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**INTERNATIONAL B2B MARKETING: ROLE OF FREIGHT
FORWARDING SERVICES IN SUPPLY CHAIN MANAGEMENT**

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APPENDIX – III

Declaration by the Guide

This is to certify that Mr. Md. Imran Ansari, a student of “MBA – LSCM”, SAP ID – 500049627 of UPES has successfully completed this dissertation report on “**International B2B Marketing: Role of Freight Forwarding services in Supply Chain Management**” under my supervision. Further, I certify that the work is based on the investigation made, data collected and analysed by him and it has not been submitted in any other University or Institution for award of any degree. In my opinion it is fully adequate, in scope and utility, as a dissertation towards partial fulfilment for the award of degree of MBA.

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Abstract

Business-to-business (B2B) marketplaces bring together buyers and sellers in different industries using the Internet to conduct or facilitate business transactions. Among these new intermediaries or "infomediaries" are several firms that address spot market transactions and long-term contract negotiations for truckload, airfreight, ocean and intermodal shipments. Most of the initial activity in freight transportation has focused on the **highly** fragmented truckload sector. Currently, none of these firms process enough shipments to constitute critical mass or a self-sustaining business model. Without liquidity, B2B marketplaces that rely solely on an exchange cannot present a viable alternative to existing transportation intermediaries, such as brokers and forwarders, since shippers' orders cannot be frequently matched with carriers' capacity. Channel mix and domain expertise are the critical strategic mobility barriers for B2B marketplaces. Firms must make strategic decisions early about whether to include or exclude existing intermediaries and also how carriers' direct sales forces may be displaced. The service offering must either reinforce or replace the basic functions of intermediaries.

Technology leadership in applications critical to shippers (e.g., shipment consolidation, mode selection and combinatorial bidding) is a proxy for domain expertise and will largely determine a company's ability to differentiate its offerings and form a broad versus narrow line. Shippers will receive the greatest benefit from B2B marketplaces and Internet-based transportation management systems present the best opportunity for value creation.

This research examines indirect channels for freight transportation and the specific functions performed by existing intermediaries. Trading models are categorized and four case studies of truckload marketplaces are presented. Frameworks are provided for channel structure and strategic groupings.

Chapter: 1

Introduction:

Business-to-business (B2B or, in some countries, **BtoB**) is a situation where one business makes a commercial transaction with another. This typically occurs when:

- A business is sourcing materials for their production process for output (e.g. a food manufacturer purchasing salt). Example: Providing raw material to the other company that will produce output.
- A business needs the services of another for operational reasons (e.g. a food manufacturer employing an accounting firm to audit their finances).
- A business re-sells goods and services produced by others (e.g. a retailer buying the end product from the food manufacturer).

The B2B industry has continually expanded and innovated over the past few years, offering newer types of products and services. As we delve deeper into the digital age, we will see that companies in this industry will increasingly leverage technology and the internet for their operations, allowing for more convenient transactions.

Aside from the increase in online transactions, another significant shift in the B2B market is buyer expectations. Similar to the B2C market, the value of what your company has to offer no longer lies solely on the quality of your products and services but on how well you can deliver customer experiences.

B2B marketing has huge impact on the freight forwarding and logistics companies also. With the expansion of B2B a forwarding company can do business globally with network partners with globally accepted terms and conditions.

1.1: Overview

A study of this length and magnitude needs an overview so that the reader can be provided with a sort of road map that makes them aware of exactly what will be involved in the study. The first chapter detailed some of the basic information that will be dealt with in the rest of the study, including the statement of the problem and the reasons behind why the study was conducted. These are all very important issues to discuss, as they set the stage for what will come later.

In Chapter Two, the literature on this subject will be reviewed. The literature review chapter will be very extensive, as there is a lot of literature that has been written about business networks, marketing and relevant issues, and there are many theories that deal with these concerns in some way. These theoretical ideas are very important because they help with an understanding of what the issue and the beliefs surrounding it stemmed from. The literature review will look at companies, but will also deal largely with how companies in general manage risk and marketing and what some of the most important areas of network marketing are. Without an extensive literature review, it would be more difficult to understand some of the ideas behind the study and some of the reasoning behind the data analysis that will be provided.

The most important thing, however, is the idea that the literature review must be complete and thorough in order to ensure a solid understanding of the rest of the chapters.

Chapter Three will deal with the methodology for the study, and will explain exactly what will be studied and how it will be studied so that the analysis in Chapter Four will be clear. Chapter Three will also be somewhat lengthy, as it is important to ensure that the type of analysis being done is clear and that all limitations, validity issues, and other possible considerations are studied and defined. Without this explanation, there could be questions later regarding what was done in the study and whether it was actually valid and reliable in what conclusions were reached and what was suggested for the future.

The data analysis will be included in Chapter Four. This chapter will examine the data that was collected by the method discussed in Chapter Three. The results of the analysis will be shown in Chapter Four so that conclusions and recommendations can be detailed in the following chapter. Chapter Four is possibly the most important chapter in the study because it will provide the solid information that the rest of the study is based on and show whether what was suspected appears to be accurate in the end.

Chapter Five will summarize the entire study and discuss the information that was provided in it. Also in that chapter will be the conclusions that were reached by the researcher and the recommendations that the researcher makes toward future research into the issue. This is also very important, because every study has some limitations that must be dealt with and leaves possibilities for other researchers in the future. These possibilities should be pointed out so that research that is done in the future can take the proper direction and provide the most beneficial information where the issue of network marketing in logistics is concerned.

The study will encompass all of the important components of marketing and business, from the background of it all of the way through to the recommendations for the future of the problem. By allowing for this much information and a thorough analysis of the data the study is able to show all of the concerns that are being dealt with, how important network marketing in logistics really is, and whether more should be done in the study of it to help more companies improve their business and also provide more value to their customers.

1.2: Background

An overview of the development of logistics from the 1960's up to the present shows that the 'whole' to be optimized has changed considerably. In the 1960's and 70's, companies didn't talk about logistics as it is defined today. They took care of physical goods because they had to and they did it with a technical approach related to logistics operations such as transport, warehousing and handling, resulting in very local optimizations. In the beginning of the 1980's, companies tried to optimize goods flows in order to cut logistics costs. They developed a three steps approach including the improvement of outbound (i.e. distribution), internal (i.e. production) and inbound (i.e. supply) flows. It then became obvious that the management dimension of those questions was as important as the technical ones. In the middle of the 80's companies felt the need to optimize 'total' flow, to develop an overall process for managing information and goods flows and to structure an integrated logistics approach (at the company level). Step-by-step, companies understood the strategic power of logistics (Fabbe-Costes and Colin, 2003), but the optimization was then restricted to the borders of the company. While developing integrated logistics, industrial and commercial firms began to outsource logistics operations to gain cost control and flexibility. They gradually left transport, storage, warehousing and order receiving in logistics providers' care. In the 1990's, logistics is seen as a competitive advantage as well as a complex process that cannot be restricted to the border of an individual company. It became obvious that in order to improve the overall logistics service offered to the end customer at minimum cost and with high flexibility, companies should cooperate and coordinate their activities. (e.g. Christopher 1998).

1.3: Purpose of the Study

The purpose of this study is to not only show the seriousness of the problem in question, but to ascend with ideas that will help to show how this problem can be reduced in size and find out about

new strategies in doing business in global market and also better solutions for companies marketing problems. The best way to do this is to first analyse the problem in question to determine just how serious it actually is, and then use that seriousness as a wake-up call for those that have been looking the other way and avoiding dealing with the issue and it is time to change.

There are many companies out there that are concerned about this problem, and they must be located and helped. All studies must have a strong purpose, and this one affects one of the nation's most precious resources – the economy and specifically **logistic and freight forwarding industry**. This desire to identify these businesses that are struggling with network marketing so that they can be assisted is at the heart of the purpose for this study, since identification of these companies is crucial to seeing that they are assisted properly. The study also hopes to show how network marketing has been evaluated and treated throughout history, since it was not always recognized as being as legitimate and important as it is today.

1.4: Research Hypotheses

Due to globalization and changing business environment and strategies from local to global; where mergers and acquisitions, shaping new consortiums and alliances are becoming usual daily events, small and medium size logistic companies faced serious problems and difficulties in A) marketing their services B) offering high standard & broad transportation services and solutions C) stand in a competitive level.

An important part of the rationale behind this study is that there have not been any other studies done specifically like this one. Doing a study like this therefore provides new and unique information, but it can also be difficult, since there is really no precedent for this type of study that the researcher can follow. The potential problems that a study like this could have will be dealt with further in the methodology chapter, since they are important concerns like strategies that small medium size international logistic companies can have to survive and develop their business and opportunities of competing with big market players in global market that must be addressed and discussed.

There are three hypotheses that must be pointed out here as well, so that they can be studied during the data analysis and either validated or invalidated by the conclusion of the study.

They are presented here in bullet form:

Hypothesis One – Managers understand importance of joining networks as a marketing strategy and competitive advantage.

Hypothesis Two – Network marketing affects a significant role in logistic companies' business development.

Hypothesis Three – There is no trade-off between network marketing and Logistic companies' country of origin (COO) in a global logistic network.

These three hypotheses will be tested through the literature information that will be collected in Chapters ahead, the conclusions and summary of the study can show whether these hypotheses are valid or invalid, and whether there are other hypothetical issues that were largely overlooked and should be addressed in the future.

Undoubtedly, there is much more that can be studied where B2B marketing is concerned, but most of it falls, at least broadly, into the three hypotheses listed above. These three hypotheses are deliberately not overly specific, so that as much information can be collected and studied as possible.

Chapter 2: Literature Review

The purpose of this chapter is to present our theoretical framework. Initially I will present objectives with network marketing followed by theories regarding the business development strategy. Furthermore, I will present how the effects of network marketing can be observed. Finally, a conceptual framework of the theories will be presented and will function as a frame of reference in the empirical research.

This chapter will help to show how network marketing is dealt with, how those in the field of logistics & Freight forwarding feel about it, and what kinds of assistance to companies is available for protecting themselves against risks that they take when they sell and market services. A large part of this is the background information that will be needed before the methodology and data analysis chapter begin so that the issue is understood fully. Without it, a true knowledge of network marketing in logistics would not be available, since where it came from and how the discussion of it has evolved through time would not necessarily be information that all readers would have before examining the study at hand.

2.1 Review Area Broad

Under this topic we will try to review the area that are of major concern in logistic industries. But before going to this area it is important to define some important definitions before addressing critical area and main issues.

2.1.1 Definitions

Logistics: Logistics encompasses all of the information and material flows throughout an organization. It includes everything from the movement of a product or from a service that needs to be rendered, through to the management of incoming raw materials, production, the storing of finished goods, its delivery to the customer and after-sales service (Pollitt, 1998).

Logistics Management: That part of Supply Chain Management that plans, implements and controls the efficient, effective forward and reverse flow and storage of goods, services and related

information between the point of origin and the point of consumption in order to meet customers' requirements. (Council of Logistics Management).

Supply Chain: 1) starting with the unprocessed raw materials and ending with the final customer using the finished goods, the supply chain links many companies together. 2) the material and informational interchanges in the logistical process stretching from acquisition of raw materials to delivery of end products to the end user. All vendors, providers and customers are links in the supply chain.

