

Particularities of Planning, Organizing and Managing Port Marketing

Sorescu Florin
"Tomis" University of Constanta
flosorescu@yahoo.com

Abstract

The study of planning and organizing activities starts from the knowledge of the port-specific characteristics of activities related to maritime and inland waterway transport that take place in or near the port. In this paper, the peculiarities of these activities were studied in order to be known by the marketing specialists, but also by the managers of the port operating companies, the administrations of the maritime and river ports. The result of the research is the systematization of the planning process, the organization of the port marketing activity and the deterioration of the particularities of the port marketing management.

Key words: port, marketing, planning, organization, leadership..

J.E.L. classification: I 21, M 31, O 15.

1. Introduction

International Marketing specialists consider planning activity for (Sasu, 1998):

- Understanding the environment in which the company operates.
- Elaboration of the action strategy, on the market where it operates.

Planning in Portal Marketing should take into account the following, particularly important aspects:

- The port, in which the port operating company operates, the adjacent sea or river, the geographical region and the administrative area of the country.
- The port market and the maritime market as a whole and on segments (Iordanoaia, 2005).
- Independence or dependence of the firm on political factors in the country, area or city where it is based (Aaker, 1998).
- The Government policy, which, through regulations in the field of transport and port operation, influences decisions concerning port activities.
- International Legislation for Pollution, Labor and of the International Maritime Organization (IMO, 2017).
- Ease or difficulty in obtaining information about competition and potential customers.

These aspects directly influence planning ability, the level of complexity of this planning, and the number of variables that can influence marketing research. Detailed information is needed to make realistic, permanently adaptable plans, easy to understand by the Port commercial operators.

2. Planning methods used in Portal Marketing

The main planning methods known internationally, which can be adapted and used in Portal Marketing, are as follows: "Boston Consulting Group" method; "General Electric" method; "Ford" method; Profit impact method on marketing strategy; Scenario method; Combined method (Kotler et.al, 1999). The most common method of port marketing is BCG. The "Boston Consulting Group" (BCG) is the best known method of management and marketing planning. Under this method, planning is done by dividing a company's business into "strategic business units". This division can be done on a "country-based" or "land-based" basis as in the port operating range. The criteria used for this division are the following:

- Units must have a known number of competitors.
- Business leaders are responsible for developing and implementing their own strategies.
- Unit profitability may be measured in real income or net profit.

After dividing business into strategic business units, planning must classify companies according to their future potential. The BCG method classifies all strategic business units into a business portfolio matrix. In this matrix, they are considered as strategic business units: current, potential or timely. The BCG method classifies business by market growth and market share. The growth rate of the market refers to the increase in the total annual market demand separately, on a yearly basis. Market share is the relative share of the company compared to the largest competitor. Thus, a rate equal to 1 means that the strategic business unit has the same share as the next competing trading company and the value of 0.5 means that the strategic business unit has half the largest competitor it follows. The BCG method starts with the hypothesis that the company with the largest market share in relation to competitors must be able to produce at the lowest cost. For companies with a low market share compared to their competitors, they will be producers at high costs.

Using these dimensions, businesses were categorized by this method into four categories: "star", "milk cows", "question marks" and "dogs". Each type of business has different financial characteristics and offers different strategic possibilities. In order to be able to stay in business, such a company must balance the business in every area, because in the long run the positions can change, the company can move from one position to another. Appropriate planning can provide a set of business combinations in one area. Depending on this planning and its objectives, the port operating company must allocate new material and financial resources, employ high-performing staff to meet the imperatives of the moment. By using this method, the port operating company may adopt one of the strategies that correspond to its position.

The strategies that can be adopted for port activities are the following:

- Building, investing for the future, setting a short-term gain with improving market position.
- Keeping your current position.
- Harvesting, generating short-term cash flows.
- Removing, selling the business or liquidating the business.

