Thursday: June 16, 2005

10:00 - 10:30 (Ball Room)
OPENING SESSION:
WELCOME AND OPENING REMARKS

Prof. Dr. Mesut Ayan, Rector, Yasar University
Prof. Dr. Can Aktan, Conference Chair

10:30 - 11:00 (Ball Room)
PLENARY SESSION 1

Keynote Speaker:
Friedrich Schneider, Johannes Kepler University of Linz, Austria
Shadow Economies
(The Size of Shadow Economies of Turkey and of 145 Countries from 1999 to 2004)
Introduced by:
Giuseppe Eusepi, University of Rome "La Sapienza", Italy

11.00 – 11.20
Coffee Break

11.20 -12.30
PLENARY SESSION 2

Keynote Speaker:
Michael R. Wickens, University of York, UK
“Measuring Fiscal Sustainability”

Introduced by:
Sumru G. Altug, College of Administrative Sciences & Economics, Koc University, Turkey

Takashi Hikino, Kyoto University and Tokyo University, Japan
“Business Organizations and Economic Development.”

Introduced by:
Asli M. Colpan, Institute of Economic Research, Kyoto University, Japan

12:30-14:00
Welcome Lunch
14:00 – 15:40 (Okyanus)

SESSION 1
ENVIRONMENTAL ECONOMICS I

Chair: Petr Sauer, Department of Environmental Economics, University of Economics, Czech Republic

Savas Alpay, TOBB Economy and Technology University, Turkey
“Economic Development, Openness to Trade and Environmental Sustainability: A Comparison of Developed and Developing Countries”

Petr Sauer, Department of Environmental Economics, University of Economics, Czech Republic
“Negotiation between Polluters and Authority as a Way of Initial Distribution of Tradable Pollution Permits”

Akimi Matsuda, Department of Economics, New York University, USA
Akira Hibiki, National Institute of Environmental Studies
“How Does Financial Market Evaluate Environmentally Good Behavior of a Firm?”

Figen Yesilada, Faculty of Economics and Administrative Sciences, Near East University, Turkish Republic of Northern Cyprus.
Ozge Ozgen, Faculty of Business, Dokuz Eylul University, Turkey.
“Are Young Consumers Really Green?”

Adel Ben Youssef, ADIS-Univeriste de Paris-Sud, France
Rim Lahmandi-Ayed, LEGI-Ecole Polytechnique de Tunisie, Tunisie
“Eco-labeling, Competition and Environment: Endogenization of Labeling Criteria”

14:00 – 15:40 (Gerence 1)

SESSION 2
TURKISH ECONOMY I

Chair: Hikmet Gunay, University of Manitoba, Canada

Utku Utkulu, Faculty of Economics and Administrative Sciences, Dokuz Eylul University, Turkey
Mehtap Tunc Alkis, Faculty of Economics and Administrative Sciences, Dokuz Eylul University, Turkey
“The External Debt, Private Investment and Growth of Turkey: The Long-Run Evidence with ECM”

Can Erbil, International Business School, Brandeis University, USA
Ferhan Salman, Research Department, Central Bank of Turkey, Turkey
“Revealing Turkey’s Public Debt Burden – A Transparent Payments Approach”
Adnan Kasman, Department of Economics, Faculty of Business, Dokuz Eylül University, Turkey
Evrime Turgutlu, Department of Economics, Faculty of Business, Dokuz Eylül University, Turkey
Gonca Konyali, Department of Economics, Faculty of Business, Dokuz Eylül University, Turkey
“The Main Cause of Current Account Deficit: Overvalued Turkish Lira or Economic Growth?”

Ramesh Chandra, Department of Economics, University of Strathclyde, UK
“Testing Endogenous Growth in Turkey”

Erdal Karagol, Department of Economics, Balıkesir University, Turkey
Kivilçim Metin Özcan, Faculty of Economics and Administrative Sciences, Bilkent University
“The Determinants of IMF Stand-by Arrangements in Turkey”

14:00 – 15:40 (Gerence 2)

SESSION 3
ORGANIZATIONAL BEHAVIOR AND ORGANIZATIONAL CULTURE

Chair: Jaehoon Rhee, School of Management, Yeungnam University, South Korea

Ceyhan Aldemir, Faculty of Business, Dokuz Eylül University, Turkey
Yasemin Arbak, Faculty of Business, Dokuz Eylül University, Turkey
Ulaş Çakar, Faculty of Business, Dokuz Eylül University, Turkey
Ayşe Y. Sanlı, Faculty of Business, Dokuz Eylül University, Turkey
“Historical Traces of Turkish Management Values in the Last Millennium”

T.N. Sreedhara, Department of Business Administration, Mangalore University, India
V.J. Byra Reddy, Department of Business Administration, Mangalore University, India
“Universal Generality and Local Specificity of Easternisation of Management: A Cultural Analysis”

Labros Sdrolias, Department of Project Management, T.E.I. of Larissa, Greece
Konstadinos Terzidis, Department of Information Management, T.E.I. of Kavala, Greece
Maria Vounatsou, Department of Tourist Business Administration, T.E.I. of Athens, Greece
“Significance, Defining Factors and Consequences of Mental Alienation of Enterprises’ Personnel from their Work Environment”

L. Gábor Torok, Szent István University, Hungary
“The Process of Transformation of National and Organizational Culture in Hungary”

Julide Kesken, Faculty of Economics and Administrative Sciences, Ege University, Turkey
Nazli Ayse Ayyildiz, Faculty of Economics and Administrative Sciences, Ege University, Turkey
Gokhan Unnu, Faculty of Economics and Administrative Sciences, Ege University, Turkey
“The Emerging New Paradigm in Management: Spiritually-Based Organizations”

