Study of Competitiveness
- A Case Study of DHL

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June 2012

Master’s Thesis in Business Administration

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Abstract

Title: Study of Competitiveness- A Case Study of DHL

Level: Final assignment for Master’s Degree in Business Administration

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Date: 2012 May

Aim: This study deals with two research questions:

RQ1: What competitive advantages does DHL gain from external and internal factors?

RQ2: What competitive disadvantage does DHL have? And what DHL can learn from analyzing competitive disadvantage?

Method: primary data for this research has been mainly collected through interviews. Moreover, the official reports are used as secondary data to present the empirical situation of DHL.

Conclusion: By concerning the external and internal factors of DHL, the SWOT analysis is conducted. The strength of DHL is customer satisfaction, green programme etc; weakness is price, liability insurance etc; opportunities are cooperation development, innovation etc; and threats are tough competitors. The strength and opportunities are regarded as DHL’s competitive advantages, while the weakness and threats are DHL’s competitive disadvantage that need to be fixed.

Further study & Implication: In this thesis there is no information to indicate if DHL has any unmet needs, but it must be there. If DHL can meet unmet needs to customer, there is no doubt DHL would be more competitive in the 3PL industry. It would be interesting to investigate what unmet needs are there and how DHL can deal with it.

This study contributes to the companies which plan to develop their competition from inside to outside in the market, especially in 3PL industry. This thesis gives authors deep insights into company success factors and suggestions for dealing with the problems which company may encounter.

Key words: competitive advantages, competitive disadvantages, external and internal analysis, DHL, SWOT analysis
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1. Introduction
In this section, a brief introduction of 3PL will be given in the beginning. Then the main purpose of thesis is attached. Research questions are stated clearly, it gives a brief direction of thesis. The limitation and outline are provided in the end of this section.

1.1 Background
The leading companies devise and evaluate their marketing strategy to survive and keep up with the rapid transformations in dynamic and competitive environment. Along with the globalization and the development of technologies, more and more companies have realized how complex the competitive situation is today. Increasingly, in order to respond to the highly competitive environment, many companies have to look for an approach to develop themselves from “inside” to “outside” (Ahmed & Rafiq, 2003), and it is essential for multinational companies to focus on the differences among different countries in developing marketing strategy. It is also very important to figure out what the key factors are to make a company successful.

As a brand new industry, the main function of 3PL can provide and integrate operation, warehousing and transportation services that can be scaled and customized based on customer needs or market conditions. 3PL often satisfies the customers’ demand by delivering goods and services in right time at required place. Basically, by the help of 3PL or effective logistics, shippers get opportunity to maintain their commitments by delivering high quality and timely services to customers. An excellent delivery service cannot only win the loyal customer but also gain large profits that expand company’s business (Qureshi et al, 2007). An important research can be carried out to investigate how marketing strategy can be developed to improve such a growing industry.

This thesis focuses on a 3PL company-DHL mainly to examine what reasons or factors make it one of the most successful logistics companies all over the world, and what competitive advantage DHL can gain through external analysis and internal analysis of marketing strategy. According to Aaker (2007), external analysis is an exercise in creative thinking from different perspectives, such as competitor, customer, environment and etc. These perspectives can help define the relevant industry. On the other hand internal analysis identifies brand association, products quality and customer satisfaction of companies. In the end SWOT analysis would be used to summarize the company’s strength, weakness, opportunity and threats. The purpose and the research questions are presented below:
1.2 Purpose
The aim of this thesis is to study what competitive advantage DHL can gain from external and internal factors and what DHL can learn by analyzing the competitive advantage.

1.3 Research questions
The research questions of this thesis are:

RQ1: What competitive advantages does DHL gain from external and internal factors?

RQ2: What competitive disadvantage does DHL have? And what DHL can learn from analyzing competitive disadvantage?

1.4 Limitation
Marketing strategy contains a lot of issues and therefore it is not possible for the authors to identify all successful factors in this research. Instead, this thesis only presents a very limited part of marketing strategy i.e. external and internal analysis to describe which can be the key success factors to gain competitive advantage for DHL. It cannot represent or explain why entire 3PL industry can grow so fast and become an emerging industry today. Besides, this thesis focuses on DHL marketing department which means the authors only gathered information from DHL Express Head of Marketing Communication and DHL’s site manager; therefore it cannot reflect the comprehensive views and perspectives of other departments of the company. And due to some questions are sensitive to DHL, authors could not get complete information from the company officially.

1.5 Outline
The thesis consists of six parts. Section one gives the background of the external and internal analysis of marketing strategy and purpose of the whole thesis. Section two deals with earlier research and scientific articles. Regarding a number of factors, such as customer analysis, competitor analysis, and quality of service, etc. Two frameworks which are used in this thesis are summarized as well. Section three describes the main method that used for achieving the purpose. Section four tells and describes what practical results we get during research. Section five explains by linking to the literature what our results mean for answering research problem. Section six deals with the conclusions and suggestions for future research.
2. Theoretical Framework
In order to explain and describe 3PL, external & internal analysis, and service marketing, many relevant theories and articles are mentioned in this section. It includes customer analysis, environment analysis, brand association and service quality etc. In the end, SWOT analysis is explained as well.

According to Gerhardt (2002), a good image and reputation have positive effect for a company. Competitor and customer are also play significant roles in the marketing. Aaker (2001)’s theory emphasizes that customer and competitor can be classified into company’s external analysis. Meanwhile, company reputation and product or service of company should be classified into internal analysis.

In this section, a brief introduction of external and internal analysis is given and it would be the main theory that can support carrying out the purpose of this work. According to Aaker (2001) and Gerhardt (2002), external analysis can influence on business strategy if a company adapted it in current dynamic competition. When customer and competitor are researching and classifying by external and internal analysis, stronger strategies can be developed to sustain a company’s growth. Thus, external and internal analysis is crucial process for business. This analysis can help companies to understand themselves better and deeper. Thereby the manager can use SWOT framework to analyze what strength, weakness (internal factors) the company has and what opportunity, and threats (external factors) the company faces. After that an appropriate market strategy can be developed and applied.

2.1 3PL Industry
According to the Council of Supply Chain Management Professionals, 3PL is defined as "a firm provides multiple logistics services for use by customers. Preferably, these services are integrated, or bundled together, by the provider. (Manzini et al, 2007).

“Outsourcing of logistics function is a business dynamics of growing importance all over the world (Razzaque& Sheng,1998). A growing awareness that competitive advantage comes from the delivery process as much as from the product has been instrumental in upgrading logistics from its traditional backroom function to a strategic boardroom function”. The main reason for outsourcing are: reduction in capital investment in equipment, facilities and human resource, on-time delivery requirement. Third-party logistics (3PL) are widely popular in all
over the world, particularly in Europe, and North America (Sahay & Mohan, 2006). According to Rahman (2011), there are many users reducing in-house operations and using 3PL service providers instead. The level of satisfaction with 3PL service providers is high and is reflected in a commitment to continue their use in the future. Thus, it predicts that the use of 3PL services will continue to grow over the next several years.

According to Lieb (2008), ten years of research 3PL in the United States reveals a resilient industry that has changed with user demands and an increasingly global economy. 3PL relationships today have become more collaborative. It is a good news for big users of logistics. “The relationships associated with 3PL are typically more complex than any traditional logistics supplier relationships and they are truly strategic alliances. These relationships have become a popular way to enhance an organization's flexibility in meeting rapidly changing market conditions, focus on core competencies, and develop long-term growth strategies” (Thakkar et al, 2005).

### 2.2 External Analysis

According to Aaker (2001), a successful external analysis should be directed and purposeful. External analysis can affect strategy through providing optional strategic alternatives, and even influencing final decision making among them, see Figure 1 below:

![Figure 1](image-url)

**Figure 1** The role of external analysis


An external analysis can contribute to strategy indirectly by identifying: threats and opportunities; strategic uncertainties that could affect strategy outcomes. “A threat such as concern about the emergence of a new competitor, can dramatically affect the evaluation of
strategy options. While a new technology, which can represent both a threat to an established firm and an opportunity to a prospective competitor, can signal new business arenas.” (Aaker, 2001). And strategic uncertainties focus on specific unknown elements that will affect the outcome of strategic decisions. One uncertainty might address technological improvements, whereas another might consider the technological development and cost/benefit levels achieved by competitive technologies.

In order to handle those uncertainties, there are three solutions: 1) the strategic decision, in order to prevent delay in decision making which might cause costly and risky, it must be determined immediately. 2) The information collection, it is necessary to gather all kinds of information so that uncertainties could be reduced. 3) Scenario analysis, it is an alternative approach or solution to manage possible uncertainties in the future. One of typical scenario analysis is called “strategy-developing scenarios”, the object is to provide insights into future competitive contexts, then use these insights to evaluate existing business strategies.

External analysis commences with customer and competitor analyses. Because customers do not only help companies define the industries correctly, but also they are some kind of original resource of relevant operational opportunities or threats (Aaker, 2001 & Gerhardt, 2002).

According to Aaker (2001), external analysis should consist of customer analysis, competitor analysis, and environmental analysis.

2.2.1 Customer Analysis
Customer focus is an important element of market orientation. Generally, business producers must consider their customer’ demand and put it firstly, prior so that the long term relationship with customers could be made (Nwokah, 2009). Customer focus has already been talked in many different ways, it is often relevant to market orientation and ‘customer be first’ (Dolye & Wong, 1998). According to Aaker (2001) and Gerhardt (2002), customer motivation, market segments and unmet needs are taken into account customer analysis necessarily.

