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MARKETING IN THE BUSINESS ACTIVITY OF LOGISTICS SERVICE PROVIDERS

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ABSTRACT. Background: This article is a discussion on the role of marketing in the activity of logistics service providers. The strong competition and changing purchasing preferences should motivate the transport, forwarding and logistics sector managers to apply the marketing approach in practice.

Methods: Results of direct research, conducted among a targeted group of 100 companies from the transport, forwarding and logistics sector, constitute the source basis. The sample group was divided into three categories of logistics providers: 2PL, 3PL and 4PL. The statistical analysis was based on three different non-parametric tests (Kruskal-Wallis, Chi-square and V Kramer).

Results and conclusions: Currently, marketing does not play a key role in the activity of logistics services providers. The prevailing opinion is that importance of marketing in the company is average. The respondents have assessed in a similar way their activity compared to the activities of the competition. However, it was found that with the increase of the level of specialization (2PL-4PL), the awareness of impact of marketing on the logistics services sector also increased. The logistics services providers, who offer a wide range of logistics services, asses their competitive position in a better light.

Key words: marketing, logistics services providers, 2PL, 3PL, 4PL, competitiveness.

INTRODUCTION

Dynamic changes in the logistics service market create a new playing field on the supply side. Among a number of determinants, the most influential ones include: the present sales slowdown, further consolidation of the market, intensifying competition, and particularly notable - technological progress. In addition to the development of logistics skills, an increasingly important source of competitive advantage for logistics service providers (LSPs) should also be marketing competence. This is confirmed by the example of GEFCO, which, thanks to increased investment in marketing, has strengthened its market position and increased brand awareness. Actions taken by the company show that marketing to a large extent also contributed to improved customer relations [Szreter 2012].

While in the literature of the subject much attention is devoted to logistics service providers and their new logistics concepts [e.g., Jeszka 2009; Rydzkowski 2011; Weijers, Glöckner and Pieters 2012; Graw, Daugherty and Dant 2012], the role of marketing in building a competitive advantage in the logistics service market (TSL market) remains a poorly recognised area of research [Kempny 2010; Bourlakis and Melewar 2011]. This paper is an attempt at filling the existing research gap.

The purpose of this paper is to present some results of research on the activity of logistics service providers. In particular, it focuses on assessing the significance of marketing in

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different types of logistics providers such as: 2PL, 3PL and 4PL. We also examined the tendency for LSPs to use in practice new marketing concepts, i.e. guerrilla, word-of-mouth, and experience marketing.

METHODOLOGY OF OWN RESEARCH

The research problem was analysed based on direct surveys conducted in September-October 2012. The interviews with respondents were conducted through face-to-face interviews by pollsters from the Research and Expertise Centre of the University of Economics in Katowice. The research survey consisted mainly of closed-ended scaled questions (ordinal and nominal scales were used). The study was conducted on a sample of 100 companies that had been selected in a targeted manner. The typology of the study group was based on the range of services. The following features served as the division criteria: provision of simple services without a permanent contract (2PL), customer service based on contract logistics (3PL), provision of contract logistics and supply chain management services (4PL). The study results were developed with the use of SPSS software version 20.0. The statistical analysis used: the Kruskal-Wallis, chi-square independence and Cramer's-V tests (in addition to the Chi-2 test). The methods of descriptive statistics, and most of all - measures of central tendency and dispersion, were used.

CHARACTERISTICS OF THE STUDY GROUP

In the domestic logistics service market, the studied providers offer their customers a diverse range of services. As with the previous findings, also here the LSPs' offer is dominated by transport, freight forwarding and warehousing services [Świtała 2012]. No significant changes in this area are also confirmed by research conducted by other centres, including: the Institute of Logistics and Warehousing, and the Department of International Transport and Logistics of the Warsaw School of Economics [Cudziło and Kulińska 2012, Brdulak 2012a]. It can be considered that the above-mentioned services are the major source of income in the TSL industry. Customs clearance, postal and courier services were provided by 14% and 10% of respondents, respectively. Also rarely offered by respondents were specialised logistics services. After-sales logistics (with reverse logistics support) was offered by 14% of respondents, and cross docking services - by 8%. Few also provide custom installation services (4%). 8% of respondents reported the provision of other services such as: logistics consulting, piloting oversized cargo and installation services.

The largest study group consisted of companies of the SME sector (73%). Large organisations were represented by 27% of the respondents. The surveyed companies are primarily operators of international scope. Activity in the European market is declared by 50% of the respondents, and global logistics services - by 22%. Others provide services on the domestic market. Annual revenue generated by most companies was below PLN 5 million. A considerable number of respondents declared income in the following ranges: PLN 5-10 million and PLN 11-50 million. 19% of companies said they generate revenue exceeding PLN 100 million, including 8% - more than PLN 500 million. The group of companies surveyed included 5 companies with revenues in excess of PLN 1 billion. 15% of the respondents refused to provide information about the size of their revenues.

