Lisbon School of Economics & Management
Universidade de Lisboa

MASTER

MANAGEMENT AND INDUSTRIAL STRATEGY

MASTER´S FINAL WORK

DISSERTATION

UNDERSTANDING DYNAMICS OF MARKET-SHAPING IN THE FRAGMENTED EUROPEAN ROAD FREIGHT MARKET

JOSÉ ARTUR MENDES RIBEIRO

JULY - 2025

Lisbon School of Economics & Management
Universidade de Lisboa

MASTER
MANAGEMENT AND INDUSTRIAL STRATEGY

MASTER´S FINAL WORK
DISSERTATION

UNDERSTANDING DYNAMICS OF MARKET-SHAPING IN THE FRAGMENTED EUROPEAN ROAD FREIGHT MARKET

JOSÉ ARTUR MENDES RIBEIRO

SUPERVISION:
PROFESSOR DOUTOR JOSÉ NOVAIS SANTOS

JULY - 2025

ABSTRACT

Markets exist as dynamic ecosystems constantly being reformulated by the interactions of firms, consumers, and institutions. The earlier theories often brought the conceptualisation that firms were run by responding to external threats and opportunities rather than seeking to influence them, shaping the market, and as a concept the variety of industries visualised through that lens is still limited.

The aim of this study was to pick the European road freight industry up, understand it as a mature, fragmented and commoditized one, and analysing how the strategic path of mergers and acquisitions of one of the industry champions contributed to shape the market through the lens of market-shaping theories. The study conducted a single case-study on DSV A/S, interviewing a Sales Executive from the Portuguese branch of the company and combined with a literature review on market-shaping and the involvement of public policies, innovation and the importance of relationships and networks, while also following path through a set of historical quantitative data on the market's evolution.

The analysis of this data suggests contrasting interpretations. First, even though across time the growth of DSV A/S in size has led to it coming as a market leader, with up to 2.8% share of the market, the fragmented nature of the European road freight market has not allowed the company's ventures to alter significantly the market's concentration, as it maintains low concentration measures. However, secondly, due to being an industry highly reliant on network behaviours, it is evident that the company, across time has been influential in normalizing, after each merger, a larger percentage of the market's agents, being a strong force in consolidating a market facing fluctuations in regulation and enforcing standards once those norms are stabilized.

This study extends market-shaping theory by expanding to fragmented industries, demonstrating that in those, shaping by merging impacts much more on the capacity to influence norms over the network instead of a structural consolidation of the market, offering insights to logistics teams and managing bodies to work upon.

Keywords: Market-shaping, Relationships, European road freight, Mergers and acquisitions

RESUMO

Os mercados funcionam como ecossistemas dinâmicos, constantemente reformulados pelas interações entre empresas, consumidores e instituições. As teorias mais antigas conceptualizavam que as empresas reagiam a ameaças e oportunidades externas, em vez de procurarem influenciá-las e moldar o mercado. Ainda hoje, a variedade de indústrias analisadas sob essa perspetiva é limitada.

Este estudo analisou o setor do transporte rodoviário de mercadorias na Europa, entendido como maduro, fragmentado e *comoditizado*, e enquadrou-o pelas teorias de *market-shaping*, explorando como a trajetória estratégica de fusões e aquisições de um dos líderes contribuiu para moldar o mercado. Baseou-se num caso único sobre a DSV A/S, incluindo entrevista a um *Sales Executive* da filial portuguesa, combinada com revisão da literatura sobre *market-shaping*, políticas públicas, inovação e redes. Paralelamente, seguiu-se uma abordagem quantitativa com dados históricos da evolução do mercado.

A análise dos dados sugere interpretações contrastantes. Primeiro, apesar de o crescimento da DSV A/S a ter tornado líder de mercado com até 2,8% de quota, a natureza fragmentada do mercado europeu impediu que as suas operações alterassem significativamente os níveis de concentração, que continuam baixos. Segundo, por ser uma indústria dependente de comportamentos em rede, é evidente que a empresa tem sido influente na normalização de comportamentos através das fusões, abrangendo de forma crescente uma percentagem maior de agentes do mercado. Assim, tem sido força relevante na consolidação do setor perante flutuações regulatórias e na imposição de normas estabilizadas.

Este estudo contribui para a teoria de *market-shaping* expandindo-a para indústrias fragmentadas, revelando que a moldagem via fusões tem mais impacto na influência normativa sobre a rede do que numa consolidação estrutural do mercado, trazendo informações relevantes para equipas de logística e gestão estratégica.

Palavras-chave: Moldagem de mercado, Relações, Transporte rodoviário europeu, Fusões e aquisições

TABLE OF CONTENTS

LIST OF TABLES

GLOSSARY

- **European road freight:** The market responsible for all inland road transportation of cargo in Europe.
- **Cabotage:** Transport of goods within a single country by a foreign carrier.
- **FTL (Full Truck Load)**: A freight transport mode where an entire truck is dedicated to a single shipment.
- **LTL (Less Than a Full Truck Load)**: A freight transport mode combining multiple shipments in one truck, requiring sophisticated network coordination in fragmented markets.
- **Market-shaping:** The strategic process by which firms or other actors reconfigure market structures, practices, and norms to create competitive advantages.
- **Mergers and acquisitions (M&A):** Strategic consolidations to expand market share and influence.
- **DSV A/S:** A global logistics firm known for its asset-light model and merger and acquisition strategy.
- **Public policy**: Regulatory frameworks (e.g., EU Mobility Package) shaping market dynamics in the European road freight industry.
- **Innovation policy:** Policies promoting technological advancements, such as DSV's digital platforms, driving market-shaping in logistics.
- **Business networks:** Interconnected firm relationships facilitating resource exchange and, central to the case-study subcontractor model.
- **Herfindahl-Hirschman Index (HHI):** A measure of market concentration ($HHI < 1000$ - Unconcentrated; $1000 \leq HHI \leq 2000$ - Moderately concentrated; $HHI > 2000$ - Highly concentrated).
- **Compound Annual Growth Rate (CAGR):** The geometric mean rate at which an market size, or other figure would have grown each year if steady and compounding over the period.

ACKNOWLEDGMENTS

I would like to express my sincere gratitude to Professor Doutor José Novais Santos for the encouragement to pursue this thematic, that came as both as a challenge and a truly rewarding surprise and was a delight to explore and learn throughout this research.

I thank the colleagues I had the opportunity to meet during the masters, that gave me the opportunity to glance at multiple faces of the prism of life. I owe them a thank you note for their patience and hope to continue following their journeys and crossing paths with them in the future.

To my employer, Sugal, I extend my thanks for the opportunity and support to undertake this master's degree. Namely to Ricardo Ramos and Ricardo Pereira for their constant motivation and words of strength that helped me persist through the process.

I would also like to thank DSV A/S, in the persons of Valter Moreira and Cláudia Prates, for their fantastic enthusiasm and prompt willingness to contribute to this work.

Finally, I thank my family, my mother, father, siblings, aunt and uncle and, ultimately, my precious girlfriend Inês. May life with them be never-ending and that we always have each other’s sides.

1 INTRODUCTION

Market-shaping ideas have most often looked at digital places, big shake-ups, and areas that grow fast (like Netflix, Tesla, Amazon). But many parts of the world's economy operate in places already normalized, commoditized, and marginal profits sectors like logistics and shipping. Aiming to deepen our understanding on these mature sectors, this study has the following research question: How have mergers and acquisitions activity shaped the market's structure and dynamics?

In detail, this study develops a mostly qualitative case study focussing on DSV's mergers and acquisitions in the European road freight market. DSV, holding approximately 1.8% of the EU road freight market, works in a very split and rule-heavy field in Europe. Still, it often sets trends and rules that others follow, that those who check rules see, and that those who work with them must be engaged in. It is light on assets, and focused on its network model, sets it as a top example of leading without a huge share of the market.

While market-shaping literature has largely focused on dynamic markets with clear dominant players who are trying to drive large-scale change (Flaig et al., 2021a; Flaig et al., 2021b), the idea of market-shaping in mature, commoditized sectors such as logistics where there is a high degree of fragmentation and complexity with regulation has received less attention. The goal of this paper is to begin to address this gap by exploring how firms engage in shaping market dynamics in low-concentration (and low-amplitude) contexts, drawing on the European road freight market as an illustration.

The European road freight market is worth more than €400 billion is characterized by ongoing regulatory, geopolitical, and structural problems, which make it an important field for innovation. The study is based on a practical need to understand how firms will navigate fragmentation in a market and attempt to influence the operational and competitive practices of the European freight industry; ultimately providing practical relevance for logistics managers thinking about ways to improve operational performance in a commoditized sector.

This study contributes to the understanding of market-shaping by testing how a single firm's strategy can act as a market-shaping mechanism in a highly fragmented and

commoditised market, like the European road freight transportation, while also analysing longitudinally how the market has been evolving throughout the years. By applying the strategies and phased model of market-shaping (Flaig et al., 2021), it highlights how mergers and acquisitions (M&A) can serve an offensive strategy across infusion, formation, and retention phases. The study also shows the limits of firm-led market-shaping in market lacking concentration, highly fragmented and the impact regulatory work has had in that path.

2 LITERATURE REVIEW

2.1 Market-Shaping

Markets exist as dynamic ecosystems constantly being reformulated by the interactions of firms, consumers, and institutions, rather than static entities, as traditionally was assumed. The earlier market theories often brought the conceptualization that firms operate within boundaries, responding to external threats and opportunities rather than seeking to influence them. However, and with emergence of concepts like market-shaping there is a challenge to this paradigm, stressing that firms and public actors have the power to intentionally alter market dynamics and enjoy competitive advantages when creating systemic change (Flaig, Kindström, & Ottosson, 2021a). In this section, the concept of market-shaping is defined, highlighting the firm-level strategies as a foundation for exploring other key mechanisms in this thematic (public policies, innovation, and networks) in the following subchapters.

