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## The new trends in direct personal communication

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## THE NEW TRENDS IN DIRECT PERSONAL COMMUNICATION

### Summary

Article presents the author study results of shaping relationships with customers. This paper shows changes (trends) in the system of market communication in the age of changes in the economy. Author presents the effectiveness of various actions in direct marketing. Reflections contained in the paper do not have definite characteristics and should be treated as an opinion in the discussion.

**Keywords:** direct communication, relationships with clients.

### Introduction

Proper relationships with customers can be helpful when designing an appropriate system of communication between the company and the market. This is because the system depends on information about these customers (recipients). Therefore, the essence of the issue is proper customer relations and knowledge management.

The key to success in the market is to build sustainable, long-term relationships between brands and consumers. P. Doyle explains that marketing is a management process aimed at maximizing returns for shareholders through the implementation of strategies designed to build trusting relationships with valuable customers, and create sustainable competitive advantage (Doyle 2000, p. 84).

Experts predict that in the future, the majority of expenditure on promotion will focus on direct communication. The reasons for this trend is the fierce competition on markets that require direct contact with the customer. It is also important for enterprises to search for methods that offer an opportunity to analyze the effects of

their marketing activities. No other form of communication allows for such precise measurement of the effectiveness of marketing efforts as direct communication.

### **1. The impact of direct, personal communication**

Personal communication is shaped by three variables:

- the purpose of interpersonal contact (from the point of view of the enterprise – promoting the enterprise and the product; from the point of view of the customer – satisfying needs),
- the type of people interacting (the simplest system applies to seller and buyer),
- the type of contact: personal communication may take the form of direct, personal dialogue, a phone call (e.g. telemarketing), postal correspondence, correspondence via electronic mail (e-mail), collective negotiations.

The aim of communication is to coordinate the behavior of the buyer and seller through the exchange of articulated and unarticulated information, which always takes place in a specific context. The coordination of information exchange can relate to short term and long term time periods. In the short term, customer reaction is the most important – him making a transaction. However, in the long term, it is mainly about shaping the beliefs, opinions and attitudes of the buyer toward the company.

D. Maison claims that traditional communication is a source of hidden consumer attitudes (Maison 2004, pp. 45–47). Nearly half of respondents stated that they never buy under the influence of traditional communication, but 36% believe that others do. Information about the lack of awareness of their own vulnerability to communication activities can be very important for merchants. It should be emphasized that traditional market communication is not a bad thing, because it provides consumers with information about products and companies, as well as supports the activities of sales representatives, but it should not be misleading.

Direct, personal communication is the original and primary form of market communication. It consists of presenting the company's offer and activating sales via direct interpersonal contact between employees and potential buyers, with the aim of making a transaction. In contrast to other instruments of communication with the market, personal promotion is direct and highly flexible (Czarniewski 2010, p. 141).

The role of direct, personal communication is an important part of the market communication system of companies. It is emphasized in many segments of marketing knowledge, making the quality of work of staff, including their communication skills, an important category. It is emphasized in services marketing, direct

marketing, relationship marketing and affiliate marketing. Companies focused on the customer experience are capable of properly managing their personnel, properly training employees that are in direct contact with customers by investing in them more than other companies, and properly managing the quality of the environment in which the service is performed (Berry, Wall, Carbone 2006, p. 16).

The basic tasks of direct, personal communication are as follows:

- obtaining information about the needs, expectations and preferences of customers,
- providing information about products, their characteristics, how to make a purchase, etc.,
- convincing customers and supporting sales through the provision of help, advice, instruction, explanation, presentation, etc.,
- forming the image and shaping positive attitudes of customers towards the enterprise (through the style of interpersonal contact, service culture, etc.).

With the development of new information technologies, traditional personal communication is being supplemented and gradually replaced by telephone calls and teleconferences. Interactive computer connections between the seller and the buyer are also significant.

