31, 32]
CPs are underestimated by GPs: Mal [31]
CPs’ knowledge and skills are underutilized: Mal [32]
CPs are not well trained in clinical therapeutic knowledge: Mal [31]
Customers appreciate extended services: Mal [33, 35]
CPs are potential to counsel about health screening: Mal [33, 35]
CPs are the best practitioner to educate about medications: Mal [31, 32]
CPs should involve in health promotion: Mal [32, 33, 35]

| GPs, general practitioners; CPs, community pharmacists; Aust, Australia; UK, United Kingdom; UAE, United Arab Emirates; Mal, Malaysia; HK, Hong Kong. |

Table 4. Details of countries which indicate perception of extended pharmacy services.

operate such extended services. Such working relationship might bring benefits to consumers at all. For example, it is notified in an earlier study which signifies that such relationship can be a service to superintend hypertension patients [47]. Additionally, it is noted that such relationship in managing more chronic diseases have been reflected in an earlier review article [9]. Nevertheless, such working relationship might have potential to summon misconception in the responsibilities of both parties as notified in an earlier study [48]. Therefore, it is necessary to initiate a constructive strategy to fortify such working relationship in the healthcare system [49]. The strategy formula must have a conceptual framework as a general guiding principle to make it easier for CPs to work side-by-side with GPs. For that reason, an instrument is known as STARZ-DRP put into operation as a course of action to enroll both healthcare providers into a strategy medical team [50].

5. STARZ-DRP as a tool to attach GPs and CPs in the identical practice

It is necessary to have a fundamental procedure to follow in advanced prior to execute the other extended services. The procedure should help out CPs to have an initial idea regarding each individual feature acquired via counseling session. In other words, it is crucial for CPs to make an accurate triage action plan as an earlier extended service based on the up-to-date information. For example, the idea to refer the customers to GPs for immediate medical attention should be the first in the sequence of making a triage action plan. Such ethical responsibilities might have potential to save the customers’ life from inappropriate medication use.

The following sequence is to help out CPs to make a medication therapy plan. It might involve CPs and customers to sit down and start to determine the ideal medication to alleviate the on-going minor ailments or maintain the current health status. Consequently, this sequence is magnifying the role of CPs as an adviser to the customers. The last sequence in a triage action plan is to help out CPs to assist their customers to experience the other extended pharmacy services which are available in community pharmacy settings as illustrated in **Table 2**. The main intention is to help out the customers to enhance their quality of life via CPs' knowledge and skills. Furthermore, the knowledge and skills might have potential to add on more value to an earlier medical treatment or else. As a consequence, it is critical for CPs to start out this triage action mode as a fundamental extended service in advance. Therefore, STARZ-DRP is picked up as the appropriate fundamental procedure to follow via experience in an earlier study [43]. Foremost, STARZ-DRP is helping out CPs to execute the role as the supreme medication protector via determining the drug-related problem (DRP) which might have potential to be the origin of actual or potential medical problem [50]. As a consequence, it is the opportunity for CPs to interact with GPs to discuss in detail about the DRP which might be experienced by the customers.

STARZ-DRP is a simple mnemonic to remember and it is initiated to make it easier for CPs to make an accurate triage action plan and distinguish the origins of DRP [50]. As illustrated in **Table 5**, the mnemonic integrates several words which are entitled to act as an action to

Letter	Description
S	Symptom presentation refers to subjective evidence of health problem perceived by the patient
T	Time of onset and duration of the present symptoms
A	Associated symptoms refer to patient symptoms explored and determined by the pharmacist during the interview. It does not refer to the symptoms presented earlier by the patient. This is done by using the pictorial documentation form as depicted in Figure 1 . To aid and ease the pharmacist during the interview, the human body is arbitrarily divided into four regions: (i) Front: the part of the body facing the pharmacist (asking for symptoms like bloating, heartburn, nausea, vomiting, breathlessness, etc.), (ii) Back: (asking for symptoms like lower and upper back pain, shoulder pain, and neck pain), (iii) Upper (head) (asking for symptoms like headache, dizziness, problems with sleep, etc.), (iv) Lower (asking for symptoms like numbness in both legs and hands, constipation, and swollen feet). Perhaps, the method is likened to a filtering or screening process to rule out the presence of severe symptoms.
R	Recurrence problem refers to the symptoms have been treated before, specifically when the symptoms recur and persist despite the treatment prescribed.
Z	Zoom into the patient's medication experience refers to information collected by the pharmacist related to any medical problems (e.g., hypertension, diabetes, hyperthyroid, etc.), medication utilization (e.g., use of prescription and non-prescription drugs, and herbal supplements), immunization history, allergies, drug sensitivities, drug side effects, adverse reactions, and the consumption of alcohol, caffeine, and tobacco.

