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ÜRETİM YÖNETİMİ VE PAZARLAMA (İNG) BİLİM DALI

THE FACTORS AFFECTING CUSTOMER SATISFACTION IN CONTAINER SHIPPING SERVICE SECTOR

Yüksek Lisans Tezi

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Danışman: DOÇ.DR. A. MÜGE YALÇIN

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Marmara Üniversitesi
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ABSTRACT

THE FACTORS AFFECTING CUSTOMER SATISFACTION IN CONTAINER SHIPPING SERVICE SECTOR

Within detailed analysis of shipping service sector, which plays an important role in terms of the development and juxtaposition of the countries at global level, certain issues such as scope and ingredients of the service, a brief overlook to the container logistics in this scope, market analyses, marketing techniques, and analysis of container shipping service marketing are examined.

Container shipping sector, which is an ever-developing sector in the world and in Turkey, contributes significantly to Turkish economy. A major amount of the total export and import shipments in Turkey are handled within containers at ports. The invention of the container provided opportunity for the combination of different transportation systems (intermodal transportation) and thus it added a new dimension to the transportation sector. It is very important that service provider companies in container shipping sector as a service sector ensure customer satisfaction in order to be succesful under today's conditions of competition.

This study aims to investigate the effect of three factors of service marketing mix; namely people, physical evidence, and process on customer satisfaction. Those factors are critical elements that affect customer expectation which leads to customer dis/satisfaction. Therefore, those factors are chosen and their effects are investigated in this study. Given this aim, a survey was prepared by using exploratory and descriptive research methods, which includes questions about three factors (3P's), customer satisfaction, and respondents' profile.Survey responds (n:293) were collected via e-mails from top and mid-line managers of export, import and freight forwarder companies which buy container shipping service. The findings suggested that the most

significant factors on customer satisfaction are people and process. It was also found that value added services have very limited impact on customer satisfaction.

Key Words: Container, Shipping, Service Marketing, Container Service in Shipping, Shipping Service Marketing Mix, Process of Container Service, Customer Satisfaction

ÖZET

KONTEYNER TAŞIMACILIK HİZMET SEKTÖRÜNDE MÜŞTERİ TATMİNİNİ ETKİLEYEN FAKTÖRLER

Dünya ülkelerinin gelişmesi ve global anlamda aktif rol alabilmeleri açısından önemli yeri olan denizcilik hizmet sektörünün detaylı incelenmesiyle birlikte, hizmetin kapsamı ve içeriği, bu kapsamda yer alan konteyner taşımacılığına genel bakış, pazar analizleri, pazarlama teknikleri ve pazarlama karmasının konteyner hizmet pazarlaması ile analiz edilmesi konuları üzerinde durulmuştur.

Konteyner taşımacılık sektörü dünyada ve Türkiye'de giderek gelişen ve Türk ekonomisine de önemli bir katkıda bulunan bir sektördür. Türkiye'de ihracat ve ithalat taşımalarının önemli bir kısmı,limanlarda konteynerlerle elleçlenmektedir. Konteynerin icadı, birden çok taşıma şeklinin kullanılmasına (intermodal taşımacılık) olanak sağlamış ve böylece taşımacılık sektörüne yeni bir boyut kazandırmıştır. Bir hizmet sektörü olan konteyner taşımacılık sektöründeki hizmet sağlayıcı firmaların günümüz rekabet koşullarında başarılı olabilmesi için müşteri memnuniyetini sağlamaları çok önemlidir.

Bu çalışma, hizmet pazarlama karmasının öğelerinden insan, fiziksel kanıtlar ve süreç öğelerinin müşteri memnuniyeti üzerindeki etkisini araştırmayı amaçlamaktadır. Bu öğeler müşteri tatminine veya tatminsizliğine yol açan müşteri beklentisini etkileyen kritik öğelerdendir. Bu sebeple bu çalışmada bu öğeler seçilmiş ve müşteri tatmini üzerindeki etkileri araştırılmıştır. Bu amaçla, keşfedici ve tanımlayıcı araştırma metodları kullanılarak bu üç öğe, müşteri tatmini ve cevaplayıcı profili hakkında soruların olduğu bir anket hazırlanmıştır. Konteyner taşımacılık hizmetinden yararlanan Türkiye'deki ihracatçı, ithalatçı ve nakliye komisyoncusu (freight forwarder) firmaların üst ve orta düzey yöneticilerinden e-posta aracılığı ile anket cevapları (n:293) toplanmıştır. Anket sonuçlarından ortaya çıkan bilgiye göre müşteri tatminini en çok

etkileyen faktör insan ve süreç faktörleridir. Diğer yandan katma değer servislerin müşteri tatmini üzerinde sınırlı bir etkisi olduğu sonucuna varılmıştır.

Anahtar Kelimeler: Konteyner, Denizcilik, Hizmet Pazarlaması, Denizcilikte Konteyner Hizmeti, Konteyner Hizmetinde Pazarlama Karması, Konteyner Hizmet Süreci, Müşteri Tatmini

TABLE OF CONTENTS

Page Number

LIST OF TABLES

Page Number

LIST OF FIGURES

Page Number

LIST OF GRAPHS

Page Number

1. INTRODUCTION

One of the main purposes of marketing is to understandthe customers' needs. If the customers are satisfied, they can lead the company to a competitive position resulting in higher market share and profit. When the satisfied customers increases, they talk about the products or services of the company in a positive way, and this positive word-of-mouth attract new customers (Anderson, Fornell and Lehmann, 1994; Gupta, Lehmann and Stuart, 2004; Lee and Feick, 2006; Rust and Oliver, 2000). Customer satisfaction is also generally assumed to be a significant determinant of repurchasing and customer loyalty. (Singh, 2006; Anderson & Sullivan, 1993) International Organisation for Standardization (ISO) 9000 has recently adopted some changes that include customer satisfaction, and its certified companies must collect and analyze data on customer satisfaction and use them to enhance organizational performance (Bond & Fink, 2003). Therefore, the aim of this study is also very important for container shipping sector, and this study is one of the first studies about customer satisfaction in this sector.

Most research on customer satisfaction has focused on satisfaction with consumer goods and services. However, customer satisfaction is essential for lasting survival and development of a business.Screening and observing customer satisfaction and recognizing its underlying factors must be one of the main activies of any business. Therefore, the purpose of this study is to recognize the factors that affect customer satisfaction in container shippingsector in order to improve marketing activities, keep the existing customers, and attract the new customers.

The reason for focusing on the container shipping sector is that %95 of the general cargo is carried by seaway within the containers in the world. In Turkey, %85 of the total volume of Turkey's foreign trade transportation has been transported by sea. And the container volume is %17 of total export and import shipments(TurkStat, 2009).Therefore, Turkish shipping has been oneof the significant industries in Turkey with direct impactupon the economy(Yercan, 1998). Turkey enjoys a strategic location, with the potential to play a pivotal role in regional and global integration.The important

energy, trade, and transport networks which connect west to east and north to south are keys to unleash this potential.Turkey is located at the crossroads between Europe and Asia. This geographical location enables Turkish ports to handle significant amount of cargo between the Western and Eastern points. Cargo coming from Europe and America are handled in transit to Commonwealth of Independent State(CIS) Republics, Iran, Iraq, and the Balkans, and vice versa. Recent economic and political developments throughout neighbouring regions such asthe Balkans, the Black Sea, the Mediterranean Basin, the Caucasus, Central Asia,and the Middle Easthave further emphasized Turkey's role. Turkey is rapidlybecoming one of the leading actors in foreign trade in the region and has extensive trade relations not only with the EU and OECD Member Countries but also with the Black Sea Economic Cooperation (BSEC), the Economic Cooperation Organization (ECO), with Central Asia, and the Middle East. Political progress in opening markets and borders will facilitate Turkey's trade and economic growth (Comcec, 2011).

Maritime transport is one of the most liberalized sectors in Turkey, with a strong private shipping sector. In parallel to the developments in maritime shipping sector in the world and to meet the needs of Turkish maritime sector, Turkey's investment and policy priorities are structured as following: Turkish merchant fleet, Turkish ports, cabotage, financial policy, safety and security, protection of the environment, maritime education and training, and new maritime trade links.Unique geographic location of Turkey offers important multi-modal transport opportunities. All of the major ports are accessible by railways with a storage capacity of 2 million tones and total throughout around 46 million tons per year. With over 8000 kms of coastline, Turkey has five ports which have been registered as international ports and container terminals by the European Agreement on Main International Combined Transportation Lines and Related Facilities (AGTC).It is aimed that until 2023 one of the ports of Turkey would be among the top 10 ports in the world with respect to handling capacity. It is expected that, through necessary investments, the total container handling capacity of all Turkish ports would be 32 million TEU(Twenty-foot Equivalent Unit)/year(Comcec, 2011).Historically, as a maritime country, Turkey attaches great importance to its shipping sector.

Classic maritime transportation from port to port hasbeen changed by the invention of container in the Turkey as well as in the world. Any kind of commodities can be transported with these standart boxes at the lowest possible prices. Containerization is the best way to streamline distribution.In line with the estimations in global containerization trend, it is expected that over 60 percent of all cargo handled in Turkish ports will be containerized by 2020. This represents an approximate container volume of about 20-25 million TEU. This volume will be supplemented by the growing volume of container transport carried by rail and road(Comcec, 2011).Container shipping sector has an important role in Turkish shipping sector and is considered to be catalyst for economic development. This sector was chosen for this study due to its significant importance to the economy. Adam Smith pronounced the economic significance of the shipping sector saying that it offers a cheap mode of transportation helping to open up larger markets (Economy Watch, 2010).

There are many local and global container shipping companies in the Turkish container shipping sector. The competition is high in the market, and an effective organisation and management is very necessary in order to be one of the major players. Vessel makes money as long as its propeller turns and has cargoes on board. The shipping company needs to find cargoes constantly and waiting times at ports for loading/unloading must be as short as possible. In order to provide cargoes for each voyage of the vessel, the shipping company has to be technicallay well-organised and havean effective marketing strategy (Ece, 2006).The marketing of shipping companies activating in merchant shipping is the science of business-to-business marketing which deals with the satisfaction of shipper's needs for the carriage of goods by sea, with the main aim being the profit of the enterprise. This satisfaction can be generated by correct marketing strategies(Plomaritou, 2008).The more the shipping company tries to understand its customers' requirements to adapt, to offer appropriate transport services, and to negotiate the freight, the more the possibilities are to achieve the most appropriate, efficient, and long-lasting commercial operation of its vessels. This study aims to understand the factor that effect customer satisfaction in container shipping sector in order to have long-term and regular business.

A company achieves its marketing objectives by its marketing strategies which are related to the tools of the marketing mix (Kotler, 2000).The concept of marketing mix has attracted attention from both academics and managers and has widely been widely in the marketing dicipline (Bartels 1983; Shapiro 1985; Van Waterschoot & Van den Bulte, 1992).The marketing has been defined as the controllable variables the company puts together to satisfy target markets and achieve the company's objectives (Bitner, 1991). By this definition, the marketing mix includes any and all the elements that may potentially satisfy the customer. Underlying the marketing mix definition is the unmentioned assumption that the satisfied customers are the potential repeat customers who may eventually have long-term relationships with the company(Bitner, 1991;Rushton & Carson, 1989).Despite the increasing literature focused on services marketing in general, there is a lack of literature explaining the application of marketing mix theory in shipping services (Plamaritou, 2008).In this study, marketing mix (7P) was matched with the container shipping service marketing and a survey was conducted in which 243 business customers who have export/import shipments via container shipping companies in Turkey participated. The new marketing mix elements, namelypeople, physical evidence, and process were chosen.These additional elements beyond the traditional 4Ps distinguish service firms from manufacturing firms (Yelkur, 2000).The expanded mix explicitly recognizes the role of service firm personnel and customers in the service delivery process by using its physical evidences which are proof of shipping service. The new mix variables will influence customers in terms of whether or not service marketing impact is appreciated and managed. It is very important for marketers to understand the importance of adapting to customers through marketing concept. This manuscript deals with one aspect of that adaptiver process: customer service satisfaction. Customer can evaluate his/her satisfaction level according to the service experience through the marketing mix. The critical elements in the services marketing mix that influence customer satisfaction being physical evidence, people, and process (Yelkur, 2000).The aim of this study is to develope a model that suggests the effects of additional elements of services marketing mix (3Ps).Thus, in order to draw attention to them, the participants werequestioned about their ideas and satisfaction of their most preffered shipping company's services related to its people, physical evidence, and process.At the end of evaluating the results of the survey, it is

expected to reach significant factors that affect the customer satisfaction in container shipping sector.

This study makes several contributions: first, the container shipping sector is evaluated in the frame of services industry; second, the key definitions concerning the shipping marketing mix and the dynamics of the container shipping services are introduced; third, the situation of customer satisfaction about people, process, and physical evidence are determined according to the results of the survey.

The literature of this study consists of four main parts. The first part evaluates the container shipping sector as a service sector depending on the existing literature. The features of the container shipping service are explained. The second part gives details about the background of the container shipping sector. The place of it among other transportation systems, elements, and units in the sector are told. A general view of market analysis are mentioned in this part. The third part explains the shipping marketing strategies through services marketing mix. Each element of services marketing mix are explained and matched with the container shipping service elements. In the fourth part, the importance of customer satisfaction is emphasized. After such a review on literature and container shipping sector, an exploratory and a descriptive research take place in the methodology part. The exploratory research aims to understand the factors of the container shipping service that influence customer satisfaction in Turkey. Sector experts and 30 people who work in this sector contribute to the exploratory research of this study with in-depth interviews. Then, the descriptive research, namely a cross sectional survey is implemented to gather information on a sample of the top and mid-line managers (N = 293) of export, import, and freight forwarder companies. Adapted from the existing literature, a research model is constructed and tested. Research finding is followed. The discussion part includes the comparision of the literature with the research findings. Conclusion part offers implications in the sector. Considering the literature review, survey results and discussion part, the important issues are emphasized. Future research propositions are also offered in the conclusion part. The final parts are appendices and references.

2. SERVICES

Service is described as a deed, act, process or performance that is required to make investments in numerous assets, people, technology, and materials in order to create added value and provide benefits for customers (Lovelock,1983; Gilmore, 2003). It is not a tangible product that can be seen or touched such as consumer goods but it can be experienced. Service offers the complement of benefits to the customers through temporary possesions instead of ownership in order to increase or keep customer satisfaction (Oluç,2006; Lovelock & Gummensson, 2004).

Services are all around us. In the simplest term, we are the customers; we use services everyday in our daily life such as bus/metro/taxi for public transportation, restaurants for eating, gsm operators for communication, banks for money transfers, cinemas and museums for entertainment etc. Almost every item includes service offerings. For example, when we buy a laptop in a computer store, we expect helpful and knowledgable employees, a service for installing programs on a new computer, a good after-sale service, and polite and interested employee to handle our complaints without charging any cost. In today's competitive and economic conditions, customers notice their own value in the eye of firms and they seek for offerings more than they expected (Gonçalves, 1998).

The definition and the scope of the service is wide. Service includes all economic activities whose output is not a physical product, cannot be stored but just consumed at the time when it is produced, and create added value in forms in order to fulfill a demand (Quinn, 1987). Service can be an organization as for-profit business structure or not-for-profit structure within the service sector, i.e.., a restaurant, an insurance company or a charity. Container shipping service is an economic activity which target to make profit. Its output is not a physical product but a benefit for customers by moving their goods from point A to point B. Service can be a core product like commercial output of a service organisation, i.e.,. a bank account or an insurance policy. Service can also be product augmentation to enhance the delivery of core product, i.e., provision of a courtesy car, complimentary coffee at the hairdressers.

Service can be product support that is any product-oriented or customer-oriented activity that takes place after the point of delivery, i.e., a repair service or up-dating facilities. Service can be just an act as a mode of behaviour such as helping out and giving advice. Service can be one or all of these (Gilmore, 2003).Core product of container shipping service is port-to-port transportation of commercial goods in containers. Door-to-door service can be product augmentation to enhance the delivery of goods. It creates value for customers such as time saving and money saving by organizing the transportation process instead of customers. Besides, it makes a major contribution to foreign trade.

Container shipping service includes three stages like all services, such as service before purchasing, service during purchasing, and service after purchasing. Services before sale include limited information and suggestion which is provided to the customer. Service provider tries to understand needs and wants of the customer, give information about the costs, and propose an offer to the customer. Services during sale include detailed information about product/service, supplementary services, chracteristics and components of the service, utilization, and usage. All services must be provided in terms of the ease of business at this stage. After-sale services include any help or supply related to the sold product/service. The purpose is to create customer satisfaction and positive word of mouth (Çağlar, 2005; Lovelock&Wright, 1999)

2.1. FEATURES OF SERVICES

Service is an important part of the product, and it increases the competitive advantage of the product. Customers prefer buying products with supplementary service elements rather than others which are lack of service. Firm's aim is not only to get customers but to keep them for a long time. They try to establish relationship with customers. The firm sustains its position among competing offers over time. Firms cannot survive without focusing on service quality beyond product. Quality is how the offer gains uniqueness and value in the eyes of the customer. Developing relationships with customer helps the firm to understand customer and evaluate their own performance. Customers' feedbacks are so valuable. Their complaints help to monitor

service performance and refine it. Satisfied customers help to keep standards and to make innovations. The firm can motivate succesful employees by rewarding according to the customers' feedback. The most important issue is to determine what is important for customers. There are differences between products and service. In order to serve a better service to the customers, service must be well-understood. Services differentiate from products by their characteristic features. They require a different type of marketing and a different marketing mix. Many of the strategies, tools, and frameworks are developed to address these characteristics. These characteristics are not unique to services but they are also relevant to goods (Çabuk & Yağcı, 2003; Priluck, 2003; Mucuk, 2004; Christopher, Payne,& Ballantyne, 1991; Rafiq & Ahmed,1995).

2.1.1. Chracteristics of Services

Main characteristics of services are intangibility, heteregenousity, inseparability, and perishability (Parasuraman, Zeithaml & Berry, 1985).

The most basic distinguishing characteristic of services is tangibility because they cannot be seen, felt, tasted or touched as opposed to goods. So customers take physical evidences into consider while evaluating services such as physical atmosphere, staff, equipments, communication tools, symbols, and price of the service. In this regard, service providers make their service more tangible with the help of physical evidences. Intangibility causes several marketing challenges. Demand can change in time; however, services cannot be inventoried. Services can be copied easily by competitors; however, they cannot be patented easily (Zeithaml & Bitner, 2009; Kotler, 2000; Gonçalves, 1998) Container shipping service is intangible; customers cannot taste it or touch it. However, customers can see and feel it with the help of the physical evidences such as containers, vessels, vessel schedules, product lines, price tariffs, employees.

Most services are heteregenous, their performance often change from service provider to service provider, from customer to customer, and from time to time. The focus of this characteristic is standardization. It is hard to standardize the output of the

service, because people are involved in the provision of services. The employees deliver the service and their performance may differ from time to time. If inputs differ, outputs cannot be standardized. Although service procedures can be standardized through human input or usage of technology, implementations vary from buyer to buyer. Then heterogeneity occurs because any two customers are not just the same and each can have unique evaluations. Therefore,the quality-price relationship is complex. Services are relative upon each customer's perception. Quality depends on many factors that cannot be entirely under the control of the service provider. It also depends on the ability of customer to express their needs, the ability, and willingness of the personnel to satisfy those needs, the mood of the customer, and the level of demand for the service. Service providers must work hard to increase standardization for consistent service quality for unique customers, but also be flexible as per changing needs of the customers. Perharps there will be a standardization of services through the increasing use of service technology at the expense of personalized service and through the giving importance to the trainings and education of employees (Cengiz & Pirtini, 2008; Zeithaml & Bitner, 2009; Rathmell, 1966; Vargo & Lusch, 2004; Yelkur, 2000) Container shipping service is a heteregenous service depeding on employees' mood, customers' expectations, service providers' offerrings, and force major issues such as bad weather affecting transit time and operations at ports. Performance can change from time to time, from customer to customer, from shipping line company to company, and from employee to employee. Standardization may be provided by using the technology(e-commerce, pricing programmes, and web sites, etc.). However, at this point, customer profile is important. Shipping company should know about its customers' needs and abilities. The real question is that whether the customer really wants such a service or if they are able to use technology easily. Do they ask for a human support or technology support?

Production and consumption of many services are inseparable (Carmen & Langeard, 1980). Whereas goods are produced first, then sold and consumed, services are first sold, then produced and consumed. It emphasizes that service producer and customer must interact simultaneously for the service to be delivered. Both the producer and customer are required to be at the same place at the same time. This is also called

simultaneity. From a marketing perspective, the managers should try to reduce the dependency level upon people. Internet banking is a good example of that; today most of the bank transactions can be done through internet. Most of the people are busy with their own business within working hours of banks and take the advantage of technology without going to banks or any other interference. This feature of service focuses on Lovelock's criteria of "people as part of the product" and "greater involvement of customers". Even they do not see each other, they are in an interaction such as speaking on the phone, corresponding through e-mail, and exchange papers etc. The quality of service and customer satisfaction depends heavily on what happens at "real time", service provider is always "on-air" and cannot stop or rewind. They must be careful about the actions of the employees and the interaction between the employees and the customers. On the other hand, feedbacks can be received easily and response is given faster to the customers. This feature makes the customer role of coproducer more possible. The customer is involved in and observes the production process. Forward looking companies can gain competitive advantage by challenging the conventional wisdom and coproduction with great involment of the customers (Zeitham & Bitner, 2009; Vargo & Lusch, 2004; Gonçalves, 1998; Zeithaml, Parasuraman & Berry, 1985).In container shipping service, production and consumption are inseperable; in other words, employee and customer must interact simultaneously for the service to be delivered. Technology can decrease this dependency by online pricing, online booking, and online documentation. But the same question is still there: Do the customer really want this? Are they able to use online services easily? Is it easy to get used to this? Shipping companies must identify their customer profile well; they can provide trainings for their customers.

Services are of perishable nature. Perishability emphasize that services cannot be stored, resold or backordered. There is time sensitivity. The unused capacity of service cannot be stored for future use; and if demand is low, unused capacity is wasted. If demand is more than the capacity, customers' expectations cannot be fullfilled and customers become disappointed. Today many service industries plan their efficient capacity for special dates/hours considering the variables as hours of service and number of employees. Demand forecasting and creative planning are important for marketers and managers. They try to utilize capacity by changing prices in time periods

and charging different rate according to the different types of customers. Hotels categorize rooms by type of accommodation; airlines categorize seats by service class, route, and schedule. Service recovery strategies are also required in order to compensate service failures because there is no chance to return (Rathmell, 1966; Lovelock & Gummesson, 2004). Container shipping service is perishable. Because these companies are liner shipping companies who operates its vessels within a schedule and has a fixed port rotation with published dates of calls at the published ports. On the other hand, there is tramp shipping companies, they have no fixed routing or schedules and their vessel is avaliable at short notice to load any cargo from any port to the other port (Plomaritou, 2008).Thus, if the demand is low, unused capacity is wasted because there is a certain sailing cost. At this time, freight amounts generally decrease in order to have as much as possible cargo on board. Loading with low profits is always better than quite empty vessels.

2.1.2 Classifying Services

Four basic classifications help managers to follow changes in the other industries and evaluate them. And also it helps marketers to decide about marketing mix whether it offers product or service. These categories are convenience/shopping/specialty, durable/non-durable, consumer/industrial customers,and domestic/international scope of operation.

Convenience goods/services are purchased frequently and are usually low-priced. Some examples of services in this category are dry cleaning, tailoring, and routine medical and dental check-ups. Shopping services are purchased less often than convenience service. The quality is more important than price. Landscaping, architectural services, legal and accounting services, and personal care services can be considered as shopping services. Specialty services are not readily available, but they are hard to find and are very expensive. There are many examples of this category such as demanding to have the top surgeon or tailoring.

Durability is related to the degree of tangibility. These businesses can be divided as providing entirely intangible offerings such as legal services, education, entertainment, health care and providing both product and intangible offerings such as restaurants, computer hardware, and shopping services. In service businesses, perceived value of the offering to the customer is created more by service rather than the product offered. As per degree of tangibility, the service provider must consider about explaining it to customers.

Being consumer or industrial customer is categorised by customers' needs and buying motives. For example, airfreight transportation is business-to-business industries for customers who have international shipments from different industries whereas airway passenger transportation is generally for individuals. There are many differences between them, and firms need seperate strategies for each.

The service sector of the economy can be characterized by its diversity as domestic or international. Service organizations range in size from huge international corporations in such fields as airlines, banking, insurance, telecommunications, hotel chains, and freight transportation to a vast array of locally owned and operated small biz including restaurants laundries, taxis, optometrist, and numerous business to business services (Goncalves,1998).

Container shipping service is not a convenience or specialty service; it is like a shopping service type. The quality is important as much as price. Container shipping service provides both product(i.e., container) and intangible offers (i.e., employee efforts) such as a restaurant business. It is a business-to-business industry and focus on industrial customers whereas seaway passenger transportation is generally for individuals. Container shipping services have a for-profit business structure. The major motivation is having minimum cost amounts and maximum profit amounts as per container according to the trade, commodity type, and demand level; while satisfying its customers in order to keep them in the long run. Managers should understand the nature of the service and clarify its category, since all strategies build on it.

2.2. MARKETING APPROACH TO SERVICE FIRMS

Services marketing differentiate from goods due to their characteristic features. In terms of service marketing, there is ability and willingness of service provider and employee at the focus of the services. Beside that service provider should make all necessary equipments and machines ready on time. A well-combination of qualified manpower and avaliable materails has strategic importance in services marketing. In this respect, service firms focus on external marketing between organisation and customers, internal marketing between organisation and employees, interactive marketing between employees and customers (Zeithaml and Bitner, 1996).

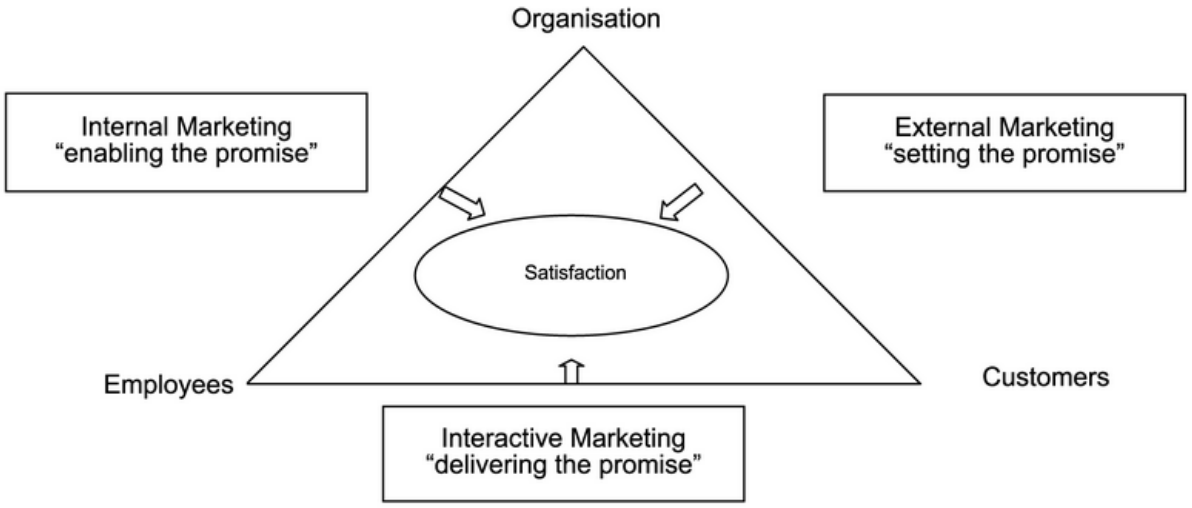


Figure 1: Services Marketing Triangle

Source: Zeithaml and Bitner, 1996, p.23

External marketing is general marketing activities to influence target market that consider essentially on economic transaction. Service firms set the specific promises and make sale (Cengiz & Pirtini, 2008).

