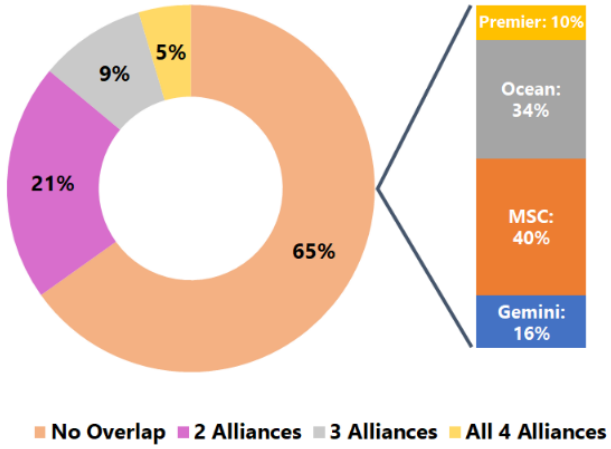
Alliance Network Segregation and Overlap

Issue 781 of the Sea-Intelligence Sunday Spotlight reveals a striking level of network specialisation between the alliances on the Asia-Europe and Transpacific trades. Rather than competing head-to-head by offering identical direct port combinations, the carrier alliances are structurally segregating their networks to create unique commercial opportunities.

Fig. 1: Port-Pair Overlap (Asia-Europe)



The data from Figure 1 illustrates that overlapping direct port-pairs are remarkably limited on Asia-Europe. While 65% of direct port-pairs see no overlap, only 21% of unique port-pairs are shared by two carrier alliance networks. Furthermore, just 9% of the port pairs are served by three alliances, and a mere 5% receive connections from all four alliance networks. This heavily segregated environment indicates that carrier alliances are purposefully designing highly specialised direct networks to differentiate their commercial products, avoiding a fully commoditised market where everyone offers the same routing.

A closer examination of the exclusive 65% "no overlap" segment highlights clear strategic differences among the carrier alliances. MSC dominates this highly specialized space by calling 40% of all single-alliance port-pairs. By leveraging its extensive standalone fleet, MSC can offer a significant number of direct connections that no other carrier alliance currently provides to the market. Following MSC, Ocean Alliance remains highly competitive by holding a 34% share of these exclusive Asia-Europe port-pair combinations, pointing toward its own extensive direct-call strategy. Meanwhile, Gemini Cooperation captures a 16% share of this specialised market segment. Premier Alliance accounts for the remaining 10% of the exclusive port pairs. This smaller share indicates that Premier Alliance employs a much more standardised network design compared to its rivals on this trade.

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All quotes can be attributed to: Alan Murphy, CEO, Sea-Intelligence.

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