14:00 – 15:40 (Gerence 3)

SESSION 4
SOCIAL CAPITAL & HUMAN CAPITAL I

Chair: Alexi Danchev, Department of Economics, Fatih University, Turkey

Catalina Holguin Caro, London School of Economics, European Institute, UK
“Social Capital, Social Cohesion and Education”

Robert Leonardi, European Institute, London School of Economics, UK
Rafaela Y. Nanetti, College of Urban Planning and Public Administration, University of Illionis, USA
“Is Social Capital Necessary to Spur Sustainable Economic Development? The Evidence from Naples, Italy”

Keisuke Osumi, Faculty of Economics, Kyushu University, Japan
Daisuke Ikazaki, Faculty of Economics, Kumamoto Gakuen University, Japan
Kenichiro Ikeshita, Faculty of Economics, Kanazawa University, Japan
“Capital Augmenting Innovation, Human Capital and Economic Growth”

Petr Mateju, Anglo American College, Czech Republic
Anna Vitaskova, Anglo American College, Czech Republic
“Trust and Mutually Beneficial Exchanges to Distinct Dimensions of Social Capital”

Nikolina Nevinova Kancheva, Varna Free University, Bulgaria
“The Formation and Impact of Social Capital”

14:00 – 15:40 (Denizkizi 1)

SESSION 5
MONEY, BANKING & FINANCE I

Chair: Michael R. Wickens, University of York, UK

Sumru Altug, Department of Economics, Koc University, Turkey
Murat Usman, Department of Economics, Koc University, Turkey
“Spillover Effects, Bank Lending and Growth”

Ahmet Kara, Department of Economics, Fatih University, Turkey
“Intertemporal Equilibria in the Private Banking Sector: A Model and a Case Study”
Roman Matousek, Department of Economics, Finance and International Business, London Metropolitan University, UK
“Monetary Policy and Banking Sector in New EU Countries”

Ismail H. Genc, College of Business and Economics, The University of Idaho, USA
“A Timewise Specification Sensitive Look at Money Demand: An Analysis of US Data”

Abu Baker Alwaddin, Newcastle Business School, Northumbria University, UK
Majid Taghavi, Newcastle Business School, Northumbria University, UK

14:00 – 15:40 (Denizkizi 2)
SESSION 6
EUROPEAN UNION I

Chair : Amjad Hadjikhani, Uppsala University, Sweden

Beyza Sumer, Department of Economics, Faculty of Business Administration, Dokuz Eylul University, Turkey.
“Strengthening the Economic and Monetary Union (EMU) in the EU”

Abdoullatif AbuRass Mohamed, School of Economic and Social Sciences, Szent Istvan University, Hungary
Villanyi Laszlo, School of Economic and Social Sciences, Szent Istvan University, Hungary
Zsarnoczai J.Sandor, School of Economic and Social Sciences, Szent Istvan University, Hungary
“Developing Coperative Movement In European Union”

Vanda Gineviciene, Vilnius Gediminas Technical University, Lithuania
Manuela Tvaronaviciene, Vilnius Gediminas Technical University, Lithuania
“Some Aspects of New EU Members’ Development Evaluation”

Vincenzo Russo, Department of Public Economics, Faculty of Economics, University of Rome “La Sapienza”, Italy
“Constitutional Reforms in Italy and in Europe: How to Evaluate Them”

Umut Halac, Faculty of Business, Dokuz Eylul University, Turkey
“The Stability and Growth Pact: A Comparison between Turkey an the New Member States”

Maria Farkas-Fekete, Szent Istvan University, Hungary
Janos Soos, Szent Istvan University, Hungary
“Convergence Path of the New Member States: Challenges and Risks”
14:00 – 15:40 (Yunus 1)

SESSION 7
ACCOUNTING & AUDITING

Chair: Bulent Bircan, Yasar University, Turkey

Ibrahim Elsiddig, Department of Accounting, Faculty of Business Management, Ajman University of Science and Technology, United Arab Emirates
Srinivas Inguva, Department of Accounting, Faculty of Business Management, Ajman University of Science and Technology, United Arab Emirates
“Management Accounting and Its Role in the Business Management- A Study with Reference to Banks in United Arab Emirates”

Tamara Simunaci Boskin, Faculty of Management, University of Primorska, Slovenia
“Does the Global Transition Make Ample Room For Creativity in Accounting?”

Albu Cătălin, Department of International Accounting, Academy of Economic Studies, Romania
Albu Nadia, Department of International Accounting, Academy of Economic Studies, Romania
“Trends in Refining Performance Management Systems in a Highly Dynamic Environment”

Yasemin Kose, Department of Business Administration, Zonguldak Karaelmas University, Turkey
“Characteristics, Financial Reporting Applications and Auditing of Small and Medium Enterprises in Turkey”

Camelia Catalina Mihalciuc, Faculty of Economics, University of Suceava, Romania
“Accounting Treatments Concerning the Cost of Stocks”

14:00 – 15:40 (Yunus 2)

SESSION 8
LOGISTICS & INTERMODAL TRANSPORT SYSTEMS

Chair: Okan Tuna, School of Maritime Business and Management, Dokuz Eylül University, Turkey

Maria A. Lekakou, Department of Shipping Trade and Transport, University of Aegean, Greece
Didem Ozer, School of Maritime Business and Management, Dokuz Eylül University, Turkey
“European Union and Turkey: Passenger Shipping Policy”
A. Guldem Cerit, School of Maritime Business and Management, Dokuz Eylul University, Turkey
Soner Esmer, School of Maritime Business and Management, Dokuz Eylul University, Turkey
Okan Tuna, School of Maritime Business and Management, Dokuz Eylul University, Turkey
“The Role of Maritime Transport in Logistics: A Conceptual Approach”