Segmentation identifies the target group which respond differently from other groups. The advantage of segmentation strategy is: it can reduce the market space and create a dominant position in the marketing. After identifying customer segments, the next phase is to consider customer motivations (Aaker, 2001; Gerhardt, 2002). Generally, consumer motivation
analysis consists of 1) identification of motivations, for example: car safety, people might be asked why safety is important, and what is associated with a good or bad use experience? 2) assess motivation importance, for example: mothers often selected snack food based on what the child likes instead of qualities or nutrition; and 3) assign strategic roles to motivation, which means the selection of motivations central to strategy will also depend on competitor’s strategies. Unmet needs are the product or services that do not meet customer expectation, and it means opportunities and threats for companies to improve the quality of their goods or services.

2.2.2 Competitor Analysis
For business area, understanding competitors has been recognized as a significant point of market activities as well as customer analysis (Wright et al, 2002). Usually, competitor analysis starts with identification of current and potential competitors, however the potential competitors are invisible and difficult to identify. There are two major ways to handle it. The first one is observation of customers who might change another brand or make choices among competitors, while the second way is classification of competitors and place them into strategic group based on their competitive strategy (Aaker, 2001 & Gerhardt, 2002).

Then the next step is to understand competitors and their strategies. “It is important to evaluate the competition on a regular basis. Identifying who it is that you compete with, who is the most and least intense can give strength in developing a marketing strategy. Marketing strategists should evaluate who are the makers of substitute products, and who potentially could become competitive entrants” (Gerhardt, 2002). Accordingly, there are several elements which affect competitor actions. For instance, they are 1) size, growth and profitability 2) objectives and commitment 3) image and positioning strategy 4) current and past strategies 5) cost 6) organization and culture, 7) strength and weakness. Indirectly, these elements could be studied effectively by identifying and placing competitors in strategic groupings. Groupings may include similar competitive strategies, distribution channel, communication strategies, price, position, and competencies, including brand associations, logistics, capability, or research and development (Gerhardt, 2002).

In order to understand competitors, the further research and data collection are essential. Aaker (2001) states that competitor’s official Web site is a rich and reliable source where people can get brief information about the competitor. However the more detailed information is not easy to obtain, so the private contact or market research are needed.
2.2.3 Environment Analysis
According to Salih (2003), the efficient use of stock of natural resource should be concerned, and as people know the natural resource is a gift from nature. “In many countries, environmental depletion and resource degradation may go too far by violating economic principles. Therefore, to maintain sustainable development, the quality of the environment in these countries should be maintained; improvements are encouraged and further degradation should be managed. The importance of natural assets suggests that unmanaged degradation and negative changes in natural assets are not welcomed and may in fact violate economic principles” Salih (2003). Furthermore, if the natural resource could be managed and improved appropriately, the future generation can get benefits due to sustainable environmental resource management.

Sustainable development was defined as development which meets the needs of present without compromising the ability of future generations to meet their own needs (WCED, 1987). Accordingly, sustainable development can provide the needed guide for adopting relevant policy. For instance, adding the proviso of sustainability to the goal of development requires the maintenance of investment in natural, ecological and physical capital. And it also requires the integration of political, economic and ecological factors into the process of decision making. Thus, as Pearce et al (1990) state that sustainable development can be treated as a vector of social objectives and goals that does not decrease through the time. Now, the biggest ecological crisis human have to face is unsustainable use of space and time (Reisch, 2001). Furthermore, the modern society and its economic system create the disruption in the natural fabric of time and space (Jordan & Fortin, 2002).

There are 39 CEOs of 3PL companies involved Lieb & Lieb (2010)’s survey to estimate and rank the most significant short term sustainability challenges which the companies faced in 2008. The results are summarized in Table 1.
Table 1 Most important short-term sustainability challenges faced by 3PL


In this thesis these challenges would be analyzed for DHL as well.

Furthermore, Koh (2005) points out the development of 3PL could leave influence on environment. With the advent of the boom in the Chinese 3PL industry, both foreign and domestic 3PL providers came and tried to capture the huge market. The economic compensation is keeping growing, however, the pollution is getting worse.

2.3 Internal Analysis
Internal analysis will help the companies identify if the existing strategy is suitable, or if there is any need to adjust it. Certainly internal analysis address companies performance, such as brand association, and products quality (Aaker, 2001).

2.3.1 Product quality
A product or service should be compared with the competitor and customer expectation as well. The quality has been an important feature for market success. The reason why Japanese companies can be so successful is the quality of their products is very high, and always meets customer’s expectation (Bergman & Klefsjö, 2010). Actually there is no way to evaluate how
well a product or service works unless it is used (Shapiro, 1982). Somehow, there are some ways by which product or service can be evaluated through specific characteristics. For example, the quality of bus or train might be concerned with departure or arrival time. Further, there are several dimensions involving product and service quality concepts (see Figure 2).

![Figure 2 Quality dimensions of goods & service.](image)


Safety and environmental impact address that the products should not cause personal injury or leave bad influence to environment, thus the protection strategy should be attached against those damages. Durability means how the goods can be used and delivered without any damage. While the credibility concerns if there is ability to trust supplier. Access concerns how easy it is to come into contact with the supplier. Reliability refers to the consistency of performance. Communication with customer in an understandable way. Responsiveness means willingness to help the customer (Bergman & Klefsjö, 2010).

### 2.3.2 Brand associations

Brand association is judged by customers who have relative experience with past products or services. A good association might make contribution to the reputation of a company (Shapiro, 1982). Image of a company can be estimated. The simplest way is structured survey by regularly asking customers to tell their use experience and how much a brand means to them. By following this way the company could know more about its performance of
products or services from customer perspective, so that it would get opportunity to improve its performance. However, brand association is not only about external environment, i.e., the impression of customers or image of brand; but also about internal environment—the perspective of employees and the size of company (Nadin & Williams, 2012).

2.4 Service Marketing
Service marketing can be separated into two main areas of goods marketing and services marketing in general. Service marketing typically refers to both business to consumer (B2C) and business to business (B2B) services, and it usually includes marketing of services such as telecommunications services, financial services, hospitality services and the like (Kolter et al, 2010). Services are economic activities offered by one party to another; however the company provides service does not have the ownership of any physical things involved (Lovelock & Wirtz, 2011).

According to Berry & Parasuraman (1991), there are three drivers for sustainable success when company runs business performance. They are: control of destiny, trust based relationship, and the success of employees. Each of three drivers explains the unique principle to contribute to success of Service Company, for example: control of destiny means that company should concentrate on customer consistently; trust based relationship asks company to keep tight with its close customers instead of looking for new ones; the success of employees provide the result that is relative to employee, customer success is a function of employee sense of success. On the other hand, Grönroos (2000) derived six rules of service; 1.The “service mindedness” of employees.2 Demand/capacity assessment involving the knowledge of the front line staff. 3. Flexibility in customer/supplier interactions as a function of quality control. 4. Marketing and the role of the “part-time marketer”. 5. New technology diffusion, efficiency and customer perceptions of value. 6. Guidance support and encouragement of senior management. He emphasized the leadership of senior management is the most important.

2.5 SWOT analysis
Traditionally, SWOT framework is used due to its inherent assumption that managers can plan the strategy of company’s resource with its environment (Novicevic et al, 2004). SWOT analysis is very simple and flexible which means it only requires people to understand the nature of the company or the industry it operates instead of specific technical skills or training. According to Mehta (2000), the benefits of SWOT analysis are :1) It can improve
the quality of a company’s strategic planning even it lacks marketing information systems. 2) Ideally, it helps marketing manager integrate all kinds of information efficiently. 3) It allows collaboration between managers in different functional areas. Accordingly, the top manager who has right to make decision must make sure if the objective of company or project is attainable and available by using SWOT analysis. If the consequence is negative, another objective will be proposed to replace the former one.

Figure 3 SWOT matrix


In addition, the standard SWOT matrix (see Figure 3) is a classic method to evaluate the internal factors of company such as strength and weakness, while taking consideration into opportunity and threats these are external to a company to determine its impact on company’s marketing effort (Mehta, 2000). Novicevic (2004) also state that SWOT has been used as a managerial tool for marketing planning, meanwhile the main functional approach of it is to determine the internal and external elements.
3. Methodology
In this thesis, the literature review and empirical work on DHL are carried out. In the theoretical framework part, the valuable theories and literature regarding external and internal analysis are found to fulfil the purpose of the thesis work. On the other hand, the empirical data collection is mainly based on interview. Furthermore, the company report and official website are regarded as additional sources to gather more information. Overall, analysis of information from empirical interviews and literature are used to answer the research questions.

3.1 Qualitative Method
This study describes marketing strategy of a logistic company. The aim of this thesis is neither to formulate hypothesis from the conceptual work nor to test developed hypothesis by generating the necessary data, the qualitative method is mainly used to describe and analysis qualities, attributes and make distinctions (Punch, 2005). Generally, qualitative method addresses the explanation of non-numerical data. There are several methods can be adapted to collect qualitative information, for instance, structured interview, reflexive journals, analysis of documents and materials and the like (Walliman, 2005). The qualitative method is used as the research method in this thesis to discuss competitive advantage of DHL.

3.2 Data collection
An important basis for successful research is information in the form of facts. These facts can be called data and are the ones that allow the researcher to understand the problem under that is being investigated (Walliman, 2005). In order to conduct a relevant research both primary and secondary data were gathered. Secondary data was obtained from scientific articles, relevant books and Internet sources.

3.2.1 Primary data
Primary data is information that has not previously been published or collected. Walliman (2001) addressed that “primary data, that is data observed, experienced or recorded closet to the event, are the nearest one can get to the truth, distortions inevitably occur as the proximity to the event decreases.” The data would be much more reliable by directly collecting by the researcher.

