

# Marketing and logistics flashcard



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The similarities and differences between the major marketing and major logistics objectives. Although marketing and logistics can be classified as two totally different subjects in the University, there are a lot of similarities, and undoubtedly, some critical differences. In this article, I will begin by discussing the similarities and differences between major marketing and logistics objectives, followed by some other discussion on warehousing and inventory management issues. First of all, one of the major objectives of both logistics and marketing is to maintain or strive for the lowest cost. The best marketing is always free marketing, if the company does not have to pay for any promotion and sales budget, customers and clients will still come in, and the profit margin of the whole business will rise obviously.

(FreeTrainer. com, 2001) In the aspect of logistics, warehousing and transportation costs are the main components. In short, the unavoidable cost spent on these two areas is occupying a very large portion of the totally expenditure. In marketing field, sales and promotions are necessary evils because a huge amount of capital must be invested into the sales and promotion department, if the investment is failed, the whole business will collapse due to lacking of product awareness. As a result, one of the major objectives must be looking for ways to minimize the cost but not affect the profit of the company.

Such concept is very similar to the costs appeared in logistics, but the key components changed from sales and promotions to warehousing and transportation. Besides lowering the cost, another similar feature is the enhancement of reputation. In marketing aspect, a company must have to build up its own reputation and brand name, in other words, to build and

maintain a good relationship with its clients. This part of marketing is similar to sourcing suppliers, retailers and transportation partners in logistics. In logistics, in order to achieve a lower cost as mentioned in the previous paragraph, the company needs to have a good network and relationships with its partner and clients.

Such feature becomes one of the similarities between marketing and logistics. Generally speaking, marketing and logistics are two components with totally different properties. The objective of marketing department is to look for maximum income; on the other hand, the objective of logistics is to spend minimum. Warehousing Warehousing can be regarded as one of the leading strategic logistics instruments because a warehouse is playing a key part in ensuring a company meets its productivity goals.

In addition, warehousing is very important in a logistics system. In 1998, warehousing is defined as the part of a firm's logistics system that stores products (raw materials, parts, good-in-process, finished goods) at and between point of origin and point of consumption, and provides information to management on the status, condition, and disposition of items being stored. (Lamber et. al 1998) Benson et al.

stated that warehouses are a part of an overall effort to gain place and time utility in 1994. As warehousing contributes to the increased speed of material flows from the beginning to the end-users, warehousing processes are very important. By integrating all the points and functions of warehouse, it is believed that warehousing can be regarded as one of the leading strategic logistics instruments. (Lee, 2003) 3 Basic functions of warehousing

A warehouse can simply serve three functions, one is to store product. After the manufacturer has finished producing the goods, they will be shipped to the warehouse for storage, until they are ordered to be shipped out.

A warehouse group and store all the inventory and assets the owners have, as a result, it can provide a clearer picture for the goods owner to know how many inventory they are having on hands and warehousing can help to management all the inventories they have. The last basic functions of warehousing is packaging and pricing, before shipping out to end-users, the goods need to be packed and marked with different pricing label, warehousing can provide a place and a suitable time slot for packaging and pricing before transportation. (Lamber et. al 1998) Discuss the role of vendors and suppliers in a Just-In-Time (JIT) system within a supply chain.

Identify areas where potential conflict may occur. In the 1970's, Taiichi Ohno, a staff from Toyota, developed a philosophy for manufacturing that minimized waste and improved quality, called "Just In Time". (JIT, 2008) In a Just-In-Time system, vendors and suppliers must be having a very close relationship. Just-In-Time implies that zero-inventory is being stored as the upstream suppliers shared the responsibility of storage; as a result, suppliers must have very clear and accurate sales information in order to ship the goods to the retailers before stocking out. (Jitendra, 1995) In a JIT system, every components are interdependent and every faults appear along the supply chain will be extremely costly and may lead to a crucial loss.

(Broyles et al, 2006) The major faults stated here may include the following, Communications problem between suppliers and vendors, if the

communication bridge is poor, the suppliers may ship wrong quantity of products or even will not know when and how many goods they should ship to the vendors before they suffer from stock out. Reference <http://www.freetrainer.com>, Lost Cost Marketing Strategies for independent

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