

Schenker Saudi Arabia

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Our steps forward for Human Resource Development

By: Imran Khan

Schenker Corporate Office organized corporate training in Jeddah and Dammam branches for Sales and Operation staff in the month of April 2007. The purpose of training is to give Schenker Saudi Arabia employees an opportunity to gain advance skills and knowledge and encourage their professional development.

"We have been given this opportunity to have training session designed to suit our industrial and professional needs. We should get the best out of it" says one of the sales staff in Jeddah Branch.

The April session focused on Project Management. Rising oil income in Saudi Arabia has given a sudden boost to the oil, construction and trade industries. All around the world, businesses are adopting latest practices of projects management. In order to gain more knowledge to manage project logistics for our Schenker customers, Schenker Saudi Arabia has supported Project Management training. Schenker has developed its own project management system for its employees and customers. This advance system contains all functions which enable project managers to smoothly handle project of any scale. Schenker customized a web-based project management system called 'Clarity' for its internal use. Clarity is an advanced project management web-based system. which can be used in all stages of projects, be that Initiation, Planning, Realization and Closing. It is capable of supporting all types of projects, small, medium, large and very large.

With 1,500 offices and 50,000 employees all around the world, Schenker with its Global Head Office in Essen, Germany and Global Project Management Head office in Düsseldorf, Schenker is among global leading players in handling project cargos.

Knowledge of Schenker project management methodology will be very helpful for us in our office, says our operations staff member in Dammam branch, who is now responsible for serving only project customers in the Easter Region.

Saudi-Egyptian Causeway to Link Two Continents

During his visit to the Kingdom's northern region next week, Custodian of the Two Holy Mosques King Abdullah is expected to launch a number of important projects, including the long-awaited Saudi-Egyptian Causeway which will link the continents of Asia and Africa

Informed sources said King Abdullah would lay the foundation stone for the 50-km causeway linking Saudi Arabia and Egypt. The causeway will be built in three years at a cost of \$3 billion. It will link Ras Humaid in Tabuk with Sharm El-Sheikh in Egypt and pass through Tiran Island. A consortium of Saudi, Egyptian and international companies will implement the project without causing financial liability to either government, the sources said

"Many Saudi businessmen will support the project as it will facilitate transportation of goods, especially vegetables, between the two countries," Masoud said, adding that the project would help bring down vegetable prices in the Kingdom

Fouad Abdul Aziz Khaleel, adviser to the Egyptian transport minister and chairman of the Arab Roads Administration, said the causeway could be completed within three years with the support of specialized international companies. Khaleel expressed the hope that companies involved in the project, developing the causeway on a build-operate-transfer basis, could recoup their investment within a decade of its completion. He said the causeway would reduce transportation time between the two countries to 20 minutes. "It will also lessen the difficulties of workers traveling between the two continents," he added.

The ferry tragedy that claimed hundreds of Egyptian and tens of Saudi lives in February last year revived interest in the causeway project. In a statement soon after the tragedy, Egyptian Transport Minister Muhammad Mansour said the implementation of the causeway project had become essential to avoid marine transport tragedies. Before the El-Salam ferrytragedy, 10 boats were operating between Dhuba and Safaga weekly. Now it has

"This is to promote internal knowledge sharing. We want to develop and give customized training programs for our employees to assure maximum learning within our offices", quotes Imran Khan, responsible at Schenker for Corporate Marketing and Training.

been reduced to two.

FIFA 2006 sponsors

Who really won?

Exclusive research gives you are real score

According to sports media specialists, initiative, FIFA 2006 was the most watched TV sports event of last year, the Italy V/S France final alone scored an average live global audience of 260 million with more than 600 million tuning in for at least part of the match

A fabulous score then for the 15 official sponsors which reputedly shelled out between \$38 - \$68 million for a prime pitch side position – along with the other fiercely protected marketing rights that sponsorship conferred. Well, not necessarily according to Michael Walters, managing director of Dubai-based True Integrated Marketing. A through post-event evaluation measured against some very exacting, precise criteria reveals quite a few own goals too he says.

Walters is the MCA distributor for integrations IMC, creators and proprietors of a marketing and brand effectiveness measurement system, Marketing contact audit (MCA). (Please see how MCA works).

Using MCA, Integration decided to examine the World Cup to assess how marketing at major sports events works for brands.

"The idea is straightforward," says Walters. "Due to the exposure of a sponsoring brand to huge numbers of viewers, especially via TV coverage of a major sporting event, consumers will be more receptive to their advertising and promotions.

