

Strategic themes in the haulier business: A systematic literature review of road freight transport

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ABSTRACT

Purpose

This article provides a comprehensive review of the strategic management of transport and logistics services and to identify promising avenues for future research in the field.

Design/methodology/approach

A systematic literature review is conducted based on articles published between 2011 and 2016 in international peer-reviewed journals. 55 selected articles deal with strategic elements concerning hauliers, such as service offerings, costs and revenues.

Findings

Themes of hauliers' strategizing that are discussed in the literature, namely carrier selection revisited, professionalism, innovation, horizontal collaboration, planned and emergent strategies, and value propositions.

Research limitations/implications

The research expands on the previous literature on logistics and transport and adds knowledge about hauliers as part of the transport and supply chain.

Social implications

In highly ranked transport journals, only two per cent of the published articles concern haulier strategizing, thus, knowledge development concerning the socio-economic and managerial problems of practitioners and policy makers is delimited.

Original/value

The study contributes to a strategic perspective by identifying transdisciplinary avenues of research that are likely to encourage hauliers to be innovative.

Keywords: systematic literature review; trucking; haulier; strategic; management; road freight transport.

1. INTRODUCTION

Due to highly competitive market conditions, the strategic options for hauliers in a deregulated market are often expected to be limited to intense price competition, but what is known about

hauliers' strategic management and the road freight transport business. This article focuses on knowledge of strategic issues related to hauliers illustrated in the transport and supply chain management literature, with a clear focus on hauliers' strategic options. Transport management, logistics management and supply chain management are well-covered research areas, but the complexity of transport and logistics systems and the dynamics and management of transport chains and their supply chain operations and strategies have recently been identified as under-researched areas (Busse and Wallenburg, 2011, Busse and Wallenburg, 2014a, Fabbe-Costes et al., 2009, Martinsen and Hüge-Brodin, 2014, Voss et al., 2011). This has led to a lack of knowledge about strategies of hauliers, particularly those related to value creation.

This literature review aims to cover the under-researched area of strategic management in the road freight transport business. The purpose of the review is to uncover existing themes in hauliers' strategic management, make recommendations for practice and propose an agenda for future research. We will therefore conduct a comprehensive review of literature that identifies strategic themes of hauliers that contribute to logistics and supply chain management (SCM), especially the strategic management of transport and logistics services.

2. DEFINING AND CONCEPTUALIZING STRATEGIC MANAGEMENT IN THE ROAD FREIGHT TRANSPORT BUSINESS AND LOGISTICS SERVICES BUSINESS

Road freight transport is often defined and conceptualized as a commodity service that distinguishes between the services offered by using broad categorizations, for example between truckload and less-than-truckload services (OECD, 2003), or between simple and complex services (Bask, 2001). Defining who performs the services is more controversial; a haulier is often described as a road freight transporter, a logistics service provider, a 3PL, a motor carrier, a forwarder, or a transport firm, these may be used interchangeably (Martinsen and Bjorklund, 2012, Fabbe-Costes et al., 2009). The transport service in combination with value-adding service are together seen as a logistics service. What types of logistics services are performed depends on what service model is in use (Prockl et al., 2012, Rajahonka and Bask, 2016). Our point of departure here is the actor's perspective, which views performing logistics services or a transport service as a strategic decision. Logistics services as well as road freight transport services are performed in the road freight transport business by hauliers.

Strategic management is a process of formulating and implementing a strategy (Grant, 2013). The process involves top-down strategic planning and strategic changes (Mintzberg, 1994). In an industry, such as road freight transport and logistics services, classic strategic management questions concern the purposes, direction, choices, governance, organization, performance of and changes in organizations (Pettigrew et al., 2002). A competitive advantage may emerge from changes in the context or from internal sources of innovation and market creation (Grant, 2013). The sources of a competitive advantage are cost advantages, where the organization offers a similar service at a lower cost, and differentiation advantages, where the organization offers a unique product at a premium price (Porter, 1995). Hauliers' competitive advantages in terms of innovative logistics solutions emerge from value-added services and transport service systems that are designed with specific time and place attributes (Randall et al., 2010). In addition, strategic development in this context is possible through the networks and capabilities that characterize logistics firms, and this network position assures a specific value-generating capability (Cui and Hertz, 2011, Randall et al., 2010). Two contrasting forms of competitive advantage are discussed:

the efficiency-oriented advantage and the advantage that is oriented towards customizing and learning-by-doing in order to develop the value propositions of logistics providers (Flint et al., 2005, Grawe, 2009, Prockl et al., 2012). Customer knowledge during innovation development (for both customization and standardization efforts) is to be gained by employees via customer contact (da Mota Pedrosa et al., 2015), and value is created by combining and developing hauliers' and customers' capabilities to create unique supply chain solutions (Halldórsson and Skjøtt-Larsen, 2004, Halldórsson and Skjøtt-Larsen, 2006). The haulier may further outsource the core transport service and focus on service innovation, but there are very few empirical transport studies that engage in considering such development of logistics service providers (Cui, 2012, Rajahonka and Bask, 2016). Overall, these studies illustrate that hauliers' creative and innovative capability is an internal source of competitive advantage.

How has strategic management in the road freight transport business and logistics services been conceptualized? A dearth of strategic management knowledge in the road freight context is not surprising given that in logistics and SCM research the lack of an explicit use of theory is seen as a general problem (Defee et al., 2010). A particular problem, due to the applied character of the research, is the lack of interdisciplinary approaches and of complementary theoretical approaches (Flynn, 2008, Halldórsson et al., 2015, Halldórsson et al., 2007, Sachan and Datta, 2005, Svensson, 2003). In 3PL research especially, this lack of knowledge is described as a knowledge gap of theory-driven research (Marasco, 2008) and of qualitative method-based and normative studies (Selviaridis and Spring, 2007). However, the majority of the theory-driven studies have their origin in strategic management (Defee et al., 2010). In a review of the use of theory in logistics and SCM research during the 2004–2009 period, it was found that 3PL research uses microeconomic and competitive theory, typically strategic management theory, in more than 70 per cent of the studies (Defee et al., 2010). 3PL research is only one of the interesting, relevant and important problem areas related to strategic aspects of road freight transport and logistics services.

In addition to considering the area of 3PL, Grawe's (2009) literature review conceptualizes logistics innovation as antecedents, outcomes and the diffusion of logistics innovation. In Busse and Wallenburg's (2011) literature review of haulier innovation management, two general conceptualizations are used: one for innovation systems management and the other for innovation process management. However, as no study exists that discusses the innovation management process of hauliers, Busse and Wallenburg choose to conceptualize the processes on the basis of their outcomes only, whether they were an adoption or were an innovation generated by the haulier company itself. Innovation and potential market advantages rely on the resources of technology, knowledge and relationship networks (Chapman et al., 2003). Innovation processes allow hauliers to upgrade their positioning, intensify customer relationships and create a sustainable competitive advantage (Wagner and Sutter, 2012). A case study on the linkage between hauliers' innovation management contexts and elements of their innovation management illustrates six differentiating factors, namely organizational size, dispersion, such as decentralization and spatial distribution of staff, the importance of technology, growth potential, customer dependency and the innovation mentality of personnel (Busse and Wallenburg, 2014b). Thus, innovation is another key area of relevant strategic management research on road freight transport and logistics services.

The heterogeneity of the resources of technology, knowledge and relationship networks among firms and related value-based capabilities is key if hauliers are to have competitive advantages (Chapman et al., 2003, Randall et al., 2010). At least this is the case if these competitive advantages are to be a strength when compared to competitors' resources and capabilities and if they are of strategic importance to the customer' (Grant, 2013). Strategic decisions often imply investment, and it is reasonable to assume that asset-based hauliers and non-asset-based hauliers would differ in

terms of the capabilities they have available for value propositions concerning offers involving time, place, value management and value-added (Randall et al., 2010, Razzaque and Sheng, 1998, Sheffi, 1990). However, Murphy and Poist (1998) could not find any significant differences between asset-based providers and non-asset-based providers in how third-party services are performed for their customers. In a later article, they point to a mismatch between services offered and services used and question whether providers should “focus on certain services rather than offer a ‘laundry list’ in an effort to promote one-stop shopping” (Murphy and Poist, 2000:130). A similar questioning of the value propositions of hauliers is seen among logistics providers in China that are overwhelmed by core activities of transport and warehousing while more value-added becomes constrained (Cui et al., 2012).

3. Method

3.1 Research design

Earlier literature reviews have mapped the 3PL, logistics innovation and strategic logistics literature (Busse and Wallenburg, 2011, Grawe, 2009, Marasco, 2008, Meixell and Norbis, 2008, Selviaridis and Spring, 2007). This review provides a snapshot of recent strategic literature relating to hauliers, thus covering a specific area (van Wee and Banister, 2016). Our systematic approach to reviewing the literature is based on broad questions in order to analyse relevant articles, thereby synthesizing a contemporary understanding of strategic management in the road freight transport and logistics literature. Such a review adds value in terms of relevance for application and presenting an overview of the available knowledge (van Wee and Banister, 2016). Therefore, we find interesting to analyse the conceptual development, which works relate to the same ideas, and to reveal which conceptual themes appear together, thereby following suggestions made by Denyer and Tranfield (2009).

