Janusz Zробек

MARKETING OF LOGISTICS CENTRES IN POLAND
IN THE CIRCUMSTANCES OF THE EUROPEAN INTEGRATION

Abstract. In the activity of the logistics centres it is necessary to concentrate not only on the technical aspects but first of all on the strategic market aspects. Therefore, there is a need to use marketing instruments to intensify competitive abilities of logistics centres located in Poland. Marketing instruments enable enterprises to adapt to the growth process and structural changes taking place on the transport market in integrating Europe. Furthermore, marketing instruments support logistics centres in achieving up-to-dateness and stimulating favorable structural transformation.

Key words: marketing, logistics centres, competition.

1. INTRODUCTION

Growing competition on the market calls for application of modern management techniques. It is then advised to support all the actions with factors intensifying the competitiveness of logistics enterprises, which is especially significant in the circumstances of intense European integration, offering chances of boosting the development of logistics services, dynamizing their market participation as well as toughening the competition. Entering the European Union and its fierce competition is an incentive for strengthening the market position of logistics centres.

Logistics sector is becoming more open and attractive to enterprises from the outside of the European Union. That will consequently lead to toughening the competition and necessity to search for a constantly growing number of new customers. The tendency is to make present customers more dependent and at the same time win over new clients who either haven’t used such services before or have been serviced by competitive operators.

Therefore, a range of various marketing instruments supporting the development of logistics centres has to be applied. For economic entities, marketing

---

* Ph. D. Hab., Professor of the University of Lodz, University of Lodz.
has become the main method of adjusting the centres activities to the growth processes and structural changes; it is simply a means of efficient realisation of the goals. Marketing techniques are beneficial for the process of tuning logistics services to the changing circumstances and improving their efficiency on the market by skilfull matching and application of marketing instruments.

Therefore, the main objective of the article is an attempt to present possibilities of applying marketing instruments for strengthening the market position and competitiveness of logistics centres in Poland in a broader context of European Union integration.

2. REASONS FOR THE DEVELOPMENT OF LOGISTICS CENTRES

The factor which contributes to the development of logistics activities is the development of economy, especially its internationalization which results from joining the European Union. EU access had a very positive influence on the logistics market growth since economic growth translates positively into commercial turnover increase and consequently the development of logistics. Not only does the local market develop rapidly but it also opens wider and integrates into common EU to a larger degree. The growing scale and spectrum of activities require proper actions aimed at logistics development since the main factors integrating economic undertakings are freight movement processes and activities supporting them.

The need to transport goods causes the growth of transport volume whereas abolishing restrictions on transport capacities for all potential contractors makes the flow faster and more flexible.

Consequently, optimizing the logistics system is necessary to achieve satisfactory economic performance of the country. Intermodal and warehouse infrastructures play a vital role in logistics centres; they provide warehouses and specialised technical base enabling handling different modes of transport. They influence logistics chain efficiency.

Other benefits are creating jobs, enabling technological thought exchange, and last but not least matching supply with demand thanks to storing and maintaining contacts (Mindura M. [2008], p.504).

Creation and development of logistics centres are mainly influenced by new economical trends which affect their performance in logistics chains. We may point to: (Fechner I. [2007], p.12).

- Global logistics strategies –accounting for the relation between the growing tendency to centralize management, production and distribution, and the local market requirements;
- Focusing the production of certain products in one plant and at the same time arranging supplies to local markets.
- Centralization of storage and decreasing the number of warehouses contrasted with the conception of locating the store near the buyer’s production site, which requires centralization of management and full monitoring of the store flow;
- Rule of postponement resulting from local customers’ preferences, a need to differ products offered, which makes entreprenours apply the rule of postponement/system, to gain optimally differentiated offer at most limited number of normal goods.

Localization additional with postponent systems by making such choices that its final version might be configured and finalized on the local market.

The trends have a direct impact on factors determining the development of services on the logistics market, for instance: customer’s requirements, supplier’s market growth, high service standards and competitiveness. That is why in transport processes there is a need for a strong link where certain operations on freight might be carried out to satisfy various customer’s expectations; they include unloading, consolidating, reloading and many others. The tasks are undertaken by specialized logistics operators who had built logistics centres as a part of logistics infrastructure and now offer complex logistics services. They are able to meet the expectations and catch up with the tendencies. (Najlepsze praktyki w logistyce [2006], p. 203).

