

# **Making marketing strategy and integrated marketing communication in the service market**

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*Abstract: Targeted and continuous marketing activity is the most important factor nowadays for improving the market position of a company, conquering appropriate new target groups, keeping loyal partners, and positioning services. Service companies have less used marketing tools in their activities, so they have lagged far behind the production companies, but this has changed completely nowadays. While organizing the market activities of service companies the new challenge is to mandate customers, to manage cooperation between partners and the service provider, and to meet the high expectations of customers. Our paper presents a marketing strategy and its practical implementation at a service company in a B2B sector based on the results of their own market research. We also describe and analyse the marketing tools, channels and communication power applied by the service company for developing its image and become a market leader.*

## **1 Introduction**

Defining marketing strategy which is defining and guiding marketing activities is a basic starting point of marketing management. The marketing strategy requires a dual behavior from the marketing leadership: on the one hand, it must follow the strategy that has been developed and on the other hand, it must constantly develop it [1].

The target group of the company, the marketing tool, the content of the communication can change constantly, therefore it is necessary to transform the strategy in 2-3 years. It follows that, in relation to company-wide strategies, content flexibility and changeability in marketing are extremely important criteria

[2].

The company's clear objective is to become a profitable, market leader with a positive professional appearance on the market, with the following characteristics: strategic concept, long-term commitment to top management, high standards, profit levels, service performance and customer feedback systems [1].

In our paper we will first present an analysis of the company's environment for strategic planning, then we will present the milestones needed for accurate market position assessment, the resulting objectives, and finally, the integrated marketing communication tools will be published.

## **2 Analysis of the market environment**

Before making the company's marketing plan, it is essential to analyze the company's environment. The company's macro environment analysis should be carried out by applying PESTEL analysis, in which we look for environmental determinants that are relevant to the company [3].

Political conditions have an impact on the marketing of service companies, so we need to look at the status of a government party, for example, whether there is a change in public procurement or public tenders.

Examining the economic environment includes the business circumstances that need to be considered when a company is planning to enter the market [4]. In the beginning of 2016, the European Commission noted that there is no imbalance in the economy, public investment is growing, and at government level the access to cushioned funds is accelerating in the new EU financial cycle (2016-2020). Due to the low budget deficit and the stability of the European Union's resources, the state has the opportunity to support lending and investment-intensive businesses - new tendering opportunities are formed for service development and asset purchasing. The boom in construction and the growth of investments create a favorable economic environment.

When examining the social / cultural environment, the following trends can be observed in the service sector:

At the corporate and consumer level, the quality of life is further intensified; the customer becomes the active part of the service environment during the service delivery, the design of complex services, all parts of the process, come to the fore. Social responsibility is focused on: an ethical, environmentally conscious company chooses a supplier for a partner who also takes into account the accepted moral values and is environmentally conscious. In the future, transformative services are noticeably on the forefront: these are the issues that focus on the relationship between consumers and social welfare in general.

When we look at the technical environment, we can conclude that information about the company related to the Internet (website, apps, YouTube, influencers' comments) becomes more pronounced than the other tools used in the promotion mix (publications, forums, exhibitions).

Self-service technologies (SSTs) are developing dynamically, which includes the so-called smart services. They are a smart tool for continuous communication and interactive feedback. Customers need complex solutions to which the latest advances in the IT sector are essential. Customers are becoming more open to joint developments, launching R & D projects. Instead of a 'final customer', it is a 'value-maker' who works with companies in innovation processes. This is due to the global proliferation and rapid adaptation of digital technologies.

It is important that the company monitors macro- and micro-environmental factors affecting its profitability, a suitable method for this is SWOT analysis [1]. The strengths of the company include market leadership, broad service portfolio (a service palette), expert, motivated staff, and financial stability. This includes strong media presence, professional recognition, reputation, modern technical background, and speed in delivering services. Weaknesses include high levels of information loss during processes, slow flow of information within the company, lack of databases and analysis of decisions, and lack of ownership in some cases. Like other companies in the market, the company has to struggle with increasing fluctuation and slowdown in logistic processes due to size growth. One of the company's options is searching for additional market segments, opening up to new areas/businesses, selling abroad and taking advantage of the opportunities offered. As a threat, the high cost of service development is threatening, coupled with the decline in solvent demand, the changing demand for customers and their rapid reaction, the presence of stronger competitors on the market and the limitations of legal regulation.

We analyzed the company's competitive position based on the Porter's five-forces analysis. According to this model, industry competition is determined by five factors (five forces) - the threat of new entrants, substitute products, buyers' bargaining power, suppliers' bargaining power, and competition with existing competitors [5].

