

THE ROLE OF MARKETING IN COMPETITIVE ENVIRONMENT OF THE SEA PORTS

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Abstract

The management of the sea ports in new economy is becoming complex and challenging due to the many changes in the macro environment which are creating a high competition.. Seaports in the economy face many challenges and those resulting from changes in the broader macro environment such as globalization and lower barriers to trade. Three approaches used by seaport management in attempts to overcome these challenges are examined – value adding, co-opetition and the use of technology to gain cost efficiencies. These approaches are insufficient by themselves in a high competitive environment. In particular, highlights by benefits of seaports undertaking a services based approach to marketing and of being market oriented. In addition, a number of services marketing strategies are recommended using the expanded marketing mix as o foundation. To facilitate discussion of the services marketing strategies, the findings of a recent census Albanian seaports investigating their marketing strategies and activities are explained. Marketing is a useful strategy to address the challenges of attracting and retaining cargo throughput, and doing in so, increasing revenue and making effective use of underutilized capacity. The purpose of this paper is to examine the competitive environment within which seaports operate and suggest why marketing may be a useful strategy for business growth in such an environment. This paper will highlight the benefits of seaports undertaking a services based approach to marketing as well as the benefits of being market- oriented.

Keywords: *seaports, marketing, services marketing, strategy, high competition, economy*

I- INTRODUCTION

Seaports in the economy face many challenges, for example, there are those created by government reform and deregulation, others by technological advancements in transport and communications, and those resulting from changes in the broader macro environment such as globalization and lower barriers to trade. As many seaports emerge from the protective umbrella of the public sector as commercialized businesses, and into the turbulent and high competitive environment typical of the economy, new strategies are necessary to maintain and grow their business. Although seaports may gain operational efficiencies from developments such as the use of technology and new infrastructure, their facilities may still remain underutilized. The challenge remains to attract and retain more cargo throughput, which is a difficult task in a high competitive environment.

Seaports are limited in how they can respond to their competitors because they are unable to relocate. However, this is not the case for their hinterlands that can be enlarged by collaborating with other logistics providers to reach new markets. Another challenge is that as competition increases, captive markets become smaller as growing sections of the hinterlands are seen as being contestable by neighboring seaports. This blurring of hinterland boundaries is resulting in intense competition for cargo and thus the services of shipping lines. As this paper will explain, marketing is a useful strategy to address the challenges of attracting and retaining cargo throughput, and in doing so, increasing revenue and making effective use of underutilized capacity.

The purpose of this paper then is to examine the high competitive environment within which seaports operate and suggest why marketing may be a useful strategy for business growth in such an environment. In particular, this paper will highlight the benefits of seaports undertaking a services-based approach to marketing as well as the benefits of being market-oriented. To facilitate discussion, examples from a recent empirical study of the Albanian seaport sector are used.

II- THE COMPETITIVE ENVIRONMENT OF SEAPORTS IN THE ECONOMY

This section examines the major competitive pressures facing seaports and the attempts being made to overcome these pressures to retain and/or increase cargo throughput. The section begins by explaining the impact of the Economy on the seaport sector. In particular, the Economy is discussed in terms of it creating a high competitive environment that is being further intensified by government reform of the waterfront. This is resulting in the corporatization of seaports and the encouragement of private sector investment and management, thus also increasing competitive pressures.

- The Economy

The Economy tends to be characterized by technological improvements in transportation and communications, deregulation and privatization within industries, and the increasing use of mergers and acquisitions; all intensified by broader macro environment changes such as globalization and lower barriers to trade.

Although information and communication technologies are the basis for the emergence of the Economy, the Economy Information Service suggests that the most important feature is that of increasing competition, or high competition. As a result of high competition on price and quality, price wars are commonplace. This is encouraging companies to seek new markets as a means to increase revenue, or to form strategic alliances with competitors in efforts to compete more effectively with larger and more powerful companies.

