

Mastio & Company's

LTL Carrier Customer Value & Loyalty

Benchmarking Study

12th Edition 2016

Metrics to Manage the “Shipper Experience”



OVERVIEW

MASTIO published its 12th Edition LTL Carrier Customer Value & Loyalty Study in October 2016. This study identifies and quantifies the perceptions and needs of shippers who utilize LTL Carriers in the U.S. The 2016 study is based on findings from 2,008 detailed telephone interviews with key decision makers from major shippers throughout the U.S. Mastio conducts telephone interviews because it offers a number of advantages over other methodologies, including control over the sample so as to ensure that it is representative of the population(s) being studied, higher response rates and therefore more accurate results, and the ability to screen for the appropriate decision maker at each location. The opportunity for interviewers to probe for complete and meaningful replies to open-ended questions is another key advantage with a telephone methodology.

The 2016 study also includes approximately 11,800 qualitative responses to ten (10) open-ended questions about individual carriers. The data was collected by telephone interviews with key decision makers beginning in late June and ending in early October of 2016.

SAMPLE OF THE ATTRIBUTES MEASURED	LTL CARRIERS INCLUDED IN THE 2016 PRINTED REPORT
<ul style="list-style-type: none"> • Shipments picked up when promised. • Shipments delivered when promised. • Shipments delivered with no shortages. • Shipments delivered with no damages. • Claims process. • Weighing accuracy. • Consistent transit times. (on time%) • Competitive transit times. • Carrier's ability to meet appointment time for pick-up. • Carrier's ability to meet appointment time for deliveries. • Billing accuracy. • Carrier responsiveness. • Proactive communications (e.g. notification of problems). • Problem resolution. • Customer service personnel respond to my needs in a timely manner. • Freight tracking systems. • Knowledgeable and helpful sales representatives. • Willing to be flexible with operations. • Drivers are courteous and professional. • Pricing terms are easy to understand. • Website is useful. • Trucks appearance. • Carrier is trustworthy. • Ease of doing business. • Rate stability. • Competitive pricing. • Accessorial and surcharge prices • How would you rate each carriers Overall Performance • Competitive pricing. • How likely are you to recommend each carrier? • "I believe that [insert carrier] deserves my loyalty." • Rate the value you receive from (insert carriers)? • What is your overall level of satisfaction with the each carrier? 	<ul style="list-style-type: none"> • Averitt Express • A. Duie Pyle • AAA Cooper • ABF • Central Freight Lines • Central Transport • Daylight • Dayton Freight Lines • Dohrn • Estes • FedEx Freight • Lakeville Motor Express • New England Motor Freight • Old Dominion • Peninsula • Pitt Ohio • R&L Carriers • Roadrunner • Saia • Southeastern Freight Lines • Standard Forwarding • UPS Freight • Ward Trucking • Wilson Trucking • XPO Logistics • YRC

WHY A MASTIO STUDY?

Successful organizations collect competitive customer metrics because they understand that it is the customer who has the money, and without customers they don't have a reason to exist! Organizations succeed by offering a "package" that wins more loyal customers than the competition. This is not to say that it does not take great executives, directors and managers to set the tone, articulate the corporate culture, see the vision, and empower employees, foster innovation and integrity, and all of the other things that make good companies successful. But in the end, if you do not have customers who want to do business with you, especially in tough times, you are destined for failure. Possessing competitive customer metrics that approximates the market instead of relying on hunches or just talking to your customers alone allows organizations to align their strategy, processes, structure, people and rewards to deliver maximum value to customers and shareholders.

STUDY ANSWERS

Subscribers to **MASTIO's LTL Carrier's Benchmarking Study** learn customer perceptions of Carrier Performance, Value, and Loyalty by a multitude of data segmentations (i.e. geographic, number of shipments, vertical, etc.) that will specifically answer questions such as,