[#]This is not a diagnostic tool, rather it is a format with the purpose of organizing a community pharmacist's knowledge in a manner that allows him/her to begin identifying the actual and potential drug-related problems and subsequently referring triage patients to the appropriate healthcare professionals.

^{*}The patient's vital signs will be measured when necessary. At times, the patient's blood pressure, pulse rate, and body temperature are measured to aid the pharmacist in assessing the appropriateness of symptoms for self-medication.

Table 5. Definition of letters in STARZ ^{#,*}.

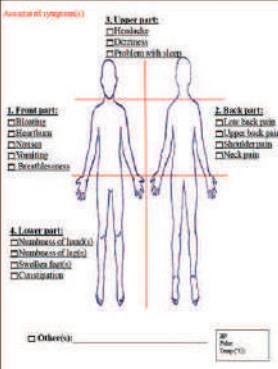
Patient Name _____ Date _____		PHARMACY SELF-CARE ADVICE FORM
Demographic Information		
I/C Number : _____ Gender : <input type="checkbox"/> Male <input type="checkbox"/> Female Home Address : _____ Race : <input type="checkbox"/> Malay <input type="checkbox"/> Chinese <input type="checkbox"/> Indian <input type="checkbox"/> Other : _____ Religion : <input type="checkbox"/> Muslim <input type="checkbox"/> Christian <input type="checkbox"/> Buddhist <input type="checkbox"/> Hindu <input type="checkbox"/> Other : _____ Marital status : <input type="checkbox"/> Single <input type="checkbox"/> Married Occupation : <input type="checkbox"/> Employee <input type="checkbox"/> Self-Employed <input type="checkbox"/> Unemployed <input type="checkbox"/> Retired <input type="checkbox"/> Housewife		
Contact		Home phone : _____ Cell phone : _____ E-mail : _____
A. Request Related To : (check all that apply)		
<input type="checkbox"/> Treatment for condition : _____ <input type="checkbox"/> A specific product : _____ <input type="checkbox"/> Other, specify : _____		
(1). Check patient's signs and symptoms		(2). Zoom to identify drug-related problem
1. State sign and symptom (refer figure 1.0) : _____ 2. Duration : _____ 3. Other associated symptom : _____ <input type="checkbox"/> Yes (specify) : _____ <input type="checkbox"/> No 4. Recurrence sign and symptom : _____ <input type="checkbox"/> Yes <input type="checkbox"/> No		1. Have you tried some products to resolve the problem ? <input type="checkbox"/> Yes <input type="checkbox"/> No Specify the product : _____ 2. Have you consulted a doctor to resolve the problem ? <input type="checkbox"/> Yes <input type="checkbox"/> No Specify the product : _____ 3. Do you have a known medical problem ? <input type="checkbox"/> Yes <input type="checkbox"/> No Type of medical problem and how long : _____ 4. Are you allergic to any drug or other substance ? <input type="checkbox"/> Yes <input type="checkbox"/> No Type of drug/substance : _____ 5. Are you taking any prescription drug ? <input type="checkbox"/> Yes <input type="checkbox"/> No Specify the product : _____ 6. Are you taking any other medications ? <input type="checkbox"/> Yes <input type="checkbox"/> No Specify the product : _____ 7. Do you stop taking medication when you feel better ? <input type="checkbox"/> Yes <input type="checkbox"/> No 8. Do you stop taking medication when you feel worse ? <input type="checkbox"/> Yes <input type="checkbox"/> No 9. Do you have any concern about the cost of therapy ? <input type="checkbox"/> Yes <input type="checkbox"/> No
 <p style="text-align: center; margin-top: 10px;">Figure 1.0</p>		
(3). Sign and Symptom Assessment		
The presenting signs/symptoms is/are NOT easily recognized as self-treatable condition ? <input type="checkbox"/> Yes <input type="checkbox"/> No	The presenting signs/symptoms is/are too serious for self-treatment ? <input type="checkbox"/> Yes <input type="checkbox"/> No	The patient requires further medical examination ? <input type="checkbox"/> Yes <input type="checkbox"/> No
(4). Pharmacy Care Plan		
<input type="checkbox"/> Recommended Specify : <input type="checkbox"/> OTC product <input type="checkbox"/> Drug (Group C or D) <input type="checkbox"/> Herbal product <input type="checkbox"/> Homeopathic product <input type="checkbox"/> Other, specify : _____ List of product : _____	<input type="checkbox"/> Referral Specify : <input type="checkbox"/> General practitioner (GP) <input type="checkbox"/> Hospital <input type="checkbox"/> Conditional referral to GP (if not better in # of days) Reason for referral : _____	<input type="checkbox"/> Health screening/promotion Specify : <input type="checkbox"/> BP measurement <input type="checkbox"/> Pregnancy test <input type="checkbox"/> Blood cholesterol <input type="checkbox"/> Blood/Urine glucose <input type="checkbox"/> Other, specify : _____ Describe advice : _____
(5). Follow-up		
Provide reasons and how to : _____		
B. Drug-Related Problem		
Related to the symptom presentation <input type="checkbox"/> Drug induced problem <input type="checkbox"/> Sign and symptom of chronic disease <input type="checkbox"/> The condition is too serious for self-care treatment <input type="checkbox"/> The condition is a recurrent problem <input type="checkbox"/> A withdrawal symptom of drug discontinuation	Related to drug utilization <input type="checkbox"/> Not valid for medical indication <input type="checkbox"/> Wrong drug for an illness <input type="checkbox"/> Drug use for questionable indication <input type="checkbox"/> Duplicate drug therapy <input type="checkbox"/> Potential for interactions	Related to patient factors <input type="checkbox"/> Excessive utilization of drug product <input type="checkbox"/> Deficient knowledge related to drug <input type="checkbox"/> Financial burden

