

SHORT SEA SHIPPING: AN ANALYSIS OF TURKISH LINER SHIPPING IN TERMS OF POSITIONING STRATEGIES

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Abstract

Short sea shipping plays a vital role in the international movement of goods and passengers within the global shipping market. This role has been increasingly recognized and realized by the researchers. Short sea shipping (SSS) is a concept that covers the sea-leg of an intermodal operation or any other maritime or sea-river operation within or between countries in geographical Europe, the Mediterranean and Black Sea. The aim of this study is to evaluate Turkey's current situation in the short sea shipping sector and to cover an analysis of the Turkish liner shipping companies in terms of service positioning strategies in short sea lines in the Mediterranean market. An empirical study has been conducted in the analysis of the subject. The paper is composed of three main parts: the first part covers literature survey on the short sea liner shipping market. The second part includes the positioning strategies for short sea shipping services of the liner companies both in the world as a general and in the Mediterranean market particularly. The last part of the paper consists of a field study that covers the results of the positioning analysis for these companies.

Keywords: Short sea shipping; Liner; Positioning; Mediterranean; Turkey
Topic Area: A2 Maritime Transport and Ports

1. Introduction

Short sea shipping has a significant role in the international transportation of goods and passengers within the global market. Short sea shipping (SSS) is a concept that covers the sea-leg of an intermodal operation or any other maritime operations within or between countries in geographical Europe, the Mediterranean and Black Sea. It covers regular and non-regular maritime transport of passengers and all types of cargo, such as containers, general cargo and bulk. Because of this, shortsea shipping can be divided in “Liner shipping” and “Tramp shipping”. And also in the world, shortsea shipping includes domestic and international maritime transport, including feeder services, along the coasts, to and from the islands, rivers and lakes.

From the logistical perspective, shortsea shipping can be multimodal; by sea, by road, by rail and by inland waterways. Short sea shipping needs to attract volumes through better logistics organization, service level, frequency, regularity, networking, and one-stop shops for the management and pricing of the whole transport chain from door- to- door as in road transport. Short sea shipping is an alternative to road transport.

Positioning is the act of designing the company's offering and image to occupy a distinctive place in the target market's mind. In other words, positioning is the firm's competitive strategy. Companies target a market and then develop strategies for achieving the sustainable competitive advantages in this target market.

Sustainable competitive advantage is a position in the marketplace that can't be taken away or minimized by competitors in the short term. Companies use positioning strategies

to distinguish their services from competitors and to design communications that convey their desired position to customers and prospects in the chosen market segments.

This study focuses on the regular maritime transportation that is liner shipping. The aim of this study is to evaluate Turkey's current situation in the short sea shipping sector and to cover an analysis of the Turkish liner shipping companies in terms of service positioning strategies in short sea lines in the Mediterranean market. The methodology of the research aims a descriptive study among the whole population of the Turkish liner shipping companies serving in the short sea shipping markets of the Mediterranean region.

2. Literature survey on the short sea shipping

2.1. Definitions of short sea shipping

The shift of freight from road to sea and especially to short sea shipping (SSS) is a special mode of sea transport. Because of its nature, defining SSS is not an easy task and often definition varies from one study to another. (Paixao and Marlow, 2001; 168). In other words, the term “ short” has not an objective meaning and the definition of the short sea shipping is differing from region to region, country to country.

Paixao and Marlow stated that SSS can embrace different ships, from conventional to innovative ones such as fast ships, with a variety of cargo handling techniques (horizontal, vertical or a mixture of both), ports, networks and information systems, which when studied from engineering, economics, logistics, business/ marketing, or regulatory viewpoints increase even further this complexity (Paixao ve Marlow, 2001; 168). Because of the transportation of bulk and unitised cargo, researchers have divided into two groups. One is the tramp and the other is liner short sea shipping. And also when cargo is shipped from door-to-door by short sea, various means of transport are involved. At the very least, a short sea vessel and a truck are used, but rail and inland barge can also be included. Therefore, short sea can be multimodal. (Shortsea Shipping Information Bureau, 2003).

Shortsea is also literary called ‘short sea’, although this notion cannot be understood that the sector only covers short distances. It has a historical background. In former days vessels were subdivided according measurements. Coastal shipping was respected as ‘small merchant services’, which was understandable knowing that only small vessels were deployed for coastal or shortsea operations. Various kinds of shortsea shipping are 1- container, 2- RoRo, 3- general cargo transport and 4- sea-river shipping. (Holland Shortsea Shipping Promotion Center, 2003)

SSS is a special example of a broken logistics transport chain, which requires the employment of interfaces that provide from cargo transfer between modes. (Paixao and Marlow, 2001; 168). It is based on the concept of carrying freight door-to-door, or factory-to-factory, like road transport. This is accomplished by using fast, modern ships, incorporating intermodal transport for collection and delivery. The total transport operation can be arranged by the shipping line itself and/or the ships' agent. The transit time to many destinations is only slightly longer than road transport and the cost is considerably cheaper, up to 25%, to many countries.

