

Session 6

Marketing Strategies through the Ages

PORT DEVELOPMENT AND COMPETITIVENESS

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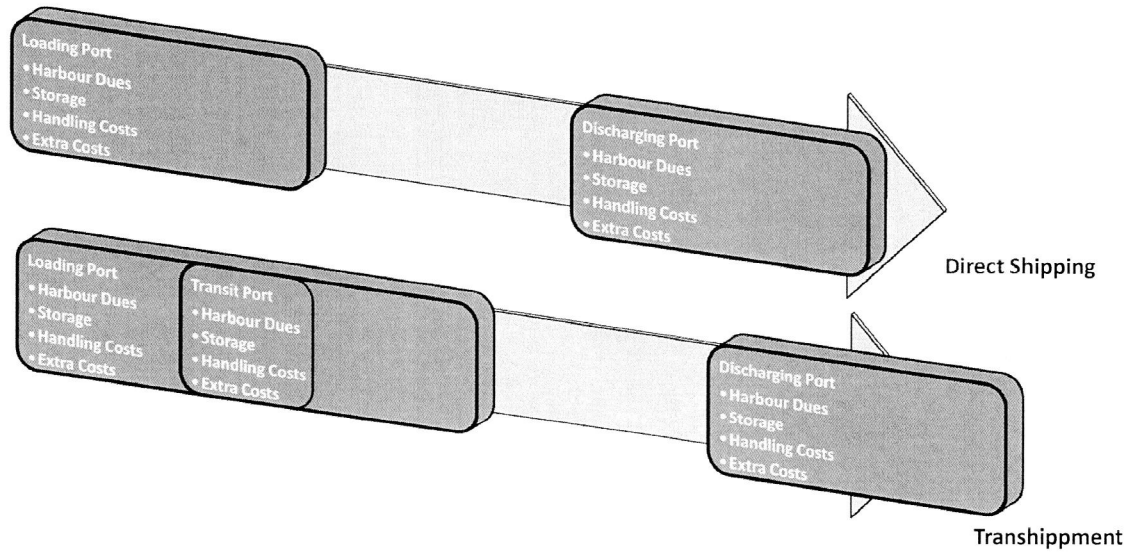
Marketing Strategies through the ages

