Adapting to the "new normal" post-pandemic consumer behavior: the case of Rafeeg's strategy of service marketing

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Opening situation

With the gradual rise in COVID-19 cases in the United Arab Emirates (UAE), as the end of February 2020 – from single-digit numbers to double and triple digits (nine cases by 18th February, 21 cases on 28th February and 113 cases by 17th March), Rafeeg had been experiencing a gradual decrease in new home-maintenance service requests until they ceased totally from mid-March onwards. The sudden stoppage of incoming requests, even from repeat customers in March and then at the beginning of April, except for a few emergencies, led Alsheryani, the founder of Rafeeg, to devise a new service marketing strategy intended to influence customers' attitudes and motivate their behavior to make new purchases by alleviating their apprehensions. Alsheryani understood that his business needed to adapt to the "new normal" environment that COVID-19 had created, with its influence on customer behavior and business operations for the long-term.

The high pulmonary tropism and contagiousness of the severe acute respiratory syndrome coronavirus 2 (SARS/CoV-2), the infectious agent of COVID-19, caused customers to experience stress from uncertainty about the seriousness of the pandemic and helplessness through loss of control in the situation. This anxiety led to fear and apprehension of allowing potentially infected persons into their homes. Besides, the lockdown measures of the government had shut down all but essential services – among which home maintenance was not included – and the restrictions on people's movements and the mandate for social distancing changed customers' preferences, needs and want. Therefore, in April Alsheryani developed a new marketing strategy based on operant conditioning theory and implemented it by mid-May. Clearly, he understood the gravity of the situation and the need to transform customer behavior to enable Rafeeg to survive the economic challenges of the pandemic.

Alsheryani identified three main problems with the present business model of Rafeeg, which had to be addressed to sustain the company in the new normal business situation and transform negative consumer attitudes into positive behavior. First, Rafeeg had to effectively communicate its message to customers through its app. Second, people found it safer and more convenient to explore their options in one reliable place with clearly stated and uniform safety procedures rather than contact numerous service providers to get quotes and ascertain what safety procedures they may have implemented if any. Third, Rafeeg did not have its own service providers and had to outsource the jobs, which cost more and raised questions about the effectiveness of third-party safety measures.

The new service-marketing strategy, which this author perceived as reflecting operant conditioning theory and Rusbult's investment model, aimed to transform customer behavior by encouraging trust and loyalty, leading to positive purchase decisions. The questions posed by this case study were whether Alsheryani's plan was successful in adapting the business to the new normal and retaining its loyal customer base and whether the development of a new business model was the best way to adapt to changes in customer behavior.

Background of rafeeg

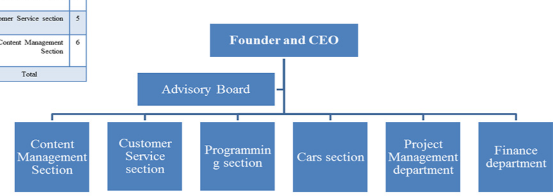
Rafeeg was started in 2017 after Khamis Alsheryani had successfully developed Wslaat – a news platform and guide for connecting potential customers with home maintenance service providers – in 2004 and Ekaar.net – the first real estate website of its kind in Abu Dhabi with an investment of more than $200,000 in partnership with Ikoo, a digital marketing solutions provider in Dubai, UAE. Wslaat was a great success, receiving more than 1.2 million visits a day in a relatively short time. The site was subsequently acquired by Maktoob.com and then Yahoo in 2007. By the end of 2007, Ekaar.net had become the second-largest real estate app in the Middle East and North African region. In short, Alsheryani had proven his ability to create a strong business model and operate a multinational enterprise.

After the success of these two international websites, Alsheryani moved on to develop Rafeeg as a mobile application, as "the world is increasingly turning from desktop to mobile computing. Smartphone sales are expected to eclipse desktop computers, as we are witnessing major changes in the use of technology, which has been harnessed to provide excellent services to customers with flexibility and freedom from troubles. I look forward to providing a fast, efficient and competitive solution to all the family's home maintenance needs with the touch of a finger" (from an interview with Alsheryani and the author). Rafeeg, which means companion in Arabic, was a 100% Emirati-born concept run by 35 employees organized into different departments (Figure 1).

