

# UNCTAD MONOGRAPHS ON PORT MANAGEMENT

*A series of monographs prepared for UNCTAD in collaboration  
with the International Association of Ports and Harbors (IAPH)*

**12**

## **Marketing Promotion Tools for Ports**

*by*

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**UNITED NATIONS**  
New York and Geneva, 1995

## NOTE

The views expressed in this monograph are those of the author and do not necessarily reflect those of the United Nations. The designations employed and the presentation of the materials in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

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UNCTAD/SHIP/494(12)

## INTRODUCTION TO THE SERIES

UNCTAD has been cooperating with the International Association of Ports and Harbors (IAPH) for many years in various fields, and in particular in the production, translation and distribution throughout the world of technical papers in the form of **Monographs** which help contribute to the development of the management skills needed for the efficient operation of ports in developing countries.

As a result of UNCTAD VIII, new developments have taken place in UNCTAD which have resulted in the adoption of a new work programme in the ports field. It is worth emphasizing that the previous objective of improving the efficiency of ports, on which the UNCTAD/IAPH monograph scheme was based upon, was reaffirmed.

The UNCTAD secretariat is therefore pleased to continue cooperating with IAPH in producing monographs where the practical experience gained by a specific port or individuals is presented for the benefit of the international port community. Such a scheme supplements the other research, training and technical cooperation activities carried out by the UNCTAD secretariat with the objective of fostering competitive maritime and international transport services, strengthening capacities for trade and promoting international cooperation and exchange of expertise. We would like to thank the authors for their contribution to these monographs, all of which have been made on a voluntary basis.

Carlos Fortin  
Officer-in-charge  
of UNCTAD

## FOREWORD

When UNCTAD first decided to seek the co-operation of the International Association of Ports and Harbors in producing monographs on port management, the idea was enthusiastically welcomed as a further step forward in the provision of information to managers from ports in developing countries. The preparation of monographs through the IAPH Committee on International Port Development has drawn on the resources of IAPH member ports to record, for the benefit of others, the experience and lessons learnt in reaching current levels of port technology and management. In addition, valuable assistance has been given by senior management in ports of developing countries in assessing the value of the monographs at the drafting stage.

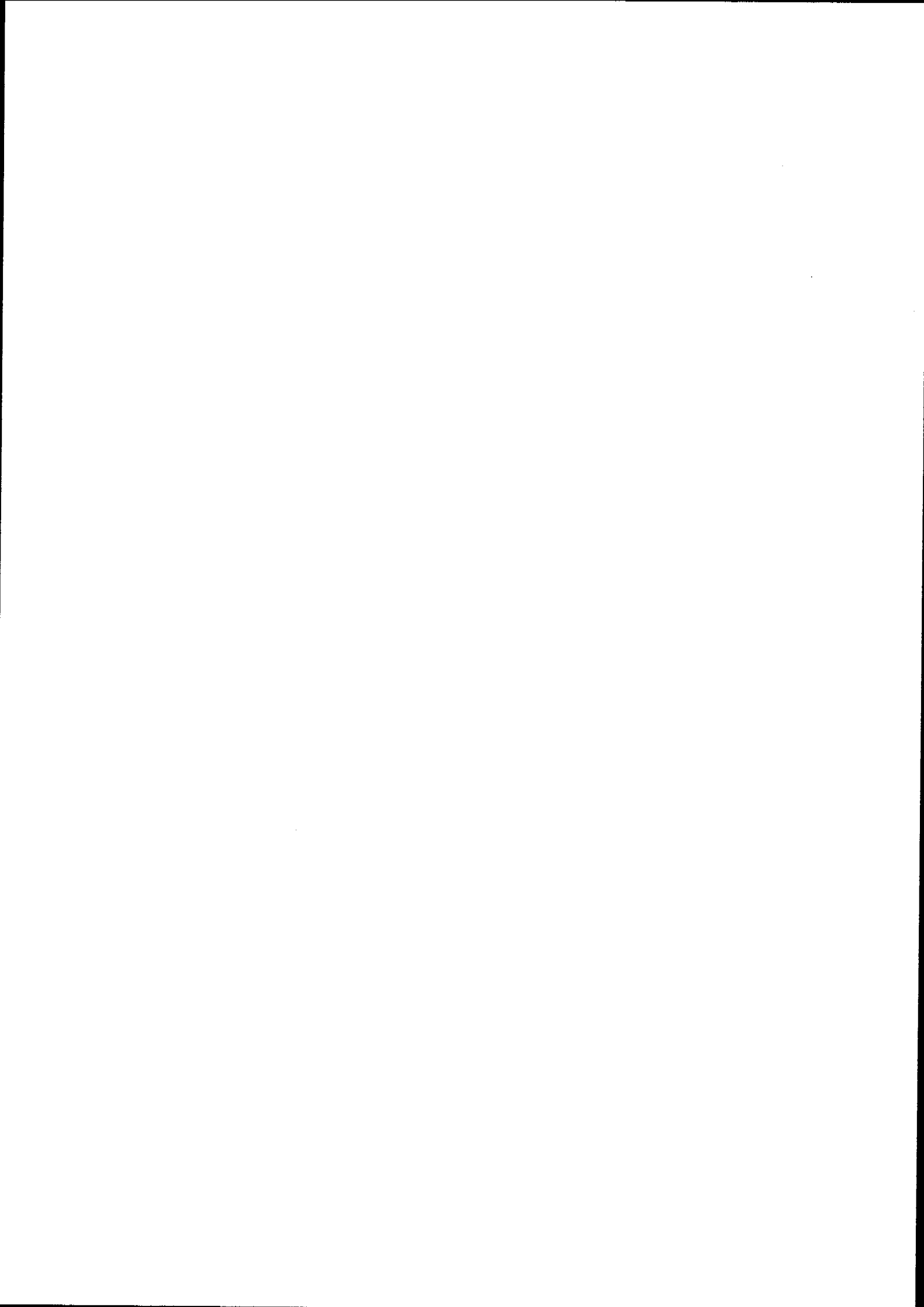
I am confident that the UNCTAD monograph series will be of value to managers from ports in developing countries in providing indicators towards decision-making for improvements, technological advance and optimum use of existing resources.

The International Association of Ports and Harbors looks forward to continued cooperation with UNCTAD in the preparation of many more papers in the monograph series and expresses the hope that the series will fill a gap in the information currently available to port managers.

Goon Kok Loon  
Chairman  
Human Resources Committee  
IAPH

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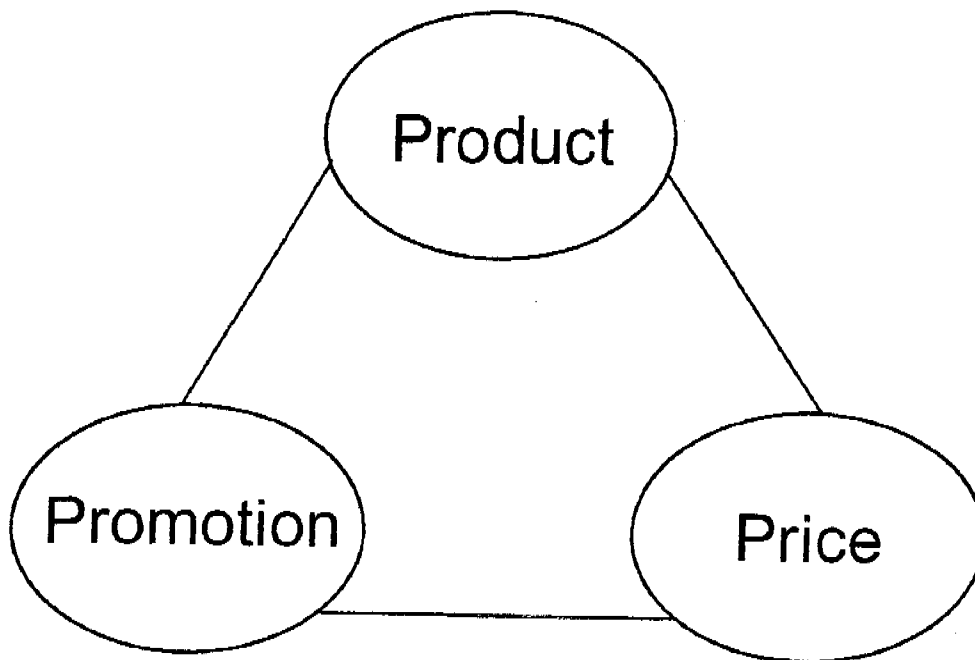