Musso and Marchese stated that the definitions involve further ambiguity, since SSS clearly has a broader meaning than cabotage, which seems to have a merely juridical meaning (based on state borders) instead of an economic one (potential competition between sea and land transport. The reason for ambiguity is that different criteria are used for defining it, namely (Musso and Marchese, 2002; 281-282) ;

- Geographical criteria (based on the length of maritime leg)
- Supply criteria (based on type/size of vessels, or on being part of a longer journey)

- Demand or commercial criteria (competition with land transport; distinction between feeder or intra- regional traffic; nature of cargo)
- Juridical criteria (ports belonging to the same state)

The most important and significant criterion of defining SSS is the geographical borders. These definitions differ from country to country, region-to-region and study-to-study. A geographical definition of short sea shipping from European Union is; “*Short sea shipping is coastal shipping in the larger European area, from the Barents Sea and Scandinavia, via the North Sea and Baltic Sea, down to the Mediterranean and the Black Sea*” (Linde, 1993; 107)

Short sea shipping includes European ports and ports situated in non-European countries having a coastline on the enclosed seas bordering Europe. The concept of short sea shipping also extends to maritime transport between the Member States of the Union and Norway and Iceland and other (non- member) States on the Baltic Sea, the Black Sea and the Mediterranean. European Commission, 1999). Figure 1 exhibits the Geographical European short sea shipping. Such a wide area in the Figure 1 offers a potential market for the development of short sea shipping services (Paixao and Marlow, 2001; 169).



Figure 1. European Union Geographical Short Sea Shipping Borders
(Paixao and Marlow, 2001; 168)

According to 1978 STCW Convention of IMO (International Maritime Organization), near coastal voyage means voyages in the vicinity of a Party as defined by that party (IMO, 1996).

Regulations of Seafarers Part 1 include the definition of the *Near Coastal Voyage*:

“The voyage made beyond the Cabotage boundaries, both in the Black Sea and The Mediterranean, the limits of which is designated by a line drawn from Cape Mataban to Cape Krio in the west of Crete and from there to the Southern boundary of the city of Jaffa in Israel” (Turkish Republic Undersecretariat for Maritime Affairs, 2002)

Table 1 includes a literature survey about the definitions and concepts differing from country to country. Common points are the terms “alternative to road transport”, “door to door transportation” and distance between near ports

Table 1. Definitions of Short Sea Shipping

<i>Country</i>	<i>References</i>	<i>Definitions and Concepts</i>
European Union	Short Sea Information Bureau	Short sea transport concentrates on moving cargo between European countries. The destinations from the Netherlands include GOS, the Baltic States, Scandinavia, UK, Ireland, France, the Iberian Peninsula, North Africa and the Mediterranean countries such as Greece and Turkey and the countries around the black sea. Short sea shipping is based on the concept of carrying freight door-to-door, or factory-to-factory, like road transport.
	Koskinen, 2000; 7	Short sea shipping is a real concept in door-to-door transportation. It covers regular and non- regular maritime transport of passengers and all types of cargo, such as containers, general cargo and bulk.
	Blanc, 1996; 2 Abeille, at al., 1999	Short sea shipping is the movement of goods and passengers by maritime way between ports located in the Geographic Europe (Figure 1) and between these ports and the other ports located in a third country whose littoral corresponds to a closed sea that serves as a frontier to Europe. It is a wide sense of "Cabotage".
Norway	Short Sea Information Center	The key benefits of shortsea shipping are: 1- Significantly lower cost of transportation. 2- Reduced environmental damage from exhaust emission. 3- Reduced traffic congestions throughout Europe.
Holland	Short Sea Promotion Center	Shortsea shipping is the modern alternative of road haulage within Europe
Denmark	Short Sea Promotion Center	Motorways of the seas
Turkey	Öndeş, 2003	It's called sea transportation between near ports. The aim is to reduce the traffic congestions by transporting the short distance road transportation cargoes by the RO-RO ships between near ports and with the same time to reduce the noise and air pollution
	Arkas, 2003	There are no definite geographic borders of the short sea shipping only mentioned about regional borders. Short seas are places where the ocean ships don't prefer to go for voyage.
Greece	Psaraftis and Papanikolaou, 1993; 79	Greek coastal shipping involves the movement of passengers and freight within a complex system of mainland-to-island, island-to-island, and mainland-to- mainland connections.
Poland	Sawiczewska, 2001, 77-78	Polish short sea shipping should have been better integrated with the intermodal transport chains including the shipowners, shippers, cargo brokers, forwarders, shipping agents, ports, inland transport operators and inland carriers (railways and river transport)
<i>Italy</i>	Short Sea Information Center Italy	It's the carriage of cargo and transport of passengers by sea between ports situated in geographical Europe. It includes: 1) Domestic maritime transport (both cabotage towards islands and the so-called Motorways of the Sea); 2) Maritime traffic with the member States of the Union, including Iceland and Norway; 3) Maritime traffic between community ports and non-community ports that border the Mediterranean, Black and Baltic; 4) Feeder service to and from the deep-sea, 5) Sea-river shipping
USA	Dibner, 1993; 289-295	American domestic short sea shipping represents both intra- and inter-coastal shipping, as well as shipping among islands in various locations. (Puerto Rico, The U.S. Virgin Islands, Hawaii, Guam). This activity includes some international shipping- within Great Lakes and The Pacific Northwest with Canada.

(References from the literature survey)

2.2. Significant features of short sea liner shipping

Short sea shipping includes following elements (Shortsea Info Center, 2002);