They organize goods circulation and raise the effectiveness of freight movement by creating conditions for optimal logistics processes; the centres influence efficiency of logistics processes, including raising the level of customer service, create the value in logistics chains and lead to the reduction of costs. What is more, the centres also provide for availability of logistics services, optimal use of transport modes, shipment time planning within the chain, at optimal use of capacity, and managing and controlling the orders and stores Walczak M. [2008], p. 11). Functionality of the centres depends on such factors as their type and size, modes of transport offered, kind of freight handled as well as business neighbourhood and general demand for logistics services.

Because of its geographical location- between two large markets, European and Asian, Poland is assumed to have positive prospects for the development of logistics centres, which boosts expansion of the companies to eastern and southeastern markets (Mindura M. [2008], p.503). An opportunity like that will surely attract many companies and will lead to a stronger competition between them, because market saturation is growing despite the demand not being fully satisfied.

This considered, the most characteristic feature of modern logistics areas is aiming at a wide range of functions offered. Despite basic services such as transshipment, adjusting and storing, they also offer a spectrum of additional services like deconsolidation, packing, repacking and attaching documents (e.g. warranty
certificates), loading goods on pallets, labelling, numbering batches of goods, laminating, etc. and which is of predominant significance for becoming competitive- further specific tasks performed on the client’s request. (Mindura M. [2008 ], p.67).

3. LOGISTICS CENTRES AND CUSTOMER SERVICE – COMPETITION ASPECTS

Infrastructural basis and technologies applied should first of all meet the market challenges related to customer service. Customer service is seen as a skill or ability to satisfy client’s demands and expectations, especially in terms of time and place of supplies, while using all the logistics instruments available. (Kempny D.[2001], p.15). The level of customer service offered by logistics centres is based on efficient maintenance, area availability, quality, technical consultancy and profitability. The attitude to customer service is gaining in importance. It has even been given its own name- customer logistics. (Kempny D.[2001], p.15).

Activities of companies being a part of a supply chain should be focused on customers’ needs and related to their individual preferences. The attitude ought to be represented by all the participants of the chain, since every unit’s actions shape the bottom-line offer, and in consequence, may cast light on the customer’s preferences (Fechner I.[2004]p.11). It is especially the case of markets which deal with institutional clients (as in the case of logistics centres) who are more demanding and yet less susceptible.

Logistics centre functions are changing along with the clients’ growing demands, sharpening competition and development of supply networks; they are supposed to perform brand new functions. Logistics operators are expected to decrease the general cost of the whole operation with their services, improve the quality of contractor’s customer service and enable the contractors focusing on their elementary tasks. That requires close cooperation on various levels and while fulfilling various tasks. The span of tasks carried out by logistics centres is wide and diversified. Services offered must meet the client’s demand, remain closely integrated with the customer’s expectations; also, constant information flow and active participation in the tasks and other problems are expected. Actually, each assortment group requires proper solutions and technologies tuned to specific storage and transport requirements. Keeping high standards of customer service is most dependent on system innovativeness, constant flow of information as well as a high level of logistics management of the whole logistics cycle.

The next aspect to be closely looked at is competition on the logistics services market. Due to the fact that density of logistics centres isn’t particularly
big, competition in Poland is still not that high, however, the problem will be growing and so will the competition. Competition circumstances are gradually changing because a few transition periods were introduced to the EU access treaty.

Generally speaking, competition depends on many external and internal factors. In the first group there are: policy of the country and institutions related to logistics centre activity, infrastructure conditions, relations with customers and competitors. As for internal factors, the most relevant are management style, entity’s turnover capital, modern techniques and technologies and quality of the logistics offer.

Competitive advantage of a logistics operator might be seen in terms of resources differing it from other competitors; one could point to many distinguishing factors, especially those which result from application of new technologies. They may be: improving the value of the offer or raising clients’ convenience when making decisions about localization of distribution centres, means of product delivery, etc. It is often assumed that resources responsible for building up competitive advantage should be unique, hard to imitate and non-substitution. Lower costs and ability to be distinguished in the consumer’s eyes are believed to be the main source of advantage over competitors. (Christopher M.[1998], p. 12).

Factors which influence competitiveness are: operation scope, activity scale, infrastructure, latest technologies and optimal level of additional services (like packing, jobbing production, repairing, product individualization, electronic service, e.g. providing software for electronic systems, warehouse cash registers, etc.). A modern and yet competitive logistics company is also expected to cooperate with the customer in the area of offer creation, consultancy, flow optimization solutions, ways of appealing to customers, therefore offering flexible services responding to most customers’ needs. It also enables flexibility in reacting to changing market demand.

