

Marketing Logistics

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Abstract –*The aim of the article is to show the need of the integration of marketing and logistics, their particular tasks, and issues connected with them. The paper focuses on showing logistics and marketing not as separate elements, but rather as an integrated management concept, that when utilized allows the enterprise to achieve success. The integration of different logistics processes and functions within logistics system and logistics management, as well as the integration of this system with the marketing system, within the scale of an enterprise and the market, is expressed in the integrated concept of marketing logistics management. This consists the basic dimension of modern business management.*

Keywords: logistics management, marketing management, logistics, marketing, integration, management concepts, distribution, strategy, tasks, objectives

I. Introduction

Businesses currently operating on the market are forced to take interest and pay large attention to the matters of supply and distribution. The reason for this situation is the contemporary market, characterised by large dynamics within demand, technology, and competition. The result of these changes is the necessity to build strategies oriented for the final consumer. Therefore, any marketing activities undertaken by an enterprise, and regarding the product, the price, or the distribution are supported by logistics that allows business to increase the availability of their products on the serviced market segments. Thanks to the intermingling of marketing and logistics, the term “marketing logistics” was developed, which focuses on consumers’ needs and expectations.

Logistics cover integrated systems of planning, organizing, leadership, and control over physical processes, cycles of resources, materials, and products, and the associated information in regard to the optimization of activities and objectives [4]. Marketing is the process of teaching consumers why they should choose your product or service over your competitors.

Satisfaction of enterprise’s customers is achieved through coordinated marketing activities which regard the product, the price, and advertising, as well as maximal utility of time and place offered by logistics [6].

II. Tasks and objectives of Logistics Marketing

Marketing Logistics is an integrated function of marketing and logistics, aiming at completing their respective objectives. Marketing and logistics management consists a kind of coupling and an integration of two management

concepts, i.e. logistics – sectionally focusing on flows, and marketing – oriented towards the market.

The base for this is to meet the expectations and needs of the customers. Marketing Logistics contains both the elements of distribution logistics, and the elements of supply logistics.

The tasks of Marketing Logistics:

- fast and flexible response towards changes in demand and customers’ needs,
- maintaining a high level of customer service,
- maintaining appropriate relations with customers and contractors,
- building competitive advantage,
- serving the clients at lowest cost possible.

The basic logistics and marketing objectives, analysed in regard to enterprises, include:

- shaping the optimal structure of added value and cost level along the logistics and marketing value chain,
- shaping appropriate level of profit in the long term,
- strengthening the enterprise’s competitiveness on the market.

Considering long-term interests of enterprise, the marketing objectives connected with shaping appropriate conditions for the realization of exchange should be noted, as well the increase in market share as the foundation for enterprise’s success. Also important is the orientation of logistic towards the rationalization of cost structure within the circulation of information and products, and discovering and creating new effectiveness potentials, present in the flow system [2].

A change in the approach towards the main objectives of logistics can be observed, and it takes the form of:

- highlighting the significance of logistics within shaping the optimal structure of relations in the flow systems,
- discovering and creating the potentials,
- shaping new structures along the whole supply chain,
- acquiring integrated marketing and logistics effects.

Marketing and logistics objectives, which indicate integration, as significant orientations in management, continuously more significantly and more effectively determine the general system of goals and values, in the scale of the whole enterprise, and at the same time the level and the structure of its market and economic results [3].

The basic phenomena and reasons resulting in the need of integration of logistics and marketing are the increase in the level of market diversification, increasing competition, integration of economic and decision-making processes, and the development of new technologies. The concept of marketing and logistics management is based on three elements:

- customer’s satisfaction,
- integrated marketing and logistics activities,
- enterprise’s profit.

The graphical representation of this concept is as shown on figure 1.

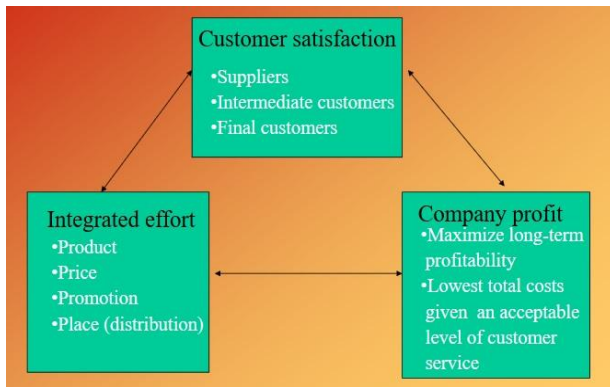


Fig. 1. The concept of marketing and logistics management.

At one hand, the satisfaction of enterprise's customers is achieved outside the coordinated marketing activities which regard the product, the price, advertising and distribution – through maximisation of the utility of time and place, offered by logistics.

On the other, achieving an acceptable level of profit in the long term is determined by a decrease in global logistics costs, achieved however with the assumption of a certain level of customer service [1].

III. Strategy of Logistics Marketing

Logistics is a strategic potential and an instrument that supports initiatives and components of market strategies in the long term. The level of effectiveness and impact of logistics as a strategic instrument depends on the level of integration with enterprise's marketing, and actual influence basing on the field of enterprise's impact. It also depends on the level of market orientation. The coordination function takes a detailed role here, particularly within the meaning of “contact points” between logistics and marketing. The field of contact points, in regard to a production enterprise, consists distribution logistics and supply logistics, together creating a joint structure of marketing logistics.

In order to avoid a situation in which these contact points could result in conflicts, or quite contrary, in order to make it possible to use logistics as a strategic potential and a determinant for results, it is necessary to integrate marketing and logistics in the general competition strategy [3].

When forming the strategy, one must be aware that only the long term and comprehensive creation and utilization of potentials, and marketing and logistics abilities can lead to simultaneous realization of mutual assistance of the mentioned objectives, within the structure of general objectives of an enterprise. In consequence, the total and the structure of values and market and economic benefits, generated and offered by the production field, are enriched and extended through the realization of proper programmes and marketing and logistics activities [2].

Integration of different processes and logistic functions in the framework of logistic system and logistics management,

as well as integration of this system with marketing system in scale of a company and market is reflected in an integrated concept of logistic – marketing management, constituting fundamental aspect of modern company management. Logistic – marketing management constitutes linkage and integration of two concepts, on one side – logistics as a management concept oriented on flows, and -marketing as a concept oriented on company management, on the other. Both mentioned management concepts meet on very fragile ground which is market, determining a strategy of company's acting on delivery and distribution market. Present logistics and marketing are treated as dual concepts of integrated company management. Logistics and marketing are defined as main orientations (criteria) of management in a company and interpreted in the real sense as significant (equivalent) spheres of functional and integrated processes in company. Preparing a strategy of a company, special attention should be paid to the relation between logistic and marketing strategies [7].

Conclusion

Customer's satisfaction, as the long term objective of marketing activities, consists an assumption for shaping the value chain. Logistics allow effective management over flows, and in consequence efficient and effective customer service. This coincidence of assumptions results in competent combination of marketing and logistics activities providing a greater result, compared to results achieved in separate utilizations of individual concepts. The concept of an enterprise of the future and the manner of its realization are tested by the market. The key problem is a thoroughly analysed, intelligent, and effective stimulation of changes in the conditions and environment of an enterprise towards such, which will prove as the most advantageous. This will allow sustainable development and prolonged market presence [5].

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