The primary data was obtained in the form of the answers to a list of questions from the Head of Marketing Communication of DHL Express in Stockholm, Sara Arrhenius. The purpose of conducting this interview was to collect the practical information on the marketing strategy of
There were 25 questions covering the wide range of DHL practices: DHL’s customer, DHL’s competitor, DHL environmental strategy, DHL brand association, and DHL quality of service (see Appendix). However, Sara was out of her office for business, it was impossible to have the interview in person. So the contact and answering questions by Sara were conducted via e-mail. Questions on customer and competitor are a little sensitive for DHL. It was not available to publish this information. Therefore the question was sent to DHL head quarter in Bonn by Sara for getting an approval. Unfortunately, after 11 times e-mail contact with Sara, she had not got approval from her supervisor. She only picked some questions to answer in the end, such as DHL environmental issues, DHL service and DHL brand association. Regarding DHL’s customer and competitor, she just gave a few sentences to describe them briefly (see Appendix).

In order to obtain more information, authors tried to contact with Site Manager of DHL Freight in Gävle, Malin Stockberg. But the result of the interview was negative. Malin was having meetings when authors went to her office twice. Therefore, no interview with was taken place. Instead, Malin accepted questions via e-mail and looked through it. Finally, she recommended authors to go to DHL official website to look for information. These information was also carefully examined in order to get the general perspective of the company. Regarding competitor question, Sara was reluctant to give relevant information. Therefore authors had to search and use information from another logistics company, in order to make a comparison with DHL.

Authors also asked DHL head quarter in Germany for help. This time Dirk Klasen who is charge of regulation issue and outlets replied us, finally. He accepted questionnaire via internet immediately and chose some of questions to answer. Besides, authors also contacted Yunfeng Gao, Strategic Manager, who has been working for DHL in China for one year. The interview was accomplished via Skype, it lasted about 50 minutes.

Overall, the questionnaire was answered through the support from Sara Arrhenius, Dirk Klasen and Yunfeng Gao. DHL official website also makes a contribution to accomplish this thesis. Unfortunately, some questions are still empty due to no information is available from respondents or online.

3.2.2 Secondary data
Contrast to primary data, secondary data is that have been collected or published previously. This type of data is the most common type encountered since it consists all types of written
materials such as: magazines, books and internet. The DHL official website have been the valued secondary source to replenish DHL brand association. In addition, by reading through DHL transportation introduction (such as DHL air freight service, DHL road & rail service, and DHL ocean freight service), the quality of DHL’s service can be analyzed. In terms of environmental issue, DHL Supply Chain GOGREEN 2011 report helps authors gather DHL environmental information. In order to get DHL competitors’ information, the authors also use some useful information from UPS official website and FedEx official website.

3.3 How can conclusion be drawn
Firstly, the external analysis and internal analysis are used. By concerning the empirical findings about DHL, external factors (customer, competitor, and environment) and internal factors (quality of product, and brand association)are integrated into SWOT matrix. Secondly, by SWOT analysis, the strength, opportunities, threats and weakness of DHL are figured out. Thirdly, the strength and opportunities are regarded as company’s competitive advantages; and weakness and threats are discussed as competitive disadvantages. Finally, the conclusion is outlined.

![Diagram of analysis process]

Figure 4 How can conclusion be drawn

Source from authors own
3.4 Validity
According to Hyder & Abraha (2003), there are four ways that can be used to measure the quality of a research project: 1) construct validity; 2) internal validity; 3) external validity and; 4) reliability. Construct validity refers to correct operational measures for the concepts being studied. This thesis does not focus on concepts being studied before, instead, it tries to figure out why DHL can be such success. In terms of internal validity, it is significant in this thesis, because internal validity is to seek answer for the question. Thus it is suitable for the main purpose of this thesis, i.e., authors argue what competitive advantage DHL can gain by considering external and internal factors. External validity means establishing the domain to which a study’s findings can be generalized. However, the scope of external validity of this thesis is rather limited. Because the industry the thesis focus on has been developing for years, there is no more time or space to discuss more issues or make a deeper research.

All the data and theories authors got are from published books and journal, and the interview with DHL manager also provide many useful information to this thesis project. And in order to increase the validity of this thesis, the authors also have developed an appropriate conceptual framework, composed of clear, well-developed concepts. The concepts which are chosen and are used in compliance to the research problem and the purpose this thesis intends to achieve. Therefore those data or information and concepts are confirmed to be valid. Besides, in order to be sure, data was been checked carefully by the authors before they are used.

3.5 Reliability
In Hyder & Abraha (2003)’s research, reliability is demonstrating that the operations of a study, it means the data collection procedures can be repeated, the results is without any change. The main theory and method exploited in this thesis all come from published books and journals. They have been approved and adapted in different industries for a long period of time, and all of them are proved by effective and valid results. Particularly the SWOT analysis, was been used throughout many industries all over the world, thus authors are able to confirm the research is reliable.
4. Empirical Findings

In this section, the results of interview and secondary information (See Appendix) are presented. The empirical findings go from external perspective to internal perspective. First of all, a brief introduction of DHL is given. Then the answers to interview that related to customer, competitor, service quality etc are completed and listed by three interviewers.

4.1 Introduction of DHL

DHL is one of the largest 3PL company in the world founded by Adrian Dalsey, Larry Hillblom and Robert Lynn in San Francisco in 1969, and DHL is a part of the Deutsche Post DHL group. According to Dirk, DHL is made of DHL Express, DHL Global Forwarding, DHL Supply chain and DHL Mails. Since 1969, DHL employees were more than 285,000 people and provides its service in 220 countries all over the world. For its contributions in past 40 years, DHL has become the global leader of the International express and logistics industry.

Depending on its deep understanding of global Internet and local market, DHL provides professional services in express, air freight and ocean shipping, ground transportation and international postal service areas, etc. In addition, supply chain and enterprise information solution are two important business issues which DHL deals with in connection to contract logistics and enterprise solution services.

According to the growing British network shopping market, DHL Mail launched a new cross-border service for American electronic retailers and mail-order companies— Track UK. As a personal parcel delivery service, Track UK offers customers a cheap, speedy, mail-tracking and customer-oriented service which fulfils the needs of American companies. Along with this service, DHL finds another way to help customers to expand their international business. Nowadays, more than 32 countries’ mail-tracking service is established in DHL (DHL official website).

According to Dirk, DHL’s recent task is to focus on developing Asian market. DHL has built six distribution centers in Hong Kong, Singapore, Bangkok, Soul, Sydney and Toykyo.

4.2 DHL Customer

“Our top customers also need the flexibility to pick and choose from a wide range of supply chain options.......We listen closely to our customers and work with them to provide high quality solutions. Our customers' success is our success.”
DHL has customers cover all over the world according to Sara Arrhenius. DHL accept any kinds of delivery requirements no matter who the clients are.

According to Yunfeng Gao, DHL in order to know customer life cycle deeply, DHL segments its customer into different groups. According to different customer needs, customers are segmented as: strategic customer; long-term relationship customer; and normal customer. Strategic customer is someone who has large amounts of logistics needs or complex supply chain requires. Usually strategic customer group is made up of top 250 customers in the world. Long-term relationship customer is someone who asks DHL to serve for them regularly and frequently, but their logistics needs are simpler than strategic customer. In terms of normal customer, they are not loyal which means they can choose another 3PL company if they like. In general understanding, DHL always provide best technology and service to strategic customer to build strong cooperation relationship with them. However, the main task for DHL is to focus on long-term relationship customer, in order to achieve profit maximization. And DHL can do something for normal customer to turn them into loyal customer.

DHL measures customer satisfaction in different ways, and sometimes it even differs between regions and countries. For example: DHL Express in Sweden has processes, i.e., Key Performance Indicators (KPIs) to measure customer satisfaction (for instance, measuring how fast DHL pick up the phone, first time resolution of customer query), and it can also handle customer complaints. The complaints should be dealt with within a specified timeframe and resolved according to agreed timings. According to Sara Arrhenius and DHL official website, in 2011 DHL Express won customer service award for the best B2B customer service in Sweden. However, DHL does not provide more detail about customer satisfaction.

DHL develops strong customer relationships to understand and know customer views. By good understanding of customer, the company can adapt the specific service to fulfill customer needs. Usually, DHL plays the role of a dependable partner when customer needs them. The company always finishes their service optimally due to its excellent personal approach. For instance, according to Dirk, the customs experts of DHL see to it that customers’ goods get to their final destination with maximum reliability. Consequently, DHL
generates the trust and expectation to their customer. In addition, the Global Customer Solutions which is launched for top 100 customers also make a great contribution to company and customer to create win-win situation. Thus, the customer’s success is DHL’s success, is put into practice.

“*Attracting new customer is important, however, DHL still focuses on old customers’ need to prevent losing those customers.*”

------- Yunfeng Gao

“*Customs clearance and associated services need to be fully understood – and that’s what we do.*”

------- Dirk Klasen

### 4.3 DHL Competitor

According to Sara Arrhenius, the main competitors are UPS and FedEx. Dirk Klasen considers TNT is another significant competitor. Thus, the comparison among these four companies is made (see Table 2). By considering the features of logistics industry, several significant issues are picked up to make a comparison, such as: safety & insurance, service of company, environmental policy and company structure.