Apart from basic operators’ competences, new significant tasks (which customers are reluctant to carry out) appear. They are the so called Value Added Services (VAS)—extra transportation services including display arrangement, set packing, organizing individual promotion events and etc. They help to create competition advantage because they remain far from traditional logistics services and require rare and hard to copy skills.

An offer is competitive if, it offers most value added in the customer’s opinion. Clients have clear expectations as far as the value added is concerned. A logistic centre should offer more value than its competitors. The situation influences their actions and final choices. A better and wider offer boosts customers’ expectations and consequently causes development and improvement of expected value added.
Logistics centre offer is closely related to customer service seen as efficient performance and taking actions related to product flow, based on certain standards created from the customers’ point of view and subject to his needs and priority in dealing with. The aspects influence attractiveness of the centre’s offer and enable efficient fight with the competition. (Petrykowska J.[2007], p.191).

Logistics centres should define service in terms of their customers and tune logistics processes to fulfill their needs. (Christopher M., Peek.H. [2005], p. 440). Marketing attitude is gaining in importance because of transferring emphasis onto the customer. All logistics centre activities are aimed at satisfying the client’s needs and for this reason they should be synchronized with marketing activity. Thus, the final recipient’s needs remain in the focus of attention, which calls for a deep knowledge of the client, his needs, market position and financial capacity. Ability to do create new values by means of various marketing actions raises overall competitiveness of a logistics centre.

4. MARKETING SUPPORT FOR LOGISTICS CENTRES DEVELOPMENT

In managing market entities, one mustn’t forget the meaning of marketing and the market. The aspect becomes the key to success. Focus on the client and aiming at satisfying his needs seem to be most significant factors in managing the logistics centre.

In free market economy, the future of logistics centres depends mainly on marketing and the market. Marketing became the main tool used to adjust the offer to market expectations in the circumstances of ongoing growth processes and changes happening on the market, thus a way of running a company. For this reason, marketing conception is stressed and adapted as a managing technique supporting service activities of giant logistics centres. They are expected to provide optimal solutions for the customer and offer handling any kind of goods, accounting for its size, weight, and destination. A growing demand for transport services, services for operators and friendly surroundings calls for new instruments improving the development of logistics performance. Integration of marketing and logistics is the basic dimension of modern enterprise management. Coordination of those two in terms of market activities is a guarantee of successful undertakings (Gołębska, Szymczak [2000], p. 80). Further positive aspect resulting from the high level of logistics operations are higher venture and customer’s satisfaction.

Logistic centres will be constantly competing for the market share and, as in all markets, weaker competitors might get eliminated. The market calls for a more dynamic an active attitude accounting for the growth of logistics centres mean-
ing in terms of acquiring and keeping permanent advantage as well as gaining beneficiary results for all participants of the supply chain (Coyle, Bardi, Langley Jr. [2002], p.152). From the point of view of market efficiency, potential preferences for a lower number of centres are fully understandable. Therefore, the primary objective of a single company is being able to make decisions and take actions that will let meet customer demands and expectations in accordance with marketing rules. It entails taking on customer orientation which in practice means offering best possible solutions. The aim of logistics centres is to create such conditions that will boost sales, mainly by raising sales efficiency and simplifying its organization. In order create optimal value for the whole supply chain, customer service in a delivery chain should be constantly increased (Coyle, Bardi, Langley Jr. [2002], p. 152).

Logistics centre performance needs market approval, especially when it becomes the central point of an integrated logistics process including production, transport, storing, trans-shipment and order fulfillment; the whole process must lead to optimal supply flow at a minimum time. To achieve positive market results, people managing the centres have to overcome growing problems and seek efficient methods of improving market result. It stands for management that generates revenue. Understanding the servant’s role of marketing in relation to buyers is gaining in popularity. Because of luck or too little demand, the offer might not correspond to the expectations. Therefore, customer needs awareness is the main factor determining market success. Customer feedback boosts new solutions and rapid commercialization of them. It is also important to get the offer approved by as many clients as possible in a relatively short time.

Offer competitiveness is not only related to an attractive price, but, increasingly, it is also determined by providing other facilities which bring substantial benefit to potential customers throughout the whole period of cooperation. Two most important factors for the development of this sector is quality and productivity of services offered by logistics centres. Customers expect investment in modern infrastructure and technology, because they enable managing logistics according to the highest standards. Applying them while performing such services as storing, trans-shipment and many others provides the clients high value added.

That explains the need to assume marketing orientation of the market. Marketing activities are present at all stages of a logistics operation, including preparing the logistics centre offer, undertakings held and expanding to further market areas.