3.2 Locating articles

Initially, a list of 51 potentially relevant transport journals were identified, primarily based on their position in three journal rankings (ABS Academic Journal Guide 2015, VHB Jourqual 3, 2015 JCR Impact Factor). Two journals, *Transportation Journal* and *Logistics Research*, are not listed among the ranked journals, but are included because they are peer-reviewed and are important disseminators of transdisciplinary transport and business administration research.

Three experienced researchers from the field of logistics and transport management independently evaluated these 51 journals using a 5-point scale (endpoints: 1 – totally disagree, 5 – totally agree) to answer the following question: “This journal regularly publishes articles that are closely related to the research question.” The average of the votes led to a final sample of nine journals. All articles published in these journals between 2011 and 2016 were included in the further analysis.

Carrying out a review is particularly challenging when transdisciplinarity is involved and when a field is of a fragmented nature (Denyer and Tranfield, 2009), as it is for transport management knowledge. Transport and logistics/SCM take an interest in individual as well as overlapping problems. Transport research may be less inclined to take a SCM perspective, and likewise strategic SCM research seldom takes transport or logistics providers’ integration into account (Fabbe-Costes et al., 2009, Martinsen and Bjorklund, 2012, Quinn, 2000). Existing subfields specialize in overlapping subjects and these seldom refer to each other (Denyer and Tranfield, 2009). Moreover, high-quality journals are often strictly disciplinary, so questions of a transdisciplinary character are

published in lower-ranked journals that do not appear in journal ranking lists (Huutoniemi, 2010, Rafols et al., 2012).

In order to appraise the knowledge about strategic phenomena related to hauliers, search strings and searches across field-specific journals were needed. A methodological implication is that parts of the relevant articles may be lost if only highly ranked journals are reviewed.

3.3 Article selection and evaluation

The inclusion criteria and exclusion criteria were iteratively developed by repeatedly discussing them with an experienced librarian. The first inclusion criteria was keyword “Road freight transport*”, “Trucking”, “Strategy”, “innovation”, “marketing”, “Haulier”, “road carrier”, “logistics service provider”, “logistics service integrator”, or “TPL” in title/abstract, in order to guarantee relevance. The second, a clear focus on key strategic resources of haulier, e.g. fuel efficiency, driver loyalty or customer service in the article, in order to guarantee relevance. The third, Peer-reviewed empirical studies, in order to maximize relevance by empirical evidence. The fourth, English-language publications, in order to guarantee accessibility. Finally, articles Published 2011–2016, because these are years of major changes in the market and years following other reviews that called for strategic logistics and transport studies

The inclusion criteria search resulted in 101 articles being identified as relevant. A list of these articles was composed and the abstracts were read by two researchers in order to evaluate whether the article should be excluded based on the criteria. Exclusions were made because the macro-perspective criterion was not met (e.g. the purpose was to model a scenario), but also because the focal context was, for example, maritime shipping. Most exclusions were made after a check in the full text, because the abstract ambiguously described our criteria. In this step, 55 articles were included. The total number of articles published in the sample of highly ranked journals between 2011 and 2016 was 2,164, but only 2 per cent of these articles were relevant and could be included in our final selection. Logistics Research published 94 articles during this period, of which more than 8 per cent were relevant.

3.4 Analysis and synthesis

Martinsen and Høge-Brodin’s (2014) review of the literature on logistics market requirements and logistics service providers’ offerings alerts us to the idea that the business perspective of hauliers tends to be downplayed; this is supported by the conclusions of the relevant articles that we included in our study (two per cent of all published articles). Theoretically the studies follow the general trend of theory usage in logistics and SCM. The most commonly used theory, according to a literature review by Defee et al. (2010), are competitive theory (e.g. the resource-based view of the firm, strategy–structure–performance theory and dynamic capabilities) and microeconomic theory (e.g. transaction costs economics, agency theory and resource dependence theory). Mills et al. (2004) argue that the literature uses four perspectives, namely those of the buyer, the supplier, the evaluator of a static strategic network and the strategist of a dynamic network who is seeking opportunities. All four are relevant for transport and strategic knowledge, while Busse and Wallenburg (2011) say that there is very little research literature on the latter, specifically on how innovation emerges (but see Wagner and Sutter, 2012).

