

LOGISTICS A EFFECIVE TOOL FOR SUCCESSFUL MARKETING

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INTRODUCTION

Logistics and marketing are highly interrelated. The success of marketing is mostly depending on the proper and effective logistics management. In the era of globalization the expectations of customer have ever changing and growing. However the effective logistics management can fulfill such expectation of customers by providing the goods and services when and where they required. So the simple meaning of 'Logistics' is part of the process of supply chain, that plan, control and implement an effective and efficient flow of goods and services and other related information from the point of production to the point of final consumption. The prime objective behind the logistics management is to satisfy the customers. However the same objectives have behind the marketing management, but the concept of marketing management is wide or vast concept than the logistics. Logistics is the function of marketing management. But without effective roll of logistics management marketing manager cannot success to provide the goods and services to the customers. In short successes of the marketing management mostly depend on the success of logistics management.

Logistics and marketing management are concerned with the effective flow of products and services in the economy and pertain to the distribution of both consumer and industrial goods. Marketing is considered to be a vital part of an economy and there is a need for an efficient marketing system which can ensure that all marketing activities are carried out in accordance with the predefined goals of the business. However this paper is endeavoring to understand the role of logistics for the purpose of success of marketing department and management.

OBJECTIVES OF THE STUDY:

- 1) To the study of relationship between logistic and marketing management,
- 2) To know the scope and importance of logistics,
- 3) To find out the problems and challenges of logistics,
- 4) To the study of role of logistics in supply chain management,
- 5) To understand the future prospectus of logistics management.

RESEARCH METHODOLOGY:

This study is totally theoretical based and depend on secondary data. Data and information has been taken from books and journals and from the internet. Such data has been used for understanding the relationship between the logistics and marketing management.

What Is Logistics, And Why Is It So Important To Business?

Logistics can be classified as an enterprise planning framework for material management, information, service and capital flows. Logistics when seen in the context of the modern day prevalent work environment also includes information that is complex in nature besides giving importance to all the communication and control system that are essential for efficient working of the organization.

In the words of a layman, logistics can be defined as having the right type of product or service at the right place, at the right time, for a right price and in the right condition.

Logistics has evolved as a common and well-known business concept because of the ever increasing complexities of modern day business. The primary goal of logistics is to effectively manage the project life cycles and resultant efficiency. This has greatly evolved with a logistics manager's role in efficiently designing the products of the company keeping in view the principle of efficient system of supply chain management.

In business terms, it refers to a complete process of total supply chain management that is established to achieve a state of perfection through efficiency and integration. Logistics does not mean a single work activity but refers to a group of activities performed to attain the goal of a business enterprise that is maximizing the Profits. This may involve steps like purchasing, planning, coordination, transportation, warehousing, distribution and customer service. A business can run without profits, but it needs money to fund its services, pay its employees and grow its customer base. Logistics play an important part in the present business world. It cannot be neglected by an enterprise focused on growth and profitability.

Logistics is a mixture of several professional disciplines, such as Planning, Controlling, Directing, Coordination, Forecasting, Warehousing, transportation, Facility location and Inventory management

As per the *Council of Logistics Management*, logistics has been defined as the part of the process of supply chain that plan, control and implement an effective and efficient flow for the purpose of storage of goods and services and other related information from the point of commencement to the point of final consumption with a aim to satisfy the requirements of its existing and prospective customers.

All activities that are involved in the movement of goods and services from the point of origin to the point of final consumption are grouped under the term 'logistics'. The art of managing or supervising all these activities when grouped together as a collective unit, are placed under 'logistics management'. People who are authorized or given the task of managing the aspect of logistics management are referred to as 'distribution managers' or 'logistics managers'.

LOGISTICS HAS GAINED IMPORTANCE DUE TO THE FOLLOWING TRENDS

(i) Reduce in transportation cost.