23% of the surveyed companies were classified in the 2PL segment. It consists in cooperation with customers without a permanent contract, offering a very limited range of services ($\bar{x}$ = 1.91). 3PL providers were strongly represented in the group of respondents (61%). This group was formed by contract service providers with a more extensive range of services compared to 2PL ($\bar{x}$ = 3.44). The third segment is 4PL providers (16%). These companies offer the most comprehensive logistics outsourcing services ($\bar{x}$ = 6.12) and support the largest number of customers on the basis of contract logistics. They also have the highest competence in the field of logistics.

GENERAL ISSUES RELATED TO MARKETING IN THE TSL MARKET

Research has indicated that marketing does not play a particularly important role in the activities of logistics service providers (Table 1). Among all service providers, the average rating was 3.19 - which is slightly above the average. These results support the findings of last year's research, according to which the role of marketing is limited to supporting sales activities [Świtała 2013]. The lack of a marketing approach in the TSL market is also noted by clients in this sector. It turns out that most shippers do not see any marketing activity in the activities of LSPs [Zowada 2012].

The differences between the various types of LSPs are small and not significant - from 2.87 in the case of 2PL to 3.38 in the case of 4PL (and therefore oscillate around 3). Research has found that the respondents in the 2PL group usually attach very little importance to marketing. In the case of 3PL and 4PL providers, the mode amounted to 3 and 4, respectively. So, in the 4PL segment, the opinion of a strong position of marketing in the company prevailed.

Table 1. Types of LSPs and general issues related to marketing[a]
Tabela 1. Typ operatora a ogólne kwestie związane z marketingiem[a]

Issue	Types of LSPs						Total		KRUSKAL-WALLIS TEST		
	2PL		3PL		4PL						
	M	SD	M	SD	M	SD	M	SD	Chi-2	P	Multiple comparisons [b]
Role of marketing in the company	2,87	1,58	3,26	1,25	3,38	1,31	3,19	1,34	1,31	0,519	
Evaluation of marketing activities against activities of the competition	2,83	1,34	3,08	1,22	3,50	1,03	3,09	1,22	2,61	0,272	
Evaluation of competitive position in the TSL market	2,78	1,13	3,64	0,86	4,19	0,66	3,53	1,00	18,64	0,000**	2PL-3PL=0,002** 2PL-4PL=0,000** 3PL-4PL=0,026*

[a] the respondents used a 5-point scale, where 1 meant: very poor, and 5 - very strong
[b] only the significance of the test was presented

Similar results were obtained in the area of self-evaluation of marketing activities against the activities of the competition. The average rating among all operators was 3.09 - that is also slightly above the average. In this case, however, a more pronounced difference between 4PL operators (3.50) as well as 3PL (3.08) and 2PLN companies (2,83) was reported. It is worth noting that none of the 4PL operators has rated its activities as very poor. It can therefore be assumed that 4PL providers better assess their activity than the other test segments. These differences are not statistically significant. It was noted, however, that the above-mentioned rating is significantly correlated with the opinion of respondents on the role of marketing in the organisation (Chi-2 test = 68.54 for $p \leq 0.01$, Cramer's-V at $p \leq 0.01$ was 0.414). The results show that with the increasing importance of marketing, the tendency for respondents to positively evaluate marketing activities in the market is increasing.

Logistics service providers participating in the study were also asked to conduct a self-evaluation of their competitive position on the market. The average rating among all entities was 3.53 - meaning between an average and good position. As the results in Table 1 show, the differences in opinion between various operators are significant. From 2PL - 2.78 to 4PL - 4.19. The difference between 2PL and 3PL and between 2PL and 4PL is highly statistically significant, and the difference between 3PL and 4PL is statistically significant. Analyses show that the more complex range of services offered by the service provider, the better evaluation of the competitive position of the company. It is worth noting that none of the 4PL providers rated their situation on the market below the average. Most respondents are convinced of a strong competitive position of their company (D = 4). In the case of 2PL and 3PL companies, the mode in a 5-point scale was 3.

