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Brand image in express logistics

Industry comparison

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<p>The purpose of the thesis was to find elements in marketing the express companies in the case study could use as a differentiation method within the local Finnish market. Express logistics companies are global logistics providers that have overnight delivery capability. The study was commissioned by one of the companies, DHL Express.</p> <p>The qualitative method was used to conduct this study. Qualitative data was collected by a series of semi-structured interviews of express company customers. Four customers were interviewed so that relevant data could be extracted from all different companies in the market.</p> <p>All answers to the interviews differ from one another, a phenomenon common to semi-structured interviews, there were a few answers in common to all of them that allows the author to draw some general conclusions. Customer interviews revealed that the company local image comes mainly from their local product portfolio and the salesperson activities. Their improvement suggestions from customers mainly concern the products and their versatility, and also the personal touch in both products and customer service. Customer service was seen as part of the product. Improvement suggestions to sales contacts were to invest more in quality of the contacts and not the amount, and also the customers like to be taken seriously, and not for granted.</p> <p>In addition the author recommends that express companies involve the customer to the future advancements in both systems and products, to get the highest amount of customer satisfaction possible. Further improvements need to be made for training of both customer service individuals, sales people and marketing staff, also their actions need constant monitoring. According to this study the future products should possibly include different “building blocks” that customer can use to personalize the products to their needs. Furthermore future training of customer service and sales should include more of basic knowledge of human nature and emotional intelligence than just plain sales tactics. Marketing staff should also be trained to produce material with greater impact and quality.</p>	
Keywords	marketing, sales, express, logistics, training

Tekijä Otsikko	Tomas Salmi Brändikuva pikakuljetuslogistiikan alalla. Toimialavertailu.
Sivumäärä Aika	25 sivua + 1 liite Marraskuu
Tutkinto	Tradenomi
Koulutusohjelma	Kansainvälinen liiketoiminta
Suuntautumisvaihtoehto	Markkinointi ja logistiikka
Ohjaaja	Koulutuspäällikkö. Minna Hautamäki.
<p>Opinnäytetyön tarkoituksena oli löytää markkinoinnillisia elementtejä, joilla kansainväliset pikakuljetustoimijat voisivat erottua paikallismarkkinoilla edukseen. Kansainväliset pikakuljetustoimijat ovat maailmanlaajuisia yhtiöitä, jotka pystyvät erittäin nopeisiin aikarajoitettuihin kuljetuksiin. Työn toimeksiantaja oli DHL Express.</p> <p>Työn toteuttamiseen on käytettiin kvalitatiivista metodologiaa. Data kerättiin järjestämällä neljä puolistrukturoitua haastattelua kansainvälisten pikakuljetusyritysten asiakkaille. Työssä haastateltiin neljän eri yrityksen edustajia, sillä tarkoitus oli kerätä riittävän tarkkaa tietoa jokaisesta neljästä alan toimijasta.</p> <p>Vastaukset erosivat toisistaan melko paljon, mutta niiden joukossa oli myös muutamia yhtäläisyyksiä, joiden perusteella tutkija voi vetää joitain johtopäätöksiä. Asiakashaastattelut paljastivat, että yrityksen paikallinen imago koostuu pääasiassa yritysten paikallisesta tuoteportfoliosta ja myyjien toiminnasta. Asiakkaiden kehitysehdotuksiin sisältyi pääasiassa elementtejä yritysten tuotteiden joustavuudesta ja henkilökohtaisuuden lisäämisestä niin yritysten tuotteisiin kuin asiakaspalveluun. Asiakkaat kertoivat edelleen, että he haluavat yritysten palveluilta asiallisuutta ja sitä, että heidän asiakkuuttaan arvostetaan.</p> <p>Tutkija suositteli kansainvälisille pikakuljetustoimijoille, että asiakkaat on päästettävä vaikuttamaan vahvemmin tuleviin tuotteiden ja järjestelmien päivityksiin. Täten saavutettaisiin maksimaalinen asiakastyytyväisyys myös näillä osa-alueilla. Parannusta tarvitaan myös asiakaspalvelijoiden, myyjien ja markkinoijien koulutukseen, ja heidän toimiansa pitää jatkuvasti seurata asiakaskyselyillä. Tämän tutkimuksen perusteella tuotteet voisivat tulevaisuudessa koostua erilaisista komponenteista, joita asiakas voisi käyttää rakentaakseen juuri hänelle sopivan kuljetuksen. Tulevaisuudessa asiakaspalvelijoiden ja myyjien koulutuksen tulee sisältää enemmän yleistä tunneälyä käsittelevää koulutusta eikä pelkästään myyntitaktiikkaa. Markkinointihenkilöstö pitäisi kouluttaa markkinoimaan laadukkaammin ja tehokkaammin.</p>	
Avainsanat	markkinointi, myynti, logistiikka, koulutus, pikakuljetustoimijat

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1 Introduction

1.1 About the thesis

The thesis was commissioned by my current employer DHL Express. The idea for the thesis came essentially from a need. While discussing possible thesis subjects with my current employer, it came apparent that no marketing case study of any kind was ever conducted within the express logistics industry in Finland, and we therefore decided that this was the best starting point for the thesis.

The thesis was executed during a time, when express logistics industry in Finland was changing rapidly. Consequently instead of trying to measure the industry marketing indicators with accurate indicators, I went about it, more in a feeling based manner. This was done because the accurate measurement required more work that was possible within the timeframe, and because the accurate information would out date itself in a very short period of time.

1.2 Why brand image?

Express companies in this thesis are big multinational companies, all with globally recognisable brands. So when reflecting individual experience of these companies they automatically attach these experiences as a part of their own perception of these brands. Also if there are some values that have impact on purchase decisions, they will be attached to the company brand. Therefore using brand image as a vessel in this case study was the most obvious choice.

