

Promise management and the role of logistics in branding

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Abstract— Main focus of the paper is first to bring a new explanation for the concept of Promise Management through the model of Dual Marketing Subfunctions. And secondly, setting out from this new model showing how logistics submix could be used for brand building. Marketing Strategy is choosing of potential target customers and preparing Marketing Mix or Value Offer (the mix of product, promotion, price and place, 4Ps, and in the case of services and retailing services, 7Ps) for these customers. Logistics is the major part of the Place submix. Actually the breakdown of the concept of Value Offer or Proposal can be expanded into two interrelated marketing subfunctions:(1) Obtaining demand (promising to sell) (2) Servicing demand (fulfilling demand, keeping promise, satisfying customers, delivery, logistics). Marketing management, in a sense, is Promise Management. Products, and/or the Value Offers, even persons, could be transformed into a brand through appropriate conduct of Promise Management. “The Promise” consists not only the “obtaining demand subfunction” but also the “keeping promise” part or the “logistics subfunction” of marketing. In other words Value Offer could gain worth through the collaboration of whole 4Ps where logistics is the lifeblood and main driver. “Brand name” is a sub element of product submix which is a part of the Promise (obtaining demand) and of Value Offer as well. Brand name alone is not the brand. For a brand name to rise up to what is called the ulterior brand, the firm should go the extra miles. A brand name turns to be a brand only after the whole Value Offer is accepted and demanded by customers many times over and over again, making the brand name identical with the Value Offer. Branding, a strategic process, starts with a promise to provide a Value Offer to potential customers and keeping the promise by fulfilling the promise properly. Through this many repeat customers and thereby sustainable brand equity could be created. Therefore Brand equity is comprised of repeated orders and repurchases of satisfied customers over time because the firm continues to keep its value promises uninterruptedly. Achieving and maintaining a position superior than competitors is at the heart of “strategic marketing” and “Promise Management”. Underneath this whole process lies the trust created in customers through successful Promise management which also includes continuous renewal of the value Offer over time. Since “Fulfilling Promise” or “delivery/ logistics” is the equally important half of the Promise, *ceteris paribus*, mainly the strategic role of logistics will be brought into focus in this paper. The purpose is to clarify the role of logistics in Promise Management and branding through a new and simplified model.

This is a descriptive but theoretical study that brings a new, persuasive and conclusive explanation to the concept of Promise Management. This descriptive model which is focused on the role of logistics in branding could be regarded as a preliminary contribution to the branding not taken up so far in depth.

Key words— Logistics, marketing, marketing subfunctions, promise management.

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