- a) **Intermodal:** When cargo is shipped from door-to-door by short sea, various means of transport are involved. At the very least, a short sea vessel and a truck are used, but rail and inland barge can also be included. Therefore, short sea can be multimodal.
- b) **Intra -European cargo transfer:** Short sea transport concentrates on moving cargo between European countries. The destinations from the Netherlands include GOS, the Baltic States, Scandinavia, UK, Ireland, France, the Iberian Peninsula, North Africa and the Mediterranean countries such as Greece and Turkey and the countries around the black sea
- c) **Door-to-door basis:** Short sea shipping is based on the concept of carrying freight door-to-door, or factory-to-factory, like road transport. This is accomplished by using fast, modern ships, incorporating intermodal transport for collection and delivery. The total transport operation can be arranged by the shipping line itself and/or the ships' agent. The transit time to many destinations is only slightly longer than road transport and the cost is considerably cheaper, up to 25%, to many countries
- d) **Containers/trailers:** The majority of cargo moving in trailers is palletised. The short sea services that are the closest alternative to road transport use 12 m. or 13.60 m. trailers and containers. Standard containers are less suitable for palletised cargo as the inside width is only 2.33 m., but many short sea operators offer so-called palletwide 40ft containers for which the loading capacity is 24 pallets of 1 x 1.20m. Which is 3 pallets more than in a standard 40 ft container. There are even destinations, such as the UK and Finland, where 45ft palletwide containers are available.
- e) **Floating stock:** Short sea transport is especially suitable for larger volumes that have to be shipped regularly over longer distances within Europe. On shorter distances within Continental Europe, road, rail and inland shipping are more suitable. When larger quantities are shipped on short sea vessels, the exporter/importer has a floating stock which can cut his costs by reducing the need for land-based stock.
- f) **Alternative to road transport:** Congestion on European roads is worsening, especially on the main north-south and east-west routes. There are also more and more restrictions for road transport through the Alps. When using short sea shipping, the longest distance goes via water and there are no traffic jams at sea.

2.3. Short sea shipping as an alternative to road transport

There is a combination in the logistics chain in terms of transport modes. As discussed the previous section, short sea shipping is alternative transportation mode to the road transport. Especially container types such as standard, high cube, reefer or open top are a suitable example to both road and sea transportation.

To understand short sea shipping as a transport alternative to road, it is important to acknowledge the three roles performed by short sea shipping. (1) Intra -urban; (2) the regional; and (3) international short sea shipping. The first one can only be applied to a short sea shipping segment if cities are located along coastline or if they are accessible by river or inland waterways. Roles (2) and (3) offer potential for short sea shipping to be integrated within multimodal logistics supply chains on which goods can be shifted from road to sea (Casaca and Marlow, 2003; 1113). A careful analysis must be made of SSS as an alternative to road, with the aim of it becoming integrated in the multimodal/ intermodal transport chains (Paixao and Marlow, 2002; 167). The European Union Project called Marco Polo intends to shift some of the freight from road to short sea shipping, rail and inland waterway services (Lloyds List, 2002).

3. The positioning strategies for short sea shipping services of the liner companies

Competitive positioning is the combination of choice of target market (where the firm will compete) and competitive advantage (how the firm will compete). Positioning is the competition strategy of a firm. (Hooley, et al, 2001; 503) the firm's value positioning is the firm's unique way of delivering value to customers. Positioning is not what is done to product or service, but rather what is done to mind of the prospect. (Kotler, 2000; 298-Kalafatis, et al, 2000;416-417) In other words, positioning is the deliberate, proactive, iterative process of defining, modifying and monitoring consumer perceptions of a marketable object. Positioning elements for the service are (1) pricing, (2) quality, and (3) service delivery (Kalafatis, et al, 2000;416-417).

3.1. Relations between positioning and differentiation

Each firm needs to develop a distinctive positioning for its market offering. And this starts with differentiation of the offers (Kotler 2003).

Differentiation is the act of designing a set of meaningful differences to distinguish the company's offering from competitors' offerings (Kotler, 2000; 287) there are five dimensions a company can differentiate its market offering: product, services, personnel, channel and image (Kotler and Armstrong, 2001; 270) According to Kotler, market offers differentiate with the variables in Table 2.

Table 2. Differentiation Variables (Kotler, 2000; 288)

Types	Contents
Product	Form, features, performance, conformance, durability, reliability, repairability, style, design.
Services	Ordering ease, delivery, installation, customer training, customer consulting, maintenance and repair
Personnel	Competence, courtesy, credibility, reliability, responsiveness, communication
Channel	Coverage, expertise, performance
Image	Symbols, media, atmosphere, events

Investigations on quality show that competence and reliability of personnel, quick response to customer, and expertise and communication of the personnel affects the service quality and perceptions of the customers (Parrasuraman, Berry, and Zeithaml, 1985). Because of this result, quality is a variable of both differentiation and positioning.

A *difference* is worth establishing to the extent that it satisfies the following criteria: (Kotler, 2000; 298):

- *Important*: The difference delivers a highly valued benefit to a sufficient number of buyers.
- *Distinctive*: The difference is delivered in a distinctive way.
- *Superior*: the difference is superior to other ways of obtaining the benefit.
- *Preemptive*: the difference cannot be easily copied by competitors.
- *Affordable*: the buyer can afford to pay for the difference.
- *Profitable*: the company will find it profitable to introduce the difference.

3.2. Definitions and concepts about positioning

Positioning is an important strategic concept which helps organizations to evaluate their actual market position and decide on future desirable positions. Positioning process includes these three activities (Blankson and Kalafatis, 1999a; 55):

1. Defining the dimensions of a particular perceptual space that adequately represents the target audience's perception
2. Measuring objects' location within that space and,
3. Modifying actual characteristics of the perceptions via a communication strategy.

There is a consensus in the literature that although conceptually, practically and strategically positioning is a fundamental element of marketing strategy, like services, there has been no single universally accepted definition of the service positioning concept. This results some various definitions such as position, positioning, brand positioning, market positioning, etc. (Blankson and Kalafatis, 1999b; 108).

Definitions and concept of positioning strategy in the literature have shown in the Table 3.

