

**FUNCTIONS AND IMPORTANCE OF CUSTOMER CONTACTS IN THE  
PURCHASE PROCESS**

Sascha Steinmann\*, *University of Goettingen, Germany*  
Günter Silberer, *University of Goettingen, Germany*

Institute of Marketing and Retailing  
Georg-August-Universität Göttingen  
Platz der Göttinger Sieben 3  
D37073 Göttingen, Germany  
Phone: +49 551 39 7409  
Fax: +49 551 39 5849

Sascha Steinmann (ssteinm1@uni-goettingen.de)

Günter Silberer (gsilber@uni-goettingen.de)

**8<sup>th</sup> International Congress Marketing Trends, Paris, January 16-17 2009**

# **FUNCTIONS AND IMPORTANCE OF CUSTOMER CONTACTS IN THE PURCHASE PROCESS**

## **Abstract**

It can be assumed that the customer contacts in all phases of the purchase process are an important source of customer knowledge for any retailer or service provider and, therefore, of great relevance to marketing practice and marketing research. Not only are the kind and number of the customer contacts relevant to this, but also their functions and their importance to the customer. Furthermore, it can be expected that the customer contacts differ in their functions and importance during the purchase process. Consequently, this article demonstrates how customer contacts, their functions and importance to the customers can be measured and analyzed across the successive phases of the purchase process. The establishment and results of an initial study concerning differences in the functions and importance of customer contacts in the successive process phases are reported. For this, customer contacts, their functions and importance with a German tour operator were surveyed with structured interviews.

**Keywords:** Customer behavior, purchase process, customer contact points, customer contact, contact function, contact importance

## **INTRODUCTION**

Knowledge of one's customers is a strategic success factor for any retailer or service provider. The fundamental element for the attainment of customer knowledge is the contact between the retailer or service provider and her/his customers in the different channels of the marketing and distribution system (e.g. TV-advertising, Homepage, store etc.). Not only are the kind and number of the customer contacts at a specific stage of the purchase process relevant to this, but also their functions (e.g. general information, purchase, complaining etc.) and importance to the customer. Hence, an analysis of all customer contacts, their functions and importance in all process phases could provide crucial insights into customer behavior, as well as the needs and preferences of the customers over a period of time.

The functions and importance of the customer contacts are of great relevance to marketing: for example, it can be expected that different customer contacts in multi channel

systems are accompanied by different product purchases or e.g. in the tourism industry by the booking of different journeys. It can also be expected that the contacts fulfill different functions in the process and that their importance to the customer is changing across the process phases. Furthermore, the customer contacts can provide important insights into potential existing cross-channel synergies. Knowledge of these connections facilitates the purposeful control of the customer contacts in all process phases by the retailer or service provider and thus extends his/her commercial possibilities to interact with customers within the bounds of marketing.

Research on customer behavior in such multi channel systems is still in its early stages (Neslin et al. 2006; Verhoef, Neslin, and Vroomen 2007) and research which focuses specifically on consumers' use of multiple channels in the different phases of the purchase process is relatively sparse (Balasubramanian, Raghunathan, and Mahajan 2005). Most studies on channel usage intention and consumer preference in multi channel systems has predominantly focused either on the pre-purchase or the purchase phase (Neslin et al. 2006; Verhoef, Neslin, and Vroomen 2007), but not in a dynamic way as a customer moves through across the different phases of the purchase process. Furthermore, the customer behavior in the post-purchase phase is often not considered in these studies. But there are first contributions considering these dynamics, for example Frambach, Roest, and Krishnan (2007) explored the dynamics of channel preferences across the different phases of the purchase process. They showed how consumer preferences of online and offline channels change while she/he progresses across the phases of the purchase process, and how this change depends on the internet experience of the customers. Moreover, especially the problem of collecting, connecting and analyzing the relevant data from the different marketing and distribution channels in all phases of the purchase process to present a single, unified view of the customers has practically been ignored in previous practice-orientated and scientific research. This, for example, is an great challenge for analytical CRM, because the heart of successful CRM is the need to more effectively manage customers in a multi channel environment (Payne and Frow 2004).

Therefore, this study contributes to the marketing literature by addressing how the customer contacts, their functions and importance to the customers differ across the process phases. We will demonstrate how the relevant data of the different contact points can be measured and how the findings of such analyses can be evaluated.

## LITERATURE REVIEW AND CONCEPTUAL BACKGROUND

### **Customer Contact Points and Customer Contacts**

It is increasingly common for firms to employ online distribution channels along with its sales force, sales representative, dealer, catalog, and call-center channels and further marketing channels to rely on these complex combinations of contact points as a source of competitive advantage (Rosenbloom 2007) and better serve their customers needs and preferences (Geyskens, Gielens, and Dekimpe 2002). In such environments, many customers have become multi channel users. They realize contacts between the firm and themselves at different contact points (e.g. store, agency, homepage, newspaper advertising) in the different phases of the purchase process. Therefore, there are many opportunities to establish contacts between a supplier and customers in the different process stages. Consequently, it makes sense to distinguish between different process phases.

In retailing, we can differentiate the pre-purchase, purchase and post-purchase phases, but in other branches or when we are interested in specific problems or research questions it is more meaningful to use a more detailed categorization. For example, with regard to tourism industry a differentiation into five successive process phases – the pre-booking, booking, pre-journey, journey and post-journey phase – including all contacts between the tour operator and the customer is reasonable. Furthermore, we can distinguish the variability of the contact points into personal, semi-personal, and impersonal contacts (Silberer, Steinmann, and Mau 2006). Payne and Frow (2004) define the aforementioned categories of customer contacts as a continuum of forms of customer contact ranging from the physical to the virtual contact.

During the process customers will subsequently find it easier to establish contact with a supplier in a way that best fits their needs. This requires that the respective channels and their combination are capable of fulfilling customer needs and preferences concerning the desired functionality in the different process phases.

### **Determinants and Effects of Customer Contacts**

Possible determinants for and their influence upon different customer contacts are frequently examined (Bhatnagar and Ghose 2004; Silberer, Steinmann, and Mau 2006). Customers' price expectations, the product group, convenience, and the goals a customer tries to achieve (e.g. economic goals, self-affirmation, socialization etc.) during his or her shopping experience are regarded as determinants for customer contacts in different channels of a

retailer or service provider (Fox, Montgomery, and Lodish 2004; Balasubramanian, Raghunathan, and Mahajan 2005). Other factors are the possibility of the approach via the retailers' or service providers' different channels (Nicholson, Clarke, and Blakemore 2005; Thomas and Sullivan 2005) or other situational variables, e.g. time of day and presence or absence of others (Nicholson, Clarke, and Blakemore 2002), switching costs and risk aversion (Dholakia, Zhao, and Dholakia 2005). The results of Silberer, Steinmann, and Mau (2007) show, that especially when purchasing products from upper price-segments customers use the different channels of a retailer or service provider more frequently than in the case of low-priced products. In addition, demographic customer-specific factors, such as age and gender can also exert an influence upon the customer contacts (Inman, Shankar, and Ferraro 2004; Kumar and Venkatesan 2005).

