

## EFFECTS OF PROMOTIONAL CAMPAIGN IN THE LOGISTICS CUSTOMER SERVICE

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**Abstract** In companies often are overlooked the opportunities to increase sales by employees, who in the daily responsibilities are supporting customers. Therefore, the aim of this article is to present the effects of the implemented promotional campaign in logistics customer service in a selected company from the pharmaceutical industry. The project was implemented in March 2014. The implementation of promotional campaign in a selected company proceeded in accordance with the phases of the promotion strategy described in the literature. The most important effect is to increase sales volume by 24% (14 thousand units of product). This undertaking also allowed for adjusting the activities to the expectations of customers. This resulted in an additional value which is the customer satisfaction from the performed services by the company, which resulting in long-term cooperation.

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## 1. INTRODUCTION

Practically every enterprise to a greater or lesser extent directs its activities to satisfy customer needs. To a specific customer bought the product or service must be fulfilled his expectations – that the such a product, at the right price, time and place may purchase.

Customer is a natural person or legal making the purchase of a product intended for sale and after the the payment, acquiring the title of his property. We can say that the most important customer is the final user of the physical good, or entity to whom the product is intended ultimately previously produced, stored and moved in the form of cargo (Bozarth & Handfield, 2007, pp. 36-38). From a logistical point of view, the end user suggests the final location of cargo reception, sets deadlines for deliveries and acquires title to the goods (Cyplik, Głowacka & Fertsch, 2008, pp.10-23). Should be noted that these subordination of the company's activities to satisfy customer needs is reflected in practically every features implemented by the company. Function occurs in situations where: between some element  $x$ , and a frame of reference  $U$  there is kind of relationship (relations) relies on the fact that the element  $x$  functioning or, existing as a state of affairs, moves in a relatively stable manner the effects of its operation (existence) on functioning of the system  $U$  (Pawlowski & Trzeciński, 1986, p. 41). Among the basic functions of enterprise can be identified sales, logistics, marketing, human resource management, production, controlling, etc.

The definition of logistics can be found a reference to expectations of the client – Council of Supply Chain Management Professionals (CSCMP) defined logistics as the process of planning, implementing and controlling the efficient and economically efficient flow of raw materials to the production of finished products and adequate infrastructure from the point of origin to point of consumption in to satisfy requirements of the customer (Sołtysik, 2009, p. 21).

On the other hand by the logistics customer service should be understood implementation of mutually coordinated activities or logistics services affecting on customer satisfaction when is purchasing the product – the last act of process which usually starts by placing an order and ends delivery of the product to the customer (Kempny, 2001, p.15).

Therefore logistic service can be defined as the ability or the capacity of efficient and effective satisfying expectations and customer requirements, by using all available forms of logistics activities, including transportation, warehousing, inventory management, information, packaging and many other (Kempny, 2001, p. 15).

Elements of logistics customer service are those of its features which customers usually attached the utmost importance. These include: delivery time (waiting for the ordered product), availability of product, flexibility, frequency, punctuality, accuracy, completeness and delivery reliability. Assigned to them by clients rank during the order realization varies depending on the market segment, the type of

the products, physical distribution system (the traditional system, supply chain), and intensity of competition (Brzeziński, Kliber & Wyrwicka, 2012, pp. 221-230). These elements have quantitative characteristics, are measurable, therefore can easily calculate for them the performance standards – standards of service, expressing specific expectations and requirements of customers on a given market relative to logistics service (Kempny, 2009, p. 77).

A comprehensive customer service program should include three groups of components: pre-trade – to prepare the organization to operate customer, transactional – for direct contact between the customer and the company efficient transaction in accordance with its requirements, and post-trade – allowing the company to further contact with the customer (Halicka & Święcka, 2012, p. 213). Correct implementation of these elements of customer service affects the long-term positive relations with the client (Brzeziński, Kliber & Wyrwicka, 2013, pp. 120-124).