Figure 3. Pharmacy self-care advice form.

scrutinize customer features. CPs are necessary to act in the same direction while operating the appraisal via the tool and it is prohibited to ignore a single word in STARZ-DRP. For example, there is an inclination toward a particular word in STARZ-DRP such as 'A' since it

<i>To enhance communication between physician and pharmacist for the patient benefit.</i>		PATIENT REFERRAL FORM
FROM: Pharmacist: Phone: Address:	ATTENTION TO: Doctor: Phone: Address:	
Regarding Patient/Customer: I/C number:		
<p>I'm concerned about the following problems and wish to call it to your attention:</p> <p>(i) Related to the patient's presenting signs/symptom</p> <p>(ii) Related to the patient's medication use</p> <p>(iii) Related to the patient's factors:</p> 		
<p>I Recommend:</p> <p><input type="checkbox"/> Further assessment & examination</p> <p><input type="checkbox"/> Need additional therapy:</p> <p><input type="checkbox"/> Resolve the drug related problem</p> <p><i>Please contact me as soon as possible, so we can provide the best care possible to the patient.</i></p> <p><i>Thank You</i></p>		

Figure 4. Patient referral form.

is not a conventional practice to assess such features. However, it is notified that such precise word might help CPs to determine critical signs and symptoms that require instant medical attention [51]. On top of that, CPs shall not fail to hit the single word is known as 'Z' in STARZ-DRP. Such a single word is the paramount importance to determine the origins of actual and potential drug-related problems. It has been notified in an earlier study regarding the potential of CPs to determine, counteract, and rectify drug-related problems [52]. In the authentic practice, the role to determine the origins of drug-related problems is the rightful possession of CPs. Furthermore, CPs are the supreme medication protector who are trained in superintending medication affairs in the healthcare system.

STARZ-DRP has been initiated in a printed paper as illustrated in **Figure 3**. The main objective is to make easier for CPs to transcript the verbal data of customer features into a written version. Such a proceeding is to facilitate CPs to reminisce about earlier events when CPs counsel their customers during a follow-up session. Consequently, the proceeding might precipitate CPs to determine the successful result of the previous triage action plan. In other words, CPs might have to initiate another alternative triage action plan if the earlier blueprint disappoints to wipe out the origins of the medical and medication affair. In such authentic practice, a referral to GPs must be carried out using the form as illustrated in **Figure 4** in order to request for advanced medical examination or advice. Interestingly, CPs can put in writing about their earlier observation so that GPs will have some ideas about the customers.

An earlier study has pointed out that CPs' knowledge and skills to make a triage action plan are ameliorated after CPs emerged in a STARZ-DRP training [53]. Additionally, significant differences are noted in some of the knowledge and skills after weighing up the mean scores of pre- and post-training. Among the significant differences, the self-confidence to assess and determine individual features that acquire immediate medical attention or non-prescription medications are noted. As a consequence, it is an aspiration if CPs can determine STARZ-DRP as a potential mode of action to execute the initial extended service in community pharmacy settings.

Sincerely, such proceeding should be reimbursed with appropriate dollars as it takes CPs to perform their knowledge and skills to determine the triage action plan and origins of drug-related problems. In addition, CPs have to spend their time to interact with their customers via the proceeding. Foremost, CPs should be adjudged as a supreme healthcare practitioner in determining all medication affairs in the healthcare system.

6. Limitation to the use of STARZ-DRP in the authentic practice

In general, STARZ-DRP might not have potential to help out CPs to execute extended services unless CPs are well trained in clinical therapeutic knowledge. Such knowledge should come into possession via higher pharmacy education in the university. In the absence of such knowledge, CPs might not have self-confidence to interact with customers. Subsequently, CPs might also have potential to keep distance from GPs as a way to avoid being cross-examined regarding the customers' medication affairs. As a consequence, it is necessary to initiate a strategy formula to add in more clinical therapeutic knowledge in the pharmacy program.