"In theory, an event such as the FIFA World Cup allows the brand and consumer to connect, the building of brand equity and increased sales. But, the question raised was did sponsoring the World Cup actually help brands connect with consumers, and did it lead to increased sales? Did every sponsor win, or were there some losers, and if so, why?"



"Using MCA we were able to measure how consumers experience brands in touch points or contacts used. The definition of a contact is any marketing means that a brand might use from TV to instore demonstration or even word-of-mouth and buzz marketing."

Obviously, most of the information remains confidential to the sponsors so not all are named in the analysis published here.

That notwithstanding, the top line results shared with GMR reveal some surprising – and far from welcome in some instances – outcomes. Enough anyway to stop some big spenders in their tracks.

Perhaps the most disquieting revelation is the extent to which the halo effect can benefit non-sponsors if they are in the same category. Revelations also include the non-effectiveness of six touch point channels, plus the discomfoting fact that none of the sponsors – winners or losers – sustained long term benefit once the tournament finished.

Game Plan

Integration selected 10 countries with a broad geographical spread, nine of which were competing



nations, the non participant was China.

It also selected 13 global sponsors and paired them with similar non-sponsor competitors. Adidas, for example, was reviewed against Nike.

Against this, six specific World Cup (WC) contacts were selected:

- Sponsoring of the WC
- Sponsored special events during WC
- Special offers and limited editions during WC
- Seen on TV in sports programmes
- Packaging with FIFA emblem or FIFA branding

Plus 29 standard contacts such as:

- Mass Media (e.g. TV)
- One to one – main and branded websites
- POS/POC – e.g. displays
- Other Sponsorships
- Indirect – e.g. word of mouth and editorials

How MCA Works

1. MCA recognizes that some contacts are more influential than others, so it measures something called – Contact Clout Factor – the contact influence. To date 35 most important contacts have been identified.

2. Then it recognizes that some brands execute better than others, so it measures, :Brand Experience” for each brand in the category and market, by the degree to which consumers recall encountering brands using particular contacts.

3. The MCA then quantifies Brands Experience for each contact and all contacts combined Exactly 5000 urban young adults (male and female) were surveyed through internet questionnaires, 500 each in the 10 countries. The programme was run twice before and after the event.

Keeping Score

- The six specific WC contact points were less influential than average.
- The average Contact Clout Factor (CCF) for All 35 contacts was 72 before the event and 71 after (no statistical difference).
- The average CCF for the six specific WC contacts was 65 before the event and dropped to 62 after.
- The influence of the six WC contacts eroded quickly once the event was over. The other CCF scores were stable within statistical significance.
- However the average CCF score across all Integration IMC’s studies and databases is 54 versus the WC at 65 & 62. However, mass advertising also showed an increase over norms (CCF 71 compared to average CCF of 54) This is likely because more people are tuning in to watch and read about the games. This in turn justifies increased demand for advertising space before and during major events.
- Sponsors generated more brand experience than the non-sponsors but, crucially, not more than they would have otherwise due to increase in overall marketing expenditures and therefore exposure.



Net Gains

Comparing the Brand Experience generated in the six WC specific contacts to the Brand Experience generated in all 35 – the impact was only average. Some brands, however, did much better than others

1. Four sponsors used the WC to boost their brand experience. In one instance a brand achieved 43% more Brand Experience out of the six WC contacts than it achieved on average, however a non-sponsor used guerilla marketing to record a 26% improvement in Brand Experience.
2. Importantly, nine sponsors experienced no increase in Brand Experience above their average scores.
3. By the time the WC was over five sponsors grew Brand Experience, but two non-sponsors did just as well through guerilla marketing and by association e.g. Adidas and Nike.
4. One sponsor did use the WC to significantly improve brand Experience at a level of 1.40 (with 1.0 being its average performance prior to the WC)
5. Eight sponsors failed in connecting better with consumers as a result of the WC.

Winning Tactics

Factors included whether the brand was global or local, says Walters. "Global brands can create more leverage."

- Big ideas
- Innovation in marketing approach
- Integrated campaigns
- Connectivity between the Brand and the event being sponsored

Integration selected three examples for in-depth analysis – Adidas – please see case study – Deutsche Telekom (DT) and a consumer durables brand which integration declined to name.

DT grew sales by 9% increasing sales by \$460 million (350 million euros) while the third, unnamed brand showed no discernable brand growth but nonetheless managed to grow the brand experience by 17%.

As Walters says: "Just spending a lot of money to sponsor a big event does not guarantee increased sales or an increase in marketing impact, although the package is often sold on the '3.5 billion watching' basis."

Adidas and DT made it work chiefly because they started with a first foot advantage; they were intrinsically connected to the event's fans through sport wear, communication and mobile content. Because of this both were able to press home clear consumer connections. And the, after all, is the name of the game.