The specific nature of a logistics centre’s resources and opportunities results in their market orientation. They are huge economic entities which might devote abundant resources to market performance and their marketing specialists might perform a wide span of duties.
Marketing attitude is based on gaining, transmitting and using information as the basis for marketing activities conformed to customer expectations. It is based on an integrated global software network as well as state-of-the-art technologies and information solutions. However, information must be used more effectively. One must not overlook competitiveness sources resulting from the knowledge of the market and its needs. By the use of state-of-the-art information technologies and logistics structures, logistics centres should aim at tightening bonds with their clients. Technological progress of information creates new opportunities. Reaction to market feedback needs to be quick and flexible, so that the decision maker is able to control the process of offer preparation and marketing operations, which is significant from the point of communication efficiency, both social and market.

Marketing instruments comprising the classic ‘four Ps’- price, promotion, place and product- contribute to the internal development of logistics centres, getting acceptance for their offer and improving their market stability. Competitive advantage results especially from innovative application of marketing instruments in logistics. Centres should be equipped with the latest technical and technological solutions, e.g. temperature or security control systems. The instruments encourage economic activity and facilitate generating higher revenue. Cooperation in the field of services offered by logistics centres creates a framework being a strong stimulus for expansion, gaining higher revenue, achieving objectives desired in logistics companies and has a positive influence on the customer.

Adapting a marketing conception for logistics centre management is not an easy task. Centres may differ in various aspects; they have lots of distinguishing features and thus differ in terms of marketing instruments to be applied.

Beneficiary marketing instruments become an efficient tool for raising profitability, and what is more, they intensify effects of other methods aimed at the same goals.

Therefore, it is advised to respond to market chances not only by raising productivity, skilful adaptation or offer making, but also proper market activities. Ability to sell services is related to certain market operations and introduction of the most effective marketing conception as the basis of logistics centre performance.

While implementing marketing orientation, the idea of its necessity must be reinforced to all the interested chain links. It ought to be supported with suitable marketing infrastructure, enabling organization of market activities. In the field, Poland needs many well thought-out changes and following other European Union countries experience.
5. CONCLUSIONS

Present stage of integration with the European Union has a positive impact on the development of logistics centres; access to modern technological and organizational solutions provides an opportunity for their long-term application in economy. The processes are accompanied with significant challenges resulting from tangible reality changes after joining EU, which at the same time boost the chances but also dangers to logistics centres functioning.

Changes occurring in the economies of EU countries point to the growing significance of extra production factors influencing logistics centres development. Marketing support is exceptionally useful for entities related to highly competitive European markets. Marketing attitude helps to adjust to the new, demanding, still developing market and its evolutionary changes. In fact, technological transformations in transport network functioning are not the only basis for logistics centre’s existence or development; it is the facilities offered to customers and submitting the offer to their requirements that matter most. The situation results from a complex interaction between the centre and its customers in given economic circumstances. Logistics centres performance must be based on being useful to their customers, which is the real value. They have to satisfy the current as well as potential users’ needs. For this reason, it is market not just strategic technical aspects that must be in the focus. Only profitable operations are a guarantee of market success.

Enabling marketing orientation, being the crucial element in the whole logistics process, is the main element of commercial success on the EU market. Marketing activities gain in importance when a logistics centre becomes a link coordinating order fulfillment in the whole supply chain and when its main objective is to offer the clients complex top quality service – from standard transport and storage services to a wider access to activities adding to the value e.g. quality monitoring, repairs or standardization of services. They intensify processes leading to creation of logistically positive customer attitudes. Moreover, they bring about building up values conforming to users’ needs, which gives an opportunity to win permanent competitive advantage in the circumstances of European integration.

REFERENCES


Janusz Zrobek

MARKETING CENTRÓW LOGISTYCZNYCH W POLSCE W WARUNKACH INTEGRACJI EUROPEJSKIEJ

W działalności centrów logistycznych ważne jest, aby koncentrować się nie tylko na aspektach technicznych, ale przede wszystkim strategicznych aspektach rynkowych. Istnieje zatem potrzeba wykorzystania instrumentów marketingowych, aby zintensyfikować zdolności konkurencyjne centrów logistycznych zlokalizowanych w Polsce. Instrumenty marketingowe umożliwiają adaptację przedsiębiorstw do procesu rozwoju i zmian strukturalnych, które mają miejsce na rynku usług transportowych w integrującej się Europie. Co więcej, instrumenty marketingowe wspierają centra logistyczne w dziedzinie nowoczesności i stymulowaniu korzystnej transformacji strukturalnej.

Słowa kluczowe: marketing, centra logistyczne, konkurencja.