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Analysis of customer needs and service quality at a liner shipping company

Master thesis, Supply Chain Management

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Abstract

Service Marketing emerged in the 1980s and has since then experienced a tremendous growth as the service industry blossomed. Today services dominate the modern economy and the academic interest for services has therefore increased. Service design and service quality are two main fundamentals in service marketing. The concept of service design focuses on understanding customer needs and how customers perceive the service via its service encounters when designing services. Service quality is in turn the customers' perception of how well the designed and provided service corresponds to their expectations at various points during the service process. Thus service quality is determined by the customers and is ultimately measured in terms of customer satisfaction.

This thesis aimed to analyse the service offer provided by Maersk Line, identify customers' needs within two customer segments and their perception of the service delivered by Maersk Line. The findings of this thesis were meant to serve as valuable insight of customers' needs within different customer segments and perceived service quality provided by Maersk Line.

In order to achieve the purpose of the thesis a qualitative research study was performed. An analysis model of service quality was developed, which served as a basis for investigating Maersk Lines service offer and the customers' needs and perception of the delivered service. The mapping of the service offer was based on internal interviews with employees at Maersk Line together with information gathered from internal documentation and PR material. Further, in-depth qualitative interviews were conducted with 9 customers of Maersk Line from the two different customer segments, Direct Sales Customers and Freight Forwarding Customers. The aim was to obtain a clear picture and deep understanding of the customer's needs and perception of Maersk Line's services throughout the whole service process for the two different segments.

The thesis identified two service quality gaps in the service offer provided by Maersk Line. Firstly, the service design gap, revealing that Maersk Line's service offer was not fully corresponding to their customers' needs. Secondly, the service delivery gap which implied a discrepancy between the communicated service offer at Maersk Line and the customers' perception of what was actually delivered. However the size of the gaps differed among individual customers and between the two customer segments. The customers expressed similar needs, but their opinions regarding the importance and contents of the different service activities varied among them. Consequently, what was regarded as service quality differed between individual customers and between the two customer segments.

Maersk Line is recommended to further examine the identified customer needs and weigh potential benefits to meet them versus the risks of not doing so. Further the company needs to define strategy for which customers to target and focus on fulfilling their needs. The company also needs to clearly specify their service offer and how it should be communicated both internally within the company and externally to the customers.

Keywords: Service Marketing, Service Quality, Service Design, Service Differentiation, Service Encounters, Liner Shipping, Liner Shipping Industry, Shipping

Glossary

Ad hoc	Phrase used to describe one time shipping, e.g. that the agreement will only be valid for one shipping
Bill of lading	A document that establishes the terms of an agreement between a customer and a shipping company. It serves as a contract of carriage and a receipt for goods
Carrier	Any person or entity who, in a contract of carriage, undertakes to perform the carriage of goods by rail, road, sea, air, inland waterway or by a combination of such modes
Container Yard	A materials–handling and/or storage facility used for loaded or empty containers
Core carrier	A shipping company that the customer organisation has identified as business partner for which agreements was established on an organisational central level
Direct-call	A direct-call service is when cargo are delivered directly to its destination port without being transhipped
FAK	Abbreviation for “Freight All Kinds.” Usually refers to as rate lists for full container loads of mixed shipments
FCL	Abbreviation for “Full Container Load.” A shipment that fills an entire container
FEU	Abbreviation for “Forty–Foot Equivalent Units.” Refers to container size standard of 40 feet. Two 20–foot containers or TEU’s equal one FEU
Freetime	The amount of time that a carrier’s equipment may be used without incurring additional charges
Intermodal	Movements of cargo containers interchangeably between transport modes, i.e., road, rail, sea, and air carriers
INTTRA	A shipping portal which allow shippers, consignees and forwarders access to multiple carriers through a single site and concentrate on providing bookings, track and trace, documentation functions, and allow users to communicate with their carriers
LCL	Abbreviation for “Less Container Load.” A shipment that is not large enough to fill a container
RFQ	Request for quotation
Shipper	The person or company who is the supplier or owner of cargo shipped

Short shipping	When cargo is listed on a shipping list but not included in a shipment, or not received by the recipient
Special cargo	Oversized cargo that does not fit into standard containers
Tender	The document which describes the shipping service as a business transaction to be performed
TEU	Abbreviation for “Twenty-foot Equivalent Unit”. Standardised size of a container
Tranship	To transfer goods from one transportation route to another, or from one ship to another

Table of contents

1. Introduction.....	1
1.1 Focus of the study	1
1.2 Purpose.....	2
1.3 Research questions.....	2
1.4 Project limitations	2
1.5 Report structure.....	2
2 Theoretical framework.....	4
2.1 Services Marketing	4
2.1.1 Definition and characteristics of a service	4
2.2 Service Quality.....	6
2.3 Service Design	7
2.4 Service differentiation.....	7
2.4.1 Uniqueness	7
2.4.2 Customer needs	7
2.4.3 Difficult to copy	8
2.5 Relationships Marketing	8
2.6 The gaps model of service quality	9
2.6.1 The customer gap	10
2.6.2 The provider gaps	10
2.7 Analysis model and formulation of research questions	11
2.7.1 Customer gap	12
2.7.2 Service design gap	13
2.7.3 Service delivery gap.....	13
3 Methodology.....	14
3.1 Research strategy	14
3.2 Literature study	14
3.3 Empirical study	15
3.3.1 Qualitative or quantitative study	15
3.3.2 Interview method of this research.....	16
3.3.3 Reliability.....	18
4. Liner shipping	20
4.1 The development of the ocean shipping industry	20

4.1.1 Larger container vessels.....	20
4.1.2 Strategic alliances	21
4.1.3 Slow steaming.....	21
4.1.4 The need for differentiation	22
5. Maersk Line Sweden.....	23
5.1 Company introduction	23
5.1.1 Business philosophy.....	23
5.1.2 Business strategy.....	24
5.1.2 Upcoming business changes	24
5.1.3 Customer segmentation.....	24
5.2 Organisational structure	25
5.2.1 Sales	26
5.2.2 Sales Support	27
5.2.3 Customer Service	27
6. The service offer at Maersk Line Sweden	28
6.1 The service offer in general terms	28
6.1.1 On-time delivery	28
6.1.2 Meeting customers' basic expectations	28
6.1.3 Equipment quality.....	29
6.1.4 Value added services.....	29
6.1.5 Strong environmental performance.....	29
6.2 The service delivery process	30
6.2.1 The tender process	30
6.2.2 Pre-sea transport stage	31
6.2.3 The sea transport.....	32
6.2.4 The post-sea transport stage.....	33
7 Customer needs for liner shipping services	34
7.1 Specification of basic supplier criteria.....	34
7.1.1 General purchase requirements.....	34
7.1.2 Performance criteria.....	37
7.1.3 Relationships criteria	39
7.2 The Tender Process.....	40
7.2.1 Length of agreement	41

7.2.2 Tender information	41
7.2.3 Time for response	41
7.2.4 Price negotiation	41
7.2.5 Sales contact.....	42
7.2.6 Summary tender process	42
7.3 Pre-sea transport stage	43
7.3.1 Booking.....	43
7.3.2 Equipment.....	45
7.3.3 Haulage services	45
7.3.5 Agreement compliance	46
7.3.4 Capacity flexibility.....	46
7.3.6 Summary pre-sea transport stage	47
7.4 The sea transport	48
7.4.1 On-time delivery	48
7.4.2 Information sharing.....	48
7.4.3 Deviation handling.....	51
7.4.4 Summary sea transport.....	51
7.5 Post-sea transport stage.....	52
7.5.1 Port handling	52
7.5.2 Haulage services	53
7.5.3 Invoice handling.....	54
7.5.4 Summary post-sea transport stage	54
8. Customer perception of the Maersk Line service offer	56
8.1 Basic supplier criteria	56
8.1.1 Summary basic supplier criteria.....	56
8.2 The tender process	57
8.2.1 Length of agreements.....	57
8.2.2 Tender information	57
8.2.2 Time for response	58
8.2.3 Price negotiations.....	58
8.2.4 Sales contact.....	58
8.2.5 Summary tender process	59
8.3 The pre-sea transport stage	60

8.3.1 Booking.....	60
8.3.2 Equipment.....	60
8.3.3 Haulage services	61
8.3.4 Capacity flexibility.....	61
8.3.5 Agreement compliance	61
8.3.5 Customer support.....	62
8.3.6 Summary the pre-sea transport stage	62
8.4 The sea transport.....	63
8.4.1 Information sharing.....	63
8.4.2 Deviation handling.....	64
8.4.3 Summary the sea transport.....	66
8.5 The post-sea transport stage.....	67
8.5.1 Port handling.....	67
8.5.2 Haulage services	68
8.5.3 Invoice handling.....	68
8.5.4 Summary post-sea transport stage	69
9 The provider gaps at Maersk Line	70
9.1 Basic supplier criteria	70
9.2 Tender process	72
9.3 Pre-sea transport stage	73
9.3.1 Booking.....	73
9.3.2 Equipment.....	73
9.3.3 Haulage services	73
9.3.4 Capacity flexibility.....	74
9.3.5 Agreement compliance	74
9.4 The sea transport.....	75
9.5 The post-sea transport stage.....	76
10. Discussion.....	78
10.1 The service design gap.....	78
10.2 The service delivery gap	79
11. Conclusions and recommendations.....	81

Figures

Figure 1: The gaps model of service quality (Zeithaml, Bitner, & Gremler, 2009).....	10
Figure 2, Analysis model for this research	12
Figure 3: Customer segmentation at Maersk Line Sweden and customer segments included in the scope of this particular study.....	25
Figure 4: The overall organisational structure of Maersk Line Sweden and departments included in the scope of the study.....	26
Figure 5: Provider Gaps for Basic Supplier Criteria	71
Figure 6: Provider Gaps for the Tender Process	73
Figure 7: Provider Gaps in the Pre-Sea Transport Stage.....	74
Figure 8: Provider Gaps for the Sea Transport.....	76
Figure 9: Provider Gaps for Post-Sea Transport Stage.....	77
Figure 10: Identified provider gaps in Maersk Line's service offer	82

Tables

Table 1: Interviewed customers of Maersk Line	17
Table 2: Customer needs in terms of General Purchasing Requirements	37
Table 3: Customer needs regarding Performance	39
Table 4: Customer needs regarding Relationships	40
Table 5: Customer needs in the Tender Process	42
Table 6: Customer needs in the Pre-Transport Process	47
Table 7: Customer needs in the Sea Transport Process	52
Table 8: Customer needs in the Post Transport Service Process8 Customer perception of the Maersk Line service offer	55
Table 9: Customers' perception regarding how Maersk Line fulfils the Basic Supplier Criteria8.2 The tender process	57
Table 10: Customers' perception of how Maersk Line handles the tender process8.3 Pre-sea transport stage	59
Table 11: Customers' perception of Maersk Line's service in the pre-sea transport stage ..	63
Table 12: Customers' perception of Maersk Line's service during the sea transport.....	67
Table 13: Customers' perception of Maersk Line's service in the post sea transport stage ..	69
Table 14: Internal interviews at Maersk Line	VII

1. Introduction

This introductory chapter is outlining the focus and scope of this research. The area of investigation and the main issue are introduced. Further, the purpose of the study and its limitations are presented.

1.1 Focus of the study

The business of freight shipping has for a long time been regarded as a non-competitive industry in which a limited number of large actors have agreed on fixed prices and division of routes through conferences. However, structural changes in the liner shipping market have forced shipping companies to put more emphasis on efficient operation management. Today, shipping companies are operating on a scattered market with a large number of actors that are no longer protected by fixed prices. As a consequence, scale and network economies has become highly important and are the major driving force for the increased acquisition of larger fleets in the industry (Gao & Yoshida, 2013).

Maersk Line is the largest business unit within the A.P. Moller Maersk Group and is today the world's leading container shipping company. Maersk Line operates a fleet of 584 vessels and has a capacity of approximately 2.6 M TEU. The company operates on a business to business market and their primary customer target groups are medium sized and large companies within a wide range of industries. Consequently, Maersk Line ships a large variety of goods and takes part in numerous supply chains which all face different challenges due to industry-specific characteristics.

As the largest player in the industry Maersk Line holds a number of competitive advantages. Maersk Line runs the most extensive route network on the shipping market, providing global services to ports all over the world. The company has also been ranked as the top performer on on-time delivery within the industry and is on the forefront when it comes to providing sustainability. In addition, Maersk Line is also the only provider of direct port calls from Gothenburg to the Far East.

In 2014 Maersk Line is planning to establish a long-term operational alliance with MSC and CMA CGM, which are the second and third largest shipping companies on the market. The alliance is called the P3 Network and aims to reduce operational costs by jointly operating the ships on the East- West trade, while maintaining independent sales, marketing and customer service functions. Hence, this change provides benefits in terms of cost reductions and an extended network. However, the change may also challenge the competitive advantages Maersk Line currently holds in terms of exceptional reliability and the direct port call services to the Far East. When launching the P3 Network, the three shipping companies will have the same schedule and delivery times on these routes. This indicates an importance for Maersk Line to evaluate, explore and improve their current abilities to find new ways to differentiate themselves from their competitors.

Due to this upcoming need for Maersk Line to find new means of differentiation, they have increased their emphasis on putting customers in the forefront. Today, the company internally divides their customers into three main segments; Key Clients, Direct Sales Customers, and

Forwarders, which in turn are divided into sub segments. In the second quarter of 2014 a new service strategy in terms of three standardised service packages will be launched to the different customer segments as a step to become more customer oriented. Being the customers' preferred choice is an important business principle within the whole Maersk group (Maersk Line, 2014), and in order to achieve this ambition, Maersk Line Sweden has identified the need to evaluate their definition of what is offered to customers within the different segments in relation to customer needs.

1.2 Purpose

The purpose of this thesis was to analyse the way Maersk Line serves customers, identify customer needs, and how customers perceived the service delivered by Maersk Line. The aim was to provide Maersk Line with valuable insights of customers' needs within different customer segments. This can serve as a foundation for creating competitive services that are relevant to customers and thereby improve long-term competitive advantage by increasing the current and the future business value of customers.

1.3 Research questions

This section present the research questions of the thesis. The generation of the questions and why they are relevant for Maersk Line to investigate are further explained in chapter 2.7 *Analysis model and formulation of research questions*.

- (1) What service offer is Maersk Line currently offering to their customers?*
- (2) What are the customers' needs within each stage of an ocean shipping service?*
- (3) How well does the service offer at Maersk Line correspond to the customers' needs?*
- (4) How do the customers perceive the service delivered by Maersk Line?*
- (5) How well does the Maersk Line service offer, as it is communicated and sold to customers, correlate to the customers' perception of the delivered service?*

1.4 Project limitations

This research exclusively concerns the Swedish business unit of Maersk Line (Maersk Line Sweden). Further, the research was limited to focus on the two customer segments labelled as Global Forwarders and Large Direct Sales Customers. This limitation was based on that these segments constitute a large share of the volumes shipped by Maersk Line and due to the differences in characteristics between these particular groups.

1.5 Report structure

The report consists of 10 main sections. In this first chapter, the focus, purpose and limitations of the study are presented. In the second chapter, a theoretical framework is presented, introducing the field of service marketing and aspects affecting service quality. Further, this chapter is concluded by presenting an analysis model of service quality and the research questions for this study. Chapter three constitutes the method of this study. Chapter four and five are devoted to introduce the shipping industry and the focal company of this study, Maersk Line Sweden. The following part of the report aims to present the results and empirical findings of this study. This part of the report is composed of four chapters, addressing each one of the particular research questions of this study. In chapter six, the service offer provided by Maersk Line is presented. In chapter seven, the empirical findings

of customers' needs within each step of an ocean shipping service are described. Chapter eight present the findings concerning the customers' perception of the service offer delivered by Maersk Line. In the ninth chapter the remaining two research questions are answered. Thus this chapter presents the main results of this study in terms of how well the service offer at Maersk Line correspond to the customers' needs and how well it correlate to the customers' perception of the delivered service. Chapter ten further discusses the results of the study as well as some future implications. In conclusion, chapter eleven summarise the conclusions of this study and presents recommendations for Maersk Line to meet upcoming challenges that implies a need for differentiation.

2 Theoretical framework

This section outlines how the purpose of the study will be addressed. Fundamental theory concerning service marketing and service quality is introduced in order to support the development of the specific research questions

2.1 Services Marketing

Service marketing is a sub-discipline of the traditional domain of marketing. The discipline has its origin in the 1980s when the questions of how services were different from goods and whether the marketing and management of services should be classified as a separated discipline were frequently discussed topics. In the late 1980s, the identifiable sub-discipline started to emerge and when the service sector experienced a tremendous growth in the end of the 1990s century service marketing, as an individual field of study, gained acceptance and importance (Baron, Warnaby, & Hunter-Jones, 2014). Today, services dominate the modern economy, and over time, Service Marketing has become a subject of extensive empirical research (Zeithaml, Bitner, & Gremler, 2009).

Two important aspects within Service Marketing are service encounters and service quality. Service encounters are defined as the moments when the customer has some form of interaction with either the service supplier or representatives by a third party (Hutt & Speh, 2010). It is in these moments that the customer experiences the delivered service and form evaluative judgements that in turn have an impact on the overall customer satisfaction, willingness to repurchase and loyalty (Roth & Menor, 2003; Lagrosen & Svensson, 2006). Service quality is in turn the customers' perception of how well the service corresponds to their expectations at various points during the service process. Thus, how customers perceive the quality of a service depends on how well the service provides manage to meets the customers' expectations throughout the service process (Lysonski, Durvasula, & Mehta, 2002; Lagrosen & Svensson, 2006).

Services are different from goods in terms of their characteristics of being intangible, produced and consumed simultaneously, heterogeneous and perishable. These characteristics are defined as the main fundamentals of service marketing and indicate implications that require strategies that are somewhat different from traditional marketing strategies (Hutt & Speh, 2010; Zeithaml, Bitner, & Gremler, 2009; Assael, 1985; Ruskin-Brown, 2005). To provide a foundational understanding for the complexity of designing and delivering quality services consistently, the following sections aims to formulate a broad definition of services and its particular characteristics. Further theory of service quality including service design, relationships marketing and service differentiation are presented. Finally, a model over service quality is introduced and the analysis model of this study is presented.

2.1.1 Definition and characteristics of a service

In simple terms services are characterised as deeds, activities, processes, interactions and performances provided, or coproduced, by one party to another (Zeithaml, Bitner, & Gremler, 2009; Tonchia, 2008). The service process typically involves a series of steps, actions and activities that create a service experience through multiple service encounters (Industrializing After Sales Services, 2011).

Intangibility is perhaps the most basic characteristic of a service (Gould, 2012). Intangibility refers to the lack of physical evidence, meaning that it is not possible to readily display a service nor is it easy to exactly communicate the service content. Thus it is not possible for customers to on the beforehand know if the delivered service will match what was originally expected. As a natural consequence, customers will commonly be looking for any tangible clues that can help them to estimate the quality of the service (Zeithaml, Bitner, & Gremler, 2009; Lagrosen & Svensson, 2006). The concept of physical evidence is therefore a key concept in service marketing. Physical evidence of services consists of all tangible components that facilitate performance or communication of the service. It can for example include brochures, billing statements and equipment, and they constitute important indicators of quality for the customers. By providing excellent physical evidence a service provider can communicate their purpose and the nature of the service to the customers (Zeithaml, Bitner, & Gremler, 2009).

The second characteristic of a service is heterogeneity and refers to the fact that no service encounter is precisely alike. The heterogeneity of a service can be a result of situational aspects, such as weather conditions, but it is even more related to the fact that a service is a performance that is frequently executed by humans (Edvardsson, Gustafsson, & Roos, 2005; Tonchia, 2008). Consequently the aspect of people is another key concept within service marketing. The outcome of a service and customer satisfaction highly depends on employee and customer actions. All involved in the service delivery affects the customer via service encounters throughout the service process and thereby affect how the customer perceives the nature of the service. The employees of the delivering firm form the experience by their attitudes and behaviours and their personal appearance in all encounters with the customers (Zeithaml, Bitner, & Gremler, 2009; Ruskin-Brown, 2005).

The third main difference between services and products is that most goods are sold and consumed after they have been produced, while a service are sold first and then consumed and produced simultaneously (Zeithaml, Bitner, & Gremler, 2009; Hutt & Speh, 2010). This makes it much more difficult to quantify production cost and to state all specific characteristics for a particular service (Ruskin-Brown, 2005; Assael, 1985). Costs thereby needs to be estimated prior to production in order to price the service, thus a service is much more sensitive to issues that could potentially increase the costs, thereby leading to inadequate pricing. Moreover, a service is sold as a process, making the service provider bound to the particular process in the construction of the service. When delivering a product the provider delivers a finished item, and do not have to account for the entire process, making them freer in their production process. Further, as production are not separated from consumption, the customers themselves can influence the outcome of the service and hence the service quality and their own satisfaction. This implies that the customer is a co-producer of the service. In order to reach high service quality both supplier and customer need to undertake their roles. The role of the service provider is to create a high quality service according to the predetermined agreement. For a customer this could be to provide correct information on time or to place a booking in the determined manner, if the customer does not do so it could affect the service outcome negatively (Zeithaml, Bitner, & Gremler, 2009).

In addition to people and physical evidence, the fact that services are processes, delivering a service experience through multiple service encounters, is the third important concept in service marketing. It is to a large extent through these service encounters that the customer forms their perception of the service performance. Hence, their overall customer satisfaction therefore strongly depends on how well the service provider manages these service encounters (Lysonski, Durvasula, & Mehta, 2002). In addition to these interactions, the outcome from all activities in the service process also contributes and influences the service perception of the customers. The delivery process creates evidence that a customer can use to judge the service. One example of such evidence can be information and updates about the progress during the service process. This process concept also generates the final characteristics of a service in terms of perishability. This characteristic of perishability refers to the time-bound aspect of services as they cannot be stored, reused, returned or resold (Hutt & Speh, 2010). According to Zeithaml, Bitner, & Gremler (2009) this characteristic makes it particularly important for service providers to develop strong recovery strategies to be able to handle deviations from what's been promised to customers. Service recovery refers to actions taken by the delivering firm in response to a service failure. Resolving customer problems in an efficient way has a strong impact on customer satisfaction, loyalty and bottom-line performance (Zeithaml, Bitner, & Gremler, 2009).

2.2 Service Quality

The goal of any service organisation is to provide services that are considered as qualitative in the eyes of the customers. Service quality is thus determined by the customers and is based on the customers' perception of how well the service provider manages to meet their expectations. When delivering a service, all steps within the process serve to create value for the customer, thus all activities must be focused on meeting customers' expectation to create customer satisfaction. For a service provider, the quality of a service is thereby ultimately measured in the total customer satisfaction at various points during the service process (Gould, 2012; Hu, Kandampully, & Juwaheer, 2009; Tonchia, 2008).

High service quality results in superior perceived value and satisfaction for the customers who utilise the service. Moreover it contributes to favourable perceptions of the corporate image of the service company and increases the chances for customers to repurchase (Hu, Kandampully, & Juwaheer, 2009). Hence, service providers should continuously seek to improve and monitor the service quality during the whole service process in order to secure that customers' expectations are met (Hu, Kandampully, & Juwaheer, 2009). According to Plomaritou, Plomaritou, & Giziakis (2011), how the company value and seeks to deliver customer satisfaction must be communicated across the entire firm. In order to ensure high quality in all steps of the service everyone within the firm needs to be aware of in what way they contribute to the goal, even when they do not have direct contact with the customers.

The best ideas for a company to consider when developing a service come from the customers. Involving the customers in the development process of a service can lead to new and improved aspects of the service that to a higher extent satisfy the customers' needs (Gould, 2012; Ruskin-Brown, 2005). Consequently when designing a service the most

important aspect to have in mind is the customers' requests and needs of the service, since it is them who ultimately will decide to buy or not buy the service (Gould, 2012).

2.3 Service Design

The concept of service design focuses on understanding customer needs and how customers perceive the service via its service encounters when designing services. Thus, service design approaches the area between the design of the service and the human experience during service interactions between the service company and the customer (Meroni & Sangiorgi, 2011). It is through these encounters that service quality is formed, and hence also the customer experience. Delivering high service quality thereby requires for the service company to design services according to the customer needs and expectations (Tonchia, 2008).

A basic concern within service design is that different types of services and service encounters are not perceived as equally important by all customers and are appreciated differently (Industrializing After Sales Services, 2011). Due to the fact that customers are not all alike, companies must develop a clear understanding of their customers' needs and how these might differ between customer groups (Tonchia, 2008). For this matter, the concept of service design can be applied to increase service quality by incorporating customer awareness in the way services are designed and delivered (Industrializing After Sales Services, 2011).

According to Meroni and Sangiorgi (2011) the first step when designing or redesigning a service is to understand the experience of the people involved in the different steps of the service process. Thereafter, understanding the customers' needs is the cornerstone in designing a competitive service. Further investigating the existing service process and how it is perceived helps to evaluate the quality and the nature of the service itself. The final step is to adjust the service delivery process so that customers' needs are met throughout every stage of the service process, thus generating true service quality (Tonchia, 2008; Roth & Menor, 2003).

2.4 Service differentiation

Differentiating the service offer is critical to all companies that provide services (Andreassen & Lanseng, 2010). By differentiating itself from its competitors, a company needs to identify the aspects that provide competitive advantage. Hence the company need to find the factors that make them unique, important to customers, and difficult to copy (Gould, 2012).

2.4.1 Uniqueness

According to Ruskin-Brown (2005) it is most important to create a unique service in order to increase competitiveness. Uniqueness in a service creates competitive advantage based on doing something unlike or better than the competing companies. These differences are often not large, and they do not have to be, they just need to be large enough for a customer to register them (Gould, 2012).

2.4.2 Customer needs

It is not enough to just provide a service that stands out from the competitors in certain aspects, these aspects also need to be important and create value for the customers in order to

create relevant competitive advantage. Hence, the aspects of a service that the customers find important are crucial for the service company to know of (Gould, 2012; Ruskin-Brown, 2005).

2.4.3 Difficult to copy

To maintain the competitive advantage, formed by unique factors that create value for the customers, these advantages must also be difficult for competitors to copy. Some advantages are easier than other to copy, such as financial advantages of price, discounts etcetera. Advantages related to the performance or specifications of a product are also factors that are relatively easy for a competitor to reproduce (Gould, 2012).