Table 3. Positioning: Concepts and Definitions

Hooley, et al., 2001; 503	The combination of choice of target market (where the firm will compete) and competitive advantage (how the firm will compete)
Darling, 2001; 210	Competitive positioning, a more sophisticated second step in positioning, involves differentiating the firm's market offering from directly competing market offerings in ways that prospective customers find meaningful and appropriate within their established "mind set"
Javalgi, et al., 1995; 45	Positioning is the process of building and maintaining a distinctive image, relative to other competing brands, in the mind of buying decision maker.
Blankson and Kalafatis, 1999a; 57	Positioning is an important strategic concept which helps organizations to evaluate their actual market position and decide on future desirable positions.
Dinçer, 1998; 71	For a product or a firm, positioning with the technical meaning is to define an image that will stick in customer's mind and that will differentiate the firm
Brooksbank, 1994; 10	Positioning strategy refers to the choice of target market segment which describes the customers a business will seek to serve and the choice of differential advantage which defines how will compete with rivals in the segment.
Kotler, 2000	Positioning is the act of designing the company's offering and image to occupy a distinctive place in the target market's mind.
Tek, 1997; 332	Positioning shows where the customers place current or new entrance products and brands in the market.
Lovelock and Wright, 2002; 219	The concept of service positioning involves establishing a distinctive place in the minds of target customers relative to competing services.

(Prepared from literature survey)

According to definitions and concepts above, positioning is vital to the design of successful competitive strategy. In service businesses that emphasize process rather than just outcome (e.g., hotels, health care) and where product attributes are highly intangible, the positioning task becomes even more daunting, demanding greater creativity and analytical insight (Javalgi, et al, 1995; 45).

3.3. Development process of positioning strategies

The research and analysis that underlie development of an effective positioning strategy are designed to highlight both opportunities and threats to the firm in the competitive marketplace, including the presence of generic competitors (Lovelock, 1996; 172).

Figure 2 identifies the basic steps involved in identifying a suitable market position and developing a strategy to reach it.

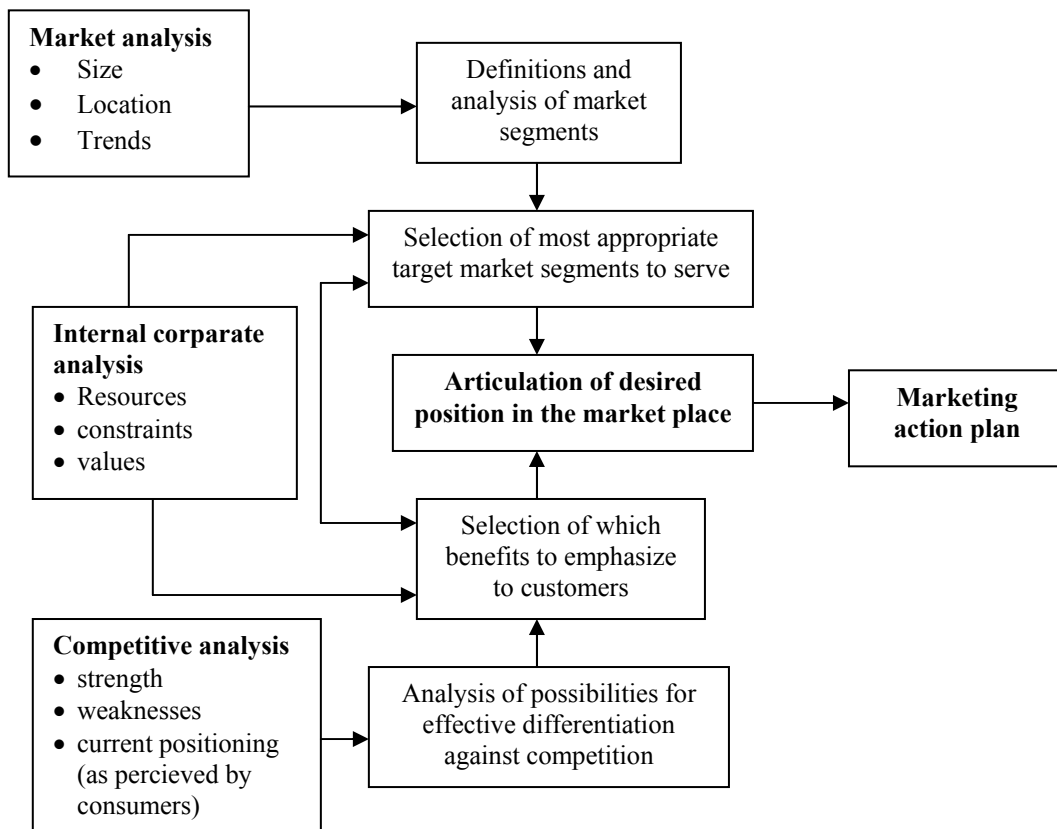


Figure 2. Developing a Marketing Positioning Strategy (Lovelock, 1996; 172)

If the organization or the strategy formulating and developing team fails in any of the steps involving the figure 2, this is likely to lead to one of three common problem. These are 1) *confused positioning*: no real difference between product/services presented, 2) *Over positioning*: misidentified or badly communicated benefits of services/products, 3) *Underpositioning*: no real idea of how the organization differs from the competition (Fifield, 1998; 97-101- Kotler, 2000; 300).

3.4. Positioning for competitive advantages

Creating a competitive advantage presents special challenges for service providers, who are often forced to compete with goods and customers' self-service options in addition to other service providers. Since customers seek to satisfy specific needs, they often evaluate reasonable alternatives that offer broadly similar benefits (Lovelock and Wright, 2002; 227).

