

Intermodal transports of non-durable consumer products

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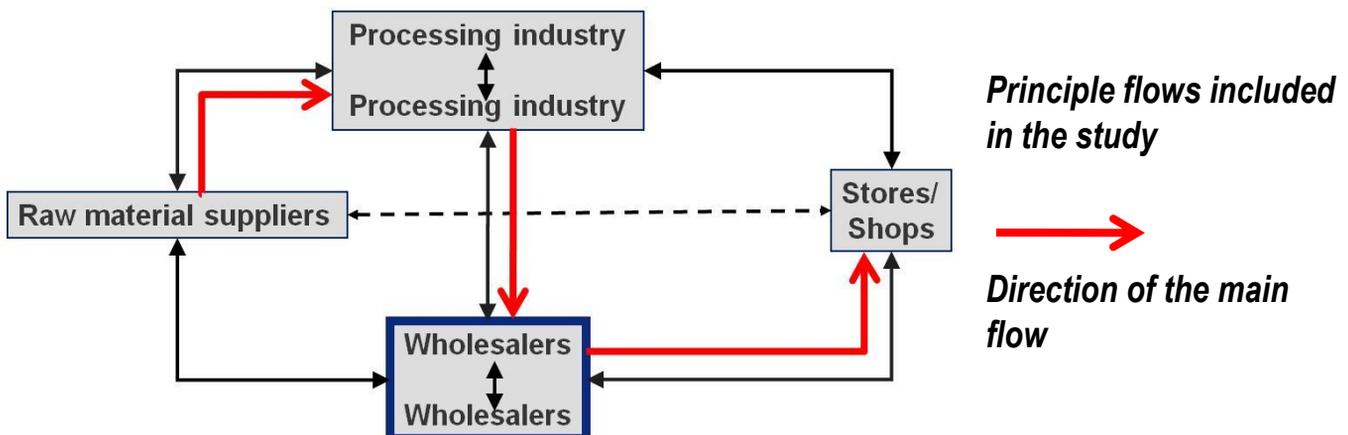
Introduction

In Sweden, the market of non-durable consumer product retailing and wholesaling are dominated by the three actors: Axfood/Dagab, Coop and ICA. All together they have a market share of 87 % (2006).

Non-durable consumer products are transported primarily by road over long distances. These journeys are broken when the goods arrive at terminals or reloading facilities and then continue by onward delivery to stores.

Despite an increased concentration on a smaller number of terminals and reloading facilities, the share of non-durable consumer products carried by rail, in the form of traditional wagonloads or other types of intermodal solutions, has fallen.

An assumption made prior to this study was that large-scale transport systems would be of great interest when logistic activities were centralised. Additional centralisation and other changes should probably increase the competitiveness of intermodal transports.



Objectives

A study about the possibilities to increase the share of intermodal transports of non-durable products was initiated by TFK in co-operation with the three main actors. The objectives were:

- To find out why actors in the grocery and non-durable consumer product sector only use railway and intermodal transports to a limited extent.
- To discuss possible solutions for the use of intermodal transport from the suppliers to the terminals/breakpoints, and further to the stores.

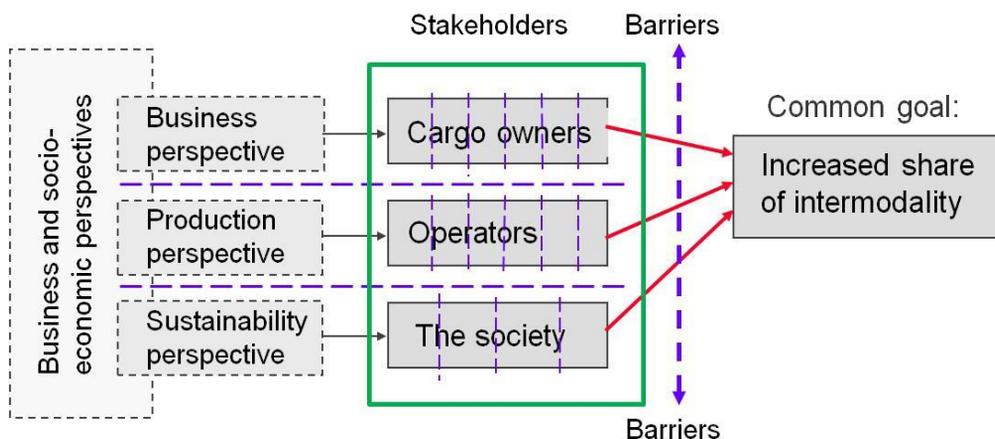
Analysis

Three main stakeholder groups were identified as a first step in the analysis of barriers and feasibilities for extended intermodal transports of non-durable consumer products.

The stakeholder groups were summarised according to the following:

- **Cargo owners** - In the study mainly representatives from:
 - The three main actors in the Swedish market of non-durable consumer products.
 - The dairy industry and manufacturers of foodstuff.
- **Operators** – The companies that operate transport and the terminal activity. The study also included representatives from rail operators and the postal service.
- **The society** – The political system itself and infrastructure authorities like the rail administration.

Analyses indicated that the importance of the business, production and sustainability perspectives alternated between the stakeholders. A perspective of business and socio-economic was finally found to overlap the other perspectives.



Conclusions

Changes that have taken place indicate increased possibilities to transport non-durable consumer products with inter-modal transports. Important changes can be found in the organisational conditions.

Today, a majority of the product owners, that also are competitors at the product market, intends to collaborate over organisational borders and make inter-modal transport solutions possible.

An important driving force to the product or cargo owners is the requirement for environmentally sustainable development.

Continued research

In accordance with the expectations new and continued projects have been funded by stakeholders both in the non-durable product and the transport sector in collaboration with research funds. One project includes mapping of the volumes and flows routes of goods within the non-durable consumer product and grocery sector. The next step will be development of competition-neutral logistic transport and logistic solutions in order to reduce the sector's environmental impact and create long-term sustainable transports.

In the study *Sustainable refrigerated transports* the problems associated with transportation of temperature-sensitive goods will be described. Areas that are intended to be mapped are environmental impact and energy consumption.

So far the new and continued projects indicate that common solutions for the transport and logistics of non-durable consumer products are possible to create and of great interest for the stakeholders.

A number of organisational and technical obstacles must however be overcome if new solutions are to be implemented.