The business model pursued by Alsheryani endeavored to become the local go-to platform for connecting customers with trusted service providers. The app was organized to make it easy and fun for customers to compare offers and prices for needed services. Building on Rafeeg's successful platform, Alsheryani added features and navigation tools that enhanced the users' overall experience and offered them the freedom to choose suitable service providers based on quotations, work portfolios and customer reviews. Such an approach significantly reduced the time needed to find a good provider, contact them and set up an appointment, making it one of the fastest delivery platforms in the industry. Alsheryani's comprehensive knowledge of the sector, sound financial management

Figure 1 Organizational chart of the Rafeeg app

Number of employee	section	#
1	Finance department	1
3	Project Management department	2
10	Cars section	3
4	Programming section	4
9	Customer Service section	5
6	Content Management Section	6
35	Total	



Source: Developed by authors

experience and best practice skills were the key factors in ensuring that transactions were conducted efficiently and with minimal risk.

As its establishment as a home maintenance aggregator in 2017, Rafeeg has registered exponential growth with 1,000 verified providers and more than 10,000 registered downloads from the Android Play Store. This extends its presence beyond Abu Dhabi to other cities of the UAE and, as Alsheryani noted, “the rapid increase in our customer and supplier base is a testimony to the fact that thousands of people are using this platform every day to seek solutions for their house maintenance and decoration needs.” Over the past three years, Rafeeg has expanded its provider base by signing agreements with new service companies and shop owners that share the same long-term goals of providing quality, artistry and reliability at competitive prices to win consumer trust and confidence. It holds ISO 9001 certification issued by the International Standards Organization (ISO), the international benchmark for superior management systems. The following statements illustrate its values (Figure 2).

The challenges faced by Alsheryani and Rafeeg during the COVID-19 pandemic

Hit by the COVID-19 slump brought on by fear and a nationwide lockdown in March 2020, Rafeeg experienced major setbacks in spite of its strong foothold in the UAE service industry. Consequently, the organization was forced to re-examine its business management model in light of the pandemic and its continuing uncertainty. Alsheryani understood that while consumer confidence and spending growth would eventually

Figure 2 Rafeeg’s values and best business practices

Source: Developed by the authors

recover, the pandemic might have long-lasting effects on consumer behavior, requiring a transformation of its business strategy and marketing approach. Like many other entrepreneurs, he faced serious challenges in keeping the wheels of his business turning during the lockdown with considerably less revenue and the widespread uncertainty in the global financial landscape.

From March through April and May 2020, the number of new service requests on the Rafeeg mobile application dropped drastically and remained low (Table 1). Alsheryani believed that the major factor behind this sudden drop in demand was a fundamental change in consumer behavior because of the worldwide fear of illness and death from infection with the virus, especially in the Middle East, which has a denser social fabric than other parts of the world. Social distancing, telecommuting and a decrease in day-to-day interactions placed a heavy burden, both financially and psychologically, on the UAE populace. Householders still required goods and services to meet their basic needs, but now they were switching to alternates such as online shopping and e-commerce to minimize physical contact, thereby making internet transactions the new normal.

Nonetheless, despite Rafeeg's providing their clients with complete online contacts with service providers and choices of a particular company, fixing appointments and payment systems, the service itself still required a home visit by the necessary technicians and maintenance personnel. The lack of clarity about the health implications of SARS/CoV-2, the medical intervention and treatment, the number of cases rising with each passing day and the constant updating of the Novel Coronavirus Circular and National Protocol for Clinical Management and Treatment of COVID-19 by the National Crisis and Emergency Management Authority, Department of Health and the Abu Dhabi Public Health Centre aggravated the fear and anxiety of Rafeeg's users (Hosany et al., 2021; WHO, 2020). They were apprehensive that the safety and hygiene measures Rafeeg and its suppliers were supposed to provide, such as checking the temperatures of the technicians every time they went out on a call, might not be followed.