When developing a competitive advantage, the essential factors are a- it must always be based on something of value to the customer (e.g. superior service) and not price alone b- it must be "sustainable" (Brooksbank, 1994; 11). Positioning includes these three steps in terms of competitive advantage: 1-) Defining possible competitive advantages of a position desired, 2-) choosing the right competitive advantage, 3-) choosing an integrated positioning strategy (Kotler and Armstrong, 2001; 269).

If the aim of competitive strategy is to reach a sustainable competitive advantage, competitive positioning advantage can be built with cost leadership and differentiation strategy. (Porter, 1985; 11-26).

4. Aims and methodology of the study

Maritime sector is one of the most dynamic and competitive sectors in the world. Turkey is closely following the international developments in this regard. Turkey is also working together with international and regional organizations, namely the IMF, the OECD, the WTO, and the EU, in order to follow the international maritime rules and procedures.

Turkey's approach to maritime transport is consistent with the broad international principles of fostering free circulation of shipping in fair competition and enhancing maritime safety and pollution prevention. (Country Report, 2002; 3) And also because of the Turkey's land bridge position, the companies in the maritime sector have started to giving importance to cabotage and short sea shipping applications.

When shipping industry is considered, participants of the world trade, namely the shippers, are the customers (Cerit, 2002; 563). Short sea liner shipping, as a part of the transportation industry in the international trade, takes place in the competitive shipping area. Shippers as customers are at the center of this area and a key element for defining the effects of the short sea liner shipping. Shippers, exporters, or manufacturers in the international trade have different needs and wants for transportation of their cargo. Because of this reason, short sea liner shipping companies have chosen to differentiate their services to meet their customers' needs and stay in the competitive market. But this way is not enough to reach the customers. It is a must for short sea liner shipping companies to get stuck their customers' mind with their services. As a result, they have dealt with developing positioning strategies.

4.1. Aim of the research

The aim of this study is to put forward how a short sea liner shipping company positions its services and its company. Through this main aim, some sub aims were defined in the contents of the research and the research has been structured in the framework of these sub aims: To analyze the evaluation of the customers in terms of the short sea liner shipping company's

- image and physical facilities
- personnel (behavior, communication, responsiveness)
- services (not only shipping services but also additional logistics services)
- service quality (effects on the positioning strategies)

Research has been carried out with the customers of a holding company that provides short sea liner shipping services in the Eastern and the Western Mediterranean region. This holding company that provides feeder transportation and liner transportation services with its own containers has a Turkish-flagged container fleet and also provides services at specific Aegean and Black Sea ports. In addition, it is serving as the Turkish representative of the biggest container shipping companies in the world. Because of this, the Holding has a big fleet to give liner shipping service all around the world.

This study is based on an exploratory research in terms of the literature survey and the subjects covered, and partially descriptive in terms of the evaluation of the factor analysis. And also it is a perceptual study that evaluates the customers' perceptions about the service, personnel and physical facilities and image of company. In the shipping literature, this study has a special meaning in terms of being first in short sea shipping area in terms of the evaluation and the analysis of the positioning strategies.

In study covering, data collection method is a questionnaire form with three part that includes 1) physical facilities and image, 2) service, 3) personnel. And also variables in

SERVQUAL scale has taken place in the question form. Variables structuring the fundamentals of the research have been shown in Table 4.

4.2. Methodology

Conceptual Model prepared in accordance with the aim, literature survey and concepts and contents of the study have been indicated in Figure 3. In choosing sampling group, convenience sampling and judgmental sampling types of the non – random sampling has been used. 26 customers chosen in this way are the firms that suitable for the contents of the study and reflects the short sea shipping and additional logistics services provided by the related holding company.

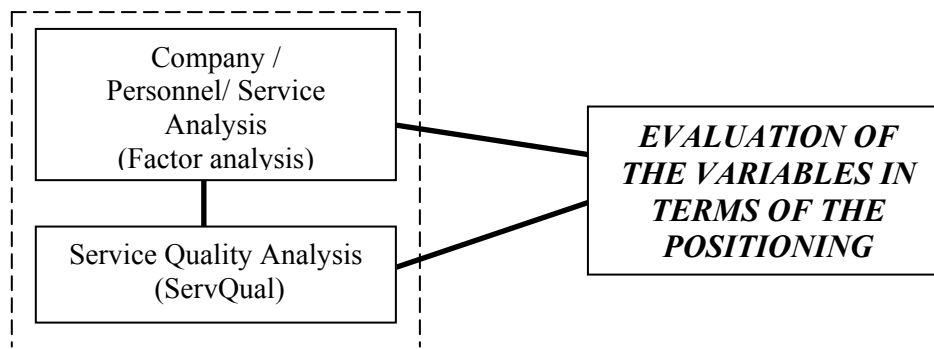


Figure 3. Conceptual Model of the Research

5. The analysis and evaluation of data

5.1. The analysis of the data

In the process of the analysis, first of all, the general profile of the firms and the personnel who responded to the questionnaire has been evaluated. After that, the statements of the physical facilities and image, short sea liner shipping service and additional services delivered and personnel variables have been evaluated in the factor analysis. 22 ServQual variable (Parrasuraman, et al, 1985) that reflects the service quality in the positioning strategy have been added to the factor analysis tables (Table 5,6,7,8). For all these analyses (profile and factor analysis and comments on the positioning) SPSS 11 (Statistical Programme of Social Science) has been used (SPSS,2001).