"Many managers think that 'doing things right' (implementation) is as important as, or even more important than, 'doing the right things' (strategy). The fact is that both are critical to success, and companies can gain competitive advantages through effective implementation. One firm can have essentially the same strategy as another, yet win in the marketplace through faster or better execution." (Armstrong & Harker & Kotler & Brennan 2009, 59.). So this in mind, I went to customers and see how marketing implementation reflects on brands, and how do the values of the brands come across to customers, and how do these factors put together influence the customer. This will hopefully give me an insight on how express companies in Finland could adjust the

approach to customer, therefore changing the local position of the brand to more suitable position for them.

1.3 Case study goals

After deciding that my thesis would be a marketing case study, another problem presented itself. What was the goal I was striving for with this study? After long process of deliberation I decided to use the most common problem express logistics customer presented me while doing day-by-day sales in the field. The problem was simple. How to separate the express logistics providers from one another? In other words, how can you differentiate yourself from competition? This actually makes perfect sense, since the essentials of express logistics providers, and their products, revolve around the same principles.

It has been proved that when making purchases in department store normal consumers make decision on brand by at least one attribute that has no actual benefit in the use of the product. (Carpenter 1999, 11.) My goal with this case study is to find out if similar theory applies to logistic personnel who make the purchase decision at customers end. This should give an idea what are the most desired attributes in express logistics image. So the result should be something very tangible in form of improvement suggestions.

1.4 Thesis structure

The thesis begins with an introduction that gives the reader an insight about the why's and how's of the study. After that the reader is given the frame of reference, and an introduction to the theory behind the study and a starting point for conclusions.

The next couple of chapters are a description about the actual study and the interviews done. Finally there is a chapter for conclusions and possible improvement suggestions based on the results of this case study. Also there will be a sub-chapter for study reflection in terms of reliability and depth.

2 Express logistics industry

2.1 Express companies

There are four major express companies worldwide. DHL Express, FedEx (Federal Express), UPS (United Parcel Service) and TNT Express (Thomas Nationwide Transport). These four international parcel companies deliver at least 87 per cent of all international parcel shipments, and taking into consideration the fact that this number is based on total revenue the real percentage, as in amount of shipments, is probably even higher. (DPDHL annual report 2012) The following figure shows the market share from the international shipments measured in revenue:

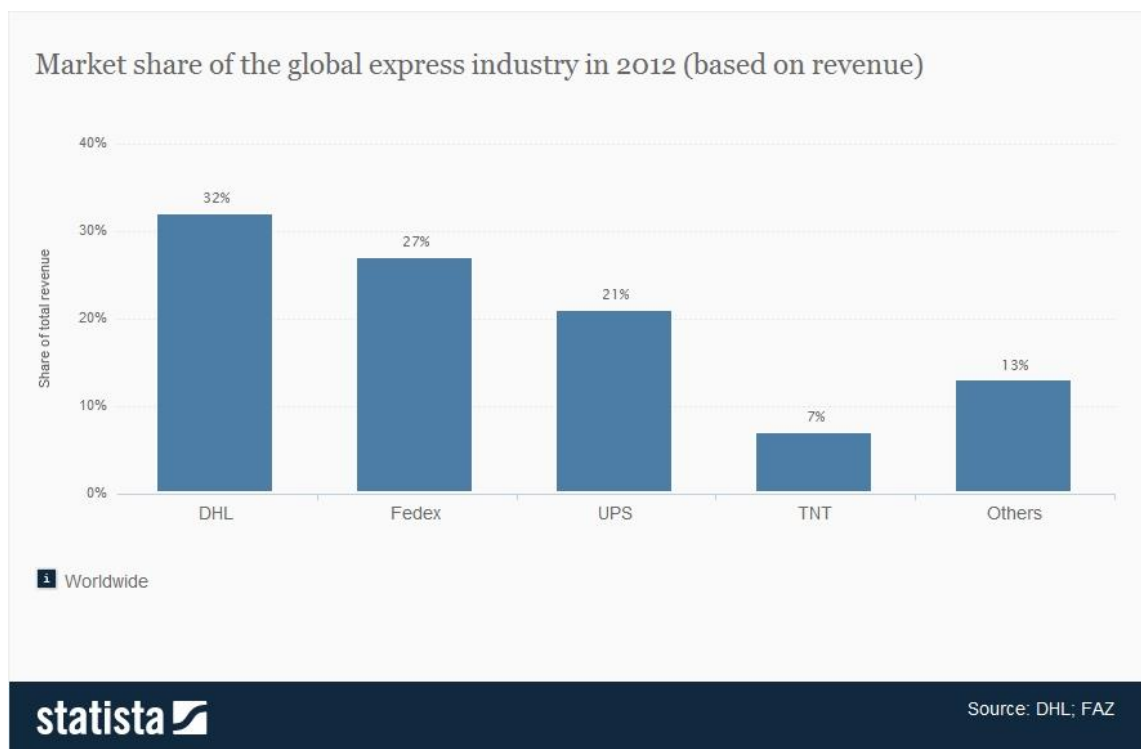


Figure 1. Market share of the global express industry in 2012 (Statista.com, Statistics.2013.)