Some studies concentrate upon the effects of individual customer contacts on the experience and behavior of customers. Goff et al. (1997) and van Dolen et al. (2002) show, that the contacts between a customer and the sales staff could enhance the customer satisfaction towards the retailer. The results of Bove and Robertson (2005) show the impact of such contacts on customer complaints. Using the example of a retailers' sales promotion, Raghubir (2004) demonstrates that in the pre-purchase phase a customer contact has a positive effect on the evaluation of the product quality and purchase intention by using coupons. Further research concerning the customer contacts towards the retailer's advertising in the pre-purchase phase shows an impact on store traffic and the sales volume of a retailer (Gijbrecchts, Campo, and Goosens 2003), as well as on the patronage intention (Day and Stafford 1997). The findings of Silberer, Steinmann, and Mau (2006) show that customer contacts after the purchase, the advice and the price level of a retailer also affect customer satisfaction. Together with more studies, these results show that a single contact between a customer and a retailer can already affect customer behavior and customer satisfaction. Such insights are an important confirmation of the usefulness of the analysis of the customer contacts.

### **Functions and Importance of Customer Contacts in the Purchase Process**

Every customer contact fulfills different functions in the various process phases. Consequently, speech, sale and service functions can be distinguished (Simons and Bouwman 2004). Therefore, the functions of the customer contacts in the different channels range from general information regarding the desired product or service, price comparison and

purchasing up to using different kinds of customer service and complaining. Hence, in the contact, not only is purchasing a product of importance to the customer, but also information and communication prior to, during and following the purchase (Wallace, Giese, and Johnson 2004).

According to Payne, Bettman, and Johnson (1993) concept of adaptive decision-making, a customer shifts from the pre-purchase to the purchase phase from an attribute-based search to an alternatives-based search as she/he progresses in the decision-making process. Thus, the customers will be less focused on the functions of information gathering but more focused on comparing the alternatives they have decided to consider. In the case of complex products or services such as vacations, these alternatives are complex bundles of product attributes and benefits that need to be processed. In such cases where many relevant aspects of the decision cannot be controlled, customers seek some kind of help in the decision-making, and hence the customer is more likely to use the desired benefit as the base to evaluate the characteristics of the different contact points and the importance of the specific contact in the purchase process (Frambach, Roest, and Krishnan 2007).

However, there are channel related differences, including richness of information (Daft and Lengel 1984) presented and accessibility or convenience (Ward 2001). Remote channels, such as the internet and catalogs, are characterized by no traveling cost. They can be used to order products at any time of the day, leading for example to greater accessibility and convenience. In these channels e.g. products cannot be physically examined, which leads to less product information than in the case of brick-and-mortar stores (Venkatesan, Kumar, and Ravishankar 2007; Grewal, Gopalkrishnan, and Levy 2004). Therefore, the internet is often considered to be risky for purchasing (Alba et al. 1997; McKnight, Choudhury, and Kacmar 2002). Conversely, the offline channels are characterized by no time difference between ordering and receiving the product, as well as richer information on the product. These channels have a nonzero traveling cost and in most cases are only accessible during the day. Brick-and-mortar stores provide customers with a rich interaction with the product, and the customers can also consume the product immediately (Venkatesan, Kumar, and Ravishankar 2007). Customers can benefit from these differences within the process by using the channels according to their preferences. The initiation and handling of purchasing processes can thus occur in different channels according to the individual channel behavior (Silberer, Steinmann, and Mau 2006; Verhoef, Neslin, and Vroomen 2007), because channels do not differ in their functionality but also in their ability to fulfill individual customer needs to the same extent across the different process phases (Bucklin, Ramaswamy, and Majumdar 1996;

Balasubramanian, Raghunathan, and Mahajan. 2005). Therefore, in each of the phases, customers will evaluate each marketing channel on its ability to satisfy the benefits they seek and make their channel choice (Keeney 1999) along with the product or service related choice. Some studies show that benefits and therefore the importance of the several contacts sought change across the process phases (Hogarth and Einhorn 1992; Mittal, Kumar, and Tsiros 1999). Furthermore, it is important to ascertain how the offline and online channels perform in aligning the preferences and needs of the customers with the channel functions in each phase to obtain advantages from the interplay of several contact points (Frambach, Roest, and Krishnan 2007). We assume, that this is reflected the behavior of the customer contacts, their functions and importance to the customers throughout the purchase process.

Concerning the booking of a vacation, we can expect personal contacts in offline channels to be more likely and more important to the customer than semi- or impersonal contacts because personal advisors are in the best position to help the customers identify and explain the important aspects in the pre-purchase and purchase phase. Because of the limited functionality of the mostly impersonal contacts in online channels compared to face-to-face contacts in offline channels, many customers commonly use the internet as an information source in the purchase process. Especially in the case of complex products or services, customers have to come to categorize it in their minds as an important information source, not a shopping revenue (Balasubramanian, Raghunathan, and Mahajan 2005; Verhoef, Neslin, and Vroomen 2007). The previous comments show that not only does the usage of the different contact points by the customers differ during the purchase process, but it also supports the assumption that the functions, as well as the importance of the customer contacts, also change during the purchase process.

## **EMPIRICAL STUDY: FUNCTIONS AND IMPORTANCE OF CUSTOMER CONTACTS IN THE PURCHASE PROCESS IN TOURISM**

### **Measures**

We investigated customer contacts (e.g. advertising, travel agency staff, tour guide etc.), their functions (general and selective information, price comparison, booking, advisory and complaining) and importance to the customers regarding five different phases of the purchase process in the tourism industry – pre-booking, booking, pre-journey, journey and post-journey phase – with a German tour operator based upon a structured questionnaire

(comparable to Silberer, Steinmann, and Mau 2006). The importance of the customer contacts was inquired on a six-point rating scale ranging from 1 = *entirely unimportant* to 6 = *very important*. To ensure the recording of customer contacts, their functions and importance in all five phases of the purchase process, only those customers were recruited who had actually finished a journey booked with the tour operator. Furthermore, we only surveyed customers who booked a journey in the last 6 months prior to the study to ensure that they could still remember it well. To support the recollection of events dated far away back a proceeding was chosen that took pattern from cognitive psychology (Ericsson and Simon 1980; Anderson 1995). Therefore, the questionnaire leads the customer through her/his memories step by step – starting with events (customer contacts, their functions and importance) that are most accessible to him because they are closest to the interview (post-journey phase) – up to those situations that are initially difficult to remember without any support because they date a long way back (booking and pre-booking phase).

In the final questionnaire, not only the contacts, functions and importance actually realized were examined but also possible determinants (the number of previous bookings, price category, journey category, internet usage, and demographic variables) as well as final variables (customer satisfaction, intention of recommendation, intention of repeat booking, trust, perceived risk).

