

RETHINKING INTEGRATED MARKETING COMMUNICATIONS – THE HOUSEHOLD SERVICES INDUSTRY PERSPECTIVE

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Abstract

This article aims to review the different integrated marketing communication (IMC) tools in a digital context that companies in the field of household services can utilize to manage their brand position successfully. As a result - some contemporary branding approaches are defined, efficiency metrics are outlined and a conceptual model for the study of key service(s) characteristics is proposed. The paper is part of a larger exploratory study that aims to gauge the competitive positioning performance of household services providers in Australia¹. The topicality of this work stems from the fact that despite the sheer importance of digital integrated marketing communications in shaping brand positioning, the author has found deficiency in assessing the role of the former and respective repercussions in the process of sustaining competitive advantage in the field of household services.

Key words: integrated marketing communications, digital communications, brand positioning

JEL Code: M31, M37

Introduction

Nowadays, an increasing amount of business is taking place in a digital environment using the benefits that Web technologies offer. Digital innovations change the structure of businesses by allowing new products, services, operations, etc. to be created. They build a new environment in the context of information societies that facilitate demand and supply. Due to the dynamic development of digital technologies, the Internet has become one of the main transforming factors for businesses and more precisely: (1) the evolution of the Internet in a mobile environment has led to widespread connectivity and hence rapid dissemination of various applications (especially in the field of services) allows for more efficient supply and creates prerequisites for increasing employee productivity; (2) Cloud technologies through which any computer application or service can be delivered over a network enable an intense growth of

¹ Reference to the whole study is available in the bibliography at the end of this paper.

Internet-based services; (3) advances in artificial intelligence, machine learning and user interfaces (such as face recognition, voice recognition, etc.) make it possible to automate activities. This creates prerequisites for changes in the way information is managed and organized; (4) Big data - the ability to collect, communicate, store, and process huge amounts of data is increasingly used to optimize company performance and target audience relationships by using relevant data. All of these advancements affect the overall performance of modern firms in several ways: - reducing the cost of multiple business operations; - intensifying competition and lowering barriers to entry even for SMEs by applying benchmarking in a local context; - Ability to build multiple channels for customer relationships and individualization of offers; - Providing real-time information that can ensure faster decision-making. Making real-time decisions and personalizing offers cannot be possible without collecting customer information (including demographics, preferences, behaviours, etc.). Digital technologies can be tools for acquiring and optimizing customer information processing. Based on this data, many service companies build their IMCs, including the context of digital environments (Digital Marketing Communications - DMC). This paper aims to introduce some of the contemporary manifestations of DMC of household service providers in Australia and attempts to put forward effectiveness/efficiency metrics. On that ground, it proposes a conceptual model for studying the competitive positioning of service providers on the respective market (Zhechev, 2018a).

1. IMC and pertaining goals: the household services perspective

The dynamics in today's business environment, characterized by aggressive competition and ever-changing needs, poses challenges to service-oriented organizations in light of more accurately organizing marketing activities. Attracting the attention of increasingly demanding customers encompasses a wide range of processes related to the creation and deployment of integrated communication programs. The ability of marketers to ensure publicity in the cluttered information space, their objective and timely communication with target audiences, and their efforts to achieve success comparable to those of the most influential players are essential factors for successful communications. In recent years, companies in the household services market in Australia has relied on a promotional function that is mainly calibrated towards mass media communications (not neglecting the reliance on digital channels in the last few years). This inevitably leads to reliance on advertising agencies (and other independent organizations) to reach target audiences. These actions have led to three major challenges: (1) Public relations are

committed to maintaining an image and favourable relationships with target groups without being put as an integral part in the marketing communications context; (2) Sales promotions are not carried out on a project basis and are far beyond “short-term”; (3) The marketing and advertising functions are dissociated and therefore take separate objectives, budgets, etc.

