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Brand strategies of container shipping lines following mergers and acquisitions: carriers' visual identity options

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ABSTRACT

Brand strategy is a fundamental part of corporate strategy and constitutes a key condition for companies operating in international B2B contexts, to effectively manage relations with customers, stakeholders and shareholders. Mergers and acquisitions (M&As) are drivers of change in both brand architecture and brand portfolio strategies pursued by B2B companies. This paper aims at investigating brand architecture and brand portfolio management strategies in the B2B domain, by focusing on branding decisions of container shipping lines in the context of M&As. A taxonomy of branding options available to B2B companies is presented and empirically applied to the container shipping industry, which has undergone several waves of M&A activities in recent decades. The brand strategies of some of the most M&A active players in the industry (i.e. Maersk Line, Hapag-Lloyd and CMA CGM) are examined, with a particular focus on the corporate visual identity (i.e. the name and visual devices such as logo, typeface and colour) adopted after an M&A transaction. The empirical dataset on M&As in container shipping includes the names of the acquirer and acquired company or merging entities; the geographical scale of the shipping networks of acquirer and acquired; the type of transaction; the year of the formal completion of the M&A; the adopted corporate visual identity after the M&A; and the financials of the M&A transaction. Moreover, we propose a conceptualization of the factors, drivers and impediments that shape ocean carriers' attitude towards the different branding options and strategies. The results demonstrate that two strategies are dominant: the new entity adopts the visual identity and name of the acquirer ('backing the stronger horse') and the lead and target brands continue to exist independently after the M&A activity ('business as usual' often as part of a broader multi-brand strategy). These two strategies and the hybrid option, combining these strategies, represent 78% of the M&A cases. The remaining M&A cases strongly relied on hybrid strategies involving a change in the adopted strategy many months or even years after the M&A. The decisions of shipping lines regarding branding in an M&A context are influenced by a complex set of interacting drivers and factors which can differ from one case to another and can change over time. The paper contributes to extant literature by showing a more comprehensive typology of possible brand strategies, by providing an empirical analysis in a B2B environment and by presenting a novel conceptualization of the factors affecting brand strategy in an M&A context.

Keywords: branding options; brand architecture design; brand management; M&A; container shipping

1. Rationale of the study

Branding constitutes a fundamental element of a company's marketing strategies, plans and programs, as it contributes to both strategic marketing and the operational marketing mix (Lambin et al., 2007). Brands are living systems made up of three poles: products or services, name and concept. Brand management involves relating a concept with inherent value to products and services that are identified by a name and set of proprietary signs (that is, the logo and other symbols).

In relational marketing, such as in business-to-business (B2B) contexts, where relations among commercial partners should be inspired by trust and long-term orientation, an effective brand management could support companies in securing their competitive advantage and improving their market position. B2B brands enable firms to engender trust and to develop cognitive and affective ties with salient stakeholders (Leek and Christodoulides, 2011). The same happens in service industries, where the intangible nature of the business and the impossibility to evaluate the service before experiencing it, makes brand a valuable signal of service quality (Normann, 1984).

Brands can create financial value for the company by generating differentiation, higher profits and consequently additional available cash flows, and creation of commercial value to customers. That is the reason behind the increasing attention to the concept of *brand equity*. The fundamentals of customer-based brand equity (CBBE) are brand loyalty, brand awareness, perceived quality and brand association (Aaker, 1991). According to the financially-based brand equity (FBBE) perspective, brand equity can easily be measured by applying discounted cash flow (DCF) analysis to incremental profits from the value added created by a brand, over and above those of an unbranded product/service (Wang, 2010). One of the aims of branding strategy is to develop brand power which influences customers by leading them to rely on representations (i.e. a system of mental associations) and emotional relationships (Kapferer, 2008). Managers are expected to pursue this objective by developing a clear brand identity, coherent with the company's market positioning. In this vein, brand identity can be assessed through Kapferer's brand identity "prism" which includes physic, personality, culture, self-image, reflection and relationship (Kapferer, 2008).

The system of mental associations related to the brand is also called *brand image* and covers a wide range of aspects such as perceived competence, typical products or services, specific know-how, quality level, unique value propositions, brand personality and brand imagery. Emotional relationships with a brand range from emotional resonance (i.e. the emotions evoked by brand recognition), liking, preference, attachment, advocacy and fanaticism. Brand image is an important factor affecting customer-based brand equity, i.e. the more positive the brand image, the more customers

are willing to pay and thus the greater the brand equity (Biel, 1992; Villareji-Ramos and Sanchez-Franco, 2005; Faircloth et al., 2001).

Brand strategy is therefore a fundamental part of the overall market strategy and constitutes a key condition for companies operating in (international) B2B contexts, allowing them to effectively manage relations with customers, stakeholders and shareholders (Juntunen et al. 2011; Leek and Christodoulides, 2011). At a corporate level, brand architecture and brand portfolio management are argued as key strategic decisions: they define the backbone for leveraging strong brands into other markets, assimilate acquired brands and create synergies across markets (Douglas et al., 2001). Although brand architecture strategies in B2B companies are expected to be rather stable when compared with the case of firms operating in B2C domains, and brand portfolio management could be somewhat routine in a “business-as-usual” context, corporate events such as mergers and acquisitions (M&As) could represent unprecedented drivers of change in terms of corporate brand strategies (Kernstock and Brexendorf, 2012).

As external growth strategies bring, among others, special challenges on the choices regarding brand preservation vs. brand redesign, M&As emerge as an interesting field for empirically investigating both brand architecture and brand portfolio strategies pursued by B2B companies. In line with *shock event theory* (Bonn and Rundle-Thiele, 2007), M&A deals are expected to take place in a less informed and planned manner. Decision-making following such “shock” events is expected to be less formalised, simplified and faster than in a stable environment, while at the same time significantly affecting future corporate success or failure.

This paper aims at investigating brand architecture and brand portfolio management strategies in the B2B domain, by focusing on branding decisions in the context of M&As. We scrutinize this underexplored topic in order to provide a taxonomy of branding options available to B2B companies. The proposed conceptual framework is validated empirically by applying it to the container shipping industry which has undergone several waves of M&As in recent decades. This industry is a key global B2B business where brand strategies are argued to significantly affect business relations and trust in the long term. In particular, we analyze strategic options and factors affecting brand redeployment in the context of M&A by answering the following research question: “Which brand strategies have been adopted by container shipping lines?”. We particularly focus on the corporate visual identify (i.e. the name and visual devices such as logo, typeface and colour) adopted after an M&A transaction. Furthermore, we present a conceptualization of the temporal, structural and financial characteristics/factors of M&As and the firms concerned, which are likely to affect the chosen brand strategy.

The paper is structured as follows. First, we elaborate on B2B branding decisions in the M&A process and theorize on the types of branding strategies and the factors affecting brand strategy choice in an M&A context. Next, we present an overview of the role of branding and M&As in the mature and asset-based B2B industry of container shipping. To answer the research question, a typology of alternative redeployment strategies is presented and applied to the container shipping industry. In particular, we develop an embedded multiple case analysis on some of the most M&A active players in the industry, i.e. Maersk Line, Hapag-Lloyd and CMA CGM. We present the brand choices that were implemented during the M&A history of each shipping company in the period 1990-2019. The second part of the analysis zooms in on the factors, drivers and impediments that could shape a company's attitude towards the different branding options and strategies. The inputs and outcomes of part I for the mentioned shipping lines are then used to conceptualize the factors that might have influenced brand strategy choice. We conclude with a discussion of the results, the expected contributions and the limitations of the presented research.

2. B2B branding strategies and M&A activity

2.1. Typology of brand strategies in the context of M&A activity

M&As can have wide ramifications on brand management. When two companies merge, or when a company is acquired by another, the actors involved might either want to keep existing brand power (i.e. brand preservation) or take the opportunity to redefine/revise/reposition the brands in terms of products or services, name and or concept. These decisions can have significant impacts on the brand identities of the merging entities. Balmer and Dinnie (1999) were among the first scholars to show that when inadequate attention is paid to brand identity, brand image and corporate (re)branding in the M&A process is one of the reasons why many M&As result in showing a less than expected performance. Bailey (2017) argues that branding is often neglected during the M&A process and when it is considered it is often after the merger/acquisition, in order to deal with post-M&A challenges. Only very few studies point to the importance of portfolio brand management (e.g., brand integration) and the impact of M&As on brand value creation (see e.g. Vu et al., 2009).