*Chapter I*

INTRODUCTION

1. Ports are operating in a more and more competitive environment and the importance of marketing in port management and development is being recognized by the port community almost all over the world. Marketing in ports, as in many other economic sectors, is composed of activities related to market research and marketing implementation. The research activities will allow the port to have its market analysed, objectives fixed, strategy built and targets identified. Then in the implementation stage, marketing tools should be deployed to achieve those objectives.
2. Marketing tools are those elements that will have an influence on the "sales" of the product, or services in the case of seaports. The influence of those tools will differ from one country to another. Therefore, it is necessary to find the appropriate mix of all those elements for a given market, so that the result matches the targets aimed at. It is clear that in many cases, various tools can be complementary and inter-changeable. The appropriate mix for a given market will have some degree of individuality.
3. In the port business, marketing tools can be described as 3 P's namely: **Product**, **Promotion** and **Price**. In this monograph, the major aspects of Product and Pricing will be presented briefly in this introduction, while marketing promotion tools will be concentrated on in-depth discussion.

**Figure 1**  
**Marketing Tools**



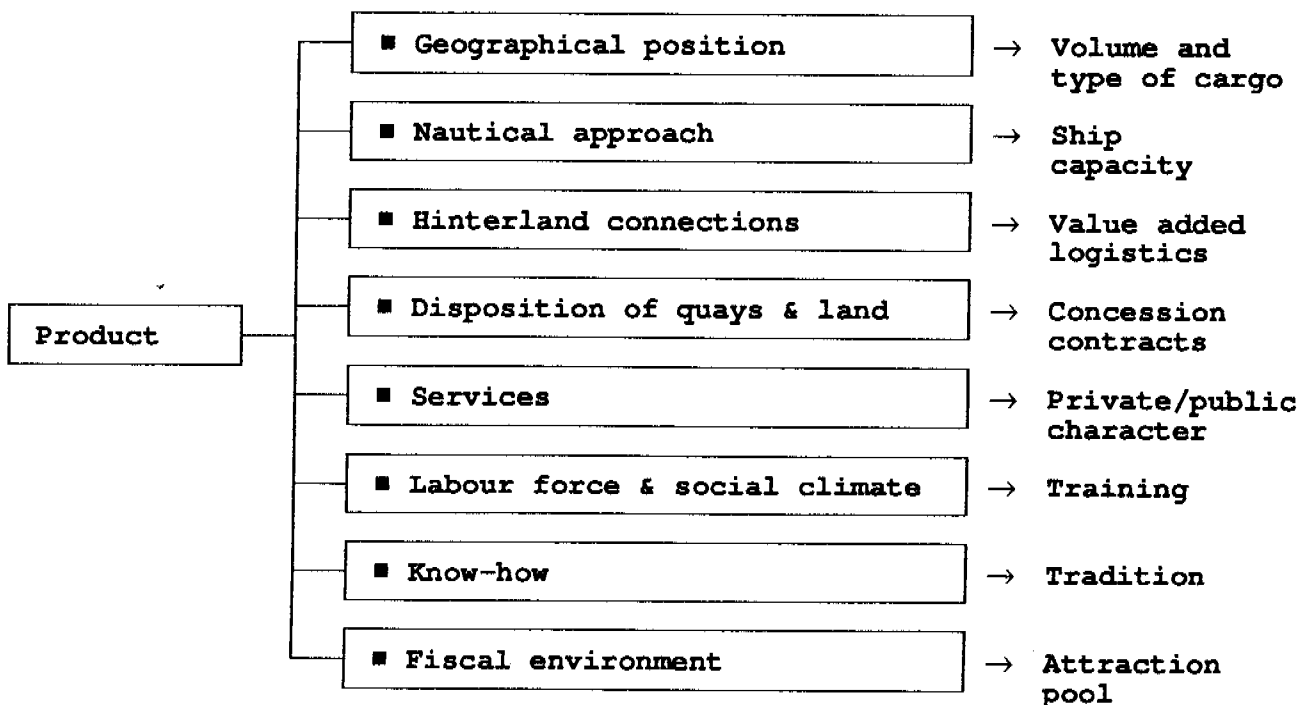
## PRODUCT

4. The product, or port services, is the cornerstone around which all other marketing activities will be designed. The reason why a port has been chosen for the handling of a certain traffic or for a new investment, is because of what the port can offer. Therefore it is very important that a marketer knows every aspect of his port in the nautical, technical as well as in commercial fields. The marketing team has to be aware of the strengths and weaknesses of the port; not only at one moment in time, but continuously. This requires continuous education and training of the marketing unit.

5. A client normally makes his choice on the basis of the following elements, excluding for the moment the question of price:

1. geographical position;
2. nautical approach;
3. hinterland connections;
4. disposition of quays and land;
5. range of services which can be offered, such as pilotage, towage, stevedoring, warehousing, survey, delivery of fuel and potable water, etc.;
6. labour force and social climate in general;
7. management and technical know-how;
8. fiscal environment.

*Figure 2*  
*The product*



6. The importance of each of these elements in the composed product will vary from project to project. Therefore it must be underlined that selling a product such as a seaport demands flexibility; the possibilities to adapt the product to the client's needs must be sought.



7. The "buyer" can be the ship owner (liner business) or can be the company that controls the commodity flow (tramping business). In both cases it is very interesting to have information on the client, for example how he operates in his own territory. Trying to attract a client can be done by first selling the port's know-how in transport business and then by selling the port. However, one thing may never be overlooked, no matter how big or strong the port is: the human aspect of the port should always remain. The various elements that make up the product are now considered in more detail.
8. **Geographical position.** It is obvious that the geographical position of the port will play a vital role in determining the volume and the types of cargo which can be handled in the port. Either the geographical position can be favourable, such as having a wide hinterland in a fertile area, with a dense population and a high level of income, or the geographical position can be less favourable, such as being on an island, with a severe climate, a small population etc. In this context, the port of Santos (Brazil) has better perspectives than for instance the port of Reykjavik (Iceland). One thing is sure, you cannot change a port's geographical position. Therefore it is up to the marketer to stress the strong points and to soften the weak points of his product.
9. **Nautical approach.** The nautical approach defines the capacity of the ship that can be accommodated by the port. This partly determines the competitive position of the port. This aspect will definitely influence the marketing strategy.
10. **Hinterland connections.** Presently, the hinterland connections are the veins of the port. Whereas ports have developed from pure loading and unloading points to huge distribution platforms, today there is a new notion, VAL, which stands for Value Added Logistics. In a VAL system, a switch is made from a stock-operated distribution system to an order-operated distribution system. Road, rail, inland waterway and pipeline networks have to be developed and maintained to accomplish a smooth commodity flow, both incoming and outgoing.
11. **Disposition of quays and land.** Land means power. For this reason the port authority or the organization responsible for the development of the port area should never lose control of this valuable tool. A distinction must be made between waterfront and non-waterfront land. It is obvious that waterfront land is put at the disposal of only those companies who need quayside land. Because of the extra infrastructure of quay walls this land has a higher value. It should, in fact, never be sold to a company, because in that case the port authority loses control over this part of the port.
12. As port sites can in principle be used by multiple clients and should preferably belong to the port authority, this land can be defined as public territory. In order to put this public land at the disposal of a harbour user in a flexible way, one can use the system of concessions. This is a long term lease including specific clauses to protect the public territory. It is the harmonious solution that meets the requirements of the private harbour user and that protects the interest of the port authority (government).
13. A deed of concession is therefore to be considered as an important marketing tool. As far as possible and without creating preferences, the contract must be adjusted to the customer's needs. One should bear in mind that these contracts are long term contracts and only comprise stipulations as to which site is put at the disposal of the harbour user. One can refer to different laws, such as environmental laws, dock labour, urban development, etc. but these are not the subject of this contract. Laws can change, therefore it is better to just refer to them than to include complete paragraphs. As texts must be read and understood by an international forum, advice based on experience can be given here: keep it simple !
14. **Services.** As mentioned at the start, the port is a complex product. Moreover, most of the time the elements that compose the product are not controlled by one party. This means that the final result will depend on the performance of each party involved, whether it is public or private. If the port

