

THE RELATIONSHIP OF LOGISTICS AND MARKETING IN THE FIELD OF CUSTOMER SERVICE

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Abstract

The paper presents the problem of customer service as the field of the relationship of logistics and marketing. Mutual completion, dependencies and discrepancies of logistics and marketing potentials in the area of customer service have been reflected in the presented logistics and marketing processes in a traditional approach to customer service, the concepts of marketing logistics, logistics marketing or logistics and marketing management.

Keywords: Customer service, logistics, marketing

1. INTRODUCTION

The concept of customer service is one of the least clearly interpreted terms in the theory of enterprise management. While searching for the area of the relationship of the logistics system with the concept of marketing impact on the market, researchers repeatedly come across a range of controversial ambiguities. The consideration of the mutual completion, dependencies and discrepancies of logistics and marketing potentials in the area of customer service is reflected in logistics and marketing processes in a traditional approach to customer service, the concepts of marketing logistics, logistics marketing or logistics and marketing management, presented in the present paper.

2. MULTIDIMENSIONALITY OF CUSTOMER SERVICE

The views of D. J. Bloomberg, S. LeMay and J. B. Hanna [1], M. Cichosz [2], M. Ciesielski and J. Długosz [3], P. M. Price and N.J. Harrisom [4], Y. A. Bolumole, A.M. Knemeyer and D. M. Lambert [5], D. Kempy [6] seem to perceive the area of customer service unanimously. The finding that the multidimensional area of customer service partially includes the field of marketing, logistics and other strategic fields of enterprise management seems to be common for the above authors (**Figure 1**).

The conceptual approach to customer service as the formed system serves the building of the optimal system of information flows, flows of goods and financial flows between the enterprise and the final customer [8]. The service of the final customer formed in this way constitutes, therefore, the area of the common interest of logistics, marketing, finance and other functional areas of the enterprise [9]. However, logistics customer service is the resultant of the activities taken at each stage of the logistics system, i.e. the stage of procurement, production and distribution, which have indirect or direct impact on customer satisfaction with the level of service. The condition of success is understanding the role of individual elements of the system in creating the level of service and relationship between elements (**Figure 2**).

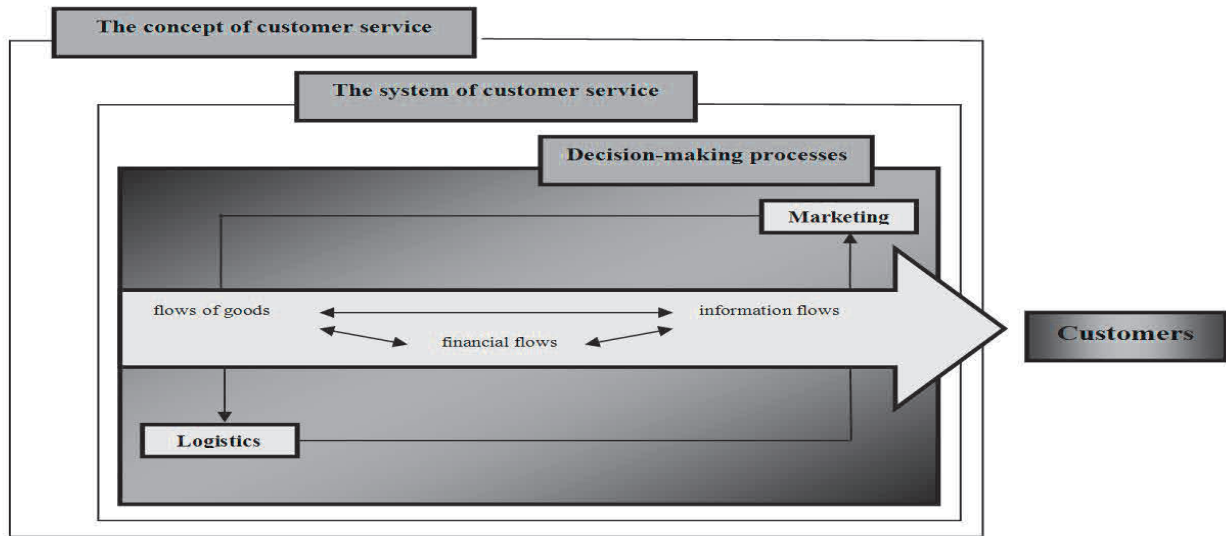


Figure 1 Multidimensionality of customer service
Source: [7].