Table 4. Service Differentiation Variables of Short Sea Liner Shipping

Services	Personnel	Physical Facilities / Image
<ul style="list-style-type: none"> - Carrying out the promised transport service in a reliable and perfect way - Giving port -to -door transportation services - Giving port operation service - Giving cargo tracing services via internet - Giving consolidation and deconsolidation services - Giving warehousing service - Giving consulting service - Giving customs brokerage services - Giving door to door transportation services by using road, air and railway - Offering appropriate payment terms of the services given - Having high freight rates of the transport services given - Offering frequent and continuous voyages - Adhering to the voyage schedule announced before. - Delivering the cargo to destination (port) on time - Delivering the cargo without damage or loss - Cargo security and safety in the whole process of the transport - Cargo safety in the process of port operation - Error- free records and documentation about the cargo 	<ul style="list-style-type: none"> - Telling customers exactly when service will be performed * - Giving prompt service to customers * - Always being willing to help customers* - Never being too busy to respond to customer requests* - Instilling confidence in customers * - Being consistently courteous with customers * - Having knowledge and experience to answer customers' questions * - Quality and well -educated personnel - Giving customers and their carriage individual attention and importance * - giving customers personal attention * - Having customers' best interest at heart (management dept.)* - Understanding the specific needs of customers * - Showing sincere interest in solving the problem of customers* - Being neat in appearance * - Giving importance to the documents sent - Preparing the documents and sending them to related person on time - Giving information in the whole process of transportation - Taking information from customers if necessary - Giving quick response to the wants and complaints of customers - Having good communication skills - Easy contact with the personnel - Communicating with the personnel via internet web page - Preparing the freight offers in detail - Taking and checking the booking notes on time - After taking reservation, giving information about whether the ship is appropriate or not - Issuing defect-free procedures about the cargo - Education level of the seafarers - Seafarers' giving importance to the cargo - Port operation personnel's giving importance to the cargo 	<ul style="list-style-type: none"> - Physical facilities of the company * - Physical facilities of the management departments of the company - Warehouses of the company - Port area of the company - Communication facilities of company - Containers used by the company - Handling equipments of the company - Having modern-looking equipment * - Modern cargo handling equipments - Modern ships - Having operating hours convenient to all customers* - Fulfilling promised working at the promised time* - Performing the service right the first time * - Providing services at the time promised * - Utmost care on error -free records* - Visibility of the directions, signs, warnings, and regulations in the company and its facilities * - Having enough number of professional staff - Providing clear information about the company on the internet web page - Strong domestic and international connection - Having appropriate ships in terms of the "safety at sea" rules - Adopting the "environment friendly" principle. - Being world wide well-known - Institutional Identity - Strong image - Giving importance to the presentation and PR - Having expertise and being reliable in its field/ sector/ industry - Being open to developments and innovation - Customers' feeling safe in their transactions * - Customers' satisfaction and pleasure from working with the company

* Service Quality Variables from The ServQual Scale

5.1.1. Profile of the company and respondents

Most of the firms in study were founded between the years 1991 and 2000. Their activities are mostly production and trading in the marble, metal, agriculture and chemical industry. In terms of the personnel, the number of the top managers is below 10 and the number of personnel in departments is fewer than 50. All the firms have trading activities in many other regions and ports besides the ports of Mediterranean Region. The ages of the respondents from the personnel range between 26 and 35, and they all have bachelor degrees. They have top level responsibilities in their firms with such titles as general manager, foreign trade executive, export manager, marketing manager.

Another part of the study consists of the matrix tables of factor analysis. The average values, standard deviations and factor loadings have been calculated and analyzed to prepare the factor matrix tables. And also the tables include reliability. VARIMAX Rotation has been used in the SPSS Programme to constitute factor groups and, different rotations have been found for each factor group.

5.1.2. The factor analysis of the company variables

Six factor groups including Holding Company's physical facilities and image variables have been shown in Table 5. The first three factor groups founded explain the 66 % of the standard deviation of the variables. The highest factor loadings are in these group titles. "Giving importance to the presentation/ PR; providing clear information about company on the internet web page; containers used by the company; physical facilities of the management departments of the company; having modern-looking equipment; providing services at the time promised". In terms of the frequency of the statements answered in the Likert scale, the most important factors in physical facilities and image variables are "Customers' satisfaction and pleasure from working with the company (5,92), Being open to developments and innovation (5,88), Strong image (5,85), Institutional Identity (5,85)".

5.1.3. The factor analysis of the personnel variables

Six factor groups including Holding Company's personnel variables have been shown in the Table 6. First three factor groups founded explain the 73% of the standard deviation of the variables. The highest factor loadings are in these group titles. "Having customers' best interest at heart, Giving customers and their carriage individual attention and importance, Giving prompt service to customers, issuing defect free procedures about the cargo, Giving importance to the documents sent, Communicating with the personnel via internet web". In terms of the frequency of the statements answered in the Likert scale, the most important factors in personnel variables are "Never being too busy to respond to customer requests (6,04), Being consistently courteous with customers (6,00), Always being willing to help customers (5,96)".

5.1.4. The factor analysis of the service variables

Six factor groups including holding company's service variables has been shown in the Table 7. First three factor groups founded explain the 61% of the standard deviation of the variables. The highest factor loadings are in these group titles. "Following the voyage schedule announced before, Giving door to door transportation services by using road, air and railway, Giving port operation service, Cargo Security and safety in the whole process of the transport, Giving customs brokerage services, Having high freight rates of the transport services given". In terms of the frequency of the statements answered in the Likert scale, the most important factors in service variables are "Carrying out the promised transport service with a reliable and perfect way (5,81), Delivering the cargo without damage or loss (5,73) Giving port -to -door transportation services (5,73)".