*Figure 3*  
*Information on the "product" from a brochure for the Port of Ghent*

# Port of Ghent

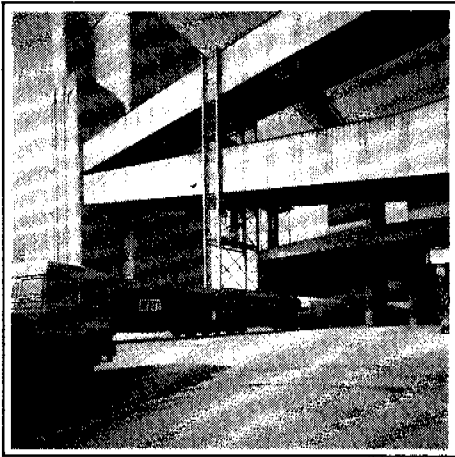
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# A Transport Centre

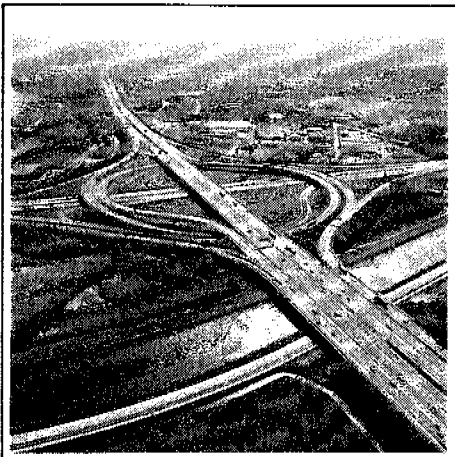
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Ghent is not just a seaport, but likewise a prominent centre for inland waterway transport. By way of the rivers Lys and Scheldt, the port of Ghent has direct access to the European inland waterway network (including the Rhine).



Ghent is linked with the dense European railway network via a newly built modern marshalling station (Ghent Seaport). All quays have been equipped with several railway tracks enabling a smooth supply and conveyance of goods.



For road transport too, Ghent is extremely well situated. Indeed, through an express-road, the port is directly linked to two of Europe's main motorways, the E17 and E40, which cross at Ghent and which respectively connect Stockholm with Lisbon and London with Istanbul.

authority does not control the whole chain, which is mostly the case, it is advisable to create an overall interest group, what is called a 'port community', to fine-tune the quality levels, so that the quality of the whole of the services rendered is not brought down by the poor quality of one of the services.

15. **Labour force and social climate.** There is no doubt that this is a priority element of your product. It is one that people can influence through communication, education and training. The labour force is one of the key elements in the performance of your port. If this element is weak, because of low production levels, strikes, high damage levels and theft, the harbour user will try to avoid the port and use a neighbouring port if he has the opportunity to do so.

16. In an open market economy one cannot oblige the ship owner or commodity owner to use a particular port; it is up to them to choose the port. Of course some facts such as water depth, equipment, storage capacity, know-how etc. will influence the decision; but whenever labour costs become too expensive, people will try to find other solutions, by, for instance, deviating to a competing port.

17. From dock workers, to customs officers, to white collar employees - everybody needs training before working in this specific environment which is the port. Not only do the working conditions differ from other sectors, also the value of each person needs to be explained in the total chain of international trade and transport. Only when the position of their job has been explained to the labour force in view of the total transport chain, can they estimate the value of their work. The key-word here is training and this is to be understood as continuous training.

18. **Know-how/tradition of the port.** It speaks for itself that know-how and tradition are built up over many years. This is the reputation of the port which is based on the performance and reliability of its services.

19. **Fiscal environment.** Port areas should have an attractive fiscal environment in order to attract new business and investments. The port community can lobby government to establish more favourable conditions.

## *PRICE*

20. Pricing is a difficult marketing function. In theory the correct price should be indicated by the intersection of the marginal revenue curve with the marginal cost curve. But in real life it is quite impossible to construct these curves, that is why pricing is so complicated.

21. Several extra complexities are involved in pricing in an international market and this is the case for seaports which are by definition situated in an international competitive market. So the port will have to take some pricing decisions into account:

1. the estimated costs;
2. competition;
3. currency;
4. payment terms;
5. market variables: the demand.

The pricing of a port is established on different levels. Some levels that can be distinguished are:

- harbour dues;
- land leases;
- handling costs;

- extra services like selling potable water, electricity, etc.

22. Setting all those prices is preferably based on a consideration of the port's internal cost accounting system in comparison with competitors' prices. So for instance, the prices and conditions for leasing land can influence a potential investor in choosing a certain port. That way, deeds of concession are a marketing tool.

23. Pricing must be dynamic and encouraging. Traditionally, all ports charge harbour dues, partly on the vessel and partly on the goods. However several possibilities are open:

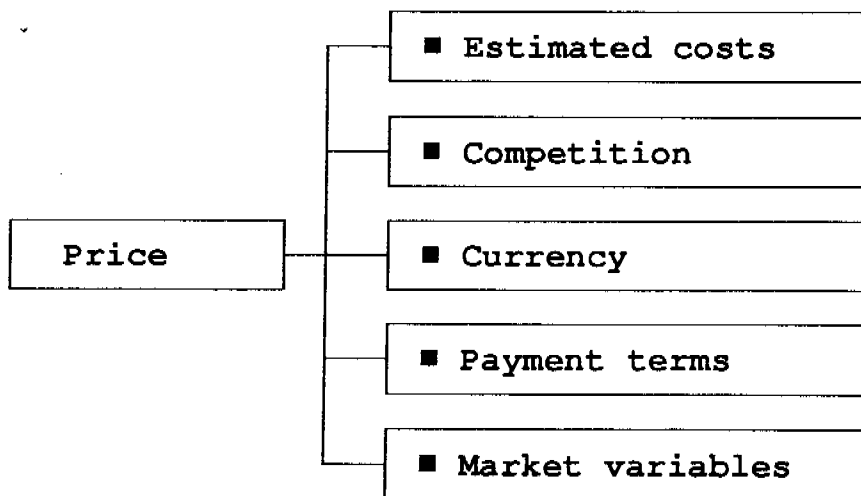
the vessel: the charges can be linked to the frequency that the vessel calls at the port. Instead of the vessel, charges can be linked to the whole fleet or ships belonging to a certain ship owner or even further all vessels used for a specific trade, even when they belong to different ship-owners.

the goods: pricing can be related to the amount of goods brought in, or a different price can be used for different types of goods, for example general cargo or bulk cargo, liquid or solid, etc.