Direct, personal communication can be realized at the company's headquarters, or at their various points of sale (warehouses, shops), as well as the workplace of the customer or during trade shows. Direct contact with a potential buyer allows the seller to uncover the specific needs and requirements for specific products or services. It is possible to create unique and important value for the end customer only if one is familiar with their needs and expectations.

## **2. Factors influencing the effectiveness of personal communication**

An important issue is the identification of customer needs. On the basis of a study of customer preferences, a profile of the main demands can be determined. Information about the needs of a given company can only be attained by asking a person who is a client of that company or a company representative. It should be added that questions ought to be asked in order from general to specific (in order to avoid misunderstandings).

The next issue of importance is presenting the offer. The sales representative ought to have the highest degree of professionalism in the field of knowledge of the overall offer, particularly in relation to the product and its quality (Horowitz 2006, pp. 33–37). If the product is a service (and is complex, new and performed on items important to the client or on his body) – lack of expertise on the part of the seller usually eliminates the possibility of reaching an agreement in the form of a contract.

Benefits for the customer should be emphasized (Lindstrom 2005, pp. 24–27), not the technical parameters relevant to the producer (which are in fact a reflection of the benefits to the customer). It is important to match the presentation of individual benefits to their degree of relevance to the customer.

Customers state objections in order for the vendor to lose confidence in his arguments, or because they have reasonable doubts that they want explained. A customer service representative must be immune to the objections raised; rather he should be prepared for them and be ready to eliminate them. He cannot reveal his emotions at this time, on the contrary, he must show the customer understanding. It should be remembered that not all objections can be overcome.

It happens that some customers clearly express a negative opinion about the offer. Some customers may refrain from a purchase because they received a better deal from the competition. In this situation, the seller is not to blame for the fact that the customer walked away.

Most often, it is assumed that the right time to finish is when, after the presentation of the offer and answering any objections, there are signs that the client is interested in making a purchase. These signs are in the form of specific questions from the client about: length of delivery time, range of currently available products, samples etc. The customer often signals his desire to buy (with which he should be aided).

The main benefits of a well-conducted sales process include:

- expanding relationships with existing customers,
- attracting new customers,
- supporting the introduction of new products or new offers on the market,
- weakening the position of competitors.

Distinguishing oneself from competitors requires the company (including the sales representatives) to be authentic, because in the era of the current “experience” economy, customers are looking for companies that provide unique experiences and original brands (Gilmore, Joseph Pine 2007, pp. 22–26). The task of sales representative is to communicate these new values to the customer.

The importance of personal selling depends on the type of product or service we are dealing with. As the value of goods (services) increase, and as the scale of the contract to be concluded is raised, along with the growing risk of not meeting the requests of the recipient, personal selling becomes more important, as does direct contact between the producer (or his representative) and the customer (Dokurno 2009, pp. 283–284). Personal selling is particularly effective wherever the information customers need to make a buying decision cannot be fully provided by traditional market communication. It should also be noted that every customer is different and requires individualized arguments.

A business partner should be empathic (have the ability to empathize with the way others think and feel). It is also important to be open. Openness is the ability to

act based on honesty. Openness implies that, rather than control the situation and retain information, the partner is ready to listen to new ideas and share information, which reinforces trust (Grudzewski, Hejduk, Sankowska, Wańtuchowicz 2009, pp. 8–9). Openness to change improves efficiency, which reinforces interest in maintaining the collaboration. Continuity in turn increases trust that the partner will not behave opportunistically (e.g., use information inappropriately, mislead, deceive). All these qualities somehow build a broad dependence that is the foundation of doing business.

At the same time it is necessary to have ample knowledge of one's offer and of the company they represent. Due to the high degree of autonomy they have at work, vendors must possess strong self-discipline and motivation to succeed.