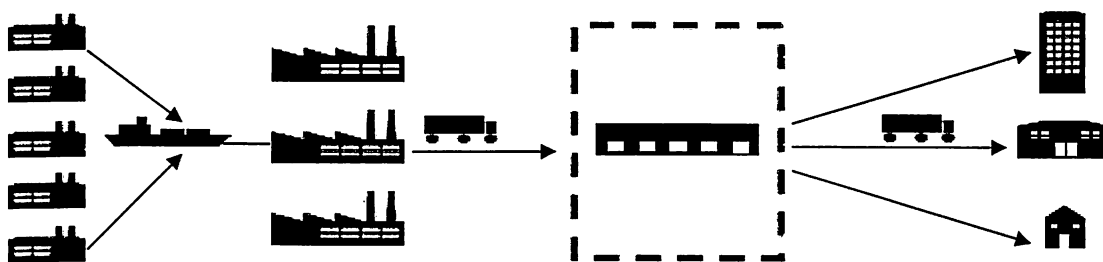


Figure 2.1: Supply Chain map and the role of Logistics **B2B: Business-to-Business.**

2.1.2 B2B marketing

As marketing has evolved in the two markets it has broken up into two main sectors, logically B2B and B2C marketing. Most attention has been paid to B2C

marketing, but in recent years the importance of B2B marketing has also been recognized.

Although, the perception of what the B2B Marketing concept really is varies. One can find many different views by reading a range of literature. Ford et al.

(2002) for example argues that the most important aspect in a B2B world is that of relationships, while Anderson and Narus (2004) argue for the sake of value creation.

Traditionally, marketing has had its focus on the last step in the value chain, i.e. when the private customer buys something. However, before the customer acquires the goods, it has been refined and resold many times. These steps that are taken place before the goods actually reach the end

consumer are called Business Marketing. Business marketing is the task of selecting, developing and managing customer relationships for the advantage of both the supplier and the customer, with regard to their respective skills, resources, strategies, objectives and technologies.

(Ford et al, 2002)

Marketing in a B2C world is one-way communication to a passive buyer whereas in a B2B context the buyer is active and interactions take place. When it comes to pricing the B2B marketer need to prove the difference between their product and the competitor's product to the buyer based on hard facts. Marketers in B2C can often rely solely on the brand, advertising and consumers' emotions and the consumers buying decisions is dominated by the initial purchase price. (Ford et al, 2002)

B2B marketing relies deeply on direct sales and marketers and sales people need to work closely together. A good advertisement can single-handedly create a buyer in B2C, whereas advertisement in B2B has a different role and due to the smaller amount of customers in B2B, word-of-mouth has a greater effect than what it has in B2C. In B2B the brand tends to have a smaller influence on the buyers whereas in B2C, the power of brands can be a tremendous tool for influencing the buyers.

(Ford et al, 2002)

2.1.3 Relationship marketing

According to Grönroos (1996) relationship marketing has not been used as a term before late 1980s. Grönroos further defines in his article "Relationship Marketing: Strategic and tactical implication" that "Relationship marketing is to identify and establish, maintain, and enhance 12 relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met.

This is done by a mutual exchange and fulfilment of promises"

Another relationship marketing definition is made by Gummesson (2002) and according to him relationship marketing is marketing that has its focus on relationships, networks and interactions. The concept of relationship marketing has emerged within the fields of industrial marketing and service marketing (Grönroos, 1997). Grönroos (1996) further states that there are three important strategic issues of the typical relationship marketing approach.

1. Defining the firm as a service business.

2. Managing the firm from a process management perspective.

3. developing partnerships and networks.

Additionally, he explains three typical tactical elements of a relationship marketing strategy;

- seeking direct contacts with customers,
- building a database, and
- developing a customer oriented service system.

Relationship marketing is based on a belief of trusting cooperation with known customers.

The firm has to; in order to pursue a relationship marketing strategy, create a database consisting of customer information so that, for example, sales contacts and advertising campaigns can be made as relationship-oriented as possible. (Grönroos, 1996)

In contrast to transaction marketing, relationship marketing focuses on customer relation over a long term period. Another difference between the two approaches is that relationship marketing has an orientation on product benefits and emphasizes high customer service, customer commitment, and customer contact.

(Christopher et al., 2000). The view of quality is the concern of all. This is further confirmed by Grönroos (1997, p.330) as he says that “In relationship marketing the functional quality dimension grows in importance and often becomes the dominating one”.

Another dissimilarity that Grönroos (1997) discusses is that in transaction marketing it is through the core product that the customers is attach to the supplier, whereas in relationship marketing the firm has created more value for its customers than that provided by the core product alone. These firms develop more and tighter ties with its customers, e.g. through technology, information, and knowledge related ties. In relationship marketing the view of price differs from transaction marketing.

Price is not unimportant but “relationship marketing makes customers less price sensitive” (Grönroos, 1997, p.330).

According to Coviello et al. (1997) relational marketing can be divided into three different types of marketing, which will be described and connected to different marketing tools bellow;

2.1.4 Database marketing

Database marketing is used both in B2B and B2C markets. It uses the information that different databases provide in order to employ direct marketing to communicate with customers.

2.1.5 Direct marketing

Direct marketing is the preferred marketing tool in database marketing. It is direct communication with specific targeted individual customers through telephone, mail, fax, e-mail, and internet, with the purpose to create lasting customer relationships.

2.1.6 Interaction marketing

Interaction marketing is mainly used in B2B markets, and defined as face-to-face interaction within relationships (Coviello et al, 1997).

2.1.7 Network marketing

Network marketing is mainly used in B2B markets, and personal selling including trade fairs and sale presentations are the preferred marketing tools in this type of marketing. It develops relationships between firms and coordinate activities among several parties for common benefit, resource exchange, market access and trust. (Coviello et al, 2002) It focuses on multiple network relationships between firms and has a significant interest in the “connectedness” of these relationships. The coordination of the network is through interaction between firms within the network, and relationships are established between firms.

(Coviello et al, 1997) A network can be defined as a set of different connected relationships between firms. The relationships are established through interaction marketing, but focus more on the network as a whole rather than on one specific interaction and relationship.

According to Coviello et al (1997) are creation, utilization and maintenance important parts of the network. Grönroos (1997) states that the different interactions and exchanges within the network have impact on the firms' position in the network.

Each firm in a network has both direct and indirect relationships with customers and suppliers, which can be both formal and informal. These relationships are part of a larger network and can be both interpersonal and impersonal, which mean both close and distant. The level of power, dependence, and communication differs between different relationships. The networks are

constructed through social relationships overtime, and has therefore a strategic orientation. (Coviello and Brodie, 2001)

Network marketing focuses on multiple network relationships between firms, and has a significant interest in the “connectedness” of these relationships (Coviello et al,1997).

Logistic Network conferences are an example of a network marketing tool that is often used.

Logistic Network conferences and exhibitions are a place for the Logistic companies sales force to perform personal presentation in order to market and sell their services, and where potential partners can attend.

According to the case “WCA” World Cargo Alliance Family of Logistic Networks which will be addressed in this research some different opinions regarding logistic Network meetings were received from the output of questionnaires; Some of the companies attended logistic network conferences frequently in order to establish business contacts and market their services, while others only saw these meetings as a way to gain inspiration. Some of the companies strengthen their relationships with business partners and some find new solutions for their problems, finally some hardly attend any global meeting at all. Some firms refrained from attending global networks, they have always been loyal to their interior supplier and often travelled to cities around their local market to become inspired or find new ideas. Thus, they think that they have no need for the benefits of global networks and have no intention of switching. On the other side there is a correlation between firms, who saw global logistic networks as a valuable source of inspiration or ideas. Firms who saw global networks as a way to establish contacts found it as a beneficial and straightforward way to meet many different interesting suppliers during a day. I believe that network marketing is an efficient marketing tool as a means to meet new business partners, as a global logistic network focus on different potential markets and therefore gather many potential customers at the same place. Additionally, global logistic networks are beneficial as they show a firm’s abilities, potential and local market coverage and communicate its marketing message. Conversely, since many companies attend logistic network meetings with the reason to gain information, such participation may not be as efficient as many companies imagine. It is therefore important afterwards to evaluate how much the logistic company gained from his participation.

2.1.8 Network Marketing as part of International marketing strategies

In preceding decades international business was the preserve of large commodity traders and a few pioneering marketing companies. That has changed dramatically. Now companies in most industries are concerned with developments in international markets: banks; communications and transport; manufacturing; and retailing. Small and large companies are affected, as are companies in traditional and high technology industries and most services. There are very few businesses that are not affected by trends in international markets. More open and integrated international markets, as well as the increased globalization of communications technology, have created opportunities and competitive challenges for the firm seeking profitable growth. To succeed in such an environment managers must be flexible and able to develop and implement dynamic international marketing strategies. It is necessary for these managers to acquire a detailed knowledge of international markets to be able to develop successful international marketing strategies. The firm in international markets develops its marketing strategies and implements them in the context of a complex and changing environment. In doing so it must also respond to the needs and demands of its customers while coping with competition. Of special interest, therefore, is the role of the firm in mediating the international environment through corporate marketing strategies. (Frank Bradley, 2004)

2.1.9 Business Network & Network in Logistics:

“**Network**” is usually defined by a set of connected actors, (Cooper et al 1997, p.6). Further, a network defined in logistics terms would usually be a vertical and hierarchical one, and always defined from a focal actor’s perspective.

It could be claimed that a supply chain or a **logistics network** is basically a set of more or less closely connected resources. (M.Jahre, N.Fabbe Costes IMP2003) A network consists of companies and the relationships between them. A network is not restricted to the set of companies with which a single company deals, or even to the companies that they deal with. Nor is a network simply the set of companies with which a company has formal or informal agreements about some cooperation. Any view of a network centered on a single company, or defined by the company itself is inevitably restricted and biased and gives an incomplete view of the world surrounding that company. A company-centered view of the network provides an inadequate basis for understanding the dynamics within that world or for helping the company to understand the pressures that are or may affect the company or the opportunities open to it. Despite this, the view of a network that is limited to the set of other companies that the single company knows of, thinks of or deals with is common in the managerial literature.

Such a view is often associated with the illusion that the company then controls that network or more simply that it is their own network.

The network surrounding a company is difficult to define and delimit. It has no objective boundaries and its contents will be affected by both the purpose of the analysis and the starting point for that analysis. For example, if we were concerned with issues of the location of technologies in different companies and the processes of technological development and exploitation, then the network we examined would have to include a wide range of companies in different industries, serving different applications of particular technologies. Our “focal” company would probably have no contact with many of these or even knowledge of them. If we were concerned with issues of logistics, then the network we examined may be much more circumscribed to those companies involved in using or providing logistical services, perhaps of particular type. But even here, we would have to include companies with no direct relationship with those that our company dealt with, particularly if their role in logistics was different or innovative and if the companies or their methods could affect our focal company. Even if we are concerned with a narrowly defined issue such as component or service supply we would need to extend our view of the network from that of a single company to that of other principle companies and their relationships. This issue can be seen very clearly when we consider companies on the

“boundary” of a network. Such boundaries are essentially artificial, so that if we looked at the network from the perspective of a company on that boundary, we would see that it would be well within a different network with different boundaries and so on. (David Ford, Lars-Erik Gadde, Hakan Hakansson, Ivan Snehota 2001,2002)

2.1.10 Objectives with networking

A) Objectives for WCA Family of logistic networks (the case under study)

WCA is dedicated to ensuring that all network member-offices provide the very highest quality freight transportation service in the industry. To assist members to perform with excellence, WCA arms their offices with the latest technology, online freight tracking and tracing, web-based documentation capabilities, and a full spectrum of electronic aids to make sure cargo is handled efficiently, with built-in potential to expand & upgrade in an ever-changing freight world.

