

Current Trends in Shipping and Port Marketing Research

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Abstract

Maritime and modern port marketing have acquired a number of features that differentiate them from those applied in the field of production and disposal. Marketing in the field of naval transport synthesizes the orientation of the activity of the shipping company or the port operator to the needs of the shipping market. This type of marketing is especially important to ensure a continuous and systematic flow of information about the maritime and port market, the dynamics of the company's relations with its outside. Hence, the need for marketing professionals to carry out a range of activities to obtain accurate information to help the company's management lead to marketing efficiency and integration into the other company's business.

Key words: shipping, port, marketing, research, management.

J.E.L. classification: I21, M31, O15.

1. Introduction

Long time, marketing research has not existed in shipping or port operating companies. A first step was made when shipping and inland waterway companies, for passenger transport and especially those offering luxury cruises, began to look for travelers and especially tourists to offer trips to the sea or rivers. At port operators, increasing competition on the same freight traffic segment has forced port companies to organize customer search services and then all necessary market information. The marketing research in shipping and port operation must be geared to using its results in the management decision process (Branch, 1988). Regardless of the nature and objectives of managerial decisions, the scale and the nature of resources that these decisions employ, decisions become correct insofar as they support the results of well-organized marketing research. The information resulting from marketing research is useful in all phases of the decision-making process, starting with highlighting the opportunity and the conditions of the decision making, continuing with the identification and comparison of its variants and ending with the effect of the decision taken.

2. Aria, typology and location of the marketing research

Marketing research has a particularly large and complex area. The complexity of processes and phenomena pursued by marketing research require a large number of variants to study them (Prutianu et.al, 2002). The first field of marketing research is the company itself, starting with the objectives, strategies and development policies, then with the human, material and financial resources, ending with its ability to mobilize and adapt to the established objectives. These aspects need to be quantified as accurately as possible, so that they have a particular weight in the marketing research program and in substantiating decisions. The most important area of marketing research is the study of the maritime market, because the phenomena and processes within it are quite many, complex and dynamic (Iordănoaia, 2009). In this respect, the general aspects of the maritime market (eg the number of ships of a certain type) must be investigated; particular aspects for certain periods or seasonally; knowing the dynamics of phenomena on this market; market conjuncture in its entirety or in certain sub-markets where the company operates. Care should be taken to investigate the spatial dimensions of the maritime market, the degree of concentration of

market measures, the flow of goods, the structure of the market for the commodities concerned and the main aspects of the market. An important role for research is represented by the different phenomena and categories of the maritime market such as: demand and supply of goods, ship demand and supply, transport prices (vans), exports and imports in a country or geographical area, market shares of companies, etc. Another aspect that can not be neglected in the marketing research is the incidents of other environmental components on the company's marketing activity, such as: the general evolution of the national economy, the evolution of shipping, the evolution of competition and its market policy, legislative and institutional aspects, the components that make up the company's macroeconomics, technological, ecological, demographic, social-political, cultural, knowledge of customer behavior and their needs (Iordănoaia, 2005). The results of the investigations should be analyzed and forecasts for the substantiation of programs and marketing activities to assess the company's performance. Specialists believe that "the whole sphere of marketing can benefit from the contribution of marketing research" (Prutianu et.al, 2002). But this activity must be organized and conducted in such a way that it can cost reasonably, carry out quickly, provide accurate, relevant and sufficient information for making the right decisions. The typological analysis of marketing research uses a number of criteria as follows:

A. Depending on the subject of the research, as the main criterion for grouping marketing research, these may be: exploratory, descriptive, explanatory, predictive and instrumental.

1). Exploratory research aims to identify the phenomenon investigated, to determine the general coordinates of the domain or phenomenon concerned, to identify or confirm a certain hypothesis.

2). Descriptive research is depth investigations that include the details of the phenomenon investigated. These are organized when there is insufficient information about a marketing phenomenon, so the description and evaluation of its coordinates, everything that happens with the phenomenon, is being pursued.

3). Explicative (causal) research is used to explain the specific, temporal and spatial unfolding of a particular phenomenon, its evolutionary variants, its dependence on the explanatory variables considered, the direction and the intensity of the influence of these variables.

4). Predictive research aims to look to the future, aiming at deciphering the trends in the future (short, medium or long term) evolution, marketing phenomena, but also the changes that may occur in the dimensions, the structure or how they manifest.

5). Instrumental research refers to the testing of research tools that act as a precursory and preparatory phase for a proper research.

B. Depending on the location of the research, we have: desk research and field research.

C. Depending on the frequency of the research can be: permanent, when they are carried out systematically; periodic, when performed at certain time intervals; occasional, when not repeated in time.

The option for one variant or another must be the result of serious, detailed analyzes and efficiency calculations. The decision will take into account the advantages and disadvantages of each of the two variants. The advantages of using the services of certain firms have the following advantages: research is carried out more objectively; use strictly specialized staff; presents great flexibility and adaptability to the specificity of each research. Disadvantages may be caused by the situation where the researcher is not sufficiently familiar with the company's problems, the difficulty in formulating the findings of the research; the difficulty of obtaining the necessary information in the shortest time, and the cost of research is high (Kotler, et.al, 1999).