Here however, we always have to bear in mind that some goods such as scrap, recycled paper, etc. cannot bear a high charge. When no profit can be made a project will disappear.

24. Pricing is a very delicate matter. Especially for a young port in a strongly competitive environment, attractive pricing can offer advantages as long as it goes together with the rendering of good service. Our experience is that every port has its own characteristics and is in a way unique. Therefore each port should consider its internal cost structure and its environment and adapt its pricing to them.

*Figure 4*  
*The price*



## Chapter II

### PORT PROMOTION TOOLS

#### A. Introduction

25. Of the company's marketing functions, promotion is the most visible as well as the most culture-related one. Marketing includes the whole collection of activities the company performs relating to its market. However, in the other functions the company relates to the market in a more quiet, more passive way. Through the promotional function however, the company is standing up and speaking out, willing to be seen and heard.

26. Therefore, promotion is very important. With an excellent product, namely a well-equipped port with a safe and deep nautical access, modern handling gear and a highly productive labour force, clients need to be aware of the port's existence. Action is needed to raise this awareness.

27. Alternatively in the past, the port may have had a bad reputation because of congestion problems, a less tolerant customs administration, bad hinterland connections and severe union actions. Suppose the port community worked day and night to eliminate all those negative points and turn them into positive elements. Clients and potential clients have to be told that circumstances have changed in the port. This requires communication.

28. Therefore promotion can be defined as communication between the port and various target groups, in order to inform them and influence their attitudes and behaviour towards the port. The promotional task will not be exactly the same in every market. Moreover, variations will occur from country to country, in three dimensions:

- means of communication;
- audience;
- company goods.

Figure 5 illustrates the different types of promotion tools. They are reviewed one by one to highlight the problems and decisions that a marketing manager will have to face.

#### B. Advertising

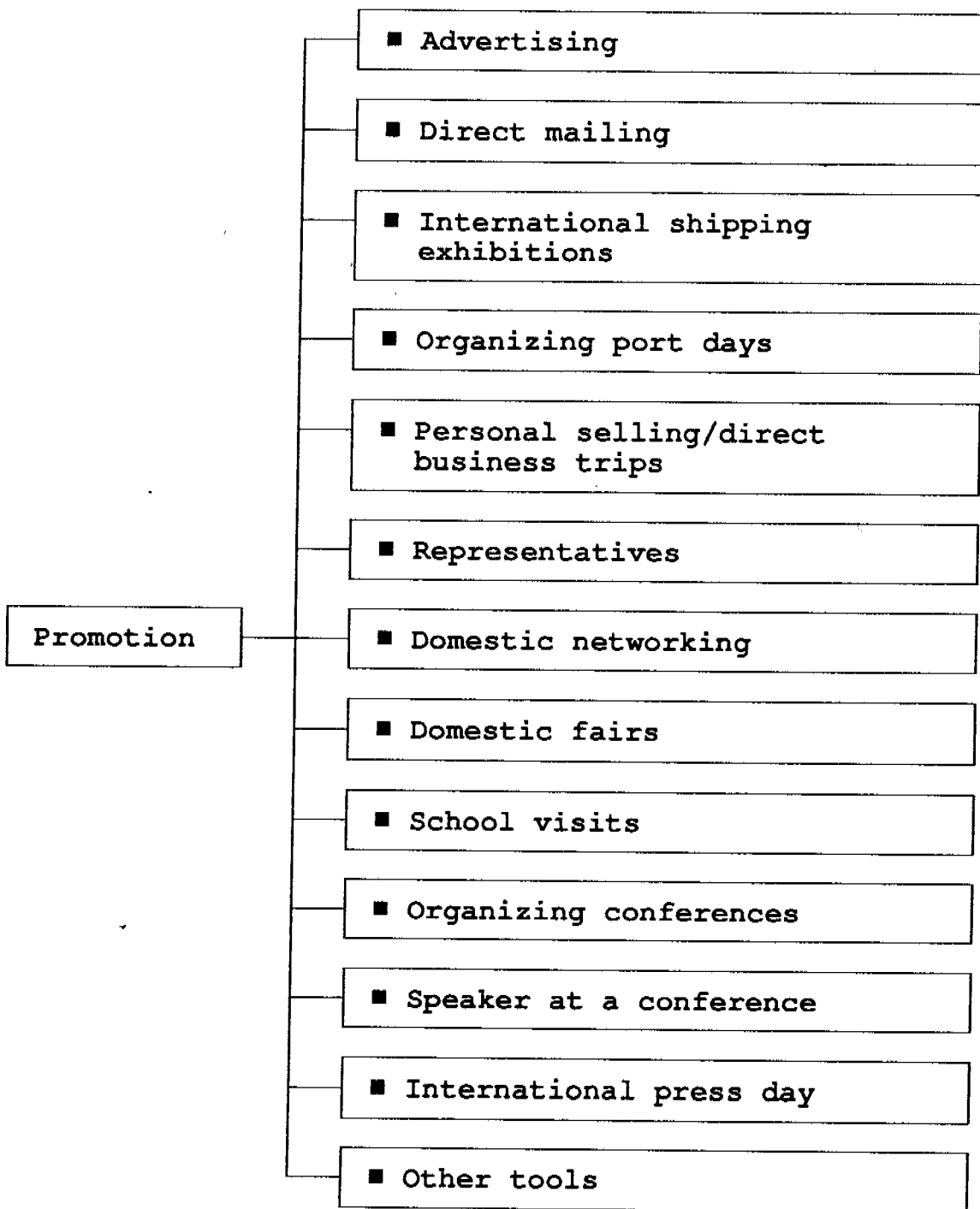
29. The objectives of advertising are:

- enlarging the general renown of the port;
- paving the way for sales;
- improving the port's image;
- increasing the port's recognition;
- highlighting the port's quality elements.

The international advertising programme of the port is determined by: the goals of the port, and the international environment. For example, if the goal of the port is to attract tropical fruit business, this means the team has to analyse which media are the most appropriate to use for advertising.

- which magazines ?
- which radio channel ?
- local television sessions ?

*Figure 5*  
*Promotion tools*



30. The two most important factors of the international environment are language and culture. It is obvious that advertising must be done in the language of the target group, although in shipping business the use of the English language is often suitable. However be aware that communication with people in their own language offers a real advantage, for example:

- the Brazilian market must be approached in Portuguese but even better in Brazilian Portuguese;

- even more so in the Chinese market, depending on which part of the country one is aiming to reach, the language can be very important.

It is of course not very practical to advertise in all possible languages; there are far more languages than countries. Anyway even when a common language is used, the advertising should graphically show what the message is.

31. The role of advertising differs from country to country. In some nations, advertising is very important whereas in other countries it is almost non-existent. Countries having a high level of advertising are the USA, Japan, Germany and the UK. Over half of the world total advertising is placed in these countries.

32. Of course advertising a seaport is quite different from advertising Brazilian coffee or Jamaican rum. For a seaport the geographical position, the nautical access and the quality of the services must be advertised. To control the effectiveness of advertising, the following method can help in measuring the coverage of the message. A reply coupon can be placed on every advertisement which people can use to ask for more information. It is also a good control to determine which magazines are more effective and which ones are not worthwhile to continue to use for advertising.

