

Introduction

On April 11th the project Europe Calling started. We were asked to write a marketing plan for Transaf. We went to Antwerp to get more information about the company. The problem we were asked to solve was to investigate the possibilities of entering a new market. In addition, our assignment provider wanted us to find ways to expand. He wants us to write a marketing plan, which includes these aspects. Our marketing plan consists of the following points: mission statement, market definition, an internal analysis and an external analysis. We also sent out a questionnaire to the clients. The results are at the end of the report. Finally we wrote a final advice.

Europe Calling BM 1906:

- **Assignment**

- **Point of view**

Transaf N.V.
Lange Klarenstraat 16–20
2000 Antwerp
Belgium – Europe

Contact person: Mr. P. Oyen

- **The problem faced**

Transaf has a 95% market share of the Group ARBED (steel industry) with reference of the expeditions from ARBED mills via Antwerp.

Transaf has 0% market share for any other product. That's why our assignment provider has asked us to investigate the possibilities of entering a new market. In addition, our assignment provider wanted us to find ways to expand. He wants us to write a marketingplan which includes these aspects.

- **Objective of the research**

After some brainstorming, we decided to focus our analysis on aluminum. We believe this is a suitable product for Transaf to transport, as aluminum and steel are so closely related. Transaf need not gain new expertise and won't lose its current business focus. We have done an analysis on the aluminum market and the data shows that it is profitable.

We have selected several trade journals and magazines, in which potential clients may be found. By comparing the services of the main competitors with Transaf, we came to the conclusion that they offer more types of transport. Therefore, we recommend that Transaf also starts offering transport by air, rail and overland in addition to seafreight.

- **Central question**

What other products could Transaf transport besides steel?

How can Transaf expand?

2 Mission statement & Market definition

2.1 Mission Statement

The most important aspects of determining a mission statement are:

- that one is forced to contemplate the activities of ones company
- it has internal functions that help set goals for managers and staff members
- to create a corporate image

- *The pure mission:* to provide our logistical services to the steel & aluminum

producers without disregarding other potential customers.

- *Strategic objectives:* to become an important player in the market of transporting and storing steel & aluminum.

- *Definite objective for a definite period:* to obtain a market share of 10%.

- *Definition of the market:* Transaf provides a broad package of services in the area

of distribution and storage of goods.

Based on the items mentioned above, we are now able to acknowledge just what business we are in or should be in:

2.2 Market definition

Customer function

Transport

Storage

Customer technology

Supervision Vessel selection Administrative formalities Port handling Freight negotiation

Steel manufacturers

Aluminum manufacturers

Others

Customers group

At the moment, the market definition is the transportation of steel and steelrelated products by sea from companies which are part of the ARBED group (95%) and to other companies. The market definition should be that Transaf provides companies, which are part of the ARBED group and other companies, a broad package of services in the area of distribution and the storage of steel & aluminum and other goods.

The choice of a logistical company is an important determinant of what the final delivered cost will be. This is

one of the reasons why users try to minimize total logistic costs. There are several factors that determine the minimizing of costs:

- ordering, loading and unloading costs
- capital carrying in both transit and storage
- storage costs
- safety stock carrying charges
- loss & damage
- spoilage due to shelf life
- transportation charges

If we make the decision to attract new customers, the volume and the type of competitors will change. For instance, if Transaf transports only steel, then we are dealing with only competitors of seafreight. Should Transaf transport other products, then the competitors would be logistical companies, which offer transport by air, rail, sea and over land. Therefore, it is useful for Transaf to position itself as a specialist in the transport of aluminum and steel.

There is a lot of competition in the logistical market. Many logistical companies offer various types of transportation. Transaf has operated mostly in the steel industry and has therefore gained a lot of expertise in this area. We can define this market as transporting aluminum, steel and other products. Because Transaf has the expertise of transporting steel and aluminum, the number of competitors decreases. We are focussing mainly on the transportation of steel and aluminum, but as we also want to extend our services by offering transportation by air, rail and over land, we can attract clients with other products as well.

3. Internal Analysis

3.1 Strategic evaluation

A strategic evaluation is used to look back on the past years and to discover what could be improved. It is also used as a tool to see if the strategy has been followed. We only received the financial statement and the balance sheet. Therefore, the strategic evaluation is based on these two documents and the internet website. Unfortunately, we haven't been able to do a thorough strategic evaluation.

In 1922, Transaf was created by ARBED. Since then, Transaf has been responsible for all ARBED's shipping both import and export. Transaf has a long history with the transport of steel.

Nowadays, Transaf is a part of the Arcelor Group. At the moment, 95% of the customers are part of the Arcelor Group. The company has a thorough knowledge of steel transport. Transaf concentrates on just a few clients and wants to offer them comprehensive service. They find it very important to have good client relationships. They work closely with clients in order to get to know their needs and priorities while assisting them in achieving their objectives in the most effective way.

Transaf is not very satisfied with the results. If we take a look at this from different angles (namely financial, consumer-related, internal and innovative points of view) we can conclude that mostly based on the financial point of view, Transaf is not satisfied. Based on consumer-related and internal point of view there are no problems and Transaf has little reason to be dissatisfied. Based on the innovative point of view, Transaf has

not adjusted its services for a few years. It only offers transportation by sea and focuses mainly on steel.

The reason the results may be considered disappointing is due to the bad situation of the steel industry. With the measure from President Bush, the prospects in the steel industry are not good. Transaf should focus not only on steel but also on other products.

3.2 SWOT–analysis

<i>Strengths</i>	<i>Weaknesses</i>
Transaf offers a full range of services	95 % transportation for ARBED group
Cargo Tracking Module	Only specialized in steel/steel related products
Experienced personnel	Only seafreight
Unique experience in handling/transportation of all steel and steel–related products	Promotion
Few clients, so they really get to know them	
Acceptable price/ quality ratio	

<i>Opportunities</i>	<i>Threats</i>
Attract clients outside steelindustry	95% transportation for steelindustry–>USA boycotts import of steel
Transport not only by sea, but also by air/rail and over land	Cheap steelplants in Asia
More globalisation–> more logistical companies are needed who concentrate on core businesses	Can't deliver quick enough in Asia
Increase in the aluminium production	Competitors also offer transport by sea/ air/ rail and over land

Confrontatie–analyse

	Strengths <ul style="list-style-type: none"> • Full range of services • Cargo Tracking Module • Experienced personnel • Unique experience in handling/transportation of all steel and steel–related products. • Few clients • Good price/quality ratio 	Weaknesses <ul style="list-style-type: none"> • 95% transportation for ARBED group • Only seafreight • Promotion • Only specialized in steel/steel related products
Opportunities <ul style="list-style-type: none"> • Attract clients outside steelindustry • Offer also transport by air/rail & over land • More globalisation • Increase in the aluminium production/usage 	SO	WO
Threats	ST	WT

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> • 95% transportation for steel industry → USA boycott • Competitors also offer transport by air/rail/sea & over land • Cheaper logistical companies in Asia | | |
|---|--|--|

Explanation confrontation–matrix:

Strength / opportunities (SO)

Transaf offers a full range of services. Everything related to logistics can be arranged by Transaf. Transaf now offers only transportation by sea, but during our research for the competitors analysis we found out that the competitors also offer transportation by sea, air, rail and over land. This could also be an opportunity for Transaf. Now they only have clients in the steel industry, but when they want to attract clients from other industries, it might be good to have those other means of transportation available too.

Transaf has experienced personnel and an unique experience in the handling/ transportation of steel and steel–related products. Therefore we have chosen to focus on aluminium. Aluminium is a steel–related product so the personnel of Transaf won't lose it's expertise. Having experienced personnel is very important for this industry and therefore Transaf has to be careful not to choose transporting products they are not familiar with. That's why aluminium is a good choice.