Market-shaping can be defined as the deliberate and strategic process through which firms or other market influencing actors actively reconfigure market structures, practices, and institutions to create, sustain, disrupt, or even eliminate an existing market.

As a shift from the traditional theories of external environment reactions, market-shaping firms are the ones that seek to redefine industry structures, behaviours, and norms (Nenonen, Storbacka, & Windahl, 2019). This involves looking beyond business as usual and instead promoting changes to the environment that enhance their strategic strengths and lines up with the firms' vision for their context.

In addition, market-shaping is not limited to a single firm or focal actor. It is the result of a collaborative process of interactions among multiple firms, public institutions, and other stakeholders of the market (ie. consumers), operating across multiple levels of involvement and with different goals (Flaig, Kindström, & Ottosson, 2021b). Understanding this point of view helps firms and policymakers realize that shaping a market is not about short-term gains but about orchestrating long-term changes with long-term dividends. Markets are fluid, always evolving processes (Kaartemo, Nenonen, & Windahl, 2020; Flaig, Kindström, & Ottosson, 2021b).

2.1.1. Market-shaping in phases

Flaig, Kindström, and Ottosson (2021a), describe market-shaping in three phases. They explored real cases of market-shaping for comparable patterns in the processes and identified many activities present in most, identifying three distinct related phases: infusion, formation, and retention.

In the infusion phase, firms disrupt markets by experimenting its landscape with innovative technologies, processes, or business models, building-up for transformation. This is crucial when crisis readiness is an everlasting subject (Björck et al, 2024)., as it is a context where market systems become so malleable that firms are more likely to succeed in introducing disruptive dynamics (Nenonen & Storbacka, 2020).

In the formation phase, market shapers embed their vision in the market. The new context is a reality, and its incumbents start adopting the new establishments as the norm. New industry alliances (and value networks) along actors with a shared vision appear powered by regulatory, customer buy-in and stakeholder pressure and engagement (Kaartemo et al., 2020). The minimum viable system (MVS) concept suggests that by influencing only a small number of key actors, a market-shaper entity can achieve this systemic change (Nenonen & Storbacka, 2020).

In the last phase, retention, the focal actor tries to stabilize the new market, to solidify the achieved advantage and prevent regression that may happen through the collision with other visions and resistance from incumbents and other stakeholders. This is done by institutionalizing changes and norms, making them difficult to reverse, while also standardizing through regulatory work. This also requires the focal actor to defend against potential retaliations from disrupted actors now left in suboptimal positions (in their vision).

2.1.2. Strategies for market-shaping

Flaig et al.'s (2021a, 2021b) work presents a complete view of market-shaping. Though initially outlining a phased processual framework and subsequently providing practical tools for firms to employ in their market-shaping ventures. Market-shaping in strategies gets categorized along to two key dimensions: the actor's intention (offensive

vs. defensive) and perceived market stability (stable vs. unstable), originating four distinct approaches.

These strategies are also aligned with the phases, providing a full landscape on how firms can best adapt their strategy across the multiple stages. In the initial phase (infusion), when markets are highly malleable, the context calls for offensive tactics that introduce disruptive concepts. In the market's formation, firms mix offensive and defensive strategies to align stakeholders and consolidate norms. And in the final 'retention phase,' firms will typically use defensive strategies to preserve conditions and maintain the recently achieved competitive advantage.

Offensive strategies

In offensive strategies, firms expand the market's potential capture of value by introducing significant alterations to the existing status quo. When they perceive a stability, they move to market-widening, stretching market boundaries without fundamentally altering its structure, only introducing new segments or applications and adjusting price points or even developing complementary infrastructure. Worth noting the example of AWS (Amazon Web Services), which expanded a cloud computing infrastructure initially for self-use across various ventures and firms both from the same and other industries, enhancing overall value creation in the sector.

On the contrary, when the market is unstable and malleable, market-disruption strategies significantly gain space, integrally transforming the existing market conditions, resulting in new market structures or bifurcations of the existing one in two. This type of strategy usually involves radical innovations and technological advancements that pressure incumbent players to adhere to the new market or stay in the previous and fail. Netflix's transition from DVD rentals to digital streaming technology exemplifies a disruptive approach, ultimately redefining consumer behaviours, and leading the unable to adapt incumbents to obsolescence, such as Blockbuster (Boiko et al., 2023).

Defensive strategies

Defensive strategies focus on consolidating and preserving market positions by maintaining existing market structures and protecting the focal firms (employing the strategies) from disruptive threats.

In scenarios perceived as unstable, market-reduction strategies are utilized to increase and consolidate market power by narrowing competition through securing proprietary technologies, strategic price adjustments, and engaging in regulatory work to set favourable market standards. Approaches as such consolidate market control by use of increased barriers that restrict the entry of rivals and thus maintaining the competitive advantage. An overstudied example is the pharmaceutical industry, where firms safeguard their market control by obtaining long-term patents for medicines and other products, shaping regulatory frameworks to implement stringent standards, and establishing high entry barriers for generics.

In stable market environments, 'market champion' firms adopt strategies for market-maintenance, reinforcing existing market standards and norms to strengthen their position against disruptive visions that are a threat to it. Here it's constant the reinforcing of collaborative alliances, lobbying efforts, and regulatory influence, thereby ensuring a continuity in the companies' vision. The Finnish betting market, utilizing this approach, is a good example. Public actors maintained an organized monopoly through regulatory enforcement and strategic institutional engagement, to prevent international competitors from entering the market (Kaartemo, Nenonen & Windahl, 2020).

2.1.3 Governmental influence in market-shaping

While earlier sections detailed the phases and strategies of market-shaping from the perspective of firms (Flaig et al., 2021a, 2021b) and building on the idea that market-shaping redefines markets as dynamic ecosystems, and actors (firms concretely) influence whole structures, behaviours, and norms to align the market with their visions (Nenonen et al., 2019)., it falls somewhat short on addressing the impact of public work in market-shaping. This subchapter deepens on the equally essential role of institutions and governments, that are actively market-shaping.

Institutions are defined as social structures that involve both formal rules (e.g., laws, regulations, tariffs) and informal norms (e.g., cultural expectations) that deliver the normative framework on which markets operate (Baker et al., 2019). However, institutions, like markets, are not static. They can be reshaped through institutional work, reflecting the purposive actions to create, maintain, or disrupt these frameworks. Baker

et al. (2019) show how Quebec's support for Cirque du Soleil's rise, via funding and policy, contrasts with Soviet nationalization for ideological goals.

Governments, and public actors, actively shape institutions and markets, using political and regulatory power as strategic shaping mechanisms. Through a variety of tools like subsidies, tax incentives, public funding, and direct interventions as governments are in possession of every tool to trigger and embed market change. For instance, during the COVID-19 crisis, government interventions substantially reshaped healthcare industries by exploiting market malleability potential during a period of crisis (Nenonen & Storbacka, 2020).

Public actors both trigger, facilitate or prevent change (Nenonen et al., 2019). Upon those actions, Kaartemo et al. (2020) argue that those institutional bodies, through deliberating on areas where to, for instance, apply subsidies, setting standards for minimum servicing, or the volume distribution of public investments and procurement in collaboration with firms actively create and both construct and disrupt configurations. The referenced Canadian policies, not only triggered Cirque du Soleil's emergence but also facilitated its integration into a broader configuration in the country's cultural ecosystem (Baker et al., 2019) and serve as an example of this role.

This can be connected with the already analysed literature on market-shaping, along two dimensions: in the strategic orientation (in offensive versus defensive positions) and the market-shaping phase (infusion, formation, retention). Positioning governmental action on the market-shaping axis: In the infusion phase, governments can serve as sources of change by introducing new policies or funding initiatives that signal a shift in the market, as illustrated by interventions during crises (Nenonen & Storbacka, 2020). In the formation phase, a government may serve to connect the stakeholders, configure them as a nascent market, and get them (and new practices or norms) synchronized. In the retention phase, it serves to institutionalize the changes, for example, through a sort of regulatory eliminatory measures that standardize the new market practices.

Offensively, governments can try to widen markets by pushing for expansion of market boundaries and entry deregulation and, defensively, they can erect barriers,

regulatory, or employ patents that consolidate market power in fewer players and normatively shape things in favour of incumbents (Flaig et al., 2021b).

The government and the market entities interact continuously, with one influencing the other: rules that are created govern actions, trigger new regulatory reactions, and influence behaviours in the market. The continuous interaction and the new behaviours that get triggered create an iterative process.

2.2 Public Policies

2.2.1 Foundations of public policy in industrial markets

Public policies configure the institutional context in which markets operate, and where market-shaping occurs, acting to both complement market-led initiatives and impose constraints, provoking re-evaluation of market scope. This section discusses the impact of governments, public actors and policies on industrial markets.

Public Policy may be characterized as an aggregate of measures, policies and actions to shape the socioeconomic outcomes in economies, and markets (Porter, 1990). Within this frame, public actors, such as government agencies, regulatory agencies, and public-private partnerships (PPPs), are the major actors involved in policymaking and implementing public policy. Within these instruments, laws and regulations are enforced to govern industry, regulation used to determine competitiveness, enforce the pace of innovation, specify the nature of outcomes, define market processes (UNCTAD, 2023). In relations to industrial marketing, public policy serves a dual purpose: as regulatory tool - and as a device for development that establishes boundaries in which markets ought to operate, while simultaneously allowing for industrial and economic development to take place.

In Porter's Competitive Advantage of Nations, the government is among the influences that relate to industrial competitiveness, engaging in four determinants: factor conditions (these relate to the inputs required, which include resources, infrastructure and labour supply); demand conditions (these essentially describe the character and size of demand in the market); industry (related/supporting) conditions (these describe supply industry relationships, and dependencies and other interdependencies related with industries), and firm strategy/rivalry (this factor describes how firms are formed, organized and managed, along with domestic competitive forces).The four factors are defined comprehensively in Porter's diamond model. In this model, the influencing policies are government policies such as education and workforce training, strategic technology and research and development policies, and trade policies, which are the factors defining market openness. For example, Porter cites the specific industrial strategies of countries like Germany, Switzerland, and South Korea, stating that directed

government support of leading industries, can enhance that nation's status globally in terms of competitiveness.

