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SELECTED PROBLEMS OF LOGISTICS CUSTOMER SERVICE IN THE CONTEXT OF THE DEVELOPMENT OF OMNI-CHANNEL TRADE

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Abstract: The author has made a multidimensional review of the determinants of retail business strategies in the context of the development of the omni-channel trade concept. The development of ICT and innovation in new omni-channel sales, affect the changes in customer acquisition processes. A customer-oriented trading company must take these changes into account in its customer service strategy and effectively meet new customer needs resulting from these changes. The article concludes with identifying new logistical customer service challenges and proposing operational actions needed to meet these challenges. The development of the omni-channel concept implies the simultaneous use of traditional channels and online channels in sales strategies. In addition, the company uses modern forms of promotion based on electronic channels and social media. These conditions necessitate a change in the architecture of the business enterprise's processes.

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1. INTRODUCTION

The steady increase in the intensity of competition has been noticeable in recent years, forcing businesses to focus more on the client and his needs. In practice it manifests itself, among others, in a greater focus on the customer service process, which is considered to be a very specific and yet effective instrument of competition.

At the same time, growing competition between business enterprises forces these companies to continually seek new solutions in the area of sales and customer service. One of these solutions is the concept of using many different channels of communication and sales, which in the most elaborate form takes the form of omni-channel trade. The aim of the article is to identify the problems and challenges in the area of logistics customer service faced by enterprises implementing the omni-channel trade concept.

2. THE ESSENCE AND DEVELOPMENT OF MULTI-CHANNEL SALES CONCEPT

The concept of using multiple different sales channels has been a research area for many years. Increasing competition forces the entrepreneurs to constantly seek new ways of reaching the customer and customer service. This led to the development of innovative forms of sales. In addition to competition, additional factor influencing this process is the development of new technologies that significantly alter the market relationships between suppliers and customers and thereby force changes in the customer service process. The most important ones include: (1) A steady increase in the number of internet users. The development of technology in the field of broadband internet or mobile access makes the number of Internet users in Poland and in the world constantly growing. (2) Changes in consumer awareness and knowledge. Every new generation entering the market is already accustomed to the daily use of the Internet. (3) Development of new forms of communication (e.g. instant messaging, social networking, trading platforms, etc.) allowing for permanent, multilateral communication of individual market participants, not just enterprises with customers but also enterprises and consumers between each other. (4) Development of applications to collect data from customers and about customers. This leads to the creation of large customer databases, conducting behavioral simulations of buyers and the so-called customization of the offer, i.e. tailoring the offer to the specific needs of individual customers. (5) Development of new information and IT technologies such as RFID. These changes affect practically all spheres of business functioning. This applies to both manufacturing and trading companies.

The mentioned factors interpenetrate each other. They have led to the development in practice of a new concept that is noticeable in the sales strategies of manu-

facturing and trading companies, the so-called multichannel sales. It is assumed that the multi-channel system is based on the use by the enterprise of more than one channel in the distribution of products or services (Wirtz, 2013).

The dynamic development of multi-channel sales is directly related to the development of internet commerce, which can be noticed since the mid-nineties. Both worldwide as well as in Poland a lot of new market players – online shops arise. This development was stopped by the stock market crisis of the early twenty-first century, which affected primarily Internet companies. Even then it was clear, however, that the Internet channel would become one of the main channels of communication and sales. The development of technology has led to the launch of e-commerce channel by companies that have so far operated exclusively in traditional trade. On the other hand, companies that have already started trading on the internet have begun to consider and in time start up their traditional trading businesses. In this case, you can actually talk about multi-channel sales. The stages of development of particular forms of sale are shown in Figure 1.

Business channels used by businesses are constantly evolving. In theory and in practice, the following sales models stand out: (1) singlechannel model (pure player), (2) multichannel model, (3) crosschanel model, (4) omni-channel model.
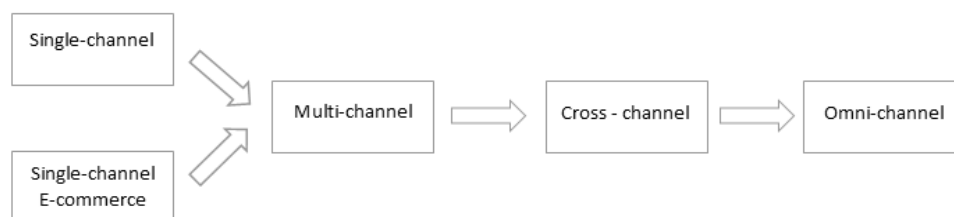

Fig. 1. Stages of multi-channel sales development; own work

The primary solution is the so-called single-channel. In this case, the sale takes place only through one sales channel. This may be a stationary store or online store (so called pure player). This solution is currently considered as obsolete and unsuited for current market needs.