## **Procedure**

A total of  $N = 151$  customers of the tour operator took part in the survey. Only those customers were recruited, who had already returned from their journey at the time of our survey. Every participant in the survey took part in a lottery, where two wellness weekends and tickets to a German leisure park were raffled. Women represented 44.6% of the sample. The average age = 51.12 ( $SD = 13.52$ ) years. More than a half of the participants booked Last-Minute journeys and Club-vacations (52.8%), long-haul journeys were booked by 19.1% of the respondents. Short breaks like (short) city breaks and wellness-weekends were booked by 12.4% persons in our sample. The average length of the journey = 12.00 days ( $SD = 6.22$ ). As expected, the most frequently used contact point for the booking of the desired journey was the travel agency (77.1%). The Internet, especially the tour operators homepage was used by 17.2% for the same reason. Other channels, like the call centre or the airport-counter were used by 6.6% of the participants. Only 11.5% of the participants in our sample booked the



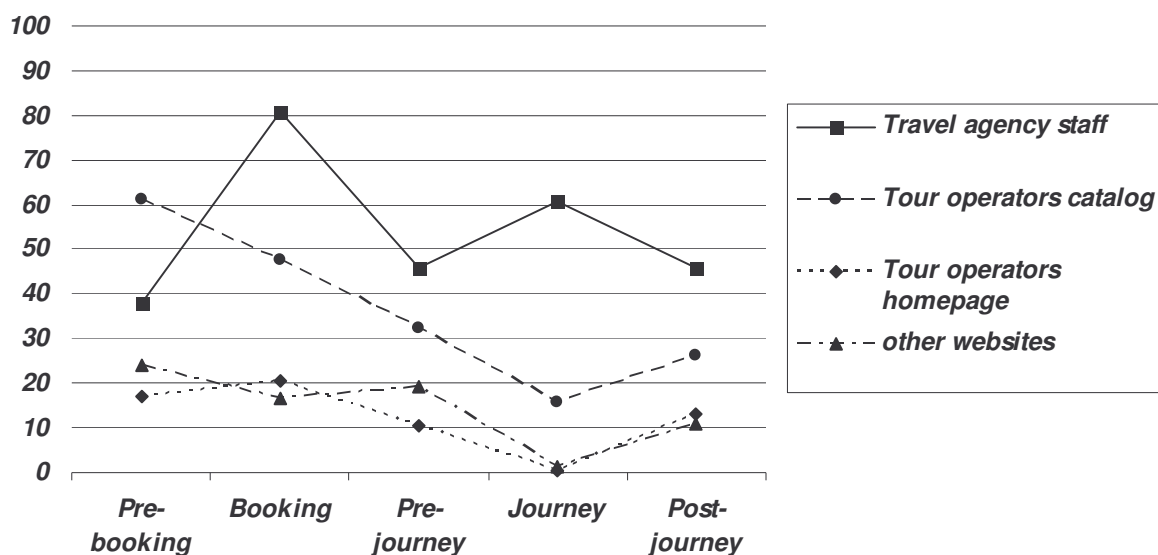
journey for their own and nearly  $\frac{2}{3}$  of the customers (65.6%) in our sample spend up to 1000 Euro (per person) on their booked vacation.

## RESULTS: DIFFERENCES IN FUNCTIONS AND IMPORTANCE OF CUSTOMER CONTACTS IN THE IN THE PURCHASE PROCESS IN TOURISM

### Customer Contacts in the Purchase Process

Considering all five phases of the purchase process, the most frequently realized kind of customer contacts are the personal contacts with the travel agency staff in all process phases except the journey phase. During their journey the customers realized personal contacts with the tour guide at their travel destination. These kind of contacts were especially realized in the booking phase (80.9%) as well as during the journey phase (60.5%) (see *figure 1*). Furthermore, other often frequented customer contact points regarding the whole purchase process are the tour operator’s catalog, the tour operator’s homepage as well as customer contacts with other websites. *Figure 1* shows the behavior of the proportion of realized customer contacts of the named contact points across the successive process phases.

**Figure 1: Most frequented Contact Points across the Purchase Process**



In the pre-booking phase the customers realized contacts with the tour operator’s catalog with the highest proportion (61.2%). The usage of the catalog then decreases up to the journey phase. There is a remarkable shift in the proportion of realized catalog contacts in the post-journey phase (26.3%) compared to the journey phase (15.9%). *Table 1* summarizes the

quotas of realized customer contacts with all examined contact points throughout the five process phases. As expected, there are highly significant differences concerning the number and the proportion of the realized customer contacts across the successive process phases (*Hotelling's Trace*  $F(4,147) = 31.15; p < 0.001$ ).

**Table 1: Frequency and Importance of Customer Contacts**

Possibilities of Contact	Quota of customers having contact to the tour operator in this respect	Importance
<b>Pre-booking phase</b>	<b>82.9%<sup>a</sup></b>	<b><i>M</i> = 5.22<sup>d</sup> (0.76)</b>
Tour operators advertising	16.6% <sup>b</sup>	<i>M</i> = 4.36 (0.99)
<i>TV advertising</i>	5.7% <sup>c</sup>	<i>M</i> = 4.81 (1.07)
<i>POS advertising</i>	10.8%	<i>M</i> = 4.82 (0.86)
<i>Internet advertising</i>	7.7%	<i>M</i> = 4.33 (1.00)
<i>Newspaper advertising and freebies</i>	12.4%	<i>M</i> = 3.65 (1.06)
<i>Other advertising</i>	1.4%	<i>M</i> = 4.50 (1.00)
Tour operator's catalog	61.2%	<i>M</i> = 5.37 (0.72)
Tour operator's homepage	17.1%	<i>M</i> = 5.05 (0.84)
Other Websites	24.0%	<i>M</i> = 4.86 (1,13)
Travel agency staff	38.2%	<i>M</i> = 5.29 (0.98)
<b>Bookingphase</b>	<b>100%</b>	<b><i>M</i> = 5.36 (0.64)</b>
Tour operator's advertising	23.6%	<i>M</i> = 4.30 (1.17)
<i>TV advertising</i>	3.8%	<i>M</i> = 4.00 (1.89)
<i>POS advertising</i>	10.8%	<i>M</i> = 4.33 (1.36)
<i>Internet advertising</i>	10.2%	<i>M</i> = 4.46 (1.38)
<i>Newspaper advertising and freebies</i>	12.4%	<i>M</i> = 4.50 (0.79)
<i>Other advertising</i>	1.2%	<i>M</i> = 1.50 (0.50)
Tour operator's catalog	47.8%	<i>M</i> = 5.40 (0.69)
Tour operator's homepage	20.4%	<i>M</i> = 5.41 (0.84)
Other Websites	16.6%	<i>M</i> = 4.84 (1.25)
Travel agency staff	80.9%	<i>M</i> = 5.66 (0.58)
<b>Pre-journey phase</b>	<b>77.1%</b>	<b><i>M</i> = 5.07 (0.88)</b>
Tour operator's catalog	32.5%	<i>M</i> = 4.92 (0.99)
Travel documents/Vouchers	45.2%	<i>M</i> = 4.96 (1.12)
Tour operator's homepage	10.3%	<i>M</i> = 4.69 (0.95)
Other websites	19.1%	<i>M</i> = 5.20 (1.05)
Travel agency staff	45.9%	<i>M</i> = 5.26 (0.54)
<b>Journeyphase</b>	<b>74.5%</b>	<b><i>M</i> = 5.01 (1.03)</b>
Tour operator's catalog	15.9%	<i>M</i> = 4.91 (0.99)
Travel documents/Vouchers	27.4%	<i>M</i> = 4.82 (0.93)
Tour operator's homepage	0.6%	<i>M</i> = 5.00 (0.00)
Other websites	1.3%	<i>M</i> = 4.50 (0.71)
Travel agency staff (telephonic contact)	5.7%	<i>M</i> = 4.66 (1.85)
Tour guide	60.5%	<i>M</i> = 5.05 (1.09)
Other Contacts	26.1%	<i>M</i> = 5.08 (1.28)
<b>Post-journey phase</b>	<b>63.1%</b>	<b><i>M</i> = 4.74 (1.23)</b>
Tour operator's catalog	26.3%	<i>M</i> = 4.36 (1.22)
Travel documents/Vouchers	24.8%	<i>M</i> = 5.06 (1.03)
Tour operator's homepage	12.9%	<i>M</i> = 4.53 (1.22)
Other websites	10.8%	<i>M</i> = 4.80 (1.47)
Travel agency staff	45.9%	<i>M</i> = 5.18 (1.25)
Tour guide	8.3%	<i>M</i> = 4.66 (1.14)