With the new millennium a turning point can be observed. Although the glolocal strategy is still functioning, the logistic network moves towards a global strategy, and the objective of the core organizations like WCA within the net is to become a neutral GLSPs.(Global logistic service

providers) The strategy points to offer complex global logistics services by independent network members, to interconnect the world markets via an integrated logistic alliance and, finally, the scheme aims to integrate the small medium size logistic firms capabilities in marketing and service providing and to facilitate their access to different markets around the globe supported with all kind of logistics services by a common platform.

WCA as neutral organization is not practically involved in any kind logistic activities; in fact WCA is in charge of managing a global logistic network shaped by small and medium size logistics and freight forwarding companies.

WCA receives its revenue from member's annual membership fees, advertisings and many other activities such as annual conferences, promotional items and etc.

B) Objectives for Int'l logistic companies

The small and medium-sized LSPs can shape their own horizontal networks with other enterprises without entering subcontracting arrangements with large corporations. This model is known as multi-directional network, created with the aim to help firms to find market niches and co-operative ventures, and facilitate the competitiveness of the SMEs in the international arena. Globalization has meant that the use of the network has increased over and above the expected levels, and the network appears to be the most suitable organizational arrangement to cope with the current global economy (Zeffane, 1995). The networking organizations has become an integral part of globalization. Corporations and firms taking a network approach have the advantage and the opportunities for growth; the network organization encourages them to find new markets, new segments and niches across national and regional boundaries, and let the firms react quickly to business changes at a low cost. The network constitutes a different mode of organizing economic activities. As Yip has pointed out in an interview (Lloyd, 1996), one of the critical success factors for firms' survival in the new economy is the capacity to create a global network.

Before testing managers perception in chapter four it is useful to first understand managers' roles in their respective companies from different aspects i.e understanding new requirements in marketing, IT and new technologies and their ability to adapt new strategies in order to survive and develop business in new millennium.

2.1.11 Managers' Roles

Business development involves evaluating a business and then realizing its full potential, using such tools as marketing, sales, information management and customer service. For a sound company able to withstand competitors, business development never stops but is an ongoing process. Many of the new strategies that are created and implemented today are often promoted by the suppliers and are only through channels that actually reach fellow technologists such as managers that specifically deal with management information systems (Connolly, 2004). The role of the leader should be much more than what it is in many companies and therefore it is important to look here at the problems that leaders face when it comes to marketing. Most of these problems come about from what was mentioned above – individuals that are too technology-minded and do not take the time to explain things to leaders and others that might not understand some of the technical terminology, but would certainly understand what is needed and what they should have. This is important because so much of what is done in business today, including network marketing, involves the use of technology. If they do not understand the technology that they work with, they cannot properly adjust this new technology to protect themselves and to manage risk and other areas of their business.

A system can then be designed around that, but many individuals that work with and understand technology do not look at this type of issue.

If an organization is fortunate enough to have a manager that actually understands the challenges and problems that many of the SME's are facing then this manager should be able to translate the technicalities, generalities of the specific piece of new technology so that the SME's can recognize how it will help them solve the problems that they have (Connolly, 2004). This is one of the important roles that a leader plays. Unfortunately, leaders are not always able to do this.

When this is done the end users/SME's can work with the manager to indicate whether this technology is actually significant to them in whether it will do the job that it is designed to do for what they need (Connolly, 2004). Unfortunately, research findings strongly suggest that this type of manager is few and far between and therefore many organizations in the public sector do not get the technology that they need or are not aware of how to use it if they do receive it (Connolly, 2004).

Now that leadership in general has been addressed, it becomes necessary to examine transformational leadership. Transformational leadership involves converting the knowledge that one has into a competitive advantage for the marketplace (Bryant, 2003). This is extremely

important for many different types of companies that want to get an edge up on their competitors and do more for their customers and employees as well, and this includes protecting them from risk and helping them market their products and services effectively (Bryant, 2003). It is significant to discuss this issue because there are many different ways to go about this and there are differing opinions as to whether this type of utilization of information and knowledge is actually appropriate for business.

Because leaders play such a strong role in dealing with the information that is collected at a particular company they must be aware of the way that this information is being handled and treated (Bryant, 2003). If they are not aware of this than there are many aspects of their leadership that they are missing out on and this could cause problems for them or for the company at a later date (Bryant, 2003).

When it comes to information technology and the use of it for network marketing, having a recovery strategy, a backup strategy, and a communications strategy that are strong and proven are seen to be some of the most important issues for all in business (MacSweeney, 2003).

The Internet has also become extremely important because people all over the world can work with each other through a computer and this avoids many of the long distance phone calls, business trips, and other issues that would normally have to be dealt with when dealing with a client or customer overseas (Connolly, 2004). Much of the use of computers within the public sector and the government is growing very strongly (Connolly, 2004). One of the areas that this has greatly helped and increased is the area of network marketing. Companies can now easily contact to each other and share needful information throughout the world covering different countries through the use of the Internet and its abilities.

In order to let network members have quick access to other companies' information, abilities, resources and possibilities and also share marketing information, one trend is in Web design and web services. This is becoming increasingly important as more and more companies are offering variety of services online and need to make their presence felt on the Internet so that they can increase their profit margins. This is an area of information technology that not everyone is comfortable with, and only certain people have the training to create a Web presence.

For Web design and management to be effective, it must be done properly and with care by those that understand what they are doing. Web design is extremely important when it comes to the expansion of this knowledge base, and when done properly it will help Internet communications a

great deal by working to reduce the noise and interference that is faced by many of them (Taylor, 1999). Managing the Web design or Web site is also very important because of the fact that so many people access the Web every day for learning about various things and these people want to be able to find answers to their questions (Rhodes, 1999).

What will happen to the future of companies where leadership, marketing, and technology are concerned remains to be seen? It seems safe to indicate that most of what will occur will continue to involve information technology on a larger scale.

Much of the information that has already been indicated throughout this review of the literature has shown that information technology is playing a very large part in all different types of industries and in all areas of those industries.

However, there is precious little information regarding what will actually happen in the future when it comes to information technology and companies when it comes to marketing. Unfortunately, there is little literature that deals with this type of issue and therefore nothing really to examine here.

From the researcher's perspective, however, it appears likely that information technology will continue to play a stronger and stronger role in industries and those leaders in these industries will continue to spend more time and effort to ensure that information technology is utilized to the fullest extent.

Another area of business that must be looked at for marketing, however, is the area of anticipatory logistics. As to whether anticipatory logistics can work in the corporate world, the answer would seem to be 'yes.' However, it is not enough to make this claim; it must be backed up by reasons and information. Anticipatory logistics are used to predict what a customer is going to need and help to prioritize these needs so that a certain level of product or other needed item can be maintained (Lenzini, 2002). By doing this, whatever the customer needs will always be available and therefore there will not be any need for rush ordering, any scrambling to find supplies, or any problems from not having things on hand in an emergency. Many different companies and industries are experimenting with the idea of anticipatory logistics. The Army has also become involved with this idea in order to more effectively manage their supply chains when it comes to ammunition, maintenance, and some of their petroleum and oil needs (Lenzini, 2002).

To understand more about anticipatory logistics, it is important to understand supply chain management. The supply chain involves how things get from the manufacturer to the end user, but it also involves how the raw materials that are needed in manufacturing get to the manufacturer

(Lenzini, 2002). When looked at this way, whoever creates or collects the raw materials is the manufacturer, and the manufacturing company that makes goods from them is the end user of that particular supply chain (Cast, 2002). What is important, however, is how that supply chain is managed. If it is not managed correctly, there are delays in the production process or there are too many shipments of materials and not enough places to store them (Lenzini, 2002).

Both of these things can be disastrous for any kind of business, because these businesses rely on the idea that they have what is called just-in-time inventory. This greatly reduces their storage costs while at the same time ensuring that they always have what they need on hand to continue their work (Cast, 2002). Both money and time are saved by doing things this way, and therefore there is little to be worried about where the supply of goods is concerned. Managing this supply chain, however, is not always easy, as even small problems can greatly disrupt many different businesses and cost them money and time.

It is important at this point to talk about innovation as changing marketing strategies are sometimes based on management innovations.

Innovation involves Organizations using the competencies and resources that they have available to develop either a new or improved good and service or to develop new operating and production systems so that they are better able to respond to the needs that their customers have (Jones, pg. 403). Innovation is something that most Organizations should encourage as it often helps to provide a competitive advantage in that the Organization often can develop a new product or service, or a way of doing their business that is on the cutting edge of technology or customer service. Often, however, this is very dependent on what type of structure a particular Organization has. If the organization is too bureaucratic than innovation may be quelled before it has a chance to really get started. What type of structure the Organization has for its operations and how well its culture fits will also help to determine the failure or success of a particular Organization (Clark, 1998).

Managers within the company that have an ability to determine what various concept of innovation needs must be met and to create value from the resources that the Company has at its disposal will quickly gain a competitive advantage over other companies (Jones, pg.13; Robbins & Barnwell, pg.121). A competitive advantage can be gained by helping to determine an effective strategy that will differentiate one particular Organization in the marketplace and therefore remind individuals of its existence. This reminder will help it to gain a competitive advantage over other Organizations that may not have the same type of name recognition. According to Robbins and Barnwell (pg. 340) change and innovation are strongly tied together.

Change, naturally, means anything that is different, and innovation deals with the adoption of anything relatively new. All innovative ideas and innovations therefore represent the, but not all changes represent innovation. In order to have an innovative change, something must break new ground for the Organization. Often, however, when this is done it is seen as somewhat of a threat and therefore the members of the Organization are much more likely to resist it (Senge, pg. 115).

There are two various forms that innovation can take on, and these are administrative or technological (Clark, 1998). Administrative innovation is rather self-explanatory, and deals mostly with implementing changes in the structure or the Organization or the processes that it utilizes to carry out its administrative functions.

This includes various different Organizational designs, flex time work schedules, and other issues. Technological innovation deals with using new techniques, systems, devices, or tools to change either the products or services that the Organization provides or the way in which those products or services are rendered (Clark, 1998).

When it comes to Organizational design and structure, it is important that a company realize that its various employees have different talents and abilities. By looking at these various talents and by dealing with cultural values which help to encourage individuals to work together, the diversity of the workforce can be showcased and utilized the best way possible. There are very important implications when it comes to Organizational culture when looking at the gender, race, and ethnicity of various people within the Organization (Senge, 85).

Keeping individuals motivated and ensuring that they are dealing with things efficiently is also a major issue when it comes to Organizational theory and structure.

Quite often, the ethical and moral values that the employees hold have much to do with how efficient they are and how motivated they are to continue working. It is easy to use recognition and rewards as a motivator but it is also easy to get greedy in this respect. A strong example of this greed is the Enron scandal. Eventually, Enron went bankrupt and many of its officers and company managers were sued based on corruption and fraud (Bolman & Deal, pg. 394). On the other hand, there are many companies who look at the creation of a competitive internal environment and how this can help the Organization externally.

A prime example of this issue is Southwest Airlines (Bolman & Deal, pg. 398). While competitors were going bankrupt, Southwest Airlines was increasing its profit share, and it did this by

empowering the employees that it had and valuing them so strongly that they felt they were able to make decisions and do things on their own.

This helped these individuals to have a much stronger belief in the Company and therefore they worked harder and longer at what they were doing, and made sure that they did things right (Bolman & Deal, pg. 298). Ethics is very important, therefore, in the culture and structure of the Company and how this motivates its employees (Jones, pg. 53). Part of that culture is the rules, norms, and values that an Organization holds, and the rules, norms, and values that are held by each individual within that Organization. Because of this, it can be seen that culture plays a very strong and important role in the outcome that an Organization has and whether it is successful.