<table>
<thead>
<tr>
<th></th>
<th>Size/No of employees</th>
<th>Position</th>
<th>Safety/Insurance</th>
<th>Service/Logistics</th>
<th>Environmental policy/ Sustainable strategy</th>
<th>Organization/ Company structure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DHL</strong></td>
<td>International large logistics company with 285,000 employees in 220 countries</td>
<td>No. 1 in logistics industry</td>
<td>Customs-Trade Partnership Against Terrorism (C-TPAT); a growing network of highly secured locations worldwide; satellite networks; GPS</td>
<td>Shipping; tracking; export &amp; import service; freight and etc.</td>
<td>DHL GOGREEN; DHL in-house Carbon Management; environmental management system (EMS) and etc.</td>
<td>DHL Express</td>
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<td></td>
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<td>DHL Global Forwarding</td>
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<td></td>
<td>DHL Supply chain</td>
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<td></td>
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<td></td>
<td>DHL Mails</td>
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<tr>
<td><strong>UPS</strong></td>
<td>International large logistics company with 426,000</td>
<td>a leading global freight provider</td>
<td>Auto Liability Insurance; property</td>
<td>Shipping; tracking; critical freight; LCL</td>
<td>Carbon impact analysis; package design and test lab;</td>
<td>U.S. Domestic Package</td>
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<td></td>
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<td></td>
<td>International Package</td>
</tr>
<tr>
<td>Company</td>
<td>Description</td>
<td>Insurance Services</td>
<td>Transportation Management</td>
<td>Supply Chain &amp; Freight</td>
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<tr>
<td>FedEx</td>
<td>International large logistics company with 80,000 employees in 220 countries</td>
<td>Auto Liability Insurance; property insurance; cargo insurance and etc.</td>
<td>Package, envelope or freight express; freight shipment; provide special supplies etc.</td>
<td>FedEx Express</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TNT</td>
<td>TNT Express employs over 75,000 people in 200 countries</td>
<td>Claim programme; 'Managing Safely' training programme</td>
<td>Time critical service; special handling etc.</td>
<td>TNT Express</td>
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<tr>
<td>FedEx Ground</td>
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<td>FedEx Freight</td>
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<td>FedEx Custom</td>
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<tr>
<td>TNT Express</td>
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</tbody>
</table>

**Table 2 the comparison between DHL, UPS, FedEx and TNT**

Source: DHL official website, UPS official website, FedEx official website and TNT official website.

According to DHL official website and Sara, DHL was founded in 1969, DHL has gained No.1 in the industry. UPS was founded in 1907, nowadays UPS has been a leading global freight provider with access to almost any kind of aircraft or vehicle around the world. FedEx was founded in 1971. Regarding the size and employee, UPS has more employees than DHL and FedEx, but the service region is almost same, which means around 220 countries. TNT Express employs over 75,000 people, TNT operates 26,000 road vehicles and 47 jet freighter aircraft. Its worldwide network has over 2,300 company owned depots in 200 countries.

According to UPS official website and FedEx official website, both companies provide different kinds of verification of insurance policy. The risk management department of UPS can provide auto liability insurance for its customer and others. FedEx can also offer similar service. However, there is neither information online to show if DHL has similar service nor
Sara mention about it. Instead, Dirk Klasen still proud of the ability of DHL to deliver what customers claim to do in time. TNT is willing to accept claim request when accident happens.

Regarding service, these four companies provide similar service to customer. For instance, their main tasks are to deliver goods and mails via air, sea or land to another place as customer requirement. UPS Critical freight consists of multiple transportation modes: air, surface, charter, and hand carry; advanced tracking accessible via the internet; specialized equipment and value added services. FedEx offers a variety of shipping supplies including an assortment of corrugated box sizes, padded envelopes, plastic bubble wrap, mailing tubes, packing tape and more. Especially for high-tech items, such as cell phones, laptops and MP3 players, FedEx offers a specially designed and cushioned FedEx Laptop Box and Small Electronics Box. DHL can use different high-techs to track goods and mails. TNT is good at managing special handling, for example: TNT transported two pandas half way around the world.

Meanwhile, DHL implement GOGREEN program to measure environment impact; FedEx develops Earth Smart Solution to improve all FedEx product, service or physical asset, including planes, trucks and facilities to demonstrate clear and tangible benefits, not only to FedEx’s business, but also to the environment, customers, team members (source: FedEx official website, sustainability goals). UPS uses Carbon impact analysis, package design to deal with environment problem. TNT announces the deployment of Hangzhou's first fully-electric delivery fleet. This is TNT's second fleet of zero-emission electric delivery vehicles implemented in China after its pioneering launch in Shanghai last September (source: TNT official website). As the international leading 3PL companies, DHL, UPS, and FedEx work through subsidiaries. Besides, each subsidiary is divided for a specific job For instance, according to Sara Arrhenius, DHL Express only handles express shipments; DHL Global Forwarding handles air and sea freight; DHL Freight handles land based transports.

According to Yunfeng Gao, the quality of DHL service in Asia, West Europe is very good. Customers like staff’s attitude. But in South America and U.S, it is not as good as UPS or FedEx.

4.4 DHL Environmental Effect
“Climate change is the most pressing challenge facing humanity. As part of the world’s leading logistics group, Deutsche Post DHL, we are committed to taking corporate
responsibility for the environment seriously. Our GOGREEN program consolidates this approach; ensuring sustainability is at the heart of everything we do.”

-----DHL Supply Chain GOGREEN 2011

DHL and its subcontracted fleets, and various types of buildings have a number of environmental impacts, especially the emission of CO₂. That is why DHL is committed to improving its carbon efficiency.

GOGREEN is part of DHL’s corporate strategy. Environmental protection program is crucial to any large company’s strategic goals which makes a positive contribution to the world. Besides it also offers customers innovative, sustainable solutions for DHL. GOGREEN sets the stage for environmental management system, covering the local management aspects such as water, waste, noise, the use of natural resources and local air pollution. GOGREEN is a carbon-neutral shipping option for customers of DHL and Deutsche Post, and now available for DHL Express customers in more than 35 countries. In general, business customers can choose to send all or a selection of their international express shipments as GOGREEN. With the GOGREEN optional service, all transport-related emissions of carbon dioxide are first calculated and then offset through external climate protection projects. The brief objectives of GOGREEN are:

- to achieve transparency of environmental impact, with a focus on The company’s carbon footprint including subcontracted transportation
- to improve operational efficiency and minimize environmental impact
- to generate value in offering green solutions to customers and helping them to achieve their environmental goals
- to demonstrate leadership in fostering green technologies, helping to shape political regulations and engaging with the company’s key stakeholders
- to mobilize employees in strengthening their environmental knowledge and helping them to engage in environmental protection.

The DHL in-house Carbon Management team is responsible for managing and calculating the carbon credits generated from climate protection projects. For a record, all GOGREEN processes and the emissions-calculation methodology are verified annually by a third-party verifier to guarantee the veracity.
As industry leader and the first 3PL company to establish carbon efficient target, DHL is keeps promises wording on achieving its target and remaining at the forefront of relevant technology and innovation. With the aim of a 10% efficiency increase by 2012, growing to 30% by 2020 in every business area, including those delivered by subcontractors, is compelled to realise its goals.

DHL Supply Chain GOGREEN 2011 indicates that collaboration with leading automotive manufacturers has achieved great progress, particularly for fuel savings. Research and evaluation of alternative fuels, including hybrid and electric vehicles have been established as well as advanced driver training. In a word, DHL is trying to increase efficiency in every single area, including lighting, heating and cooling system throughout global estate. Through DHL’s GOGREEN program, networks, fleet (driver behaviour included) and energy efficiency improvement in buildings are three main drivers that have ability to influence carbon efficiency.

“Due to the nature of our core businesses – mail and logistics – our environmental management efforts focus on our industry’s most pressing issue: Carbon emissions resulting from the combustion of fossil fuels to operate our fleet of aircraft and road vehicles, and from the generation of heat, cooling and electricity used in our facilities. However, we recognize that our operations have other impacts on the environment. These are also covered by our GOGREEN program, which aims to minimize the impact of our business on the environment.”

----- DHL official website-managing non-carbon aspects

DHL has implemented environmental management systems (EMS) to manage its environmental impact more efficiently, according to Dirk. Especially in non-carbon environmental impacts, DHL focuses on wood and water for paper production as most important use of natural resources. In addition, air pollution, waste, noise, water pollution are significant that DHL cannot ignore. The electric and other alternative vehicles DHL are testing to improve its fleet’s CO₂ efficiency in order to decrease the use of fossil fuels and minimize environmental pollution; spill preparedness and response plans are key tools to safeguard against any accidental release of water contaminants. DHL also provides education to its employees to increase their awareness of natural assets. Mobilizing DHL employees is an important approach in improving its resource efficiency and providing green solutions to
its customers. DHL employees are raising their awareness so that they put environmental
goals into practice, every day, around the globe.

“Sustainability is closely linked with our business strategy as it drives innovation, opens up
business opportunities and gives us a competitive advantage in the market. Our customers
are increasingly asking for green solutions, and for options to minimize the environmental
impact of their logistics. With our green solutions, we support our customers in achieving
their environmental targets.”

-------Sara Arrhenius

DHL customers already benefit from the GOGREEN program with the target to improve the
carbon efficiency of DHL by 30% by 2020. However, DHL continuously strive to improve
CO₂ efficiency in its own networks and operations.

4.5 DHL Quality of Service
“Our presence in all European countries means that we speak the local language and are up-to-date with national customs regulations which, despite the EU, vary from country to
country.”

------------ Dirk Klasen

As the world’s biggest logistics company, the main service of DHL is to deliver goods or
mails all over the world. According to Dirk, the DHL staff can speak local language to ensure
the communication between customer and them is easy. In each of European countries DHL
Freight has a terminal in business centres to ensure the convenience and efficiency of
transportation (see Figure 5). The main transportations are through air, ocean, road and rail.
With the extensive range of delivery service, DHL is able to satisfy all kinds of requirements
and needs by linking professional experts’ idea and latest technology, while it brings benefits
to its customer as well (see Figure 6). Additional, the DHL staffs are very patient when they
talk with customer. For example, Sara Arrhenius, our interviewee who is very kind to accept
our interview. Even though she was busy, she answered our questions with comfortable attitude every single time.

Moreover, Dirk believes that DHL would be the prior choice due to high quality service. Dirk
provides a few of examples that what benefits DHL can be brought to customer:
1) Professional advice on all matters pertaining to customs, import VAT (value-added tax), excise duties and security via DHL consultancy services;

2) Full transparency of your flow of goods;

3) Bonded warehouses for easier import, export and transit operations and etc.