Oguz Kaymakci, Faculty of Economics and Administrative Sciences, Sakarya University, Turkey
Burak Demirocak, Faculty of Economics and Administrative Sciences, Sakarya University, Turkey
Nurcan Kilinc, Faculty of Economics and Administrative Sciences, Sakarya University, Turkey
“The Potential of Being a Logistic Base of Turkey that Related to the Region Where It Is Situated and Comparison with Greece – Spain Country Cases”

Gunal Once, Faculty of Economics and Administrative Sciences, Dokuz Eylul University, Turkey
Mehmet Marangoz, Faculty of Economics and Administrative Sciences, Harran University, Turkey
Sadettin Paksoy, Faculty of Economics and Administrative Sciences, Harran University, Turkey
“Outsourcing in Logistics Activities: The Case of the Turkish Automotive Industry”

Frank Bates, Department of Logistics Management, Izmir University of Economy, Turkey
Gul Ozkan, Department of Logistics Management, Izmir University of Economy, Turkey
“A Comparison of Logistics Services Being Offered and Those Demanded by the Textile Sector”

Weon Jae Kim, Department of Accounting, City College of Incheon, Korea
“The Optimization of Total Sea Transportation Cost under Specific Port System”

15.40 – 16.00
Coffee Break
16:00 – 17:40 (Okyanus)

**SESSION 9**

**INFORMAL ECONOMY & ECONOMICS OF CORRUPTION**

*Chair:* Friedrich Schneider, Johannes Kepler University Linz, Austria

Douglas Hibbs, Department of Economics, Goteborg University, Sweden
Violeta Piculescu, Sweden
“Institutions, Corruption and Tax Evasion in the Unofficial Economy”

Oguzhan C. Dincer, Department of Commerce, Massey University, New Zealand
Burak Gunalp, Department of Economics, Hacettepe University, Turkey
“Corruption, Income Inequality and Growth: Evidence from U.S. States”

Fatih Savasan, Usak Faculty of Economics and Administrative Sciences, Afyon Kocatepe University, Turkey
“The Factors Behind the Informality in Turkey: An Evidence from the Textile Sector”

Cagri Baydil, Faculty of Economics and Administrative Sciences, Sakarya University, Turkey
Seyfi Yildiz, Faculty of Economics and Administrative Sciences, Gazi University, Turkey
“Corruption and Tax Rates”

Kusuma Andrianto, Leeds University Business School, University of Leeds, UK
“The Silent Tsunami (The Case of Post Disaster Reconstruction in Indonesia – Corruption the Costs Lives)”

16:00 – 17:40 (Gerence 1)

**SESSION 10**

**GLOBALIZATION**

*Chair:* Akira Yokoyama, Graduate School of Policy Studies, Chuo University, Japan

Giuseppe Eusepi, Department of Public Economics, University of Rome “La Sapienza”, Italy
Luciano Milone, Department of Public Economics, University of Rome “La Sapienza”, Italy
“Globalization and the Bretton Woods Institutions”

Ion Stancu, Faculty of Economics, University of Craiova, Romania
“On Globalization Effects in Romania”

Krishn Awatar Goyal, Waljat Colleges of Applied Sciences, Oman
“Impact of Globalization on Developing Countries”

Siti Norezam Othman, Faculty of Technology Management, University Utara, University Technology, Malaysia
Norizah Mohammad, Business Advanced Technology Centre, University Utara, University Technology, Malaysia
Nooh A. Bakar, Business Advanced Technology Centre, University Utara, University Technology, Malaysia
“Technology Transfer and Development of Firm’s Technology Capability in Facing the Challenge of Globalization: A Developing Country Perspective”

Jung-Wan Lee, Bang College of Business, KIMEP, Republic of Kazakhstan
Simon Tai, Bang College of Business, KIMEP, Republic of Kazakhstan

16:00 – 17:40 (Gerence 2)

SESSION 11
FINANCIAL MARKETS

Chair: Asli Ogunc, Texas A&M University USA

Ercan Balaban, School of Economics and Management Studies, The University of Edinburgh, UK
Umit Erol, Faculty of Business Administration, Bahcesehir University, Turkey
Murad Kayacan, Istanbul Stock Exchange Market, Turkey
“Forecasting Systematic Risk: Evidence from an Emerging Stock Market”

Bing Xu, The Management School, The University of Edinburgh, UK
“Asymmetric Conditional Volatility and Seasonality: Evidence from China”

Osman Kilic, Terry Goodwin Financial Technology Center, Quinnipiac University, USA
Ihsan Isik, Rowan University, USA
“The 2000-01 Turkish Currency Crisis and Financial Institutions Stock Returns”

Nildag Basak Ceylan, Department of Management, Atilim University, Turkey
Sidika Basci, ESTIM Economic Research and Consulting, Turkey
“Modelling Stock Returns and Volatility with Some Macroeconomic Variables: A Case for Turkey”

Sugato Chakravarty, Department of Consumer Sciences and Retailing, Purdue University, USA
Tansel Yilmazer, Department of Consumer Sciences and Retailing, Purdue University, USA
“A Reexamination of the Role of “Relationships” in the Loan Granting Process”

16:00 – 17:40 (Gerence 3)

SESSION 12
APPLIED ECONOMICS
Chair: Ismail H. Genc, College of Business and Economics, The University of Idaho, USA