The journal articles that are included in our study are conceptually and methodologically diverse. There are more authors geographically affiliated to the United States and Germany, but authors are also affiliated to Sweden, the United Kingdom, Taiwan, Australia, Finland and China. The research areas of the articles included in our study are management, transport, economics, engineering,

operations research management science, transport science and business. The research synthesis is qualitative and narrative and is accompanied by tabular synthesis of studies. This is appropriate when a meta-analytical quantitative aggregation is impractical and when existing theories are being criticized (Denyer and Tranfield, 2009, Pattinson et al., 2016). Denyer and Tranfield (2009) suggest that reviews should be tested for their transparency and inclusivity and for their explanatory and heuristic nature.

The synthesis is based on all relevant articles. It includes information on the references, general details of the study, such as what it is trying to understand and decide on, what the authors are trying to achieve with the research questions and hypotheses, its key findings and a reflective note on relevance in relation to what we are trying to understand. Reflections were typed while the database was being constructed by one of the authors, and analysing the reflections resulted in the identification of several themes, which were discussed and agreed upon by all three authors.

4. Review results

A number of themes emerged from our review results, namely carrier selection revisited, professionalism, innovation, horizontal collaboration, planned and emergent strategy and value propositions.

4.1 Carrier selection revisited

Which factors matter regarding gaining new customers and retaining existing ones? This subject is discussed in the carrier selection literature (e.g. Meixel and Norbis, 2008), but the literature included in this review illustrates that it has been twisted to take market dynamics into account. For example, one study poses the following question: Under what conditions are firms likely to develop a high-quality logistics outsourcing relationship (Chu and Wang, 2012:79), and what are the important factors in the choice of a logistics service provider? The development seen in the review results in relation to traditional carrier selection research questions is recognition of market heterogeneity. For example: How do customers with different needs differentially value each component of the service when choosing a provider? (Anderson et al., 2011, Williams et al., 2011). Demand heterogeneity provides small hauliers with a more concentrated customer base and owners are involved in customer relationships that achieve higher payment rates (Voss et al., 2011). The heterogeneity in the logistics market is a new assumption that may lead to a critical development in the research agenda, in terms of knowledge about how to manage variation for value creation purposes.

Hauliers pursue multiple strategic purposes (Scheraga, 2011). They act in highly fragmented markets in which they are selected as logistics providers to solve customers' problems and contribute to customers' strategic development. Carrier selection revisited is a stream of research that seeks to understand variation in demand and supply.

4.2 Professionalism

Professional development means a qualification in competence that is seen both in understanding customers' value creating processes and in understanding haulier resources. The two approaches that arose from the articles in the literature review may complement each other. First, external professionalism such as competence in shippers' industries is a strategic advantage of a haulier. Grawe et al. (2014) investigate the use of co-located representatives (logistics providers and users), which is a strategic investment in coordination of logistics providers' and logistics users' activities

and objectives. Research investigates specific niches, such as hospital logistics, specific sectors and omni-channel business areas (Hwang et al., 2016, Kriegel et al., 2013, Lieb and Lieb, 2015, Lieb and Lieb, 2016, Soinio et al., 2012). The strive for professionalism, that is, not being an unqualified amateur but knowledgeable to develop innovation, to recognize opportunities and test forms of value creation is also studied in the research area of corporate social responsibility (Martinsen and Hüge-Brodin, 2014, Piecyk and Bjorklund, 2015). Customer participation is not given, customers may require competences as a precondition for the contract or be willing to develop these as a part of an ongoing contract (Martinsen and Hüge-Brodin, 2014). Customers' willingness to co-create strategic development in the relationship is impacted of perceived justice (Hofer et al., 2012). Second, internal professionalism is professional development in the management of key resources, such as information systems (Evangelista et al., 2012; Rajahonka and Bask, 2016) and truck drivers (Saldanha et al., 2013, Saldanha et al., 2014). For example, the reasons that help truck drivers to want to stay in the business and at the firm (Williams et al., 2011), and how to find and promote dispatchers (Ashenbaum et al., 2012) and talented managers (Lieb and Lieb, 2015) are key to developing strategic advantages. Another aspect of professional development is the ability to identify and improve those elements of a service that have little or no impact on costs (Johnston, 2015). In relation to prioritizing developing services, Liu and Lyon's comparative study of 3PL-customer relationships in Taiwan and the UK explains that excellence in existing operations rather than offering a broad range of services is financially beneficial (Liu and Lyons, 2011).

