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Multi-channel opportunity management – an exploratory research on the example of tourist industry

JEL codes: D83, M21, M31

Keywords: CRM, lead management, opportunity management, multi-channel dialogue

Abstract. This article examines how opportunity management process is supported through online, telephone, and showroom channels in Polish tourist industry. The research applied a mystery client method in 40 entities. The results of the study indicate that the best performance can be expected as the customer enters the showroom in person, while companies have problems in managing online customer enquiries, and with the continuity of the multi-channel dialogue. This may bring severe losses in marketing conversion, and raises a question of overall proficiency in managing customer relations of entities representing important industry.

Introduction

The 21st century customer is undoubtedly the most demanding one in the history of economy. Living in globally open and competitive market, aware of their rights and equipped with modern communication technologies, they expect an individual approach and tailored offers, partnership in dialogue, or even offer co-creation (Payne, Frow, 2013; Deszczyński, 2016). Therefore, the old rules of transactional marketing and its main tool – one-way mass communication, had to be supplemented

by the principles of relationship marketing, at least in the contractual industries (Deszczyński, Deszczyński, 2014, pp. 53–69). The growing role of partnership with customers is a foundation of Customer Relationship Management (CRM). In this context, one of key issues is the proper use of customer data obtained online in offline sales channels, which in most industries are still irreplaceable. Sharing customer insights and transferring data from non-transactional to transactional points of contact is the domain of opportunity management, which is one of the basic CRM processes (Deszczyński, 2012). The aim of this paper is to present the results of research picturing competence in managing customer relations through different channels (online and offline). The emphasis is laid on examining the continuity of multi-channel dialogue, which can only be achieved through coordination of organizational efforts supported by proper ICT application.

The research was carried out in Poznań and Bydgoszcz by eight mystery clients, who contacted 40 different showrooms representing 20 brands. The research design provided approx. two weeks of contacts in four stages, as follows:
- – online contact,
- – telephone contact,
- – showroom visit,
- – follow-up after showroom visit.

The research participants were asked to give their contact data freely. In addition, they were to repeat the same questions and express the same interests so that the consecutive servicing persons had a chance to use the information gathered earlier in the process. The performance estimation was based on the promptness of contact, quality of answers (i.e. individually tailored offers, cross- and up-selling proposals), and dialogue continuity (customer identification and offer adjustment to core needs). In every stage of the process, the research participants were evaluating five standards according to pre-defined criteria (1 − standard fulfilled, 0 − standard not fulfilled). The final stage result was made equally of objective and subjective components (max. 5 + 5 points), and the overall result included aggregated evaluations equally distributed among four stages.

The main research conclusions are that companies have severe problems in providing continuity of dialogue with their customers across multiple channels. The best service level was offered in traditional direct contacts, while indirect contacts (preceding and following showroom visits) fell below the expected minimum. Online and follow-up contacts were particularly affected, which can have a negative impact on the conversion rate in the whole sales pipeline, and result both in customer dissatisfaction and business underperformance.

Literature review

Opportunity management (lead management) is an acquisition process aimed at systematic registration and processing of information about a customer interest in a company offer (Baran, Galka, 2013; Deszczyński 2013, pp. 24–32). Opportunity management is usually a multi-stage and multi-channel process as customers almost always initialize the purchasing process of tourist products online or through impersonal contacts (i.e. hotline) before they come to showrooms. For example, recent studies show that approx. 90% of British customers start the purchasing process on the Internet (*Internet zmienia...*, 2015), while 68% of Polish tourists have made up a buying decision upon research made in online social media (*Social Media Customer...*, 2015).

Opportunity management can also be defined as consolidation, qualification, and prioritization of contacts with prospect buyers (Salomann, Dous, Kolbe, Brenner, 2006, p. 26). Thus proficiency in opportunity management positively affects turnover and profit (Rigby, Ledingham, 2004), and can act as an indicator of overall capabilities of a company to implement relationship management. However, companies seem to have problems in utilizing this potential properly. A commercial study of Indidesales.com and Incoho.com showed that 45.1% of companies totally ignore online enquiries (*Omniture...,* 2009). A research concluded by the author of this paper for an automotive industry showed that the cumulated losses in four-stage opportunity management process can account for up to 98% of the prospect buyer base (Deszczyński, Mielcarek, 2015, p. 29). Other sources indicate that companies are losing up to 71% of online leads because of delays in processing the enquires calculated on average for more than 46 hours (Krogue, 2012). Meanwhile, behavioral studies aimed at determining success in qualifying by phone the web-generated leads showed that the odds of contacting the customer in five minutes versus thirty minutes fall hundredfold (*The lead...*, 2007).