33. Advertising has to be thought over very carefully:

- the message has to be clear;
- use those media that reach the targeted public;
- always mention the co-ordinates of the port authority;
- carefully select the various possibilities because advertising is not cheap;
- professional help in building up an image with logo, slogans can be necessary.

Therefore five decisions have to be made: selecting an agency that is aware of the cultural and language environments world-wide; choosing the message, depending on the "product" one wishes to sell; selecting the media; determining the budget; and evaluating the effectiveness of the advertising.

34. **Selecting an agency:** Whereas many marketing functions are performed within the company, by company personnel, with advertising, a company relies on most occasions on outside expertise. It goes to an advertising agency. Therefore selecting an advertising agency will usually be the first advertising decision the marketer has to make. Two options are open:

- an international agency with domestic and overseas offices, or
- local agencies in each market, both domestic and overseas.

35. The aim is to choose the agency or agencies that will best help the company achieve its goals. Because this is not an easy decision, the following criteria can help when evaluating the agency:

*1. Market coverage:*

Does the agency cover all relevant markets ?

*2. Quality of the coverage:*

Which steps does the agency take to prepare a market for advertising ?

*3. Range of services:*

Besides the advertising service, does the agency offer other services such as: market research, public relations and other marketing services ?

#### 4. *Communication and control:*

If a company wants frequent control of the efforts made in overseas markets, it is necessary that in case of an international agency there is a reliable link with the domestic office. If working with local agencies in each market, ensure that these agencies can be easily reached.

#### 5. *References:*

Check the agency on its references. Working out an advertising campaign for washing powder is quite different from an advertising campaign for a seaport.

Our experience in this field is that America and the UK offer a few companies specialized in industrial service advertising. Also the choice of an international agency for international advertising is preferred over the local agencies.

**36. Choosing the message:** There is no doubt that each national market has its own specific characteristics. There are different approaches to be used for the Chilean market or the Tunisian market. For big markets such as China or the United States, there are differences among the regions. The problem remains for the marketer: "Which message will fit in the targeted market or markets?" Some of the following remarks can help on this issue. The message must:

- a. be clear what the product or service is, that is:
  - a seaport;
  - industrial service;
  - cruise/fruit/liquid bulk;
  - equipment;
- b. be recognizable, by means of:
  - a logo;
  - the use of specific colours;
  - a special sentence;
- c. be different from the message of competitors;
- d. be appealing to the target market;
- e. be able to be contacted (provide an address, fax or telephone number).

**37. Selecting the media.** The marketer has a variety of media, such as, newspapers, magazines, radio, television, reference books for the industry. The selection of media is related to the availability of the media and the difference amongst countries as to how existing media are used. For advertising an industrial service such as that offered by a seaport, it is advisable to advertise in:

- professional magazines;
- special issues in economically oriented newspapers, for instance the Financial Times;
- reference books for the industry, for instance yearbooks.

Other media should not be excluded, although the budget needs to be considered. Radio and television advertising is rather expensive. For advertising a seaport, international media will predominate, though the domestic market will also need attention.

**38. Determining the budget.** The advertising budget should be based on the principle that as long as the return on the budget spent is higher than the budget, one should increase the budget. The inconvenience is, however, that measuring the return on the advertising efforts is very difficult. Furthermore, advertising is just one element of the overall marketing mix. Therefore, it is necessary to put the decision on the advertising budget in a broader context, namely as part of the marketing budget.



39. An often used method for determining the advertising budget is the "Percentage of revenues (sales)". This method has the advantage that the budget does not get out of hand. It works fine as long as "revenues" go up: the budget will also increase and support the port's market share. But when "revenues" drop, the advertising budget will also go down which is not always the right decision. Therefore this method has its limitations. Though when applied with some flexibility, such as using different percentages in different markets and excepting special cases such as entering into a new market (for instance, the cruise business), or introducing new services (for instance, a fruit terminal), it is a handy method for determining the budget.

40. A more sophisticated method for setting the budget is the "Objective and Task Method". This method first clearly determines the objectives such as revenue growth, name awareness, etc. and then expresses the tasks to be carried out in order to reach the objectives. The cost of these tasks can be calculated with accuracy, so that this method has the advantage the budget needed for the advertising effort is known well in advance. Though determining the objectives requires an in-depth market knowledge.

41. **Evaluating effectiveness.** Investigation of advertising effectiveness can be done by questioning the harbour users if advertising has influenced their decision to use the port. This method is very reliable but not common in the port industry. As far as advertising in magazines is concerned, it is possible to trace from which channel the response comes through the reply coupon. However evaluating advertising effectiveness remains limited to a few check points.

42. Our experience is that advertising is necessary to obtain the necessary exposure. However it has to be coordinated with other marketing tools (for instance participation in a shipping exhibition or conference) and advertising efforts have to be evaluated as much as possible.

### C. Direct mailing

43. Whereas with advertising the marketer also aims at reaching the unknown potential port user, the target of direct mailing is to influence identified potential port users. Direct mailing requires a reliable address list of the potential port users. This address list can be created through advertising efforts, exhibitions, contact days and market analyses (for example, cruise operators from a yearbook). Direct mailing has the advantage that, more than for advertising, the message can be personalized and far more detailed. The more background information that can be gathered on the potential client, the more precisely the port can address his demands and needs.

44. When direct mail is used as a marketing tool, it is very important to verify the following points in order to make a good impression:

- the name of the person you write to;
- his function;
- male/female;
- references mentioned;
- faultless and carefully drawn up letter;
- enclosures are indeed enclosed;
- the names of the people who are available for further information.

Direct mailing brings your company closer to the identified potential client. The effectiveness of direct mailing is easier to evaluate in comparison with advertising. Though it is essential that it is directed at the person who really is involved in the decision making process.

## D. International shipping exhibitions

45. International shipping exhibitions are outstanding places to encounter a large group of professionals in a very short period of time. Participating in international shipping fairs is a marketing tool worthwhile considering. It has the advantage that targeted people can be met in one week, whereas on a business trip it would take more than a month to meet the same people because of the travelling involved. Besides the time-saving aspect, exhibitions offer the possibility of presenting your product, that is the port and its services, in an optimum manner, by means of pictures, movies, models, etc.

46. The presence of the port at a professional shipping exhibition not only gives the port a certain prestige, it also shows that the port is a recognized player in the market. However, before starting to work with this marketing tool, be aware of the following facts:

1. the number of professional exhibitions, both for shipping and for commodity groups is large, even very large;
2. the cost of participating in all its aspects is high and even very high in some countries;
3. participating in professional exhibitions requires know-how in presentation;
4. but even more important is the preparation and follow-up of this concentrated meeting place.

One piece of advice: if the port decides to participate, it should do so with full dedication, if it is not possible to do it that way, it should stay away from the exhibition.

47. One has to realize that participating in an international professional fair is more than travelling and meeting a lot of interesting people. There are two kinds of professional fairs, which can be of interest to a seaport:

- a) the shipping fairs: which focus on meeting the shipping industry, such as ship owners, agents, brokers, etc.;
- b) the commodity fairs: which focus on meeting the owners of the commodities, who will anyway also have interest in the best manner to transport their commodities to final destinations.

### 1. *Making a choice out of the large number of trade fairs*

48. To select the best exhibition, the marketing unit needs to know:

- a) the part of the market aimed at, geographically or by type of commodity;
- b) the reputation of the fair;
- c) the place where the fair is organized (a wonderful place to be will attract many visitors but the danger can be that few attend the conference or the exhibition, as most visitors are attracted by the exciting "experiences" outside the conference and exhibition hall);
- d) the period when the fair takes place. This is very important, for instance when it is organized in the same period of another important event, in a festival season (Carnival in Rio de Janeiro) or in a holiday season, etc. This will attract visitors to the exhibition but can also result in visitors spending little time at the show.