Internal marketing is the key for external marketing. Service firm promote the firm and its services/products to its employees; it concerns the marketing to employees. It views employees as internal customers and views jobs as internal products. The purpose is to recruit right people in order to perform a superior service for enabiling the promises and meet customer expectation. It includes trainings, education, motivation,

satisfaction, and customer-orientation (Varey & Lewis, 1999; Walter, Gary & Larry, 1994).

The interactions between customers and employees influence the perceived service quality. This is in the scope of interactive marketing. There is a commitment to participate. Delivering promises is very important for customer satisfaction (Cengiz & Pirtini, 2008).

Services industry become more important since customers' demand is high in today's dynamic conditions and service economy grows. As a result of the increasing demand, the number of service organization increases and they focus on marketing strategies. The purpose is to attract the target customers, to satisfy their needs and wants, to create a good corporate image and keep their customers. Service marketing gain importance as service organisations use marketing tools and strategies (Nadiri & Avcı, 2000; Bayuk, 2006).

Service firms should be concerned about the following three major duties: competitive differentiation, service quality, and productivity growth (Armstrong & Kotler, 2010).Competitive differentiation is the creation of solution that a company positions its products/services apart from the competition. Company can achieve differentiation through many means: value-added services, pricing approach, packaging, support, unique messaging, quality, direct/indirect sales channel methods, the business model, demand generation methods, or customer experience (Tay, 2003).A service firm can differentiate itself by providing constant high-qualified service. However, it is difficult to identify service quality and make certain judgementsbecause service is intangible and customers' perception may change upon individuals. Customer retention is one of the most important measurements of service quality. Increasing competition and costs make pressure on service provider to improve its service activities. In order to increase productivity, service firms train their employees in challenging business conditions or recruit more talented employees. Service firms should focus on service failures and service recovery to keep customers, refine service process, give their employees certain part of authorization in order to solve problems faster.

In service marketing there are six criterias for a good service (BLOIS, 2000):

*Professionality and capability:*This criterion includes know-how techniques**,** individual experience, problem definition and formulation, selection of appropirate technique, problem solution, evaluation, other resources and behaviors. Customers know that service provider can handle all problems about employees, operational systems, and physical resources by professional solutions with their own capability and experience. Professional responsibility includes that service employees are willing and ready for help at any time. Professionality also inludes delivering expected service in right time, concerning communication with customers, early response to customers, advanced information in case of delays, correct and fast documentation.

*Attitudes and Behaviors:*Customers feel that employees are willing to deal with them and solve any problem in a friendly manner as soon as possible. In this sense, courtesy and communication play an important role. Courtesy includes the politeness, respect, consideration, and friendliness shown to the customers by the contact personnel.Customers should be informed on time in an appropriate way and be clarified if any questions on their minds. Service providers should take customers' demands and complaints into consideration, evaluate and revert to them kindly.

*Avaliability and flexibility:*Customers know that service provider manage the process in order to meet their demands and expectations. Systems and resources are allocated for easibility of works. Location, working hours, employees, technological infrastructure, and accessibility are very important factors. Service should be accesible through telephone, fax, and internet. It should be easy to reach in a short time. Service should be convenient in terms of time and location.

*Reliability and Truth:*Customers trust service provider. They know that managers and employees keep their promises and compensate failures somehow. Reliability stands for consistency in performance and process. Delivering service on time, correct invoicing and documentation, and accurate and regular registration are included.

*Treatment and improvement:*Customers know that service provider make necessary provisions aganist a problem and recover any failure; they know what to do in

an unexpected situation; they get the situation under control immediately and put everything in order as soon as possible.

*Reputation and Credibility:*Customers think that they add value to themselves and get benefits as working with a specific service firm due to its reputation in the market and its reliability. Customers also believe in working with this service firm bring them prestige.

In addition to these criteria, following criteria of customers'perceived service are proposed (Ghobadian et al., 1994):

*Responsiveness:*The ability to deal effectively with complaints and promptness of the service.

*Customization:*The willingness and ability to adjust the service to meet the needs of the customer.

*Competence:*Staff should possess the necessary skill, knowledge, and information to perform the service effectively.

*Security:*The freedom from danger, risk, and doubt. It involves physical safety, financial security, and confidentiality.

*Communication:*Keeping customers informed about the service in a language that they can understand and listening to the customers.

*Tangibles:*These include the state of facilitating goods; physical condition of the buildings and the environment; appearance of personnel; and condition of equipment. Tangibles are more important in high-contact services.

*Understanding/knowing the customer:*This involves trying to understand the customer's needs and specific requirements; providing individualized attention; and recognizing the regular customer – an important determinant of quality in high-contact customized services.

Strategies in container shipping service are explained in the fourth section through marketing mix elements.

3. BACKGROUND OF THE STUDY

Providing excellent logistic service plays an important role for a firm's marketing strategy. It creates added value for customers. Logistic is the management of the flow of goods from the point of origin to the point of destination in order to meet the requirements of customers (Babacan, 2004). It is expected to deliver the goods on time, in right quantities, at the right place in accordance with the customers' requirements and at the lowest possible cost. Logistics is more than the transport of a good from point X to point Y. It is also closely connected to orginizing and monitoring the entire supply chain. Logistics is a channel of the supply chain which adds the value of time and place utility. It includes internal(inbound) shipments, external(outbound) shipments, and communication between suppliers. According to The Council of Supply Chain Management Professionals(CSCMP), logistics is that part of the supply chain management that plans, creates, and monitors the efficient, cost-effective forward, reverse flow, storage of goods, semi-finished items and manufactured products as well as related information between the point of origin and the point of consumption in order to meet customers' requirements. The main objective of logistic services is to provide a better customer service in higher levels and to create competitive advantage by efficient use of resources and investments (CSCMP,2011; Inman, 2011; DHL, 2008; Mayer, 2011; Van Der Veeken and Rutten, 1998).

The ethimology term of "logistics" originates from the ancient Greek word "logos" which means ratio, word, calculation, reason, speech, and logic. This word was firstly used in military. Logistics has originated through the military's needs and suppliesfor themselves with arms, ammunition and rations as they moved from their base to a forward position. In this sense, it is orginising and applying an operation or a plan in details. Logistics evolved in the 1950s as a business concept. This was mainly due to the increasing complexity of supplying business with materials and distributing products to an increasingly globalised customer base (Hackett, 2007).

A clear statement with respect to logistic service and its contribution to the company's marketing strategy is essential. A well-managed supply chain/logistic can

help firms to succeed on four dimensions of competitiveness: cost, quality, response time, and flexibility (Hackett, 2007). Logistics is usually concerned with satisfying the supply of customers' needs and wants in a marketing channel, while marketing usually focuses on the stimulation and satisfaction of the demands of the customer in the same marketing channel. Therefore, the firms have to co-ordinate and synchronise the satisfaction of supply and the satisfaction of the demand in a marketing channel in order to achieve a succesful outcome. The linkage between logistics and marketing activities influence business performance (Svensson,2002; Sezen, 2005).

The key activities in the logistic are customer service(order processing-supply channels), purchasing and inventory management, transporation, warehousing, distribution, packaging and material handling, and information management and communication. Rapid improvements in communication and transportation technologies and increasing globalisation caused rapid transformation in economic relations. Today logistics plays a key role in the economy. In the new century, industrial firms focus on their real functions that they have competitive edge and switch out of purchasing necessary services from outside (outsourcing). Beside that, growing purchasing power of individuals and increasing share of the information technologies at the production stage make logistic services essential (Hackett, 2007; Pirtini & Cengiz, 2008) Within the context of this thesis, the concept of maritime transportation among logistic activitieswill be addressed.

In a general term, transportation is that goods/commodities are carried or transported from one point to another point (Ozer, 2010). There is a geographical and temporal distance between the production and consumption points. Therefore, producers require transportation services to move raw materials and intermediate products and to distribute final goods to meet customers' demand. Transportation includes physical movement of goods in order to supply customers' requirements. It is the physical link between customers, raw material suppliers, plants, warehouses, and channel members which are fixed points in a supply chain (Inman, 2002; Crainic, Damay & Gendreau, 2007)

There are six types of transportation modes as per transport vehicle, way, and characteristic: Road Transportation, Maritime Transportation, Airline Transportation, Railway Transportation, River Transportation, Pipeline Transportation.

Table 1: Comparision of Different Transportation Modes As Per Their Properties

Transportation Mode	Cost	Speed	Accessibility	Variety of Commodities	Frequency of Liner Shipments	Reliability
Land T.	High	Fast	Very High	Much	High	High
Maritime T.	Very Low	Slow	Limited	Very Much	Very Low	Medium
Airway T.	Very High	Very Fast	High	Limited	High	High
Railway T.	Low	Slow	Limited	Much	Low	High
River T.	Low	Slow	Limited	Much	Low	Medium
Pipeline	Low	Slow	VeryLimited	Less	Medium	High

Source:Çancı, M., Erdal, M., Lojistik Yönetimi, UTIKAD, 2003, p. 25

Decision of suitable transportation system depends on certain criteria such as total cost of transportation system (transportation, local charges of terminals, warehousing, custom duty, distribution, packaging etc); transit times and speed between origin and destination; reliability; accessibility and avaliability; commodity type, commodity value, commodity volume, tonnage, quantity; shelf-life of the commodity and in accordiance with climate conditions; toughness level of the commodity aganist possible damages; frequency of liner transportation and reliability of schedules; flexibility; tracking; and monitoring (Erdal & Çancı, 2003).

Road transportation is the integral of other transportation modes, which serve as initial and final stage of freight transportation. There is high avaliability to many regions, and it is fast. However, there are limitations and regulations (tonnage, speed etc) of the government. It causes noise and pollution. It is not suitable for large amounts and long distances.

Airway transportation is the fastest mode and has high avaliability all around the world. On the other hand, it is the most expensive transportation mode as per unit cost. There are also many limitations (location-approximately 3300m of an area is required for take-off and landing of a commercial air flight, climate conditions-fog and air stream).

Railway transportation is suitable for large quantities and long distances (200kms and longer). It is environmental friendly mode in comparison with land, since energy consumption is less as per unit cargo and km. Generally, break bulks such as agricultural and industrial raw materials are transported through railway. Freight rate are relatively low and there is high reliability. It reduces the cargo traffic on highways.It requires large capital investment in industrial and technologic base, low accessibility to the final destination of sales.

River transportation is kind of waterway transportation, namely inland waterway transportation. It is limited by the river borders. Special transportation vehicles required depends on the water depth. There is seasonility.

Pipeline transportation is the movements of goods(liquid and gases-oil, natural gas, water, and rare break bulk) through a pipe. Initial investment is high; and return on investment is also high due to ease and lower costs of transportation. It is safe and reliable, but not flexible and cannot adapt rapid changes of market fluctuations. It is suitable for long term trades.

Maritime transportation plays a major role in international trade. Maritime shipping which is a geographic activity due to physical characterictic is a strategic activity due its control and is commercial activity due its usage. Geographic states become permanent in time whereas strategic and especially commercial states change from time to time. Maritime transportation is cost-effective method of transporting large quantities of non-perishable goods through long distances. Many types of goods that are very necessary for production stage (coal, iron, ore etc.) are heavy in terms of tonnage but not valuable in terms of unit value. Maritime transportation takes advantage of scale of economies by operating large ships due to energy-effectiveness as per unit cargo. It is cheaper by 22 times than airway; 7 times than land; and3.5 times than railway. However,it causes pollution and creates dangers for marine life (Çancı & Erdal, 2003; Özer, 2010; Inman, 2011; Slack, Rodrigue & Comtois, 2009).

There are three main elements in maritime transportation: vessels, terminals, ports, and cargoes.

Vessels: Merchant ships are used in maritime transportation. There are several types of vessel as per its size and design. The vessel design and properties change according to the commodity type. Considering these, it is divided into two main groups (IHS, 2011):

1- Vessels that carry the goods within a carrying unit

Container:Single deck ship with box shaped holds for carrying containers

2- Vessel that carry the unpackaged goods without a carrying unit

Dry Cargo: A ship which carries break bulk cargoes and may be single or multi-decked

Bulk Carrier: A ship with single deck designed to carry homogenous loose cargo

Handysize (10,000 dwt - 30,000 dwt), Handymax(30,001 dwt - 50,000 dwt), Panamax (50,001 dwt - 80,000 dwt approx with 32.2m beam limitation), Capesize(80,001 dwt and larger)

*TankerProducts:*Vessel designed for carrying refined petroleum products in bulk tanks

Coastal(3,001 dwt - 10,000 dwt approx), Small(10,001 dwt - 19,000 dwt approx), Handy (19,001 dwt - 25,000 dwt approx), Medium(25,001 dwt - 45,000 dwt approx), LRI -Long Range One(45,001 dwt - 70,000 dwt approx), LRII -Long Range Two (70,001 dwt - 100,000+ dwt approx)

*Crude Oil Carrier:*Vessel designed for carrying for bulk crude oil in tanks. Panamax(50,001 dwt - 80,000 dwt approx with 32.2m beam limitation), Aframax(80,001 dwt - 120,000 dwt), Suezmax(120,001 dwt - 200,000 dwt), VLCC(200,001 dwt - 350,000 dwt), ULCC(350,001 dwt and larger)

Ports and Terminals: Port is the kitchen of maritime transportation and one of the most essential elements of maritime transportation. Port is the place where the cargo is transfered from ship to land/land to ship/ship to ship. There are special equipments for cargo handlings and facilities for berthing vessels. Port is a node in a transportation network between ship-land and intermodal ways. A node is a center in a transportation network from which cargo movement emanate (Ozer,2010).

In ports, terminal services are provided to transportation carriers such as shipping lines, railroads, and trucking firms.

A terminal is a part of port that includes one or more pier and berth where particular cargoes are handled, i.e., container terminal and coal terminal etc. (Steenken et al., 2004).

Main services for cargoes in ports are loading/unloading services, shifting services (changing cargo position in the vessel without discharging), limbo services (transfering cargo from a vessel to another directly), terminal services (discharging cargo from vehicles, carrying to the warehouses, stowing and loading to the vessel; discharging cargo from vessel, storing at terminal storage area, loading to the land vehicles for delivering to the consignee; changing cargo position within the terminal area), storage (warehouse, shed, bonded warehouse), and manipulation (additional services such as weighing the units, changing carrying units, maintanance and repairing etc.).

Cargoes: Cargoes that are carried by vessels are classified according to the commodity type, packaging type, and way of loading (Hatipoğlu, 2007). There are several types such as bulk cargoes (cereal, coal, mine, and liquids etc.), packaged cargoes (case, box, cartoon, bag, and drum etc.), consolidated cargoes (container and palette etc.), steel cargoes (billet, rail bar, construction iron, profile iron, steel roll, and sheet metal etc), unpackaged cargoes (construction equipment, wagon, automobile etc.), commercial timber (round timber and sawn timber etc.), refrigerated and frozen cargoes (vegitables, fruits, fish, meat, and milk etc.), livestock (slaughtering, barnyard fowl, and wild animal), dangerous goods (flammable, explosive, and toxicant), fuel oil (cruid oil and petroleum products), chemical cargoes (acids, hazardous and non-hazardous chemicals etc.), and liqufied gases (LNG, LPG).

Commercial maritime shipping services are divided into three as liner, tramp, and industrial. Liner shipping means that operating commercial vessel among prespecified ports/terminals according to a published itinerary and schedule similar to a bus line. It includes container shipping, which will be told in details in the next section; and ro-ro (roll on-roll off) shipping which is a kind of carrying wheeled vehicles by special vessels. Tramp shipping follows the avaliable cargoes similar to taxicab. It often depends on contracts of affreightment in order to carry specified quantities of cargo between specified ports within a specific time frame for an agreed upon payment per unit of cargo. Shipping tanker products and dry bulk cargo are good examples of this

type of shipping service. Industrial shipping is that vessel operators usually own the cargoes shipped and control the vessels used to ship them. They may own or hire the vessels as voyage charter or time charter (Christiansen et al., 2007; Ozer, 2010).

The shipping market consists of separate segments that are differentiated in terms of the following criteria.

According to the type of ship: Dry Bulk Carrier, Tanker, LNG/LPG, Combined Carrier, Containership, RO/RO, and Reefer Market.

According to the type of cargo: Dry Bulk Cargo, Liquid Bulk Cargo, Specialized Cargo, and General Cargo Market.

According to the type of trade routes: The shipping market may be divided into many segments such as the Mediterrian Sea and the market of Caribean Sea, etc.

According to the duration of the charter: Spot market and Time-Charter Market

The fundamental criteria are the type of ship and the cargo which is the protagonist in every commercial maritime transportation. This study focuses on container shipping sector.

Container shipping is the transportation of goods in standard boxes which is called container. The objective is to provide transportation and distribution services to the customer at the lowest possible cost. Container shipping market is constituted by containerships as per type of ship and by general cargo as per type of cargo (Plomaritou, 2006). It became widespread in 1960s and usher a new era. It is the best way for streamline distribution. Borders of classic transportation that depends on ports/terminals extend over the shippers'/consignees' door in conjuction with development of containerization. Accordingly, ports became crossing points of the cargoes (Yuksel & Cevik, 2003).

Shipping containers generally come in two lengths as 20 feet and 40feet. A 20' container carries up to approximately 28 tons of cargo with a volume up to 33 m^3. There are different types of containers according to the cargo such as refrigareted(reefer) containers, flatrack containers, open-top containers, and tank containers. Types of containers are presented in details in the part of **Appendix 1** of this study. Large containerships can carry thousands of Twenty feet Equivalent Units (TEUs) where a 40' is counted as two TEUs (Christiansen et al., 2007; p. 199).

Container shipping is cost effectivefor transportation and logistics sector. It acts as the helping hand of these sectors and is one of the largest contributors to global economy (SI, 2011). Cost-cutter's diciplines focus on the solutions of the troublesome, time-consuming, costly and often precarious business of moving goods from factory to customer. Any technique that cuts freight costs or handling charges, decrease inventory levels or makes faster deliveries, reduces insurance rates or cuts down on pilferage and loss can provide enormous savings. Many transportation experts believe that the containerization has been the solution (Christiansen, 2007).

Advantages of container shipping are door-to-door transportation, ease of handling, reducing time costs, avaliability of intermodal transportation (combining transportation systems), reducing the potential damages, reducing the risks of stealing, saving packaging costs, decreasing the number of process in bureaucracy, low costs of insurance, simplicity of custom duties, and relieving the port congestion as speeding up the vessel operations(Yuksel & Cevik, 2003).

The benefits of containerization are obvious, so all transportation systems must adapt themselves to the concept. Interchangibility of containers among trucks, trains, and ships is an accomplished fact. Truckers and railroads must agree on what their role should be in the intermodal transportation system due to universal use of containerization. The lack of meaningful standards to govern the sizes of containers, hardware, handling equipment, and tonnage limitations are major obstacles to success (Caldwell, 2002).

Container shipping sector is influenced by global and regional ecomic conditions, progressions in international trade, port congestions, trade routes, harvest proceed, state of war, political developments, embargos and strikes, demands for consumer goods, dry cargo, cruide oil and petroleum products (Ece, 2010).

3.1. UNITS IN CONTAINER SHIPPING SECTOR

Major players of container shipping sector are told in this section (Erdal, 2003).

Carrier: In the container shipping sector, the carrier is the shipowner. Shipowner is the owner of a merchant vessel(commercial ship) who operates his ship for merchant shipping. Bareboat charterer is also considered as shipowner by the third party (Turkish Commercial Code 34, 2005). A person or a company acting as charterer has similar liabilities to those of a shipowner toward third parties (Swedish Club-IMI, 2007). Shipowner's obligations can be categorized under three distinct groups (Olwan, 1999):

1- Before commencement of the voyage: Shipowner has to acquire the necessary documents, to pay the port charges for the ship sailing, to provide a seaworthy ship under particuler rules, and to issue bill of lading. Shipowner is responsible for taking care of cargo to load and stow it carefully and properly and also to proceed the agreed route without due dispatch.
2- During voyage: Shipowner cannot deviate from the agreed route unless good reasons which is allowed by particular laws. Shipowner is responsible for the safety of cargo during the voyage.
3- After the voyage, when the ship reaches to its destination: Shipowner has to discharge the goods from the vessel properly and carefully, to deliver them in the same order and condition to the person entitled to be delivered upon representation of the bill of lading. If noone claims the cargo, shipowner may land and warehouse it at the consignee's expense.

Shipper: Shipper is someone or a corporation who send the cargo to its consignee via ship. Shipper may be the consignor, exporter or seller who is named in the shipping documents as the responsible party for initiating a shipment. Shippers may be the producers of the goods or some intermadiary firms (freight forwarders and brokers); they generate the demand for transportation. The demand is met by the supply of transportation infrastructure and services (Crainic et al., 2000). Shipper's needs are common: the reliability of service provider and carriers(on-time delivery, without damage/loss, run to the schedule, and responsibilities in case of delay), cost-effectiveness, speed(the effective rate of distance/time, no loss of time at port of loading/discharge or transhipment terminals), safety, flexibility, tracing of the cargo, and data privacy (Ozer, 2010; Erdal, 2003).

Transportation costs change according to the industry of the shipper and may also comprise an important proportion of the commodity value at the market. This proportion is evaluated by considering supply demand equilibrium of the commodity, weight, value and volume, transposability, importance, and avaliability of the commodity. For instance, transportation cost of sand and gravel is %55 of its market price; this proportion is %20 for iron ore, %8 for food, %6 for chemicals and plastics, %4 for machinery, %3 for electronic equipments, and %1 for pharmaceutical products (Erdal, 2003). Hence, a shipper from minning industry asks for low prices and negotiates much for freight.

Agent: An agent is someone who acts on behalf of a principal on the basis of a contract in a particular region and has the authority to create a legal relationship between the customer and principal as if it was made directly between the two sides (Turkish Commercial Code 116). Any kind of agency can be defined according to this item. A maritime agency acts as an intermediary, as the master's and the shipowner's representative and as the shipper's mandatory, protects their rights and benefits in designated region (Hatipoğlu, 2005). The relationship between the parties should be kept strong, and marketing plays a significant role at this point by forming relationships at the top level with clients. Agency is a service industry and the rules for services marketing apply to maritime agencies as well (Hatipoğlu, 2005; p. 3).

As a shipowner's agent the agency's tasks are summarized by Cerit and Once (2002) as (1) being an active partner of the freight market, canvassing, taking delivery, arranging loading and unloading, and delivery of goods; (2) issuing and taking in Bills of Lading on behalf of the master; (3) collecting freight and other charges; (4) supervising the stevedore's loading and discharging operations; (5) maintaining the ship operations with regard to the loading and unloading procedures.

Maritime agencies are the distribution channels of the maritime transportation industry. They supply the cargo to the consignee. The agencies are not only dealing with the transportion of the cargo, but also with the increasing expectations of the shippers like other market logistic functions such as inland transportation, warehousing, etc. This has increased the level of contact between the shipper and the maritime agency, and increased the satisfaction in the case of meeting their expections properly (Ozer, 2010; Cerit & Once, 2002).

Freight Forwarder: Freight Forwarding is a service used by companies who has import and/or export shipments. Freight forwarder does not actually carry the cargo itself; they arrange shipments via various transport service providers. They don't have their own ships or own cargoes; it acts as an intermediary between the client and various transportation services. It guarantees that cargo will be delivered to the right place and right person by an agreed upon date and in good condition. Freight forwarding services negotiate the best possible price in terms of economy of scale in order to move the cargo along the most economical route by working out various bids and choosing the one that best balance speed, cost, and reliability. They have relationships with all kinds of carries such as airfreight companies, trucking companies, railfreight companies, and ocean liners. The freight forwarding companies handle the tasks for their clients upon request such as international transportation, inland carriage, documentation, customs clearance, choice of the best transportation mode, the choice of carrier, transportation management, consultancy about legal regulations and applications, insurance, warehousing, handling the cargo, packaging and barcoding, logistic cost planning, distribution, reverse logistic functions, and inventory management, etc. (Çancı & Erdal, 2003).

3.2. MARKET ANALYSIS OF CONTAINER SHIPPING SECTOR

3.2.1. World

%95of the general cargo is carried by seaway within the containers because it is safe, cheap, and able to be loaded in great quantities for a shipment. Statistics shows that while world seaborne trade has increased as doubled from 3631 million tons in 1985 to 7852 million tons in 2007, containerized trade has increased almost 8 times within the same period from 160 million tons to 1257 million tons. This shows the increasing role of container transportation and its contribution to the global economy (Luo et al., 2008). The volume of container shipping increased after 2000 as bigger post panamax vessels (5000-8000TEU) were constructed in order to provide higher efficiency to attract global customers with better services at lower cost and to gain larger shares in the global competitive shipping market (Ece, 2010; p.4; Luo et al.,

2008).Container ships come in a variety of sizes and have grown increasingly larger over time. This was a result of two things: the first was the increased use of containerization, there were more containers for the ships to carry; the second was that there were certain efficiencies such as improved fuel efficiency, which could be realized with larger ships. This reduced the operating cost.

The number of vessels in the container fleet continues to increase. According to AXS-Alphaliner, the global container fleet had a total capacity of about 15 million TEU in April 2011. There are 5,976 ships active on liner trades, for 15,208,206 TEU and 199,305,170 TDW.75% of the total TEU capacity and 65% of the whole container vessels in the world are controlled by 15 large operators. Among those operators, Maersk Sealand is the largest one with its 2,243,364 TEU capacity which equals to 14.8% of the world's fleet. MSC, Evergreen, and CMA are the other large firms with their capacity which equals to 56% of the whole capacity in the world (Alphaliner, 2011).

Container shipping is the fastest growing market in recent years (Rushton et al., 2007). Growth of container commerce co-occurs with the economic growth. Therefore, container commerce in future can be estimated by considering economic growth expectations. Total container volume was 13.5 million TEU in 1980; it increased to 28.7 million TEU in conjuction with 7.8% average growth ratio of the world economy. At the end of the following 10 year, container volume reached to 68.7 million TEU in 2000 as world economic average growth ratio was 9.1%. Then container volume reached to 116.6 million TEU with the effect of 11.2% average growth ratio of the world economy due to the developing Asia economies between 2000 and 2005. In line with these accountable rates, it is expected that the average growth ratio of the world economy will be 6.6%container volume as container volume will increase to 177,6 million TEU in 2015 (Unescap, 2011).

Estimationscan be made on eight trade regions regarding container and trade volumes (import and export) of the world as considering container traffic between these regions. According to the 2005 data, North and East Asia region constituted 50% (40%-import traffic, 10%-export traffic) of the world's container volume; it is expected to increase to 62% in 2015. Second large container movement happened in Europe region with 21% of the world's container volume which is estimated to decrease to 14% in

2015. The main reason of this decline is predicted due to the decline of 5% in import volumes to Europe and decline of 2% in export volumes from Europe. The third region is North America where critical changes are expected. The total container traffic of the total import and export container shipments was 14% in 2005, but it is supposed to decline to 9% due to the decline of 4% in import and 2% in export shipments to/from N.America. At the other five regions container volumes are respectively as 6% in Latin America, 6% in Middle East, 5% in North Asia, 3% in Africa, 2% in Australia. Container volumes are expected to increase as 10-15% in 2015 for those regions (Unescap, 2011).