3. Maritime and port current market research

Research and knowledge of the maritime and port markets is now very important. Marketing research in this area can no longer be ignored, left behind or without dedicated budgets. Table 1 presents the research content of the two markets.

Table no. 1. Maritime and port market research orientation

| OBJECTIVE AND FIELDS OF RESEARCH | MARITIME MARKET | PORT MARKET |
|--|---|---|
| 1. Getting information about: | <ul style="list-style-type: none"> -Navigation lines, routes and ports. -Competing companies and the type of ships in their property. -Port services required for ships. -Prices for different types of port services. -Activities or related services provided by shipping companies. -Promotion methods and techniques used by competitors. | <ul style="list-style-type: none"> -Marine and river transport services. -Prices for different types of port services. -Activities or related services provided by competitors. -Promotion methods and techniques used by competitors. |
| 2. Specific Marketing Environment. | <ul style="list-style-type: none"> -Maritime market in its assembly and sub-markets commodities. -The market for new shipbuilding and repairs. -Freight market (for the "tramp" navigation). -"Second hand" and the sale of scrap metal market. | <ul style="list-style-type: none"> -The port where is the head office of the company. -The general situation of competing ports on the same coast or in the near seas. -Sale of new and second-hand port equipment. |
| 3. The organization of marketing activities of competitors. | <ul style="list-style-type: none"> a). Competing companies: <ul style="list-style-type: none"> - Number of ships, their type, characteristics, transport capacity, operating systems used. - Maritime navigation routes, river transport links, roads, railways, transshipments sites. - Main contracts, their durations, special clauses, other important elements. b). Potentially competing companies. Typically, those who have tramp vessels and want to enter some navigation lines. | <ul style="list-style-type: none"> a). Competing companies: <ul style="list-style-type: none"> -Number of port facilities, installations, type, characteristics, transport capacity, loading and unloading used. -The type of cargo operated, the maritime and river shipping companies with which they operate, the water, rail, or road links. -Main contracts, their duration, special clauses. |
| 4. Potential customers. | <ul style="list-style-type: none"> a).Get information about potential customers: <ul style="list-style-type: none"> -The names of the companies we're interested in. -Domain of activity: production, commodity, trade, brokerage (double-sense, customer or supplier). -The main contracts. b).Potential Customers: <ul style="list-style-type: none"> -Who are they? -Why are they interested in the company's services? -When you call the company? -What are the relationships with them? c).Brokers in the market. Expanding tramp shipping companies need brokers operating on that market or in the navigation area. | <ul style="list-style-type: none"> a).Get information about potential customers: <ul style="list-style-type: none"> -The names of the companies we're interested in. -Field of activity: production, exploitation of raw materials, transport, and trade. -The main contracts. b).Potential Customers: <ul style="list-style-type: none"> -Who are they? -Why are they interested in the company's services? -When he calls the company's services to operate the goods? -What are the relationships with them? |
| 5. Fields of research. | <ul style="list-style-type: none"> -Measurement of the maritime market to determine: size, potential, forecast of the quantities of goods, forecast of the number of vessels. -Competing companies to find out about: their general policy, the way they act on the market, the trends of expansion or the decline of activity. -Situation of the national, European and global economy. -Political and economic environment. -Legislation in the countries where the activities are carried out on line vessels. -Efficiency for the allocation of funds needed for research. -Promotion and advertising costs. | <ul style="list-style-type: none"> -Measurement of the port market to determine: the size, the potential, the forecast of the quantities of cargo, the forecast of the number of ships to enter the port. -Competing port companies to find out about: their general policy, how to act on the market, the expansionary tendencies or the decline of activity. -Situation of the local, national, European and world economy. -The local, regional or national political and economic environment. -National and European port legislation. -Efficiency for the allocation of funds needed for research. -Promotion and advertising costs. |

Source: Author's study, (Iordănoaia, 2005), (Iordănoaia, 2009), (Sasu, 1998), (Catoiu et.al, 2002).

Continuing research requires a detailed understanding of competing companies: how they operate, the advantages and challenges they face, prices or tariffs, additional contractual clauses, strengths, weaknesses, etc. Maritime market research is carried out in the country of origin and abroad. Depending on the objective pursued, research can be carried out as follows: in one or more countries; on a certain sailing route; for a certain type of merchandise; by ship type (eg container ships). The higher the number of countries, the client firms, the competitors, the more complex the research. In this situation, in order to prevent a series of obstacles related to the lack of data, documents or publications, an extra effort, intelligence and inventiveness is needed to obtain all the

information. All this involves some costs that must be included in the Company's revenue and expenditure budget. Costs are reduced by establishing contractual relationships and carrying out activities. There is no cost-free research, the result of market research can anticipate its positive or negative evolutions, company positioning, business success, or bankruptcy.

