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# Chapter 1: What is Marketing?

## Objective:

- Discuss and understand what the marketing is.
- Understanding why we need to do marketing.
- Get to know the tip for successful marketing activities.

## 1. Introduction:

The Chartered Institute of Marketing offers the following definition for marketing: “Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably.”

It is a bit of a mouthful, but it highlights that the customers is at the hearts of the marketing, and businesses ignores this at their peril.

## 2. Why We Need To Do Marketing?

So if you are already “doing” marketing, what’s the problem? The issue is that not realizing that you are doing marketing makes it less likely that you can repeat the activity consistently over time. It is not such an obvious problem when your organization is very small, but marketing on the hoof becomes less feasible as you grow. Applying a simple marketing framework enable you to identify which activities are effective and under what circumstance. You can then plan to use them again when appropriate.

The advice elsewhere in this study gives reasonable, practical suggestions for marketing that will enable you to build on what you are already doing.

## 3. Importance of Marketing.

There are a few reasons why we need to do marketing for our business. Those reasons are:

- **Getting Word Out:** For a business to succeed, the product or service it provides must be known to potential buyers.
- **Higher Sale:** Once your product, service or company gets on the radar screen of your prospects, it increases your chances that consumers will make a purchase.
- **Company Reputation:** The success of a company often rests on a solid reputation.
- **Healthy Competition:** Marketing also fosters an environment in the marketplace for healthy completion.

#### 4. Type of Marketing Activities.

There are several of the activities in marketing required the marketer to implement in order to be successful in marketing their own produce and services. Those basic activities are:

- Marketing Research
- Product Research and Development
- Pricing
- Promotion
- Distribution



#### 5. Tips for Marketing Success:

- **Market Creation or Development**
  - Create a category where you are good at – your niche market.
  - If you fail, shift your battle ground and fight where you are strongest.
- **Don't Try to be Better, Try to be Different.**
  - Not all products are created equal – so are consultants
  - But if everything becomes equal, the different will be you.

- **Go Beyond Database Marketing**
  - Marketing is not networking alone, you need skill and tactic too
  - Success = Network + Skill, Knowledge, Tactic
  
- **Motivate Your Customers**
  - How do I share this with my customers to get their interest?
  - Always keep your customers informed – when they understand the situation better, your marketing function is easier.
  
- **Relationship Marketing**
  - Regular communication will help you build that relationship.
  - Customer is less concerned of how much you know but how much you care.
  
- **Positive Thinking**
  - Use the 1-egg or 2 eggs approach to secure a sale.
  - Always close by asking “service A” or “service B” – which option the customer chose, you still make a sale.

## **6. Conclusion:**

Marketing is a must-to-do for the business regardless if the business is big, medium or small. It is providing the business to method of inform the clients about the service or products of the business.

Successful businesses need the good marketing plan and effective implementation in order that they can carry out the marketing activities in the correct way and parallel to the resource of the business.

Hence, the business owner, and companies’ marketer need to understand the natural of marketing and matching it correctly with the type and resource of the company.

## **References:**

1. The Charter Institute of Marketing (2009) Marketing and the 7Ps, CIM Insights, UK

## Chapter 2: Logistics as a Service

### Objective:

- Discuss and understand the nature of service.
- Identify if logistics is sharing the same characteristic of service.

### 1. Introduction:

Logistics possesses all five characteristic which proving that logistics is a service as well. Those five characteristic are

- a. Intangibility
- b. Inseparability
- c. Heterogeneity / Inconsistency
- d. Perishability / Inventory
- e. Lack of ownership / Inability to Own

### 2. Intangibility

You cannot hold or touch a service unlike a product. In saying that although services are intangible the experience consumers obtain from the service has an impact on how they will perceive it.

### 3. Inseparability

Services cannot be separated from the service providers. A product when produced can be taken away from the producer. However a service is produced at or near the point of purchase. Buying the courier services to transfer the belonging from the origin to the destination, the services have been produced by the service providers from when the belonging is picked up till it is delivered.