Many Organizational cultures resist change because change is often seen as a threat to the security, status, social affiliations, or economic well-being of various employees (Robbins & Barnwell, pg. 341). Organizations, in general, must adapt to an environment that is ever-changing and must be constantly in search of new and innovative ways in which they can conduct their business. This can be done through an approach that ensures to the staff that they have continued to be motivated while also looking to the future where staffing and products are concerned.

Having a diverse workforce is one of the ways that an Organization can achieve its goals most easily. These individuals create their own language of a sort and therefore they communicate internally very well and work as a team. By doing this, individuals feel as though they belong and this is one of the best motivators that the company can have. Feeling as though one belongs somewhere and is highly valued is a strong motivator, and most employees work very well when this kind of motivation is utilized.

2.1.12. Globalization Strategies

One of the main reasons to create logistic networks either locally and as part of a holding shaped by a few big market leaders with a focal player or a global network including members from all over the world covering different markets with a neutral focal organization was globalization and internationalization.

The world moves from the industrial economy to the networked and digital economy. In this new century, with the advance of information technology and the further expansion of internationalization and globalization, it is possible to see the coming out of a new economic environment. The economic world has shifted from being a cluster of national economies to a global and more interdependent marketplace, based on line import, export and distribution of products,

services and information around the world. This century witnesses the emergence of new global business models based on electronic commerce; this is the era of full and entire globalization and networking of economic activities. Business and markets are no longer confined to geographical borders, but they are linked in a complex worldwide network. All of these changes have influenced the way in which firms organize and operate; new organizational models have emerged to cope with the new business environment. The restructuring of companies is part of a worldwide process of change involving new patterns of production, distribution, communications, technologies, competition and co-operation.

Following the economic environment, internationalization strategies have been changing. Traditionally firms have mainly used two different types of strategies for being international or global: the multi-domestic or multinational and the global. In the multi-domestic strategy firms compete on a domestic level adapting products and policies to different local markets. Within this strategy companies invest abroad from their national platform (Castells, 2000) their affairs within the “walls” of different countries and produce for local markets.

The firms can be characterized as a decentralized network with relatively autonomous subsidiaries attending local markets (Harzing, 2002) i.e the companies operate autonomously in the market and in the country in which they are situated (Globalisation Studies Home Page, n.d; Svensson, 2001)

Within the global strategy firms source, produce, sell and access knowledge around the world. Products are “tailored” for the world market. The companies seek for economies of scope and scale, and operate “as if the entire world, or major regions of it, were a single entity”, they “sell the same things in the same way everywhere” (Svensson, 2001, p. 7); this means that such firms emphasize the standardization and homogenization of their activities across the markets all over the world.

According to Harzing (2002), the organizational modes chosen by manufacturing firms to enter international markets depend on the international strategy of the firm. The author stressed that acquisition is more likely for multi-domestic companies, while greenfields are more likely for global firms a third strategy is gaining force. This is the glolocal (Svensson, 2001) strategy. It is based on a balance between standardization and adaptation, and between homogenization and tailoring of business activities in the local markets. In this way the glolocal strategy combines local, multinational and global approaches.

Glolocalisation seems to be a good fertilizer to the new organizational routes to reach world markets, which are based on cross-border networks of companies attending multiple domestic, regional, and global markets.

2.1.13. The Network Organization of logistic Companies

The internationalization and globalization of service firms has been encouraged by the economies of scale and scope, by the internationalization and globalization of the competitors and by “customer following” i.e. the internationalization of manufacturing firms, which “may demand that the service supplier provides a global network and/or global experience” (Arvidsson”, 1997 p.74).

In the case of transport and LSPs, other factors have also played an important role in the internationalization and globalization process of the firms. The deregulation of the European transport market, the privatization of transport chains, and the technological improvements in the transport and communication systems have encouraged such development.

The use among manufacturing firms of concepts such as outsourcing, just-in-time, the reducing cycle/lead-time, and new global view on storage and distribution within manufacturing firms have also been responsible for the increasing internationalization, globalization and networking organization of transport and logistics firms. Manufacturers have realized that the delivery system is an integral part of the product strategy. Within this context logistics “is being increasingly viewed as a driver of differentiation” (Schmitz Whipple and Gentry, 2000, p. 316) at the same time, manufacturers want to enhance their core competencies. Co-operative network arrangements of a vertical type between manufacturers and suppliers of transport and logistics services give the opportunity to achieve this goal. In the new global economy, manufacturing firms consider the LSPs as partners, the industry wants to work with a few “global” freight and forwarding firms, and delegate responsibility of transport management to a third party. In response to the new strategies and demands from the industrial world, the organization of firms in the transport sector has been changing, and they are becoming more networked (Ludygisen 2000). Today it is possible to see the concentration of transport firms through mergers, strategic alliances, joint ventures, acquisitions and partnerships. The new structure in the transport sector involves three types of firms: total suppliers or mega carriers, niche firms and sub-suppliers. The total suppliers cope with many different customers by operating European and global chains, and are able to handle many different types of goods. The niche firms are narrower, as they focus on special markets and/or certain types of goods. Besides the niche firms have a more limited customer segment. The sub-suppliers are firms with particular logistics competencies. They are, for example, haulers, who have specialized in handling special goods in specially selected markets. These firms can have a position as sub-contractors to total suppliers and niche firms (Dagnaes and Meyer, 1998).The total suppliers operating in the global transport market, in co-operation with other mega carriers in other geographical markets, develop large integrated networks and establish complex supply chains with large and integrated

hub-and-spoke systems. The objective is partly to secure competitive advantages compared to other global firms and partly to secure a very efficient global transport chain, where the goods flow is currently optimized (Dagnaes 1999).

Niche firms establish network relationships with total suppliers and/or other small or medium-sized transport firms to secure a very efficient transport chain within a market niche. Sub-contractors can enter alliances with total suppliers, niche firms and other sub-suppliers. Global and niche firms gain access to regional and local markets and, at the same time, the sub-contractors can develop core competencies in a number of logistics areas which they would hardly have resources to develop themselves. In the next section an example of globalization, internationalization, and network organization within freight transport and logistics providers is given.

It is within this framework of network organization, that the strategies and the organizational models –, e.g. acquisitions, mergers and alliances – used by freight-forwarding and LSPs in order to reach the goal of being international or global, is analyzed. For example, the network picture of E. ON, Stinnes, Schenker, BTL and other European and non-European firms are shown in next page in order to illustrate the organization model of companies, and their extension in the world market.

We further discuss about our case WCA “World Cargo Alliance” and will show WCA network picture as a complete picture of a successful global logistic network accordingly.

It can be helpful to review some problems and benefits of being member of a logistic network before starting study on our case “WCA”.

Benefits for Logistic network members;

- Access to better transportation solutions
- Cost savings and improved services
- Having access to more professional and better equipped logistics services
- Development of necessary technological expertise and computerized systems which is beyond the scope of many companies.
- More flexible logistic processes
- Simplification of administrative processes

- Access to readymade logistics
- Available logistic services when entering new markets
- The flow of information between Companies and possibility of exchanging sales leads
- Possibility of being in a competitive level in global market.

Some Problems and Difficulties in logistic networks

- Difficulties encountered in teaching third-party personnel
- Cultural differences between companies in a network
- The need to integrate computer and information systems
- Shipper perceived to have inadequate capacity to maintain the service level agreed upon
- The division of responsibilities among the parties is insufficient to provide appropriate condition for cooperation.
- The sharing of business information which appeared to be insufficient to provide appropriate conditions for co-operation, (lack of trust among Cos.).

2.12. NETWORK PICTURES

Network Pictures refer to the views of the network held by participants in that network. there is no single, objective network and different companies and the individuals within them will each have a different picture of the extent, content and characteristics of the network. This picture forms the basis for their analysis and actions. Their network picture will depend on their own experience, relationships and position in the network and will be affected by their problems, uncertainties and abilities and by the limits to their knowledge and understanding. (David Ford, Lars-Erik Gadde, Hakan Hakansson, Ivan Snehota 2001,2002). below is a network picture of European LSPs from other researches, WCA network picture will be presented in chapter four.

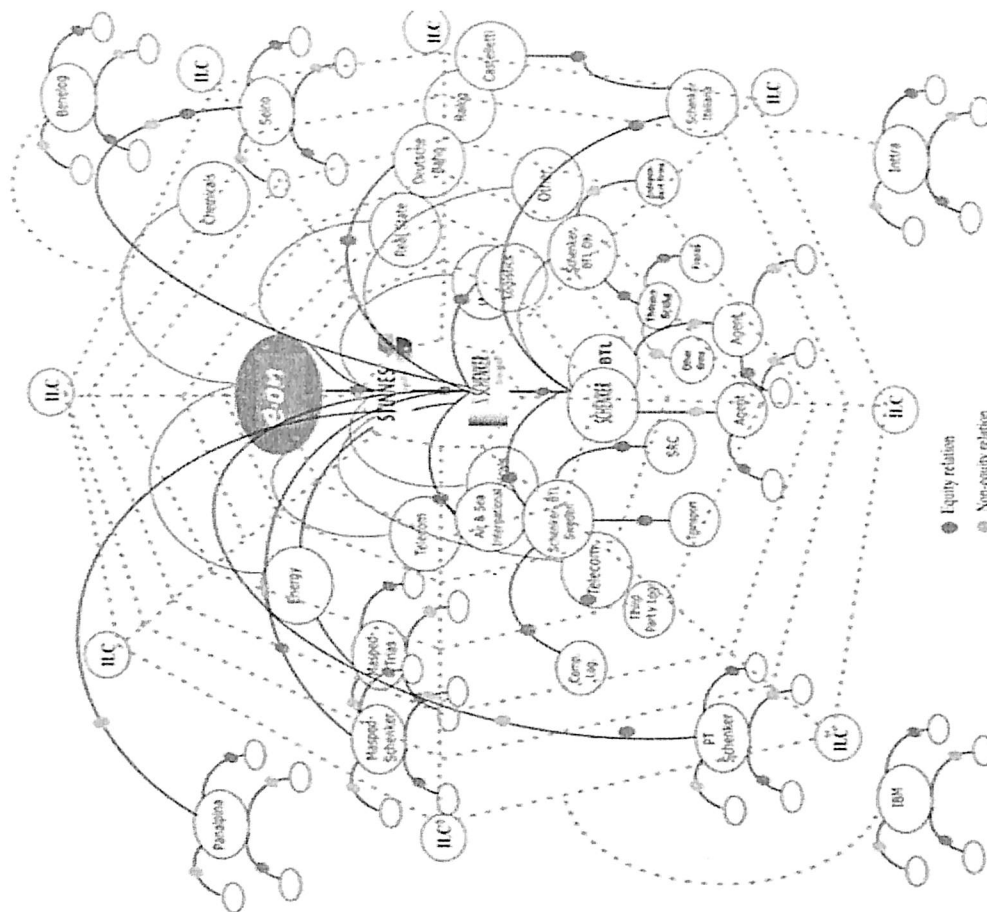


Figure 2.2: is an Example of the networked firms at the beginning of the new millennium – the glolocal strategy, (*W. Lemoine, Lars Dagnæs*2003)

2.3 Factors critical to success of study

In order to be successful, B2B Marketplaces for freight transportation, like other marketplaces, must do the following nearly simultaneously: **(1)** achieve critical mass, **(2)** manage channel conflict, and **(3)** expand the service offering. Assuming the need for standardization (i.e., shippers are unlikely to use several marketplaces) and given the intense competition among firms for customers, it is unlikely that more than a few marketplaces will survive.