The professionalism of road transport actors is key for the market efficiency that policy makers strive for and for the strategic development of supply chains that make use of logistics. From the EU policy perspective, regulations aim to harmonize conditions and improve the standard of professional competence. The professionalism that EU set as a minimum standard is substantiated as a community authorisation that is needed in order to legally do EU road haulage business. The criteria for admission to act as a road haulage operator is: good reputation, financial standing, professional competence and having an effective and stable establishment in a member state, according to European Union regulation 1071/2009. In addition, drivers need a certificate of professional competency and transport managers must pass an exam. No articles touches upon strategic implications of the policy implementation.

4.3 Innovation

Innovation may be seen as the same process as strategic development when it comes to a haulier (Cui et al., 2012). From a business perspective, logistics innovation is interesting in terms of service production and service consumption, and in terms of the fact that these processes interact (Hofer et al., 2012). Networks are seen as key for hauliers, both as a source of knowledge and as a reason to innovate by accessing vertical and horizontal collaborations (Bellingkrodt and Wallenburg, 2013, Hingley et al., 2011). The organizing of horizontal collaborations create innovation (Albers and Klaas-Wissing, 2012, Schmoltzi and Wallenburg, 2011) and so do the placing of haulier employees and shipper employees together (Grawe et al., 2014, Grawe et al., 2012).

There are many reasons for hauliers' collaboration with competitors in horizontal networks, despite the fear of losing customers and innovative ideas to potential competitors. According to Raue and Wallenburg (2013), the competition needs to be seen in relation to the common understanding and compatibility of the hauliers. There are broad or focused horizontal networks that influence the degree of innovation (Raue and Wallenburg, 2013). Based on a literature review, Busse and Wallenburg (2011) argue that research on LSP innovation management needs more emphasis on how innovation emerges and in which processes and through which systems it emerges. In a later explorative overview, Busse and Wallenburg (2014) propose that relevant contingencies that impact

LSP innovativeness appear to be organizational size, level of dispersion, importance of technology, growth potential, customer dependency and the attitude of the personnel towards innovation. Bellingkrodt and Wallenburg (2013) say that relationships with other hauliers as a source of knowledge benefit hauliers' innovations that target new customers, while their knowledge of their relationships with their existing customers can result in innovations relating to their internal processes or in improvements to services offered to these customers.

In emerging markets, such as that in Brazil, a 3PL user's orientation towards their relationship with their customer is seen as a sign that the firm has a good relationship with its 3PL, positively impacting its logistics performance (Hofer et al., 2014). This indicates that innovative opportunities for hauliers may be found in the customers that the hauliers have. Hofer et al. (2012) demonstrate that in existing relationships the perceived justice in processes and process outcomes has a positive impact on a customer's attitude to its relationship with the 3PL. This enables the 3PL to interact with the customer regarding its business beyond the 3PL's initial contractual responsibilities and to proactively pursue operational improvements.

Lieb and Lieb (2015; 2016) explore market dynamics and ongoing innovation as perceived by large North American 3PLs, which seem to be both driven by opportunity, because of, for example, customers' reshoring of manufacturing to Mexico and omni-channel initiatives, and driven by challenges, such as lack of human resources. There are multiple examples of customization, standardization and differentiation, and other ways of adapting. It is reasonable to believe that these actors face similar service model developments to those that Rajahonka and Bask (2016) explore at a major logistics provider in Finland where multifaceted service models are developed through ongoing radical and incremental innovations.

4.4 Horizontal collaboration

The recent interest in alliances, not least horizontal collaborations, opens up the opportunity for research into hauliers' strategic organizing (Busse and Wallenburg, 2011). Alliances between less-than-truckload (LTL) hauliers and other hauliers are seen as a frequent and promising strategy (Albers and Klaas-Wissing, 2012) in which external relations are key as both a hindrance and a driver (Bellingkrodt and Wallenburg, 2013). A major hindrance is posed if collaborating hauliers' contact with the customer is undermined by the collaboration because the contact is managed by only one of the hauliers' (Hingley et al., 2011). Retailers' competitive power play can also hamper horizontal collaboration (Hingley et al., 2011). Horizontal collaboration has a competitive advantage because of network size, network density or shipping volume, which provide market-oriented and cost-oriented advantages (Albers and Klaas-Wissing, 2012).

