
Changes in Relationships with Business Customers under the Influence of the Pandemic on the Example of a Medium-Sized Enterprise in the Paper Industry

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Abstract:

Purpose: The aim of this article is to present the changes that have occurred in customer relations as a result of the Covid-19 pandemic. The goal was achieved through an analysis of the literature on the subject and empirical research in a medium-sized enterprise in the paper industry located in Poland.

Design/Methodology/Approach: The study presents the following research problem: What changes have occurred in relations with business customers as a result of the Covid 19 pandemic, based on the example of a medium-sized enterprise in the paper industry? In order to solve the research problem, a questionnaire survey and a series of in-depth individual interviews with key business clients of a medium-sized enterprise operating in the paper industry in Poland were conducted.

Findings: The conducted research shows that the changes in relations with business customers as a result of the pandemic mainly concerned the strengthening of the role and importance of sales personnel and IT communication tools.

Practical Implications: The research results presented in the article can be used by other companies to strengthen their relationships with clients, both individual and business.

Originality/ Value: Research carried out in medium-sized paper companies has shown that during the crisis of the pandemic, the role and importance of staff directly in contact with customers increases, the ability to manage variable information, the ability to use IT communication tools and encourage their use by customers.

Keywords: Business relations, change in relationships, crisis.

JEL classification: M31, L29, L22.

Paper type: Research article.

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1. Introduction

Shaping relations with clients is one of the key competences of modern enterprises. Knowledge on this subject is evolving, especially under the influence of changes in the marketing environment. An important reason for the increased interest in improving customer relations is the decline in the effectiveness of marketing activities, especially if they result from reasons difficult to identify in advance, and thus the possibility of earlier preparation of procedures and methods of action in crisis situations. In these situations, many processes are rationalized, both on the part of enterprises and their customers.

The Covid 19 pandemic is a completely new phenomenon, distinguished by, among others, the fact that organizations take time to analyze the upcoming changes and adopt defense strategies, but are almost immediately confronted with the consequences of events over which they had no influence (Flieger, 2020). The pandemic showed that most B2B companies and the public in general were not prepared to deal with a crisis of this scale and nature (Cortez and Johnston, 2020).

Firms were not immune to this kind of crisis. The pandemic has the characteristics of the so-called a black swan, i.e., an unexpected event, impossible to predict, only after it occurs do we try to rationalize it (Taleb, 2020). Covid-19 contributed to faster decision making in the scope of the supply chain and shaping customer relations. He introduced uncertainty and chaos into the organization. He was the main factor behind the changes in customer relations.

In the wake of the Covid-19 pandemic, many companies have modified their customer service strategies to better protect their interests. Attention was also paid to the ethical aspects of customer relations and the need to maintain a long-term perspective in these relationships, especially in terms of shaping loyalty programs. The period of the pandemic crisis was also a good time to rationalize contracts with customers, because they can be used to look for savings, often significant.

The aim of this article is to present the changes that have occurred in customer relations as a result of the Covid-19 pandemic. The following research problem was posed around the goal formulated in this way: What changes have occurred in relations with business customers as a result of the Covid pandemic of the 19-size enterprise in the paper industry? In order to solve the research problem, a questionnaire survey and a series of in-depth interviews with business clients were conducted.

The resources of knowledge about the problem being the subject of the study are still modest in relation to its importance and complexity. There is a significant cognitive gap in this respect. The results presented in the article can be used by other companies to modify their relationships with customers.

2. Changes in the Process of Shaping Customer Relations in Crisis Conditions in the Light of the Literature on the Subject

Companies around the world are surprised by natural disasters, armed conflicts and other emergencies, forcing them to reformulate their strategies to mitigate the negative effects of these events and to operate in new conditions (Morrish and Jones, 2019). There is no doubt that one of the phenomena that greatly influenced the shaping of business activities, in particular the marketing processes in both consumer and non-consumer markets, was the Covid-19 pandemic. Business reorganization has become necessary due to difficulties in physically interacting with employees, distributors, suppliers and customers (Sheth, 2020).

Limitations in the field of physical interaction increased the importance of on-line channels, both in negotiating and exchanging information, and concluding transactions. The limitations related to the pandemic slightly accelerated the implementation of new, but previously known technologies, radically changing both production and marketing processes, including in particular the management of data on customer behavior and using their opinions to create new offers, and predictive analytics (Davenport *et al.*, 2020; Tao *et al.*, 2018).