Brand activities in and around the WC significantly contributed to BE				
BEPs				
	W1	W2	Growth:	
WC sponsorship	1,858	2,301	+24%	
Special offers around WC	1,136	1,106	-3%	
Seen on TV special program	2,231	2,556	+15%	
Event sponsorship around WC	1,093	2,301	+111%	
Heard on radio sports program	311	305	-2%	
FIFA emblem on packaging/items	900	983	+9%	
During the event, consumers experienced adidas as a WC Sponsor through specific activities:				
<ul style="list-style-type: none"> • Participation or knowledge of the brand organizing special events around the WC • Branded presence during TV transmission of games and in programs around games • Use of FIFA emblem on adidas branded items 				

MCA for the World Cup 2006			
Picked 10 countries:			
9 Participating: Brazil, France, Germany, Japan, Korea, Mexico, Spain, UK and USA			
1 Non-Participating: China			
Picked 13 sponsors (out of 15) and non-sponsoring competitors:			
Adidas	Nike	MasterCard	Visa
Coca-Cola	Pepsi Cola	McDonalds	Burger King
Continental	Michelin	Philips	Sony
Deutsche Telekom	Vodafone	Toshiba	HP
Emirates Airlines	British Airways	Yahoo	MSN
Fujifilm	Kodak	Anheuser Busch – not measured branding unclear at project startup	
Gillette	Shick		
Hyundai	Nissan	(Avaya – not measured unknown brand)	

WC Sponsorship contacts were less influential than average

All 10 countries		W1	W2
Benchmarks:	Avg. CCF 35 contacts	72	71
	TV advertising	81	81
Six WC Contacts:	Sponsoring of WC	68	66
	Sponsored special events	68	63
	Special offers	69	65

Seen in TV sports programs	65	64
Heard in radio sports programs	55	54
FIFA emblem on pack/material	63	57
Avg. CCF 6 WC contacts	65	62
Index vs Avg. all contacts	0.90	0.87
Every WC contact shows below average "Clout", and significantly less than TV advertising		
WC contacts clout 10% below average in W1 and declined once the event was over		
Clout of WC sponsorship contacts increased with males and interest in football		

Case Study: Adidas FIFA 2006

Brand Experience Performance grew by 8% during the event (35,900 – 38,800); 70% of the growth was generated in the six WC contacts.

Celebrity sponsorship, and indirectly contacts were very strong because of the "buzz" and press coverage.

- Specific activities such as sponsoring events around the WC.
- Branded presence on sports programmes seen on TV and heard on radio.
- FIFA emblem on Adidas products and branded items.

Integrated Marketing Campaign included:

- Theme was "Team Spirit"
- Team kit presented to German National Squad
- New football boots and a hi-tech football launched
- Youth Challenge Cup – a competition to support youth interest in football
- Gigantic & spectacular billboards across highway entrance to Munich Airport
- Special branding in all 13 World Cup stadium Fun, games
- FIVE-a-side competition for kids from countries at the WC
- Opened a WC stadium in front of the Reichstag in Berlin with large screens that could host 10,000 viewers.
- Many other advertising, merchandising and promotions to connect and engage with consumers.

"As stated, the total brand Experience increased by 8% from an already high level," says Walters. 'First half year sales are reportedly up 15% and sales of football kit and items exceeded \$1.3 billion (1 billion euro) for the first time. It was a great success.'

"As quoted earlier, Nike also scored highly by association and clever guerilla marketing but, re-iterates Walters, the connection between the event such as the world cup and sports goods suppliers with a strong pedigree in football is unbeatable. "Passively having a brand on board around the pitch and half time ads is a waste of time and money, your brand has to have an affinity," he points out.

North-South rail contracts signed TRANSPORT SAUDI ARABIA 6 Apr 2007

Three out of four construction deals awarded

The Public Investment Fund (PIF) has awarded three of the four main construction packages on the multi-billion-dollar north-south railway, one of the most ambitious rail schemes of recent decades.

The contracts were awarded on 3 April to three contracting groups: a local/German team led by Saudi Binladin Group (SBG); Japan's Mitsui & Company with Australia's Barclay Mowlem; and the local Al-Suwaiket Group with China Railway 18th Bureau Company.

Jubail 3 complex talks begin INDUSTRY SAUDI ARABIA 6 Apr 2007

Discussion follows overwhelming private sector interest in Jubail 2

Early stage talks are under way for the construction of a 'Jubail 3' complex alongside the industrial sites under development in the city.

It follows massive interest in the second phase of the scheme and should lead to further diversification of the industrial base.

