

Leveraging Service Science for Strategic Marketing: A Case Study of a Canadian Mattress Company

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Abstract. This study utilizes a service science perspective to elaborate on the strategic marketing plan of a Canadian mattress company. Founded in 2014, the company has transformed the mattress industry's traditional product-centric paradigm by adopting a service-dominant logic and employing service systems thinking to fuel its competitive advantage. The research investigates how the company has incorporated concepts from service science, including value co-creation, customer involvement, and tailored solutions, into its marketing approach. The article highlights the importance of service science in developing strategic marketing approaches that work for creative, tech-driven companies by examining the company's target market identification, marketing mix, and competitive positioning. The results offer valuable insights into the strategic use of service science in the contemporary, digitally-enabled marketplace for both scholars and practitioners.

1 Introduction

The mattress industry has traditionally been dominated by a product-centric approach, with companies focusing heavily on features and manufacturing capabilities. However, the rise of digital technologies, a growing focus on sleep health, and increased competition from online retailers have fundamentally reshaped the sector. Consumers now expect a more holistic and service-oriented experience. This case study examines a Canadian mattress company that has embraced this paradigm shift by leveraging principles from service science, specifically service-dominant logic and service systems thinking, to guide its strategic marketing approach. By moving beyond the traditional product-centric model, the company has been able to establish a strong competitive position in the evolving mattress market [1, 2].

The paper is structured as follows: First, it provides an overview of the company's history, mission, and values, highlighting specific details that exemplify its service-oriented approach. This will demonstrate the strong connection between the company's philosophy and service science principles. Next, the paper delves into the theoretical foundations of service science, discussing the key concepts of service-dominant logic, service systems thinking, and value co-creation. The study also explores how these concepts connect and

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examines relevant academic research that supports their application in marketing. The paper then demonstrates how the company has integrated these service science principles into its marketing mix approach. Finally, the paper concludes by discussing the implications of the findings for both academic research and practical applications in the realm of strategic marketing.

2 History, Mission, and Values

Founded in 2014 with headquarters and production facilities in Quebec, Canada, this company emerged from the combined vision of two young entrepreneurs. One entrepreneur brought established expertise in customer relationship management from his prior leadership role in the mattress industry. The other, a specialist in marketing and web marketing, possessed a forward-thinking vision for a service-oriented approach.

The company's mission is to deliver a unique mattress shopping experience that prioritizes customer needs. This focus on service is reflected in their core principles and business model. They have adopted a service-dominant logic, where the customer is positioned as a co-creator of value, rather than simply a recipient of a predefined product. Strategic marketing decisions are informed by a deep understanding of customer preferences, behaviours, and evolving needs, ensuring their offering remains aligned with customer expectations.

3 Service Science and Strategic Marketing

Service science is an interdisciplinary field that integrates aspects of management, engineering, and social sciences to understand the nature of services and how they can be designed, delivered, and improved [1]. This paper explores how key concepts within service science, particularly service-dominant logic, service systems thinking, and value co-creation [1, 2, 3], inform the strategic marketing approach of a Canadian mattress company.

Service-dominant logic (SDL) represents a fundamental shift in perspective that emphasizes the co-creation of value through resource integration and the application of specialized skills, rather than simply the exchange of tangible things [4]. In the context of strategic marketing, SDL highlights the significance of understanding customer requirements, preferences, and behaviours. This understanding allows for the development of marketing strategies that encourage proactive consumer participation and collaboration. For the Canadian mattress company, this translated to a focus on gathering customer insights to support product development and marketing messaging.

Service systems thinking offers a holistic approach that views companies as dynamic, complex systems comprised of people, technology, and other resources that work together to create value for customers and other stakeholders [2]. Applied to strategic marketing, service systems thinking promotes a comprehensive and interconnected perspective on the various elements of the marketing mix, such as product, price, distribution, and communication, to deliver a seamless and personalized customer experience. The Canadian mattress company exemplifies this approach by integrating customer feedback loops into their online platform, allowing for adjustments to product recommendations and support services.

Value co-creation, a cornerstone of both service-dominant logic and service systems thinking, emphasized the concept of customers actively participating in the value creation process [5]. Within the framework of strategic marketing, value co-creation highlights the importance of viewing consumers as co-producers, rather than passive customers of marketing messages. The Canadian mattress company reflects this principle by offering an

online platform that allows customers to make their mattress selections based on sleep preferences and body type.