Multi-channel sales are a strategy in which, apart from selling via traditional channels, a company also uses its own online store. Multi-channel sales use therefore, both traditional and electronic sales channels. Customer during the purchase process generally moves in one channel, without the possibility of changing to another channel. Potential returns are possible only through the same channel, through which the customer had previously purchased. In multi-channel sales, customer databases of individual channels are not fully integrated (Fost, 2014). From a business perspective, IT systems, processes, and data are analyzed within a single channel. At the moment, this is the strategy most commonly used by companies. The next stage of sales development is the so-called cross-channel. This stage is

considered as a transition between the multi-channel and the omni-channel sale. In general, this is a solution that is similar to a multichannel sale, with one customer database for the entire enterprise. Unlike multi-channel strategies, a customer may change sales channels in the purchase process. However, IT systems, processes, and data are still being analyzed within a single channel. Returns are made through the channels, in which the purchase was made. Thus, from the customer's point of view there is virtually no difference between the sale of multi-channel and a cross-channel sale (Heinemann, 2013). Lastly, omni-channel strategy means the complete integration of sales channels and communication channels. The company enables customers to contact and possibly purchase in the form that will be most convenient for them at that moment. In this case, the customer in the purchase process can change the sales channels, or even use in parallel several channels. Also any possible returns take place in the form most convenient for the customer.

Table 1. Comparison of various forms of multi-channel sales

No.	FORMS OF SALE	DESCRIPTION	SALES CHANNELS
1.	Single-channel (Stationary Trade)	Sale exclusively through traditional wholesale channels or retail chains	traditional channels sales networks foreign online shops
2.	Single-channel (Ecommerce)	Sale exclusively through internet channel	own online store Call center
3.	Multi-channel	Sales through traditional channels and your own online store	own online store Call center traditional channels sales networks foreign online shops
4.	Cross–channel	Sales through traditional channels and your own online store	own online store Call center traditional channels sales networks foreign online shops
5.	Omni-channel	Sales through traditional channels and electronic channels and your own online store	own online store mobile commerce social media call center mobile commerce traditional channels sales networks foreign online shops shopping arcades on the internet

Omni-channel sales, however, are far more than launching another sales channel. This sales and customer service model guarantees the customer the so-called

smooth shopping experience, regardless of whether the customer buys in a stationary store or over the internet, using a computer, a tablet or a mobile phone. What distinguishes omni-channel sales from other forms of multichannel sales is the full integration of all channels of communication, distribution and sales, or broadly speaking, of all channels and points of contact between the company and the customer. Such points of contact may be (Scheffler, Glass & Schmidt 2014): (1) product or service, (2) traditional shop, (3) web page, (4) call center, (5) social media, (6) courier company, (7) method of payment,

This comprehensive approach, however, requires integrated management of IT systems, data and processes within the enterprise. The omni-channel strategy is, therefore, the most elaborate and, at the same time, the most expensive strategy. It is an exemplification of the marketing philosophy. In the end, it is the customer who determines the place, the time and the form of contact with the company, the place, the time and the form of purchase, the place, the time and the form of delivery and of the possible return (Strojny & Chromińska, 2016). Comparison of individual multi-channel sales formats is found in Table 1.

The comparison of the forms of sales presented in Table 1 shows the point of view of the manufacturer or the sales company. The decision to launch any additional sales channel produces consequences for the entire company. For practically all the processes of the enterprise management are changing, including above all the process of customer service.

2. LOGISTICS CUSTOMER SERVICE, AS A PROCESS

Customer service is most often analyzed in literature in the context of the so-called elements or phases. These are:
1. Pre-trading elements – which relate to: corporate strategy in terms of: customer service, offer, organizational structure and flexibility of the whole system.
2. Transactional elements – decide on a transaction both smooth and consistent with the customer's needs and include the time from the time the order was placed to the receipt of the product.
3. Post-transaction elements – consist of activities supporting the product during its use, including such activities as modifications, repairs, post-warranty service, complaint procedures, delivery of consumables and spare parts (Kempny, 2001; Dobrzyński, 2007).

The above mentioned customer support elements include both marketing and logistics elements. Marketing elements are present in each of the three phases, although predominate in the pre and post-transactional phase. On the other hand, logistical elements are apparently visible in the transactional phase. Thus, the presented approach has, however, more functional than procedural nature.

The complexity of customer service lies primarily in the fact that different functional departments in the company are involved in its implementation. Depending on the shape of a specific organizational structure, these departments may be called differently. Most often these are the cells responsible for sales, marketing, logistics, order processing and debt collection.