Fundamentally, integrated marketing communications shape their conceptual logic as a mechanism that provides opportunities to achieve better communication efficiency, which also supports brand performance. IMCs integrate all levels of the communication process by using well calibrated synthesis of tools: advertising, personal sales, sales promotion, PR, direct marketing, one-to-one marketing (among others) in a traditional and digital environment. The synchronicity between these elements allows the brand's communication goals to be attained.

With growing competition between market players in the field of household services and the timely action of key competitors, organizations in this business have to cope with some IMC challenges by developing strategies that can transform communication resources into effective results such as: recognition, awareness and perceived brand value. An important issue here is the need to ensure that all forms of communication in a traditional and digital environment work consistently and in harmony with one another. Conformity with the organization's marketing strategy must also be respected to ensure mutual understanding of the communication objectives by all involved in the process of building and maintaining a strong brand, image and reputation. Household service industry requires a special focus on integration between the different channels of communication, as quality of service, brand image, location, etc. are among the determining factors for the customer choice. A major challenge for marketers in this industry is how to send multiple messages to target audiences while maintaining unity of the communications mix.

More precisely, the review of literature highlights some objectives of IMC for service companies: (1) higher sales; (2) improving brand image; (3) promoting frequency of purchases; (4) expanding brand popularity; (5) unique offers and positioning offline and online (Zhechev, 2018b); (6) building favourable customer attitudes, etc. (Zhechev & Stanimirov, 2016).

Alternatively, Barger and Labrecque (2013), examine some of the short & long term objectives of IMC in social media (SM), which are valid for services and may be conditionally divided into:

Short-term goals include:

- *Attraction* - given that customers are increasingly looking for advice and / or recommendations online, service companies can track keywords and online behaviour related to their business and respond with appropriate and timely delivery of relevant information;

- *Promoting trial* - service organizations can use social media as an appropriate environment for launching sales promotion campaigns. This can be achieved in many ways, among the most commonly used ones are: online discount vouchers, online quizzes, etc. that can encourage visitors to try out different services. Some companies use influential figures and machine learning to envisage user adoption actions (Chen, Fan, & Sun, 2019);

- *Stimulating repeat purchases* - some organizations reward their clients for giving their consent and subscribing to different social media pages by offering short-term incentives (discount vouchers, promotional codes, etc.). Such actions are often used as a pivotal point to attract more customers to different websites and thus increase the level of re-purchases.

Long-term goals can be grouped into the following:

- *Increasing customer satisfaction* – SM can serve as a direct tool for providing feedback (satisfaction, complaints, and recommendations). If organizations manage to respond to these customer responses in a timely manner, it can lower customer disappointment and improve their overall experience with the company. On the other hand, service companies can track potential risks at an early stage and provide time for their adequate minimization (Kaosiri et. al. 2019);

- *Creating awareness* - SM provide the opportunity to share content. Customers of different services tend to share experiences if they are entertaining, interesting and / or unsatisfactory. Thus, SM creates prerequisites for raising consumer awareness and a wider audience exposure;

- *Building relationships* - service companies can seek to promote brand loyalty and share positive experiences with other customers with the help of SM. They can regularly publish content by encouraging visitors to respond / comment / associate themselves with a business, etc., which extends the scope of communication significantly and improves returns (Xu & Saxton, 2019);

- *Creating communities* - like many companies in the field of consumer electronics, service companies can manage communities of brand enthusiasts. Such circles are important because they can attract new streams of visitors to websites and can provide information about marketing research, forum support, blogging, and so on (Essamri, McKechnie, & Winklhofer, 2019).

2. Evaluation Metrics for Digital Marketing Communications

Integrated marketing communications have a special meaning in the service sectors because of the specificities that distinguish them from the product industries next to many modern trends from demand point of view. For example, one of the current challenges is promoting testimonials and reviews, given that new customers have not had the opportunity to

try the service before it is actually delivered. Another challenge is the complexity of perceiving the benefits of complex services that customers are yet to learn. To tackle these obstacles, many companies offer service quality assurance, encourage testing through promotional activities, educate customers how to get the most out of the service they offer, and even give advice on “do-it-yourself”. To that end, in order to effectively reach target audiences through appropriate incentives, companies apply different IMC tools and use various communication channels.