By incorporating these concepts from service science, the Canadian mattress company has been able to develop a strategic marketing approach that prioritizes customer needs and fosters a collaborative value-creation process in a responsible and sustainable way [6].

4 Service-dominant logic

The strategic marketing approach reflects a deep integration of service science principles, as evidenced by its target market identification and customer behaviour.

4.1 Market identification

In general, the composite drawing of the buyer-user of mattresses is defined according to two simple criteria: whether you prefer a mattress "firm" or "soft". This simplistic segmentation, however, is the result of a lengthy process, which took surveys of more than 1000 people, who were subjected to 15 different prototypes developing according to their expectations, to retain two final configurations and commercialize.

Thus, the company meets the needs of 95% of sleepers, dreamers, and other bed users. A main target is drawn, which is composed of two subgroups (1 and 2). This main target consists of consumers from 25 to 45 years old, professionals, and good purchasing power. The purchase of a mattress is to furnish their master bedroom. This main target is made up of innovative people, and influencers, who create and disseminate trends. A secondary target (group 3) is also planned (see Table 1). In short, beyond their age, the company focuses on those who seek beauty, design, and local purchase (Quebec or Canada).

Concerning geographic coverage, with the exclusively online distribution and communication, the company has no territorial limit. Thus, for logistics reasons (mainly costs), the target market is Quebec, Canada, and the US. It must be said that there is a fierce competition in Canada, especially the companies in the United States (such as Polysleep, Casper, and Helix). Circumscribing sales to the Quebec market would not be enough, but a large part of the customers geographically come from this province.

Table 1. The main targets of consumers.

	PRIMARY TARGET		SECONDARY TARGET
	<i>Group 1</i>	<i>Group 2</i>	<i>Group 3</i>
Kinds of Customer	Young Professional <ul style="list-style-type: none"> • Men/Women from 25 to 35 years old • Active (sports, events, etc.) • Higher Education • Connected, informed and cultivated • Ambitious, idealistic, thirsty for new challenges • Actively share their opinions (natural ambassadors) 	Entrepreneur / Professional <ul style="list-style-type: none"> • Man and Woman from 35 to 45 years old • Connected, informed and cultivated • Ambitious, • Love novelty, contemporary trends • Do not be afraid to express their opinions 	Entrepreneur / Professional / Retiree <ul style="list-style-type: none"> • Man and Woman between 50 and 65 years old • Socially active • Love the beauty, quality products and trends • Higher Education

	<ul style="list-style-type: none"> • On the lookout for innovative technologies, contemporary trends 		
Expectations (what they are looking for)	<ul style="list-style-type: none"> • A career, new challenges • Life experiences • Balance personal/professional life • Pleasure, authenticity, freedom • Be with family, friends • Good physical appearance, good health 	<ul style="list-style-type: none"> • Achieve in their professional life • Achieve a balance of life (work / family) • To be happy, free • Authenticity • New challenges (personal/professional) 	<ul style="list-style-type: none"> • New life experiences • Travel • Food • Music • Technologies • Sports
Their interests	<ul style="list-style-type: none"> • New life experiences • Travel • Food • Music • Technologies • Sports 	<ul style="list-style-type: none"> • Sports • Travel • Music • Food • Technologies 	<ul style="list-style-type: none"> • Travel • Food • Family • Arts and culture • Sports

4.2 Customer behavior

The Quebec government uses a longitudinal strategy to study online customer behaviour in Quebec. The findings for the first half of 2022 [7] show a few key features:

- The proportion of people classified as e-consumers is 75%. In 2014, this ratio was 32%.
- The typical cart costs \$421.

The top 5 categories of online products purchased are as follows (Table 2). The mattresses are classified in the category "Decoration/house", just like the furniture. In March 2022, the magazine *Protégez-vous*[†], carried-out a test by ordering an online mattress from two of major competitors of the company. The result of the test, although not scientific stipulated: « *Online shopping is an easy and quick option, but it is a big hit for anyone who has never slept on a viscoelastic foam mattress. If this is your case, you might not like the experience. In any event, if the 100-day deadline has not passed, you can always return your purchases* ».