While it is reasonable to measure the initial response time and overall success rate, this study aims at examining the performance of the whole opportunity management process, from the first enquiry to personal and follow-up contacts. In this context, the use of multiple communication channels enforces communication process maturity which many companies can be lacking, and, therefore, may not be successful with proceeding leads even if promptly responding to enquiries (Ramos, Vittal, Burris, Reiss-Davis, 2009). The analysis of the competence in maintaining a consistent dialogue with the customer through different channels supported by people and technology, may reveal more about business performance and the roots of competitiveness derived from relationship assets than fractional studies. Therefore, opportunity management as one of CRM processes, can only be

successful if balance between strategy, ICT, and organizational alignment is guaranteed (Hart, 2006; Deszczyński, 2011).

Research results

The research results show that even though the Internet with its vast possibilities of communication is a hot topic in discussions of marketing professionals, in business practice the online dialogue is neglected. Figure 1 reveals the massive extend of this disregard. On average, more than half of basic standards in proceeding online leads were not held. Only 15% of the companies managed to achieve ≥ 90% of standards conformity, while 25% did not respond to customers at all. And so online communication channel seems to be rather 'plugged off' in terms of the quality of services and ability to proactively engage customers at a preliminary stage of their interest.
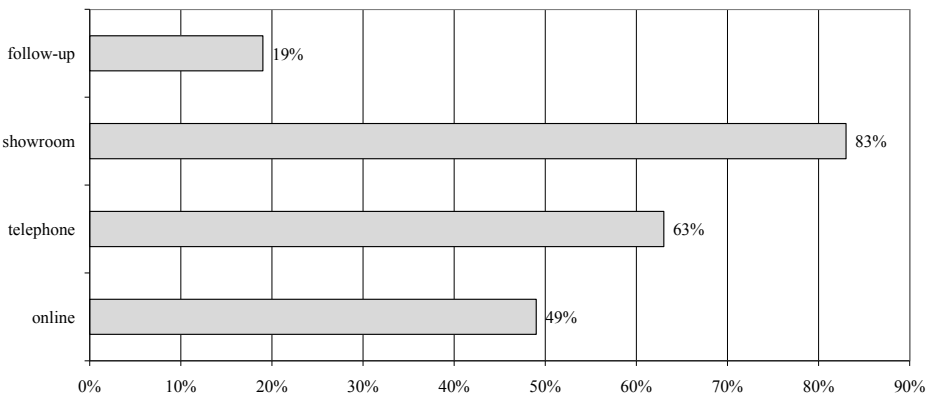

Figure 1. General level of customer servicing performance in a given channel
Source: own elaboration.

The probability of receiving a satisfactory level of services with the use of a telephone channel was significantly higher than after posting an e-mail. The main reason for this is the overall good accessibility (every mystery client managed to obtain a connection) and more informative answers which met the customers' overall expectations (85% of basic questions dealing with price and promotions, and 65% of more detailed questions were answered). As these two initial contact channels are supported by the same group of employees, it came as a little surprise that the average performance in the hotline channel is much better than in the online one.

One can speculate whether e-mail enquiries are generally treated as spam, or telephone contacts are considered as less time-consuming, or they are simply more persuasive in drawing the sales person's attention.

The best performance was achieved in traditional direct contacts in show-rooms. It seems that the presence of the customer mobilizes the salespersons to focus all attention on their interlocutors, and that the face-to-face contact gives the best chance for a real interactive dialogue. This enables not only to answer questions (100% of basic questions and 82% of detailed questions answered), but also to pro-actively define the customer's needs and choose the most appealing offer features applying cross- and up-selling techniques (77% and 62% respectively). The gap between the contacts in the showroom and online enquiries, reaching 34%, indicates problems in the initial phase of opportunity management, which must cost companies a lot of efforts to fill in the leaking sales pipelines. The ease of tapping several providers at once makes it possible for customers to consider and choose the offers which are delivered in the most convenient way, without waiting for delayed answers or making renewed contacts.