Schmoltzi and Wallenburg (2011) reviewed the motives, structure and performance of a data set of 226 horizontal collaborations. The findings indicate that 57 per cent of logistics service providers (LSPs) use this organizational form and that their motives are market oriented more often than cost oriented. In terms of structure, 31 per cent involve two LSPs, 28 per cent involve three to ten LSPs, 24 per cent involve 11 to 50 LSPs, 12 per cent include 51 to 100 LSPs and 5 per cent consist of more than 100 LSPs. The geographic scope is a key characteristic of the networks. The collaborative networks appear stable; the average duration is 7.6 years and the failure rate is low – less than 20 per cent of the alliances fail.

The customer's role in service providers' development is a vertical integration that is at risk in horizontal collaborations, depending on the type of organizing that is being undertaken (Albers and Klaas-Wissing, 2012; Hingley et al., 2011). There may not be only one best way of organizing (Albers and Klaas-Wissing, 2012), but the impact of relationship elements, such as power, supports

Busse and Wallenburg's (2011) argument that the lack of research in the literature on the process of logistics service providers' innovation is an important gap, since social aspects of this process strongly influence development (Hingley et al., 2011).

4.5 Planned and emergent strategies

When strategic management perspectives are assessed for SCM studies, it is usually proposed that economic-based theories that are applied in the strategic management literature may be of use (Hitt, 2011, Ketchen Jr. and Giunipero, 2004, Olavarrieta and Ellinger, 1997, Stank et al., 2005) and these are also used in SCM studies for this purpose (Defee et al., 2010). Mintzberg's (1994) criticism of Porter's theory and other economics-based theories (game theory, agency theory, transaction costs economics, evolutionary theories, resource-based view (RBV)) is that such theories are partial explanations focusing on the rational decisions formulated as intended strategies. Mintzberg emphasizes that this is not the whole story of strategy making. He says that in order to understand strategy making, emergent strategies must be seen as just as important as the intended strategies. The emergent strategy is a process rather than a plan or a decision, but it is a process that is influenced by many formal and informal decision makers simultaneously (Grant, 2013, Pettigrew et al., 2002). Since previous themes arising out of this review illustrate a concern about social aspects of road transport and contextual dynamics, the lack of influence of process-oriented strategic management in SCM studies is remarkable.

The RBV is an economics-based theory of how a firm's resources may provide a competitive advantage; some of the studies in our review use it for that reason. For example, Liu and Lyons (2011) evaluate the relationship between service capabilities and performance and find that 3PLs' financial performance is not influenced by the range of services offered but by excellence in the services that are provided. Another example of studies that use the single RBV perspective is that of Liu and Lai (2016), who explain that stronger external integration capabilities of 3PLs (including integration of information, tasks and financial dealings between 3PLs and shippers) have a positive effect on resource efficiency. While Liu and Lai take the supplier perspective, Min (2013) analyses strategic planning from a 3PL user's point of view regarding the scope of logistics outsourcing, 3PL selection, contract negotiation, relationship building, performance appraisal, conflict resolution and contract renewal. Some studies, for example those of Prockl et al. (2012) and Rollins et al. (2011), use RBV without making a specific contribution to the strategic planning literature as such. Here, RBV is seen more as a general idea than a measurement of how resources contribute to a firm's performance. Soinio et al. (2012) contribute to the literature on the strategic planning of logistics providers with a categorization of logistics services provided to small- and medium-sized firms (SMEs). They suggest that a consulting-oriented service model for SME customers is the best match. This ideas in this literature facilitate decisions that relate to strategic position.

Another stream in this literature engages in research on performance management and control. For example, hauliers that employ a combination of formal and informal controls of drivers' performance will perform better (Saldanha et al., 2013), but excessive control of activities that is not combined with control of outputs decreases market performance (Saldanha, 2014). Wallenburg and Schäffler (2016) say that performance measurement of hauliers' horizontal cooperation needs to be a collaborative process in order to avoid conflict.

What needs to be added to the proliferating literature here is that "strategy formation walks on two feet, one deliberate, the other emergent" (Mintzberg and Waters, 1985: 271). Thus, at the same time, intentions and responses determine strategic action such as a strategic learning process. In particular, the dynamics of road freight transport and logistics calls for emergent strategies for

cooperative solutions based on the design and adaption of key resources (Min, 2013). Such strategies are a strategic choreography of overlapping value propositions (Prockl et al., 2012, Rajahonka and Bask, 2016).