The advantages of the BCG method are as follows:

- Provides a global view of business affairs.
 - Create an appropriate framework for analyzes and comparisons.
 - Represents a basis from which the company's marketing objectives can be formulated in specific markets.
 - Allows simple, easy-to-understand graphical representation.
- The disadvantages of this method are the following:
- It leads to a great simplification of the planning process.
 - The product or service and their market are not properly defined.
 - It does not solve the problem of measuring the market, how it grows.

3. Systematization of the planning process

The planning process in Port Marketing can be systematized as follows:

- Preliminary analysis and selection of planning criteria (Niculescu et.al, 2000).
- Adapting the marketing mix to the maritime market (Iordanoaia, 2012).
- Developing the marketing program (Prutianu, et.al, 2002).
- Implementation and control (Ansoff, 1984).

a).Assessment of potential markets. This is essential in the planning process, and their choice is based on a number of criteria as follows:

- The nature of the company. This involves: its objectives, the necessary resources, leadership style, philosophy, organization, financial limits, specializations in management and marketing of the personnel, the port service provided.
- Analysis of the strengths or weaknesses of the company, its limits and its potential.
- Objectives of the company, the advantages of entering a new market.
- Nature of restrictions in the country, which may be political, legislative, economic.

-Restrictions in the countries where the partners or ports of destination are of political, economic, cultural, technological and competitive nature.

-Evaluation criteria that refer to the minimum market potential, minimum profit, return on investment, competitive level of acceptance and standards of political stability.

-Complete analysis of the market segment where the company wants to enter, identifying problems and opportunities on these markets, starting the process of creating marketing programs.

b).Adapt marketing mix. Its adaptation to the port market begins with the detailed analysis of all the components of this mix. The end of this stage is to adapt this marketing mix, to the specificity of the market in the port in which commercial society operates, to the uncontrollable elements of the environment that effectively meet the objectives and goals of society. Depending on the results of this step, a selection of new services that can be introduced and delivered by the merchant company will remove some of them that are no longer of interest to customers and are no longer profitable.

c).Developing the marketing program. This is the stage of the actual development of the marketing plan. This program can be made for a single service, in a single port or in several directions. The program may include the following chapters:

1.Analysis of the situation. This involves analyzing all internal and external information such as:

-Economic forecasts in national and international affairs about the goods that is required on the national market, in the near area or within the continent.

-The business units' forecast, which refers to the targeted market segment and the profits to be gained.

-The time required for planning.

-Characteristics of customer behavior.

-Situation of competition on the maritime market.

-Mixed marketing including: the port service offered, the price or tariff used, the price level, the situation in the port, the links with the partners, the relations with customers, the use of intermediaries, the ways of promotion. Promotion must be based on cost planning, channels, and estimate the effectiveness of using the ad.

-Changes in the structure of the port market, restrictions of any kind that may occur.

-Strengths or weaknesses, threats and opportunities appearing in the port.

2.Synthesis of "Key Issues" and Opportunities. This has to be very carefully done by the marketing specialists of the commercial company.

3.Setting goals. It is done in advance and explicitly. These may be general, specific; short, medium or long term. It is recommended that they be predicted for a minimum of 3-5 years.

4.Elaborating the strategy. This refers to the perspective of the commercial society, its general policies in the general social and economic context.

5.Developing tactics. It refers to a shorter time horizon and includes concrete actions at the department or marketing department level.

The budget calculations take into account all types of expenses that need to be made to implement marketing strategies. The definition of action programs refers to those concrete activities that need to be undertaken, i.e. the steps to be taken, the personnel involved in them, the way of implementation and the deadlines for solving them. At this stage, it may be decided to stop the activities if the marketing objectives of the port operating company can not be met.

d).Implementation and control. At this stage the implementation of the established plans is being implemented. Marketing plans require leadership and control over how they are achieved.

4. Organization of new port marketing

It aims to develop a proper organizational structure that should allow the commercial company to respond appropriately to market developments, harbors, using past managers' experience or other similar situations. The main problem is the determination of the "place" in which the responsibilities of the company as a whole and the staff employed in particular will be determined (Branch. 1986). The main factors influencing the organization of the Port Marketing activity are the following:

- The goals of the business, that is, the mission, goals and strategy.
- In-house forces, i.e. specialized personnel, the possibilities of providing port service, the level of employment and the number of contracts in progress.
- External forces, customers, routes and distances, government regulations.
- Business leadership style, leadership structure, and decision-making.