### **3. Mechanisms to attract and retain clients and the effectiveness of communication**

The client as a company's capital is not a new idea, but it is something that economists have only recently started to study closely. Research conducted by "The Economist" at the end of 2002, among 681 executives, showed that their main areas of concentration should be focused on consumers as clients of companies (65% response rate). In second place, shareholders – 18%, in third place, staff – 11%, and in last place external communication – 5% of responses. At the same time, it was indicated that the largest gap existed between the role of customers on the company's activities and the accuracy of methods used in measuring the value of this category (Gupta, Lehman 2005, pp. 3–7).

An important issue in business is first gaining and then keeping customers (Nagi, Xiu, Chau 2009, pp. 2592–2601). Gaining customers is achieved through the undertaking of various activities by the enterprise aimed at attracting potential buyers. In time, new customers become repeat customers, and in many cases, it is in the interest of the company to retain such customers. Retaining customers is often associated with actions that differ from those undertaken when acquiring customers.

Analyzing the cost of communication activities and their outcome allows one to seek out and implement a variety of ways to increase the efficiency of the communication system. Customer development activities are mainly supported by information that specifies the patterns of choices made by customers. An increase in customer value can be achieved through effectively persuading customers to make an additional choice within the offer they have already decided upon (Rószkiewicz 2010, p. 71). For these additional choices to be made, they need to be adequately communicated to a selected groups of customers.

When clients are seen as an asset that impact shareholder value, traditional conflicts concerning the allocation of resources can be avoided, and internal organi-

zational systems can be linked with the imperatives of value for the customer (Piercy 2009, pp. 445–447).

As shown by research and observation, customer retention is usually less expensive than the acquisition of new customers. Acquiring new customers is becoming increasingly more difficult, because of the phenomenon of progressive media diversification, where customers pay less and less attention to the media, and a client's time is becoming increasingly more expensive.

Customer value during the period of service may be defined as the present value of the customer, i.e. the discounted value of cash flow generated during the period of time the customer used the services of the company (Doyle 2003, p. 97). In the literature, it is becoming more and more common to see the term LCV (Lifetime Customer Value), meaning the value of customer transactions with the company throughout the customer's lifetime.

The concept of measuring customer value takes into account all cash flow associated with the client for the duration of their relationship with the company. Customer value is, in this case, the surplus value generated by the enterprise over the capital invested (Cwynar 2005, p. 119).

The development of organizations is becoming more dependent on growth and profitability of transactions per customer than on how effective they are in acquiring new customers (Suszyński 2007, pp. 239–240).

Propensity to buy reflects mainly the cognitive and emotional barriers and resistance of potential customers. Lack of knowledge and fear of making bad purchases are frequent causes of low propensity to buy. Raising propensity (by means of an appropriate system of communication) is thus connected with overcoming these barriers and resistance.

In general, consumer value are all the advantages that a consumer (customer) has by entering into a relationship with the company, its offer or brand (Dobiegala-Korona 2010, p. 22). In return for the benefits received, the customer generates cash for the company, profitability of transactions, information, image, trust, etc.

It is increasingly common for a cooperation strategy to be based on trust in the relations between supplier and recipient. In the relational approach, the values created in the course of the relationship are unique and require the involvement of both sides (Rudawska 2009, p. 15). Thus, the relational approach is based on the result of synergy and cooperation.

The purpose of the company is to provide satisfaction for its customers. Maintaining the level of satisfaction is mostly done by continuously improving products, launching promotional campaigns emphasizing the quality and the popularity of products and their new applications, providing special additional services, etc.

An important issue in adapting to the requirements of customers is result-focused segmentation (Ulwick 2009, p. 103). This consists of extracting the most promising market segments, defining the results expected by this segment (e.g. in

the case of buyers of emitting and receiving devices, this can be: confidentiality, low risk of break ups or disturbances when calling) and proposing specific product characteristics that meet the needs of each segment.

A second course of action is also relevant, the purpose of which is to reduce the possibility of switching suppliers (Garbarski 2005, pp. 95–96). This is when companies undertake activities related to the development of product varieties, offering an array of different brands, promoting complementary products, sometimes at reduced prices.

