

## **ESSENCE AND MEANING OF LOGISTICS CUSTOMER SERVICE - EXAMPLE OF BIPROTRANS**

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**Abstract:** Consumers and institutional buyers are becoming more demanding and expect a higher level of service. Firstly, a satisfied customer can become a source of acquiring new customers at no additional cost. Secondly, the service loyalty is generally cheaper. Should be remembered that low standards of customer service compared to competitors, and errors the logistics system can become the cause of losing customers. You should build a logistics system responsive to customers' orders and taking into account their needs. Customer service is in fact the result of the entire logistics system operation and the net sum of individual actions logistics company. In contrast, the pursuit of proper customer service is the integrated management of logistic activities in such a way as to achieve customer satisfaction at the lowest possible cost. This article contains detailed information about logistics customer service at Biprotrans company, whose specificity lies in the fact that it is concerned with the design of machinery and equipment, and the rest operations outsources outside.

**Keywords:** logistics service, customer service, outsourcing

### **1. Introduction**

Customer service has many dimensions and is interpreted in different ways. This includes not only the logistics aspects, but also marketing, financial and many others. This service area is about satisfying the diverse needs of the customer. With regard to logistics customer service can be defined as "providing the customer the right product at the right time and the right place". In other words, the products have no value until it will be available to the customer at the right time and the right place.

Behind a consumer's decision to purchase a product/service there is always a reason or a complex of reasons, and behind rejecting a product/service there is always the consumer's conclusion that, by its competences, that respective product/service will not fulfil that respective need at the level one desires [1].

Creating value for the customer, by providing them required goods, does not exhaust all the logistics activities in the field of operation, but it determines, facilitates extension of the offer and meet the other expectations of the recipient [2]. Since the qualitative differences between the products offered by different companies are getting smaller, therefore the company, wanting to stand out from your competitors, should strive for better customer service. Logistics provides products or services for the customer, at the same time allows him to offer many additional benefits associated with the transfer of goods, which make up the logistics customer service [3]. It is about the various factors and activities shaping the process of providing products and services to the purchaser. Usually these are activities related to the acceptance of orders, the picking, transferring goods to the recipient, the settlement of debts and even further care of the sold product [4].

Objective of this paper is to present a small business that is booming in the difficult industry with relevant and individual approach to each client, using high standards of customer service and professionalism.

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D. Kempny [5] defines customer service as follows: "it is a skill or ability to meet the requirements and expectations of customers, mainly as to the time and place of delivery, using all available forms of logistics activity, including transport, storage, inventory management, and packaging".

An entrepreneur has been present on the world market through the years developed knowledge and skills in the field of logistics customer service if you want to be competitive. In the light of developments on the market manufacturers, distributors and logistics service providers offer customers reliable supply, convenience in use, the necessary communication on contracts and getting a shorter delivery time. Customer service strategies are becoming more and more developed, modern and competitive.

In the face of globalisation of trade and production of customer service becomes a powerful tool for fighting and the most competitive, with a measure of the level of customer service is often a "number of deliveries in time." Due to its importance of delivery time and skilful management of ordering cycle, are the main motive for the definition of customer service. Thus, customer service can be defined as: "system solutions, ensuring the customer a rewarding relationships between time, place an order and the time of receipt of the product."

To achieve a high level of customer service is a complicated issue due to several dimensions of the issues requiring coordination and integration of activities of logistics and marketing. In the framework of marketing customer service is part of the distribution system is responsible for the delivery of the product in the right place, time and conditions tailored to the requirements of the customer. However, from the point of view of logistics is defined as the quality of the logistics system, which is responsible for getting the goods to the customer at the right time and at the lowest possible total cost [6-10].

**1.1. Characteristics of the company's Biprotans.** BIPROTRANS Company there since 1968. Until 1990 it was a state-owned company. In 1990, the office was transformed into a private company operating under the name Project Supplies Equipment Office and Continuous Transport " BIPROTRANS " - S.KULIŃSKI . From 2012, become limited liability company.

