



Freight transports and the Market Challenges for Achieving Sustainable Mobility

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Freight transports in Europe

- Strong demand for freight transports, despite recession
- Road transports grow steadily
- Policy side: eg. to internalize the external costs for each mode of transport
- Market side:
 - demand: shift in demand for environmentally better transport services
 - supply: new initiatives



Competitiveness of an industry (Porter & Van der Linde 1996)

Before: access to inputs (capital, labor, energy, raw materials)

Now: Using resources more productively or by making products that are considered more valuable to customers (and thus willing to pay more)

Conclusion: how an industry responds to environmental problems may be a leading indicator of its overall competitiveness

How is the competitiveness of the freight transport industry?



Purpose

To identify the challenges facing the transport providers based on changes in the demand concerning environmental aspects,

but also the *opportunities* for these transport providers that are proactive.

Method

- Combination of qualitative and quantitative data (selection from PhD-thesis 2007).
- Experience from the research area since year 2000.



Literature over-view

Development of environmental management in companies

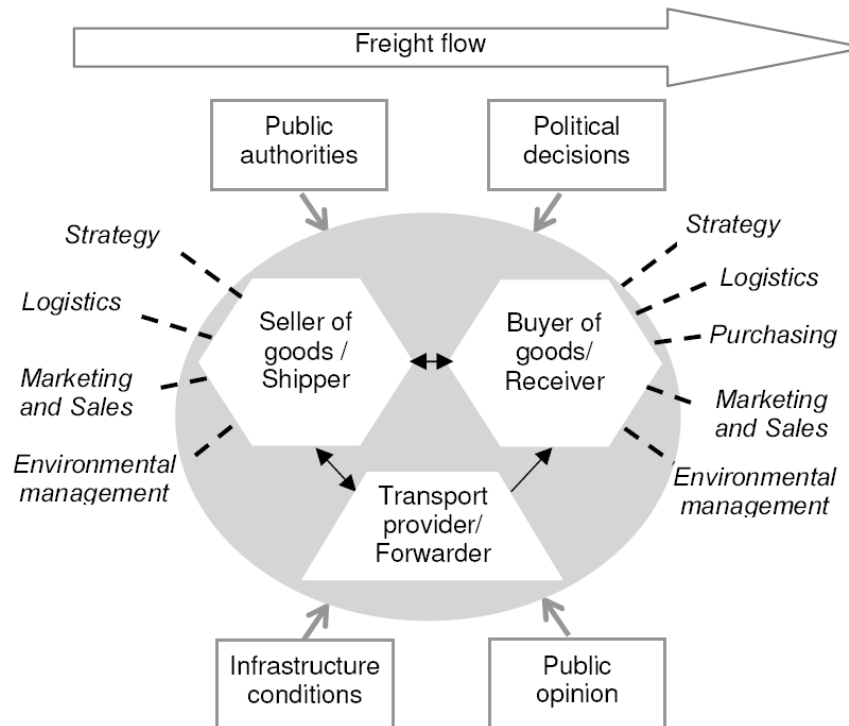
- ✓ From regulatory environmentalism to proactive CSR
- ✓ "Green" similar to established theories, but complex
- ✓ Corporate Environmental Policy, C.E.Report, Environmental Management Systems, Eco-labeling, LCA....