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According to Yunfeng Gao, there are six factors can influence DHL service: 1) individual skills and knowledge; 2) system of organization; 3) equipments; 4) technological process; 5) measurement and testing; and 6) working condition. So far, DHL has tried its best to ensure
any little detail work well by concerning these six factors. However, the situation may be different in another place. It also depends on different region and different place.

By deploying proactive solution DHL enables more flexible and faster response to dynamic marketing and finish a specific requirement to customer. Regarding automotive business demand, DHL has controlled every single component, such as shorter delivery times, low cost, supply chain process and transportation improvement. As a result, DHL ensure other companies to work with their suppliers and customers closely.

“The increasing Eastern European markets have to be covered – as well as many other places. With over 200 offices throughout Europe, we ensure smooth customs clearance for customer shipments, throughout the entire transport chain.”

------------------------ Dirk Klasen

However, according to Yunfeng Gao, DHL is more expensive than other 3PL companies. The main reasons are: 1) DHL is able to provide many ports for transportation. 2) DHL also can arrange flight for urgent claims immediately if it is essential. 3) DHL can deliver goods or mails to anywhere customers claim to, but DHL is not responsible for tariff. It means customers have to pay the tariff by themselves. 4) DHL owns high tech to ensure the safety of delivery. To sum up, the cost of DHL makes the price of DHL become expensive.

DHL runs business via an accepted price all over the world. But there is an exception, China. In the mainland of China, DHL is rather expensive due to tariffs.

4.5.1 DHL Air Freight

Air freight logistics has become an important factor in supply chain management, keeping up the pace with the changing world market, and ensuring costly backlogs or shortages are kept to a minimum. DHL Global Forwarding carrying 12% of the air freight worldwide market, the air freight operations are managed through DHL private network that including 7,000 specialists in 600 offices from over 150 countries. According to Yunfeng Gao, DHL owns exclusive airplanes (air bus A300, Boeing 757 mainly). The core air center is in Brussels, Belgium. All air freight services are time-defined, and by working together with carefully selected preferred carriers. However, although DHL has exclusive airplanes, but sometimes these airplanes won’t be arranged to delivery DHL goods or mails.
In order to make customer feel comfortable and safe, DHL has implemented DHL Interactive to give possibility to customers to track the shipping process. Regarding the cargo insurance, DHL is well known for its insurance measure in the industry. For instance, DHL provides insurance services that offer customer financial protection against the risk of physical loss or damage, from almost any external cause. And furthermore, a global incident reporting room and more than 100 highly secure locations spread widely to monitor freight security. With an experienced global security team- Customs- Trade Partnership Against Terrorism (C-TPAT) and a growing network of highly secured locations worldwide, DHL is able to handle any customers supply chain security requirements (source: DHL air freight service).

4.5.2 DHL Ocean Freight

DHL Global Forwarding owns 330 ocean freight offices and has long term relationship with carrier, so that DHL can offer customer flexible delivery and a competitive price. DHL’s tracking & tracing system can work with its Information Management Systems to give full visibility to customers along the whole supply chain. And thanks to the latest shipping tools or technology, DHL can finish more specific tasks smoothly and completely. The use of new equipment provides the possibility to reduce the delivery time and cost at the same time. By deploying DHL Ocean Secure, the brand new ocean freight full container load program, the security of delivery, real time spent and reliability can be improved. In addition, in recent years the satellite networks, GPS also help the company become more reliable and efficient (source: DHL ocean freight service).

4.5.3 DHL Road & Rail Freight

DHL raileurope offers a fast, reliable and environmentally friendly rail network to deliver all major European business centres. DHL Freight sets a Competence Centre in Sweden and terminals in Europe, it makes sure that the shipment could be delivered to wherever it needs to be on right time. DHL RAILEUROPE means flexibility and safety in a sense, DHL’s network provides high quality integrated service with terminal services, transport and IT solutions. All types of rail equipment is available, quality control system guarantee the top-level service from pick up to delivery and it will also ensure the environmental impact and try to minimize it as possible as it can (source: DHL road and rail service).

“In order to ensure the safety of transportation, DHL rejects to deliver some ‘special goods’. Such as: liquid; wood; and dangerous stuff etc.”
4.6 DHL Brand Associations

“Customers must be able to immediately recognize us wherever they see us.”

----DHL official website

Regarding the image of company, DHL is acknowledged within the global mail, express, freight, forwarding and supply chain expertise. The brand awareness across regions and nations has been increasing constantly. According to Sara, DHL is the No.1 in the industry in the world. However, the biggest challenge is to defend this position and enable stay for a long time as a leader. The DHL brand stands for DHL’s values and attitude. But Yunfeng Gao heard some feedback from customers, some of people may reject DHL because of high price.

According to Sara, 73 % of the employees who responded said that they were generally satisfied with their tasks in 2010. Overall, employees’ responses inspire changes that help DHL become a more attractive employer. DHL also encourages its employees to enhance themselves and provides many opportunities to let them study personally and professionally. And as a result, due to DHL employee education system most employees are able to create new ideas to their business, and contribute those ideas or their competencies to the success of the company.

Key Performance Indicators (KPIs) is mainly used by DHL HR department. It is a professional HR tool to estimate employee issues, including absences, health and occupational safety, employee turnover, vocational training and further training for employees, and employees’ ideas. Figure 7 shows the KPI index comparison which made by annual Employee Opinion Survey (EOS) between 2009 and 2010. Basically, this survey help DHL understand and know employee’s view so that company can determine and create follow-up strategy.

The high values recorded for Customer Promise (77 %), Cooperation (74 %) and Working Conditions (73 %) emphasize where DHL major strengths are to be found. The KPI also indicates that 73 % of participants are generally satisfied with employee’s job. Additional, Dirk indicates that more and more employees satisfy with their working condition. The working environment makes employees feel comfortable. Nevertheless, EOS Follow-up
Measures (53 %) and Living First Choice (59 %) continue to indicate that there is a room for improvement.

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td>Customer Promise (the degree to which employees contribute toward providing sustainable solutions and quality products and services which make customers’ lives easier)</td>
<td>70 %</td>
<td>77 %</td>
</tr>
<tr>
<td>Employee Engagement (employees’ degree of identification with Deutsche Post DHL; satisfaction, loyalty, pride in their jobs and willingness to act as ambassadors for the organization)</td>
<td>60 %</td>
<td>67 %</td>
</tr>
<tr>
<td>Active Leadership (employees’ perception of the ability of their direct line managers to shape and lead their team)</td>
<td>58 %</td>
<td>63 %</td>
</tr>
<tr>
<td>Strategy (the degree to which Deutsche Post DHL’s strategy is clearly communicated to employees and the level of trust the employees show in the organization’s future prospects)</td>
<td>55 %</td>
<td>64 %</td>
</tr>
<tr>
<td>Communication (the degree to which formal communication in Deutsche Post DHL fosters an open and constructive exchange of information)</td>
<td>56 %</td>
<td>62 %</td>
</tr>
<tr>
<td>Learning and Development (the extent to which Deutsche Post DHL puts its employees’ personal and task-related competencies to optimum use and develops them further; employees’ perception of opportunities to grow and learn in their role)</td>
<td>58 %</td>
<td>63 %</td>
</tr>
<tr>
<td>Cooperation (employees’ level of active commitment to and in their team; degree to which the team works together to achieve improvements that increase the organization’s success)</td>
<td>71 %</td>
<td>74 %</td>
</tr>
<tr>
<td>Living First Choice (the extent to which First Choice tools and methods are employed successfully to produce continuous improvement)</td>
<td>51 %</td>
<td>59 %</td>
</tr>
<tr>
<td>Social Responsibility (employees’ perceptions of Deutsche Post DHL’s social and environmental CR activities and the level of support they give to them)</td>
<td>55 %</td>
<td>62 %</td>
</tr>
<tr>
<td>EOS Follow-up Measures (employees’ perceptions of the extent to which their responses to the EOS are taken on board and lead to changes)</td>
<td>44 %</td>
<td>53 %</td>
</tr>
<tr>
<td>Working Conditions (the degree to which employees perceive safety at work to be an important issue for Deutsche Post DHL, and the extent to which they feel they have all the materials they need in order to work well)</td>
<td>67 %</td>
<td>73 %</td>
</tr>
</tbody>
</table>

Figure 7: Employee estimation by KPI (2010)

Source: Deutsche Post DHL official website-DHL employee.

Based on customer needs, the DHL workforce is diversity. DHL launches diversity strategy which emphasize equality of opportunity, balancing work time with family life and supporting woman’s careers generally. There is no prejudice or any kinds of discrimination existing in DHL, each employee can get opportunity to develop his or her career without barriers.

Figure 8: DHL Sickness rate

Source: Deutsche Post DHL official website-DHL health management.
“Health and safety at work” as the joint statement in DHL, it sets high standard of health and safety for all workforce. According to figure 8, the sickness rate of DHL employee was 5.4% in 2010. By comparing to 2009, the rate was decrease. DHL is trying to reduce the sickness rate. Even though the progress is not obvious, DHL still wants to take care of its employee’s health.

Yunfeng Gao told something about salary. In China, most of DHL employee think the salary is ok, at least it is higher than competitors’. Further, sometimes they can get extra economic compensation, such as: bonus, dividend, and overtime pay. Thus, DHL can provide a comfortable life for its employee. However, it also depends on individual skills and experiences.
5. Analysis
The results of empirical finding in section four and the theory discussed in section two are combined and linked together, to find out the connection between them. The SWOT matrix would be taken up to present the results of analysis in the end.

5.1 DHL customer analysis

DHL customer is everywhere, and anyone can be DHL’s customer if there is something to deliver. It also reflects the application of DHL. With a global network composed of more than 220 countries and territories and 285,000 employees worldwide, customers can call DHL for help anywhere. DHL segments its customer into different groups, which helps managers understand more about marketing and service innovation. Customer segmentation also provides the chance to offer specific services to customers based on their needs.