The high entry barrier prevents massive entry of competitors into the market: the high cost of economies of scale and the cost of investment in equipment both curb new entrants. The know-how of the company's employees provides a cost advantage for the company in the market. By maintaining a high level of service and financial stability, customers' 'brand loyalty' (in this case their loyalty to the company) can be maintained and the 'migration' to new entrants can be reduced. The basis for maintaining loyalty is long-term balanced, stable service delivery. Providing continuous service enhancements and complementary offers and discounts to partners can also prevent customers from letting new entrants 'seduce'. International presence is a positive externality that strengthens the

Hungarian company's position in the Hungarian market. The company's existence does not depend on the retention of some buyers, and even the vulnerability of some suppliers, the competitive position of suppliers has a positive impact on purchasing. The Pareto principle operates in the company's business: 80% of the revenue comes from 20% of the customers. Intra-industry competition is strong, services can be replaced, so, besides winning new customers, special attention should be paid to the loyalty of existing partners. Keeping track of competitors' prices, developments and customer relationships are essential to preserve market leadership.

### **3 Market position analysis with primary research - quantitative means**

In order to get a comprehensive view of the company's market situation, primary research should be carried out every 2-3 years under the guidance of internal staff or market research firm. In the case of a service company, a survey of a sample of 200 people can be considered successful. It is important that people who are relevant to the interview are included in our sample: eg. manager, , or person who is a decision-maker regarding the services of the given company. We should address our questionnaire to companies, that are spending a relatively large amount of money each year on the services. When using a subcontractor market research firm, the research plan should precisely define the target group and the examination themes [6]. In the questionnaire the following areas should be affected:

#### **3.1 Awareness**

Is the company as a brand highly recognized compared to other actors, partners only focus on their own service provider or are they watching the competitors' activities? How satisfied are the respondents with the services of the company, are they regularly competing for companies and considering switching? The method used in this case is spontaneous mention to map the visibility of a given competitor. This topic involves examining the degree of brand loyalty on the market. How much is the attitude of retreat among customers? We should also ask the question: how easy is it to seduce a client from the competition? In this case, brand loyalty has a significant impact on the differentiation of services. The customer's goal is to get the entire portfolio from a single service provider, questioning who can provide it from the company and its competitors. Experience has shown that increasing the awareness is needed to rationalize the sales processes of the company, in such a way that the central sales processes, starting

with the individual business lines and completing the marketing activity, are rounded off.

### **3.2 Selecting the appropriate service provider**

The starting point for mapping a provider choice is whether the respondents would choose their existing partner again or seek a new service provider. At this stage, it is worth asking how many of the currently unrelated partners would consider using the service of the given company. We have to ask the main choice (favorable price, reliability, speed, expertise, customer orientation, technical equipment, etc.) spontaneously and select from the list (supported response).

If the choice of provider in the given market is based on the abovementioned brand loyalty, satisfied customers choose their existing supplier again, the challenge is to acquire new partners. It is important that the recurring element of communication is to continuously emphasize the features that the customer may have preferred through the existing channels.

Examination of the use is part of the service selection. The question is whether portfolios are shared on the market, or whether the customer orders all the services they need from a single market participant. It is also good if we find that there is a competitor on the market that is a multiple of another in terms of size or customer scope.

### **3.3 Defection**

One of the most important elements of the market position assessment is the examination of the cause of defection. On the one hand, it is worth looking at the reason for leaving the company for the company to improve its business processes in the future. On this basis, a targeted sales activity (eg personal sale) should be developed, with which the outsourced customers can be attracted to the customers. The question is also about why competitors are opposed by their competitors. The question also includes examining why competitors are left by their own customers. It is also worthwhile to draw up an action plan for their win as they are currently actively seeking new service providers and, from their point of view, a competing company can provide more accurate service.

### **3.4 Frequency, portfolio, price**

The basis for the use of the services is the examination of the triangle of frequency-portfolio-price. How often do partners and non-partners use the services of the company and how often do their competitors? What kind of services do they use and what kind of composition? How much are they spending on the given

service? The latter, portfolios and price testing should also be extended to competitors. By analyzing this issue, we can answer the areas in which marketing and marketing communications are worthwhile. It should also be noted that if we do not have a specific service on the market, our customer might eventually build a similar service facility within their own company so that their external procurement in this area may be terminated.

### **3.5 Image and satisfaction**

For this topic, we can assign new items to the aforementioned awareness examination. Are the respondents familiar with the company and its competitors, and what values are associated with the companies? It is worth examining whether the company is seen as an expert on the market and its prices are considered affordable or high. It is worth looking at the relationship between the partners in price and looking at the question of whether the higher price means better quality. Criteria for satisfaction testing can be: precision, reliability, excellent professionals, reputation, speed, technical equipment, flexibility.