<sup>a</sup>100 % correspond to the 151 persons interviewed that entered into the final analysis; <sup>b</sup> means that 16.6 % of the 151 persons have noticed the tour operators advertising during the pre-booking phase; <sup>c</sup> means that 5.7 % of the persons interviewed stated to have noticed the tour operators advertising on TV during the pre-booking phase (multiple naming possible); <sup>d</sup> inquired on a six-point rating scale, 1 corresponds to *entirely unimportant*; 6 corresponds to *very important*; *SD* in brackets

During the booking phase every customer realized at least one contact with the tour operator. Besides this, we obtained the second highest proportion of realized customer contacts in the phase prior to the booking (82.9%). This results from the fact that we obtained a relatively high proportion of customers who booked Last-Minute journeys and of repeat bookers in our sample. Some of the repeat bookers stated that they always spend their vacation at the same place. After the booking, the proportions of the customer contacts decrease within the process phases.

### **Functions of Customer Contacts in the Purchase Process**

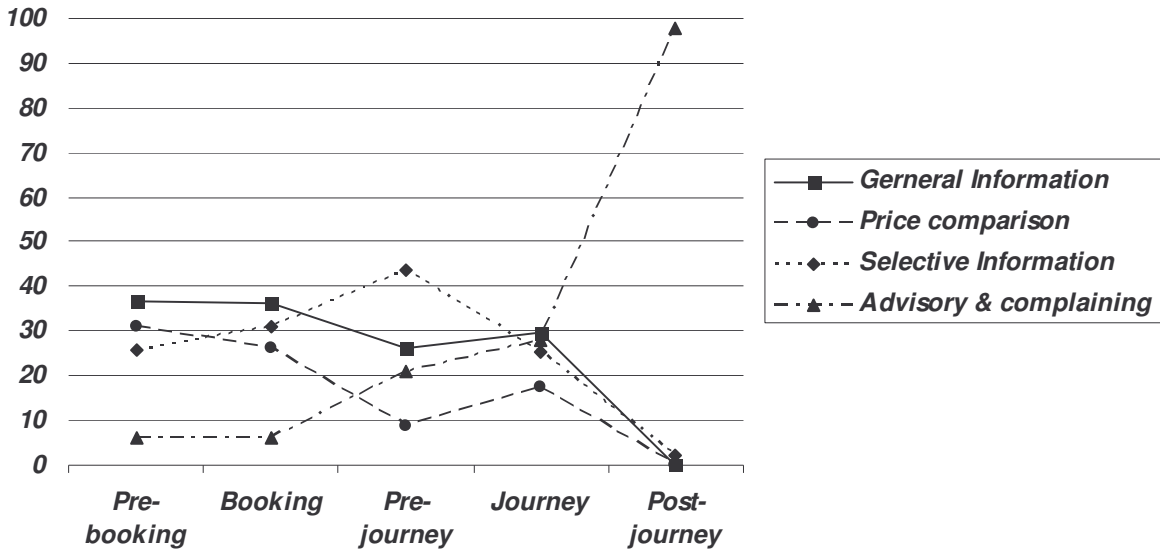
We also obtained highly significant differences concerning the average number of the different functions of the customer contacts across the successive process phases. (*Hotelling's Trace*  $F(4,49) = 27.89$ ;  $p < 0.001$ ). In the booking phase, the contact points were used for more different functions ( $M = 3.15$ ;  $SD = 1.07$ ) compared to the other phases with regard to the whole purchase process. In this phase, the customers are mainly focused on general (36.1%) and selective information (23.1%) concerning the supplies of the tour operator, price comparison (26.3%) and, of course, the booking of the desired vacation. After the journey, the customer contacts have fewer functions for the customers ( $M = 1.36$ ;  $SD = 0.59$ ) and were mostly used for advice and complaints.

To illustrate the dynamics in the functions of the customer contacts throughout the successive phases of the process, the behaviour of the four most frequently named functions – general information, price comparison, selective information, and advisory and complaining – concerning the whole process is shown in *figure 2*.

As expected, in the pre-booking phase we obtained the highest proportion of contacts for general information (36.7%) about the tour operator's supply, the considered travel destination as well as hotels at the considered travel destination. Furthermore, the second highest reason for the realization of contacts with different contact points was price comparison between the considered alternatives (31.2%). Selective information is especially directed to a specific hotel or recreational activities at the considered travel destinations (25.9%). The very low proportion of advisory and complaining functions is not surprising in this stage of the purchase process. Concerning the booking phase, of course, the contact function with the highest proportion was the booking of the desired journey. We obtained a similar behavior concerning general information and advisory and complaining as in the pre-booking phase regarding the four named functions (see *figure 2*), but an increase in the

proportion of selective information as well as the decreasing function of price comparison, compared to the pre-booking phase. Compared to the previous phases, we find a remarkable increase in the usage of contacts for selective information, especially for obtaining specific information of the travel destination as well as for planning of recreational activities. Advisory and complaining functions also increased in this phase.