### 4. Heterogeneity / Inconsistency

It is very difficult to make each service experience identical. Unlike the commodities, where the products are produced at the product with almost the same quality or look, the service quality is varying from one servicing to the other.

This quality varying is result from the expectation of the client and the service provided to them. If the client expects 100% and we fail to meet that requirement, the quality will be low. However, if they expect 100% and we provide them 120% service, so that service quality is good.

## **5. Perishability / Inventory**

Services last a specific time and cannot be stored like a product for later use. If the vessel's space is not fully booked to transport the goods, the vessel owner cannot keep this as inventory to sell it later at all. If we cannot sell the space now, it means the space is useless and gone.

## **6. Lack of ownership / Inability to Own**

You cannot own and store a service like you can a product. Services are used or hired for a period of time. For example, we lease the vessels to transfer the crops from Thailand to the US. We cannot own the vessels, and after the service is done. We have no ownership of the vessel or other instrument at all.

## **7. Conclusion**

We can see clearly that logistic is a service business. To understand the characteristics of the service industry is very much important because the customer cannot touch and own what they buy.

Hence, the service provider must make sure that the buyers/customer can have some kind of physical proof in order that they feel secure about their purchase.

Also, the service quality assurance is also very important, so it is very ideal that we can give them so kind of feedback available from the previous clients in order that buyer can really see that we did a good job.

## **References:**

1. Athens University of Economics and Business: An Introduction to Services Marketing - s. <http://www.aueb.gr/users/esaopa/courses/part2.pdf>
2. Sharon Dobson: Product and Services Strategy - s. [http://busfac32.cob.calpoly.edu/presentations/Sharon\\_Dobson/Ch08.ppt](http://busfac32.cob.calpoly.edu/presentations/Sharon_Dobson/Ch08.ppt)

## Chapter 3: STP Concept

### Objective:

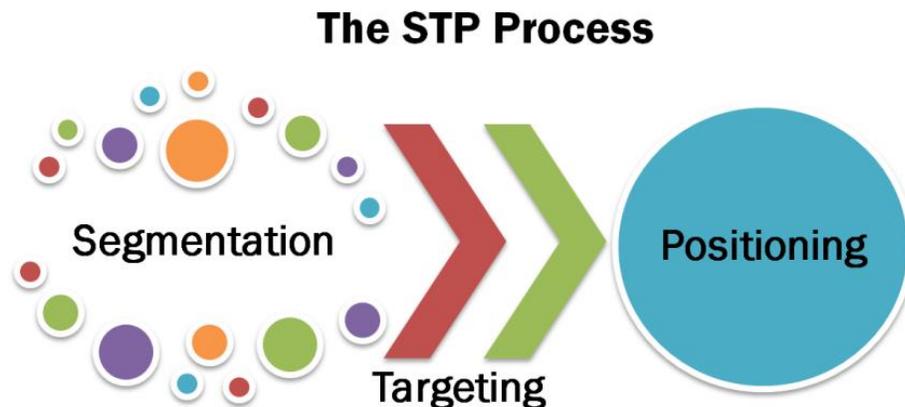
- Discuss and understand what is STP Concept

### 1. Introduction:

The STP process is an important concept in the study and application of marketing. The letters STP stand for segmentation, targeting, and positioning.

The STP process demonstrates the links between an overall market and how a company chooses to compete in that market. It is sometimes referred to as a process, with segmentation being conducted first, then the selection of one or more target markets and then finally the implementation of positioning.

The goal of the STP process is to guide the organization to the development and implementation of an appropriate marketing mix, as highlighted in the following diagram.



- Market segmentation** can be defined as the process of splitting a market into smaller groups with similar product needs or identifiable characteristics, for the purpose of selecting appropriate target markets.
- Targeting** refers to an organization's proactive selection of a suitable market segment (or segments) with the intention of heavily focusing the firm's marketing offers and activities towards this group of related consumers.
- Positioning** is the target market's perception of the product's key benefits and features, relative to the offerings of competitive products.