Buyers who respond positively to the actions of companies aiming to retain them, take advantage of the offer and become loyal customers in a conscious or unconscious way, through inertia. Loyalty and inertia of buyers are the elemental phenomena associated with the process of retaining buyers. It is in the interest of the company to create customer loyalty through, among others, appropriate systems of communicating specific values for the customer (Stodolny 2006, pp. 59–60).

The question of loyalty and inertia refers directly to the typology of purchasing decisions. Prudent decisions and non-routine decisions are associated with the full decision-making process. This type of decision refers to the purchase of products that are usually purchased periodically. However, the problem of retaining customers is associated with purchasing decisions that are made with greater frequency. This type of decision is a question of loyalty and inertia.

Loyalty is the phenomenon of a consumer being dependent on a product brand. Buyer loyalty means the conscious repurchasing of goods of the same brand, at the same point of sale, or from the same supplier. An increase in the degree of consumer loyalty means that they are more immune to changes made by competitors on the market.

The longer a customer stays loyal to the company, the more he is worth to the company (Dobiegała-Korona 2009, p. 17). Customer value for the company grows as customers enter into subsequent phases of a relationship with the company, since:

- acquiring each new customer is associated with increasingly higher costs (e.g. costs of market communication),
- regular customers buy more if they have confidence in the company,
- servicing regular customers takes less time, which increases the effectiveness of the business,
- regular customers are less sensitive to price changes (cost of delivery),
- regular and satisfied customers recommend your company to others,
- regular customers have a positive impact on the image and confidence in the company.

It should be noted that loyal customers who are emotionally involved in the purchasing process are much more common on the markets of soft drinks, deter-



gents, and the long distance stationary telephone sector than on the markets of clothing, internet services, or foodstuff. In turn, the segment of loyal, prudent and inertial buyers is usually more than half of all buyers. Retaining these buyers is essential from the point of view of business success, and requires intensive work, especially in market communication.

Customer value for the company is determined by their individual purchasing patterns (Peppers, Rogers 2005, pp. 106–109). Therefore, special attention is paid to the values and benefits customers wish to obtain from purchasing a product, as it allows for the prediction of their future behavior. Analysis of customer value and loyalty are increasingly used in determining market segmentation.

The strategy for the optimization of benefits for the customer should provide the desired and preferred values (products and services), at the right time and place convenient for the customer. In this case, individual offers can be accommodated, from simple modules to complex systems to satisfy needs. Implementation of this strategy can be realized by analyzing the history of purchases made or estimating future purchases. This requires the implementation of three of the following tasks (Reichheld 2007, p. 106):

- value for customer must be designed by concentrating on specific customers,
- implementation of a system for identifying and building value for each customer must be carried out in parallel in all departments,
- the company's capability to continually provide customers with innovative new value must be developed.

At the same time it should be added that in the era of strategic alliances and high mobility of employees (resources), the processes of value creation are often located outside the organization.

Acceptance of a particular product brand, as a consequence of achieving a minimum level of satisfaction, may result in re-purchase. The passive attitude of the buyer in making purchasing decisions makes traditional market communication, with its certain level of repeatability, a relatively effective form of communication.

A significant disadvantage of mass media is the impersonality of the communication, and the high commission costs. In order to overcome these limitations, many companies use increasingly more individualized measures, such as direct, addressed mailings, telemarketing, and Internet tools.

Value for the customer is a unique combination of benefits received, including quality, price, convenience, timely delivery, and customer service in the period before and after the sale. The value perceived by the customer can be characterized as the difference between perceived benefits and perceived costs (sacrifice). Benefits, as perceived by the buyer, typically include items such as the physical attributes of a product, service accompanying the product, the price etc. In turn, the costs, as perceived by the customer, include the expense of acquiring the product, ordering the product, and the risk of purchasing something undesirable.