Dates should always be checked with local representatives or ones embassy. Choosing the best trade fair for promoting the port requires full background information on the trade fair as mentioned above.

49. When one considers the total cost for participating in a trade fair, it is not a cheap activity. It is an investment from which a certain return is expected. Therefore choosing the right trade fair is very important. If possible, it is recommended to first visit the trade fair and when convinced that it will meet the expectations of the port, then the port can participate fully in the next edition of that fair.

## 2. *Determination of a good stand or booth position*

50. The visitors of a trade fair can be divided into two groups:

- a) visitors attracted by the general advertising efforts concerning the exhibition undertaken by the organizers of the trade fair;
- b) visitors invited by the exhibitors.

To make sure to have some visitors at the port's stand, invitations have to be carefully prepared. Major shipping exhibitions offer exhibitors a large quantity of entrance cards which the port can mail to its contacts, clients and potential clients. An enclosed letter with the entrance card gives the possibility to present the port and to explain where the port's stand is situated in the fair.

51. Furthermore, it is of course also important to get a good position for the port's stand or booth, so that the main flow of visitors will also pass the stand. It is very frustrating and boring to man a stand without visitors. As always, the best positions are taken first. For some exhibitions with a high reputation, it is impossible as a newcomer to get a key position. Through regular participation in a certain fair, the port will obtain more influence with the organizers and consequently, can improve its booth's position.

52. The following remarks provide guidance in determining the stand position:

- be aware that the main corridor always gets more attention than side corridors;
- a location close to the information desk has advantages;
- equally so for the place close to where coffee breaks are held (but avoid the booth position close to the restaurant activity, which hinders conversation);
- island booths are mostly very well located but expensive;
- corner booths or two open side booths are more appealing than a booth in a row;
- when the exhibition takes place in a subtropical or tropical country, check if there is air conditioning, if not, choose a booth position with natural ventilation;
- if it is too hot in the stand area, the visitors' attention will be very low;
- the biggest booth is not needed, a small attractive booth often has more success than a giant one that swallows its visitors. A lot depends here on the design of the booth.

## 3. *Design of the stand*

53. The goal of participating in a fair is to meet a lot of interesting people for future business. Therefore it is necessary that people find the stand in the exhibition hall and that they are attracted by what is in the booth. First of all the stand has to attract the **attention** of the visitor. This can be obtained for example by:

- building higher than the other exhibitors, just to the maximum limit allowed;
- using attractive colours in harmony with the environment of the hall (that is if the carpet in the aisles is blue, try to avoid dark green, etc.).

The stand has to radiate **good taste**.

- use a balanced construction;
- use high quality stand material (in the end it is cheaper);
- display the product attractively and logically;
- make a good mix of words and display material such as photographs, models, drawings, etc.;
- one good photograph can explain more than 1,000 words!;
- finally, give it a lively impression by decorating the booth with plants.

Finally the stand must have an **informative character**, with clear messages, technically correct pictures and maps.

#### 4. *Manning of the stands*

54. Besides the technical aspects of participating in a fair, which are important, never lose sight of the human aspect. The success of participation entirely depends on the people who man the stand. As it is a professional trade fair it is absolutely necessary that the people who man the stand are professional. First of all they must have a perfect knowledge of the product, which is the seaport. They must be capable of interesting the visitor by deepening the subject in a few seconds or minutes. They must be able to answer, firmly and immediately nautical as well as technical and commercial questions.

55. When hostesses are used, inform them on the product. Of course detailed information can be mailed afterwards. Self-confidence and pride over the product have a positive influence during the conversation with a visitor. Language fluency and communicative skills are essential for this job. The appearance of those manning the booth must be attractive.

56. Manning a stand is very tiring, therefore be sure to incorporate "taking turns". A non-manned stand is worse than not being there at all. Unconsciously, the visitor is influenced by the "body language" radiated by the people at the stand. People who have a positive radiation are discovered sooner among others and are found far more sympathetic.

57. Some guidelines for obtaining useful contacts:

- Try to place oneself in the shoes of the visitor, he wants some information, maybe in general, maybe influencing a decision process;
- When a visitor looks at the stand, he or she is interested. Don't "attack" him or her, but try to make contact in a gentle way;
- When he or she enters the stand, a business card can be presented as an introduction. Often the visitor will do the same;
- Try to find out as quickly as possible what subject he or she is interested in;
- Ask open questions, for instance: You are from which company, Sir? What company do you represent?
- The visitor's valuable time is being used, therefore the conversation must be efficient;
- Walk around the exhibition and have a look at how colleagues' exhibits are doing.

#### 5. *Special attraction efforts*

58. Participating in a fair is done with the aim of making the company better known and a lot of people will be met. Sometimes special actions can help depending on which service of the community the port wants to promote. People can be attracted by using the following techniques:

- special outfits for the stand personnel;
- give something of special value, for example, an orchid at a Thai booth, organize a contest or have a national music band or an artist perform.

59. It is important that the port offers something different than the neighbouring stands, something special that people in regular circumstances would hardly obtain. To spread information of this special attraction through the exhibition hall, the organizers can be persuaded to make an announcement through the public address system or in the daily newsletter of the exhibition.

60. As mentioned before, participating in fairs is quite an expensive activity. If the port plans to participate in several fairs a year it is worthwhile for the port to consider buying the equipment, organizing the transport of the exhibition material and building up of the stand itself. Our experience in this field is that we saved up to 70 percent of the budget when we compare our costs with those who hire people and material for building their stand.

#### 6. *Transport of the equipment*

61. When considering this question the following points should be weighed:

- cost/quality/time related to the transport means, for example, truck, ship or plane;
- insurance: coverage and liability;
- shipment documents required;
- import and re-export procedures;
- official holidays and working hours of customs.

#### 7. *Follow-up*

62. Finally, the most important part of participating in a fair is the follow-up. The follow-up has to be done as soon as possible, so that the contacts made remember the port. We use as a standard procedure that every visitor, though he may not be an immediate client, receives a letter to thank him for having taken the time to visit the stand. When specific questions were asked, a detailed answer is provided and the client may even be invited to come to visit the port. A poor follow-up is often worse in terms of promotion than not participating at all, because a created desire is not met.

### **E. Organizing port days**

63. Another tool to promote the port is organizing port days. A so-called port day consists in inviting a group of business people (50 to 100) to whom the port makes a detailed presentation. The presentation can be made up of a general introduction on the port, and some other speakers can highlight the strong points of the port in the commercial and nautical, as well as in the technical field. The presentations can be illustrated by showing a movie on the facilities, port area and labour. A question time can initiate the conversations that can be continued during the business drink offered after the presentation.

64. The advantages of organizing a port day are:

- a) people come only to meet the delegation contrary to a fair, where visitors meet a lot of companies and are often tired when they reach the port's booth;
- b) the business people show by their presence that they are interested in the port's message;
- c) a port presentation gives a broader view on the port than is possible in a fair;

- d) the face-to-face contact and the atmosphere created during the session can stimulate the confidence in the port;
- e) by working with invitations personal selection of the public is obtained;
- f) by organizing a port day in a certain region, it is clear that the port wants to make the effort of meeting the business people of that region.

65. Organizing a port day has to be prepared quite some time in advance. First of all the right date has to be found. Some countries have different work days or holiday periods. A Monday or a Friday is not recommended for organizing a port day. On Monday people want to start the week, their tasks, etc. and on Friday they want to go home as soon as possible. A local representative or members of the embassy can help you to pinpoint the most suitable day.