It should be remembered, however, that the revolution of the WEB network, although it improved the processes of managing knowledge about customers, at the same time strengthened their position, reducing the dependence on the company's decisions (Micelli, 2017). Long-term lockdowns and limitations in movement and conducting various types of activities resulted in an increase in the autonomy of customers and increased their tendency to rationalize purchasing decisions. This rationalization of consumption consisted in abandoning the purchase of certain products, which were of little importance to buyers, and increasing the purchases of others. The speed of reaction, which is typical for crisis situations, was also of great importance.

Therefore, during the Covid 19 pandemic, the use of the Internet and social media increased significantly (Donthu and Gustafsson, 2020), because they are the fastest way to find information about market offers and make comparisons.

However, the aforementioned rationalization of buyers' behavior during the pandemic developed gradually. After the reopening of shopping malls in Poland on May 4, 2020, the greatest number of customers were visited by DIY stores, not hypermarkets, grocery or clothing stores. It was only later that it began to be noticed that more people visiting the stores were shopping in them, and the receipts showed more items than a few months earlier.

Customer relationship management is unpredictable and prone to significant changes even in short periods, which is particularly evident in crisis situations. However, the most important thing is to think in the long term, because the crisis will end one day,

so you should not make decisions that will worsen the company's image or complicate relationships with customers in the future.

In supplier-client relations, direct contacts take place between different people and groups, and in their analysis it is necessary to take into account the behavioral and affective factors. They are interrelated, and the behavioral factor is the first to develop, and affective interpersonal relationships do not always develop smoothly and may even play a negative role (Presutti, 2021).

The consequence of building good relationships with customers is increasing sales and, consequently, profit, as well as reducing marketing costs (AlQershi *et al.*, 2018). An effective way to optimize profitability and customer satisfaction is the CRM concept, which optimizes the process of creating value for the company and its customers (Ngai *et al.*, 2009). The use of CRM allows you to maintain lasting and long-term relationships with customers, which is perceived as a key marketing competence.

Therefore, companies that want to develop effectively must use all available resources to build a sustainable competitive advantage (Day, 2014; Norena-Chavez and Guevara, 2020). To this end, you should use the opportunities inherent in the constantly changing environment of the company, treating them as a starting point for designing your own activities, using four interrelated areas of customer relationship management (Leo *et al.*, 2005):

- focusing on key customers and delivering them personalized values through personalized offers,
- organizing the entire company around optimal customer relationship management,
- customer knowledge management,
- technological support.

Providing personalized services has always helped companies maintain better relationships with customers and deepen their ties with them, which should consequently provide additional business value for the company (Park and Kim, 2003). Optimal management of customer relations and improvement of this process based on the current knowledge requires comprehensive technological support, which ensures greater speed of obtaining and disseminating information, as well as greater efficiency and faster and more precise assessment of the effects of activities.

Nowadays, the best competitive position is achieved by those organizations that have a dynamic ability to reconfigure their material and non-material resources (Day, 2014). As a result, they do not have to treat a competitive advantage as something permanent and they gain the ability to move from one advantage to another (Day, 2014). This philosophy of thinking works primarily in crisis

situations, and the ability to go beyond established patterns and quickly respond to the changing needs of buyers should be the key competence of modern enterprises.

Research by Kunc and Bhandari (2019) has shown that during a crisis, companies focus on economic stability, perhaps at the expense of previous goals (e.g., increasing market share). During a pandemic, regulations by authorities restricting business activities should be monitored by companies, and as a result lead to the development of contingency plans for current and / or impending disruptions (Singh and Yip, 2000). It has already been noticed in previous crises that companies are often unprepared for regulatory changes related to crisis management, and the complexity of the supply chain may exacerbate this unpreparedness (Barnes and Oloruntoba, 2005).

3. Research Methodology

The aim of the study was to identify the changes that have occurred in relationships with business customers as a result of the Covid 19 pandemic, based on the example of a medium-sized paper company. The following research problem was posed: What changes have occurred in the relations with business customers in this company as a result of the Covid 19 pandemic? The selection of the enterprise for research was deliberate. The research was conducted among the key customers of the company operating in the field of production and sale of various specialized papers in Poland and abroad.

