Marketing Logistics: Opportunities and Limitations

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Abstract
The basic principle of marketing is regarding customer satisfaction and customer needs and logistics regarding the integration of information, transportation, inventory, warehouse, material handling and packaging. When marketing converge logistics, idea is responsiveness, reliability and relationships. In development idea, there are two areas which are demand creation (marketing) and demand fulfillment (logistics). In the view of marketing advantage, it is regarding customer franchise; brand value, innovation and benefit focus, customer value; cost of ownership, value adding relationship and service quality and the last one, supply chain effectiveness; low cost supplier, agile response, network management. This paper focuses on some of these three strategies process and managing marketing logistics which are to gain competitive advantage. Three strategies are customer relationship, customer value and demand driven supply chain management. They have to connect together with a model of managing cross-functional process. And also a model trade-off show that how to create customer value. One model is developed to be more efficiently of competitive advantage. Finally, key issues of managing marketing logistics that is the need for organization change, manage process, to manage supply and demand and what gets measured set handled. It is expected that these explore the way are interested to join and go on to be strength organizations in positioning.

Key Words: Marketing logistics, demand driven supply chain, customer relationship, customer value
Introduction

Traditionally, marketing and logistic have been managed separately in most business because it is hard to understand and strategic importance of customer service. Many companies focus in the marketing in the classic 4 Ps’ of product, price, place and promotion. Now in the market have high competition so there is widespread recognition that is not so much through what they do, but through how they do it. One more thing is which key business processes are managed and how those processes aligned with the customer demand and can be as important as quality of the product or its price. In additional, markets become commoditized and as customers become more time and service sensitive so the need to manage the marketing and logistics interface increase.

Review of Literature

Philip Kotler have claimed that Marketing Logistic is regarding inbound and outbound distribution and involves the entries supply chain management system which link marketing logistic in four items. First, is why greater emphasis I being placed on logistics. It offers company a competitive advantage such as cost saving, quality of product, improving logistic and distribution efficiency. Second, goal of logistic system: companies have to average the benefits of higher service against the cost that should be leased. Third, major logistic function, it concerns warehousing, inventory management, transportation and logistic information management. Forth, integrated logistic management through shared projective and outsourcing of logistic firm to third-party is becoming more common.

PMS Ltd. concentrates on delivery material, production through the assembly of items into campaign pack. It provides the skilled resource to manage crucial cleaner such as data collection and response handling.

NV.Afanasyeva,G.L. Bagin, G.Leidg have mentioned that marketing have developed to be market logistic. It should facilitate interaction of the two management concept. Market – Oriented concept and Flow – Oriented logistic enable producer raise material and information properties of a product evaluate. This integrity stimulates emergence of the so called market logistic within structure of logistic that provides the customer with wide choice options

Thomas Craig (1998) have evaluated that a marketing strategy based on logistics and effectiveness which should have two parts. First, the companies must have a solid logistic program and leading – edge. Then, they are able to tailor to meet the requirement of individual customers. They have to do what each of customer’s demand and also can approach the standard.

Concept of Marketing Logistic

Marketing Logistic focuses on the ways in which customer service can be leveraged to gain competitive advantage. Companies have managed marketing and logistic activities align their respective strategies within the context of the wider supply chain. Logistic refers to physical distribution which are planning , implementing and controlling in transportation, materials handling, order processing, inventory control, warehousing and packaging. Marketing is to respond the customer demand and them to get the high value and worthwhile to exchange. Logistic is demand fulfillment for demand creation that is marketing to make nearly complete in customer satisfaction.
When marketing logistic converge together, they are based upon to be strategically connected: the consumer franchise, customer value, and the supply chain. This study purpose and develop a new model to fulfill and support a theory of marketing logistics and illustrates interaction between individual organizations.

**Proposed Model of Marketing Logistic**

This section covers a proposed model of marketing logistic. The model has focused on two items which are to concentrate on managing cross-functional process in the business to provide efficient use of resources to be output and align with customer satisfaction. The last one is to provide logistic and to integrate in the beginning of process to the customer. Logistic is able to be developed and implemented in specialty for any business.

This model was adapted from three critical which are managing cross-function process, supply chain process and demand management interface. There are from base on basic and to be developed to identify the function precisely. They are present on figure 1-2 and the last one is adapted from three above.

![Figure 1 Managing Cross-Function Process](image-url)

This diagram is management to process management so it has five main core processes which are adapted to Figure 3.
**Figure 2** Demand Chain Management Adapted from Traditional Interface

**Figure 3** Propose Model of Marketing Logistic
Marketing Logistic model is assumed that it presents logistic involve to all of process so it can gain efficiency competitive advantage for both of internal and external organization. Its function support organization to plan, control and implement whole of the process. Marketing management always recognized customer satisfaction and one more thing is not too less necessary that is brand awareness. Today, branding is such a strong very much. This shows that if branding can align with customer early, that business is take advantage in game. On above approaches in all process that begins on supplier until to customer because it can present characteristic precisely to be reminded by customer as well. It is important what it should to be.

Implementing the Model into Practices

For this propose marketing logistic need to define logistic into whole of process because it helps companies for planning, implement and controlling that achieve goal of organization. It can apply to implement in whole of functions. Supply chain process is developed to be marketing logistic with logistic and marketing management that is brand awareness. Basic, Logistics manager should understand customer service and the trade-off opportunities in distribution. Then they can link to beyond the warehouse and also to manage customer on time. The demand chain management is expanded overview precisely of managing the supply chain on original this part. It is also including brand awareness that is generally not claimed in this part. It is concern indirectly to their customer because to be heard in name and not indeed the detail of product. Actually, it begins input to output of this process. Category is one important because is a good strategic management of product categories to maximize profit and satisfy consumer. It concludes in the link of demand management interface. Its effective should pool and leverage the knowledge of retailer and suppliers to lead to better collective demand management and a more attractive offer for the consumer. All this is to cooperate in organize in the same way and can achieve competitive advantage to be gain market share and long-term profitability.

Summary

The theory and model presented here is expected to gain competitive advantage in internal and external organization. Marketing logistic model is relationship with organization. It is linked supply chain process so it is additional the logistic to align in each item. This model expected that if the partners in organization cooperate to adapted logistic system in business, it ensure to gain efficiency implement so especially, marketing management is gain efficiency to work as well. And also, category management can improve its operating efficiency all of three which are manufacturer-retailer/buyer-seller interface. This relate through customer satisfaction. From above, bring them to joint, If they can control internal organization, it is good to support implement and develop strategies to competitive with others.

References