Based on the results we can create the importance-satisfaction matrix from which we get answers about which primary and secondary areas to be developed and in which areas the service quality of the company is appropriate but the communication needs to be strengthened. A separate group of questions should be devoted to determining whether there is a parameter related to the affair with which the customers are expressly dissatisfied and, in the light of this, appropriate development measures should be taken.

When considering satisfaction, an important measure is the willingness to re-election and the NPS (Net Promoter Score).

### **3.6 Trends, future needs**

At this stage we examine the future ideas of the respondents. It is worth asking questions about the direction of change in the market: if they see an upward trend or narrowing opportunities. Already the expectations of operators and customers can generate a shift in the market. It is crucial to ask how respondents think of the growth motors of the coming years. It is worth noticing trends at a macro level eg. the emergence of new companies, new products (services) on the market, stricter export conditions, economic boom and micro level: the budget of the ordering company, the transformation of procurement policy within the company. Within this topic, we can also answer the question of what additional services would be received with pleasure. For example, professional counseling, education or customer service can be expanded with full administration.

### **3.7 Detected communication**

The preferred communication channel for the service provider is the phone and email, but the personal meeting (sale) – the typical feature of the market – is also important. Having a positive customer relationship atmosphere and making customer relationship staff helpful and flexible even determine the intercommunication. It is useful to assess whether respondents are aware of the presence of a company at professional events, conferences, whether they are aware of the company's CSR activities. We can measure how receptive they are to newsletters and how open they are to community communication.

## **4 Market position analysis with primary research - qualitative tools**

Based on the results obtained, we can further analyze the company's market position using interviews.

It is advisable to ask the interview-participation willingness as soon as we have completed the questionnaire, so we will have a relevant list of the potential interviewee.

The underlying topic of interviews is related to the purchase and use of the given service. We are asking which service provider they are currently in contact with, whether or not they assign it from one company, that may be fragmented or exchanged. The relevant information of the procurement is: what aspects are dominant when choosing the current service provider. Have the parameters changed compared to the previous procurement, who are the decision-makers, what is the direction of their development: they are more outsourced or placed in-house.

Next, based on questionnaire, we can deepen the issues of awareness and image. First of all, it is advisable to ask general questions about service providers' awareness (eg where you have heard from the given and competing companies, what sources they are aware of), and then ask the respondent to define the features of an ideal service company.

The next topic was about the PR: what kind of events it took to participate, whether it was useful and what was disappointing, did they meet the company as an event organizer, a sponsor, or did they recall that a service company employee delivered a lecture at a scientific conference. Did they hear a representative of the company as an expert in the media, did they meet company's articles on social media and in newsletters?

Interviews can be finished by asking about the expectations of the company's customer service as well as exploring needs and trends in the future.

## **5 Formulate goals in the light of the results**

The results of the research can reinforce the management in many decisions that may have been formulated earlier, but the responses received may also call for new goals that have not yet been realized on the horizon of the company.

Such broad goals may include: enhancing the company's visibility to existing partners and potential partners, more effective marketing communications; introducing measurement methods to check efficiency. The development of online communication and related tools, content marketing and presence on community platforms are of utmost importance. As the image of the company is an important messenger the internal communication should be improved as well.

The next step is to transform these strategic goals into sub targets, and assign them action plans, tools, and resources. Such a sub-objective is, for example, the identification of areas and target groups to be developed per business line, the production and continuous maintenance of relevant customer lists, the definition of narrow customer types and communication channels. To reach the goals, continuous collaboration between marketing and sales areas is necessary to design conscious and targeted communication campaigns.

Measuring the effectiveness of the activities is essential for efficient operation. Within this, press communication, personal sales measurement, feedback from direct marketing and event visitors are pronounced.

## **6 Tools used to achieve goals**

Adapting to the decisive communication trends, we use traditional marketing communication elements only at the level of mention, and we can focus on the analysis of online marketing tools for service companies. Numerous studies prove that the proper use of online communication tools dramatically increases the efficiency of the company's integrated marketing activity and thus directly affects the company's sales revenue.

The efficient marketing communication of the service provider should contain the planning and implementation of media campaigns, the conduct of PR activities (press conferences, interviews), the design, editing of publications, participation in exhibitions and conferences. The service company's reputation can be greatly



enhanced by organizing its own professional days and conferences. In the mentioned primary research and day-to-day contact, the company can explore the topics the customers interested in. At free conferences, registered guests can deepen their knowledge of the subject and the service provider can develop its personal relationship with the partner. With the broader publicity of the conference, new customers will be able to reach the horizons of the company.