The types of organizational structures currently in use at the Port Operations Port of Maritime Ports are as follows:

- National companies with a specialized department in this field (MPA, 2017).
- Joint stock companies that have an international transaction office or service with multiple attributions, from marketing to public relations (NCA, 2017).
- Joint stock companies or limited liability companies that have hired a marketing or public relations specialist (OT, 2013).
- Limited liability companies without marketing specialists, where marketing issues are resolved by a manager or a non-specialist employee.

5. Particularities of port marketing management

The term "Marketing Management" or Management of the Marketing is a "dual" concept (Kotler, 2000). From the perspective of marketing, the management of all the activities of the company takes into consideration the market and the permanent satisfaction of the clients' needs. Hence, marketing is a "central and guiding" concept of management. But from the perspective of management, marketing is a "main function" within a trading company that monitors the entire activity, especially the limit situations, which are given by the strengths, weaknesses, opportunities and threats to be solved in the process of marketing management. For this, management-specific activities are used, such as analysis, coordination and control.

Management of marketing activities should be understood as a "complex of activities that include the planning, coordination and control of all the activities of the company, oriented towards the potential markets, aiming at" achieving a permanent satisfaction of the clients' needs" (Olteanu, 2002). Since systematic planning, coordination and control are general management functions, management and marketing specialists consider that "the marketing management process consists of three main phases":

- The analysis, which includes the essential elements of the marketing system, i.e. demand, supply, customers, competitors, goods or services, and aspects of the company's own strengths, weaknesses, opportunities and threats (Iordanoaia, 2012).
- Coordination, which aims at setting the main marketing objectives, adopting appropriate strategies and programming the concrete activities to achieve the proposed objectives (Olteanu, 2002).
- The control, which must ensure the implementation of the strategies and the marketing mix in the activity of the organization (Giligan, 2003).

Marketing of marketing is a concept whereby "marketing must improve its reputation as a provider of information in the field of markets and consumer needs and establish close links with other knowledge-generating disciplines" (Thomas, 1998). In this respect, marketing must act on three levels:

- The cultural plan, where specialists have to support the theories and guidelines that place the client "first in the commodity circulation chain".
- The strategic plan whereby marketing should have a set of internal and external market management techniques and a suite of strategic alternatives for each component of the marketing mix: product or service, price, distribution, promotion.
- The tactical plan, which takes into account all the practical, current implementation actions of the strategies.

Another modern concept is the "Managerial Marketing", which refers to ensuring the company with the most important factor of production, the human resource. It is also called "job-marketing" (Thomas, 1998). This concept develops the theory of organizing and conducting the selection, learning, training and launching of the best specialists for the business activity of the company. According to this concept and considering the marketing side, the generations of employees as

managers must be constantly aware of the current and future requirements of the company and the market, in order to take the right measures to satisfy the clients, under conditions maximum efficiency. Hence, the role of marketing specialists who specialize or even over-specialize in this field, who constantly work on modern marketing principles, methods and techniques, must be very well understood.

6. Conclusions

Port marketing has a number of peculiarities. Port operating companies have a distinct specificity, different from that of producers, close to those of land-based service companies, but with other orientations and, in particular, outside (CIMR, 2015). An important aspect of the orientation and specific port marketing is the social and economic context, which has the greatest impact on sea and river transport. The port operation is in a transit position, linking maritime or river navigation companies with road, rail, or pipeline. Hence, the design of port marketing, from carrier orientation, as intermediaries of goods transition from producers to traders distributing them to end customers, must be started.

At present, Romania's port marketing is still at an early stage, it is tributary to the one practiced by state-owned companies, such as National Company "Maritime Port Administration" SpA. Constanta or National Company "Administration of Navigable Canals" SpA. Constanta. The two major companies have an important role in the development of port marketing, they have the financial capacity to organize all the necessary activities to attract customers to the port of Constanta and to the Danube-Black Sea Canal. They organize conferences, symposiums, "Days of Constanta Port", in the country and abroad. The organization of these events is a great opportunity for port operating companies, to promote their activities, to make themselves known and to attract new customers.