Realizing that these concerns of the customers had contributed to the 80% drop in new requests from January and February to March and April (Table 1), Alsheryani took a very proactive stance to reassure them that his service providers were compliant with the safety and hygiene protocols laid down by the World Health Organization (WHO) and that this was being verified by the Rafeeg management team. To this end, he introduced even stricter guidelines and a vetting system for his registered service providers, including tracking their movements and regularly updating his customers about any changes to the safety measures adopted by his technicians to reassure users that coming to their homes did not put them at risk of infection.

Table 1 Fall and rise of service requests before and after implementation of the service marketing strategy

Stages	*Months*	*Number of requests*
Before COVID-19	January 2020	59,555
	February 2020	49,222
Early phase of COVID-19	March 2020	10,185
	April 2020	9,672
	May 2020	10,189
After implementation of strategy	June 2020	36,789
	July 2020	42,433
	August 2020	48,732
	September 2020	54,868

Source: Developed by authors from an interview with Alsheryani

Despite these measures, Rafeeg did neither receive the usual service request traffic of an average of 50,000 per month nor were there any signs of recovery in the fall. Other issues jeopardizing the placing of service requests were as follows:

1. Customers might have decided it was more convenient to explore available options in one reliable place with clearly stated, uniform safety procedures rather than having to contact numerous service providers to get quotes and to ascertain any safety procedures they may have implemented.
2. Rafeeg did not hire service technicians but dealt with external companies to provide service, which could increase costs and potentially affect safety measures as these would be implemented by third parties.
3. The extent of Rafeeg's ability to bear the additional safety-related costs was questionable, especially if Alsheryani imposed stricter requirements and smaller companies were unable to share the costs.

Alsheryani saw the change coming in consumer behavior in the "new normal" environment of the pandemic and attempted to develop a new service marketing approach to address this change. Customers wanted a safe and hygienic home-maintenance solution, without compromising quality, security or price. To accomplish this, Rafeeg's new service marketing strategy was carried out in two phases. First, a competitor and internal capability analysis was performed using SWOT (strengths, weaknesses, opportunities and threats). Second, the principles of operant conditioning and Rusbult's investment model were applied to capture "new normal" consumer behavior, thereby increasing the base of loyal customers. Alsheryani used the period from mid-April to mid-May to develop and implement the new strategy after observing the sudden drop in service requests during the two prior months.

Addressing the challenges through the service-marketing strategy

Understanding Rafeeg's market position through competitor analysis

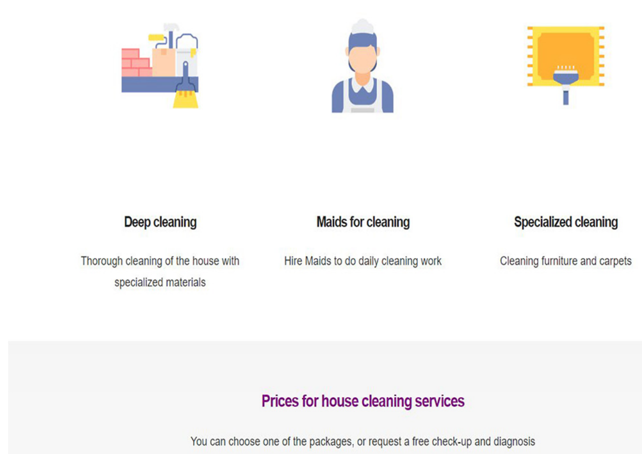
With the increase in homeownership in Abu Dhabi and other parts of the UAE due to immigration and tourism, there was a considerable rise in demand for home maintenance services. Consequently, many home maintenance companies sprang up in the UAE, providing various services, with some having a virtual presence and others with offline services. With some of his senior employees, whom he had known for 10 years, Alsheryani conducted a competitor analysis using SWOT to evaluate Rafeeg's market position and its internal and external strengths to implement a change in marketing strategy to address the changed consumer behavior. The analysis was also important as it helped Alsheryani reduce Rafeeg's chance of failure by strengthening its weak points and lowering the risk from potential hazards.