Fuat Erdal, Adnan Menderes University, Faculty of Economics and Administrative Sciences, Turkey
Bulent Guloglu, Adnan Menderes University, Faculty of Economics and Administrative Sciences, Turkey
“Does the Central Bank of Turkey Follow the Taylor Rule”

Selahattin Bekmez, Mugla University, Faculty of Economics and Administrative Sciences, Turkey
Bora Uslu, Mugla University, Faculty of Economics and Administrative Sciences, Turkey
Ismail H. Genc, College of Business and Economics, The University of Idaho, USA
“Asymmetric Information and Monetary Policy Applications: The Case of Turkey”

Adnan Kasman, Department of Economics, Faculty of Business, Dokuz Eylul University, Turkey
Canan Yildirim, Dokuz Eylul University, Turkey
“Cost and Profit Efficiencies in Transition Banking”

Hasan Sahin, Ankara University, Turkey
“Dynamics of Yield Curve and the Macroeconomy: Evidence from Turkey”

Nihat K. Anil, Celal Bayar University, Turkey
Ayse Bayrak, Celal Bayar University, Turkey
A. Ilkem Ozcan, Celal Bayar University, Turkey
“DEA: Measuring Efficiency of Private and Public Banks Based in Turkey”

16:00 – 17:40 (Denizkizi 1)

SESSION 13
FIRM THEORY & ENTREPRENEURSHIP

Chair: Kenny Crossan, Ashcroft International Business School, UK.

Guven Alpay, Department of Management, Bogazici University, Turkey
Muzaffer Bodur, Department of Management, Bogazici University, Turkey
Cengiz Yilmaz, Department of Management, Bogazici University, Turkey
“Corporate Entrepreneurship and Firm Performances: A Comparison of the Effects of Entrepreneurship Dimensions on the Performance Levels of Turkish Firms in Foreign versus Domestic Markets”

Duygu Turker, Faculty of Economics and Administrative Sciences, Yasar University, Turkey
Bora Onvural, Faculty of Economics and Administrative Sciences, Yasar University, Turkey
Emel Kursunluoglu, Faculty of Economics and Administrative Sciences, Yasar University, Turkey
Cengiz Pinar, Faculty of Economics and Administrative Sciences, Yasar University, Turkey
“Entrepreneurial Propensity: A Field Study on the Turkish University Students”

Karen Howells, European University of Lefke, Turkish Republic of Northern Cyprus
Branka Krivokapic-Skoko, Charles Sturt University, Australia
“Entrepreneurship and Cultural Practice: The Challenge for Turkish Cypriot Female Entrepreneurs”

Judit Kapás, University of Debrecen, Hungary
“Variants of the Firm: The M-Form versus the Market-like Form”

Kenny Crossan, Ashcroft International Business School, UK.
“A Numerical Analysis of the Theory of the Firm”

16:00 – 17:40 (Denizkizi 2)

SESSION 14
HUMAN RESOURCE MANAGEMENT

Chair: Ceyhan Aldemir, Dokuz Eylul University, Turkey

Tamer Kececioglu, Faculty of Economics and Administrative Sciences, Ege University, Turkey
Burak Capraz, Faculty of Economics and Administrative Sciences, Ege University, Turkey
“Perception of New Human Resources Roles: A Research over the Industrial Firms in Izmir”

Yasemin Arbak, Department of Business Administration, Faculty of Business, Dokuz Eylul University, Turkey
Gokhan Karagonlar, Department of Business Administration, Faculty of Business, Dokuz Eylul University, Turkey
Banu Atrek Yasaroglu, Department of Business Administration, Faculty of Business, Dokuz Eylul University, Turkey
“Work Mentality of Individuals: A Validation Study for Turkish Work Mentality and Searching for Individual Correlates”

Somdee Hongphisanvivat, Faculty of Commerce & Accountancy, Thammasat University, Thailand
“How Marketing Strategy Creates Human Value: A Key Success in the New Global Challenges”

Ahmad Zohdi Abd Hamid, Center for Graduate Studies, University Tun Abdul Razak, Malaysia

Rūta Čiutienė, Kaunas University of Technology, Lithuania
Rūta Adamonienė, Kaunas University of Technology, Lithuania
“Career Demand and Opportunities of the Potential Employees”

16:00 – 17:40 (Yunus 1)

SESSION 15
ECONOMICS OF REAL ESTATE

Chair: Abdullah Yavas, Penn State University, USA

Lynn M. Fisher, Massachusetts Institute of Technology, USA
Abdullah Yavas, Penn State University, USA
“The Value of Equitable Redemption in Commercial Mortgage Contracting”

Zeynep Onder, Faculty of Business Administration, Bilkent University, Turkey
Suheyla Ozyildirim, Faculty of Business Administration, Bilkent University, Turkey
“Do Real Estate Loans Affect Economic Activity? Evidence from Provinces in Turkey”

Yildirim Yildiray, Martin J. Whitman School of Management, Syracuse University, USA
“CMBS Default: A First Passage Time Approach”

R.G. Ariyawansa, Department of Estate Management and Valuation, University of Sri Jayewardenepura, Sri Lanka
“Growth of the City Economy through the Real Estate Development: A Case of Sustainable Township Program in the City of Colombo”

Yeonbae Kim, Techno-Economics and Policy Program, Seoul National University, South Korea
Chul-Yong Lee, Techno-Economics and Policy Program, Seoul National University, South Korea
Jeong-Dong Lee, Techno-Economics and Policy Program, Seoul National University, South Korea
“Forecasting Future Demand for Home-Networking System in Korea: The Diffusion Existing Houses”