Table 2: The Shift of World's Largest Container Ports in 20 years

World's largest container ports

Volume, million TEUs*

1989		2009	
Hong Kong	4.5	Singapore	25.8
Singapore	4.4	Shanghai *(China)*	25.0
Rotterdam *(Netherlands)*	3.9	Hong Kong	20.9
Kaohsiung *(Taiwan)*	3.4	Shenzhen *(China)*	18.2
Kobe *(Japan)*	2.5	Busan *(South Korea)*	11.9
Busan *(South Korea)*	2.2	Guangzhou *(China)*	11.2
Los Angeles *(United States)*	2.1	Dubai *(United Arab Emirates)*	11.1
New York/New Jersey *(United States)*	2.0	Ningbo *(China)*	10.5
Keelung *(Taiwan)*	1.8	Qingdao *(China)*	10.2
Hamburg *(Germany)*	1.7	Rotterdam *(Netherlands)*	9.7
Long Beach *(United States)*	1.5	Tianjin *(China)*	8.7
Yokohama *(Japan)*	1.5	Kaohsiung *(Taiwan)*	8.5
Antwerp *(Belgium)*	1.5	Antwerp *(Belgium)*	7.3
Tokyo *(Japan)*	1.4	Port Klang *(Malaysia)*	7.3
Felixstowe *(Britain)*	1.4	Hamburg *(Germany)*	7.0
San Juan *(Puerto Rico)*	1.3	Los Angeles *(United States)*	6.7
Bremen/Bremerhaven *(Germany)*	1.2	Tanjung Pelepas *(Malaysia)*	6.0
Oakland *(United States)*	1.1	Long Beach *(United States)*	5.0
Seattle *(United States)*	1.0	Xiamen *(China)*	4.6
Manila *(Philippines)*	0.9	Laem Chabang *(Thailand)*	4.6

Source: *Containerisation International*

*Twenty-foot equivalent units

Source: The Economist, 2010

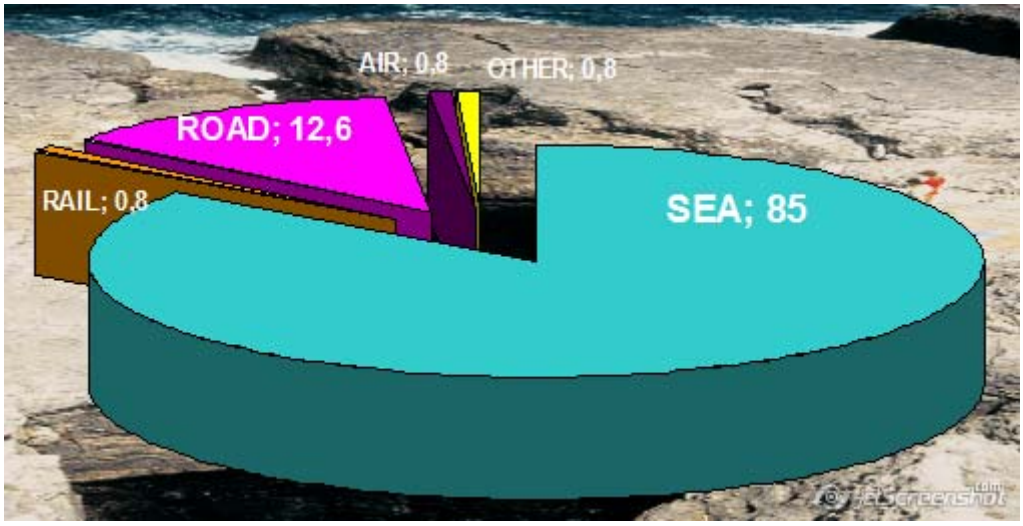
World economy over the past two decades has changed the distribution and cargo-handling capabilities at container ports. World's biggest container ports have shifted. The volume of cargo moved through the biggest ports has increased nearly sixfold in the past 20 years. Singapore is now at the top of the list with its 25.8 million

TEU handling capacity and every other big port in 1989 has moved down the list. 20 years ago, most of the biggest container ports were in America or in Europe. Now, Asia is a strong exporter. 14 of the top 20 container ports are in Asia, with eight in China.

Technological developments, rapid growth in liner shipping, upward trends in ship sizes, integration of shipping companies through mergers, alliances and acquisitions, and fluctuations in international trade produce pressures on the shipping sector ending in declines in freight rates and affect the competitive position of the industry negatively. The fierce competitive environment of shipping forces the industry to concentrate on market oriented strategic planning where competitive strategies of cost-leadership, differentiation and focus lie at the center (Cerit, 2008; Şişmanyazıcı, 2010).

3.2.2. Turkey

According to the TurkStat data, 85% of Turkey's foreign trade has been transported by sea, 12.6% has been transported by road, 0.8% has been transported by rail, 0.8% has been transported by air.

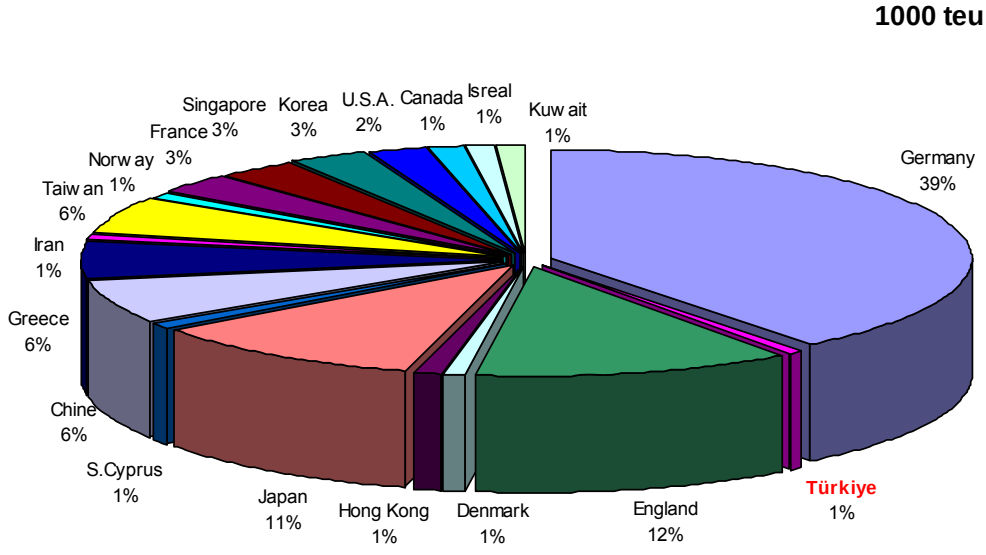


Graph 1: Foreign Trade Transportation by Modes (%)

Source: Turkey Chamber of Shipping, Industry Report, 2010

There is a big difference between the rates of maritime transportation and other transportation ways. Because maritime transportation is the most cost-effective method if short transit times are not necessary for the shipment. The reason for choosing road

transportation is providing shorter transit times than maritime transportation; however, it is more expensive than maritime transportation. Maritime transportation has geographical limits whereas road transportation has a very wide accessibility. Combining maritime transportation and road transportation as an intermodal transportation is very effective for the customer. The rate of maritime transportation is very high because every kind of commodities can be transported in large quantities. The advantage of scale of economies makes maritime transportation attractive for foreign traders. The rate of railway and airway transportation is very low. Although airway transportation is the fastest mode of transportation, it is very expensive and the variety of commodity is limited. The railway transportation is slow and accessibility is very limited, so it is not preffered as much as road transportation and it is not cost effective as much as maritime transportation.

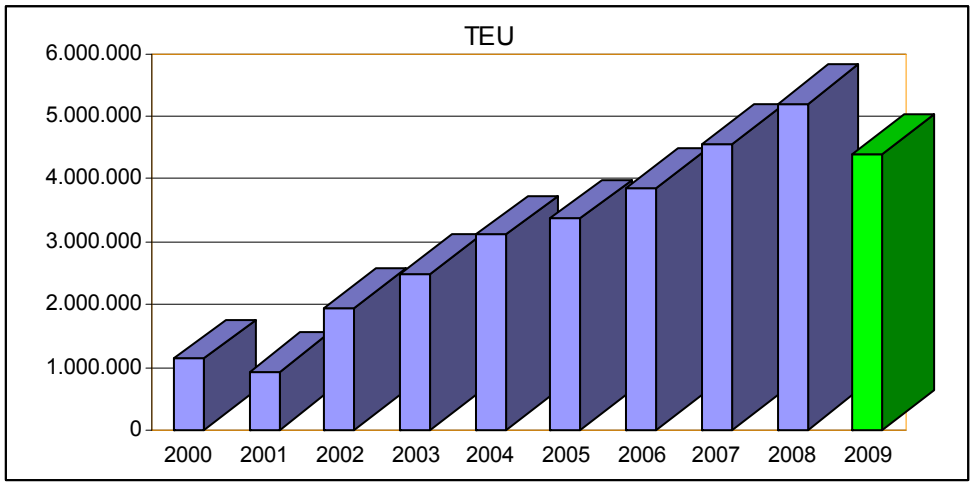


Graph 2: World Fully Container Fleet By Country Of Domicile

Source: Turkey Chamber of Shipping, Industry Report, 2010

The TEU based ratio of Turkey's fleet is 1% among the leading 19 countries'fleet. German ship owners controlled by far the largest part of the world container fleet, namely 4.1 mill TEU (1.644 container vessel) followed by Japan 1.1 mill TEU and Denmark (1.0 mill TEU). Turkish merchant fleet consists of 655 ships. 6.56% of those are container ships. Total fleet is 7,564,441 DWT and 5,514,410 GRT.

Container ships are 544,000 DWT (7.19%) and 433,485 GRT (8%) (Turkey Chamber of Shipping, 2010).



Graph 3: Container Handling (TEU)

Source: Turkey Chamber of Shipping, Industry Report, 2010

Transportation volume of Turkey's container transports by sea was 1 million TEU in 2000; in 2009 it became 4.4 million TEU, at the same period, import cargoes increased to 2.1 million TEU from 534,406 TEU and the exports cargoes increased to 2.1 million TEU when compared with 547,315 TEU in 2000. During 2000-2009, container transportation volumes declined during crisis periods at 2001 as 18% and at 2009 as 15.4%; it increased at all other times (Turkey Chamber of Shipping, 2010). It was the good years during 2003-2008 for maritime industry, especially for shipowners since freight rates were higher at this period than ever before, as regarding balance of demand and supply. However in 2009, demand decreased severly due to the outbreak of economic crissis and surplus supply occured. Hence, shipowners had to decrease freight rates as 90-95%. Crisis effected world in general more than Turkey. In comparison with 2008, world maritime industry narrowed as 25% whereas Turkey's contraction ratio remained at 13% (Taşkeser, 2010).

Table 3

TURKEY'S EXPORT CARGO HANDLING VOLUMES IN TEU BY COUNTRY					
2009		2010		2011	
COUNTRY	TEU	COUNTRY	TEU	COUNTRY	TEU
ITALY	515.337	EGYPT	551.240	EGYPT	544.097
EGYPT	466.879	ITALY	486.612	ITALY	388.241
BELGIUM	176.287	BELGIUM	236.878	BELGIUM	316.113
ISRAEL	141.969	ISRAEL	167.149	SPAIN	179.487
SPAIN	134.597	CHINA	130.431	CHINA	171.664
FRANCE	68.701	SPAIN	107.816	GREECE	149.905
CHINA	65.634	RUSSIA	64.523	ISRAEL	126.831
MALTA	61.496	ENGLAND	59.866	MALTA	122.326
RUSSIA	59.880	MALTA	56.807	RUSSIA	79.567
GREECE	52.567	GREECE	54.186	GEORGIA	71.039
ENGLAND	49.376	SINGAPORE	49.620	ROMANIA	67.365
GEORGIA	43.540	LIBYA	48.350	ENGLAND	57.275
LIBYA	39.059	U.S.A.	34.212	LEBANON	56.374
UKRAINE	33.236	ROMANIA	31.598	U. S. A.	39.586
ROMANIA	31.163	LEBANON	30.630	GERMANY	34.299
U.S.A.	30.808	FRANCE	30.546	LIBYA	31.461
LEBANON	29.371	TUNIS	20.112	S.KOREA	31.059
BULGARIA	25.463	GEORGIA	19.437	UKRAINE	29.261
ALGERIA	20.052	GERMANY	17.943	SINGAPORE	24.513
TUNIS	15.231	ALGERIA	17.670	FRANCE	21.979

IMPORT CARGO HANDLING VOLUMES IN TEU BY COUNTRY					
2009		2010		2011	
COUNTRY	TEU	COUNTRY	TEU	COUNTRY	TEU
EGYPT	430.843	EGYPT	587.189	EGYPT	613.692
ITALY	286.377	ITALY	313.376	ITALY	294.249
GREECE	248.127	BELGIUM	225.979	BELGIUM	283.979
BELGIUM	197.549	ISRAEL	179.843	GREECE	184.460
ISRAEL	148.929	CHINA	144.331	ISRAEL	182.115
SYRIA	130.911	GREECE	141.383	CHINA	171.883
LEBANON	91.386	SYRIA	116.009	SYRIA	124.607
RUSSIA	66.060	SPAIN	73.236	SPAIN	122.678

MALTA	65.374	MALTA	71.504	MALTA	102.864
ROMANIA	55.202	RUSSIA	69.507	LEBANON	99.999
SPAIN	46.947	LEBANON	66.636	GEORGIA	96.590
CHINA	45.850	LIBYA	48.913	RUSSIA	94.404
PORTUGAL	34.931	GEORGIA	45.635	MALAYSIA	85.714
UKRAINE	31.353	SINGAPORE	33.171	UKRAINE	64.399
LIBYA	31.022	UKRAINE	31.747	U.S.A.	34.725
BULGARIA	29.295	U.S.A.	31.568	ROMANIA	31.142
U.S.A.	28.275	ALGERIA	30.744	ALGERIA	30.335
S.KOREA	27.887	S.KOREA	29.132	LIBYA	22.212
GEORGIA	23.811	ROMANIA	22.139	SINGAPORE	20.364
ALGERIA	22.276	ENGLAND	21.410	CYPRUS	17.847

Source : Undersecretariat of Maritime Affairs, 2011

* Transit shipments are excluded.

When the container transportations in 2010 are analysed as exports, imports and transit cargoes, on the basis of TEU, exports became 2.3 million TEU, imports 2.4 million TEU, and transits 874,239 TEU (Turkey Chamber of Shipping, 2010). Table shows Turkey's export cargo handling volumes by top 20 countries. Export/import volumes to these countries were approximately 96% of total volumes in both 2009 and 2010. Top 20 countries have not changed much in time. Asia countries seem among top 20 at 2010 and at the begining of 2011.

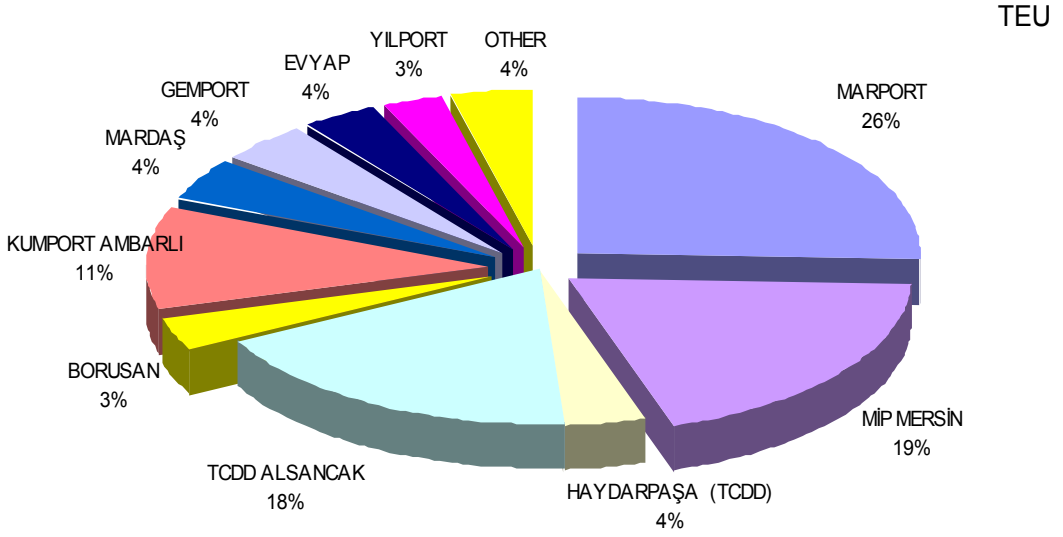
Table 4: Container Handling As Per Container Type, 2010

CONTAINER TYPE	TOTAL		
	TOTAL HANDLING		
	UNIT	TEU	TON
CONTAINER (20'FCL)	1.508.949	1.508.949	28.637.159
CONTAINER (40'FCL)	1.380.658	2.761.316	29.067.689

Source : Undersecretariat of Maritime Affairs, 2010

According to the container statistic of 2010, which includes export, import and transit handlings the most handling container type is 20'fcl as per unit. The supply

should be arranged according to the demand. If any type of container is deficient at requested port, the requested container type can be positioned or substituted depending on costs in order to satisfy customer.



Graph 4: Container Handling by Turkey Ports/Terminals (TEU) 2009

Source: Turkey Chamber of Shipping Industrial Report, 2009

In 2009, 2,661,029 TEU (60%) were handled at Marmara ports, 904,845 TEU (21%) were handled at Mediterrian ports, 814,069 TEU (18%) were handled at Aegan ports and 23,499 TEU (1%) were handled at Blacksea ports in Turkey. As regards the external trade transportations made by containers: 25% were made from Marport. Marport is the main terminal of Port of Ambarlı, Istanbul. It covers an area of 170 thousand square meters and has the capacity to handle 600 thousand TEUs per year and to stow 11.5 thousand TEUs. The container freight station covers 10 thousand square meters. The pier is 800 meters long with alongside depth of 14.5 meters. The Main Terminal has over 7.5 thousand square meters of storage area (WPS, 2011).Ease of container handling depends on port conditions and adequateness. The shipowners want to operate their ships at efficient ports in order to shorten waiting times at ports. Those are Marport (25%), Mersin Port (19%), and TCDD Alsancak (18%).

Msc, Maersk, Cma-Cgm, Turkon, Arkas Line, and Csav Norasia are major players in the Turkish container shipping market.

MSC (Mediterrian Shipping Company-Switzerland,1970):It is the leading carrier in Blacksea region with full port coverage. It serves from Trabzon, Antalya, Iskenderun, Yılport, Gemlik, Izmir, Mersin, and Istanbul. They have the highest capacity in the market on their Fareast Direct Service called "Tiger" with 8900 teus/weekly. They have approximately 14 direct services to/from Turkey mainly Europe destinations. They have direct weekly service from India operating with The Shipping Corporation of India(SCI). They started port building project called "Asiaport" in Europen side of Istanbul(Tekirdağ). As per industry experts' opinion, their strengths are having flexible operation changing routing of vessel easily according to needs, equipment positioning, large vessels, low inland haulage costs having hinterland container depots and rail opportunities, aggressive and competitive pricing, and offers full service package using Arkas Group advantages like intermodal solutions (rail/truck), custom brokage, insurance, depots, stacking areas, speacial stacking equipment, port costs in Turkey (Denizhaber, 2010; Port of Hamburg, 2009; Msc 2011).

MAERSK (Denmark AP-Moller Maersk): Number one container shipping line in the world. The Maersk Line fleet comprises more than 600 vessels and a number of containers corresponding to more than 3,800,000 TEU. This ensures a reliable and comprehensive coverage worldwide. They own the biggest container vessel, namely Emma Maersk, which can carry approximately 15000TEUs. Maersk Line has signed a contract for 10 of the world's largest and most efficient container vessels. At 400 metres long, 59 metres wide and 73 metres tall, the Triple-E will be the largest vessel of any type known to be in operation. Its 18,000 twenty-foot container capacity is a massive 16% larger (2,500 TEU) than Emma Maersk. At a cost of USD 190 million per vessel, Maersk Line is buying the ships to position itself to profit from the 5–8% growth in trade from Asia to Europe that the company expects, and to maintain its industry's leading market share in the trade. The new giant container vessels will be known as Triple-E, based on the three main purposes for their creation: economy of scale, energy efficiency, and environmentally improved. Their port coverage is wide; they have products from Turkey to North Europe countries, Ukraine, Romania, North and West Africa countries, USA, South America, Canada, Middle East countries, South and East

African countries and Oceania, Far East countries and visa versa. ML vessels calls at Ambarli, Izmir, Mersin and Mersin terminals with weekly direct services to and from Far East, Middle East, Latin America, and Europe and transshipment services to and from North America and Africa all on weekly fixed day schedules. As per shipping experts, their strengths are port coverage, numbers and capacity size of their vessel, and strong financial position (Martin, 2011; Maersk Line, 2012).

CMA-CGM(Compagnie Maritime d'Affretement-Compagnie Generale Maritime-France, 1996) made a joint venture with Turkish partner and restructured its organization in Turkey. It serves from Haydarpaşa, Ambarlı, İzmir, Mersin, Trabzon, Tekirdag, Gebze, and Gemlik ports in Turkey. They are represented by a third party agent at Mersin called Botros. They have ambitious growth plans from Europe to Mediterrian especially for Turkey. Their subsidiary lines are Sudcargos, Mac Andrews, CNC Line, Comanav, OT Africa Line, ANL, Delmas. They provide one transshipment service from Tangier-Med to West Africa by Delmas. They offer low rates from Far East by ANL. They also have joint venture with Maersk on Far East direct service. They call Trabzon with its Black Sea service in high season. They have wide coverage in North Africa. They use both terminals at Izmit Bay: Yılport and Evyap. As per interviews with some shipping experts, their strengths are being a quick decision company, putting easily new services due to agency request, low BAF rates especially in LAT and Africa trades, and reliable West Africa products (Cma-Cgm, 2011).

TURKON(1997) is family owned company called Kalkavan. They have offices in US, Germany, Belgium, and the UK. They are niche carrier in North America calling New York, Porthmouth, and Savannah. They have direct services to East Mediterrian, West Mediterrian and North Europe. They offer fastest transit times to US and mainly preferable by textile and garment shippers. They have very effective customer service at US. They have own inland transportation service with 110 trucks and 158 trailers. They have a rail company; they can offer competitive intermodal solutions especially Bozoyuk-Eskisehir region. They have close relations with government. However, they depend on two trades (Europe and North America) and they are not a global shipping company (Turkon, 2011).

ARKAS LINE(1996) have a fleet of 26 container vessels with approximately 54000 TEU container pool. They have twelve services between Mediterrian and

Blacksea. They are niche carrier in Intra Europe Trade (IET); they only focus on intra-med with a strategy called “mare nostrum-our sea”. They have cabotage service among Turkish ports. They highly concentrate on fruit shipments especially from Izmir and Mersin to Russia. They use their own agencies in Mediterrian and Blacksea. They are the prefered carrier in short sea trade. They use Arkas Group’s intermodal and infrastructure advantages. Their local customer portfolio is wide. They have full market knowledge. However, it is risky to depend on IET. They are not a global carrier. They use small sized vessels ever than high slot cost (Arkasline, 2011).

CSAV(Compania Sud Americana de Vapores, Chile/China, 1872) acquired Norasia In June 2000. They have their own office in Turkey. They have direct Fareast product (Asia Black Sea Service). 70% of their import business from Far East is based on FOB (Free On Board) which means that shipments are controlled by consignees in Turkey. They have wide coverage in Blacksea ports. Poti and Novorossiysk cargo is served via Ambarli. They are strong in mineral and chemical segments. They are good at India region; they increase capacity in India-Middle East Asia service called “MareNostrum”. They have agressive pricing strategy in Far East and Middle East Asia. They have close relationships with global forwarders. On the other hand, their slot costs are high. They are not stable financially (Csav, 2011).

4. STRATEGIES IN CONTAINER SHIPPING SECTOR

The marketing mix concept is one of the basic major concepts in marketing. Borden(1964) began to use the phrase “marketing mix” and that was suggested to him by Culliton’s (1948) description of a marketing manager as “mixer of ingredients”. If he was a mixer of ingredients, what he designed was a “marketing mix”. However, Borden (1964) did not formally define the marketing mix; to him, it simply consisted of important elements that compose a marketing programme. McCarthy (1960) defined the marketing mix as combination of all of the factors the marketing manager can do to satisfy the target market. Then, McCarthy and Perreault (1987) have defined the marketing mix as the controllable variables that an organization can determine to satisfy its target market (Rafiq, 1995). Kotler and Armstrong (1996) reviewed this definition with minor changes as the set of controllable marketing variables that the firm blends to produce the response it wants in the target market. More recent definition by Zeithalm, Bitner, and Gremler (2009) is as the elements an organization controls that can be used to communicate with customers. The traditional mix is composed of the four Ps: product, place, promotion, and price. Management of the four Ps is important for a succesful marketing of services; however, the strategies are required to expand for services. In addition to the traditional four Ps, the services marketing mix includes people, physical evidence, and process.

The concept of marketing mix has attracted attention from both academics and managers and has been widely used in the marketing discipline. The 7Ps or extended marketing mix is a marketing strategy tool that the number of controllable variables from the four in the original marketing mix model (4Ps) to seven. The original marketing mix model was primarily directed and useful for tangible products. The service marketing mix assumes the service as a product itself. The 7Ps model is more useful for services industries such as transportation and shipping sector (Grosskurth, 2008). Despite the increasing literature being focused on services marketing in general, there is a lack of literature explaining the application of the marketing mix theory in shipping services.

The marketing of shipping companies activating in merchant shipping is

the science of Business to Business Marketing, which deals with the satisfaction of the carrier'sorthe shipper's needs for the carriage ofgoods by sea, with the main aim being the profit of the enterprise (Plomaritou, 2008).

According to Kotler (2000), marketing strategies are the means by whicha company achieves its marketing objectives and are related to the tools of the marketing mix. The tools of the marketing mix for a shipping enterpriseactivated in container shipping sector is presented below.

4.1. PRODUCT

A product is anything that can be offered to a market for attention, acquisition, use or consumption and that might satisfy a want or need. It is not only the tangible goods, but also services, persons, places, organizations, ideas or mixes of these entities (Kotler & Armstrong, 1996). According to Yudelson(1999) product should be refined as all the benefits that the buyer obtains from the exchange. The definition emphasis what is obtained rather than what is produced.

A transportation company may have its own vessels, container equipments but they do not sell those, they serve between the international ports by carrying goods within the container on the vessels from origin to destination. It is an open acknowledgement of the classic philosophy attributed to Charles Revson, "In the factory we make cosmetics, in the stores we sell hope". The real product is the benefit to the customer, whether that benefit is hope, beauty, holes, transportation, cost reductions or eternal salvation (Yudelson, 1999).

Only when the product/service itself can not provide competitive advantage anymore, the organization should offer additional benefits. Managers need to think about the product on three levels (Kotler & Armstrong, 2010).

Core Product: It is the core benefits that consumers expect to have when they buy a product.

Actual Product: It is the physical chracteristics surrounding the core product such as quality level, features, design, brand name, and packaging. These are the attributes that combine to deliver core product benefits.

