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Study Guide: Marketing Management

For Shipping & Logistics Students – Caribbean Maritime University

Course Code: MM802

Programme: BSc. in Logistics and Supply Chain Management

Credit Hours: 3

How to Use This Study Guide

This guide is organized by the **ten units** from the course outline. Each unit includes:

- **Learning Objectives**
- **Key Terms & Concepts**
- **Core Content Summary**
- **Logistics & Supply Chain Connections**
- **Review Questions**
- **Application Exercises**

Note: This guide follows the 2020 outline, you are encouraged to supplement your learning with the latest digital marketing, AI, and sustainability trends.

Unit 1: Defining Marketing for the New Realities

Learning Objectives

- Demonstrate the principles and concepts of marketing management.
- Explain the marketing approach to management.

Key Terms

Marketing, needs/wants/demands, value proposition, exchange, marketplace, holistic marketing, production concept, product concept, selling concept, marketing concept, societal marketing concept.

Core Content Summary

1. The Value and Scope of Marketing

- Marketing is about identifying and meeting human and social needs profitably.
- Scope includes goods, services, events, experiences, persons, places, properties, organizations, information, and ideas.

2. Core Marketing Concepts

- **Needs:** Basic human requirements (food, safety, belonging).
- **Wants:** Needs directed to specific objects (I want a burrito).
- **Demands:** Wants backed by buying power.

- **Value:** Bundle of benefits vs. costs.
- **Exchange:** Act of obtaining a desired object by offering something in return.

3. Holistic Marketing Dimensions

- **Relationship Marketing:** Building deep, enduring relationships with customers, partners, and channels.
- **Integrated Marketing:** Designing activities and programs to create, communicate, and deliver value.
- **Internal Marketing:** Hiring, training, and motivating employees to serve customers well.
- **Performance Marketing:** Understanding financial and non-financial returns (social, legal, ethical).

4. Types of Needs

- Stated, real, unstated, delight, secret.

5. The Changing Marketplace

- Digital transformation, omnichannel presence, data analytics, AI, sustainability pressure.

Logistics & Supply Chain Connection

- Marketing in logistics means promoting **service reliability, speed, and cost efficiency** as core value propositions.
- Logistics managers must understand **customer needs** (e.g., real-time tracking, last-mile flexibility) to design competitive service offerings.

Review Questions

1. Why is marketing essential for a logistics company like DHL or Maersk?
2. How does holistic marketing apply to a 3PL provider?

Application Exercise

Choose a logistics firm. Identify one stated need and one delight need of its business customers. Propose a marketing response for each.

Unit 2: The Types of Markets

Learning Objectives

- Describe the importance of marketing in different market contexts.
- Explain and analyse consumer vs. business buyer behaviour.

Key Terms

Consumer market, business market (B2B), organizational buying, buying center, procurement process, institutional market, government market, derived demand.

Core Content Summary

1. What Influences Consumer Behaviour

- Cultural (culture, subculture, social class)
- Social (reference groups, family, roles)

- Personal (age, occupation, lifestyle, personality)
 - Psychological (motivation, perception, learning, memory)
- 2. Model of Consumer Behaviour (Stimulus-Response Model)**
- Marketing stimuli → Buyer's black box (characteristics + decision process) → Buyer responses.
- 3. The Buying Decision Process**
- Problem recognition → Information search → Evaluation of alternatives → Purchase decision → Post-purchase behaviour.
- 4. Business Markets (B2B)**
- Fewer, larger buyers; derived demand; professional purchasing; close relationships; multiple touchpoints.
- 5. The Purchasing/Procurement Process**
- Problem recognition → General need description → Product specification → Supplier search → Proposal solicitation → Supplier selection → Order-routine specification → Performance review.
- 6. Institutional and Government Markets**
- Institutional: schools, hospitals (low budgets, captive audiences).
 - Government: public tenders, strict compliance, long cycles.

Logistics & Supply Chain Connection

- Logistics firms often sell **B2B services** (warehousing, freight forwarding). The buying centre may include logistics managers, procurement, finance, and operations.
- Understanding procurement processes helps logistics marketers tailor bids and RFQ responses.

Review Questions

1. Compare the buying decision process of a consumer buying courier service vs. a company contracting a 3PL.
2. What are three key differences between business markets and consumer markets?