Strengths: Based on the business aggregator model, Rafeeg brought home-maintenance service providers and consumers together under a common roof, where the latter could choose the appropriate service provider based on customer reviews, charges or service packages (in case of a regular-interval subscription), safety procedures followed and work portfolios. Rafeeg's strength lay in providing the customer with a variety of choices of suppliers whom they could contact based on price, type of work service, reliability and health security. Home maintenance companies like Fixperts and Hitches and Glitches were based on the service ownership model, providing the services themselves and thus only able to offer fixed packages and a limited price range. Hence, many customers opted for an aggregator like Rafeeg, where they could choose the best option based on their priorities; and, with regard to the current importance of guidelines for maintaining safety from COVID-19, Rafeeg had the option of terminating contracts with home maintenance service providers if they were not compliant with the protocols that the WHO and the national government had laid out. The threat of contract termination encouraged service providers to comply with the mandatory safety protocols, and consumers had the option to choose only those suppliers they felt were safe. Through the live chat feature, Rafeeg communicated its message about the safety protocols taken by the suppliers to its subscribers more easily than providers without such tools (Figure 3).

Weaknesses: One of the major weaknesses of Rafeeg's business model was the need to monitor the employees of suppliers to verify their compliance with the company's safety and security policies. With nearly 5,000 maintenance workers employed by roughly 1,000 suppliers engaged with Rafeeg, checking the health of each employee before sending them out on a call under pandemic conditions was virtually impossible. Ensuring that they carried the safety kit containing masks, sanitizer, gloves and personal protective equipment (PPE) and that they abided by service norms like wearing a new mask for each visit, using sanitizer after entering and before leaving the building, washing hands every time they enter a house for service and maintaining 2 m distance during service to guarantee the safety of the residents required robust monitoring. Rafeeg had only a limited number of employees in various departments – too few to provide this kind of oversight. They were engaged virtually with clients in cities across the whole of the UAE, but having the physical location in Abu Dhabi limited their ability to ensure safety and security in other locations. Customers situated in cities other than Abu Dhabi could not meet with Rafeeg representatives in person to report safety and security violations. Moreover, not having a physical location in other cities limited Rafeeg's ability to verify and monitor its providers and their employees. Thus, although virtual engagement with providers was convenient, customers residing in cities other than Abu Dhabi might have preferred local suppliers who personally guaranteed the safety and security of their homes and lives.

Opportunities: Rafeeg's aggregator model, providing a wide range of service options to customers. Small home maintenance service providers had the opportunity to obtain regular requests as long as they ensured quality work. Through Rafeeg's aggregator platform, they established their company as a brand name in a particular service area and also spread their operations to other cities and neighboring countries, albeit with the challenges mentioned in the preceding section. Recognizing the need to have a physical office for contact with stakeholders, Rafeeg initiated a franchising system in collaboration with the Middle East section of the international franchise-consulting firm, Francorp. Rafeeg

Figure 3 Types of cleaning services Rafeeg offers



Source: Taken by the author from Rafeeg's website collaborated with individuals interested in furthering the aggregator business and gaining experience with the aggregator model through this franchise program. Against an initial fee of AED 130,000 and an investment fee ranging from AED 420,000 to AED 710,000, individuals from different locations with lucrative opportunities in the home-maintenance service industry could set up Rafeeg franchises in locations matching the organization's standards.

The franchisee programs had an initial contract of seven years, renewable for additional seven-year terms up to a total of 28 years. Supported by Rafeeg personnel, it provided training, operations, site selection, marketing, purchasing (with considerable discounts), accounting and legal services, research and development, internal management and overall coordination and planning for a complete franchise system. The initial investment fee was competitive and the holistic support system with comprehensive training allowed individuals opting for it to obtain robust experience with the aggregator business model. This enabled Rafeeg to operate efficiently in various cities, thereby creating a brand name and a competitive advantage in the industry. Rafeeg's competitors were primarily individual organizations and not aggregators and the franchisee programs allowed Rafeeg to collaborate with the competitors and thereby achieve prominence in the market.