**Figure 2: Most frequently named Functions in the Purchase Process (in %)**



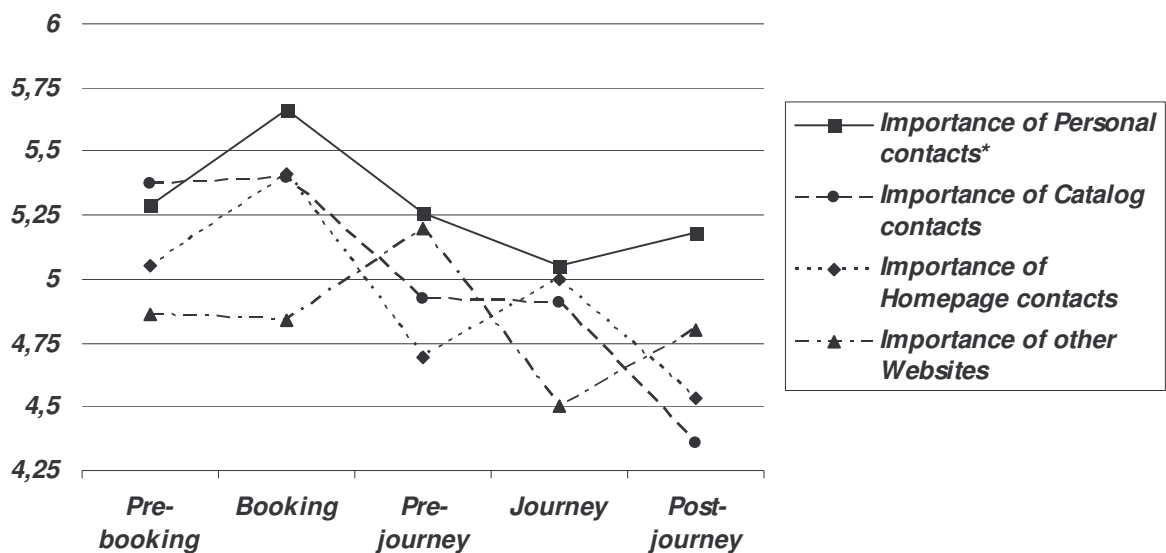
During the journey, the functions of general information, price comparison, and selective information show nearly the same proportions. These functions were in nearly all cases connected with recreational activities at the travel destination. The increase of the advisory and complaining functions in the post-journey phase compared to the previous phases is remarkable. Nearly customer contacts in this phase were realized for this function (97.9%).

**Importance of Customer Contacts in the Purchase Process**

Besides this, we obtained significant differences concerning the importance of the customer contacts over time (*Hotelling's Trace*  $F(4,45) = 3.71; p < 0.05$ ). The contacts in the booking phase are most important to the customers, afterwards the importance decreases up to the post-journey phase (see also *table 1*). To illustrate the dynamics of the importance of the contacts to customers, *figure 3* shows the behaviour concerning the importance of the four most frequented contact points across the purchase process. Except the pre-booking phase, the personal contacts are most important to the customer throughout the purchase process. The

tour operator’s catalog is most important to the customers in this phase ( $M = 5.37$ ;  $SD = .072$ ). During the booking phase, contacts with the tour operator’s catalog and the tour operator’s homepage were of nearly the same importance to the customers (see *table 1*). Compared to the booking phase, *figure 1* shows a remarkable decrease in the importance of these contact points as well as the importance of catalog contacts in the pre-journey phase. The increase concerning the importance of contacts with other websites is also noteworthy. In the post-journey phase the importance of customer contacts with the catalog and the tour operator’s homepage decreased significantly. Surprisingly, we obtained a remarkable increase concerning the importance of contacts with other websites.

**Figure 3: Importance\* of most frequented Contact Points across the Purchase Process**



\* Importance of a customer contact was measured on a six-step rating scale, 1 = *entirely unimportant* up to 6 = *very important*

### Functions and Importance of Customer Contacts in the Purchase Process

As we already know from *table 1*, in the phase prior to the booking we only obtain a low proportion of customer contacts with the tour operators advertising (16.6%). Compared to other contacts, these mainly had the functions “general information” (88.6%) and “price comparison” (61.9%) of the tour operators offerings. However, overall these contacts were of lowest importance to the customers ( $M = 4.36$ ;  $SD = 0.99$ ) in this phase. The personal contacts with the travel agency staff were rated as the most important contact points in this phase. The tour operators catalog was used most often and was the second most important contact point in the phase prior to the booking. Therefore, we can assume that the catalog, in spite of its

constricted functionality compared to personal and semi-personal contact points, is still one of the most important information sources in the tourism industry. The catalog contacts were mainly used for “price comparison” (65.8%) and “general information” of the supplies of the tourist operator (64.5%), whereas the customer contacts with the travel agency staff were mainly used for “selective information” on the travel destination (60.4%). The highly significant difference concerning the realization of contacts with the tour operators homepage compared to the usage of other websites is noticeable ( $\chi^2 = 24.5$ ;  $p < .001$ ). We also obtained a remarkable difference regarding the importance between these contact points ( $T(10) = -2.631$ ;  $p < .05$ ) in the pre-booking phase. A closer look at the functions of these contacts shows that other websites were more often used for “general information” on the tour operator’s supplies (80.6%), then the tour operator’s homepage (59.1%). This could be put down to the fact that other websites often offer a more convenient price comparison, especially with prices of other tour operators. For example, the websites of *Expedia.com* or *STATRAVEL* provide price comparisons between many different suppliers directly to the customers without any effort.

In the case of the booking phase, we obtained a low proportion of realized contacts with the tour operator’s advertising (23.6%). As in the pre-booking phase, the low importance of these contacts is reflected again ( $M = 4.30$ ;  $SD = 1.17$ ). The usage of the tour operator’s catalog (47.8%) has considerably but not significantly declined compared to the pre-booking phase, but these contacts are unchanged concerning their importance for the customers ( $T(47) = .468$ ;  $p < .642$ ). The outstanding position of the contacts with the travel agency staff is considerably reflected in this phase. These contacts were significantly realized more often (80.9%) than in the previous phase ( $\chi^2 = 56.7$ ;  $p < 0.001$ ). Compared to the other contact points, these contacts were most important to the customers in the booking phase and they were mostly used for the “booking” of the desired journey (77.1%). The “advisory” functions of the travel agency staff only had a low proportion in this phase. A closer look at the usage of the internet shows a remarkable but not significant shift from the other websites (16.6%) in favour of the usage of the tour operator’s homepage (20.4%). The realized contacts with the tour operator’s homepage were particularly used for the “booking” of the journey (61.3%), whereas contacts with other websites were only used for this reason in 23.1%. Therefore, we assume that the customers evaluate the tour operator’s homepage as less risky and more reliable than other websites, especially concerning the booking of the desired journey.

The contacts in the pre-journey phase were in nearly all cases of “selective information” with regard to the target destination. For example, realized customer contacts

with other websites with 99.9%, contacts with the tour operator's catalog (73.3%), as well as contacts with the travel documents (52.4%) were used for the this function. Compared to the booking phase, the realized contacts with the tour operator's catalog (32.5%) again decreased significantly ( $\chi^2 = 8.266$ ;  $p < .01$ ). This may result from the fact that such catalogs provide relatively sparse information regarding the travel destination as well as recreational activities. The contacts with the travel agency staff also decreased highly significantly ( $\chi^2 = 52.813$ ;  $p < .001$ ), but this contact point was still evaluated as most important to the customers ( $M = 5.26$ ;  $SD = 0.97$ ). In most cases, such contacts had "advisory" functions concerning different types of support with regard to the booked journey (40.8%). The tour operator's homepage was predominantly used for the same function (56.3%), but the usage of this contact point decreased significantly compared to the booking phase ( $\chi^2 = 8.654$ ;  $p < 0.01$ ). It is also noticeable that this contact point had the least importance to the customers in this phase. Similar to the pre-booking phase, the customers realize significantly more contacts with other websites compared to the tour operator's homepage ( $p < .05$ ), mainly for "selective information" on the target destination as well as recreational activities.

