A QUESTION OF TRUST

Lack of trust was crucial in precipitating the financial crisis. Rebuilding trust in business relationships is key to the recovery, says John Watton, chief marketing officer at ShipServ

DO YOU TRUST your suppliers? Perhaps more to the point, do your customers trust you? The correct answer is 'yes, of course, we do business together'. That trust is usually backed up by years of experience, personal relationships and financial exposure too.

So why ask the question? Trust was one of the key themes of the ShipServ user conference, Connect 10, held in Copenhagen, Denmark earlier this year. We asked the community of ShipServ ship suppliers and buyers to consider how far they were prepared to use trust to generate more business for them and find new customers.

John Watton: chief marketing officer ShipServ

Growing platform

ShipServ has been connecting its user community for over a decade and has grown from an idea that took shape during the dotcom boom into the leading online marketplace for ship supplies. The value of transactions on the TradeNet platform has grown from $550m in 2008 to $1.2bn in 2009. Our first million transactions took about five years. Our most recent million took about three months.

The exchange of information is the foundation of everything ShipServ does; enabling buyers and sellers to seamlessly transmit requests for quotations, quotes and orders between each others' systems.

We realised what happens in the consumer space on the internet quickly translates into the business to business arena. As we grow we are thinking about how the ShipServ community interacts with each other via TradeNet and how we can bring some of those mainstream trends into shipping.

The need for trust

Trust is common among all humans. We make millions of decisions based entirely on our reliance on other people. If we didn't have that trust we would spend our lives analysing every decision. What it means for ShipServ is being able to take advantage of the internet to connect a diverse and fragmented industry.

We still hear from customers that they need a way of making better assessments of each other. A recent study we carried out suggested that what is impeding even greater use of e-commerce is lack of understanding. ShipServ carries the burden of educating the industry but the next biggest issue is lack of trust.

Our response was to bring new products to ShipServ that help our customers grow as we grow.

The first is TradeRank, a process that mirrors the kind of ratings systems found on many consumer e-commerce websites, allowing customers to rate the service and quality they received from a supplier.

Rankings and reviews will be accepted where we know that the companies have regularly done business together and we hope that this will act as a spur to TradeNet suppliers to further improve their performance and for buyers to reward that service with a positive ranking.

We have also looked at how we can help our supplier customers gain broader exposure and bring more users into TradeNet. The result is the ShipServ AdNetwork, for which we have struck deals with the leading online publishers to book web adverts in their surplus slots.

Of course there is no substitute for dogged hard work and over the years we found out that the key to building any business was reliable, high quality, standardised information. That is something which is hard to replicate in a short time even with the internet and it drove our decision to join forces earlier this year with Mariner's Annual, which has 50 years' experience of publishing high quality supplier information in print and digital form.

Innovations like these are driven by necessity and there's no better time to embrace them than coming out of a recession, when buyers and sellers are still working hard for every dollar and cent. And trust is crucial. After all, the financial crisis was to a large extent created by a lack of trust between trading partners. What will bring us out of recession is the rebuilding of trust and new tools to help deliver it. ❁