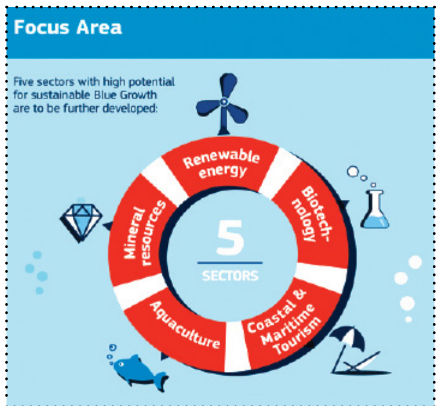
"If the highest aim of a captain were to preserve his ship, he would keep it in port forever" - St. Thomas Aquinas

Blue Economy – Wave 89

(Series on "Blue Economy" By Capt. Gajanan Karanjikar)



Capt. Gajanan Karanjikar, Blue Economy Social Activist & Multi Modal Logistics Expert

Blue Economy and Ocean Governance :

The ocean is also an enormous economic asset. Around 90 percent of the world's goods are traded across the ocean. Hundreds of millions of people work in fishing and mariculture, shipping and ports, tourism, offshore energy, pharmaceuticals and cosmetics—all of which rely on ocean resources. By some estimates, the ocean economy directly contributes more than $1.5 trillion a year to the global economy. Putting a resource this critical at risk is reckless.

But the world has not handled the ocean with care. Poor management has damaged many of the ocean's assets and reduced the ocean's natural ability to restore itself. Ocean health is on a downward spiral, preventing humanity from reaping the riches a healthy ocean could produce and jeopardising the future. The ocean is becoming warmer, more acidic, stormier, higher, more oxygen-depleted, less predictable and less resilient—and neither the problems it is facing nor the wealth it yields are distributed equitably.

For years, the overarching view was that the ocean is so vast that it is simply too big to fail. The folly of this approach is now evident. The new dominant narrative is that the problems are so complex that the ocean is simply too big to fix. This view is also incorrect. The ocean's problems are real, but action is already taking place to solve them.

The seas are no longer free. We sometimes hear about 'freedom for the seas' rather than 'freedom of the seas'. This distinction makes the subtle point that our primary concern should be with the preservation of marine biodiversity of the world's oceans and the sustainable development of marine resources rather than with any unilateral right to exploit the oceans for our own purposes. The distinction also implies the inevitability of new rules and principles governing uses of the oceans by the global community.

Through a proliferation of international treaties dealing with marine issues, particularly the preservation and protection of the marine environment, there has been a great codification recently of the rights and obligations of countries to use the oceans. The result is an increasingly complex array of rules and guidelines dealing with what countries can do in ocean areas, where they can do it, how they exercise their rights and duties at sea, and what the ships and fishing vessels flying their national flags can and cannot do. First and foremost, with these international treaties, we have the 1982 United Nations Convention on the Law of the Sea (or LOSC or UNCLOS, as it is variously known). It codifies a universal and balanced set of rights and responsibilities for the users of the world's oceans. It provides the foundation for subsequent international treaties and 'soft law' instruments dealing with the oceans and activities at sea.

Students Corner 211

Customer Retention

Pull factors are essential to retain the customers.

We were discussing customer retention and the ways in which customers deflection can be removed which is well-nigh impossible; therefore, reduction in customer deflection is thought of. We said the efforts of customer retention which means in effect reducing customers deflection must begin at the early stage of budgeting. Indeed, every strategy in the business demands , among other things, money, that is investment. Investing in a strategy that aims at cutting down the deflection rate must be relevant and meaningful to the company; that is, the investment must prove a real investment that fetches some benefit to the company. And to turn the money spent on that strategy into potential effective investment it is pointed out by the experts that the deflection rate must be arrived at because the deflection rate is the major cause for deciding upon the quantity of investment; that is, what percentage of share in the budget must be assigned for this specific task.

To arrive at the deflection rate, it is but wise to try to find out the causes of deflection. Deflection can happen at various stages of the customers' journey from the introduction to the company's product or products to transform him, so to say, into a loyal customer.

Of course there are causes which the company need not pay attention much. Here we have to distinguish between customers; that is, we talk about different kinds of customer markets like consumer market, business market, global market and non-profit government market. Though each kind of market has its own marketing environment, they all have one common focus in their business endeavours: value. A very tricky elusive word because the meaning of the word depends on so many divergent factors like societal factors and social economy, just to mention two. But in business world, value has a common connotation; value of a product depends on three facts: quality, service and price. Each fact demands attention and in fact has been discussed extensively. We need not go into that now.

Our concern here is how to retain the customer; that is, how to stop him from going away from the company's

product or products or service. In this context, without fail, the company must distinguish customers; those who are just casual buyers of the product; it means the revenue from the customer is not certain and it may be accidental; and, those customers who have purchased the products only once and they have not made repeat purchases; here also, the benefit to the company is not guaranteed. Then we have frequent buyers and the last category is loyal customers who buy the products almost consistently for quite some time. When trying to arrive at the deflection rate, the analysis takes into account the number of customers at each level of their association with the company.

While budgeting for Retention, the last two categories must be given significant attention since they turn out to be a certain source of revenue for the company. And budgeting must be focused on the removal of causes of the customers of the last two categories primarily.

We will go into that in our next session: causes for deflection of frequent buyers and consistent buyers.

SHIPPING INTERNATIONAL

EU, US and Chinese regulators meet to discuss liner issues

NEW DELHI
Sagar Sandesh News Service

Maritime regulators from the European Union, the US and China have met virtually this week for the fifth biennial meeting of the Global Regulatory Summit to discuss competition issues related to liner shipping.

Three items in the agenda discussed

Three broad agenda items were discussed during the meeting. First, sectoral developments since the start of the Covid pandemic including an analysis of supply and demand and an identification of bottlenecks in the ocean-linked supply chain and the causes of service disruptions.

Second, actions undertaken so far by relevant jurisdictions and authorities in response and their results.

Finally, the way forward and possible actions to increase resilience and smooth operations in the sector.

"The performance of ocean carriers in meeting historic demand for their services and the unusually high costs to move ocean containers are of interest and concern to regulators, legislators, and the public globally," commented Daniel Maffei, chairman of the Washington DC-based Federal Maritime Commission.

Liners are facing massive scrutiny from many jurisdictions this year

Amid record profits and dire schedule reliability, liners are facing massive scrutiny from many jurisdictions this year.

The next Global Regulatory Summit will be held in Beijing in 2023.