Yang et al. (2011) underline the importance of an integrated branding-merger process, with managers having a comprehensive understanding of the integration process and alignment. This process should include (1) an *ex ante* branding assessment -before the M&A- where issues such as ownership, valuation, rivalry and culture are being scrutinized, and (2) brand strategizing and brand alignment with all stakeholders in the post-M&A stage. Muzellec and Lambkin (2006) argue that corporate rebranding needs to be managed holistically and supported by all stakeholders.

with particular attention given to employee reactions. Jaju et al. (2006) show that the brand equity related to brands often decreases as a result of M&A activities and that individuals react differently to mergers, employing different redeployment strategies. A study by Rahman and Lambkin (2015) of 45 horizontal M&As reveals that such deals often result in sales revenue growth and a reduction in selling, marketing and administrative costs as a percentage of sales revenue. However, these *marketing cost* economies do not outweigh cost diseconomies in other parts of the business as, according to the those authors, returns on sales do not improve.

Which brand strategies can firms adopt after a merger or acquisition? Knudsen et al. (1997) identify three alternative approaches after an M&A: phase out a brand, quickly change to one brand name or, combine brands under one umbrella. Mizik et al. (2010) use a similar grouping of possible brand decisions after an M&A activity: acquisition (the identity of one of the merging companies is discarded and it is rebranded with the other firm's name and symbol, i.e. a "branded house" strategy), business-as-usual (both firms continue to operate under their own corporate names and symbols, i.e. multibranding or "house of brands"), and amalgamation (elements of both brands are maintained in the new brand). Their results show that firms using the acquisition and business-as-usual branding strategies underperform firms that choose a branded house approach.

Kleefeld (1999) also presents three options in terms of *corporate visual identity* (CVI, i.e. the name and visual devices such as logo, typeface and colour) when two firms engage in an M&A: (1) one CVI dominates (the second disappears), (2) a hybrid CVI is used (retaining elements from both companies), or (3) an entirely new CVI is developed. Choosing one CVI might signal to stakeholders that there is a winner and a loser. The hybrid solution suggests equality but could also be interpreted as a compromise or lack of vision. Kernstock and Brexendorf (2012) discuss alternative strategic options of brand strategies using an exploratory action research-based case study of a Swiss retail brand merger. Jaju et al. (2006) make a distinction between non-synergetic brand redeployments, referring to an entirely new identity and brand name, and synergistic redeployment. Liu et al. (2018) identify three mechanisms for brand management after M&As, and use the terms transferring, dynamically redeploying and categorizing.

A more extensive typology is found in the work of Ettenson and Knowles (2006), which considers 10 possibilities of branding options after an M&A (Table I). The 10 strategies are grouped in four main categories that communicate different things to customers, employees and investors: 'backing the stronger horse', 'best of both', 'different in kind' and 'business as usual'. Given the richness of this range of possible strategies, this typology is used in the empirical part of our study.

Table 1. Branding options in the case of M&As

		LEAD COMPANY (THE ACQUIRER)		TARGET COMPANY (THE ACQUIRED)	
		Name retained	Visual/symbol retained	Name retained	Visual/symbol retained
<i>Backing the stronger horse</i>	Strategy 1	Yes	Yes	No	No
	Strategy 2	No	No	Yes	Yes
	Strategy 3	Yes, but in combined format during transition period	Yes, but in combined format during transition period	No, only in combined format during transition period	No
	Strategy 4	Yes	No	No	No
<i>Best of both</i>	Strategy 5	In combined format	In combined format	In combined format	In combined format
	Strategy 6	In combined format	No	In combined format	No
	Strategy 7	Yes	No	No	Yes
	Strategy 8	Yes	No	Yes	Yes
<i>Different in kind</i>	Strategy 9	No	No	No	No
<i>Business as usual</i>	Strategy 10	Yes	Yes	Yes	Yes

Source: own adaptation based on Ettenson and Knowles (2006)

2.2. Literature scan on factors affecting brand strategy choice

The choice for a specific brand strategy is influenced by the strengths and weaknesses of each branding strategy, as perceived by employees, customers and investors. Table 2 summarizes the main benefits and concerns based on a screening of extant literature. However, the actual positive or negative outcomes of an M&A are determined by the way the integration is implemented, in terms of brand equity preservation, strategy formulation, human resource management and marketing communication. In this sense, the choice of a specific brand strategy after an M&A activity is shaped by a set of key questions about how to combine the two firms involved, e.g. what to keep, what to discard, what to blend and what to create. Thus, choices need to be based on factors such as differences in the existing brand equity (perceived quality, brand association, and brand loyalty) of the acquirer's and acquired brands, employee engagement,

market positioning (e.g. relative market share), visual identity and customer perceptions and experience. Knudsen et al. (1997) added the relative strength of the brands' cultural heritage to this list.

Lee et al. (2009) examine how brand equity of an acquired brand changes after M&A. Their results show that the greater the perceived differences between acquirer's and acquired brands, the more the brand equity of the acquirer will increase. In addition, all the dimensions of brand equity for the brand with a superior image decrease significantly. The model of brand equity transfer presented in Lambkin and Muzellec (2010) assumes that rebranding of an acquired company under the name of the new parent can yield positive benefits if the parent has higher brand equity than the acquired. The analysis of Brooks et al. (2005) on the decisions made about the corporate visual identity (CVI) of firms after M&A activity, reveal that neither the relative power of the combining companies, the geographic scope of the M&A, nor the industry sector, appear to influence CVI choice. Alvarez-Gonzalez and Otero-Neira (2014) provide evidence that the type of transaction and size influences the choice of brand integration strategy after the M&A. In analyzing M&As in the banking industry, Lambkin and Muzellec (2008) suggest that the branding problem varies according to the size and international status of the acquirer. Very large banks with international brands tend to follow a branded house strategy where they impose their master brand on all acquisitions. Conversely, regional players tend to opt for a house of brands strategy.

Branding decisions are key in communications with the companies' stakeholders. By choosing a specific branding strategy after an M&A activity, companies communicate on the nature and purpose of the M&A. For example, keeping only one existing brand name points to the adoption of the stronger brand. A new joint brand implies that the firms involved want to adopt the best of both brands. When both brand names are kept, the M&A activity typically involves a portfolio transaction. Launching an entirely new brand name often points to a transformational merger.

Table 2. Strengths and weaknesses of each branding strategy for stakeholders

		Strengths/Benefits	Weaknesses/concerns/challenges
<i>Backing the stronger horse</i>	Strategy 1	Acquirer gains visibility of acquired No ambiguity for customers Strong and clear communication to stakeholders	Winner/loser perception Acquirer and acquired could be facing disruptions Less choice for customers; customers of acquired might migrate Loss of brand equity of acquired Investor fears concerning integration risks & customer migration
	Strategy 2	Acquirer adopts name of acquired, but keeps its culture Customers acquired feel little change Signal that brand equity of acquired is stronger	Confusion on who actually won and who is really in charge Risks and costs associated with switch to acquirer's systems
	Strategy 3	Customers and employees have time to adjust Signal of a shared future, at least in the near term Less risks for a migration of talent and customers	Confusion about whether it was a merger or acquisition Cost and added value of a temporary name combination Signal of indecisiveness
	Strategy 4	M&A signals a fresh start with a level of business as usual Some connection with the familiar is kept	Visual change seen as a cosmetic exercise New symbol lowers brand recognition of acquirer Brand name of acquired is eliminated
<i>Best of both</i>	Strategy 5	Signals shared future and vision Preservation of the familiar	Defining values and identity of the new entity is challenging Creating synergies using a combined name Customer migration Signal of indecisiveness: easy way out? No clear winner: operational conflicts & strategy battles
	Strategy 6	Signals shared future and vision Preservation of the familiar (names and symbols)	see strategy 5 Brand equity of both brands may be diluted
	Strategy 7	New chapter for firms while respecting heritage Avoids a winner/loser feeling Best parts of firms are preserved and enhanced	Brand confusion Risks related to integration process
	Strategy 8	Brand equity and visibility of acquired are kept Acquirer can add prestige and credibility Portfolio of acquirer is diversified	Uncertainty about new strategies and culture for acquired Is brand equity of endorser strong enough to add real value? risk for a dilution of brand equity and increased brand ambiguity
<i>Different in kind</i>	Strategy 9	Signal: something new has been created New brand perceived by customers as a new option New expectations	Brand equity of former brands might be lost Intensive and costly integration process Confusion, fear and scepticism among customers and employees
<i>Business as usual</i>	Strategy 10	Strong signal to customers/employees: business as usual Corporate cultures are maintained. Acquirer shows good will to acquired Some synergetic benefits	Was M&A necessary, if no changes observed? Might lead to too much independence of acquired Does the M&A add value? Are there real synergies? Can the acquirer develop a strong multi-brand system?