Achieving Critical Mass

"He who has the gold makes the rules" - Bobby Lent, co-founder Ariba (April 4, 2000)

"He who has the trucks wins" - VP, carrier-investor of Transplace.com

The more competing buyers and sellers that can be brought together, the more liquid the market becomes and the more efficient the price setting mechanism becomes, which, in

turn attracts more buyers and sellers. This positive reinforcing loop, in combination with increasing returns to scale, leads to a winner takes most scenario for B2B Marketplaces. Therefore, the main objective for a firm is to attain liquidity as fast as possible. The difficulty lies in attracting both buyers and sellers almost simultaneously. Sawhney (1999, 2000) reasoned that firms should concentrate marketing efforts on the party that will receive the most benefit, either buyer or seller. Once this party participates, the other will be compelled to join.

Consider the strategy that priceline.com adopted in growing its market for airline tickets. It focused on getting buyers, who arguably receive the greater relative benefit, injecting liquidity by buying cut-rate airline tickets in order to attract buyers. Once it achieved critical mass, the incentives for airlines to cooperate increased. (Sawhney, 2000).

Another way that firms have tried to reach critical mass in a marketplace is by opening equity participation to shippers and carriers. The amount of ownership can be determined by the amount of spending that shippers are willing to commit to the marketplace and the carrier's willingness to provide sales support and co-marketing as well as service shipments offered by shippers. The popular use of revenue-based warrants by B2B Marketplaces is currently under investigation and this practice may be significantly curtailed in the future.

For truckload transportation, shippers not carriers will derive the greatest benefit from B2B marketplaces. Large carriers dismiss claims of improved productivity and have already invested in EDI and web sites for transactions. Shippers, however, need to manage several truckload carriers at a minimum. An infomediary can reduce transaction costs for the shipper by centralizing and standardizing interactions with many carriers. Initially, marketing efforts for B2B Marketplaces will require expensive direct sales. In order to reach critical mass, therefore, firms will be drawn to large shippers. For example, Wal-Mart controls 2.2 million truckload shipments annually. The dilemma for B2B Marketplaces is that large shippers are well known to carriers and prefer direct relationships.

In reaction to the increased buying power that marketplaces present through the aggregation of shippers, six of the largest publicly held truckload carriers have combined their brokerage operations to form Transplace.com. It remains to be seen whether such cartel-izing attempts will raise anti-trust concerns. Challenges from incumbents may also be unilateral: UPS or FedEx may leverage its brand, trust relationship, existing portals

and large account base to resell other transportation services and capture more of a customer's freight spending.

Managing Channel Conflict

B2B marketplaces for freight transportation must make strategic choices early about whether to include or exclude existing intermediaries. The offering must either reinforce or replace the basic functions of intermediaries. None of the existing B2B Marketplaces, for example, comes close to replicating the services of a forwarder.

To reinforce existing intermediaries, B2B Marketplaces must be able to preserve existing relationships and provide further sales opportunities. Offerings might include "virtual private marketplaces" or co-marketing and co-branding. B2B Marketplaces may also provide certification of carriers and intermediaries and quality metrics such as on-time performance and ratios of damages and claims. Existing intermediaries may evolve to become market makers for particular commodities or geographic areas. By way of comparison, Nasdaq has at least two market makers for every stock in order to provide liquidity and some competition in the bid and ask spread.

In the case of trucking, B2B Marketplaces that intend to broaden their role beyond the spot market must bring more value to shippers and carriers than the existing direct sales channel. Large shippers appear unwilling to pay a premium over established rates, so intermediaries will need to derive revenues from other sources such as a fee or percentage of cost savings in negotiating long-term contracts. To improve the value proposition to carriers, B2B Marketplaces can help by providing access to higher margin small and medium-sized shippers that are too expensive to serve with direct sales. Potentially, B2B Marketplaces can become "virtual carriers", displacing existing non-asset based carriers, by using independent owner-operators and agents. Carriers such as Landstar, which pays sales agents a 7% commission and owner-operators 70% of collected freight charges, are susceptible to Internet-based players that can operate with less overhead. B2B Marketplaces can also serve a more indirect channel role as a component to several vertical industry exchanges.

Expanding the scope of the offering

While attempting to achieve critical mass, firms also need to quickly develop and expand relationships with shippers and carriers. Pure exchanges that assume a growing spot

market from which to derive transaction fees are headed for almost certain failure. The objective is to raise switching costs so that members don't rush to the site charging 1 % less for its transaction fees. Alliances can provide a means to expand the service offering by including services such as system integration and payment processing. In addition, each alliance partner can provide cross-selling opportunities and referral revenue. Firms must take care when forming alliances especially for technologies considered critical by customers such as transportation management systems. Suppliers can use the opportunity to learn the business and make an end-run to the final customers. To improve the value proposition for smaller carriers, B2B marketplaces might offer "private label" services such as access to web-hosted transportation operations systems (e.g., dispatch, billing, customer shipment tracking and pickup request). Access to more potential customers holds the greatest benefit to these firms. For LTL, marketplaces can facilitate interlining or the interconnections between carriers to help regional carriers expand their reach.

Future research

Certainly, B2B Marketplaces as a whole are in their infancy. As shippers, carriers and intermediaries gain more experience with these new intermediaries, more distinct preferences will emerge that can be quantified with traditional survey methods. Of particular interest is how such marketplaces will appeal to small and medium-sized businesses. Systems dynamics simulation models could also be developed to examine the effect on the spot market.

Due to the limited availability of data on marketplaces for other transportation modes, this thesis focuses on truckload transportation. Using the channel structure outlined in Chapter 1 and the Strategy Group Map described in Chapter 2 as frameworks, future research can analyze B2B Marketplaces for ocean, rail and airfreight.

Summary:

I would like to conclude here with few words that B2B is an integral parts of logistics and freight forwarding. In this chapter I have tried to display in details the challenges faced in broad and narrow area by the logistics companies. But this research is not enough to depict the complete solution, there is lot of area to explore and add more options to ease the hurdles face by freight industry,

Chapter 3: Research Design, Methodology and Plan

Methodology

This Chapter should give the reader detailed and sufficient information in order to make an estimate of the reliability and validity of the methods used. I will explain and justify the choices of methodology approaches that have been adapted in order to answer the research questions posed.

3.1 Data Sources

The database for the study will be relatively large, simply because there are around 900 logistic companies are members of the case under study “ WCA “, many articles and studies that dealt with this subject were consulted and used in the literature review so that information about network marketing and other business issues that is seen in the survey analysis can be backed up by sound theory and information. Some of this comes from the sheer volume of information that has been compiled, and some of it comes from the fact that the researcher could potentially forget to ask a particular question that might be important later, or could possibly word something in such a way that it would be misinterpreted and therefore not provide the researcher with the information that he or she really needs to deal with the problem statement and hypotheses that were presented earlier. This is one of the main dangers with surveys, as there are always mistakes that could be made or issues that could be problematic when the wrong questions are asked, or even when the right questions are asked in the wrong way.

I sent requests to WCA members and informed them about the purpose of study and data collection method and could finally receive their green light for further cooperation.

Data collection method was stratified sampling therefore questionnaires sent to the managers of logistic companies in different geographical regions through WCA management.

Collection and Tabulation of Data

For data collection was used the research instrument – questionnaire (that is presented in subpart ‘Design’), which consisted of 28 question and four demographic variables.

Questionnaires sent to the managers of logistic companies in five different geographical regions trough WCA World Cargo Alliance country head Mr. Baker Al Hamidi

The questionnaire includes 28 questions related to network marketing and business development and every item could be evaluated by Lykert scale that consists of 5 points as bellow:

1 – Poor

2 – Fair

3 – Good

4 – Very good

5 – Excellent

-question Nos. 1-6, 8, 10, 13, 27 are relevant to first research question / Hypo one,

-question Nos. 9, 11, 12, 14-19, 21, 23, 26, 27 are relevant to second research question/Hypo two .

-question Nos. 20, 22 & 25 are relevant to third research question/Hypo three

-question Nos. 7, 28 covers research questions 1 & 2 both, In addition there are two more questions at the bottom of questionnaire which should examine two more aspects of network marketing in this research.

All of the information found in the literature review articles could not possibly be incorporated into the questionnaire, but a great deal of it is in there. The survey data will also be incorporated into the findings in Chapter Four, as it is vital to a complete understanding of the information that is presented about network marketing and what should be the best plan of action for many companies.

When collecting the data, however, the articles that were used for the literature review will be carefully examined so that any pertinent information is not only included in the literature review but also compiled for use in the chapter on data analysis. This is necessary, because there is so much information available on the subject of business overall, and because the information goes back in

time such a long way. Using only what would fit in the literature review would not really do justice to the issue at hand and would only touch the surface. The literature review information and the survey information will be coupled in such a way that the importance of network marketing as it relates to companies can be seen, and managers' perceptions of that issue can be more thoroughly addressed.

3.2 Research Design

The methodology of any study is particularly important. Without a clear understanding of how the study was conducted and what was dealt with in it, it becomes very difficult to analyze data in a way that makes any kind of sense later on. Because of this, the methodology that is carried out must be explained clearly and precisely, so that there is no confusion about what was done, and what was discovered. The methodology for this particular study will be discussed in this chapter, and the results of the study will be detailed and analyzed in the following chapter.

This section of the methodology deals specifically with how the research was designed and what approach was utilized. The approach to this particular study is considered to be really a relatively simple one, but it is also a very important one, and it makes the most sense for the information that is available and the answers that the researcher seeks to find in this particular study. Re-examining everything that has been done in the past when it comes to the literature review and drawing conclusions from it will be the basis for the information in Chapter Four, but some additional information will come from what was gathered by the researcher from the surveys that were conducted regarding network marketing in companies and how managers feel about and deal with the issue.

Quantitative methods are those which involve counting, measuring, and analysis of casual relationships between variables; trying to explain the phenomenon (Denzin and Lincoln, 2000; Holme and Solvang, 1996; Gillham, 2001). The researcher's own ideas about how to interpret the data and which variables to use will highly affect the analyzed phenomenon (Alvesson and

Sköldberg,1994). The Quantitative research is statistical and require interpretation in order to gain meaning,

hence Gillhams (2001, p.10) statement “Facts do not speak for themselves –someone has to speak for them.”While many studies interview subjects or conduct surveys, analyzing and reviewing the work of

others is still quite a common method for many researchers to use when conducting a study of this nature, which is why it will be done for help in understanding what has gone before where research into companies and network marketing is concerned. Surveying those that have actually managed companies and may have issues with network marketing is vital, however, to an understanding of what is really happening in companies and how it can be changed through the use of better understandings of both network marketing and the problems that many individuals face when dealing with it. An approach such as this one showcases the information that was collected by others in the literature review and also allows the researcher’s collected information to be examined and studied in a way that might be different from the ways that other researchers would utilize it or from the ways that similar information has already been presented in articles and other studies, thus broadening the issue and the understanding of the information provided.

Much of this is done by using the survey information that was collected by the researcher and relates specifically to network marketing. This not only showcases the information that is already available, but also indicates the importance of the survey work done by the researcher and presents it all in such a way as to bring new consideration to what is being examined.

3.3 Survey Questions

I bring all 28 questions which constructed my questionnaire with the relevant articles which shaped my literature review:

1. Value creation for Your Company

Value Creation Strategies in Supply Networks: The Case of Logistics Service Providers paper

submitted to the 18 IMP conference in Dijon, France, Sept. 5th -7th by Lars Huemer.

