



Becoming the Gateway of Choice: Building the Asia-Pacific Gateway Brand

Canada's trade with Asian countries is experiencing phenomenal growth – in terms of both exports of natural resources and imports of consumer goods. To capitalize on this growth and capture a larger share of the west coast's transportation business, it is important to build a strong brand for the Asia-Pacific Gateway – one which not only recognizes our **geographic location** as its foundation but also incorporates the desired pillars of **reliability** and **efficiency**. Our customers – expect nothing less.¹

Branding is about creating a positive perception; in branding the old adage applies – perception is reality.

Branding the Asia-Pacific Gateway is not a simple task as there are many disparate players providing transportation services and there are different target audiences or customer groups.

What we are: our current brand

*"You already have a brand – the issue is not whether you have a brand, the issue is how well the brand is managed."*²

Perceptions of Gateway Customers

Customers place a high value on **reliability**; cost is not necessarily the determining factor when selecting a gateway. Many shippers, especially steamship lines and container importers, have options other than the Pacific Gateway. In selecting a gateway, capacity, leadtime, reliability, flexibility and cost are all important considerations.

Nice...

Canada and the Gateway are recognized as being a good place to do business with nice people and as having a great location with advantageous access to world markets (especially the US, the world's largest economy).

Customers are both existing and potential users of the system: importers and exporters in Canada, the US, or overseas, that ship bulk, break-bulk or containerized goods; steamship lines, trade commissioners and any others with ability to influence routing.

Gateway is the region in Western Canada with transportation routes linking west coast ports in Greater Vancouver and Prince Rupert to the population hubs in central Canada and the US. *It is broader than the Government of BC's Gateway program.*

We are the diverse transportation service providers serving the Gateway region – airlines, airports, port authorities, terminal operators, railways, trucking firms, freight forwarders, and governments

¹ At WESTAC's Annual Meeting in April 2007, Members heard from experts discussing the perceptions of our customers (importers and exporters; both in Canada and overseas) and of local residents impacted by trade activities (such as additional truck and rail traffic). Following the presentations, members discussed, in small breakout groups, branding the gateway. This report is a synthesis of these discussions.

² Dave Dolak "Building a Strong Brand: Brands and Branding Basics," <http://www.davedolak.com/articles/dolak4.htm> (accessed February 20, 2007).

But...

However, many customers here and abroad view the Gateway as **unreliable**. They believe there are too many disruptions caused by everything from poor weather to labour disputes. They also perceive that individual providers are optimizing their part of the supply chain at the expense of the system.

All talk...

Some customers question the Gateway's collective commitment to expand capacity to keep pace with demand – they believe expansion is not occurring rapidly enough, that perhaps we are “**all talk and no action**”. Others are concerned that the Gateway is too fragile, unable to deal with the highs and lows of demand.

Perceptions of The Public

In the Greater Vancouver area, there is vocal opposition to expansion plans. Many residents view trade growth as causing increased traffic congestion, more noise, and environmental decay. Some argue that land currently used for transportation, especially port lands on the waterfront could be better utilized for residential construction and that an expansion of transportation activity will lead to an erosion of agricultural land. People across Canada want government investments to benefit taxpayers, not big business.

What we want

from customers...

Service providers want this Gateway to be the customer's Gateway of Choice. To do this they recognize that they must:

- provide reliable and efficient service on a consistent basis
- expand capacity through targeted investments that keep pace with demand
- cooperate among stakeholders who work together to optimize the system

from residents...

Service providers want residents to recognize the value of our activities, and that expansion will benefit both individual organizations (and their shareholders) and communities through jobs and tax revenues.

Building a Better Brand

Good branding creates a positive perception. A successful brand has two features. First, it has a product which measures up well against the competition on expected criteria, i.e. it meets minimum product expectations. Currently the Gateway is perceived to **not meet expectations** of reliability and efficiency. Second, a successful brand is differentiated in a positive way from the competition.