Augmented product: It is the additional consumer services and benefits such as installation, after-sale service, warranty. It is built around the core and actual product and very important in terms of competition.

In order to provide an augmented product/service, marketer should put himself into customer's place and ask himself this question: "What kind of benefits do I want to have in this scope of service?"

A shipping company's main asset is the ships that it owns; they vary widely in size. But the product is not these ships. The core product is the service which is provided by these ships. Company providse a whole range of services for a variety of goods in shorter or longer distances which is called service line (Plomaritou, 2008). Main lines in container transportation are North and South America, Central America, Europe, Africa, South Asia, Far East, and Middle East (Ece, 2010). The factors that make difference among shipping companies is providing direct service or service with transshipment, and transit times must be reasonable. The reliability of transit time is also reputed to be the most important variable influencing freight transport (Allen et al, 1985**).** Generally, exporters/importers preferred direct service rather than transhipments because of shorter transit times and less cost advantage. But every company cannot provide direct service; it depends on the operating costs. A shipping company can operate its own vessel and/or chartered vessels and/or operate via joints, slot charters with other shipping companies in order to provide service to its customers (Dos Santos et al, 2006). It works with several types of container as per type of goods: dry, open top, flat rack, reefer, and others. Avaliability of all types of container is important in order to supply customer needs. An exporter want to exports his goods as soon as possible when it is ready, he does not want to keep it in stock because of the inventory costs which means loss of money. And an importer wants to procure goods or raw materials from exporter in short times and deliver to the end-users. The ability of operating fleet and containers in right time and right place is essential for a succesful transportation service in this industry. As per expert opinions, frequency of service is another element that influencesthe satisfaction of the clients.Big shipping companies arrange their services by weekly from all loading ports. Space guarantee on vessel is a major priviledge for clients who loads regularly and in big volumes. Providing cargo tracing/tracking systems are important element of service; many shipping companies provide this service

on their websites (Dos Santos et all, 2006). The clients can track their goods on the way by entering B/L number or container number on the website. The company also can provide online and realtime booking as well as issuing B/L, checking for schedules and others via INTTRA portal which is long haul maritime transportation market portal.

In container shipping sector, the main purpose is to transport goods in containers on vessel from port to port. However, from a customer perspective, the movement of goods often requires the combined use of several modes. By this way, the company serves as door-to-door, port-to-door, door-to-port by truck or rail according to the clients' request. This is an augmented product. The utilization of the containers often facilitates the operation of such intermodal transportation systems. Providing intermodal service to the customers provide competitive advantage to the shipping company. Multimodal transportation is preffered by clients, because they are in connection with only one corporate person from the origin to delivery place. Its importance increase in years, so the shipping companies should adapt to this model and improve their services (Woxenius, 1998).

Apart from these, the choice of the marketing team and the relationship between the marketers and the clients add value to the company as a brand and play a key role in the evaluation of the service, criticise and learn about the pros and cons, then improve the service accordingly (Levitt, 1974).

4.2. PRICE

It is the cost of purchasing the service. Pricing policy is more complicated for services in comparison with consumer products. The price of the service must be reasonable and calculable. In shipping sector, the level of price does not only influence the demand but also send a message about the expectations of the clients from the service (Çancı and Erdal, 2003). Yudelson (1999) defined the price as everything that the client gives up to obtain benefits. It can be something that the client gives up but not gained by the seller or supplier; a simple example would be the time. A client asks for the quotation for a shipment and the sales representative works on the freight rate, in this period, there are correspondings or phone calls between the client and sales representative; it may takes hours or days to get confirmation for booking from the

client. When viewed from this perspective, it is clear that price includes both monetary and nonmonetary elements.

The market price of the shipping services is influenced much by the macro forces such as international trade volumes, boom in economy, fuel prices, international competition, and regional cargo traffic. Beside these, the balance of the demand and supply in the market conditions of the operating country, the scope and the quality of the service are the other effective factors (Çancı and Erdal, 2003). Booms in the economy, the rapid changes in foreign exchange rates, and the supernumerary of the service companies increase the price competitiveness in the sector. So the companies have to apply reductions on their price; they sometimes even have to serve with almost break-even prices or they provide availability of redemption date. They also search for the alternative markets or they can go in to strategic alliances or joint-ventures or sign slot charters agreements by hiring space on the other companies' vessels.

Knocking down by lower price and providing long redemption dates can be a strategy whereas not compromising the price with the high quality of the service by consistent transit times, well-arranged service can be another good strategy. By the second way, the attention of the client is attracted to the quality from price.

Traditionally transport costs are calculated as per distance. The functions of composition, transshipment, and decomposition which are included in transport costs are transformed by the shipping company and the client. Time is as important as distance in the evaluation of transportation costs (Hesse & Rodrigue, 2004). If the client asks for a faster service, he/she should be prepared to pay more money, because cost of a faster service is higher for the shipowner.

In container shipping service, the expense items are generally the freight and the local port costs.

Freight is the charges paid for carriage or transportation of the goods (cargo) by seaway (Business Dictionary, 2011).If there are too many spaces on ships, the freight rate is low; while if there are too few ships, it will be high. The pricing system is central to the supply of the transport (Plomaritou, 2008).

4.2.1.Pricing for Standard Dry Containers

The shipping company can charge the prices as discriminatory pricing strategy

according to the customer, route (port of origin and destination), type of good, weight, and volume. Another factor influencing the prices is the imbalance the number of containers received and shipped (Dos Santos et al, 2006). It depends on trade volumes. If the import volume is greater than export volume in a country, it means lots of container imports from the other countries and waiting empty in this country ports but they must be repositioned by the shipowner then repositioning costs occurs. It compensates;hence, the shipping costs are more expensive from that country to abroad.

The good intensity at ports is very important for pricing.

4.2.2. Pricing for Special Equipments

Special equipments are open top, flatrack, reefer containers. They are valuable because their operation is more difficult, their operational cost is higher than standards, and their number is very limited. Project cargoes and cargoes in big dimension can load and tranport within those. Cargo may exceed the container dimensions; such kind of shipment is called out of gauge shipment. Out of gauge equipments caused slot loss on the vessel; therefore, their pricing is different. Various policies as following can be determined for open top and flat rack containers which are out of gauge (oog):

1. Pricing according to the vessel situation (load intensity)
2. Pricing according to the client
3. Pricing according to the number of avaliable equipments
4. Pricing according to the type of the good

For the first situation, the vessel is overbooked which means no more goods can be accepted because the vessel is at full capacity. In such a situation, an oog container will cause unutilized space on the vessel and this is not acceptable for the shipowner. It is only possible to load such a cargo for high freight rates which compensate the damage of the space loss. Also, the operation of an oog container is different and longer than a standard container. Loading an oog cargo influences the loading program as well as it may cause to leave some other clients' cargoes.

Second situation is directly related with the power of the customer. If the customer loads regular in high volumes, he will be privileged in terms of pricing and priority when he needs special equipment. This is because the shipowner wants to secure his regular standard container cargoes.

The third situation is about the imbalancing of the equipments at ports. Sometimes some equipment goes some ports intensily, but returns of these may take long times depending on trade and seasons. If the special equipments are accumulated in a port and there is a shipment of equipment from this port, freight discounts are rational rather than keeping them idle. Considering that the demand is also important,it influences the discount decisions or the amount of discount.

The last situation is about the value of the good which influnce the freight rate directly. There is a big difference between the freight of the steel frame construction on a flat rack and the freight of a boat on a cradle. The value of the good is for million dollars, for boat whereas it is 10 or 20 times less for steel frame construction. The shipowner is responsible for delivering the goods to the consignee without any damage as per freight agreement. Shipping high value goods are more risky. Such kind of goods make high profits as well as they cause high claim charges for the shipowner in case of damage. Besides, the exporters/importers of high value goods have a negotiation power on freight charges with the shipowners, relatively.

4.2.3. Payment Terms and Delivery Terms

Goods may be transported on freight-prepaid or freight-collect basis as per payment terms between shipper and consignee. Delivery terms namely incoterms are used in order to define the trade contract responsibilities and liabilities between buyer and seller. The Incoterms rules are an internationally recognized standard and are used worldwide in international and domestic contracts for the sale of goods. The rules have been developed and maintained by experts and practitioners brought together by International Chamber of Commerce (ICC) in Paris, France and have become the standard in international business rules setting. They help traders avoid costly misunderstandings by clarifying the tasks, costs, and risks involved in the delivery of goods from sellers to buyers (ICC, 2010). The most important point is how the costs and risks are shared by the shipper (exporter) and the consignee (importer). In other words, incoterms make the liabilities clear about the side of the payment and explain the responsible side for the risks during the handlings and delivery of the goods (Ergönül, 2007). The INCOTERMS was first published in 1936 (INCOTERMS, 1936) and it is revised periodically to keep up with changes in the international trade needs. The

complete definition of each term is available from the current publication INCOTERMS 2000. Here are some explanations of the most common terms as following (Foreign-Trade, 2011).

EX-Works: One of the simplest and most basic shipment arrangements places the minimum responsibility on the seller with greater responsibility on the buyer. In an EX-Works transaction, goods are basically made available for pickup at the shipper/seller's factory or warehouse and "delivery" is accomplished when the merchandise is released to the consignee's freight forwarder. The buyer is responsible for making arrangements with their forwarder for insurance, export clearance, and handling all other paperwork.

FOB (Free On Board): One of the most commonly used and misused terms. FOB means that the shipper/seller move the merchandise to the port or designated point of origin. Though frequently used to describe inland movement of cargo, FOB specifically refers to ocean or inland waterway transportation of goods. "Delivery" is accomplished when the shipper/seller releases the goods to the buyer. The buyer's responsibility for insurance and transportation begins at the same moment.

*CFR (Cost and Freight):*This term formerly known as CNF (C&F) defines two distinct and separate responsibilities – one is dealing with the actual cost of merchandise "C" and the other "F" refers to the freight charges to a predetermined destination point. It is the shipper/seller's responsibility to get goods from their door to the port of destination. "Delivery" is accomplished at this time. It is the buyer's responsibility to cover insurance from the port of origin or port of shipment to buyer's door. Given that the shipper is responsible for transportation, the shipper also chooses the forwarder.

*DDP (Delivered Duty Paid):*DDP terms tend to be used in intermodal or courier-type shipments. Whereby, the shipper/seller is responsible for dealing with all the tasks involved in moving goods from the manufacturing plant to the buyer/consignee's door. It is the shipper/seller's responsibility to insure the goods and absorb all costs and risks including the payment of duty and fees.

4.2.4. Local Charges

Local port charges are explanied as following:

Free In / Free Out: Free in; the charge of the loading the container on board from stowage area at port. It is an export item. Free out is the charge of the discharging

the container from the vessel to along side of the vessel or stowage area at port. It is an import item. There is not a standard in free in/out charges; it depends on port and the shipping company.

Terminal Handling Charge/Fee(THC): It includes the charges of the movement of the goods in the terminal area. As per incoterms rules, this local charge is paid by the exporter/importer. THC is a terminal charge which includes the gantry crane costs, the movement and stowage costs of the goods in the port, forklift costs, loading/unloading the container, and the labour costs. The total of these are the costs for the goods leaving the port. In order to do these, the port management appoints a crew of ten people, and vehicles. If the goods are brought to the port by exporter and load to the container in terminal area, then container loading cost occurs which is under THC.

*Temporary Acceptance Fee:*If the container sends to the shipper's premises for loading or the consignee's premises for unloading, the temporary acceptance cost occurs. It has VAT (value added tax).

*Bill of Lading Fee:*It is the cost of issuing the shipping document and invoice

*Container Loading/Unloading Fee:*It occurs if the goods are brought to the port by exporter and load to the container in terminal area. It is invoiced under THC item.

*The International Ship and Port Facility Security Fee(ISPS):*International Maritime Organization set measures to enhance the security of ships and port facilities after the 9/11 attack. Then ISPS fee occurs. It may change as per port.

4.3. PROMOTION

IT is the specific blend of advertising, personal selling, sales promotion, public relations and direct marketing that a firm uses to pursue its advertising and marketing objectives (Kotler & Armstrong, 2011).

*Advertising:*Any paid form of nonpersonal presentation and promotion of ideas, goods or services by an identified sponsor.

*Personal Selling:*Personal presentation by the firm's sale force for the purpose of making sales and building customer relationships.

Sales Promotion: Short-term incentives to encourage the purchase or sale of a product or service.

*Public Relations:*Building good relations with the company's publics by obtaining favorable publicity, building up a good "corporate image" and handling unfavorable rumors, stories, and events.

Direct Marketing: Communicating straight to the customer with advertising techniques such as mobile messaging, email, interactive consumer websites, online display ads, fliers, catalog distribution, promotional letters and outdoor advertising.

The aim of promotion tools is to get a message across to the customer and maintain good relations with clients, etc. Promotion tools operate at three levels – inform, persuade, and reinforce(Plomaritou, 2008). Promotion to inform generally relates to the promotion of new shipping services offered to new routes by the company. Advertising persuades the target clients on the requirement and value of the service and encourage them to take action just in time. The shipping companies use advertisements in specialized sites and publications relating to foreign trade and international logistics as a basic competition tools. The companies, which provide high quality transport services, have a motive to reveal this quality through advertisements. There is also the public relations side of advertising, which includes media relations and exhibitions. Many shipping companies have developed various advertising programs which include a web page on the internet, brochures, advertisements in the shipping press, and participation at maritime exhibitions. They arrange monitored visits, use tele-marketing tool, and send direct mails to their target market. They also issue press releases, make leaflets. The company can do all of these by itself as well as an agency.

Every staff who has a direct relation with the client offer service, indeed. Sustainability of the customer relations is very important as Theodore Levitt's succinct words: "The purpose of a business is to create and keep a customer" (Guaspari, 1995). Emphasizing benefits of the service, customization, rewarding the existing clients by sale promotions, solving problems with effective, and early solutions are after-sale marketing activities and very important to keep customers in the long term. A focal and continous attention is required. Studies have shown the best salespeople are those who are highly motivated and good closers, but more than this, they are client-problem solvers and relationships builders (Kotler & Armstrong, 2010). Since the main purpose is to provide a good service, assigning a sales and customer representative, who can be avaliable to reach, and understand needs and wants, and problems of the client, become

very important.

Personal selling is a widely-used tool in the container shipping sector. Personal selling is the interpersonal arm of the promotion mix. Advertising consists of one way communication with target clients, whereas personal selling involves two-way personal communication between salespeople and individual clients whether face-to-face, by telephone, through video conferences, etc. This means that personal selling can be more effective than advertising in more complex selling situations. In most shipping companies, sales force plays a critical role. It serves as a major link between the company and its clients. Salespeople represent the company to clients. They find and develop new customers and communicate information about the company's products/services. Salespeople relay customer concerns about company services. They learn about customer needs and co-operate with others in the company to develop greater customer value. As companies move toward a stronger market orientation, their sales forces focus more on market and customer. Salespeople should be concerned with more than just producing sales; they also care about customer satisfaction with company profit. They should be able to look at sales data, measure market potential, gather market intelligence, and develop marketing strategies and plans. They should know how to manage the company's efforts toward delivering customer value and satisfaction. A customer-oriented rather than a sales-oriented sales force will be more effective in the long run. Beyond winning new customers and making sales, they can create long-term, profitable relationships with clients (Kotler & Armstrong, 2010).

The shipping companies generally look for positive,energetic, self-confident, organized, competitive, self-motivated, active, customer-driven and result-oriented salespeople. One survey suggests that good salespeople have a lot of enthusiasm, persistence, initiative, self-confidence, and job commitment. They are committed to sales as a way of life and have a strong customer orientation. Another study suggests that good salespeople are independent and self-motivated, and are excellent listeners. Another study advises that salespeople should be a friend to the customer as well as persistent, enthusiastic, attentive and honest. They must be internally motivated, diciplined, and hard-working, and able to build strong relationships with customers (Brewer, 1994).

Training programs are very important and have several goals. Generally big

shipping companies take serious those programs and allocate time and budget for training programs to their salespeople. Most of the training programs begin with the company's history and objectives, its organization, its financial structure and facilities, and its major product/service and market. Salespeople should know about the company's services very well. They also need to know clients' chracteristic and competitors' strategy. Salespeople must know how to make effective presentations; they are trained in the principles of selling. Also, salespeople need to understand the procedures and responsibilities. They learn how to divide time between active and potential accounts, and how to use an expense account, prepare reports, and route communications effectively (Kotler & Armstrong, 2010).

To attract salespeople, a company must have an appealing compensation plan. Compensation is made up of the several elements such as a fixed amount, usually a salary, gives the salesperson a more stable income; a variable amount, which might be commissions or bonuses, rewards a salesperson for greater effort; expense allowances (which repay salespeople for job-related expenses) let salespeople undertake needed and desirable selling efforts; fringe benefits provide job security and satisfaction (Churchill et al., 2000).

The big shipping companies generally use all of above elements for compensation for salespeople. The other shipping companies usually use basic methods such as straight salary, straight commission, salary plus bonus or commission for each sale.

The company direct and motivate the sales force to do a better job through supervision especially for new salespeople.

Sales management should be involved in helping salespeople to manage their territories depending on a variety of factors. Those factors are developing customer targets by classifying them based on sales volume, profit and growth potential, and call norms accordingly; developing prospect targets; using sales time efficiently. One tool is the annual call plan which consistsof activities taking part in trade shows, attending sales meeting and carrying out marketing research. Another tool is time and duty analysis.

Motivating the salespeople is one of the most important tasks of sales management. In shipping companies, sales managements can motivate salespeople for

morale and performance by its organizational climate which describes the salespeople feeling about their opportunities, value and rewards for a good work within the company; by sales quotas which state the volumes the salespeople should achieve; by positive incentives such as honors, merchandise and cash awards, trips, and profit-sharing plans.

A shipping company uses several ways to evaluate the salespeople's performance such as sales reports, personal observation, and customer surveys. Salespeople are generally evaluated on their ability to "plan their work and work their plan" (Kotler & Armstrong, 2010).

First step in the selling process is prospecting and identifying qualified potential clients. Second approach is that salesperson should learn as much as possible about the organization before calling on a prospect. Salesperson should learn about their transactions, type of their shipments, loading/discharging ports, loading volumes, etc. This step is known as the preapproach. Third step is attracting the client's attention. This step involves the salesperson appearance, opening lines, and follow-up remarks. The salesperson make the client realize the need of that service by key questions. Forth one is presentation and demonstration. During this step, the salesperson gives information about the shipping company and its services, products, facilities and he/she can show brochures, slides, flip charts. At this step, the salesperson should influence the client, so the client wants to utilize benefits of that service. The salesperson also offers freight rate for the client's shipment. The other step is handling objections, especially about price. The salesperson should be calm aganist client's objections and provide more information. He/she acts positive approach and take the objections as opportunities to persuade the client. Final step is to close the sale. The salesperson should recognize the right moment to close it by looking at signals from the client including physical actions, comments, and questions.

4.4. PLACE

McCarthy (1993) defines place as delivering goods and services with the right amounts, at the right locations and just on time when the customer wants them (Shapiro, 2000). Place mix is about physical distribution management decisions of delivering the service to the client: when, where, and how (Çancı & Erdal, 2003).

Transportation sector is growing related to the physical distribution of goods as globally, regionally and locally. Physical distribution is the general name of distribution activities which is included in the movement of the goods from the origin of manufacturing to the final destination of sale and consumption.Transportation service is one of the functions among the range of activities in the physical distribution of goods such as warehousing(choice of depot, storege, and inventory management), trade, wholesaling, and retailing. Freight distribution grows fastly at the important places of manufacturing, i.e., North American east coast and in the Midwest or in the old industrialized regions old England and continental Europe. The changing geography of manufacturing and industrial production have been changed the geography of freight distribution, i.e., Hong Kong, Singapore, Shanghai, Busan and Kaohsiung in Pasific Asia have become the largest container ports in the world (Hesse and Rodrigue, 2004).

Today, especially large amount of goods flows are directed through the gateways and hubs which are the main door opening to the market area. Then the road, rail or air freights are consolidated in these places and delivered to the final destinations. In the case of North America, those particular hubs are the strategic gateways at East and West Coasts, i.e., the Ports of the San Pedro Bay in Los Angeles, the Port of Seattle/Tacoma, the Port of New York/New Jersey. The strategy of gathering the goods at hub ports is increasingly becoming difficult because of the density, congestions, land constraints, and traffic-jam at ports and the hinterlands. In such limits, inland hubs which are the distribution centers become a more important issue. The distribution system is not only providing for the constant flow of cargoes, but also providing their availability and accessibility in right amounts and on time. Distribution firms have to challenge by expanding the infrastructure and rationalizing flows in order to meet the demand of punctual delivery. They should focus on warehousing, trucking, railways, and air freight activities which are the important indicators and drivers of this distribution system (Hesse & Rodrigue, 2004).

Regarding the choice of building location, the shipping firms try to minimize land costs, energy costs, and distance to the clients. In order to do this, decision makers assess the advantages and disadvantages of different locations. The concept of location choice means to determine the most advantageous location for the firms in short or long term. Whether renting the building or owning it or constructing it cause big differences

in the constant costs. If the building is rented, the expenses are the rent per month, lighting, heating, material and insurance expenses, and taxes. If the firm wants to own it, they have to make a big investment at the begining. If they decide to contruct the building, buying the land and the process of construction have to be considered. The land has to be appropriate enough for future investments and expansions. A parking area will be better. Traffic-jam should be considered. Locating on an area where telephone, fax, internet, and computer connections are good would be preffered.

The right choice of empty container depots is very important. Empty container depots are places where the empty containers are picked up to load for export and return after unloading for import. The location of these depots should be decided as considering the closeness to the both clients' places(factory and warehouses), connection hubs to other transportation modes(road, rail), and accessibility to loading ports for maximum customer satisfaction. The right choices for location influence the firm's success by improving the firm's performance.

Strategic location of some ports also attracts many global leaders of shipping sector.Geographic location of following ports has proven to be one of their best assets:

Singapore is known as the busiest port in the world in terms of the total shipping tonnage with 1.92 billion gross tons (GT) in 2010, an increase of 7.5 percent from the 1.78 billion GT achieved in 2009. Container traffic in 2010 totalled 28.4 million Twenty-Foot Equivalent Units (TEUs), a 9.9 per cent increase over the 25.9 million TEUs recorded in 2009(Asiaone, 2011). Capitalising on its strategic location, sophisticated port facilities and shipyards, Singapore's maritime industry is energetic and exciting. It's ranked first among 20 ports all around the world as the world's busiest container port in 2010 (Wong, 2011). The port is connected to 123 countries: to over 600 other ports in more than six continents. Singapore is one of the world's premier hub ports (MPA, 2009).

Houston has a very good geographic location which is centrally located on the Gulf Coast. It is a strategic gateway for cargo originating in or destined for the U.S. West and Midwest. It is ranked first in the U.S in foreign waterborne tonnage and second in the U.S in total tonnage. Houston lies within close reach of one of the nation's largest concentrations of consumers. There are approxiamtely 77 million people living.

The wide truck, rail, and air connections help the goods to be economically transported between Houston and inland points (POHA, 2010).

Izmir, the 3rd biggest city in Turkey with a population over 3.5 million, merchandises through seaway and Izmir performs 91% of its exports through marine transportation and it is one of Turkey's major container ports. The Port of Izmir is located with its face towards the Aegean Sea, at a critical point between North Africa and East Europe. The Port of Izmir has a wide agricultural and industrial hinterland. It is located on the coastline of Alsancak, where residents prefer to stay and businessmen prefer to work. Railway, highway, and airway connections to the port make the port easy to access. Port of Izmir has a capacity to contain 3640 ships per year and it has a 2,950 meter long berth/pier length and 13m draft. The Aegean Region Ports Hinterland is settled in an area based in Izmir and covers the cities near Izmir by which the transportation modes ease the access to the port, Manisa, Muğla, Denizli, Aydın, Kütahya, Afyon, Uşak and Eskişehir. In the large hinterland of Izmir Alsancak Port, excluding the Aegean Region's demand, the demand of Marmara and Inter-Anatolia can easily be supplied, which concludes to the idea that the Izmir Alsancak Port has the biggest hinterland area in Turkey (Port of Izmir, 2011).

4.5. PEOPLE

It is all the participants who take charge in a part of service delivery process. It is hard to evaluate a service without thinking about the people who make it possible. These participants are divided into two groups: service providers and customers. However, the firm should consider about other customers in service environment, because there is an interaction between the customers. Customers generally tell their experince with a service provider to the potential customers in their business environment. These participants are refined as the firm's personnel, the customer, and other customers in the service enviroment (Zeithalm et al., 2009).

4.5.1. Employees' Role in Service Firms

Any firm needs manpower (people) whether tomake product or provide service. Manpower requirement is more necessary in service organisations since they are more labor-intensive (Çancı & Erdal, 2003).

In service firms, the personnel play a critical role on influencing customer perceptions of service quality. Especially personnels, who contact with the customer directly by telephone or face-to-face are the key compenent of the service. They are called boundary spanners who interact with the external customers as well as internal employees directly. Boundary spanners provide a connection between the external environment and the internal operations of the firm. They have a significant function in interpreting the information from and to the firm. They are the organization in the customer's eyes and they are the brand because they represent the firm (Zeithaml et al., 2009). In container industry, there are generally six departments: sales, operations, customer service, finance and accounting, administration, human resources. Especially salespeople and employees in customer service department are referred to as boundary spanners. They should keep smiling, make eye contact, show individual interest, and have a friendly conversation with people. Customers usually judge the service quality by evaluating the firm's personnel. The ability, attitude, and behavior of the personnel help customers to evaluate the service quality (Goncalves, 1998). Beside this, the performance of all employees who works for operational duties, financial issues, and information technology has a direct impact on service quality (Çancı & Erdal, 2003). Therefore, it is very important that the managers attach great importance to the employees by observing them and measuring their performance regularly with key performance indicators. Otherwise, employees tend to be variable in their performance which can cause to pendulum quality (Yelkur, 2000). Determination of underperformer processes, identifying the problems, and taking recovery actions are the important steps to increase customer satisfaction (Çancı & Erdal, 2003).

Appearance also influences the customers' perceptions of the service, especially in professional relationship-based services such as consulting, counseling, and teaching. In other services, the apperance of the personnel may play relatively small parts in service delivery (Zeithaml et al., 2009). In container shipping sector, salespeople give much more importance their appearance because they meet clients face-to-face while the other personnel usually contact with customers through telephone and e-mail.

Frontline-staff as well as back-office staff must gain the effort of soft skills training and technical training. Training in interpersonal and communication skills as well as process and problem-solving skills is essential to any service organization.The

best and strongest managers in service organizations do always get in the frontline, and shows staff how to handle difficult customers. They do always set a perfect example. They set up and implement a service model strategy, which should be followed by all employees. The service strategy is the brain of the service organization. Management should design internal and external procedures with customer convenience in mind or make a reference group of customers, invite them in, and have their word of new coming procedures in the service organization. They should involve customers to commit them to buy a product through excellent attention and service. These are some guidelines, which are fundamental in having a customer oriented organization (Schak, 2008).