16:00 – 17:40 (Yunus 2)

SESSION 16
AGRICULTURAL ECONOMICS

Chair: Srigowri Sanker, Kobe University, Japan

Onur Guncavdi, Department of Management Engineering, Faculty of Management, Istanbul Technical University, Turkey.
Ayse Aylin Bayar, Department of Management Engineering, Faculty of Management, Istanbul Technical University, Turkey.
“The Intersectoral Linkages between Agriculture, Manufacturing and Service Sectors in Turkey”
Ertugrul Deliktas, Department of Economics, Ege University, Turkey
S. Mustafa Ersungur, Department of Economics, Ataturk University, Turkey
Mehmet Candemir, Ege University, Turkey
“The Comparison of Agricultural Efficiency and Productivity Growth in the EU and Turkey from 1980 to 2002”

Ibrahim Demir, The John E. Walker Department of Economics, Clemson University, USA
“Firm Size and Industry Level Contractual Performance: The Case of Hazelnut Farms in Turkey”

Frank Bates, Department of Logistics Management, Izmir University of Economy, Turkey
Melek Akin, Department of Logistics Management, Izmir University of Economy, Turkey
Gokhan Efecan, Department of Logistics Management, Izmir University of Economy, Turkey
“Using TQM Principles to Study Organic Agriculture – A Comparison of Turkey’s Endeavors to Those of the European Union”

Frank Bates, Department of Logistics Management, Izmir University of Economy, Turkey
Burcu Pinar, Department of Logistics Management, Izmir University of Economy, Turkey
“Determining the Likelihood and Prospects for Success with the New Business Development Initiative to Market Processed (Dried) Tomatoes by the Turkish Firm for the International Marketplace”
THE ROLE OF MARITIME TRANSPORT IN LOGISTICS: A CONCEPTUAL APPROACH

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Key words: Maritime Transport, Intermodal Transport, International Distribution Channels

ABSTRACT
International trade has reached a new acceleration outlook following the ratification of the Uruguay Round Final Act. Due to the globalization of business, the whole world turns out to be a potential market and transportation of both manufacturing inputs and finished products presents a special area of competitive advantage. Main competitive strategies facing the transportation industry lie in the areas of substitutional transport modes, operational outcomes of the transportation service and the transport service characteristics. Nations and firms competing in the global market place need to analyze such factors affecting the competitive position with respect to the transportation service and reach their decisions accordingly.

This paper attempts to analyze the role of maritime transport in logistics with regard to the competitive position of transport services. Intermodal transport has been emphasized in order to define the connection between logistics and maritime transport.

JEL: L91
1. INTRODUCTION

International trade has reached a new acceleration outlook following the ratification of the Uruguay Round Final Act and world merchandise trade has passed the 5 trillion dollars mark after 1996. Due to the globalization of business the whole world turns out to be a potential market and transportation of both manufacturing inputs and finished products presents a special area of competitive advantage. Main competitive strategies facing the transportation industry lie in the areas of substitutional transport modes, operational outcomes of the transportation service and the transport service characteristics. Nations and firms competing in the global market place need to analyze such factors affecting the competitive position with respect to the transportation service and reach their decisions accordingly.

2. INTERNATIONAL MARKETING AND COMPETITIVE ADVANTAGE IN TRANSPORTATION: BACKGROUND

International Marketing and Global Strategies

Strategy has long been an area of interest in the business discipline and it has lately been defined as “management of natural competition” (Henderson 1989), the essence of strategy being explained as “choosing to perform activities differently than rivals do” (Porter 1996).

The goal of international marketing is stated as creating and retaining customers in global markets (Terpstra and Sarathy 1994) and global strategy has been investigated by business and marketing scientists since the end of the 1960s. Studies on development of international marketing strategies have mainly focused on the degree of internationalization covered (Wind et al 1973; Chakravarthy and Perlmutter 1985), responding to the global challenges (Jatusripitak et al 1985; Ricks et al 1986; Quelch and Hoff et al 1986; Craig and Douglas 1996), standardization/adaptation of international marketing strategies (Jain 1989; Szymanski et al 1993), product strategies (Ayal 1981; Green and Allaway 1985), cost/value and price decisions (Madhok 1994; Cavusgil 1996), distribution channels/logistics/physical distribution strategies (Anderson and Coughlan 1987; Aertsen 1993; Bello and Gilliland 1997), promotion strategies (Donnelly 1970; Peebles et al 1978), organizational aspects (Aylmer 1970; Hulbert 1980; Clark 1990; Aksoy and Kaynak 1994) and marketing strategy/performance relationships (Samiee and Roth 1992; Cavusgil and Zou 1994).

2.1.1 Global Marketing Strategies

Global marketing strategies are affected by both the macro and the micro external environmental factors and the internal environmental factors of the businesses (Terpstra and Sarathy 1994; Kotler 1997; Keegan and Green 1997).

External macro environment consists of the demographic/economic, technological, natural, social/cultural and political/legal forces. External micro environment actors are grouped as customers, competitors, distribution channels and suppliers. Internal environmental factors are related to the business functions of marketing, finance, manufacturing and organization (Cerit, 2002)
2.1.2. International Distribution Decisions

With the analysis of the environmental factors, the firm’s competitive advantage stems and marketing objectives are stated and with the help of the segmentation and targeting, marketing strategies are put forward concerning differentiation, positioning and marketing mix (product, price, place/physical distribution, promotion) decisions.