The same salespersons who scored so well once contacted directly, proved to be totally inactive when it comes to follow-up contacts. The disastrous scale of this indifference reveals their illogical reasoning. While some research show that only 25% of leads in sales pipeline are legitimate prospects (*Lead Nurturing...*, 2014), this cannot be an explanation for the sales persons' disinterest, as the mystery clients taking part in the study were expressing a strong buying interest, though they were to express price objections after receiving a written offer. Such behavior is some-times called 'brooming.' Salespersons ask a few quick questions looking for quick sales, and too often de-qualify a significant number of prospective buyers (Krogue, 2014). In consequence, if a customer does not make an immediate buying decision, he/she is left with no assistance in fighting his/her doubts, or with the analysis of competing offers. The whole work that the sales person invests in a direct contact (which can be estimated for approx. twenty minutes) is left at the mercy of fortuity, for the sake of saving a couple of minutes for not making an additional phone call. As only one in four sales persons made this extra effort, their chances to make arguments and persuade the customer to their offer are high.

Conclusions − research implications, limitations, and future research

Companies should take a more detailed look at their online communication strategies. While the importance of this channel is obvious, social media is a hot topic among researchers and business professionals, and the discussion on advanced use of Web 3.0 semantic technologies is under way (Murugesan, 2010). As the results of this research show, many entities may still have problems in managing contacts with the customers who directly express buying intentions. Particularly, the lack of competences and motivation of front office employees and customer data integration problems reduce the chances for successful transfer of leads into sales. This builds up a gap in the dialogue at the crossing of online and offline channels, decreases the conversion rates in sales pipeline, and distracts companies' attention from building relationships with the customers in favor of winning new ones. Such an attitude resembles inefficient transactional orientation, and cannot be justified with the common claim stating that most of online contacts are spam.

Another point of reflection should concern the reluctance of sales persons to conduct follow-up contacts. This damaging phenomenon, which according to this research can be responsible for loss of up to 75% of qualified prospects, seems to be resistant to any motivation schemes, training programs, managerial skills, and CRM systems monitoring. As the earlier research focused on overall CRM strategy success factors indicates, in almost every second case, the main reason for such failure may be the lack of commitment and conviction of employees about implementing the changes in an overall customer servicing process (Greenberg, 2004). In this context, performance in managing online leads and follow-up contacts may be treated as a mirror reflecting company's proficiency in other fields of customer service. If it is done poorly at the point so close to sales, it will probably be even worse in complaint management, loyalty management, or other after-sales activities. Hence opportunity management should advance as one of the priorities in top management concern. If one assumed that prospective buyers convert into customers only if offered the best service at every stage, the total losses in opportunity management process would reach 95% of the initial prospective buyer base.

The limitations of this research are twofold. The first obstruction concerns the number of companies in research pool. The investigation of 40 entities in one industry remains a spot check which cannot be representative e.g. for born-online retailers or even traditional B2C industries such as furniture and other consumer durable goods.

The second impediment is taking only a national perspective. Although some brands in the research pool have at least a continental range, local issues could have played a part in the overall performance evaluation. Therefore it would be

interesting to apply the same methodology in additional research, which would enable to capture possible national or industrial regularities across Europe and beyond.

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Wielokanałowe zarządzanie szansami sprzedaży – badanie na przykładzie branży turystycznej

Słowa kluczowe: CRM, *lead management*, *opportunity management*, dialog wielokanałowy

Streszczenie. W artykule przedstawiono wyniki badań procesu zarządzania szansami sprzedaży (*opportunity management*) w branży turystycznej w Polsce. Badanie przeprowadzono metodą tajemniczego klienta (*mystery client*) z wykorzystaniem trzech kanałów komunikacji: online, telefonicznego i bezpośredniego. Objęło ono 40 podmiotów (przedstawicielstw touroperatorów i niezależnych biur podróży). Jak ustalono, najwyższy poziom obsługi uzyskiwany jest w bezpośrednich kontaktach w salonach sprzedaży, podczas gdy omawiane firmy mają problemy z zarządzaniem kontaktami online, a także z zapewnieniem ciągłości obsługi we wszystkich kanałach komunikacji. Może to prowadzić do poważnych strat w konwersji marketingowej i każe postawić pytanie o ogólne przygotowanie przedsiębiorstw branży do stosowania koncepcji zarządzania relacjami z klientami.