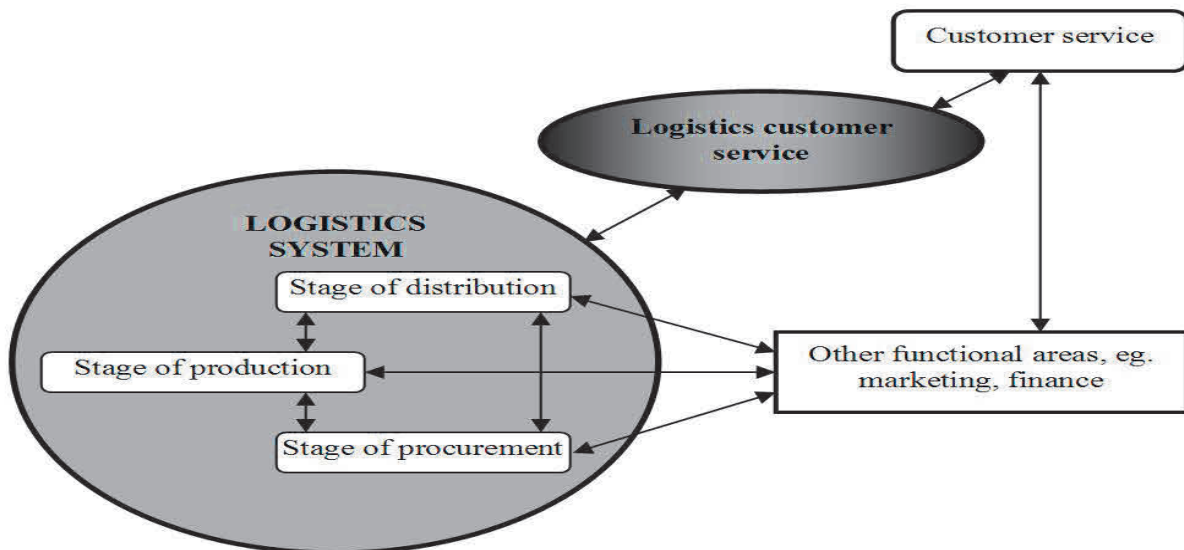


Figure 2 The outline of the formation of the area of customer service in the enterprise
Source: [10].

3. LOGISTICS AND MARKETING PROCESSES IN A TRADITIONAL APPROACH TO CUSTOMER SERVICE

The relationship of the logistics system with the concept of marketing impact on the market is apparently united by the problem of customer service. The marketing dimension of the service, as the area of establishing the relationship with the customer by recognizing their needs and making promises, includes the activities aimed at creating demand [11]. On the other hand, the potential of logistics customer service allows for the physical movement and storage of products for customers in a way enabling their takeover in the right quantity and quality, which allows for obtaining benefits from their delivery at the right place and time [12]. Therefore, the relationship of marketing and logistics is frequently regarded in distribution as an instrument of marketing-mix

via elements directly oriented to customer service (**Figure 3**). Some authors, among others J. J. Coyle, E. J. Bardi and C. J. Langley Jr. [13], P.M. Panayides [14], A. Mesjasz-Lech [15], acknowledge the indicated position of distribution in logistics and marketing processes as a traditional approach to the area of customer service in the enterprise, considering the current approach towards the issue described below.