- Seaports in the Economy

It is widely recognised that seaports around the world are operating in an increasingly competitive environment, which is intensified by the effects of the Economy and a growing demand for exports and imports in the international marketplace. This is due to factors such as globalization, the increasing use of regional trade agreements, trade liberalization, and third world countries being opened up to international trade. As the volume of trade steadily grows, the importance of seaports to the global economy also increases because the vast majority of imports and exports must move through them. To gain an advantage, it has now become necessary for seaport management to gain an understanding of the changing microenvironment and be able to recognize potential competitors and partners to provide a profitable and sustainable future.

Macro environmental changes for seaports, in addition to the growth in international trade, include industry specific issues such as containerization, increasing ship size, greater investment in specialized infrastructure, and the growing market power of shipping lines. These issues are contributing to competition for cargo among seaports on a regional, national, and international basis. In addition, competition is being further enhanced by government reform of the seaport sector that requires a commercialized approach to managing the seaport rather than relying on government subsidies. Each of these issues are discussed below.

To enable the transportation of growing seaborne trade around the globe efficiently, containerization is becoming more common. As a result, the maritime industry is facing revolutionary changes. Seaports are finding that unless a substantial investment is undertaken to cater for containerized cargo and larger ships, their previous competitive advantage will be eroded. It is not just container ships that require added infrastructure; for example, reports some seaports are inaccessible to new generation cruise ships because of physical restraints created by increased vessel beam, length and draft requirements.

Another impact of ever-increasing ship sizes, particularly for container ships, is that larger ships will need to make less calls, and even then, by necessity, to only the larger seaports with sufficient levels of cargo, draft and infrastructure. This means that some seaports may no longer be included on major trade routes, which is placing added pressure on reaching deeper into hinterlands.

As with many other industries operating in a high competitive environment, strategic alliances and mergers within maritime transportation are becoming more commonplace. This is particularly evident with the number of alliances among shipping lines. This is another reason for the rationalization of trade routes. Seaports now have to cope with the balance of power moving from them towards shipping companies with more powerful negotiating positions. For example, shipping companies are able to make greater demands for enhancements to seaport infrastructure and facilities to ensure they remain a seaport of call, particularly if the seaport is not in an optimum location. What is clear is that larger ships, changing trade patterns and routes, and the subsequent requirement of specialized facilities for cargo handling, are all impacting on seaport management and operations.

Changes to seaport ownership and governance due to government reform are also driving competition. Governments in many countries such as the United Kingdom, Canada, Ireland, Europe and Australia are attempting to rationalize the seaport sector. The major objective of the reforms tends to be to gain efficient and competitive seaports as well as reducing reliance on government funding. In Albania for example, to accomplish the changes in governance and ownership, many publicly owned seaports are moving through a process of being commercialized, corporatized, and in some cases privatized either by a complete sale or through a long-term leasing agreement. The role of the public sector seaport, in the form of a landlord, then becomes that of developing the infrastructure, performing a regulatory role in relation to maritime safety and the environment, facilitating trade, and marketing the seaport.

The argument for the movement towards corporatization is that it pressures seaports into becoming more efficient and more able to compete both nationally and internationally. More specifically, the benefits include the adoption of a commercial approach to managing the seaport, greater flexibility and efficiency in the seaport and the market, increased outsourcing of seaport services to the private sector to gain cost advantages, and becoming more customer-focused and market-oriented.

III- OVERCOMING COMPETITIVE PRESSURES IN SEAPORTS

Seaports have attempted to overcome the increasing competitive pressures affecting their survival and business growth in a number of ways. The following subsections focus on four main means seaports use to compete in their sector value-adding, co- operation, the use of technology and subsequently cost effectiveness, and marketing.

- Value-adding

An effective means of increasing cargo throughput is by offering value-added activities for seaport customers. Branch explains how seaports can attract trade by offering a greater number of services to customers. For example, shipowners and shippers may target seaports that offer a wide range of auxiliary services such as ship repair and bunkering as well as the expected basic services that may provide a “one stop shop” experience for customers where, in addition, a single price is charged for the bundle of services. This “one stop shop” concept is attractive because of the convenience and simplicity for customers and seaport management.

Another way seaports are value-adding is by becoming integrated logistics interfaces offering a total transportation service to customers. Firstly, if a seaport has a distribution centre, it could for instance add value by including activities such as the consolidation and deconsolidation of cargo, shrink wrapping, labeling, and the stuffing and unstuffing of containers. Secondly, a competitive advantage can be gained by providing efficient land-side transportation aimed at markets in the hinterlands. With seaborne trade widely predicted to substantially increase over the next decade, seaports will need to overcome growing congestion both within the seaport limits and beyond to remain competitive.