Table 2. Marketing leaders on the TSL services market according to respondents
Tabela 2. Liderzy marketingu na rynku usług TSL w opinii respondentów

Item No.	Percentage of responses [%]
DHL	16.0
Raben Group	9.0
DB Schenker	8.0
UPS	3.0
Prologis, Viva Trans, Eurogate Logistics, Ceva Logistics, FM Logistic, Kurierzy.pl, Pekaes, DPD	8.0

A very large proportion of respondents who failed to indicate a brand of the operator with the most effective marketing should be assessed negatively (56% of respondents answered "do not know"). This high level of ignorance indicates that TSL enterprises do not monitor marketing activities of the competition. On one hand, it still can be explained with low popularity of marketing in the group, and on the other - with unwillingness among the respondents to conduct market research.

DHL can be recognised as the market leader in the field of marketing. The largest number of respondents who managed to identify the winning brand indicated this name (table 2). It should be noted that DHL is the most recognisable logistics brand in the Polish market. In 2009, the company was recognised as "the strongest brand in the logistics services market" [Szreter 2009]. And in 2012, the DHL brand was among top 100 most recognisable logos in the domestic market [Business Superbrands 2012]. Generally, it can be seen that the first four positions are well-known international logistics groups recognised as leaders in the market, offering customers a vast array of logistics services and solutions in the area of 3PL and 4PL.

NEW FORMS OF MARKETING IN THE ACTIVITY OF LOGISTICS SERVICE PROVIDERS

The results of research show that few LSPs use new marketing concepts in practice.

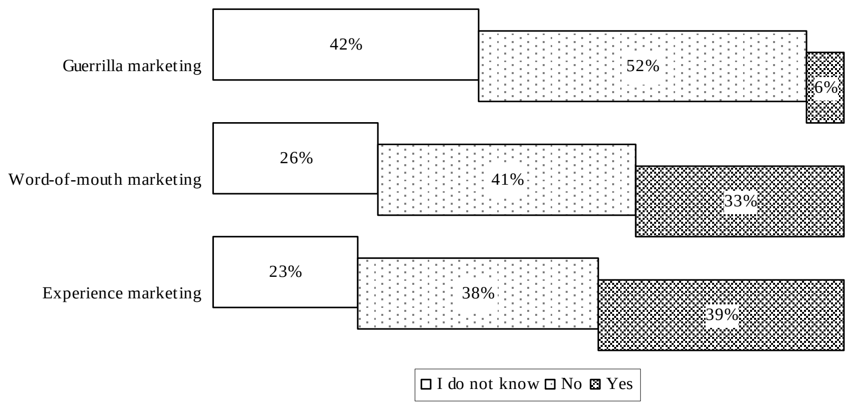

Fig. 1. The use of new forms of marketing in the TSL market
Rys. 1. Stosowanie nowych form marketingu na rynku usług TSL

At the same time, a large proportion of those declaring lack of knowledge on the subject suggests that TSL managers are not familiar with new trends in marketing (Figure 1). Only 6 respondents admitted to using guerrilla marketing techniques for promotional purposes. A good example of this form of marketing is the image campaign of

FedEx created by Miami Ad School marketing agency. As part of outdoor advertising, the front of an identical car associated with DHL was placed in the back of the FedEx vehicle. The action was accompanied by the slogan "Always First" [Adamczewski 2011]. The main objective of the campaign was to emphasise more competitive standards of service.

Every third respondent admits to the use of word-of-mouth marketing, i.e. informal channels of communication with the customers. Intermediaries that communicate the content of the message play a key role in this form of marketing. These are customers and opinion leaders in the industry. The flow of information (knowledge sharing) takes place orally or via the Internet. Currently, word-of-mouth or buzz marketing is becoming widely used in the social media. Social-networking platforms (Web 2.0) allow market participants to conduct an open debate on specific products and services. A large number of opinions should therefore encourage companies to implement innovative business solutions [Martyniuk et al. 2012]. Therefore it can be assumed that social-networking media will be an increasingly important channel of communication for the logistics services industry. Research shows that the Internet is an important source of knowledge about the offer of LSPs. Customer views are influenced by information from social networking sites, such as recommendations from other customers posted on the sites. The more that most of the market leaders have an account on FaceBook and/or Twiter (among others: Raben Group, DHL, CEVA Logistics, DB Schenker, C.H. Robinson and others). According to Brendan and Coft [2012], communications via social media is a valuable tool to strengthen B2B relations. The most useful websites include: LinkedIn, Facebook, Twitter and blogospheres.

Only 39% of service providers in the study group apply the principles of experience marketing. The CEM concept (Customer Experience Management) stipulates that any business practice affects the total customer experience from previous cooperation. Customer experience is defined as the sum of customer contacts with the brand [Pilarczyk 2011]. Most likely, the activities of operators, however, are limited to individual initiatives to increase customer satisfaction and loyalty. The results do not show that the size and class of the LSP influence the scope of responses. Customer experience related to complaint handling, especially in the case of contract logistics, is particularly important in the provision of TSL services. Previous studies indicate that customer satisfaction with the service affects their loyalty and satisfaction rates. It also shapes opinions about the quality of services [Cahill et al. 2010]. At the same time, according to Brdulak [2012b], the use of a CEM strategy in the TSL market helps strengthen synergies across the supply chain.

