Is industrialized service declining?

I've just finished the book Kind of Price by psychologist James Hillman. One chapter addresses service as a source of power, a concept I'd never considered. It reveals some interesting insights on small-business marketers seeking an engaged audience.

The core premise is that we can't improve service merely by making it more efficient, fast, frictionless, and fault-free. If so, then reliable digital equipment (more productive impersonal systems) would solve everything.

We all know that the more elite our clientele is, the more service must move from impersonal delivery toward an individual approach. Customers want to talk with someone who can fulfill their requests well and with respect.

Yet we still cling to the production/efficiency paradigm of service, one defined by short-term productivity. Hillman contends that production must evolve; in other words, service and production constructs are interdependent, not independent.

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Gizmo Ltd. fortuitously recognized that it could estimate how much extra margin the OEM earned from its key SOHO market segment, thanks to the grizzled inside and outside the company. Examining the price/performance ratios of the OEM and its competitors, and estimating share erosion the OEM would suffer if its system went to market sans Gizmo, Gizmo Ltd. realized that the OEM should be paying a larger, not smaller, markup for the component.

A more thorough analysis of the poor survey responses, a focus group, and a quickie conjoint study to flesh out numbers in a counteroffer to OEM Corp. OEM Corp. was impressed, not only with the evidence it received from Gizmo, but also with Gizmo's marketing smarts. Unlike suppliers who whine about what's "fair," Gizmo learned how much it really contributes to OEM's profit. Gizmo won a lucrative price and a better codevelopment agreement.

Since asking OEM Corp. if it was satisfied with various aspects of Gizmo's product and support would not have harmed the supplier with enough potent information for the negotiating table. Gizmo's contributions to satisfaction further down the value chain is what counted.

Closing the sale is one thing; determining how much of the sale is due to your marketing services is quite another. To determine a commission formula, each marketing service you provide was given a numeric value. The commission was calculated based on a weighted average of the value assigned to each marketing service.

The commission was calculated as:

\[ \text{Commission} = 0.01 \times \left( \sum \text{Value of Services} \right) \]

WHERE:

- \( \text{Value of Services} \) is the total numeric value assigned to all marketing services provided.

The $20,000 commission fee was then applied against the $20,000 sales price. This results in a net sale of $18,000 for the OEM.

The AHA's Atlanta Chapter has presented two AMY Awards to Newsletters Plus, a 10-year-old Atlanta-based marketing communications firm, which specializes in small business.

Atlanta firm wins two AMY awards

The first merit award for marketing campaigns was in the consumer-marketing—computer-related category for its work on a direct mail campaign for a computer accessories company last fall. The other merit award was in the consumer-marketing—health care/medical services category for its work on Crawford Communications' collaborative publishing project for an Alzheimer's disease-specific publication such as The Edge on Alzheimer and Allergy.

Herb Rotfeld of Newsletters Plus, said the agency was proud to be the only marketing communications agency to receive more than one AMY Award this year.

Newsletters Plus previously won three Scoop Awards from the five-year-old year given by the Direct Marketing Special Interest Group of the AMA's Atlanta Chapter for its work with Crawford Communications.