66. The list of business people to meet as well as the press people must be prepared. Organizations such as chambers of commerce, departments of foreign trade, regional investment and development organizations and the commercial department of your embassy can be of great help.

67. A suitable conference room either in a hotel or in a conference hall complex has to be found. This place must be **easy to reach** and reflect the standing of the port. Once the conference room is **confirmed in writing**, invitation cards can be printed, with special attention to the correct address and the programme. Invitations are sent at least **three weeks beforehand**, so that the businessmen can arrange their agenda. It is recommended that the invitation card contains a pre-printed reply card with a local address (e.g. the embassy) to answer to.

68. The facilities in the hotel or conference building have to be checked. Audiovisual equipment must especially be checked before hand. The room can be decorated with flags, potted plants or flowers to brighten the environment.

69. To welcome the guests, they can be invited to sign the registration book and at the same time a business card can be asked for. In this way the port can verify if the people invited really attended or if the company was represented by other persons.

70. A full set of documentation is given at the end of the presentation or when people are leaving so that they do not have to carry the documentation during the session. A small souvenir as a present is always nice to give and pleasant to receive.

71. For the follow-up, the same remarks apply as for participating in a fair. A report with contents of the discussions has to be made. Based on this report an action plan is drawn up. All the guests present are thanked by phone or by letter. The people invited who did not show up, get a letter enclosing some documentation. The best way to convince people of the product is to invite them to visit the port so that they really see the facilities and labour force themselves. Often people complain or ask "Was it all worth the effort, the money spent?" Yes, it is, when preparation and follow-up are carefully done.

#### **F. Personal selling - direct business trips**

72. The previous promotional tools aim at identifying contacts. The personal selling or direct business trip has as a goal that contacts are deepened and hopefully result in signing a contract. A solid contract can only be perfect when there is a mutual understanding by both parties. That understanding starts with going to visit the potential contracting party, and this goes both ways. There is a Flemish saying "*Trees*

*do not meet, people do*". Why, because people can move. With a few exceptions of mega-ports like Rotterdam, New York and Singapore, the other ports, still have to explain what possibilities they can offer.

73. A distinction must be made between personal selling on the national market and personal selling on the international market. There is a different approach. Working on the national market has the advantage that potential clients such as, importers, exporters, producers and traders know the market themselves. The port is familiar with the language, culture and economic situation because it's the home market. Some exceptionally big home markets such as the Chinese, Brazilian and US markets will again require a special approach.

74. Let's consider international personal selling. As soon as promising contacts are made, international personal selling can be considered with a business trip to that specific region. First of all, the trip will allow the marketer to gain knowledge on all aspects of the company the port is dealing with. Secondly, confidential information in facts and figures can be exchanged.

75. Depending on the tasks that are performed by one's organization, assistance can be asked from other private or public companies and organizations. Banks or other financial institutions play a key role in an investment file. Sometimes they are the first ones to know that a foreign group wants to invest or establish itself in a specific region. It can happen that "as a service to its future client" the bank offers a full study of the local environment, taking into consideration: availability of land, berths, etc., and geographical location, logistics, subsidies, labour force, etc. Therefore when building up the port's relational network on a national scale, include the main national banks and also the big foreign banks having a branch office in one's country, for example in Belgium, the Banco do Brazil in Brussels.

76. The selection of the delegation however must be more discriminating than was the case for the delegation of the port people who would assist the Port Authority during a port day. In the case of a business trip the homework has to be done **before** leaving. In this case, even more than with the previous promotion tools, it is very important to pay attention to the cultural, social and economic differences which vary from country to country. Knowing the behaviour of the business people one is dealing with, allows the right words and the right gestures to be used; this probably accounts for 50 percent of a successful business meeting. For example, doing business in Finland required that one had to make sure to be on time for the appointment. However being on time in Finland means being present in the office of the person at least 5 minutes beforehand. When going south, for example to Mexico, the notion of time there is different. One should not be offended when having to wait a while before being received.

77. There are also differences from country to country in building up a business conversation. In some countries one has only 10 minutes to make a presentation, while in others it would be impolite to proceed that fast. Therefore when making a business trip make sure some time is allowed to discover something more about the "habits" of the people one is dealing with. Some may consider this sightseeing, however it should be considered an "Investment in awareness of local human behaviour".

78. At the conclusion of the visit, a full report has to be made. Some pictures of the potential client's facilities can sometimes convey more information than a full page of words. The follow-up needs to be done as quickly as possible and preparations have to be made in detail for a return visit.

## **G. Representatives**

79. As a result of a market analysis, the conclusion may be reached that some markets need more attention than others. This can be when starting up on a new market, as well as in the period when

projects are being built up or on a well-established market. Representatives can be appointed in these markets who are locals or emigrants of your own nationality. They are the watchtowers sent out on a permanent basis to gather the signals of the market around them. The reports they supply should include information on local economics, politics and culture.

80. When detailed information is needed on a certain project they can try to get closer through their own business relations network. It is obvious that the selection of a representative must be done very carefully. The following criteria should be met:

- a) professional knowledge on one's product;
- b) their activity in that market;
- c) their business relations network;
- d) communicative skills;
- e) presentation.

81. The remuneration for these people should be fair, in correspondence with the average national wage level and of course related to the efforts they make. It is necessary that a representative makes reports on a regular basis, so that the port has a good picture of the efforts he or she has made in promoting the port. It goes without saying that local representatives are a big help when a port day is being organized in the region or when the port is participating in a fair.

82. Our experience in this field is that a local representative is of tremendous help in an active and, for our port, a priority market. This means in giving support to all other marketing efforts made for these specific markets. It is not simple though to find the right person. Be careful with the so-called professional port representatives, because they may also represent rival ports. We started with seven representatives and today we have kept three of them. Here quality is more important than quantity.

## **H. Domestic networking**

83. Domestic networking includes all efforts made to meet local business people who can reveal important information to attract new businesses. Special attention can be given to:

- regional development organizations;
- regional and national investment consultants;
- chambers of commerce;
- financial organizations and banks;
- commercial departments of foreign embassies;
- national Ministry of Foreign Affairs and of Economic Affairs;
- consultancy offices for international trade and investments;
- employer and economic organizations;
- city and provincial administration.

84. Communication is again the key word for successful business. People have to know the port exists, what its possibilities are and they have to know those working for the port. This part of promotion is very time consuming and slow in giving returns for the effort put in; it sometimes takes years before a good relationship is built up. Therefore when a person in the network is replaced or retires, make sure he introduces his replacement to all the contacts in the network before he leaves. Networking is very valuable - it is an important aspect of marketing.



## I. Domestic fairs

85. A distinction has to be made between the fairs related to domestic transport (professional fairs) and the domestic fair in general. For the first category it is almost certain that the port would consider participation. The port's presence is a must for meeting government people, the industry and last but not least its competitors. The chances of positive results will rely on the size of the port's internal market. For a small market like Belgium, participating in domestic fairs is intended more for creating a positive image than for really selling your services. It is important to know beforehand what the port expects to gain as a result of its participation.

86. Besides the "professional" domestic trade fairs we recognize the "general" domestic fairs open to the general public. When such a fair is organized in the port's region or town, this can be a perfect tool to influence public opinion. Where a seaport is conceived as a tax consuming governmental institution, polluting the environment, etc., a positive image can be created by explaining the direct effects of the development of the seaport on:

- employment;
- diversification of the industrial pattern;
- increase of international trade;
- prosperity for the region.

87. For the layman, maritime business still has a taste of adventure. The ships, the sea, the other side of the ocean, it still appeals to the imagination. By means of a contest organized during the fair, the general public can discover the port in its economic realities such as:

- how many ships are calling at the port per year;
- how many seamen arrive per year;
- how many people are directly employed;
- how much the private companies invest compared to the government;
- how many overseas destinations are reached from the port, etc..