Speaker: *Mr. Teo Woon Hun*

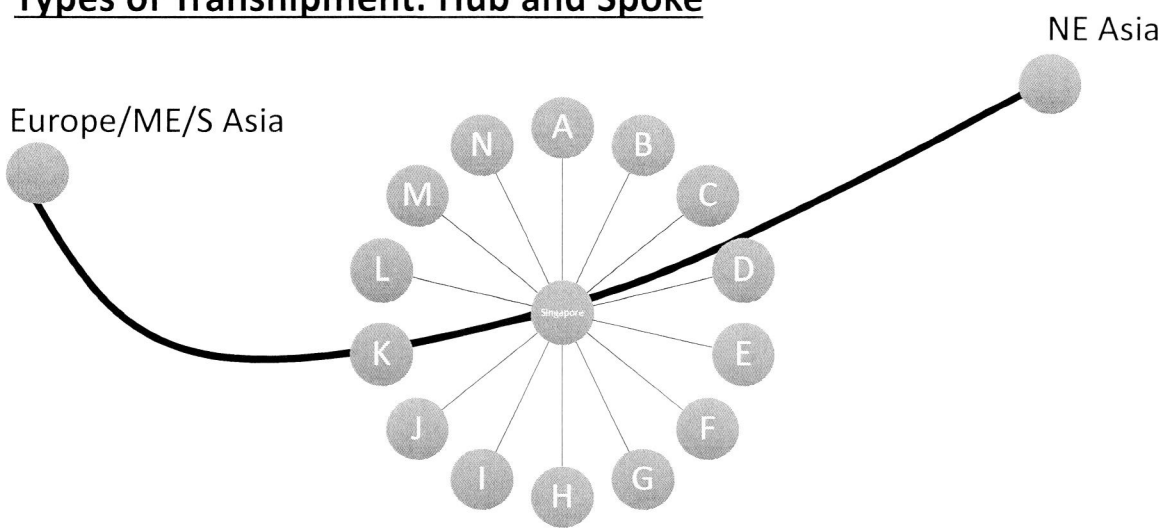
Outline



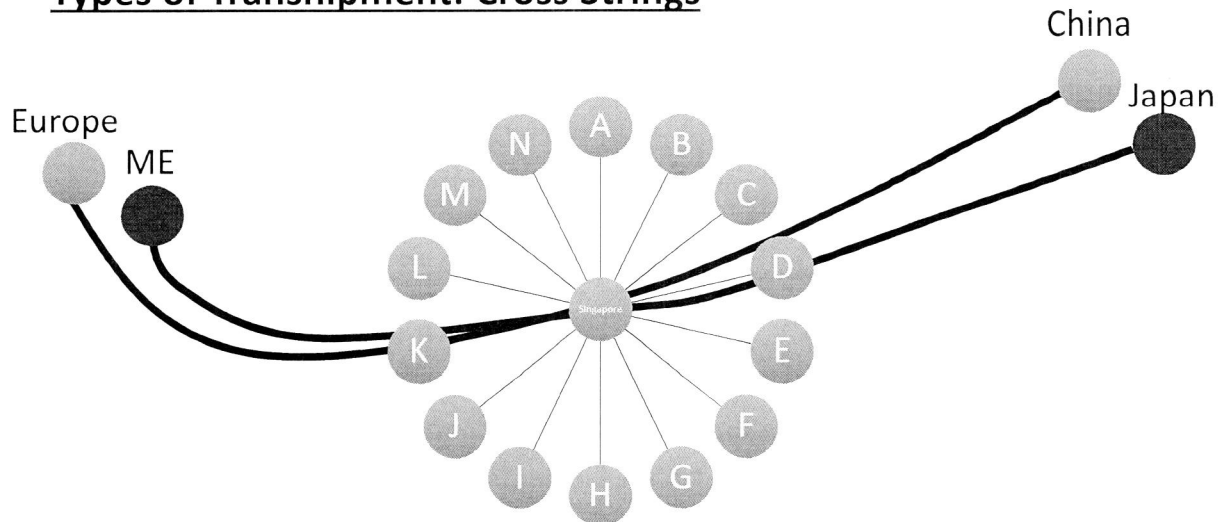
Pricing: Main Challenge of Transshipment Ports



Types of Transshipment: Hub and Spoke



Types of Transshipment: Cross Strings



Pricing Policies

- Segmented pricing for different categories of cargoes :
 - local vs transshipment,
 - GP boxes vs special cargoes,
 - higher price rebates for transshipment boxes on new services calling Singapore,
- Encourage hubbing in Singapore with volume discounts, priority berthing, extended free storage etc..
- Joint Ventures with major shipping lines: MSC-PSA, Cosco-PSA, CGM-PSA, PIL-PSA, NYK Kline-PSA (car transshipment), more ventures expected.

Product

- Mainly Transshipment.
- Other products offered by Singapore Ports are supplementary & help to cement our position as a global port and logistics hub.
 - Local FCL, LCL Cargoes
 - Car Carrier & RORO Operations
 - ChemCare, ReeferCare, BoxCare: Reefers, ISOTanks, Project Cargoes.
 - Container Freight Station (CFS) at Keppel Distripark
 - JP Services: Cement, Sugar, other conventional and bulk cargoes
 - Cruise Centre: Ferry Services to regional Ports, Luxury Cruises.

Place

- Externally – enough said...
- Internally
 - Traditional an established major port (we did not start from scratch..as a port.
 - Singapore pro-business environment is contributing to the success of the port.
 - Constantly keeping up with global business trends and development
 - Strong government support in policies relating to port. Eg, Inter-gateway haulage for transshipment boxes, investments & land allocation for port development.

Promotion

- Strong anchor feeders in Singapore promoting shipping through Singapore :
The feeders are our Marketing
- Key Customers Managers assigned to take care of Terminal Managers for major shipping lines/alliance.
- Participate and winning in Global Ranking Awards
- Achieving Operational Records such as Vessel Rate, Crane Rate, handling the latest largest containership.