Another option for seaports is for a program of capital expenditure to increase the range of available infrastructure and services to accommodate the needs of new generation ships. As seaports evolve into integrated logistics interfaces, recommends that new infrastructure is required to meet the demands of the seaport user, otherwise traffic will decline and the seaport marginalized from trade routes. An innovative approach to gain a greater role in the logistics chain is by acquiring a financial stake in terminal operating consortiums when negotiating agreements for terminal leases.

- Co-opetition

A paradox of the Economy is that increasing competition is resulting in more collaboration between competitors, this is referred to as co-petition. Examples of co-petition are evident in the maritime industry by alliances between shipping companies, and of late, by collaboration between seaports.

Cooperation between port authorities is also suggested as a means of effectively responding to shipping companies. This follows suggestion that organizations within a high competitive environment develop strategic alliances to enable competition against more powerful companies within their industry.

- Technology and Cost Efficiencies

It is argued that the use of new technologies in service businesses (which includes seaports) offers little in the way of sustained competitive advantage due to the difficulty in patenting services and the relative ease of replicating the service delivery process. Suggested that sustainable competitive advantages are being eroded quicker in a high competitive environment and that any advantage can only be exploited for a limited time as competitors eventually duplicate it. Thus, the value of new technologies as a differentiation factor between service businesses may only have a short-term effect before competitors also have access to the new technology, thus prompting the need for further innovations. However, the adoption of new technology becomes a necessity for these businesses due to the cost reducing advantages gained after implementation.

The introduction of technology such as electronic data interchange and e-commerce to facilitate the movement of cargo and increase productivity present two examples of technological innovations that are being replicated throughout a growing number of seaports. In other words, these technologies soon become expectations for customers rather than competitive advantages.

The incentive for adopting new technologies, besides gaining a short term source of differentiation, is to increase trade through price reductions resulting from cost savings. This becomes an important strategy because, the initial reaction to competition by seaports is to reduce prices. The dilemma for seaports is that competing on price lowers available revenue, whilst value-adding, that is, competing on providing more services to increase revenue, often requires additional capital investment to provide the facilities. Reducing seaport charges to increase cargo throughput under the guise of trade facilitation, although being a useful strategy, is only valid if it is still profitable. Both the Industry Commission and Productivity Commission suggest that trade facilitation as an objective is not sufficient unless it is undertaken in an efficient and commercial manner.

Given the high competitive pressures facing seaports, and the recent seaport reform in many countries that now require a commercialized approach to managing seaports, the development of marketing as a means of gaining a competitive advantage and increasing cargo throughput is emerging as an effective strategy.

IV- MARKETING: A STRATEGY FOR BUSINESS GROWTH AND OVERCOMING COMPETITIVE PRESSURES

Even by using the preceding three approaches to attract more cargo, seaports may still have underutilised capacity. For example, the Albanian seaport sector is overcapitalised meaning that the sector is larger than the existing level of trade. Similarly report underutilised capacity in European terminals resulting in an increasingly competitive environment. If seaports become more efficient, yet remain underutilised the challenge remains to attract more cargo throughput, which is a difficult task in a high competitive environment.

Marketing is an effective means of increasing business and revenue and making effective use of underutilised capacity. When a competitive market situation develops, explains that marketing becomes more important. Marketing is also suggested as being an important function of port authorities when increasing trade facilitation. For instance, the challenge is not only to attract customers but also to retain current customers. It is through effective marketing strategies that a seaport may influence a user's perceptions of the services being offered. To make efficient use of facilities, most seaports are now unable to rely on retaining customers based on the seaport's historical market positioning. A reliance on a monopolistic or even geographic position is also being eroded as a sustainable competitive advantage.

- Benefits of Marketing

The implementation of marketing strategies is widely regarded as a key to competitiveness and long-term growth. A growing number of researchers now identify marketing as being critical to an organisation's success and the achievement of corporate objectives. Marketing is also suggested as being a sustainable means of gaining a competitive advantage during times of low inflation, rising costs and increasing product parity all of which are factors affecting seaports.