**2. Conclusion:**

It is very important to target the market segment of the client. By knowing this target we can start to position ourselves in the market in order to offer the most competitive business strategy in the competitions. By choosing right products or services the company going to operate.

**3. References:**

[http://en.wikipedia.org/wiki/Segmenting\\_and\\_positioning](http://en.wikipedia.org/wiki/Segmenting_and_positioning) (date: 01 Oct 2014)

## Chapter 4: Marketing Mixes

### Objective:

- Discuss and understand marketing mixes of goods and services
- Understanding the 4Ps, 7Ps and 8Ps.

### 1. Introduction

Successful marketing depends upon addressing a number of key issues. These include: what a company going to produce; how much it is going to charge; how it is going to deliver its products or services to the customers about its products and services.

Traditionally, these considerations were known as the 4Ps – Products, Price, Place and Promotion. **These first 4 Ps are known as marketing principle.** As marketing become more sophisticated discipline, a fifth ‘P’ was added – People. And recently, two further ‘P’s were added, mainly for service industries – Process and Physical evidence. However, for the logistic service we added one more ‘P’ namely – Partnership.

### 2. Product:

- The perfect product must provide value for the customer. This value is in the eye of the beholder – we must give our customer what they want, not what we think they want.
- A product does not have to be tangible – an insurance policy can be a product.
- Ask yourself whether you have a system in place to regularly check what your customers think of your product, your supporting service, etc. what their needs and now and whether they see them changing.
- Beware going too far with product quality. Don’t try to sell a Rolls-Royce when the customer really wants a Nissan Micra.

### 3. Place:

- The place where customers buy a product, and the means of distributing your product to that place, must be appropriate and convenient for the customer.
- The product must be available in the right place, at the right time and in the right quantity, while keeping storage, inventory and distribution cost to an acceptable level.
- Customer surveys have shown that delivery performance is one of the most important criteria when choosing a supplier.
- Place also means ways of displaying your product to customer groups. This could be in a shop window, but it could also be via the internet.

**4. Price:**

- A product as well as a service is only worth what customers are prepared to pay for it.
- The price also needs to be competitive, but not means the cheapest. The small operators like us could add more value to our service to get more income.
- Thinking of price as 'cost' to the customer helps to underscore why it is so important.
- Price positions you in the market – the more you charge, the more value or quality your customers will expect from their money.
- Existing customers are generally less sensitive about price than new customers – a good reason for looking after them well.

**5. Promotion:**

- Promotion is the way a company communicate what it does and what it can offer customers.
- It includes activities such as branding, advertising, PR, corporate identity, sale management, special offers and exhibition.
- Good promotion is not one-way communication – it paves the way for a dialogue with customers.
- Promotion should communicate the benefits that a customer obtains from a product or service.
- The promotion material should be easy to read and enable the customer to identify why they should buy your service/ product customers.

**6. People:**

- Anyone who comes into contact with your customers will make an impression, and that can be a profound effect – positive or negative – on customer satisfaction.
- The reputation of your brand rests in your people's hands. They must be appropriately trained, well-motivated and have the right attitude.
- The level of after sales support and advice provided by a business is one way of adding value to what you offer, and can give an important edge over your competitors. This will probably become more important than price for many customers once they start to use you.

**7. Process:**

- The process of giving a service and the behavior of those who deliver are crucial to customer satisfaction.
- Issue such as waiting times, the information given to customers and helpfulness of staff are all vital to keep customers happy.

- Customers are not interested in the detail of how your business runs. What matters to them is that the system works.
- Do customers have to wait? Are they kept informed? Are you helpful? Is your service efficiently carried out? Do your people interact in a manner appropriate to your service?
- Process is often overlooked. For example, when the customers call in, we let them wait for long time, and this phone system of process has been set to suit the company's process rather than the customers' minded.