Even though the process perspective of strategic management is not explicitly cited, there is a stream of papers that engages in discussions based on this view. Emergent strategy is important for efficiency, effectiveness and differentiation in cooperative solutions (e.g. Wallenburg and Schäffler, 2016). It relies on social factors such as power relationships and, because of the dynamics and uncertainties in the social context of transport and logistics (Hingley et al., 2011, Hofer, 2015, Hofer et al., 2012, Hofer et al., 2014), strategic manoeuvring is a useful concept to describe emergent strategy making. Rajahonka and Bask's (2016) study of SE Mäkinen Logistics is a rich case study that elaborates on how planned strategies emerge that are based on opportunities and prior knowledge of the strategic learning process. In 1952 SE Mäkinen Logistics operated as a company that transported newspapers, and a number of radical and incremental strategic changes, the logistics firm nowadays has about an 80 per cent share of the vehicle transport market in Finland (Rajahonka and Bask, 2016). Through its knowledge, experimentation and dedication, its logistics provision facilitated a change in the industry's logic among the customers. In contrast to contemporary studies of logistics innovation, Rajahonka and Bask (2016:726) state, "[O]ur study has shown that LSPs can be innovative, that their innovations can be radical, that they can change service architectures and industry logics, and that they can create new markets." The realized strategy illustrates the crucial emergent strategy making in relation to deliberate strategic plan based on resources and planning, the strategic manoeuvring seems essential if it is going to be possible for the haulier to develop over time.

4.6 Value propositions

The possibilities that hauliers have to create different value propositions are dependent on financial structures (Lampe and Hofmann, 2014). All resources rely on an amount of capital, and insights into the cost of capital (both debt and equity) give support to strategic investments. The expected return on invested capital must be greater than the cost of capital. Lampe and Hofmann (2014) say that the general strategic orientation of being asset light or asset based show different financial structures. Not all LSPs have enough financial insights to evaluate the possible consequences of new value propositions and may therefore take an entrepreneurial approach (Voss et al., 2011). Thus, they decrease the cost of risks by maintaining tight control over service solutions provided and they are charging higher rates.

The reach and density of routes impose major operational and strategic challenges for hauliers (Albers and Klaas-Wissing, 2012). Coordinated networks are investments in the operational as well as the administrative infrastructure in which LTLs try to gain a geographically expanded and denser transport network. The strategy of such collaborations aims to generate economies of scale by imposing a higher volume consolidation at low costs. Albers and Klaas-Wissing (2012) analyse two successful networks, Alpha and Beta. Both are organized to match situated challenges, and Albers and Klaas-Wissing conclude that there is no "one best way" for organizing in terms of centralization, specialization and coordination. The choice needs to relate to the number of partners and possibilities to keep coordination costs as low as possible. Both network types facilitate their partners to offer standard national services and express services, while Alpha also transports dangerous goods and Beta transports temperature-controlled goods. The networks are structures, and in both networks the partners themselves acquire customers and business. The structures are thus shared resources that are used differently in the partner firm's value propositions. But structures have different types of restrictions. While Alpha has no territory protection and allows its

partners to partner in other networks too and to use Alpha optionally, Beta protects territories for assigned members, restricts partners to engage in other networks and demands active engagement in Beta.

Martinsen and Bjorklund (2012) study LSPs' value propositions (green aspects of the offer) and find that LSPs may claim advantages regarding features their customers don't care about in the least. They argue that LSPs may overachieve by being ahead of customers' requirements, since the customers are already satisfied. Another take on such overachievement can be found in Martinsen and Hüge-Brodin's (2014) study about how environmental practices are reflected in the offerings and requirements of the logistics market. Martinsen and Hüge-Brodin argue that differences between LSPs' offerings and shippers' requirements in general are due to the different stakeholders they have.

As a result of its long-term orientation towards and cooperation with the customer, the LSP proactively pursues improvements that facilitate the customer's business (Hofer et al., 2012). Rajahonka and Bask (2016) argue that business and service development from an LSP perspective starts by cooperating with a customer and that this cooperation is then used in many similar value propositions as a way of acquiring knowledge. A similar development is also possible through other types of relationships (Bellingkrodt and Wallenburg, 2013, Grawe et al., 2014, Rollins et al., 2011). However, a long-term orientation is rare in the typical LSP and shipper relation; the duration of the contract is 1–3 years (Min, 2013).

Some caution is called for when extending service offerings in innovative ways, however. One study looked at the outsourcing of advanced logistics services that also involved financing and ownership of the goods (Olander and Norrman, 2012). The different roles and responsibilities created by the innovation became problematic from a legal perspective, since standard-form contracts are not adapted to the specific circumstances (Olander and Norrman, 2012).