Threats: Well-known companies in the home maintenance service field such as Hitches and Glitches, Fixperts and others had more than a decade of experience; unlike Rafeeg's service areas which were limited to air conditioning (AC), electricity, plumbing, disinfection and deep cleaning (charged separately) along with 24/7 customer support and 12 in-call visits per year, its competitors provided a host of services ranging from disinfection, handyman, plumbing, to pool cleaning, pest control, installation of smart products, renovation and refurbishing, water tank cleaning, logistics during moving and minor civil work. The prices at which these services were offered were comparable to Rafeeg's, but the latter's were limited in comparison with its competitors. For example, the top maintenance companies offered unlimited emergency callouts for plumbing, electrical and AC failure in a basic package with 60 min emergency response time – a feature absent from Rafeeg's website/application. The limited range of services at similar prices might lead customers to choose the established home-maintenance organizations over Rafeeg. The competitors' moves to online operations (from payment to 24/7 communication), especially after the spread of the pandemic, threatened Rafeeg's edge in the market. Alsheryani had to update Rafeeg's application with additional features such as live locations and health reports on the maintenance workers. This along with adding the hygiene procedures mandated by Rafeeg for its providers onto the customer account dashboard along with the provision of emergency services was the only way the company could stay competitive as the leading aggregator in the region.

Strategies for capturing the new normal consumer behavior

Considering the change in consumer behavior, which under the "new normal" market environment was shaped by fear psychosis and anxiety over the risk of COVID-19, Alsheryani developed marketing strategies focused on allaying customers' fears and, persuading them that it was safe to employ Rafeeg's service providers. Having understood the presence of quality alternates in the home-maintenance service industry, Alsheryani increased engagement in online communities to reflect the wide investment of other customers' time and resources through their testimonials. These actions reassured apprehensive customers that Rafeeg was making the necessary efforts to establish itself as a responsible and trustworthy service provider. Another crucial factor influencing the strategy Alsheryani developed was the heterogeneity of Rafeeg's customer base across ethnicity, culture, gender, age and socio-economic backgrounds. He aimed to minimize the influences of its competitors through constant engagement with Rafeeg's customers via blogs and online brand communities (OBCs) on its website and social media accounts. Live health status updates were provided on the mobile application that customers could view on their order pages and dashboards. The smaller service providers were supported through reductions in their safety-related costs, establishing Rafeeg's reputation as the most reliable aggregator and increasing new service requests through word-of-mouth.

- *Website development to supply transparent information on Rafeeg's efforts to provide hygienic home-maintenance services.* Alsheryani understood the importance of telling customers how Rafeeg's safety protocols ensured risk-free home-maintenance service with responsible service providers and workers. As Rafeeg only operated virtually, Alsheryani decided to provide its customers with transparent information on the "new normal" procedures taken by the organization, describing the health and safety measure through blogs.
- Ensuring strict guidelines based on WHO and the Ministry of Health and Prevention (MOHAP) protocol. "Our top priority remains our community members' health and safety and keeps our employees and partners safe during the COVID-19 pandemic. Our policy has been proactive instead of reactive. Consequently, from about 8,000 licensed service providers in Abu Dhabi, we chose 1,800 companies closely monitored regarding price, quality of work and speed of response. The accounts of about 1,100 companies that did not meet our strict compliance criteria were suspended, so the application currently lists about 700 highly qualified home-maintenance service providers in this "new normal" environment. We have worked very closely with our existing list of companies on how best to protect themselves, their family members and our customers and have also considerably increased the number of staff in our customer care center and provided them with targeted training to answer important questions as the behavior of consumers has changed" (Alsheryani) (Figure 4).