Factors that are more difficult to copy are those who are connected to the totality of the service process that the company has exclusive access to. Examples of such factors can be technology, business processes, customers and markets, and people and skills (Andreassen & Lanseng, 2010). Moreover the reputation and brand image are also factors that are difficult to copy (Gould, 2012; Hu, Kandampully, & Juwaheer, 2009). These aspects has most often evolved over time though a consistent and focused strategy of an organisation. Similarly, factors that directly relate to the customer experience, such as customer service and support are equally hard to copy (Gould, 2012).

By creating valuable and sustainable competitive advantages the organisation gains more time to exploit them by winning and sustaining customers and in growing the business. Thus one can claim that such competitive advantages represent the core asset in any organisation, providing opportunities to generate competitive differentiation in the marketplace (Gould, 2012). These strategic advantages must therefore be taken in regard when designing a service, the service must be built to align both the service concept and the competitive advantages (Ruskin-Brown, 2005). Moreover these beneficial competitive advantages should be continuously promoted to customers in order to increase the awareness (Hu, Kandampully, & Juwaheer, 2009).

2.5 Relationships Marketing

Relationships marketing is a philosophy of doing business, which focuses on keeping and improving relationships with current customers rather than acquiring new ones. According to Gould (2012) the longer a customer remains a customer the better for the selling organisation. The argument behind this reasoning is based on that the longer a customer is kept, the more business they are going to give to their supplier, thereby increasing the revenue and hopefully also the profit. Ahmend (2012) argue that focusing on retaining existing customers over longer time periods strengthen the relationships and enhance customer loyalty. Loyal customers are less likely to switch supplier solely because of price and will thereby contribute to long-term profit to the firm (Ahmend, 2012).

According to Eggert, Ulaga, & Schultz (2006) the personal interaction and relationships are the main elements of providing value for customers in the competitive industrial environments which exist today. This is particularly true when delivering a service due to its characteristics. As a service is intangible and consumed and produced simultaneously, there

is always a risk involved for the customer not knowing in beforehand whether the outcome will match what was originally expected (Gould, 2012). The personal interactions and relationships with suppliers are an important mean to lower customer's perceived risk and thereby create value for the customer (Hutt & Speh, 2010; Zeithaml, Bitner, & Gremler, 2009; Ahmend, 2012).

According to Hutt & Spech (2010) customers can perceive benefits in terms of trust, social benefits and satisfaction when engaging in relationships with its suppliers. How customers values these benefits are individual and based on factors such as their type of products, production methods, purchasing structures, company size, location, customer requirements and the importance of the purchased product or service (Chowdhury, 2004).

Trust exists when the customer has confident in the supplier's reliability, i.e. its ability and willingness to meet the customers' expectations (Ahmend, 2012). For this matter, the contact personnel have a powerful role of building trust through their way of communicating and approaching customers (Hutt & Speh, 2010). According to Ahmend (2012) most customers would not prefer to switch suppliers, as there is always a switching cost and risk involved in doing so. Hence, when trust is established in a buyer and seller relationship, time can be spent on other concerns and priorities. Social benefits refer to benefits such as ease of doing business and personal social sense of familiarity or even social relationships with employees at the service provider. Social benefits can be a very strong source for customer loyalty and commonly develops over time. For some customers, these ties make it less likely that they will switch between suppliers, even though they recognise a competitor that provides better quality or price. Satisfaction is defined as the customer's perceived assurance regarding the future performance of the supplier, given that the past performance has been consistency satisfactory. In business to business research, several authors demonstrate satisfaction to be a crucial factor for maintaining customer's purchase intentions (Ahmend, 2012).

2.6 The gaps model of service quality

According to Zeithaml, Bitner and Gremler (2009), improving the quality of services is a complex matter that is best approached in a structured and integrated way. They have therefore developed a gaps model of service quality. The model is presented in **Figure 1** and comprises five gaps. The gaps consist of a customer gap and four provider gaps; the listening gap, the service and standards gap, the performance gap and the communication gap. In order to deliver a service that meet customers' expectations each of these gaps must be bridged.

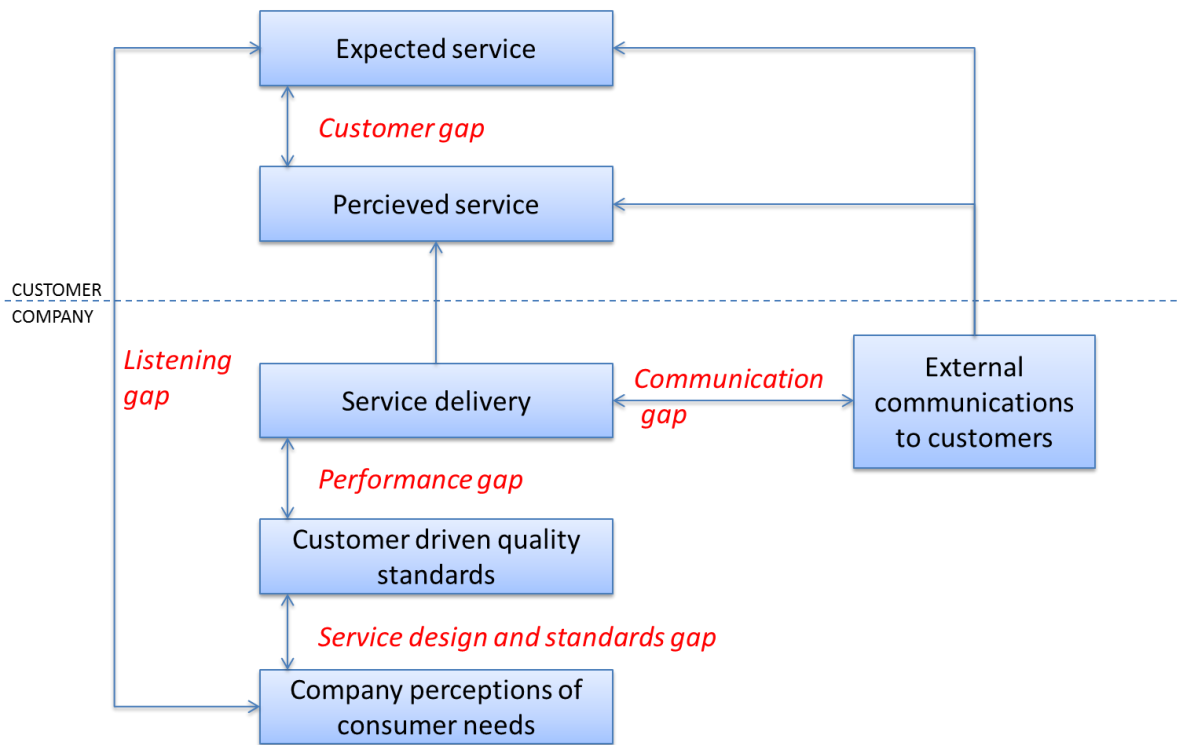


Figure 1: The gaps model of service quality (Zeithaml, Bitner, & Gremler, 2009)

2.6.1 The customer gap

The customer gap represents the difference between the customer expectations and the customer perceptions. Customer expectations comprise the performance that the customer expects to receive when signing a service agreement (Zeithaml, Bitner, & Gremler, 2009). Hence, customer expectations are the customer's beliefs about what will happen. These expectations can be influenced by a numbers of factors including company-related variables such as pricing and sales promises, individual factors such as personal needs and values and environmental variables in terms of social and cultural aspects, word-of-mouth etcetera. Customer perceptions are in contrast to the customer expectations, the subjective evaluation of the actual service performance. In other words, customer perceptions represent the customer satisfaction after the service has been delivered (Tonchia, 2008).

2.6.2 The provider gaps

As previously stated Zeithaml, Bitner and Gremler (2009) suggest four provider gaps that are fundamental to bridge in order to close the customer cap. These provider gaps occur within the organisation providing the service. In the following sections, each one of these gaps will be more closely described.

2.6.2.1 The listening gap

The listening gap is the difference between customer's expectations and the company understanding of those expectations. Different services and service encounters are not equally important and are appreciated differently by different group of customers. Consequently, if these differences are not adequately addressed due to reasons such as inadequate market research, inappropriate segmentation or focus on transactions rather than relationships, the

service scope might be inappropriate to satisfy particular customer needs and expectations (Zeithaml, Bitner, & Gremler, 2009). Hence, also customer relationships are related to this gap. The final key factor that affects the gap is service recovery (Zeithaml, Bitner, & Gremler, 2009; Plomaritou, Plomaritou, & Giziakis, 2011).

2.6.2.2 The service design and standards gap

The fact that services are heterogeneous and that they to a large extent are created by humans complicates service design in terms of standardisation and quality consistency (Zeithaml, Bitner, & Gremler, 2009). According to Tonchia (2008), reducing variation in performance is important to achieve high service quality. Zeithaml, Bitner, and Gremler (2009) also discuss this issue and claims that translating customer needs into quality service specifications, referred to as customer driven standards, are therefore fundamental for this concern. Customer driven standards are different to conventional standards in the way that they correspond to the company's perception of customer requirements rather than other company interests such as efficiency and productivity. The standardisation and documentation gap therefore represent the difference between the company's understanding of customers' expectations and what is actually transformed into service quality specifications that the employees can understand and execute.

2.6.2.3 The performance gap

The performance gap is the discrepancy between the customer-driven standards and goals and the actual service performed by employees (Zeithaml, Bitner, & Gremler, 2009). According to Tonchia (2008), involving the entire firm and achieve consensus about the quality standards and quality goals are key to accomplish true service quality. However, developing standards and goals are not sufficient alone but must be supplemented with appropriate performance measurements and reward systems (Frost, 2000).

2.6.2.4 The communication gap

The communication gap is the final provider gap and represents the difference between service delivery and the provider's external communication. The external communications include promises made through media advertising, sales force and other communications that may raise customer expectations (Zeithaml, Bitner, & Gremler, 2009). Customers assess service quality against these promises, and as discussed earlier, discrepancy between the customer expectations and actual service delivery results in poor service quality perception. According to Zeithaml, Bitner and Gremler (2009) the difference can be traced back to reasons such as a lack of integrated service marketing communications in the organisation, overpromising in advertisement or personal selling and inappropriate pricing.

2.7 Analysis model and formulation of research questions

The Zeithaml, Bitner and Gremler (2009) gaps model of service quality has, together with additional relevant literature, served as inspiration for the development of an analysis model that capture the scope of this study; the service design gap and the service delivery gap. The analysis model, and hence the focus of this study, is visualised in Figure 2, the included gaps are marked with a thick dashed line. This section hereafter aims to describe the model and to present the specific research questions generated for this particular study.

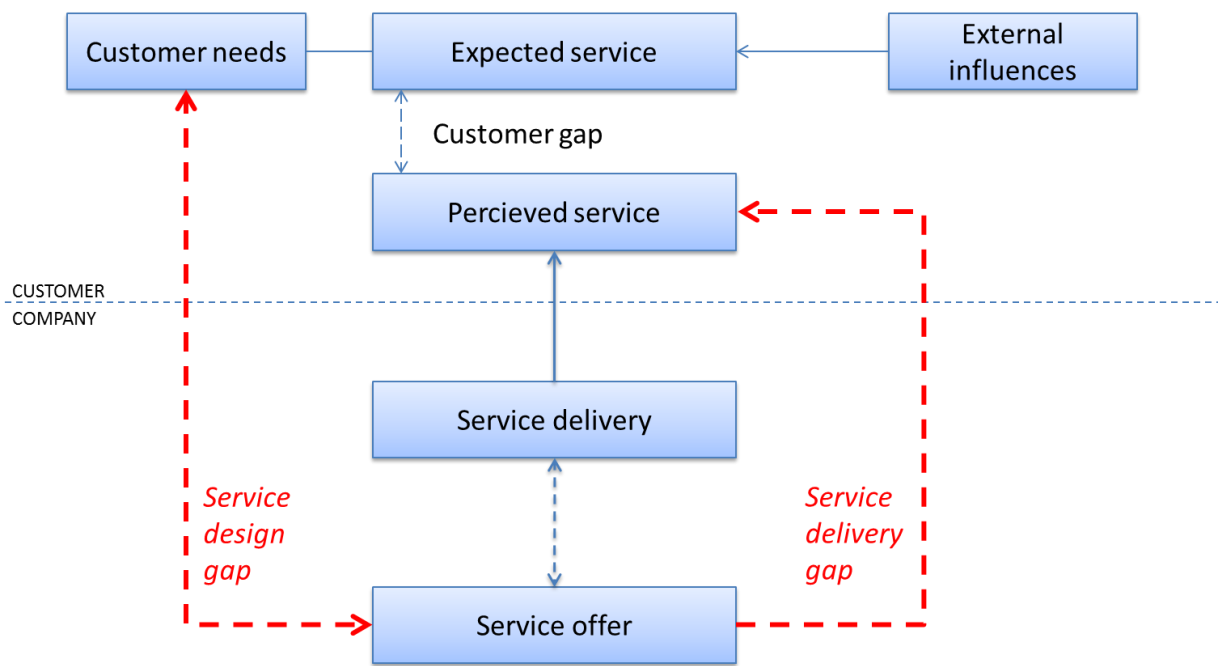


Figure 2, Analysis model for this research

2.7.1 Customer gap

As in the Zeithaml, Bitner, & Gremler (2009) model, the customer gap represents the discrepancy between customers' expectation and their perceptions of a service. Customer satisfaction develops when the customer compare the perceived quality with the expected quality delivered in the different service encounters (Lysonski, Durvasula, & Mehta, 2002). In order to design a desirable service it is therefore not only important to understand the customers' needs driving the demand for a service but also the factors that influence customers' expectations (Tonchia, 2008).

According to Tonchia (2008) there are many sources that affect the customers' expectations on a service. Expectations are a result from individual, environmental and company-related variables. Examples of individual variables are personal needs and emotions. These variables are in turn affected by the customer's individual values and past experiences. Company related variables are factors that the service provider control and can influence. Examples of these are communication with customers, company image and pricing (Zeithaml, Bitner, & Gremler, 2009). According to Hu, Kandampully and Juwaheer (2009) pricing can highly affect customers' satisfaction by increasing or decreasing the customers' expectations. With a higher price the expectations of the service increase. The environmental variables include social and cultural aspects such as, word of mouth, competitor's offers and market conditions (Zeithaml, Bitner, & Gremler, 2009; Tonchia, 2008).

In order for Maersk Line to secure service quality it is fundamental to bridge the customer gap. To make sure that the customer gap is bridged, all provider gaps firstly need to be bridged. This research comprises the two provider gaps; service design gap and the service delivery gap, providing a foundation for closing the customer gap.

2.7.2 Service design gap

The service design gap is the difference between the customer needs and the service offer. A service provider designs its service offer according to their understanding of the customer needs and expectations. Hence, without complete understanding of the customer needs the service provider is unable to meet them in their service offer (Zeithaml, Bitner, & Gremler, 2009). To discover the customers' needs it is essential to listen to the customers, without telling them what they want and need (Chowdhury, 2004).

How customers perceive the quality of a service is strongly related to their needs and how these are met throughout the service delivery. Therefore, a primary concern for Maersk Line is to secure a clear understanding of their customers' needs during every stage of the transport service process. In order to investigate whether the service offer of Maersk Line is aligned with the customer needs, or if there are potential for improvements, it is also important to map and identify the service offer of Maersk Line. Therefore the following questions are relevant to investigate:

- (6) What service offer is Maersk Line currently offering to their customers?*
- (7) What are the customers' needs within each stage of an ocean shipping service?*
- (8) How well does the service offer at Maersk Line correspond to the customers' needs?*

2.7.3 Service delivery gap

The service delivery gap is the discrepancy between the communicated service offer and the customers' perception of the delivered service offer. According to Lagrosen and Svensson (2006) when designing a service it is crucial to take in regard the customers' needs of the service. It is also important to assess if the specific service offer correlate with the service delivery and the customers' perception of the service.

According to Zeithaml, Bitner and Gremler (2009) there are many factors that can result in differences between an organisation's stated service offer and what that is actually delivered to the customers. Some examples of such factors are a lack of customer driven standards, inappropriate physical evidence, deficiencies in the human resources policies, customers not fulfilling their roles and problems with service intermediaries.

Customer experience and satisfaction is directly linked to the customers' perception of the service (Zeithaml, Bitner, & Gremler, 2009). In order for Maersk Line to deliver a high quality service, the service offer needs to correlate to the customers' perception of the service. In other words, what is communicated and sold to the customer must correlate with what customers perceive to be delivered. In order to achieve customer satisfaction it is therefore necessary to investigate how the customers who utilise Maersk Line's services perceive the delivered service. Hence, it is also important to analyse the discrepancy between the service offer and the perception of the service. Thus the following questions are necessary to investigate:

- (9) How do the customers perceive the service delivered by Maersk Line?*
- (10) How well does the Maersk Line service offer, as it is communicated and sold to customers, correlate to the customers' perception of the delivered service?*

3 Methodology

This chapter presents the selected research methodology of the research. The chapter starts with the research strategy, followed by a description of the literature study. Thereafter theory regarding different interview methods is presented and the chosen interview methodology is presented together with a detailed description of the different stages during the research. Finally reliability is discussed.

3.1 Research strategy

The aim of this thesis was to analyse the way Maersk Line currently serve their customers, to identify the customers' needs during a sea transport service and investigate the customers' perception of the service delivered by Maersk Line. Hence the focus has been placed on understanding the shipping business, Maersk Line's service offer and the customers' needs and perceptions of the sea transport services.

Initially, a broad knowledge of the shipping industry was acquired to obtain a foundational understanding of the shipping industry and the issue raised by Maersk Line for this thesis. Further, this phase was followed by an in-depth literature study of the shipping industry, service marketing, service quality, service design and customer relationships.

When high theoretical understanding of the fields mentioned above was acquired, a number of internal interviews were conducted with employees at the Sales, Sales Support and Customer Service departments at Maersk Line. The objective of these interviews was to get a deeper understanding of the way of working at Maersk Line and the different departments' roles in the delivery of the shipping service to the customers. Moreover, these interviews created a base for stating the service offer of Maersk Line, i.e. what the company offered in their service towards the customers.

Thereafter in-depth qualitative interviews were conducted with a limited amount of customers of Maersk Line. The customers belonged to two different customer segments. The aim was to obtain a clear picture and deep understanding of the customers' needs and perception of Maersk Line's services throughout the whole service process within the two different customer segments.

Finally the theoretical framework in conjunction with the information collected from the interviews served as a base to analyse the customers' needs and perceptions of the service and how well the service offer at Maersk Line was aligned with these. In the following, each of these phases is described in detail.

3.2 Literature study

In an initial stage, a broad knowledge of the shipping industry was acquired from relevant literature in terms of internal documentation of Maersk Line, the company webpage, trade and liner shipping literature and through conversations with employees at Maersk Line. The main purpose of this first phase was to obtain an overall understanding for the shipping industry and the service related issues Maersk Line was experiencing.

Thereafter, an in-depth study of literature within the field of service marketing, service quality service design and customer relationships was performed. This study aimed to provide deep insight and knowledge within the research area, and resulted in the theoretical framework. The literature has been sought in academic libraries and data bases. The main sources of information include the libraries of Chalmers University of Technology and the University of Gothenburg, and the electronic databases Chans (Chalmers library database), ProQuest, Emerald and Google Scholar.

3.3 Empirical study

The focal part of this research has been to gather empirical data from relevant people and to analyse it. In order to gather high qualitative in-depth information within a specific area, interviews can serve as a useful method According to Lantz (2007). Different interview forms provide different type of results and conclusions and, depending on the purpose and context of the study, interviews are performed with varying degree of structure (Lantz, 2007). The following section provides fundamental theory regarding interview methodology. Further, the selected interview methodology of this research is presented and motivated.

3.3.1 Qualitative or quantitative study

A qualitative interview, also referred to as an open interview method, is a less structured interview method and is mainly characterised by its execution with open question areas rather than precise detailed questions. The methodology provides complex and rich data from the interviewed person (Hedin, 1996). When applying this interview method, questions have a low degree of standardisation, their order is not predetermined and the language is adapted to suit the interviewee. Usually a qualitative interview study only involves a small number of interviewed participants that are examined carefully, since the purpose is to achieve depth rather than width within the research topic (Hennink & Hutter, 2011; Lantz, 2007). The method provides a comprehensive material that requires a great amount of work to analyse (Troost, 2005). The variations of the answers to the questions can be wide when using this technique, therefore it is important that the interviewer has extensive knowledge of the area in order to be able to ask relevant questions and supplement questions (Lantz, 2007; Troost, 2005).

In contrast to qualitative interviews, a quantitative interview methodology, also called structured interview methodology, holds a high degree of standardisation. This method is intended to collect selective and quantifiable information (Lantz, 2007). The sought outcome of this information gathering is to provide a result that is representable of the general population (Hennink & Hutter, 2011). When adapting this research method, the interviewer most often uses a standardised template, a survey, where the questions and their order already are determined (Troost, 2005; Lantz, 2007).

The choice of the research method depends on the type of study and the information depth that is requested. A qualitative interview method is preferred if the sought outcome is to understand an issue or to find a pattern of behaviour or opinions. If instead the study is intended to find out something quantifiable or to generalise the findings to a broader population a quantitative study is appropriate (Hennink & Hutter, 2011; Troost, 2005). The

reason for the interview study of this thesis was to gain in depth knowledge of the service offered by Maersk Line, the customers' needs during the service and the customers' perception of the service. Hence the research sought to find patterns amongst the customers' needs and perception of the shipping service. Thus a qualitative interview study method was considered suitable and was practiced in this research.

3.3.2 Interview method of this research

In this section the interview methodology of this research is presented. Firstly the preparatory work is described, secondly the selection process is outlined and thirdly the execution of the interviews is presented. Finally the processing work of the empirical findings is presented in detail.

3.3.2.1 Preparatory work

To gain the best results from an empirical study it is important that the purpose, theoretical foundations, problem statement and method is clear before the interviews is held (Lantz, 2007). If the interviews commence without the necessary preparation the material from the empirical study may not be as useful. This could be a result from that the interviewer may forget to ask certain crucial questions and other less important questions may be asked instead. If this is the case it may be difficult to draw valid conclusions from the material (Lantz, 2007). With regard to this, the interview study was prepared well in advance in order to increase the usefulness of the information gathered. The purpose, problem definition and method of the study were clear and necessary theoretical knowledge of the area was collected before the interview study took place.

Prior to the interviews, interview guides with semi-structured questions, and potential follow up questions, was created. The questions were based on the problem statement and the theoretical framework. The structure of the interview guide followed the shipping service process, in order to cover all stages within the sea transport service. Moreover, appropriate delimitations in line with the context of the research were made in order to make sure that the valuable information was gathered within the given time. The interview guides can be found in appendix 1 and 2.

3.3.2.2 Selection process of interview objects

The selection process for the internal interviews with Maersk Line employees was conducted in collaboration with Susanne Jacobsson, Sales Director Maersk Line Scandinavia, and managers at the selected departments. The selected departments were limited to include departments that had direct contact with customers, either through phone, e-mail or physical meetings. Therefore the Sales, Sales Support and Customer Service departments were included. 14 internal interviews were conducted in total. More information regarding departments, names, titles and dates of the interviews can be found in appendix 3.

The selection of customers for the customer interviews were performed in collaboration with Susanne Jacobsson and Joakim Palm, General Manager Sales at Maersk Line Sweden. The research included the two customer segments; global freight forwarding customers and large Swedish direct sales customers of Maersk Line, hence the interviewed customers was picked

from these two segments. The selected customers were amongst the largest customers, in regard to shipped volumes with Maersk Line, within the segments. In total 9 interviews were conducted with customers of Maersk Line, 4 with direct customers and 5 with freight forwarding customers. In Table 1, some key data regarding the interviewed customers are presented. In the table DC represent the direct customers and FFW the freight forwarding customers. For more information and descriptions of the customers see appendix 4. Hereafter customers within the two customer segments will be referred to as direct customers and forwarding customers.

Customer	Segment	Business	Interviewee position	Shipping volumes / year
A	DC	Metal Powder	Freight Manager & Freight Coordinator	20 000 TEU
B	DC	Outdoor power products	Transport Manager	21 000 TEU
C	DC	Specialty chemicals	Global Transport Manager	15 000 TEU
D	DC	Home supplies	Supply Chain Inbound Logistics	2 600 TEU
E	FFW	Freight forwarding	LCL Service Manager	60 000 TEU
F	FFW	Freight forwarding	Deputy Ocean Director – Nordic	40 000 TEU
G	FFW	Freight forwarding	Ocean Operations Strategic Accounts Manager Gothenburg	No response
H	FFW	Freight forwarding	Manager Seafreight Tenders & Trade Support	No response
I	FFW	Freight forwarding	Trade Lane Manager Europe Outbound Northern Europe	20 000 TEU

Table 1: Interviewed customers of Maersk Line

3.3.2.3 Execution of interviews

The interviews with the Maersk Line personnel were held at the Maersk Line office in Gothenburg Sweden. The interviews were held in Swedish and varied in time from one hour up to two hours depending on the employee's availability. The interviews focused on getting a comprehensible picture of the service offer at Maersk Line, the individual work requirements and the internal collaboration between the different departments.

The customer interviews were conducted in Swedish at the customers' offices. The average time of the interviews was one and a half hour, but the time somewhat differed depending on the interviewee's availability. The focus of the interviews was to find customer needs throughout the activities within the shipping service, further questions regarding the service of Maersk Line were asked as well as questions regarding future needs and requests.

All interviews were conducted by both researchers. This was to increase objectivity, prevent personal impressions and avoid biases. The interviews were documented with notes and recorded with a Dictaphone. Shortly after the interview the recording and notes were transcribed and controlled by both the interviewers in order to make sure that all information was captured.

3.3.2.4 Processing of collected data

In order to answer the first research question, regarding the content of the service offer at Maersk Line, the internal interview data together with internal documentation and the company webpage were used. The transcribed empirical material constituted the greatest part of the presentation of the service offer. In this material, information concerning the different roles and work tasks within the concerned departments at Maersk Line were processed and together they formed a holistic view of the offered service. Moreover, when gaps in the described service offer appeared that could not be explained with the aid of the interview data, complementary information were requested on e-mail or in quick conversations in person with the managers of the concerned department.

The work process for answering research question 2 and 3, begun by highlighting the stated customer needs in the transcribed empirical data from the customer interviews. When all material was processed, the customer needs were compiled according to the different customers expressed needs. Thereafter the outspoken needs of each customer were compared in order to find patterns and differences amongst them. At this stage it was possible to distinguish certain needs that were repeated by the customers. These needs were thereafter investigated more in depth and weighted according to the interviewee's expressed statements regarding each needs importance. When deciding which needs that should be presented in the report the stated importance of the customers acted as the decisive factor. The breaking point of a need was taken into regard was firstly if one of the customers regarded a need as important or very important and secondly if two of the customers stated that the need was somewhat important or more. If one of these criteria were fulfilled the need was regarded to be of importance for this study. Moreover the needs were divided between the two different customer segments as well as along the different stages of the shipping service in order to create a clear structure and facilitate for analysing.