Transaf concentrates on a few clients so they can work closely with those clients and get to know their needs and priorities. Transaf wants to attract other clients, but that doesn't mean they then won't be able to offer the same kind of service. They should try to keep offering the best service to their clients and keep working closely with those clients.

More and more companies act global. The more companies go global, the more logistical companies are needed. Especially those logistical companies who concentrate on core businesses. Therefore, if Transaf wants to attract other clients, aluminium is a very good option as this industry is very big.

Weaknesses/ opportunities

95 % of Transaf's clients are from the ARBED group. Therefore Transaf wants to attract clients from another industry. As they only offer transportation of seafreight, it is a good idea to offer other means of transportation too. This will certainly be of interest for potential clients.

As Transaf was established by the ARBED steel group, they are responsible for all ARBED's shipping. They didn't need to promote themselves, because all ARBED's shipping was automatically done by Transaf. If they want to attract new clients, they will have to promote themselves more. But Transaf can still send their existing clients more information about their range of services. From the results of the questionnaires it turns out that not all existing clients know all the services that Transaf offers. Transaf should advertise in metal–magazines to attract new clients and also the website should contain more information. When you compare the website of Transaf to the competitors, it is slightly poor.

Strengths/ Threats

Competitors might offer more means of transportation, but Transaf has a unique experience in the handling and transportation of steel and steel–related products. This is one of their main strengths and they have to be careful not to lose that. If they start attracting clients from the aluminium industry they won't lose their expertise as aluminium is related to steel. It is a good idea to start offering other means of transportation

anyway.

Eventhough they have a good price/ quality ratio, they cannot compete with the logistical companies in Asia. They are cheaper and are able to deliver the products quicker, so Transaf shouldn't concentrate too much on Asia.

Weaknesses/ Threats

As mentioned above Transaf's main client is the ARBED steel group. The risk of having clients in one industry is quite high. When something happens in that industry all companies related to that industry are affected (as seen in the USA steel boycott).

Transaf only offers transportation by sea, while the competitors also offer other means of transportation. If Transaf wants to attract other clients they should also start offering transportation by air, rail and over land. But to differentiate themselves from their competitors they should keep their unique expertise in the handling and transportation of steel and steel-related products.

There are cheaper logistical companies in Asia. Also, compared to companies in Asia or/and closer to Asia Transaf won't be able to deliver products quick enough. Therefor Transaf shouldn't focus to much on that part of the world.

4. External Analysis

4.1 Branch analysis

Market size

Potential market

The market of logistics is very large, however we don't expect too many competitors in a market defined such as this:

The logistic of Aluminum and Steel. We mean by this we don't expect too many logistic companies to offer the same product. It is a market that requires a particular specialization and the combination of these two products makes it rather unique. The logistics to the present day is mostly done by either aluminum producers or steel producers, which either own logistic companies or have contract it out to logistic companies. Therefore we advise Transaf to communicate the company as a specialist in transporting these two items, one should see Transaf as Value Added Logistics.

Profitability

Could be increased by several factors:

- economy of scales,

one should aim for a full truck, ship or train. This of course depends on the demand of the product. The demand shows an increase. See figure 1. There has been a little deficit in the first part of 2002. Nevertheless we assume in our assessment a recovery to take place during the second half of 2002. We estimate a forecast for Western World consumption which is 2002: +2,2% and 2003: +3,5%.

- the size of competitors,

which at the moment is not very favorable for Transaf. The reason it has to compete with logistic companies who already have gained the confidence of the aluminum and steel producers. We assume it will not be easy to enter the market, once a company has found a reliable transporter they will stay with that transporter. To gain the confidence of the aluminium producer it is very important for Transaf to communicate the Value Added Logistics which Transaf has.

- cost made by transporting,

it depends entirely of the location from where to where it has to be transported. In figure 2 one can see that the Aluminium could be brought from Central/Eastern Europe. High costs are mainly the skill employees needed to do the job.

Primary aluminium consumption 2001–2002

Factor Weight Mark Score Value

Markt size 0,30 Big 5 1,5

Profit 0,25 Very High 4 1,0

Threats of 0,10 Small 4 0,40

competitors

entering market

Intensity of 0,35 Big 1 0,35

competitors

Totaal 1,0 3,25

Transaf can compare the above results with a same test on another market. By doing this Transaf is able to learn if another market could be as attractive as what we advise them. Another way to decide if the aluminium market is profitable is to look difficult it is to enter the market.

Macro-surroundings factors

Demographic

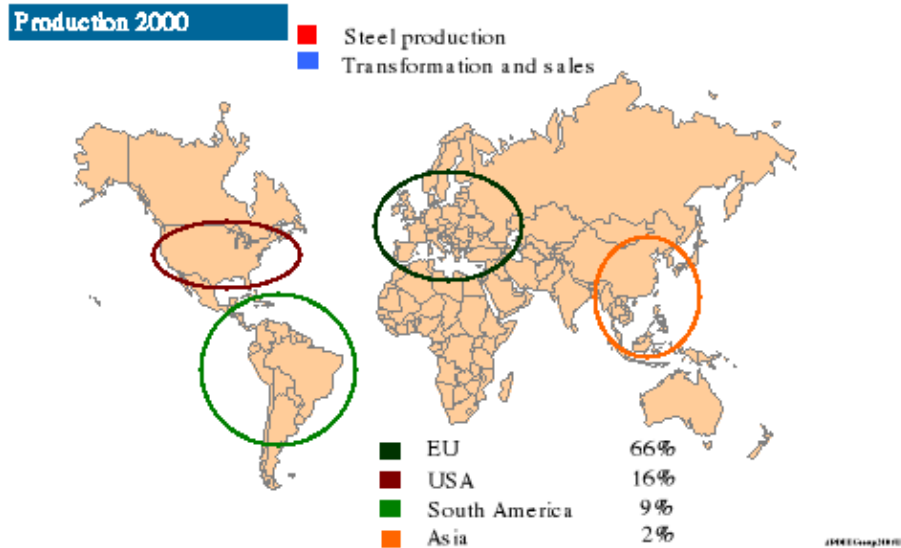
–Production of aluminum

Bauxite is a raw material, which is extracted from countries around the equator. With the extraction of aluminum they divide the aluminum oxide from the other materials and the aluminum oxide is transported to the primary aluminum smelters all over the world.

Location of Aluminium Smelters

–The production of steel

Multi-Location Strategy



Transaf

Areas of activity: Antwerp, Gent, Zeebrugge, Duisburg, Bremen, Rotterdam, Dunkerque, Baltic Sea

GSC activities (Global Shipping & Chartering)

Areas of activity: Baltic Sea, Black Sea, and Mediterranean ports, Far East

Economy

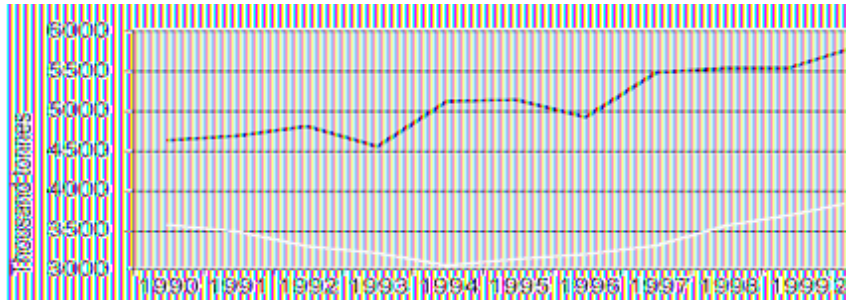
The production of *primary* aluminum in tons.

The world production of primary aluminum was 21,000,000 tons in 2001.