The company has a modern technology park and an established position in the industry, and thanks to its own research and development unit, it improves the existing offer and introduces new products to the market. It also constantly improves manufacturing, sales and organizational processes. The research was carried out in two stages with the use of a questionnaire. The first stage took place at the end of 2019, i.e., shortly before the onset of the pandemic, and the second stage at the end of 2021, i.e., during its duration.

The selection of the research sample was deliberate, and the respondents were 94, the largest in terms of turnover, entities buying paper. The questions were answered by managers (directors, managers of purchasing departments) with relevant competences in the field of research. In both stages, the respondents were the same entities (business customers). Immediately after the end of the second stage, the results of the survey were supplemented with a series of in-depth interviews in which the respondents were selected managers.

Changes in customer relations were identified through:

- level of customer service (in terms of knowledge and competences of employees, response time to an inquiry, ease of contact with an employee, employee availability, manner and timeliness of the matter),

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- sources of information about products preferred by customers,
 - the method of contact with the client in the case of introducing new products to the market,
 - availability of information about products to the customer,
 - quality of technical consulting (assistance in the development and implementation of new products at the customer's site),
 - the frequency of use of the website by customers.

The survey questionnaire consisted of 12 questions related to research issues. In turn, the interview was conducted with selected managers in order to deepen the discussed issues. The research was conducted during the COVID-19 pandemic, i.e., in a period when access to the managerial staff of enterprises was difficult. Many companies refused to participate in the study precisely because of the ongoing pandemic and the resulting larger scale of organizational problems to be solved.

4. Results and Discussion

This part of the study presents the research results. The attention was focused only on those results where there were significant differences between 2019 and 2021.

The overall assessment of the level of customer service during the pandemic, in the opinion of the respondents, has hardly changed (Table 1). Only the knowledge and competences of employees were assessed slightly worse, and the timeliness of the matters handled better. While the scope of traditional knowledge and competences of employees has not changed, the company's staff faced many new challenges, including those related to obtaining raw materials on time for production.

The problem of the supply of raw materials intensified over time (as a result of interrupted supply chains), as a result of leading to a significant extension of delivery times and even to significant shortages of some raw materials on the market. This had a negative impact on production planning and timely execution of customer orders. Additionally, due to the absenteeism of quarantined employees, production plans were often changed. While employees responsible for contacts with customers provided this information to customers, they often modified it. In the opinion of the respondents (managers), this resulted in a lower assessment of the knowledge and competences of employees. Additionally, a few of them pointed out that during the pandemic they began to notice difficulties in the purchasing process, while before the pandemic this problem was not signaled at all.

The frequency of customer contact with the company has also hardly changed, which means that the pandemic restrictions did not affect them. Most of the relationships with clients have been built and improved for a long time and mainly boiled down to contacts using electronic media. While on the B2B market direct contacts between company representatives are important, favoring building

relationships, the introduced temporary bans on visits occurred both on the part of the surveyed company and its partners - customers.

Table 1. *Assesses the level of customer service in the opinion of respondents*

Assesses the level of customer service in the opinion of the respondents (1- very bad, 5-very good)	Survey results 2019	Survey results 2021
knowledge and competences of employees	4,94	4,72
technical consultancy	4,74	4,67
ease of contact	4,74	4,80
employee availability	4,71	4,75
response time to inquiries	4,62	4,67
the manner and timeliness of handling matters	4,47	4,64

Source: Own study.

In the opinion of managers, there has been an increase in contacts using IT communication tools in the form of video conferences, which will continue to be used in business contacts. It was emphasized here that online meetings will replace traditional ones in many matters, and their role will increase especially in a situation where a potential contractor is geographically far away from the company's seat.

As mentioned earlier, during crisis situations, buyers' decisions become more rational, and therefore based on knowledge about products and brands as well as terms of offer execution. Probably for this reason, a significant change has been noted in the scope of sources of obtaining information about products (Table 2). While before the pandemic, information about products most often came from the website, and only then directly from the company's employees, after almost two years employees were by far the most important source.