Given that the contribution of online channels within the overall revenue of service companies continues to grow, it is objective for communication strategies to be tailored to the actual performance of each channel. In the case that DMCs are the largest source of profits, then it is rational to apply efficiency and effectiveness metrics to assess their potential to contribute to generating financial, operational and customer value. Identifying the benefits of DMCs can also help service companies set specific goals for their online presence. Chaffey and Ellis-Chadwick (2019) offer some metrics to evaluate the effectiveness and efficiency of the DMC in four key areas (Table 1): (1) financial results; (2) customer value; (3) operational processes; (4) innovation and training.

Tab. 1: Efficiency/effectiveness metrics of the online presence of service companies

Field	Efficiency	Effectiveness
Financial results	<ul style="list-style-type: none"> ✓ Channel expenses ✓ Channel revenue 	<ul style="list-style-type: none"> ✓ Online channel contribution (direct) ✓ Online channel contribution (indirect) ✓ Revenue contribution
Value generated by customers	<ul style="list-style-type: none"> ✓ Scope of online communications (unique visitors as % of all visitors) ✓ Acquisition expense/unit sales cost ✓ Customers’ propensity to switch 	<ul style="list-style-type: none"> ✓ Total sales/sales by customer (segments) ✓ Number of newly acquired customers ✓ Online market share ✓ Levels of customer satisfaction ✓ Levels of customer loyalty
Operational processes	<ul style="list-style-type: none"> ✓ Conversion rates ✓ Average purchase amount 	<ul style="list-style-type: none"> ✓ Time for service delivery ✓ Customer service response times
Innovation and training	<ul style="list-style-type: none"> ✓ Number of new approaches tested ✓ Number of internal trainings delivered ✓ Levels of employee satisfaction 	<ul style="list-style-type: none"> ✓ Number of implemented new approaches ✓ Employee performance review

Source: adapted by - Chaffey, D., & Ellis-Chadwick, F. (2019). *Digital marketing*. Pearson UK, p. 430

By using the metrics discussed, service companies can assess their ability to effectively and efficiently manage their DMCs. An important element in the development of effective IMCs is the consistency between messages across channels.

Alternatively, integrated marketing communications can be considered effective if they achieve the objectives of positioning. After launching an integrated marketing communication campaign, marketers should decide on its performance based on the results achieved in terms of positioning.

Barger and Labrecque (2013) suggest some indicators to evaluate the effectiveness of IMC, which can be informative and useful for organizations in the field of household services:

- Volume of customers (web site visitors) and leads generated. These metrics can also serve as an important indicator of companies' progress in building and expanding awareness.
- Engagement - Shows how often a company shares information (recommended, commented, etc.). It can be relatively easy to track through various online analytics tools (including SM).
- Loyalty - Number of customers who continue to use the services of a particular business over a certain period of time regardless of the competitive offerings. These customers also actively recommend the organization's brands to potentially interested buyers.
- Financial result - measured as the difference between accrued earnings and costs from a particular campaign over a certain period of time.
- Response time - the time it takes to respond to inquiries, complaints, and other feedback.

Other sources that mention metrics that are applicable to household service companies after adaptation are also available in the specialized literature:

- ROCI - return on invested capital (cash flows divided by the return on the basis of revenues).
- Indicators related to user behaviour: frequency, time since the last purchase, number of positive / negative recommendations / online reviews.
- Internal organizational indicators: employee engagement, employee flexibility, "number of staff - number of customers" ratio.

In the field of services, the assessment of the effectiveness of sales staff is also crucial for the efficiency of IMC, as employees are partly conducting the communications policy of companies.