In this context, a more useful concept, however, is the process of customer service. Process approach to customer service involves analyzing and managing customer service as a single process. This process belongs to the so-called fundamental processes that make up value (Homburg & Krohmer, 2006). Using the aforementioned concept, it can be assumed that the process consists not so much of the elements as the steps of a single process. In the customer service process three stages can be distinguished: pre-transactional, transactional and finally the post-transactional stage. Within the different stages, the next steps of the process can be distinguished (Strojny, 2012).

The process of service in the enterprise depends primarily on the customer purchase process. Therefore, when designing a process and defining service standards, it is essential to take into account the changes that occur in the decision-making process and the making of the purchase by the business customer. This process is currently most often presented in the form of a customer journey, as a map of the "customer's shopping trip". On this basis, it is possible to identify the "contact points" of the company with the customer presenting all contacts between them, irrespective of the form of these contacts. The great importance of all these contacts is due to the fact that they are the basis for the brand image of the company, arising in the mind of the buyer. From the point of view of the main objective of this paper, a transactional step that commences at the time the customer places an order, and ends at the time of delivery is key (Strojny, 2008). This phase consists mainly of intra-company activities aimed at fulfilling customer orders. The most important of these activities are: (1) Accept the order, (2) Contact with the customer, (3) Check stock status, (4) Completing the order, (5) Shipping preparation, (6) Transport to the customer.

In individual companies, detailed actions within this process may vary. This depends, for example, on the size of the business, the sector in which the company operates or the type of product that is offered, etc. So, the question arises, of how the decision to implement an omni-channel strategy affects that mentioned logistics customer service process.

3. BASIC PROBLEMS OF LOGISTICS OF THE OMNI-CHANNEL TRADE

Effective implementation of the omni-channel trading strategy is conditioned by several factors. These factors are of a different nature and have their origins both in

the company's resources and in its environment. In a competitive market, however, the factors that influence the customer service process are crucial.

Table 2. Key challenges for logistics depending on the form of sales; own work

No.	FORMS OF SALE	KEY LOGISTICS CHALLENGES
1.	Single-channel (Stationary Trade)	ensure product availability in stores returns through the sales channels
2.	Single-channel (Ecommerce)	providing product information in search engines ensure product availability in the online store provide accessibility information provide a short delivery time on the internet channel provide return capability
3.	Multi-channel	provide product information in search engines ensure product availability on supported channels provide accessibility information provide a short delivery time on the internet channel provide return capability on a given sales channel
4.	Cross–channel	providing product information in search engines ensure product availability on supported channels provide information on availability on the internet channel provide a short delivery time provide return capability on a given sales channel ensure full integration of customer database
5.	Omni-channel	provide product information in search engines ensure product availability on supported channels provide accessibility information provide a short delivery time providing return capability in any form, regardless of the sales channel ensure full integration of customer database

The scope of the challenges and logistics problems depends on the strategy of sales and service. Generally, the more complex the form of sales, the greater the number of channels used, the more there are potential problems and challenges in logistics processes management. This issue is shown in Table 2.

As shown in Table 2, the least difficulty creates a sales strategy when using traditional sales channels, and the most number of challenges and biggest danger is with the omni-directional sales strategy.

So, from the point of view of the customer service process, it is necessary to meet the following requirements in order to successfully implement the strategies: (1) Provide product information in search engines, (2) Ensure product availability on supported channels, (3) Provide accessibility information, (4) Provide a short delivery time (5) Provide return capability in any form convenient for the customers.

Re 1. Provide customers with product information in web search engines – All available market studies show that the buying process in most cases starts with searching the product on the internet. From a business point of view, it is essential to provide customers with reliable and complete product information in the search engines. Launching an e-commerce channel in a company that has been so far doing business in traditional trade allows to increase sales by expanding the reach across the country and gaining new customers who have not been their customers yet.

Re 2. Ensure Product Availability in Supported Sales Channels – Another requirement for effective implementation of the omni-channel strategy is to ensure product availability in each sales channel. This is a traditional problem for any trading company. However, launching an additional sales channel alters the enterprise's process architecture and further complicates the problem. The omni-channel strategy in Poland, is most often used by commercial networks operating in our country for years. As a rule, these networks first ran traditional commerce, and then they launched a new internet channel. This has implications for logistics strategy. Although as mentioned, the launch of the Internet channel changes the logistics system of the trading company, the solutions used were built on the traditional service of the traditional trade. Still, you can distinguish several model solutions. These are: (1) Central warehouse with a dedicated e-commerce service department (2) Central warehouse with a dedicated warehouse for ecommerce channel (3) Central warehouse (and possibly regional warehouses) for the traditional channel, and e-commerce channel handled from the shop closest to the customer.