Only when people are well informed are they aware of the value and importance of the seaport in their town or region.

## J. School visits

88. Developing a seaport is partly building the infrastructure and superstructure without which a vessel cannot be accommodated; but it is also manning the seaport with people who realize the working in a seaport is different from baking cookies. We are talking about tradition and educating people in the maritime industry. Today, the maritime industry is still built on tradition, reliability, confidence, know-how, etc..

89. Everyone working in the maritime industry knows that decisions having important financial consequences are taken in a few seconds (for instance in the charter market) and with a simple telex message. Therefore it is not a playground for kids, but we have to make sure that the younger generation will be educated properly to become a member of the maritime family. Therefore to secure the future of the port, it is necessary to focus attention on the youth.

90. This is why a programme has been elaborated to go and visit schools, to talk about the prosperity ports bring to the region and to show the opportunities a port offers as a possible employer. It is necessary to encourage those younger people who are interested to follow specialized courses in transport

and more specifically in shipping business. This includes of course the efforts the port has to make to persuade the schools - Ministry of Education - to create courses in maritime sciences.

91. On the other hand instead of going to visit the school, the students from the school can also visit the port. At first sight this may seem like a time-consuming activity with no commercial result, however in the long run it can have one. A well-structured introduction by someone from the commercial department gives a personal touch to the visit of the young people. The introduction can be followed by a video film and afterwards a visit to the facilities, which can include a visit to a ship. A questionnaire can be prepared by the teacher in the class room and filled in on the spot. With a programme such as this the students will never forget the port !

### **K. Organizing conferences**

92. Another marketing tool is the organization of a conference in the port. This of course requires professional help from a conference organizer, such as Seatrade, Fertilizer Forum, etc.. Of course possibilities have to be studied beforehand by the organizers so that it has a good chance of being a success; otherwise, it would not be a promotional activity.

93. There are a lot of seminars, conferences, etc. organized nowadays, therefore it is important to organize it in co-operation with a major conference organizer familiar with the industry. Even with the help of the conference organizer, a lot of work will be expected from the host, either the city or the port. It is not a marketing tool to be considered lightly. However if considered worthwhile, it provides an important promotion for the port and a splendid opportunity to meet people from the business sector aimed at during a couple of days. The major advantage is again that decision makers come to visit the port.

### **L. Speaker at a conference**

94. Another interesting tool for reaching the international community is to be a speaker at an international conference. One's expertise will be asked for on a specific subject for an international audience. Besides this international audience there will be other speakers, key managers or government people who can open doors to new markets. And last but not least, the press will be present, both local and international, and general and specialized.

95. One fundamental remark on this marketing tool, which is expressed a lot by northern European ports, never be tempted to give a promotional talk on the port. First of all people who have paid a significant amount of money as a registration fee want to hear expertise and not an advertising spot. Secondly, the speaker can give them a balanced mixture of his expertise and some examples of his own experience from the port. This is a very sensitive subject and an advertising spot at a highly technical conference have the reverse effect from being a promotion aid.

### **M. International press day**

96. In all the efforts a port makes to be heard and seen by the decision makers or people who can influence them, do not forget the strength of the press. The press can be positive, negative, neutral or absent on purpose. A positive article by a reputed professional journalist in the industry can have a far more effective impact than a whole advertising campaign. Here of course the image presented by the journalist is very important. Therefore, well organized and regular meetings with the press are essential for exposure. It can happen that some negative events in the port will be announced by the press. When

good relations have been established with journalists, the port will get at least the chance of informing them on what really happened to avoid exaggerated press releases.

97. An international press day can be organized as follows. The port invites all representatives of the specialized maritime papers and magazines and the travel and overnight expenses are paid. First a general speech is given explaining the major changes in the port, the results obtained and the plans which have been made. Afterwards question periods are organized in separate groups according to the language.

98. In principle, four to five representatives of the port community: forwarders, stevedores, shipping agents and port authority answer the questions which the journalists were asked to provide beforehand, but which can also be raised spontaneously. After the press conference, a visit is organized to one or another specialized facility which has recently been built, or which is of great interest e.g. the storage of dangerous products, the new container terminal, the handling of fruit.

99. If these international press days are organized each year, the journalists enjoy them because then they meet regularly, because they are arranged during an attractive season, and because it is a unique occasion to talk shop with colleagues and the port authority, as well as with shipping experts.

#### **N. Other tools**

100. An interesting way in which one can try to impress both the local press and international organizations is to have the national bank make a port impact study. Belgium has been successful in having the Belgian National Bank make a study of the impact of the ports on the national economy. The National Bank's study proved that the value added in the Belgian ports was a substantial part of the GDP, and that some 70,000 people were employed by the firms studied. Also a very interesting part of the study was the calculation of the taxes paid. Such figures published by an independent national authority are very useful for discussions with the national government whenever grants or new roads or railroad links have to be obtained. In Belgium, the fact that the governor of the National Bank had this study undertaken impressed the Government very much and was also important for public opinion. Most big banks have a magazine which they circulate to their international correspondents. When the port can influence some of the country's major banks to publish an article on the port, the bank becomes involved in the port community and at the same time provides the port with a good tool for the international marketing of the port.

101. The most recent initiative in Belgium has been the establishment of a port educational center. This has been very successful as it has been fashionable for students to have a day at the seaside, a day in the countryside, a day in the mountains for the last years of secondary school. With these facilities, it is possible to organize a day in the port for other groups. In the new port center there is an exhibition hall in which the forwarding agents visually explain business terms like FOB, CIF, etc.; where the grain importers show the different types of grain and cattle fodder and how it is being handled in the port; the oil refineries explain the refining process; the chemical firms show how ammonia or ethylene is made. There is a meeting room for about one hundred persons where a film on the port, or slides on a special aspect of the port can be shown. There are also three classrooms, each with a capacity for thirty students for lectures on the port.

102. The port center can also organize visits to specific port facilities and retired people who have worked their whole lives in the port are used as guides. The center does not work free of charge; the students or schools have to pay a certain fee per student. The center is nearly fully booked for the whole year and also gets international students coming from the north of France. Although the prime purpose of the center was community development, it has gradually extended to the whole country.

103. Also interesting is the creation of a harbour club. A harbour club is an informal gathering, normally once a month of all business people working in the port. This includes the shipping agents, the ship broker's clerk, stevedoring companies, industrial companies, banking people, surveyors, tugboat people and pilots, etc.. The aim of a harbour club is totally different from that of a port community. The harbour club is informal and almost unstructured, so no administration is required. It gives the opportunity to exchange information in a relaxed atmosphere. Two examples in Belgium are the Ankerclub in Ghent and the Braboclub in Antwerp. For the Ankerclub people meet every third Tuesday of the month between 12 and 2 o'clock. From time to time a guest speaker is invited and of course when special guests are visiting the port at that time, they are also invited. Not to forget that every captain of a vessel that comes to Ghent for the first time also gets an invitation. It creates a friendship besides the pure business relationship.

104. More and more ports try to have one or more places in the port from where the port activity can be observed. In this way the port is no longer cut off from the city. One of the finest examples can be found in the port of Hamburg where at Schulau the incoming as well as the outgoing ships are greeted with the raising of the national flag and the playing of the national anthem. In the restaurant an old captain explains the type of ship, its origin and destination and the type of cargo it is carrying. This is a big attraction for the public in general. There are also open door days organized in an increasing number of ports, in order to bring the general public back to the port and increase community involvement.

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