The “Building Blocks” for our better brand are to:

1. Improve our efficiency and reliability

We must change our attitude from one which accepts disruptions as a normal part of doing business to an attitude which leads to actions to minimize disruptions – whether it be working to minimize against impacts of bad weather or overcome workforce challenges.³

For Gateway customers, a strike or threat of a strike are disruptive and damage our reputation. Although relationships between individual unions and management are stable with strikes or lockouts occurring infrequently (in one case 30 years between a strike/lockout), on a collective basis, the number of days lost to job action (strike or lockout; actual or threatened) is higher than competing gateways of Seattle/Tacoma, LA/Long Beach and Halifax. The large number of collective agreements involving Gateway service providers increases the likelihood of a disruption. Industry must work with its union partners to **minimize labour disruptions**.

2. Expand capacity

Capacity must be expanded to meet demand – this includes capacity improvements across the supply chain: roads, terminals, railways and airports. Some customers, especially those in Asia, doubt our ability to make the necessary investments in a timely fashion. We must work further with government to **reduce project approval times**. We must continue to work with each other on a coordinated investment approach, ensuring that when one piece of the system expands that the other pieces will be able to keep up.

3. Differentiate our Gateway

Additional dialogue among service providers is needed to determine whether the Gateway brand should merely meet minimum expectations of reliability or whether we should strive to be the most reliable, most safe, most secure, most environmentally responsible, or best in class on a different criterion.

³ For example, DP World (formerly P&O Ports Canada) had a worker injury frequency rate of nearly 9% in 2005 and it was the prevailing attitude that the rate could not be lowered because the work was inherently dangerous. A change of management attitude towards safety was followed throughout the organization and the injury rate reduced to 4% in 2006.

To do this, two elements are required. A **champion** is needed. This person is high profile and is not a direct stakeholder. Through his/her well-regarded position in the community, the champion is vocal in supporting the Gateway at a high level.

Leadership encompassing a wide range of stakeholders is required to ensure Gateway partners are meeting expectations and promoting the Gateway brand in a coherent, unified manner. Several organizations were suggested to take on this leadership role: federal government, amalgamated port authority, WESTAC, Greater Vancouver Gateway Council, a new entity.

Communication is Key

Communication is required to ensure the target markets are aware of the Gateway and its benefits.

Communications aimed at our **customers** should be delayed for a short time while the industry works on the “building blocks” itemized above. Customers, especially those in Asia, are interested in hearing about **achievements, not aspirations**. As the shipper community is relatively small (thousands of target customers as opposed to millions), a targeted communication effort will raise awareness of the Gateway. Much of the communication will likely be via word-of-mouth. In the interim, while the building blocks are being put in place, parties should strive to speak with a common voice, deliver similar messages and avoid “finger-pointing”.

A communication campaign aimed at **local residents** should begin immediately. The first task would be to conduct a survey to increase knowledge of the concerns of residents and the level of opposition to the Gateway and its growth. We will be better able to minimize the impacts on citizens and better highlight the benefits of the Gateway once we understand their major concerns. We must also communicate “the big picture” to the public so that they understand that the planned basket of infrastructure investments are not a menu to choose from; rather they are all required to ensure the system operates as efficiently as possible. Investments such as the recently-announced \$300 million in funding for nine rail-road grade separations along the Roberts Bank Rail Corridor will have a positive impact.⁴

Branding Activities

Communicating the Gateway’s brand to **local residents** can be achieved through the media (print, radio, television), public meetings, and presentations or printed materials to schools and community groups. Targeting the **customers** requires more focused activities including trade missions, one-on-one meetings, speaking at industry conferences, ensuring positive stories in trade publications.

⁴ This is a “win” to be celebrated – nine new road-rail grade separation projects were announced to make life easier for citizens along the Roberts Bank Rail Corridor. Funding will be provided by federal government, BC Government, TransLink, Vancouver Port Authority, municipal governments (Langley City & Township, Delta and Surrey), plus railways (BNSF, CN, CPR).