

PRACTICE CASE OBJECTIVE:

Study aspects covered in the classroom regarding the competitive advantage of firms.

WORK TO BE DONE:

Read, on an individual basis, the attached report on the company 'Balearia', and then answer the discussion questions that follow.

If you are not skilled in the analysis of cases, you may find it worthwhile reading 'How to Conduct a Case Analysis' (a file you can find in the same folder as this document).

After working individually, share your findings with your work team and make a joint report with a maximum length of two pages (**no cover page is needed, just the title of the case and the team member names**), written using Calibri 11 with 1.5 interlining and justified text. Upload your report as a pdf file on Moodle, before the due date. The report is not to be presented in class.

Originality and professionalism will be highly valued.

BALEARIA'S NEW TECHNOLOGICAL JEWEL

The shipping company Balearia launched on 1 May 2021, the world's first fast ferry with natural gas engines, the Eleanor Roosevelt, to operate on the Denia-Ibiza-Palma route. This is a flagship that exemplifies the company's commitment to sustainability and innovation. Balearia is a pioneer in the use of natural gas and has invested €380 million in a fleet of nine natural gas-powered ferries that reduce atmospheric emissions. This development has been made possible thanks to an agreement with the Swiss renewable energy group Axpo.

This innovation has enabled the shipping company to stop emitting more than 3300 tons of CO₂, which means, in just three months, a reduction of -32% of CO₂ (compared to the amount emitted if the ship had sailed with diesel engines). According to the shipping company's calculations, this innovative vessel will annually reduce carbon dioxide emissions equivalent to planting almost 27,000 trees.

Balearia is thus the first step for a total decarbonization of passenger shipping in the near future. According to Adolfo Utor, president of the Alicante shipping company: 'this is a first experience that we are carrying out with the help of a major partner, and it marks a new milestone in the path we have set towards decarbonization by 2050 by using biomethane as a renewable fuel'. Utor added that 'although it is currently a scarce fuel, we hope that it will soon be accessible, both in volume and competitiveness' and he highlighted that Balearia has already started working with other fuels of the future, such as renewable hydrogen.

Fuel consumption and engine efficiency is monitored thanks to sensors installed on board within the framework of the European Union's Green and Connected Ports project. In this Spanish prototype, excellent results for seaworthiness and comfort are achieved, so that movement, vibrations, and noise are reduced to create a more comfortable crossing. "It is a ship that incorporates dual natural gas propellers and technological and digital advances that make it unique in its class. It is a technological jewel," says Utor.

Passengers on the Eleanor Roosevelt endorse Balearia's service with very good ratings. According to surveys conducted after the Eleanor Roosevelt was launched,

the service on the route achieved an excellent NPS¹ (53.3%), with a loyalty rate of almost 100%. Passengers rated the Eleanor Roosevelt at 9.2, highlighting aspects such as onboard staff (9.4), cleanliness (9.3), and punctuality (9.2). In addition, in online surveys conducted through mid-July, the Eleanor Roosevelt is rated above the fleet average in virtually all aspects.

The fast ferry has capacity for 1,200 passengers and 450 vehicles, and stands out for the digitalization of its services, which has been very well received by passengers. More than 22,000 unique users have registered on the SmartB platform, and passengers have viewed more than 4,000 hours of free multimedia entertainment. From this platform, all passengers have WhatsApp coverage for text messages throughout the crossing; in addition, more than 1,000 internet access vouchers have been contracted and more than 2,000 views of webcams installed in the pet cages have been registered.

Question: Identify Balearia's competitive advantage, as well as the sources that provide that advantage.

¹ Net promoter score: a simple mechanism for evaluating customer satisfaction with the brand.