There is a growing realisation of the need for marketing by seaports because of its positive impact on cash flow, profits, production levels, market share, and overall image. This is reflected in comment that marketing 'should be considered equally

important with other functions of management'. Similar views have been expressed that marketing is now a core function of seaport manage. Marketing is also recommended as being essential to the survival of seaports, and 'one of the most critical activities of a port.

Although some of the above claims were made up to a decade ago, it appears from the extant literature that seaports around the world have not seriously adopted marketing practices. Seaport marketing to date has only attracted minimal attention and little in-depth or empirical research. The result is that the important contribution of marketing for seaports appears yet to be fully appreciated or tested.

- Market-oriented Seaports

Researchers have argued that marketing involves more than undertaking a number of activities, and instead, should be approached from the perspective of being an overall business philosophy where becoming market-oriented is an objective. The benefit of being market-oriented is that it is considered to be a foundation for building a sustainable competitive advantage, in that there are linkages with business performance, profitability, customer satisfaction, and employee commitment. The adoption of a market orientation has both academic and practitioner support as being 'the hallmark of successful contemporary organizations. In addition, detailed examination of the literature found that being market-oriented improves business performance in large and small organisations whether they produce tangible products or services.

Businesses that are market-oriented often have similar characteristics. Suggested that in these businesses, market research is undertaken on both customers and competitors and the findings included within a market information system; product development and innovation is guided by marketing; and strategies are developed for the management of long-term relationships with customers based on market segments, targeting and positioning. Although argued that it is beneficial for the marketing manager/specialist to report directly to the chief executive officer (CEO), having senior management who are supportive and committed to customer satisfaction and the marketing plan has also been found to be a major success factor. A major consideration for market-oriented businesses is the achievement of profits, not just increased sales. Essentially, market-oriented organisations 'excel at finding attractive markets, determining customer needs, and developing goods and services to meet those needs.

V- SERVICES MARKETING STRATEGIES FOR SEAPORTS

An effective means of satisfying both customer requirements and organisational objectives is by developing and implementing marketing strategies. Being market-oriented is one such strategy that focuses on current and potential customers and competitors, although, as a business philosophy it is likely to be a corporate strategy. Marketing strategy however, tends to be a functional strategy, which when integrated with other functional strategies such as human resource management and finance, are subsumed by the corporate strategy.

Just as functional strategies implement corporate strategy, explains sub-functional strategies implement the functional strategies. In the case of marketing strategy, the sub-functional strategies refer to the marketing mix strategic variables that for physical

products generally consists of product development and management, pricing, promotion, and place (also known as “distribution”), all targeted at a particular market segment. The marketing mix, or more accurately the traditional marketing mix, is commonly known as the 4Ps in reference to the first letter of each element (**p**roduct, **p**rice, **p**romotion, **p**lace). Marketing strategy is the development and execution of the marketing mix. The strategic challenge is in blending each element of the marketing mix to form a cohesive approach.

Many researchers however, suggest the traditional marketing mix is an inadequate strategic framework for representing the complexities of services because service products possess different characteristics (such as heterogeneity, intangibility, perishability, and inseparability of production and consumption) than physical products.

The acceptance of services possessing different characteristics as compared to physical products has had a profound effect on marketing strategies for service businesses. The result has been the extension of physical product marketing strategies and development of new considerations to allow for the differences. These characteristics, in particular intangibility, may for example, form entry barriers for service businesses.

For many years, the traditional marketing mix has been recognized as the core of marketing. However, because of its development for the marketing environment and its strong emphasis on mainly consumer goods, there are concerns that the traditional marketing mix is not readily transferable to other forms of marketing such as for service businesses, or the marketing environments of other countries. A number of researchers have suggested additional elements be added to the marketing mix to overcome its limitations. However, the alterations to the traditional marketing mix that have endured are collectively known as the expanded marketing mix.