Thereafter an analysis was performed that consisted of the research questions regarding the service design and service delivery gaps; this is presented in chapter 9. This analysis was created according to the provider gaps in the analysis model that was presented in the theoretical framework. Further a discussion was carried out that focused on the consequences of the provider gaps. Finally conclusion and recommendations were stated.

3.3.3 Reliability

Reliability is the degree to which the findings from the research are independent of accidental circumstances of their production. Thus, whether or not the same result could be repeated in future research (Silverman, 2006). In order to satisfy the reliability criteria in a qualitative work it is important to make the research process transparent. This can be achieved by documenting the research strategy and data analysis thoroughly in the research report (Silverman, 2006). Moreover, the data collection must be performed objectively. The opinion of the interviewer must not influence the interviewee or have impact of the outcome of the study (Trost, 2005). In other words, the interviewer must remain objective both during the interview and when processing the data.

In this thesis, a potential limitation in reliability was detected during the interviews with the customers of Maersk Line. All of the participating customers, to a various extent, approached the researchers as if they were stakeholders of Maersk Line. Thus it was possible to question if the customers remained objective, or if they saw the interviews as an opportunity to stress their issues with Maersk Line. However, this was not considered to affect the results of the research in a serious way. It did to some extent affect the customers in their expressions of on what Maersk Line should improve on and made the customers keen to point out when competitors to Maersk Line performed better. This gave an understanding for how Maersk Line performed compared to their competitors. Moreover, during the interviews the researchers repeatedly empathised their objectivity in the research.

4. Liner shipping

This chapter serves to give an introduction to the liner shipping industry, its developments and trends. The liner shipping industry operates in a specific business-to-business context where the demand for transport is primary derived from the needs of the global industry. Therefore it typically follows the trends of the industry cycles and of the global economy (Gao & Yoshida, 2013).

4.1 The development of the ocean shipping industry

Historically, the shipping industry has been characterised as a non-competitive industry where a limited number of large actors controlled the market. However, some important industrial and structural changes have radically changed the market conditions and the market structure for shipping companies (Windeck, 2013).

The development of containerisation in the 1960s has been described as revolutionary for transportation. Introduced to the shipping business in the 1970s, the containerised shipping became the major driver for the development of the global trade as it essentially lowered the transportation costs (Haralambides, 2007). As a result, the liner shipping business experienced an extensive growth, and today around one-third of the total value of global trade is carried by liner shipping companies (Gao & Yoshida, 2013). Thus, shipping companies have become an important link in global supply chains (Windeck, 2013; Gao & Yoshida, 2013).

The shipping market has experienced a structural change in regard of how the industry coordinate, divide and price the shipping services. For a long time period, the shipping industry was dominated and controlled by large trading nations who made collaborative agreements regarding prices, division of routes and sharing of operational activities through conferences. However, due to the repeal of the Council Regulation 4056/86 and the ORSA of 1998, two reforms that were founded on the acceptance of conferences, freight rates became transparent to all carriers (Fusillo, 2013). Today shipping prices are commonly settled through negotiations between individual carriers and shippers on terms that are more or less tailored-made to the requirements of the shippers (Acciaro, 2011).

These changes have turned the shipping industry into a significantly more competitive industry. The combination of high competitive pressure, high capital intensity and strong dependencies on the global economy and fuel price has led to three main trends within the liner shipping business; the acquisition of larger vessels, the formation of strategic alliances and the emergence of slow steaming.

4.1.1 Larger container vessels

As shipping companies are no longer protected by the fixed conference prices, more emphasis has been placed on capturing size and network economies by increasing the scale of operations (Gao & Yoshida, 2013). In order to capture such scale advantages many shipping companies have invested heavily in new larger container ships. These vessels decrease operational costs by reducing fuel consumption, man hours and capital cost per transported container. However, the trend of acquiring larger ships has resulted in a large amount of overcapacity within the industry. In 2012 the world container fleet consisted of more than

5000 ships, with a combined capacity of 16 million TEUs. During the last fifteen years, the industry capacity has increased by over 400 percent, while the average container shipping volumes rate has grown approximately around 5 percent per year (Gao & Yoshida, 2013).

According to Susanne Jacobsson, Sales Director Maersk Scandinavia, the large overcapacity have caused significant problems for shipping companies, creating a trend of low freight rates and a price dumping behaviour within the industry. As a result from the low prices for sea freight shipping, the possibility for carriers to achieve cost coverage for the shipping services has decreased drastically. Moreover, the trend of radically lowering prices in order to attract customers and increase the fill-rates on the ships not only cause extensive price fluctuations but also make customers less loyal and more inclined to change between suppliers to gain cost savings. The implications of these trends for the shipping companies are evident in the annual reports, where the reflected results almost exclusively have been negative over the recent years.

4.1.2 Strategic alliances

To reverse these negative results in this extremely volatile and uncertain environment in which shipping companies operate, many liner shipping companies have started to form strategic alliances. The main purpose of the strategic alliances is to gain operational cost savings. This is for example accomplished by cooperating in the management and utilization of ships on particular routes and by using joint terminals. In addition to cost savings, alliances also provide advantages such as market and network integration, risk sharing and reduction of competitive pressure. Today, there are currently four main alliances operating on the global market including the Grand Alliance, The New World Alliance, The CKYH Alliance and the G6 alliance (Gao & Yoshida, 2013). However, new alliances are constantly negotiated and during 2014 the three leading carriers, including Maersk Line, MSC, and CMA CGM is establishing the P3 Network. Commonly these three carriers will possess over 40 percent of the industry's global market share (Lloyd's List, 2014).

4.1.3 Slow steaming

An additional strategy for shipping companies to cut operational cost is to decrease the vessel speed, an operation commonly referred to as slow steaming. The idea of slow steaming is the basic and well known fact that the fuel consumption is rising exponentially with a vessel's velocity. Hence, by lowering the vessel speed, shipping companies can sustain substantially fuel cost reductions and at the same time improve environmental performance in terms of lower emissions. Moreover, slow steaming is also used by shipping companies as a mean to adjust network capacity in the short term (Meyer, Stahlbock, & Voss, 2012).

Slow steaming is not a new idea, but has been used to lower the fuel consumption in former times as well. However, the technology of the new vessels support slow steaming better than the older vessels and therefore the two trends of new and larger ships and slow steaming tend to benefit one another. Slow steaming is now considered as a standard operation for many shipping companies (Meyer, Stahlbock, & Voss, 2012; Jorgensen, 2014)

4.1.4 The need for differentiation

With increasing competition, the shipping industry has strived to manage internal operations as cost efficient as possible. Hence, according to Fusillo (2013) the shipping industry has become highly production oriented with little concern about customer needs and about building and retaining relationships with customers. At the same time customers' has become more demanding and sophisticated. With many options available, they become more likely to switch between suppliers and have greater expectations for innovation, quality and service. Customers also get more knowledgeable and skilled within purchasing and they expect suppliers to know about their business and to use this information to deliver products and services that are tailored to their particular needs (Durvasula, Lysonski, & Mehta, 2004). Moreover, the containerisation did not only facilitate the goods handling but also transformed ocean shipping into a relatively homogeneous service (Acciaro, 2011). Hence, there is a need for shipping companies to shift focus from only seeking operational efficiency to become more customer oriented in order to find new ways to differentiate themselves and to sustain competitive (Ahmend, 2012).

5. Maersk Line Sweden

This section aims to introduce the focal company of this study, Maersk Line, and its Swedish business unit Maersk Line Sweden. The section includes a brief introduction of the company, the organisation's strategy and goals, upcoming business changes and a presentation of the customer segments encompassed in the scope of the study.

5.1 Company introduction

The A.P. Moller Group is a Danish corporation with operations in a number of sectors, its core focus is on the shipping and on the oil and gas industry. The Group employs approximately 89 thousand people and operates in 135 countries with its headquarter located in Copenhagen. The group also owns container terminals and logistics business; altogether they handle a significant share of the world's containerised trade.

Maersk Line is the largest business unit in the group and operates a fleet of 584 vessels and has a capacity of approximately 2.6 M TEU. Maersk Line was founded in the late 1920-ties and has since then continued to grow through acquisitions and organic growth and further developed their service network. Today, Maersk Line is the largest container shipping company in the world in terms of fleet capacity and global coverage. The latest and most advanced investment are the Triple-E (Economy of scale, Efficiency, Environment) vessels, which further strengthened their competitiveness and environmental leadership.

5.1.1 Business philosophy

Maersk Line's business philosophy is built on a number of stated values. These are regarded as most important and guide the employees in how to work, make decisions and interact. The group believes that these values have created trust and goodwill of customers, business partners and employees all over the world. The values of the group are: *Constant Care*, *Humbleness*, *Uprightness* and *Employees*. Based on these values Maersk Line seeks to be a world class performer, known and highly respected, an attractive business partner and employer, and a good corporate citizen. For the shipping company the following philosophy stands:

- Strong environmental performance – Environmental performance and increasing vessel efficiency will maintain the CO2 advantage of Maersk Line within the industry. The company's priorities include energy efficiency of vessels and innovative ship and container design.
- Being a responsible business partner – Responsible procurement, respect for human and labour rights and respect for the maritime environment will protect and take care of the company name and values.
- The preferred choice of customers – Maersk Line work to enable transparency and choice for the customers. Maersk Line will support their efforts in order to create more sustainable supply chains and partner with the customers to create joint value for sustainable profitable growth.

5.1.2 Business strategy

The strategy of the A.P. Møller Group is to grow world class businesses while delivering good overall returns on the invested capital within all business units. Further, the group aims to use their global network, skilled people and financial flexibility to enable customers and countries to generate wealth and fulfil the economic potential.

The strategy of Maersk Line is built on two pillars which aim to manage for profit in order to achieve *cost leadership* and *commercial excellence*. The pillar of cost leadership focuses on reducing operational costs through economies of scales, organisation simplification and network optimisation. The second pillar of commercial excellence seeks to improve customer experience by caring for customers. The company seeks to become clearer towards their customers of what they offer and how this will be delivered, improve customer service and increase focus on customer relationships. Further Maersk Line strives to create clear differentiators towards their competitors. In 2012, Maersk Line articulated the ambition to differentiate themselves by being the first choice of customers through ease of doing business and by being the industry leader on reliability and environmental performance.

5.1.2 Upcoming business changes

Maersk Line focus on two changes in order to follow their strategy goals of achieving cost leadership and commercial excellence. The first is the customer CARE project, which involves the development of customer service packages. The aim of this project is to create impeccable customer service though standard offers adapted to different customer groups. By offering standardised solutions, Maersk Line seeks to become clearer in what is offered and promised to customers, thereby increasing their ability to deliver accordingly and meeting customers' expectations. The project includes three different packages including CARE Premium, CARE and Essential services.

The second change involves the establishment of a long-term operational alliance, called the P3 Network. Through this alliance Maersk Line will enter collaborations with the second and third largest shipping companies, MSC and CMA CGM. The aim of the P3 Network is to lower operational cost by jointly operating initially 252 vessels on 28 routes, on the three trade lanes; Asia - Europe, Trans - Pacific and Trans - Atlantic. The P3 Network vessels will be operated independently by a joint vessel operating centre. However, the three companies will continue to have fully independent sales, marketing and customer service functions. As a direct consequence, Maersk Line strives to create clear differentiators towards their competitors prior to the P3 alliance.

These changes are currently communicated on the company's webpage and will be launched to customers during 2014.

5.1.3 Customer segmentation

Today, Maersk Line Sweden internally divides their customers into three main segments; Key Clients, Direct Sales Customers, and Local Forwarders.

Key Clients represent customers that due to their large volumes are regarded to have a high strategic importance. This segment consists of both Direct Sales Customers and Freight

Forwarding Customers. The Direct Sales Customers who belong to this segment are very large Swedish companies who ship large volumes by sea transport. The Global Forwarders stand for a large portion of Maersk Line's total volumes and therefore have a high strategic importance for the organisation. The Key Clients are dedicated more personal resources in terms of a special Key Client team which manage all their particular needs and issues. Global Forwarders are active in many parts of the world, but their Key Account is generally handled in the customer's original country. In the other countries that the Global Forwarding Customers handle freight they get assigned similar resources as the large customers belonging to the segment Direct Sales Customers.

Customers who belong to the segment Direct Sales Customers have a somewhat less strategic importance than the Key Clients. Further this segment is divided into the sub segments Small- respectively Large Direct Customers.

This research has been limited to investigate Global Freight Forwarding Customers and Large Direct Sales Customers. In Sweden the Global Freight Forwarding Companies are not treated as Key Clients, but have similar resources as the Large Direct Sales Customers. Further in the report these customer groups are referred to as only Forwarding Customers and Direct Customers. The customer segmentation at Maersk Line is visualized in Figure 3. The segments included in this study are those presented in the boxes with black borders.

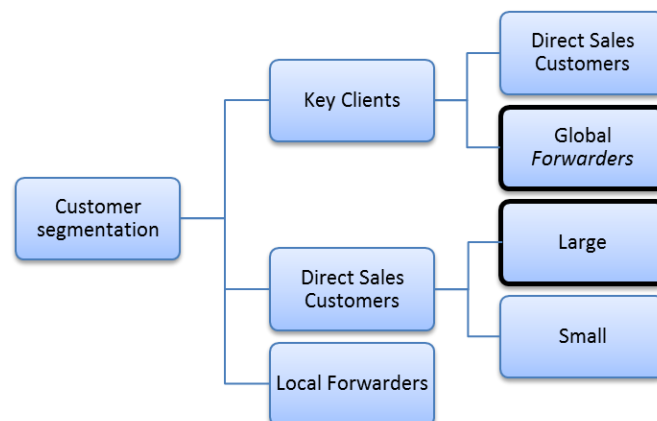


Figure 3: Customer segmentation at Maersk Line Sweden and customer segments included in the scope of this particular study

5.2 Organisational structure

The organisational structure of Maersk Line Sweden is composed of six departments including Sales, Customer Service, Trade and Marketing, Operations, Finance and Human Resources. Moreover Sales Support is a sub department to the Sales department. Since 2012 some parts of the local customer service function have been offshored to a Global Service Centre in India who currently manage administrative work and provides customer support mainly via e-mail. Hence the customer service function is in turn composed by a local customer service team and a global service centre. As previously stated, this study is limited to include the departments of Sales, Sales Support and the Customer Service. The overall organisational structure is visualised in Figure 4 where the departments included for this

specific study are pictured with black borders. From here and onwards Maersk Line Sweden will be referred as only Maersk Line.

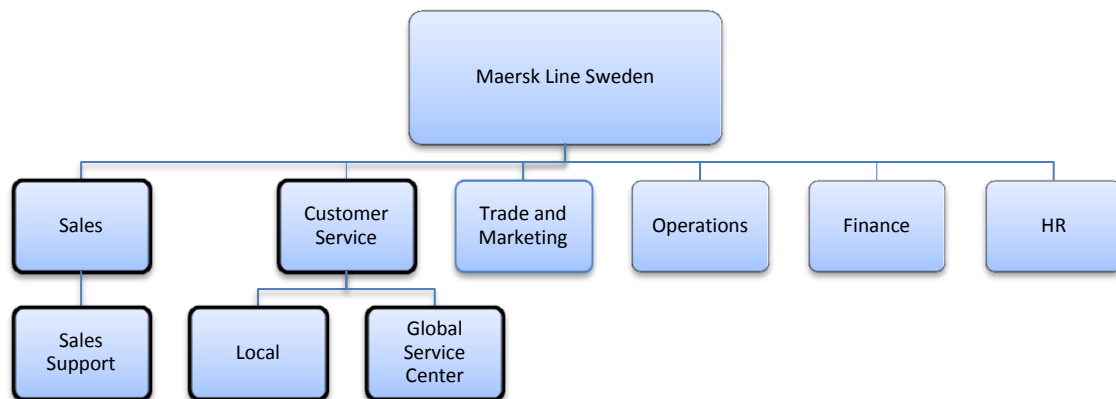


Figure 4: The overall organisational structure of Maersk Line Sweden and departments included in the scope of the study

5.2.1 Sales

The Sales department consists of the Swedish Sales Manager and Account Managers. The Account Managers are sales executives and holds the main customer responsibility for customers and for the sales process. Each Account Manager has a dedicated portfolio of customers, of either Direct Customers or Forwarding Customers, for which they are responsible for securing the delivery of their customers' individually yearly targets of volumes and yield. It is the Account Managers role to manage the selling processes to external customers, including pricing, contract negotiation, identifying customer needs, developing and maintaining relationships with customers and providing support and managing extraordinary issues. Moreover the Account Manager should also involve customer service into the relationships with the customers.

The Account Managers can be either an Internal Sales Executive or an External Sales Executive. The difference between the two roles is mainly the way they interact with the customers. External Sales Executives are on a general basis visiting customers to provide a face-to-face contact while the Internal Sales Executives mainly interact with customers over the phone or via e-mails.

Generally large customers, in terms of large volumes, are provided with an external sales executive while customers with less volume are assigned an internal sales executive. Customers with large volumes are regarded to have strong strategic importance and are therefore dedicated more personal resources in terms of an External Sales Executive and a personal Sales Support contact. To provide these customers with sufficient service, the External Sales Executives holds a smaller number of customers than the Internal Sales Executives. All customers within the Large Direct Sales Customers segment are provided with an External Sales Executive and a personal Sales Support contact at the local office. All the forwarding customers included in this study are Global Forwarding Customers which belongs to the Key Client segment and are therefore managed by a special Key Client team.

However, as these customers are global customers, they are not managed by the Swedish Key Client team, but by other teams situated in different countries. In Sweden these customers are assigned an External Sales Executive and a personal Sales Support contact at the local office.

5.2.2 Sales Support

The sales support department consist of a sales support team. The role of the Sale Support team is to support the Sales Executives to achieve their volume targets. The Sales Support executives are, in the same way as the Sales Executives, assigned a customer portfolio for which the Sales Support Executive works in collaboration with the Sales Executive. In other words, the main responsibility for a Sales Support Executive is to support each customer's specific Sales Executive with various tasks. The division of work between the Sales Executives and Sales Support Executives depends on the individual customer's needs and the individual Sales Executive's way of working. Hence, the tasks for the Sales Support staff differ within the team and between customers. However, in general the Sales Support Executive holds a responsibility to support the sales process, engage with the customer on ongoing basis to maintain and develop relationships and to provide the Sales Executive with research and system updating support in a timely manner. The sales Support also manage the administrative work concerning quotes, various agreements and Ad Hoc request. An Ad Hoc request means that the agreement will only cover one shipment.

5.2.3 Customer Service

As previously stated, the customer service function at Maersk Line is composed of a local customer service team of Client Coordinators and a Global Service Centre located in India. The responsibilities of these two departments are to provide customer support by managing and monitoring bookings, provide customers with relevant information such as changes in departure or arrival times, respond to customer's questions, solve problems and manage customers' claims. In general, the local Client Coordinators key responsibilities is to manage problems that are regarded as non-standard or exceptions or that requires local expertise, while administrative work and more common issues that can be solved in a standardised manner is handled by staff at the Global Service Centre.

Both customer support staff from the local office and from the outsourced function in India has direct contact with the customers. The communication between the employees at the Global Service Centre and the customers is solely carried out through e-mail. Similarly, the local customer service staff use e-mail as the main mean of communication, but in addition to e-mail they also have frequently phone contact with customers and face-to-face contact during visits and various events.

6. The service offer at Maersk Line Sweden

In this, and the following 5 chapters, the empirical findings from this study are presented. These findings are analysed based on the features theoretical framework and the formulated research questions for the study are answered.

The shipping service offered by Maersk Line is a process composed of a number of activities. In order to answer the first research question it was fundamental to map the service offer provided by Maersk Line. Firstly the service offer is briefly described in general terms and thereafter a more comprehensive presentation is given by describing the service offer as a process composed by four stages. This section aims to answer the first research question in terms of;

(1) What service offer is Maersk Line currently offering to their customers?

6.1 The service offer in general terms

Maersk Line is offering liner shipping services between a large numbers of ports around the globe providing an extensive logistical network with global coverage. Maersk Line Sweden is responsible for taking care of customers located in Sweden and for managing goods flows to- and from Sweden. The Main port of Sweden is the port of Gothenburg, and from here the business unit is managing routes from the port of Gothenburg. Two of the routes between Gothenburg and the Far- and Middle East are direct calls, which mean that goods are delivered directly to its destination port without being transhipped. At the moment, Maersk Line is the only provider of such services.

When promoting its services to customers, Maersk Line focus their offer around five general fundamentals; on time delivery, meeting customers' basic expectations, equipment quality, value added services and environmental performance. In the following, each one of these fundamentals is described.

6.1.1 On-time delivery

Maersk Line promotes themselves as the number one performer on reliability, ensuring customers that their cargo will be delivered to the destination at the scheduled time. To realize this commitment, Maersk Line offers customers services that support on time delivery. This includes electronic estimated time of arrival notifications, weekly vessel space and booking commitments as well as a proactive customer service team that regularly monitor bookings in order to limit deviations.

6.1.2 Meeting customers' basic expectations

Maersk Line also provides customers with a customer charter to ensure the provision of an excellent customer experience by meeting their basic expectations first time, every time. The customer charter consists of eight performance aspirations that cover the service interactions and operational executions that the company provides all customers, regardless their shipping volume or geographical location. The eight performance aspirations for 2014 includes targets for invoicing quality, booking confirmations, customers support accessibility, documentation amendments, issue resolution, pre-arrival notifications, dispute resolutions and documentation accuracy.

6.1.3 Equipment quality

The third basic fundamental that Maersk Line's promotes in their service offer is the assurance of delivering customer's cargo in the same condition as it was loaded. To deliver this promise, Maersk Line has invested heavily in their equipment fleet, mainly operating containers that on average are less than seven years old. To ensure availability, Maersk Line also has a broad network of inland container depots, where container repair facilities are placed. Further, each container is cleaned and inspected before released to customers. In addition to this, Maersk Line also partner with terminals that are measured on their ability to handle cargo correctly.

6.1.4 Value added services

Maersk Line does not promote themselves as price leading, but instead as providing competitive rates supported by a number of value added services. In other words, Maersk Line seeks to provide an overall service with great value to a competitive price. To add extra value to the service offer, Maersk Line provides customers with benefits in terms of:

- A global Network including multiple gateways to both mature and developing markets, broad feeder networks and inland transportation solutions both in Sweden and offshore. In short, Maersk Line seeks to provide customers with consistency, frequency, stability and the possibility to build an efficient supply chain around Maersk Line's network.
- A sales force trained to offer insight and challenge the way customers run their supply chains.
- A local customer support team that understand local operations that are assigned to specific accounts within their expertise. In this way customers should not have to re-explain their business and should be offered solutions, not commentary. Furthermore, customers that are regarded as strategic are offered a premium level of service, in terms of a dedicated agent that not only address customers' current needs but also anticipates future needs.

6.1.5 Strong environmental performance

Maersk Line is currently the industry leader when it comes to environmental performance, a position that the company aims to maintain by further increasing the efficiency of vessels operations. One important reason for Maersk Line strong environmental performance is the company's introduction of slow steaming. Since 2008, the average speed of all Maersk Line's vessels has decreased with 27 percent in order to lower the fuel consumption and CO2 emissions. Maersk Line was the first operator that applied slow steaming in the industry, but today most of the shipping companies slow steam, even though not necessarily to the same extent as Maersk.

In addition to reducing fuel consumption and CO2 emissions, slow-steaming also helps Maersk Line to provide a reliable service. For example, if a vessel gets delayed in port due to unforeseen circumstances, the slow steaming provide Maersk Line with the ability to adjust speed accordingly to meet the schedule and deliver on time. Thus, in addition to the fundamental of environment performance, slow steaming works as a mean to also realise the

fundamental of Maersk Line's service offer in terms of on-time delivery. However, it has a negative impact on transit times.

6.2 The service delivery process

The service offer at Maersk Line can be described as a process composed of a number of activities. These activities are to a large extent managed and delivered to customers by people working in the internal departments of Sales, Sales Support and Customer Service.

In order to define the service offer of Maersk Line and how it is delivered, it has been divided into four different stages. Each stage is addressed in the following sections. The stages consist of the tender process (6.2.1), the pre-sea transport stage (6.2.2), the sea transport (6.2.3) and the post-sea transport stage (6.2.4).

6.2.1 The tender process

The first stage of Maersk Line's service offer is the tender process in which the service are defined and specified. This process is carried out through a number of interactions between the customer and Maersk Line and is typically characterised by negotiations between the two parties. The outcome of this stage is an established service agreement between the customer and Maersk. The agreement contains service specifications, terms and conditions and how the service is to be priced. How the tender process is carried out in terms of persons involved, activities and time frame, is highly situational and depends on the nature of the customer's requests in terms of volume and length of agreement and the involved peoples' individual ways of working. However, one factor that is general for every tender process is that it consists of activities mainly carried out by employees at the Sales and Sales Support departments. Moreover, a tender process always starts by a customer expressing a need for a shipping service.

Generally Direct Customers want to establish fairly long agreements with its sea transport suppliers. They want to tender their total predicted shipping annually to gain stability and to be able to account and plan for the transport cost throughout the year. Consequently, tender negotiations between the Direct Customers and Maersk Line are mainly carried out on a yearly basis. The process starts when the customer sends out a request for quotation (RFQ) that specifies their need in terms of volume, commitment, destination, type of equipment, purchase requirements etcetera. The customer also provides a timeframe for when the customer expect a response. The customer usually sends the RFQ to a number of potential service providers.

When the responsible Sales Executive receives the RFQ several aspects are considered. As these agreements are set on a yearly basis, they involve large volumes and also increased risks in terms of making long commitments on a highly fluctuating market. Consequently, several people must be involved in this process. Therefore the Sales Executive summon for a tender board meeting for relevant staff from the internal departments including operations, finance, customer service, and sales support to attend. The aim of the meeting is to discuss Maersk Line's abilities to meet the customer's requests. Thereafter, the Sales Executive formulates a tender that is sent to the customer. If the customer found Maersk Line's offer

appropriate, the final agreement is settled through a face-to-face meeting where all terms and conditions in the tender are discussed and settled. Typically this type of tender process normally stretches over a time-period up to a month.