Total Primary aluminum use in Western Europe increased in 2000 to a level of about 5.84 million tons. This represents an annual growth rate of 4.8%. Over the past decade, primary aluminum use has increased by no less than 27%. In Western Europe, more than 1.2 million additional tons have been used in comparison to the beginning of the 90's. Only 1993 and 1996 were characterized by a decline which was immediately recovered the following year in each case.

Primary aluminum production in Western Europe has been increasing continuously since the second half of the 90's. A volume of more than 3.80 million tons were reached in 2000, which represents a 2.3% growth rate. Western Europe remains an important net importer of primary aluminum, with imports of around 2 million tons per year.

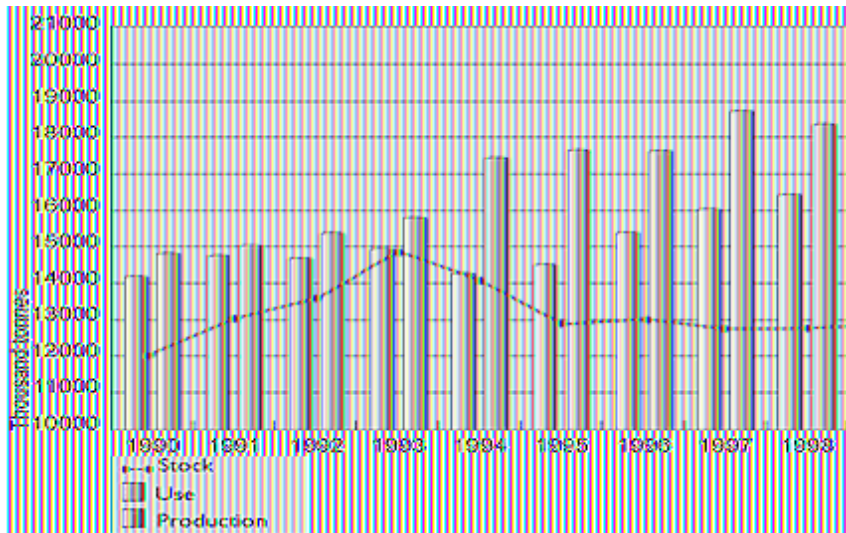
primary aluminum production in Western Europe



Primary aluminum production in the Western World (total world minus China, former USSR and Central/Eastern Europe) has also been growing continuously since 1995. In 2000, Western World smelter production increased by 0.4 million to 17.4 million tons

representing an annual growth rate of 2.2%. In 2000, the average smelter operating rate was 95.0%. Western World primary aluminum use grew even faster in 2000: +3.7%, totaling more than 20.1 million tons a year, although this growth is slightly lower than in 1999. At the end of the year 2000, stocks were estimated to be somewhat lower than in 1999.

Primary aluminium production in the Western World



The world production of aluminum

	<i>April 2001</i>	<i>April 2002</i>
EU (15 countries)	55344	52894
other Europe	15088	14422
CIS	32002	31621
North America	40764	39112
South America	13149	12663
Africa	4316	4686
Middle East	3701	3961
Asia	106959	119119
Oceania	2568	2500
Total	273891	280979

Statistics above, show the production and use of aluminum has increased. To get the aluminum to the smelters, a logistical company is needed. Therefore, this market is very interesting for Transaf.

Worldwide steel production

<i>Million metric tons crude steel output</i>		
	<i>1990</i>	<i>2000</i>
Nippon Steel	28,8	27,8
Posco	16,2	27,7
ARBED Group	8,2	24,1
Usinor	23,3	21
Thyssen Grupp	11,1	17,9
Baosan	–	17,7
NKK	12,1	16
Kawasaki	11,1	10,5
British Steel	13,8	–
USX	12,4	–
ILVA	11,5	–
Sumitomo	11,1	11,7
Bethlehem Steel	9,9	–
SAIL	–	8,8
LNM	–	22,4
Corus	–	20
US Steel	–	10,7
<i>total</i>	<i>169,5</i>	<i>236,3</i>

Listed in the table above, world steel production has increased in the last 10 years. Like aluminum, there will always be a demand for steel. Steel is used in automotive production (cars, trains, etc.). It is also used for construction, domestic appliances, packaging and engineering.

Technology

There there is always a market for aluminum. Aluminum is used in many forms. It is used not only in the production of transportation vehicles, buildings, and packaging, but maintains high recyclability.

Aluminum is a sustainable material. With current primary aluminum production level, known bauxite reserves will last for hundreds of years. More than 55% of the world's aluminum production is powered by renewable hydroelectric power. Products made from aluminum can be recycled repeatedly to produce new products. The increasing use of recycled metal saves both energy and mineral resources needed for primary production.

Political Aspects

In March 2002, President George W. Bush levied tariffs of up to 30% on steel imports to protect the ailing US steel industry. EU officials estimate the tariffs will cost Europe's steel producers more than \$2bn. The World Trade Organization has not yet ruled on the US tariffs, that are opposed by Japan and China as well as EU countries. Washington has defended the tariffs (up to 30%) as being necessary in order to defend its ailing steel industry from foreign rivals, which have received significant state support. The EU measures are intended to apply until a WTO ruling on the US tariffs, which is not expected to start before next year.

This boycott shows what kind of power, politics can have on a particular industry.

95 % of Transaf's clients consist of those belonging to the steel industry. The risk of having clients from only one industry runs high. When something happens which influences that industry, in this case the US Steel boycott, it has a big impact on all the companies related to that industry. To decrease risk, Transaf should have clients from other industries. We have focused on the aluminum industry, however when Transaf starts offering logistical services by air, rail and over land, they will certainly attract other clients as well.

4.2 Consumer analysis

As a logistical company Transaf has specialized in the transportation of steel because 95 % of Transaf's clients are from the Arbed group. Now Transaf also wants to explore other markets. Therefore we decided to focus on the aluminium market as it is closely related to steel. We are going to study the main activity of the clients, the main figures of them and of course what make them clients of transaf.

Table 1 Clients of Transaf as a part of the ARBED Group

This organigram of some members of the Arbed group shows clearly the division of sectors in separate companies. In other markets, those sectors would be only departments but this structure as said before is the result of successive concentration both horizontal and vertical. The steel market has experienced concentration and companies acquired by groups become sort of departments. For instance Stahlwerke Thüringen will produce steel sections whereas Sidmar will produce flat products. All these customers are steel producers or related with steel like sales and marketing companies.

The major customers of Transaf

Tradearbed

The prime mission of the TradeARBED group consists in the sales of steel products from the ARBED Group plants. To achieve this, it operates a sales, trading and distribution network in more than sixty countries. In Western Europe, TradeARBED S.A. holds 11 offices and agencies.

TradeARBED is continuing expanding its distribution and steel processing activities in various strategic markets. Through the three leading regional companies, TradeARBED Inc. (New York), TradeARBED Pte Ltd (Singapore) and TradeARBED Export (Luxembourg), the Group is involved in trading of steel products from plants outside the ARBED Group. TradeARBED, moreover, is active in the trading of raw materials – scrap, ferro–alloys and non–ferrous metals.

- Sales of EUR 6 588.7 million
- Net profit of EUR 207.1 million, group share 87.8 million

Trefilarbed

TrefilARBED, Inc. was established by ARBED in 1969 for sourcing and marketing of specialty steel products. Since 1994 TrefilARBED, Inc. is a 100% subsidiary of ARBED Americas, Inc., which is the holding company controlling the U.S. based subsidiaries of ARBED S.A.

In addition to sourcing and marketing worldwide, TrefilARBED, Inc. acts as an agent for sales of wire and wire products in the Americas produced by ARBED plants. The company is also the exclusive North American representative of ALZ which is the ARBED flat rolled stainless steel mill located in Belgium.

