

In-Terport Competition Selection Factors

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Abstract

There is a vast amount of literature that studies the elements that contribute to inter-port competition (Kenyon, 1970, p. 1), port selection factors (Murphy & Daley, 1994, p. 15) and port selection behaviors (Tiwari, Itoh, & Doi, 2003). Other specific studies about port selection have been conducted during that last few years. The interest is due to different factors, such as the introduction of the containerization, the increment in the size of the vessels, and increasing competition between ports. “An example of this situation along the East Coast of the U.S. was the request by Maersk and SeaLand for deeper facilities as the Port of New York/New Jersey, and ensuring competition among ports in 1998” (Malchow & Kanafani, 2003, p. 265).

Also, the intensity of investing in port infrastructure is another factor that represents the changes in the port environment. “Authorities, by investing in facility ports and terminal operations, do not intend just only to let presents throughput move more efficiently, but are also looking to attach shipments from competitive ports” (Malchow & Kanafani, 2003, p. 265).

The reports this writer has read recently present very helpful information about the models choice rather than addressing the more specific question of selection among competing ports. Most of the papers use a qualitative variable in ranking shippers’ preference. The cue from other research is that service criteria are important. Also, other studies regarding shipping lines have used ranking of service and cost criteria to model preference in the selection of a shipping line. There are hardly any researches that model the shipper’s or the carrier’s selection, and port behavior and infrastructure characteristics in the east coast of the U.S.

A different approach will be used when a port manager asks the question, “What are the characteristics, behaviors, and economic factors that shippers or carriers take in consideration when they say cargo will be unloaded in port A, rather than port B?” The shipper or carrier may or may not know the characteristics of the ports, but the shipper or carrier definitely knows that port A is quicker and more efficient than port B. The characteristics, infrastructural factors, or economic factors shippers or carriers use besides cost or efficiency for port selection need to be studied.

The purpose of this study is to analyze or identify the relationship between shippers, container carriers’ port selection, and the behavior and infrastructure characteristic of the ports (competitive) in the east coast of the United States. The study will attempt to answer one of the following questions: (1) what are the behaviors, characteristics, and economic factors of the ports that carriers or shippers use to select container competitive ports in the east coast of the United States?; (2) which factors, port behaviors, port infrastructure, or economy is more influential on selecting container ports by carriers or shippers?; (3) what is the relative contribution of three factors, port behavior, infrastructure of the ports, and economy, in shippers or carriers selecting a container competitive port in the east coast of the United States?