4.5.1.1. The Effect of Employee Behaviors on Service Quality Dimensions

There are five dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy (Chen et al., 2009). All of those can be influenced directly by service employees (Brady &Cronin, 2001). Tangibles are identified as visiual facilities of the firm, i.e., appearance of employees. Reliability is about performing service right the first time. When service failures occur, employees are responsible for making things right and using initiative for service recovery. Responsiveness is related to giving prompt service; the customer can reach to the employee easily and the employees are always willing to help the customers. Assurance is described by feeling safe in transactions with the firm. The customer should feel confidence while doing business and contacting the employee. Employees should behave in a polite way. Assurance depends on the employees' communication skills to inspire the customers' trust. Empathy is related to pay an individual attention to the customer. Employees should listen to them carefully, try to understand clearly, and customize in delivering service when necessary (Durvasula et al, 1999). As per research results show, the customer-oriented employees have a good relationship with the customers. They have sagacious and careful listening ability. And customers are satisfied and more likely to return (Zeithaml & Bitner, 2009). A container shipping company must pay attention to service quality dimension and they should implement them as a guide line in order to have customer satisfaction.

4.5.1.2. Strategies for Delivering A Good Service Through People Mix

A complex combination of strategies is required to deliver service quality and sustain a constant customer-orientation and service-orientation for the service employees. These strategies are referred to as internal marketing, which has been defined as marketing activities of the firm for its employees. It is a process of attracting, motivating, and keeping talented, customer-oriented, and service-minded employees in the firm by satisfying their needs (Joseph, 1996). The strategies are based on four main themes in order to build a customer-oriented service delivery. These strategies are hiring the right people, developing people to deliver service quality, providing needed support systems, and retaining the best people.

The firm should focus on recruiting the appropriate workforce for an effective service. The firm should assume recruting as a marketing activity; it should determine the issues of segmentation (employee), job description, and promotion of the job in order to appeal potential long-term employees. The firm should interview multiple employees for an open position and get the right person among them. Applicants should be evaluated in both service competencies (skills and knowledge) and service inclination (individual's interest) for an ideal selection process for service employees. Inclination is about personality and research has shown that service effectiveness is correlated with service-oriented personality chracteristics (i.e., thoughtfullness, helpfulness, etc.) (Brown,1991). The firms can apply surveys among their existing employees to set goals to keep best people. Preffered employees generally look for training, career and advancement opportunities, social facilities, internal support, attractive incentives, and quality goods and services to go on working with the same firm (Zeithaml et al, 2009). The firm should develop its employees by training to ensure service performance. Big shipping firms give top priority to the education and training for the offshore and onshore personnel of the firm. They allocate particular money from their budget for continous employee training. This is a strategy for the future of the firm. According to this strategy, a firm's personnel participate in training programs in order to be informed about the new developments of the international shipping sector (Plomaritou, 2008). The courses may involve in technical skills for offshore personnel and involve in training areas such as personal skills (i.e., presentation techniques and sales techniques), IT skills, language training, courses in economics and maritime

law,and education aimed at solving future management tasks for onshore personnel. This is a way of unfolding the ability of the employee and also affects the continuous professional development of the firm. It is not enough to encourage individuals, promoting teamwork is also very important. Customer satisfaction can be enhanced when employees work as teams. Service employees require internal support from their supervisors, teammates or other departments as well as evaluations of technology and equipment necessary for the job (Mayer, 2002). Measuring and rewarding are tools for maintaing internal service quality. By this way, the firms encourage people while motivating them; and also, the firm can identify its customer (employee), understand their needs, measure their work performance, and make improvements. Retaining the best employees is essential for the firms. The firm spends money and time for attracting people. A high employee turnover is not good for a firm in terms of reputation of the firm, customer satisfaction, employee motivation, and overall service performance.

4.5.2. Customers' Role in Service Firms

Customers are the lifeblood of the firms. Research has mainly focused on employee performance, service process, and tangibles in creating service quality for customers. However, in many services customers' participation is heavily required for a qualified service outcome, and customers themselves have a big impact on their own dis/satisfaction. This is true whether the customer is an end-user or a business. The customer involves in service activities such as identification of the situation, handling problems, service recovery, ongoing communication, and provision of equipment. Level of participation may change as low, medium, and high according to the type of organization. In some cases, all is required is the customers' presence just like in concert or airline travel. In some situations, customer inputs (information, material) are necessary. In shipping sector, the customer should provide certain information about her/his shipments for an accuracy quotation and for the appropriate operation design; he/she makes the goods ready on time at right place, and also makes the payment on time. Also he/she should arrange necessary documents properly. He/she can speed up the process by utilizing e-commerce technology. He/she can arrange online booking and give shipping instruction through internet. High level of participation is absolutely required in all forms of education, training, and health-care. Unless the customer

makesan effort, the service provider cannot deliver the service outcome effectively. The organizational productivity, service quality and customer satisfaction are affected by customer involvement at all the levels (Bitner et al., 1997). Marketing managers try to create a mutually advantageous relationship in the long-term. They are no longer only customers; they are partners. The meaning of partner clarify that there is something to be gained from the other party. The customer, as partner, gives information about wants and needs, as well as constructive criticisms of offers that are presented (Yudelson, 1999).

The firms should encourage their customers to participate. They should determine the level of participation exactly, and clarify the tasks for customers; the most important issue is that the customer must understand its own role in the process very well for quality and productivity. The managers emphasize the importance of customers as partners, so the customers must be aware of this. They can make a contribution to the quality by good adaptation of their roles as supporters, co-producers of the service, and consultants to the firm (Bettencourt, 1997). The era of transaction-orientation finished; it is time of relationship-orientation(Kumudha, 2008).Globalisation increased the competition; there are lots of firms in the market. The firms try hard to attract,retain the customer or and seek for the ways of winning the lost customers back. Managing the relationships with the customers become crucial in the wake of globalisation in order not to lose the customers who are the key of the more success. They have a relationship with the firm-in the past, present, and future; and this relationship create knowledge. The firms have kept relationships with the customers through constant interaction by the way of visiting the customers in certain periods, applying surveys, and organising meetings. By this way, the new knowledge is also gathered. Customer knowledge is not the knowledge about the customer; it resides in the customer. Gathering this knowledge requires a strategic management. The firm manages the identification, acquisition, and utilization of customer knowledge. Smart companies become more customer-focused and have an external perspective on knowledge creation and renewal. Customer knowledge managers aim at generating growth of the organization and value for the customer by engaging in an active dialogue. Customer knowledge management is a business strategy which includes gathering information about customer behavior, their

habits, and needs and wants so that company can deliver more of their product/service efficiently (Kumudha, 2008).

Managers should not forget that service customers are human, and take the importance of timing into consideration so that they lead their customers on time. It is essential to know "when" and "who" are served; the answers of these questions come with the necessary efforts that affect to the quality and production of the services. Complaining behavior of customers can bother the firm's personnel; however, this is a key opportunity to improve the service quality (Çancı & Erdal,2003). Mostly customers prefer to stay silent when they are unhappy with service, and if the problem continues, they change the service provider. Tax, Brown and Chandrashekaran (1998) have determined the reasons why the customers keep silent and do not complain. They do not believe that the company will respond to their complaints and they do not want to lose time and effort in complaining. They are afraid if the firm will be aggressive aganist their complaints, or they are not aware of their rights aganist the firm's obligations. However, complaining customer is better than unhappy but slient customer. Service firms must listen and pay close attention to the complaints. They must be attentive to service recovery issues and its relation with the customer satisfaction. Resolved issues are not limited for only complainant; the firm must be proactive and apply the solution to each process in delivering service and ensure that the problem issue will not repeat in the future. A customer-oriented complaint management system is required for a high quality service. Meetings with the customers can help to identify the problems. Employees must be quality driven, the employee must care about the existing customers, the employees must be awake to the indications of dissatisfaction, and should accordingly examine and try to understand the reason(s). The employee should be calm aganist the complaining and provide certain, clear, timely and right information.Moreover, a generous compensation should be given to the customers who are mistreated (Durvasula et al.,2002).

Customer commitment depends on satisfaction in service process. In the container shipping sector, a customer can be happy if they can reach to the firm personnel easily and get early reply; if the firm quote their freight request quickly, accurately, and clearly; if the firm confirm their booking and provide suitable equipment according to the type of cargo; if the truck arrive at their factory on time in

case of inland transportation; if the firm provide correct and ontime documentation; if the firm lay down redemption date for their payments; if the transit times and vessel schedules are reliable; if the containers are released without any problem; if the firm provice extra free time at discharge port and reduce the demurage costs and if they have regular face-to-face meeting with their sales representative. These are the basic issues that the firm must be attentive in order to handle shipment and satisfy customers (Odabaşı, 2002).

4.6. PHYSICAL EVIDENCE

Physical evidence is the environment in which the service is provided and any tangible components that facilitate performance and communication of the service (Rafiq & Ahmed, 1995). Service providers need to provide signs of tangibility to have new customers, and keep the existing customers, and to develop a good image in the customers' mind. Physical evidence overlaps with the promotional mix because all tangible signs of the service are also part of the communication mix, i.e., sales promotions (Gonçalves, 1998).

Physical evidence is important because customers rely on tangible clues to evaluate the quality of service provided and to assess their satisfaction with the service. Thus the more intangible-dominant a service is, the more there is the need to make the service tangible (Gabbott & Hogg, 1994).

The physical evidence of a service firm is building, landscaping, decoration, symbols, logo, employees, contracts, press materials, service catalogues, letterhead, business cards, reports; and also equipments and transportation vehicles can be added for a shipping firm. Service firms should manage the physical evidence attentively since those affects the customer impressions.

The physical evidence can be divided into two as servicescape and other tangibles (Zeithaml & Bitner, 2009). Servicescapes are essential tangible that are required to deliver service; these belong to the firm and will not come into customers' possession. There are also subsdiary evidences which are necessary; those are come into customers' possession. Forexample, in the hotel industry, hotel building, hotel rooms, conference rooms, equipments, personnel; in the attorney services attorney himself, his secretary, his office; in the health service industry, hospital, doctor himself, surgery

room, etc., are the servicescapes which are essential evidences. In these industries, uniforms, stationery, soap, bandage, shampoo, etc., are other tangibles which are provided by service organisation and possesed by customers.

In the container shipping service industry, customers rarely visit the service provider's office and they are not much interested in office atmosphere, whether there is expensive furniture or luxury decoration materials in the office. They are much interested in functionality dimension of the service that is provided. The most important issue is handling their goods to the right consignee on time without any damage. Carrier is responsible during this time for operational process in full compliance contract and legislation. Besides, technologic infrastructure for a constant communication and information flow, online tracking of their goods, and the utility of the firm's web site are important physical evidences to satisfy the customers (Çancı & Erdal, 2003). On the other hand, the employees of the container shipping firm are influenced by the office atmosphere. A good job-working atmosphere makes a positive contribution to the motivation of the employees (Cengiz & Pirtini, 2008). Otherwise, in a negative job-working atmosphere including decoration, layout, ligthing, air-conditioning, lack or useless equipment, stationary influenced employees negatively, and employees cannot work efficiently. Firm should care about its employees as much as its customers.

The physical evidences in container shipping sector are as following:

Table 5: Physical Evidences for Container Shipping Service

SERVICE	PHYSICAL EVIDENCES	
	Servicescape	Other tangibles
Container Shipping	Port	Delivery order
	Terminal	Bill of lading
	Storage area	Invoices
	Sea, land, railway vehicles	Freight terms contract
	Container	Export/Import contract (delivery and payment terms)
	Loading/unloading equipments	Vessel schedule, daily position of vessel
		Container storage leaf
		Rate request form
		Letter of commitment

source: Cengiz & Pirtini, 2008

*Sea Port:*A harbor or town having facilities for seagoing ships.

Container Terminal: A specialized facility where ocean container vessels dock to discharge and load containers equipped with cranes with a safe lifting capacity.

Container Freight Station (CFS): Location on terminal grounds where stuffing and stripping of containers is conducted.

*Bill of lading***:** A contract between a shipper and carrier listing the terms for moving freight between specified points (AAPA, 2009).

*Delivery Order:*A document issued by a shipping company or freight forwarder authorizing delivery of cargo from its place of landing and storage (Masterline-logistic, 2011).

Freight Contract: It is a shipping contract between carrier and shipper/consignee which includes liabilities, terms of agreement, details about other costs that can occur such as demmurage, storage, and etc.

Vessel Schedules: It is arranged by liner shipping firms and shows vessel rotations, ports of call, estimated times of sailing, arrivals, and cut-offs of the vessels. It is generally avaliable on their web-sites.

Daily Positions of Vessel: It is a document that shows daily positions of vessel. It is received from captains and sent to the clients by e-mail for their information. A copy is presented in the part of **Appendix 2** of this study.

*Container storage leaf:*Ir is a document which shows container number and the place of storage as a booking confirmation. A copy is presented in the part of **Appendix 3** of this study.

*Rate Request Form:*It is an information form filled by the client, who has export/import shipments and which includes necessary details about shipment.

Letter of Commitment: A letter guaranteeing that contractual provisions will be met; otherwise, financial reparations will be made. A copy is presented in the part of **Appendix 4** of this study.

4.7. PROCESS

Process is the working method and arrangements of an organization. Process is referred to as the procedures, mechanisims and flow of activities among the different service units who works for the same purpose (Cengiz & Pirtini, 2008; Yelkur, 2000)

defined the process briefly as the how of service delivery. Melan(1992) also defined the process as a bounded set of interrelated work activities providing output of greater added value than inputs by means of one or more transformations. Both manufacturing and service operations have common factors of transformation, feedback control, and repeatability. They have also similar characteristics.

Transformation includes converting materials, requirements, equipments and facilities, instructions together with information relative to conversion into the output of greater added value. Service processes also involve the basic types of transformations such as transactional, locational, and informational conversions. For example, banking and insurance are largely transactional whereas transportation is primarily locational with some transactional conversion occuring. Data processing and product development operations are mainly informational conversions.

Feedback control is modifying or correcting outputs of transformation activities for a higher value. Feedback is obtaining information from outside of the process (external customers) as well as information internal to the process. It can also take the form of revenue which is used to continue the operation. Feedback is necessary for avoiding deterioration of the process.

Repeatability is catching and keeping a good standard of output. It means the process can be performed many times in the same way.

All well-defined and well-managed processes have the following common characteristics (Stahl, 1999):

The process owner: There is a manager who is responsible for the operation identifiability. The manager understands the organization mission, its output, or his/her own duty. His/her performance is evaluated by looking at the standards such as cost, schedule, and quality.

The process scope: A well-managed processes have a clear begining and ending;its boundaries are well-defined. Understanding the requirements on both input side and output side is essential for a good process management.

Well-defined internal interfaces and responsibilities: Internal interfaces are points where the output of an activity leaves related department or business unit and becomes an input for the next business unit. Interfaces demarcate the point; responsibilities are also handed over the baton between the employees/units.

Documented procedures, work tasks, and training requirements: Work flow in an organisation should be documented in great detail. Job descriptions should be clear that every employee knows his/her own duty. Documentation provides the standardization of the manner. Documentation is like a guideline for the employees; it is training and reference aid in the process.

Established measurements: A well-managed process has measurement close to the point at which the activity is being performed in order to minimize the cost. End-of-line recognition is not too late but can be expensive for the organization. Cycle times are also important. Well-managed processes have customer-related measurements and targets.

Control of process: Feedback and regulations are required in order to keep capability and provide consistent output quality.

The service process distinguishes from manufacturing by its intangibility, non-accumulation, degree of customer contact, and immediacy. Some type of service process can be identified easily by both service provider and customer, because the customer participate at most step of the process (i.e., real estate service). However, some service transactions cannot be well-defined by the customer because he/she involve in the particular steps (i.e., cargo transportation) or some service process cannot be defined by the customer which often involve high electronic transfers (i.e., brokerage and ATM transaction).

When the process proceeds smoothly, customers hardly notice what kind of a process it is, they are happy with the outcome. They tend to expect that the process will occur just like the same way at every time.They don't like bad surprises. When there is a problem with process, external customers become angry, unhappy, and mistrustful. The importance of the process comes to the forefront at that point. Service provider should strive to operate in a "no surprises" environment in order to earn customers' trust which leads to customer loyalty. Service providers must be proactive and foresee potential problem, prevent the errors before done, they must educate their employee and create awareness for a consistent, reliable service especially in service transactions which depends mostly on people factor. It is very important to serve at same expected standards; otherwise, the customers, who get different service at every time, lose their trust. It is hard to equalize demand and supply without a well-managed service process.

Service providers can adjust demand through techniques such as longer or flexible working hours, through benefits of technology(i.e., online booking), through price reductions, promotional offerings at slack times. On the other hand, supply adjustment is related to manage materials, equipments, information, and technology. It involves suppliers, sub-suppliers, operations. It requires the information system entegration beside planning and control activities (i.e., container positioning at ports).Marketing and operations should work togerther. For example, marketing can assist operations by providing data and analysis while developing new services or refining existing services. Marketing can also assist operations by presenting changes to customers and prospects. They choose appropriate communication tool and message. Marketing and operation can make the process flow as good as possible, they can meet customer expectations and make the customers notice of the changes (Gonçalves, 1998; Cengiz & Pirtini, 2008; Çancı & Erdal, 2003).

Organisations are seeking opportunities for service/product developments. They always try for excellence while they keep efficiency. Departments/business units manage practices and procedures to improve service for customers. Through process analysis, departments can identify improvement opportunities. Process analysis is a systemetic way that helps managers improve the efficiency of the activities and tasks within the operation of their business. Basic questions are: what is the activity? What is the purpose of it? What could happen if it were not done? Is every part of the process necessary? Who does the work? Why does this person do it? Is this person appropriate for this work? Where is the work done? Why is it done there? Is it cost effective? When is the work done? How long does it take to do this work? How is the activity performed? Why is it done this way?

Through process analysis, necessary and unnecessary works and people can be determined. The aim should “make it simple”. Complexity is an unnecessary work and waste of time which reduces productivity and increases the cost. Elimination of non-value-added works is very important for process improvement and effectivenes (UCF, 2011; Magrath, 1986).

There will be clues of an ineffective process such as customer complaints, lack of interest in the customer, inconsistent output quality, absence of recovery actions, and long response times in solving a problem (Melan, 1992).

4.7.1. Service Process for A Container Shipping Company

During the service production and delivery, there are several tasks to do in the same time and/or one after another. Service provider must identify the process well by answering following questions: What are the tasks? Which one is done first? Who does it? Once process is clear, everyone must follow it. Basic work flow and distribution of tasks as per departments are shown below in Figure 2.

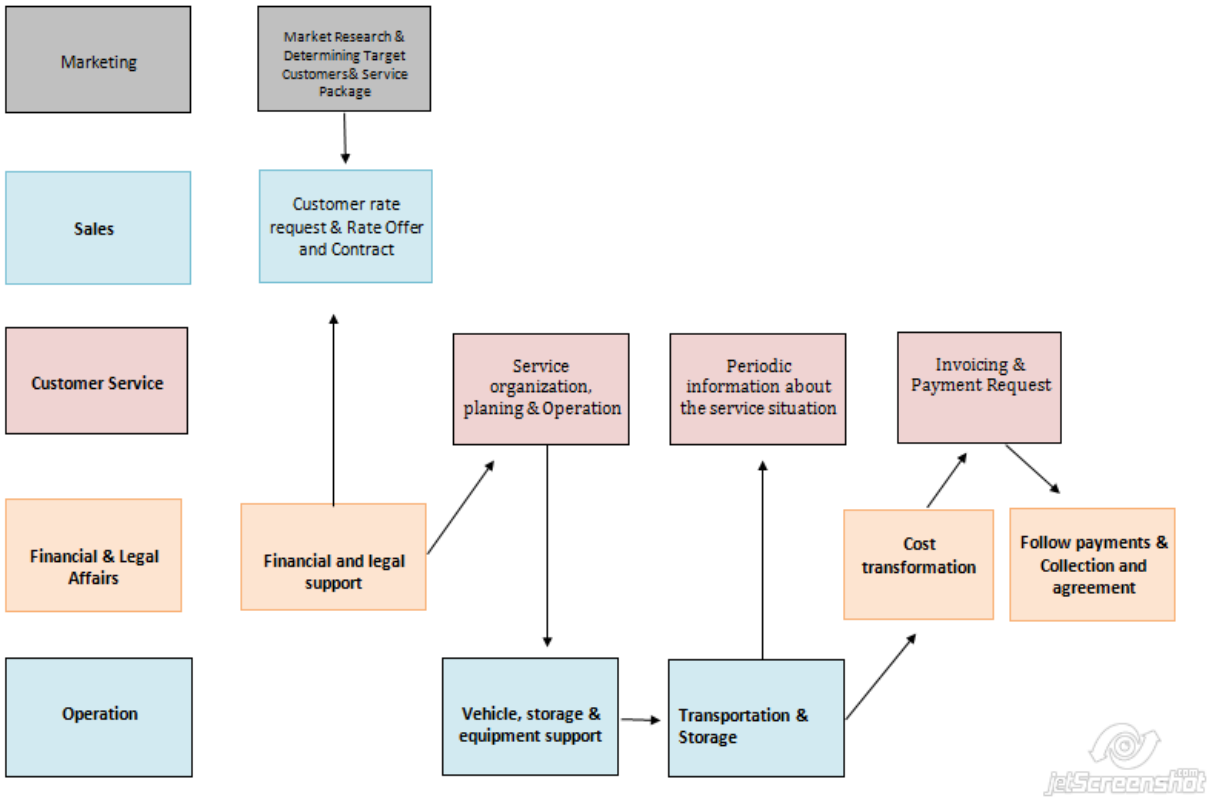


Figure 2: Working Process of Container Shipping Firm

Source: Adapted by researcher from Erdal & Saygılı, 2007

Service reliability measures the ability of performing activities in a service process. Beyond the avaliability and process performance, reliability is related to safe transport of goods without any damage, undisputed invoicing, and cargo delivery just on the right time and in right amounts at the right place. On the other hand, the strategies of voyage execution concern the reliability of the voyage. The reliability includes the frequency of sailings, directness of sailings, scheduling flexibility, on-time pick up &delivery of the cargo, fast execution of the voyage, reduction of

turn-around time to minimum, appropriate cargo handling procedures during the loading and discharging operations. Beside that information, flow about the process situation is very important. According to the previous reseaches by Bowersox, Closs and Stank (1999), certain, right, and complete information is the most important issue for a good service program. In order to do this, service provider must systemize it and follow it well (Erdal and Saygılı, 2007).Controlling, recovery, and standardization is also important. Marketers have to ensure that customers understand the processes of acquiring a service and that the awaiting and delivery times are acceptable to customers.

4.7.2. A Case of General Service Process From the Point of Shipowner

ONDER Shipping Container Line Co. Ltd is a shipping company which operate their vessels overseas. As per market researches by their marketing department, they notice that their export market share for East Mediterrian line decreased compared to the previous year. In their East Mediterrian line, there are Egypt, Lebanon, Israel, and Syria ports. As per statistical data which is obtained from official websites such as Igeme, Turkstat, the exports volume from Turkey to these countries increased compared to the last year. Firstly, they decide to launch a campaign for export shipments to Egypt ports. Process proceeds as following;

1- Determining Target Customers and Tele-Marketing

Their marketing department search for the new firms which never work with ONDER Shipping Cntr Line but have exports to Egypt. They find these customers on export directory by Undersecretariat of Foreign Trade. They also focus on existing customers who have not worked with them for a long time. Firms are listed by marketing executives. Their tele-marketing team contact with the firms, make a brief introduction about their own firm, asks whether they can work together. ABC Foreign Trade Ltd A.S. has big export volumes and tends to arrange their shipments with ONDER. Tele-marketers collect data about the firm's shipments such as port of loadings, port of discharges, annual volume, delivery term, payment term, competitor lines, and target freight. Then tele-marketing share these information with sales team.

2- Contacting With The Prospect Customer and Customer Visit

Sales executives arrange a face-to-face meeting with ABC. A big part of this first meeting takes for introduction and having conversations in order to establish good

relationships. Sales executive have a presentation about ONDER Shipping Cont. Line Co Ltd which includes historical information, its position in the market, its services in details, and advantages and terms for working together. In order to provide service quality to the customer, sales executive tries to learn the needs of customer such as existing service details which are provided by competitor shipping company, maturity period, special requests (accreditation criteria, clean container, etc.,), the names of competitor provider(s), and target freight rates.

3- Prepare Report of Customer Visit

In the consequence of customer visit, sales executives prepare a report as following which includes meeting details in order to keep information in the data base and be able to seen by other departments. There are color signs (red, yellow, green) which show the possibility to work.

Red: The customer has never worked with us before and it is not appropriate to work.

Yellow: The customer may have worked with us before. Their willingness is not clear. After learning and meeting their needs and wants, the last decision is again up to the customer.

Green : The customer works with us and goes on working as long as their minimum needs and wants are met.

Visit date	06 MART 2011		
SALES EXECUTIVE	ESMA ÖNDER		
CUSTOMER NAME	ABC Foreign Trade Ltd. AS		
SITUATION	RED	YELLOW	(X) GREEN
PERSON IN CONTACT	HAKAN KARAKURT		
TELEPHONE NUMBER	0216 217 ***		
LINES	FAR EAST-SOUTH AMERICA-EAST MED.		
PLACE OF RECEIPT	TUZLA		

PORT OF LOADING	HAYDARPASA
PORT OF DISCHARGE	ALEXANDRIA
PLACE OF DELIVERY	-
COMMODITY	PAINTING RAW MATERIAL
TONNAGE	15 TON
VISIT NOTES	

4- Rate Quotation

Target freight rate is noted during customer visit and it is concluded that ABC can work with ONDER in the case of adjusting the rate. Moreover, if ABC is satisfied with the service of ONDER, it may change its existing service provider. Rate request of ABC is shown in details as below.

Tuzla-Haydarpaşa Port /Alexandria (Door to port)
Target Rate: 1000 USD / 40 'DC
*Tuzla-Haydarpaşa inland transportation cost, local charges at Haydarpaşa and ocean freight rate are included in the target rate.

As per customer request, sales executive firstly calculate freight rates according to the tariff lists.

Inland Haulage Export (Tuzla-Haydarpaşa): 167 USD

Local charges for Haydarpaşa Port: 313 USD all in which includes free in (115 USD), THC (80 USD), temporary acceptance (60 USD + vat), B/L (40 USD), and ISPS charges (7 USD)

Haydarpaşa-Alexandria Ocean Freight Rate: 620 USD all in which includes basic ocean freight rate (400 USD), primage (agent comission)(15 USD), BAF (bunker adjustment factor) (200 USD), and Isps (Security) (% USD) charges

Total freight rate is calculated as 1100 USD and it is 100 USD higher than customer's target rate.

First reduction can be made by not charging the b/l cost 40 USD. Total freight becomes 1060 USD. It is still usd 60 higher than target rate. The most logical reduction after b/l is on basic ocean freight rate. Considering monthly volume (15x40'dc/month) of the customer, it is possible to decrease profit margin and can be obtained customer's target rate in order to win the customer. Sales executive has to ask to the trade manager of East Mediterrian for rate confirmation.

5. Sending Rate Quotation To The Client

It is important to send rate quotation as written by e-mail or fax as it may cause confusions to tell the rate on the phone. Example of rate quotation e-mail is shown below.

From: Esma Önder
Sent: Tuesday, March 6, 2011 4: 53 PM
To: Hakan Karakurt
Cc: Yagmur Erdem
Subject: ABC -Egypt/ Alexandria 40'dc Rate Quatation

Dear Mr. Karakurt,
First of all, I would like to say that I am glad to meet you and thank you for your interest.
Please find our rate quotation as below. We are looking forward your comments and reservations.