2. Increasing Companies efficiency from the impact of network marketing

-Bruce Perrot , university of Technology , Sydney ; Efficiency and effectiveness dimensions for the impact of marketing networks: an exploratory view

3. Cost saving / reduction as benefits of membership

-Christopher, M. (1998), Logistics and Supply Chain Management - Strategies for reducing Cost and

Improving Service, Financial times Professional Ltd., London.

4. More Benefit / profit revenue

Professor Lars Erik Gadde, Marianne Jahre , Gøran Persson , Helge Virum Third party logistics and logistic alliances , outsourcing of activities or in sourcing of resources?

5. WCA creates Logistic Competence

-Ian Wilkinson, University of Western Sydney, Nepean Louise Young, University of Technology, On Cooperating: Firms, Relations and Networks* Sydney ,Journal of Business Research 2002

6. Availability of Better transportation Solutions

Professor Lars Erik Gadde, Marianne Jahre , Gøran Persson , Helge Virum ;Third party logistics and logistic alliances outsourcing of activities or in sourcing of resources?

7. Marketing potential of WCA network

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8. Creating long term relationship between members

- Christopher, M., Payne, A., Ballantyne, D. (2000). Relationship Marketing –
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9. Effect of other members performance on your business Adaptation and adaptability in
logistics networks

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Costes**

10. Value creation for the customers

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11. Levels of success in marketing trough WCA

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submitted to the 18 IMP conference in Dijon, France, Sept. 5 th -7 th by Lars Huemer

13. Competitive advantage creation

Ian Wilkinson, University of Western Sydney, Nepean Louise Young, University of Technology,
On Cooperating: Firms, Relations and Networks* Sydney ,Journal of Business Research 2002

14. Impact on your customers being a member of WCA Value Creation Strategies in Supply
Networks:

The Case of Logistics Service Providers paper submitted to the 18 IMP conference in Dijon, France,

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15. Effects of network marketing on your Co's business development

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16. Dynamic of the network to create more opportunities

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17. Increasing resources through relationship with other members Value Creation Strategies in Supply Networks:

The Case of Logistics Service Providers paper submitted to the 18 IMP conference in Dijon, France, Sept. 5th -7th , by Lars Huemer

18. Other members capability to meet Co's business development objectives

- Ph.D. student Ingunn Elvekrok , Ph.D. student Bente Flygansv er Influencing in Logistics Networks Competitive paper for IMP 2004

Associate Professor Marianne Jahre* Department of Strategy and Logistics Norwegian School of Management

19. Potential to improve Companies sales efficiency

-Christopher, M. (1998), Logistics and Supply Chain Management - Strategies for reducing Cost and

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20. Effect of Co's origin in business relationship between members

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23. Integration of resources between network members

Ph.D. student Ingunn Elvekrok , Ph.D. student Bente Flygansvær Influencing in Logistics Networks
Competitive paper for IMP 2004

Associate Professor Marianne Jahre* Department of Strategy and Logistics Norwegian School of Management

24. Reaching suppliers and markets not previously accessible

- Coviello, N. Brodie, R. Munro, H. (1997). Understanding contemporary marketing: development of a classification scheme. Journal of marketing management, 13(6), 501-522I.

25. Possibility of developing business with all countries

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26. Consulting and solve unique problems of logistic Companies

Value Creation Strategies in Supply Networks: The Case of Logistics Service Providers paper submitted to the 18 IMP conference in

Dijon, France, Sept. 5 th -7 th by Lars Huemer

27. How your expectations been realized by joining WCA?

From WCA Management

28. Overall idea about being WCA member

From WCA management

This is an important aspect of the study because information about companies and the concept of other issues that can tie into network marketing all must be presented before the data is analyzed.

This was largely the purpose of the extensive review of the literature. Although most of the literature review deals with various business issues in general, there are also implications about companies and their network marketing specifically that need to be discussed and therefore the information that was collected is very valuable.

3.4 Interview Procedures

To conduct this study, I have used both quantitative and qualitative methods. At present I am working in Saudi Arabia and I have shared questionnaire with my clients. I have concluded with 28 different questions sent to the different logistics companies under WCA family. After use statistical tools for the interpretation of the quantitative study I have conducted qualitative study by taking in-dept interviews of my clients. I target 10 interviews. The data of the interviews will be analysed through interpretive analysis.

3.5. Data Analysis Procedure

Quantitative analysis with advanced statistical procedure - correlation and factor analyses were used in order to test the structures of questionnaire items.

Statistical analysis is a method for rendering quantitative information meaningful and intelligible.

Without the aid of statistics, the quantitative data collected in a research project would be little more than a chaotic mass of numbers.

Statistical procedures enable the researcher to reduce, summarize, organize, evaluate, interpret, and communicate the numerical information (Polit & Hungler, 1995).

In this research I will use Descriptive and inferential statistics methods to analyze data . In Descriptive statistics ; Frequency, percentage, mode, median and test of homogeneity of variances will be used and in inferential statistics ; Kolmogorov-Smirnov Test to check the normality of data, Correlation coefficient to diagnose the peculiarities of relationships between items that are invoked into questionnaire and Anova test to compare median of different independent groups will be used. Correlation analysis. Correlation analysis that is based on calculation of Spearman coefficient (rho) helps to diagnose the peculiarities of relationships between items that are invoked into questionnaire. Correlation coefficient (rho) illuminates the relationships between one more items through numerical expression of such relationship. Spearman correlation size 'sways' from 0 [zero] (no correlation) until 1 (perfect correlation) and also may be positive and negative (Polit & Hungler,1995). With the size of correlation coefficient here is presented possibility of statistical error. Statistical error shows what is the possible error size of statistical solutions (Bühl & Zöfel,2002).

Chapter 4: Findings and Analysis

DATA ANALYSIS

Analysing the data is a significant part of any study. Without doing this, there is little that can be learned from the data collected. The methodology discussed in the previous chapter gives a great deal of insight into how the data was collected. The information presented in this chapter will show all of this data and will discuss it thoroughly, so that there will be no question of understanding what was collected, where it came from, and how it explains managers point of view about network marketing as a tool in small medium size international logistic companies business development .

Here, the answers to the survey questions will be discussed, but this will be relatively brief due to the fact that much of the information for the study came from the literature review. The information from the literature review validates all three of the hypotheses, in that it indicates that there has not been enough information studied or published in the past that deals with network marketing in global logistics networks. Many other important business issues were addressed in a great deal of published material, but network marketing in logistics was not something that others in the past felt it necessary to discuss, which made this particular study much more difficult for the researcher based on a lack of information on which to base the study and the questions that were asked in the surveys.

Before analyzing survey results its better to first have a complete look at the case under study “WCA“ logistic network.

The Case Example; “(WCAF)“ WORLD CARGO ALLIANCE FAMILY OF LOGISTIC NETWORKS”

The networking of independent international freight forwarders and logistics companies has now been taking place for over 37 years. Today the concept is more popular than ever because the small, medium and larger regional forwarders have discovered that their future is dependent upon having strong, financially secure partners to work with all over the world.

World Cargo Alliance, Inc., the largest and strongest network of independent air and ocean forwarders in the world, was established as a Colorado (USA) Corporation in 1998 with no freight forwarders in ownership thus preserving group neutrality. WCA is the only network that has full time neutral management and this is the reason why its members have more confidence and trust in providing specific needed information about their companies. All other networks are managed by "a few" of their members and this often tends to have the network going a direction that all members do not wish to support.

WCA was founded by its President, David L. Yokeum (born 1949), who has been involved in the development and management of international freight forwarder groups since 1987. During that time, he has visited over 4,000 independent forwarders at their offices around the world and gathered an unparalleled knowledge of their needs. He has founded a few exclusive networks, still in successful operation, whose limitations as discussed above caused him to design WCA as a neutral, non-exclusive group and thus best positioned to meet the needs of its members.

In June of 2002, WCA opened its Asian Regional Office in Bangkok Thailand.

The establishment of this, WCA's first overseas branch, has better facilitated many of the projects in which Asian members have demonstrated interest and has further supported the efforts of all WCA Asian members with their desire to cooperate more and work more closely with WCA partners worldwide. WCA's European Regional office commenced operations in Bremen Germany in September 2003. WCA also established its regional Shanghai branch office in the world's fastest growing market, China, in January of 2004.

Every successful forwarder in the world has developed some strong partners in several key markets but the demands of the international transportation and logistic business now require that a service provider have worldwide capabilities. Only if a company is prepared to have at least one employee traveling almost every day to select agents/partners in the more than 350 important world markets can a company ensure that they are dealing with true professionals providing the high level of service demanded by this industry. Furthermore, the security of being paid by agents within agreed terms is always first and foremost in the needs of any forwarding operation.

A network could be capable of providing substantial benefits and opportunities for its members but only if the network had the proper structure and a clear business plan(David Yukom 2004). World Cargo Alliance was one of the first networks to ever allow multiple members in each market, although limited by market size. David was convinced that this new and different membership

structure would allow all members more opportunity to identify companies that wanted to work with each other and build business for the future.

David's vision proved to be correct as within a very short period of time World Cargo Alliance grew to be the leading network of international transportation and supply chain companies ever created. Today, World Cargo Alliance has greater than 900 member offices located in more than 125 countries and in close to 400 world markets, providing its members with substantially more services than any other network in the world. This happened only because World Cargo Alliance is totally free to act independently of any ONE member and work without wasting valuable time and resources trying to resolve the never-ending politics between members.

The World Cargo Alliance Family of Logistic Networks is the most well-known and highly regarded facilitator of partnerships among international freight forwarders today. The opportunities WCA brought to its members are unprecedented and the member meetings WCA organize are famous for the considerable volume of business with which attendees are rewarded. Among WCA networks ; WCA, APLN

IGLN, WCAPN and CGLN it cover more than 125 countries and more than 400 world cities and WCA members have gained substantial new business opportunities for the future.

WCA as focal neutral actor in members business

All members as international Logistic Companies or freight forwarders have their own relationship with WCA, its subsidiary networks and members; on the other hand members have their own network of Cos. controlling niche markets in their local market.

Every member may have its own small network which is also indirectly connected to WCA through main member, this can help all WCA members to have possibility of access to the other members' niche markets and they can develop their marketing, sales and logistic services in new markets through members' subsidiary local network.

If we develop this idea to all other members and study the relationship between these Companies, their own networks, WCA and WCA subsidiary networks then we understand how wide these Global networks can perform their activities and also the number of markets they can cover and provide all kind of logistic services all around the world.

By the way this kind of relationship and networking allows small / medium size Int'l logistic Companies to have a great access to a wide range of suppliers geographically, technologically and

gives marketing possibilities globally and enable them to compete with big boys in the market if they have a well developed relation ship with other members.

Members have to be assured that even relationships in which they are not directly involved are working properly .All members have internal marketing activities inside their own small networks and also external marketing activities trough WCA which is a Global logistic network with hundreds of members all over the world and also other subsidiary networks which focused on potential growing markets. Relationships between Companies in a global logistic network like WCA are sometimes a little complicated; it means that companies are not always in a relationship to capture a market or to provide a supporting logistic service to each other, they are sometimes competitors even working against, trough or in spite of each other.

In addition to marketing strength, having a strong good relationship between network members gives this opportunity to have tailor made offerings to meet customers particular requirements, as the customers want to also check if the strength of Logistic Companies are likely to be a source of their business development. There is also a frequent interaction and flue of information exchange between WCA, its subsidiary networks and members which involve all of them from first tear to members own subsidiary small networks in different logistic issues and help them to establish a long term business relation ship and adapt a number of aspects of their activities.