Application Exercise

Map the buying centre for a manufacturing company selecting a warehouse management system provider. Who holds the power? Why?

Unit 3: Identifying Market Segments and Targets

Learning Objectives

- Create strategies for efficient distribution responsive to changing markets.

Key Terms

Market segmentation, targeting, positioning, demographic segmentation, psychographic segmentation, behavioural segmentation, geographic segmentation, B2B segmentation variables, effective segmentation criteria (measurable, accessible, substantial, differentiable, actionable), points of difference (PODs), points of parity (POPs), brand positioning statement.

Core Content Summary

1. Major Segmentation Variables for Consumer Markets

- Geographic (region, city density, climate)
- Demographic (age, gender, income, education)
- Psychographic (lifestyle, values, personality)
- Behavioural (occasions, benefits, user status, loyalty)

2. Segmentation of Business Markets

- Demographic (industry, company size, location)
- Operating variables (technology, user/non-user status)
- Purchasing approach (centralized/decentralized, power structure)
- Situational factors (urgency, order size)
- Personal characteristics (buyer-seller similarity, risk attitude)

3. Market Targeting

- Undifferentiated, differentiated, concentrated, or micromarketing strategies.

4. Effective Segmentation Criteria

- Measurable, accessible, substantial, differentiable, actionable.

5. Points of Difference and Parity

- **POD:** Attributes/benefits consumers strongly associate with a brand (e.g., fastest delivery).
- **POP:** Attributes/benefits not unique but necessary to compete (e.g., tracking capability).

6. Establishing a Brand Positioning

- Positioning statement: "To [target segment], [brand] is the [frame of reference] that provides [POD] because [reason to believe]."

Logistics & Supply Chain Connection

- A logistics provider might segment by: industry (pharma vs. auto), shipment size (LTL vs. FTL), urgency (express vs. economy), or geography (domestic vs. international).
- Positioning examples: "FedEx: When it absolutely, positively has to be there overnight." (POD = reliability + speed)

Review Questions

1. Propose three segmentation variables for a company offering cold-chain logistics services.
2. What is the difference between a point of difference and a point of parity in logistics?

Application Exercise

Write a positioning statement for a regional last-mile delivery startup competing with Amazon Logistics.

Unit 4: Designing and Managing Products and Services

Learning Objectives

- Propose solutions to marketing-related problems in organizations.

Key Terms

Product levels (core, basic, expected, augmented, potential), product classification (convenience, shopping, specialty, unsought), packaging, product design, product life cycle (PLC) – introduction, growth, maturity, decline, nature of services (intangibility, inseparability, variability, perishability), service quality (SERVQUAL), product support services.

Core Content Summary

1. Product Levels

- **Core benefit:** What the customer really buys (e.g., safe arrival of goods).
- **Basic product:** The tangible service (e.g., truck transport).
- **Expected product:** Minimum conditions (e.g., on-time delivery, tracking).
- **Augmented product:** Exceeding expectations (e.g., GPS alerts, climate monitoring, customs brokerage).
- **Potential product:** Future innovations (e.g., drone delivery).

2. The Product Life Cycle (PLC)

- Each stage requires different marketing, pricing, and distribution strategies.

3. The Nature & Characteristics of Services

- Intangible, inseparable (production & consumption together), variable (quality depends on who delivers), perishable (cannot inventory empty truck space).

4. Managing Service Quality

- Use SERVQUAL dimensions: reliability, assurance, tangibles, empathy, responsiveness.
- Close the gaps between customer expectations and service delivery.

Logistics & Supply Chain Connection

- Logistics is a **service product**. The core benefit is "moving goods from A to B efficiently."
- Augmented services (real-time dashboards, flexible rescheduling, sustainability reporting) differentiate providers.
- Service perishability means empty backhauls = lost revenue – pricing and demand management are critical.

Review Questions

1. Describe the five product levels for an international freight forwarding service.
2. How does the perishability of services affect marketing decisions in logistics?

Application Exercise

A logistics company notices its service is in the maturity stage of PLC. Propose two strategies to extend the lifecycle.

Unit 5: Developing Pricing Strategies and Programs

Learning Objectives

- Create strategies for efficient distribution and responding to changing markets.