Tuzla-Haydarpaşa Port /Alexandria (Door to port)
1000 USD / 40 'DC
*Our quotation includes inland haulage export(Tuzla-Haydapaşa) cost, Haydarpaşa port local charges, and ocean freight rate.
*Estimated transit time: 5-6 days (direct service)
*Terms of agreement are attached.
Best Regards

6. Acceptance of Rate and Sending Vessel Schedule and Information

Once sales executive get confirmation of rate as written from the customer, it is come to the booking step. As from this step, sales executive assign duties to the customer service for booking and operational tasks. Customer service send vessel details to the customer. It includes vessel name, voyage number, port of loading, cut-off time (the last cargo loading time), and first entrance date to the port without storage fee.

7. Booking Request

Customer send booking request to the customer service to arrange space for their cargo. An example of standard booking request mail is shown below.

From: Hakan Karakurt

To: Yagmur Erdem (customer service represantative)

Cc: Esma Önder

Subject: RE: ABC-Egypt/ Alexandria 40'dc Rate Quotation

Dear Mrs. Erdem,

Please make reservation as per below details.

Place Of Receipt	Deri Org. San. Blg. No: x Nolu Yol Yakınında Org. Deri San.Blg. Mh.***Tuzla*** İstanbul
Tel	0216 217**
Time of Loading	10/03, 10: 00 am
Port Of Loading	Haydarpaşa
Port of Discharge	Alexandra
Tonnage	15 ton
Commodity	Paint Raw Material
Cntr type & size	4x40'DC
Vessel Name & Voyage No	Emma Maersk V207

Buying Rate	1000 USD (IHE, Local Charges and O/F are included)

8. Operational Service and Loading

In the consequence of booking request from ABC, booking details are sent both operation, logistic and inland haulage departments (if there is no inland haulage dpt, ONDER benefit from outsourcing). Empty containers are allocated for ABC and positioned at Haydarpaşa Port or at the nearest warehouse by logistic department. Container numbers are certain. These containers are picked by trucks, which are arranged by inland haulage department on the requested time. Cargo is ready to load. Trucks take the empty containers to the place of receipt which is determined by the customer. After cargo load to the container, containers are locked and sealed. They are taken to the port of loading.

9. Customs Declaration Form-B/L Instruction-Issuing B/L

Custom agent firm of ABC apply to the relevant revenue office for these containers which in cargo is exported, and submit a declaration and arrange all tasks about custom. They send a copy of custom declaration form to the port office of ONDER. In the meanwhile, ABC send their b/l instruction to the customer service by e-mail or fax or online (if they send their instruction online, there is a reduction on b/l fee). Documentation department issue a draft and wait for the customer confirmation.

10. Invoicing-Collecting Money-Delivering Original B/Ls

Draft is confirmed by the customer and original set is printed just after vessel departure. Invoice is issued by customer service as per confirmed freight rate. Original B/L is delivered to the customer once the money is collected and agree the accounts.

11. Releasing Cargo-Returning Empty Containers

ABC send original b/ls to the importer firm while cargo in on the way. After unloading and operational process at the discharge port, importer present the original b/ls and invoice for import local charges to the Alexandria office of ONDER Shipping Container Line Co. Ltd; then importer can get delivery order from the office which is required to release the cargo. Importer firm complete custom procedures as per discharge country rules and take the containers to his place for unloading. (He is supposed to inform Alexandria office about temporary acceptance before vessel

arrives). He has to turn the empty containers back in a certain time; otherwise, he has to pay detention fee. Once the empty containers arrive to ONDER's warehouse at Alexandria, the process is finished.

5. CUSTOMER SATISFACTION

Customers are the main purpose of what producers or service providers do, the reason for being. They depend on products and services; however, providers very much need them. That is the main reason that organisations have to concern about customer satisfaction.

Satisfaction is an overall customer attitude towards a service provider or an emotional reaction to the difference between customer expectations and what they receive, regarding the fulfillment of some need (Singh,2006). It is defined as a postpurchase evaluation of a product/service quality in relation with prepurchase expectations (Anderson & Sullivan, 1993). Customer satisfaction is a fullfillment response, affective response, overall evaluation, psychological state, global evaluative judgement, summary attribute phenomenon, and a behavioral reaction such as a recommendation. Many definitions in the literature share common elements that customer satisfaction is a emotional or cognitive response in relation to expectations from the product/service or consumption experience, and this response comes out at a particular time like after consumption, after choice, based on past experiences (Giese & Cote, 2002).

In regards to the specific research objective of this study, customer satisfaction is the difference between customer expectation and customer perception of service quality which is created by human and physical factors during the container shipping process.

There are many factors that affect customer satisfaction. It includes value-added services, employee variable, service delivery promptness, physical evidences, promotions and ease of business for customers, customer relationships, accessibility, security, and reliability (Çatı and Koçoğlu, 2008). Soderlund and Rosengren (2010) indicate that the functional service quality factors such as friendliness, trustworthiness, courtesy, and display of happiness produces a higher level of customer satisfaction under the condition of good technical service quality (i.e., promptness, accurateness, offering alternatives to customers, and individualized solutions). Under poor conditions, it does not affect the level of customer satisfaction. Accuracy of billing, billing timeliness, billing clarity, and competitive pricing also affect customer satisfaction (Singh,2006). Price must be reasonable. The effects of performance expectations on

performance are positive and significant when there is a price-performance consistency. Postpurchase performance perceptions have a significant and positive impact on satisfaction (Voss, Parasuraman & Grewal, 1998). In service organizations, process has direct effect on customer satisfaction, whereas the customers are more interested in the output of the process in the manufacturing organizations. Because the service process is more visible, customer plays a major role as a co-producer. Also service is produced and consumed at the same time. Compensations are generally difficult (Nilsson et al., 2001). On the other hand, customer satisfaction with services is particularly related to resolution of problems. Word-of-Mouth (WoM) regarding service recovery effect firm's reputation and customer retention. Service firms must be careful about service recovery issues and its definite impact on overall satisfaction, positive WoM, and purchase intentions (Durvasula & Lysonski, 2000; Spreng et al., 1995; Maxham, 2001).

Firms generally apply customer satisfaction surveys in order to evaluate quality. Sales figures are also important. Customer loyalty or repeating purchase, and brand recognition are the other important dimensions of customer satisfaction. High customer satisfaction ratings are believed to be the best indicator of a company's service quality and good signal for company's future profitability. Firms which provide high quality services/products have a wide satisfied customer base and customers stay with the firm as long as quality increase(Anderson & Sullivan, 1993).

Customer satisfaction increases firm's market share and profitability as it leads to repeat purchase, loyalty, and positive word of mouth(Anderson & Sullivan, 1993; Cacioppo,2000; Kim & Lee, 2011). Satisfaction influences repurchase intentions whereas dissatisfaction causes customer defection or discontinuation of purchase. According to Growth Strategies International's (GSI) data, a totally satisfied customer contributes 2.6 times much to company's revenue whereas a totally dissatisfied customer decreases revenue 1.8 times (Singh, 2006).

Satisfied customers mostly talk about their good experiences with other people to the order of perhaps five or six people; on the other hand, dissatisfied customers are more likely to tell another nine or ten people of their bad experience. Many customers do not complain and change their service provider without saying anything. Only 4 percent of the dissatisfied customers complain. A very satisfied customer is nearly six times more likely to be loyal and to repurchase and/or recommend the product/service

than is a customer who is just satisfied. Organisations must realised that and try to win back the customer and solve their problems immediately, because it costs as much as 25 percent more to recruit new customers. A five percent increase in customer loyalty can increase profits by 25% to 85%. (Singh, 2006; Anderson & Sullivan, 1993; Cacioppo,2000)

If the organisations do not deal with dissatisfied customers, they can decide to stop purchasing the good or service, or complain to the company or to a third party or make in negative word of mouth (Anderson & Sullivan, 1993).

Companies with satisfied customers have a good opportunity to convert them into loyal customers who purchases from firms. Firms also have to chase competitors' products/services. They can compare to examine competitor's range of options, price, avaliability, quality, location, delivery alternatives, service capability, convenience, and product/service guarantee (Utexas, 2000). Firms need to focus on customers especially key customers in various industries; they have to satisfy their customers extremely in every interaction, foresee customer needs and wants, and offer them before their competitors do, build close relationship and keep them well, and create a value perception. Market leader companies differ from the rest of the industry by considering the voice of the customer and achieve customer satisfaction. In these companies, marketing and sales employees are primarily responsible for designing customer satisfaction survey; top management and marketing departments champion the programs; corporate evaluations are made including competitors situation; satisfaction results are made avaliable to all employees. In order to achieve customer satisfaction surveying program, companies need a customer satisfaction surveying system and the system must be easy to design and understand; it must be reliable.It also must generate actionable reports for management (Cacioppo,2000).

Customer satisfaction will increase customer loyalty for the firm, and customer loyalty is the only way of building sustainable competitive advantage. Customer satisfaction is not enough for customer loyalty, firms need extremely satisfied customers. They can have customer satisfaction without loyalty.Customers can change their provider because of competitive price, or new opportunities offered by the competitors if they believe that they can get better value, convenience or quality elsewhere. For effective customer satisfaction, firms have to create customer loyalty.

Real customer loyalty is created when the customer becomes a defender of the firm. There is no guarantee that customer loyalty will continue forever; it will continue as long as they are satisfied well and they believe that they receive better service then they would get from another provider (Singh,2006). Loyal customers increases the purchases of the existing product/service and purchase also other products/services; they enhance the value of the service and reputation of the brand due to appreciation of the firm's service; they contribute to reduce operating cost because of familarity with the firm's service system; also they make positive word-of-mouth(Çatı & Koçoglu, 2008). According to Kandampully & Duffy (1999), a customer's sustainable interest in terms of loyalty depends on the firm's ability and effort to anticipate customer's future needs (Singh, 2006). Customer satisfaction and loyalty leads to customer retention which is a strong competitive advantage that most of the companies survive in today's increasing competitive environment. It provides long-term relationships with satisfied customers.

Future research could adress broad issues like whether the relationship between customer loyalty and long-term profitability depends on marketing mix tactics.

In this study, the effects of three elements of services marketing mix (people, process, and physical evidence) are investigated.

6. RESEARCH METHODOLOGY

In this part, research methodology of this study is told. Firstly, research subject and objectives are explained.Secondly, research design and questionnaire development take place.Third, measurement of independent and dependent variables are presented.Foruth, hypotheses are given.Research limitations are mentioned in the fifth step.Sampling and data collection is in the sixth step. And finally data analysis procedures are detailed.

6.1. RESEARCH SUBJECT AND OBJECTIVES

The objective of this study is to determine the factors, namely, people, processes and physical evidence that influence customer satisfaction in the container shipping sector. Customers experience the service through the marketing mix and the best marketing mix strategy can be developed by marketing departments of container shipping firms. Existing studies have not analysed container shipping sector with the marketing mix. People, physical evidence, and process are critical elements that influence customer expectation which leads to customer satisfaction/dissatisfaction (Yelkur, 2000). In this study, these elements are considered from customer point of view. The customer, being at the centre of the shipping service, is the key for evaluating the factors of the container shipping service; and this study aims to approach these factors from the point of view of the customer. The hypotheses will take place in the next sections.

6.2. RESEARCH DESIGN

Both an exploratory research and a descriptive research are applied in this study. Exploratory research is used to search through a problem when the previous studies or researches are limited (Gegez, 2007; Malhotra, 2007). Since there is no previous study on customer satisfaction in container shipping sector, an exploratory study can help to understand the factors of container shipping service that influence customer satisfaction in Turkey. It also helps to structure the questionnare for quantitative research to analyze the proposed model. In this exploratory study, a pilot survey consisting both open-ended and close-ended questions about shipping marketing mixes elements which influence

customer satisfaction is applied to 30 people who works in a container shipping company. Depth interviews with experts of container shipping service are also appealed to obtain qualitative data. Depth interview can be defined as a detailed, one-to-one interview about a specific subject (Gegez, 2007).

In order to reach the objectives of the study, a cross-sectional survey is implemented. Cross-sectional survey is a descriptive research method and used to gather information on a sample of population at a single point in time (Babbie et al, 1990).

6.3. QUESTIONNAIRE DEVELOPMENT

A questionnaire consisting of 6 different parts was developed. The first part covers 5 open-ended and multiple-choice questions about the business and relationship between the customer and container shipping company. The second part is designed to analyze the variables of customer's perception about people working in the container shipping company and consists of statements on 8 variables. The third part aims the analysis of the variables of the process and covers 11 variables. The fourth parts consist of the statements concerning 13 variables related to the physical evidences. The fifth part covers 8 variables related to the customer satisfaction. Statements in the second, third, fourth and fifth parts are formed on a 5 point Likert scale (1=strongly agree, 5=strongly disagree). The last part consists of 8 open-ended and multiple choice questions on company profile.

6.4. MEASUREMENT OF INDEPENDENT AND DEPENDENT VARIABLES

The questionnaire applied in the study includes questions about the factors that affect customers' satisfaction through 3P's of service marketing mix (people, physical evidence and process), demographics, and the scales for customer satisfaction. All measures of dependent and independent variables are developed based on the literature and depth-interview with shipping sector experts. The final questionnaires were tested via a pilot survey on a sample of 30 people to measure its understandability and clarity. Each respondent was first asked to indicate her/his company's most preferred container shipping company. The reason for focusing on the most preferred shipping companies is

that participated organisations from various industries in the survey used these services of these shipping companies regularly. Respondents are in a position to better evaluate their services of people, physical evidence, and process basis. By obtaining participated customers' perceptions of the most preferred shipping company, it is an established benchmark for service quality in the container shipping sector (Durvasula et al., 1999). Finally, overall customer satisfaction was measured on a 5 point Likert scale (1=strongly agree, 5=strongly disagree). The variables used in the study are listed in the table 6with their dimensions, items, questions, and sources. The questionnaire is presented in the appendix part of the study.

Table 6: Variables

Question No	Variable No	Dimensions	Questions/Items	Answer Options	Source
Q1	V1	Shipping Choice	Do you have container shipments(export and/or import)?	Yes No	Developed by the researcher
Q2	V2	Shipping Company Choice	Which of the ocean shipping company do you work very often?	open-ended	Durvasula et all 1999
Q3	V3	Duration of Collaboration	How long have you worked with this ocean shipping company?	open-ended	Meng et all 2010
Q4	V4.1 V4.2 V4.3 V4.4 V4.5	Frequency of Time In Business	How long have you worked with this ocean shipping company?	Weekly Monthly Once every three months Other(Pls explain)	Developed by the researcher
Q5	V5	Quantity of Each Shipment	How many TEU or FFE do you load for your each shipment with this ocean shipping company?	open-ended	Developed by the researcher
Q6	V6		Service employees are professional	Likert	Blois, 2000
Q7	V7		Service employees are well-looking	Scale	Gremler and Gwinner, 2000
Q8	V8	People	Employees serve quickly	(Strongly Disagree,	Durvasula et all 1999
Q9	V9	Dimension	Service employees are always willing to help	Disagree, Neither	Parasuraman et all 1988
Q10	V10		Service employees are courteous	Agree nor	Parasuraman et all 1988
Q11	V11		Service employees make me feel privileged	Disagree,	Parasuraman et all 1988
Q12	V12		There is coordination among departments	Strongly	Durvasula et all 2002
Q13	V13		The shipping company have suppliers (inland haulage, railway haulage)	Agree	Mentzer et all 1989

Q14	V14		Flowcharting of work activities is clear		Durvasula et all 2002
Q15	V15		Distribution of tasks is clear		Durvasula et all 2002
Q16	V16		They inform me about changing rules in the sector	Likert	Bowersox et all 1999
Q17	V17	Process	They know about the sector procedures	Scale	Developed by the researcher
Q18	V18	Dimension	While working with this company, I am involved in the shipping process by information exchange with employees about cargo, sector, and transportation	(Strongly Disagree,	Bitner et all 1997
Q19	V19		They always guide me correctly	Disagree, Neither	Developed by the researcher
Q20	V20		They offer flexibility in providing service	Agree nor	Hacket 2007
Q21	V21		They make advance notification about possible delays and problems	Disagree,	Developed by the researcher
Q22	V22		They serve properly at the first time (documentation, operation..etc)	Strongly	Developed by the researcher
Q23	V23		They keep records as error-free	Agree	Parasuraman et all 1988
Q24	V24		I feel safe while having shipments with this company		Parasuraman et all 1988
Q25	V25		They prepare my shipping documents on time and accurately		Cengiz and Pirtini et all 2008
Q26	V26		They deliver my invoices on time and accurately		Cengiz and Pirtini et all 2008
Q27	V27		They have a large fleet of container ships	Likert	Developed by the researcher
Q28	V28		They have a great number of own containers	Scale	Cengiz and Pirtini et all 2008
Q29	V29	Physical	They have all kinds of container type	(Strongly Disagree,	Cengiz and Pirtini et all 2008
Q30	V30	Evidence	They accept letter of undertaking or cheque instead of deposit charge for my import shipments	Disagree, Neither	Developed by the researcher
Q31	V31	Dimension	They indicate shipping terms and conditions clearly	Agree nor	Cengiz and Pirtini et all 2008
Q32	V32		They perform distribution of equipments well among the loading ports	Disagree,	Developed by the researcher
Q33	V33		They position the requested equipment at the requested loading port if there is no equipment there	Strongly	Developed by the researcher
Q34	V34		They have technological system (genset) that I can track the temperature of reefer containers	Agree	Developed by the researcher
Q35	V35		They have comprehensive knowledge of incoterms		Cengiz and Pirtini et all 2008
Q36	V36		Their choice of loading/unloading ports is ideal for my working trades		Cengiz and Pirtini et all 2008
Q37	V37		They have own trucks		Cengiz and Pirtini et all 2008

Q38	V38		I talk about this container shipping company positively to business people around me	Likert	Mano and Oliver, 1993
Q39	V39		I recommend this shipping company to others.	Scale	Mattila and Wirtz, 2001
Q40	V40	Customer	I think that I did the right thing when I purchased this shipping service	(Strongly Disagree,	Joseph et all, 2000
Q41	V41	Overall	I am not happy that I bought this shipping service	Disagree, Neither	Oliver et all, 1997
Q42	V42	Satisfaction	Overall, my negative experience outweighs/outweighed my positive experience with this service {r}	Agree nor	Keaveney and Parthasarathy, 2001
Q43	V43		Sometimes I have mixed feelings about keeping this shipping service {r}	Disagree,	Oliver et all, 1997
Q44	V44		I am happy with the service provided	Strongly	Voss et all, 1998
Q45	V45		This shipping company met my expectations.	Agree	Mattila and Wirtz, 2001
Q46	V46.1	Type	what is the role of your company in the sector?	Trader	Meng et all 2010
	V46.2	of		Manufacturer	
	V46.3	Business		Both of trader & manufacturer	
	V46.4			Freight Forwarder	
Q47	V47.1	Type	What kind of goods do you load with this shipping company?	Raw materials	Developed by researcher
	V47.2	of Goods		Semifinished product	
	V47.3			End product	
Q48	V48.1	Structure	Which of the structure of your company complies with the following	Local organisation	Developed by the researcher
	V48.2	of the		Foreign Enterprise	
	V48.3	company		Joint Venture	
	V48.4			Other(Pls explain)	
Q49	V49	Length of Time In Business	How many years has your company been in the sector?	open-ended	Meng et all 2010
Q50	V50	Number of Employees	How many employees do your company have?	open-ended	Meng et all 2010
Q51	V51	Annual Turnover	What is your company's annual turnover?	open-ended	Meng et all 2010
Q52	V52	Freight expense(import & export)	What is the annual export & import expense?	open-ended	Meng et all 2010
Q53	V53	Working with another shipping company	Are you working with another shipping company except this one?	Yes	Developed by researcher
				No	

6.5. HYPOTHESES OF THE STUDY

The hypotheses to be tested in this study are as follows. In the first five hypotheses, two groups are mentioned. One group consists of organisations that work with only one shipping company whereas the other group consists of organizations that work with more than one. The reason for comparison of these groups is that purchasing services from the same supplier is one of the major examples of the loyalty behavior. And customer loyalty is an important dimension of satisfaction (Anderson & Sullivan, 1993; Hallowell, 1996) It is assumed that variance of the most preferred shipping company is equal to the variance of only preferred shipping company.

$H_{1:}$ There is significant difference between the people&process variances of both groups.

H_2: There is significant difference between the physical evidence variances of both groups.

H_3: There is significant difference between the suitability of the equipment distribution variances of both groups.

H_4: There is significant difference between the value-added services variances of both groups.

H_5: There is significant difference between the customer satisfaction value variances of both groups.

H_6: Customer satisfaction variable differs by the annual seafreight cost of the organisation.

H_7: Customer satisfaction variable differs by the organisation's length of business in the sector.

H_8: Customer satisfaction variable differs by the structure of the organisation in the sector.

H_9: Customer satisfaction variable differs by frequency of time in business.

H_{10}: Customer satisfaction variable differs by duration of collaboration with the most preferred container shipping company.

H_{11}: Customer satisfaction variable differs by the container shipping companies.

H_{12}: There is a linear relationship between customer satisfaction and value-added services.

H_{13}: There is a linear relationship between customer satisfaction and people & process.

H_{14}: There is a linear relationship between customer satisfaction and physical evidence.

H_{15}: There is a linear relationship between customer satisfaction and the suitability of equipment distribution.

H_{16}: Independent variables explaning dependent variable is statistically significant.

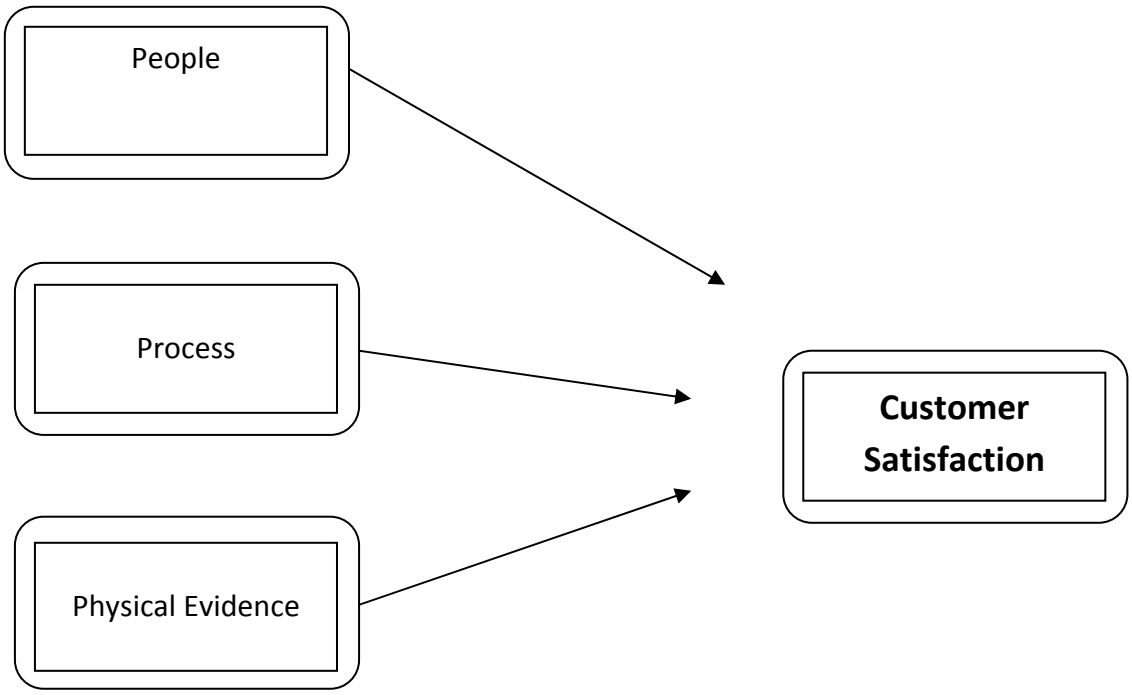


Figure 3: Research Framework of the Study

6.6. RESEARCH LIMITATIONS

This study is focused on customers' satisfaction. Satisfaction is a relative concept depending on customers' expectations and experiences. Surveys are sent by e-mail. Most of the people don't like this method due to very busy and unnecessary e-mail traffic namely junk mail. In the recent times, anti-spam programs can prevent such kind of unnecessary mails. Because of this kind of programs, some of the surveys are

undelivered. The other major limitation is that respondents are business people who do not have extra time and willingness to answer such a long questionnaire. There are also questions about respondents' company profile. Most of the respondents do not answer some of the questions about company profile since it is privacy policy.

6.7. SAMPLING AND DATA COLLECTION

The target population of this study is the exporters and/or importers who have overseas container shipments whether it is trader, manufacturer, or forwarder. According to the Undersecretariat of Foreign Trade's data, there are 48,719 export companies and 53,710 import companies in Turkey (DTM, 2011). The questionnaire was sent by e-mail to approximately 10,000 companies in several industries who have container shipping service. The e-mail adresses of respondents is provided by one of the container shipping company's customer database.

Convenience sampling of non-probability method is used in this study. Non-probability sampling is a sampling technique where the samples are gathered in a process that does not give all the individuals in the population equal chances of being selected.In contrast with probability sampling, non-probability sample is not a product of a randomized selection processes. Subjects in a non-probability sample are usually selected on the basis of their accessibility or by the purposive personal judgment of the researcher. Convenience sampling is used to obtain a sample of convenient elements; the samples are selected because they are accessible to the researcher. This technique is preffered, because it is the easiest, cheapest, and least time consuming. In this study, the example of stratum is the exporter and/or importer specialist of import and export companies (Gegez, 2007; Statpac, 2011). A sufficient number of stratum is determined by examining the ratio of subjects to variables. A minimum subject to variables of at least 5:1 is recommended in exploratory factor analysis, but higher ratios are generally better. It is suggested that the adequacy of sample size might be evaluated very roughly on the following scale: 50/very poor, 100/poor, 200/fair, 300/good, 500/very good, 100 or more/excellent (Osborne & Costello, 2004) In the questionnaire of this study, there are 32 items. Although the sufficient number of the participants is 160, a total of 310 responses have been collected via e-mail. The data was collected through March 2011, checked and unuseful questionnaires were eliminated due to missing and unclear data.

A total of 293 useable questionnaires have been received resulting in a response rate of 2.93%. A sample size of 293 is good (Osborne and Costello, 2004) and has a 9.2:1sample size to item ratio which is very close to 10:1.

6.8. DATA ANALYSIS

The data collected were processed by the SPSS 17 (Statistical Package for the Social Sciences) program. Open-ended and multiple-choice questions aiming at profile structure were analysed.

For the Likert scaled statements aiming at factor analysis, means for sample sizes and the standard deviations were calculated to measure the level of importance of each specific variable for the exporter/importer. The factor matrixes were obtained through factor analysis and the reliability analysis is included.

Likert scales are interval scales widely used in marketing research. These let the respondent to indicate a degree of agreement or disagreement with each of a series of statements related to the attitude object in a five-point or seven-point rating (Gegez, 2007).

Factor analysis is a multivariate interdependence technique which addresses the problem of analyzing the structure of the interrelationships (correlations) among a large number of variables (e.g., questionnaire responses) by defining a set of common underlying dimensions, known as factors. With factor analysis, the researcher can first identify the separate dimensions of the structure and then determine the extent to which each variable is explained by each dimension (Zikmund, 1994). Its advantages are summarization and data reduction. Correlation between any item and the overall factor is expressed as factor loadings. Factor loadings take values according to the significance of any item in the overall factor. The significance of factor loadings differs with respect to the sample size (Hair et al., 1998). In this study with a sample size of 293 exporters/importers, factor loadings greater than +/-.35 were considered practically significant.