Private sector interest in the Jubail 2 project has been

The 2,400-kilometre-long line, also known as the minerals railway, will connect planned aluminum and fertiliser complexes at Ras al-Zour on the Gulf coast with the Al-Jalamid phosphate mine and Al-Zabirah bauxite mine in the north.

The SBG-led group won the SR 2,300 million (\$613 million) first package, CTW 100, which covers a 576-kilometre section from Ras al-Zour to Al-Zabirah. The group was the low bidder for all three packages in November, but tender rules meant a bidder could only win one package.

The second, CTW 200, went to the local/Chinese group. Worth SR 1,900 million (\$507 million), it covers 440 kilometers of track from Al-Zabirah to the mid-point of the Al-Nafud region.

The Mitsui/Barclay Mowlem group won the SR 2,868 million (\$720 million) third package, CTW 300, for a 782-kilometre section from Al-Nafud to the Al-Jalamid mine and Qurayyat.

The fourth construction package, a 480-kilometre passenger line between Al-Zabirah junction and Riyadh's King Khaled International Airport, will be tendered soon.

PIF has also requested solicitations of interest by the end of April for three further contracts.

The rolling stock package will entail the supply of several diesel locomotives and hundreds of wagons.

The signaling contract will involve installing a GSM-R telecoms system, compatible with the one on the Saudi Land bridge project planned by Saudi Railways Organization. The management contract will last for at least five years.

so overwhelming that the Royal Commission for Jubail & Yanbu (RCJY), which oversees the site, is set to begin a feasibility study for a further industrial complex within a few months.

Only two plots have so far been allocated at the Jubail 2 site. However, the RCJY is assessing a huge number of applications for the project and available land is heavily oversubscribed.

"The land at Jubail 2 is already oversubscribed by 170 per cent," says an RCJY official. "Some of these applications will not be of sufficient standard but the interest is so strong that we have held discussions about a third development to accommodate other companies and industries. A feasibility study should be started soon."

Much will depend on the eventual make-up of Jubail 2, which will focus on petrochemical manufacturing. The RCJY's initial discussions on Jubail 3 have centred on diversifying the city's industrial base further.

"This is only at the discussion stage but we would look at clusters of industries in different sectors," says the RCJY official. "The feasibility study will clarify this further."

The RCJY recently struck deals for two sites at Jubail 2, with a joint venture of Saudi Aramco and France's Total, and Saudi International Petrochemical Company (Sipchem). The two projects will have a combined investment of SR 44,000 million (\$11,735 million) poured into the site

Progress begins with a belief that what is necessary is possible

Case Study: One of our success stories in Saudi First Exhibition on Military and Security

By: Tariq Chaudhary, Sales and Marketing Executive, Fair and Exhibitions
Imran A Khan, Corporate Marketing Coordinator

Challenge

Schenker customer in UK was participating in the Saudi First Exhibition on Military and Security to be held in Riyadh on April 22, 2007. Schenker was given a job to transport a high profile military/security vehicle. Vessel carrying the vehicle was scheduled to arrive on Friday April 20, 2007 at Jeddah port, Friday is an official weekend in Saudi Arabia. First day of exhibition was Sunday, April 22, 2007 and the vehicle was to be delivered to the exhibition site before the exhibition inauguration on Sunday morning.

The freight was considered complicated interms of handling in Saudi Arabia for two reasons: -

- It was military and security related.
- It was temporary import.

Actions taken

- All responsible personnel in Schenker Saudi and UK network joined hands. Mohammed Al-Ali, National Operations Manager, Schenker Saudi Arabia, Sayed Asif, Operations Manager, Jeddah branch, Tariq Chaudhary, Account Manger, Fairs and Exhibitions, Riyadh, Daniel Bird, Fairs and Exhibitions, Schenker UK together planned the operations of this job.
- All documents were prepared prior to vessel arrival.
- On Saturday, April 21, 2007, Mr. Bird arrived from UK to supervise the progress personally. Delivery



order was collected from the shipping line and customs authorities were approached for custom clearance procedures. All custom formalities were finalized for the temporary import by 1:00 PM afternoon.

- The vehicle was transported at 5:00 PM from the port to the loading yard on a low bed trailer, where the vehicle was offloaded using cranes and re-loaded on hydraulic low-bed trailer.
- Schenker arranged two drivers to avoid stopovers on Riyadh-Jeddah Highway.
- Customer was constantly kept updated about the progress.

Results

The vehicle arrived at the exhibition site at 9:00 AM on Sunday morning and was installed by the Schenker experts before the inauguration of the exhibition.

Lesson Learnt

'Progress begins with a belief that what is necessary is possible.'

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