

**The impact of the holistic marketing strategies on
increasing customers` satisfaction in container
terminal ports**

**A comparative study between East and West Port
Said container terminals**

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introduction

- The very essence of seaport is to link maritime networks and land networks.
- Sea ports are multi-functional markets and industrial areas where goods are not only in transit, but they are also sorted, manufactured and distributed.
- Seaports nowadays operate in a highly competitive market. The time of monopolies has gone and the port business environment became more challenging, as the hinterland is accessible to competitors, and this has lead to a strong competition.



introduction

- The port sector has been traditionally viewed as a public sector owned by the port authority and operated by public companies. With growing in global trade, experience indicates that the public sector has considerable difficulty in adapting to the needs of the users and of ensuring that the service is permanent without any interruption. The majority of the best ports in the world is working now under a landlord system of management
- The Egyptian government adopted a strategy to let the private sector participate in the operation of new container terminals through concession agreement or BOT (Built – Operation – Transfer) in Alexandria, Port Said, Damietta and Suez ports.



Competition in ports

- Five forces would interact to shape the competitive landscape that facing port authorities and port service providers:
 - 1) The rivalry among existing competitors.
 - 2) The threat of new competitors.
 - 3) The potential for global substitutes.
 - 4) The bargaining power of port users.
 - 5) The bargaining power of port service. The World Bank (2007)
- These forces can impact ports of all sizes, driving requirements for port expansion, service improvement, pricing decisions, and other management actions.
- Differentiation is necessary to gain competitiveness in ports, Port enterprises need to adopt the kind of competitive strategies that will support or secure their position within the competing transport chain networks. Siep (2010)
- The selection of this marketing strategy is essential. It can improve financial results, It can also attract and satisfy customers, or it can have a negative effect.
- When a strategy is chosen, it has to be constantly adjusted in order to respond to the changing needs of the market.

Port Marketing

- Ports- like any other organization- have customers, and satisfying customers is the main target of any sea port organization.
- The very sense of service quality refers to the provision of services that satisfy customer (or market) needs.
- Thus, the port enterprise must be in a position to comprehend market needs, and design and successfully implement competitive strategies. In other words, port management decisions (including service design, pricing and investment planning) should be orientated towards the market and customers where the port enterprise operates and should be based on marketing analysis. Cahoon and Hecker (2005)



Port Marketing

- Customer satisfaction in ports rely on the one hand correct diagnosis of the shipping market to better understand and forecast client's (charterer's – shipper's) transport needs and on the other hand appropriate organization, planning and controlling of the shipping enterprise's means. Plomaritou (2006)
- The more the shipping enterprise tries to discover what its clients need, to adapt the chartering policy to their requirements, to offer appropriate transport services, to negotiate the freight as a function of what it offers, as well as to communicate effectively with the market it targets, the more are the possibilities to achieve the most appropriate, efficient and long-lasting commercial operation of its vessels



The holistic marketing

- The holistic marketing defined as a strategy which combines all marketing functions in logical process: recognizing needs, satisfying wants, meeting the demands and creating a unique value proposition. Tushi (2014)
- Every aspect of the business must be carefully considered. Valentin and Paula(2009)
- The holistic marketing strategies developed by thinking about the business as a whole using holistic marketing approaches. And that could sustain customers' satisfaction and profitability.



The holistic marketing

According to Kotler and others (2002) and Nmegbu (2012) , the holistic marketing concept which this research followed consists of five main integrated factors:

Interactive/ performance Marketing –

- Interactive marketing meets the needs and exceeds expectations of customers. It makes the front line employees to approach customers' problems with understanding and solve them attentively thus encouraging customer relationship management (CRM) such as caring, politeness, responsiveness, honesty and keeping to appointment,
- It includes services convenience, degree of response, core competencies of the company , vision and mission oriented by customers, Gaining competitive advantages by adding and developing service to satisfy customers , and adding value to the supply chain.



The holistic marketing

1. Integrated marketing:

- Involves the product or the service strategy, pricing strategy, promotion strategy, communication strategy and placing strategy. Simply integrated marketing includes the whole basic product or service strategy in which managers tell how to develop and deliver the product to the customers.
- The marketing department should integrate with other departments and business units to achieve customer oriented objectives with win-win strategy between the ports and their customers.

2. Relationship marketing:

That includes a relationship with customers, partners, employees and competitors. The elements of relationship marketing are trust, commitment, dependability, reliability and the effective communication with all the company`s stakeholders.