Compared to the pre-journey phase, we obtained a significant increase concerning the realization of personal contacts in the journey phase ( $\chi^2 = 24.329$ ;  $p < .001$ ). This is reflected in the high proportion of realized customer contacts with the tour guide (60.5%). She/He is also the most important contact point during the journey phase and fulfils a high number of different functions for the customers ( $M = 5.05$ ;  $SD = 1.09$ ). Contacting him/her, the customers especially obtain "selective information" regarding their travel destination (43.0%) as well as on recreational activities (46.7%) and also "book" such activities (39.6%). Besides the tour guide, another important contact point is the hotel provider at the travel destination (see *other contacts* in the journey phase in *table 1*). Customers realize these contacts especially for "advisory" functions (46.2%). The very low proportion of contacts with the tour operator's homepage and other websites during this phase is not surprising.

The realized contacts in the post-journey phase mostly had the function of "advisory and complaining". *Figure 2* shows the notable and highly significant decrease concerning this function compared to the previous process phases ( $p < .001$ ). As expected personal contacts with the travel agency staff were realized most often (45.9%). These were also rated as the most important contacts to the customers in this phase.

### **Determinants of the Customer Contacts in Tourism**

As we have already illustrated, different factors can determine the customer contacts,



their functions and importance to the customer in the different phases of the purchase process and hence, the behavior of the customers regarding the whole purchase process. In this context, age, gender, income and internet usage are conceivable. Furthermore, the duration of the booking consideration, the number of previous bookings with the specific tour operator, the journey category and the price as well as the length of the vacation can be regarded as possible determinants for the realization of customer contacts with different contact points. *Table 2* summarizes the results concerning contingencies and correlations between possible determinants and the realization of customer contacts, the functions of realized contacts as well as the importance in different process phases and the whole purchase process.

In the pre-booking phase, we obtained significant positive correlation and contingency between the price of the desired vacation and the number of realized contacts with the tour operator's catalog ( $r_{xy} = .231$ ;  $p < .05$ ), the functions of the customer contacts ( $C = .371$ ;  $p < .05$ ). The higher the price of the considered journey the more differentiated are the functions of a realized customer contact, e.g. if a customer is interested in the booking of a low priced Last-Minute journey the realized contacts were mostly used for general information, but if the customer was interested in the booking of a journey from an upper price segment (e.g. long-haul journeys), besides obtaining general information these contacts were in most cases also used for selective information and price comparison. The significant negative correlations between the price and the importance of contacts with newspaper advertising ( $r_{sr} = -.762$ ;  $p < .01$ ) as well as between the number of previous bookings of a customer and the contacts with the tour operator's catalog ( $r_{xy} = -.263$ ;  $p < .05$ ) are not surprising. As expected, contacts with the travel agency staff were significantly positive correlated with the journey category ( $r_{sr} = .709$ ;  $p < .01$ ). Furthermore, there is a significant contingency between the gender of a customer and the functions of catalog contacts ( $C = .351$ ;  $p < .05$ ). Women use the catalog mainly for general information, men for more differentiated functions.

During the booking phase, the positive correlation between the age of a customer and the importance of personal contacts with the travel agency staff ( $r_{sr} = .199$ ;  $p < .05$ ) as well as the negative correlation between this determinant and the importance of internet advertising ( $r_{sr} = .757$ ;  $p < .01$ ) is not surprising. We also obtained a contingency between the price of a journey and the functions of the tour operator's homepage ( $C = .724$ ;  $p < .01$ ). In case of low priced journeys the homepage was considerably used more often for booking than in the case of high priced journeys. As in the previous phase, gender is significantly connected with functions of the tour operator's catalog ( $C = .380$ ;  $p < .01$ ).



**Table 2: Contingencies and Correlations between Determinants and Customer Contacts, Contact Function, and Contact Importance**

Determinants	Obtained contingency or correlation
<b>Pre-booking phase</b>	
Price &	... Contacts with the tour operator's catalog (+) <sup>a</sup> ... Functions of all realized customer contacts (○) ... Importance of Newspaper advertising (-)
Journey Category &	... Contacts with travel agency staff (+) ... Functions of other websites (○)
Previous bookings &	... Contacts with tour operator's catalog (-)
Gender &	... Functions of catalog contacts (○)
<b>Booking Phase</b>	
Age &	... Importance of contacts with travel agency staff (+) ... Importance of internet advertising (-)
Gender &	... Functions of tour operator's catalog (○)
Price &	... Functions of tour operator's homepage (○)
Duration of booking consideration &	... Functions of other websites (○) ... Importance of advertising at the POS (-)
<b>Pre-journey phase</b>	
Price &	... Importance of travel documents/vouchers (+)
Journey category &	... Functions of other websites (○)
<b>Journey Phase</b>	
Previous bookings &	... Contacts with the tour guide (-)
Gender &	... Number of all realized contacts (○) ... Functions of contacts with the tour guide (○)
<b>Post-journey phase</b>	
Gender &	... Functions of contacts with other websites (○)
<b>All Process phases</b>	
Age &	... Contacts with tour operator's advertising (-) ... Contacts with tour operator's homepage (-)
Journey category &	... Number of realized contacts (+)
Internet usage <sup>b</sup> &	... Usage of different contact points (-)

<sup>a</sup> means that the results show a significant positive correlation between the "Price" and the number of "Contacts with the tour operator's catalog", (+) = positive correlation; (-) = negative correlation; (○) = contingency; all reported contingencies and correlations are at least significant to  $p < .05$ ; <sup>b</sup> Internet usage was measured on a six-point rating scale, 1 corresponds to *less than once a week* up to 6 = *several times a day*

Prior to the journey, the price of the journey is significant positive correlated with the importance of the travel documents/vouchers ( $r_{sr} = .315$ ;  $p < .05$ ). Another significant dependency is reflected in the relation between the booked journey category and the functions of other websites ( $r_{sr} = .819$ ;  $p < .01$ ). In case of Last-Minute journeys other websites were mostly used for general information. If the customers had booked high-priced long-haul journey or a cruise, then other websites were also used for selective information on the holiday destination as well as on recreational activities at the vacation spot.

Not surprisingly, we obtained a significant negative correlation between the number of previous bookings and the realized contacts with the tour guide ( $r_{xy} = -.289$ ;  $p < .05$ ) in the journey phase. The results also show a significant dependency between gender and the average number of realized contacts ( $C = .283$ ;  $p < .05$ ) as well as between gender and the functions of contacts with the tour guide ( $C = .376$ ;  $p < .05$ ). Overall men realized significantly more contacts and contacted the tour guide for more differentiated functions compared to women.

Concerning dependencies between possible determinants and the realization of customer contacts, the contact function and the importance of the contacts in the whole purchase process, the results show, as expected, significant negative correlations between age and the realization of contacts with the tour operator's advertising ( $r_{xy} = -.378$ ;  $p < .05$ ) as well as with the realization of online contacts in general ( $r_{xy} = -.334$ ;  $p < .05$ ). The positive correlation between the journey category and the number of realized contacts ( $r_{sr} = .162$ ;  $p < .05$ ) as well as the negative connection between internet usage and the realization of different contact points ( $r_{sr} = -.338$ ;  $p < .05$ ) is not surprising. Deviant from our expectations, we obtained no significant dependencies between the number of previous bookings and the functions of the customer contacts as well as with their importance.