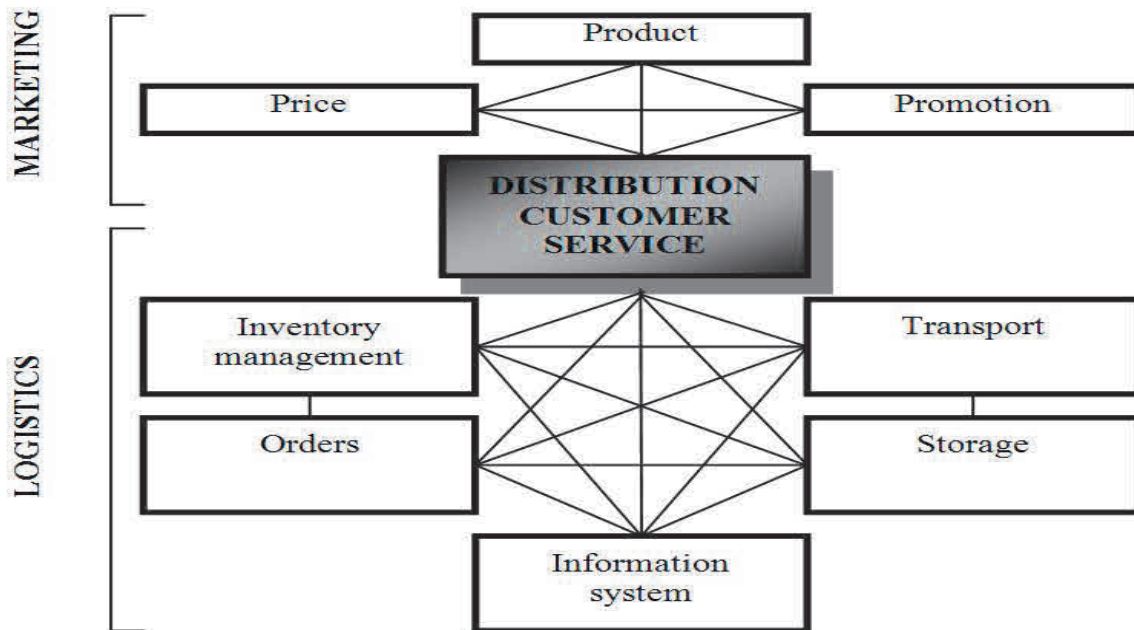


Figure 3 The relationship between logistics and marketing
Source: [16].

4. MARKETING LOGISTICS

In the opinion of many authors, among others, F. J. Beier and K. Rutkowski [17], J. Bendkowski and M. Piertucha-Pacut [18], P. Blaik [19], J. Witkowski [20], the intersection area of the distribution sub-system and the procurement sub-system constitutes the structure of marketing logistics.

The relationship of logistics and marketing is included in the concept of marketing logistics interpreted as “the system of planning and operational activities ensuring that the goods that have been ordered will be delivered at the right time and place, using the most appropriate means of transport, in the shortest route and at the lowest possible cost” [21]. According to S. Krawczyk [22], this definition specifies more the range of distribution logistics while requiring completion by adding “the optimization of transfer of raw materials, materials and components flowing into a specific business entity, optionally, along with their flow through power cells”.

According to T. Barciński [23], the aforementioned views on marketing logistics express the manifestation of the superiority of marketing over logistics. The confirmation of this thesis is the definition of the term by J. Krulis-Randa [24] as “the integrated function of marketing, which, while regulating the flow of products and information, supports the implementation of its objectives in the area of purchase and sales” or the one by R.L. Chapman, C. Soosay and J. Kandampully [25] as “an instrument rationalizing the operation of the whole system of the enterprise, allowing for an increase in the overall efficiency of this system - maximization of profits in a long term by minimization of global costs at the accepted level of customer service”. M. Christopher and H. Peck [26] indicate three main elements underlying marketing logistics: rapid response to customer’s needs, reliability of the service and appropriate relationships.

5. LOGISTICS MARKETING

The analysis of the relationship of logistics and marketing, as opposed to the above, has been conducted by S. Abt [27]. The author replaces the term of marketing logistics with the concept of logistics marketing identified with “the look at distribution channels through the prism of likes of customers and capabilities of manufactures and distributors”. While underlining the superiority of logistics in management of distribution channels, marketing must gain logistics characteristics, i.e. it should serve the strategy understood broader than the marketing activity brought to the products and their maintenance on the market [28]. A similar concept is expressed by M. Szymczak [29], who claims that the marketing activity is a component of logistics and, at the same time, “an element supporting logistics in achieving the level of service expected by customers”.

Apart from the hierarchy in the logistics and marketing relationship, M. Christopher [30] pays attention to the mutual interweaving and complementarity of the elements of both areas. Some specific interdependence of marketing and logistics activities, presented in the form of the multiplier effect in **Figure 4**, determines marketing efficiency. The illustrated impact of the level of customer service and logistics management in three links of the logistics system (suppliers - intermediaries - customers) is aimed at achieving maximization of marketing efficiency.

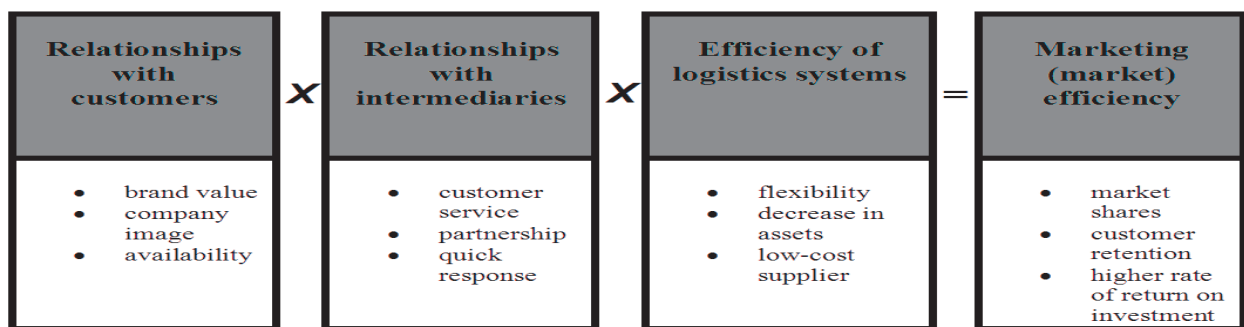


Figure 4 The impact of logistics and customer service on marketing

Source: [26]