Source: own compilation based Ettenson and Knowles (2006), Bailey (2017), Kernstock and Brexendorf (2012) and Liu et al. (2018)

3. Empirical context: the container shipping industry

3.1. B2B branding in the container shipping industry

Although brand issues have been investigated in other transport sectors such as cruise shipping (Papatheodorou, 2006) and the airline industry (Thurlow and Aiello, 2007), other related businesses remain underexplored. This is particularly the case for the B2B industry of freight transport and, specifically, the container shipping industry. As container shipping lines work in a B2B domain, brand management revolves around business-to-business brands. The theorisation on B2B brands is far less developed than B2C brands (Kapfener, 2008). However, just like B2C brands, container carriers use their brands (name and symbols) in a way that steers customers to consider them as an indispensable reference in the container shipping market. Brands are deemed as important factors for the corporate reputation of shipping companies in terms of commercial dynamism, innovation and ethics. For larger customers, the recognition and image of a company can play a decisive role in their selection process.

The container shipping industry is a mature and highly international asset-based B2B industry. The management and deployment of capital-intensive movable assets (i.e. owned and chartered ships and container boxes) within global shipping networks is at the core of competitive dynamics in the container shipping industry. As such, brand recognition and visibility do not just occur in a limited number of fixed locations (such as the logo on an office building, warehouse or product packaging), but they 'move' with the ships and boxes around the world.

Not only companies but also final consumers and the general public by and large, often with no direct business relationship with a carrier, could be exposed to these brand names and symbols. Brand awareness and brand recognition in container shipping is strongly related to the colours and symbols used, and the overall state of the ships and containers (e.g. not well maintained and rusty containers can degrade the brand image). Given the large surfaces of these movable assets, the use of a specific base colour, as a part of the brand corporate package, has a large impact on brand recognition¹, next to the use of company names and logos. Colour association is used in combination with large logos or names. Examples include Japanese carrier Ocean Network Express – ONE (magenta ships; magenta or white containers; white or magenta letter logo), Maersk Line (light blue ships; grey boxes; black letter logo combined with a white/blue

¹ The authors remember well the efforts of this journal's EiC, in the early 90s to introduce the idea of the 'grey container': A box that could be used interchangeably by all carriers, thus saving the industry billions of dollars. The idea failed woefully for all good reasons discussed here. Containers continue to be used as a way of branding the company name. This observation, combined with the reluctance of shipping lines to share market information on container positions and quantities, makes it very difficult to establish container pools or to widely introduce the grey box concept.

star logo), MSC (dark yellow containers; ships with black hulls; white letter logo), CMA CGM (dark blue ships and containers; white letter logo), Evergreen (green ships and boxes; white letter logo), etc.

3.2. M&A activity in the liner shipping industry

Little attention has been paid in the literature to the management of brand names as part of merger and acquisition (M&A) processes. External growth strategies bring, among others, special challenges to the choices regarding brand preservation vs. brand redesign after each M&A, thus affecting both brand architecture and brand portfolio management (Kernstock and Brexendorf, 2012). In this vein, M&As in container shipping constitute a relevant and rare event in the company's life and produce an array of effects that reach far beyond the transaction itself. In addition, the influence of the M&A on the behaviour of the container shipping line may last for many years with impacts on the financial, organizational and commercial aspects of the firm.

Low margins, an intensive pressure on costs and the need for a global coverage of the liner service network have all led to several waves of M&A activities in recent decades (Alexandridis and Singh, 2016). The number of M&As in container shipping acquisitions rose from three cases in 1993 to thirteen in 1998 before peaking at eighteen in 2006. The economic crisis of late 2008 had an impact on market structure. There was no major M&A activity in liner shipping between October 2008 and early 2014, but a new wave of acquisitions and mergers seemed inevitable. The most recent wave in carrier consolidation started in 2014 (Crotti et al., 2019), mainly as a consequence of the dramatic financial constraints suffered by container shipping companies after the 2008-2009 economic crisis, and given their large investments necessitated by the deployment of mega vessels. The main recent take-overs and mergers include: the take-over of CCNI by Hamburg-Süd in 2014; the merger between Hapag-Lloyd and CSAV in 2014; the sale of the APL container division of NOL to CMA CGM in 2015; the merger between China Shipping and COSCO in 2016; the merger between Hapag-Lloyd and UASC in 2016; the merger of NYK line, MOL and K-Line in ONE (Ocean Network Express) in 2016; the take-over of Hamburg-Sued by Maersk Line in 2017; and, the take-over of OOCL by COSCO in 2017.

M&A activity, in combination with strong organic growth of the larger firms, resulted in considerable industry concentration. The top twenty carriers controlled 91.5% of the world's container vessel capacity in October 2020 (see Appendix for total slot capacity per carrier). Fusillo (2006) notes that large companies capture efficiencies not attainable by smaller shipping lines, enabling the large carriers to become even larger.

M&A activity in the container shipping market is driven by changes in industry structure and strategies such as technology (e.g. increases in vessel sizes), demand (e.g. a sharp decline in cargo volumes; demand/fleet supply imbalances; or strong growth in secondary or regional niche markets) and regulations (Fusillo, 2009). Shipping lines opt for M&As to achieve a larger size, to secure growth and to benefit from scale advantages. Other motives for mergers and acquisitions in liner shipping regard the gaining of instant access to markets and distribution networks; access to new technologies; or diversifying the asset base (Notteboom, 2012). When a market leader engages in M&As, follower strategies and herd behaviour can lead to a wave/peak in M&A activity. Acquisitions typically feature some pitfalls, certainly in the highly international maritime industry: cultural differences, overestimated synergies, a lengthy post-M&A process and high integration costs (Yeo, 2013; Divyaranjani, 2018).

Similar to companies from other industries, shipping companies have to make decisions on how to position and manage their brand portfolios after an M&A activity. These brand decisions are key to an effective stakeholder and shareholder relations management (Mizik et al., 2011). To date, there is no literature specifically looking at brand redeployment strategies of ocean carriers in the context of M&As. A number of studies have examined broader branding challenges in container shipping, mainly from a carrier choice perspective. For example, Ding (2013) developed an evaluation model to assess the 'trusted brand' for container shipping companies. It should be said, however, that brand image does not feature explicitly as a carrier selection criterion in extant literature, except for the work of Gailus and Jahn (2013), i.e. as an 'image and reputation' criterion. In other studies, brand image is implicitly captured by carrier selection criteria such as informational nature of advertising, and broader brand equity factors such as carrier reputation, flexibility, etc. (see for example the carrier choice analyses in Brooks, 1990 and Tiwari et al., 2003).

4. Brand strategy choice in container shipping

4.1. Methodology

We adopt the multiple-case study approach to answer the research question '*which brand strategies have been adopted by container shipping lines?*'. Instead of analysing the entire sector, we use an embedded multiple case analysis focusing on some of the most M&A active players in the industry, i.e. Maersk Line, Hapag-Lloyd and CMA CGM. The analysis only considers horizontal M&As occurring between companies active in the container shipping industry. Appendix I provides more information on the evolution in containership fleet slot capacity ranking of these leading carriers. These companies and the companies they have acquired over time have shown a strong reliance on acquisitive growth through a series

of horizontal mergers and acquisitions. In contrast, other leading container shipping firms, such as MSC and Evergreen, have strongly relied on organic/internal growth to climb the world rankings of container lines.

Table 3. Overview of M&As associated with selected ocean carriers

	Maersk Maersk Sealand in period 2000-2006	CMA CGM	Hapag-Lloyd	All three cases
Sub-brands in 2020	Hamburg Sued Alianca Sealand Safmarine (till the end of December 2020)	APL (Singapore) (till December 1, 2020) ANL (Oceania) CNC (Intra-Asia market) Containerships (Europe) Comanav (North Africa) Mercosul (South America)		
No. of M&As (period 1993-2019)	24	14	16	54
Involving the analysed carrier	7	10	3	20
Involving another carrier later taken-over by analysed carrier	17	4	13	34
Mergers (% of total M&A activity)	4.2%	0.0%	25.0%	9.3%
Acquisitions (% of total M&A activity)	95.8%	100%	75.0%	90.7%
Geographic market coverage of acquiring and acquired carriers				
Global - global	16.7%	21.4%	6.3%	14.8%
Global - multi-market	8.3%	14.3%	12.5%	11.1%
Global - regional	33.3%	50.0%	0.0%	27.8%
Multi-market - multi-market	4.2%	0.0%	25.0%	9.3%
Multi-market - regional	37.5%	14.3%	37.5%	31.5%
Regional - multi-market	0.0%	0.0%	6.3%	1.9%
Regional - regional	0.0%	0.0%	12.5%	3.7%

Source: own adaptation based on carriers' websites and various other sources.