In contrast to the Direct Customers, Forwarding Customers generally want to establish shorter contracts. Highly simplified, a Forwarder seeks to establish two types of agreements with Maersk Line, Standard Agreements and Named Account Agreements. Standard Agreements are usually established for customers with smaller volumes and are generally settled for a very short to medium time period. Commonly such agreements are settled on the basis of a couple of weeks up to a quarter at the most. Named Account Agreements are usually established for larger volumes, either provided by one single large customer or by a group of smaller customers. These agreements are normally settled for a somewhat longer time period than the Standard Agreements, commonly on a quarterly up to a yearly basis. Also as the name indicates, the customer(s) behind a Named Account Agreement is usually known by the shipping company.

As a consequence of the different natures of Standard Agreements and Named Account Agreements, the tender process looks different for the forwarding segment depending on the type of agreement. The standard agreements are commonly established in a rather straightforward way, commonly through an e-mail conversation between the customer's transport manager and the Sales Executive or Sales Support Executive at Maersk Line. The agreement is usually settled instant or on the same day, and a standard freight rate is either directly accepted as the price or serves as the basis for negotiation. These standard prices are rates that are individually settled by the shipping companies, based on the current market price and the shipping company's individual demand. In contrast, the tender process for the Named Account Agreements is commonly carried out in a similar way as for the Direct Customers.

6.2.2 Pre-sea transport stage

The second stage of the service offer comprises the booking activity and additional activities before the goods are loaded onto the ships. This stage of the service mainly consists of interaction between the customer and Maersk Line's service facilities through the shipping portal INTTRA, the company webpage and between the customer and the Customer Service department. The input to this phase is the service agreement established between the customer and Maersk Line in stage one. Hence, when customers enter this phase of the service delivery process, they have valid agreements on their routes of interest.

6.2.2.1 Booking

The first part of this stage consists of the activity of customers requesting capacity for a specific trade route or vessel. How this request is communicated depends on the customer's individual capabilities and requirements. The main channel to book with Maersk Line is via their webpage. Besides this, the main options to perform booking are via e-mail or through the shipping portal INTTRA. The last option is a web-based community to which shipping companies can connect in order to provide their customers with the possibility to efficiently

book, manage and monitor their ocean freight shipments from all their carriers at one collective portal.

Customers' booking request is managed by the offshored Customer Service Centre. From here, customer service staff checks the availability of capacity and equipment required for the requested shipment. Once capacity is secured, a booking confirmation containing information regarding assigned capacity, equipment pickup times and estimated time of departure and time of arrival is sent to the customer. Maersk Line aims to confirm customer bookings within two hours of receipt, except for shipments of dangerous cargo and out-of-gauge cargo where a more detailed investigation is required. If bookings cannot be confirmed within these time frames due to factors such as limited capacity or equipment, a booking acknowledgement is instead sent to the customer.

6.2.2.2 Haulage services

Upon the receipt of the booking confirmation, customers who internally manage their inland transport or purchase inland transport from an external supplier are informed to pick up containers at a designated container depot. Maersk Line also provides haulage services, where customers' goods are picked up and transported to the departure port. The extent of the haulage services provided range from including only the actual transport to also including packing of the goods. The customers are also offered a choice of multiple modes of transport. In addition to the haulage service, Maersk Line also takes responsibility for securing equipment availability and that containers are inspected before the customers collect them.

In the pre-transport stage, the customer service department is the primary point of contact for customers. The customers are all assigned an individual contact person at the local Customer Service Department that are responsible to answer all customer questions that requires local expertise. However, regarding standard questions concerning bookings, customers are directed to contact the global service centre per e-mail. For amendments concerning bookings that are sent through the E-channels Maersk Line has a goal to process and confirm such changes within one hour.

6.2.3 The sea transport

The third stage represents the actual sea transport. During the transport stage interaction between customers and Maersk Line is primary carried out through employees at Maersk Line's customer service departments and the customers' operational staff. Contact at this stage is mainly initiated in the case of deviations.

6.2.3.1 Information sharing

During transport the main information provided to customers includes information about deviations and pre-arrival notifications. Also various types of documents, such as invoices, and bill of lading are sent to the customers during the transport stage

Information regarding issues that occur during transport is provided to customers by personnel at the global service centre. General information regarding deviation as a result of severe weather conditions, congestion etcetera is provided to all customers concerned via e-mail. If a particular customer's goods cannot be delivered according to initial delivery plans,

as a result of their goods being rolled or short shipped due to capacity restrictions, the global service centre specifically informs these customers on this matter. Further, Maersk Line provides the customers with a pre-arrival notification within 24 hours of arrival. At arrival in destination port, a delivery order is sent to the customer to inform that the shipment is ready for pickup.

6.2.3.2 Deviation handling

The local customer service's responsibility in this stage is to support customers by answering questions concerning deviations that require local expertise. According to Maersk Line's targets of accessibility, these persons should answer calls within 30 seconds. Further Maersk Line has an ambition to resolve issues within 12 running hours.

6.2.4 The post-sea transport stage

The fourth and final stage in the shipping service includes activities and services carried out when the customers' goods have arrived at the destination port. Activities that are included are port handling, haulage services, and invoice handling.

6.2.4.1 Port handling

When the goods arrive in the destination port the customers must pick up their goods within the given freetime according to the individual ports' particular standards or according to an agreed timeframe that has been negotiated in the agreement with Maersk Line. Freetime refers to the number of days that the container may remain in the port before a fee is charged. For customer who desire additional freetime or storage outside the ports, Maersk Line can provide such services. If a customer has such agreement with Maersk Line, Maersk Line responsible for informing the port in this matter.

6.2.4.2 Haulage services

As in the pre transport phase, Maersk Line also provides haulage services from the destination ports to the final destination or to connecting container yards.

6.2.4.3 Invoice handling

One of Maersk Line's goals for 2014 is to have an invoice quality of 94 percent. Moreover, the company aims to react in a fast manner when customers receive an incorrect invoice. If error occurs, the customers are referred to an online financial account management tool that aids the customers in managing the disputes. For this process Maersk Line has a goal to solve disputes within five working days. If an invoice is re-disputed, it is to be solved within the time of another five working days.

7 Customer needs for liner shipping services

Maersk Line has an ambition to be the first choice of customers. To achieve this ambition, they must deliver an overall qualitative service that fulfil customers' needs better than its competitors. Understanding customers' individual needs for sea transport during the different stages of the service delivery process is therefore fundamental. This section are presenting the empirical findings from the interviews with current and former direct sales and forwarding customers of Maersk Line. Hence, this section aims to answer the following research question;

(2) What are the customers' needs within each stage of an ocean shipping service?

The section is structured in a process oriented way, addressing customers' particular needs when selecting a sea transport supplier and within the different stages of a shipping service. This chapter includes the following sections; The Specification of basic supplier criteria (7.1), the tender process (7.2), the pre-sea transport stage (7.3), the sea transport (7.4) and the post-sea transport stage (7.5). A summary of the identified customer needs within each stage of the shipping service are presented in the end of each section.

7.1 Specification of basic supplier criteria

When customers experience a need for a transport services the first step is to analyse the nature of the shipment and to identify basic criteria that a potential shipping supplier must fulfil. It has been found that the basic qualities that customers search for in a sea transport provider depend on their individual needs. Moreover, how these qualities were ranked and appreciated also differed between the interviewed customers. In general, all customers expressed needs that were grouped into three categories in terms of general purchase requirements, performance criteria and relationships criteria.

7.1.1 General purchase requirements

When searching potential suppliers, the customers' assed the shipping companies firstly according to their general purchase requirements. These criteria consisted of basic requirements that a shipping company needed to fulfil in order to be considered as a supplier.

What was considered as a fundamental need and included in the general purchase requirements somewhat differed between the customers within this research. However, there were also strong similarities, commonly; price, coverage, capacity, transit times, the ability to provide commitment and reliability was considered as important criteria. Further, the forwarding customers also considered the presence of a mature IT-system to be of great importance. In the following sections these requirements are more thoroughly presented.

7.1.1.1 Price

The price criteria was empathised by all customers, although it was considered to have various degree of importance. The direct customers all thought that price was important, even though, other factors were considered to have higher importance. For example, all direct customers considered it to be more important to be able to account and budget for the transport cost throughout the year. Therefore, the transport suppliers' ability to provide a

stable or fixed rate on a yearly basis was expressed as more important relative the price itself. This need for stable prices was particularly stressed by customer D, who priced its products on the basis on budgeted costs over the year. Customer D's product flow was characterised by promotions and seasonal demand thereby also delivery precision was regarded as more important than the price.

In contrast, the forwarding customers mentioned price as one of top priority criteria. This was mainly explained as a consequence of the low margins within the freight forwarding industry. However, the forwarding customers also clarified that price was not necessary the deciding factor when choosing between the different shipping companies.

7.1.1.2 Logistical network

Coverage is the next factor that was commonly included in the customers' purchase requirements. Coverage was related to the geographical extension of the logistical network and trade routes provided by a shipping company. All customers expressed that providing trade routes between their desired departure and destination ports was fundamental to be considered as a potential shipping supplier. Within the direct customers two out of four expressed that their sea-transport provider needed to provide global coverage, while the two remaining did not mention such desire.

The forwarding companies separated the weighting of this aspect for core carriers and their other carriers. A core carrier is a shipping company that the customer organisation has identified as a strategic business partner. Commonly the agreements with core carriers were established on an organisational central level, thus including terms and conditions for the entire organisation when purchasing sea transport. Through these agreements, the forwarding companies were able to obtain scale advantages and thereby the core carrier became a preferred carrier by the particular forwarding customer. To become a core carrier, global coverage was considered as a general purchase requirement, while for additional carriers, global coverage was given less importance.

7.1.1.3 Commitment

Commitment refers to the provision of guaranteed admission on the vessels and was a highly ranked criteria when assessing possible shipping suppliers for all customers interviewed. Both the direct customers and the forwarding customers expressed that it was crucial that their shipping provider could promise them available capacity for some of their projected volumes during the agreement period. All customers required such commitment in order to consider the supplier.

7.1.1.4 Transit times

The importance of transit times was considered somewhat differently among the customers. Out of the direct customers, A and C requested short transit times while customer B and D expressed less need of this. The reason for the need for shorter transit times were mostly based on the industries and market competition that customer A and C found themselves in. Both customers competed with competitors situated geographically closer to their end customers, thereby creating the need for competitive lead-times. In particular, a need for

shorter transit times on routes to Asia was articulated by some customers. Further, these customers also expressed a will to pay a premium price for such express service.

This request was also raised by the forwarding customers F and G who indicated an increased trend of some customers switching to rail transport to gain shorter transit times. According to customer G these customers currently paid triple the price for the rail alternative to Asia. Further the forwarding customers ranked the criteria of transit times according to their customers' need for short transit times, thus it could greatly differ between agreements. Short transit times were therefore not always an expressed demand. However, as expressed by customer F, a forwarding company must be able to offer a wide selection of services and options. Thus, including shipping companies that provides short transit times in the supplier base was considered to have high importance, and to be needed for the forwarding customers.

7.1.1.5 Reliability

Reliability is yet another need that the customers highly value. How the direct customers valued reliability was directly related to their product characteristics and market conditions. Hence the need for high reliability differed between the direct customers who all operate within different industries.

The forwarding customers all stressed the importance of high reliability. One of the interviewed forwarding customers expressed that a reliable shipping service was fundamental to be able to offer their customers reliable transport solutions.

7.1.1.6 IT

Some of the customers also mentioned that a supplier needed to be IT-mature to be considered as a potential supplier. This request was mentioned by customer A among the direct customers, and by all the forwarding customers. Customer A preferred to be involved with a supplier who was connected to the shipping portal INTTRA, but this was not an excluding factor. Customer B was satisfied with web supported booking processes and customer C preferred to send the booking as a PDF-file directly per mail to their transport suppliers. Customer D had contracted a forwarding company to manage their booking process. This was expressed as an essential setup to gain control of the bookings and secure that error and deviations were detected in time.

The forwarding customers strongly emphasised the presence of well-developed IT systems and electronic interfaces. This was mainly motivated by the need to facilitate efficient communication and administration handling. Customer G and H even claimed being connected to INTTRA was an excluding requirement for their sea transport providers.

7.1.1.7 Summary general purchase requirements

When searching potential suppliers, the customers assessed the shipping companies firstly according to their general shipping requirements. These criteria consisted of basic requirements that a shipping company needed to fulfil in order to be considered as a supplier. Common for the interviewed customers, the general purchase criteria included; Price, Logistical network, Commitment, Transit Times, Reliability and IT-connections. How customers valued the different requirements are summarized in Table 2.

The price and commitment criteria were in general considered equally important for both customer segments. Logistical Network and Transit times were expressed as somewhat more important by the direct customers whereas the criteria of Reliability and IT-connections was to some extent regarded as more important by the forwarding customers.

	Price	Logistical Network	Commitment	Transit Times	Reliability	IT-connections
A	Important	Important	Very Important	Very Important	Important	Important
B	Important	Very Important	Very Important	Important	Somewhat important	Somewhat important
C	Important	Important	Very Important	Very Important	Somewhat important	Less important
D	Somewhat important	Very Important	Very Important	Somewhat important	Very important	Somewhat important
E	Very important	Important	Very Important	Very important	Very important	Important
F	Very important	Important	Very Important	Important	Very important	Very important
G	Important	Important	Very Important	Sometimes important	Very important	Very important
H	Important	Somewhat Important	Very Important	Sometimes important	Very important	Very important
I	Important	Somewhat Important	Very Important	Sometimes important	Very important	Very important

Table 2: Customer needs in terms of General Purchasing Requirements

7.1.2 Performance criteria

The customers expressed a need of security regarding the shipping providers' ability to deliver according to their promises. Thus, in excess of the general purchase requirements, performance criteria, in terms of how well a supplier has managed to meet customer needs and expectations in previous agreements, was included in the overall assessment. All customers described the performance criteria as key evaluation factors that included both how the shipping company performed in a previous relation with the customers but also in relations with other companies. Hence, the word-of-mouth was considered important in this aspect. Among the interviewed customers, the most important criteria used to assess performance were mentioned to be keeping agreements, deviation handling, and capacity flexibility.

7.1.2.1 Agreement compliance

Keeping agreements, as in keeping what has been promised, was a crucial factor that all customers expressed as basic criteria for renewing contracts or to consider a new supplier. In general, all customers raised the matter of providing the agreed capacity commitment throughout the dedicated period, the settled price and deliver according to announced transit times. All the direct customers had previous experience from situations where their goods did not get shipped according to agreement. The reasons were not always clear to the customers but speculations about not being prioritised relative to more profitable shipments were recurrently mentioned. It was clear that these incidents strongly affected the customers' trust and willingness to continue doing business with the suppliers.

7.1.2.2 Deviation handling

The shipping company's performance when it came to deviation handling was also expressed as an important factor that the customers took into account. Deviation handling refers to how issues and problems that occurred during the service agreement were managed. Direct customers A, B and D particularly expressed a need for this ability in their suppliers. Among these, customer B and D further stressed the need for the shipping companies to proactively solve issues and to involve the customers in the solving process.

Among the forwarding customers, deviation handling was mostly discussed in terms of needs for quick information when something went wrong, to be prioritised and the availability of contact personnel at the shipping company. All of the forwarding customers stressed the need for these abilities in their sea transport provider.

7.1.2.3 Capacity Flexibility

Capacity flexibility refers to the shipping companies' ability to carry more freight than what have been committed in the settled service agreement. This need was particularly stressed by the direct customers B, C and D. Customer B experienced seasonal demand in their sales and could not on beforehand provide detailed forecasts to the supplies, thereby they requested capacity flexibility from their suppliers. Customer C expressed that a shipping company's capabilities to provide such flexibility was essential as they only requested capacity when they had an actual customer order, thus they could never receive commitment in advance. Customer D's need for capacity flexibility was related to their dependence on seasonal and promotional fluctuations. A shipping company's ability to provide capacity flexibility during peak season was therefore mentioned as an appreciated advantage, however it was not considered as a excluding factor.

The forwarding customers also considered capacity flexibility to be an important need. These companies' customers generally did not provide qualitative forecasts, leading to difficulties in estimating the exact transport capacity needed. Hence, capacity flexibility was vital for this customer segment and was therefore taken into account when assessing a shipping company.

7.1.2.4 Summary performance criteria

In excess of the general purchase requirements, performance criteria, in terms of how well a supplier has managed to meet customer needs and expectations in previous agreements was included in the overall assessment. The most important criteria used to assess performance were mentioned to be complying agreements, deviation handling, and capacity flexibility. How customers valued these criteria are summarized in Table 3.

The criteria of shipping companies complying agreements was regarded as very important by all interviewed customers within both segments. Deviation handling and capacity flexibility was considered as equally important within the forwarding segment, while the importance of these criteria varied between customers in the direct customer segment.

	Agreement compliance	Deviation handling	Capacity flexibility
A	Very important	Important	Somewhat important
B	Very important	Important	Important
C	Very important	Somewhat important	Important
D	Very important	Very important	Very important
E	Very important	Important	Important
F	Very important	Important	Important
G	Very important	Important	Important
H	Very important	Important	Important
I	Very important	Important	Important

Table 3: Customer needs regarding Performance

7.1.3 Relationships criteria

In addition to the criteria of basic purchasing requirements and performance criteria, all customers stressed one additional element that could not be neglected when selecting a transport provider; the need for functioning relationships.

7.1.3.1 Personal contacts

All customers, within both segments prompt that the relationships established with personnel at various levels within the shipping company was of great importance. In particular, healthy relationships and good communication with the sales executive and personnel at the customer service department was expressed as a necessity for doing business. This was also considered important as it strongly facilitated the service delivering process. Further, it was important for all customers to have at least one devoted contact person at each level and departments at the shipping companies. These people should also be available and have knowledge enough and mandate to make decisions within given responsibilities.

For the direct customers, the need for shipping companies to understand their business and their individual needs was particularly stressed. For this reason, customer A, B and D considered physical meetings with its carriers on a regular basis to be of great importance. Moreover, all customers articulated a need for the shipping companies to show interest and to take initiative to gain such understanding.

The forwarding customers put most emphasis on the need of having a sales executive contact that made an effort and was dedicated to solve their issues. This person should also have mandate to make decisions in order to facilitate efficient communication and problem solving. But if that was not possible, the person should be able to escalate their problems to a sufficient level at the shipping company.

The extent of the relationship with the sales executive was according to most customers directly related to how frequently contact was made. The majority of the forwarding customers stated that they would not choose to ship with a particular supplier only because of good personal relationships, other factors such as price and performance also affected the choice. However, customer E, H and I claimed that if two options were more or less

comparable, it was most likely that the shipping company with the best personal contact as in ease of doing business acquired the request.

7.1.3.2 Customer orientation

All customers also uttered a wish to feel appreciated and prioritised. Further they wanted the shipping companies to show interest in having them as customers and in caring for their goods. Customer H was particularly clear in this regard, stating that only shipping companies who showed a sincere interest in having them as a customer was considered as potential suppliers. Further, customer G gave an example of a carrier that was excluded as a result of dysfunctional personal relationships. Apparent in both customer segments, was also the expressed requirement of that the attitude toward customers should be consistent and not changing according to market conditions. The customers wanted to be respected and treated as important customers all year around, and not only when it suited the shipping company.

7.1.3.1 Summary relationships criteria

All customers stated that the relations established with personnel at various levels within the shipping company had great importance when selecting transport provider. In this matter, all customers considered a dedicated sales contact as a primary need, but also a dedicated contact at the customer support department was stressed as important. Further the two needs for suppliers to understand customers business and to have a customer oriented attitude was mentioned as important or very important within both customer segments. The first was particularly stressed among forwarding customers, whereas the second was somewhat more emphasised by the direct customers. How the customers valued the different relationships criteria are summarised in Table 4.

	Sales Executive contact	Customer service contact	Understand customer's business	Customer oriented attitude
A	Very important	Very important	Very important	Very important
B	Very important	Important	Important	Very important
C	Very important	Important	Important	Very important
D	Very important	Important	Very important	Very important
E	Very important	Important	Very important	Important
F	Very important	Important	Very important	Important
G	Very important	Important	Very important	Very important
H	Very important	Important	Very important	Very important
I	Very important	Important	Very important	Important

Table 4: Customer needs regarding Relationships

7.2 The Tender Process

As described in chapter 6, the tender process takes off when the customer detects a need for sea transportation and therefore sends out a request for quotation to a number of potential suppliers. Which shipping companies that the customers consider as potential depends on the customers' individual needs in terms of general purchase requirements, performance and personal relationships. Hence, the needs described in the previous sections.

In general all customers wished for the tender process to run as smoothly as possible. To facilitate this, the customers mainly articulated needs concerning the length of agreement, the amount and quality of information, time for response, price negotiations and a dedicated sales contact.

7.2.1 Length of agreement

All customers within the direct customer segments wanted to tender long term agreements with their sea-transport providers, preferable on a yearly basis. For the forwarding customers, the preferred time frame depended on the original customer's need, shipping volume and whether the request was an import flow or an export flow. Thus these customers expressed a need for shipping companies being flexible in terms of timeframe for agreements, ranging from single shipments up to yearly contracts.

7.2.2 Tender information

As the direct customers tendered all their predicted shipping needs on a yearly basis, these tender processes concerned an extensive agreement including large volumes and commitment for a long period of time. Consequently, a large amount of qualitative information from suppliers was therefore expressed as very important for this customer group.

All forwarding customers declared that suppliers considered as core carriers should be requested as a first choice. However, the customers claimed that their local assessments were also carefully considered and therefore other shipping companies were also often included in the tender processes. Independently if the customer chose to ship with the core carrier or with another carrier this customer group emphasised the importance of receiving qualitative and sufficient information.

7.2.3 Time for response

Among the direct customers, timely responses were expressed as less important relative to providing a thoroughly worked tender containing a reasonable offer. This was mainly due to the length and extent of the agreement these customers sought to establish. However, one of the interviewed customers expressed annoyance for when shipping companies reply at last minute or even occasionally after the deadline. Obviously the direct customers did not perceive this behaviour positively, but a late tender did not serve as the decisive factor in the choice of supplier for this customer group.

The forwarding customers stressed this aspect to a greater extent than the direct customers, and for this customer group fast answers could in some cases come to serve as the decisive factor. For agreements with longer time periods, the needs were fairly similar as for the direct customers. However, for shorter agreements the forwarding customers usually had the need to receive fast answers from the shipping companies. This need was derived from the time pressure the forwarding companies in turn were facing from their customers.

7.2.4 Price negotiation

As stated when discussing the general purchasing requirements, customers in the direct customer segment put less emphasis on price when compared to other factors. However, most

of the customers stated that it was important to get an all-in price, where all costs for the service was included in the agreed rate.

The forwarding customers put more emphasis on the price factor than the direct customers, and also on the ability of shipping companies to provide a reasonable price at once. Hence, being updated and aware of the current market situation on freight rates were a stressed request. This was particularly considered important for shorter agreements. For these request the forwarding companies often had settled a price with its customer before contacting the shipping company, thus they had limited margins for negotiation. According to the forwarding customers, the shipping companies were aware of this situation and they therefore requesting them to provide reasonable offers at once or to receive a straightforward answer if the shipping company was not interested.

7.2.5 Sales contact

In addition to the previously mentioned needs, all customers emphasised the importance of having a dedicated sales contact that understood their business as well as the shipping industry and that had mandate enough to make decisions. Having a good dialogue with the sales contact was regarded as very important in order to facilitate the tender process.

7.2.6 Summary tender process

All customers wanted the tender process to run as smooth as possible. The articulated needs concerning the tender process are summarised in Table 5. Common for both segments was the consensus regarding the great importance of tender quality, communication with the sales contact and the supplier's understanding of customer's needs. Further, the direct customers particularly requested long agreements and the need of the shipping company to meet their special requirements, while the forwarding customers stressed flexibility in agreement length and efficient price negotiations as more important.

	Length of agreement	Tender information	Time for response on RFQs	Price negotiation	Communication with Sales Executive	Understanding customers' needs	Meeting customers' requirements
A	One year	Very important	Important	Somewhat important	Very important	Very important	Very important
B	One year	Very important	Important	Somewhat important	Very important	Very important	Very important
C	One year	Very important	Important	Somewhat important	Very important	Very important	Very important
D	One year	Very important	Important	Somewhat important	Very important	Very important	Very important
E	Varies	Very important	Very important	Very important	Very important	Very important	Important
F	Varies	Very important	Very important	Very important	Very important	Very important	Important
G	Varies	Very important	Very important	Important	Very important	Very important	Important
H	Varies	Very important	Very important	Important	Very important	Very important	Important
I	Varies	Very important	Very important	Important	Very important	Very important	Important

Table 5: Customer needs in the Tender Process

7.3 Pre-sea transport stage

The pre-sea transport stage includes the booking activity and additional activities prior to the goods are loaded on to the ships. The articulated customer needs in this stage concerned the booking activity, equipment, haulage services, capacity flexibility and agreement compliance.

7.3.1 Booking

Customers' needs in the booking activity of a shipping service were mainly expressed as the possibility to efficiently execute booking requests electronically via a booking portal and receiving of accurate booking confirmations in a timely manner. Further, the provision of qualitative customer support and availability of contact personnel was stressed as important needs in this stage of the service.

7.3.1.1 Booking portal

The majority of the interviewed customers expressed a need for performing efficient bookings with their sea transport providers. As previously described, IT-maturity was included in most of the customers' general purchase requirements and regarded as an important mean to facilitate efficient interfaces with their suppliers. As a result the requirement of shipping companies being connected to the booking portal INRTA was requested.

Among the direct customers, customer A was the only one that expressed a direct request for such connection. However, the remaining direct customers expressed it as an advantage for the future. Hence, the direct customers' direct need for booking portals was related to the customers' own IT-maturity.

In the forwarding segment, four out of five customers valued the ability to efficiently manage bookings with all of their sea transport suppliers from one single portal. For this regard, the portal INTTRA was mentioned by all customers. The main reason for this request was expressed as derived from the need to minimise administrative and labour costs. Two of the forwarding customers also emphasised the need to perform special cargo bookings with simplicity. The reason for this was the fact that the forwarding business in general was characterised by low profit margins. However, the margins for special cargo were much more promising than for the standard goods, thus making these shipments important opportunities to gain profits for the freight forwarding companies. Therefore it became crucial for the forwarding companies that also special cargo shipments could be booked in an efficient manner, preferable through the booking portal.