In an online communications service of a service provider, priority should be given to content marketing. In the online communication it is commonly believed that negative communication is better than nothing [7], with proactive communication, a significant competitive advantage can be achieved by the service provider on the market. The tool is based on the constant monitoring of market news and changes in legislation, and the marketing expert publishes an informative article in advance of the press in accordance with the interests of market participants. The easy-to-read article is conscious, sums up information about the subject, contains embedded links to deepen the subject, and does not intimidate, but rather gives the reader some of the related features of the company.

The webpage of content marketing articles can be a sub-page of the company's own website, but it is more successful if the company operates a separate web site for that purpose. It is important that content is displayed regularly: if publishing an article at least once a week, the company as an expert may remain well-known. Using content marketing, the company determines the topics it has been associated with as an expert in the press, not just its follower, but also the launcher of the news related to the topic. As media captures articles by source placement, these impressions generate valuable clickthroughs, which is a natural promotion in Google's search. As a visual content, we prefer using videos promoting content in addition to photos embedded in your articles, which can generate additional interest in uploading to our YouTube channel.

If you are calling visitors (potential customers) to the website and landing page through the content marketing and other communication tools, these surfaces should be designed to reach the goal: e.g. service order, newsletter sign-up [8]. The landing page is the primary vendor of the website, whose task is to convert visitors to customers. The landing page can be a separate page, or a sub-page of the requesting module that has been converted for this purpose. The layout of the landing page is graphically simple, the form to be filled requires only the necessary information, with all its navigation elements directed towards the final destination - quotation request, ordering. It is important that the text of the landing page is optimized in advance by A / B split testing [8].

A good website is fast, transparent - both in wording and in use of colors - structured, not crowded and naturally responsive. In the case of service companies, it should include a quotation module, filled in by the company's employee revealing the customer's problem and proposing a complex solution within a personal meeting. In the service sector, customers often turn to a

company that deals with just one section of their problem, but with discussion and consultancy, the service-company can offer a complex solution.

Search engine optimization (SEO) is nowadays the most basic online marketing tool. With the appropriate design of the website (content and form) and continuous link building, the service provider will be able to access the Google search results for relevant keyword searches.

To increase the visibility the company should also use Google Adwords ads. After testing the keywords, we would create Adwords campaigns that generate a high clickthrough rate. It's important that payment does not guarantee the first place, but it also defined by the relevance of the keywords and the quality of the landing page in addition to the quality of the ads.

Regular posting of newsletters can almost be considered as a form of content marketing, because the goal is the same generating attention and activity (clicks). It is all the more like content marketing, as direct sales promotion in the newsletter content is no longer practical. The target audience ignores this type of email, recognizing clear purchasing (service ordering) instructions.

That's why so important for a company applying inbound marketing in its marketing approach, attracting potential customers with useful expertise and being available on relevant online interfaces. This method puts company services in the minds of future customers, but allows them to visit the website or ask for quotes when they want. [9].

Multichannel online presence is vital, and the service provider's professional role is enhanced by blogging, video production and participation in social media. Like content marketing, regular blogging also contributes to enhancing the company's image and improving the SEO search engine results, as every blog site is an indexed sub page in Google's search. Even in the case of blogging, Youtube and social media, the emphasis should be on regular, frequent and high quality communication.

It is a fact that today we 'live on mobile'. Mobile becomes personal media, wherever we are available, we can use countless features, customize it, enjoy the benefits of one-site content and services [10]. Online and offline environments affect purchasing decisions at the same time, so that our communication reaches the target group's knowledge and knowledge of current mobile trends is also important [11].

Mobile ads are virtually giving way to mobile applications so the service provider can gain a competitive advantage by developing an application through which its services can be ordered, or even assisted by promptly answering issues that occur in each phase.

Analyzing the company's market operation and communication, we conclude that today the service provider needs to pay more attention to implementing CSR

activities (social responsibility). The meaning of social responsibility is manifold: social sensitivity, environmental awareness, ethical behavior, respect for pure competition, equal opportunities, transparency [12].

The common forms of CSR activity are sponsoring and supporting events, but also in many areas the service provider can show how committed it is to the subject. The company's primary objective is to make the most in the field of environmental protection and sustainable development. Environmental protection, product safety and sustainable quality assurance are also an increasingly central part of company management. Other areas of CSR where the company can demonstrate its social commitment: support for education, organization of educational programs, scientific information (expert interviews in the media), publishing of a scientific journal, sponsorship of research and development, sponsorship of sports clubs, charity.

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