Public policy plays a significant role in shaping market competition and maintaining a strong regulatory regime and fairness across the board. A perfect example of this, is the case of the European Union competition policy, where (unfair) monopolies can be prevented by regulation, and markets can be kept in check (UNCTAD, 2023).

2.2.2. Types of policy approaches

When the theme is shaping industrial markets, the subject of public policy can be categorized into three broad types: regulatory, incentive-based, and market (and trade) access policies, summarizing the various ways in which markets are formed and the behaviours of firms associated with them (Porter, 1990; Waluszewski et al., 2017)

Regulatory policies are the instrument that establishes the legal base that defines the regulatory frameworks that sets out the rules for the market, and competitive standards. They generally include competition laws, anti-trust regulations, and industrial standards that are designed to restrict monopoly, protect against anti-competitive behaviour, and ensure market (information) transparency (UNCTAD, 2023). It is these frameworks that establish competitive and fair playing fields; allowing companies with competitive advantages to compete on innovation, efficiency, and quality of the products and services they offer rather than through anti-competitive market engagement (Baker, Storbacka & Brodie, 2019). The European Union's laws have a known history of changing market dynamics and competition, namely through strict anti-trust legislation, restricting mergers that jeopardize fair competition. A clear illustration is the investigation of a merger between Essilor and Luxottica (Grandvision), a market consolidation process in the two markets, ophthalmic lenses and eyewear industries (Flaig et. al, 2021a). Therefore, regulatory frameworks have potentially been illustrated to be valuable for competitiveness and the initiation of innovation-based strategies for market action of firms in their industrial ecosystems (Mattsson & Junker, 2023).

Incentive-based policies have potential to engage industrial performance inducing behaviour with financial relieve (mechanisms) such as subsidies, tax exemptions, loans,

and R&D grants (Porter, 1990; Liu et al., 2023). An example from Germany's automotive sector demonstrates how direct government intervention with R&D grants and subsidies improve the innovations that are aligned to offensive market-widening strategies, as well as improving and expanding the technological base and performance outcome of the sector. Similarly, the impact of China's EV charging and vehicle subsidies (Liu et al., 2023) not only fortified market penetration but also affected the sector's performance outcome through consumers' acceptance and use of electric vehicles, in this sense echoing the stakeholder alignment of the formation phase.

Market access/trade policies is a broad category of measures including tariffs, quotas, trade agreements and protectionist measures to support domestic industries or enhance their ability to be successful and remain competitive, i.e. enter new global markets (UNCTAD, 2023). Governments use these kinds of strategies to intentionally actively build up strong domestic companies (champions) and create secure competitive positions in global markets. A clear example of the. EU's intentions can be seen in policies it developed to support the Interim-Trade Agreement (FTAs), whereby for instance, imports of technology and agriculture between Chile and Europe would be exempt from import tariffs, thus combining targeted trade policies with regulatory and financial mechanisms to consolidate growth in key technology industries reshaping global markets and trade processes. The nature of this policy therefore contributes directly to how firms engage in their internationalization processes and decisions regarding mass marketing strategies, as they could not ignore the complex regulatory business [government-defined] competitive environments their firms were operating within to navigate their respective markets (Hoholm & Araujo, 2017; Eklinder-Frick & Åge, 2017).

Regulatory, incentive-based, and trade policies provide the instruments that shape market structures, competitiveness, and the strategic behaviour of both firms and regulators. When policies are proactively directed at firms, they contribute to market evolution, shifts in industry positioning, and, ultimately, the promotion of innovation (Baker, Storbacka & Brodie, 2019; Mattsson & Junker, 2023).

2.2.3. Institutional interventions in market development

Beyond regulating and incentivising, public actors actively engage in what is termed institutional work, shaping and redefining industrial markets through deliberate

interventions (Kaartemo, Nenonen & Windahl, 2020). Institutional work is the actions these actors intentionally carry out to create, maintain, expand, or disrupt market structures. (Baker, Storbacka & Brodie, 2019) and public actors employ a variety of strategies to influence market behaviour.

First, industry standards and norms are defined and implemented, directly impacting market behaviour by setting criteria for market entry and competition. For instance, environmental regulations mandate the adoption of sustainable practices by firms, product safety standards ensure consumer protection and trust, and digital interoperability guidelines (i.e ISO) facilitate seamless integration and innovation across industries (Kaartemo et al., 2020; Mattsson & Junker, 2023).

Secondly, public institutions use targeted financial mechanisms, such as subsidies and grants, not only as incentives but also as tools to direct industrial growth and innovation (Waluszewski, Baraldi & Perna, 2017). In the European market, subsidies with a focus on sustainability have influenced market performance and strategic decision to a great extent, motivating companies towards greener approaches and introducing ecological concepts in their marketing activities and general business strategies (Mattsson & Junker, 2023).

Finally, governments leverage their large purchasing power via public procurement policies by targeting particular industries or technologies, such as renewable energy or digital infrastructure. Public procurement directed policies are able to encourage the development of new market segments and technologies, thereby defining the overall landscape (Mattsson & Junker, 2023; Liu et al., 2023). As in the case of Scandinavia's renewable energy markets, public authorities reshape industries by targeting particular technologies via procurement. This level of activity emphasizes their market-shaping ability, especially when combined with innovation, as discussed next.

2.3 Innovation Policy

2.3.1. Innovation-driven market-shaping

Innovation serves as an anchor to market shaping as it allows firms to change the bounds of the industry, including the competitive patterns within the industry. Flaig,

Kindström and Ottosson (2021) refer to this when they describe the use of innovation for market-widening and disruption (e.g., AWS and Netflix), corresponding to the experimentation phase of infusion, as described earlier. The prospective innovation Purchase et al. (2024) identify (e.g. autonomous vehicles), continues this longer view, whilst Mehtälä et al. (2024) note that radical innovations are reliant on collaboration among stakeholders.

There is added depth to this consideration, by examining the integration of both radical and incremental innovation. Mehtälä et al. (2024) indicate that radical innovation/support was primarily due to being part of an innovation network, which required collective mobilization to be effective, reiterating Kaartemo et al.'s (2020) earlier comments about multi-actor collaboration, specifically about renewable energy. They used renewable energy transitions as an example where - through networked effort - innovation would have a greater impact. Alternatively, Eklinder-Frick and Åge (2017) highlighted the contribution of incremental innovations, such as regional industrial clusters, in terms of how the gradual nuance of change over time affects markets, aligning with retention's focus on stabilization of norms through direction and coordination of stakeholders for maintenance.

As mentioned by Björck et al. (2024) and Nenonen et al. (2019) crises heighten the transformational potential of innovation when ideas are infused against the contextual setting, a point relevant to reiterate in this discussion.

2.3.2. Public-private cooperation in innovation

Public actors enhance the role of innovation as a market-shaping mechanism through strategic interventions. Mattsson and Junker (2023) discuss public procurement in fossil-free markets as a reference of institutional work (see 2.2.3), in an approach moves innovation toward sustainability. Liu et al.'s (2023) case for electric vehicles is firmly related to the concept of incentive-based policies. They demonstrate that joint policies are more effective to accelerate adoptions. Such successes certainly depend on the relationships and networks that embed them within a broader contextual ecosystem of innovation (Nenonen & Storbacka, 2020).

Hoholm and Araujo (2017) call for interactive, context-specific policies as opposed to top-down bureaucratic rigidity/structure before reflecting on how

governments evolve their own practices through phases: triggering novel macro change (infusion); formulating embedding rules and norms (formation); retain advances (retention). Nenonen and Storbacka's (2020) minimum viable system (MVS) notion is useful, as policy towards the keystone actors (e.g., charging points for electric vehicles) could potentially infuse systemic change and increase the reach of innovations, in this case by enabling consumption. These papers characterize a public-private co-evolutionary ecosystem that underscores that policy impacts not just facilitates firm-based initiatives but lumps them and co-shapes markets.

2.3.3. Obstacles to innovation-driven market-shaping

However, innovation-driven market-shaping faces noteworthy obstacles. Regulatory resistance and pushback, as Waluszewski et al. (2017) describe, is frequently a consequence of governmental reluctance to embrace disruptive technologies, creating barriers like delays in their approvals and homologation. Hoholm and Araujo (2017) also elevate rigid policies that fail to match innovation's pace, advocating for adaptive frameworks.

Network coordination is a further challenge. Mehtälä et al. (2024) stress the role of issue networks in mobilizing innovation adoption (e.g. renewable energy coalitions), yet highlight conflicts among diverse actors, echoing multi-stakeholder coordination complexity. Purchase et al. (2024) go further, delving into market adoption failures, specifically on consumer scepticism about new unfamiliar technologies and it is fair to parallel with the formation-phase's importance of stakeholder alignment. The landscape of Björck et al. (2024) on crises, while enabling disruption, can destabilize networks, complicating retention efforts. Innovating in sync with policy and market maturity then requires dynamic governance and robust partnerships since static solutions can stifle transformation.

2.4 Relationships and Networks in Market-Shaping

2.4.1 Interactions in market-shaping

In the industrial marketing context, relationships constitute a fundamental means through which companies actively shape markets and their configurations and dynamics. Firm-firm, firm-client, and firm-stakeholder relations provide conduits for the exchange of resources, information, and strategic coordination and are thus central to market-shaping (Ford et al., 2011).

In essence, co-creation is at the center, whereby it entails collaboration between firms and customers, suppliers, and other stakeholders to develop new market offerings or affect market norms (Nenonen & Storbacka, 2020). The success of market-shaping through relational dynamics is largely contingent upon mutual trust, flexibility, and commitment, underpinned by continuous investments by all parties (Ford et al., 2011). Trust, in particular, enables partners to share critical information, manage uncertainty, and align interests, improving their collective ability to influence market structures (Gadde & Snehota, 2019).