Table 2. Top 5 categories of online purchases in Quebec (2022)

Categories	% of e-consumers
Clothing / Shoes / Jewellery and Accessories	61
Books / Reviews / Journals	35
Music / Films / Video game	34
Electronic	28
Food and beverage products from a major food retail chain	28

[†] <https://www.protegez-vous.ca/>

Decoration / house	22
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5 System Services Thinking

The marketing mix of the company is an example of the service systems thinking strategy, in which all the parts are connected and cooperate to provide a smooth client experience. The company's dedication to a service-oriented approach is evident in its emphasis on product innovation, dynamic pricing methods, online platform distribution, and tailored communication channels.

5.1 Product innovation

The company's cutting-edge reversible mattress, including two unique comfort settings, is evidence of the business's focus on customer care. Through client participation in the product development process, this company has jointly developed a solution that caters to the varied demands and preferences of its target markets.

The company's mattress offers two reversible sides and consists of four layers in total which give specific characteristics of each firm or soft side (Table 3).

Table 3. Characteristics of the two-side mattress.

	<i>Characteristics</i>	<i>Strengths</i>
Firm side	<ul style="list-style-type: none"> • Perforated instant response foam, similar to latex, instant-recoverable having a density of 4.5 lb / ft³ (2 inches) • Dense therapeutic foam adjusted to provide firm comfort (2 inches) 	<ul style="list-style-type: none"> • Immediately springs back to its original shape • Absorbs movements • Stays cool • Supports the vertebral column of the sleeper • Avoid back pain
Soft side	<ul style="list-style-type: none"> • Dense therapeutic foam adjusted to provide soft comfort (4 inches) • Perforated gel-infused memory foam, perfectly smooth, having a density of 4 lb / ft³ (2 inches) 	<ul style="list-style-type: none"> • Molds to the shape of the body • Absorbs movements • Stays cool • Stimulates blood flow • Boost the relaxation of the sleeper

The mattress is also reversible, which is made up of principal foams on the market (memory foam and latex foam), allowing consumers to have 2 in 1 comfort, reducing at the same time the physical risk related to buying a mattress whose comfort may not be appropriate because the buyers could not try (online purchase).

The company has five sizes for large and small dreamers: Single, Single XL, Double, Queen, and King. Each buyer has 2 chances to find the right comfort. This advantage allows

to minimize the returns, even if the company offers a 111-night trial, one of the longest in the industry.

As a product complementary accessory, the protector is made of polyester and breathable material that wicks perspiration on hot days but also retains heat when the temperature decreases. This protector keeps the mattress against any stain, damage, and normal wear, which makes the mattress's lifetime longer. More than being waterproof (in case of urinary leakage, for example), the mattress protector is breathable. This "protector" is also an effective barrier against dust mites, moulds, fungi, and bacteria, a defence recommended by allergists, but sole use would not be enough.

5.2 Pricing

The company's dynamic pricing approach reflects the service systems perspective, where the company adjusts prices based on market conditions, customer feedback, and the perceived value of the offering. This flexibility enables the company to provide customized pricing solutions that cater to the diverse needs and budgets of its customers.

According to some virtual technologies and Internet specialists, such as François Charron, this product - regardless of size - is 60% cheaper than traditional products of comparable quality sold in-store[‡]. Occasionally, promotions allow for substantial savings of a hundred dollars. This incentive is offered online or at events and promotional tours. All these tools also reduce financial risk.

5.3 Distribution

The company uses digital technology to improve the customer experience, and its exclusive online sales and delivery approach fits with this rationale.

Online order. Click on the desired product and put it in the cart, pay, and confirm the transaction are simple steps of mattress online order.

Delivery. Free shipping is provided by UPS within 3 to 5 business days. A traceability system developed by forwarding allows tracking of the shipment from the departure in the Quebec warehouse to the consumer's door. Unlike traditional mattresses, bulky and unwieldy, which require two deliverymen and bend and deform the slightest gesture or gales, the company's mattress is emptied of its air and packed securely in a box.

Customer service. In case of a mistake (related to the size or personal dissatisfaction), it is possible to return the product. Although the product is ordered online, and the consumer/buyer does not always meet the company representative, the customer service manager accompanies the potential returns and responds to questions, concerns, and comments of the consumer.

Ephemeral stores. Occasionally, the company presents its products in an ephemeral store, which takes various forms. This store can be a container, 8 feet by 10 feet, constructed and revealing a bedroom, simply and briefly, which corresponds to an innovative commercial form. Hence, this commercial type serves to present the product and allow the consumer to try it. Under no circumstances will be possible to order in this ephemeral store, to minimize the costs (salary, inventory...).