Booms and Bitner’s contribution is the addition of the strategic elements of physical evidence, process and participants to the traditional marketing mix of the 4Ps to form the expanded marketing mix or 7Ps. They also propose some modification to the original 4Ps to reflect the different needs of services. By making these changes, they provide a comprehensive and all-encompassing approach to managing a service business. Although there have been calls for empirical testing, the expanded marketing mix is widely accepted as a framework that identifies additional elements to be considered when developing marketing strategies for service businesses.

Of the limited seaport marketing literature, a number of papers attempt to apply concepts more applicable to the marketing of physical products that may not be appropriate for seaports that tend to provide services. For example, discusses a number of marketing activities and the need for albanian seaports to have a market-led focus, yet much of the discussion is still of a physical product marketing paradigm, including the recommendation of implementing the 4P marketing mix used for physical products. In essence is found that services marketing is an appropriate marketing approach for Albanian seaports and that the expanded marketing mix is a relevant basis of seaports’ marketing strategy. Studies found that although Albanian seaports had begun relying more on services marketing based activities, the major challenge was in managing them in an integrated manner to form a cohesive strategic services marketing approach. It was also found that strategic tools such as the expanded marketing mix (7Ps) are a useful foundation on which to develop marketing for seaports.

VI- SERVICES MARKETING STRATEGIES TO INCREASE CARGO THROUGHPUT

Although the expanded marketing mix appears to be simplistic in nature, it contains many complex sub-functional strategies aimed at overcoming the challenges to service businesses. Many concepts and strategies are implicit but not initially evident. For example, the foundation activities of market research and segmentation do not appear to be explicitly addressed as they are accepted as givens necessary to undertake strategic decisions as well as being necessary components of a market orientation. In addition, the expanded marketing mix does not appear to focus on customer relationship management (CRM) strategies such as customer satisfaction, service recovery and customer complaint management, all that are seen as necessary for customer retention. Once again, these aspects of marketing are implicit within a market orientation.. Thus, the expanded marketing mix will only be used here as a foundation on which to examine a more complete approach to services marketing strategies.

- Market Research and Segmentation Strategies for Seaports

Market research must play a greater role in seaport marketing to enable a more informed understanding of competitors and the needs of customers, the local community, employees, and other stakeholders. Even if a seaport has limited resources, cost effective market research is still possible, via for example, employees when in contact with customers or the use of “mystery shoppers” similar to those used in retail settings. If the needs of the above stakeholders are not understood, either trade will be lost to competitors or support in relation to seaport development from the local community may diminish, both of which can have a serious impact on sustainability and growth. By gaining a better understanding of customers, for example by more in-depth market research, seaports can make effective use of segmentation strategies to enable a cost effective targeted approach.

Targeting can be in terms of service offerings, pricing, and/or promotion that is able to specifically address the needs of customers. A more informed understanding of the local community can ensure an appropriate image is being portrayed in promotional efforts and additional market research can be provided through the necessary consultative mechanisms of communication of various committee and customer-based groups.

Greater market research efforts focused on competing seaports and alternative transport providers is also recommended. In Albanian seaports, a comprehensive understanding by seaport managers of other seaports was rarely evident, in particular of competing seaports in other Albanian cities. As seaports further diversify their business and attract new cargoes, a thorough understanding of competitors will become a necessity, particularly if new infrastructure is required.

- Product Strategies for Seaports

Seaports offer a large complex mix of similar services provided by the seaport or private operators with little differentiation promoted between competitors. An opportunity exists to understand the service product in strategic terms by using models to categorise what the seaport offers in terms of the core service, facilitating goods and services (those that must be offered to access the core service), and supporting goods and services. By

undertaking this exercise and conducting market research on services offered by competing seaports, it is possible to highlight the supporting goods and services that differentiate the seaport from others and therefore provide a potential competitive advantage. First however, market research should be used to understand what various customers require and whether it is viable to provide them with those services. The core service can then be clearly articulated to customers, the local community, employees, and other stakeholders, which will also provide opportunities for developing the image of the seaport that assists in positioning the seaport in the minds of stakeholders. For example, in Albania, almost half the seaports suggest their core service as being trade facilitation. This may need to be more clearly articulated in promotional materials and be better explained for the local community, in terms of the regional economic benefits that arise from being a trade facilitator. A concern is whether trade facilitation has become a trendy phrase for seaports with little meaning. If the core service is indeed trade facilitation, then this needs to guide the development of facilitating and supporting goods and services. If the findings in the census are indicative, as more seaports move from being landlord seaports or operators to becoming strategic seaport managers, trade facilitation is more likely to be described as the core service.