Furthermore, companies involved in long-term relationships tend to make large-scale mutual investments and adaptations, which promotes further integration, decreases uncertainty, and increases their ability to influence market development (Axelsson & Wynstra, 2002). For example, in markets that are sustainably oriented, trustful relations and common objectives enhance the promotion and enforcement of environmental standards, and hence the competitive advantage of companies as well as their influence in shaping industry conventions and consumer expectations (Mattsson & Junker, 2023).

Lastly, interpersonal relationships are strategic assets for business firms intending to shape industrial markets, using trust, flexibility, and co-creative construction in order to achieve structural change, gain competitive superiority, and establish consistency with shifting market circumstances.

2.4.2 Network structures as market-shaping mechanisms

Besides one to one relationship between firms, business networks play a crucial role in the market-shaping behaviour of companies. A network is a framework of firms that are interconnected through strategic alliances with exchanges of resources,

knowledge, and activities (Håkansson & Snehota, 1995). Networks, such as Scandinavia's renewable clusters (Eklinder-Frick & Åge, 2017), are founded on the innovation networks discussed previously (Mehtälä et al., 2024) to merge resources and develop standards. One might question how these arrangements are able to carry firm actions through to industry-wide transformation, and the ARA model (Håkansson & Snehota, 1995) explains this collective impact.

The ARA (Action-Resource-Activity) model defines how network companies interact with one another based on three dimensions: actors (companies and organizations), resources (intangible and tangible), and activities (joint efforts). By positioning themselves appropriately in various networks, companies are able to access essential resources, innovate cooperatively, and influence industry norms and market evolution collectively (Ford et al., 2011).

Regional innovation clusters are prime examples of market-shaping through networks. Clustering like Silicon Valley's technology cluster or the green networks of Scandinavia leverage interdependencies among companies, research institutions, and policy makers to guide innovation pathways, set industry standards, and facilitate the uptake of technology (Eklinder-Frick & Åge, 2017).

In addition to collaborative perspectives like innovation clusters, structural alterations such as mergers and acquisitions (M&As) also play a key role in shaping markets through networks. When firms undergo M&As, they also alter the architecture of the network by reconfiguring supplier-customer relationships, redistributing power over the market, and shifting positions within the network itself. These structural shifts force companies and their partners to put their roles in the networks in perspective, reassess dependencies and relationships, and adapt strategies accordingly. Therefore, M&As trigger new flows of resources and knowledge, disrupting established routines across entire sectors and this has the potential to creating new standards for customer expectations and shape market standards, highlighting innovation much like cooperative clusters, but through consolidation instead. The success of the market-shaping effect outcoming from these, depends on how well actors across the network adjust their interactions and network pictures (as a mental model for networks) in response to the new configuration (Öberg et al., 2007).

Networks serve as useful vehicles for organizations to coordinate behaviour, share resources, and influence market conditions, critical to market-shaping.

2.4.3 Managing relationships and networks in a market-shaping environment

Relationship and network management is central to strategic planning for companies intending to influence market trends. Successful relationship management requires a trade-off between short-term operational effectiveness and lofty strategic objectives like innovation, competitiveness, and market leadership (Axelsson & Wynstra, 2002). Firms must determine which relationships need tighter bonds, based on collaboration, flexibility, and trust, while others may need a transactional relationship to maintain strategic freedom and resource efficiency (Gadde & Snehota, 2019).

One of the practices used in this area is known as relationship portfolio management in which firms classify their relationships based on elements such as: importance, complexity, or the potential influence on the market (Axelsson & Wynstra, 2002). Relationships built in strategic partnerships with preferable suppliers, innovative partners, and market influencers will typically require greater investment of resources, adaptation, and commitment, thereby allowing the firms to shape market standards together, innovate technological paths, or align customer demands (Mattsson & Junker, 2023). A relationship that is more transactional requires less resource commitment and allows organizations to remain flexible or efficient in their dealings as opposed to pursuing solidifying collaboration. Strategic management of networks also encompasses organizing and navigating through and within its structure, to provide greater access to resources or be a part of market information that will have some impact on innovation and competitive performance (Ford et al., 2011). Open innovation projects, shared platforms, and participation in industry consortia are evidently collaborative group means of pooling collective resources and/or co-generating value to pursue market development (Eklinder-Frick & Åge, 2017).

However, strategic management of networks and relationships presents arenas of challenge such as dependency risk management, conflict handling, and interest mediation of the various stakeholder actors and interacting businesses.

Thus, effective market-shaping strategies require ongoing evaluation, conflict resolution, and flexibility to maintain relational resilience and strategic traction in the

longer term (Ford et al., 2011). Strategic positioning in networks emerges as a key element in market-shaping, integrating the examined frames of strategy, policy, and innovation.

3 THEORETICAL FRAMEWORK

Markets are constantly changing, and they are shaped by more than just the actions of companies. Public actions, the relations across stakeholders, and new technology are also influencing them. The theoretical framework of this thesis considers how market-shaping, the processes through which firms, and others, change the structures and norms of markets for their advantage (Flaig, Kindström, & Ottosson, 2021a; Nenonen, Storbacka, & Windahl, 2019), is supported through public policies, and impacted by relationships/networks and innovation. By investigating the interactions, it's feasible to anticipate how they foster industries, firm growth, and shift global supply chains.

Market-shaping is occurring 'across' different market phases (infusion, formation, and retention) which represent combinations of market characteristics for malleability and dynamics as shown in (Flaig et al., 2021b). During infusion, disruptive actions (by firms or public policies) are creating space for new markets (or products and services) to grow, which may be amplified during times of crisis (Björck et al., 2024). Formation is where visions come together in a compatible way to develop new patterns together, whereas retention is when new visions are erasing old norms, holding new visions in place (as in resistance). These market-shaping actions are not occurring within a void, though, they are powered by external influences such as new policies (or the reaction to them), new relationships and networks of stakeholders with intersecting visions, and innovation processes, when completed.

As noted, policies have a considerable impact. Policies such as EU competition frameworks (UNCTAD, 2023) or the institutional favouring determined investments (Liu et al, 2023) that offer firms guarantees for fair-trading motivations across industry(s) and that drive their resource allocation. Policies that enable trade agreements, like reduced tariffs act, reorient global supply chains and allow for enhanced opportunities for markets to transact value where it has a more direct impact and where firms prioritize expanding to. Connecting with market-shaping and strategy, these types of arrangements challenge the role of governments to shape market orientation and firms' strategies, potentiate demand and optimize resources (Porter, 1990), classifying these bodies as significant contributors to the shaping of markets.

Innovation policy gives market development an element of glamour. Dynamic innovation, with the support of networks emerges at early stages of the market (Mehtälä et al., 2024), while incremental change combines new and existing institutional views and logics (Eklinder-Frick & Åge, 2017). The public action seen in the support of EV adoption (Liu et al., 2023) and green procurement policies (Mattsson & Junker, 2023) acts to accelerate the market's expansion, making a collaborative market common whilst the new product or service is being developed. The obstacles that often materialize, such as the slow movement in the change of regulations (Waluszewski et al., 2017) or conflicting networks (Purchase et al., 2024) can slow progress, suggesting a possible call for refurbishing policies.

Finally, the work in collaborations and social networks of firms is the gear to bring together aligned visions and grouping firms into (new) markets. It is through collaborative processes and effective engagement of stakeholders that sustainable platforms for growth are created (Ford et al., 2011; Nenonen & Storbacka, 2020). Structuring in networks, or *clusterization*, as referenced in the discussion of 'green clusters' in Scandinavia (Eklinder-Frick & Åge, 2017) can be expressed by the ARA – Actor-Resource-Activity – model of Håkansson & Snehota, (1995), explaining the exchange of resources and trajectories of industry. The managerial side of the potential of these connections in shaping a market requires balancing collaboration with flexibility (Axelsson & Wynstra, 2002), to promote market transformation. Thus, restructuring dependency risk along with differing perceptions of globalization needs to be followed through (Gadde & Snehota, 2019).

Together, these create an orbit around the framework of market-shaping. Public policies set the stage with rules and support for industries, relationships/networks connect the players to make it work together, and innovation policies unleash fresh ideas to induce new value.

4 METHODOLOGY

This research aims at understanding how mergers and acquisitions activity has shaped the market's structure and dynamics? An abductive reasoning was adopted to develop a longitudinal single case study selected due to its revelatory potential, combining an exploratory and evaluative case study that explores and interprets how can a company erupt and continuously shape its environment to dominance (Saunders et al., 2019). The market chosen was the European road freight market and DSV A/S in specific and its unique path of mergers & acquisitions, culminating in the acquisition of DB Schenker, looking for a natural endpoint for observing market-shaping arcs.

This study followed a mixed method approach, combining qualitative and quantitative indicators, and secondary data sources for validation.

Two closed questionnaires were conducted via iterative email exchange with a Sales Manager at DSV Road Portugal. The first questionnaire was aimed at capturing the interviewee's perception of the company's position in the European road freight market and to infer underlying market-shaping intentions behind its mergers and acquisitions strategy. The second questionnaire was used to outline causality between the specific company's behaviours and the perceptions mentioned while presenting insightful data as to how the market shape scenarios unfolded within the firm's operational network. Given that market-shaping is a new concept, the questionnaires did not use the term to preserve the respondent's exploratory perspective.

It's important to note that both the interviewee and the company provided express consent to participate, as long as responses were anonymized to protect privacy.

The analysis applied Flaig et al.'s (2021a) framework of market-shaping phases to situational market stances, to try and identify patterns in DSV's influence on its network and the evolution of market norms. Quantitative metrics such as the Herfindahl Hirschman Index (HHI) and DSV's market share (see Tables 5.1 and 5.2) were derived from industry whitepapers and the company's Annual Reports to assess structural shifts. Complementary metrics, including transit time and adoption rates, were also mentioned to justify normative impacts.