Profilarbed

ProfilARBED, the long products sector's leading company, has been founded in 1993. A 100% subsidiary of the parent company ARBED S.A., ProfilARBED heads all the group's activities in the long products sector. ProfilARBED is the leading producer of beams/sections and sheet piling in the world.

The group comprises the companies ProfilARBED, ARES and Stahlwerk Thüringen (SWT), operating six sites in total, four of which are highly efficient, modern electric steelworks. At its sites at Belval and Differdange in Luxembourg, ProfilARBED produces beams, medium and heavy sections and sheet piling. ProfilARBED also controls the Société du Train Universel de Longwy (STUL) in France, which rolls small sections. Its products are distributed through the EUROPROFIL and TradeARBED sales networks and through ProfilARBED Distribution, a group of distribution companies located in the group's core markets. Sheet piles are marketed through the subsidiary International Sheet Piling Company (ISPC).

Europrofil

This company is the sales and marketing organisation for structural sections produced by ProfilARBED. They offer the world's largest structural sections rolling programme providing a very wide range of applications in structural and civil engineering.

The Sales Department defines EUROPROFIL's sales policy world-wide regarding prices and volumes, and implements this policy through a large sales network with offices and agencies in over 65 countries. On its main markets (i.e. France, Germany and Benelux), the Sales Department is represented by its own EUROPROFIL sales subsidiary whereas for the rest of the world, the extensive TRADE ARBED sales network is shared between the other ARBED group companies.

ARES

In 1994 ARES (Aciérie Rodange–Esch–Schifflange) was created and become the leading company for light long products. ARES is a subsidiary of Profil ARBED. ARES is based in Rodange–Luxembourg and operates one steel plant and two rolling mills on which are produced reinforcement bars, crane rails and special sections. The sales of those products are handled by ARES–Commercial Department. The production of steel was of 802 000 tons in 2001

STAHLWERK THURINGEN

In 1992 the Luxembourg based ARBED Group acquired the section rolling mill from MAXHÜTTE Unterwellenborn, a former GDR integrated steel producer and founded STAHLWERK THÜRINGEN GmbH.

In 1997 the total capacity of the rolling mill and the electric steel making plant was reached. In 2000 STAHLWERK THÜRINGEN produced 900,000 tonnes of steel sections and achieved a total turnover of EURO 280 million.

The company employs over 650 people and 42 apprentices at this time.

ALZ

ALZ was established in 1961 in a partnership between the American Allegheny Ludlum and the Belgian Espérance–Longdoz companies, initially being founded as a cold rolling mill for stainless steel flat products. ALZ began stainless steelmaking (melting shop, annealing and pickling lines and cold rolling mills) a few years later.

In 1988 ALZ became part of the Arbed group, the world's third largest steel group. An investment programme is approved in 2000 to gradually increase the production capacity from 600.000 tons today to 1

million tons as from mid 2002. ALZ represents the stainless steel sector of the Arbed Group. Major facilities are the melt shop and the cold rolling mills at the Genk site. The hot rolling is carried out primarily by Stahlwerke BREMEN. Total crude steel capacity at ALZ today amounts to 600,000 tonnes per year and will gradually be increased to 750,000 tonnes per year by 2000. ALZ is among the few mills in the world that can produce stainless steel sheet of up to 2 m wide.

In 2000 ALZ had 1893 employees and its turnover was of 971 609 000 €.

SIDMAR

In 1962, the limited liability company 'Sidérurgie Maritime', abbreviated to Sidmar, was founded. The starting capital of the new company (head office in Ghent) was BEF 4.5 billion.

In its capacity as the main company in the flat products sector within the Arbed group, Sidmar is responsible for the industrial and commercial management of the group ARBED. The Sidmar mill in Gent has the advantage of a coastal location important for the import of raw materials and the export of finished products. The maintenance of a heavy industry in a region with a high density of population and a fragile environment, constitutes a challenge

This company runs with 35404 employees, and had a turnover of 1, 824 M€ in 2000.

Needs of those customers

These companies deal with different productions or activities. Their needs are different and adapting to those needs efficiently is the key of success for Transaf. Some companies only want Transaf to select a vessel and to deal with handling whereas others need both storage, vessel selection, freight negotiation, preparation of documents for customs.

Potential clients

These aluminium producers can be approached by Transaf. Transaf is very experienced in the handling & the transportation of steel and steel related products so they can present themselves as a trustworthy logistical company.

The potential consumers : aluminium Producers

Alba and Dubal

DUBAL exports finished cast aluminum products to more than 20 countries. Other key importers are in South Korea and Hong Kong..

Alba and Dubal use the logistical company Combined Cargo UAE LCC (CCU). This company was set up in 1997 as a ship investment company based in Abu Dhabi – United Arab Emirates.

BHP Billiton

This company has a leading position in major commodity businesses, including aluminium, iron ore, copper, energy coal and metallurgical coal.

BHP Billiton is the third largest producer of primary aluminium in the western world, with a total operating capacity in excess of one million tonnes of aluminium. This is approximately 9.5 million tonnes of bauxite and four million tonnes of alumina per year.

The marketing activities are centralised in The Netherlands from where the sales, trading, logistics, financial and London Metals Exchange (LME) management are coordinated by Chalco.

Corporacion Aluminios de Venezuela

Four aluminium companies are part of this corporation. Alcasa, which has an installed production capacity of primary aluminium of 210 thousand metric tonnes a year. Venalum which operates the largest aluminium smelter in Latin America, with an installed capacity of 430,000 tonnes per year. Beauxilium which is an integrated company for alumina production. Carbonorca, the centralized plant for the production of anodes to supply the increased capacities of CVG Alcasa and CVG Venalum

Glencore

Glencore International AG is a leading, diversified natural resources group with worldwide activity in the mining, smelting, refining, processing and marketing of metals and minerals, energy products and agricultural products. Turnover for the 2001 fiscal year was US\$ 44,5 billion, total assets were US\$ 10,8 billion and total shareholder's equity was US\$ 2,3 billion at 31 December 2001

Kaiser

Kaiser Aluminum Corporation is a leading producer and marketer of alumina, primary aluminum, flat-rolled products, and engineered products.

Kaiser Aluminum has 20 major manufacturing facilities located in North America, Australia, Jamaica, Ghana, and Wales. In 2001, the company and its consolidated affiliates had approximately 5,800 employees.

Pechiney

Pechiney, the world's fourth largest aluminium producer and converter operates in all facets of aluminum production (bauxite, alumina, primary aluminum). Pechiney's electrolysis technique is recognized as one of the most efficient in the world.

Pechiney is also one of Europe's leading aluminum converters for transports markets, industrial applications, construction, household appliances and packaging.

The turnover of the company is 10.7 billion euro and they have 31,300 employees.

Rio Tinto/Comalco

Comalco is a supplier of bauxite, alumina and primary aluminium to Australia, New Zealand and export markets. It is the world's eighth largest aluminium company. It provides about 22% of Australia's total production of bauxite, 8% of its alumina and 24% of its primary aluminium.

In 1999, Comalco's total sales revenue was A\$2.2 billion, including Australian export sales worth more than A\$1.5 billion.

VAW

VAW aluminium AG, a Hydro Aluminium Company, is one of Europe's largest aluminium companies with

annual revenues of around EUR 3,7 billion and a workforce of 16,000 people. The production of aluminium still remains a core activity of the VAW Group.

Alcan

Alcan provides aluminium and packaging solutions. With revenues of \$ 12.6 billion and 52000 employees. Alcan is present in 38 countries. Alcan is the leader in rolled aluminium products and the western's world second largest producer of primary aluminium.