All of these factors can be controlled by the company and are thus subject to selection and shaping. By using the concept of integrated market communication, companies can thus shape the values of their offer (Czarniewski 2010, pp. 66–67).

In conditions of expansion and development, with the aim of increasing the efficiency of the communication system, a company should act in a way that makes it possible to rationalize costs. An important issue here are activities promoting the benefits resulting from the use of the product (especially among customers unhappy with the offers of competitors).

The main problem in the absence of expansion and development becomes the excessive focus on costs, due to insufficient focus on operation results (Rupik 2009, pp. 114–118). Consequently, excessive reduction of expenditures on a communication system leads to negative effects on market results (loss of market share, deteriorating market position, reduction in the effectiveness of the impact of marketing). Hence, the possibility of increasing the efficiency of the communication system in the absence of expansion and development should be seen primarily in the rationalization of operation results. This approach does not exclude taking action on the cost side.

Increasing the efficiency of the communication system will promote activities such as the promotion of quality or popularity of the product, the promotion of complementary products, and supporting customer loyalty (e.g. by running loyalty programs).

Table 1

Factors increasing the efficient frequency of communication

<b>Market conditions</b>	<b>Reasons for increasing efficient frequency</b>
Scope of competition	<ul style="list-style-type: none"> <li>• strong competition on the market</li> <li>• very active competitors in market communications</li> </ul>
Profile of the target market	<ul style="list-style-type: none"> <li>• small or shrinking target market</li> <li>• disloyal buyers to the brand</li> <li>• characteristics of clients (younger, less educated)</li> <li>• high repeatability of purchase of the product</li> </ul>
Specificity of communication	<ul style="list-style-type: none"> <li>• complex content of communication broadcast</li> <li>• building a brand image (as the target of the campaign)</li> <li>• the use of a new spot in communication</li> <li>• the nature of the campaign (price reductions, sales, contests)</li> </ul>

Source: own research based on (Nowak 2001, p. 120).

An important issue is the effective frequency of communicating customer value. It can be said that the effective frequency ranges from 1 (communication booster) to 10 (communication which raises awareness of new needs). The list of factors in favor of a higher level of effective frequency rate is shown in Table 1. For effective communication emission frequency that corresponds to actual market conditions, it is necessary to take into account the circumstances relating to the consumer, to the competition as well as to the nature of the communication.

### Conclusions

In terms of the consumer market, the appeal of the product itself is not enough to achieve a sale. There can be many similar products of good quality on the market. Hence, a company which limits its activities only to sales and distribution in a saturated market will find that these actions are not effective. Many corporate executives are still of the mindset that there is no need to promote a good product.

Currently, it is not enough to produce goods and deliver them to the place of sale. The client must receive information about the product that convinces them of the advantageous qualities of the purchase for them. Without such action, the company's products "disappear" among the masses of advertised products by the competition.

Marketing communication can influence the decision to purchase a given product or be loyal to a particular brand, but the effect does not need to emerge during the advertising campaign. Often the effects are deferred and appear only during the use of other marketing activities such as the provision of samples, postal advertising, price cuts and the presentation of a given product.

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## NOWE TENDENCJE W KOMUNIKACJI BEZPOŚREDNIEJ OSOBISTEJ

### Streszczenie

Artykuł przedstawia wyniki analiz własnych autora dotyczących mechanizmu kształtowania relacji z klientami. Praca pokazuje zmiany (tendencje) zachodzące w systemie komunikacji rynkowej w dobie zmian w gospodarce. Autor prezentuje w swojej pracy aspekty efektywności różnych narzędzi (form) komunikacji bezpośredniej. Zawarte w artykule przemyślenia nie mają charakteru definitywnego i powinny być traktowane jako głos w dyskusji.

**Słowa kluczowe:** komunikacja bezpośrednia, relacje z klientami.

*Tłumaczenie Sławomir Czarniewski*