4. Research process in the maritime and port marketing

It can be structured on the following stages, main aspects and details of research, as in Table 2:

Table no. 1. Research Process in the Maritime and Port Marketing

| STAGES OF THE RESEARCH | MAIN ASPECTS OF RESEARCH | DETAILS OF RESEARCH | RESEARCH RESULTS |
|---|---|---|---|
| 1. Target setting. | a).The structure of the maritime market. | -The "physical" size of the market. -Stage of development in one country or more. -The number of competing companies. -The segment of the market occupied by competing companies. -Methods of approach, entry on the market. | This column shows the concrete results of the research. |
| | b). The service offered to customers by the shipping company. | -The number of ships available. -Type of ship: dimensions, capacities, nautical qualities. -Operating mode: loading, unloading, stacking, and lashing. -Crew: training, seriousness and professionalism. -Ensuring the ship. -Contract terms. -Price (freight) required. | |
| | c).The service offered to customers by the port operator. | -Direct operations for ships. -Carriage operations in port or berth. -Operations accompanying the shipping service or port operators. | |
| 2. Searching for sources of information. | a).Sources of information from primary data. | -Get it from the specialty field: patrons, ship-owners, chatters, brokers, shipmasters, supervisors, business representatives, experts, business executives, company customers, business partners (suppliers). -Are expensive, subjective, must be checked permanently, limited in content, confidential. -Are obtained through official interviews, personal discussions, attendance at meetings, symposiums, protocol meetings, celebrations. | |
| | b).Sources of information from secondary data. | -They are obtained from the published documents, from their own library. -Have a lower cost, are available, circulate on the market without restrictions. -May be incomplete or out of date, but require a great deal of work, careful consideration and knowledge of the limits. | |
| 3. Data collection and processing. | a).Information obtained before research (secondary data). | -Availability. -Reliability, trust and guarantee. -The ability to compare in time and space. -Validity, actual value of data. -Who are the authors (editors), the purpose of the editing, the content and the logic of the data. | |
| | b).Information to be searched. | -Search program, people responsible for search and planning of searches. -The sources of information that will be investigated, analyzed and chosen to get the right information. -The decision to choose the final sources of information. | |

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|---|---|--|--|
| 4. Analysis and interpretation of the data obtained. | a).Analysis of information and data. | -Primary and secondary data may be limited. -Synthesizing essential information and data. -Studying the variables that can influence the study of information and data. | |
| | b).Interpretation of information and data. | -Understanding the policies and practices of competitors in the maritime and port market. -Local attitudes and habits must be understood, leaders' attitudes. | |
| | c).Role of the company's specialist performing research and interpretation of information and data. | -Skeptical attitude towards the data. -Verifying the accuracy and timeliness of the information. -Using imagination and creativity to process and adapt information. -High degree of general culture and ability to understand the situation. | |
| 5. Develop and submit a report to the managers. | a).Characteristics of the report. | -The report is confidential, it is addressed only to the management. -The company's director decides the subordinates' access to the report. -"Sensitive" information should be discussed and kept only in the company. | |
| | b).Adopt decisions based on the report. | -The report should be the basis for management decisions. -Risks of taking decisions must be taken by those who adopt them. | |

Source: Author's study, (Iordănoaia, 2009), (Kotler et.al, 1999), (Catoiu et.al, 2002).

The most important bodies and institutions from which information and data can be obtained, which are needed in maritime and port marketing, are presented in Table 3.

Table no. 3. Organizations and institutions with major activity in maritime and port marketing

| THE POSITION OF THE ORGANIZATIONS | ORGANIZATIONS AND INSTITUTIONS |
|---|---|
| a). International organizations. | - The United Nations. - International Maritime Organization. - European Union. - The World Bank and the International Monetary Fund. - Paris Chamber of Commerce. - International Maritime and Commercial Tribunals. - Courts of International Arbitration. - Ship-owners Associations (Conferences). - Broker Associations, P & I Clubs. |
| b). National (state) organizations. | - The Government and the Ministry of Transport. - County and Local Councils. |
| c). National non-governmental organizations. | - Chamber of Commerce, Industry and Navigation. - Producer Associations (on different branches). - Carrier Associations. - Logistics and Multimodal Transport Associations. |
| d). Companies. | - The banks. - Insurance companies. - Business centers. - National companies, advertising companies, specialized publications. |

Source: Author's study, (IMO, 2018), (CIMR, 2018).

5. Conclusions

Establishing the goal to be pursued in the research, defining the problem faced by the shipping company or port operation, which needs to be solved, presents a certain difficulty due to taking over from a business and turning it into an important issue to be researched. For defining a problem and setting the goal, consider all of the above issues. At the beginning of research, searching for sources of information is the most important activity. This requires people specially trained for this type of activity. Depending on the cost, it is possible to choose the primary or secondary data, but it starts with the secondary one, which is the cheapest and available to the company.

The collection and processing of data must be planned, organized and carried out with great care and detail. After obtaining the information, a very important stage remains related to the correct assessment of the credibility and accuracy of the data. Analysis, interpretation of information and data becomes very important in the current context of competition on multiple platforms. Upon completion of this activity, the research ends with the preparation and submission of a report to the company's management. The report must be decisive for decision-making, it is not ambiguous and does not leave room for interpretation. In this way, marketing can bring added value to shipping and port operation companies and all costs are justified.

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