Table 5. Factor Analysis: Holding Company's Physical Facilities and Image Factors

Groups of Factors	α	Mean*	SD**	Factor Loadings					
				1	2	3	4	5	6
Holding Company's Physical Facilities and Image Factors	,947								
1: PR and Institutional Identity	,954								
Giving importance to the presentation/ PR		5,83	,937	,896					
Institutional Identity		5,85	1,287	,849					
Customers' feeling safe in their transactions		5,73	1,282	,842					
Being world wide well-known		5,80	1,443	,824					
Customers' satisfaction and pleasure from working with the company		5,92	1,320	,746					
Having expertise and being reliable in its field/ sector/industry		5,81	1,266	,745					
Strong image		5,85	1,347	,718					
Being open to developments and innovation		5,88	1,306	,717					
Having appropriate ships in terms of the "safety at sea" rules		5,73	1,241	,684					
Having enough number of professional staff		5,54	1,363	,567					
2: Physical Facilities and Communication	,863								
Being clear information about company on the internet web page		5,13	1,632		,874				
Strong domestic and international connection		5,52	1,584		,795				
Visibility of the directions, signs, warnings, and regulations in the company and its facilities		5,23	1,152		,634				
Modern cargo handling equipments		5,52	1,122		,585				
3: Physical Facilities and Operating Hours	,864								
Containers used by the company		5,62	1,602			,914			
Having operating hours convenient to all customers		5,19	1,767			,866			
Warehouses of the company		5,42	1,332			,774			
Performing the service right the first time		4,54	1,726			,647			
Handling equipments of the company		5,40	1,225			,528			
4: Management Dept. Facilities and Communication	,892								
Physical facilities of the management departments of the company		5,69	1,320				,949		
Physical facilities of the company		5,81	1,266				,852		
Communication facilities of company		5,69	1,225				,774		
Utmost care on error –free records		5,60	,816				,725		
Port area of the company		5,65	1,263				,604		
5: Modern Equipment, Ships, Environment	,875								
Having modern-looking equipment		5,62	1,299					,873	
Modern ships		5,62	1,299					,669	
Adopting the "environment friendly" principle		5,36	1,136					,584	
6: Reliability and Trust	,893								
Providing services at the time promised		5,00	1,549						,833
Fulfilling promised working at the promised time		4,77	1,773						,786

* 7 Point Likert Scale - 1: Strongly Disagree, 7: Strongly Agree ** SD: Standard Deviation

Table 6. Factor Analysis: Holding Company's Personnel Factors

Groups of Factors	α	Mean*	S.D.**	Factor Loadings					
				1	2	3	4	5	6
Holding Company's Personnel Factors	,966								
1: Quality, Giving Importance to Customer	,929								
Having customers' best interest at heart		5,32	1,547	,824					
Having knowledge and experience to answer customers' questions		5,81	,939	,781					
Showing sincere interest in solving the problem of customers		5,58	1,362	,749					
Telling customers exactly when service will be performed		5,60	1,000	,704					
Quality and well -educated personnel		5,92	,954	,700					
After taking reservation, giving information about whether the ship is appropriate or not		5,50	1,304	,658					
Understanding the specific needs of customers		5,64	,995	,523					
2: Interest of the Personnel	,940								
Giving customers and their carriage individual attention and importance		5,73	1,041	,874					
Giving customers personal attention		5,65	1,056	,801					
Always being willing to help customers		5,96	,774	,682					
Taking and checking the booking notes on time		5,77	,951	,666					
Being consistently courteous with customers		6,00	,800	,558					
Instilling confidence in customers		5,92	,891	,555					
Taking information from customers if necessary		5,85	,834	,533					
3: Accessible Information	,929								
Giving prompt service to customers		5,35	1,231			,901			
Preparing the freight offers in detail		5,50	1,273			,889			
Giving information the whole process of transportation		5,00	1,291			,854			
Easy contact with the personnel		5,46	1,421			,783			
Giving quick response to the wants and complaints of customers		5,08	1,631			,741			
4: Importance to Cargo and Quality of the Seafarers	,934								
Issuing defect -free procedures about the cargo		5,77	,951				,877		
Education level of the seafarers		5,24	1,221				,855		
Seafarers' giving importance to the cargo		5,27	1,162				,829		
Port operation personnel's giving importance to the cargo		5,50	1,068				,610		
5: Giving Importance to Customer and Documentation	,892								
Giving importance to the documents sent		5,92	,796					,835	
Never being too busy to respond to customer requests		6,04	,720					,672	
Preparing the documents and sending them to related person on time		5,92	,845					,637	
Being neat in appearance		5,80	1,005					,614	
6: Communication and Accessibility	,743								
Communicating with the personnel via internet web page		4,95	1,495						,713
Having good communication skills		5,81	,849						,645

* 7 Point Likert Scale - 1: Strongly Disagree, 7: Strongly Agree ** SD: Standard Deviation

Table 7. Factor Analysis: Holding Company's Service Factors

Groups of Factors	α	Mean*	S.D.**	Factor Loadings					
				1	2	3	4	5	6
Holding Company's Service Factors	,832								
1: Time, Information	,707								
Adhering to the voyage schedule announced before		4,04	1,949	,851					
Delivering the cargo to destination port on time		4,88	1,818	,850					
Giving consulting service		4,71	1,648	,562					
Carrying out the promised transport service with a reliable and perfect way		5,81	1,132	,394					
2: Transportation and Payment Terms	,792								
Giving door to door transportation services by using road, air and railway		5,24	1,128		,888				
Offering appropriate payment terms of the services given		5,58	1,027		,772				
Delivering the cargo without damage or loss		5,73	,962		,666				
Offering frequent and continuous voyages		5,54	1,449		,659				
3: Additional Services	,850								
Giving port operation service		5,72	1,061			,836			
Giving port -to -door transportation services		5,73	1,041			,814			
Giving warehousing service		5,05	1,359			,708			
4: Security and Error-Free Process	,860								
Cargo Security and safety in the whole process of the transport		5,69	,970				,889		
Cargo safety in the process of port operation		5,42	1,270				,736		
Error- free records and documentation about the cargo		5,68	,988				,599		
5: Additional Services	,727								
Giving customs brokerage services		4,36	1,255					,864	
Giving consolidation and deconsolidation services		4,67	1,560					,851	
Giving cargo tracing services via internet		4,25	1,984					,733	
6: Freight	-								
Having high freight rates of the transport services given		3,73	2,028						,874