However this market share indicator varies greatly in different areas of the globe. According to DPDHL (Deutsche Post DHL) annual report 2012. The market shares in different regions are displayed as follows:

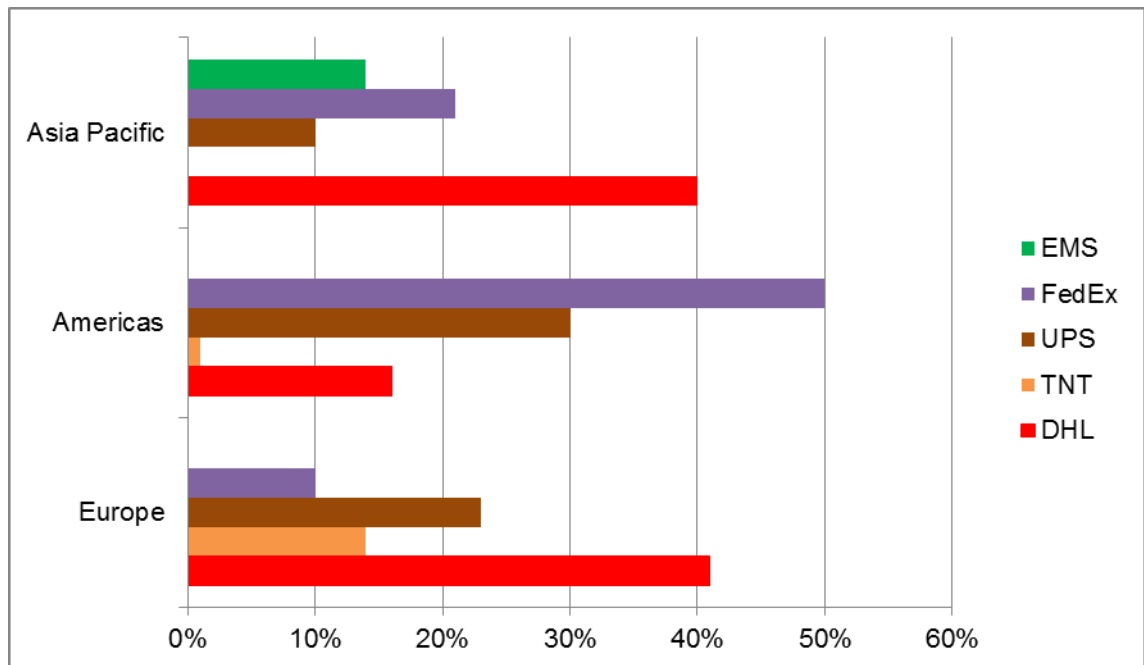


Figure 2. Market share in different geographical areas 2012 (DPDHL Annual Report 2012)

Another interesting fact is that before mentioned numbers have been calculated based on TDI (Time Definite International) product. This product is described in Deutsche Post DHL annual report as follows: "International time-definite courier and express shipments are our core business. Our main product, Time Definite, offers delivery as fast as possible. Our premium Time Definite product with guaranteed pre-12 delivery and money-back guarantee was substantially expanded in 75 destination countries, creating more than a million additional postcode combinations where our customers benefit from our improved range of services". (DPDHL annual report 2012) This means that the statistic leaves out the possible slower products the express companies may offer, and also all other forms of parcel delivery (mainly postal based parcel shipping). To get an idea how much this affects the statistic we can look another one from Bloomberg where the 2012 figures were described as follows: "Deutsche Post AG (DPW)'s DHL unit is the biggest express delivery service in Europe, with a 17.6 percent share of the market in 2010, according to figures from Transport Intelligence. UPS had a 7.7 percent share of the region's express and parcels service market that year, compared with FedEx (FDX)'s 3.3 percent and TNT Express's 9.6 percent". (Webb, 2012. TNT Express to refocus on european operations as financial losses mount. Bloomberg.)

2.2 DHL Express

DHL Express is a logistics division within Deutsche Post DHL, the world's leading mail and logistics groups. DHL Express Operates in over 220 countries, with 100,000 employees and 2,6 million customers (DPDHL Annual report 2012). DHL Express operates the bulk of their deliveries within their own airplanes operated by their own airline European Air Transport (EAT). (DHL. 2013.)

DHL was originally founded 1969 in San Francisco, California. Company got the name DHL from the surnames of the founders, Dalsey, Hillblom and Lynn. In the early years DHL expanded rapidly from just delivering documents to shipping of small parcels. Also in the early years the expansion to global markets and regions was aggressive. Deutsche Post acquired 75 % of DHL International's shares in 2002 at that time DHL already served 220 countries, with 71,000 employees. Changing the colors and re-branding all of the group logistics under DHL brand at 2003, after this DHL Express has been working as separate business unit under Deutsche Post DHL group. (DHL. 2013.), (DPDHL. 2013.)

2.3 FedEx Express

FedEx Express, claims to be the world largest express transportation company, with 160,000 employees worldwide and 220 countries or regions served. FedEx has a flight network of its own, with over 600 aircrafts. FedEx Corporation is the main corporation that leads a coalition of operating companies. These eight companies are: FedEx Express, FedEx Ground, FedEx Freight, FedEx Office, FedEx Custom Critical, FedEx Trade Networks, FedEx Supply Chain Solutions and FedEx Services. (FedEx. 2013.)

FedEx, at the time when it was founded called Federal Express, was originally a part of an idea by a Yale University undergraduate Frederick W. Smith. He wrote a term paper stating that most routes used by airfreight shippers at that time, were inadequate. He also stated that a need for time sensitive parcel shipment was imminent in some parts of industry. This led to the founding of Federal Express Corporation in 1971, in Little Rock, Arkansas. (FedEx. 2013.)

2.4 TNT Express

TNT Express is a worldwide Express delivery company, with over 200 countries served and over 74,000 employees. TNT Express Operates a fleet of 63 airplanes and 30,000 vehicles. One of TNT's main goals is to be a trustworthy companion and it claims to have 90 per cent customer satisfaction. (TNT. 2013.)

TNT is actually of Australian origin. In 1945 Australia Ken Thomas started a shipping business in Australia by the name K.W. Transport. In a few years' time the company changed the name to Thomas Nationwide Transport and TNT was born. TNT took the business global in 60's and the 70's expanding first to New Zealand and then to United Kingdom. After a series of mergers and splits TNT Express was listed in the stock exchange in 2011. (TNT. 2013.)

2.5 UPS

UPS, or United Parcel Service, is a US based parcel shipping company. Whilst still most (75 %) of revenue UPS made came from US market, they also serve 220 countries worldwide, and market themselves as the biggest parcel company in the world. They have 399,000 employees worldwide (76,000 international and the rest in US), and a fleet of over 300 aircrafts and over 93,000 delivery vehicles. (UPS Annual Report. 2013.), (UPS. 2012.)