### **8. Physical Evidence**

- A service cannot be experienced before it is delivered. This means that choosing to use a service can be perceived as a risky business because you are buying something intangible.
- This uncertainty can be reduced by helping potential customers to 'see' what they are buying. Facilities such as a clean, tidy and well-decorated reception area can also help to reassure. If your premises aren't up to scratch, why would the customer think your service is?
- Although the customer cannot experience the service before purchase, he or she can talk to other people with experience of the service. This is credible.

### **9. Partnership**

- Without the good partnership with all the suppliers in the logistics procedure, the logistics job cannot be going smooth as promise to the client at all.
- So we have to strengthen the partnership between partners in order make the best out of them.



## 10. Conclusion

Different type of business will need different kind of marketing mix as well. If we are working on the product industry, we will use the 4Ps, and if we are in the service industry, we may use the 7Ps.

Logistics is also the service industry and we will use the 7Ps as well. However, since this service very much relevant to the networking and trust between each other, it is also giving a big weigh on the partnership as well, so it become 8Ps for the logistics.

## References

1. The Charter Institute of Marketing (2009) Marketing and the 7Ps, CIM Insights, UK

## Chapter 5: BCG Models

### Objective:

- Discuss and understand what the BCG Models are
- What we can get to apply on our business from this BCG Models

### 1. Introduction:

The growth–share matrix which also known as BCG-matrix, is a chart that was created by Bruce D. Henderson for the Boston Consulting Group in 1970 to help corporations to analyze their business units, that is, their product lines.

This helps the company allocate resources and is used as an analytical tool in brand marketing, product management, strategic management, and portfolio analysis. Analysis of market performance by firms using its principles has recently called its usefulness into question.



### 2. “Cash Cows”

It is the strategy where a company has high market share in a slow-growing industry. These units typically generate cash in excess of the amount of cash needed to maintain the business.

**3. “Dogs”**

“Dogs” is more charitably called pets, are units with low market share in a mature, slow-growing industry. These units typically "break even", generating barely enough cash to maintain the business's market share.

**4. “Question Marks”**

It is also known as **problem child**. This strategy is used when business operating in a high market growth, but having a low market share. Question marks have a potential to gain market share and become stars, and eventually cash cows when market growth slows.

**5. “Stars”** are units with a high market share in a fast-growing industry. They are graduated question marks with a market or niche leading trajectory

**6. Conclusion:**

The BCG model is the matrix of the combination of the level of the growth of the business' market together with the growth of the market share. It is providing the considerate strategies which the business people may need to carry out in order to response to the situation of the company.

**References**

1. Henderson, Bruce D. "The Product Portfolio". Retrieved 16 May 2013

## Chapter 6: SWOT Analysis

### Objective:

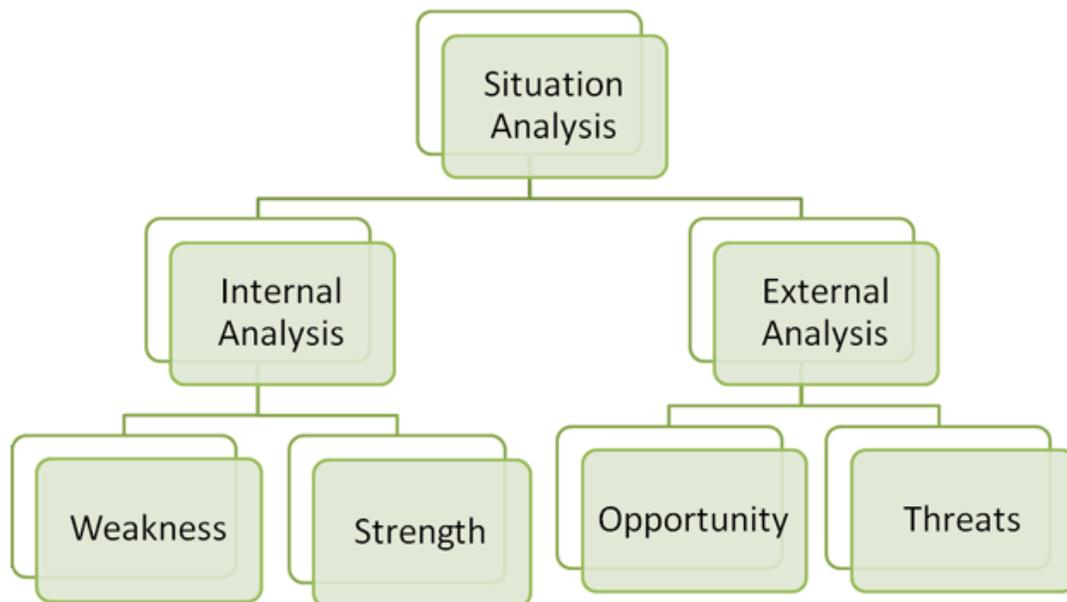
- Discuss and understand what is SWOT
- Using SWOT analysis for the TOWS strategies