However, this does not mean that electronic information has become less important. The pandemic accelerated the processes of information obsolescence, forcing companies to introduce changes to their websites more often than before the pandemic. Some companies in the paper industry withdrew their price lists from their websites because they could not guarantee prices that fluctuated overnight, while others have kept updating information to a minimum. In the opinion of the respondents (managers), during the pandemic the most up-to-date information is available to the employees of the units directly in contact with customers. They receive important information that is directly communicated to customers.

Therefore, direct contact with them guarantees obtaining quick information about the entire course of the order fulfillment process. The company's website, on the other hand, is a source of general information about its activities. Hence, a large change in the frequency of using its resources can be seen in the analyzed period (Table 3).

The vast majority of managers (almost 73%) indicated that they rarely use the information posted there.

Table 2. Sources of acquiring knowledge about the company's products as assessed by the respondents

The source of obtaining knowledge about the company's products as assessed by the respondents (1 means the least used source, 5 - the most frequently used source)	Survey results 2019	Survey results 2021
company employees	3,68	4,91
company website	4,68	2,73
industry internet portals	1,32	1,31
flyers, company catalogs	1,35	1,74
from business partners	0,88	1,52
from other sources	0,12	1,00

Source: Own study.

Table 3. The frequency of using the website of the surveyed company as assessed by the respondents

The frequency of using the website of the surveyed company as assessed by the respondents.	Survey results 2019	Survey results 2021
very often	20,59%	0%
often	55,88%	4,17%
rarely	23,53%	72,92%
never	0%	22,92%

Source: Own study.

Product information plays an important role in the decision-making process. The research shows that a significant change was noted in the assessment of the availability of information about the products of the surveyed company (Table 4). Before the pandemic, the majority of business customers (60%) assessed the availability of product information as very good, and after two years only every fifth customer.

Table 4. Availability of information about products as assessed by the respondents

Availability of information about products as assessed by respondents.	Survey results 2019	Survey results 2021
very good	60%	23,08%
good	34,29%	64,10%
average	5,71%	12,82%

weak	0%	0%
negative	0%	0%

Source: Own study.

An important role in building business relations is played by direct contact between the interested parties of the exchange in the case of introducing new products to the market (Table 5). Research shows that the pandemic accelerated the strengthening of direct e-mail and telephone contact. It influenced their quantity and quality. The surveyed company, when introducing a new product to the market, uses quick communication tools to inform customers about it. Sending a personalized email to the customer, including product data, and informing him about it by phone is the most acceptable form for customers.

Table 5. Preferred contact in the case of information about new products as assessed by the respondents

Preferred contact when the surveyed company provides information about new products to its customers, as assessed by the respondents (5 - contact accepted, 1-contact not accepted).	Survey results 2019	Survey results 2021
Visit to the client's company premises	1,91	3,32
E-mail contact	3,29	5,00
Telephone contact	2,15	4,13
Contact by traditional mail (catalog with the company's products sent)	1,26	2,12

Source: Own study.

5. Conclusions

The pandemic has had a varied impact on shaping customer relationships. In some areas, these relations have not changed significantly, in others, due to the restrictions introduced, which hinder the functioning of economic entities, they significantly influenced changes in customer attitudes. The biggest changes occurred in the scope of sources of obtaining knowledge about products, the availability of information about the company's offer, in terms of preferred contact and the frequency of using the company's website.

Probably some of these results may be specific only to the paper industry, due to its specificity. Therefore, it is possible to recommend similar research also in other production, commercial and service industries. The main changes that have occurred in relationships with business customers as a result of the Covid 19 pandemic include the following:

- a slightly lower assessment of the knowledge and competences of employees,
- higher assessment of the timeliness of handling cases,
- replacing direct visits to video customers with conferences,
- strengthening the importance of e-mail and phone calls in informing customers about new products,
- the growing importance of the employees of the trade cell as the main (most important) source of information for customers (companies).

On the basis of the conducted research, it is also possible to indicate the factors whose role is increasing in shaping relations with clients in the time of crisis - pandemic. These are:

- staff in contact with customers (the ability to make decisions in the conditions of constantly changing information, the ability to convince customers to change commercial conditions (systematically increasing prices, shortening payment terms),
- IT communication tools (the ability to use them, encourage clients to use them),
- the ability to critically approach the concepts and management methods used just in time.

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