The roots of present-day UPS date back to 1907, when a young teenager named Jim Casey borrowed 100 USD from a friend and started a company called American Messenger Company. In the year 1913 the company acquired the first delivery car, a T-Ford and changed the name to Merchants Parcel Delivery. In 1919 they adopted the name United parcel service, expanded rapidly in the following years, and in 1929 introduced the first conveyor belt system for parcel handling. UPS focused mainly in the US market during the following decades and started the first international shipping lines to Canada in 1975. During the following years international expansion took place and UPS delivers to 200 countries by 1992. (UPS. 2013.)

2.6 Brand information on express companies

All of the brands of these global express companies are well known. However there is no further versatility among the brands to mention. All of the companies have a similar standards and programs when it comes to sustainability, quality measuring and humanitarian projects. Every company, in crude overview, has similar programs and benefits for their employees. (UPS Annual report 2012), (DPDHL Annual Report 2012), (FedEx Annual report 2012), (TNT Annual report 2012)

2.7 Express logistics market in Finland

Express logistics industry in Finland mimics the current status of this industry world-wide. Express logistics field is dominated by afore mentioned companies. There is no statistics available on the current market shares within Finland, but the common belief in the industry seems to be that it is the same as in EU generally. Main products as mentioned before are fast international deliveries by airplane; therefore the only viable location for these companies is Vantaa, in close Helsinki-Vantaa International airport. Deliveries coming in are then distributed throughout the country by trucking them to various delivery depots, where the couriers are dispatched from. There are some differences in the postcodes and areas that are served within the day the shipments enter the country, but it is worth mentioning that all of the major companies serve major industrial centres of Finland, with the same speed.(TNT. 2013.), (FedEx. 2013.)

Finland's economic environment has been affected by several things over the last decade. Since 2000 our gross national product has fallen rapidly, as companies have moved their production to countries that have lower labour costs. At the same time participating work force has aged dramatically and will continue to do so for the next decade. This combined with Finnish taxation system creates a situation where government is in need of more income, therefore adding to the need of even bigger salaries and adding to the labour cost. This situation has resulted in cost cuts through the whole industry sector resulting in unemployment especially in the older populace. This situation has resulted in more aggressive competition between different logistics providers, as many small and medium sized companies have gone bankrupt, therefore resulting in lesser customers. Also raised labour costs have resulted in many manufacturing companies to move their factories abroad therefore diminishing the size of Finn-

ish express delivery market. (Irene K.,6.5.2013), (Suomen Pankki. Economic Outlook 3/2013. 2013.)

3 Marketing and brand marketing

3.1 Marketing, Marketing strategy and Marketing mix

Marketing in its general form is "social and managerial process by which individuals and organisations obtain what they need and want through creating and exchanging value with others." (Armstrong etc. 2009, 7.). This means that a marketing process consists of profound understanding of customers. After that building a marketing strategy that suits customer's wants and needs. The result from this should be a marketing program that delivers unmatched value to customer.

Usually when people think about marketing, they think about these steps, but there are still two very important steps left. After the customer sees the value in marketing, is the need to establish profitable relationships and therefore further increase the customer delight. The final crucial step is the capture value from customers in return. Very simplistic form marketing is about providing value to customers and get some back in exchange. (Armstrong etc. 2009, 7.)

Marketing strategy is often described as the basic fundamentals the company's marketing is working on. This is the behaviour model which the company uses to achieve customer relationships, preferably profitable ones. There is a multitude of factors that affect marketing strategy. Such as the current marketplace, target customer segment, demographic environment, political environment, economic environment and technical environment. These are all changing external factors that are constantly shifting that need to be incorporated in the strategy. This means that the strategy needs to be "on its feet", meaning that it is constantly adapting to these factors. (Armstrong etc. 2009, 71-144 and 53)

Marketing mix is a toolbox of different tactical marketing elements the company uses against the market to get the desirable response. The marketing mix is usually considered to include the 4P's (Price, Product, Place, Promotion), but actually the mix includes all the factors that affect the product or service. Developing a good mix leads to

a good product or service portfolio, this helps the marketing staff to produce great results. The final part of a successful marketing is the management of the marketing implementation already in action. This includes constant monitoring of results and corrective actions. (Armstrong etc. 2009, 71-144 and 53-55)

3.2 Brand marketing and brand experience

Brand marketing or branding is maybe one of the most important business strategies of today. According to authors of Marketing Management, people normally think brand as only a part of marketing and advertising. However there are significant other implementations, such as "Branding is central for creating customer value, not just images." (Lal & Quelch & Rangan 2005. 543.). This according to the authors in its simplest form means that, just by having a great brand can affect greatly to customers purchasing decision and create further competitive advantage. In fact, the story of DHL brand is a great example. DHL as a brand was so strong in the early 21st century that Deutsche Post decided to consolidate all of its logistic functions under this brand. (DHL, 2013)

There are multitudes of factors that make a brand, such as advertising. However the most important factor when trying to maintain brand, is the brand experience. Brand experience is the total sum of all contact points the brand and company behind it has to a customer. Therefore company must make sure that brand building is also an internal effort and that all customer contact points work according the chosen brand experience. (Armstrong etc. 2009. 251)

3.3 Brand personality, equity and ethics

According to authors of The Case for B2B branding, Brand personality is mainly the overall mental projection a certain brand brings to mind. This is essentially the same description as Marketing Management authors give to brand image. So if you see a well-known logo, it instantly gives you a certain feeling. For example the logo of Mercedes-Benz instantly relates to you as a quality car manufacturer, even if you have never actually own a Mercedes yourself.

This is the kind of personality that brand managers try to manufacture from the very beginning. The whole of brand personality revolves around brand promise; this prom-

ise is something that the company must be passionate about. Good example for this is DHL's "Excellence simply delivered", this promise gives customer a couple preconceptions about what to expect when dealing with DHL. These promises must be incorporated through company's infrastructure. (Lamons 2005, 37-49.)