Data was collected on all M&A transactions related to the three companies for the period 1990-2019. This resulted in 54 cases involving 60 brands, culminating to three companies and associated sub-brands, i.e. Maersk, CMA CGM and Hapag-Lloyd (Table 3). The database includes the names of the acquirer and acquired company or merging entities; the geographical scale of the shipping networks of acquirer and acquired (based on the typology of Fusillo, 2009, i.e. global, multi-market and regional); the type of transaction (pure acquisition, joint venture, equity swap, etc.); the year of the formal completion of the M&A; the adopted brand name and corporate visual identity after the M&A; and the financials of the M&A transaction (in USD). In addition, more qualitative background information on the M&As was collected through corporate reports (e.g. press releases; annual reports) and news coverage by specialised business press (e.g. Lloyd's


























List, Tradewinds, Containerisation International) and leading financial newspapers (e.g. Financial Times, The Wall Street Journal). This enabled us to obtain a comprehensive picture of the strategic and operational aspects of each M&A, and provided insights going beyond pure facts and figures (e.g. understanding whether an acquisition was a hostile takeover, a bailout takeover or a friendly takeover).

Through a series of major horizontal mergers and acquisitions, the analysed carriers were able to consolidate or strengthen their market share and to make strategic adjustments to secure their competitive positions on key trade routes. In the next section, we analyse the brand choices that were made during the M&A history of each shipping company in the period 1990-2019. The typology of alternative redeployment strategies presented earlier (Table 1) forms the methodological basis for this part of the analysis.

4.2. Empirical outcomes

Table 4 presents empirical evidence of the 10 M&A branding options of Ettenson and Knowles (2006) applied to the container shipping industry. Examples could be found for all options except for strategies 4 (i.e. the new organization adopts the name of the lead company but with a new symbol/logo) and 7 (i.e. the new organization adopts an identity that combines the name and/or visual elements of the lead and target companies). However, we also identified six cases of branding outcomes in the container market that could not be allocated to one of the 10 options (Table 5). Most other cases involved hybrid brand strategies combining two of the 10 options.

Table 4. Empirical evidence of the use of the 10 brand strategies in container shipping

		LEAD (before)	TARGET (before)	NEW ORGANISATION (after)
<i>Backing the stronger horse</i>	Strategy 1	 Hapag-Lloyd	 cpships	 Hapag-Lloyd
	Strategy 2	 NOL	 APL	 APL
	Strategy 3	 MAERSK	 SeaLand	2000-2006  MAERSK SEALAND > 2006:  MAERSK
	Strategy 4			
<i>Best of both</i>	Strategy 5	 P&O	 Nedlloyd	 P&O Nedlloyd
	Strategy 6	 CMA	 CGM	1996:  CMA CGM 2019:  CMA CGM
	Strategy 7			
	Strategy 8	 MAERSK		 SEALAND A MAERSK COMPANY
<i>Different in kind</i>	Strategy 9	 K LINE KAWASAKI KISEN KAISHA, LTD.	 NYK LINE NIPPON YUSEN KAISHA	 MOL
<i>Business as usual</i>	Strategy 10	 MAERSK	 HAMBURG SÜD	 MAERSK

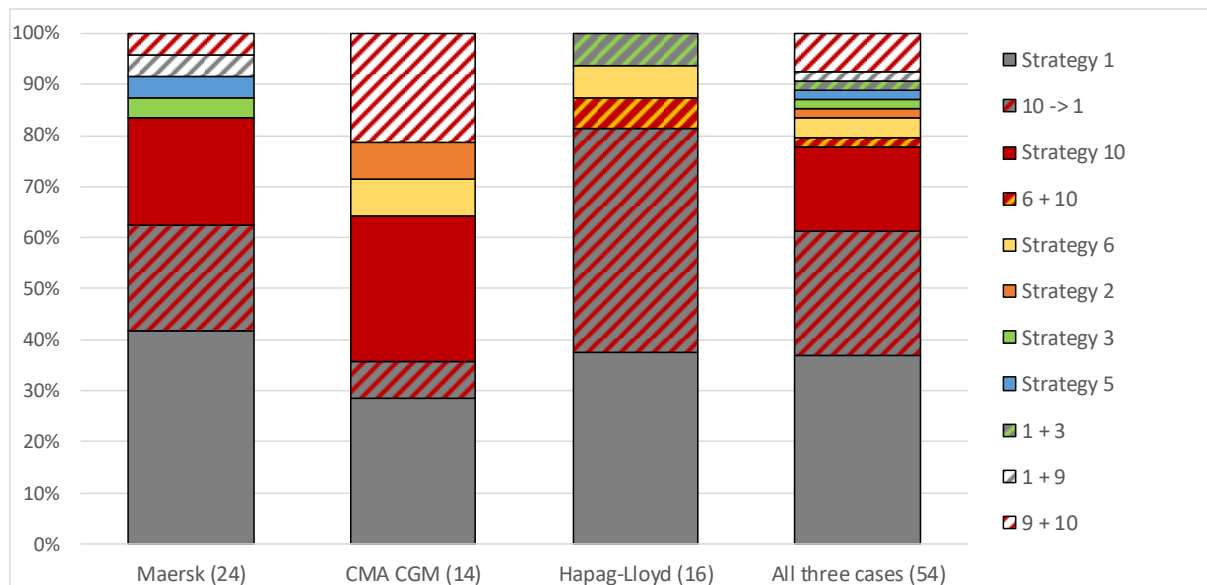
Source: authors compilation, see table 2 for an explanation on the strategies

Table 5. Additional (hybrid) cases in container shipping not captured by Table 4

	LEAD (before)	TARGET (before)	NEW ORGANISATION (after)
Reintroduction of a disappeared brand name for a new sub-brand	Till 1999:  SeaLand		Since 2015:  SEALAND A MAERSK COMPANY
Strategy 10 followed by strategy 1	 HAMBURG SÜD	 FESCO	2006-2008:  FESCO > 2008:  HAMBURG SÜD
Hybrid strategy of 9 and 10. Use name and symbol of another sub-brand of the acquirer for the acquired	 MAERSK SEALAND	 TORM	 MAERSK SEALAND  Safmarine
Hybrid strategy of 1 and 9. New take-over activity triggers shift to old name&symbol	 MAERSK SEALAND	 P&O Nedlloyd	 MAERSK
Hybrid strategy of 1 and 3. Acquirer brand name is adopted, but additional symbol to underline partnership during integration period	 Hapag-Lloyd	 CSAV	 Hapag-Lloyd CSAV better. together. mejor juntos
Hybrid strategy of 6 and 10. Business as usual, but acquired becomes a sub-brand with a new combined name & symbol	 CSAV	 NORASIA	 CSAV  CSAV NORASIA

Source: authors compilation

Figure 1. Brand strategies followed after M&As (shares in total number of M&As)



Source: authors compilation

4.2.1 *Backing the stronger horse (strategies 1 to 4)*

Figure 1 shows the relative importance of each option (including the six additional cases) in the M&A history of Maersk Line, CMA CGM, Hapag Lloyd and their acquired brands. In 30 to 42% of the cases, the new entity adopts the visual identity and name of the acquirer (strategy 1). Well documented business cases include the takeover of CP Ships by Hapag-Lloyd (2005), the merger between Hapag-Lloyd and UASC (2017) and the acquisition of Africa specialist Delmas by CMA CGM (2005)². The adoption of strategy 1, however, also led to the disappearance of a long list of lesser known (regional) brands such as CCAL, Ivaran Lines, Setramar, Cheng Lie, Bluestar Lines, Tasman Express, Harrison, SCF Oriental and Transroll to name a few. Brand consolidation can help to avoid a proliferation of brands.

² Note that after a rebranding decision related to the acquired, it can take a while until all assets of the acquired show the new logo and colour scheme. Ships might only receive a new colour scheme and logo after the next maintenance in dry dock. In some cases, the appearance of an asset is not changed after an M&A. For instance, 15 years after the take-over of P&O Nedlloyd by Maersk, one can still occasionally spot containers with the colour scheme and logo of P&O Nedlloyd. The same applies to containers with the Maersk SeaLand logo, a brand name that was only in use between 2000 and 2006. Still, container carriers are very attached to the use of their specific colour, logo and name combination. The commoditisation of container shipping and the fierce competition in the market have increased the pressure on cost control also in terms of visual dimensions of branding.

Our sample of M&As only includes one case of strategy 2. The takeover of APL (American President Lines) by NOL (Neptune Orient Lines) resulted in the new entity adopting the visual identity of the target firm as NOL decided to use brand APL for its container liner activity.

Only one case in our sample can be categorized as strategy 3, but this case has been well covered by the specialized press. Shortly after Maersk took over SeaLand in 1999, the new entity adopted the 'Maersk Sealand' name and symbol. However, after the takeover of PSD Nedlloyd, the company name and logo were changed back to Maersk Line in 2006.