Since the beginning, the company acts as a centre leading in the industry of equipment continuous transport for general purpose, being an author of:

- Documentation of design, design materials, catalogs of assemblies and typical components, as well as typification and unification compilations, of the whole continuous transport equipment range,
- Standardization studies of Polish Standards, ISO standards RWPG and in recent years the implementation of European Standards for Polish Standards set.

Polish Committee for Standardization established the company as a member of the Technical Committee No. 245

The company has a rich, decades of experience and traditions as well as professional staff, which allows for the implementation of modern design solutions and supply continuous transport equipment and their systems for various economy industries.

They have specific experience in internal technological transport also in the loading and unloading work of bulk materials and bagged materials.

The company provides design and construction solutions, assembly "turnkey" for devices and machines proven in the harshest operating conditions and in the transport of materials with different properties, which ensures their long-term, wear-free operation.

Design and delivery is based on best practices, as well as according to individual guidelines and requirements of the customers.

Company provide following devices:

- Fixed belt conveyors, transportable and mobile,
- Conveyors frameless,
- Telescopic conveyors and rotary,
- Trough screw conveyors and pipes,
- Slat conveyors, trough and box,
- Bucket conveyors (all types),
- Draglines and conveyors,
- Bucket conveyors circular in a plane and spatial
- Pocket belt conveyors,
- Conveyor loaders and unloaders bagged material,
- Mixers and screeners, and other machinery and equipment unusual .

Projects of machinery and equipment mentioned above are made in the system of computer-aided design using software Auto Cad Mechanical and Inventor. Machinery and equipment delivered by BIPROTRANS work mainly in factories, buildings and installations, where in the process are transported and handled large amounts of loose materials in bulk and bagged.

The most common are [11]:

- Cement and lime plants,
- Limestone mines, building materials, building stone and mineral resources,
- Sugar factories,
- Steel mills and coking plants,
- Boilers , heating plants and power plants,
- Chemical plants (nitrogen fertilizers, soda, carbide, etc.)
- Plants for the feed industry,
- Chipboard factories,
- Plants for mining and processing of non-ferrous metal ores,
- Dedusting systems and flue gas desulphurisation
- Plants for disposal of municipal solid waste,
- Sewage treatment plants.

The company offers its customers a wide range of equipment continuous transport adapted to work in different operating conditions and transport a wide range of materials in various sectors of the economy. The company provides to its recipients full supervision of execution by installing, up to run under load, as well as warranty service and spare parts supply.

## 2. The essence of logistics customer service at Biprotrans

Customer service is the most important task of the entire logistics system. It stems from the very nature and tasks of logistics management. Logistics point of view is that the relevant goods in the right quantity and quality came at the right time and place. Must be accepted that these are the basic guidelines for logistic customer support. Customer service gives meaning to all activities and logistics processes.

Makes it easy to use of all available forms of logistics activity, including transportation, warehousing, inventory and information management to meet customer expectations. Quality of service is a way of keeping existing customers and gain new ones. This allows companies to compete effectively in an increasingly challenging domestic and foreign markets. Companies get an advantage over competitors through better use, achieved through the priority of logistics management. The high rank of logistics customer service came up with results from the disappearance of technological differences between the products. Customers already do not pay so much attention to brands and more willing acquisition of non-branded substitutes. Since the quality of competing products and their prices are similar, the average buyer has difficulty in finding significant differences between them, for example between computers. That's why the company can more easily be distinguished if will offer more favourable terms of the product purchase, for example in the field of computer configuration, delivery, delivery time. It should also be noted that customer expectations are still growing. Both consumers and institutional buyers are becoming more demanding and expect a higher level of service [4]. Company receives references from their customers after project as a confirmation of fruitful cooperation. Below are examples of references mentioned above.

From the transformation of the company into a private company BIPROTRANS, (since the year 1991 until the end of 2012), 833 projects were implemented. This doesn't mean that the same amount of devices was created. Sometimes happens that a part of the project consists more than a dozen.