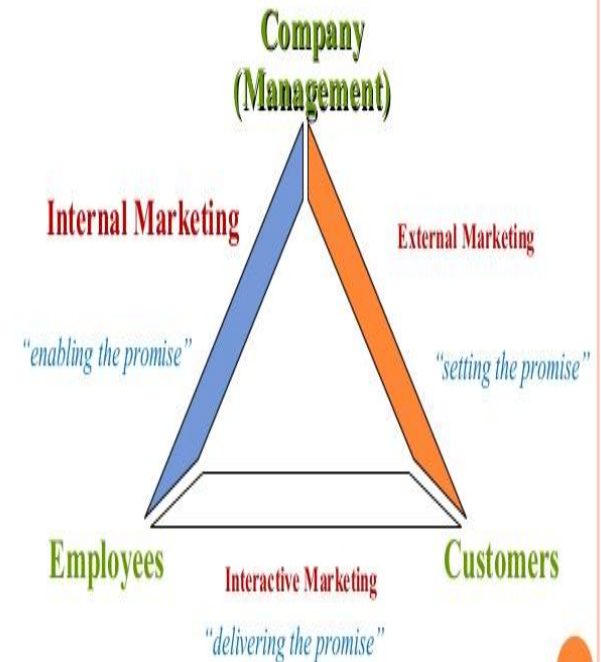


The holistic marketing

3. Internal Marketing –

- Internal marketing is concerned with how all employees and other organizational members could work as a team for the realization of goals and objectives of the company.
- For effective marketing strategy and positioning, internal marketing of a firm must be holistic and begin with market orientation. Market orientation is a form of organizational culture where employees work as a team and are committed to continually creating superior customer value, or a sequence of marketing activities that lead to better performance of an organization.
- The concept is also concerned with issues including organizational culture, innovation, human resource planning, organizational learning and team building.

WHAT IS SERVICES MARKETING TRIANGLE?



The holistic marketing

4. External Marketing:

- External marketing tries to build on mutual satisfaction of long-term relationships and partner relationship management (PRM) such as an alliance, merger, collaboration, business partnership, etc.
- External Marketing also entails financial accountability and social responsibility.
- To ensure accountability, an internal Control system has been designed and included . To ensure social responsibility, external marketing strategy uses both a nonprofit, profit and/or government organizations and tries to develop its community.



Container ports in Port -Said

- Port Said has strength factors which enables it to play bigger role as a mega hub port for the container transshipments, such as the strategic location on the north entrance of Suez canal, the capacity of the port, cheap labor and the availability of land for future extension and where there is an opportunity to get a bigger share of the market with the high growth of sea born trade between the South East Asia and Europe.

Port Said has two container terminal operators, and they are competing to attract, retain and grow the same target segment, these two terminal ports are:

- Port Said container & cargo handling co. (public sector in the West Port).
- Suez Canal container terminal (SCCT) Said port (private sector in the East port).



Research problem

- **The Egyptian container terminals are suffering from many issues which affect deeply the performance and productivity and therefore, customer satisfaction:**
- Port Said container and cargo handling company “PSCCHC” is suffering from many problems that affect the operation performance. The improper organization and shortage of space inside the port, moreover the authorities restrict any further extension which leads to heavy congestion. Many small, irregular and separated yards, affect the terminal performance.
- In East Port Said container terminal, congestion is a main problem, the terminal needs to invest in high-speed cargo-handling equipment for enhancing productivity, shippers and shipping lines- as customers- have been working for lower transportation fees and the shipping companies have made significant efforts toward reducing transport costs per shipping (Galal Younis, L. B. Kamar, Hossam Attya,2010).
- Competition also is a big challenge for terminals as they are competing through attracting customers and increasing the terminal`s market share in their region.

Research hypotheses

- **This study argues that the holistic marketing concept is not applied or applied with limits in the selected Egyptian container terminals. The research is conducted through three comparative investigations:**
- The first one is a comparison between the holistic marketing in the private container terminal and the public container terminal. *To answer the question (are there differences between understanding and implementing the holistic marketing strategies in the two selected companies?),* the study asked managers and employees to arrange the holistic marketing factors according to their existence, importance and their significance.
- The second comparison is between the customers` perspectives toward the holistic marketing that applied in the two selected companies and the employees` perspectives. To answer the question *(Is there a gap between customers` needs and the port s` response?)*
- The third comparison is between the three levels of managers; top, middle and the workers` perspectives, asking them to arrange the holistic marketing factors according to their existence, importance, significance and the level of integration among all these factors. To answer the question *(is the corporate culture could help the port to serve its customers in the best interest of customers and ports?)*

Findings and results

- The findings illustrate that there are significant differences in these three comparative investigations which lead ports to respond negatively to customers and that affect their satisfaction :
 1. This study discovered that there are many differences between customers and employees` perceptions toward the existence and importance of the holistic marketing factors, these differences reflect a gap between customers` need and the ports 'response.
 2. This study also discovered that there is a difference between human resources values, beliefs and behavior as they rated the importance, existence and integration with different rates.
 3. The study indicated that the corporate culture has to change and each of the selected terminal has to design many of human resources policies to let employees respond effectively to their customers needs.
 4. The study finds that there are differences between the public sector and the private sector in understanding and implementing the holistic marketing approach. Both companies think of the marketing as a separated function which has the same importance like other functions or sometimes less. The public port restricted by governmental rules and regulation, bureaucratic culture, with limited ability to change. While in the private sector marketing has a greater role with more concern toward internal marketing and customers 'needs.

Findings and results

- Services –and port services- rely mainly on customers. Public ports should be customer- oriented ports and try to cope their plans, strategies, policies, and procedures with customers` needs and expectation . Private ports should focus on the integration and building mutual relationship with all internal and external parties.
- The Egyptian ports have to design a holistic marketing strategies that are considering all strategic plans, objectives, strategies, policies, and processes in an integrated fashion.

Thank
you