4.2.2 *Business as usual (strategy 10)*

Under strategy 10 (business as usual), the lead and target brands continue to exist independently after the M&A activity. Figure 1 reveals CMA CGM and its acquired companies have been most active in following this approach, representing 29% of all M&As. CMA CGM is following a *multi-brand strategy* based on regional brands, aimed at densifying its regional network. The CMA CGM Group is already present on the intra-regional markets through its subsidiaries CNC (intra-Asia), Containerships (Europe; acquired in 2019), Mercosul (mainly Brazil; acquired from Maersk in 2017), ANL (Oceania; acquired in 2003) and Comanav (North Africa; acquired in 2007), next to also deploying the global brand name APL (acquired from NOL in 2016) for some 120 weekly liner services. The multi-brand strategy of CMA CGM does not imply the company wants to maximize the number of sub-brands. In April 2019, a sub-brand rationalization process took place when CMA CGM's Containerships and MacAndrews brands were brought under the Containerships brand to unlock synergies and develop an intra-European leading brand that combines maritime and inland solutions.

While the main carriers have traditionally opted for consolidation into single 'core brands', *multi-brand strategies* (or "house of brands") were increasingly being adopted by a number of large container lines in the past decade. In early 2015, Maersk Line reintroduced the SeaLand name on intra Americas markets. The SeaLand brand name is owned by Maersk since the takeover of SeaLand in 1999. However, after dropping the Maersk SeaLand name for Maersk Line in 2006, the brand name SeaLand was no longer in use. Apart from the core Maersk Line brand, the A.P. Møller-Maersk group used five niche brands in 2015: SeaLand, MCC Transport, Seago Line, Safmarine and Mercosul Line. After the acquisition of Hamburg Sud and the sale of Mercosul to CMA CGM in 2017, the multi-branding strategy of Maersk now includes Maersk Line (global), Hamburg Sud (global), Alianca (mainly cabotage in Brazil), SeaLand (primarily intra-American services) and Safmarine (Africa, Middle East and India markets) with the latter three being niche brands. Maersk rationalized its multi-branding strategy in 2018 by combining its intra-regional brands MCC, SeaLand and Seago Line into one unified brand name, SeaLand - A Maersk Company. The use of sub-brands for niche/regional carriers is

typically driven by the goal of delivering greater flexibility and a higher-level of customer-focused service in these local markets. These niche brands often share certain corporate services, which include functions such as finance, and HR, land-side and marine operations, but retain separate sales and marketing organisations and agency setups.

Multi-branding can also be applied in the case the M&A involves two large-scale global carriers. In the past, Maersk typically opted for a 'one core brand' strategy for its global operations, which explained why P&O Nedlloyd and SeaLand (eventually) disappeared and were replaced by the acquirer's name. However, after the completion of the Hamburg Sud takeover in November 2017, Søren Skou, CEO of A.P. Moller-Maersk announced that the Hamburg Sud brand would continue to exist (strategy 10):

"We are looking forward to taking the first steps forward as one company [...] Hamburg Süd is an outstanding brand with high quality products. By combining our two businesses, we will reinforce the global positions of both companies and enhance our service offers towards customers. [...] represents a unique opportunity to realise commercial opportunities as well as sizable operational synergies [...] The cost synergies will primarily be derived from integrating and optimising the networks as well as standardised procurement".

4.2.3. From 'business as usual' to 'backing the stronger horse'

A number of carriers did not rely on a pure 'business as usual' strategy. Instead, the carriers involved have first adopted strategy 10 (business as usual) for a specific number of years, followed by strategy 1. Two companies, in particular, heavily relied on this hybrid strategy when rolling out their M&A activities, i.e. Hamburg-Sud (now part of the Maersk group) and CP Ships (acquired by Hapag-Lloyd):

- Hamburg-Sud retained the brand names of five acquired carriers for a period of 2 to 4 years before replacing these by the acquirer's brand: Crowley American Transport (acquired in 2000, name changed to Hamburg-Sud in 2004), Ellerman (2003; 2005), FANZL (Fesco Australia New Zealand Liner Services; 2006; 2008), Costa Container Lines (CCL; 2007; 2009) and Ybarra y Cia. Sudamérica (Ybarra Sud) acquired in 2015.
- In April 2005, CP Ships Limited announced the re-branding of its container shipping services under the CP Ships name and by the end of 2005 it retired its seven operating brands. CP Ships acquired nine container shipping companies between 1993 and 2002, seven of whose brands remained active till the end of 2005, i.e. ANZDL, Canada Maritime, Cast, Contship Containerlines, Italia Line, Lykes Lines and TMM Lines. Ray Miles, Chairman of CP Ships at the time, explained the large-scale rebranding effort as follows:

"We are listening to our customers and our own people [...] They have told us they prefer us to simplify our business and trade under a single brand. [...] As CP Ships developed, multiple branding was a key element of our core strategy. It helped us maintain customer loyalty and build further on strong regional positions after each acquisition. Our aims, which we achieved, were not to lose any business when we

acquired a new line and then make the business grow. But now that our acquisitions are fully integrated and will be on the same operational and financial systems later in the year, it is time to move on [...] A single CP Ships brand presents many opportunities. It will help us to streamline our corporate structure, improve further our accounting and related business processes and information systems, save costs, strengthen our company culture and more closely align how we communicate with all of our customers.” (Press release CP Ships, 28 April 2005).

The CP Ships case demonstrates that a carrier might hold on to existing brand names after an acquisition (strategy 10), to maintain customer loyalty, further develop strong regional positions and avoid creating a shockwave in the market. However, the multi-brand strategy might be followed by strategy 1 to simplify service delivery under a single strong brand. In retrospect, the announcement of the creation of a single brand might also have paved the way for the takeover of CP Ships by Hapag-Lloyd in late 2005. Hapag-Lloyd kept CP Ships and affiliated brand names for a very short while till 2006 and then shifted to a one-brand strategy using the Hapag Lloyd name and symbol.

While our findings point to a rise of multi-brand strategies during the past decade (strategy 10), a number of announcements made in 2020 suggest that the peak of managing multi-brand strategies on the major deep-sea trade lanes might soon be behind us. With effect from 1 December 2020, the name of APL Co. Pte Ltd shall be changed to CMA CGM Asia Shipping Pte. Ltd.. In late August 2020, A.P. Moller-Maersk made public that the company will cease to use the Safmarine brand from end 2020. These announcements again show that brand strategies are dynamic in nature, and also raise questions on the long-term future of other acquired brands such as Hamburg-Sued.

Strategy 1, strategy 10 and the hybrid option combining them represent about 78% of the M&A cases in our case study (Figure 1). This share slightly differs between the three analysed carriers: 83% for Maersk, 64% for CMA CGM and 81% for Hapag-Lloyd. How do these results compare to findings of other brand strategy studies dealing with M&As? Based on an empirical study involving more than 200 large M&As (1995-2005) in different industries, Ettenson and Knowles (2006) concluded that two strategies are dominant: disappearance of the target brand (strategy 1) and both brands continue to exist independently in unchanged form (strategy 10). An analysis of 83 M&As between 1995 and 2000 by Brooks et al. (2005) revealed that the acquirer's CVI is used in eight out of 10 M&As, pointing to the dominant use of strategy 1.

4.2.4. Other strategies

The adoption of other strategies is less common. The hybrid strategy 9 + 10 and strategy 6 have been deployed four and two times respectively by the carriers in our case study. Strategy 5 and the hybrid strategies 1+9, 1+3 and 6+10 have

only been adopted once. Thus, these strategies are not the general rule, but represent uncommon deviations from the more commonly adopted strategies.

The acquisitions of CGM by CMA is a well-known example of strategy 6 (best of both). With the new organization, CMA CGM combines the names of the lead and target companies with a new symbol. The fairly similar strategy 5, whereby the new organization combines the visual identities of the lead and target companies, was followed after the merger between Nedlloyd and P&O Container Lines to form P&O Nedlloyd. Hybrid strategy 6 + 10 occurred when CSAV took over Norasia in 2000 and decided to create a subsidiary brand name CSAV Norasia next to the core brand CSAV (see also Table 5).

In one case of the sample, the acquirer followed hybrid strategy 1 + 3: when Hapag-Lloyd merged with CSAV in 2014, it was decided to deploy the Hapag Lloyd name and symbol, plus an additional bilingual symbol, during the integration phase: 'Hapag Lloyd CSAV better together/mejor juntas' (see also Table 5).

Hybrid strategy 9 + 10 implies that the acquirer in principle follows strategy 10, but replaces the name and symbol of the acquired by one of its other sub-brands. When Torm Lines activities were taken over by Maersk Sealand in 2002, the lead company decided to integrate the activities of Torm Lines into the Safmarine sub-brand. Between 2002 and 2019, MacAndrews kept its name as a sub-brand of lead company CMA CGM. However, in 2019, the MacAndrews brand was incorporated in the new sub-brand *Containerships* which CMA CGM acquired in 2018. The same occurred with ODPR: after the takeover of ODPR by CMA CGM in 2005, the brands co-existed until ODPR was brought under the MacAndrews brand in 2018, and Containerships in 2019. A last case relates to NOL. After the company took over American President Lines (APL), NOL decided to deploy the APL brand for its container shipping operations. At the time of writing, APL still was a separate brand name in the CMA CGM group but, with effect from 1 December 2020, the name of APL Co. Pte Ltd shall be changed to CMA CGM Asia Shipping Pte. Ltd. Thus, CMA CGM initially implemented strategy 10 followed by strategy 1.