[‡] <https://www.francoischarron.com/-/e5Iys56ZMG/>






5.4 Communication

The communication channels used by the company, including its website, social media platforms, and targeted advertising, reflect the service systems thinking approach. The company has designed its communication mix to engage customers, gather feedback, and foster ongoing relationships, rather than simply promoting its products.

Virtual tools communication is required. To be trendy, customer information is stored in a cloud, but the team was on their feet. Besides the website, Instagram, Facebook, Pinterest, and Twitter are the privileged virtual communication tools (Table 4).

The mattress is a high-involvement purchase, even if the sale is online, consumers are sensitive to physical dimensions and want to see, touch, and try the product. To meet this need, some promotional activities were organized as ephemeral stores mentioned in the previous section.

Table 4. Virtual communication tools.

<i>Tools</i>	<i>Objectives</i>	<i>Targets</i>
	<ul style="list-style-type: none"> Product introduction Delivery characteristics, payment, and returns Push the consumer to place the order 	<ul style="list-style-type: none"> Primary Target: Professionals from 25 to 45 years old seeking a comfortable product. Secondary Target: parents and grandparents want to furnish their guest room with cheap price.
	<ul style="list-style-type: none"> Show products' pictures to attract consumers Put the product in real-life situations Create an atmosphere generating excitement among consumers 	
	<ul style="list-style-type: none"> Tell the history of the company Communicate brand and product Generate brand engagement 	
	<ul style="list-style-type: none"> Create an atmosphere generating excitement among consumers 	
	<ul style="list-style-type: none"> Inform consumers Question answering, comments, remarks 	

6 Value Co-creation

Service science emphasizes that value is co-created through the interaction and collaboration between the service provider and the customer, rather than being solely embedded in the product or service [1, 2].

Accordingly, customers are seen as active participants in the value-creation process, not just passive recipients [5]. The company's emphasis on customization, permission, and partnership demonstrates its commitment to a value-creation process.

6.1 Customization

Few products meet the needs of all consumers. Usually, mattress manufacturers offer different levels of firmness. For this company, customization refers to double sides. Certainly, this is not a personal product, but this approach can meet 75% of sleepers.

The same dynamic was used for pillows (and their both sides), so that specific needs can be met. This personalization has created two subgroups of consumers, linked to two virtual groups, called “firmteam” and “softteam”.

6.2 Permission

The concept of Marketing Permission was launched in early 2000 by Seth Godin, founder of Yahoo [8]. According to this principle, it should ask for a surfer's permission before contacting them via e-mail or telephone. The positive consequence of this approach generates the implementation of a quality relationship and develops trust with the user.

Thus, users who make a purchase online or virtually collaborate with the company through the tools mentioned above, receive notifications, and collaborate with columns on their blogs by sharing their shopping experience. This is the case for some influencer buyers. Others deliver their thoughts on the company's web page and the reviews are glowing.

6.3 Partnership

The company has established a connection with the local organization, a web application highlighting products "Made in Quebec", complementary to each other and responding to consumer needs. In hoping originally to overcome foreign competition, this company aims to support local products and spread awareness of Quebec's consumers, consequently having a positive impact on the local economy.

Consumers can buy directly on this virtual storefront. This organization has a store located in the neighbourhoods of Montreal, Quebec, using physical location to present the products referenced on its website.

7 Conclusion

This study examined the application of service science concepts by the Canadian mattress company in the formulation and execution of its strategic marketing plan. The company has become a market leader by standing in opposition to the conventional mattress industry's product-centric paradigm and adopting a service-dominant logic, service systems thinking, and value co-creation.

The study's conclusions provide insightful information to practitioners as well as scholars. From an academic standpoint, the study adds to the expanding corpus of work on the strategic application of service science in the contemporary and technologically advanced economy. The case study highlights the critical role that service science plays in developing strategic marketing tactics that work, especially for creative, tech-driven companies.

The knowledge gathered from the company's experience can be used by practitioners as a guide to create and carry out service-oriented strategic marketing plans. To provide individualized client experiences, the paper emphasizes the significance of comprehending consumer demands and behaviours, creating integrated marketing mixes that encourage value co-creation, and utilizing digital technology.

The concepts of service science will be more and more crucial for businesses looking to keep a competitive edge as the business environment changes. The strategic importance of service science in stimulating innovation, improving customer engagement, and eventually facilitating long-term corporate success is highlighted in this study report.

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