To back and validate these conclusions, further information was obtained from accessible public sources, including corporate websites and various publications, reports from Eurostat, and industry whitepapers. These provide the raw materials for constructing a historical context that aids in understanding both corporate behaviour and the broader developments in market regulation and innovation.

All data was intended to be ran through the theoretical framework lens to, essentially, establish a relationship between DSV's actions and the market-shaping dynamics of the market.

5 Empirical Findings and Analysis

5.1 Industry Context and Market Structure

The European Road freight market plays a pivotal role in the continent's logistics ecosystem, handling approximately 78.1% of all inland cargo (approximately 25% of all transport modalities) and serving as critical infrastructure for regional supply chains and economic stability (Eurostat, 2023). As of mid-2025, following a period of recovery from stagnant growth in 2024, the market is set to be valued at approximately €436.9 billion, according to latest industry whitepapers (Ti Insight, 2024b) with projections indicating an approximate 2% CAGR driven by gradual improvements in demand and operational efficiencies. This valuation aligns with pre-2025 forecasts, though the sector continues to navigate persistent challenges such as labour shortages, fluctuating freight rates and regulatory pressures.

Aside from its economic scale, the market operates as a highly commoditized and fragmented marketplace, raising questions on how much of a structural influence may a single operator have. Latest estimates point that over 570.000 road transport enterprises operate within the EU, with the majority being small-to-micro-operators, and only about 40% are collective road transport companies, leaving the larger part of the market as owner-operators or SMEs. The top 20 firms collectively held just approximately 12.6% of the market share in 2023, and even post-major consolidations, in 2025, no single player exceeds 3% dominance.

To exemplify, DSV's recent completion of the DB Schenker acquisition has elevated the company’s combined road freight revenue to a forecasted €13-14 billion in the EMEA region, pushing its market share to around 3%, a notable increase from the pre-acquisition 1.1%, but still insufficient to alter the overall fragmented structure landscape. This is reflected in the Herfindahl-Hirschman Index (HHI) for the sector, calculated at 744 for 2023 (pre-merger), and simulated to 751 for 2025, as accurately as possible from available industry data, well under the threshold for moderate concentration (see Tables 5.1 and 5.2 below). Such low concentration highlights commoditization pressures, where profit margins are thin.

Table 5.1: HHI Calculation for 2023 European Road Freight Market

Rank	Firm	Revenue 2023 (EURm)	Market Share	HHI
1	DB Schenker	7.831	0,0185	0,000341
2	DSV (pre-Schenker)	5.430	0,0128	0,000164
3	DHL Freight	5.162	0,0122	0,000148
4	Dachser	5.800	0,0137	0,000187
5	Kuehne+Nagel	3.730	0,0088	0,000077
6	Rhenus	3.375	0,0080	0,000063
7	GEFCO/CEVA	2.900	0,0068	0,000047
8	FedEX	3.700	0,0087	0,000076
9	Geodis	3.980	0,0094	0,000088
10	LKW Walter	2.790	0,0066	0,000043
11-20		14.080	0,0332	0,001102
Tail (~570k firms)	All other carriers	365.421,7	0,8614	0,742
	Total	424.200		0,744

Notes: Interpretation from Transport Intelligence European Road Freight Transportation Report 2024.

Barriers to entry the market are low for basic FTL services, thus the proliferation of SMEs, but when moving to sophisticated or tech-enabled operations, scaling faces significant hurdles, especially in high capital requirements for digital infrastructure to support the sophistication required for this type of planning. Commoditization is further intensified by asset-light models, where firms like DSV rely on subcontractors rather than owning fleets, shifting competition and differentiation towards network coordination and efficiency rather than asset ownership.

Public policies have been profoundly influences in market dynamics throughout the years, often creating new spaces for new service deployment in infusion-like conditions, and creating barriers to other services, as explored in 5.2 and 5.3.

When it comes to other external shocks, they have also been a source of liability. The instability caused by the COVID-19 pandemic exposed subcontractor vulnerabilities, with rates surging up to 40% quarter-over-quarter in corridors like Germany to Iberia in late 2022, and transit times varying 48-96 hours due to congestion and rerouting of lanes across Europe (Interview 2), while other political conflicts like Brexit implementation

disrupted corridors. These events, as noted by interviewees, heightened market malleability: "Instability has accelerated our strategic diversification... [with] global disruptions requiring agility" (Interview 1).

Existing market norms revolve around digital integration for efficiency and control (e.g., real-time tracking in just-in-time sectors like automotive and retail) and subcontractor reliance for flexibility and certainty. This environment tests the limits of firm-led shaping, as per Flaig et al. (2021a), where phases (infusion during shocks, formation via norm embedding, retention through standardization) overlap asymmetrically across geographies (e.g., stable Western Europe vs. volatile Eastern borders) and services (LTL vs. FTL). For the studied company, these conditions provided windows for M&A-driven interventions, as explored in subsequent sections.

5.2 DSV's M&A as an Approach to Market-Shaping

The trajectory of DSV in the European road freight market has mainly been characterized by a series of mergers and acquisitions (M&A) activities, over the last 40 years, that have transformed them from a small Scandinavian operator to a major player in global logistics and a huge player in Europe.

Since the early 2000s, DSV has executed key acquisitions that constantly grew their market-share and densified its network, enhancing operational capabilities, and influencing market norms, particularly in segments like cross-border transport and LTL. It is an approach aligned with Flaig et al.'s (2021a) market-shaping strategies framework, where M&A serves as an offensive strategy to disrupt and eliminate competitors (market-reduction) and to embed, and retain advantages in malleable or stabilizing environments (market-maintenance). As the interviewee noted, "Our path to leadership has been shaped by strategic mergers and acquisitions... [which] allowed us to expand our global reach and align service portfolios" (Interview 1) and recognizing it as a majorly offensive strategy, emphasizing M&A's role in overcoming organic growth barriers in a regulated, fragmented sector.

The latest deal, the acquisition of DB Schenker, valued at approximately €14.3 billion (~DKK 106.7 billion), has boosted DSV's EMEA road freight revenue to an estimated €13-14 billion, elevating its market share to around 2.8% in the market (size of

436.9 billion). Integration updates will be provided in DSV's H1 2025 Interim Financial Report, expected to be released on July 31, 2025, amid challenges related to labour shortages, and uncertainty of tariff consequences. While, throughout time, this example of M&A would not drastically concentrated the market (C10 and HHI remains low as simulated in Table 5.2), it enabled normative consolidation across a multitude of players in the market, through for example digital standardization and the replication of its business model across a larger portion of the market, testing the hypothesis that firm-led shaping is yes possible in commoditized contexts, but instead of revealing structural change in its whole, it shapes through creating and spreading a normalized platform.

Table 5.2: HHI Simulation for 2025 European Road Freight Market

Rank	Firm	Simulated Revenue 2025 (EURm)	Market Share	HHI
1	DSV (post-Schenker)	12.457	0,0285	0,0008
2	DHL Freight	5.265	0,0121	0,0001
3	Dachser	5.916	0,0135	0,0002
4	Kuehne+Nagel	3.805	0,0087	0,0001
5	Rhenus	3.443	0,0079	0,0001
6	GEFCO/CEVA	2.958	0,0068	0,0000
7	FedEx	3.774	0,0086	0,0001
8	Geodis	4.060	0,0093	0,0001
9	LKW Walter	2.846	0,0065	0,0000
10-20		14.362	0,0329	0,0011
Tail	~570k firms	378.041	0,8652	0,7486
	Total	436.917		0,7512

Notes: Simulation from Ti Insight. (2024, December). *European road freight transport market forecasts: 2024 & 2025*, extrapolating the forecasted CAGR of approximately 2% to comparable 2023 revenues.

Table 5.3 below provides a longitudinal overview of DSV's revenue and market share evolution, updated with 2025 data forecast following the DB Schenker acquisition completion on early 2025.

Table 5.3: DSV Revenue History and Market Share Growth (2010-2025)

Year	EU Road Freight Size (EURm)	Road Revenue (DKKm)	EMEA (DKKm)	Revenue EMEA (EURm)[1]	Delta	Calculated Market Share
2004		13.375,0	13.375,0	1.792,3		
2005		16.141,0	16.141,0	2.162,9	21%	
2006		24.294,0	24.294,0	3.255,4	51%	
2007		22.793,0	22.793,0	3.054,3	-6%	
2008		19.806,0	19.806,0	2.654,0	-13%	
2009		19.408,0	19.408,0	2.600,7	-2%	
2010	276.300,0	21.103,0	21.103,0	2.827,8	9%	1,02%
2011	287.800,0	22.641,0	22.641,0	3.033,9	7%	1,05%
2012	285.700,0	22.654,0	22.654,0	3.035,6	0%	1,06%
2013	288.600,0	23.117,0	23.117,0	3.097,7	2%	1,07%
2014	296.800,0	24.169,0	24.169,0	3.238,6	5%	1,09%
2015	304.200,0	24.718,0	24.718,0	3.312,2	2%	1,09%
2016	310.500,0	28.323,0	26.057,2	3.491,7	5%	1,12%
2017	324.400,0	30.627,0	27.564,3	3.693,6	6%	1,14%
2018	341.500,0	31.243,0	29.368,4	3.935,4	7%	1,15%
2019	350.500,0	31.621,0	29.723,7	3.983,0	1%	1,14%
2020	324.461,0	30.395,0	28.875,3	3.869,3	-3%	1,19%
2021	372.350,0	35.416,0	33.645,2	4.508,5	17%	1,21%
2022	450.306,0	41.507,0	38.601,5	5.172,6	15%	1,15%
2023	424.200,0	38.155,0	35.484,2	4.754,9	-8%	1,12%
2024	428.228,0	40.507,0	38.076,6	5.102,3	7%	1,19%
2025[2]	436.917,0	98.900,0	92.966,0	12.457,4	244%	2,85%

Notes: Revenue: DSV Annual Reports (2006–2024), and updates from DSV press releases (2025). Market Size and Projections: Transport Intelligence 2024, July and December (2022-2025) and Statista (2010-2020).