Additionally, STARZ-DRP acquires CPs to retain possession of customer features in a printed paper as illustrated in **Figure 3**. Subsequently, there is a potential to experience some issues like unable to track down the printed paper because it is not in its expected place or absence of a proper cabinet to put aside all printed papers. Therefore, in the near future, STARZ-DRP might have potential to be exercised via a softcopy version. Such a legible version might eliminate the issues as noted in advanced. As a consequence, STARZ-DRP is eligible for CPs who might have an interest to sustain their authentic practice in up-to-date scenario.

Foremost, STARZ-DRP acquires CPs to allocate a few moments in their life to interact with the customers in order to understand about their features. Failure to execute the moments might have potential to put an end to other extended services. Therefore, it is crucial for CPs to have motivating force to perform STARZ-DRP as a mode of action. In the scenario, the pharmaceutical association should take the responsibilities to convince the policymakers to enforce a regulation for CPs to make an accurate triage action plan for each customer. The policymakers should have absolute understanding that STARZ-DRP might have potential to benefit the customers at all.

Aftermost, CPs must allocate a space for a private conversation with their customers. It is necessary to have the private room in order to protect the information obtained via the conversation to be heard by other customers. Subsequently, it might have potential to ease the customers to voice out their features to CPs. As a consequence, CPs might have the opportunity to determine an appropriate triage action plan.

7. Benefits via STARZ-DRP model

STARZ-DRP is a conceptual framework for CPs and it emerges from the concept of PC which acquires CPs to determine DRP among the customers who are on short- or long-term treatment. STARZ-DRP had been incorporated into an earlier study in order to look into its feasibility to be put into practice in non-hospital independent facilities [50]. Interestingly, the model is able to coach CPs to determine a wide range of DRP as well as help out CPs to initiate an accurate triage action plan. Consequently, the end result is bringing to the public attention about the competence of the model to be the course of actions for CPs in their on-going practice. Subsequently, the model is on the right track to reject the idea as a theoretical work.

In general, STARZ-DRP is actually helping out CPs to market their critical accountability as a supreme medication protector in the healthcare system. In other words, CPs must make sure that each customer is accessible to a wide range of medications which its safety, effectiveness, quality, and cost-effective are protected. It might involve the customers who are on short- or long-term treatment. Consequently, the role might have potential to magnify the image of CPs in the healthcare system. Moreover, the model acquires CPs to be more responsible with each decision made. Therefore, the model is practical to be put into the on-going practice despite different languages, culture, and healthcare modus operandi.

Moreover, STARZ-DRP might have potential to help out CPs in Malaysia to market their position as a healthcare provider after CPs are taken into account as an entrepreneur for such a long time [3]. STARZ-DRP might show the way for CPs to determine the basic extended service

prior to other extended services in advanced. Subsequently, STARZ-DRP might have potential to influence CPs to add in more values into their conservative exercise. As a consequence, the scenario might attract the attention of other healthcare providers, policymakers, and customers to put their absolute trust on CPs to manage all medication affairs. Otherwise, the other medical practitioners like doctor and nurse might take the chance to market their knowledge and skills via managing the medication affairs. At the end, CPs will have to breathe harder in order to sustain their existing in the healthcare system.

CPs must move forward to market their expertise in dissimilar extended services. It is necessary to have such mission and vision in order to sustain their values in the eye of other healthcare providers, policymakers, and customers. It is noted in an earlier study that STARZ-DRP might have potential to eliminate a wide range of DRP in the community pharmacy settings [43]. Such a role points out that CPs can perform the identical exercise like the clinical pharmacists in the hospital settings. Subsequently, in the near future, it is necessary to review the definition of clinical pharmacists for the non-hospital settings. As a consequence, it might have potential to eliminate the image as an entrepreneur and put into the frame the image as a respected healthcare provider.

8. Conclusion

It is notified that CPs can market their knowledge and skills via a wide range of extended service. Nevertheless, CPs must determine the origins of barriers toward such extended services and perceptions of the services in the eyes of customers and GPs. Consequently, CPs have to initiate a strategy formula to eliminate such barriers and perceptions. It is noted that STARZ-DRP is an applicable model to help out CPs to commerce an earlier extended service via the role as a 'gate-keeper'. Additionally, STARZ-DRP might have potential to show the way the exact mode of action prior to other extended services in advanced. The rationale of the article is the fact that it might have potential to help out CPs to incorporate the concept of PC into their on-going practice. Moreover, the model as noted in advance is able to integrate CPs with GPs and work side-by-side for the sake of the customers. Subsequently, the model might have potential to magnify the image of CPs as a supreme medication protector in the healthcare system.

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Conflict of interest

Authors declare no conflict of interest in the study.

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