Authors of Marketing Management think that brand equity in total amounts for various different things, such as knowledge, familiarity, relevance, images, how it affects purchase decisions and so on. It is also mentioned that brand equity in the simplest form is the value added to product or service by the brand. So for example, how much is a generic cola worth compared to original Coke, or how much is a regular computer in comparison to Hewlett Packard computer. This factor is the real difference maker when profits are calculated in the end of fiscal year. (Lal etc. 2005, 543-554.)

Brand ethics, according to the same authors, measures the different ethical aspects of brand marketing. These can be for example green values in form of ecological thinking or possibly charity work done by the companies. Also the ethic aspects need to be thoroughly considered when providing information about the products, and when marketing to populations lacking full understanding such as children. (Lal etc. 2005, 543-554.)

3.4 Brand positioning, differentiation and perception

Authors of The Case for B2B Marketing state that one of the most important features a brand can have is a unique position within the marketplace. This is mostly achieved through deliberate manipulation of the brand, a sort of manoeuvring it to certain position. To get to this point brand managers have to decide what brand attributes are, these attributes put together form the position within the marketplace. Another subject related to this one is differentiation, the things that set the brand apart from competition. The reason it is covered here, is that it's those same afore mentioned attributes that usually differentiate the brand. Without differentiation the competitive advantage vanishes and marketers will have to rely on pricing and such to get the product or service sold. (Lamons 2005, 29-37.)

Good example of this is Mercedes as a car. They have deliberately built their brand image on reliability and excellent quality; therefore they are in a position where they

can charge premium prices for their cars without hurting the sales. Needless to say, that this factor in brand management is the most important one by far.

Brand perception according to the author at Sonar Studios, a brand development company in Indianapolis USA is: "The definition I use is this: Brand Image is that which is projected and Brand Perception is that which is received or interpreted" (Sonar Studios. 2011). It represents the part, or the perception, of brand image that actually reaches customers. Simply put it is the way customer sees it, and therefore much harder to control than brand image. As the author playfully writes, it is not the way you say something to your wife, it's the way she understood it. (Sonar Studios. 2011)

4 Case study – Method and execution

4.1 Method

Semi-structured interview is a basic qualitative study tool. This tool is best to be used when the author does not get more than one chance for interview. Semi-structured interviews usually follow a written "interview guide" that helps the interviewer to maintain structure on the topic in hand. Semi-structured interviews are easy proceed with and produce good qualitative information. (Cohen D, Crabtree B. "Qualitative Research Guidelines Project." 2006.)

I chose semi-structured interview as my main approach according to the benefits involved. The "interview guide" can be prepared before actual interview and including open ended questions enables interviewees to freely express their own views. I also recorded the interviews to enable efficient later evaluation. This combined with the notes I made to "interview guides", I got the most accurate information possible. (Cohen D, Crabtree B. "Qualitative Research Guidelines Project." 2006.)

This method was chosen over the quantitative method, due to the fact that the topic of marketing, brands and differentiation is really hard to sum up in scales of 1-5. So I feared that if I would have chosen quantitative method, the freedom of expression would have been left out, and some central piece of information might have been lost.

4.2 Sample

Sample consisted of four medium-to-large sized companies. All of the companies were chosen so that all the companies in the industry would be covered as effectively as possible. All four companies were of different industries and their need of express companies different. All four companies situated within capital region.

5 Case study – Interviews and results

5.1 Company 1

Company one is a medium sized industrial company that uses express deliveries to move critical spare parts for the machines they sell. Currently their main express operator is DHL Express and they have been working with them since 2007. Person interviewed was their logistics manager. The company has operated in Finland since 1954 and currently employs 145 people, of which 15 people are logistics personnel. Their need for express shipping is daily and express shipping represents 80 per cent of their total logistics costs. Their main shipping lanes are import from central Europe. Logistic manager described his knowledge of their express provider to be excellent.

Logistics manager has been contacted through all the medias, such as phone, e-mail, personal visits and mail. He particularly prefers the personal visits, not too often, but with reasonable frequency so that all the issues can be resolved. There were no improvement suggestions for contacting and he felt that currently he is contacted adequately. Contact person changes can really disrupt the relationship if they are constant. He has been to customer events regularly, and they have been arranged well. He liked mostly sport related events. He did feel that he gets enough information and support from companies when it is needed. When asked for improvement suggestion they mainly go towards improving product portfolio with products that would give more freedom to customer in the lines of timetable and price. Improvements to marketing only included social media engagement.

According to company 1 logistic manager the image that their current express provider has is that they are a big international company, and on a more local level their pricing has always been competitive, so in overall a very positive image. First associations

from their brand are that they promote green values and do humanitarian work, although manager in question mentioned that it has little impact on the local daily procedures and handling of the customer relation. These associations he had mainly received from marketing e-mails and by participating in different customer events. Also the green values are something that company one shares with their provider, and their provider's actions are in accordance to these values. Ethic aspects count less than 10 per cent when making a purchasing decision since the buyer can presume that dealing with big, well known brands this attribute is given.

When choosing a logistics provider in express logistics, the brand of the company is irrelevant since all the companies in the express industry have an existing brand. Also in general the companies that have a brand and are well known usually have the needed capabilities to handle any possible discrepancies with the shipments. Providers must also have a presence in the places where suppliers are (i.e. central Europe), and there might also be restrictions to what companies the suppliers are willing to use. Major differences between express logistics companies come mainly from their sales people and experiences with them. According to the logistics manager there are big differences in the way the contacts are made, and to the frequency of them. Two of the companies have a similar approach with constant contacting while two other contacts are less frequent. One of the companies has only visited twice in 10 years' time. The main points brought up from the visits are the preparation to the actual meeting that seems to be non-existent. Companies that visit less often are not considered to have a genuine interest of starting a business relationship, and the lack of preparation and ground work usually leads to poorly prepared offers that do not meet the customer needs. When the logistics manager was asked to describe the ideal logistics partner the attributes he mentioned were reliability with the timetable of the shipments, competitive pricing and also they can handle all shipments regardless of their nature. This is because it would be simpler to work with only one provider in all cases. They would choose DHL Express for their main express partner even if they would only judge the express companies without pricing factor. Reason for this was that they felt DHL Express was the most international company, and they are used to working with them, so there is also convenience and comfort factors involved. Company that they would least like to work with was FedEx since their pricing and services are least suited to their needs.