In classical terms of logistics customer service does not entered of promotion activities, but there are attempts to adapt to its tasks promotion components.

Promotion is a set of all measures, which the company passes the information of its activities, products and services. Affects the rate of the company product sales, are also relevant to produce and strengthen the positive image of the company or its products (Soul, Sztylek, Kaniewska-Kowalska, Bednarczyk & Nowak-Trojnar, 2012, p. 15).

The promotional campaign is the impact on the purchaser with interrelated measures and forms of communication occurring on a given market in a specific order and time. Is a set of promotional activities of the company, aimed at providing current and potential customers in the right time and place by using different forms of communication and expenditure of appropriate measures of specified message associated with the products of the companies with itself (Bielski, 2006, p. 381).

We can distinguish the following features of the promotional campaign:

- it is a set of measures, not the singular measure or action,
- it is an interactive system, i.e. the one that provides the mutual interaction of buyers and sellers,
- relations of sellers with buyers shape long-term bonds,
- the basis for creating target groups are mailing lists or database,
- reaction of a potential buyer on the offer made by the seller may take place by direct contact,
- the possible purchase of the product occurs in a more convenient way and place for the buyer (Garbarski & Rutkowski, 2000, pp. 554-556).

Promotional campaigns include the impact on the market with implementing one or more of its tools. We can identify six campaign types:

- direct mail – it depends on providing the information by mail (traditional) anonymously or by name to specific recipients,
- based on the catalogs (mail order) – is a form of distance selling,
- telemarketing – is based on using the phone as a communication tool on the initiative of the company (telemarketing active – outgoing eg. telesales

- call center) or of the buyer initiative (telemarketing passive – incoming, such as a client call for the company hotline),
- using mass media (direct response) – is based on establishing individual contacts through advertising placed with the phone number, business address (eg. teleshopping),
- using new media (new media) – uses with modern communications technology such as the internet or mobile phones (SMS, MMS, video clips, voice mail),
- integrated (integrated direct marketing campaigns) – is a unique combination of above mentioned campaigns (Mruk, Pilarczyk & Szulce, 2007, p. 223), (Bielski, 2006, pp. 381-384).

Implemented promotional campaign in order to succeed expected effect, is necessary to take a series of actions which can be grouped into the following steps:

- the first stage – the identification of the target group,
- the second stage – setting goals of promotion,
- the third stage – the formation of promotion budget,
- the fourth stage – the channel selection of the promotion,
- the fifth stage – the preparation and implementation of promotional campaigns,
- the sixth stage – measuring results of a promotion (Mruk, Pilarczyk & Szulce, 2007, p. 250), (Lambin 2001, p. 173).

The above mentioned stages are a standard course of a promotional campaign in the company (Sankowski, 20.06.2014). On this basis, the promotional campaign was implemented in logistics customer service Customer Service Department in selected company in the pharmaceutical industry, which the authors describe in detail in the next part.

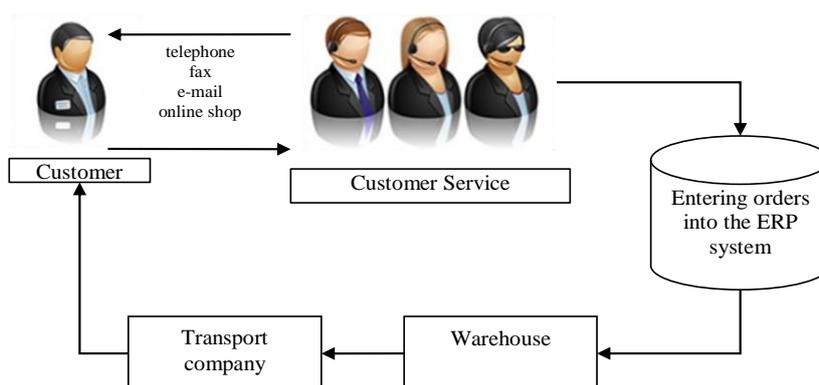
## **2. PROMOTIONAL CAMPAIGN IN THE LOGISTICS CUSTOMER SERVICE IN A SELECTED COMPANY**

### **2.1. Project of the promotional campaign in logistics customer service in selected company in the pharmaceutical industry**

In many sectors of the economy, more and more companies are beginning to appreciate the customer service process by using the hotline. Therefore, the customer orders are handled today in companies by Customer Service Departments mostly via telephone contact with the support of ICT systems.