In contrast to the other customers, Customer D had a different setup for the booking activity. This customer did not carry out the booking process themselves, but had outsourced this activity to an external supplier. The external supplier was a freight forwarding company who managed customer D's booking of shipping services and monitored the booking process towards the customer's product suppliers. The customer claimed that the external supplier was essential in order to facilitate the control and planning of their seasonally characterised goods flow. Due to the fluctuating business environment customer D was operating in, the

customers had a need for fast information flows and cooperation with their suppliers. According to customer D, this service could not be provided by the shipping companies.

7.3.1.3 Booking confirmation

When the customers have sent a booking request they expect to receive a booking confirmation. How long customers were willing to wait for such confirmation varied among the interviewed customers.

The direct customers did not stress the confirmation time to be the most important aspect of the booking confirmation activity. According to the customers A and B it was sufficient if the booking confirmation was received within 24 hours after the booking request was made, whereas customer C and D did not mention the length of the time frame. These customers considered it to be more important that the booking requests were thoroughly controlled according to available capacity before a confirmation was sent to the customers. Thus, the direct customers would like for the booking confirmation to be binding, meaning that a confirmed booking would always be shipped accordingly. The direct customers considered the booking confirmation as an agreement and thereby an act of not following the agreement if the supplier denied them vessel space despite the fact that they earlier agreed to the booking request by sending a booking confirmation.

The forwarding customers expressed a need for the time period between sending a booking request and receiving a booking confirmation to be much shorter than for the direct customers. Three out of the five customers stressed that they wanted to receive the booking confirmation instantly when a booking request was sent. The remaining two customers articulated a similar request, but somewhat differently expressed that they wanted to receive booking confirmations as soon as possible. The reason for this need was derived from the requirements of the forwarding customers' customers of receiving booking confirmations within a certain time frame. As an example, one of the forwarding customers stated that they had an internal target to provide their customers with booking confirmations within three hours.

7.3.1.4 Customer support

In the booking step of the shipping service the customers mainly interacted with the shipping companies' customer service departments. All customers expressed this interaction point to be highly important in order to facilitate the booking process. Consequently, all customers requested an assigned contact person responsible for this matter. In addition to this request, some customers strongly emphasised the particular need of having an assigned contact person on local basis. Among the direct customers, customer A, B and C considered this as extremely important, and also that this local contact fully understood their business and individual needs.

In the case of the forwarding customers, customer E also articulated this particular need for a local contact. Further this customer expressed an understanding for shipping companies outsourcing administrative work to low cost countries, but strongly opposed to the decision of outsourcing tasks that involve direct customer contact. According to customer E, it was

very important for their operational staff to have one dedicated person that could provide quick and reliable answers when needed. All forwarding customers also stressed the importance of the assigned contacts' availability during the service process. To secure constant availability, customer H thought it was important to have assigned backup contacts.

7.3.2 Equipment

All customers have a need for available equipment prior to the sea transport phase, but some differences in requirements regarding the quality standard of equipment was recognised among the customers.

Direct customer A clearly stated that they needed clean equipment with excellent quality, moreover they required for the containers to be completely dry. This customer transported metal powder, which corrodes during transportation if exposed to water. Hence this customer found it extremely important that the shipping companies took the responsibility for making sure that the containers were cleaned and without deficiencies. This customer expressed that they have experienced some difficulties acquiring equipment with sufficient quality. According to the customer, occasionally they could only use 10 out of 30 available containers in the port due to insufficient quality of the equipment.

Further direct customers A and C expressed that they needed the security of knowing that there will be equipment in the port before they leave for retrieving it. These customers therefore requested to receive an allocation of the equipment.

The remaining customers, both direct and forwarding customers, did not mention any specific demands for the quality of the equipment, but they all expected the containers to be cleaned and without deficiencies prior to transportation. However, most customers mentioned a request for the quality inspections of the equipment to be globally standardised and performed towards global quality criteria in all ports. The majority of the interviewed customers expressed that they had experienced differences between ports in what that was considered as approved quality for containers.

7.3.3 Haulage services

Among the direct customers, customer B and D particularly expressed a need for haulage services. According to customer B the ability to provide inland transport was a prerequisite to be selected as supplier. Customer D was currently mainly using external transport providers for their inland transport, however they expressed a need for the shipping companies to provide a part of the inland transport from some ports and to inland container yards. The remaining customers were satisfied with their current solution, either internally managing their own inland transport or procuring inland haulage from an external transport provider.

None of the forwarding customers required their sea transport providers to handle inland haulage in Sweden. These customers claimed that it was their area of expertise to provide their customers with an overall transport solution, including inland transportation in Sweden. However, some of the customers expressed a need of shipping companies providing haulage in some other parts of the world. This request was stated by forwarding customers F, G and H who believed that shipping companies was better equipped to handle such service in some

parts of the world due to a more extensive network of local contacts. For example, customer G expressed that they needed their sea transport suppliers to provide this service primarily in North America, but occasionally also on other continents.

7.3.5 Agreement compliance

The need for the shipping companies to follow the agreements was raised by all interviewed customers. All customers clearly stated that their main need in this stage of the service was that their goods were shipped according to the agreements. The main experienced deviations from agreements in this phase were that shipping companies rolled or short shipped the goods. Rolling the goods refers to when shipping companies do not load the goods on the vessels as promised in the booking confirmation, but instead stock it in the port until next departure. Similar, the act of short shipping goods means that a shipping company unloads a container in a transshipping port where it is stored instead of transhipped to the connecting vessel as agreed. The customers believed that the main reason for such behaviour was that the vessels were over-booked. However, the customers also articulated speculations of reasons such as more profitable goods or transportation of empty containers to ports with shortfall in equipment were being prioritised.

Rolling and short shipping goods was considered as very serious actions, that when frequently repeated, were not tolerated by the customers. All customers claimed that if such actions were commonly applied, it would invariably result in the change of supplier. The customers expected their transport providers to follow the agreements and to prioritise their goods even when the market rates for shipping services exceeded the agreed price during the committed period. Direct customer D clearly expressed that they were not interested in shipping their goods with a supplier who treated them like important customers when the shipping demand were low, but do not prioritise them when the demand increased during for example peak seasons. They believed that their one-year-agreements along with the capacity forecasts they provided their suppliers should make sure that they always were being prioritised by their sea transport providers.

Forwarding customer G also expressed similar thoughts as customer D. This customer also requested long-term thinking, meaning that the shipping providers should not only be focused on profits from the single shipments. Customer G believed that shipping companies needed to account the overall volumes the customer provided during the agreed period, including those times customers shipped goods when the settled price exceeded the current market price. Hence, the customer stressed that the agreement needed to apply both for the customers and the shipping companies during the entire agreement period.

7.3.4 Capacity flexibility

The need for flexibility in increasing the booked and agreed amount of cargo closer to the shipping date was requested by several customers. Among the direct customers, this need was particularly stressed by the direct customers C, B and D. Customer C's need for flexibility was related to their way of execute transport bookings. This customer only requested a booking for transport when they in turn had an actual customer. According to customer C the time of purchase was in beforehand unknown, thus making it impossible to provide transport

providers with a detailed forecast or to receive commitment in advance. Capacity flexibility was therefore expressed as essential by this customer. Customer B and D's need for capacity flexibility was related to their dependence on seasonal fluctuations.

Two of the forwarding customers also expressed a need for the shipping companies to be able to manage capacity increases close to departure. Moreover, they wished for their suppliers to handle such request with the same price as for the already agreed goods. The argument that was given for this request was that the companies' customers sometimes showed up with more goods than agreed, resulting in an instant need for more capacity on the boats.

7.3.6 Summary pre-sea transport stage

The articulated customer needs concerning the pre-sea transport stage is summarised in Table 6. During the booking activity, the request for a dedicated and local customer service contact providing support was expressed in both customer segment, somewhat more emphasised by the direct customers. The forwarding customers particularly expressed the need for a shipping company being IT mature and connected to the shipping portal INTTRA as very important. However, such service was also valued by direct customers who expressed this as need for the future. Concerning the need for quick booking confirmations, this was highly emphasised by the forwarding segment, whereas direct customers were less sensitive in this regard.

For the additional pre-sea transport services, available equipment and agreement compliance was regarded as very important by customers within both customer segments. Further, high equipment quality was also expressed as important by most customers, where one direct customer particularly stressed this need. Capacity flexibility closer up to the departure date was regarded as important for all forwarding customers and also by the direct customers who had seasonal and promotional characterised goods flow or booked sea-transport according to customer orders.

	Booking via INTTRA	Booking confirmation	Customer support	High equipment quality	Available equipment	Haulage services	Capacity flexibility	Agreement compliance
A	Important	Within 24 h	Very important	Very important	Very important	Not important	Somewhat important	Very important
B	Not important	Within 24 h	Very important	Important	Very important	Very important	Somewhat important	Very important
C	Not important	No comment	Very important	Important	Very important	Not important	Important	Very important
D	No opinion, external supplier	No opinion, external supplier	Important	Important	Very important	Somewhat important	Important	Very important
E	Somewhat important	Directly	Very important	Important	Very important	Important	Important	Very important
F	Very important	Directly	Important	Important	Very important	Important	Important	Very important
G	Very important	Directly	Important	Important	Very important	Important	Important	Very important
H	Very important	Directly	Important	Important	Very important	Not important	Important	Very important
I	Very important	Directly	Important	Important	Very important	Not important	Important	Very important

Table 6: Customer needs in the Pre-Transport Process

7.4 The sea transport

The sea transport activity comprises the actual shipping of the goods and interactions between the transport provider and the customer during this activity. The expressed needs within this phase were mainly associated with time of delivery, information flows, and deviation handling

7.4.1 On-time delivery

When the goods are loaded onto the vessels and shipped towards the intended destination port all customers wished for it to arrive as planned. Unfortunately, things do not always turn out as projected and sometimes issues occur during transport that prevents the shipment from arriving according to schedule.

The interviewed customers had different perceptions of what that should be classified as a serious delay. In general, the direct customers expressed less sensitivity to delays than the forwarding customers. However there were also some clear differences within the direct customer segment. According to direct customers A and B a delay of more than two days was considered as serious, whereas customer C did not consider a delay as serious unless it exceeded five days. In contrast, customer D considered all delays to be serious. The differences in sensitivity regarding delays were directly related to the customers' business and market conditions. Customer A was operating on a market where lead time was a key factor of competitiveness. Customer B was shipping high value goods and thereby preferred to keep buffers low. In the case of customer C, they were operating in a business where buffers were more acceptable, resulting in the perception that delays were not as critical. In contrast, customer D managed goods that were sold with promotional and seasonal behaviour, making them very sensitive for delays.

The customers within the forwarding segment showed more similar needs and all expressed that any delay was regarded as serious. The reason for this was based on the forwarders' extensive customer base, including customers whose businesses were sensitive to delays. Further, the forwarding customers explained that they were responsible for their customers' entire transportation chain, and thereby held responsible if goods was not delivered on time. Even though they all shared this opinion of delays, customer G claimed that this conception of delays was not suitable for sea transportation. In relation to the long transit times that characterise sea transport, the personal view of the interviewed person at customer G was that a delay of a few days should not be regarded as serious. However, due to the demands from this company's customers, the general prevailing opinion within the forwarding segment also applied for this customer.

7.4.2 Information sharing

The importance of shipping companies providing information during transportation was highlighted as a key need from all customers. In general, due to the characteristics of sea transport in terms of long transit times and weather sensitivity, customers regarded information flows as particularly important for this type of transport mode. When problems occurred during sea transport, the optional solutions were usually more limited than for other types of transport modes resulting in longer delays and larger consequences for the

customers. Thus, informing the owner of the goods was considered an absolute necessity. If a container for example were short shipped, without informing the customer, it could result in a shipment being left in a transshipping port for weeks before the goods owner detected the delay. Hence, without well-functioning information flows, delays in sea transport may be noticed much later than with other faster transport modes.

The need for information sharing during transport was not only expressed as important to communicate deviations, but also to provide customers with increased sense of control and decreased sense of uncertainty during the transport. The requests for information in terms of quantity, level of detail, and input channel somewhat differed among the customers. In the following sections, each of these are described.

7.4.2.1 Quantity

The quantity of data requested by the customers somewhat differed between the two customer segments. The information need for the direct customers were highly linked to their perceptions of delays. Thus it appeared that three out of four of the direct customers were less interested in receiving information regarding delays not considered as serious. Further customer D expressed a need to receive information regarding all deviations.

The forwarding customers expressed a need to receive information of any deviation, regardless of size. The main reason for this request was given to be the fact that the forwarding companies served customers of all sizes and from a large variety of industries, making some of their customers more sensitive for delays than others. As these customers' needs were commonly unknown by the shipping companies, the forwarding companies expressed a need for information regarding any deviation. The information would enable the forwarders to evaluate the effects of the issue for their customers and take action if needed. For the same reason, the forwarding customers also stressed the importance in receiving information about deviations as soon as possible, preferably at the same instance that the shipping companies discovered the situation. This was also important as the forwarding companies always wanted to be the party informing their customers about delays, not having the customer finding the information elsewhere. Such situation was considered as very serious by the forwarders since this could damage their trust and image of being in control over their customers' goods.

7.4.2.2 Quality and level of detail

How detailed the information shared by the shipping companies was required to be also differed between the interviewed customers. However, all customers stated that they needed for the information to be qualitative and more targeted towards them, relative to as it was currently provided. The customers wished for the information to report on how the issues specifically would affect them, rather than receiving general information provided to the general mass of customers.

The direct customers did not stress receiving detailed information in the same extent as the forwarders did. Direct customers A and B expressed a need to receive targeted information, but they did not want to get overloaded with details unless it concerned issues resulting in

what the customer perceived as a serious delay. Customer C also mentioned qualitative and targeted information as a need but did not express the level of detail within the information. Customer D, who regarded all delays as important, expressed the need to get detailed and targeted information including a new delivery plan as soon as an issue occurs.

Providing qualitative information with high level of detail was stated as a very important for the forwarding customers. These customers needed instant and detailed information about any deviation to be able to take action towards their customers. As the forward companies were responsible for delivering their customers goods according to agreement, they wanted to have as much control of the transport as possible. Therefore, all the available information about their customers' containers was requested. To gain maximum control, customer G had set-up a special department in India just for contacting shipping companies to gain all necessary deviation information. This customer believed that acquiring correct and detailed information was a precondition in order to serve their customers in the best way. The customer claimed that the information provided by the shipping companies was not sufficient in terms of detail and accuracy, therefore the department in India was needed in order to obtain data of adequate quality.

7.4.2.3 Information channel

Information can be transferred to customers in many different ways, for example by personal contact, e-mail or via information technology systems. Among the interviewed customers, e-mail, the IT-portal INTTRA or the customers' own IT -systems were expressed as preferred channels for information. In general, the majority of the customers wished for the suppliers to transfer the information electronically into their own IT-system, but at the moment only a few of them had sufficient IT-technology in place to actually allow for such transfer. However, most of the customers expressed this to be an important area for future improvements in order allow efficient data management.

Among the direct customers, customer A liked for the shipping companies to enter all information into the IT portal INTTRA. In this way they could efficiently manage information from their suppliers at one collective place, from which also bookings were handled. This also enabled the customer keep control and created an overview of their shipments. Customer B and C, expressed a need to receive all relevant information per e-mail, but they both currently discussed the implementation of new IT-systems. As customer D already had sufficient IT-technology in place, they requested for information to be received electronically.

All forwarding customers particularly stressed the need for efficient information handling as a mean to lower administrative cost. Therefore, receiving information electronically was regarded as highly important for customers within this segment. Among the forwarding customers, four out of five expressed that they requested such service from the shipping companies. In addition to receiving information electronically, both customer F and G requested that their suppliers also would provide the information via e-mail. The reason for this was to secure that important information always was received.

7.4.3 Deviation handling

The shipping companies' way of handling issues and deviations that occurred during transport was expressed as an important factor affecting the customers' overall satisfaction. All interviewed customers perceived the quality of deviation handling to highly vary between shipping companies. However, the general opinion was that the overall industry standard was relatively low and a request for shipping companies to become more flexible and proactive in managing deviations was raised by the majority of customers.

Out of the direct customers, customers A, B and D highly stressed the need of shipping companies managing deviation in a responsible and humble manner. For this regard, customer B and D particularly requested the sea transport providers to proactively solve issues, to take ownership of problems but also involve the customers in the solving process. Thus being flexible in regards to the customers' needs in the deviation handling process. Both customer B and D shared the perception that how well the shipping companies understood their needs was directly reflected in their way of managing issues. Thus, being humble towards the consequences the deviations may cause the customers by showing a will to find solutions and invite for a dialogue was considered essential for building trust into the supplier-customers relationship.

Among the forwarding customers, deviation handling was more discussed in terms of the need for quick information when problems occurred and to be given priority in such situations. Thus the need for proactivity and quick responses in the problem solving process was regarded as highly important. The need for flexibility was also stated by this customer group, even though the need for quick responses and information was expressed as more important. Moreover, the customers also stressed the importance of having dedicated contact personnel at the shipping companies for this matter. Four out of the five forwarding customers clearly stated that these contacts needed to be available, updated and knowledgeable, and be given mandate enough to give accurate information and make decisions when problems occurred.

7.4.4 Summary sea transport

The articulated customer needs in this stage of the shipping service are summarised in Table 7. The main important customer need in this stage was for the goods to arrive according to schedule. However, when things do not turn out as planned, the needs of information sharing and deviation handling was considered as vital by all customers.

In general, the direct customers were less sensitive to delays, and thereby had lower requirements concerning the quality and level of detail of provided information. However, all direct customers needed the information to be qualitative and targeted towards them. In contrast, customer D, whose goods flow was characterised by seasonal demand, regarded all delays as important, expressed the need to get all information, detailed and targeted, including a new delivery plan as soon as any issue occurred.

Similar to customer D, all forwarding customers highly stressed the importance of receiving information for any delay, detailed and also electronically via the portal INTTRA to minimize administrative costs.

The shipping companies' ways of handling issues and deviations that occurred during transport was expressed as an important factor affecting the customers' overall satisfaction. In general, efficient deviation handling in terms of quick responses, proactivity and flexibility was regarded as very important by all customers. However, quick responses and proactivity was somewhat more emphasised by the forwarding segment and by the direct customers that were particularly sensitive for delays, flexibility in regard to customers' needs in the deviation handling process was particularly emphasised by direct customers.

	On time delivery	Information sharing			Deviation handling			
	Delay considered as serious	Quantity	Detail	Channel	Quick responses	Proactivity	Flexibility	Attention
A	>2 days	For delays >2 days	Targeted information	INTTRA	Important	Important	Important	Very important
B	>2 days	For delays >2 days	Targeted information	E-mail	Very important	Very important	Very important	Very important
C	>5 days	For delays >5 days	Targeted information	E-mail	Somewhat important	Somewhat important	Somewhat important	Very important
D	All deviations	All information	Detailed targeted information	E-mail	Very important	Very important	Very important	Very important
E	All deviations	All information	Detailed targeted information	E-mail	Very important	Very important	Important	Important
F	All deviations	All information	Detailed targeted information	INTTRA, E-mail	Very important	Very important	Important	Important
G	All deviations	All information	Detailed targeted information	INTTRA, E-mail	Very important	Very important	Important	Important
H	All deviations	All information	Detailed targeted information	INTTRA	Very important	Very important	Important	Important
I	All deviations	All information	Detailed targeted information	INTTRA	Very important	Very important	Important	Important

Table 7: Customer needs in the Sea Transport Process

7.5 Post-sea transport stage

After the sea transportation phase, goods arrive in the destination port. At this stage the customers have expressed needs concerning port handling, haulage services and invoice handling.

7.5.1 Port handling

When it comes to services provided in the destination port, customers declared needs in terms of customs clearance, increased freetime requests and global equipment quality standards.

7.5.1.1 Customs clearance

The wish for shipping companies to also handle customs clearance was expressed by two of the direct customers. These customers considered it as an advantage if a transport provider could deliver an overall service, including this part as it would decrease the number of actors involved in the transport chain. The forwarding customers handled the customs clearance themselves, and provided this service to their customers. Hence, none of them expressed a need for this service.

7.5.1.2 Increased Freetime

Increased freetimes, in addition to the days allowed according to general standards in the ports, were requested by all customers. Freetime refers to the time period that delivered goods are permitted to be stored in the port after arrival and before pickup. Among the direct customers, all of the interviewed customers expressed a need for extended freetimes in the ports.

Equally, all of the forwarding customers also required special agreements with their sea transport suppliers of additional freetime. Commonly such agreements were negotiated and settled between the parties on a global level for these global forwarding companies. Hence, the customers expected that the shipping companies internally communicated the agreed freetimes to local employees and to the ports, so that unnecessary misunderstandings and fees were avoided.

7.5.1.3 Global equipment quality standards

As stated in the pre-sea transport stage, several customers expressed that they had experienced differences between ports in what that was considered as approved quality for containers. These differences had resulted in that containers that were approved in the departing port could be failed in the destination port, making the customer obliged to pay a fee to the shipping companies for the alleged quality deficiencies. One of the customers claimed that they have received such invoices although it has been evident that this customer was not the source of the quality issue. Moreover the customers also claim that it often was difficult to argue with the shipping companies over who were responsible for the quality deficiency, thereby making the process of receiving a credit for these invoices long and complicated.

These differences in quality standards caused problems for the direct customers due to the fact that it was often their customers who received the invoices for the quality deficiencies. This in turn resulted in great annoyance for both them and their own customers. In the case of the forwarding customers they were the party who received the invoice regarding quality issues. However, they still found it to be highly irritating and a source of dissatisfaction.

7.5.2 Haulage services

In addition to port handling, inland transportation from the destination port was a service that some of the customers requested their shipping companies to handle. As stated in the pre-sea transport stage, customer B and D particularly expressed such need both domestic and offshore whereas forwarding customers F, G and H expressed a need for haulage services in some parts of the world.

7.5.3 Invoice handling

According to the interviewed customers the shipping companies' ways of managing the invoicing activities could become a vexation when not performed correctly. Therefore, all of the customers, both the direct customers and the forwarding customers, express a need for the invoices to have high quality, reflecting the agreement. To what extent the customer stressed this matter, somewhat varied between them. Among the direct customers, A clearly stated this need of consistent invoicing accuracy as highly important. The customer expressed this factor to be a considerable mean of dissatisfaction, both as it required resources to handle the disputes but also as it was an unnecessary source of irritation. Customer B, C and D did not emphasise the invoice handling activity to the same extent, as customer A. However, customer B particularly expressed the request of receiving a detailed specification of all fees that was added on to the invoice on top of what was regarded as included in the overall agreement.

The forwarding customers had somewhat the same opinion as direct customers B, C and D. They all thought that invoice quality was important, but compared other factors such as price and well-functioning relationships, it was considered as a minor issue. However, customer I claimed that if they were about to choose between two relatively equivalent suppliers, invoice quality could act as the determining factor.

All customers expressed an understanding for that error sometimes occurs, and when put in relation to other issues that could arise during a transport service, invoice errors was considered a minor problem. However, for the same reason, the customers expected such minor issues to be handled as efficient as possible, hence they all requested rapid and simple dispute processes. According to direct customer A, this process should be as short as possible, preferably carried out with only a phone call to the contact personnel at the shipping company.

One of the direct customers and two of the forwarding customers also mentioned a need for longer credit terms from their sea transport providers when the invoice handling activity was discussed. According to these customers, they provided longer credits for their customers than the shipping companies offered them, thus resulting in negative cash flows. The remaining customers did not express such a request, thereby this matter were regarded as less important for these customers.

7.5.4 Summary post-sea transport stage

The expressed customer needs within the post-sea transport stage are visualized in Table 8. The need for increased freetimes and global equipment quality standards was equally emphasised by both customer segments and regarded as important or very important. Further, the issue of invoice handling was expressed by all customers. In particular the needs of high quality invoices that reflected the agreement and efficient dispute processes were regarded as important or very important.

	Customs clearance	Increased freetime	Global equipment quality standards	Haulage services	Invoice handling		
					High quality	Efficient dispute process	Extended credit terms
A	Not important	Important	Very Important	Not important	Very important	Important	Less important
B	Somewhat important	Important	Very important	Very important	Important	Important	Less important
C	Not import	Important	Very important	Not important	Important	Important	Important
D	Somewhat important	Important	Important	Somewhat important	Important	Important	Less important
E	Not important	Important	Important	Not important	Important	Important	Less important
F	Not important	Important	Very important	Important for some destinations	Important	Important	Important
G	Not important	Important	Important	Very important for some destinations	Important	Important	Less important
H	Not important	Important	Very important	Important for some destinations	Important	Important	Less important
I	Not important	Important	Very important	Not important	Important	Important	Important

Table 8: Customer needs in the Post Transport Service Process

8. Customer perception of the Maersk Line service offer

As visualized in the gap model of service quality, what a service provider communicates and sell to customers does not necessary correspond to the customers perceptions of what is actually received. This chapter therefore aims to present the interviewed customers' opinions concerning the service offer Maersk Line was delivering. Hence answering the forth research question of this study in terms of;

(4) How do the customers perceive the service offer delivered by Maersk Line?

The chapter is structured in the same way as the previous chapter, addressing customers perceptions of how well Maersk Line meets the basic supplier criteria (8.1) and the needs during each stage of Maersk Line's service delivery process including the tender process (8.2), the pre-sea transport stage (8.3), the sea transport (8.4) and the post-sea transport stage (8.5). A summary of customers' perceptions of Maersk Line's service within each stages of the delivery process is concluding each section.

8.1 Basic supplier criteria

According to the interviewed customers, Maersk Line was often considered as a potential supplier and thereby invited to take part the tender processes. The strengths of Maersk Line were according to the customers related to operational performance, namely that they delivered a highly reliable transport service to a large number of destination ports around the globe, holding extensive capacity. Thus in both of the customer segments, reliability, global coverage and capacity were perceived as Maersk Line's main competitive advantages. Moreover, most customers also considered prices offered by Maersk Line as reasonable, the provided commitment as sufficient and the IT capabilities as satisfying. In addition, the forwarding customers also stressed the importance of Maersk Line's position as the largest shipping company in the world and the only provider of direct call services from Sweden to the Far East. One aspect that most customers expressed as a weakness was the fact that Maersk Line's transit times were somewhat longer than average due to the company's intensive slow steaming. For this matter, one of the forwarding customers expressed that in some cases suppliers with lower reliability but better transit times were more viable options due to the long transit times provided by Maersk.

8.1.1 Summary basic supplier criteria

Customers' perception of how well Maersk Line fulfils their basic supplier criteria is summarized in Table 9. For the criteria in terms of logistical network, commitment, reliability, IT capabilities and capacity, all customers within both segments were either satisfied or very satisfied with Maersk Line's performance. Concerning the price and transit time criteria, customers within the direct segments were in general somewhat more satisfied than the forwarding customers.