Key Terms

Pricing, consumer psychology (reference prices, price-quality inferences), price elasticity of demand, pricing strategies (cost-plus, value-based, competition-based, dynamic, penetration, skimming, bundling), steps in setting price, initiating price changes, responding to price changes.

Core Content Summary

1. Understanding Pricing

- Price is the sum of all values consumers exchange for benefits.
- In logistics, price = freight rate, fuel surcharges, handling fees, insurance.

2. Consumer Psychology and Pricing

- Odd pricing (99vs.100), price as quality signal, decoy effects.

3. Price Elasticity of Demand

- Elastic: small price change → large demand change (competitive lanes).
- Inelastic: price change has little effect (specialized, urgent shipments).

4. Steps in Setting a Pricing Policy

1. Select pricing objective (survival, max profit, market share)
2. Determine demand
3. Estimate costs
4. Analyse competitors' prices
5. Select pricing method
6. Set final price

5. Initiating & Responding to Price Changes

- Cut prices (risk: price war, lower quality perception).
- Raise prices (risk: customer defection).
- Response strategies to competitor cuts: maintain, raise perception, reduce price, launch low-cost fighter brand.

Logistics & Supply Chain Connection

- Dynamic pricing is common (peak season surcharges, spot vs. contract rates).
- Fuel surcharges adjust prices without changing base rates.
- Logistics firms must respond to pricing moves by digital freight platforms (Uber Freight, Convoy).

Review Questions

1. Under what condition would a logistics firm raise prices without losing key customers?
2. What is the difference between cost-plus and value-based pricing in warehousing?

Application Exercise

A competitor cuts last-mile delivery prices by 20% in your key city. Outline your response strategy with reasoning.

Unit 6: Marketing Communications

Learning Objectives

- Develop strategies with internal and external stakeholders.

Key Terms

IMC (Integrated Marketing Communications), advertising, sales promotion, online marketing, social media marketing, mobile marketing, public relations, direct marketing.

Core Content Summary

1. Role of Marketing Communication

- Build brand awareness, create preference, trigger action, reinforce satisfaction.
- Communications mix includes advertising, PR, sales promotion, events, direct, digital.

2. Managing Integrated Marketing Communications (IMC)

- All messages (online, offline, sales, service) must be consistent and complementary.

3. Developing an Advertising Program (5 Ms)

- Mission, Money, Message, Media, Measurement.

4. Sales Promotion

- Short-term incentives (discounts, contests, loyalty points). In B2B logistics: volume discounts, free trials, referral bonuses.

5. Online & Social Media Marketing

- LinkedIn for B2B logistics (thought leadership, case studies), Instagram/TikTok for brand personality, SEO/SEM for lead generation.

6. Mobile Marketing

- SMS tracking alerts, mobile apps for booking and real-time visibility.

Logistics & Supply Chain Connection

- Logistics companies communicate reliability (tracking updates), safety (insurance coverage), and speed (time-definite guarantees).
- Social proof: customer testimonials, case studies, and industry awards are powerful.

Review Questions

1. Why is IMC critical for a logistics brand that uses both salespeople and digital ads?
2. Give an example of mobile marketing in freight forwarding.

Application Exercise

Design a simple IMC campaign (one message, three channels) for a new cross-border e-commerce logistics service.

Unit 7: Managing Integrated Marketing Channels: Retailing, Wholesaling and Logistics

Learning Objectives

- Create strategies for the efficient and effective distribution of products and services.

Key Terms

Marketing channels, value network, channel management, e-commerce, m-commerce, channel conflict, retailing, wholesaling, market logistics, omnichannel.

Core Content Summary

1. Marketing Channels and Value Networks

- Channels are interdependent organizations involved in making a product/service available for use.
- Value network = company's suppliers, distributors, and customers working together.

2. Channel Management Decisions

- Designing channel structure (direct vs. indirect, number of intermediaries).
- Selecting channel members.
- Training, motivating, and evaluating members.

3. Strategies to Manage Channel Conflict

- **Vertical conflict** (manufacturer vs. retailer)
- **Horizontal conflict** (two retailers competing)
- Solutions: superordinate goals, mediation, early adoption of new channels.

4. The Modern Retail Marketing Environment

- Omnichannel (brick, click, mobile), showrooming, webrooming.

