

Understanding market trends – the challenges





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Understanding the impact regulation, trade and geopolitical changes will have on shipping, insurance and legal markets will increase both confidence and provide context for long- and short-term planning.

Or to put it plainly, a business that fails to spot opportunities and remain competitive will have a very short lifespan.

But to provide services that are both in demand and compare well against their competition, the whole business must understand market trends. This sounds simple, but without sufficient good quality information about the industry, its markets, and the wider global and regional context, it can be complex.

Mapping an ever-changing landscape

Understanding the size of your market and its growth rate is an important primary step. But to know everything that's happening within that market, and the direction in which it will move in the future, is the key to survival and success.

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Professionals need to be able to track developments within their industry to identify how other businesses are responding to regional or global forces. These forces are commonly known as PESTLE (Political, Economic, Social, Technological, Legal, and Ecological).

It's widely accepted that the forces of PESTLE are constantly impacting and shaping every industry and market, including those related to the maritime sector.

For example:

Changes in politics in one area of the globe bring about new restrictions, burgeoning opportunity, or both at the same time.

Economic forces drive banking and financial activity, both globally and regionally, to varying effects.

Ecological standards and practices change the way goods and services are produced and distributed.

Underestimating the impact of PESTLE forces on any business would hamper its ability to compete, or possibly operate altogether. Well-developed foresight and understanding means an organisation can plan effectively for the changes it needs to make to remain in alignment with the PESTLE paradigm.

For example, when a business establishes a presence in a specific port, or closes its services along a certain coastline, it indicates conditions have somehow changed. The business might have acted to reduce risk, cut costs, expand, or engage with new opportunities.

But the move may also have been influenced by PESTLE forces, which might include:

The previous location becoming politically unstable

The local workforce population being depleted

The economy showing signs of collapse

Without understanding the true impetus for the move, competitors could react wrongly, based on an incorrect theory. Without understanding what drives change in your markets, your sector or your industry, you risk costly strategic decisions based on weak assumptions.



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A business that is losing market share for current products and services has tough decisions to make, because change is essential to survival. But robust data and good insight must be at the heart of any change of path or focus, before thousands of professional hours and extensive budgets are wasted attempting to regain competitive advantage by moving in the wrong direction.

There are numerous factors to consider. Is the decline in market share due to changes in buying behaviour, the way the product is marketed, competitor activity, pricing, or a combination of these issues?

The velocity of the change must also be considered. Is it sudden and rapid, or gradual and slow? Is there still value to be found in this market?

Putting resources into products that are nearing the end of their shelf lives, or services that are becoming outmoded, can also be a wasted effort, as opposed to making efforts to revise, refresh and realign them. Focussing your efforts in the wrong direction can also leave your business open to competitor advantage.

If it's time to evolve, you need to know the best direction to go in. A lack of clarity around market trends and what they mean for the industry and your business, prevents you from knowing how to move the company forward.



Leading by example

Everyone would like their business to be recognised as innovative. There are tremendous long-term rewards for businesses with a pioneering culture, which successfully establish and bring to market genuinely unique goods or improved services.

But even a healthy and growing business can fail to launch new products well if market trends are misunderstood or misinterpreted. The persistent rise of customer expectations, constantly changing economic conditions and clever moves by competitors to increase market share need constant observation, so that a new or enhanced product is both welcomed and appreciated by its target audience.

Basing the development and launch of new products and enhanced services on faulty assumptions can be an extremely costly error, which consumes budgets without adequate return and weakens brand reputation.

The changing regulatory tides

Regulations are constantly shifting for the maritime industry, but changes rarely happen suddenly. News of incoming policy adjustments is easily found, and businesses are usually given months or even years to adapt for the time when they come into force.

But knowing how to adjust to new guidelines in the most efficient and effective way possible isn't always straightforward. Regulations need to be interpreted at a practical level on the one hand, and compared to current business practice on the other, for changes to be identified and properly planned.

An expert who can decipher regulations and explain what they mean to your sector or your business is a valuable resource. When new regulations cause vessels, ports or service providers to change their practices, and when non-compliance could cause serious legal issues for your business, it's critical to understand how new regulations will affect your specific business.

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Steering your ship in the right direction

Any movement in the maritime industry is like a pebble hitting the water – its radius is far-reaching and even the slightest change can have a huge impact. This effect is amplified by the fact that the sector engages a vast number of actors, so forces impacting one area can have consequences that span the entire breadth of the industry.

To keep abreast of all these movements, it's critical to have the latest comprehensive, reliable and robust information. Only then can you hope to successfully steer your business through both choppy waters and still seas alike and emerge stronger for the experience.

This guide was brought to you by the experts at Lloyd's List Intelligence, delivering transparent and actionable maritime data and analytics powering decisions that drive the safe, efficient, and lawful movement of seaborne trade.

To find out more, please get in touch.

Our details are on the final page.

To find out more about any of the challenges mentioned, or how to resolve them, get in touch with a member of our team today.

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