A rotational method is used to have simpler and more meaningful factor solutions. Among different types of rotation criteria, Varimax rotation criterion is

applied in this study to simplify the columns of the factor matrix. Once the factor loadings were received, the factor matrix was interpreted; the factor matrix of loadings was examined; the highest loading for each variable was identified;and the factors were determined (Kalaycı, 2010).

To ensure the internal consistency of the data, reliability analysis is used. Cronbach's alpha reliability is applied to determine how consistently the selected variables measure the construct. Reliability analysis is applied to groups of items that are thought to measure different aspects of the same construct, and this analysis measures the internal consistency among the groups of items when combined to form a single scale. The resulting number indicates how well the different items complement each other in their measurement of different aspects of the scale. In social sciences and in marketing research, reliability coefficients higher than 0.90 are considered to be significantly important, and the samples ending with higher reliabilities are considered internally consistent (Hair et al., 1998).

7. RESEARCH FINDINGS

The research was completed among exporters/importers from various sectors. In this section, research findings are presented in four parts. In the first part, the assumptions have been tested in order to examine the data. The second part includes the information on company profiles and the data on export/import shipments. The third part covers the result of the factor analysis, correlation and regression. In the last part, the reliability analysis takes place.

7.1. COMPANY PROFILE AND DATA ON SHIPMENTS

Table 7 summarizes the company profile of the exporter/importer in the sample. As seen from the table, about 30% of the companies are only traders, 15% of the companies are only manufacturera, about 40% of the companies are both traders and manufacturers, and 15% of the companies are freight forwarder. 80% of those are domestic companies. More than 50% of the companies have been in business for the range of 1-20 years. 61.5% of the companies have an employment level in the range of 0-100 persons. 60.4% of the companies have an annual turnover level of over 1,000,000 USD.

In the table 7, the most significant point is the ratio of type of goods. About 76% of oceanfreight shipments are end products and 40% of them are raw material. If it was visa versa, it would be unreasonable because raw materials are required for production of end products. They must be delivered as soon as possible; the assembly line may be stopped and production may be delayed which cause financial loss. On the other hand, maritime transportation is relatively slow but also cheaper. Sometimes, transit time can be more important than price or visa-versa. Hence, some of the exporter/importers of raw material prefer maritime transportation rather than airway or road transportation.

Table 7: Company Profile of Exporters and/or Importers

Variable	Category	Frequency	Percent
Type of business	Trader	89	30,4
	Manufacturer	44	15
	Both trader&manufacturer	116	39,6
	Freight forwarder	44	15
Type of goods	Raw material	117	39,9
	Semifinished	76	25,9
	End product	224	76,5
Structure of the company	Domestic company	235	80,2
	Foreign entity	32	10,9
	Joint venture	23	7,8
	Incorporated company	3	1,1
Length of time in business	1-10 years	64	21,8
	11-20 years	105	34,4
	21-30 years	64	21,7
	31-40 years	27	9,2
	41-50 years	24	8,1
	More than 50 years	13	3,9
Number of employees	Under 50	133	46,5
	50-100	43	15
	Over 100	110	38,5
Annual turnover(usd)	Under 500.000	5	1,7
	500.000-1.000.000	17	5,8
	Over 1.000.000	177	60,4
	Missing	94	32,1

Respondents were asked which container shipping company they mostly prefer to work for their export and/or import shipments. They stated totally 53 container shipping companies. They are indicated at table 8. As seen in the table, the most preferred shipping companies are MSC(~32%), followed by MAERSK(~20%), ARKAS(~9%), TURKON(~5%), and CMA-CGM (~4%). Container shipping companies with frequency under 10 were gathered under "other brands" subtitle. Duration of collaboration with the most preferred companies changes between the range of 1 to 17 years. 41% of the companies have been working with their most preferred container shipping company since 4 years. Almost half of the export and/or import companies (~50%) load weekly via their most preferred shipping company. More than half of the companies load 1-4 TEUs as per their shipment. 26.9% of the companies have freight expense level in the range of 100,000-1,000,000 USD. And 85% of the export/import companies have been working with another container shipping company too.

Table 8: Properties of Respondents

Variable	Category	Frequency	Percent
The most preferred container shipping Company	Msc	94	32,1
	Maersk	57	19,5
	Turkon	15	5,1
	Cma	13	4,4
	Arkas	27	9,2
	Other	87	29,7
Duration of Collaboration	1-4 years	122	41,6
	5-8 years	78	26,7
	9-12 years	56	19,1
	13-17 years	19	6,5
	Over 17 years	18	6,1
Frequency of Loading time	Daily	13	4,4
	Weekly	146	49,9
	Monthly	80	27,3

	Trimonthly	31	10,6
	Less than quarterly	9	3
	Missing	14	4,8
Quantity of each shipment (TEU)	1-2	98	33,4
	3-4	57	19,5
	5-6	30	10,2
	7-8	19	6,4
	9-10	28	9,5
	Over 10	61	21
Freight expense(usd) (import & export) (per year)	Below 100.000	72	23,9
	100.000-1.000.000	81	26,9
	Over 1.000.000	31	9,9
	Missing	109	39,3
Working with another shipping co.	Working with various co.	249	85
	Working with only one	43	14,7
	Missing	1	0,3

7.2. EXPLORATORY FACTOR ANALYSIS AND RELIABILITY ASSESSMENT

Factor analysis is one of the commonly used mutivariate statistical methods, which reduces a large of interrelated variables to less, meaningful, and independent factors. In order to analyze the structure of the correlations among a large number of varibles, a set of common general dimensions were constituted, which are called as factor (Kalaycı, 2010).

There are four basic steps in factor analysis (Auerbach & Silverstein, 2003):

1- Evaluation of data set in compliance with factor analysis
2- Obtaining factors

3- Rotation of factors
4- Denotation of factors

In this study, correlation matrix of variables, Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy, and Bartlett test of sphericity were used in order to examine the data set in compliance the factor analysis(Sipahi et al., 2008). It is expected to have high correlation between variables to construct a factor; otherwise,it indicates that variables cannot construct a common factor. Barlett test of sphericity examines the probability of high correlation between some variables in the correlation matrix. To continue to analyze, null hypthessis (H_0: Correlation matrix is the unit matrix) should be rejected. If null hypothessis is rejected, it means that there is high correlation between the variables. In other words, the data set is suitable for factor analysis (Hair et al., 1998). The KMO measure of sampling adequacy should be over 0.5. As the ratio is getting closer to 1, it means that the data set is more suitable. According to Sharma's (1996) classification, KMO values of 0.90 indicate excellent suitability, 0.80 is very good, 0.70 is good, 0.60 is average, 0.50 is weak, and under 0.50 is unacceptable (Kalaycı, 2010).

EFA analysis of all items is 0.941. The Barlett's test of sphericity is also significant (sig. 0.000). The results indicate that the data set is suitable for factor analysis. In the factor analysis, the rotated component matrix was checked and the items which has factor loading under 0.5 were eliminated considering that the factor loadings indicate explanation power of variables (Sipahi et al., 2006).

Four common factors were obtained via EFA, namely people&process, physical evidence, the suitability of equipment distribution, and value-added services. The factors' names were given in the light of literature considering the aim of questioning and expressions for each question under each common factor. After factor extraction via EFA, the reliabilities for each factor were analysed.

Reliability is required because it indicates whether the questions in the questionnaire are consistent and whether the used scale reflects the objective well (Kalayci, 2010). Alpha model was used while reliability analysis was implemented. Cronbach's Alpha is the adaptive value due to correlation among questions. Cronbach's Alpha value should be 0.70 or over. Reliability of scale depends on alpha coefficient.

According to Hair et al.'s (1998)classification of reliability scores if the alpha value is 0.40 or below, the scale is not reliable. If it is between 0.40 and 0.60, the reliability is weak. If it is between 0.60 and 0.80, the reliability is very good. And if it is between 0.80 and 1:00 the reliability is very high.

Table 9: EFA and Reliability for All Constructs except Customer Satisfaction

Items	**Factor Loadings**	**Eigen Values**	**Variance Explained**	**Cronbach' sAlpha Val.**
F1: People & Process		12.172	46,816	0.95
Service employees are always willing to help	0.869			
Employees serve quickly	0.862			
Service employees are professional	0.782			
Service employees are courteous	0.776			
Service employees make me feel privileged	0.723			
They prepare my shipping documents on time and accurately	0.718			
They offer flexibility in providing service	0.714			
There is coordination among departments	0.698			
They always guide me correctly	0.692			
I feel safe while having shipments with this company	0.679			
They serve properly at the first time	0.648			

Service employees are well-looking	0.641			
Flowcharting of work activities is clear	0.636			
They deliver my invoices on time and accurately	0.605			
They inform me about changing rules in the sector	0.523			
While working with this company, I am involved in the shipping process by information exchange with employees about cargo, sector, and transportation	0.515			
F2: Physical Evidence		2.489	9,573	0.885
They have a great number of own containers	0.822			
They have a large fleet of container ships	0.781			
They have all kinds of container type	0.762			
They have comprehensive knowledge of incoterms	0.707			
Their choice of loading/unloading ports is ideal for my working trades	0.644			
They indicate shipping terms and conditions clearly	0.617			
F3: The suitability of equipment distribution		1.334	5,129	0.809
They position the requested equipment at the requested loading port if there is no equipment there	0.825			

They perform distribution of equipments well among the loading ports	0.67			
F4: Value-Added Services		1.157	4,451	0.786
They provide inland transportation and/or railway transportation	0.727			
They have technological system that I can track the containers, book online, send b/l instruction online	0.613			

As the result of factor analysis for customer satisfaction questions, this question group composes of only one dimension and its explanatory rate is 71.824%. KMO value is 0.915.The Barlett's test of sphericity is significant (sig. 0.000). As a result of reliability analysis, cronbach alpha value is 0.938. The reliability is very high, so the factor has internal consistency.

Table 10: EFA and Reliability for Customer Satisfaction

Items	**Factor Loadings**	**Eigen Values**	**Variance Explained**	**Reliability**
F1: Customer Satisfaction		5.746	71,824	0.938
I talk about this container shipping company positively to business people around me	0.814			
I recommend this shipping company to others.	0.799			
I think that I did the right thing when I purchased this shipping service	0.725			
I am not happy that I bought this shipping service	0.691			
Overall, my negative experience outweighs/outweighed my positive experience with	0.543			

this service				
Sometimes I have mixed feelings about keeping this shipping service	0.558			
I am happy with the service provided	0.837			
This shipping company met my expectations.	0.839			

The descriptives of each variable are shown at the table 11.

Table 11: Descriptives of Independent and Dependent Variables

Variables	N	Mean	Std. Deviation
People&Process	293	3.7165	0.73012
Physical Evidence	293	3.9334	0.75526
The Suitability of Equ. Dist.	293	3.5102	0.78507
Value-Added Services	293	3.1485	0.68943
Customer Satisfaction	293	3.8439	0.81945

7.3. THE RESULTS OF T-TEST

T-test was applied in order to analyze the effect of four factors and overall customer satisfaction on working with more than one shipping company. Results are shown at table 12 below.

Table 12: T-Test of Independent Variable Groups

Working with another shipping company		N	Mean	Std.Dev	t-value	p value
People&Process	**Yes**	249	3.6943	0.717	-1,149	0.252
	No	43	3.8328	0.80442		
Physical Evidence	**Yes**	249	3.9431	0.75089	0,63	0.529
	No	43	3.8643	0.78953		

The suitability of equipment dist.	**Yes**	249	3.4799	0.78004	-1,502	0.134
	No	43	3.6744	0.80832		
Value-Added Services	**Yes**	249	3.1606	0.66924	0,694	0.488
	No	43	3.0814	0.80866		
Customer Satisfaction	**Yes**	249	3.8168	0.79438	-1,205	0.229
	No	43	3.9797	0.94842		

According to the results of t-test, there is no significant difference between the organisations working with more than one shipping company and the organisations working with only one shipping company, as per people&process factor, physical evidence factor, the suitability of equipment distribution factor, value-added services factor and customer satisfaction factor.

Although mean of people& process for 249 respondents (mean = 3.6943, SD = 0.71700) who works with another shipping company is lower than the mean of people& process for 43 respondents who only works with a shipping company, there is no significant difference between them at the significance level of 0.05. In the light of the same logic, there are either small differences between the means of other factors; however, it is not notable at the sig. = .05.

In the light of above explanations, the results of related hypothesis are below:

$H_0$1: There is no significant difference between the people&process variances of both groups. (Accepted) (p = 0.252,> .05)

H_A1: There is a significant difference between the people&process variances of both groups. (Rejected)

$H_0$2: There is no significant difference between the physical evidence variances of both groups. (Accepted) (p = .545,> .05)

H_A2: There is a significant difference between the physical evidence variances of both groups. (Rejected)

$H_0$3: There is no significant difference between the suitability of the equipment distribution variances of both groups. (Accepted) (p= .149,> .05)

H_A3: There is a significant difference between the suitability of the equipment distribution variances of both groups. (Rejected)

$H_0 4$: There is no significant difference between the value-added services variances of both groups. (Accepted) (p= .546,> .05)

H_A4: There is a significant difference between the value-added services variances of both groups.(Rejected)

$H_0 5$: There is no significant difference between the customer satisfaction value variances of both groups (Accepted) (p= .366,> .05)

H_A5: There is a significant difference between the customer satisfaction value variances of both groups (Rejected)

It is also realized that the mean of customer satisfaction, people&process factor, the suitability of equipment distribution factor for respondents who works with another shipping company is higher than general average.

7.4. ONE-WAY ANOVA ANALYSIS

One-way anova test is implemented at %95 confidence interval in order to analyze the difference among independent variables as per dependent variable. Independent variables are annual seafreight cost of participants, participant organisation's length of business, the structure of the organisation, shipping frequency, the duration of collaboration, and container shipping companies. The dependent variable is customer satisfaction.

According to the results of one-way anova tests, there is no signicant difference at the level of customer satisfaction as per annual seafreight cost, organizations' length of business in the sector, the structure of the organizations, frequency of time in business, duration of collaboration, and container shipping company.

Accordingly, the results of hypothesis are told below.

Table 13: Descriptives of Annual Seafreight Cost

Category (USD)	N	P(%)	Mean	Std. Deviation	Sig.
Below 100.000	72	23.9	3.8343	0.80015	0.226
100.000-1.000.000	81	26.9	3.7127	0.88576	
Over 1.000.000	31	9.9	4.0242	0.80520	
Total	184	60.7	3.822	0.83546	
Missing	293	39.3	NA	NA	

Table 13 shows the categories of participants as per annual seafreight cost, and their mean and standard deviation.The organisations that has over 1,000,000 USD annual seafreight cost are %9.9, their mean is 4.0242 whereas the organisations that has below 100,000 USD annual seafreight cost is 23.9, their mean is 3.8343. The difference is not so noticable. 60.7% of total respondents avoided to explain their annual seafreight cost. The result of related hypothesis is explained below:

$H_0$6: Customer satisfaction variable does not differ by the annual seafreight cost of the organisation. (Accepted) (sig.= .226,> .05)

H_A6: Customer satisfaction variable differs by the annual seafreight cost of the organisation (Rejected)

Table 14: The Organizations' Lenght of Business

Length of Business	N	P(%)	Mean	Std. Deviation	Sig.
1-10 years	64	21.8	3.7422	0.10014	0.321
11-20 years	101	34.4	3.802	0.08544	
21-30 years	64	21.7	3.8398	0.10333	
31-40 years	27	9.2	4.1481	0.13444	
41-50 years	24	9	3.8438	0.89173	
More than 50 years	13	3.9	4.0577	0.57422	
Total	293	100	3.8439	0.81945	

Table 14 shows the organisations' lenght of business in the sector. According to the table, the mean of the organisations satisfaction who have done business up to 10 years is 3.7422 and the mean of over 50 years old organisations is 4.0577. The difference is not noticable. The result of related hypothesis is explained below:

$H_0$7: Customer satisfaction variable does not differ by the organisation's length of business in the sector. (Accepted) (sig. = .321,> .05)
H_A7: Customer satisfaction variable differs by the organisation's length of business in the sector. (Rejected)

Table 15: Organisation's structure

					Welch
V	**N**	**P(%)**	**Mean**	**Std. Dev.**	**Sig.**
TRADER	89	30.4	3.7654	0.87314	0.531
MANUFACTURERS	44	15	3.946	0.67954	
BOTH TRADER & MANU.	116	39.6	3.8384	0.90755	
FORWARDER	44	15	3.9148	0.55364	
Total	**293**	**100**	3.8439	0.81945	

Table 15 shows the structures of participated organisations. According to this, the highest customer satisfaction mean is 3.9460 and belongs to manufacturers, the lowest mean is 3.7654 and belongs to traders. However, the difference is not noticable. The result of related hypothesis is explained below:

$H_0$8: Customer satisfaction variable does not differ by the structure of the organisation in the sector. (Accepted) (sig. = .531,> .05)
H_A8: Customer satisfaction variable differs by the structure of the organisation in the sector. (Rejected)

Table 16: Shipping frequency of the organizations

V	N	P(%)	Mean	Std. Dev.	Sig.
Daily	13	4.4	4.1538	0.65977	0.356
Weekly	146	49.9	3.8536	0.82686	
Monthly	80	27.3	3.7766	0.84492	
Trimonthly	31	10.6	3.7727	0.80189	
Less Than Quarterly	9	3	4.25	0.56366	
Missing	14	4.8	NA	NA	
Total	293	100	3.8459	0.81837	

Table 16 shows the frequency of shipments with the most preffered shipping line. Shipments are arranged as daily, weekly, monthly, and trimonthly, less than quarterly. The most shipping frequency of times are weekly (%49.9) and monthly(27.3). The mean of organisations' satisfaction are 3.8536 and 3.7766 properly. There is no signicant difference between the means of customer satisfaction. The results of related hypothesis are explained below:

$H_0$9: Customer satisfaction variable does not differ by frequency of time in business.(Accepted) (sig. = .356, > .05)

H_A9: Customer satisfaction variable differs by frequency of time in business. (Rejected)

Table 17: Duration of Collaboration

					Welch
V (years)	N	P(%)	Mean	Std. Dev.	Sig.
1-4	122	41.6	3.9293	0.73592	0.658
5-8	78	26.7	3.8173	0.76226	
9-12	56	19.1	3.7344	0.98369	
13-17	19	6.5	3.8355	0.72415	
over 17	18	6.1	3.7292	1.11906	
TOTAL	293	100	3.8439	0.81945	

Table 17 shows the duration of collaboration between the organisation and the most preffered shipping company. The longest time of collaboration is over 17 years; it

is 6.1% of the participants and the mean of customer satisfaction is 3.7292. The shortest time of collaboration is in the range of 1-4 years; and it is the 41.6% of the participants. The mean of customer satisfaction is 3.9293. There is no significant difference. The results of related hypothesis are explained below:

$H_0$10: Customer satisfaction variable does not differ by duration of collaboration with the most preferred container shipping company.(Accepted) (sig. = .658,>.05)
H_A10: Customer satisfaction variable differs by duration of collaboration with the most preferred container shipping company.(Rejected)

Table 18: The Most Preffered Container Shipping Companies

					Welch
Shipping Company Name	**N**	**P(%)**	**Mean**	**Std. Deviation**	**Sig.**
MSC	94	32.1	3.9069	0.73893	0.003
MAERSK	57	19.5	3.3991	1.00873	
TURKON	15	5.1	4.1167	0.63293	
CMA	13	4.4	3.9615	0.5737	
ARKAS	27	9.2	3.6944	0.90228	
OTHERS	87	29.7	4.0489	0.68528	
Total	293	100	3.8439	0.81945	

Table 18 shows the most preffered container shipping companies by the respondents. Accordingly, MSC is the most preffered with its %32.1 share, followed by Maersk (%19.5), Turkon (%5.1), CMA (%4.4), and ARKAS (%9.2). There is a significant difference between customer satisfaction value as per container shipping companies. The results of related hypothesis are explained below:

$H_0$11: Customer satisfaction variable do not differ by the container shipping companies. (Rejected) (sig. = 0,003, < .05)
H_A11: Customer satisfaction variable differ by the container shipping companies. (Accepted)

Tamhane's T2 which is a post-hoc test is applied in order to find the companies causes difference. It is found a significant difference between Msc and Maersk, Maersk and Turkon. As seen in table 18, the highest mean of customer satisfaction belongs to Turkon (mean = 4.1167, SD = 0.63293) and the lowest mean of customer satisfaction belongs to Maersk (mean = 3.3991, SD = 1.00873). Maersk's mean of customer satisfaction is also lower than the general mean of all respondents' satisfaction. (mean = 3.8439, STD= 0.81945).

7.5. CORRELATION ANALYSIS

Correlation is a statistical method that analyzes the degree of relation and its direction without considering of dependent or independent variables.

The purpose of correlation analysis is to understand that dependent variable changes in which direction as independent variable changes.

In the result of correlation analysis, if there is a linear relationship between variables, the degree of relation is calculated with correlation coefficient (r) which gets a value between -1 and +1.

If r=-1, it means that there is an utterly negative linear relationship. In other words, one variable decreases as the other one increases, and vice versa.

If r=1, it means that there is an utterly positive linear relationship. In other words, one variable increase while the other one is increasing or one decrease while the other one is decreasing.

If r=0, it means that there is no relationship between two variables (Kalaycı, 2010).

The comment on correlation coefficient (Pearson corr. coef.) is shown at table 20:

Table 19: The comment on correlation coefficient (r)

R	Degree of the Relationship
0.00-0.25	very weak
0.26-0.49	Weak
0.50-0.69	Normal
0.70-0.89	Strong
0.90-1.00	very strong

Table 20: The Correlation Matrix of Variables

		Correlations & p-values			
	Value-Added Serv.	People & Process	Physical Evd.	Eq. Distribution	Cus.Satisfaction
Value-Added Serv.	1				
People&Process	0.164**	1			
	0.005				
Physical Evd.	0.237**	0.608**	1		
	0.000	0.000			
Eq. Distribution	0.176**	0.596**	0.541**	1	
	0.003	0.000	0.000		
Cus. Satisfaction	0.127*	0.858**	0.582**	0.557**	1
	0.03	0.000	0.000	0.000	

** Correlation is isgnificant at the 0,01 level (2-tailed)

* Correlation is significant at the 0,05 level (2-tailed)

As seen in the table 20, there are positive relationships between variables. The degree of the relationship among independent variables is positive, but not strong. According to objective of this study, the relationships between the dependent variable (customer satisfaction) and independent variables (people&process, value-added services, physical evidence, and equipment distribution) are examined and the results of hypothesis are explained below:

There is a very weak linear relationship(r= .127) between customer satisfaction and value-added services.

$H_0$12: There is no linear relationship between customer satisfaction and value-added services.(Rejected sig. = .03, < .05)

H_A12: There is a linear relationship between customer satisfaction and value-added services. (Accepted)

There is a strong linear relationship(r= .858) between customer satisfaction and people&process.

$H_0$13: There is no linear relationship between customer satisfaction and people & process. (Rejected sig.= .000,<.05)

H_A13: There is a linear relationship between customer satisfaction and people & process. (Accepted)

There is a normal relationship(r= .582) between customer satisfaction and physical evidence. However it is not a linear one.

$H_0$14: There is no linear relationship between customer satisfaction and physical evidence. (Rejected sig. = .000,<.05)

H_A14: There is a linear relationship between customer satisfaction and physical evidence. (Accepted)

There is a normal relationship(r= .557) between customer satisfaction and the suitability of equipment distribution. It is not a linear relationship.

$H_0$15: There is no linear relationship between customer satisfaction and the suitability of equipment distribution. (Rejected sig. = .000 <.05)

H_A15: There is a linear relationship between customer satisfaction and the suitability of equipment distribution. (Accepted)

7.6. REGRESSION ANALYSIS

Regression analysis is a statistical tool for the investigation of relationships between variables. Researcher usually seeks to ascertain the causal effect of one variable upon another (Sykes, 1993). The dimensions of people, process, and physical evidence are supposed to affect customer satisfaction. After factor analysis, it is obtained sub-dimensions of people, process, and physical evidence. And in order to see the effect of those sub-dimensions on customer satisfaction, the regreession analysis is used.

$$Y=\beta_0 + \beta_1 X_1 + ... + \beta_n X_n + \varepsilon$$

(Y: Dependent variable, X_i: Independent variable, β_i: Estimated parameters,ε: Error term)

The model that is measured in this study is shown at the figure 4

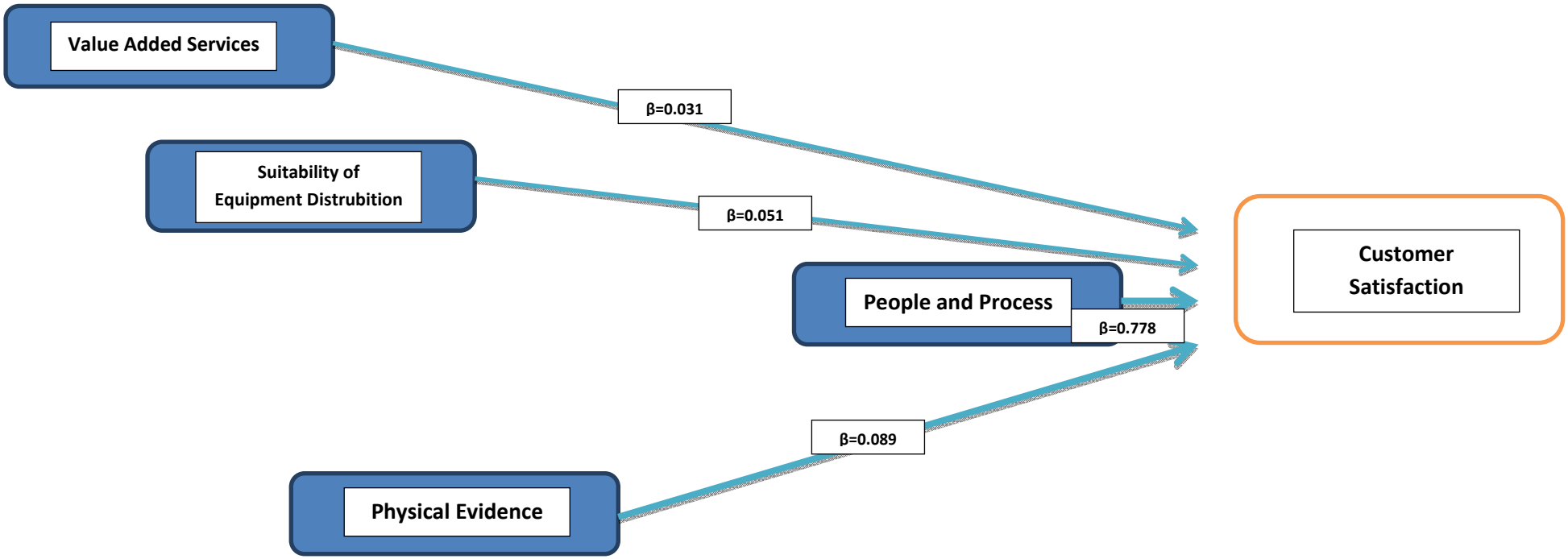


Figure 4 : Revised Framework of The Study

$H_0$16: Independent variables explaining dependent variable is not statistically insignificant. (Rejected sig. = .000,<.05)

H_A16: Independent variables explaning dependent variable is statistically significant (Accepted)

Table 21: The Results of Regression Analysis

Dependent Variable: Customer Satisfaction			
Independent Variables:	**Beta**	**t-value**	**p-value**
People&Process	0.778	18.974	0
Physical Evidence	0.089	2.254	0.025
Suitability of Eq Distribution	0.051	1.314	0.19
Value-Added Services	0.031	1.004	0.316
R=0.862 R2=0.744 F=208.810 p=0.000			

Customer Satisfaction = β_0 + 0.778(People&Process) + 0,089(Physical Evidence) + 0,051 (Suitability of Eq Distribution) + 0,031(Value-added Services) + ε

F value shows the significance of the model and Sig.(p) shows the level of significance. According to these, $H_0$16is rejected (sig. = .00,<.05). It means that the regression model is statistically significant (p= .00). In other words, it is possible to explain the independent variable, namely customer satisfaction, by minimum one of the indepenedent variables, namely people&process, physical evidence, suitability of equipment distribution, and value-added services. As per result, best explanation of customer satisfaction is provided by people& process as 77.8%. The power of explainity is 0.744 which means that 0.74% of the dependent variable (customer satisfaction) can be explained by this regression model.