When marketing mix is concerned, distribution has always been considered as one of the most critical decisions in international marketing with respect to (1) market entry decisions (Anderson and Coughlan 1987; Terpstra and Sarathy 1994), (2) selection of distribution channels (Stern and Sturdivant 1987; Jones et al 1992; Mueller et al 1993; Aertsen 1993) and (3) global logistics (Ballou 1992; Ligon et al 1992; Bukold 1993; Londe and Masters 1994).

Physical distribution is a major cost of international marketing and profits can be increased through cost reductions in the transportation of the goods (Terpstra and Sarathy 1994).

2.1.3. International Transportation Decisions

Transportation as a sub-system of the logistics system has been defined as “the most important single element in logistics costs” (Ballou 1992) and has attracted the attention of the researchers in the transportation business (Wood and Johnson 1996).

Research on developments of the transportation technologies, analysis of the time factor in transportation businesses, transportation costs and organization and management of the transportation systems have been the major areas of interest (Wood and Johnson 1996; Casson 1986).

For those competing in the international markets, an efficient and inexpensive transportation system contributes to greater competition, greater economies of scale in production and reduced prices for goods (Ballou 1992).

Marketing related studies on international transportation research have usually focused on economies of the transportation services, whereas the competitive factors developed by the transportation service have not yet been considered from the point of view of the customer (Cerit 2000).

2.2. International Transportation and Competitive Advantage

Global strategies contribute to the competitive advantage of the firms competing in international markets (Porter 1990a; Porter 1990b). Competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition (Porter 1985) and competitive strategy is defined as deliberately choosing a different set of activities to deliver a unique mix of value (Porter 1996).

2.2.1. Competitive Forces, Competitive Strategies and Competitive Advantage

Studies on competitive strategies have been based on two groups of competitive factors: industry attractiveness (industry position or external factors) and competitive position (firm resources or internal factors) (Porter 1985; Porter 1987; Barney 1991; Grant 1991). External factors cover macro and micro environmental factors (Barney 1991; Cerit et al 1997) . Competitive factors concerning firm’s resources are based on internal analysis (Barney 1991) and are referred to as organizational functions (Belohlav 1993; Boscheck 1994) or as business functions (Cerit et al 1997).
Porter’s approach to external factors is grouping them into five competitive forces that determine industry competition, namely, (1) rivalry among existing competitors, (2) threat of new entrants, (3) threat of substitute products and services, (4) bargaining power of suppliers and (5) bargaining power of buyers (Porter 1985; Porter 1990a).

Models analyzing firm resources (Barney 1991; Peteraf 1993; Hunt and Morgan 1995) start from the fact that the distribution of resources among the businesses is not stable and strategies must be developed for a sustainable competitive positioning within an industry.

Porter groups the activities performed in competing in a particular industry in two categories: Primary activities and the support activities. Firm infrastructure (e.g. finance, planning), human resource management, technology development and procurement constitute for the “support activities” where as, in-bound logistics, operations (manufacturing), outbound logistics, marketing and sales and after-sale service account for the “primary activities” (Porter 1985).

The whole system of activities is referred to as the “value chain” and all these activities in the value chain contribute to buyer value. To gain competitive advantage over its rivals a firm must either provide comparable buyer value but perform activities at a lower cost, or differentiate and perform activities in a unique way that creates greater buyer value and commands a premium price (Porter 1990).

The two basic types of competitive advantage are lower costs and differentiation. The three generic strategies defined by Porter for superior performance in an industry are grouped as cost leadership, differentiation and focus strategies (Porter 1985).

The theory of competitive advantage is applicable in the same manner for domestic and international markets, considering the characteristics of different markets.

2.2.2. Transportation, Competitive Advantage and Service Quality

As an element of international marketing, functional aspects of the transportation service covers the operational activities taking place in the transport business according to the special aspects of the transport mode, namely marine, truck, air, rail or pipeline transport (Wood and Johnson 1996).

Transportation systems are part of the whole international marketing system and are affected by all the external and internal factors surrounding the system. Moreover, the transportation system itself is subject to competitive forces and other factors of its own dynamics and the direction of the transportation service with respect to competitive strategies affects the outcomes of the service (see Figure 1).

Value chain consists of “inbound logistics” and “outbound logistics” as primary activities of a firm and transportation plays an important role in both of these activities. For a company competing in the international markets, as is the case with other primary activities, logistics, and as a part of logistics, transportation make use of the support activities to create value for the buyers.
The value chain provides a tool for understanding the sources of cost advantage. Lower transportation costs decline the costs for logistics and hence the primary activities as a total thus assisting the company in gaining a cost advantage.

The value chain also exposes the sources of differentiation by meaning a raise in the buyer’s performance in ways the buyer cannot match by purchasing from competitors. As a service industry, transportation industry provides the customers with a service, main sources of differentiation appearing to be the operational and functional aspects of the transportation service and the service quality.

International transport industry serves the import/export activities and the service quality produced by the transport organizations for the sake of the customers, namely importers and exporters, has to meet certain standards for the transportation service to create competitive advantage.

Determinants of service quality have been analyzed by those in the marketing discipline and the following ten groups of variables have been reached (Parasuraman et al 1985; Zeithaml et al 1990; Zeithaml et al 1996): reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding/knowing the
customer, tangibles. With the results of further research on service quality these ten dimensions have been combined and reduced into 5 dimensions namely reliability, responsiveness, tangibles, assurance (combination of competence, courtesy, credibility and security) and empathy (combination of access, communication, knowing and understanding the customer) (Zeithmal et al 1990).

