

# Case study assignment: MAERSK

## 1. Objectives of the case work

- to understand the background of the container shipping industry;
- to describe the main geopolitical tensions between China and Europe and explain how these affect the non-market environment in which international firms operate;
- to compare the role of government in supporting national champions in China and in Europe and identify implications for European firms operating internationally;
- to define and assess the viability of non-market strategies considered by a major international shipping company to affect desired changes in the business environment.

## 2. Assignment questions

1. Examine the competitive landscape of the global container shipping industry;
2. Identify the main geopolitical tensions between China and Europe and explain how they affect the non-market environment in which AP Moller-Maersk operates;
3. Analyze the role of the government in supporting national champions in China and in Europe and identify the implications of this support for AP Moller-Maersk;
4. Analyze the strengths and weaknesses of each of the non-market strategies proposed in the case;
5. Analyze the potential pathways for nonmarket transformation through framing using Bach and Blake's (ia)<sup>3</sup>-framework and outline your recommended non-market strategy for AP Moller-Maersk.

## 3. Analysis

Begin your case study analysis with examination of the global container shipping industry – what are the key supply- and demand-side trends in the industry, who are the leading players worldwide, what are the categories of products/services offered by the key players. To understand the background of the container shipping industry you could use Michael E. Porter's "Five Forces Model". Analyze and compare AP Moller-Maersk's strengths and weaknesses with those of the competition.

Continue your analysis with identification of the main geopolitical tensions between China and Europe, and explain how they affect the non-market environment in which AP Moller-Maersk operate. Then, analyze the role of the government in supporting national champions in China and in Europe and identify the implications of this support for AP Moller-Maersk.

After getting a good grasp of the global container shipping industry and the geopolitical environment in which AP Moller-Maersk operates, analyze the strengths and weaknesses of each of the non-market strategies proposed in the case.

Finally, use the Bach and Blake's (ia)<sup>3</sup>-framework (see recommended readings below) to analyze the potential pathways for nonmarket transformation for AP Moller-Maersk. The following specific questions could be used:

- 1) What is the issue?
- 2) Who are the actors? (What actors should Maersk seek to influence? How should the company frame the issue to mobilize certain actors?)
- 3) What are the actors' interests? (How could other actors' interests be aligned with those of Maersk?)
- 4) In what arena do the actors meet? (Which arenas can Maersk access? How should Maersk frame the issue to gain access to the most favorable arenas?)
- 5) What information moves the issue in the arena? (What information should Maersk provide to promote its own position?)
- 6) What assets do the actors need to prevail in this arena? (Which assets could Maersk mobilize to achieve its non-market strategic goals? How should the company frame the issue to mobilize more assets?)

As a result of this analysis, outline your recommended non-market strategy for Maersk.

**To facilitate your analysis, you could use the following reading material:**

Bach, D. and Blake, D. J. (2016) Frame or get framed: The critical role of issue framing in nonmarket management. *California Management Review*, 58(3): 66-87.

Bach, D. and Allen, D. B. (2010) What every CEO needs to know about nonmarket strategy. *MIT Sloan Management Review*, 51(3): 41-48.

Dorobantu, S., Kaul, A., and Zelner, B. (2017) Nonmarket strategy research through the lens of new institutional economics: An integrative review and future directions. *Strategic Management Journal*, 38(1): 114-140.

Rajwani, T., Lawton, T., and Phillips, N. (2015) The voice of industry: Why management researchers should pay more attention to trade associations. *Strategic Organization*, 13(3): 224-232.

Pericopic, O. and Teece, D. (2019) The structural reshaping of globalization: Implications for strategic sectors, profiting from innovation, and the multinational enterprise. *Journal of International Business Studies*, 50: 1487-1512.

European Commission (2020) White paper on levelling the playing field as regards foreign subsidies. Accessible at:

[https://ec.europa.eu/competition/international/overview/foreign\\_subsidies\\_white\\_paper.pdf](https://ec.europa.eu/competition/international/overview/foreign_subsidies_white_paper.pdf)

#### **4. Group case study report**

Your group case study report needs to consist of three parts: (1) Introduction, (2) Analysis, and (3) Solution. In the introduction, describe the case in brief, provide a description of broader economic and industrial context the case takes place in, and outline the objectives and structure of your analysis. In the analysis, follow the steps guided by the *Assignment Questions* provided in section 2. In the solution chapter, provide managerial recommendations and conclusions driven by your in-depth case analysis.

The length of the report should not exceed 5 pages (font 12, line spacing 1,0, reference style APA). **The report is due by midnight on 26 November 2023 (Sunday)** and should be submitted only once by any of the group representatives through MyCourses.

## **5. Group case study presentation**

The results of your group case study analysis are going to be presented in the class on **30 November 2023 (Thursday)**. You will have 20 minutes to present your work. The structure of the presentation could be the following: (1) Summary of the case, (2) Analysis, (3) Solution.

The discussion of the case is going to be facilitated by a group of opponents, i.e. another case study team assigned by the course instructors.