Close relationship between WCA and its members enabled WCA to learn more about members requirements and to adapt services and offerings based on that, meanwhile such relationship between members also allow them to adapt to each others requirements and to benefit fully from each others skills and resources, these relationships involve the investment of both time and money (Ford, Peter Naude, industrial marketing) .

Network Members with close relationships have fewer uncertainties because they can plan base on other knowledge, assets, abilities and resources. Its also avoids the risk and cost of constantly having to deal with new counterparts “ better the devil you know” (industrial marketing, Peter Naude) .In a logistic network like WCA, Members can support each other to complete their offering in different markets & for different customers, meanwhile additional services which are available with other members can be included in offering, it means that even in sales, offering to the customers can also be the outcome of the relationship between logistic Companies in WCA,

WCA Family operates five Regional Service Centers worldwide: in Amsterdam, Bangkok, Miami, Mumbai and Shanghai. Each week, we provide a quick-view summary of network membership totals based on number of member offices, markets (cities), member companies, and countries. The full membership rosters are available below for download to your computer desktop in a convenient variety of formats.

Table 4: shows the number of members from each World Cargo Alliance networks

Source: WCAF websites 2006

Netwo rk	Memb ers	Mark ets	Compan ies	Countr ies
WCA	902	394	414	148
APLN	592	280	271	105
CGLN	982	305	529	114
IGLN	332	168	162	077
WCA PN	095	074	050	041
AWS	441	205	277	074

WCA: World Cargo Alliance

APLN: Advanced Professionals logistic network

CGLN: China Logistic Network

IGLN: India Logistic Network

WCAPN: World Cargo Alliance Project Network

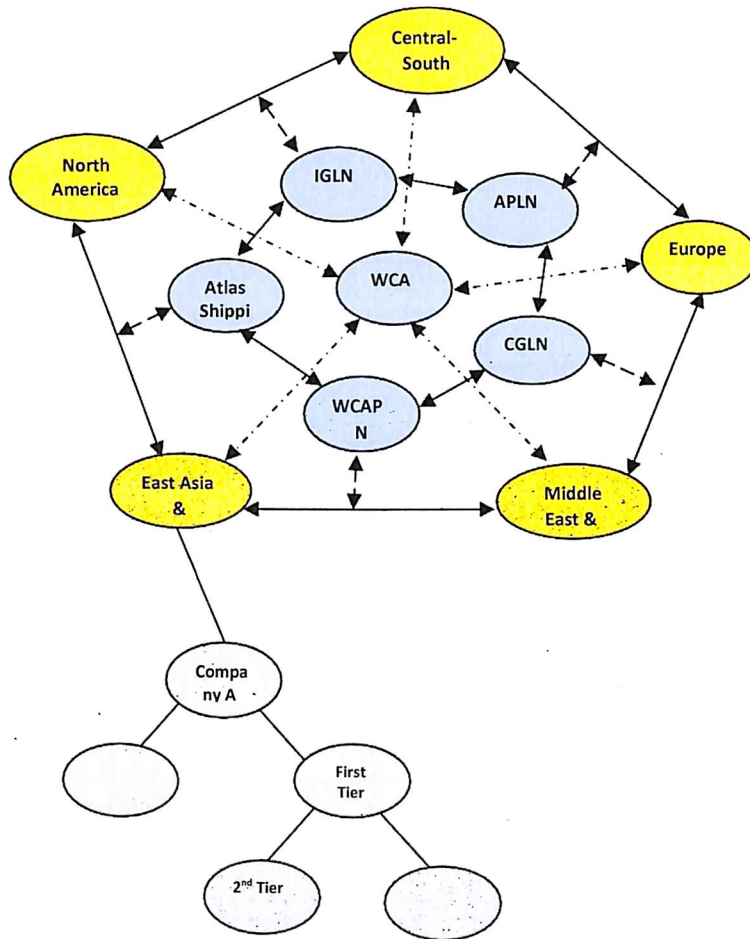


Figure 4: World Cargo Alliance Network picture

4.1 Descriptive Statistics

Using Cochran formula as mentioned in chapter three, number of questionnaires allocated for the managers of logistic companies in different geographical regions with relevant frequency are listed in bellow table;

Table 4.1. Frequencies for all groups

GROUP				
		Frequency	Percent	Cumulative Percent
Valid	Central, South America, & Caribbean	8	8.7	8.7
	East Asia, Oceania	28	30.4	39.1
	Europe	25	27.2	66.3
	North America	18	19.6	85.9
	Mid-East, Africa	13	14.1	100.0
	Total	92	100.0	

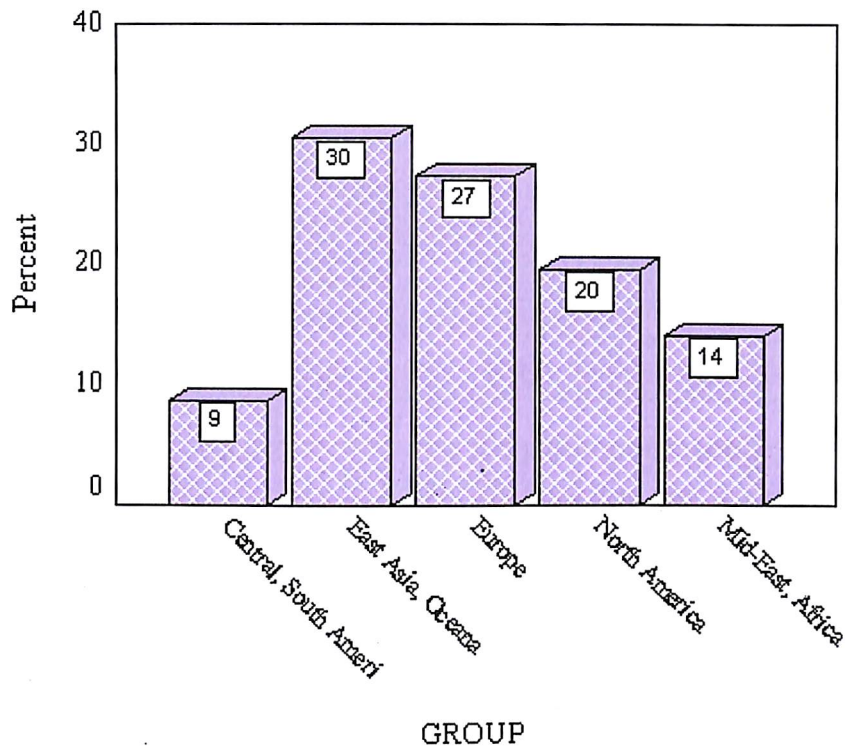


Figure 4.1. : Percentage of Respondents from different groups

Subject to above Bar graph, we understand about the distribution of questionnaires between network members in different geographical regions, Bar graph shows that more members from East Asia, Oceania and least members are for

Central south America received questionnaires which is based on their total number in whole WCA organization.

Frequency, percentage and cumulative percentage have been calculated for each question individually and all results in the form of tables and bar charts have been saved.

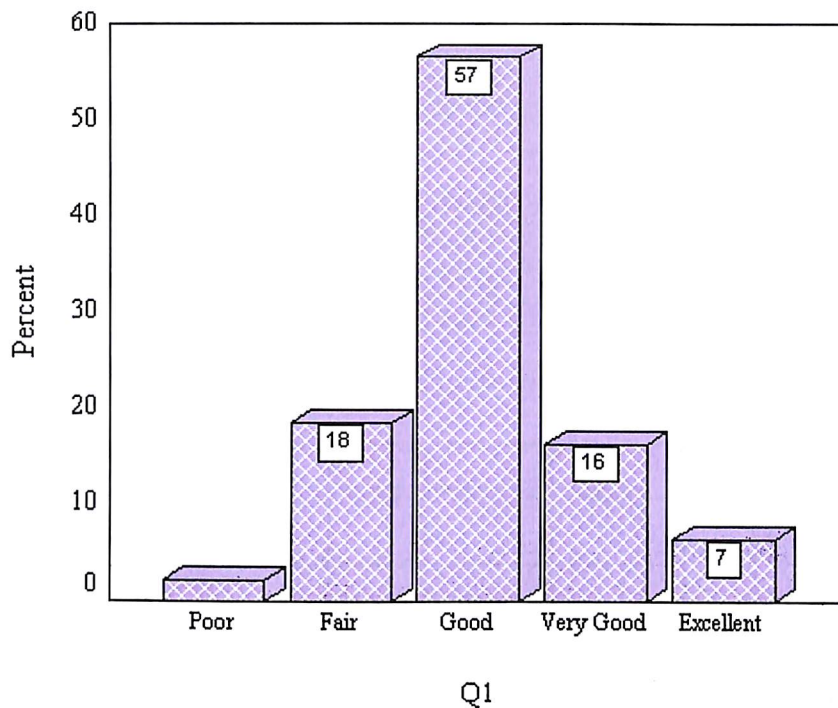
For example the result for **question # 1**;

“Network ability in Value creation for your Company”

Has been shown as bellow ;

Q1

Q 1				
		Frequency	Percent	Cumulative Percent
Valid	Poor	2	2.2	2.2
	Fair	17	18.5	20.7
	Good	52	56.5	77.2
	Very Good	15	16.3	93.5
	Excellent	6	6.5	100.0
	Total	92	100.0	



As shown in above figures more than 70% of respondent's answers were "GOOD" and "Very Good" and less than 3% answered "POOR", it means that a large percentage of respondents (logistic company managers) were satisfied or happy about the value created by logistic network to their companies.

4.2 Correlation/ Regression Analysis

Correlation analysis that is based on calculation of Spearman coefficient (ρ) helps to diagnose the peculiarities of relationships between items that are invoked into questionnaire. Correlation coefficient (ρ) illuminates the relationships between one more items through numerical expression of such relationship. Spearman correlation size 'sways' from 0 [zero] (no correlation) until 1 (perfect correlation) and also may be positive and negative (Polit & Hungler, 1995). With the size of correlation coefficient here is presented possibility of statistical error p ($p < 0,05$). Statistical error shows what is the possible error size of statistical solutions (Bühl & Zöfel, 2002).

There is no trade-off between network marketing and Logistic companies' country of origin in a global logistic network.

Q20 Effect of Companies origin in business relationship between members

Q22 Effect of Companies origin in Network Marketing

Q25 Possibility of developing business with all countries

Table 4.2 Correlations

Correlations				
		Q20	Q22	Q25
Q20	Pearson Correlation	1	.143	-.187
	Sig. (2-tailed)	.	.173	.074
	N	92	92	92
Q22	Pearson Correlation	.143	1	.595(**)
	Sig. (2-tailed)	.173	.	.000
	N	92	92	92
	Pearson Correlation	-.187	.595(**)	1

Q25	Sig. (2-tailed)	.074	.000	.
	N	92	92	92
** Correlation is significant at the 0.01 level (2-tailed).				

Table 4.18. Nonparametric Correlations

Correlations					
			Q20	Q22	Q25
Spearman's rho	Q20	Correlation Coefficient	1.000	.166	-.198
		Sig. (2-tailed)	.	.114	.059
		N	92	92	92
	Q22	Correlation Coefficient	.166	1.000	.540(**)
		Sig. (2-tailed)	.114	.	.000
		N	92	92	92
	Q25	Correlation Coefficient	-.198	.540(**)	1.000
		Sig. (2-tailed)	.059	.000	.

	N	92	92	92
** Correlation is significant at the 0.01 level (2-tailed).				