In the first model, a part of the space for e-commerce is isolated in the central warehouse (or in regional warehouses). Completing and shipping and handling is organized by staff assigned to operate this channel. They handle all incoming orders electronically. This solution is often used for companies offering an assortment that is not limited by the date of use (so-called non-food, clothing, and consumer electronics). In the latter case, e-commerce channel service is done through a separate warehouse dedicated to this channel. This warehouse is a central warehouse for e-commerce channel. In this warehouse, all operations related to the online customer service are performed. Finally, in the third model, the e-commerce channel is served by the stores located closest to the customer. In this solution, the distribution to retail network units is done in a classical fashion through a central warehouse or a regional warehouse. On the other hand, e-commerce channel support is available from the relevant store level. The online buyer is served by the store that is closest to the delivery location declared by the customer. This is possible by identifying the client's location on the web. This solution is often used by food chains. Any potential return are made to the stores responsible for the execution of the original order.

E-commerce logistics shows very large differences compared to traditional trade. The logistics service for network stores, is quite different from the handling of customers' individual orders placed on the internet. Starting an internet channel causes the need to handle very large quantities of relatively small orders. In addition,

these orders are made by customers located practically all over the country, and sometimes even abroad. The possibility of outsourcing selected logistics processes becomes a serious problem. Transport between central warehouse and stores is often outsourced to specialized logistics entities. On the other hand, in the Internet channel, in the case of so-called "last mile", delivery to the final customer, is usually carried out by own transport. This is particularly common in the model in which the internet client is served by the nearest store and often results from product specificities such as food, necessity of assembly in the case of household appliances.

Re 3. Provide customers with information about product availability at a point of sale – Ensuring availability is a logistical challenge, very important but insufficient. From a marketing point of view, it is necessary to provide the customer with access to information about the availability of particular products in the particular channel and place of sale. The customer must be informed whether a particular product is available at a particular point of sale (in the store) and whether there is a possibility to purchase it on an internet channel.

Re 4. Ensure short delivery time – Another issue related to the implementation of the omni-channel strategy is the order delivery date. Delivery deadline next to the price level is the most important instrument of competition between online stores. A traditional trader, which additionally launches sales on the Internet, must adapt to the conditions dictated by competitors in online commerce. There is no point in starting a business on the Internet if the delivery deadlines will be significantly different from the standard ones applicable in a given product market.

In online commerce you can accept that the standard that the businesses are seeking is to deliver on the same day and in some cases even within 2 hours. The company that sets the world standard in this area is Amazon. In Poland, the standard becomes the delivery within 2 days, although some companies in selected locations offer delivery within 2 hours (e.g. Komputronik with Turbokurier service).

In the case of a traditional sales channel, in order to make a transaction, the item should be available in the store. This forces companies to maintain adequate stock levels, which in turn increases the cost. One solution that retailers will seek is to treat stores as showrooms, where after ordering the goods, they will be delivered to the address indicated, by the courier company.

Re 5. Provide return capability in any form convenient for the customer – The introduction of a full omni-directional strategy assumes that the customer will have the ability to return the product in any form, which means that he or she can return a product that does not meet the expectations, either to any point of sale or by a courier. The legal provisions governing the contracting arrangements so far have differentiated the issue of returns depending on the form of purchase. However, the increasing competition in trade, leads to the fact that some trading companies liberalize the return policy. A company that sets new standards in this area is Zalando, for example. The return problem is particularly complex when purchasing products with limited shelf life (e.g. food). Nowadays, when buying food through the internet the possibilities of returns exist, but are very limited.

3. CONCLUSION

The described requirements may be considered as conditions for the effective implementation of the omni-directional strategy. These are the requirements already in force today. However, the retail market is developing very dynamically and new innovations are constantly being implemented. It can be assumed that another innovation in this respect will be the already mentioned treatment of shops as the so-called showrooms where the customer will be able to see the merchandise, and ultimately the transaction will be concluded through scanning the QR code. In the absence of goods in the shop, it will be delivered to the customer on the same day by a courier company. This solution is beneficial for trade, as it reduces the cost of keeping the stock at the point of sale. At the same time, however, it will significantly increase the scope of work in logistics customer service.

Omni-channel sales combine activities mainly from two areas: marketing and logistics. The changes in the marketing strategy are primarily observed in the sales process and customers relationships. At the same time, a completely new approach is required by the management of all new customer-to-business contact points, as well as the relationship building and segmentation of online customers. In turn, logistics is responsible for the transparent flow of goods, guaranteeing the highest quality of service, operational flexibility and returns logistics. Meeting the above mentioned requirements is a prerequisite for the effective implementation of an omni-channel strategy within an enterprise.

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