1. How do shippers make their purchase decisions? What factors are the most important drivers of shippers' perceptions of overall value and loyalty? What key buying factors (attributes) do shippers consider to be the most important when selecting between carriers both from a **stated** and **derived** basis? The key buying factors will be classified as a *Baseline Requirement*, *Conscious Differentiator*, *Latent Differentiator* or *Low Impact Factor* to make it easier to understand what is really most important to shippers.
2. What are the factors that lead to **defection**? What are the factors that result in **retention** - greater share of the wallet? This is a further refinement of the customer needs mentioned above where the key buying factors will be prioritized regarding defection. Thus, subsequent monitoring systems can be established after the proposed study to track and respond in real time to mitigate defection. Note: most defection is partial.
3. How do shippers perceive your overall value and loyalty relative to **key competitors**? How competitive is your position in the marketplace? Where do you and your competitors fall on a value map - *inferior*, *economy*, *superior*, or *premium position*? Who should be losing or gaining market share? What are the biggest drivers of you and your competitors' position? What is required to change your position?
4. Additionally, how do shippers perceive your performance on the key buying factors? What do shippers perceive as **strengths** and **weaknesses** relative to key competitors? Which factors should you target for improvement? Which factors will have the greatest impact on your ability to win and retain more business? What factors should be emphasized in marketing communications that will resonate with shippers?
5. How large a role does price play in the purchasing decision? What performance factors will allow a premium?
6. Which carriers are the most vulnerable and which are strongest in their ability to gain and retain customers? How do shippers perceive the performance of competitors on the key buying factors? How do you use this knowledge to have a direct impact on your growth and profits?

In short, the study will identify improvements and marketing actions that will make customers choose a specific LTL Carrier more than its competitors.

DELIVERABLES

The comprehensive study will come with a printed report, a Microsoft Excel version of the raw data, custom tagging features of the data, and a proprietary segmentation software package that includes tools to conduct your own detailed analysis including a head-to-head comparison with key competitors. The segmentation software also allows subscribers to segment the data by demographics selected by you such as by state, volume, strategic importance, etc. to see where you stand vs. the competition and thus be quickly underway with actions to improve performance.

MASTIO's software also provides clients with a custom tagging feature. The custom tagging is proprietary for each client. This feature allows the grouping of your customers, for example, by the key person responsible for each customer interaction, customer service teams, profitability, strategic importance, volume, etc. These options are virtually unlimited. This powerful feature allows additional in-depth analysis and the customization of the data.

ANALYZE RATINGS ACROSS MULTIPLE SHIPPER SEGMENTS

- **Volume Level** – # of transactions respondent has per week with LTL Carriers.
- **LTL Carrier Usage** – Does the respondent only use one carrier or do they work with multiple carriers.
- **Respondent's Vertical** – The data can be sorted by the respondents SIC Code.
- **Respondent Role** – Is the respondent a Primary decision maker or does he/she share in the decision process.
- **Additional Respondent Role Information** –
 - Primarily a shipper
 - Primarily a consignee of the freight
 - Respondent works at a bill to only location
 - Respondent works for a 3rd party logistics company

EXAMPLES OF OPEN-ENDED QUESTION INCLUDED IN THE STUDY

- Are there any carriers you tend to avoid using? If yes, who and why?
- Which LTL Carrier has the best tools on their website for your shipping needs? Why?
- Have you either switched from one LTL Carrier to another or move a significant amount of volume from one LTL Carrier to another in the past 12 months? If yes, who and why?

METHODOLOGY

Unlike customer satisfaction, our approach is grounded with empirical evidence of its validity; thus, you are ensured actionable results that can be implemented to win more business profitably. MASTIO utilizes two key methodologies - **Customer Value & Customer Loyalty**. Both methodologies show, on average, a strong correlation between a company's performance i.e. growth rate, market share, profitability, etc. and their respective Customer Value or Loyalty Scores. These two dashboard type of metrics allow managers an easy way to track performance in achieving customer relationship goals just as the use of financial reports allows managers to monitor whether they are meeting their profit goals. For example, empirical evidence shows the Loyalty (Net Promoter) leader has superior growth - averaging more than twice the rate of growth vs. their competition.

BACKGROUND

Mastio & Company is a research-consulting firm that helps its clients maximize business performance by conducting studies that address three critical aspects of managing every business, which are to understand your customer, your competition, and your organization.

Mastio & Company conducts numerous multi-client and proprietary studies on a yearly basis. The majority of our engagements deal with organizational alignment. This concept uses metrics to design an organization that is better aligned with customers than the competition to win more business and increase profits. We also help clients bridge the gaps between analysis, interpretation, actions and successful deployment of a value based strategy.

Mastio & Company is celebrating 25 years of providing actionable information to its clients. We are headquartered in St. Joseph, Missouri with an additional location in Houston, Texas. Our research is done primarily through telephone interviews from our call centers in the U.S. and the U.K. We also collect data from web-based platforms, mail and focus groups. All research is collected by an industry-experienced staff that adheres to stringent quality-control procedures. Mastio has served over 300 clients and has developed and managed over 300 successful business-to-business industry-focused projects, primarily in commodity driven industries such as but not limited to energy, utilities, transportation, logistics, plastics and chemicals. Our staff has extensive experience guiding successful research projects in North America & Europe.