DHL is trying to be the best all the time, what DHL expects is to solve problems before they occur. Regarding identification of motivation, the good brand reputation; safety insurance; acceptable price make DHL become No. 1 in the industry and helps to keep its dominant position. Thus, by considering the leading position of the industry, it is supposed to be the main reason why people like to choose DHL instead of other brands.

Determining the relative importance of the motivations, according to Sara Arrhenius & DHL official website, DHL is good at listening to customers. Moreover, DHL is proud of its short delivery time, and safety issue etc. These factors attract more and more people become DHL’s loyal customer. Besides, DHL customer satisfaction was very high in 2011, DHL Express won customer service award for the best B2B customer service in Sweden. It indicates that customer trust DHL. According to Bergman & Klefsjö (2010), credibility is completed. Therefore, how well the service it is might be the most important factor customer care about.

Generally, many companies and organizations pay a lot of attention on new customers. Meanwhile, they care less about old customers. However, DHL is aware of the importance of old customers. Those old customers have close relationship with company’s revenue, further keeping old customers can build long-term business, and reduce costs to seek for new customers. According to Yunfeng Gao, how to keep customer with company has become a significant part of company’s business strategy.
Unfortunately, there is no information to indicate if DHL has any unmet needs, and authors did not find it due to the site manager’s inability to provide us an interview. However, unmet needs of DHL can be a topic in further study. By linking Aaker (2001) and Gerhardt (2002)’ theory, the Figure 9 summarizes the conclusion of determining customer motivations.

Figure 9 determining customer motivations

Source from authors own

The win-win situation is achieved gradually. By long term cooperation with customer or another company, DHL has gained the No.1 in the industry. It also makes customer happy, which means customer is glad to be with DHL in daily life. Without trust, this situation is impossible to happen.

5.2 DHL competitor analysis
Gerhardt (2002) states that understanding competitor is a significant approach to win market share. In terms of total number of employee, UPS has an absolute advantage. UPS can exploit the rich human resource to accomplish more tasks than other three do. On the contrary, the large number of workforce might increase the cost directly. And UPS was founded earliest, which means it should have more working experience than other two companies. Regarding verification of insurance, even though UPS and FedEx have complete liability insurance, DHL still be No.1 in the industry. Thanks to the new security equipment and latest technology, DHL gains customer satisfaction, even customer loyalty. However, DHL should learn something from its competitors to become more perfect, perhaps it is an opportunity to attract potential customer more or less. One typical example is liability insurance, otherwise it must be a huge weakness for DHL.

In terms of service, UPS critical freight focuses on time-critical freight needs. The benefits of critical freight are: expedited transportation can be arranged based on customer time-critical freight shipment needs; it ensures real-time shipment tracking from pickup to delivery; and
develop customized solutions to meet special transportation. TNT is trusted by many enterprises, because TNT establishes exclusive service for enterprise, such as ExpressShipper, and ExpressManager. FedEx can design a special package for customer’s high-tech items, it provides the safety of goods during delivery time. Such service can make customer happy and enable shipping easier. Besides, according to Yunfeng Gao, DHL should pay more attention on U.S and South America marketing. Because UPS and FedEx do better than DHL.

A significant trend or event, such as concern about the emergence of a new competitor, can dramatically affect the evaluation of strategy options. DHL should be aware of it. Moreover, a new technology, which can represent both a threat to an established firm and an opportunity to a prospective competitor, can signal new business arenas. Therefore, it is very necessary for DHL to make innovation about its service. Otherwise the leading position in the industry would be lost sooner or later.

All four companies focus on environment impact through respective sustainability policy. They do their upmost to reduce environmental negative impact, at the same time they make significant contributions to the environmental sustainability in the industry. Regarding subsidiaries of DHL, UPS and FedEx, the subsidiaries enable service be more efficient. It also response to customer’s different needs in a sense.

In addition, according to Lieb (2005) emphasizes that 3PL relationships today have become more collaborative. In authors own opinion, in order to achieve the mutual target, sometime the cooperation between competitor is essential. For example, the different 3PL companies can work together due to large procurement or something like that. These companies can sharing knowledge, experience and skills during cooperation. Besides, no company can be successful without a tough competitor.

**5.3 DHL environment analysis**

According to Deutsche Post DHL, GOGREEN program is a sustainable strategy of DHL, it deals with any environmental issues friendly and harmoniously during service time. There is no doubt that every company or organization concerning leave some impacts to environment whatever is good or bad, especially CO₂, but GOGREEN has ability to control negative impact and reduce it in some way. As mentioned before, DHL owns a professional group-DHL in-house Carbon Management team to manage the carbon credits, and besides the team is monitored by third party verifier. DHL totally follows and tries to achieve GOGREEN
objectives so that transparency on environmental impact, with a focus on DHL’s carbon footprint including subcontracted transportation is available.

Regarding the improvement of operational efficiency and decrease our environmental impact, DHL environmental management systems (EMS) is used to deal with it. In order to reduce its environmental impact, DHL is testing electric and other alternative vehicles as new generation delivery tools which can lead to the replacement of the traditional energy. By deploying new technology or new resource, the environmental damage would be reduced efficiently. DHL Supply Chain GOGREEN 2011 also indicates that collaboration with leading automotive manufacturers has achieved great progress, particularly for fuel savings. Therefore, generally the company would like to provide such sustainable approach or GOGREEN to its customer, because it cannot only satisfy customer but also generate great values to environment.

Awareness of the employees about environment is made by the training of DHL so that employees put environmental goals into practice. The education is very vital to the company itself even to the entire society, an appropriate training can give people a right guide of life. DHL is doing a good job on environment friendly issue which means employee knowledge is strengthened. It offers opportunity to its employees to learn how important the environment is and how to protect it from pollution in DHL way.

It is necessary to consider if DHL has enough awareness or power to face sustainability challenge. DHL is always trying to provide a best delivery solution to customers and environment, sometimes it is difficult to balance them at a same time. However GOGREEN can do it. Business customers can choose to send all or a selection of their international express shipments as GOGREEN with competitive price. With the GOGREEN optional service, all transport-related emissions of carbon dioxide would be offset through external climate protection projects. Therefore, balancing sustainability efforts with customer expectation can be achieved by DHL.

In terms of identifying an appropriate environmental target, according to Lieb & Lieb (2010), it is very important as same as balancing sustainability efforts with customer expectation. There is impossible to be success without an appropriate target. However, as a leader in the industry and the first logistics company to establish carbon efficient target, DHL sets the aim of a 10% efficiency increase by 2012. The efficiency will grow to 30% by 2020 in every
business area, including those DHL’s subcontractors. By implementing GOGREEN program, it is obvious and reasonable to judge that DHL always pays a lot of attention on environmental protection and sustainability issue. Basically these issues can get priority; it means environmental protection would be concerned firstly. For instance, DHL continuously strive to improve CO₂ efficiency in its own networks and operations even DHL and its customer have already got benefit by implementing GOGREEN. As one of biggest 3PL companies, DHL always focus to reduce its environmental effect as little as possible. Unlike many other Chinese domestic company, which seeks for economic compensation but ignore environment problem (Koh, 2005).

DHL offers current and potential employees opportunities to develop professionally. It provides knowledge or information of current environmental practices to increase employees’ environmental awareness. In this way DHL can increase sensitivity to sustainability and reduce cost. Thus, the awareness and ideology of environment friendliness is emphasized throughout the entire DHL. It means that DHL is probably capable to deal with kinds of environmental or ecological problem relating to business area (see Figure 10).

![Figure 10 DHL and sustainability challenges](image)

Source from authors own
5.4 DHL quality of service

As a famous 3PL company in the world, the main product of DHL is delivery service. Therefore different transportation tools are very important to DHL and its customers. Generally, delivery service always links with some issues such as safety, environmental impact, durability, and reliability. The customers are concerned and asked about these factors frequently.

According to DHL official website, DHL owns diverse software and hardware to support that identification. The hi-tech can be one of DHL strengths. Moreover, more than 7,000 specialists in the world are preparing for providing professional service to its customers. Unlike many other freight insurers, DHL measures according to value, rather than weight or package count. Therefore no matter in air, sea or on land, DHL is able to make sure the security of goods and mails.

DHL tries to satisfy each customer’s demand or needs as best as it can. Thus safety and durability which are two factors which customers care about should be focused on mainly by company. In order to let the whole delivery process be smooth without any accident completely, every year the company invest billions of Euros to ensure the security of goods and mails by new security equipment or latest technology. In addition, there is an easy way to contact with DHL through DHL official website, and all the staffs are willing to help customers. Then according to Bergman & Klefsjö (2010), the communication, responsiveness and access can be achieved.

Even through DHL can offer best service to customer. But the biggest problem is about price. The expensive price must cause customer loss. Additional, DHL should develop U.S and South America marketing by improving staff’s skill, attitude, knowledge.

However, it is not available to find any information about DHL customer complaint, it is an unknown area that will affect the outcome of strategic decisions. Thus, customer complaint can be regarded as one strategic uncertainty. In order to control customer complaint, the information collection is essential. According to Aaker (2001), the strategy-developing scenarios can be made. For instance, DHL can establish a department to take charge of complaint. In such way company can creat contingency plan to guard against disater, to prevent customer dissatisfaction.
In terms of the quality of service, DHL should keep developing its assessment mechanism; making research about customer satisfaction regularly; being aware of the change of market.

5.5 DHL brand association

According to Sara Arrhenius and Dirk Klasen, DHL provides reliable, innovative service and solution to its customers. According to Heding et al (2008), corporate identity is “an assembly of visual, physical or behavioral cues representing the company, making it immediately recognizable to consumers.” Thus “Customers must be able to immediately recognize us wherever they see us”, it indicates that the logo of DHL is quite unique, which means it catches people’s eyes at first sight and leave significant impression to people. However, in a dynamic marketing it is hard to predict what would show up in further time, the current challenge for DHL is to keep the leading position and continue attracting more and more potential customers.