[1] Using a 0,134-conversion factor.
[2] Forecasted data collected from market forecasts used to demonstrate.

5.2.1 Moments for market-shaping

The following section analyses DSV's strategy through Flaig et al.'s (2021a) phases infusion (disruption via offensive tactics), formation (embedding norms), and retention (stabilization with defensive elements) drawing on interview data and historical events. Phases overlap across time with a certain level of ambiguity, with infusion recurring during shocks, formation in mid-period to regulation and digital shifts, and retention in recent standardization.

Infusion Phases (Disruption)

In infusion phases, characterized by market malleability from regulatory changes or crises, DSV employed offensive M&A strategies to introduce disruptive practices, exploiting instability to redefine operational logics.

Early examples include the 2000 acquisition of DFDS Dan Transport, which expanded DSV's Scandinavian Road network into the UK, Baltics, and broader Europe, positioning it amid post-1990s liberalization. This was followed by Frans Maas (2006) and ABX LOGISTICS (2008), which transformed DSV into a Pan-European player, marking its entrance in Southern and Western Europe, strengthening presence in key markets like Germany, France, Italy, and Spain (and Portugal) through network densification.

Recent shocks amplified the infusion situational opportunities. For example, during COVID-19, DSV's asset-light model buffered disruptions, maintaining continuity while competitors faced capacity crunches (Interview 1). Also, Brexit prompted rerouting to clear bottlenecks of the supply chain and the creation of customs hubs near Calais Port, reflecting the sentence "instability accelerated strategic diversification" (Interview 1).

The Schenker acquisition, disrupts by combining two of the biggest networks in the market, with the potential to reshape service offering and create infusion-like conditions in some lanes in a never-seen context.

Formation Phases (Embedding New Norms)

During formation, as the market is starting to define its new norms, DSV embedded new norms post-M&A, aligning stakeholders around the same digital ecossystem and operational standards through acquisitions like UTi (2016) and Panalpina

(2019), integrating global capabilities, but impacts to the European market as a whole emerged on what concerns route optimization and tech platforms. For instance, post-Agility (2021) and other minor bolt-on acquisitions, DSV densified Iberian networks, reducing local lead times from 72 to 36 hours, enabling just-in-time efficiencies and shifting client expectations, especially in rigorous sectors like the automotive (Interview 2).

In this sense, digital tools were key strategies, as highlighted in most of the companies' Annual Investor Reports. The companies' LTL quoting system rollout reduced response times from 4 hours to under 10 minutes, boosting conversion rates and prompting competitors to adjust schedules (Interview 2), which is a direct market-shaping activity, in normalizing new customer experience in the service offerings, and an easy to measure direct revenue increase. As "our push toward digital logistics shifted customer expectations" (Interview 1), this brought B2C-like norms in a somewhat conservative sector. Schenker's integration, ongoing, promises further embedding through combined hubs and platforms, fostering alliances in more sophisticated sectors.

Retention Phases (Stabilization and Defense)

In retention, when market's new norms are established and the market-shaping activities are to prevent the market to regress to previous norms, the movement would be for the DSV to stabilize gains through defensive strategies, institutionalizing norms via partnerships and compliance.

The identified behaviours that emphasized subcontractor orchestration amid increasing stricter regulations would be the increasingly stricter Service Level Agreements, audit plans to follow up and digital governance (the adoption of eCMR and GPS), raising standards, as this model "maintained flexibility post-COVID" while competitors struggled (Interview 1). Concluding, this allows the company, while not owning its primary assets, to lock in in advantages under regulations like the Mobility Package, positioning DSV as a coordinator in its ecosystems.

Schenker's acquisition also strengthens this this, creating a "world-leading player" with an enhanced platform for resilience and norm enforcement, though integration challenges might arise. Defensive elements include protecting lanes via M&A (Interview

2), aligning with Flaig's retention by preventing regression amid 2025 volatility. Overall, M&A supported normative retention.

5.3 Influence of Public Policy and Innovation

Public policy and innovation jointly display a conductor role in DSV's market interventions, through mergers and acquisitions and through other patterns of behaviour.

The liberalization of European road freight in the 1990s, particularly the 1992 and cabotage directives, opened national markets to foreign carriers and triggered cross-border growth (European Commission, 2001). This influx of operators created fragmentation that DSV later exploited by building scale under the looser regulatory regime.

Since 2020 the EU Mobility Package has tightened cabotage cycles, mandated driver rest, and raised emissions standards. These rules increase compliance costs but favour coordinated firms that can orchestrate subcontractor networks, as the interviewee mentioned "Emissions rules in the EU have driven investments in greener fleets and carbon tracking tools." - DSV's asset-light model allows it to outsource to compliant hauliers, converting regulatory pressure into a competitive advantage.

EU White Papers (2006, 2011) and the Sustainable and Smart Mobility Strategy (2020) promote a Single European Transport Area and standardize digital platforms to reduce transaction frictions, supporting DSV's orchestration during both formation and retention.

Brexit in 2021 exemplifies a policy shock that required rapid structural adaptation. Customs barriers and port congestion disrupted traditional flows, prompting DSV to reroute traffic and invest in inland clearance points.

> In road freight, the customs workload and port congestion created unacceptable delays. Merely improving brokerage wasn't enough we needed to reroute via alternative ports and deploy on-site customs teams to ensure delivery reliability, especially for time-sensitive flows into Ireland and the UK. Delays at major UK entry points and new clearance requirements made some traditional flows inefficient. Rerouting via alternative ports and establishing inland clearance points enabled smoother flows and reduced risk of congestion, especially for time-sensitive goods.

Interview 2 – DSV Sales Manager

Antitrust clearance of DSV's Schenker acquisition on 9 April 2025 shows us how policy can enable offensive consolidation in a fragmented market. Regulators cited a low Herfindahl-Hirschman Index and required no structural remedies, allowing DSV to proceed with the merger.

Innovation reinforces and works as a response to these policy effects. DSV's spot-quoting system and the myDSV visibility platform shorten response times from four hours to under ten minutes, disrupting manual pricing practices and establishing rapid digital interaction as an industry norm, which translated to higher conversion rates. Sustainability technologies follow the same pattern in carbon tracking, offset programs, and trials of alternative fuels meet emissions mandates while opening new offer tears such as sustainable less-than-truckload segments, introduction of new products.

In combination, policy changes supply the institutional triggers and innovation operationalizes them. The Mobility Package raises the compliance bar; digital tools let DSV clear it efficiently. Brexit created geographic malleability; routing algorithms converted disruption into reliability. Antitrust approval legitimized a major acquisition; integration technologies will embed the enlarged network. Together these forces underpin DSV's offensive expansion during infusion and defensive consolidation during retention, aligning with multi-actor market-shaping theory (Porter, 1990; Nenonen et al., 2019; Kaartemo et al., 2020; Baker et al., 2019).

6 CONCLUSIONS

This research aims at understanding how mergers and acquisitions activity shaped the market's structure and dynamics? By synthesizing the empirical findings against Flaig et al.'s (2021a; 2021b) phased model and the strategies analysed by the author, the study evaluates M&A as a shaping mechanism in a fragmented, commoditized market, such as European road freight. Evidence indicates that DSV's strategy induced significant normative and dynamic shifts redefining operational expectations, competitor behaviours, and stakeholder alignments, while at the same time showing limited structural change in terms of concentration. This dissociates market-shaping outcomes from a market-widening / market-reduction duality, extending the theory to sectors where dominance is elusive, highlighting boundaries like regulatory frictions and persistent fragmentation.

DSV's M&A trajectory demonstrably shaped market dynamics through offensive disruption and defensive stabilization, but structural impacts remained modest, with no market-share gain as substantial as from the latest DB Schenker acquisition. Pre-Schenker (2023), DSV held ~1.1-1.2% share in a €424.2 billion market, post-acquisition this rises to ~3% in an estimated €436.9 billion market, with EMEA road revenue at €12-13 billion (DSV 2024 Annual Report). However, the HHI shows that the market remains unconcentrated, as the top 20 firms still control <15%, underscoring that M&A did not fundamentally alter fragmentation (~570,000 operators). Simply growing through acquisitions in this market does not equate to a change big enough to impact market structure.

Normative shaping, however, is evident across all phases. In infusion, the company exploited volatility (e.g., COVID/Brexit) to introduce flexible models, reshaping corridor resilience (e.g., rerouting reduced delays, per Interview 2). Formation embedded digital norms to stabilize new guidelines (e.g., quoting <10 minutes, prompting competitor adjustments), shifting expectations toward B2C efficiency in B2B logistics (Interview 1). Retention served to institutionalize best practices, and regulated ones, via subcontractor SLAs and sustainability collaborations, raising industry-wide transparency and eco-practices in the Mobility Package pressures (Interview 1), and mostly preventing the ecosystem to return towards previous norms.

Competitor reactions and client shifts also provided with evidence that the market-shaping in such a wide market happens in smaller environments: "When we launched a daily Iberian night network... competitors responded by adjusting schedules" (Interview 2), and lead-time reductions (72 to 36 hours) optimized sectors like automotive, freeing working capital (Interview 2). Schenker integration amid challenging conditions, shortages on drivers (426,000 EU-wide) promises further normative butterfly effects through the two companies' combined networks and the ones where they act. This dynamic influence, norms over structure, affirms the hypothesis, as DSV's ~244% 2025 growth delta (Table 5.2) is, and is going to be, structural in reinforcing this behavioural influence, regardless of market not allowing anything near a monopoly.

In conclusion, DSV's M&A significantly shaped market dynamics by inducing normative and competitive shifts, affirming the hypothesis while revealing limits to impact market-structure in fragmented contexts. This firm-led approach, amplified by policy/innovation, demonstrates shaping without dominance, contributing to understanding offensive M&A in mature industries.