* 7 Point Likert Scale - 1: Strongly Disagree, 7: Strongly Agree ** SD: Standard Deviation

5.1.5. The factor analysis of the service quality (servqual) variables

The most well-documented method of measuring service quality is the SERVQUAL. **ServQual**, is a multiple item scale (questionnaire) used to measure service quality. THE SERVQUAL scale includes five dimensions in the 22 variables: tangibles, reliability, responsiveness, assurance, and empathy (Parrasuraman, et al, 1985).

Six factor groups including Holding Company's service variables has been shown in the Table 8. First three factor groups founded explain the 66% of the standard deviation of the variables. The highest factor loadings are in these group titles. "Showing sincere interest in solving the problem of customers, Doing promised working at the promised time, Being neat- appearing , Having operating hours convenient to all customers, Having modern-looking equipment, Customers' feeling safe in their transactions". In terms of the frequency of the statements answered in the Likert scale, the most important factors in service quality variables are "Never being too busy to respond to customer (6,04), Being consistently courteous with customers (6,00), Instilling confidence in customers (5,92)".

Table 8. Factor Analysis: Holding Company's Service Quality Factors

Groups of Factors	α	Mean*	S.D.**	Factor Loadings					
				1	2	3	4	5	6
Holding Company's Service Quality Factors	,923								
1: Empathy and Responsiveness	,947								
Showing sincere interest in solving the problem of customers		5,58	1,362	,873					
Being consistently courteous with customers		6,00	,800	,864					
Instilling confidence in customers		5,92	,891	,860					
Giving customers and their carriage individual attention and importance		5,73	1,041	,858					
Understanding the specific needs of customers		5,64	,995	,844					
Always being willing to help customers		5,96	,774	,823					
Giving customers personal attention		5,65	1,056	,798					
Having knowledge and experience to answer customers' questions		5,81	,939	,776					
Having customers' best interest at heart		5,32	1,547	,675					
Never being too busy to respond to customer requests		6,04	,720	,667					
Telling customers exactly when service will be performed		5,60	1,000	,566					
2: Reliability	,766								
Fulfilling promised working at the promised time		4,77	1,773		,911				
Providing services at the time promised		5,00	1,549		,869				
Visibility of the directions, signs, warnings, and regulations in the company and its facilities		5,23	1,152		,417				
3: Giving Importance	,804								
Being neat- in appearance		5,80	1,005			,790			
Utmost care on error -free records		5,60	,816			,771			
Physical facilities of the company		5,81	1,266			,766			
4: Error -Free and Quick Service	,732								
Having operating hours convenient to all customers		5,19	1,767				,903		
Performing the service right the first time		4,54	1,726				,803		
Giving prompt service to customers		5,35	1,231				,695		
5: Tangibles	-								
Having modern-looking equipment		5,62	1,299					,853	
6: Assurance	-								
Customers' feeling safe in their transactions		5,73	1,282						,639

* 7 Point Likert Scale - 1: Strongly Disagree, 7: Strongly Agree **SD: Standard Deviation

Reliability analysis in the tables indicated as an alfa value(α). High Alfa values means the high level of reliability of the variables.

5.2. Evaluation of the results

When factor tables are considered, presentation, PR and image seem to be the first important variables in the positioning of the Holding Company customers' mind. Communication is considered more important than physical facilities. Perception levels of the customers about the quality and experienced personnel attract attention. In addition to "on time service" and "door to door transportation", port and warehouse operation services are perceived highly by the customers. Tangible elements in the service quality variables

have lower levels of perception than the other groups like empathy or reliability. Customers give more importance to the intangible and emotional elements, and personnel behaviour. Especially the interest, importance, knowledge, education level and quality of the personnel are considered significant in customers' evaluation.

6. Conclusions

The changes in world trade and transport, their effects on world shipping and ports and the changes in Turkey's external environment e.g. Europe, North Africa, Black Sea and Caspian Countries, Middle East and the Eastern Med. have brought about new opportunities for short sea shipping. Turkey has begun to recover from the economic crisis of the past eighteen months, which is good news for one of the Mediterranean's most successful shortsea shipping services. Intermodality aims better integrating transport in logistics and supply chain management.

In the competitive environment, Turkish shipping companies need to develop strategic marketing planning through the target market in accordance with the positioning in customers' mind. When the evaluation of the customers using short sea liner shipping services is considered, it is an important process to improve positioning strategies and innovate within changeable market conditions for the shipping companies. The study conducted shows that having professional and capable human resources, innovative, developed institutional identity, and giving importance to the promotion and Public Relations (PR) are an inevitable for the customer satisfaction and modern physical facilities are the values that need utmost care. Like all service sectors, short sea shipping sector must give more importance to differentiate the human resource value to reach competitive advantage.

In conclusion, Turkey, being a land-bridge over the vital transport corridors of Europe, Asia and Africa, gets more involved in short sea shipping strategically and international competitiveness in this area will only be achieved through successful positioning strategies.

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