	Price	Logistical Network	Commitment	Transit Times	Reliability	IT-connections	Capacity
A	Satisfied	Very satisfied	Satisfied	Somewhat satisfied	Very satisfied	Very satisfied	Satisfied
B	Somewhat satisfied	Very satisfied	Satisfied	Satisfied	Very satisfied	Very satisfied	Very satisfied
C	Satisfied	Very satisfied	Satisfied	Somewhat satisfied	Very satisfied	Satisfied	Satisfied
D	Satisfied	Very satisfied	Satisfied	Satisfied	Very satisfied	Satisfied	Satisfied
E	Satisfied	Very satisfied	Satisfied	Somewhat satisfied	Satisfied	Satisfied	Very satisfied
F	Somewhat satisfied	Very satisfied	Satisfied	Somewhat satisfied	Satisfied	Satisfied	Very satisfied
G	Somewhat satisfied	Very satisfied	Satisfied	Somewhat satisfied	Very satisfied	Satisfied	Very satisfied
H	Satisfied	Very satisfied	Satisfied	Somewhat satisfied	Satisfied	Satisfied	Very satisfied
I	Somewhat satisfied	Very satisfied	Satisfied	Somewhat satisfied	Satisfied	Satisfied	Very satisfied

Table 9: Customers' perception regarding how Maersk Line fulfils the Basic Supplier Criteria

8.2 The tender process

The general opinion of the customers was that they were satisfied with how Maersk Line was managing the tender process. However, the opinions of Maersk Line's performance in some regards during this process somewhat differed between customers.

8.2.1 Length of agreements

Most of the direct customers mentioned that they were very satisfied with Maersk Line's way of offering long timeframes for agreements. Also the forwarding customers articulated a satisfaction with Maersk Line in this regard.

8.2.2 Tender information

Opinions concerning the quality of Maersk Line's tenders were not mentioned by all customers. However, one of the direct customers particularly articulated dissatisfaction in this regard. According to this customer, they were always offered a standard solution even though they had clearly specified special needs in their RFQs. This customer therefore had the perception of that their requested needs sometimes was not even considered by Maersk Line before sending the quotations. One direct customer also mentioned the fact that Maersk Line was not always willing to use their fill-in templates for tenders. Of the two remaining direct customers, one was satisfied whereas one did not mention this concern.

Among the forwarding customers, two also mentioned a similar concern as one of the direct customers, namely that Maersk Line was not willing to fill in other tender templates than their own. According to one of these customers, Maersk Line had ignored templates that the customers had occasionally forwarded from their customers. Instead, Maersk Line had responded on the RFQs using their normal standard. Among the remaining customers, one was satisfied with the quality of Maersk Line's tenders, while two did not mention this concern.

8.2.2 Time for response

The direct customers was satisfied with Maersk Line's way of providing responses on RFQs. The general experience was that tenders was most often provided within the given timeframe. However, two of the customers indicated that the time needed to submit the quotations was generally longer than the average for the industry and that quotations were often provided to the customers in the very last minute of the timeframe.

The general opinion of the freight forwarding customers were that Maersk Line commonly responded slower than average on RFQs.

8.2.3 Price negotiations

Concerning price, most of the direct customers believed Maersk Line's prices to be reasonable. However, one of the customers mentioned the fact that, even though the final agreements on price were reasonable, the price given in the initial quotations had occasionally been irrationally high compared to competitors.

In the forwarding segment, four out of five forwarding customers believed that the final price offered by Maersk Line in the tenders was reasonable. However, while one of these customers expressed that Maersk Line had improved in providing reasonable price offers at once, two other stressed that Maersk Line frequently answered tenders with initial prices far above their competitors. Thus, these two customers were not totally satisfied with how Maersk Line handled price negotiations. Further, one of the interviewed forwarding customer described that they perceived that it could be rather difficult to come to an agreement in price negotiations with Maersk Line as they often ended the negotiations too high. The reasons for these difficulties were not fully clear to the customer, but speculations about not being prioritised on the Swedish market were expressed.

8.2.4 Sales contact

Within the direct customer segment, all customers expressed satisfaction with the responsible Sales Executive and the way communication with this person was carried out. Even though all direct customers thought the contact with the Sales Executives to be well-functioning, Maersk Line's approach when doing business was frequently expressed as a one-way street and less customer oriented. The general impression was that Maersk Line's willingness to adapt to customers' needs was low. The reasons for this were assumed to be related to the size and organisational structure of the company. The customers believed that Maersk Line's foundation was built with strict standards that somewhat complicated decision making on the lower levels. The majority of the direct customers believed that the personnel at the sales department understood their needs, but that that they did not have the mandate enough to fully realise them.

The majority of the forwarding customers also felt that they had a well-functioning collaboration with the Sales Executive at Maersk Line, and they believed that this collaboration facilitated the tender process to some extent. Similarly as for the direct customers, the forwarding customers also felt that their contact at Maersk Line sometimes did not have mandate enough to solve their issues and make decisions. This aspect and the need

for contact personnel with mandate were highly stressed by several of these customers. Regarding the customers' perception of Maersk Line's approach during the tender process, similar criticism as in the direct customer segment was expressed by all forwarders. The general view was that business was always carried out on the premises of Maersk Line and that the company were unwilling to discuss the customers' suggestions or adapt to the customers' needs. Consequently, the forwarding customers all shared the opinion that Maersk Line needed to become more customer oriented to become more competitive in this regard.

8.2.5 Summary tender process

The customers' perception of how Maersk Line managed the tender process are summarised in Table 10.

The general opinion of the customers was that they were satisfied with how Maersk Line was managing the tender process. However, the opinions of Maersk Line's performance in some regards during this process somewhat differed between customers.

Within both segments, customers were either satisfied or very satisfied with how Maersk Line fulfilled their needs in regards to the length of agreements. In this aspect, the direct customers were very satisfied with Maersk Line's offer in providing long agreements, whereas the forwarding customers particularly stressed their satisfaction with Maersk Line's flexibility in this regard.

Further, all customers were satisfied or very satisfied with how communication was carried out with their assigned sales executive. The customers believed that the personnel at the sales department understood their needs, but that they did not have mandate enough to fully realise them. The customers within the forwarding segment were somewhat more satisfied than the direct customers in these regards.

	Length of agreements	Tender information	Time for response on RFQs	Price negotiations	Communication with Sales Executive	Understanding customer's needs	Meeting customers' requirements
A	Very Satisfied	Satisfied	Satisfied	Satisfied	Satisfied	Somewhat satisfied	Less satisfied
B	Very Satisfied	Somewhat satisfied	Less satisfied	Somewhat satisfied	Satisfied	Somewhat satisfied	Less satisfied
C	Satisfied	Satisfied	Less satisfied	Satisfied	Satisfied	Somewhat satisfied	Less satisfied
D	Very satisfied	Somewhat satisfied	Satisfied	Satisfied	Satisfied	Somewhat satisfied	Less satisfied
E	Satisfied	Satisfied	Satisfied	Satisfied	Very satisfied	Very satisfied	Somewhat satisfied
F	Satisfied	Somewhat satisfied	Somewhat satisfied	Somewhat satisfied	Satisfied	Satisfied	Somewhat satisfied
G	Satisfied	---	Somewhat satisfied	Somewhat satisfied	Satisfied	Satisfied	Somewhat satisfied
H	Satisfied	---	Somewhat satisfied	Satisfied	Very satisfied	Satisfied	Somewhat satisfied
I	Satisfied	Somewhat satisfied	Somewhat satisfied	Less satisfied	Satisfied	Somewhat satisfied	Somewhat satisfied

Table 10: Customers' perception of how Maersk Line handles the tender process

8.3 The pre-sea transport stage

The customers' opinions regarding the service delivery in this stage concerns activities including booking, the provision of equipment, haulage services and customer support.

8.3.1 Booking

In general all customers expressed that they were satisfied with the booking options that Maersk Line provided. The fact that Maersk Line was connected to shipping portals allowing electronic booking was valued by all customers, including for those who currently executed booking manually. However, Maersk Line's target to provide booking confirmations within two hours appeared to be appreciated differently between the two customer segments.

The direct customers stated that Maersk Line's target of providing booking confirmations within two hours was less important for them. Further one of the direct customers actually articulated a concern over the fast turning times for booking confirmations. This customer feared that the targets could result in lower quality of the booking confirmations since it could become more important for the employees to give fast confirmations without thoroughly controlling the booking according to available capacity. The majority of the direct customers believed that getting bookings confirmed within 24 hours was sufficient.

In contrast, the aspiration to provide booking confirmations within two hours was regarded as crucial and highly valued by the forwarding customers. These customers most often also had an internal time target for returning booking confirmations to their customers, thereby resulting in the high importance of this specific factor. These customers were generally satisfied with Maersk Line's ability to provide the booking confirmations. However one of the customers within this segment mentioned that Maersk Line sometimes did not manage to deliver within the targets.

8.3.2 Equipment

The opinions regarding Maersk Line's service in terms of providing available equipment that met high quality requirements varied among customers.

Among the direct customers, one customer particularly expressed dissatisfaction in this regard, both in terms of quality and availability. According to this customer containers were not always inspected in the ports as agreed, nor available when needed. This customer provided detailed forecasts to Maersk Line and shipped accordingly, further their flow of shipped containers was considered to be stable during the year. Thus this customer expressed that they felt that Maersk Line did not prioritise them since they did not ensure equipment even though they on beforehand had all information needed. As quality and availability of equipment was of great concern for this customer, it was regarded as a major shortcoming for Maersk Line. In contrast, another direct customer expressed a different experience in this concern. This customer had never or very rarely acknowledged problems with Maersk Line regarding equipment and was therefore very satisfied with Maersk Line's performance in this regard. This customer mainly shipped goods from a different port than the previous customer. Moreover, the customer was also, in contrast to the other customer, purchasing haulage services from Maersk Line. Out of the two remaining customers, one had rarely experienced

problems with equipment and was thereby satisfied whereas the second customer did not mention this concern at all.

Among the forwarder customers, two customer mentioned equipment quality and availability as a perceived problem. One of these customers stated that quality of the containers had become a general issue within the industry, whereas the other customer particularly stressed the availability of Maersk Line's equipment to be an issue in Asia and in smaller ports. The later customer also expressed somewhat dissatisfaction about how information concerning equipment shortage was provided. According to this customer, information was commonly communicated when there was excess capacity in ports whereas little information was communicated in the opposite situation. The rest of the customers, also including all forwarding customers, were satisfied in this regard.

8.3.3 Haulage services

Among the direct customers, two of the customers purchased haulage services form Maersk Line. The customers considered themselves satisfied with these services.

Maersk Line's provision of haulage services within Sweden was not expressed to be of any interest by the forwarding customers. On the contrary, some customers stated this matter to be an important part of their core competence and service offer, providing customers with overall transport solutions. However, three of the forwarding customers purchased offshore haulage services. Two of these customers considered themselves satisfied with these services whereas one expressed that they were satisfied with the actual service but that Maersk Line sometimes did not communicate an interest in providing it.

8.3.4 Capacity flexibility

The general opinion concerning Maersk Line's flexibility in providing additional capacity closer up the departure date was relatively positive. According to most customers, Maersk Line was considered above average when compared to other shipping companies in this regard. Two of the direct customers and one of the forwarding customers particularly mentioned situations where Maersk Line had provided extra capacity when no one else could.

8.3.5 Agreement compliance

Among the direct customers, different experiences about Maersk Line's performance in this regard were expressed. Two of the direct customers were satisfied, one was somewhat satisfied and one was unsatisfied in this regard. The latter customer had recently experienced a situation with Maersk Line where the promised commitment on a route was decreased. The customers clearly expressed dissatisfaction about the action and stated that the trust for Maersk Line had drastically decreased.

In the forwarding segment, all customers were satisfied with Maersk Line's performance in agreement compliance. However, one customer stressed the problem of goods being rolled even though Maersk Line was far from the only one applying such actions within the industry.

8.3.5 Customer support

The customers' view of Maersk Line's customer support service during the pre-transport phase was a well-discussed subject by all customers. In general, this was considered as one of the weakest parts of Maersk Line's overall service offer by customers in both customer segments.

Among the direct customers the main problem with the customer support service during this stage was connected to how Maersk Line operated their customer service. The main issues mentioned by these customers were related to Maersk Line's offshoring of a part of the customer service function to India. Three out of four customers described this aspect as a great source of frustration as it had highly complicated the communication between the customer's and Maersk Line's operational staff. Moreover, the customers also perceived that this action had negatively affected the company's and the Maersk Line personnel's understanding of their needs within all phases of the shipping service. They stated that the personnel at the global service centres did not have the local expertise or a comprehensive understanding of the liner shipping business, resulting in a further decrease in the understanding of the specific customer. The united opinion for these three customers was that Maersk Line's management of booking related issues was considered below average if compared to other shipping companies. As a result, the customers were not satisfied with Maersk Line's performance in this regard. One of the customers expressed that too many errors had resulted from the off-shoring, resulting in that the customer considered changing supplier. The remaining customer did not have any opinion in this regard as an external supplier was managing the customer's bookings.

Among the forwarding customers, similar problems regarding Maersk Line's customer support was emphasised. These customers valued quick and accurate information regarding bookings and changes, therefore all forwarding customers strongly dismissed the offshoring as it had resulted in longer response times and poorer service quality. Two of the customers particularly declared Maersk Line to be one of the weakest performers in the industry regarding customer service.

The majority of all the interviewed customers within both segments stressed the importance of having dedicated contacts locally that managed communication regarding bookings and related support activities. It was regarded as highly important for the customers' purchasing, as well as operational staff, to have one contact person within the two functions that they could contact when needed. Moreover these contacts needed to be competent enough and able to give fast and correct answers. The general opinion of all customers was that this was a problem when shipping with Maersk Line, resulting in customers being less or not satisfied with Maersk Line's service in this regard.

8.3.6 Summary the pre-sea transport stage

Customers' perception of Maersk Line's service performance in the pre-sea transport stage is summarised in stage Table 11.

The main source of dissatisfaction in this stage was Maersk Line's customer support, for which none of the customers were satisfied. However, except from this, the majority of the customers were somewhat satisfied or satisfied with Maersk Line's service in all other aspects of this stage. One customer, whose opinions somewhat stand out in this stage was direct customer A. This customer was in addition to the expressed dissatisfaction with Maersk Line's customer support, also articulating dissatisfaction of Maersk Line's performance in terms of providing available and qualitative equipment and agreement compliance.

	Booking options	Booking confirmations	Equipment availability	Equipment quality	Haulage services	Capacity flexibility	Agreement compliance	Customer support
A	Satisfied	Somewhat satisfied	Not satisfied	Not satisfied	External supplier	Satisfied	Not satisfied	Not satisfied
B	Satisfied	Satisfied	Very satisfied	Very satisfied	Very satisfied	Satisfied	Somewhat satisfied	Less satisfied
C	Somewhat satisfied	Satisfied	Satisfied	Satisfied	External supplier	Satisfied	Satisfied	Not satisfied
D	No opinion, external supplier	No opinion, external supplier	Satisfied	No opinion, external supplier	Satisfied	Satisfied	Satisfied	No opinion
E	Satisfied	Satisfied	Satisfied	Satisfied	Satisfied	Satisfied	Satisfied	Not satisfied
F	Satisfied	Satisfied	Satisfied	Satisfied	Satisfied	Satisfied	Satisfied	Not satisfied
G	Satisfied	Satisfied	Satisfied	Satisfied	Somewhat satisfied	Satisfied	Satisfied	Not satisfied
H	Satisfied	Satisfied	Satisfied	Somewhat satisfied	Not interested	Satisfied	Satisfied	Not satisfied
I	Satisfied	Satisfied	Somewhat satisfied	Somewhat satisfied	Not interested	Satisfied	Satisfied	Not satisfied

Table 11: Customers' perception of Maersk Line's service in the pre-sea transport stage

8.4 The sea transport

As previously declared, the operational performance of Maersk Line was considered as the company's main strengths by all customers. Several customers stated that once the containers were loaded onto the ships, and as long as nothing unexpected occurred, Maersk Line performed excellent in regard of deliver according to schedule. However, when issues that could not be foreseen happened during transport, the customers considered Maersk Line to be very difficult to deal with. In such situations the customers generally shared the opinion that Maersk Line did not provide enough information regarding deviations and that they did not make enough effort to solve the customers' problems in a responsible manner.

8.4.1 Information sharing

In the case of information sharing, the customers declared that general information and information concerning deviations was mainly provided via e-mail by Maersk Line.

According to the direct customers, Maersk Line provided mostly general information when deviations occurred. This general information was not particularly appreciated by this customer group. The customers considered the information unnecessary when it concerned deviations that they did not consider to be major (see chapter '7.4.1 Deliver cargo on time' for more detail regarding the customers' perceptions of major delays), and for major

deviations the customers found that the information did not provide sufficient detail. The customers declared that if they wanted to receive information more relevant for them and with more detail, they needed to contact Maersk Line. Further, one customer raised the issue that some information was not communicated at all. The customer claimed that for example changes in transit times most often was discovered by the customer themselves in the booking activity. Hence, the direct customers did not consider Maersk Line's information sharing satisfying in terms of frequency and quality. Moreover they did not found Maersk Line to be proactive in their way of providing information. However, one customer stressed and appreciated that the fact that Maersk Line were connected to INTTRA. Even though, the customer believed that these systems was not currently developed enough nor sufficiently updated by the shipping companies in general, Maersk Line was considered to be one of the best within the industry at providing information in this particular matter.

The interviewed forwarding customers shared the common need of receiving instant information of every deviation regardless type of issue. All customers within this segment wanted this information to be provided electronically, whereas one of the customers also mentioned the need of receiving information concerning particularly important issues via e-mail as well. Therefore, the fact that Maersk Line was connected to INTTRA was highly valued by these customers. As for the direct customers, the forwarding customers also believed that Maersk Line was one of the top performers when it came to sharing and updating information in this system. Regarding the content of the provided information, several customers also expressed the same opinion as the direct customers, namely that the information provided via the systems were too general. One of the customers expressed that they often needed to contact Maersk Line in order to acquire sufficient level of detail regarding the deviations.

However, all the customers within both segments stressed that the industry's performance when it comes to information sharing was generally very low. Thus, even though they were not satisfied with the information provided by Maersk Line, they still thought that they were one of the best within the industry in providing information.

8.4.2 Deviation handling

The general opinion amongst the customers was that Maersk Line did not handle deviations during the transport activity either proactive or flexible. Hence, the need for Maersk Line to improve within this area was highly stressed by customers in both customers segments.

8.4.2.1 Proactivity

Customers within both segments was either not or less satisfied with Maersk Line's proactivity in managing deviations.

Among the direct customers, the negative impression regarding Maersk Line's deviation handling was directly related to the customers' opinion that Maersk Line did not provide information about deviations in a proactive way. This disability commonly resulted in situations where the customers themselves detected the issues. Further, this behaviour was

interpreted as an indication of that Maersk Line neither understood their needs nor was interested in solving their problems.

The forwarding customers mentioned this concern and requested for Maersk Line to become more proactive in their way of suggesting solutions, thus taking ownership of the customers' problems. One of the customers stressed the fact that Maersk Line, when compared to other shipping companies, showed less initiative to solve the customer's problems. This customer believed that this tendency could be traced back to that neither the local customer service nor the sales department had mandate to make the decisions themselves, and also due to poor definitions of responsibility between departments at Maersk Line. The same perception was mentioned by one additional forwarding customer, but this customer also expressed an understanding for Maersk Line's situation, handling a great amount of customers. Due to this reason the customer instead stressed the importance of Maersk Line improving information sharing regarding deviations in order to give the forwarding customer the possibility to solve the problems for their affected customers themselves.

8.4.2.2 Flexibility

Both customer segments expressed that Maersk Line were lacking flexibility in managing deviations and that deviation handling therefore often required in long processing times. The customers thereby considered themselves as either not satisfied or less satisfied with Maersk Line in this regard. All customers stressed this perceived inflexibility to be a result of that their contact personnel at Maersk Line did not have mandate enough to make decisions concerning deviating handling. This issue was stated as major both for the contacts at customer service department and at the sales department. Several customers stressed that in order to receive fast results when solving problems with Maersk Line, contact had to be made with people further up in the Maersk Line organisation. Consequently, even in the case of relatively minor issues, processing times was often unreasonably long according to the customers. In this aspect, the customers perceived that Maersk Line was more difficult to deal with compared to other shipping companies.

In the direct customer segment, customers particularly expressed that they would like for Maersk Line to invite for a dialogue about optional solutions regarding the handling of the issues. Currently the customers experienced that Maersk Line just proposed one solution and were not flexible in changing this solution according to the customers' needs. Thereby the customers did not get the feeling that Maersk Line was interested in solving the issues in the best way for the customers.

8.4.2.3 Attention

All direct customers expressed that they were less satisfied with the extent of attention Maersk Line were providing them when problems occurred. This was primarily related to that the customers had experienced some reluctance from their contact in regards of taking ownership of issues. According to some of the direct customers, they often needed to remind the person several times in order to get attention, resulting in a feeling of not being prioritised.

Regarding the forwarding customers' perception of whether Maersk Line was giving them sufficient attention in the case of deviation, the opinions differed among the customers. Three out of five forwarding customers claimed that Maersk Line showed them sufficient attention when requested, but that they sometimes needed to escalate their issue up to a central level to get priority. In contrast, the remaining two customers were less satisfied with Maersk Line in this matter.

8.4.2.4 Understanding customers' needs

Several customers stressed that how Maersk Line currently were handling deviations, affected their perception of how well Maersk Line understood their business and individual needs. Not being proactive or flexible in handling deviations was mentioned as one important reason to customers' perception of that Maersk Line was not performing in this matter.

In addition to this, the issue of Maersk Line frequently exchanging contact persons at the local customer service department was mentioned as another important reason for the impression that Maersk Line did not understand customers' needs. According to customers within both customer segments, the high turnover of personnel was an important factor to why contact persons did not have an overall understanding neither of the shipping business nor for customers' business and individual needs.

8.4.3 Summary the sea transport

The customers' perception of Maersk Line's performance during the sea transport is summarised in Table 12.

As long as nothing exceptional happened during transport, all customers were satisfied or very satisfied with the Maersk Line's service offer during the transport stage. However, when things did not go as planned, Maersk Line was considered as difficult to deal with.

The general opinion about Maersk Line's performance in terms of information sharing and deviation handling was that the company did neither provide enough information regarding deviations nor make enough effort to solve the customers' problems in a responsible manner. However, in the case of information sharing, the customer expressed low performance in this regard to be general within the shipping industry. Thus, even though Maersk Line was not fulfilling the customers' need for information, the company was considered to be above average when compared to other shipping companies in this matter. On the contrary, for the aspect of deviation handling, Maersk Line was considered to be far below average when compared to competitors.

	Reliability	Information sharing			Deviation handling			
		Quantity	Quality	Proactivity	Proactivity	Flexibility	Processing times	Attention
A	Very satisfied	Not satisfied	Not satisfied	Not satisfied	Not satisfied	Not satisfied	Not satisfied	Less satisfied
B	Very satisfied	Somewhat satisfied	Somewhat satisfied	Somewhat satisfied	Less satisfied	Less satisfied	Less satisfied	Less satisfied
C	Very satisfied	Somewhat satisfied	Somewhat satisfied	Somewhat satisfied	Not satisfied	Not satisfied	Not satisfied	Less satisfied
D	Very satisfied	Not satisfied – external supplier	Not satisfied – external supplier	Not satisfied – external supplier	Not satisfied	Not satisfied	Not satisfied	Less satisfied
E	Satisfied	Somewhat satisfied	Less satisfied	Less satisfied	Not satisfied	Not satisfied	Not satisfied	Satisfied
F	Satisfied	Somewhat satisfied	Less satisfied	Less satisfied	Less satisfied	Less satisfied	Less satisfied	Somewhat satisfied
G	Very satisfied	Somewhat satisfied	Less satisfied	Less satisfied	Less satisfied	Less satisfied	Less satisfied	Satisfied
H	Satisfied	Somewhat satisfied	Less satisfied	Less satisfied	Less satisfied	Less satisfied	Less satisfied	Satisfied
I	Satisfied	Somewhat satisfied	Less satisfied	Not satisfied	Not satisfied	Not satisfied	Not satisfied	Less satisfied

Table 12: Customers' perception of Maersk Line's service during the sea transport stage

8.5 The post-sea transport stage

How customers perceived the final stage of Maersk Line's service delivery was discussed in terms of port handling activities, inland haulage services, invoice handling and payment terms.

8.5.1 Port handling

The fact that Maersk Line was not offering or providing support for customs clearance was not considered a major issue by any of the interviewed customers. However, two of the direct customers expressed that such service would possibly be appreciated if offered.

Both customer segments stressed the need for extra freetime in the ports. Amongst the direct customers, three out of the four interviewed stated that they experienced difficulties in getting Maersk Line to agree to their requests in this matter. Further, the customers also commented on that they had experienced problems with Maersk Line not communicating the agreed freetimes to the ports. Hence, even though Maersk Line had agreed on excess freetime, invoices from ports were sent to the customer before the time was terminated. One of these customers particularly stressed these issues and considered it to be strong reason for dissatisfaction. Another of the direct customers expressed that Maersk Line neglected their request by not commenting on the freetime in the tenders and was therefore less satisfied with how Maersk Line handled this concern.

The general opinion of all forwarding customers were that they needed Maersk Line to be flexible regarding freetime, thus offering excess freetimes when requested. Also these customers experienced that it could be difficult in receiving their requested freetime, but they were at the same time aware of that they sometimes requested unreasonable long freetimes.

8.5.2 Haulage services

As described in the pre-sea transport stage, two direct customers was purchasing haulage services for which they were satisfied with. For the forwarding customers who was purchasing haulage services in some parts of the world two considered themselves satisfied, whereas a third customer was somewhat satisfied.

8.5.3 Invoice handling

The way Maersk Line handled invoices was regarded as a strong weakness of the overall service offer. The majority of the customers stressed that Maersk Line's invoice quality were far below average when compared to other shipping companies.

Among the direct customers, two of them particularly stressed this issue. One of them expressed that some improvements had been done during the last year, but that the improvements were not sufficient. The other customer claimed that no improvements had been done during the decade they had been purchasing sea transport from Maersk Line. However, according to both these customers, this issue was not regarded as major compared to other issues such as poor customer service and deviation handling. Nevertheless, the customers declared that the ability to manage administration was important for the overall satisfaction, clearly stating that the invoice issue generated a large portion of frustration and annoyance. Further, several of the direct customers also stressed that Maersk Line's process for handling billing disputes was regarded as complex and time-wasting. In comparison to the annoyance caused by the invoice error itself, the process of handling the disputes was a clear source of dissatisfaction. The customers stated that even rather simple errors, which other shipping companies could solve over the phone, would take weeks for Maersk Line to manage.