Figure 4 Sanitized facilities and safe cleaning practices Rafeeg marketed in its social media account

Source: Collected by the author from Rafeeg's social media page

- *Sharing the additional safety-related costs with small suppliers:* While maintaining the above protocols in selecting his service providers, Alsheryani understood the difficulties of small maintenance companies in meeting the additional cost of PPE kits, sanitizer, gloves and associated materials provided to each of their employees before every call – which averaged two to three a day. Upon consultation with his core team and financial advisors, he decided to underwrite 50% of the total monthly safety-related costs with these small service suppliers to allow them to continue as members of Rafeeg. This cost-sharing approach ensured the effectiveness of the safety measures Alsheryani undertook. Information shared through the social media portal and websites enabled customers to know the extent of the effort Rafeeg made to safeguard its clients together with its commitment to sustain small businesses.
- *Restoring consumer confidence in physical interaction through Rafeeg's providing a separate fleet system to its maintenance workers*: With the pressure on Rafeeg to re-establish customer confidence, Alsheryani realized that services, in contrast to tangible products, were viewed as inseparable from the people and the organization that provided them. Service technicians had to interact physically with clients and this required quieting their apprehension about the infection risk in a way that was achievable by the company. During the critical time of the pandemic, Alsheryani carefully studied his clients' needs and risk perceptions and took positive steps to reduce their anxiety while still allowing his partner companies to give good service. His company studied its target group to create, maintain or alter attitudes and behavior in terms of selling the services and maintaining the integrity of Rafeeg itself. Alsheryani sought to instill confidence in the company and his staff as conscientious people who had taken every measure to make sure the customer was safe. In terms of job quality and customer safety, Rafeeg differentiated itself from the competition by positioning itself on the side of proactive caution. He purchased a fleet of cars for company employees to use on the job, creating an image of professionalism and competence in countering the pandemic spread by avoiding the risk of public transportation (Figure 5).
- *Updating the mobile application with useful features:* To address the customers' anxiety over COVID-19, Alsheryani updated Rafeeg's mobile application with additional information on the dashboard including the uniform safety procedures adopted by the concerned service suppliers and their workers while on-call. This initiative enabled clients to access all safety-related information in one place without contacting numerous service providers to get quotes and ascertain what anti-infection procedures they had implemented.

Figure 5 New fleet of cars for Rafeeg's employees to use on the job

Source: Obtained by the author from the Rafeeg archive

- *Engagement with customers on social media:* During and after the pandemic, Rafeeg established direct engagement with customers by forming OBCs on its social media pages. Via the OBCs, client testimonials and the latest information on new strategies to benefit customers were posted to restore confidence. Videos of actual service calls carried out during the pandemic garnered millions of views, along with comments and shares.

Concluding observations

The service marketing strategy Alsheryani used to ensure Rafeeg's continued survival during the pandemic involved active participation on social media, updates of the mobile application and blogs on its website intended to increase the time and attention investment of the customers toward the organization. The increased investment in information transparency, in turn, sustained the relationship between Rafeeg and its customers, providing them the facts they needed about the safety measures Rafeeg and its suppliers had taken to prevent the spread of the SARS-COV-2 virus while servicing homes and commercial buildings. The client testimonials and videos of actual service calls showing the use of safety kits did much to reassure existing and potential clients that Rafeeg did indeed "walk the talk." These strategies helped to produce the desired customer behavior – enhancing the probability of their purchasing services from Rafeeg and becoming loyal repeat clients. Alsheryani's decisions reinforced confidence, leading to increased emotional involvement and time investment by customers, repeated hiring and referrals to acquaintances. The effectiveness of this service marketing strategy can be observed from the steady increase in service requests from an average of 9,000 in March, April and May of 2020 to approximately 45,000 in the next four months – from June to October 2020.

However, the pandemic was still spreading with no immediate respite in sight, vaccines were still in trials and their efficacy might be less than expected. Vaccinating every individual would probably take at least two-three years to end the virus spread. Under such circumstances, what should be the next steps that the company takes to change consumer behavior and ensure their trust in the safety of the Rafeeg business model? Consumer awareness programs and donation of safety kits as part of its corporate social responsibility is a possibility. For how long can Rafeeg support the additional safety-related costs of its small-scale suppliers, especially if there is an increase in their number in the future? Should the financial support be limited to 50% of the total safety costs or should it increase/decrease with time, considering factors of increase in similar suppliers or employees hired by the existing suppliers to address the increased demand in the future? Can Rafeeg continue to support the suppliers for the long-term financially? How will it affect its revenue generation, return on investment and equity? Should the pricing of the service package be increased to compensate for the greater expense of this support?

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