8. DISCUSSION

This study aimed at determining the predictors of customer satisfaction in chosen shipping companies. Accordingly, hypotheses were developed and the results showed that the most important independent variable was *people & processing* variable while the other variables namely *distribution of equipment suitability, physical evidence and value added services* did not have as much as *people&process*affected customer satisfaction. Almost around seventy eight percentage of the variance in customer satisfaction is explained by people & processing variable (Beta= 0.778). The service provided can prove to be effective in terms of satisfying the customer, only if the gap between expected service and perceived service is bridged. The wider this gap the more the number of disappointed customers and disappointed customers may cause the reputation of the firm to go bad (Yelkur, 2000).

There are some studies in the literature that have related people & processing to customer satisfaction (Zeithalm et al.,2009; Çancı & Erdal, 2003; Durvasula et al., 2000; Bitner et al., 1997; Bettencourt, 1997; Soderlund & Rosengren, 2010; Nilsson et al., 2001); however, some other researches have also underpinned the importance of other variables such as service value-added, physical evidences, equipment and facilities (Meng et al., 2010; Lu, 2000; Kim & Lee, 2011). As per Booms and Bitner (1981), physical evidence, and people and process are the major factors of services marketing mix that influence customer expectation and dis/satisfaction (Yelkur, 2000). The "people" factor directly affects the customer's perception of the service provided. There is a mutual dependency between customers and employees. If the customers are dissatisfied, they become unhappy or complain about the service, and employees worry about working with unhappy customers. On the other side, customers are unhappy because the employees were not interested in customer satisfaction. "Process" is how of the service delivery which is extremely important to the service industries. Standardization of the service delivery is necessary as well as developing new opportunities to make the service excellent, because the service process influence whether or not it is satisfactory to the customer (Yelkur, 2000). This previous study

supports a major finding in this study that people and process is the most influential factor on customer satisfaction.

The questionnaires were collected from 310 participants; however 293 of those are useable andone is missing. Among 293 participants, there are only 43 participants who work with only one shipping company. However, 249 participants prefer to work more than one shipping company. It is found that there was no significant difference between the companies who prefer to work more than one shipping company as per customer satisfaction factor. It means that the decision of working other companies do not depend on customer satisfaction factor primarily in the container shipping sector. Customer satisfaction is not enough for customer loyalty (McIlroy & Barnett, 2000; Singh, 2006). The firms can have customer satisfaction without customer loyalty. In the container shipping sector, customers can change their service provider for a better opportunity from competitors such as competitive freight rate, or vessel schedule, or shorter transit times. Regarding this issue, there is a finding in this study that frequency of time in business of shippers and forwarders do not change their satisfaction. Frequency of time in business depends on exporter/importer and the frequency of sailing, namely vessel schedule. The customer satisfaction level is affected by reliability of advertised sailing schedules (Lu, 2000). The match of frequency of shipments and frequency of sailings should be suitable.

Respodents were asked their most preferred container shipping company and they stated totally 53 container shipping companies. According to the results, three of the most preffered container shipping companies are determined as MSC, Maersk, and Turkon respectively. The highest customer satisfaction belonged to Turkon. a significant difference was found between customer satisfactions of Msc and Maersk, and Maersk and Turkon. High customer satisfaction ratings are major indicators of a company's service quality (Kotler, 2000; Anderson & Sullivan, 1994). Customer satisfaction is a necessary issue because in the service industry customer retention is more important than having new customers (Kim & Lee, 2011). Customer loyalty and repeating purchase service are important dimensions of customer satisfaction. A satisfied customer is more likely to be a loyal and long-term customer of the service provider.

An unexpected finding from the study is that annual seafreight cost of the participants, namely price, does not have a major impact on customer satisfaction. This finding is contrary to the study of Voss et al. (1998). As per they say, there is a negative relationship between price and satisfaction; the negative impact is more significant unless price and performance are consistent. On the other hand, customer satisfaction has no positive effect on price sensitivity of customers (Kim & Lee, 2011).

It is found that the level of customer satisfaction does not change according to the structure of the organisation. A line company usually has two kinds of business customers: shippers (manufacturers, traders, and both manufacturers and traders) and forwarders. However, their perceptions were supposed to be different towards a shipping company. Although both shippers and forwarders have business with the shipping line companies, their motivations are different. Shippers can be provided directly by a shipping line company or employ a forwarder as agent depends on the freight charges and service quality. Forwarders acts as agents for the shippers by contracting with shipping lines for their own profits. Especially big forwarders take many advantages from shipping line companies such as extra container spaces, long payment periods, and lower freight rates, etc. But those advantanges depend on their business volumes and their commitments to the shipping line company. As per Chen, Chang, and Lai (2009) the forwarders perceived service quality is lower than the shippers' perceived service quality, because forwarders are well informed about working steps in the process of cargo delivery and the extent of service quality that they can be provided by each line in the market. So their satisfaction can be lower than a shipper's satisfaction, because forwarders can easily understand if the line does not do the best to serve them.

Value-added services consisted of two items, namely, ability to provide door-to-door service via inland and/or railway transportation, and the ability to provide technology that customers can track their shipments in containers, book online, and send b/l instruction online. No linear relationship was found between customer satisfaction and value-added services. However, according to Kearny (1991), value-added services increase customer satisfaction and can help a firm gain an additional

competitive advantage. As per Lu's (2000) research, value-added services are more important for logistic implemented firms than non-logistics implemented firms.

9. CONCLUSION

Having long-term relationships with customers is vitally important for companies in terms of customer loyalty which is related to customer satisfaction. Loyal customers continue to purchase services/products in increasing amounts and/or a wider range of services/products, and it increases profitability as long as they are satisfied. Therefore, understanding customer satisfaction is becoming increasingly important. This study focuses on customer satisfaction in the container shipping sector. According to the results, 'people & process' factor affects customer satisfaction strongly whereas 'physical evidence' and 'suitability of equipment distribution' affect it normally.

Process is a certain period of time which includes certain activities involving employees' efforts and interactive communication with the customer to deliver service properly. The 'people & process' factor is an interaction of 'people' and 'process' factors. This factor includes employees' behavior and attitudes towards the customers, knowledge of the employees, documentation and operation process related to employees' duties, avaliability of flexible service, reliability of the service (on time delivery, correct invocing, and advising customer), and coordination among departments during the process. According to the factor loadings of the survey response, willingness, quickness, professionalism, and kindness of employees are very important for customer satisfaction. The shipping company should understand the role of customer service and salespeople who contact with the customers directly and represent the company. The human resources should recruit such kind of people who has well understanding of customer satisfaction. The key performance indicators of each unit should contain customer satisfaction issue. The company should focus on customer experience, customer advisory, and the voice of customer issues. The company may arrange trainings for employees; they must emphasize the importance of the customer. They may prepare customer satisfaction surveys, evaluate them properly and take actions accordingly. They may also create a customer complaint unit who work on process excellence as per complaints from customer.

Customer needs should be considered to provide customer satisfaction. According to the survey results, correct documentation/invoicing and on time delivery of the service are expected and wanted by customers. Flexibility is expected especially

for payment, storage/demmurage issues, and cut-off times. However, all of those may not be possible all the time. Shipping companies cannot accept any demand of the customers if their request is out of standards and aganist working principle of the company. Forexample, customers may request for long payment terms, but this affects the cash-flow of the company negatively. Shipping company should manage its cash-flow well, because they have fixed costs of their vessels. On the other hand, reasonable credit agreements will be really appreciated by customers. Shipping company may provide reasonable payment period such as 15 days. Payments via credit cards can be accepted by the shipping company. The company should decide by considering its finacial situation very well. Customer can also ask for flexible cut-off times to gate in container to the port, but this request should not be accepted. Because it means the vessel has to wait with the other shipments on board. The company makes lots of customers unhappy and dissatisfied while satisfying only one. Customer satisfaction doesn't mean accepting any kind of customers' request, because flexibility is a vague word. The company should be careful about flexibility.

Physical evidence factor, which affects customer satisfaction normally, includes having adequate number of standart and special equipments (containers) and having a large fleet of container ships with large capacity. The customers want to have container and space on the vessel immediately when they have an urgent shipment such as raw material, because delivery time of raw materials are crucial for the supply chain, in other words, on time delivery is critical for the supply chain. Unless raw materials are delivered just in time, assembly lines will wait for them which push up the cost or in case of early delivery, inventory costs will be incurred. Delivery of end products such as furniture or fast moving consumer goods is also important. Because if the customer can not find their needs on time, they don't want to wait for a long time and they can buy competitor's products. Briefly, transportation is a crucial ring of the supply chain and on-time-delivery is necessary for a reliable transportation service. Therefore, the shipping company can differentiate itself by its on time delivery. Cut-off times of the vessel, departure/arrival times of the vessel, and waiting times at ports affect transit time, in other words, on time delivery. The shipping company can create its trade routes considering the transit time according to commodity based. There can be an equipment system which shows the number and kind of equipment(container) at each port. Thus,

sales people can inform their customers and sell the service properly. Both sales people and port operation department are able to follow and edit in the system easily. Salespeople can notify port operation department about the necessary number of equipment (container) by week, thus port operation can allocate the equipments (containers) accordingly. If there is no type of requested container, the port operation department can reposition the container at port. By this way, the customer can load the container on time. Repositioning and equipment allocation are variables of "the suitability of equipment distribution" factor. According to this study, it depends on physical evidence factor and they affect the customer satisfaction normally.

This study also indicated that coordination among departments affect customer satisfaction. Experts also indicate the importance of organizational collaboration and information flow among departments such as *sales and marketing* (e.g., customized service, product/route knowledge, and proactive solutions); *booking services*(avaliability of space, advice on delays, and handling of sailing inquiries); *operation* (e.g., container type avaliability, position of container, avalibility of space on vessel, and stability of vessel for security of shipment); *customer service (*e.g., giving necessary information, promptness in answering, and courtesy/etiquette); *documentation* (e.g., speedy release of delivery orders and speedy release of bill of ladings); *finance* (e.g., issuing invoices on time, accuracy of invoices, credibility decisions, and accurate and optimum cost calculations). The container shipping sector is a specific business-to-business context involving a collection of service activities delivered by those internal departments. If one of those does not work properly, it affects customer satisfaction in a negative way. A bad experience with one of those departments may undermine the customer's overall satisfaction. Therefore, all departments should know the position of itself in the flowcharting of work activities and coordinate its duties with the relevant departments. In the case of a problem, especially sales people and customer service, who has the most communication with the customer, should be informed on time. Even if they don't have any information about the issue, they should be able to reach easily other employees in related responsible departments in order to give prompt and suitable responses to the customer. Prompt reply and quick problem solution is very important to keep customers' trust especially in difficult times.

Some container shipping companies provide sales, marketing, documentation, and customer service issues by the same person. Each customer has a customer representative who has close relationships from the moment the service is sold to post service activities. Generally, the customers prefer such kinds of services, because they want to have a direct relationship with only one responsible person. This employee is such a bridge between the company and customer. However, this can be very risky for a shipping company, because if this employee leaves the company, the customer will probably go with her/him. Any shipping firm cannot run the risk the whole business depending on a specific person. Well-coordinated departments are better than having only one customer representative for a succesful business especially for big shipping companies.

This study involves an important finding for the shipping sector in Turkey that the highest level of customer satisfaction belongs to Turkon which is the only domestic container shipping company among the most prefered container shipping companies (Table 18). This result is not suprising, because 80% of the survey respondents work in a domestic company (Table 7). It means that domestic container shipping companies can understand their customer's needs and satisfy them. Foreign shipping companies should act more locally even as they think globally.

In terms of the implications for academics, this study offers a detailed analysis for customer satisfaction from the point of view of container shipping sector. This study also provides the company profile of customers in the container shipping sector and their properties. This is the first study in Turkey which investigates container shipping sector in terms of customer satisfaction and in the light of three service marketing mix elements, namely people, physical evidence and process. In this regard, this is a basis for future researches in the container shipping sector. Future researches may be conducted to improve the model by adding different variables or they may investigate the factors that affect customer retention and customer loyalty.

In conclusion, the result of this study shows clearly that shipping companies should invest money and time in its employees to have a vision of customer satisfaction and focus on the process for a good service quality to keep its customers long-term.

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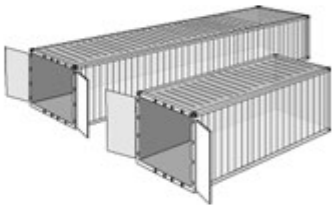
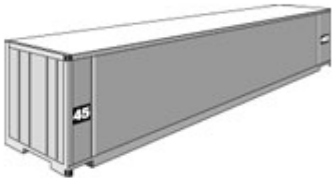
Appendix 1: Container Types

Dry Container (General Purpose)



High Cube Dry Containers



Reefer Container

Open Top Container

Flat Rack Container

Platform Container

Appendix 2: Daily Vessel Position

CONTAINER TRANSPORTATION & SHIPPING INC.

-Daily Position North Europe Vessels-

-31.05.2010-

MUKADDES KALKAVAN	**- 5291004E**		
ARR	VALENCIA	29.05.2010	06:12:00
SLD	VALENCIA	29.05.2010	15:04:00
ARR	BARCELONA	30.05.2010	05:18:00
SLD	BARCELONA	30.05.2010	12:26:00
ARR	MARSEILLE	31.05.2010	03:30:00
ETS	MARSEILLE	31.05.2010	12:00:00
CAFER DEDE	**- 5311004W**		
SLD	VALENCIA	28.05.2010	12:55:00
ETA	FELIXSTOWE	02.06.2010	23:59:00
IBRAHIM DEDE	**- 5361005W**		
ARR	EVYAP/IZMIT	28.05.2010	15:54:00
SLD	EVYAP/IZMIT	29.05.2010	06:40:00
ARR	GEMLIK	29.05.2010	11:42:00
SLD	GEMLIK	30.05.2010	08:08:00
ARR	ISTANBUL	30.05.2010	11:00:00
SLD	ISTANBUL	31.05.2010	05:18:00
ETA	IZMIR	01.06.2010	00:30:00
KAPTAN ERGUN	**- 5371005E**		
SLD	ANTWERP	29.05.2010	00:05:00
ETA	VALENCIA	03.06.2010	10:00:00

Appendix 3: Container Storage Leaf

Booking: SONMEZ SONMEZ / **/**
100543058 **28.05.2010 17:12:40**

TO **ULUS.ARASI TAS.VE TIC.LTD**
FROM **Acente Lojistik Uzmanı**
FROM KUMPORT LIMAN

sefer sayılı gemimize rezerv edilen aşağıda numarası yazılı 1x40'HC konteynerimiz tarafınıza tahsis edilmiştir. Konteyner(ler) 31.05.2010 tarihinde KUMPORT LIMAN KARA TERMİNALİ CFS SAHASINDA doluma hazır olacaktır. Bilgilerinize sunarım.

Saygılarımla,

KONTEYNER NO	SEAL	FIRMA ADI VE ADRESI	GEMI ADI	TAHLIYE LIMANI

Bayrak:
Yapım yılı:
Acenta:

Appendix 4: Letter of Commitment

GENEL TAAHHÜTNAME

……. KONTEYNER TAŞIMACILIK VE DENİZCILIK A.Ş.

ACENTASI BULUNDUGUNUZ HATLARIN GEMİLERİ İLE …. YILI İÇERSİNDE ADIMIZA GELEN (20’ VE 40’) KONTEYNERLERİ LİMAN SAHASINDAN FİRMAMIZIN TEMİN EDECEĞİ ARAÇ İLE ALINARAK DEPOMUZA KADAR OLAN NAKLİYESİNİ YAPACAĞIMIZI KONTEYNERLERİ BOŞALTTIKTAN SONRA BOŞ VE SAĞLAM OLARAK DEPONUZA TESLİM EDECEĞİMİZİ, BU SÜRE ZARFINDA MEYDANA GELECEK HER TÜRLÜ HASAR VE ZİYANI, DAHA SONRADAN KARŞILAŞABİLECEĞİMİZ DEMURAJ BEDELİNİ DEFATEN ÖDEYECEĞİMİZİ PEŞİNEN KABUL ETTİĞİMİZİ BEYAN VE TAAHHÜT EDERİZ.

SAYGILARIMIZLA,

APPENDIX 5: Turkish Questionnare

Sayın Yetkili;

Bu anket formu, Marmara Üniversitesi Üretim Yönetimi ve Pazarlama Bölümü Yüksek Lisans tez çalışması kapsamında kullanılmak üzere veri elde etmek amacıyla hazırlanmıştır. Elde edilen veriler firmalar düzeyinde raporlanmayacak olup, başka bir yerde kullanılmayacak veya paylaşılmayacaktır.

Zamanınızı ayırıp ankete katıldığınız için şimdiden teşekkür eder, saygılarımı sunarım.

Esma ÖNDER

1.Denizyolu konteyner yüklemeleriniz (ihracat ve/veya ithalat) oluyor mu? _____

(Olmuyor ise lütfen anketi cevaplandırmayı burada bırakınız.)

2. En sık çalıştığınız denizyolu nakliye firması(hat/armatör) hangisidir, belirtiniz.

_____

3.Ne kadar süredir bu denizyolu nakliye firması ile çalışıyorsunuz?_____

_____

4.Firmanız ne sıklıkla bu denizyolu nakliye firması ile nakliye organizasyonu yapıyor?

_____Haftalık

_____Aylık

_____3 ayda bir

_____Diğer (Açıklayınız)

5.Bu denizyolu nakliye firması ile her yüklemenizde ortalama kaç TEU(20DC) veya FFE (40DC-40HC) yükleme yapıyorsunuz? _____

Yukarıda en sık çalıştığınız denizyolu nakliye firması olarak **belirttiğiniz firmayı** göz önüne alarak aşağıdaki ifadelere ne derece katıldığınızı belirtiniz.	Kesinlikle Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne	Katılıyorum	Kesinlikle Katılıyorum
6. Çalışanları profesyoneldir.					
7. Çalışanları iyi görünümlüdür.					
8. Çalışanları hızlı hizmet verirler.					
9. Çalışanları her zaman yardım etmeye isteklidir.					
10. Çalışanları naziktir.					
11. Çalışanları kendimi ayrıcalıklı hissetmemi sağlar.					
12. Departmanlar arası koordinasyonu vardır.					
Yukarıda en sık çalıştığınız denizyolu nakliye firması olarak **belirttiğiniz firmayı** göz önüne alarak aşağıdaki ifadelere ne derece katıldığınızı belirtiniz.	Kesinlikle Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne	Katılıyorum	Kesinlikle Katılıyorum
13. Tedarikçileri(karayolu-demiryolu nakliye vardır.					
14. İş akış (önce kiminle görüşüleceği ya da hangi işlem ile başlanacağı) sırası bellidir.					
15. Görev dağılımı bellidir.					
16. Sektör ile ilgili değişen kural ile ilgili beni bilgilendirir.					
17. Sektör ile ilgili prosedürleri bilir.					
18. Bu firma ile çalışırken; yük, sektör ve taşıma ile ilgili detaylar hakkında bu firmanın çalışanları ile gerektiğinde bilgi alışverişinde bulunarak taşıma sürecine dahil olurum.					
19. Beni her zaman doğru bir şekilde yönlendirir.					
20. Hizmet sağlarken esneklik sunar.					
21. Olası gecikmeler ve karşılaşılan problemler ile ilgili önceden bildirim yapar.					

22. Ilk seferinde doğru bir şekilde hizmet verir.(Dokümantasyon, operasyon..vs)					
23. Hiç hatasız kayıt tutar.					
24. Bu firma ile yaptığım taşımalarda kendimi güvende hissederim.					
25. Taşıma ile ilgili dökümanlarımı tam zamanında ve doğru bir şekilde hazır eder.					
26. Faturalarımı tam zamanında ve doğru bir şekilde bana ulaştırır.					
27. Geniş bir gemi filosu vardır.					
28. Çok sayıda kendi konteynerleri vardır.					
29. Her çeşit konteyner tipi mevcuttur.					
30. Ithalatlarımda depozito bedeli yerine taahhütname veya depo çeki kabul eder.					
31. Taşıma koşullarını açık ve net bir şekilde ortaya koyar.					
32. Yükleme limanları arasındaki ekipman dağılımını iyi yapar.					
33. Yükleme yapacağım limanda istediğim ekipman yok ise zamanında ilgili ekipmanı o limana getirtir.					
34. Reefer konteynerlerin sıcaklığını takip edebileceğim sistemi vardır.					
35. Uluslararası ticaret terimlerine (incoterm) hakimdir.					
36. Yükleme/boşaltma limanları seçimi benim çalıştığım bölgeler için idealdir.					
37. Kendi özmal tırları vardır.					
Yukarıda en sık çalıştığınız denizyolu nakliye firması olarak **<u>belirttiğiniz firmayı</u>** göz önüne alarak aşağıdaki ifadelere ne derece katıldığınızı belirtiniz.	Kesinlikle Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne	Katılıyorum	Kesinlikle Katılıyorum

38. Bu denizyolu nakliye firmasından iş çevremdeki insanlara olumlu bahsederim.					
39. Arkadaşlarıma da tavsiye ederim.					
40. Taşımacılık hizmetini bu denizyolu nakliye firmasından almakla doğru bir şey yaptığımı düşünüyorum.					
41.Bu denizyolu nakliye firmasından aldığım servisten mutlu değilim.					
42. Genel olarak, yaşadığım olumsuz deneyimler, olumlu deneyimlerimden ağır basıyor.					
43. Bazen, bu denizyolu nakliye firması ile çalışmaya devam etme konusunda karışık duygu ve düşünceler içerisinde oluyorum.					
44. Bu denizyolu nakliye firmasının bana sağladığı servisten memnunum.					
45. Bu denizyolu nakliye firması beklentilerimi karşılamaktadır.					

46. Aşağıdakilerden hangisi firmanızın sektördeki rolünü belirtir?

_____Ticaret(Ürün alım satımı)

_____Üretim

_____Hem üretim hem ticaret

_____Freight Forwarder

47. Bu denizcilik firmasını kullanarak ne tür mal yüklüyorsunuz?

_____Hammadde yüklemesi yapıyoruz

_____Yarı mamul yüklemesi yapıyoruz

_____Mamül yüklemesi yapıyoruz

48.Firmanızın yapısı aşağıdakilerden hangisine uygundur?

_____Yerli kuruluş

_____Yabancı kuruluş

_____Yabancı bir ortakla müşterek girişim kuruluşu (joint venture)

_____Diğer (Açıklayınız)_____

49.Firmanız ne kadar süredir sektördedir?_____

50.Firmanızda çalışan eleman sayısı kaçtır?_____

51.Firmanızın yıllık cirosu nedir?_____

52. Denizyolu ihracat & ithalat navlun masraflarınız ne kadardır?(Yıllık) _____

_____

53. Bu firma haricinde başka denizyolu nakliye firması ile çalışıyor musunuz?_____

Appendix 6: English Questionnaire

Dear sir/madam;

This survey is prepared to obtain data with specific purpose in order to use within the scope of master thesis in Marmara University Social Sciences Institute. Data provided will not be reported nor shared based on companies, it will be kept confidential.

Thank you for your contributions to the study by responding to the questionnare.

Esma ÖNDER

1. Do you have container shipments(export and/or import)?_____

(If your anwer is no, please stop answering questionnare right here.)

2. Which of the ocean shipping company do you work very often?_____

3. How long have you worked with this ocean shipping company?_____

4. How long have you worked with this ocean shipping company?

_____Weekly

_____Monthly

_____Once every three months

_____Other (Pls explain)

5. How many TEU or FFE do you load for your each shipment with this ocean shipping company?_____

Please indicate your agreeing degree to the statements in this table considering the company that you determine as you work very often	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree
6. Service employees are professional					
7. Service employees are well-looking					
8. Employees serve quickly					
9. Service employees are always willing to help					
10. Service employees are courteous					
11. Service employees make me feel privileged.					
12. There is coordination among departments					
13. The shipping company have suppliers (inland haulage, railway haulage)					
14. Flowcharting of work activities is clear					
15. Distribution of tasks is clear					
16. They inform me about changing rules in the sector					

17. They know about the sector procedures					
18. While working with this company, I am involved in the shipping process by information exchange with employees about cargo, sector, and transportation					
19. They always guide me correctly					
20. They offer flexibility in providing service					
21. They make advance notification about possible delays and problems					
22. They serve properly at the first time (documentation, operation..etc)					
23. They keep records as error-free					
24. I feel safe while having shipments with this company					
25. They prepare my shipping documents on time and accurately					
26. They deliver my invoices on time and accurately					
27. They have a large fleet of container ships					
28. They have a great number of own containers					
29. They have all kinds of container type					
30. They accept letter of undertaking or cheque instead of deposit charge for my					

import shipments					
31. They indicate shipping terms and conditions clearly					
32. They perform distribution of equipments well among the loading ports					
33. They position the requested equipment at the requested loading port if there is no equipment there					
34. They have technological system (genset) that I can track the temperature of reefer containers					
35. They have comprehensive knowledge of incoterms					
36. Their choice of loading/unloading ports is ideal for my working trades					
37. They have own trucks					
38. I talk about this container shipping company positively to business people around me					
39. I recommend this shipping company to others.					
40. I think that I did the right thing when I purchased this shipping service					
41. I am not happy that I bought this shipping service					

42. Overall, my negative experience outweighs/outweighed my positive experience with this service (r)					
43. Sometimes I have mixed feelings about keeping this shipping service (r)					
44. I am happy with the service provided					
45. This shipping company met my expectations					

46. What is the role of your company in the sector?

_____ Trader

_____Manufacturer

_____Both of trader and manufacturer

_____Freight Forwarder

47. What kind of goods do you load with this shipping company?

_____Raw materials

_____Semifinished product

_____End product

48. Which of the structure of your company complies with the following?

_____ Local organisation

_____Foreign Enterprise

_____Joint Venture

_____Others (Please explain)_____

49. How many years has your company been in the sector?_____
_____

50. How many employees do your company have?_____

51. What is your company's annual turnover?_____

52. What is the annual export & import expense? _____

53. Are you working with another shipping company except this one?_____