People Factor

- Stable Port-Union Relationship: Zero Labour strikes since 1960s
- Established Training Processes and Roadmaps for employees especially for the specialised functions such as Engineering, IT and Operations.
- Better Talent Retention Rate: Salary, Interesting Job challenges with internal rotations, Port industry is niche and therefore, more difficult to job hop.
- Build and manage endearing company culture

People: Company Culture

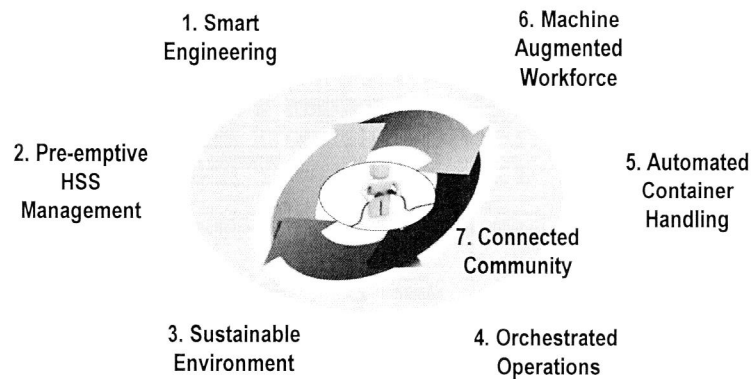
- Alignment of Company towards achieving its vision, mission and goals
- Maintain high employee motivation and loyalty
- Increase team cohesiveness amongst company various departments and divisions
- Promoting consistency and encouraging coordination and control within the company
- Shaping employee behaviour at work, enabling the organisation to be more efficient

Processes: From 14,000 boxes in 1972 to a 30-million TEUs Megaport

- **Training** : PSA Training Institute was setup providing operational, technical and management training to thousands of employees recruited during this period.
- **Skills development** : Structured On-the-Job training was provided to operations and maintenance personnel.
- **Exploiting IT and new technologies** : of IT Engineers and IT personnel tested and implemented state-of-the-art systems and equipment. The implementation of Portnet and CITOS are two major development in PSA that has supported their continuous growth during this period.
- **Continuous improvement and standardisation of processes** : Processes are standardised and improved to optimised operations efficiency amidst increasingly complicated operations due to better ports connectivity and larger ships.

Physical Facilities

- Container Capacity – 50 m TEUs 2017 to 65 m TEUs in 2040
- Container Handling Equipment – From 223 QCs & other best available equipment to a network of systems connecting all equipment and systems into a community



Mother-of-all-Marketing Strategy for a Transshipment Hub port

**LOW
COST**

Discussion 3

The possible marketing and pricing policies to be adopted for the participant's ports as compared to Singapore and the challenges faced?

Question?

BAGGING WINS IN 2015

Lloyd's List Asia Awards



PSA International received the "Terminal Operator Award" for the 14th time at the Lloyd's List Asia Awards held in Singapore on 28 October 2015. PSA's drive towards establishing Centres of Expertise (CoE) to spur technological innovation was cited as a key reason for its win.

Mr Ong Kim Pong, Regional CEO Southeast Asia, received the award on behalf of PSA, and expressed heartfelt thanks and acknowledgement to the larger team effort that made this award possible.

The Lloyd's List Asia Awards was initiated in 1998 to celebrate excellence and recognise achievements in the regional maritime industry. Winners are assessed and chosen by an independent panel of judges drawn from the top echelon of Asia's maritime community.

Congratulations to all in the PSA family – this achievement would not have been possible without the hard work and concerted effort of all our staff, unions and management!

Supply Chain Asia Awards

PSA Singapore Terminals' (ST) performance in 2014 was recognised with the "Sea Port Operator of the Year" award at the 2015 Supply Chain Asia (SCA) Awards held in Singapore on 19 November 2015.

This is the eighth year that PSA ST is receiving an award from SCA which seeks to honour organisations that have made a difference to business and economic development in the region and globally.

Supply Chain Asia is a non-profit professional body that brings together professionals from the logistics and supply chain industry. The community seeks to promote innovation, share knowledge, and create opportunities for learning and collaboration. ▲



From MLO + feeder using common-user berths to appropriated home berths.

- Up to 2003, PSA operates their terminals as common-user terminals.
- In 2003, Cosco-PSA (CPT) opens in Pasir Panjang Terminal (PPT) with 6 STS Cranes
- In 2005, MSC-PSA (MPT) opens in PPT with 6 STS Cranes
- In 2006, NYK-L-line operates dedicated car terminal in PPT
- In 2017, CPT setting up 3 mega berths in PPT phase 3&4
- In 2017, setup JV with CMA-CGM to use 4 mega container berth in PPT phase 3 & 4.
- Tying down shipping lines in Singapore with investments in terminal assets would help to stabilise cargo volumes.
- It also promotes greater communication between PSA and the shipping lines on marketing information, operations planning and scheduling and working behaviour