Moreover, the high price also leaves negative influence on DHL brand. In such dynamic market, customers would prefer cheaper service which they afford to pay. If DHL can control its cost with an accepted price, it can gain more benefits.

By linking the leading position in the industry and customer feedback, the image of company is rather good from outside looking. According to Nadin & Williams (2012), employee can affect on brand association as well. In 2010, 73% of the employees who responded said that they were generally satisfied with their tasks.

In terms of the system of organization which Yunfeng Gao mentioned before, it consists of leadership, organization structure and working system. According to Yunfeng Gao, he told that his superior is good and charming. The working atmosphere usually depends on the way leader uses, from our own opinion. The personality charm can always make people come together. Regarding working system, every man needs time to adapt it at the beginning. DHL’s working system is effective, but sometimes it is too strict. Perhaps a strict working system is essential for such successful company. And DHL is made of four departments, each department has respective vision, strategy and service. It is effective to assign task and focus on different target for each.

A good training program offers DHL employee opportunities to develop themselves, and further encourages them to become more active to contribute their knowledge and skills to the success of company. Key Performance Indicators (KPIs) is used to estimate employees’
absences, health and occupational safety, employee turnover, vocational training, etc. By comparing the KPIs between 2009 and 2010, it is obvious that the credit of every single factor is getting increase. For instance, working conditions is getting better, employees can have all the materials they need in order to work well. The increase of customer promise means an employee has ability to provide a high quality service or product to make customer happy. It definitely makes a great contribution to DHL customer satisfaction. While the cooperation is very important for a group, the credit of cooperation in 2010 (74%) is higher than previous year (71%). It indicates that the importance of teamwork is realized by most employees. However, it is not good enough for such an international large company. There is still a lot of room for DHL to improve the cooperation between employees. Further, Yunfeng Gao indicates that the service of DHL staff is not so good in U.S and South America. As a suggestion, DHL should establish a benchmark or a target as well as environment efficiency target to measure the spirit of team work. The training to staff is important, it teaches DHL employee what should do and how they should act when doing business. And if it is necessary the prize or reward can be given in order to encourage cooperation and individual skills.

In terms of working conditions, DHL had done its best to provide a good working environment to everyone according to Dirk, and it also achieves a progress from 67% to 73%. But it is hard to satisfy every employee’s demand at once. Regarding physical environment, increasing the inventory of working condition can make employees feel comfortable, such as new furniture, bright office room, new computer etc. However regarding mental environment, the regular communication between manager and employees can bring a good atmosphere to office. Each employee is glad to work with each other. Moreover, vacation and coffee break can provide employees an opportunity to release stress.

Equality of opportunity, balancing work time with family life and supporting woman’s careers generally are promoted in DHL. Honestly, this strategy is very successful because it enables the working atmosphere be nice so that the working efficiency can be enhanced indirectly. Furthermore the working atmosphere can tell whether a company or an organization is successful or not. And according to DHL official website the welfare also enables its employee work happily and healthily.
Regarding salary issue, according to Yunfeng Gao, DHL always gives employees benefits for what they have done for DHL. Most of employees satisfy the salary. If the skill of someone was strong, he or she would gain more and even get promotion.

5.6 SWOT analysis for DHL
By combining all the external and internal factors discussed above, SWOT matrix of DHL (see Table 3) is made to show what strength, opportunities, weakness, and threats DHL has.

Table 3 SWOT matrix of DHL

Source from authors own

- **Strength**- According to Berry (1999) company should concentrate on customer; build long trust with its closed customer. DHL’s customers are everywhere. As a global player, DHL is acting all over the world with understanding and respect for different cultures. DHL always listen to its customers’ voice. In 2011 DHL Express won customer service award for the best B2B customer service in Sweden. Further, DHL provides short time delivery, safety insurance service with hi-tech equipment. It brings customer satisfaction and high efficiency. On the other hand, regarding GOGREEN programme, all transport-related emissions of carbon dioxide would be offset through external climate protection projects. Therefore, balancing sustainability efforts with customer expectation can be achieved by DHL. DHL can satisfy most employees with a good salary, it stimulates employees to work hard.
• **Weakness-** DHL does not have employees as many as UPS. Which means UPS is able to exploit its rich human resource to accomplish more tasks than DHL does. Comparing to comparing with DHL’s competitor, DHL lacks liability insurance. Probably it might cause customer loss someday. The most serious problem is price. Indeed, DHL is more expensive than its competitors. And in some areas, the quality of service is difficult to guarantee. Especially some staffs’ bad attitude would have significant influence on company image.

• **Opportunities-** Different companies have different exclusive strategies. Even the core competency cannot be copied there is still a lot of things DHL can learn from other companies. For instance, DHL can establish its own liability insurance by taking example by its competitors’. In addition, regarding employee cooperation, Key Performance Indicators (KPIs) state that the credit of cooperation in 2010 is 74%. It is not enough for such large international company. In our opinion, DHL still has more ability and possibility to improve cooperation between employees. Movorovall, DHL must innovate its service to give customer more surprise.

• **Threats-** The biggest challenge for DHL is to keep the leading position. And there are many competitors are trying to catch up with DHL all the time, such as: FedEx, UPS and so on. As Thakkar (2005) states, the relationships associated with 3PL are typically more complex than any traditional logistics supplier relationships. Therefore, the competitor can be friend of DHL one day. On the contrary, friend could also turn to your competitor. It means that it is possible to feed competitor by working together by sharing knowledge, skills, resource and etc.

The strength and opportunities would be regarded as company’s competitive advantages. For instance, the competitive advantages of DHL are customer satisfaction, hi-tech transportation service, good salary and sustainable program-GOGREEN. If DHL can study from other companies or improve teamwork it will be more successful.

On the other hand, weakness and threats would be discussed as competitive disadvantages. DHL lacks complete liability insurance which might lead to customer loss, and weaken safety issues. Besides, the total number of DHL employees is not enough to deal with global business. More employee means an opportunity to provide more service to clients. Meanwhile the workload of each employee can be reduced. So that excessive toil can be prevented. Therefore, recruiting is a good option to solve such problem. Moreover, the cost of
DHL is higher. It makes potential customer far away from DHL. Besides, it is hard to control the qualification of each employee, some of them might lack patience or experience to handle trouble.
6. Conclusion
In this thesis, the authors present the empiric information of DHL. SWOT analysis is used for analyzing external and internal factors of DHL. The strength and opportunities are regarded as the company’s competitive advantages; on the other hand, weakness and threats are discussed as competitive disadvantages.

**RQ1: What competitive advantages does DHL gain from external and internal factors?**

By analyzing external and internal factors, it is found that the competitive advantages of DHL are related to customer satisfaction, hi-tech transportation service and sustainable program-GOGREEN. The long-term relationship with customer brings win-win situation to both parties, which means DHL makes customer feel safe and happy, meanwhile customer gives opportunity to DHL to earn economic benefits. Hi-tech service seems to attract more and more potential customers. And all transport-related emissions of carbon dioxide would be reduced through DHL GOGREEN, it is an excellent green program to protect environment. Moreover, GOGREEN can be a typical demonstration for future generation, how we minimize environment effect in 3PL industry. Besides, if DHL can learn something complementary from other companies, or improve teamwork spirits it must be more another important competitive advantage. The level of salary makes employees feel comfortable and makes good staffs stay with DHL.

According to Yunfeng Gao, theoretically, 3PL industries own many advantages than traditional industry, such as: skillful staffs, high-tech equipments, and complex distribution network. Consequently, these advantages make the cost low, improve efficiency, and high level of service. Thus, the company would be more competitive.

**RQ2: What competitive disadvantage does DHL have? And what DHL can learn from analyzing competitive disadvantage?**

DHL lacks complete liability insurance which might lead to customer loss. As a suggestion, DHL should establish a complete liability insurance system as soon as possible. And, the fewer employees might also cause efficiency problem, it could leave bad impact on employees’ health because of a lot of jobs. Further recruitment may be another good option to solve such problem. But the manager should also care about employees’ physical and mental health more actively. Regarding price issue, DHL must deal with a cheaper brand identity as
soon as possible. DHL can make discount for customer to inspire sustainable business. Providing more reward or honor to employee who act excellently may stimulate employee to work hard. In such dynamic marketing environment, DHL should keep making surprise to its customer and even to its competitor. DHL should invest more on R&D, and consummate service in order to defend its leading position.

6.1 Implication
At the beginning of this thesis, the interviewee in DHL were unwilling to give answers of some questions as they thought the questions were sensitive that they didn’t get approval of the superior. In order to gather more information, authors make another effort to contact other officer in DHL and finally were told to get relevant information through DHL website. However, this study contributes to the companies which plan to develop their competition from inside to outside in the market, especially in 3PL industry. Through the analysis of external, internal and SWOT of DHL, authors provide the competitive advantages and disadvantage that DHL has and summarize company’s strength, weakness, opportunity and threats. Such analysis gives authors deep insights into company successful factors and suggestions from dealing with the problems which company may encounter.

6.2 Further study
The unmet needs are the product or services that do not meet customer expectation, and it means opportunities and threats for companies to improve the quality of their goods or services. However, in this thesis there is no information to indicate if DHL has any unmet needs, but it must be there. If DHL can enhance itself by providing unmet needs to customer, there is no doubt DHL would be more competitive in the 3PL industry. Furthermore, unmet needs have direct impact on customer satisfaction. Customer satisfaction is the most important issue in the marketing, so it is worth to research DHL customer satisfaction by analyzing unmet needs. In order to complete this research, the questionnaire about customer satisfaction is essential, and it is necessary to look for relevant theories as guide. By linking theories and the result of questionnaire, the unmet needs of DHL can be found eventually.
**Reference**


Qureshi, M.N., Kumar, D & Kumar, P. (2007), *Selection of potential 3PL services providers using TOPSIS with interval data*, IEEE, India.