6. LOGISTICS AND MARKETING MANAGEMENT

The consideration of the mutual completion and dependence of logistics and marketing potentials of the enterprise is reflected in the concept of logistics and marketing management, also known as the marketing and logistics concept. The integration of both orientations and their management as the integrated whole in order to achieve the synergy effects is found an optimal solution, among others, by I. D. J. Bowersox, D. J. Cross and O. K. Helferich [31], M. Chaberek [32]. The area of the greatest cooperation of logistics and marketing is customer service as a multidimensional effect of logistics, occupying the central position, right next to the elements of marketing, and constituting the bridge towards new opportunities for an increase in benefits in the enterprise and the whole system of market relations.

According to P. Blaik [19], logistics and marketing management constitutes a type of linkage of two concepts:

- 1) logistics - as the management concept sectionally oriented to the flows;
- 2) marketing - as the concept of enterprise management oriented to the market.

Both concepts, as the main and equal functional areas of the enterprise ‘meet’ on the market, creating the strategy of sale and procurement.

The concept of marketing and logistics management, proposed by F.J. Beier and K. Rutkowski [17], D. M. Lambert and J. R. Stock [33], combines customer satisfaction with the profits of the company at the integrated

marketing and logistics activities (**Figure 5**). The authors assume that full customer satisfaction can be achieved by - apart from the coordinated marketing activities concerning the product, price, promotion and distribution - the utility of place and time, offered by logistics, which allows for maximization of profits in a long term [34] whereas the achievement of the accepted level of profits by the enterprise is determined by reduction in global logistics costs, achieved, however, with the assumption of the maintenance of the specific level of customer service. The integration of activities understood in this way, through eliminating or weakening the conflicts between individual elements of the discussed system, is the source of essential synergy benefits [32].