### **Effects of the Customer Contacts in Tourism**

Besides the determinants, the effects of the customer contacts, their functions and importance on final variables such as customer satisfaction with the tour operator's prices, the journey, and the tour operator's service across the successive phases of the purchase process are also of great interest. We were also interested in the satisfaction with the reachability of the tour operator, as well as the satisfaction with of the tour operator compared to other tour operators. Furthermore, we examined the effects of the customer contacts on the intent to recommend, willingness for repeated bookings, perceived risk and trust.

The number of customer contacts with other websites in all phases of the process is

negatively correlated to the satisfaction with the tour operator ( $r_{sr} = -.307$ ;  $p < .05$ ). This is a surprising result because these contacts were positively correlated to the customer's intent to recommend ( $r_{sr} = .524$ ;  $p < .01$ ). The personal contacts with the travel agency staff during the whole process are positively correlated with the satisfaction of the tour operator compared to competing tour operators ( $r_{sr} = .198$ ;  $p < 0.05$ ), but they are negatively connected to the intent to recommend ( $r_{sr} = -.275$ ;  $p < .01$ ) At this point, the question arises as to whether satisfaction with the tour operator is really related to the tour operator or more connected to the travel agency staff.

The customer contacts with the catalog in the pre-booking phase are significantly positively correlated to the customer satisfaction concerning the tour operator's supplies ( $r_{sr} = .275$ ;  $p < .05$ ). Again, this result shows the important role of the tour operators' catalog for the customers.

In the phase prior to the journey, we obtained a negative correlation between the number of all contacts in this phase and the willingness for repeat bookings ( $r_{sr} = -.193$ ;  $p < .05$ ) and also a negative correlation regarding the probability to book again ( $r_{sr} = -.192$ ;  $p < .05$ ) with the tour operator. Furthermore, the number of contacts is negatively related to the customer's trust in the tour operator. These results show the importance to satisfy the needs and preferences of the customers with as few as possible contacts in this phase. Therefore, we can conclude, if it is necessary for a customer to contact the tour operator during the pre-journey phase - mainly for "advisory" or "complaining" - this would be negatively related to various final variables.

During the journey, we obtain a negative correlation between the contacts with the tour guide and the satisfaction with the tour operator's supplies ( $r_{sr} = .260$ ;  $p < .05$ ), also with the satisfaction of the tour operator compared to competitors ( $r_{sr} = .341$ ;  $p < .01$ ) and the willingness for repeat booking ( $r_{sr} = .231$ ;  $p < .05$ ). Again, this results show the great impact and the importance of the personal contacts for the customers.

Surprisingly, we did not obtain any significant effects on the final variables of the customer contacts in the phase after the journey because most contacts in this phase had "advisory" functions or were related to "complaining".

## **DISCUSSION AND CONCLUSION**

The results of our study provide important insights into the customer behaviour during the successive phases of the purchase process. They show that the customer contacts, their

functions and their importance differ significantly throughout the purchase process. As expected, we obtained the highest proportion of and the most important customer contacts in the booking phase. With regard to all phases, personal contacts were realized most often. These contacts also had the highest importance for the customers. The most frequently named functions of the contacts are “general” and “selective” information regarding the tour operator’s offers, price comparison as well as “advisory” and “complaining”.

As far as marketing science is concerned, there are a lot of implications for the evaluation and analysis of the customer’s behaviour over a period of time. The differences and the development of the contacts, their functions and importance during the purchase process phases shows the meaningfulness and necessity of sequence-analytical discussion of the customer contacts, their functions and importance over a period of time. Silberer, Steinmann, and Mau (2006, 2007) analysed the unidimensional sequence of the customer contacts across the successive phases of the purchase process. Steinmann and Silberer (2008) used a multidimensional approach for the analysis of the multidimensional customer contact sequence to evaluate customer behaviour in the purchase process. Furthermore, such approaches offer the opportunity use the actual behaviour for segmenting customers based on their (uni- and multidimensional) customer contact sequences. This facilitates a differentiation of the customers, which is not possible on the basis of demographic and/or psychographic variables (Silberer, Steinmann, and Mau 2006; Steinmann and Silberer 2008). Besides this, our results also imply the application of methods, e.g. Markov-Models, for predicting customer behavior based on contacts sequences. Furthermore, we only analyzed customer contacts and contact sequences in one branch with one tour operator, so a lot of research in other branches is necessary to generalize our findings.

What impact do these results have for the marketing management as a whole? First of all, the individual results certainly cannot be transferred to other suppliers and other situations easily. Nevertheless, the study has shown that the inquiry of customers can produce interesting findings, which could not have been obtained by a mere secondary statistical evaluation. By tracking customer behavior across channels, firms can improve their understanding of their customers’ decision-making and develop a basis for creating strong relationships with customers and improving retention. This customer-facing level of Customer Relationship Management (Reinartz, Krafft, and Hoyer 2004) will also contribute to systematic and proactive coordination of the relationship in the whole purchase process. Therefore, the knowledge of the customer contacts, their functions and importance facilitates the purposeful control of the customers in the different phases of the purchase process by the

supplier. Regarding the significance of individual contacts, a carefully directed reflection of individual contact points is also advisable, which goes beyond a frequency analysis and includes its functionality and importance. In doing so, the supplier would among other things have to investigate which contacts exert which influence on the customers and how the customer contacts, as well as their function, can be controlled by retailers as well as service providers. This knowledge regarding the management of customer contacts and the knowledge of the effects of customer contacts in any case will contribute to an approach to the optimal multi-channel-mix.

## REFERENCES

- Anderson, John R. 1995. *"Cognitive psychology and its implications."* New York: Freeman.
- Alba, Joseph, John Lynch, Barto Weitz, Chris Janiszewski, Richard Lutz, Alan Sawyer, and Stacy Woods. 1997. "Interactive Home Shopping: Consumer, Retailer, and Manufacturer Incentives to Participate in Electronic Marketplaces." *Journal of Marketing* 51 (3): 38-53.
- Balasubramanian, Sridar, Rajagopal Raghunathan, and Vijay Mahajan. 2005. "Consumers in a multichannel environment: Product utility, process utility, and channel choice." *Journal of Interactive Marketing* 19 (2): 12-30.
- Bhatnagar, Amit and Sanjoy Ghose. 2004. "Online information search termination patterns across product categories and consumer demographics." *Journal of Retailing* 80 (3): 221-228.
- Bove, Liliana L. and Nichola L. Roberston. 2005. "Exploring the role of relationship variables in predicting customer voice to a service worker." *Journal of Retailing and Customer Services* 12 (2): 83-87.
- Bucklin, Louis P., Venkatram Ramaswamy, and Majundar, Sumit K. 1996. "Analysing channel structures of business markets via the structure-output paradigm." *International Journal of Research in Marketing* 13 (1): 73 – 87.
- Daft, Richard L. and Richard H. Lengel. 1984. *"Information richness: a new approach to managerial behavior and organizational design."* Cummings, L.L. & Staw, B.M. (Eds.), *Research in organizational behavior* 6, Homewood, IL: JAI Press: 191-233.
- Day, Ellen and Marla Royne Stafford. 1997. "Age-related cues in retail services advertising: their effects on younger consumers." *Journal of Retailing* 73 (2): 211-233.
- Dholakia, Ruby R., Miao Zhao, and Nikhilesh Dholakia. 2005. "Multichannel Retailing: A Case Study of Early Experiences." *Journal of Interactive Marketing* 19 (2): 63-74.