3. INTERMODAL TRANSPORT AND LOGISTICS

Whereas the marketing channel serves to facilitate transactions by coordination of product, price, and promotional initiatives, the logistics channel provides time and place availability for products and services. (Bowersox and Coopers, 1992). Companies have moved beyond viewing logistics as merely an area for cost improvements to viewing logistics as a key source of competitive advantage within a firm’s total market efforts (Mentzer et al 2001). In other words, logistics management can provide a multitude of ways to increase efficiency and hence contribute significantly to reduced costs (Christopher 1998). With regard to that fact, logistics service capabilities can be leveraged to create customer and supplier value through service performance, increase market share, enable mass customization, create effective customer response based systems, positively affect customer satisfaction and, in turn, corporate performance, provide a differentiating advantage and segment customers (Mentzer et al 2001).

Logistics is that part of the supply chain process that plans, implements, and controls the efficient, effective forward and reverse flow and storage of goods, services, and related information between the point of origin and the point of consumption in order to meet customers' requirements (Council of Logistics Management, 2002). Logistics is a collection of functional activities that are repeated many times throughout the channel through which raw materials are converted into finished products (Ballou, 1992). Logistics include many activities such as transportation, inventory management, order processing, warehousing, materials handling, purchasing, and information management.

3.1. Concepts of Intermodal Transport

There are several terms defining the concept of intermodal transport. The terms “intermodal”, “multimodal”, “combined” and “through transport” are sometimes assumed to be the same and interchangeable. The need for more efficient transport systems in developing countries is a concern of the United Nations Conference on Trade and Development (UNCTAD) where the preferred term is multimodal transport. The United Nations Convention on Multimodal Transport defines multimodal transport as (UNCTAD, 1994):

“The carriage of the goods by at least two different modes of transport on the basis of a multimodal transport contract from a place in one country at which goods are taken in charge by a multimodal transport operator to a place designated for delivery situated in a different country”.

The European Conference of Ministers of Transport (ECMT) has adopted the following definition for intermodal transport (Institute of Logistics, 1994):
“The movement of goods in one and the same loading unit or vehicle that uses successively several modes of transport without handling of the goods themselves in changing modes.”

Many developing countries are unable to provide the full transport and communications infrastructure necessary for a completely intermodal system. In these countries a multimodal system, which can be seen as an interim stage on the way to full intermodalism, is a more realistic target (Gray and Kim, 2001). UNCTAD advocates multimodal transport as a type of service where a multimodal transport operator assumes a contractual responsibility to move goods from a point of origin to a destination under a transport contract, for an agreed price with - possibly - a time limit for the delivery. UNCTAD points out the possible confusion regarding legal liability if there is damage, particularly in a developing country with a relaxed approach to liability. A truly intermodal system requires unitary liability of the intermodal operator. The ECMT definition requires that there is no handling of the goods/items during transport chain. This requirement rules out the possibility of performing any value adding activities such as third party logistics services in the terminals. Furthermore, it rules out the possibility of changing cargo-carrying equipment according to the possibilities and requirements of the different transport modes.

3.2. Drivers of Intermodal Transport

Production and customer driven need for an integrated transport chain has led to intermodalism. To offer a competitive intermodal transport solution means making the correct trade-offs between costs and performance and setting the right priorities for the service quality. In order to do this, one must know the market and plan for the future. There are some strong trends at present, supported by various EU and UNCTAD directives and policy statements on intermodality, rail and ports (Gray and Kim, 2001:182-200; Infolog, 2000). These trends will influence the future transport systems. They will be governed by some major general economic developments such as; globalisation of trade and transport, diversification of production and consumption, growing competition among economic regions in the world, growing congestion in and around main economic centres and growing concern for the environment and the use of energy by the transport sector.

Some major trends in transportation and logistics, imposed by the shippers, are increasing demands for integration of modes along the logistics chain, changing service requirements from node-to-node transport to door-to-door transport services, increasing demand for customised solutions of transport supply (performance, organisation), and increasing cooperation between individual transport modes (operators) and logistics chain organisers (Tuna, 2002; Taylor and Jackson, 2000:6).

The combination of these developments results in a growing demand for fast and flexible transport systems, with increasing attention for the impacts and limits of the existing transport systems. Information technology/telematics has the potential to contribute substantially to these goals by reducing friction and costs in the intermodal transport chain through better control and more efficient use of resources. In addition, for intermodal transport to emerge as a major alternative to road transport, ease of use, transparency, and the possibility of achieving reliable estimates for estimated arrival times are important properties that may be realised by intelligent use of information and communication technologies.
3.3. Intermodal Transport Infrastructure and Its Functions

Intermodality is a quality indicator of the level of integration between different modes: more intermodality means more integration and interconnectivity between modes, which provides scope for more efficient use of the transport system.

The economic basis for intermodality is that transport modes that display favourable economic and operational characteristics individually can be integrated into a door-to-door transport chain in order to improve the overall efficiency of the transport system. The integration between modes needs to take place at the levels of infrastructure and other hardware (e.g. loading units, vehicles, telecommunications), operations and services, as well as the regulatory conditions (Gray and Kim, 2001).

Efficient information and communication flows are vital for the management of these chains. They allow pre- and on-trip information exchange, including service availability, negotiation procedures, tracking and tracing, information on disruptions and the flow of transport documents.

The system of intermodal transport replaces the conventional fragmented transport system by an integrated system. This system has led to the development of special ships, and the development of relevant ports, rail and road infrastructure to service the needs of the intermodal infrastructure.

Containerisation is the central part of the total intermodal transport concept. Containerisation involves heavy capital investments for the development of an intermodal transport system. Investments are required in cellular container ships, rail flats, truck trailers, container boxes, terminals equipped with container handling cranes such as gantry cranes, transtainers, large container stacking yards, railway terminals for transfer operations, inland container depots, container freight stations and mobile cargo/container handling equipment such as forklift truck and spreaders etc. (Sanders, 1990; Deveci, Cerit and Sigura, 2001; Deveci, 1998).