Alcoa

Alcoa is a leading producer of primary aluminum, fabricated aluminum and alumina. This company has a staff of 129,000 employees in 38 countries with a revenue of \$22.9 billion

<p>Others large aluminium producers ALUAR Aluminio Argentino SAIC Aluminium Bahrain B.S.C. (c) Cia. Brasileira de Alumínio Comalco Limited Corus Group plc Dubai Aluminium Company Ltd. Elkem a/s Hindalco Industries Ltd. Hydro Aluminium a.s. Kaiser Aluminium Chemical Corporation Kobe Steel Ltd. Mitsui Co. Ltd. Nippon Light Metal Company Ltd. PT Indonesia Asahan Aluminium – no website Russian Aluminium (RusAl) SUAL Holding Inc. Sumitomo Chemical Company Ltd. Vale do Rio doce Alumínio S.A.</p>

4.3 Distribution analysis

By writing the distribution analysis we have to keep in mind that we are doing a distribution analysis on the *service* Transaf offers.

The ARBED steel group established Transaf. Since then, Transaf has been responsible for all ARBED's shipping. In this case, it's a direct channel. The ARBED Group has direct contact with Transaf without interference from any agents.

Although the ARBED Group companies are a major part of their client base, Transaf also operates as an independent forwarder. It is necessary for Transaf to have a good network of agents, as Transaf is an international company. If Transaf wants to start transporting other products, it is also useful to have a network of agents. In this type of indirect channel, clients can contact Transaf (and vice versa) directly or through an agent. For example, when a company is based in Belgium or in surrounding countries, they can enjoy direct contact with Transaf. However, for companies that are based in other continents, it's useful to have an agent.

Advantages of agents

- An agent has thorough knowledge of the trade laws/customs in a particular country.
- An agent has knowledge of a specific industry in a particular country.
- They are closer to the client, which is useful in case of problems.
- It's more efficient to have one or a few agents in one country, than to deal with all those different clients directly.
- An agent knows the culture and speaks the native language.

Currently, ARBED has a network of agents for steel. As Transaf is part of the ARBED Group, they can use those agents as well. Since aluminum and steel are closely related, those agents can also represent Transaf on the aluminum market. In case Transaf wants to transport other products, they should look for other agents besides the agents from the ARBED Group network.

4.4 Competitors Analysis

Competitors Analysis

4.4 Competitors analysis

In the competitor analysis, structure is very important. The weak points of a competitor might be an opportunity for Transaf. A competitor analysis consists of the following 5 points.

- Identification and choice of the competitors.
- Find the goals of the competitors.
- Find the strategies and evaluate the strategies of the competitors.
- Find the strong points of the competitors and the strong points of Transaf.
- Predict the strategy of the competitors for the future.

We asked Transaf about their competitors. Based on their experiences, Transaf thinks that Kuehne & Nagel, Danzas and Panalpina are their chief competitors.

We are going to discuss the goals, the strategies, and the strong and weak points per competitor on the following pages. We'll conclude with a chart comparing differences and similarities.

Kuehne & Nagel

This logistical company in Germany provides the following services:

Traditional Forwarding

- Time-defined services covering all Incoterms from EXW to DDP
- Consolidations
- Direct shipments
- Express services
- Sea/air services
- Customer tailor-made tracking and tracing solutions
- Internet tracking and tracing system
- Brokerage import and export
- Pickup and distribution services
- Bonded warehousing

Value-added services

- Pick-and-pack systems
- Packing and repackaging
- Labeling and invoicing
- Insurance services
- Round-the-clock special survey services
- Stock control
- Electronic data interchange
- Tailor-made IT solutions
- Bar-coding systems

Specialties

- Hanging garments
- Reefer services
- Perishables
- Implant solutions Outsourcing concepts
- Tailor-made integrated logistics solutions
- Supply chain management solutions

They offer different types of transportation:

Ocean freight

Their ocean freight philosophy is to meet the needs of their clients. Maximum flexibility and a convincing price-performance ratio make them market leaders in many trades around the world. They have won the Asian Freight Industry Award 10 times consecutively.

Air freight

They design and create dedicated and flexible systems tailored to the needs of the clients around the globe. Customer satisfaction is their aim.

- Worldwide Network
- High frequency to key data destinations
- Consolidation
- Charter services
- Sea/Air services
- Express services

Overland

They've recently started this new service. They offer daily connections throughout the continent with reduced transport times at economical rates.

Rail

–Management and project centers in Germany (Berlin, Hamburg) and Switzerland (Buchs).

–Over 50 rail centers in almost every European country.

–Over 40 terminals with direct–rail access.

Other services offered are:

EASY – Express Air Systems

EASY is a service center/network provider, featuring customer service with constant quality control of network development and operation, also backing up its own sales and marketing within Kuehne & Nagel.

In the international express freight market – in particular the heavyweight sector – EASY offers two main products: EASY Classic as a standard door–to–door express service, also possible as door–to–airport or airport–to–door. EASY Gold is the premium service, providing a variety of services. They offer transport insurance up to DEM 10,000 included; prepaid and collect without surcharge; performance guarantee; additional special services to fairs/exhibitions; dangerous and perishable goods; pickup and delivery beyond normal office hours and on weekends; same–day service and a world–wide onboard–courier service with 24–hour hotline. EASY Gold is one of the most flexible services on the market.

Results of Kuehne & Nagel

Despite 2001 being marked by economic setbacks and tragic events, the Kuehne & Nagel Group achieved excellent results. Unchanged, the Group remained on course for growth and continued its upward development. Versus the previous year, net income rose impressively by 27.5% to CHF 160.5 million. The high profit level achieved in 2000 was significantly exceeded in 2001, to which in particular the business field seafreight. The product range offered by the Kuehne & Nagel Group proved attractive. The company consolidated its leading position amongst the top logistics companies in seafreight and also maintained its position in the global airfreight business in spite of a noticeable general slowdown. In the field of European overland transportation especially the growth of the rail business, which is combined in the Ferroviasset Group, was highly satisfactory. Remarkable progress was achieved in implementing IT–based logistics solutions. The product Supply Chain Management, launched in 2000, was installed as a pilot service for key account customers and meets the growing interest from a number of potential users.

Seafreight

With shipping more than 850,000 TEUS Kuehne & Nagel increased the volume of the previous year by 7 percent and managed to confirm its leading position in the global seafreight business. Operational result (EBIT) improved by 13.7%.

Seafreight volume and container business

In 2001, Kuehne & Nagel were able to grow more than the market. The successful development of an extensive sales organization, including global key account management, and the widely accepted seafreight

products contributed to this remarkable achievement. Growth was realized not just on the traditional Transatlantic and Far East/Europe routes, but also on the Latin America and transpacific traffic lanes, where volume increased by 18 per cent each. In Europe, the Nordics and Eastern European companies achieved above average growth rates.

Product focus

The concentration on special product areas was pushed and recorded positive results. The growth of global transportation in the forestry products sector (paper, cellulose and timber) was significant. The volume of reefer containers and other goods requiring special temperature conditions has also increased. In 2001, a higher market share was achieved in providing freight forwarding and logistics services to international automobile manufacturers and their suppliers. Concentration on the industry segments high-tech and retail led to major new contracts.

Kuehne & Nagel offer companies from the oil and gas industry comprehensive logistics services far beyond traditional freight forwarding. In 2001, the already existing network of special oil and energy centers was expanded by further locations in Stavanger, Rotterdam and on Sachalin. The global presence of Kuehne & Nagel in particular meets the requirements of companies active in this sector and has led to a considerable number of contracts with major new customers.

The high-quality packing services for specific products and transport methods offered by Cargopack enabled the company to considerably increase the number of customers in 2001.

Performance seafreight 2001

Turnover CHF 3925900000

Gross profit CHF 531700000

Airfreight

In a year in which several crises were experienced, the strategy of close cooperation with selected carriers proved successful, permitting flexible use of cargo space and at the same time guaranteeing the best possible capacities for customers. Positive effects arose from the intensified focus on key accounts, which led to major contracts in the Europe, North America and Asia-Pacific triad.