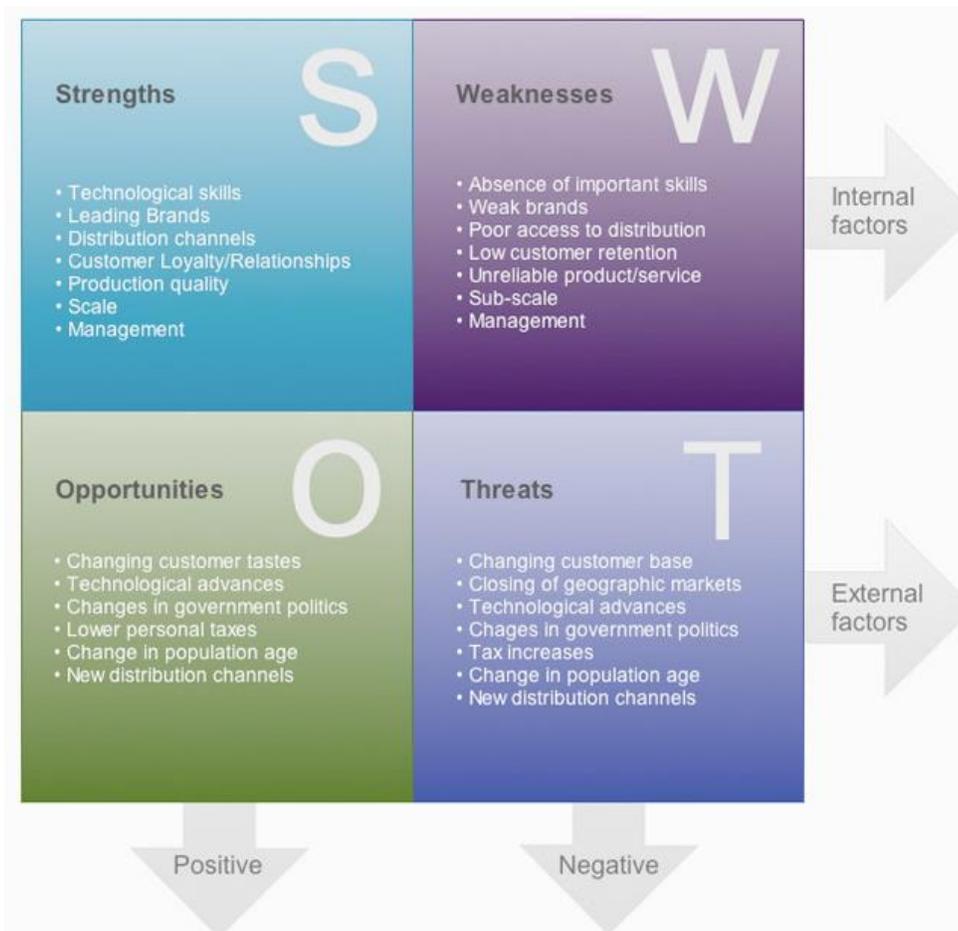
### A. Introduction

SWOT (which stands for Strengths, Weaknesses, Opportunities, and Threats) is a way to analyze and evaluate your current situation and environment.