5.2 Company 2

Company two is a medium-to-large sized industrial company that manufacture semi-ready products for electronics industry. They work with all four express companies, but would not name their main provider at the moment. Person interviewed was their logistics coordinator. Company has been represented in Finland since 1985, and employs 350 people, of which ten to fifteen are logistics personnel. Their express logistics needs are daily, and multiple shipments per day. Roughly estimated 80 per cent of their total logistics is sent via express companies and the shipments include final products, samples and spare parts. Their main shipping lanes are Asia, Europe and USA, both import and export shipments. Logistics coordinator describes her knowledge of the marketplace as good basic knowledge.

The logistic coordinator has been contacted by all of the possible methods available (phone, personal visits, e-mail, traditional mail). She has the image that TNT does not have many customer events at all, UPS have a few customer events and FedEx and DHL have many. There are no great differences in sales people contacting, and brochures are mainly coming from others than UPS. She does not have a preference in contact method, but mentioned that some brochures and e-mails might not reach her due to the lack of time during work hours. She also mentioned that there is a certain threshold in attending customer events, and a good way to lower this threshold is to pre-plan the customer event transportation so that it is easy to customers to attend. On the topic of improvement suggestions she mentioned that personal visit amounts cannot be increased after a certain point, since customers are really busy and the threshold of dedicating time to meet a sales person is great. She said that through all contact methods there should be more quality than quantity, and there should be something given in return to customers time. It should also be easier to find out some of the common information that affect shipping such as fuel surcharges and parcel sizes, these should be absolutely clear to customer after a short searching. She feels that some of the necessary information is not as easy to find as it could be.

Company representative did not want to name any providers in particular to any of the questions, so we spoke on a general level about express companies. She said that all the companies have a really good strong brand, but they differ greatly through the products they offer. All the associations that relate to the brands come for the products

and their offering. Mainly this differs through different product attributes like sizes that can be shipped, and pricing. All the companies are equally reliable, but the most relevant is how well these products fit to customer specific needs. Other important values are different quality systems that are incorporated in the purchasing procedure, but all other values and brand parts are not visible at customer level. When asked that what attributes compel the most, this logistics coordinator revealed that TNT has top quality customer service out of all the companies. This reflects to customer as a way of doing things, as a set process that is executed same way each time. Other differences between companies are that some of them have weaker processes than others, this includes customer service and import forwarding. The main key is the customer's ability to influence the process by contacting the companies. Also claim situations and problem solving are either simpler or more complex, but there are no significant differences in brands or images. Their ideal logistics partner would have products that can be tailored from different components to fit the customer needs. There needs to be a faster and slower delivery time, and the possibility to ship bigger and smaller shipments, all of this whilst retaining the reliability and quality they are used to. Many companies tend to offer products that move the shipment faster than necessary, therefore answering the need of fast deliveries when companies absolutely need to get them. However the biggest volumes do not need to move as fast as possible and most of the possible revenue is in the big volumes.

5.3 Company 3

Company three is a large machine manufacturer that manufactures machines needed in grocery stores globally. They currently work with DHL Express, but have been using TNT for last nine years. Person interviewed was their transportation manager. Company has been established in Finland in 1956. They have 450 people employed and four of them run the day-to-day logistics. Their need for express shipments is daily, and they send multiple shipment per day. Role of express shipping is mainly spare part shipping and also to fill in the gaps of their production. Their main lanes are Sweden, Norway, Estonia and Germany.

Transportation manager said that express companies contact him through e-mail and personal sales visits. He prefers meetings near the end of the year and might even refuse meeting during contract period. He prefers face-to-face contacting because it is

easier to judge the commitment of the provider through this method. He also feels that it is advantageous to the company to handle matters personally, even though it takes more time. Improvement suggestions for contacting included outsourced booking company scheduling the appointments to be left out. He would prefer the sales contact to schedule them directly. He feels that the amount of contacts is ok from express companies, but in total logistics providers crowd his calendar. He has been to customer events of express companies, and feels that the best events are those that are kept with small crowd. He dislikes big events where there are tens or hundreds of customers. He feels that customer events few times a year is a good way to get to know the customer, and they should include more of the operational people from both provider and customer side. He feels that he has enough information but feels that cost related things, such as price increases, should be communicated personally. Especially sales persons should be more active in this stage of the sales cycle. All price increases should be negotiated every time, this is especially important when prices increase during contract period. As an extra marketing effort he would appreciate that operational people would be remembered by logistics company marketing staff, as they also play a big role in influencing decisions within companies.