An emerging strategy for seaports is the use of “one stop shops” because they offer customers and seaport management convenience. Being a “one stop shop” has implications for the range of services being offered as well as investment in infrastructure. As with many services, attention to reducing customers’ perceived risk is important to encourage usage. Consideration of offering guarantees, even if initially in the form of a customer service charter and/or code of conduct, placed prominently on seaport websites and other promotional materials, may instil confidence in potential customers. Another means of reducing perceived risk is by including endorsements from customers in promotional materials.

- Logistical Strategies for Seaports

Logistics is an important issue for seaports, particularly on the land-side by establishing connections primarily with road and rail to reach customers in the hinterland. However, the question is whether, as in other service businesses, it should be a marketing responsibility. In the Albanian study, little support was found for logistics to be a marketing responsibility, instead, logistics tends to be managed by operational staff. As seaport marketing is still emerging, it may be that in time marketers will have further logistical responsibilities. According to the seaport marketing literature and the findings of the Albanian census, logistics is not currently supported as being a major marketing activity because of the particular operational expertise required in logistics. Further in-depth study of seaports is required in this area to determine the contribution marketing could make to increase trade by strategically managing the logistical function.

- Pricing Strategies for Seaports

Pricing is another activity that does not tend to receive a marketing focus in the literature. Marketers in Albanian seaports were found to have little if any influence on pricing because it is the domain of the CEO and board of directors, with final approval coming from government-owned seaports by ministers.

The importance of pricing can not be underestimated because of increased levels of

competition from road and rail transport that can make other seaports viable propositions for customers. To develop a pricing strategy, market research can assist in segmenting customers according to particular characteristics for example, those that are cost conscious as opposed to customers willing to pay more for added value or higher quality services. Likewise, market research may suggest customers that are suitable for entering into long-term contracts meaning that the pricing focus should emphasise developing relationships. For example, the use of guarantees may attract new customers, whilst the use of a loyalty program or incentives for additional throughput may retain valuable customers.

It is recommended marketers have greater input into pricing strategies to ensure a targeted approach where pricing is developed for each market segment dependent on those customers' requirements. In addition, pricing can be used as a promotional tool to attract cost conscious customers particularly when similar services are offered by competing seaports, that is, the customers that focus on cost rather than value.

- Marketing Communication Strategies for Seaports

Three major objectives should be considered when developing marketing communication strategies for seaports:

1. Attracting new customers and informing current customers;
2. Informing and reminding the local community of the contribution made by the seaport; and
3. Information sharing and consultation with employees.

To achieve the above three objectives, the promotions mix consisting of advertising, publicity, public relations, sales promotions and personal selling, with the addition of word-of-mouth communication are all relevant for promoting seaports. It should be noted that advertising represents only part of the marketing communication strategy. In particular, advertising in a range of media is useful to address the first objective in relation to attracting the initial attention of new customers, particularly for new cargoes when seaports diversify. The main criteria for advertising and indeed the other elements of the promotion mix is that it should be targeted towards relevant segments to be cost-effective and worthwhile.

The use of a website as a medium for marketing communication has become a necessity rather than a luxury. Seaports should be continually upgrading the appearance of their website by including more information and increasing the level of interaction. For example, websites should be utilised for e-commerce as well as a passive information library. Cost savings are also an advantage that can be achieved by providing documents such as annual reports and brochures on websites. In addition, an opportunity exists to develop email newsletters for the cost effective and immediate promulgation of marketing communication information.

Publicity and public relations represents the growth area of marketing communications, not just for customers, but perhaps more so for the local community to gain their support. Therefore, the role of publicity and public relations becomes to communicate the economic and social benefits of the seaport to the community and the region, and explain how these benefits are provided in an environmentally conscious manner. Further engaging of the community by providing consultative committees and information

sessions is also recommended as are providing sponsorships and funding of community-related projects for seaports to become recognised as being good corporate citizens. Although not directly increasing cargo throughput, the local community can have an impact on developmental projects, operating times and conditions.