- Ericsson, Anders K. and Herbert A. Simon. 1980, "Verbal reports as data," *Psychological Review* 87 (1): 215-251.
- Frambach Ruud T., Henk C.A. Roest, and Trichy V. Krishnan. 2007. "The Impact of Consumer Internet Experience on Channel Preference and Usage Intentions across the different stages of the buying process." *Journal of Interactive Marketing* 21 (2): 26-41.
- Fox, Edward J., Alan L. Montgomery, and Leonard M. Lodish. 2004. "Consumer Shopping and Spending across Retail Formats." *The Journal of Business* 77 (2): 25-60.
- Geyskens, Inge, Katrijn Gielens, and Mnarnik G. Dekimpe. 2002. "The Market Valuation of Internet Channel Auditions." *Journal of Marketing* 66 (2): 102-119.
- Gijsbrechts, Els, Katia Campo, and Tom Goossens. 2003. "The impact of store flyers on store traffic and store sales: a geo-marketing approach." *Journal of Retailing* 79 (1): 1-6.
- Grewal, Rajdeep, Gopalkrishnan R. Iyer, and Micheal Levy. 2004. "Internet retailing: Enablers, limiters and market consequences." *Journal of Business Research* 57 (7): 703-713.
- Goff, Brent G., James S. Bole, Danny N. Bellenger, and Carrie Stojack. 1997. "The influence of salesperson selling behaviour on customer satisfaction with products." *Journal of Retailing* 73 (2):171-183.
- Hogarth, Robin and Hillel J. Einhorn. 1992. "Order Effect in Belief Updating: The Belief-Adjustment Model." *Cognitive Psychology* 24 (1): 1-55.
- Inman, J. Jeffrey, Venkatesh Shankar, and Rosellina Ferraro. 2004. "The Roles of Channel Category Associations and Geodemographics in Channel Patronage". *Journal of Marketing* 68 (2): 51-71.
- Keeney, Ralph L. 1999. "The value of Internet Commerce to the Customer". *Management Science* 45 (4): 533-542.
- Kumar, Vipin and Rajkumar Venkatesan. 2005. "Who are the multichannel shoppers and how do they perform?: Correlates of multichannel shopping behavior." *Journal of Interactive Marketing* 19 (2): 44-62.
- McKnight, D. Harrison, Vivek Choudhury, and Charles Kacmar. 2002. "Developing and validating trust measures for e-commerce: An integrative typology." *Information Systems Research* 13 (2002): 334-359.
- Mittal, Vikas, Pankaj Kumar, and Michael Tsiros. 1999. "Attribute-Level Performance, Satisfaction, and Behavioral Intentions over Time: A Computation-System Approach." *Journal of Marketing* 63 (2): 88-101.



- Neslin, Scott A., Dhruv Grewal, Robert Leghorn, Venkatesh Shankar, Marije L. Teerling, Jacquelyn S. Thomas, and Peter C. Verhoef. 2006. "Challenges and Opportunities in Multichannel Customer Management". *Journal of Service Research* 9 (2): 95-112.
- Nicholson, Michael, Ian Clarke, and Michael Blakemore. 2002. "'One brand three ways to shop': situational variables and multichannel consumer behaviour." *International Review of Retail, Distribution and Consumer Research* 12 (2): 131-148.
- Payne, John. W., James R. Bettman, and Eric J. Johnson. 1993. *The Adaptive Decision Maker*. Cambridge, UK: Cambridge Press.
- Payne, Adrian and Pennie Frow. 2004. "The role of multichannel Integration in customer relationship management." *Industrial Marketing Management* 33 (2004): 527-538.
- Raghubir, Priya 2004. "Free gift with purchase: Promoting or discounting the brand?" *Journal of Consumer Psychology* 14 (1 & 2): 181-186.
- Reinartz, Werner, Manfred Krafft, and Wayne D. Hoyer. 2004. "The Customer Relationship Process: Its Measurement and Impact on Performance". *Journal of Marketing Research* 41 (August 2004): 293-305.
- Rosenbloom, Bert (2007). *Marketing Channels*. 8. ed., Mason, Ohio: Thomson/South Western.
- Silberer, Günter, Sascha Steinmann, and Gunnar Mau. 2006. "Clustering Customer Contact Sequences in Retailing." *RETAILING 2006: Strategic Challenges in the New Millennium*, Special Conference Series Volume XI 2006, Ed. by J. R. Evans, Hempstead/NY: AMS: 232-237.
- Silberer, Günter, Sascha Steinmann, and Gunnar Mau. 2007. "Customer Contacts as a Basis for Customer Segmentation." *Marketing Theory and Practice in an Inter-functional World*, Volume XIII 2007, ed. by Carol. W. DeMoranville, Academy of Marketing Science: 257-261.
- Steinmann, Sascha and Günter Silberer. 2008. "Multidimensional Customer Contact Sequences: A New Approach for Customer Segmentation." *Enhancing Knowledge Development in Marketing*, Volume 19 (2008), ed. by James R. Brown & Rajiv P. Dant, American Marketing Association: 240-247.
- Simons, Luuk P.A. and Harry Bouwman. 2004. "Designing a channel mix." *International Journal of Internet Marketing and Advertising* 1 (3): 229-250.
- Thomas, Jacquelyn S. and Ursula Y. Sullivan. 2005. "Managing Marketing Communications with Multichannel Customers." *Journal of Marketing* 69 (4): 239-251.

- van Dolen, Willemijn, Jos Lemmink, Ko de Ruyter, and Ad de Jong. 2002. "Customer-sales employee encounters: a dyadic perspective." *Journal of Retailing* 78 (4): 265-280.
- Venkatesan, Rajkumar, Vipin Kumar, and Nalini Ravishankar. 2007. "Multichannel Shopping: Causes and Consequences." *Journal of Marketing* 71 (2): 114-132.
- Verhoef, Peter C., Scott A. Neslin, and BjörnVroomen. 2007. "Multichannel Customer Management: Understanding the research-shopper phenomenon." *International Journal of Research in Marketing* 24 (2007): 129-148.
- Wallace, David W., Joan L. Giese, and Jean L. Johnson. 2004. "Customer retailer loyalty in the context of multiple channel strategies." *Journal of Retailing* 80 (4): 249-263.
- Ward, Michael R. 2001. "Will Online Shopping Compete More with Traditional Retailing or Online Shopping?" *Netnomics: Electronic Research and Electronic Networking* 3 (2): 103-117.