Transportation manager describes his own knowledge of express providers to be really good, since he has been also working in one of the companies at one point of his career. He describes TNT as a very high quality company. This is based on the fact that everything they do is thought through beforehand and every risk has a counter measure that is already thought even before there are any discrepancies. TNT can alter their service and product in flight and that makes it easy for customer. Values that are marketed in TNT are quality awards and green values. When compared these values are the same with company's values, especially green values. This has especially increased since recent ownership change within company. Also ethic values are in a significant role in TNT marketing, and they have been involved with different humanitarian projects. They have not profiled themselves as a sports sponsor, and more as humanitarian company. He also says that ethic values are equally important when compared to green values. He also mentions that these values are also big influence on purchase decision, and they try to choose providers with similar values to their own companies. This is especially important with new companies. He feels that values other than pricing, the foremost are quality and reliability. Operational differences are the

main thing that differs within express companies. He mentions that TNT has more tailored solutions than many of the competitors that are better with volumes. They feel that sometimes certain rules within express companies are not based on anything, and there is no local touch involved. He would require more tailored solutions locally for his company. When asked about the qualities of ideal partner, the transportation manager lists certain products that he would like to combine from different companies. So products need to be versatile, in both service level and package sizes. They would like to give out specs about their shipments and logistic companies offer accordingly, and everything needs to be flexible. When asked to choose one express provider using only image as a factor he says that they would go to TNT. This is because of the versatility and personal touch. Last company he would work with is FedEx since they are a US based company that is not known for deliveries in EU and Scandinavia. He mentioned that they would not consider them even if the price was way lower than current shippers; this is because of the critical nature of their shipments.

5.4 Company 4

Company 4 is a medium-to-large size company that manufactures security related products. Since 2008 they have been using four express companies, from which two are preferred. Nowadays they use one, but there are cases where two parts of a same shipment must travel with different providers, due to customer or internal demands. Person interviewed was their supply chain manager. Company has been in Finland 125 years in total, but with their current name from 2006. Company employs 350 people, from which 4 people handle logistics. Their need of express shipments is almost daily, multiple shipments per week. Role of the express shipments are document shipping and samples. Main shipping lanes for express are EU, Asia and Middle East. When asked about his overall knowledge of express providers, the supply chain manager said that he knows two companies well, one with average knowledge and one not that well.

Supply chain manager has been contacted through all medias, but mainly with e-mail, personal visits and newsletters (traditional mail). He said that newsletters are good, but he rarely has time for reading them. E-mail is probably the most annoying way to contact and is mostly deleted on sight. He feels that the best way to market something for them is to know their business and target them with something of interest. Better marketing executed with less frequency, for example one event a year where there are

more people, and people that you usually just e-mail with from operations, customer service and such. This way you could communicate all information from company and its offerings at once, when customer is more focused. He feels that contact amounts are reasonable, but new marketing requires more targeting to specific customers. Supply chain manager has been to some customer events, and feels that they are usually well organized. He feels that good customer event includes information part and then the casual networking part. Improvement suggestion included that more personalisation for smaller groups when you know what they like. He mentioned that information sharing is reasonably accommodated.

Supply chain manager did not want to compare companies openly. So we proceeded with general information about all the express providers. He explained that it is not that much the actual brand that makes the impact, but the local service, and its quality. Also the personal contact from companies whether it is the sales person or customer service is equally important. These as a whole give a certain relationship history that has the most influence to customer perception of the companies. Brand names include expectations, such as service level and basic starting point for operations are steady. Also the well-known brands are expected to meet their shipping standards and have a global coverage. When we discussed values, he mentioned that brand values in general are poorly conveyed, but there are certain pre-determined attributes that a provider must have before they are even included in this company's quotations. Marketing efforts do not highlight any values in particular and therefore they do not stay top-of-mind. He feels that these values could be important to some customers, but especially in formal quotations where these values might have a pre-set weight on the purchasing decision. Their company measures their carbon footprint and such that those values are important to them. Ethic values to this company are important if they are genuine, however he feel that humanitarian work just because of marketing is not acceptable. Humanitarian work is also important to their company and they would like to share it with providers. Local image from the logistics provider is really relevant in the provider choosing process, even if company with bad reputation is a little cheaper than others, they see that they save more money in working hours by choosing a good provider with slightly higher rates. Prices are of course important factor, but even more so the fact that their criteria's are met and attributes like flexibility and the capability to understand their company and its needs. This shows especially in the discrepancy han-

dling and the efficiency of it. He mentioned that they have a bad experience where in a problem situation, nothing happened and they only got excuses as replies from the provider. He mentions that all of these local attributes are more important than any brand image. Supply chain manager also states that DHL has also other business units that reflect to the whole DHL image. When asked about specific attributes that are a must for logistics provider, he mentions reliability as number one attribute. Flexibility is not as important since the need for it is not that constant if standard service works well. Differences between express providers are there and they are clear. It culminates to attitude towards the customer, he felt like some providers just sit and pretend that they listen to their needs without actually caring about them. It almost felt like their profile as a customer did not fit into provider's needs. He still believes that the basic business idea is the same, but the process and execution is different. Their main need is for transparency and it needs to be there to keep the customer relationship honest. When asked about his ideal provider attributes, the supply chain manager mentions that express shipping should have solutions for higher security grade shipments. He said that provider he would choose based on local image would be DHL Express; this is due to good customer relationship history and relations with logistics team. He said that company that he would least like to deal with is FedEx, this is because their management, attitude towards customer and the sales contact was not professional. He mentions that sales person is in a key position to influence local image. He felt that they were not important customer, but more like a nuisance for the provider.

5.5 Results

The brand centric approach for this thesis was probably not the best idea, since it came apparent that other factors than brand were more important to customers. It has been mentioned multiple times how competing brands revoke each other when they are equally good in terms of values. This combined with the fact that values are not centric in marketing communication, or at the very least did not reach the customer, made the brand irrelevant compared to other marketing mix parts. The most relevant factor in creating an image of the company and the brand locally seem to be the tactical marketing communications. This includes the portrait that is given to customer by operations, customer service and sales and marketing efforts all together. This places sales force performance in a significant role in the whole experience. It is apparent that marketing and sales management in companies have a firm grasp of this, but still

do not always work in such customer centric manner they claim to possess. There is still a lot to be achieved if people would think outside the box and actually listen to customer specific needs.(Kahri. 2013.)