Amongst the forwarding customers, issues regarding Maersk Line's administration and in particular invoices was even more emphasised than for the direct customers. All customers within this segment clearly stated that Maersk Line was one of the weakest performers in industry in this matter. Two of the customers particularly stressed the issue of invoices containing separated fees even though they had agreed on all-in freights. Some of Maersk Line's administrative problems were believed to be a consequence of off-shoring administrative work to India. To improve on this matter, all customers stated a request for a local coordinator who managed the communication between customers and the global service centre in India. Moreover, the majority of the forwarding customers shared the direct customers' opinion regarding Maersk Line's process for handling billing disputes. Similarly, the forwarding customers believed that the process was too complex and time-wasting. A common issue experienced within this customer group was that the disputes were rejected, even though it was clear according to the agreement that an error had occurred in the invoice process. However in contrast, one of the forwarding customers was satisfied with the dispute process provided by Maersk Line. This customer believed that it was important to document the dispute issues and in this regard Maersk Line's dispute process was excellent.

8.5.4 Summary post-sea transport stage

The customers' perception of Maersk Line's performance in the pre-transport stage is summarised in Table 13. In this stage only the haulage service was considered as satisfactory by the customers from both segments.

	Freetime	Haulage services	Invoice handling	
			Quality	Dispute process
A	Not satisfied	—	Somewhat satisfied	Not satisfied
B	Less satisfied	Satisfied	Not satisfied	Not satisfied
C	Satisfied	—	Not satisfied	Not satisfied
D	Somewhat satisfied	Satisfied	Not satisfied	Not satisfied
E	Satisfied	Satisfied	Not satisfied	Not satisfied
F	Somewhat satisfied	Satisfied	Not satisfied	Not satisfied
G	—	Somewhat satisfied	Not satisfied	Not satisfied
H	—	Not interested	Not satisfied	Satisfied
I	Less satisfied	Not interested	Not satisfied	Not satisfied

Table 13: Customers' perception of Maersk Line's service in the post sea transport stage

9 The provider gaps at Maersk Line

This chapter of the report aims to answer research question three and five of this study. Thus, this chapter will present the analysis of the two provider gaps; the service design gap and the service delivery gap. This provides an indication of the service quality of Maersk Line's service offer. The analysis is based on the featured theoretical framework and the empirical findings concerning the previous three research questions regarding Maersk Line's service offer, the Customers' needs for shipping services and the customers' perception of Maersk Line's service offer.

According to the analyse model developed for this study (see section 2.4), the service design gap is the difference between the customer needs and the Maersk Line service offer whereas the service delivery gap is the discrepancy between the communicated service offer and the customers' perception of the delivered service. In order for Maersk Line to deliver a service that is regarded as highly qualitative by customers, both these gaps should be closed. This implies that the customers' needs are met in the service delivery offer, and that what is communicated and sold to the customer correlate with what customers' perceive to be delivered.

This part of the report is discussing how well the service offer that Maersk Line communicates and sells to their customers correspond to the customers' expressed needs and perceptions of the service throughout every stage of the service delivery process. Hence, this part of the report will cover the third and fifth research question in terms of;

(3) How well does the service offer at Maersk Line correspond to the customers' needs?

(5)How well does the Maersk Line service offer, as it is communicated and sold to customers, correlate to the customers' perception of the delivered service?

The chapter is structured as the previous two chapters. It presents how well Maersk Line's service offer fulfil the customer needs as they appear throughout the service delivery process, starting with basic supplier criteria and followed by the expressed needs within each stage of the shipping service. In each section, the customers' needs during the shipping service are first compared to the communicated offer, representing the service design gap. Thereafter, the expressed opinions of the delivered service by Maersk Line are compared to how the service offer is communicated and sold, representing the service delivery gap. The provider gaps in each stage of Maersk Line's service offer are visualised in Figure 5 -Figure 9, presented in the end of each section.

9.1 Basic supplier criteria

The service design gap

According to the service offer that Maersk Line's communicates and sells to their customers, the company ensure customers that they fulfil their needs in terms of an extensive logistical network, commitment possibilities, reliability, IT connections and capacity. However,

regarding needs concerning prices and transit times, Maersk Line's offer does not entirely correspond.

The price factor is regarded as somewhat more important to the forwarding customers where two customers particularly articulated price to be the most important factor. Maersk Line is not promoting themselves as price leading, but they claim to offer competitive prices supported by a number of value added services. Thus, on this matter Maersk Line's offer are regarded to fulfil the customers' need to some extent. For all customers that regard the price to be important or somewhat important, Maersk Line's communicated offer of competitive prices should fulfil the needs of these customers. However, for the forwarding customers who considered price as the most important factor, only providing a competitive price was not regarded as sufficient for fully meeting these customers' needs in this regard.

For the transit time factor, Maersk Line is not promoting themselves to be leading on transit times. On the contrary, Maersk Line seeks to sustain their leading position when it comes to on time delivery and environmental performance. In order realise these benefits Maersk Line applies slow steaming, thus lowering the speed and thereby increasing transit times to generate time buffers and to lower fuel consumption and CO2 emissions. As a consequence Maersk Line's service offer is not regarded to meet customers need for short transit times.

Consequently, in regard of basic supplier criteria, the service design gap was open due to the discrepancies in transit times for both customer segments and in price for the forwarding segment.

The service delivery gap

Customers' opinions revealed that Maersk Line satisfyingly fulfilled customers' need in terms of logistic network, commitment, transit times, reliability, IT capabilities and capacity within both customer groups. In addition, Maersk Line also fulfilled the direct customers need concerning price. In the forwarding segment, some customers were not entirely satisfied with Maersk Line performance concerning transit time and price. However as previously mentioned, Maersk Line does neither promote themselves as providing short transit times nor low prices. Consequently, concerning the basic supplier criteria, the service delivery gap was regarded as closed.

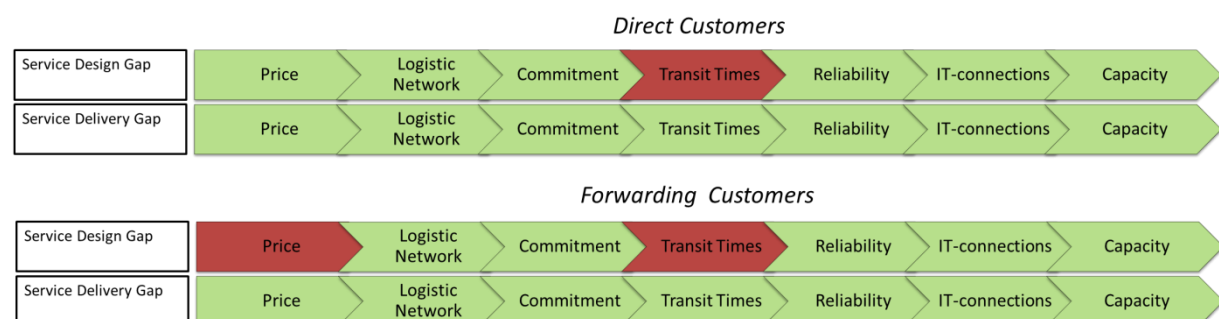


Figure 5: Provider Gaps for Basic Supplier Criteria

9.2 Tender process

The service design gap

In the tender process, customers articulated needs in terms of amount and quality of information, time for response, price negotiation and a dedicated sales contact to facilitate for a smooth process. Further, the customers had requirements for different length of agreements and particularly stressed that the communication and relationship with the sales contact could have a big impact on the final choice of supplier.

Maersk Line offers all customers within the concerned customer segments the options of longer contracts as well as a dedicated sales contact. However, as described by Edvardsson, Gustafsson & Roos (2005), Tonchia (2008) and Zeithaml, Bitner, & Gremler, (2009) the human aspect cannot be neglected in service marketing. Thus it is important to notice that how well Maersk Line's offer fulfils customer's need of good communication and relationship with the sales contact is strongly depending on the involved personnel's individual personalities, attitudes and behaviours. Hence, in this matter both the customers' personnel as well as the personnel at Maersk Line significantly affect how well this need can be fulfilled.

Maersk Line articulates the ambition to differentiate themselves by, in addition of being the industry leaders on reliability and environmental performance, being the first choice of customers through ease of doing business. As it is not completely clear what this later statement incorporates, it offers customers the opportunity to freely interpret the meaning of this undertaking. Thus, if ease of doing business is interpreted as ease of come to an agreement Maersk Line's service offer could be regarded to meet customer's need for smooth tender processes.

Consequently, while keeping the human aspect in mind, the service design gap was considered to be closed in this stage of the service delivery.

The service delivery gap

When analysing the customers' perceptions of how Maersk Line managed the tender processes, the picture looks somewhat different from the previous discussion of the service design gap. According to the customers' opinions, only the aspects regarding length of agreement and communication and relationships with sales executives were regarded as fulfilled by all customers in both customer segments. Thus, the customers' perception of these three aspects correlates to what Maersk Line communicates and sells to customers through their offer. Further the direct customers also thought that Maersk Line's way of managing price negotiations and time for responses on for RFQs were satisfying.

The opinions regarding if Maersk Line understood the customers' needs differed between the two segments. The direct customers did not believe that Maersk Line understand their needs very well while the forwarding customers thought that they did.

The remaining aspects ensured by Maersk Line through their ease of doing business ambition were not correlating to customers' perception of what that was delivered. Thus, the service

delivery gap of Maersk Line's service offer during the tender process was not considered as closed.

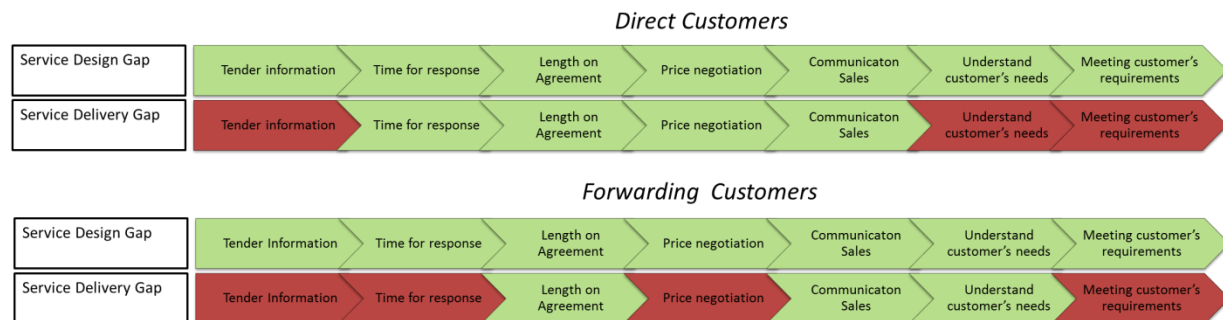


Figure 6: Provider Gaps for the Tender Process

9.3 Pre-sea transport stage

In this phase the customers were articulating needs concerning booking, equipment, haulage services, capacity flexibility and agreement compliance.

The service design gap

9.3.1 Booking

The expressed needs related to the booking activity were mainly the possibility to book through the booking portal INTTRA, to receive a booking confirmation within a certain time frame and to have a dedicated local customer support contact. According to Maersk Line's service offer, the first two of these needs are ensured to be fulfilled. Maersk Line offers several options for bookings, including INTTRA. Moreover they promote that they confirm bookings within two hours of receipt which is regarded as satisfactory for both customer groups. Regarding the important need for a local contact person within customer service Maersk Line's offer is not completely correlating. Even though, Maersk Line ensure customers the provision of a dedicated local Client Coordinator, this person is mainly responsible for managing exception handling that cannot be solved in a standardised manner. All booking relating support, is offshored to the Global Service Centre and consequently Maersk Line's offer was not regarded to meet customers' need in this regard.

9.3.2 Equipment

Regarding customers' need for available equipment of high quality, Maersk Line promotes themselves to fulfil these needs. They particularly state equipment availability and quality insurance as one of the service offer's fundamentals. Thus, according to Maersk Line's service offer, customers' needs in this regard were fulfilled.

9.3.3 Haulage services

Not all customers articulated a need for haulage services, but for those who did, Maersk Line's service offer fulfil this need by including options for haulage services, both domestic and offshore.

9.3.4 Capacity flexibility

Maersk Line's offer includes the most extensive equipment fleet in the industry, as well as weekly vessel space on a number of routes. This implies that the company most likely has the possibility fulfil customers' need of capacity flexibility closer up to the shipping date. However, it is important to notice that this is not a direct communicated promise by Maersk Line.

9.3.5 Agreement compliance

To deliver cargo on time, being a trustworthy supplier and offer customers booking commitment are all objectives included in the important fundamentals of Maersk Line's service offer. Thus, it can be interpreted by customers that Maersk Line indirect ensured that they will comply agreements. Therefore, this customer need is considered as fulfilled.

Consequently, it existed a service design gap in the pre-sea transport stage of Maersk Line's service offer due to the unfulfilled customer need of a local customer support contact for the issue of managing bookings.

The service delivery gap

When analysing the customers' opinions of Maersk Line's performance, it was evident that there also existed a service delivery gap in this stage of the service delivery process. Considering Maersk Line's service in terms of booking options, booking confirmation, haulage services and capacity flexibility customers are satisfied. According to the forwarding customers they were also satisfied with equipment availability and the complying of agreements. However some of the direct customers were less satisfied regarding these aspects. Even though Maersk Line ensured customers to fulfil the need of available and qualitative equipment, one of the direct customers did not experience this. Similarly, a majority of the customers were not satisfied with the customer support within this stage even though Maersk Line promoted that they provided customer support with excellent customer service. Thus, due to these aspects, the service offer did not correlate with the customers' perception of what that was delivered.

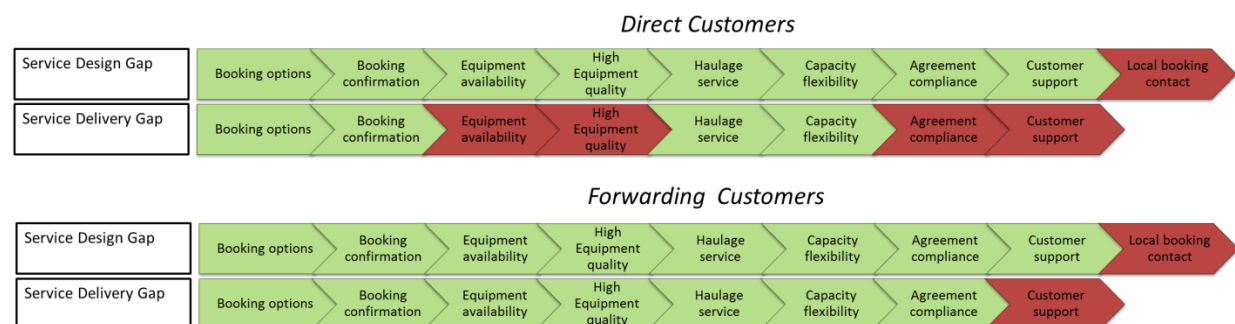


Figure 7: Provider Gaps in the Pre-Sea Transport Stage

9.4 The sea transport

The service design gap

During the sea-transport, customers expressed needs for timely deliveries, information sharing and efficient deviation handling. On time delivery is promoted to customers as Maersk Line's main strength, thus ensuring customers that cargo will be delivered as scheduled. Concerning the customers' need of information sharing and deviation handling, Maersk Line's offer is regarded to meet these needs to some extent. During transport, Maersk Line ensure customers to receive pre-arrival notification and information about deviations per mail as well as on the shipping portal INTTRA, thus satisfying customers need in terms of type of information channel and quantity. Moreover, if particular customers' goods cannot be delivered as agreed, the global service centre specifically informs these customers. Due to this aspect, Maersk Line is regarded to ensure customers the provision of qualitative information in the sense of the information being targeted. However, nothing is mentioned nor promised regarding the need of proactive information. Therefore, this last customer need is considered as not being satisfied.

Concerning deviation handling, the customers required both proactivity and flexibility in how problem are managed and solved. Promoted as a value added service, Maersk Line provides customers with a local customer support contact, a Client Coordinator that understand local operations and customers business. In this way customers should not have to re-explain their business and should be offered solutions, not commentary. Moreover, these persons is expressed to have a target to answer calls within 30 seconds, and to resolve issues within 12 running hours. Hence, Maersk Line ensures customers accessibility of personnel and to deal with issues in a quick manner when such occur. However, these promises does neither directly involve solving issues in a proactive manner nor involving customers in the solving process thus providing solution flexibility. Thus, Maersk Line's service offer is not considered to entirely satisfy the customers' needs in these regards.

Consequently, it existed a service design gap in the sea transport stage of Maersk Line service offer due to the not fully satisfying insurance of customers' need for proactive information sharing, and for proactive and flexible issue resolution.

The service delivery gap

There is a true consensus among customers regarding Maersk Line's exceptional performance in terms of reliability during transport. However, the opinions were less positive when discussing other aspects of Maersk Line's service delivery in the sea transport stage. According to the customers, Maersk Line's offer did not correlate to customers' perception of what was actually delivered in any of the other aspects during the sea transport stage. Thus, the service delivery gap was obvious in this part of Maersk Line's service offer.

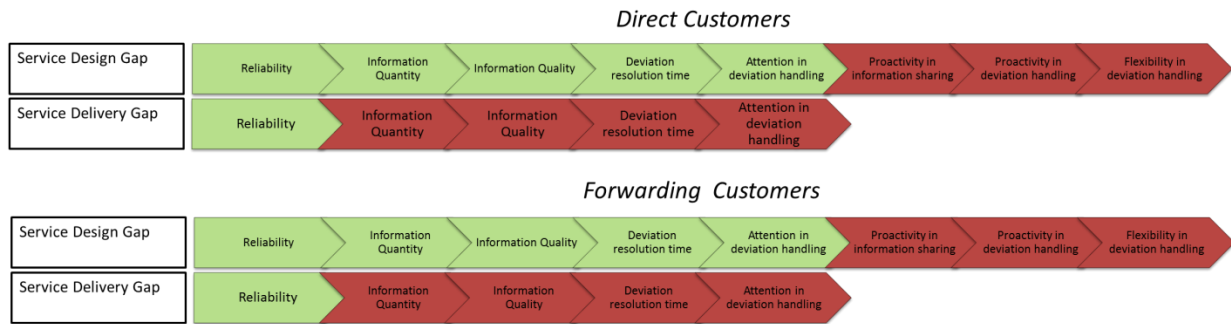


Figure 8: Provider Gaps for the Sea Transport

9.5 The post-sea transport stage

The service design gap

In the post-sea transport stage the customers articulated needs concerning customs clearance, increased freetime, haulage services and efficient and high quality invoice- and dispute handling. Also a need for extended credit terms were expressed.

According to Maersk Line's service offer, customers need of increased freetime, haulage services and efficient invoice and dispute handling are ensured to be fulfilled. The options for increased freetimes and haulage services are included in Maersk Line's service offer. Further, Maersk Line has a goal to have an invoice quality of 94 percent thus also ensuring customers to fulfil their need for high invoice quality. For situations where customers receive incorrect invoices, customers want such issues to be solved in an efficient manner, through a rapid and simple dispute processes and preferable within a few days. Maersk Line aims to solve disputes within five working days referring customers to an online financial account management tool that will aid the customers in managing the disputes. Thus, Maersk Line ensures customers that if an error occurs, it will be solved within a reasonable time and in a standardized way, thereby meeting customers need in this regard.

The needs of customs clearance and extended credit times were mentioned by two customers respectively. Further the request for Maersk Line applying global quality standards for equipment was expressed by some customers. The service offer at Maersk Line's does neither include customs clearance, extended credit times nor the adoption of global quality, thus these needs were not fulfilled. It is however interesting to notice that the customers who mentioned customs clearance as a need also considered haulage services as important, thus indicating an interest for purchasing overall transport solutions by one single supplier. Consequently, the fact that Maersk Line was not managing this minor service also resulted in that they could not meet customers' wish for purchasing total transport solutions.

Consequently, due to the lack of services in terms of customs clearance, extended credit terms and the adoption of global equipment standard, there existed a service design gap also in this final stage of Maersk Line's service offer.

The service delivery gap

According to the customers' opinions of Maersk Line's service delivery during the post-sea transport stage, not all aspects of the service offer were correlating with customers'

perceptions of what was actually delivered. In fact, haulage service was the only aspect that was considered as fully fulfilled.

In contrast, the remaining services promoted in Maersk Line's service offer, including freetime and invoice handling were not perceived to be satisfactory by the customers in the delivery of the service. Thus, in these regards, Maersk Line's service offer did not correlate with the customers' perceptions of what was delivered.

Consequently, there existed a service delivery gap in the post-sea transport stage of Maersk Line's service offer. The expressed customer needs regarding services such as customs clearance, extended freetime and global service standards for the equipment, are not included in the service offer provided by Maersk Line. Therefore they do not contribute to the service delivery gap.

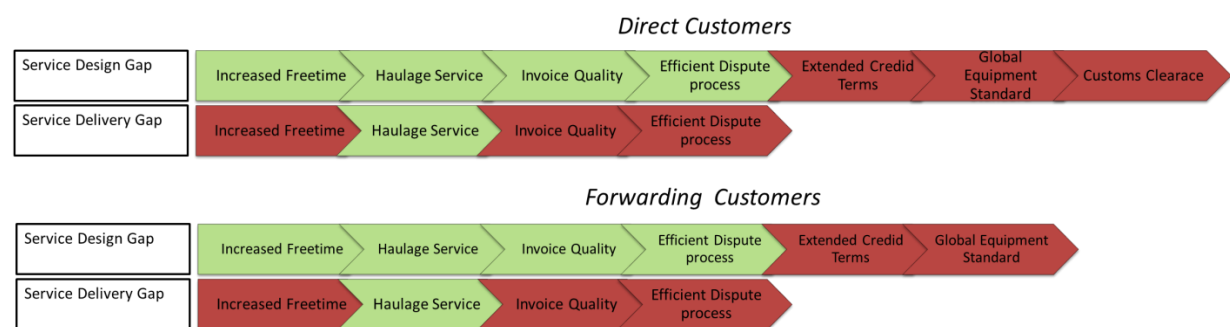


Figure 9: Provider Gaps for Post-Sea Transport Stage

10. Discussion

As described by Gould (2012), Hu, Kandampully, & Juwaheer (2009) and Tonchia (2008), service quality is determined by the customers and is ultimately measured in the total satisfaction generated in various point during the service process. In order for Maersk Line to ensure high service quality, the company must strive to meet customers' needs and expectations in the service offer and throughout every stage of the service delivery. Thus what Maersk Line aims to deliver and promise should correlate to the customers' needs of the service and their perception of the delivered service.

In the work of designing or redesigning a competitive service, understanding the current situation is an essential first step. This thesis aimed to provide Maersk Line with a foundational picture to facilitate the initiation of such work. This thesis has investigated the service offer at Maersk Line, the customers' needs and their perception of the service Maersk Line provides. During interviews with customers it has become evident that Maersk Line is an appreciated and well respected performer within the liner shipping industry. However, it has also been found that there exists a service design gap and a service delivery gap in some aspects of Maersk Line's service offer.

10.1 The service design gap

The service design gap is the difference between the customer needs and Maersk Line's service offer. Providing a service offer that attracts customers by fulfilling their needs is fundamental in order for Maersk Line to stay competitive. Hence, if the service design gap is too wide, Maersk Line might lose customers to competitors whose service offers better fulfil the customers' needs.

According to the interview customers, Maersk Line's main competitive advantages are connected to be the company's extensive logistical network, exceptional capacity and superior performance in reliability. These aspects were all mentioned as important customer needs and were included in customers' general purchasing requirements. In addition to these, Maersk Line's service offer incorporated several other customer needs that have been identified in this study and the company was thereby often regarded as a potential supplier and included in tenders. However, there were also a number of needs that was not fulfilled in the company's service offer, but that was expressed as important by customers within both customer segments. As a result, a service design gap existed in Maersk Line's service that needs to be explored.

Through this study, it has been confirmed that customers define and prioritise needs differently. Thus, even though customers expressed needs in a similar way, their perception of what constituted the need and how they wished for them to be fulfilled differed. Further, not all needs were perceived as equally important by customers. This implies that what is regarded as service quality by one customer or customer group might not correspond to another. Consequently, the size of the service design gap in Maersk Line's service offer differed among customers and between the two customer segments.

It is important to stress that meeting all customers' needs may not be possible or necessary. To gain competitive advantage, Maersk Line should identify strengths and abilities that make them unique and that can serve to fulfil some customer needs in superior way relative to competitors. Thus, the company must strategically decide which customers they aim to target and thereafter fulfil the needs that these customers find most valuable.

As a consequence of the upcoming business change of Maersk Line establishing an operational alliance with MSC and CMA CGM, the need to clarify how the company seeks to differentiate themselves from competitors increases. The operational alliance implies that Maersk Line will share factors of their recognized competitive advantages with MSC and CMA CGM, a situation that the customers expressed themselves to be well aware of. Further, as the customers likely would like to spread risks, they may not want to purchase sea transport from shipping companies that are operating the same vessels. Thus, even if the customers are currently working with all three of the shipping companies, they may choose to establish agreement with only one party when the alliance is up and running.

When sharing vessel operation and operational costs, other customer needs, such as customer orientation and deviation handling, will most likely become more important to win or keep the customers. Thus, carefully considering how to improve in these areas is regarded as crucial for Maersk Line who according to customers was somewhat underperforming in these matters.

10.2 The service delivery gap

The service delivery gap is the discrepancy between the communicated service offer and the customers' perception of the delivered service. In order to close this gap the service company must deliver a service that correlate to what they promise customers in their service offer. Hence in order for Maersk Line to deliver a quality service it is not enough to have a well-designed service offer that correspond to customer needs, it also has to be delivered in a way that correlates with the customers perception in every stage and service encounter of the service delivery process.

Customer satisfaction is, as mentioned above, created in various points during the process of delivering of the service. Hence, discrepancies in the service delivery gap directly results in customer dissatisfaction. Moreover, the customers' perception of the delivered service formulates a base for future decisions when purchasing sea transport services. These aspects make it crucial for any service company to close this gap.

I was acknowledged in this thesis that a service delivery gap in Maersk Line's service existed. This implies that the company communicate promises to their customers that they later do not fulfil. The reasons why such gap exist should be further investigated as it can be a result of several factors. However, one aspect that has been noticed during this research is that there seems to be internal discrepancies in how the service offer Maersk Line provides customers are defined. During the research it has therefore been somewhat difficult to obtain a complete picture of the service provided by Maersk Line. This implies that the company

themselves may not have a clear picture of what they can or cannot provide to their customers.