5. Wholesaling & Market Logistics Planning

- Wholesalers perform storing, breaking bulk, financing, risk bearing.
- Market logistics (physical distribution): order processing, warehousing, inventory, transportation.

Logistics & Supply Chain Connection

- This is your **core competency unit**. Logistics is the physical backbone of marketing channels.
- E-commerce logistics requires reverse logistics (returns management).
- Channel conflict example: A manufacturer selling direct online while also using distributor partners.

Review Questions

1. How can a logistics provider help resolve channel conflict between a brand and its retailers?
2. What is the difference between a marketing channel and a value network?

Application Exercise

A fashion brand wants to launch direct-to-consumer (DTC) but has existing wholesale relationships. Propose a channel strategy and explain the logistics implications.

Unit 8: The Marketing Plan

Learning Objectives

- Describe the importance of marketing in any organization.

Key Terms

Value delivery process (choose, provide, communicate), strategic planning, marketing plan components (executive summary, situation analysis, SWOT, objectives, strategy, tactics, budget, controls), marketing opportunity analysis (MOA).

Core Content Summary

1. The Value Delivery Process

- **Choose** the value (segmenting, targeting, positioning)
- **Provide** the value (product development, sourcing, pricing)
- **Communicate** the value (sales force, promotions, advertising)

2. The Central Role of Strategic Planning

- Corporate level → division level → business unit level → product level.
- Each level defines mission, sets objectives, crafts strategy, and creates programs.

3. Marketing Plan Analysis

- **Situation Analysis:** Market size, trends, competitors, customers (3Cs).
- **SWOT:** Strengths, Weaknesses, Opportunities, Threats.
- **Objectives:** SMART (specific, measurable, achievable, relevant, time-bound).
- **Strategy:** STP (segmentation, targeting, positioning).
- **Tactics:** The 4 Ps (Product, Price, Place, Promotion).
- **Budget & Controls:** ROI metrics, milestones.

4. Marketing Opportunity Analysis (MOA)

- Framework to evaluate whether an opportunity is attractive and the company can succeed at it.

Logistics & Supply Chain Connection

- A logistics marketing plan might target e-commerce SMEs with a value proposition of "two-day delivery at economy rates."
- MOA example: Entering cold-chain logistics requires assessing if you have temperature-controlled assets or partnerships.

Review Questions

1. What are the three parts of the value delivery process? Give a logistics example for each.
2. Why is a SWOT analysis necessary before setting marketing objectives?

Application Exercise

Outline a one-page marketing plan for a new cross-docking service in a mid-sized city.

Unit 9: International Marketing

Learning Objectives

- Explain and analyze the marketing approach to management globally.
- Develop strategies for responding to changing global markets.

Key Terms

Internationalization process, market evaluation (economic, political, cultural, legal), developing markets, major trading blocs (EU, USMCA, ASEAN, Mercosur), global distribution strategies (standardized vs. adapted), modes of entry (export, joint venture, licensing, wholly owned).

Core Content Summary

1. Decisions in International Marketing

- Whether to go global.
- Which markets to enter.
- How to enter (export, JV, FDI).
- Marketing program (standardize or adapt).
- Marketing organization.

2. Evaluating Potential Markets

- Market attractiveness (size, growth, income, infrastructure)
- Risk assessment (political stability, currency, legal)
- Competitive intensity

3. Succeeding in Developing Markets

- Affordability (smaller packs, lower prices)
- Distribution (fragmented retail requires innovative logistics)
- Local partnerships

4. Major Trading Blocs

- Reduce trade barriers; harmonize regulations.

5. Global Distribution Strategies

- Standardized (same logistics model everywhere) – efficient but risky.
- Adapted (localize for each market) – responsive but costly.

Logistics & Supply Chain Connection

- International logistics involves customs, documentation (bill of lading, commercial invoice), Incoterms, and cross-border partnerships.
- Logistics firms must navigate different infrastructure levels, regulations (e.g., GDPR for customer data), and cultural expectations.

Review Questions

1. What factors should a logistics company evaluate before entering a developing market?
2. Compare standardized vs. adapted distribution strategy for a global courier service.

Application Exercise

A mid-sized logistics firm is considering entry into an ASEAN country. Recommend an entry mode and justify it.

Unit 10: Customer Relationship Management (CRM)

Learning Objectives

- Develop strategies with internal and external stakeholders to grow and maintain successful relationships.