While it's typically used for strategic planning in business settings, it can also be used in goal setting to help you identify goals that will give you the most benefit.

It is a way of matching your internal capabilities, resources and liabilities with the external factors you are facing.





## 2. Strength

Characteristics of the business or a team that give it an advantage over others in the industry. Positive tangible and intangible attributes, internal to an organization. Beneficial aspects of the organization or the capabilities of an organization, which includes human competencies, process capabilities, financial resources, products and services, customer goodwill and brand loyalty.

**Examples:** - Abundant financial resources, Well-known brand name, Economies of scale, Lower costs [raw materials or processes], Superior management talent, Better marketing skills, Good distribution skills, Committed employees.

### 3. Weakness

Characteristics that place the firm at a disadvantage relative to others. Detract the organization from its ability to attain the core goal and influence its growth. Weaknesses are the factors which do not meet the standards we feel they should meet. However, weaknesses are controllable. They must be minimized and eliminated.

**Examples** - Limited financial resources, Weak spending on R & D, Very narrow product line, Limited distribution, Higher costs, Out-of-date products / technology, Weak market image, Poor marketing skills, Limited management skills, Under-trained employees.

### 4. Opportunity

Chances to make greater profits in the environment - External attractive factors that represent the reason for an organization to exist & develop. Arise when an organization can take benefit of conditions in its environment to plan and execute strategies that enable it to become more profitable. Organization should be careful and recognize the opportunities and grasp them whenever they arise. Opportunities may arise from market, competition, industry/government and technology.

**Examples** - Rapid market growth, Rival firms are complacent, changing customer needs/tastes, new uses for product discovered, Economic boom, Government deregulation, Sales decline for a substitute product.

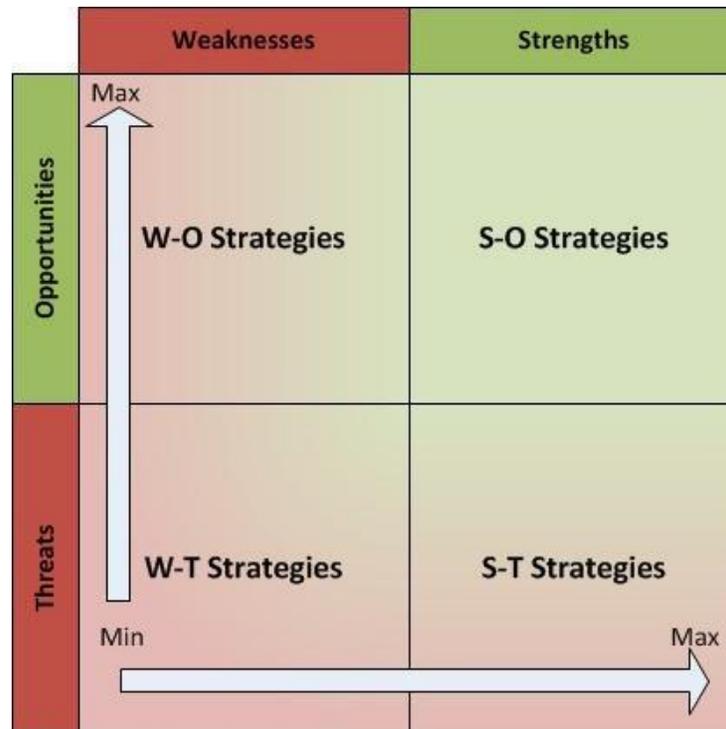
### 5. Threats

External elements in the environment that could cause trouble for the business - External factors, beyond an organization's control, which could place the organization's mission or operation at risk. Arise when conditions in external environment jeopardize the reliability and profitability of the organization's business. Compound the vulnerability when they relate to the weaknesses. Threats are uncontrollable. When a threat comes, the stability and survival can be at stake.

**Examples** - Entry of foreign competitors, Introduction of new substitute products, Product life cycle in decline, Changing customer needs/tastes, Rival firms adopt new strategies, Increased government regulation, Economic downturn.