Four critical success questions can be asked to objectively evaluate the sales staff:

1. Is sales staff prepared to successfully cover the target market? (Key considerations: organization of sales staff by geographic regions, concentration of individual representations / franchisees, size of representations / franchisees, potential for cannibalization).
2. Is there a correlation between the capabilities and competencies of sales staff and the positions that individual members occupy? (Key considerations: professional experience and education, country of residence, age, experience in the particular industry, emotional intelligence, knowledge of selling techniques, tolerance towards different cultures).
3. Is there additional support available? (Key considerations: seminars, trainings, coaching, mentoring, personal career planning, etc.).

4. Do additional incentives and rewards lead to the desired level of motivation of sales staff? (Key considerations: goal management, commissions, non-monetary incentives, team-building, job enrichment, rotation of jobs, empowerment, etc.).

Assigning and considering the above issues can help service companies manage sales staff in a way that is useful at all stages of the positioning and decision-making processes.

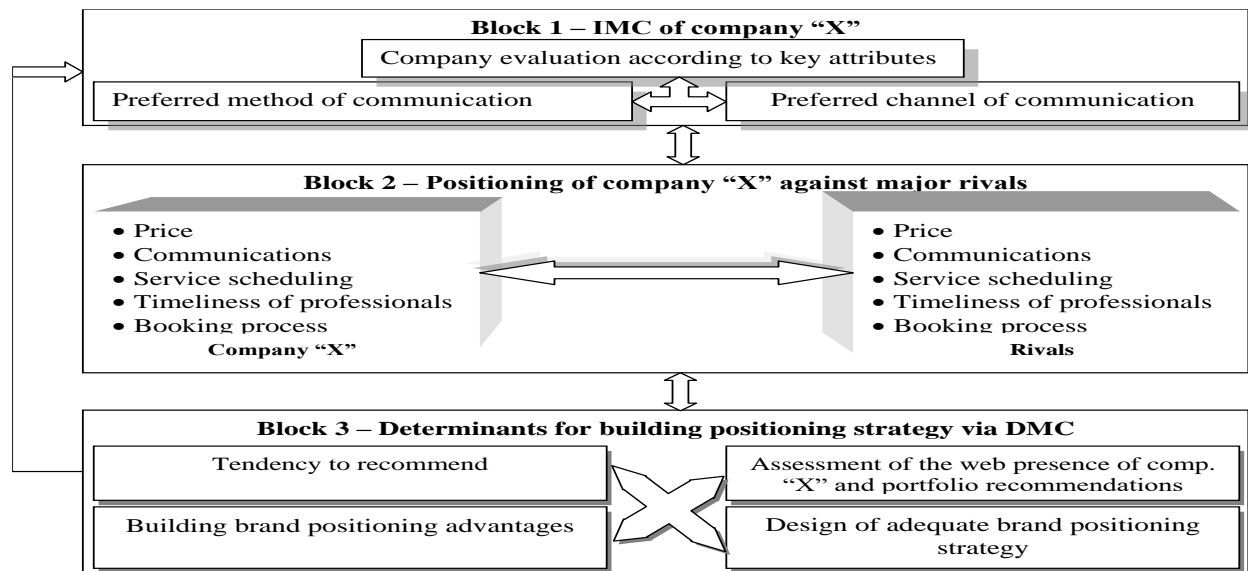
Overall, brand positioning and DMCs play a very important role in the development of modern service companies (Zhechev, 2016). The way these companies are perceived, their brands, services, employees, etc. are largely dependent on the efficiency and synchronicity between positioning and conducting DMC. It is also important to note that there should also be synchronization between sales officers and service providers. Otherwise, information asymmetry and dissatisfaction may occur. On the other hand, successful delivery of the benefits of the services of a company by formulating and implementing positioning strategies and using DMC tools can lead to higher brand efficiency. For this reason, the conditions for the implementation of various brand positioning strategies and DMC tools must be constantly tested and refined. Applying metrics at corporate and market levels can help effectively organize, coordinate, and control company strategy in the household service industry.