One of the companies in the pharmaceutical industry in Poland has in its structure, Customer Service Department, where employees serve customers particularly by phone participating in the process of logistics customer service, which is presented graphically on the Fig. 1. The customer can place an order in

the selected enterprise via phone, fax, e-mail or online shop. Next order is entered by an employee of the Customer Service Department to the ERP system functioning in the enterprise. Next processed order goes to the warehouse, where it is completed and prepared for shipment. At the end the transport company delivers the order to the customer with the delivery note and the invoice. The duration of the contract is 2 working days from the date of order to receipt of shipment by the customer.



**Fig. 1** Simplified diagram of the process of logistics customer service in a selected company (own study)

The main tasks of workers the so-called telephone operators or consultants in the Customer Service Department can be divided into two main areas:

- handling incoming calls from customers – is the 60% of the working time,
- handling outgoing calls from customers – is the 20% of the working time.

Incoming calls are related to the following activities performed by operators:

- providing information to clients eg. about prices, the status of the order, delivery time delivery, etc.,
- receiving orders from customers,
- receiving complaints and grievances.

On the other hand outgoing calls which initiator is the Customer Service Department employee, are associated with:

- market and marketing research,
- maintaining the customer relationships,
- sale by phone,
- explanation of reported complaints,
- checking the address details.

The selected company from the pharmaceutical sector are organized periodically by the Department of Marketing, promotions of offered products directed to the clients as a discount offer. Therefore, the Customer Service Department in a selected company monthly average is supporting 10 thousand customers,

reasonable opinion of the authors was to implement a promotional campaign, which aimed to reach your customers with the offer of discount and sales supporting of offered products. The campaign coordinated by the selected project leader in the Customer Service Department was implemented in March 2014 and proceeded in the following steps:

**The first stage – identification of target group**

Have been adopted assumptions that of the conditions of the commercial offer will be informed by phone consultants, all retail customers during the promotion period.

**The second stage – setting targets of the promotion**

The following objectives have been established of the promotional campaign in Customer Service Department:

- informed by phone about the commercial offer the 12 thousand of customers (incoming and outgoing calls),
- participation in increasing/generated sales at the level 15%.

**The third stage - the formation of the promotion budget**

The budget was not compiled, because all activities are carried out within the current work of the Customer Service Department. Only the funds were redirected for the 3 awards for the people who were the most involved in the project goals (have won the persons with the most scored points based on the pre-prepared and communicated criteria).

Offers in a paper version do not constitute a cost, as it was realized within the framework of marketing activities, and their distribution were made on the occasion of the current work of the transport company.

**The fourth stage - the promotional channel selection**

Have been chosen three ways of information distribution related to the promotional campaign realization. The first is the electronic form: posting information on the website and sending an offer via e-mail. The second are the activities related with telemarketing – informing about the promotion by telephone and sending an offer by fax. The third is the physical transfer of the offer by the driver delivering the order.

**The fifth stage – preparation and implementation of the promotional campaign**

At the stage of preparation for the implementation of the project, workers were covered by the product types training and they received the necessary support from managers and project leader.

On the implementation of the promotional campaign consists:

- informing each client about the offer at the incoming calls (contact of the client with the company),
- direct outgoing contacts (initiative of the employee of Customer Service) to a target group of customers with a proposal of purchase products from the offer,
- using the model of the conversations and communications, supporting the sale of the product from offer, active outgoing contacts to all orders e-mail/fax, placing in the "footer" the offer at the confirmation orders to the customers sent by e-mail or submitted by online store,

- sending by e-mail/fax an offer to all clients, adding an offer to the invoice by the delivery, posting an offer on the website,
- preparation of the pop ups which occurred before placing an order by customers in the online shop.