## 6. TOWS Analysis:

Out form this SWOT analysis, the TOWS Analysis can be created as following:



- A. SO Situation:** Strategies that enable competitive advantage, external opportunities match well with internal strengths, allows for competitive advantage to be built and maintained.
- B. WO Situation:** In this situation company has the more vulnerability - weaknesses, but its environment gives more opportunities. The strategy should include the use of these opportunities while reducing or correcting weaknesses within the organization.
- C. ST Situation:** The source of development difficulties for the company is unfavorable external conditions (prevalence of threats). The company may use large internal strengths in attempt to overcome threats from environment.
- D. WT Situation:** The Company in this case is devoid of any development opportunities. It operates in hostile environments, and its potential for change is small. It does not have significant strengths, which could withstand threats.

## **7. Conclusion:**

It is very important to understand the weakness and strength of the company. Once we know the weakness, we can make the correction of the weaknesses. And for the strength we can make the advantages out of them.

Also, we will need to know clearly the opportunity and the threats in the market as well in order that we can match to our weakness and strength.

## **8. References:**

1. Humphrey, Albert (December 2005). "SWOT Analysis for Management Consulting"  
SRI Alumni Newsletter (SRI International)

## Chapter 7: Case Study – TNT Express



### Objective:

- Discuss and understand marketing strategy of TNT Express
- Write your own marketing strategy.

### 1. Introduction to TNT Express

Founded in Australia after the Second World War, TNT went Dutch in 1992 following rapid international expansion. Our history is noteworthy for decisive acquisitions and a drive for excellence.

Today, TNT Express is a global company, operating in 200 countries around the world. But the company actually started from very humble beginnings, in Australia back in the 1940s, when Ken Thomas set up his own transport business with just a single truck.

Business boomed in the 1950s as Ken's company began offering road and rail freight services across Australia including, for the first time, new overnight services. In 1958, the company became known as Thomas Nationwide Transport or TNT for short and, by 1961, TNT had become so successful that it was listed on the Australian stock exchange.

### 2. Situation - Going Up Against the Big Guys

TNT Express Worldwide was a multi-billion dollar overnight courier service, headquartered in Australia. They were a major presence in the Australia and European business markets with a comparatively small business in the U.S.

Competing against the giants in the industry, Fedex, UPS, DHL, etc., they needed to develop a growth strategy against these much larger, and better funded companies. Having a very small share of the market, and being outspent 20-30:1 in marketing, TNT needed to determine the best direction for their business growth moving forward.

Previously, like their competitors, TNT had a horizontal approach to their sales and marketing programs, i.e. their sales people called on prospects in every industry, and their marketing effort tried to appeal to everyone.

### **3. Solutions – Finding the Best Prospects**

- A segmentation strategy was developed to concentrate on the vertical markets where TNT was most competitive.
- Their unique products for these verticals formed the foundation of the marketing programs for each vertical.
- These unique products afforded them the opportunity to be added to the list of overnight couriers for prospects instead of the need to replace an existing vendor.
- This niche strategy avoided head on sales and marketing clashes with Fedex, UPS, DHL, etc.
- A revamped sales commission program rewarded the sales team for new clients in the selected industries, encouraging the sales team to focus on these new target verticals.
- By concentrating all their marketing dollars against the verticals that the sales team was now calling on, TNT was able to create a presence for itself against its highly targeted audiences.