Intermodal transport requires efficient transport systems supported by efficient infrastructural and institutional facilities so that goods move smoothly, safely and rapidly from door to door. The major infrastructural facilities include railroads, roads, airports, seaports, inland container depots and container freight stations.

Road vehicles capable of transporting containers not only provide local distribution but also long haul services where rail links do not exist. Road transport has the inherent advantage of flexibility, door-to-door service capability, speed, etc.

Rail transport is used between ports and inland distribution centres separated by long distances since it is less expensive for carrying large volumes of cargo over long distances. Rail traffic has been adapted to carry container traffic, through special designed wagons and container yards. Specialized container trains, such as, double stack trains offer regular schedules with guaranteed departure and delivery time.

Air transportation began to take part in more advanced intermodal movements of cargo on international routes. The construction of special air-surface containers produces a common denominator for air-sea and air-surface intermodal movements.
Shipping services are regular, scheduled container carrying services. Ideally, they guarantee departure times, delivery times, regularity and frequency of service, direct service without transshipment or warehousing en route. The movement of containerised cargo by inland waterways is not very popular as component leg of the intermodal system. However, it has been taking place in Europe with the concept of short sea shipping.

Container Ports are fully equipped to handle container ships so as to cause minimum detention to ships. In particular, the ports are equipped with container terminals, container handling equipment (including gantry cranes, transtainers, straddle carriers, reach stackers and forklifts) and container yards. The productivity of the port in this respect is generally reckoned in terms of containers handled per crane per hour. Success of a hub port depends on various factors: Economic and political stability, strategic location, high level of operational efficiency, high port connectivity and inland transport facilities, adequate infrastructure, cheaper terminal costs, simplified customs procedures, adequate info structure (such as EDI etc.) and a wide range of port services (Tongzon, 2001).

Inland Container Depots (ICD) are established to relieve the congestion at the ports and its adjacent areas, and to extend the continuous movement of container traffic beyond ports, thus bringing containers closer to the cargo generating hinterland areas. ICDs serve a significant role of changing the mode of transportation, usually from rail to road and vice versa. ICDs provide the following services: Handling of containers from road, rail and barges to a temporary storage yard (CY), intermediate storage between various transport modes, receipt and delivery of containers and general cargo, cargo consolidation and distribution, depot functions, maintenance and repair services for container handling equipment, refrigeration equipment, road chassis etc. Custom’s clearance activities at inland terminals could help to decrease the dwell time of containers in deep sea ports. Physical distribution services can be provided economically at or close to the ICDs (Sanders, 1990; Chadwin, Pope, and Talley, 1994).

Container Freight Stations (CFS) main function is to provide stuffing and stripping service for a container, along with necessary custom formalities. Another important function of a CFS is to consolidate smaller shipments of LCL (Less Container Load) cargo into full FCL (Full Container Load) shipments. The CFS is normally connected to the nearest ICD by road. From the ICD, the containers are transported to the gateway ports, for direct transportation from and to ports. A CFS thus serves as a cargo aggregation center (Deveci, 1998).

4. CONCLUSION

Intermodal movements usually include both international and national transport. Containers have been subject to ISO (International Standards Organisation) for many years, although sometimes shipping lines have attempted to move away from ISO standards. Sometimes there are non standard applications in domestic transport. In fact, it is more difficult to standardise intermodal transport than to standardise containers. In some ports of the world, national interests may predominate and be a reason for standardisation necessary for intermodal transport. There have been standardisation efforts in the USA and EU in railways and road transport. Double stack trains are heavily used in the USA but it is not so dominant in EU because of electrification and height restrictions (Gray and Kim, 2001:190). Europe has developed its own standards under the European Committee for Standardisation (CEN).
Intermodal transport users incur friction costs because of the lack of interconnectivity at three levels: infrastructure and transport means, operations and the use of the infrastructure, especially terminals, and modal based services and regulations. Although economies of scale are achieved in container ships, it is not achievable on the land-side where investment has been relatively low and costs are high. High cost land side activities include terminal handling, empty running on inland movements, empty container storage, maintenance and repair etc. One writer estimates that the sea leg for intermodal movements provides 70-80% of total revenue, whereas the land activity, including sales and control, creates at least 2/3 of total intermodal costs for land and sea combined (Graham, 1998).

In intermodal system, ports are interchange points and very important to contribute seamless or continuous flow of goods. At interchange points there is often a transfer among different carriers. Thus, there is need to coordinate different types of carriers. The relationship between shipping lines and ports has led to greater concentration of cargo moving through fewer and larger ports. Such ports form hubs serviced by feeder ports. In intermodal systems inland terminals are as important as seaports.

There is collaboration between different types of carrier in different forms ranging from conference agreements to strategic alliances and vertical to horizontal. The main objectives of these collaborations are to control intermodal transport chain, to reduce overall transport cost and to increase service quality.

In many countries, private sector companies have taken the initiative with many intermodal developments, although government legislation has often assisted their efforts, generally through laws associated with the deregulation of transport. An important feature of deregulation was the separation of government business into discrete units. This structural separation occurred in three main areas: The separation of regulatory and commercial functions, the separation of natural monopoly and potential competitive activities, and the separation of potential competitive activities. Deregulation has made the market contestable and has led to competitive outcomes. A major impact of deregulation has been that transport operators have been forced to restructure and refocus and, in the face of growing competition, have been forced to reinvent themselves.

BIBLIOGRAPHY