The findings nuance the research question: while it's true that DSV's M&A shaped dynamics through offensive disruption in infusion phases, embedding B2C-like standards in formation, and defensive stabilization in retention, those can only shape so much of the market, restricted by either geographic situation, modality of cargo. Public policies and innovations (e.g., sustainability collaborations scaling carbon tracking) amplified these efforts, confirming multi-actor influences (Nenonen et al., 2019) in commoditized contexts.

Theoretically, this extends Flaig's model to mature industries, where normative ripple effects (e.g., competitor mimicry) prevail over structural dominance, in a tentative to extrapolate from embrionary markets. Managerially, it recommends leveraging M&A for micro-shaping, prioritizing the ecosystem impact of digital integration information situations, tying regulation with systems, and regulatory engagement in retention, to build resilient and prosperous normative market-shaping in fragmented markets.

Limitations, including the single-case focus and insider bias from interviews (n=1; 2 interviews), lacking external views, which highly constrain generalizability, particularly beyond micro-environments like Iberian corridors, the area of actuation of the

interviewee. The fact that the number of interviews is limited to one interviewee, even though the questions asked weren't limited and that we're directly using a single specific case study, the vision is not free of bias. The market may also be fragmented to a point where the influence is not generalizable to its whole extent and market-shaping is completely situational.

Further research could replicate the analysis in smaller ecosystems in the same market and in comparative cases, analyse shifts in market-share of focalized corridors or explore similar sectors with less players (e.g., maritime shipping). In terms of methodology, using multi-method approaches, and including more incisive quantitative metrics (e.g., post-2025 HHI tracking and sensitive forecasting) could enrich the exploration of the concept of market-shaping.

REFERENCES

Axelsson, B., & Wynstra, F. (2002). Buying business services. John Wiley & Sons.

Baker, J. J., Storbacka, K., & Brodie, R. J. (2019). Markets changing, changing markets: Institutional work as market shaping. *Marketing Theory*, *19*(3), 301–328. https://doi.org/10.1177/1470593118809799

Björck, A., Bläse, R., & Bastida, P. (2024). Becoming crisis-ready: A systematic literature review on corporate crisis readiness and the process to achieving it. *Journal of Contingencies and Crisis Management*, *32*(3). https://doi.org/10.1111/1468-5973.12614

Boiko, L., Kalenskiy, V., Bogoyavlenska, Y., & Trusova, N. (2023). The role of Netflix's business model in disruptive innovations formation on the video streaming market. *Economic Herald of the State Higher Educational Institution "Ukrainian State University of Chemical Technology,"* *2*, 25–34. https://doi.org/10.32434/2415-3974-2023-18-2-25-34

Eklinder-Frick, J., & Åge, L. J. (2017). Perspectives on regional innovation policy – From new economic geography towards the IMP approach. *Industrial Marketing Management*, *61*, 81–92. https://doi.org/10.1016/j.indmarman.2016.07.005

Flaig, A., Kindström, D., & Ottosson, M. (2021a). Market-shaping phases—a qualitative meta-analysis and conceptual framework. *AMS Review*, *11*(3–4), 354–374. https://doi.org/10.1007/s13162-021-00213-z

Flaig, A., Kindström, D., & Ottosson, M. (2021b). Market-shaping strategies: A conceptual framework for generating market outcomes. *Industrial Marketing Management*, *96*, 254–266. https://doi.org/10.1016/j.indmarman.2021.06.004

Ford, D., Gadde, L.-E., Håkansson, H., & Snehota, I. (2011). *Managing business relationships* (3rd ed.). John Wiley & Sons.

Gadde, L.-E., & Snehota, I. (2019). What does it take to make the most of supplier relationships? *Industrial Marketing Management*, *83*, 185–193. https://doi.org/10.1016/j.indmarman.2019.07.003

Håkansson, H., & Snehota, I. (1995). Developing relationships in business networks.

Hoholm, T., & Araujo, L. (2017). Innovation Policy in an Interacted World - The Critical Role of the Context. In *No Business is an Island: Making Sense of the Interactive Business World* (pp. 105–122). Emerald Group Publishing Ltd. https://doi.org/10.1108/978-1-78714-549-820171006

Kaartemo, V., Nenonen, S., & Windahl, C. (2020). Institutional work by market-shaping public actors. *Journal of Service Theory and Practice*, *30*(4–5), 401–435. https://doi.org/10.1108/JSTP-08-2019-0176

Liu, Y., Zhao, X., Lu, D., & Li, X. (2023). Impact of policy incentives on the adoption of electric vehicle in China. *Transportation Research Part A: Policy and Practice*, *176*. https://doi.org/10.1016/j.tra.2023.103801

Mattsson, L. G., & Junker, S. O. (2023). Market shaping for a fossil-free economy: Institutional work to change market practices of public procurement. *Industrial Marketing Management*, *108*, 23–34. https://doi.org/10.1016/j.indmarman.2022.10.015

Mehtälä, M., Lehtimäki, T., Komulainen, H., & Salmi, A. (2024). Mobilization for collective market shaping: interplay of innovation and issue networks. *Journal of Business and Industrial Marketing*, *40*(13), 1–12. https://doi.org/10.1108/JBIM-02-2024-0113

Nenonen, S., & Storbacka, K. (2020). Don't adapt, shape! Use the crisis to shape your minimum viable system – And the wider market. *Industrial Marketing Management*, *88*, 265–271. https://doi.org/10.1016/j.indmarman.2020.05.022

Nenonen, S., Storbacka, K., & Windahl, C. (2019). Capabilities for market-shaping: triggering and facilitating increased value creation. *Journal of the Academy of Marketing Science*, *47*(4), 617–639. https://doi.org/10.1007/s11747-019-00643-z

Öberg, C., Henneberg, S. C., & Mouzas, S. (2007). Changing network pictures: Evidence from mergers and acquisitions. *Industrial Marketing Management*, *36*(7 SPEC. ISS.), 926–940. https://doi.org/10.1016/j.indmarman.2007.05.010

Porter, M. E. (1990). *The Competitive Advantage of Nations Harvard Business Review*.

Purchase, S., Schepis, D., & Ellis, N. (2024). Prospective market shaping: A discursive analysis of possible future autonomous vehicle markets. *Industrial Marketing Management*, *122*, 37–47. https://doi.org/10.1016/j.indmarman.2024.08.003

Saunders, M., Lewis, P., & Thornhill, A. (2019). *Research methods for business students* (8th ed.). Pearson.

UNCTAD. (2023). *Interaction between competition and industrial policies* (TD/B/C.I/CLP/69). United Nations Conference on Trade and Development. https://unctad.org/system/files/official-document/ciclpm69_en.pdf

Waluszewski, A., Baraldi, E., & Perna, A. (2017). The role of policy in innovation. *IMP Journal*, *11*(1), 51–71. https://doi.org/10.1108/imp-10-2015-0058

DSV A/S. (2006–2025). Annual reports. https://investor.dsv.com/

DSV A/S. (2024). What does DSV stand for? The meaning behind the name. https://www.dsv.com/en/about-dsv/what-does-dsv-stand-for

DSV A/S. (2024). History – origin, mergers & acquisitions. https://www.dsv.com/en/about-dsv/history

TI Insight. (2023). European road freight transport report 2023. https://www.ti-insight.com/wp-content/uploads/2023/07/European-Road-Freight-Transport-2023.pdf[3]

TI Insight. (2024, June). European road freight transport report 2024. https://www.ti-insight.com/wp-content/uploads/2024/06/European-Road-Freight-Transport-Report-2024.pdf

Ti Insight. (2024, December). European road freight transport market forecasts: 2024 & 2025 https://ti-insight.com/wp-content/uploads/2024/12/Mid-Year-ERFT-Market-Forecasts-for-2024-2025-whitepaper.pdf

Statista. (November 16, 2021). Size of the road freight market in Europe from 2010 to 2025 (in billion euros) [Graph]. In Statista. Retrieved July 3, 2025, from

[3] Note: Data from Transport Intelligence (2023 and 2024, June and December) is used under academic fair use for interpretation only. No part of the original document is reproduced.

https://www.statista.com/statistics/1068472/road-freight-market-size-europe/

Council of the European Communities. (1992). *Directive 92/106/EEC of 7 December 1992 on the establishment of common rules for certain types of combined transport of goods between Member States*. *Official Journal of the European Communities*, L 368, 17–22. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:31992L0106

European Commission. (2001). White paper: European transport policy for 2010: Time to decide (COM(2001) 370 final). Publications Office of the European Union. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52001DC0370

European Commission. (2006). Keep Europe moving: Sustainable mobility for our continent—Mid-term review of the European Commission's 2001 Transport White Paper (COM(2006) 314 final). Publications Office of the European Union. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52006DC0314

European Commission. (2011). White paper: Roadmap to a single European transport area—Towards a competitive and resource-efficient transport system (COM(2011) 144 final). Publications Office of the European Union. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52011DC0144

European Commission. (2020). Sustainable and smart mobility strategy—Putting European transport on track for the future (COM(2020) 789 final). Publications Office of the European Union. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0789

Eurostat. (2023). Freight transport statistics—Modal split of inland freight transport. Statistical Office of the European Union. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Freight_transport_statistics_-_modal_split

APPENDICES

Appendix A – Interview Responses

Interview Response 1 – Sales Manager DSV Road Portugal

Respondent: Sales Manager, Global Freight Forwarding and Logistics Company

Please note that the views expressed in this interview are entirely my own and do not represent the views or positions of my employer.

General Questions

1. How do you perceive your market currently? Would you describe your approach as more offensive or defensive?

Our market is currently very dynamic and increasingly competitive, driven by digital transformation, customer expectations for speed and visibility, and ongoing global disruptions. We take a primarily offensive approach, consistently seeking to expand through strategic acquisitions and technology-driven innovation.