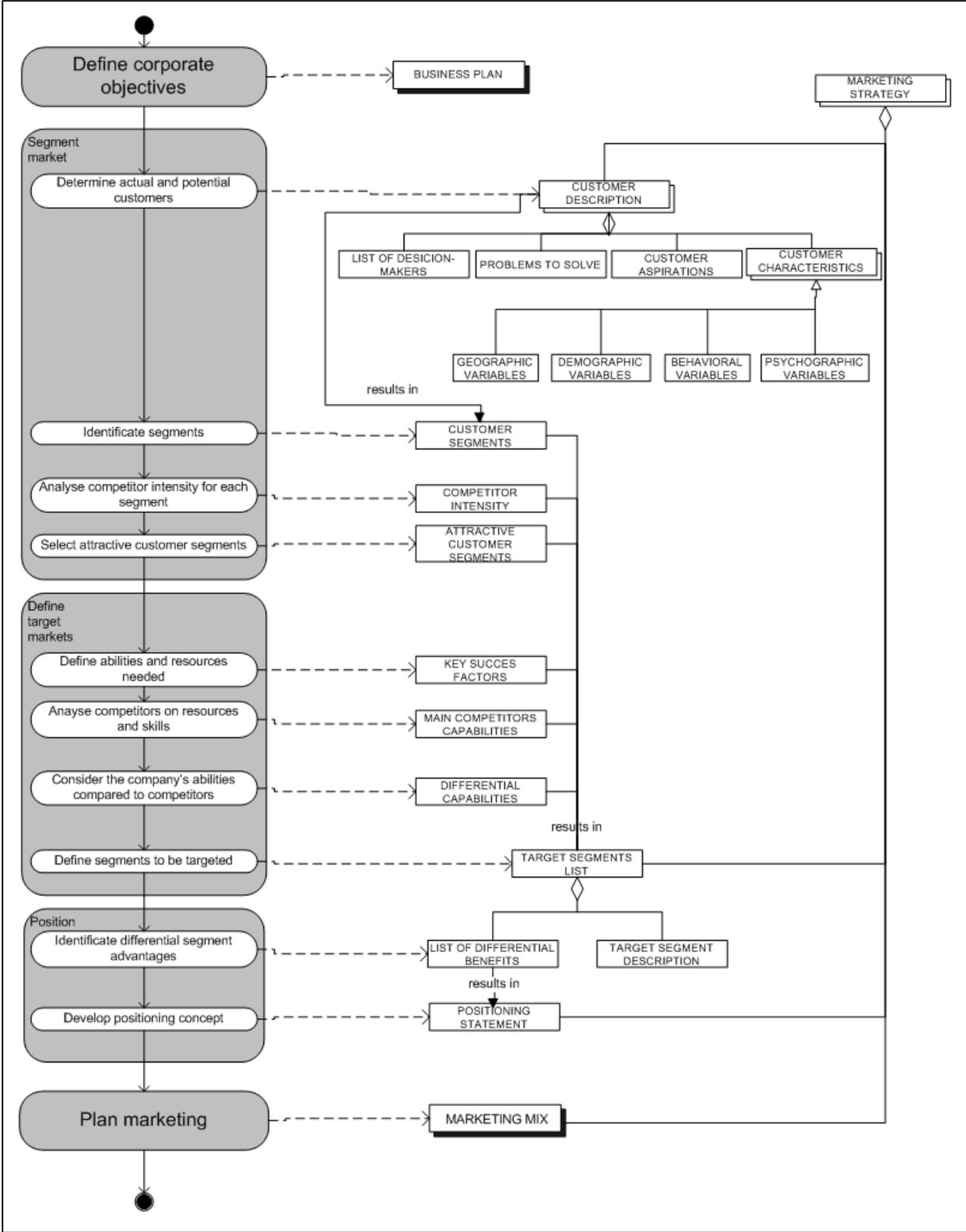
### **4. Results**

After a Year of This New Marketing Strategy, Sales Are Up 25%

- Revenue increased 25%.
- Margins were retained on all product offerings.
- Marketing spending was maintained at the previous levels.

### **5. Plan Your Own Marketing Plan**

From the case study above, you may wish to start writing your own marketing strategy to compete with your respective competitor. Use the following tool to help you to map your marketing plan and strategy.



## **6. Conclusion**

No matter how small your company is; with the right marketing plan and strategies, you will be able to knock down some big players in the market with your uniqueness and your right focus.

## **7. Reference:**

<http://www.chiefoutsiders.com/tnt-express-worldwide>

[http://www.tnt.com/corporate/en/site/home/about\\_us/history.html](http://www.tnt.com/corporate/en/site/home/about_us/history.html)