Performance airfreight 2001

Turnover CHF 1984600000

Gross profit CHF 387200000

International Overland

In 2001, overland transport activities developed according to expectation. The European overland transportation business continued to be characterized by fierce competition with low-level margins. Despite a slight decline in turnover, the operational result (EBIT) could be kept stable. Positive developments were registered in the area of full truckload business, which was particularly forced in the Benelux countries.

Performance international overland 2001

Turnover CHF 472400000

Gross profit CHF 81400000

Rail

Kuehne & Nagel's rail activities expanded further in 2001. The Kuehne & Nagel organization attaches great importance to the development of rail transport. By integrating all rail activities in the Ferroviasset Group – a 100 per cent Kuehne & Nagel subsidiary – turnover and operative efficiency was again raised in 2001. Rail customers can now be offered integrated door-to-door logistics solutions throughout Europe.

Performance rail 2001

Turnover CHF 229500000

Gross profit CHF 21000000

Danzas

This logistical company is based in Basel, Switzerland and belongs to the Deutsche Post World Net. Danzas is the world's leading provider of logistics services that cover the entire supply chain – all from a single source.

They offer the following services:

Ocean freight

Danzas Ocean Freight is the regular scheduled standard service from Danzas Intercontinental for the transportation of ocean freight for customers who are shipping quantities that do not require a complete container (LCL = Less than Container Load). With its own offices in major ports and numerous inland terminals to handle international ocean freight, Danzas Ocean Freight covers all delivery terms as required by its customers and has easy to understand and competitive tariffs.

Airfreight

Airfreight is the Danzas international airfreight service that covers all delivery terms and has easy to understand and transparent tariffs. The service uses quality carriers and is able to provide regular status updates using the highly sophisticated Danzas Tracking & Tracing system that also enables general shipment monitoring and a quick response to schedule changes.

Road

40 specialized full-load centers in Europe manage the fleet of more than 2,000 transport units and provide combined transport and railcargo alternatives.

Eurapid/European Express Service

With more than 260 departures daily, Eurapid is an express freight system that extends over a network of 16 European countries. Eurapid offers door-to-door tariffs with guaranteed transit times as well as a tracking & tracing facility from shipment through to destination.

Euroconnect/European Groupage Service

The Euroconnect line-freight system has regular departures for destinations throughout Western Europe and a number of countries in Eastern Europe. This service offers the advantage of systematized traffic flows with

standardized processes and fixed transit times. Customers are able to follow the progress of consignments from departure to destination using the tracking & tracing facility.

Rail

Railcargo services provide rail transport of goods all over Europe. Special solutions are available for delicate or perishable cargo and included in the service are transport surveillance, advice, quality of services, information service, and transport engineering. Goods may be transported either by rail alone or using combined traffic as appropriate.

Results of Danzas

Under the umbrella of Deutsche Post World Net, Danzas has grown to become one of the world's leading providers of IT-supported logistics solutions. The integration of ASG, Nedlloyd ETD and AEI enabled it to expand its know-how, link the world markets efficiently, and build up a pan-European over-land transportation network. Danzas improved its offering by amplifying its intercontinental network through acquisitions in Latin America, Japan, the Philippines, Austria, etc. Furthermore, the European overland transport products were harmonized with the aim of offering a uniform standard all across Europe. Intensive collaboration between the Danzas Business Units and with the other Deutsche Post World Net Divisions creates competitive advantages for Danzas customers since they profit from genuine one-stop shopping.

The Danzas Group again reported higher sales and earnings in the last business year. Sales increased from euro 8,289 million in 2000 to euro 9,153 million in 2001. Earnings before interest, taxes and amortization (EBITA) increased from euro 113 million to \approx 159 million. Important contributors to these positive results were the successful integration of AEI and the synergies created by the previous integration of ASG and Nedlloyd ETD. But organic growth also played a significant role and was achieved thanks to the extensive worldwide network and continuous enlargement of the product range. Danzas now has 45,036 employees and is present in 150 countries.

Outlook for the year 2002

Danzas has staked-out clear goals. Having largely completed the integration of the previously acquired companies by the end of 2001, Danzas wants to focus even stronger on its customers and on winning new contracts. The projects initiated in 2001 for improving quality and the efficiency of processes will be pursued determinedly to offer an even better service. At the same time, costs will have to be optimized in view of the strong price pressure in both intercontinental business and European overland transportation. The high targets Danzas is setting for itself are based on the internal growth potential it holds. Its logistics offering is precisely tailored to the rising demand for global logistics solutions. Moreover, it can open up profitable possibilities for customers by intensifying collaboration within Deutsche Post World Net. Intercontinental and Eurocargo will keep on enlarging their multinational customer bases, while Solutions plans to expand its geographic presence to offer its logistics solutions on all continents.

A strength of Danzas is that clients profit from their ability to offer innovative global logistics solutions. These solutions are founded on extensive know-how accumulated over the years with respect to their broad product range, world-spanning network, and first-class IT. The products have to be combined in an optimal way and be adapted to individual requirements. Quality and highly professional advice are essential, too. This is what Danzas has been focusing on in order to generate extra added value for their customers.

Danzas Business Units

Danzas Solutions

By focusing on specific industries, Danzas Solutions has accumulated the know-how required to qualify as a recognized expert for integrated logistics solutions in its target industries, namely Automotive, Pharma/Healthcare, Electronics and Telecommunication, Fast Moving Consumer Goods, Fashion, and Chemicals. In 2001, Solutions concentrated on building up Competence Centers to bundle the technical know-how gained through acquisitions. The increased expertise enabled the Business Unit to expand its warehousing and transportation management activities sufficiently to develop comprehensive, best-practice logistics solutions for the individual industries. Automotive industry activities grew markedly.

Outlook

By focusing sharply on selected industries and pursuing its expansion strategy, Solutions is striving to establish itself as the leading provider of all-in logistics solutions worldwide. An extended product range, strong IT expertise and supply chain design give the Business Unit what it takes to meet changing requirements.

Danzas Intercontinental

Having successfully integrated Air Express International (AEI), Danzas AEI Intercontinental – the number 1 in air freight and one of the leading providers of ocean freight and project forwarding services – concentrated last year on improving the quality of its services. The expanded product line, efficient IT systems, and participation in Internet freight markets enable the Business Unit to offer customers even better and faster services.

The Business Unit looks back on a successful year. Net sales increased by 14.1% from euro 3,849 million in 2000 to euro 4,390 million in 2001. This was partly due to the addition of AEI business for the first full year, but the winning of important new contracts also played a major role. They also increased their market share.

Danzas AEI Intercontinental, the world number 1 in air freight, has improved its market position and now also belongs to the world's top three providers of ocean freight services. This improvement was achieved by being able to offer ocean shippers end-to-end data flows along with their goods flows, by standardizing processes, and by expanding the door-to-door services offering. Also setting its sights on first-class quality in air freight, Intercontinental has been accredited for the Cargo 2000 Program, which sets standards and benchmarks for the air freight business. In addition, participation in Internet-based air and ocean freight markets improved procedures and transparency – thus raising the level of services yet again. By taking over and integrating a number of former AEI agents and joint ventures, Intercontinental succeeded in safeguarding existing business and local know-how. Main targets of the expansion strategy were Latin America and Eastern Europe, the latter having been achieved through the acquisition of the Austrian Cargoplan/Cargoline Group. In the project forward-in field, Intercontinental strengthened its position in the Middle East and intensified contacts in Russia.

Outlook

Intercontinental expects the world economy to remain weak in the first half of 2002.