In 2012, 25 projects were implemented, including Nitrogen Plant in Pulawy within one order designed 19 devices.

Implementation of the contract begins with the preparation of the commercial offer. The offer includes: design, control parts availability, check prices on the market, search for possible suppliers. Each order is contract another, individual, requiring the preparation of two types of offers: offers with typical solution or offer with unusual solution. It depends on the customer's requirements. In the case of a typical offer its preparation lasts from 1 to 2 days. The preparation of the so-called unusual offer, such as the use of chain forged in the project, it can take up to 14 days. This is connected primarily with the acquisition of commercial items used in the project. Should be review the Polish offer and others (German or Sweden) and choose the best and the cheapest. Prepared offer is presented to the customer by tender. If the BIPROTRANS wins the tender followed by the continuation of the cooperation-performance of the contract.

Depending on the size of the order its execution time is different. For example, Pulawy Nitrogen Plant made a huge order of €2 million and its implementation took approximately one year. Order from Cement Plant Ozarow was implemented in stages and lasted more than one year. Order may include one conveyor or several devices, which extend the work and the time of its implementation.

BIPROTRANS company is supplying turnkey, although the company performs design construction work and controls the production of construction machinery / equipment in all its phases. Constructor is responsible for this. He is also responsible for operating the machine at the destination.

Since 90's company cooperates with several subcontractors, but in the case of terms absence company uses other third parties, which searches the Internet.

Regular subcontractors of BIPROTRANS are:

- PATENTUS S.A.,
- FUGOR Sp. Zo.o. Krotoszyn
- WOSTAL Sp. Zo.o. Wolbrom,
- REMKO-POL Koniecpol.
- STOREM Sp. Zo.o. Wolbrom.

Subcontractors are also required to deliver the finished device to the final consumer. These companies usually have their own fleet of vehicles, but in case of large machines (eg 200meters) which need to use several cars to transport, they hires an external carrier. BIPROTRANS is responsible for the produce of machines and delivery to the final consumer – provide "turnkey" service. Agreement between BIPROTRANS and subcontractors allow for the use of their own fleet of vehicles to transport the machines / devices.

The company gives a warranty on the devices for a period of one to three years. When it comes to after sales service, separate agreements are concluded. Very often at the premises of the customer are maintenance services who prefer self-service. This involves carrying out training for such services by BIPROTRANS. In contrast, service lots is done by BIPROTRANS.

Most projects are executed [11]:

1. conveying ribbons
2. bucket conveyors
3. screw conveyors

Belt conveyors are one of the most popular types of conveyors, which are used in industry. Belt conveyors are used for transporting different types of materials at different distances. Unloading conveyor belt depending on the requirements can be done with the drum drive or from a conveyor through chute plows, carts drum, and in the case of a reversible conveyor from drum loop. Belt conveyors are designed to carry bulk materials and others, although there are types for heavier goods. Frequently we can meet fixed belt conveyors - unidirectional and reversible, mobile, portable and transportable moreover self-supporting structure.

Bucket Conveyors also called bucket feeders are used for the vertical transport of bulk materials such as stone, sand, gypsum, slag but not only. Bucket conveyors are different types of unloading: Gravity (Type I, II ), or central.

The load-bearing elements bucket conveyors are made from the following types of ties:

- Technical chain-link ,
- Chain bushing-roll
- Belt propellant.

Due to the equipment bucket conveyors can be either:

- Shallow – a,
- Semi-deep – b,
- Dorsal (Angled) - c.

There is also the possibility of making IIc-type conveyors with the carrier belt. Bucket conveyors have a multiple of uses in industry, building materials, food or chemical . They are usually built to 30meters lift.

Screw conveyors are used to transport bulk materials, fine-grained, moist ,and subject to the mixing. They are used as a dosing devices to other devices. Depending on the type and consistency of the material transported embodiment screws are used: full, ribbon , paddle and shaped. The maximum transport angle is 15°. Loading and unloading can take place at any point of the screw conveyor. Specially designed screw conveyors are adapted to specific requirements concerning the material transport.