SUMMARY

The surveyed companies do not attach much importance to the marketing actions taken. TSL managers treat marketing as a tool to support sales. They do not see the possibilities inherent in marketing communications, including the potential of e-marketing. Paradoxically, the prevailing market situation creates favourable competition conditions for marketing-oriented service providers. It can be presumed that the majority of logistics service providers are competing in the market without specifying the style of competition.

Awareness of the importance of marketing is increasing with the level of expertise of the studied entities. The value of marketing is most appreciated by 4PL providers. These companies also better assess their activity against the activities of the competition. Generally it can be noted that the competitive advantage is determined by broad competence in logistics service. 4PL service providers (offering the most extensive and heterogeneous range of services) are more confident about their privileged market position than 2PL and 3PL service providers.

It should also be noted that the studies conducted so far should form the basis for further and more in-depth research. Increasing knowledge about marketing for logistics service providers requires doing research on a larger sample. Research efforts related to the assessment of the effectiveness of marketing activities of the relevant market should be also made.

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MARKETING W DZIAŁALNOŚCI USŁUGODAWCÓW LOGISTYCZNYCH

STRESZCZENIE. **Wstęp:** Artykuł stanowi dyskusję na temat roli marketingu w działalności usługodawców logistycznych. Silna konkurencja i zmieniające się preferencje nabywcze powinny motywować menedżerów TSL do stosowania w praktyce podejścia marketingowego.
Metody: Podstawę źródłową stanowią wyniki badań bezpośrednich, które przeprowadzono na celowo dobranej grupie 100 przedsiębiorstw branży TSL. W badanej próbie wyodrębniono trzy klasy operatorów: 2PL, 3PL oraz 4PL. W analizie statystycznej wykorzystano trzy testy nieparametryczne: Kruskala-Wallisa, Chi-kwadrat oraz V Kramera.
Wyniki i wnioski: Obecnie marketing nie pełni kluczowej roli w działalności operatorów logistycznych. Dominuje opinia o jego przeciętnym znaczeniu w przedsiębiorstwie. Podobnie badani oceniają swoją aktywność na tle działań konkurencji. Odnotowano jednak, że wraz ze wzrostem poziomu specjalizacji (2PL-4PL) rośnie świadomość znaczenia marketingu na rynku TSL. Operatorzy oferujący szerokie spektrum usług logistycznych lepiej oceniają także swoją pozycję konkurencyjną.

Słowa kluczowe: marketing, operatorzy logistyczni, 2PL, 3PL, 4PL, konkurencyjność.

MARKETING IN DER TÄTIGKEIT VON LOGISTIKUNTERNEHMEN

ZUSAMMENFASSUNG. Einleitung: Dieser Artikel stellt einen Beitrag zum Diskurs über die Rolle des Marketings in der Tätigkeit von Logistikbetreibern dar. Der starke Wettbewerb und die wechselnden Erwerbspräferenzen sollten die TSL-Manager zur praktischen Anwendung des Marketingansatzes ermutigen.
Methoden: Als Quellen beanspruchte man die Ergebnisse direkter Untersuchungen, die an einer Gruppe von 100 Unternehmen aus der TSL-Branche durchgeführt wurden. Innerhalb der untersuchten Probe wurden drei Bedienerklassen unterschieden: 2PL, 3PL und 4PL. In der statistischen Analyse griff man auf drei nichtparametrische Verfahren zurück: den Kruskal-Wallis-Test, den Chi-Quadrat-Test und Cramers V.
Ergebnisse und Fazit: Heutzutage erfüllt Marketing keine Schlüsselrolle in der Tätigkeit von Logistikbetreibern. Die vorherrschende Meinung ist, dass das Marketing im Unternehmen eine zweitrangige Rolle spielt. Die Befragten schätzen ihre eigene Aktivität im Vergleich zu ihren Wettbewerbern ähnlich ein. Man verzeichnete jedoch, dass mit dem wachsenden Spezialisierungsniveau (2PL-4PL) auch das Bewusstsein der Bedeutung von Marketing auf dem TSL-Markt wächst. Die Bediener, die ein breites Spektrum von Logistikdienstleistungen anbieten, schätzen auch ihre Wettbewerbsposition als wesentlich besser ein.

Codewörter: Marketing, Logistikunternehmen, 2PL, 3PL, 4PL, Wettbewerbsfähigkeit.

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