2. Would you say your market is currently stable or unstable, and why?

The freight forwarding and logistics market is unstable, largely due to geopolitical tensions, fluctuating fuel prices, trade disputes, and global supply chain disruptions. This volatility requires all players to remain agile and adaptive, something we have embedded deeply into our business strategy.

3. What impacts have you noticed from your market's stability or instability on your business strategy?

Instability has accelerated our strategic diversification efforts. For example, we've invested in digital platforms, enhanced our groupage network, and sought vertical integration to gain more control over the supply chain. Our ability to respond quickly through flexible operations and global scale has proven to be a competitive advantage.

4. Do you see your company as a leader in the market? What supports that market leadership?

Yes, I believe we are recognized as a market leader. This is supported by an aggressive acquisition strategy, strong operational excellence, scalable digital infrastructure, and a reputation for reliability. We also benefit from a global presence combined with a decentralized management model, allowing local responsiveness backed by centralized strategy.

5. What do you perceive as the path to market leadership?

Our path to leadership has been shaped by strategic mergers and acquisitions. A recent acquisition of a major competitor, for example, involved challenges such as cultural integration and IT harmonization, but ultimately expanded our global reach. Structured change management and clear communication were key in overcoming internal resistance and aligning service portfolios.

6. Can you describe a time when your company introduced a disruptive idea or technology?

One example is our ongoing effort to digitize freight forwarding, aligning it more closely with the seamless experiences found in B2C platforms. We work closely with enterprise clients and technology partners, using feedback during the pilot phase to refine usability. This approach helps ensure real-world relevance and encourages adoption in a traditionally conservative industry.

7. What challenges did you face implementing these changes?

The main challenges were behavioural rather than technical. Many clients, especially in traditional sectors, prefer human interaction. To shift this mindset, we employed a phased rollout, training sessions, and direct engagement. Internally, our sales teams adopted a more consultative role. Early-adopter clients helped validate the platform and build trust among more hesitant users.

8. Have you worked with other stakeholders to establish new norms in your market?

Yes, particularly in sustainability. We've collaborated with customers and public authorities to develop greener logistics options and carbon offset programs. Industry bodies have helped define and disseminate best practices.

9. How has your work influenced the broader market?

Our efforts have helped raise the bar in terms of scalability, operational efficiency, and digital integration. Success with major acquisitions has prompted competitors to consider similar strategies. Our push toward digital logistics has shifted customer expectations and industry norms.

10. Have you influenced global supply chains?

Yes. We've had a significant impact on regional and cross-border supply chains, especially in Europe. By optimizing our linehaul structure and establishing strategic hubs, we've helped enable nearshoring, reduce inventory costs, and improve responsiveness. This has been particularly important for industries like retail, automotive, and pharma.

11. Has your company taken steps to protect its market position?

Absolutely. We've built long-term strategic partnerships with suppliers and clients, ensuring capacity and stability during volatile periods. Rather than focusing on transactional buying, we

prioritize mutual growth. This approach helps us defend strategic accounts even during market disruptions or aggressive competitive tactics.

12. Can you share an example of a partnership that influenced your industry?

One key example is our subcontractor partnership model in road transportation. By maintaining a strong network of trusted carriers rather than owning fleet assets, we achieve flexibility and resilience. During the post-COVID capacity crunch, this model allowed us to maintain continuity while competitors struggled. It's also helped raise standards in areas like subcontractor management and operational transparency.

Public Policies

1. How do public policies influence your market decisions?

Regulations, such as customs policy changes and emissions standards have a major impact. For instance, the consequences of Brexit forced us to strengthen customs capabilities and reroute certain cargo flows. Emissions rules in the EU have driven investments in greener fleets and carbon tracking tools.

2. Have public funds supported your innovation efforts?

We have not relied on public grants or funds. Our innovation is primarily driven internally through reinvestment in digital tools, process improvement, and operational excellence.

Interview Response 2 - Sales Manager DSV Road Portugal

General Questions

Market perception / offensive vs. defensive – questions 1 and 11

Can you point to a specific acquisition or initiative that objectively demonstrates this offensive posture and its respective measurable outcome (e.g., new geographic reach)?

A recent acquisition of a well-established regional freight forwarder in Southern Europe allowed us to expand our footprint in strategic Mediterranean corridors. As a direct result, we increased our consolidated volume in that region within the first 12 months, significantly improving our lead-times and service coverage in key verticals such as fashion and retail.

In your perspective, can a strategy of M&A have a defensive nuance? (e.g., protecting market-share, maintaining exclusivity in some lanes)

Yes, definitely. While M&A is often associated with growth, it can also serve a defensive purpose for instance, preserving customer base in key trade lanes, securing capacity, or pre-empting competitive moves. In some cases, acquiring a niche operator may help protect long-standing strategic accounts or exclusive service capabilities in sensitive geographies.

Market (in)stability and strategic impact – questions 2 and 3

Which single shock in recent times most clearly exposed the referred instability, and why was its impact disproportionate for your business?

The COVID-19 pandemic, particularly the initial lockdowns in Asia and Europe, was the most disruptive shock. It exposed our reliance on just-in-time models and limited buffer inventory. Air freight capacity dropped by over 70% in some lanes, and lead-times for ocean shipments from Asia to Europe doubled, putting significant pressure on our operational responsiveness and customer commitments. The post-COVID capacity crisis in 2021–2022 exposed how fragile the subcontractor-based supply chain can be. Driver shortages, fuel price spikes, and border restrictions created a chain reaction. The fragmented nature of the road transport network magnified the impact, forcing weekly operational adjustments.

Can you provide a concrete data point (e.g., freight-rate swing, transit-time variance) that illustrates the volatility?

In the second half of 2022, spot freight rates for LTL shipments from Germany to Iberia surged by up to 40% quarter-over-quarter. Transit times varied between 48 to 96 hours depending on capacity constraints, congestion, and last-minute rerouting.

How does a freight forwarder verticalize its value chain without going beyond the barrier of "owning" the value chain?

In road transport, verticalization means integrating upstream and downstream services like warehousing, cross-docking, and digital visibility platforms while maintaining an asset-light model. By forming long-term structured partnerships with key carriers, we maintain control and quality without owning physical assets.

Market-leadership self-assessment and influence – questions 4 and 9

Can you describe a situation when a competitor reacted to one of your strategic moves? Or can you exemplify how would DSV possibly react to a competitor's similar movement?

When we launched a daily Iberian night network with extended cut-off times, several competitors responded by adjusting their departure schedules and launching new direct lines. In a reverse scenario, the typical reaction would be to reconfigure regional hubs and reinforce partner capacity to protect service levels and customer retention.

Path to leadership through M&A – question 5

Why is M&A preferable to organic growth in your sector?

Organic growth in road freight is often slow due to regulatory barriers, fragmented markets, and the need for strong local expertise. M&A offers immediate access to established capacity, operational know-how, and customer relationships. It allows rapid densification of the network and faster reduction of transit times.

Disruptive idea / technology – question 6

Can you point a metric that demonstrates why this was a path to pursue? (e.g., quoting speed, customer retention)

After rolling out a digital spot quoting tool for LTL road freight, our average response time dropped from 4 hours to under 10 minutes. This led to an increase in conversion rates and greater retention among customers looking for fast and predictable pricing.

Stakeholder collaboration for new norms – question 8

Why/How are sustainability cooperation strategically superior to unilateral initiatives in your market?

Road transport depends on an extended subcontractor network. Collaborating with customers and carriers allows us to align on greener practices, optimized routes, shared loads, cleaner fleets with commercial and operational goals. Acting alone would yield limited impact; joint initiatives scale faster and are more credible to regulators and shippers.

Influence on global supply chains – question 10

Can you provide a quantified outcome of impact for a named sector (e.g., average inventory days dropped from X to Y in pharma, etc.).

In the automotive sector, after optimizing our Southern Europe cross-dock network, we cut lead times for parts from 72 to 36 hours in several corridors. This enabled key OEMs to reduce line-side inventory, freeing up significant working capital.

Partnership model example – question 12

Can the liabilities stemming from eventual subcontractors breaching regulations be contained to an acceptable level, or has increasing regulation be a risk to staying asset-light?

Yes, risks can be managed through rigorous carrier onboarding, binding SLAs, regular audits, and digital visibility tools. However, regulatory pressure such as the EU Mobility Package has increased the cost of compliance. While we remain asset-light, we've had to invest more in compliance and subcontractor support to maintain service integrity.

Public Policies

Regulatory influence – question 1

Why did Brexit customs changes require rerouting rather than adjusting brokerage for the subcontracted capacity?

In road freight, the customs workload and port congestion created unacceptable delays. Merely improving brokerage wasn't enough we needed to reroute via alternative ports and deploy on-site customs teams to ensure delivery reliability, especially for time-sensitive flows into Ireland and the UK. Delays at major UK entry points and new clearance requirements made some traditional flows inefficient. Rerouting via alternative ports and establishing inland clearance points enabled smoother flows and reduced risk of congestion, especially for time-sensitive goods.

Was there a specific operational change (e.g., new hub location, added FTEs, country-specific investment, etc.) moved particularly by regulation-caused opportunities?

Yes. In response to EU carbon reporting mandates and sustainability targets, we invested in a new cross-dock facilities, designed with energy-efficient infrastructure and enhanced multimodal access. This aligns regulatory compliance with strategic network optimization. We established a new customs hub in Northern France to consolidate post-Brexit flows. This involved hiring FTEs with customs expertise, investing in bonded facilities, and implementing automated compliance tools to improve clearance speed and accuracy.

Public funding – question 2

Why has the firm chosen to forgo public grants? If there's a specific strategic reason.

Our decision is primarily driven by strategic autonomy and speed. Public grants often come with bureaucratic constraints and longer implementation cycles. We prefer to self-fund innovation to maintain agility, avoid compliance complexity, and tailor investments to our specific operational needs rather than adapting to predefined funding scopes.