3. Proposed conceptual model for establishing successful positioning strategy on the Australian household services market

In the current development of global businesses, only companies that are able to gain competitive advantage over their direct and indirect competitors can achieve long-term success. In practice, it has been proven that unique ideas and/or services of exceptional quality are not enough to achieve market success. In order to establish the desired brand position on a particular market, it is important to identify, test and analyse the other rivals. This way companies that manage to create a differentiated brand have the ability to build higher customer value.

The conceptual (author) model presented below consists of three blocks: (1) *Company IMC*, in which the sub-blocks with questions to evaluate the company's key attributes, methods, and communication channels are visualized. (2) *Positioning against rivals* - the second block lists the variables the company compares itself against its direct competitors. (3) *Determinants for positioning strategy development* - the last block looks at the prerequisites for brand positioning with regard to the DMC: website, the propensity for recommendations and positional advantages.

Fig. 1: Conceptual model for managing the brand position of household services companies



It is objective to underline that the key attributes and flaws in the services provided in Block 2 are a result of an in-depth study of one of the major players on the household services market in Australia. Particularly, a focus group interview was held with Managerial Position Managers at the Australian Company (Managers Services, Service Manager Coordinator, Customer Service Manager, and Managing Director). At this step, the attributes and drawbacks of the services offered by the company were filtered and evaluated, and then ranked according to their degree of importance. Based on the results, a score card was created that seeks to evaluate the performance of the company on and compare its position with the direct competitors.

Conclusions

In today's practice, there is a tendency for products and services to be ordered online. This greatly facilitates the search, selection and evaluation of customer alternatives. The study on which this paper is based found that on the household services market in Australia:

- Pricing and communications are central determinants of customer choice;
- Website design and navigation of household service providers are underestimated;
- Client testimonials can help customer choice and build confidence;
- Missing (or scarce) photo/video material of the services provided is a common phenomenon;
- Satisfaction guarantees are available, but it is not clear how they are being implemented;
- Receiving multiple offers for a service from different companies intensifies the competition;
- Blogs and cleaning tips are proven tools to attract customers, but their content remains scarce.

On the basis of these findings, service providers can explore in more detail the parameters on the basis of which customers are making their choice in a digital environment.

Another interesting trend outlined in the Australian household services market is the propensity of users to use mobile apps. In this regard, the intersection between mobile marketing and shopper marketing is known in the specialized literature as mobile shopper marketing. It is formally defined as the process of planning and implementing all mobile marketing activities that impact the buyer in the pre- and post-purchase period, from the initial incentives and impacts to purchasing, consumption, re-purchase and recommendations (Shankar et al., 2016). Many Australian household service providers operate mobile applications. To this end, future research can focus on the mobile shopping process and its corresponding purchasing decision models. Emphasis can be put on the key linking units in the process: clients, employees, organization and mobile technologies. This way challenges can be identified and incentives can be applied to encourage real-time bookings by optimizing the static functionality of most applications.

On the other hand, the broad scope of SM is driving more and more companies around the world to use them as a major channel to secure marketing communications. Firm-generated content and the synergies that it can bring along with TV ads and email marketing are subject to wide-spanning research. In this regard, Australian household services companies can adapt existing methodologies / develop their own to study the effects of SM content on metrics such as: customer profitability (individual and / or clustering criteria), costs, cross sales achieved, up-selling rates, etc. Conducting of such a study requires data on customer behaviour in SM, social media transactions (redirects or direct sales), customer attitudes to online shopping, and online manners before and during purchase. Such information can be provided by the opportunities provided by online analytical tools, as well as through special primary studies. In view of the wide range of opportunities that modern communications platforms provide, modern marketing solutions (such as proximity marketing, cloud technologies, mobile shopper marketing, and many others) are also part of this development that can contribute to synchronization and optimization of the communication infrastructure needed for brand positioning management. By and large, Australian household services companies can get management ideas about using DMC for better return and brand reputation, which strengthens their importance in today's business.

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