5. Discussion and conceptualization of factors affecting brand strategy

The above discussion reveals that there is a need to conceptualize the factors affecting brand strategy, thereby relying on the outcomes and anecdotal evidence of the embedded multiple case analysis on Maersk Line, Hapag-Lloyd and CMA CGM. The presented conceptualization focuses on the temporal, structural and financial characteristics/factors of the M&As and firms concerned which are likely to affect the chosen brand strategy. To do so, we zoom in on the factors, drivers and impediments that could shape a company's attitude towards the different branding options and strategies. Table 6 provides an overview of factors which could potentially shape brand strategy decision by container shipping

lines. The identified factors have been categorized into (1) supply-related, (2) demand-related and (3) transaction-related factors.

Table 6. Conceptualization of potential factors affecting brand strategy choice in container shipping in the context of M&As

Category	Factors	Potential impact of M&As on brand corporate strategies	Potential metrics	Literature
1. Supply-related	Brand architecture of the acquirer (e.g., umbrella, etc.)	If the acquirer adopts a brand umbrella strategy, there is more chance that the acquired brand will be preserved and included in the portfolio. In this perspective, the acquirer has to avoid brand cannibalization effects in case of inclusion of the new brand within its own portfolio. The acquirer willing to "adopt" the acquired brand has to search synergies and complementarity effects.	-number of brands controlled under the corporate portfolio. -number of regions in which the diverse brands are commercially active.	James et al. (1997), Focarelli et al. (2002), Walkner and Raes (2005), Lambkin and Muzellec (2008)
	Geographic scope of the involved carriers	The geographic scope of the carriers influences the choice of the brand strategy following an MGA. For instance, a global carrier (as acquirer) has to ensure that its recognisability and visibility across all major geographic markets remains guaranteed. Pursuing a single brand strategy can be helpful in this respect.	-degree of geographic diversification of the shipping network. -C4 or HHI indexes calculating the market share in the top 5 regions/countries served.	
	Financial conditions of the acquired company	The financial condition of the acquired company should lead to an MGA where the "good" assets of the company are safeguarded and utilized by the acquirer, whereas the brand of the company is withdrawn because of its bad image/reputation.	- ROI and ROE - profit margin - debt / equity ratio	
	The level of vertical integration of the acquired company	If the acquired company has a strong and vertically integrated brand across the logistics chain, the acquirer should strive to keep that brand alive at least if the parts of the supply chains where it is more effective from a commercial viewpoint. The elimination of the entire brand of the acquirer might lead to the perception of brand value destruction. A strong brand creates some "exit barriers" from the market because it is associated to a broad customer base.	-number of activities along the transport chain in which the acquired shipping line has equity interests (e.g., port terminals, inland transportation, logistics and distribution, etc.) - number of port terminals in which the acquired shipping line has equity interests	
	Geographic/ cultural/ psychological distance between the involved companies	A <i>cultural distance</i> might influence strategy in different ways. A perceived "distance" could drive the acquirer to eliminate the brand of the target company. On the contrary, the management could also decide to keep the other brand if there is the perception that it can widen the customer portfolio, and to achieve complementarities with the main brand.	- the headquarters of the involved companies are situated in different/the same cultural areas (see Gupta cultural clusters) - number of the local subsidiaries of the two companies situated in countries speaking common languages (e.g., English, French, Spanish, etc.).	
2. Demand-related	Customer portfolio of the acquirer	Typically, big and global customers need to interact with well recognised and global ocean carrier brands. Therefore, if the acquirer has a customer portfolio where the presence of big shippers is dominant, a unified brand strategy might be preferable, leading to the elimination or the commercial "downsizing" of the acquired brand.	- market share of the top 5 customers in the portfolio of the acquirer	Keller (1993), Basu (2006), Ettenson and Knowles (2006), Lambkin and Muzellec (2008)
	Perceived brand equity of the acquirer vs. acquired	The brand is fundamental to establish a solid relationship with the customer base also in B2B markets. Therefore, if the brand of the acquirer or the acquired company is recognised by customers as being valuable, this will influence the brand architecture after the MGA.	- degree of diffusion of the respective brands at international scale (local, regional, multi-regional, global) -diffusion of the respective brands on social media (e.g.,	

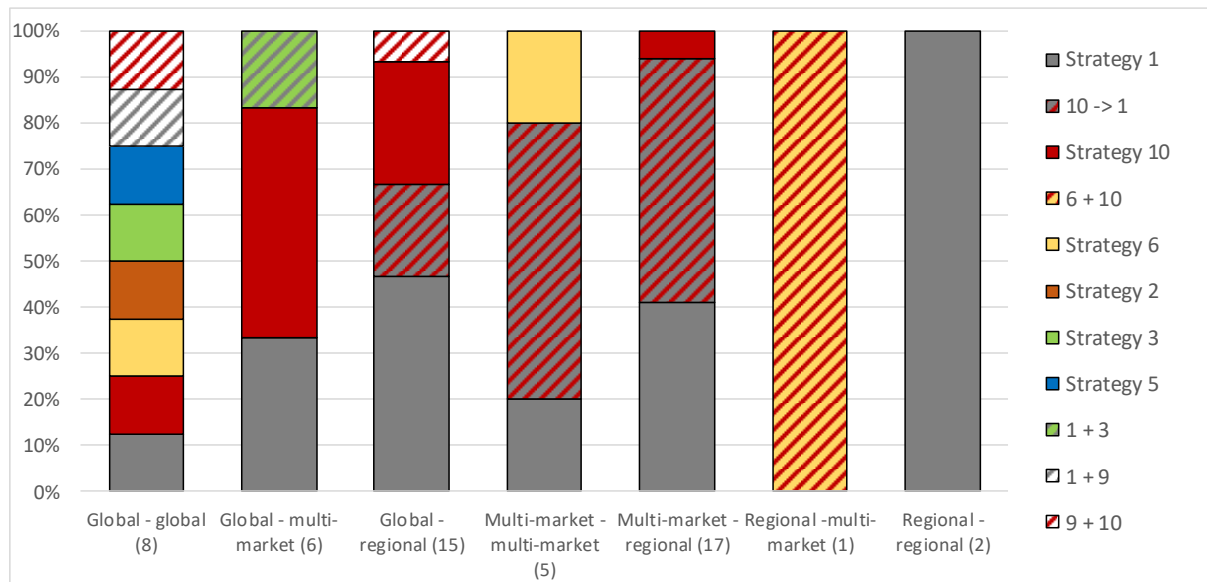
			number of followers, posts, comments, likes, etc.)	
	Logistics needs of the customers & empowerment of stakeholder relations	The need for integrated logistics services across the supply chain (carrier haulage solutions) might influence the post-M&A brand strategy of the carrier. In addition, carrier choices on branding should be devoted to ensuring a higher visibility on the entire supply chain, bringing value not only to customers (shippers) but also to major stakeholders (e.g., terminal operators, Port Authorities, freight forwarders, logistics providers, etc.).	<ul style="list-style-type: none"> - share of carrier haulage contracts on the total turnover of the shipping line - share of carrier haulage contracts on the traffic generated by the top 10 customers of the shipping line 	
3. Transaction-related	Type of financial transaction and relative size of the involved parties	A 50/50 equity joint venture may easily lead to the conservation of both brands in the newly created company. A pure acquisition is more likely to result in the elimination of the brand name of the acquired (right away or after some years).	-equity target of the acquirer company (from 1% to 100% shareholding)	James et al. (1997), Pilloff and Santomero (1997), Capron and Hurland (1999), Altunbas and Ibanez (2004), Kumar and Blomqvist (2004), Mizik et al. (2010), Yang et al. (2012)
	Timing of the transaction	The timing can be related to the market conjuncture (see the global crisis in 2008/2009) or individually associated to the involved companies.	<ul style="list-style-type: none"> - year of the transaction closure - number of months that have been necessary to finalize the transaction - freight rates conjuncture (positive or negative) of the year during which the transaction has been closed. 	
	Complexity of the corporate reorganization in the post-merger phase	This factor is closely associated to a number of other factors that can influence the company's management and shareholders in selecting a brand strategy or another. A heavy corporate restructuring after an M&A could lead to an entirely new brand, a brand restoration with the elimination of the old (acquired) brand, or to a combination of the existing brands.	- realization of a profound organizational restructuring at corporate level after the merger (e.g., number of subsidiaries involved, number of months needed for carrying out the process, etc.).	