In order to test the relationship Between questions 20,22 and 25 relevant to Hypo 3, we use nonparametric correlations Spearman's,

Nonparametric Correlations

GROUP = Central, South America, & Caribbean

Correlations(a)						
			Q20	Q22	Q25	
Spearman's rho	Q20	Correlation Coefficient	1.000	.000	-.577	
		Sig. (2-tailed)	.	1.000	.134	
		N	8	8	8	
	Q22	Correlation Coefficient	.000	1.000	.500	
		Sig. (2-tailed)	1.000	.	.207	
		N	8	8	8	
			Correlation Coefficient	-.577	.500	1.000

	Q25	Sig. (2-tailed)	.134	.207	.
		N	8	8	8
GROUP = Central, South America, & Caribbean					

GROUP = East Asia, Oceania

Correlations(a)					
			Q20	Q22	Q25
Spearman's rho	Q20	Correlation Coefficient	1.000	.158	-.056
		Sig. (2-tailed)	.	.422	.777
		N	28	28	28
	Q22	Correlation Coefficient	.158	1.000	.578(**)
		Sig. (2-tailed)	.422	.	.001
		N	28	28	28
	Q25	Correlation Coefficient	-.056	.578(**)	1.000
		Sig. (2-tailed)	.777	.001	.

	N	28	28	28
** Correlation is significant at the 0.01 level (2-tailed).				
GROUP = East Asia, Oceania				

GROUP = Europe

Correlations(a)					
			Q20	Q22	Q25
Spearman's rho	Q20	Correlation Coefficient	1.000	.323	-.383
		Sig. (2-tailed)	.	.116	.059
		N	25	25	25
	Q22	Correlation Coefficient	.323	1.000	.444(*)
		Sig. (2-tailed)	.116	.	.026
		N	25	25	25
	Q25	Correlation Coefficient	-.383	.444(*)	1.000
		Sig. (2-tailed)	.059	.026	.
		N	25	25	25

* Correlation is significant at the 0.05 level (2-tailed).

GROUP = Europe

GROUP = North America

Correlations(a)					
			Q20	Q22	Q25
Spearman's rho	Q20	Correlation Coefficient	1.000	.036	-.178
		Sig. (2-tailed)	.	.886	.480
		N	18	18	18
	Q22	Correlation Coefficient	.036	1.000	.222
		Sig. (2-tailed)	.886	.	.376
		N	18	18	18
	Q25	Correlation Coefficient	-.178	.222	1.000
		Sig. (2-tailed)	.480	.376	.
		N	18	18	18

GROUP = North America

GROUP = Mid-East, Africa

Correlations(a)					
			Q20	Q22	Q25
Spearman's rho	Q20	Correlation Coefficient	1.000	.024	-.276
		Sig. (2-tailed)	.	.939	.361
		N	13	13	13
	Q22	Correlation Coefficient	.024	1.000	.895(**)
		Sig. (2-tailed)	.939	.	.000
		N	13	13	13
	Q25	Correlation Coefficient	-.276	.895(**)	1.000
		Sig. (2-tailed)	.361	.000	.
		N	13	13	13
** Correlation is significant at the 0.01 level (2-tailed).					
GROUP = Mid-East, Africa					

Chapter 5: Interpretation of Results

5.1 Interpretation of Results

The case here analyzed shows that there are logistic companies who can achieve development goals in a global market even at presence of big boys and strong alliances.

The theoretical focus on necessity of network in new environment is accepted. by the result of inferential statistics, we understand majority of respondents assumed the benefit of joining the logistic network very important therefore Managers understand and agree with importance of joining networks as a marketing strategy and competitive advantage.

From the results of data analysis, we may conclude that following benefits could be obtained.

- Increasing Companies efficiency from the impact of network marketing
- Cost saving / reduction
- More Benefit / profit revenue
- Availability of Better transportation Solutions
- Creating long term relationship between members
- Value creation for the customers
- Competitive advantage

Although the glolocal strategy is still functioning, the network showed the way to move towards a global strategy, and the objective of the core management within the net is to become a neutral GLSPs and objective for the logistic companies as network members is to find new markets, Access to better transportation solutions and ready made logistics,

Possibility of being in a competitive level in global market and finally business development.

Network marketing strategy also points to offer complex global logistics services, to interconnect the world markets via a global network and, finally, the scheme aims to

integrate the firm's abilities within the net and to facilitate their access to the logistics services by a common ICT platform.

In the global environment of new business models characterized by co-operation and competition are emerging. Within this framework we can mention logistic networks with competitors – WCA network – to carry out distribution between regions; subsidiary networks in different potential markets _ CGLN, IGLN _linked with mother network WCA in order to develop new markets.

In fact, our case study shows that the logistic companies' business development has been achieved via entering in global logistic networks and network marketing. However, in the process of gathering new competencies, or in the process of looking forward to develop future potential core business issues, other marketing strategies such as shaping alliances or joint ventures can also be considered.

5.2 Comparison of Results with Assumptions (Hypotheses)

The data analysis shows that a big majority of logistic companies' managers are agreed with the importance of joining networks and network marketing. Survey results also shows that joining a global logistic network and network marketing from manages point of view is a very effective way for business development of small medium size int'l logistic companies but its very important to point out that all the results and success in joining WCA are also affected by the way that such a global network is managed and the evidence of the above statement is failure of many logistic networks which were shaped by professionals but could not gain sustainable satisfaction among their members regarding their principle goals.

The survey statistical results, however, indicated that managers are taking network marketing more serious and expect more benefit from network than they did before.

Bar graph shows that majority of respondent's answers to the questions relevant to Hypothesis two were good and very good therefore they agree that Network marketing affects a significant role in logistic companies' business development.

From the results of data analysis we may conclude that the there were a good and

positive attitude between logistic company managers about following criteria's,

- More business opportunities through WCA
- Impact on customers being a member of WCA
- Effects of network marketing on company's business development
- Dynamic of the network to create more business opportunities
- Increasing resources through relationship with other members
- Other member's capability to meet Companies business development objectives
- Potential to improve Companies sales efficiency
- Speed to niche markets through WCA membership
- Integration of resources between network members
- Consulting and solve unique problems of logistic Companies

In order to test the relationship Between questions 20,22 and 25 relevant to Hypo 3, researcher use nonparametric correlations Spearman's which shows that in general Effect of Companies country of origin in business relationship between members with Possibility of developing business with all countries has a non significant indirect relationship but Effect of Companies origin in Network Marketing with Possibility of developing business with all countries has a direct relationship, the results also shows that looking at that this kind of relationship is vary from Europe and north America to East Asia and Oceania such that logistic managers in East Asia-Oceania group showed less reaction about effect of Companies origin in business relationship between network members than 4 other groups .

From the statistical results we can conclude that managers of logistic companies in different geographical region showed different reactions to the issue of COO although these differences are not strongly observed (indirect relationship but not significant)

Chapter 6: Conclusions and Scope for Future Work

-As shown in figures (Q1-Q28) majority of respondent's answers were "GOOD" and "Very Good" and much less answered "POOR", it means that a large percentage of respondents (logistic company managers) were satisfied or happy about the value created by logistic network to their companies.

WCA management should strongly consider this group of manager's perceptions in order to meet their requirements and increase efficiency of network relevantly otherwise this may result barriers in future development of this successful network. The results for individual test of each question were more or less same so we may conclude that Network marketing in a global logistic network for small medium size companies were successful.

From the result of analyzing demographic variables we can conclude that;

- Around 70% of respondents were in the age of 30-50 so it's important to know that managers of logistic Companies in middle ages recognized the importance of being in a global logistic network and network marketing.
- managers were aware of the importance of attending annual meetings and this in turn implies a great loss for those firms who not attend conferences or with the attention not to build new contacts, they will never access any actual new innovation and will become lost in development.
- Meanwhile 66% of respondents have Bachelor's degree and in total 80% have university education which shows that higher education played an important role in recognizing the importance of network marketing from logistic company managers point of view.
- And finally, around 50% of the respondent's despite of their busy schedules are interested in attending WCA annual conference of 2007 from which we can conclude that managers understand the importance of attending annual meeting and using this opportunity as a very good marketing tool and to strengthen their business ties with their current partners.

Scope for future work

- Aiming to test the connection between relationship marketing inside a network and the level of success is necessary.
- Effect of joining a local logistic network to the global networks on local industry development.

More studies and further education for managers would help to show the importance of network marketing and all of the issues that come along with it, which would be very significant when it comes to helping companies and their managers and leaders perform at a higher level and meet all of the expectations that they might have based on sales goals and profit ideas that are tied to marketing.

The research that has been done into this issue suggests that companies still need to spend more time understanding and dealing with new marketing strategies such as network marketing and other issues that relate to how they market their companies, and their leaders and managers must be at the forefront of this. There are still many problems in this area, however, and some of this is due to the fact that still there are a lot of companies specially in non-developing countries have not understand the importance of joining global logistic networks and network marketing in their business development.

Where managers are concerned and network marketing is specifically addressed, however, it is necessary to understand that there are many subtleties that take place and that managers must be aware of if they are to work on ensuring that their marketing continues to serve them well. Not all managers, unfortunately, see the importance of this particular issue, which is why many businesses struggle with problems that relate to marketing in many ways.

As for recommendations that can and should be made by the researcher, it appears that more studies of this nature should be done. At the present time, there is very little information in the literature review that relates to this specific issue, and this is due to the fact that there is simply not that much written regarding the issue

from a managers' perspective, which is the way that the researcher chose to examine this important and complex concern. Because of the lack of information that was readily available, the researcher had to find information that related to other aspects of business that tied in with network marketing. While this was still an important consideration, it was not the same as having many past studies of managers' perceptions when it came to network marketing from which the researcher could draw. It is unfortunate that more studies of this particular nature have not been done, because there are many individuals that are managing businesses today and likely do not realize or completely understand the significance of all of the issues that they must deal with as they relate to network marketing.

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Appendix QUESTIONNAIRE

Personal Information

Age: 20 - 30 (1), 30 - 40 (2), 40 - 50 (3), 50 - 60 (4), Over 60 (5)

Educational Level:

High school diploma (1), Associate degree (2), Bachelor degree (3), Master Degree (4), PhD. (5)

Please evaluate your points of view about Membership, Network Marketing and Business Development in WCA on the following:

1- Poor 2- Fair 3- Good 4- Very Good 5- Excellent

Please put an X in the chosen box from 1-5

No.		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
1	Value creation for your Company					
2	Increasing Companies efficiency from the impact of network marketing					
3	Cost saving / reduction as benefits of membership					
4	More Benefit / profit revenue					
5	WCA creates Logistic Competence					
6	Availability of Better transportation Solutions					
7	Marketing potential of WCA network					
8	Creating long term relationship between members					
9	Positive effect of other members performance on your business					
10	Value creation for the customers					
11	Levels of success in marketing trough WCA					
12	More business opportunities through WCA					
13	Competitive advantage creation					
14	Impact on your customers being a member of WCA					
15	Effects of network marketing on your Co's business development					
16	Dynamic of the network to create more opportunities					
17	Increasing resources trough relationship with other members					
18	Other members capability to meet Co's business development objectives					
19	Potential to improve Companies sales efficiency					
20	Effect of Co's origin in business relationship between members					
21	Speed to niche markets through WCA membership					
22	Effect of Co's origin in Network Marketing					
23	Integration of resources between network members					
24	Reaching suppliers and markets not previously accessible					
25	Possibility of developing business with all countries					
26	Consulting and solve unique problems of logistic Companies					
27	How your expectations been realized by joining WCA?					
28	Overall idea about being WCA member					
In total, how long have you been a member of WCA network?		< 2 years	> 2 years	> 5 years		
Do you plan to attend the Annual WCA Worldwide Conference 2020?		YES	May be	No		