One similar aspect of all the customers interviewed was that they did not feel that brand values were a central part of marketing efforts of the companies. According to the marketing theory, this should be the main difference maker between competitors and the part that adds value to company's products. Although purchase decisions are often made objectively and not based on feelings or images, still some of the strengths of the brands could be used efficiently if they could get through to the customer. This is mostly based on the fact that all of the decision makers felt that values were important to them as a company. Other ways how the brand was considered in the purchasing process was the provider checklist that some multinational companies have, the idea is to pre-select the providers who have the necessary quality certificates and capabilities to handle the shipments of the companies making the purchase. (Armstrong. 2009.)

There were many improvement suggestions introduced during the interviews and they mainly considered the product portfolio of the express companies. Customers seems to have a specific desire to influence their shipping, so that they could slow it down when transit times are not relevant and also bring in more details such as delivery times and tailored service when they are needed. This means that the portfolio of products must be diversified and customer should have the power to influence different factors to their liking. This all must be done whilst maintaining delivery efficiency they are used to. There were suggestion of a sort of "shipment builder" that would allow acustomer to construct their own product from different building blocks. This would allow greater personalization of products according to customer desires. Building blocks would include the size of the shipment, delivery time, price and other additional tailored elements.

It is also apparent that customers would like to have more quality in their marketing contacts. They feel that their time is too invaluable to be wasted, and therefore only want to receive the targeted marketing that suits them especially. This includes e-mail and mail channels in particular, since a few customers interviewed felt that there was

not enough time to concentrate on these at all. There is definitely a need for a deeper knowledge database of the customers, and what the priorities in their businesses are. This information would allow niche segmentation of customers for accurate marketing messages. This precision marketing would be highly appreciated by customers who only want to receive information that is actually useful for them or affects their working environment. Marketing professionals call this the fine line between value adding and being intrusive. (Armstrong. 2009.)

Customers also mentioned sales calls as an improvement possibility. Sales calls must have a pre-defined agenda and customers would prefer quality over quantity with this marketing channel. In a nutshell, customers feel that poorly prepared sales visits do nothing but reserve their time unnecessarily. There are many theories about this, subject and their main message is that companies that spend time carefully coordinating sales, and listening to customers usually end up with long term profitable relationships. Only closing the maximum amount of sales is not enough. (Armstrong. 2009.)

A few particular notes on certain companies include that DHL Express might need to consider the impact of other business unit activities on their image. This is because customer has said that many business units under same brand can create confusion in customer between the business units. And the notable thing was that, when customers were asked who they would least want to do business with, it was in both cases FedEx, also it was mentioned in both cases that it was partly due to products that did not suit customer needs.

6 Conclusions

6.1 Conclusions and suggestions for improvement

Final conclusions of the study are that the brand image does not have an impact in the customer decision making process locally. This is a direct result of the fact that customers do not see any additional value the brand brings, since all express companies have similar brand values. Express companies have a possibility to impact the customer's decision making locally by altering their marketing efforts and product portfolio.

A company can differentiate itself by rationalizing and increasing the accuracy of marketing communication and offering outstanding and personalized customer service, sales and product portfolio. Consequently the improvement suggestions include additional training of customer service, sales and marketing people. This training should be general emotional intelligence training more than just sales tactics. Companies should also have more customizable products to cover all customer needs. Marketing and sales staff should focus more on the quality of the customer contacts and not only the number of contacts.

6.2 Reliability and Validity

Reliability of a study or research is a measurement of the consistency of the results, within time. So with the same sample the results should be reproduced when the study is done exactly the same way as before. The closer these two results are to each other the more reliable the study is. (Golafshani, N. 2003.)

Validity of a study is a measurement that determines if a study truly measured the factors it was intended to. Validity also measures if the means of which the study was conducted by. These terms are far more valid when measuring quantitative results, and do not apply so well in qualitative study. (Golafshani, N. 2003.)

The reliability of the study is moderate at its best since both the sample and the local express logistics field is constantly changing. Therefore the study will be out-dated very fast. However, the validity at the time of the study is good, since the author of the study could see patterns in such a small sample. These patterns would probably strengthen when the sample grows. Validity suffers a little due to demographic reasons. All of the sample companies were from a demographically identical area, and the results might change rapidly when that factor changes. I believe that the given sample and study should reproduce similar results in a similar circumstances in future, the inconsistency is due to the changing circumstances.

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Question form for customer interviews

1. How long has your company been in Finland?
2. How much staff does your company have?
3. How many of these are logistics personnel?
4. How frequent is your need for express shipments?
5. How would you describe the role of express shipping in your logistics function?
6. What are your main shipping lanes for express?
7. Who is your company's main express provider?
8. How long have you been working with them?
9. How would you describe your knowledge is about this provider?
10. How would you describe the image you have about the current express provider?
11. What sort of associations comes to mind, when you think about your current provider?
12. Why did you pick these? Elaborate?
13. What sort of values does you current provider promote?
14. What is your opinion about these values?
15. How well do they align with your company's values?
16. How relevant are the ethic aspects in your provider's brand?
17. How important are the ethic aspect's to you as a customer?
18. How relevant is a brand image in choosing a logistic provider (if you would have to choose now)?
19. Is there any specific part of the brand image, that you feel more compelling than others? Why is that?
20. How would you describe the major differences between the leading express forwarders?
21. Positioning? (Cheap – Expensive, Reliable – Unreliable... etc.)
22. What would be the values and images that your ideal partner should reflect in their brand?
23. Please elaborate on the reasons behind your choices?
24. If you could choose your provider, only by their brand image (meaning price would be irrelevant factor). What provider would you go to?

25. Why did you choose xxxx?
26. What would be the company you would like to work with least, at this moment?
Why is this?
27. In what ways does your express provider contact you?
28. Are there some methods that you particularly prefer? Why is this?
29. How would you improve the contact methods?
30. How do you feel about the amount of contact you receive from them?
31. Have you been to their customer events?
32. How would you describe your current providers marketing arrangements?
33. Do you feel that you get enough information and support from them?
34. Can you give some suggestions to improve the marketing of express companies in Finland?