The key point for marketing communication efforts is that they must be undertaken strategically where each element of the promotions mix and word-of-mouth communication are managed holistically rather than as individual activities. Promotions should be based on market research, focused at target markets, and be consistent in their message. For example, if a particular image is to be portrayed to position the seaport, then it must be supported by all promotional materials including brochures, the website, the slogan, and how the community and others are engaged. In addition, opportunities exist to make use of cost-effective word-of-mouth communication by actively encouraging customers, the local community, employees, and other stakeholders to spread positive news and information about the seaport.

- Employee and Customer Strategies for Seaports

As alluded to in the section on marketing communication strategies, the interaction between employees and customers is critical to the success of the seaport. Face-to-face contact is broadly accepted as being the essence of marketing efforts. Although there has been some recognition of the benefits of employee training, seaport research does not appear to have fully embraced the development of employee and customer strategies, nor linked them with the role of marketing.

Employing customer-oriented employees and requiring all employees to undertake customer service and customer satisfaction training during induction is one means of creating a customer-focused seaport. In the Albanian study, few seaports appeared to have recognized or developed customer strategies beyond marketing communication or face-to-face contact. It is unclear for example, whether customers are utilized as unpaid partial employees, as in other service industries.

- Service Process Strategies for Seaports

Similar to logistics and pricing, service processes are discussed in the seaport literature and the Albanian study from an operational perspective with little mention of marketing. Marketing-related respondents in the Albanian study tended to reply they were unsure of many facets of the service process, adding how it was the responsibility of other managers in the seaport, particularly those involved in logistics. It appears for seaports that consideration of the service process is not a marketing domain, however, as marketing is still developing, this may change in the future as greater attention is paid to processes that affect customer satisfaction. This is another function requiring greater in-depth study of how taking a marketing perspective in managing the service process may assist in increasing cargo throughput.

- Role of the Seaport Marketing Department

The potential for marketing success in seaports can be increased by ensuring a senior manager has overall responsibility for marketing. Although larger seaports may have the resources to employ a full-time marketer who manages a department, seaports employing fewer staff and with fewer resources generally do not have this luxury. Instead,

marketing responsibilities may be subsumed within the activities of a trade development manager, or in even smaller seaports, incorporated as one of the many roles of the CEO. However, as more seaports abandon the landlord model and evolve into being strategic seaport managers, marketing will require an increasingly greater emphasis as trade facilitation becomes vital. Add to this the requirement of triple bottom line reporting and developing relationships with customers, the local community, employees, and other stakeholders the question becomes how much longer can a CEO or trade development manager effectively manage the important roles of CRM and community relations under the broad banner of marketing? In addition, whoever has responsibility for marketing should have an understanding of all that it entails including why traditional physical product marketing strategies may not be suitable for seaports. Just as other areas of seaport management require professionals with expertise, so does marketing.

7. CONCLUSION

Seaports in the Economy face many challenges, some instituted by the government, others created by competitors within the same industry, and those resulting from the broader macroenvironment. Seaports are emerging from the protective umbrella of the public sector and to maintain and grow their business, new strategies are necessary. Like many other service businesses, being able to respond rapidly to changing market forces and international trends, being innovative and entrepreneurial, and market-oriented will become the characteristics of successful seaports.

Marketing is becoming a necessary seaport management activity due to changes in the macroenvironment and the effects of high competition. Becoming market-oriented and aggressive in both attracting and retaining customers may no longer be a choice but a necessity for seaports.

Research on seaport marketing, although still at an embryonic stage, is emerging. The rate of emergence however, is occurring at a faster speed for practitioners in the seaport sector than in academic circles. As competition heightens and further value is placed on trade facilitation, practitioners and governments will become more interested in how seaports can increase revenues and cargo throughput whilst balancing local community issues.

As there is divergence among practitioners and researchers over what constitutes marketing in seaports, the seaport marketing literature would benefit from rigorous theoretical definitions of key marketing concepts as applied to seaports. Greater joint efforts between practitioners and researchers could help to increase understanding of the needs of the seaport sector.

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