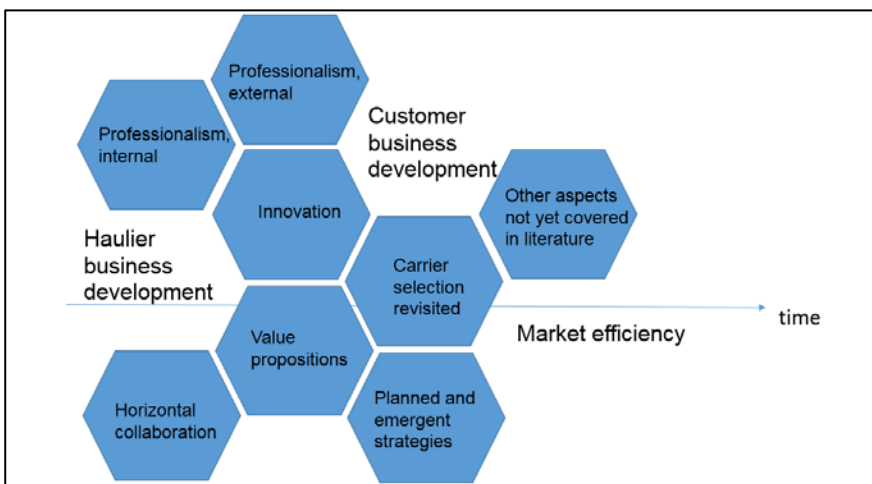


Figure 1 Strategic themes in the haulier business

The boxes in Figure 1 summarize the themes that arose from the review and adds two themes that were absent in the literature. The first is the relation between strategic development in the market (haulier business development and customer business development) and the theme of market efficiency. Regulators' interactions with market actors influence all themes discussed, but there are no articles that discuss this matter. These interactions include enforcement of and compliance with regulations, lobbying and developments in the grey market. The other theme that has not yet been

covered in the literature relates to social, ethical and environmental aspects of haulier business. There are, however, forerunners in the area of green logistics and market development (Eng-Larsson and Norrman, 2014, Martinsen and Bjorklund, 2012, Martinsen and Hüge-Brodin, 2014). The reviewed literature mainly asks economic questions to which it gives economic explanations, and this leaves a knowledge gap that consists of not linking social questions to economic explanations (but see Hofer et al., 2012) as well as not linking social explanations to economic questions.

5. Conclusions

The ambition of this comprehensive review of the literature on road freight transport and logistics services is to appraise strategic options and understand the road freight transport business from a strategic point of view. While Lieb and Lieb (2015; 2016) explore large 3PL' wishes for and beliefs about the strategic options of the logistics industry, this systematic literature review also includes the smaller hauliers' perspectives. These identified themes are meaningful for the strategic development of hauliers and for the development of a more efficient market for road freight transport and logistics. The patterns for the themes emerge from studies that engage in empirical investigations of ongoing developments in the logistics and road freight transport market. Actors that play a role in value creation are knowledgeable customers, cooperating competitors, incentivized drivers and other employees of the haulier. The review refines what is known about the road freight transport business by its curiosity of strategies. While the results form a legitimized body of articles about strategic planning, there is what Halldórsson et al. (2015) call a "conceptual slack" where input from strategic management research is limited to economics-oriented views of strategic management. It is apparent that process-oriented strategic management influences are badly needed because of the complexity and the dynamics of the industry. One logical reason why our results show this slack relates to the larger body of literature on SCM, transport and transport policy. Our meta-analytical review confirms that logistics and transport research stays as close as possible to its heritage of using ratio-economical perspectives. Only a small (but growing) proportion of the studies explore the conditions of market heterogeneity and the implications of this. Our findings are important in that they underline the lack of business perspective in the research area of road freight transport (Martinsen and Hüge-Brodin, 2014) and review the articles that exist that have a focus on important market conditions such as they are experienced by the actors. Policy makers need such insights to gain a better understanding of markets, and SCM practitioners need insights into how they – as customers of hauliers – are able to dramatically increase value creation in their supply chains. The most important limitation of this study might be that articles published in general management studies are omitted. Further research may consider including such articles in a sample combined with inclusion criteria that represent our themes. In addition, the themes that arose out of our results pose a comprehensive research agenda, and here we want to underline Busse and Wallenburg's (2011) call for process research on innovation that permits the drawing of causal explanations from an understanding of the processes.

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