As highlighted in the theory of service marketing, the special characteristics of a service results in that the three aspects in terms of physical evidence, people and process that are crucial for any service provider to take into account when designing services.

Due to the special characteristics of a service it is neither possible to readily display a service nor to communicate its exact content. This implies that customers cannot evaluate the performance of the service in beforehand (Zeithaml, Bitner, & Gremler, 2009; Lagrosen & Svensson, 2006). Consequently the customer will look for any physical evidence that can give indications on what they are about to receive. Thus, what Maersk Line communicates to customers on its webpage and by other forms of promotions serves as an important mean to set customers' expectations. If the service offer that Maersk Line communicates through such physical evidence not correlates with what is delivered, this will have a great impact on customer experience, the service delivery gap and thus the customers' satisfaction.

Moreover, a service is delivered as a process and consumed simultaneously, commonly through a number of personal interactions. How customers' perceive the nature of the service is thereby influenced by individuals' personalities and actions. The aspect of people also makes it impossible to fully standardise a service, meaning that no service will fully be the other one alike (Edvardsson, Gustafsson, & Roos, 2005; Tonchia, 2008). Maersk Line delivers its service offer thorough a number of service encounters, involving people from different departments. All involved in the service delivery affects the customer via these service encounters and thereby the customer experience. Consequently, the aspects of process and people makes it fundamental that Maersk Line internally have a clear and coherent picture of their service offer in order to be able to communicate and deliver this in a consistent way to the customers. If this awareness is not present, so will most likely also the risk of over promising or not meeting customers' expectations be. Hence, in order for Maersk Line to close the service delivery gap, all employees involved in the service delivery must have a clear understanding of what has been promised to customers and who that is responsible for what.

11. Conclusions and recommendations

This thesis aimed to analyse the service offer provided by Maersk Line, identify customers' needs within the two customer segments, Direct Customer and Forwarding Customers, as well as identifying their perception of the service delivered by Maersk Line. The conclusions and recommendations are aimed to serve as means for the company to meet upcoming challenges that implies a need for differentiation.

This thesis has identified different customers' particular needs when selecting a sea transport supplier and within different stages of a shipping service. These needs are presented and thoroughly described in chapter 6, *customers need for liner shipping services*.

Through this thesis it was concluded that customers define and prioritise needs differently. Thus, even though customers expressed needs in a similar way, their perception of what constituted the need and how they wished for it to be fulfilled differed. Consequently, what is regarded as service quality differs between individual customers and between the two customer segments.

The thesis has also recognised two provider gaps in the different stages of Maersk Line's service offer, which existed due to that customer needs were not fulfilled. The service design gap exists if customers' needs are not included in the service offer. Thus, revealing that Maersk Line's service offer was not fully corresponding to their customers' needs. The service delivery gap exists if the service offer ensures to fulfil needs that the customers do not perceive to be fulfilled in the delivery of the service. This gap implies that there was a discrepancy between the communicated service offer at Maersk Line and the customers' perception of what was actually delivered.

The identified service and design gaps in the different stages of Maersk Line's service delivery process is visualised in Figure 10, in which dark arrows implies that a gap existed. However, it is important to stress that how customers perceived the size and the importance of the service design gap in Maersk Line's service offer differed among customers. Thus, this figure does not reflect the extent of the gaps, but only indicates that a gap exists.

Further, even though the gaps look identical between the two customer segments, some important differences in the needs generating the gaps has been acknowledged during this study. These differences are generally related to the customers' knowledge and resources within the shipping business. The direct customers shipped their goods with fewer suppliers than the forwarding customers. Further, they did not have as much knowledge within the area or the capabilities to solve problems that could occur during transport. Consequently, the direct customers were much more dependent on their sea-transport suppliers than the forwarding customers. As a result relationships characterised by trust became more important than factors such as efficiency and price for this customer segment. Hence, the direct customers needed for their shipping companies to show an interest in having them as customers, preferable on a long term basis, and to show understanding for the customers' individual businesses and needs. For this segment, needs also differed among individual customers depending on the type of business the customers was operating.

The forwarding customers' needs were rather homogenous within the customer segment, but their situation differed from the direct customers. The forwarding customers commonly used a large number of sea-transport suppliers. Further, they had extensive knowledge in transport as well as resources and alternatives for dealing with problems that could occur during the transport. This customer segment operated on a market with small margins and therefore required the shipping companies to facilitate efficient and cost effective collaboration. These customers emphasised price, proactive and efficient information sharing and efficacy in the way of doing business rather than long term commitments.

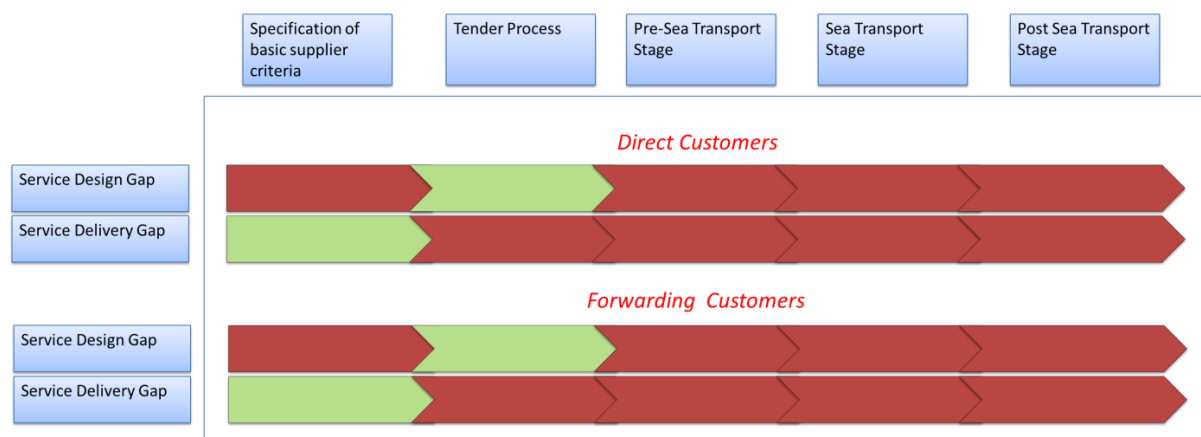


Figure 10: Identified provider gaps in Maersk Line's service offer

In order to improve service quality, Maersk Line should act to minimize the extent of the two provider gaps. To minimize the service design gap, Maersk Line is recommended to;

- Carefully examine the identified customer needs and evaluate the potential benefits and the resources required to meet those needs versus the risk of not doing so.
- Define a strategy regarding which customers to target and focus on fulfilling their needs.

To close the service delivery gap, Maersk Line must ensure that what is communicated and promised through the service offers and by employees are also perceived as delivered by customers. To close this gap, Maersk Line is recommended to;

- Clearly specify and describe the service offer. In order to deliver a qualitative service consistently, all employees must share the same definition of what is to be delivered to customers.
- Determine and specify how the service offer should be communicated both externally and internally.
- Establish goals and measures that help and guide employees to act and perform in accordance with the company's strategy. Thus, if Maersk Line aims to improve service quality and customer satisfaction, key performance indicators (KPIs) reflecting this matter needs to be adopted.

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Appendices

Appendix 1: Internal Interview guides

Interview guide – Sales

Sales Executive

The aim of the interviews is to investigate how the sales department are working and to clarify the Maersk Line service offer.

The interviewee

1. What is your background at Maersk Line?

The service offer at Maersk Line

2. How would you describe the service that Maersk Line offers the customers?
 - a. What “products and services” do you sell?
 - i. Is there a basic offer of services that are included in the shipping service?
 - ii. To what extent are these services standardised?
 - iii. What additional services do you offer?
3. How do you know what services that you can sell to the customers?
 - a. Are there any guidelines in what you may promise the customers?
 - b. Do you collaborate between the departments in order to ensure that promises can be met by Maersk Line?
4. Are the same services promoted and sold to the two customer segments; large direct customers and freight forwarding customers?

The sales process

5. Could you describe the sales process?
 - a. From first contact to agreement, go through all steps
6. What are your responsibilities within these steps?
7. What support systems do you have in this step?
 - a. Guidelines, SOP, tools?
8. How do you ensure that you and the customer have the same perception of what should be included and the terms of the service?
9. How do you ensure that what is promised in the tender stage is actually delivered?
 - a. Do you have any Standards or systems for this?
10. How are the agreed terms communicated between the departments delivering the service?
 - a. Who has access to which documents and systems?

Sales and other departments

11. What is comprised in your responsibilities as Sales Executive?
12. What goals and KPIs are you measured on?
13. What are the responsibilities for the sales support and customer service departments according to you?

Customer Relationships

14. How would you describe that you are working and managing customer relationships at Maersk Line?
15. How much do you believe that the relationship aspect affects the choice of supplier for the customers?

General

16. Why do you think that the customers choose Maersk Line over your competitors?
17. How do you believe that you create value for the customers?

18. How is Maersk ensuring preservation of knowledge?

Interview guide – Sales Support

Sales Support Executive

The aim of the interviews is to investigate how the sales support department are working and to clarify the Maersk Line service offer.

The interviewee

1. What is your background at Maersk Line?

The service offer at Maersk Line

1. How would you describe the service that Maersk Line offers the customers?
 - i. Is there a basic offer of services that are included in the shipping service?
 - ii. To what extent are these services standardised?
 - iii. What additional services does Maersk Line offer?
2. Are the same services promoted and sold to the two customer segments; large direct customers and freight forwarding customers?
3. Could you describe the sales process?
 - a. From first contact to agreement, go through all steps
4. What support systems do you have in this step?
 - a. Guidelines, SOP, tools?
5. How do you ensure that both Maersk Line and the customer have the same perception of what should be included and the terms of the service

Sales Support and other departments

1. What are the responsibilities of Sales Support?
 - a. How are the tasks in the sales process divided between you and the sales department?
2. To what extent are you involved in the sales process?
3. What goals and KPIs are you measured on?
4. What are the responsibilities for the sales and customer service departments according to you?

Communication and information sharing

1. How do you ensure that what is promised by the sales executive in the tender stage is actually delivered to the customers?
 - a. How does the sales executive inform you of the terms?
 - b. Do you have any Standards or systems for this?
2. How are the agreed terms communicated between the departments delivering the service?
 - a. Who has access to which documents and systems?

Customer Relationships

1. How would you describe that you are working and managing customer relationships at Maersk Line?
2. How much do you believe that the relationship aspect affects the choice of supplier for the customers?

General

1. Why do you think that the customers choose Maersk Line over your competitors?
2. How do you believe that you create value for the customers?
3. How is Maersk ensuring preservation of knowledge?

Interview guide – Customer service

Client Coordinator

The aim of the interviews is to investigate how the customer service department are working and to clarify the Maersk Line service offer.

The interviewee

2. What is your background at Maersk Line?

The service offer at Maersk Line

3. How would you describe the service that Maersk Line offers the customers?
 - i. Is there a basic offer of services that are included in the shipping service?
 - ii. To what extent are these services standardised?
 - iii. What additional services does Maersk Line offer?
4. Are the same services promoted and sold to the two customer segments; large direct customers and freight forwarding customers?

Customer service and other departments

5. What are the responsibilities of Customer Service?
6. To what extent are you involved in the sales process?
7. To what extent do you have the mandate to solve an issue for the customers?
8. What goals and KPIs are you measured on?
9. What are the responsibilities for the sales and customer service departments according to you?
 - a. Who has the contact with the customer in the different staged of the shipping service?

Communication and information sharing

5. How do you receive information regarding what is promised by the sales executive in the tender stage?
 - a. Do you have any Standards or systems for this?
6. How do you communicate information that you receive from the customers?

Customer Relationships

3. How would you describe that you are working and managing customer relationships at Maersk Line?
4. How much do you believe that the relationship aspect affects the choice of supplier for the customers?

General

4. Why do you think that the customers choose Maersk Line over your competitors?
5. How do you believe that you create value for the customers?
6. How is Maersk ensuring preservation of knowledge?

Appendix 2: External Interview guide

We are planning to commence with some general questions regarding the company, you and your work. Thereafter we will follow the structure of the sea-transport service process in order to trace different customer needs within each phase of the service.

General questions:

1. Could you give a brief introduction to your company?
2. Could you tell us something about you and your responsibilities?
3. How would you describe your needs of sea transport services?
4. How many shipping companies do you purchase sea transportation services from today?
 - a. What is the reason?
5. What type of agreements do you have with your suppliers? (Length etc.)

The selection process

From detected need to first contact

1. How do you proceed when you search for potential suppliers for your sea transport?
2. What criteria do you need in a shipping company?
 - a. What is necessary/basic in order to be included?
 - b. What do you expect out of the first contact?
 - c. How would you like the shipping companies to approach you in this stage?
 - d. What information do you need in this stage?
3. Is there anything that could be improved/added/removed from this stage that would facilitate this contact for you?
4. Is there anything/anyone that stands out positively in this matter?
5. How satisfied are you regarding this stage with Maersk Line?

The tender process

1. How would you describe the different steps in your tender process?
2. What are your criteria do you need for the supplier to fulfil in order to be included in the tender process?
 - a. Order qualifiers / order winners
3. What type of contact with the suppliers do you wish for in this step?
 - a. What form?
 - b. How often?
 - c. Do you feel that it is easy/hard to communicate with the suppliers?
4. What information do you require that the supplier provide in this step?
 - a. What form?
 - b. To what extent?
5. How do you ensure that you and the supplier have the same perception of what should be included and the terms of the service?
 - a. How do you ensure that the supplier understands your needs?
 - b. Do you have the perception of that the suppliers understand your specific needs?
 - i. Does this differ between the suppliers?
 - ii. How do you think this knowledge could be improved? How do you believe that the suppliers should acquire this knowledge?
6. To conclude, during the tender process, what could be improved?
 - a. Are there any aspects that some suppliers do particularly well?
 - b. Is there anything that is missing? Bad? Etc.
7. Further comments?
8. To what extent does Maersk Line correspond to your criteria of a supplier?
 - a. Are they included in the tender process?
 - i. Why? / Why not?
9. How do you communicate with Maersk in this step?
 - a. Contact personnel, Information?

Pre-sea transport stage

Bookings

1. How do you perform bookings today with your different suppliers?
 - a. How does it work?
 - b. How would you like to perform bookings?
2. What kind of contact do you have with the supplier in this stage?
 - a. What kind of contact would you like to have with your suppliers in this stage?
3. Have you experience any issues in this stage?
 - a. What are the most commonly occurring issues?
4. Do you experience that any of your suppliers positively stand out in this stage?
 - a. What makes them stand out?
5. What do you believe should be improved in this stage?
6. What are your opinions regarding the services provided by Maersk Line in this stage?

The stage after bookings but before the actual sea transportation

1. What activities constitute this stage of the service?
2. What services or support do you need? Who are carrying out these?
 - a. Haulage, Equipment, Freetime, Open hours in ports, Port handling, etc.
3. Do you believe that you receive sufficient services within this phase?
 - a. Do you feel that the services are adapted according to your specific needs?
 - b. What is good? What is bad? Missing?
4. Do you experience any issues in this stage?
 - a. What are the most commonly occurring issues?
5. Do you have any thoughts of improvements?
6. What are your opinions regarding the services provided by Maersk Line in this stage?

Sea transport stage

1. What are your general needs within this stage?
2. Do you believe that you receive sufficient services within this phase?
 - a. Do you feel that the services are adapted according to your specific needs?
 - b. What is good? What is bad? Is something missing?
3. Have you experienced any issues in this stage?
 - a. What are the most commonly occurring issues?
4. How would you like to be informed of the issues?
 - a. Information quantities, detail, channel?
 - b. How do you perceive that the suppliers manage this today?
 - i. How does this differ between the different suppliers?
5. How would you like for the suppliers to solve these issues?
6. What are your opinions regarding the services provided by Maersk Line in this stage?

Post Sea Transport stage

Port handling

1. What happens to your goods when it arrives in the destination port?
7. What services or support do you need? Who are carrying out these?
 - a. Haulage, Equipment, Freetime, Open hours in ports, Port handling, etc.
2. How well are the suppliers managing your needs and requirements in this stage?
3. What are your opinions regarding the services provided by Maersk Line in this stage?

Invoice handling

1. In general, how are the invoice handling managed?
 - a. Invoice quality?
 - b. Invoice disputes?
2. How do you believe that the invoice quality can be improved?

3. How would you like for invoice disputes to be handled?
4. What are your opinions regarding the services provided by Maersk Line in this stage?

General, overall questions of the service as a whole

1. What are your perceptions of the sea transportation service that you receive today?
 - a. Satisfied?
 - i. Why?
 - ii. Something special?
 - b. Unsatisfied?
 - i. Why not?
 - ii. Something special?
2. What could be improved in the service?
3. Is there something missing that you believe to be beneficial if the suppliers could provide?
4. Is there something that you are especially satisfied with?
5. Are there sea transportation services/shipping companies on the market that fulfil your needs?
6. Do you believe that the shipping providers live up to your expectations?

Customer Relations

1. How would you describe the relationships between you and the shipping companies that you purchase sea transportation services from?
 - a. Between which positions in the companies? Different stages?
2. In what way would you say that these relationships create value for you?
3. As the relationships are today:
 - a. What do you value the most?
 - b. Is there something that you feel are missing?
 - c. Is there something that you feel is redundant?
 - d. How would you like for the relationships to evolve?
4. What are your opinions of the relationships you have with Maersk Line?
5. What relationship would you like to have with Maersk Line?
 - a. Between which positions?

More about Maersk Line

1. Why do you use Maersk Line as supplier?
 - a. What are their main strengths?
 - b. What are their main weaknesses?
2. Are you satisfied with the service that Maersk Line provides?
 - a. Why? Why not?
 - b. What is good, missing, bad, could be improved?
3. Do you believe that Maersk Line understands your needs?
 - a. To what extent does Maersk Line listen and tries to adapt according to your needs?
 - b. To what extent does Maersk Line try to solve issues that occur?
 - i. How do they do it?
 - ii. How do they inform you?
 - iii. How should you like for them to do this?

Appendix 3: Internal interviews

Interview date	Name	Department	Title
2014-03-10 2014-03-17 2014-03-31 2014-04-09 2014-05-19	Susanne Jacobsson	Sales	Sales Director Maersk Line Scandinavia
2014-03-17	Joakim Palm	Sales	General Manager Sales, Maersk Sweden
2014-03-18	Zandra Wallin	Sales	Sales Executive
2014-03-24	Ulf Åberg	Sales	Sales Executive
2014-03-25	Krister Månsson	Sales	Sales Executive
2014-04-03	Kristine Ahlberg	Saes	Sales Executive
2014-03-18	Fredrik Hagberg	Sales Support	Sales Support Executive
2014-03-25	Josefine Ulfsbäcker	Sales Support	Sales Support Executive
2014-03-24	Mauritz Linnerfält	Customer Service	Client Coordinator
2014-03-24	Sören Lingeblad	Customer Service	Client Coordinator

Table 14: Internal interviews at Maersk Line

Appendix 4: Customer descriptions

Interview date	Customer	Segment	Business	Interviewee position	Shipping volumes / year
2014-04-02	A	DC	Metal Powder	Freight Manager & Freight Coordinator	20 000 TEU
2014-04-03	B	DC	Outdoor power products	Transport Manager	21 000 TEU
2014-04-01	C	DC	Specialty chemicals	Global Transport Manager	15 000 TEU
2014-04-17	D	DC	Home supplies	Supply Chain Inbound Logistics	2 600 TEU
2014-04-04	E	FFW	Freight forwarding	LCL Service Manager	60 000 TEU
2014-04-15	F	FFW	Freight forwarding	Deputy Ocean Director – Nordic	40 000 TEU
2014-04-11	G	FFW	Freight forwarding	Ocean Operations Strategic Accounts Manager Gothenburg	No response
2014-04-10	H	FFW	Freight forwarding	Manager Seafreight Tenders & Trade Support	No response
2014-04-08	I	FFW	Freight forwarding	Trade Lane Manager Europe Outbound Northern Europe	20 000 TEU

Customer A

Customer A was a world leading producer of iron and metal powders with its head quarter in southern Sweden. The company operated in 75 countries and had production in 12 sites worldwide. Their customers were situated all over the world and the main customers were component manufacturers in the automotive, garden and tool industry. Around 40 % of the company's sales took place in Asia, 30 % in America and 30 % in Europe.

The company had outgoing volume for sea transport of approximately 20 000 TEUs per year. Their flow of outgoing goods was stable and they provided yearly forecasts to their sea-transport providers in conjunction with the tender process. This customer had two main transport challenges; all equipment need to have high quality and be completely dry, also delivery precision and transit times are crucial to survive in the competitive industry.

The company had during the past years experienced a volume growth of approximately 6 % per year. Hence their transportation need was increasing. The company currently purchased ocean shipping services from 11 different shipping providers.

Customer B

Customer B was a world leading provider in outdoor power products for forestry, lawn and garden care. The company's head office was located in Sweden, and the production sites in Poland, USA, Brazil, China and Japan. The company mainly sold products to the European market, the Asia and Pacific region and the American market.

The company had outgoing volume for sea transport of approximately 21 000 TEUs per year. Their sea-transport flow was regarded as relatively stable and it mainly constituted processed light goods. The goods flow of this customer was regarded to be relatively stable over the year, even though they were experiencing some seasonal fluctuations. The main challenge when it comes to sea transport was

expressed to be the long transit times. At the current state, the company had to keep local inventories to meet the local competition in terms of lead-times.

The company was currently purchasing ocean shipping services directly from 5-6 different shipping companies as well as through some large freight forwarding companies.

Customer C

Customer C was a global manufacturer of specialty chemicals. The company was world leading in various sectors of the specialty chemicals market and a pioneer in formalin chemistry, plastics and surface materials. The company had its head office in the South of Sweden, local sales offices in all major markets and production plants in Europe, Asia and North America.

The company had outgoing volume for sea transport of approximately 15 000 TEUs per year. The product flow was characterised by small volumes that were widely spread to a large amount of destinations around the globe. The company did not provide detailed forecasts for the transportation flows. The main transport challenge was to meet customers' demand on lead-time. At the present, the company was purchasing shipping services from 15 different shipping providers.

Customer D

Customer D was a part of a leading retail company's on the Swedish market that operated in four areas: food, banking, real estate and non-food. Customer D represented the non-food division and was responsible for providing stores with a large variety of special products such as furniture, cookware, and garden products. Their suppliers were mainly located in central Europe and in the Far East, but there were also some local suppliers in Sweden. Transport within Sweden and from Europe was carried out by road-, train- or intermodal transport while the supply from the Far East was mainly transported by sea.

The company had outgoing volume for sea transport of approximately 2 600 TEUs per year. The product flow was highly seasonal with the main peaks in spring and around Christmas. Moreover, 25 % of the sales was based on campaigns. The customer provided three-month forecasts to their shipping companies every month. At the current state, the company was purchasing sea transport from 3 different shipping companies.

Customer E

Customer E was a part of a global Freight Forwarding company, providing a wide range of logistics solutions in more than 200 countries around the globe. Customer E represented the business unit specialising in global logistic services including supply chain solutions, inventory management, customer clearance and intermodal, air and ocean freight forwarding services. When it comes to sea transportation, the company was offering their customer a broad network of sea transport providers, management of both FCL and LCL volumes and additional value added services such as information management, report portals, e-services and track and trace systems. The company's target was to meet every customer's individual needs by providing these services.

Customer E's Swedish division had outgoing volume for sea transport of approximately 60 000 TEUs per year. The demand for sea transport was relatively stable during the year. The customer was at the current state using 18 sea transport providers, where the majority was global providers.

Customer F

Customer F was a part of a global Freight Forwarding company, providing supply chain solutions including air-, ocean- and road freight forwarding, warehousing, distribution, and specialised services. The customer had a global network and a leading position in emerging markets. Within the sea freight forwarding the company offered solutions for LCL, FCL and oversized cargo as well as a number of value added services.

The main transportation challenge for this customer was that their end customers had highly sophisticated purchasing knowledge and that they were disloyal to their agreements, always searching for lower prices. This behaviour along with low industry margins for freight forwarding had resulted in a constant price pressure.

Customer F's Swedish division handled outgoing volumes for sea transport of approximately 40 000 TEUs per year. The goods flow was relatively stable with some peaks over the year. The company was engaged with most of the shipping companies but particularly concentrated on 5 of these which were referred to as their core carriers.

Customer G

Customer G was a part of an international freight forwarding group and was one of Europe's largest companies within freight management. The company had its head quarter in central Europe but had local offices all over the world. They were global experts in transport and logistics solutions and delivered tailor made solutions adapted to their customers' supply chains. The company's core services were air and sea freight forwarding, for the ocean transport they offered door-to-door solutions for LCL, FCL, refrigerated and oversized cargo.

The company's demand for sea transport was relatively stable during the year, but had some fluctuations during the peaks. This customer did not provide qualitative forecasts; hence the forecasted volume was often not equal to the actual shipping demand.

The company were purchasing ocean transport from approximately 11 different transport providers, out of these 3 were defined as core carriers. These core carriers shipped approximately 80 % of the group's ocean cargo.

Customer H

Customer H was one of the world's leading logistics providers. The company had more than 1000 offices in over 100 countries and their key businesses are sea freight, air freight, logistics solutions and overland transportation. The company was at the current state the industry leader in global sea freight forwarding.

The company's goods flow was relatively stable, with some peaks over the year. Customer H experienced a stable growth within their sea freight business unit.

The company followed a multi carrier concept and purchased sea transport services from 15-20 shipping companies. Out of these they had solid partnerships with a few of them, referred to as core carriers.

Customer I

Customer I was a part of a worldwide freight forwarding group, providing expertise in freight forwarding and globally integrated and tailor made end-to-end logistics solutions. The group was one of the leading providers of such services and operated at 6 continents. The global group experienced a 7,7 % growth of forwarding volume in ocean freight, while the market only grew approximately 3 % during 2013.

The Swedish division had an outgoing volume for sea transport of approximately 20 000 TEUs per year. The goods flow was expressed as relatively stable with some fluctuations over the year during the peaks.

One large transport challenge for this company was that their customers were highly demanding and most of them did not provide high quality forecasts, hence making it difficult for the company to compile forecasts to the shipping companies.

The company was at the current time purchasing ocean transport from approximately 15 carrier companies, where 3 of these were designated as core carriers who were responsible for the main shipping volumes.