Business logistics and the environment

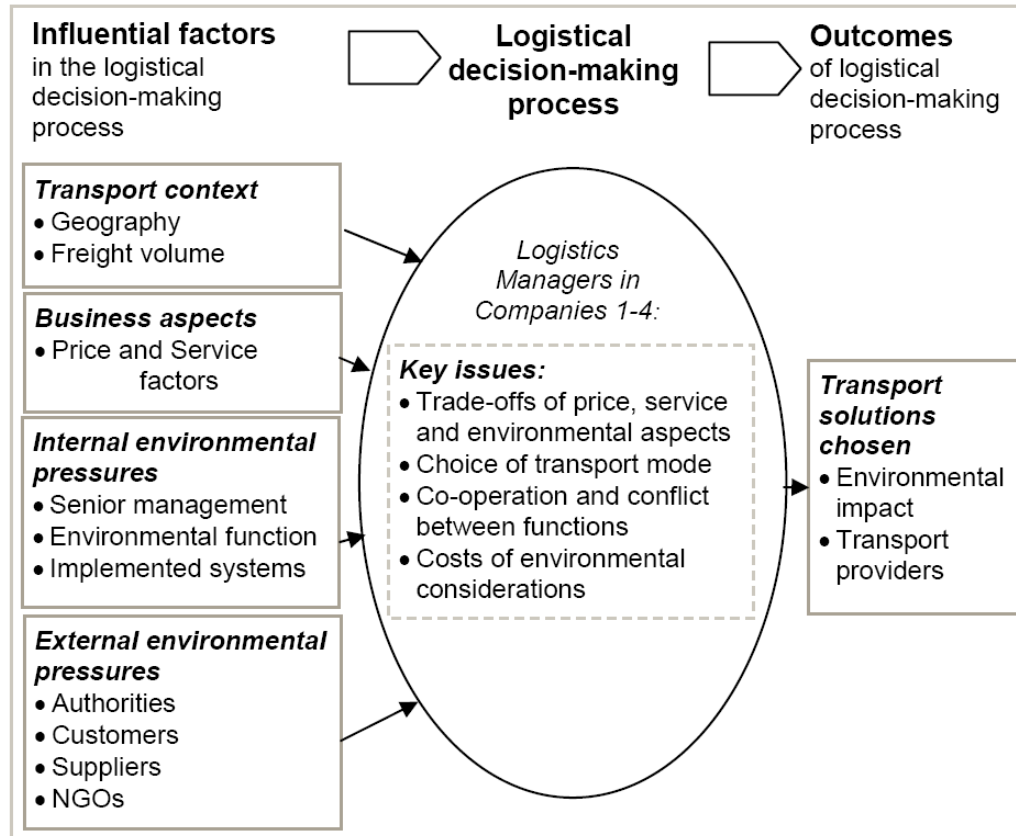
- ✓ Diminishing the environmental impact:
 - a) reducing the need,
 - b) using environmentally better modes of transports,
 - c) minimizing the environmental impact of every mode of transport
- ✓ Carbon abatement measures targeted on modal choice, vehicle fill and fuel efficiency are likely more effective than policy measures to contain the CO₂ emissions from freight transports (McKinnon 2008)
 - Reason? saves money and improves competitiveness



1 Analysis of actor and sources of influence



2 Environmental considerations in freight transports at the shippers





Examples among shippers (the demand side):

- ✓ **SYSTOLE**: a tool to procure more sustainable transports, by 6 major buyers of transports in Sweden + the Swedish Road Administration
- ✓ **Clean Shipping Criteria**: launched in 2008, 12 of Sweden largest importer/exporters, 77 of the world's largest shipping operators, 20 factors, now working with certification process
- ✓ **Network for Transport and Environment**: Since 1993 a NGO, voluntary, emission calculations, on-line tool
- ✓ **Freight Best Practice**: Department of transport in UK, free online info, bench-marking, CO₂ Emissions Inventory Tool



3 Environmental considerations in freight transports at the transport forwarders

Responses rely on the demand:

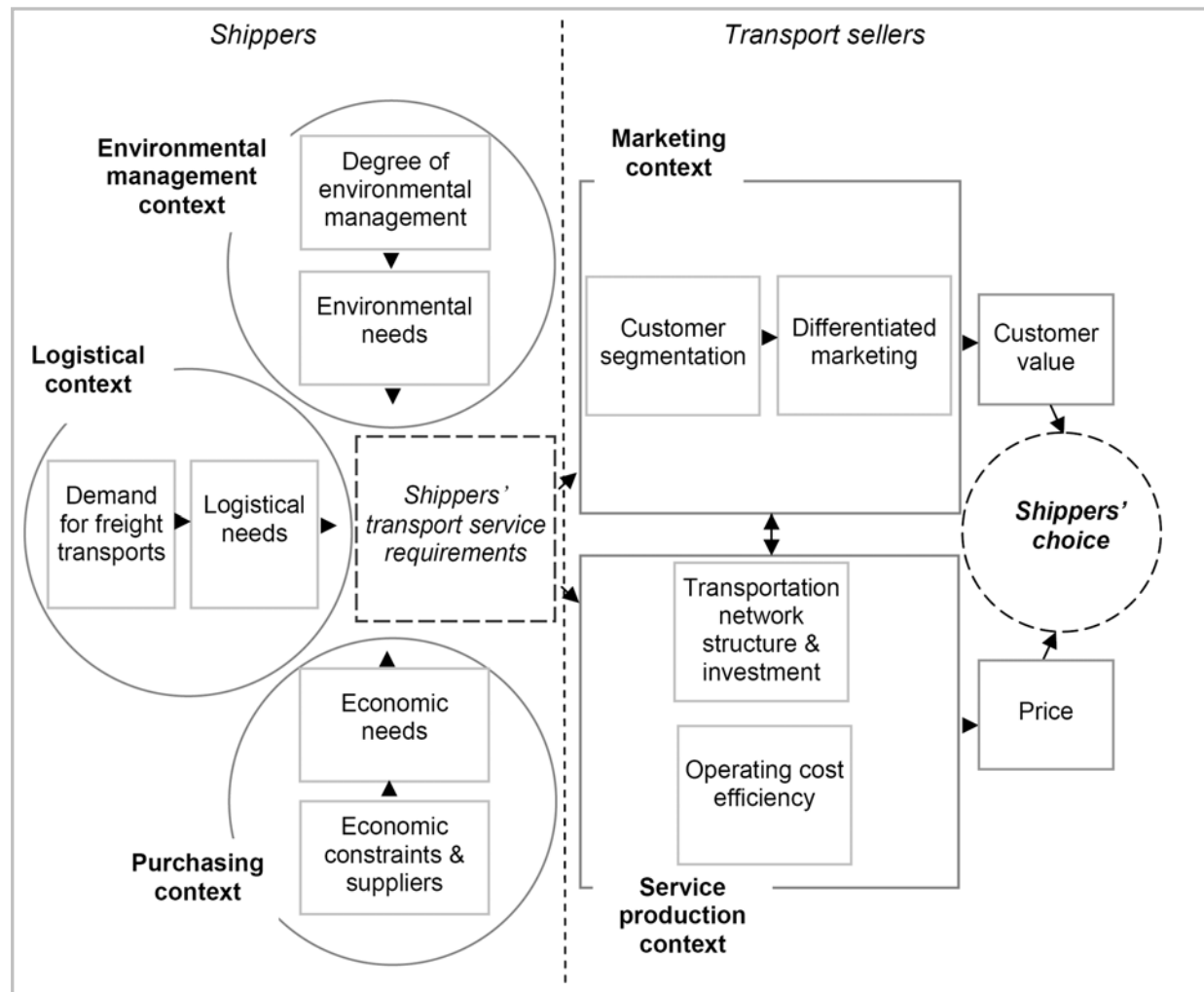
✓ ***Environmental practices***

✓ ***Valuation of environmental aspects*** Extensive survey:

✓ ***Influence processes***

✓ ***Marketing context***

Source: Survey in Sweden 2003 with 567 shippers (response rate 49%).
Target group: manufacturing and wholesale companies with outbound transports >150 kms.



Source: Lammgård (2007)

“The Environmental Perspectives on Marketing of Freight Transports-The Intermodal Road-Rail Case



Examples among transport providers (the supply side):

- ✓ **DHL:** the GOGREEN service
- ✓ **DSV:** the DSV Eco service
- ✓ **Schenker:** Collaboration in the transport sector launched in 2006



Key challenges for the freight transport industry

- ✓ Reduce the need for transport
- ✓ Use the infrastructure more efficiently
- ✓ Use the resources more efficiently
- ✓ The problem of city-distribution
- ✓ Inter-organisational cooperation
- ✓ Standardization for measuring environmental performance
- ✓ Development of value-added services



The role of CO₂ in the transport industry:

- ✓ How effective are the market mechanisms?
- ✓ Will the development of effective, environmentally better transport accelerate? If so: fast enough?
- ✓ If not, probably policy interventions
- ✓ Transfer of experience between countries?



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Environmental Perspectives on
Marketing of Freight Transports

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