Source: author compilation by various sources

Supply-related factors are associated with the organization of service delivery and with the consequent articulation of the brand architecture (Focarelli et al., 2002; Walkner and Raes, 2005; Lambkin and Muzellec, 2008). One of these factors regards the brand architecture of the acquirer. In case the acquirer adopts a brand umbrella strategy (see the discussion on multi-brand strategies in section 4.2), there is a high chance that the targeted brand will be preserved and included in the original portfolio. Other supply-related factors considered in our conceptualization include the geographic scope of the involved carriers, the financial condition of the acquired company, the level of vertical integration of the acquired company and the geographic/cultural/psychological distance between the involved companies. For instance, the *cultural distance* between the involved parties might influence brand strategy, either driving the acquirer to eliminate the brand of the target company (in case of relevant “psychological distance”), or to keep the brand name of the acquired in the portfolio (in the opposite case of low “psychological distance”). The geographic scope of the carriers might drive a global carrier (as acquirer) to decide that its recognisability and visibility across all major geographic markets is a top priority. This would easily generate a unified brand strategy approach, causing the elimination of the acquired brand. Figure 2 provides a first assessment of the relationship between the geographical scope of acquirer and acquired and the chosen brand strategy. Using the typology in Fusillo (2009) we make a distinction between the global, multi-market or regional service offering of a container carrier. A few conclusions can be drawn. First, if two global carriers get engaged in an M&A activity (‘global-global’), the outcome in terms of brand choice tends

to be extremely diverse. Second, when a bigger player takes over a regional player (i.e. 'global-regional' or 'multi-market - regional'), in all but one cases the acquirer opts for strategies 1, 10 or the hybrid version 1+10.

Figure 2. Analysis based on geographical market scope of acquirer and acquired



Note: see Table I for an explanation on the brand strategies

Source: author compilation

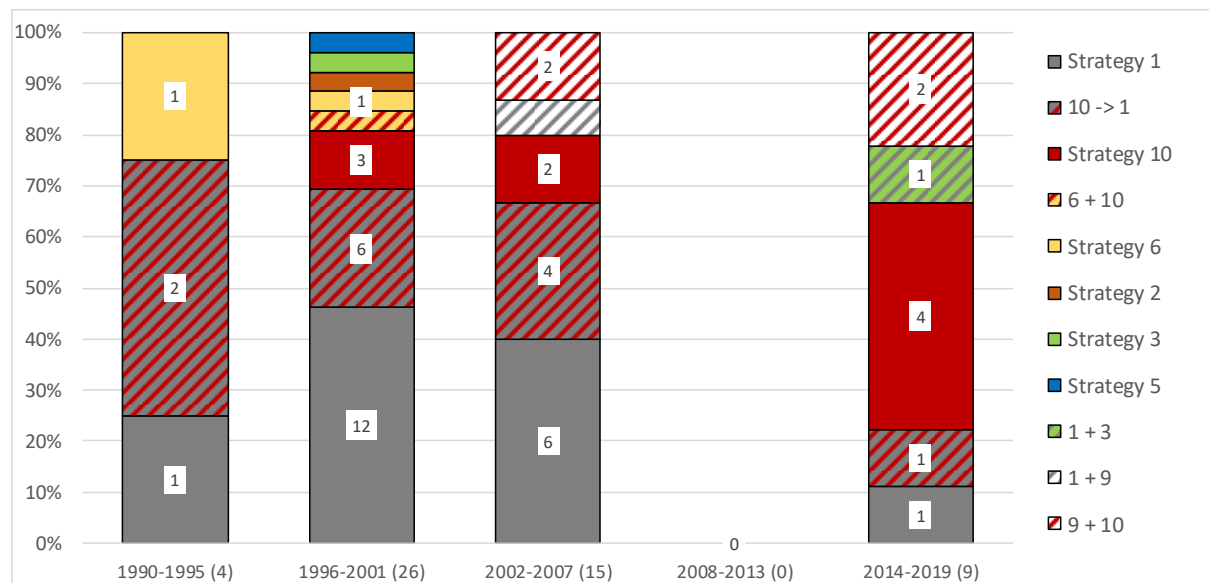
Demand-related factors are somehow associated with the composition of the customer base/portfolio of both parties, the complexity of shippers' needs, as well as the brand equity perception of the major market-related stakeholders (Basu, 2006; Ettenson and Knowles, 2006; Lambkin and Muzellec, 2008). Large and global customers typically like to interact with well recognised and global ocean carrier brands. Thus, an acquirer having a customer portfolio with a large presence of big shippers (e.g., big manufacturers, NVOCCs, etc.) tends to adopt a unified brand strategy after financial acquisitions, thereby either eliminating or "downsizing" the acquired brand. Other demand-related factors include the perceived brand equity of the acquirer vs. acquired, the logistics needs of the customers and the empowerment of stakeholder relations. As regards the perceived brand equity, the brand is fundamental in terms of establishing a solid relationship with the customer base also in B2B markets. If the brand of the acquired company is highly valuable to customers, the considered brand is likely to play a prominent role in the definition of the brand architecture after the M&A. This could eventually lead to the pursuit of strategy 2, i.e. the new entity adopting the visual identity of the target firm. In relation to the logistics needs of the customers and the empowerment of stakeholder relations, the need for integrated logistics services across the supply chain (e.g. carrier haulage solutions) might influence the post-M&A brand strategy of the carrier. Carriers' brand choices should aim at ensuring a higher visibility along the entire supply chain,

bringing value not only to the customers (shippers) but also to the major stakeholders (e.g., terminal operators, port authorities, freight forwarders, logistics providers, etc.). Maritime logistics services, in fact, need close collaboration (i.e. co-production) among the various business partners (e.g., terminal operators, etc.) in order to achieve high quality and reliable outputs. Similar arguments might be raised for emphasizing the relevance of branding strategies towards port authorities, public administrations, societal groups of interests, in the pursuit of effective territorial marketing strategies.

Finally, *transaction-related factors* include the type of financial transaction and the comparative sizes of the involved parties, the timing of the transaction and the complexity of corporate reorganization in the post-merger phase (Capron and Hulland, 1999; Altunbas and Ibanez, 2004; Kumar and Blomqvist, 2004; Mizik et al., 2010; Yang et al., 2012). The type of financial transaction is highly relevant in the development of a brand strategy. For instance, when the carriers involved opt for a 50/50 equity joint venture, there is a strong incentive for the new entity to keep both brands in the newly founded company (like in the P&O Nedlloyd case - P&O Containers + Royal Nedlloyd), favouring the choice of strategies 5, 6 or 3. Conversely, in case of a full acquisition, the lead company may easily decide to eliminate the target brand (strategy 1 in Table 1). The factor 'timing of the transaction' can be related to the market conjuncture, thus affecting top managers' decision on branding. Figure 3 explores the relationship between the period of the M&A transaction (temporal dimension) and brand strategy choice. Five sub-periods are considered: 1990-1995, 1996-2001 (a period characterised by the introduction of post-panamax container vessels and the emergence of the first strategic alliances), 2002-2007 (a boom period for container shipping partly due to rise of China), 2008-2013 (financial-economic crisis period characterized by overcapacity and poor financial results of carriers) and 2014-2019 (new M&A wave in container shipping and increased focus of carriers on digital transformation and supply chain solutions). The period 2008-2013 did not see any M&A activity for the three shipping lines in our sample. The periods 1996-2001 and 2002-2007 experienced most M&As³. Figure 3 shows that carriers follow more diverse hybrid strategies (in relative terms) since the new millennium. Moreover, one can observe a strong relative increase of strategy 10 in more recent years which reflects the rise of multi-brand strategies.

³ The motives driving M&As differ between boom and bust periods. In a boom period, acquiring firms are typically more interested in creating shareholder value and in spreading the financial risk and achieving financial synergies. In addition, M&As during the boom period can be driven by the will of the acquiring firms to strengthen their competitive position by taking-over a company before a competitor. In a bust period, instead, financial motives appear to be less significant, whereas the creation of economies of scale is commonly recognised to be equally important in both periods (Papadakis and Thanos, 2008).

Figure 3. Temporal dimension and brand strategy choice



Source: author compilation

Despite our pioneering attempt to isolate the key factors influencing the brand strategies of a carrier following M&A operations, we have to recognize that, in real business practice, such factors predominantly behave in a combined manner. Firm executives and shareholders are influenced by a mix of internal and external factors that exert pressure in various directions, leading to the selection of a certain brand strategy or another. Indeed, management culture and experience can be considered as additional influential variables that might assume a relevant, or even decisive, incidence in making the ultimate branding decision.

6. Conclusions

Branding decisions after mergers or acquisitions should not be treated in isolation, as they are an integral part of a company's strategy formulation and associated stakeholder and shareholder relations management. This study analysed strategic options and factors affecting brand redeployment in the context of M&As, by answering the research question '*Which brand strategies have been adopted by ocean carriers?*'.