Key Terms

Customer value, customer satisfaction, customer loyalty, customer lifetime value (CLV), attracting vs. retaining customers, CRM systems, socially responsible marketing, holistic marketing, customer churn, loyalty programs, relationship marketing.

Core Content Summary

1. Building Customer Value, Satisfaction, and Loyalty

- **Customer Perceived Value (CPV):** Total benefits minus total costs (monetary, time, energy, psychic).
- **Satisfaction:** Product/service performance compared to expectations.
- **Loyalty:** Deep commitment to repurchase despite situational influences.

2. Maximizing Customer Lifetime Value (CLV)

- CLV = present value of all future profits from a customer.
- Focus on high-CLV segments; don't over-serve low-CLV customers.

3. Attracting and Retaining Customers

- Attraction: advertising, promotions, referrals.
- Retention: service quality, loyalty programs, proactive problem-solving.
- **Customer churn** rate is critical.

4. Socially Responsible Marketing

- Ethical practices, sustainability, transparency, community impact.
- In logistics: reducing carbon footprint, fair labor practices, ethical sourcing.

5. Holistic Marketing & The Future of Marketing

- AI-powered personalization, predictive logistics, autonomous vehicles, circular supply chains.
- Marketers will need to balance automation with human empathy.

Logistics & Supply Chain Connection

- CRM for a logistics firm might include a portal where customers track shipments, rebook services, and view billing.
- CLV matters: A large manufacturer using your warehousing + transport + customs for 10 years is high CLV.
- Sustainability as marketing advantage: "Carbon-neutral shipping."

Review Questions

1. How can a logistics company increase customer lifetime value without lowering prices?
2. Give two examples of socially responsible marketing in the logistics industry.

Application Exercise

Calculate simplified CLV: A customer pays 10,000/
year for logistics services, retention cost = 2,000/year, customer lifespan = 5
years, discount rate = 10%. Show your formula.

Final Exam Preparation

Exam Structure

- **Coursework (50%):** Projects, assignments, mid-module exam, presentations
- **Final Examination (50%)**

Sample Exam Questions

Multiple Choice (Example)

Which of the following is a characteristic of services that is most challenging for logistics marketers?

- a) Tangibility
- b) Separability
- c) Perishability
- d) Standardization

Short Answer (Example)

Explain how a logistics company could use psychographic segmentation for its B2B customers.

Case Study (Example)

You are the marketing manager for a regional LTL carrier. A new digital freight platform has entered your market offering 15% lower rates. Your customers are price-sensitive but complain about the platform's poor customer service. Develop a response strategy using concepts from Units 5 and 10.

Study Tips

1. Create flashcards for all **Key Terms**.
 2. For each unit, write a **real logistics company example** (e.g., Maersk, FedEx, XPO, C.H. Robinson).
 3. Practice writing **positioning statements** and **IMC campaign outlines**.
 4. Connect pricing and channel decisions (Units 5 & 7) – exam questions often combine them.
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Group & Individual Presentation Guidelines

Based on your course schedule, be prepared to present on:

- Case study analysis of a logistics firm's marketing success/failure
- A marketing plan for a new logistics service
- Analysis of a brand's repositioning strategy

Presentation Tips:

- Apply **course concepts** explicitly (name the theory).
 - Use slides with minimal text; speak to examples.
 - Include a **logistics-specific insight** (e.g., last-mile challenges, reverse logistics).
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Recommended Resources (Updated)

Core Textbook:

- Kotler, P. & Keller, K.L. (2016). *Marketing Management* (15th ed.). Pearson. (As listed in your outline)

Supplementary:

- Kotler, P., Armstrong, G. (2020). *Principles of Marketing* (18th ed.). Pearson.
- Zeithaml, V.A., Bitner, M.J., Gremler, D.D. (2018). *Services Marketing* (7th ed.). McGraw-Hill.
- **Logistics-specific:** Christopher, M. (2016). *Logistics & Supply Chain Management* (5th ed.). Pearson.

Online Sources:

- Council of Supply Chain Management Professionals (CSCMP)
- Logistics Management magazine
- DHL's "Logistics Trend Radar"
- Marketing Week, American Marketing Association (AMA)


Additional Support

For assistance with research or accessing resources such as past papers, visit the CMU Library or contact:

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