But these are not enough, they can not cover the whole range of modern services provided in the port, they can not direct the customers to all port companies. The role of maritime port administration is very important in order to boost commercial relations, to make connections between port operators and customers. However, the port administration can not cover all aspects, all situations and especially, it can not handle the marketing of the port operators strictly to the market segment where they are interested. The general approach of marketing by the port administration needs to be complemented by each port operator, with a customer-oriented approach and, in particular, potential customers, to attract them into the business.

The port operating companies in Romania in general and those in Constanta port, in particular, do not currently have a modern marketing system, customer search, customer orientation. They do not have any special programs to find and attract potential clients to business in Constanta port. It can be said that business in port is taking place after a certain national economic context. If the national economy is on the increase, the volume of the activity carried out in the port increases. If the national economy falls, so will the port companies. This means that these companies are very dependent on the overall economic situation, which means they do not have spare options, they do not have strong links with companies within Central Europe. In recent years, there have been a number of changes in customer search outside of Romania in order to reduce the dependence of port businesses on the economic power of national economic operators. But the future is unsafe for port businesses and this marketing activity needs to be developed and targeted to expanding markets.

7. References

- Aaker H. D., Strategic Market Management, John Wiley & Sons Inc., New York, 1998, pg.8; 10.
- Ansoff H.I., Implanting Strategic Management, Prentice-Hall International, Englewood Cliffs, New Jersey, 1984, pg. 25.
- Branch A.E., Elements of Port Operations and Management, London, 1986, pg. 17.
- Florescu C., Milcomete P., Pop A.N., Marketing. Explanatory Dictionary, Economic Publishing House, Bucharest, 2003.
- Giligan C., Strategic Marketing Planning, Butterworth-Heinemann Ltd., London, 2003, pg. 124.

- Iordanoaia F., Maritime and Port Marketing, "Nautica" Publishing House, Constanta, 2005, pg. 25-27; 200-202.
 - Iordanoaia F., Marketing and Management in Transports, "Nautica" Publishing House, Constanta, 2012, pg. 22-25; 30-31.
 - Kotler P., Saunders J., Armstrong G., Wong V., The Marketing Principles, Teora Publishing House, Bucharest, 1999, pg. 104-136.
 - Kotler P., Marketing Management, Teora Publishing House, Bucharest, 2000, pg. 23-28.
 - Niculescu E., Hlaciuc E., Buda S., Stoica C., Modern Marketing, Polirom Publishing House, Iasi, 2000, pg. 62-69, 77-78.
 - Olteanu V., Marketing Management: A Scientific Challenge, Ecomar Publishing House, Bucharest, 2002, pg.5-6.
 - Prutianu S., Anastasiei B., Jijie T., Marketing Research, Polirom Publishing House, Iasi, 2002, pg. 31-32.
 - Sasu C., International Marketing, Polirom Publishing House, Iași, 1998, pg. 65-67.
 - Thomas M., Marketing Manual, Codecs Publishing House, Bucharest, 1998, pg. 32-38.
 - Chartered Institute of Marketing Reports (CIMR), UK, Official Documents, London, 2015.
 - International Maritime Organization (IMO), Official Documents, London, 2017.
 - National Company "Maritime Port Administration" SpA. (MPA), Official Documents, Constanta, 2017.
 - National Company "Navigation Channels Administration" S.A. (NCA), "Official Documents", Constanta, 2017.
 - "Oil Terminal" S.A. (OT), Official Documents, Constanta, 2017.
- Sites:
- www.acn.ro/
 - www.cim.co.uk/
 - www.imo.org/
 - www.managementmarketing.ro/
 - www.maritimeindustries.org/
 - www.marketwatch.ro/
 - www.mt.ro/
 - www.oil-terminal.com/
 - www.portofconstantina.ro/
 - www.rna.ro/
 - www.strategicmarine.com/