To answer this, a typology of alternative redeployment strategies was presented and applied to 54 M&As in the period 1990-2019 linked to Maersk Line, Hapag-Lloyd and CMA CGM. The results demonstrate that two strategies are dominant: the new entity adopts the visual identity and name of the acquirer (strategy 1) and the lead and target brands continue to exist independently after the M&A activity (business as usual strategy 10). Strategy 1, strategy 10 and the hybrid option, combining strategies 1 and 10, represent about 78% of the M&A cases in our study.

Mainstream studies focusing on other industries have also concluded that strategies I and IO are the most commonly adopted brand strategies. Still, the container shipping industry shows a large diversity in brand strategies for the remaining M&A cases, with a strong preference for hybrid strategies involving a change in the adopted strategy many months or even years after the M&A. Our empirical results show that the final branding decisions in an M&A context are influenced by a set of drivers and factors which can differ from one case to another and can change over time. For example, Maersk Line decided to keep the name *Safmarine* after its takeover in 1999 in order to benefit from differentiated market segments, and to establish a brand extension into a niche market (i.e. southern Africa). After more than two decades, the brand *Safmarine* will eventually disappear at the end of 2020. However, other brands that were taken over by Maersk Line disappeared very soon after the completion of the integration process (such as P&O Nedlloyd), or were kept for a limited number of years before disappearing (e.g. Maersk SeaLand between 2000 and 2006).

The complexity and dynamics in brand strategy choice were captured through our conceptualization of the diverse factors, drivers and impediments that can shape a company's attitude towards the different branding options and strategies. A distinction was made between supply-related, demand-related and transaction-related factors. These groups of factors typically interact in a complex manner in a brand decision process. In other words, brand choice can seldom be attributed to one specific driver only but, instead, stems from an interplay of various factors which may change over time.

The presented study contributes to extant literature in a number of ways. Most scholars in the marketing field focus on B2C branding strategies rather than on the B2B environment. Brand strategies in the context of M&A activity in B2B industries have been largely unexplored so far. Our analysis on brand strategy choice in the container shipping industry is a pioneering study in the maritime economics field, providing also valuable insights relevant to all B2B industries. In particular, this research proposes a more comprehensive typology of brand strategies in the context of M&A in a B2B environment, by identifying a range of hybrid and combined strategies, reaching beyond traditional categorizations in marketing literature. Furthermore, we provide insights on brand strategies in a unique B2B service industry, where branding visibility can effectively leverage on the utilization of movable assets (i.e. ships and containers). Finally, the paper presents a novel conceptualization of the factors affecting brand strategy in an M&A context. The identified set of supply-related, demand-related and transaction-related factors can help firm executives to assess the internal and external forces which eventually shape brand choice in an M&A context.

The findings contribute both to academia and to the business community, as they shed light on strategic options shipping managers can rely on when pursuing brand-related decisions in order to facilitate the creation and delivery of robust value propositions to customers and stakeholders. In particular, the notion of hybrid brand corporate strategy, documented in the embedded multiple case studies, deserves a more in-depth assessment and theoretical sophistication, as well additional empirical support. Indeed, there is room for further studies to empirically test the arguments developed in this research by undertaking extensive statistical analyses with a broad dataset of M&As and associated brand strategies. The transport industry (e.g., airlines, logistics providers, port-related firms, railway operators, etc.) is a promising field for empirical applications in this area, given the proliferation of M&A activities and the need of firms to achieve an efficient organizational and operational scale. The proposed conceptualization of factors influencing brand strategy choice can be used for further empirical investigations in other B2B industries.

Appendix. Slot capacities of the fleets operated by the top 20 container lines (in TEU)

January 1980		September 1995		January 2000		November 2005	
1 Sea-Land	70,000	Sea-Land	196,708	Maersk Sealand	620,324	Maersk Line	1,620,587
2 Hapag-Lloyd	41,000	Maersk	186,040	Evergreen	317,292	MSC	733,471
3 OCL	31,400	Evergreen	181,982	P&O Nedlloyd	280,794	CMA/CGM Group	485,250
4 Maersk	25,600	COSCO	169,795	Hanjin/DSR Senator	244,636	Evergreen Group	458,490
5 NYK Line	24,000	NYK Line	137,018	MSC	224,620	Hapag Lloyd/CP Ships	413,281
6 Evergreen	23,600	Nedlloyd	119,599	NOL/APL	207,992	China Shipping	334,337
7 OOCL	22,800	Mitsui OSK Lines	118,208	COSCO	198,841	NOL/APL	331,639
8 Zim	21,100	P&OCL	98,893	NYK Line	166,206	Hanjin/Senator	315,153
9 US Line	20,900	Hanjin Shipping	92,332	CP Ships / Americana	141,419	COSCO	311,644
10 APL	20,000	MSC	88,955	Zim	136,075	NYK Line	303,799
11 Mitsui OSK Lines	19,800	APL	81,547	Mitsui OSK Lines	132,618	OOCL	236,789
12 Farrell Lines	16,400	Zim	79,738	CMA/CGM	122,848	CSAV Group	230,699
13 NOL	14,800	K-Line	75,528	K-Line	112,884	K Line	228,612
14 Trans Freight Line	13,900	DSR-Senator	75,497	Hapag-Lloyd	102,769	Mitsui OSK Lines	220,122
15 CGM	12,700	Hapag-Lloyd	71,688	Hyundai	102,314	Zim	201,263
16 Yang Ming	12,700	NOL	63,469	OOCL	101,044	Yang Ming	185,639
17 Nedlloyd	11,700	Yang Ming	60,034	Yang Ming	93,348	Hamburg-Süd	185,355
18 Columbus Line	11,200	Hyundai	59,195	China Shipping	86,335	Hyundai	148,681
19 Safmarine	11,100	OOCL	55,811	UASC	74,989	Pacific Int'l Lines	134,292
20 Ben Line	10,300	CMA	46,026	Wan Hai	70,755	Wan Hai Lines	106,505
Slop capacity top 20	435,000		2,058,063		3,538,103		7,185,608
C4-index	38.6%		35.7%		41.4%		45.9%
Share top 5 in top 20	44.1%		42.3%		47.7%		56.3%
Share top 10 in top 20	69.1%		67.5%		71.7%		73.9%

March 2007		February 2010		April 2015		October 2020	
1 Maersk Line	1,758,857	Maersk Line	2,061,607	Maersk Line	2,966,765	Maersk Line	4,120,502
2 MSC	1,081,005	MSC	1,536,244	MSC	2,541,347	MSC	3,842,848
3 CMA CGM Group	746,185	CMA CGM Group	1,042,308	CMA CGM	1,696,332	COSCO group	3,019,468
4 Evergreen Group	566,271	Evergreen Group	554,316	Hapag-Lloyd	974,024	CMA CGM Group	2,885,654
5 Hapag-Lloyd	467,030	APL	548,788	Evergreen	963,599	Hapag-Lloyd	1,707,589
6 CSCL	417,337	Hapag-Lloyd	495,894	Cosco Container Lines	814,240	ONE	1,558,843
7 COSCO	391,527	COSCO	453,922	China Shipping (CSCL)	703,331	Evergreen	1,260,814
8 NYK	353,832	CSCL	438,176	Hanjin Shipping	630,215	HMM	710,317
9 Hanjin/Senator	345,037	Hanjin Shipping	428,436	MOL	595,872	Yang Ming	623,263
10 APL	342,899	NYK	407,300	APL	546,100	Wan Hai Lines	314,945
11 OOCL	303,864	CSAV Group	348,746	Hamburg Sued	544,675	ZIM	311,768
12 K-Line	283,076	OOCL	342,512	OOCL	527,343	PIL	298,073
13 MOL	281,447	MOL	336,971	NYK Line	503,852	Zhonggu Logistics	168,581
14 Yang Ming Line	253,104	K Line	325,071	Yang Ming	450,468	IRISL Group	151,706
15 CSAV Group	250,436	Zim	310,568	UASC	412,149	KMTC	147,566
16 ZIM	248,922	Yang Ming Line	308,664	K-Line	387,806	Antong Holdings (QASC)	141,872
17 Hamburg-Süd Group	222,907	Hamburg Süd Group	302,056	HMM	382,812	SITC	127,860
18 HMM	168,966	Hyundai M.M.	283,550	PIL	370,848	X-Press Feeder Group	114,895
19 PIL	146,174	UASC	202,099	ZIM	323,794	Unifeeder	104,626
20 Wan Hai Lines	116,439	PIL	189,281	Wan Hai Lines	208,341	TS Lines	87,500
Slop capacity of top 20	8,745,315		10,916,509		16,543,913		21,698,690
C4-index	47.5%		47.6%		49.4%		63.9%
Share top 5 in top 20	57.6%		57.2%		60.2%		79.0%
Share top 10 in top 20	74.0%		73.0%		75.1%		92.4%

Source: compiled from Alphaliner, ASX Alphaliner and Containerisation International.

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