**Internet source:**


Appendix

Interview questionnaire for DHL

Introduction

- Short description of DHL

DHL is a part of the Deutsche Post DHL group, one of the largest employers in the world. With a global network composed of more than 220 countries and territories and 470,000 employees worldwide. DHL also offers unparalleled expertise in express, air and ocean freight, overland transport, contract logistics solutions as well as international mail services.

----from DHL official website

- What kind of business is DHL doing?

DHL provides innovative, reliable and successful services and solutions in international express, air and ocean freight, road and rail transportation, contract logistics and international mail to our customers.

----from Dirk Klasen

- Explain how has DHL developed in recent years shortly

The integration of business in APAC and EEMEA district is one of the important initiates in DHL recent years. New organizational structure is divided into three operating districts: APAC and Eastern Europe, the Middle East and Africa district, Europe district and
America district. After this integration, DHL freight volume grew at an annual average of 16% in APAC EEMEA district and 4% in other districts.

----from Dirk Klasen & DHL official website

Customer analysis

• How many customers does DHL have throughout the whole world?

It is hard to tell by an exact number. All I can tell our customers are everywhere on earth.

----from Sara Arrhenius

• How does DHL measure customer satisfaction? (by feedback from customer? Make customer satisfaction research? Or other ways?)

DHL measures customer satisfaction in different ways and sometimes it even differs between regions and countries. We measure how fast we pick up the phone, first time resolution of customer query and customer satisfaction.

----from Sara Arrhenius

• How does DHL deals with customers’ complaints?

DHL Express in Sweden has processes and KPI measure for how to handle complaints. They should be dealt with within a specified timeframe and resolved according to agreed timings.

----from Sara Arrhenius

• Does DHL have long term relationship with its customers?

Yes. We want to be the first choice for our customers every time. Therefore, we constantly strive to make our customers more successful - helping them grow and
realize their business aspirations. Further, we also conduct Global Customer Solution for top 100 customers.

---from DHL official website

According to different customer needs, customers are segmented as: strategic customer; long-term relationship customer; and normal customer.

-------Yunfeng Gao

- What benefits or profits will DHL obtain from long term relationship with customers?

Our top customers also need the flexibility to pick and choose from a wide range of supply chain options - such as express, air, ocean, freight and contract logistics. DHL’s Global Customer Solutions team continuously customizes innovative solutions that meet its customers’ needs and move their business. We listen closely to our customers and work with them to provide high quality solutions. Our customers’ success is our success.

---from Sara Arrhenius & DHL official website

Of course, the profit would be improved by long term relationship with customers.

-------Yunfeng Gao

**Competitor analysis**

- What current and potential competitor does DHL have to face?

UPS, FedEx, TNT, all other logistics companies are competitors in different markets and by different transportation modes, and competitors vary if in Europe, Asia, or Americas.

---from Sara Arrhenius & Dirk Klasen

- Is DHL aware of its competitors (competitor’s core competency, weakness, size, strategy and so on)?

- Does DHL make any comparison with its competitors?
• Is the DHL’s service easy to substitute? Is it easy or difficult for another company to imitate your service?

Every logistics company dose the same or similar job after all. But the core competency is impossible to copy.

---from Sara Arrhenius & Dirk Klasen

Environment analysis

• Does DHL leave any environmental impact during transportation or working time?

Of course DHL has. Waste, noise, the use of natural resources and local air pollution, especially CO₂.

---from Sara Arrhenius & DHL official website

• How does DHL measure its environmental impact?

There are many instances where our impact on the environment, and the remedial measures we take, are difficult to discern. So, as part of our commitment to operational and service excellence, we have developed powerful tools to quantify carbon emissions. Published on and offline, our Corporate Responsibility Report delivers full transparency, providing verified evidence of our carbon output and validating the effect of our efficiency measures. Besides, GOGREEN is a significant tool to calculate the CO₂ emissions.

---from Sara Arrhenius & DHL official website

• Does DHL own any unique strategies or approaches to minimize its environmental impact?

Critical assessment of our extensive vehicle fleet is already generating positive results, including collaboration with leading automotive manufacturers to realise significant fuel savings. Together, by harnessing the benefits of aerodynamic design, we have created the revolutionary Teardrop Trailer. Research and evaluation of alternative fuels, state-of-the-art telematic systems and cutting-edge technologies, including hybrid and electric vehicles, are backed by simple and immediate solutions including maximum speed
reduction. Education also plays a vital role through advanced driver training, incorporating dynamic vehicle control and efficient fuel management. And GOGREEN program is the most vital strategy to minimize environmental impact.

---- DHL official website

- Does DHL have any sustainable strategies to deal with the disruption of natural resource?

Climate change is the most pressing challenge facing humanity. As part of the world’s leading logistics group, Deutsche Post DHL, we are committed to taking corporate responsibility for the environment seriously. Our GOGREEN program consolidates this approach; ensuring sustainability is at the heart of everything we do.

Since the launch of GOGREEN we have proven that what is good for our environment can be great for business too. For example, DHL Supply Chain’s partnership with Fujitsu has achieved 45% carbon efficiency to date. Many of our UK retail partners are now also enjoying the cost benefits of advanced aerodynamics, alternative fuels and hybrid vehicles.

----from Dirk Klasen & DHL official website

**Quality of service**

- How does DHL make sure the safety of goods during transportation?

As part of our efforts to establish a true security culture, DHL was the first global freight forwarder with an in-house security department and one of the first to receive the Customs Trade Partnership Against Terrorism (C-TPAT) certification from the US Customs and Border Protection Agency. Several of our programs have achieved C-TPAT ‘Best Practice’ accreditation by US authorities. We manage freight security through a global incident reporting room and more than 100 highly secure locations, more than the entire forwarding and logistics industry. We also use state-of-the-art risk assessment to ensure your assets are protected.

We have developed DHL Interactive to help streamline your shipping process. We will provide increased shipment information to that seen online, which ensures that you always have the greatest visibility of your freight from collection through to delivery.
Shipment management benefits will be seen in both online booking and automatic route optimization. DHL Interactive’s step by step approach makes certain that your requirements are covered and that critical information is saved.

DHL is acknowledged within the industry for its insurance expertise. On top of the standard industry liability, we provide insurance services that offer you financial protection against the risk of physical loss or damage, from almost any external cause. Every year we insure billions of Euros worth of cargo. This gives us tremendous buying power and more favourable pricing than most shippers can command on their own. We offer a broad range of insurance programs, including all-risk coverage for ocean, air, ground, warehousing, and heavy industrial projects.

---from Sara Arrhenius & DHL official website

In order to provide best service to customer, the cost of DHL is higher. Consequently, it increases the price of DHL. Because 1) DHL is able to provide many ports for transportation. 2) DHL also can arrange flight for urgent claims immediately if it is essential. 3) DHL can deliver goods or mails to anywhere customers claim to, but DHL is not responsible for tariff. It means customers have to pay the tariff by themselves. 4) DHL owns high tech to ensure the safety of delivery.

-------Yunfeng Gao

- Are there any protection strategies existing to prevent the damage of goods?

DHL is acknowledged within the industry for its insurance expertise. On top of the standard industry liability, we provide insurance services that offer you financial protection against the risk of physical loss or damage, from almost any external cause. Unlike many freight insurers, we measure according to value, rather than weight or package count. This gives you a more accurate valuation of your freight should compensation be required.

---from DHL official website
• How often does problem occur which lead to reduce customer satisfaction?

I have no idea, but I am sure that customer likes the DHL staff’s attitude. It is very nice. Especially, as far as I know, in Asia, West Europe, the quality of service is higher. But in South America and U.S, it is not as good as UPS or FedEx.

--------Yunfeng Gao

**Brand association and others**

• How does DHL identify the image of company?

Today we are the world's No. 1 in our industry. Now our challenge is to stay in this position. We have to ensure we deliver excellent performance at all concrete touch points. Consistency is the name of the game.

----from Sara Arrhenius & DHL official website

• What is company’s position in market?

As the global market leader in the 3PL industry, DHL provides innovative, reliable and successful services and solutions in international express, air and ocean freight, road and rail transportation, contract logistics and international mail to our customers.

----from Sara Arrhenius

• Is there any possibility that the company’s core competency or knowledge spill over outside the company?

I do not think so. Every employee should be responsible for protecting company.

---- Dirk Klasen

• Are the employees satisfied in DHL? How manager motivate its subordinate?
In 2010, 73% of the employees who responded said that they were generally satisfied with their tasks. Employees’ responses inspire changes that help us become an even more attractive employer.

We offer current and potential employees a diverse range of opportunities to develop professionally and personally; we empower them to contribute their ideas and competencies and influence the success of the company; we encourage them to be a part of an organization that makes a contribution to society as well as to the postal and logistics industries.

----from Sara Arrhenius & Dirk Klasen

Most of employees satisfy the salary. But it also depends on individual skills.

----------Yunfeng Gao

- What strength, opportunity does DHL have?

We provide a wide-ranging service and product portfolio, integrated in a worldwide network. We even connect countries where our competitors are unrepresented - a real worldwide service. Our customers know that we are a truly global player, acting all over the world with understanding and respect for different cultures. Whenever our customers need us we provide the right solution, whatever the industry, wherever the market. They appreciate the fact that we offer strong local presence based on a global network - just around the corner from wherever they are, and in markets where they want to deliver. Our customers enjoy the fact that we are close to their business and cover the complete process for all their mail, express and logistics needs, from letters to large containers, across all continents and countries.

----from Dirk Klasen

- What weakness, threat does DHL have?

High cost. The price may be too expensive for some people.

----------Yunfeng Gao