### The sixth stage – measurement of the promotion results

This step is closely associated with the effects of the implementation of the project and it will be described in the next section.

## 2.2. The effects of project implementation

Implementation of promotional campaign actions in logistics customer service allowed to obtain quickly noticeable benefits with minimal costs. Established promotional campaign aims in Customer Service Department have been realized above expectations:

- direct outgoing contacts (initiative of the employee of Customer Service) call informing about the commercial offer – 120 % achieving of planned target (plan – 12 thousand clients, realization – 14 thousand customers),
- participation in increasing sales – 160% achieving of planned target (plan – 15%, realization – 24%).

In table 1 are presented results of the implementation of the project for various activities under the promotional campaign in the logistics customer service.

**Table 1** Summary of the effects of implementation of the project (own study)

No	Action of the promotional campaign	Effects of actions	Sales effects of actions
1	Active informing about the promotion at incoming calls	54 thousand contacts with information about the promotion 14 thousand customers informed about the promotion	Additional sales of 14 thousand units of the offered product, which represents 24% of the generated sales
2	Active outgoing calls with proposal of purchase from the commercial offer	2.5 thousand of contacts with a proposal to of purchase 1 thousand customers with a proposal to of purchase	
3	Added offer to the invoices	11 thousand added offers 4 thousand customers informed about the promotion	
4	Offer sent by email/fax to all clients	17 thousand sent offers 6 thousand customers informed about the promotion	
5	Offer sent in the "footer" at the confirmation of email orders	15 thousand sent offers 4 thousand customers informed about the promotion	

As can be seen from the above table, the implementation of the project in the selected company in the pharmaceutical industry has brought added value – increased sales by the Customer Service Department at 24% (additionally sold 14 thousand units of the product with the commercial offer). It is also noteworthy large-scale of contacts with information about the promotion for incoming calls (54 thousand contacts), which allowed 14 thousand of customers to obtain the information about the commercial offer. This means that the average each customer during the promotion learned four times the about the validity of commercial offer. For a good result of sales were also affected additional activity through which customers receive information about promotions – offer sent by e-mail/fax, sent in the "footer" at the confirmation of the orders mailing or by the added offers to the invoices. All applied together measures certainly contributed to, that the implemented undertaking in logistics customer service in the selected company turned out to be a success.

### 3. CONCLUSION

Customer orientation determines how resources are managed so as to understand and satisfy the customer needs. Logistics customer service in the classical approach is a skill, the ability to efficiently and effectively satisfying the expectations and customer requirements, in particular those related to the time and place of delivery of ordered products, by using all available forms of logistic activities, including transportation, warehousing, inventory management, information, packaging, etc. The promotional campaign in its essence has to impact on the buyer interrelated measures and forms of communication occurring in a given market in a certain order, and at a certain time.

Both of these concepts appear to be independent and concerning the separate issues. But they have certain common denominator – the customer. Presented in the article results of the implementation of promotional activities in the work of the Customer Service Department in the company of the pharmaceutical industry have indicated that the combination of these two areas can be an effective form of increasing the sales volume in a relatively short period of time. Among the activities implemented in the promotional campaign in logistics customer service can be distinguished active informing about the promotion at incoming calls, outgoing active contacts with a proposal to purchase a commercial offer, adding offers to invoices, sending offer by e-mail/fax to all customers and sending offers in "footer" at the confirmation of e-mail orders. A key result of the project was to increase sales by 24% (intention was to increase sales by 15%). In addition, 14 thousand customers were informed about the offer (the aim was to inform the 12 thousand customers). Highly important matter is that the customers during the promotional campaign were repeatedly informed about the promotion through various media (fax, e-mail, website, online shop, telephone). Usage the standard procedures to implement the promotional campaign allowed to obtain measurable benefits for the selected company.

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