Nevertheless it strives to grow faster than the market as a whole over the entire year. Consistent cost management, expansion of the network structure in potential growth markets in Eastern Europe, India, and China, and reorientation of sales structures for major global accounts, will contribute to the achievement of the Business Unit's goal. Furthermore, it keeps on enhancing its services: Cargo Management Services, which allow customers to oversee and control the supply chain in line with demand will be fully integrated into ocean freight operations. One of Intercontinental's strategic goals is consolidation and expansion of the position as market leader.

Danzas Eurocargo

Having established a dense network covering all of Europe, Danzas Eurocargo concentrated on its optimization in 2001. Processes and products were harmonized: together with Deutsche Post Euro Express, Eurocargo now covers all weight classes, and the existing pan-European network for groupage consignments is being supplemented by a full-load network.

Danzas Eurocargo succeeded in increasing its turnover despite intense competition and pressure on prices. Net sales rose by 2.2% from ₣ 3,225 million in 2000 to ₣ 3,295 million in 2001. Important new contracts were won on the basis of the tightly knit network, broad product range, and high service standards. Improved productivity generated by network optimization also contributed to the positive results.

Product range underpins leading market position

Processes and products were harmonized with the aim of offering customers across Europe a standardized range of high-quality products. The development of an IT strategy for interlinking the systems and applications of the acquired companies to form a smoothly functioning IT network made a strong contribution to this improvement and offers potential for further optimization. Eurocargo is currently developing the structures, systems and processes needed to facilitate central control and optimization of all of the transport capacities deployed. Jointly with railway companies and intermodal operators, Eurocargo is developing innovative solutions to achieve the urgently needed shift of freight flows from road to rail.

Outlook

Recognizing that a consistently high level of services is the key to success in the heavily fragmented European overland transport business, Eurocargo will forge ahead with the processes initiated in 2001. Service levels will be improved. Eurocargo has set ambitious goals for full-load operations: the pan-European network is scheduled to be up and running by the end of 2002. Frequent road backups and accidents in the past year displayed the fragility of the transportation system. As a leading carrier, Eurocargo intends to play a more active role in achieving reliable transportation systems and influencing transport policy. It will cooperate with other carriers to encourage the shifting of freight to the railways.

Panalpina

Panalpina World Transport (Holding) Ltd. is registered in Basel, Switzerland. The Panalpina Group has over 300 branches in 74 countries, and employs around 12,000 people worldwide.

Airfreight

Normally they use leading airlines to transport the products. Any gaps in these networks are filled by ASB Air services.

Services offered by Panalpina:

- Total supply chain management
- Door-to-door service
- Time-definite services
- Digital integration with customs systems (selected countries)
- Airplane chartering
- Project forwarding
- Tracking and tracing of airfreight shipments.

Seafreight

Panalpina offers a reliable global container network through fixed, long-term agreements with leading seafreight carriers. They also have slot charter agreements in place for short-term bookings and general load capacity permanently reserved on vessels worldwide.

They do not operate the ships themselves, but work with reputable shipping lines to ensure capacity management at optimum rates. They also offer services on specialist vessels for consignments that are too large, or not suitable for container transport.

Supply Chain Network

Panalpina has years of experience in designing and managing complete business-to-business logistic networks worldwide.

Tailored solutions

- Optimization of interfaces
- Coordination of global cargo flows
- Procurement and vendor management
- Management of intercontinental connections
- Just-in-time and Just-in-sequence deliveries
- Value-add services, such as insurance and customs brokerage
- PanTrace, a system available on the website that allows the tracking and tracing of consignments at shipment level.

They also offer fully integrated Purchase Order Management through Electronic Data Interchange (EDI). Panalpina's strength is its network of people spread throughout the world.

Panprojects

They're active worldwide, working with a range of industries. These include oil and energy, mining, power construction, manufacturing and civil engineering.

On & offshore services

Full agency services for on & offshore drilling rigs, barges, and specialist vessels (seismic, diving, supply, anchor handling and utility vessels).

- All oil industry transport needs including crew assistance, labor contracting, office support, and staff support
- Integrated door-to-door transport including materials, parts and provisions
- Long-haul shipment of entire on & offshore drilling rigs
- Additional services including, for example: mayday shipment of B.O.P. delivered offshore, or packing and removal of household items

- Insurance program

Results of Panalpina

Panalpina has produced a set of good results for financial year 2001. This was due primarily to above-average growth in the core airfreight and seafreight sectors, a rigorous approach to centralized capacity management and a further reduction in transaction costs by means of process optimization. Panalpina succeeded in raising its gross profit by 7.7% to CHF 1,280 million. The net revenue is CHF 5,386 million. This is an increase of 0.2%

The growth achieved in the core airfreight and seafreight business areas in 2001 strengthened Panalpina`s position as one of the leading providers worldwide in this market segment. There was a similar expansion in the logistics services offered as part of their global forwarding concepts. Integrated logistics solutions are, however, reserved exclusively for major clients in the core industries and are not provided for all client groups.

Significant growth in seafreight, which took the volume of freight shipped to 550,000 TEU (Twenty Foot Equivalent Units), can be ascribed mainly to continuing growth in volumes on routes between Asia and Europe.

At the same time some customers in certain segments switched over from airfreight to seafreight. This has resulted in an overall drop in demand for airfreight services, although Panalpina was still able to maintain its position. Thanks to the in-house carriers in both segments we were able to react rapidly and efficiently to the changed market environment.

Outlook for 2002

A systematic focus on core competencies, a customer-focused regional management structure and further optimization of processes form a sound basis for producing another good set of business results. Despite an indifferent economic outlook, Panalpina is thus confident that it can repeat its 2001 results. The strategic direction is clearly focused on strengthening their position as a global player in the core business, and they have created the necessary framework for doing so. They also envisage certain supplementary realignments, possibly in the form of acquisitions, especially in regions where they are not yet so strongly represented. Earnings quality and the strategic fit are more important.

Conclusion

Based on the information given in the previous pages and the annual reports from the competitors and Transaf we have made the following table. Its aim is to make clear the differences and the similarities of the companies.

	TRANSAF	KUHNE & NAGEL	DANZAS	PANALPINA
Ocean freight	yes	yes	yes	yes
Air freight		yes	yes	yes
road freight	yes	yes	yes	
Rail freight		yes	yes	
Tracing system	yes	yes	yes	yes
EXW => DDP	door-to-door and port-to-port	EXW to DDP	EXW to DDP	door-to-door
Insurance	yes	yes	yes	yes
Chartering (LCL)	yes	yes	yes	yes
Agency	yes			yes
Distribution	yes	yes	yes	yes
Customs clearance	yes		yes	
Numbers of employees		17412	45036	12000
Turnover	3105419 euros	8435 million CHF	9153 million euros	6750 million CHF
Profit	77399 euros	1727 million CHF		1280 million CHF

			EBITA 159 million euros	
Transported quantities	2,2 million tons of steel is being transported	850000 TEU's*	736000 TEU's*	550000 TEU's*

* TEU's = Twenty foot equivalent Units

To conclude, we can say that Kuehne & Nagel is a serious competitor of Transaf. Kuehne & Nagel offer seafreight, airfreight and railfreight. They've recently started to offer roadfreight. The business field seafreight was in particular very successful. Kuehne & Nagel have a leading position in the global seafreight business. They are positive about their focus on special product areas. They focus on forestry products (like paper, cellulose and timber), reefer containers, other good requiring special temperature conditions, international automobile manufacturers and their suppliers, industry segments high-tech and retail and heavy lifts. Kuehne & Nagel offers the oil & gas industry comprehensive logistic services.

Danzas offers sea, air, road and railfreight. Danzas has a worldwide network and competent teams. Danzas is the number 1 in airfreight and one of the leading providers of oceanfreight. Also, Danzas is the leader in European land transportation. Danzas focus more strongly on automotive industry, pharma/healthcare industry, electronic and telecommunication industry, fast-moving consumer goods industry, fashion industry and the chemical industry.