In the case of transport:

- very dusty materials, shall be installed sprinkler systems,
- materials which have increased temperature (up to 350 ° C), shall be used a special water-jacketed bearings,
- under large angles (30-90 degrees) is used with troughs tubular conveyors,
- food products, toxics, highly abrasive and the like; apply conveyor elements made of special types of materials,
- materials requiring dosing, apply the dosing member and snail paddle in the transport section.

Screw conveyors are used i. a. in the building materials industry, food processing and mining. Their small sizes makes them functional and are very popular among customers. Screw conveyors transport the material in a horizontal direction, inclined or vertical. Screw conveyors come in various lengths. They may have from a few to 100meters long especially they are often used in the food and processing industry, cement industry and so on.

Most orders are executed on the mixer. Recently there was a project for Polaniec Power Station- twin shaft mixer. Storem Wolbrom was a subcontractor.

As part of the customer order, they made an additional heating. Heating installation was made by PPHiU Jax Coaches. Distribution took the company Storem Wolbrom.

### 3. Customers and competitors

Customers are found through:

- permanent company - large Design Offices, where offers are folded to the final customer,
- direct contact over the country but not only through the website.

**3.1. Permanent companies.** These companies keep a large investment, and as a subcontractor invite to cooperation BIPROTRANS company. Last year, the company built entire fertilizers factory Prochem in Hungary and the company BIPROTRANS made technological devices. BIPROTRANS realized several orders through abroad

intermediaries (there were usually parts of the equipment of manufacturing). In addition to Hungary there has been carried out investments in Saudi Arabia, Iran and Belarus.

These are the following companies:

1. PROCHEM Warszawa,
2. BIPROCENTWAP Kraków
3. AMK Kraków
4. PROACEM Kraków
5. BIPROKVAS Gliwice
6. PROZAP Pulawy

**3.2. Direct contacts.** In 2012 company participated in the tender in Lithuania, where it competed with companies from Canada, Germany and Lithuania. Unfortunately it did not win the tender. Usually the reason for losing the auction is the price, but sometimes wins only a little cheaper company. In Poland there is a lot of competition in this branch. There are approximately 100 companies, which can be found on the Internet. In contrast, some of them only support local markets, or do not have proper experience in providing this type of service. BIPROTRANS operates in Poland and abroad. Companies, for which BIPROTRANS carry out the projects usually on subsequent investments offer its cooperation.

## 4. Summary

Specialists from GENESYS calculated that every year companies operating on the Polish market because of poor handling lose about 8.8 billion euros. It is worth noting that these costs include only losses caused by the departure of unhappy customers or complete withdrawal from using the services of the sector. Unfortunately, we do not know how much that amount would increase if we have taken into account in the liquidation of the above-mentioned non-financial losses incurred by the company - marketing, advertising, etc. We know that to gain a new customer costs about 8 times more than the maintenance of which already use the services of a company. Why not draw from this knowledge clearly reverse the conclusion: improving customer service would allow companies to get those 8.8 billion euros [12].

The essence of logistics customer service lies in the fact that the customer who buys a particular product, acquired at the same time other benefits associated with it. The value of the product according to the customer associated with the whole of the offer. It is the sum of the value of the product and standard of customer service standard.

The dynamic development of companies providing services to companies and final customers with growing competition realize the need to intensify efforts to improve the quality of offered services. Despite the growing requirements of quality customers service the company remains unchanged for many years. It comes from good understanding quality in relation to the correctness of the service. BIPROTRANS is design company, which designing various types of conveyors and the rest operation is outsourcing outside. The specificity of the company makes that cooperation between the company and the client must be close, because the lack of such cooperation causes difficulties in developing adequate offer, and thereby meet the expectations of customers.

Good service is not the result of large investments, but the creation of the company on appropriate relationships with customers and keeping it. It is important to enable the workers themselves in the process of deciding about the process of customer service - it is, after all, they are the most frequent customers and the closest contact, because usually they are also a source of the best ideas in this regard.

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