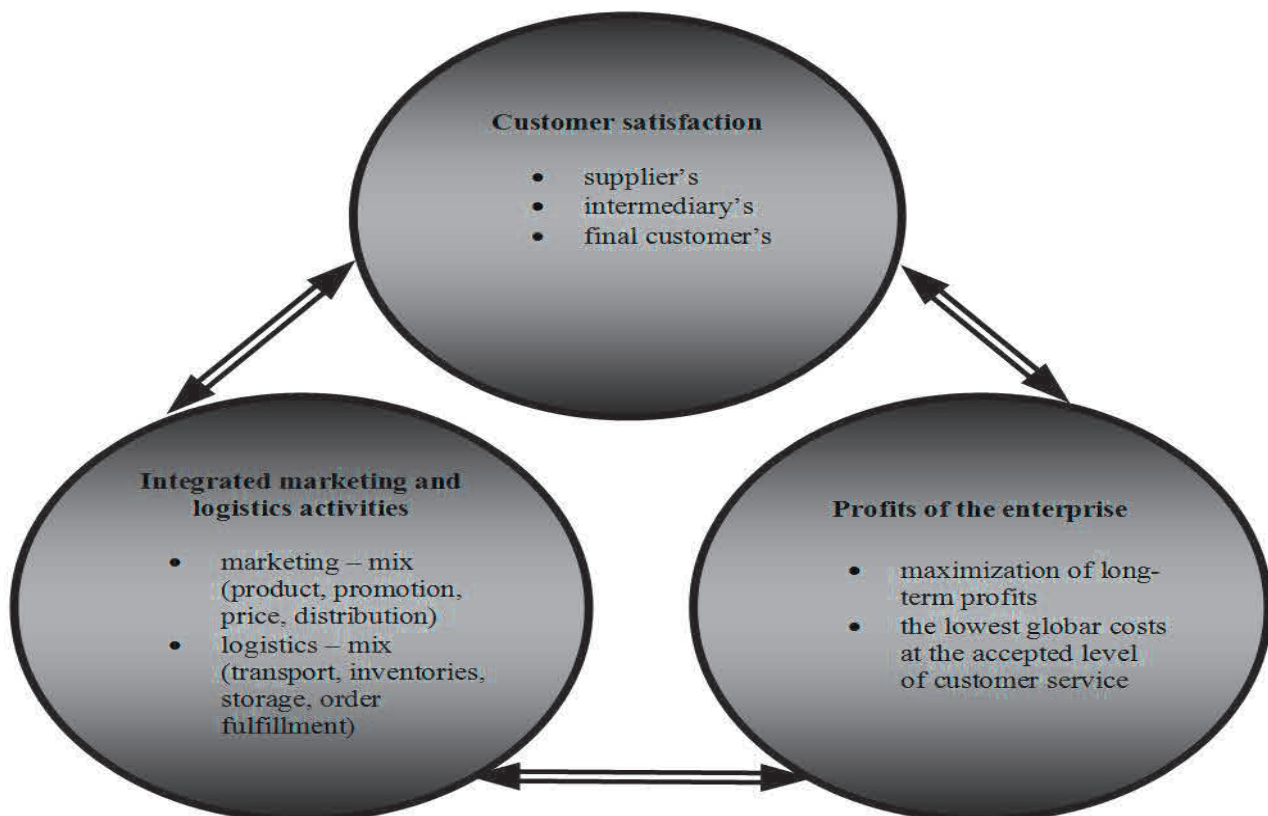


Figure 5 The concept of marketing and logistics management
Source: [33].

7. DIFFERENCES IN THE RANGE OF MARKETING AND LOGISTICS SERVICE

Customer service consists of the elements of all three stages of the process of exchange of goods and services, i.e. the elements of the pre-transaction, transaction and post-transaction stage, however, in logistics, the greatest attention is paid to transaction elements. At this point, there runs one of the most visible dividing lines of interests in customer service in marketing and logistics [6]. Whereas, in traditional terms, the whole of the issues associated with customer service in marketing is seen as creation of demand, in the circle of logistics competencies there is to satisfy this demand. The differences in the range of both areas of the activities of the company are in detail presented in **Table 1**, however, the approach does not cover an extensive problem of the selection and division of the components. The reason is the lack of a universal list of qualitative elements of customer service due to the need to diversify the applied solutions depending on the dynamically changing conditions of the operation of enterprises.

Table 1 Elements of marketing and logistics service

Group of elements	Marketing	Logistics
Time	<ul style="list-style-type: none"> complaint reception time complaint investigation time returns acceptance time opening hours waiting time for the service at the counter customer service time 	<ul style="list-style-type: none"> order placement time order processing time transportation time loading, reloading time load unit forming time
Reliability	<ul style="list-style-type: none"> punctuality of the opening of the company competences of the staff resolving the complaint possibility of obtaining information in a specially dedicated service point availability of assortment 	<ul style="list-style-type: none"> stock level in a warehouse timeliness load transport safety load storage safety correctness of order fulfillment correctness of completing documents
Communication	<ul style="list-style-type: none"> distribution of promotional newsletters product tracking politeness of the staff information on shelf life on the packaging 	<ul style="list-style-type: none"> cargo tracing providing information on the order
Comfort	<ul style="list-style-type: none"> certain number of people available to the customer possibility of online payment providing information over the phone telephone booking services payment in installments 	<ul style="list-style-type: none"> placing phone, fax or online orders selecting transport sector offering logistics service portfolio logistics consulting night deliveries

Source: Own study based on [7].

8. CONCLUSION

In the light of the above considerations, in spite of a broad spectrum of disaggregation and classification of logistics systems, all their aspects identify an inseparable component which is customer service and its functional relations in the enterprise. The concept of customer service is multidimensional in nature since it combines logistics and marketing aspects, which provides great opportunities for its interpretation. It constitutes the area of integration of marketing and logistics and, from the point of view of the former one, includes the processes associated with sale, the operation of the warranty and post-warranty service, reception and acknowledgement of the complaint [35]. As a manifestation of the capabilities of the logistics system to satisfy customer needs, their “logistics service should constitute the foundation for each logistics system and guide the implementation of all logistics processes” [3]. While integrating all the elements of communication with the customer, it is the crowning of the process accomplishing the final objective of the logistics system which is customer satisfaction with its goods and services.

In the subject literature, there is no agreement as for the perception of the mutual relations and ties between logistics and marketing. The concepts of marketing logistics, logistics marketing or logistics and marketing management, while indicating the superiority of logistics or marketing or their equality underline the mutual antagonisms. At the same time, in the analyzed area of customer service, as the common area for logistics and marketing, the essence of the listed concepts, most of all, refers to supporting the processes coordinating

the fulfillment of some specific assumptions in relation to the area of service. Simultaneously, all the listed concepts strengthen the marketing and logistics dimension of customer service, placing the strengthening of customer relationships beyond boundaries.

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