Due to the proper logistics it has reduce the transportation cost. This benefit has seen in the international marketing. Because while company has willing to send the goods to foreign customer than he has to contact to CHA or clearing agent who is working to send the material from various companies. Due to the bulk and big lot of goods per unit transport cost will be reduced. As well as international agent help to find out the customer at abroad.

(ii) Production efficiency is reaching a peak.

Effective logistics management leads take the effective marketing decision. Because with the proper information from logistic team marketing unit can receive the proper information and

provide to other department of company like production department and human resources department. Finally the production and other department can work effectively.

(iii) Fundamental change in inventory philosophy.

Inventory is most of the important input where the utilization of funds is concern. Through the logistics material has procured according to requirement and as per schedule. Material management department is associated with logistics and marketing and endeavor to maintained the reasonable cost of the production which lead to ascertained rational price of the product.

(iv) Product line proliferated(grow, reproduce)

Due to the ever changing in the technology production department of every company facing many challenges. However proper logistics management such department succeeds to produces the goods properly and used to utilize every line of production.

(v) Computer technology.

This is the computer era. Every day new technology and methodology has emerging which lead to invention of new methodology. However change is the symbol of development.

(vi) Increased use of computers.

This is the age of computer. Computer is used in every sector. Logistics functions perform through the computer and try to reduce the administration expenditure.

vii) Increased public concern of products, Growth of several new, large retail chains or mass merchandise with large demands & very sophisticated logistics services, by pass traditional channel & distribution.

(viii)Reduction in economic regulation.

It means with the help of proper management every partner of employee follow the rules which lead to reduce the complexity and get the more and more benefits and exemption where provided by the concerned Act or land Laws and regulation.

(ix) Growing power of retailers.

Retailers are main partners in the supply chain management who are directly connected with customers. Such retailers can get the more and more benefits and work effectively.

(x) Globalization.

Every country is becoming the member of Global market. No option before him without becoming a member of this Globalization. In the globalization customers may be from several countries and from the several territories. In such situation only effective logistics management can obtain the benefit of marketing.

OBJECTIVES OF MARKETING AND LOGISTICS:

Marketing is the process which start from origin of products and ends with customers satisfaction. However there are various objectives of marketing and logistics under the two heads that is in general and specific as following.

General Objectives:

- 1) Cost Reduction. This is first objective reduce the cost of every activity. Proper logistic and marketing management lead to reduce the cost, transportation cost, distribution cost and such many costs.

- 2) Capital Reduction. Every management try to minimize and reduce the capital investment of utilize the optimum capital resources. Logistics helps to use the capital resources.
- 3) Service Improvement. Due to the proper and timely service customer become the satisfied and he will demand the products again and again. Proper marketing and logistics helps to improve the service which helps to increase the customers flow.

Specific objectives:

There are common and specific objectives of marketing and logistics such are explained following.

- 1) Right product, as per the customers' demands and needs.
- 2) Right quantities and assortments.
- 3) Right place, which means where the needs of customers will be fulfilled.
- 4) Right time, when the customers are required the goods and services,
- 5) Right cost or prices, which have minimum cost will be provided by company.
- 6) Right condition. This is most important condition of every customers, they want goods in the right condition, proper logistics try to provided goods in the right condition.

However there are some definite objectives to be behind through a proper logistics system, these can be described as follows.

- 1) Improving customers services,
- 2) Rapid response, satisfy the customer service,
- 3) Reduce total distribution costs which lead to increase the profit,
- 4) Generating additional sales,
- 5) Creating time and place utilities,
- 6) Price stabilization, which make stable and firm price of goods,
- 7) Quality improvement,
- 8) Life cycle support,
- 9) Movement consolidation.

CONCLUSION:

Due to the globalization various MNCs are entering in the market which leads to increasing the competition. Each and every company is trying to sustain and maintain the customer flow. The expectation of customer has ever changing and increasing. So effective logistics have the responsibility to maintain the proper supply chain and fulfill the needs of the customers, so that the flow of customer will be increased and the profitability shall be maintained. However we can say that the logistics is the effective tool of marketing.

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