Panalpina offers seafreight and airfreight. Panalpina's strength is its network of people spread throughout the world, which combine local knowledge with a global outlook. Panalpina is active in the oil and energy industry, mining, power construction, manufacturing and civil engineering.

Transaf is specialized in transport over sea and they transport also over land. The other companies are also specialized in transport over air, land and some also by rail. The services that they offer have large similarities. The competitors of Transaf are all specialized in more than one industry.

5 Questionnaire

5.1 Results of the questionnaire

- How did you get to know Transaf?

100% of the companies which responded are part of the ARBED group.

- Does Transaf offer enough services?

62.5 % yes

0 % no

37.5 % unanswered

- and 5. Which of the following services do the companies use and what do they think of the quality? 1 – very bad ; 5 very good

Companies	Cargo tracking module	Vessel selection	Freight negotiation	Port-handeling & Supervision	Storage	Collection & distribution	Insurance	Preparation customs
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ARES	5	4	4	4	5	5	5	5
Europrofil	4				3			
ProfilArbed Luxembourg		4		5	4			
Trade Arbed UK	4	3	3	4	4	4	4	3
Trade Arbed Export S.A		4	3	4	2		4	3
ISPC		5	5	5	5		5	5
Trade Arbed NY	3							
ProfilArbed		4	4	4	4			4

• If you have given a low mark, what do you like to be changed?

- Reliability of the information.
- Frequent updates
- In several cases instead of discussing the group solution, they take the solutions themselves
- Did you know all the services Transaf offers?

Companies	Yes	No
ARES	x	
Europrofil		x
ProfilArbed		x
Trade Arbed UK	x	
Trade Arbed Export S.A		x
ISPC	x	
Trade Arbed NY	x	
ProfilArbed	x	
TOTAL	62.5 %	37.5 %

7. In case you aren't totally satisfied with the services offered, why aren't you satisfied?

Companies	Why aren't you satisfied?	Improvements?
Trade Arbed UK	Sometimes there are not enough people/time to deal with queries ie short-staffed	
ARES		<ul style="list-style-type: none"> – To be the nearest possible from the works to have the best group margin – To try to make a maximum CIF and to explain to vendors to replace FOB by CIF

- In your opinion what makes Transaf different from other logistical companies? In other words, why have you chosen Transaf?

Most of these companies are part of the ARBED group, so automatically Transaf takes care of their shipments. They have no comparison with other logistical companies because they have always used

Transaf.

Strengths according to the clients:

- ◊ Immediate and direct answers to all questions asked.
- ◊ Cargo Tracking Module
- ◊ Personal relationship that allow to handle problems easily.
- What do you think of the price–quality ratio?

25 % good

25 % reasonable

12.5 % bad

37.5 % unanswered

- If Transaf could transport other products, would you use it?

25 % yes

25 % no

50 % unanswered

Some of the clients have already all their products transported by Transaf. Some of the companies don't produce other products. If they say this we count them as unanswered.

- Would you order your shipments online?

37.5 % yes

12.5 % no

50 % unanswered

5.2 Conclusion of the Questionnaire

Due to miscommunication in the group and the holidays, the questionnaire was sent out 2 weeks late. Mr Oyen tried to help us by sending an email to his clients with the request to send the answers back as soon as possible. Unfortunately we only received 8 questionnaires in total and even the questionnaires we received weren't fully filled in. Therefore the results of the questionnaire aren't very representative. The questionnaire wasn't really essential for writing the report, so it was more meant as an extra aspect to get to know the wishes of the clients better.

All the clients who answered the questionnaire are from the ARBED group. We know 95% of the client of Transaf are from the ARBED group, so this was no surprise.

62.5% of the clients knew all services that Transaf offers, so this could be improved by sending the clients more information about Transaf. 62.5% of the clients thinks that Transaf offers enough services.

As can be seen in the table of question 3 and 5, not everybody uses all the services offered by Transaf. This might be because they don't know all the services of Transaf or because they simply don't need those services. On average the clients think that the quality of the services are good.

TradeARBED U.K. thinks that Transaf is short-staffed. But other companies say that Transaf handles their problems fast and satisfactory. Only ARES has given an advice on possible improvements. Unfortunately this was not written in a clear way. According to the clients the strenghts of Transaf are:

- ◇ Immediate and direct answers to all questions asked.
- ◇ Cargo Tracking Module
- ◇ Personal relationship that allow to handle problems easily.

25% of the clients think that the price/quality ratio is good. Also 25% of the clients think that the price/quality ratio is reasonable and 12,5 % thinks that the price/quality ratio is bad.

Most of Transaf's clients produce only steel, so for them it's not interesting to let Transaf transport other products.

If Transaf would offer the possibility of ordering the shipments online 37.5% of the clients would use this service. 12.5% of the clients is satisfied with the way they order their shipments right now.

6 Final Advice

We were asked to research the possibility of entering new markets (other than the steel industry). Also we were asked to find ways for expansion for Transaf.

We did a lot of research and we decided the best option for Transaf is to enter the aluminium industry. During our research we found out that the aluminium market is a big and profitable industry. Transaf is known for their good expertise in transporting steel and steel related products. As aluminium is closely related to steel, it is easy for Transaf to gain expertise in the aluminium industry as well. These two factors combined show that entering the aluminium market is a good option.

The best way to enter the aluminium market is by advertising in metal magazines. Also mouth-to-mouth promotion is very important. Transaf should contact agents in the aluminium industry. Agents could offer a good possibility of attracting new clients, because agents have good knowledge of the aluminium industry in that particular country. Eventhough aluminium and steel are closely related, before entering the aluminium market Transaf should check the differences (customs) between steel and aluminium. In the consumer analysis we listed the main aluminium producers, which Transaf could contact.

Also we were asked to find ways for expansion. During the research of the competitors of Transaf we found out that they offer more means of transportation. We think it is a good idea for Transaf to also offer transportation by air, rail and overland. By offering more means of transportation Transaf can reach more potential clients. By this form of expansion agents could play an important role. They could inform potential clients about the different means of transportation Transaf offers. We think it is a good idea to inform the clients and the potential clients about the services and the new services of Transaf. The more they know about Transaf the better.

To conclude, Transaf should focus on their expertise. This is one of their strongest points. Eventhough they want to enter a new market they still have to offer the best service to their current clients. For a logistical company it is important to offer good customer service. It is highly valued by clients if their questions/queries are treated immediately, so Transaf should pay attention to this.

7 Resources & Research methods

For more detailed information about the resources and research methods we refer to the Europe Calling file and the justification of research methods.

Desk Research

- ◆ the Chambers of Minerals and Energy of Western Australia: www.mineralswa.asn.au
- ◆ Het Aluminium Centrum(nl): www.aluminium-info.nl
- ◆ The Aluminium Association: www.aluminium.org
- ◆ Diverse aluminiumverwerkende bedrijven
- ◆ www.worldmetal.com
- ◆ www.alunet.net
- ◆ www.world-aluminium.org
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Field Research

- ◆ Visit Transaf
- ◆ Chamber of commerce
- ◆ Visit BUVOHA
- ◆ Mr. Oyen
- ◆ Mr Veldman
- ◆ EVD (Export Voorlichtings Dienst)

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- ◆ Metal Union
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◆ **ARBED group**

Sidmar : flat products

Stahlwerke Thüringen : steel sections

Profil Arbed

Europrofil : sales & marketing structural sections.

ISPC : sales & marketing steel sheet and h bearing piles

Ares : light long products producer

Tradeared: **selling steel products**

ALZ : stainless steel

Trefilarbed: sourcing & marketing steel products

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