

# **Mastio & Company's**

## **Canadian LTL Carrier Customer Value & Loyalty Benchmarking Study**

**6<sup>th</sup> Edition**

**July 2017**



**Metrics to Manage the “Shipper Experience”**



## OVERVIEW

MASTIO published the 6th Edition Canadian LTL Carrier Customer Value & Loyalty Study in July 2017. This study identifies and quantifies the perceptions and needs of shippers who utilize LTL Carriers in Canada. The 2017 study findings are based on interviews with 991 shippers providing over 2,400 total observations. There were approximately 330 carriers rated of which 44 had a sufficient number of ratings to be included in this 2017 report. The 2017 study also includes approximately 3,100 qualitative responses to several open-ended questions about individual companies. The data was collected by telephone interviews with key decision makers beginning in March and ending in June of 2017.

### ATTRIBUTES MEASURED IN THE REPORT

- Shipments picked up when promised.
- Shipments delivered when promised.
- Shipments delivered with no shortages.
- Shipments delivered with no damages.
- Freight tracking systems.
- Weighing accuracy.
- Geographic service Coverage.
- Ease of shipping cross border.
- Claims process.
- Billing accuracy.
- Carrier responsiveness.
- Proactive communications. (e.g. notifications of problems)
- Problem resolution.
- Customer service personnel respond to my needs in a timely manner.
- Knowledgeable and helpful sales representatives.
- Drivers are courteous and professional.
- Terminal managers are professional.
- Website is useful.
- Carrier is trustworthy.
- Trucks appearance.
- Corporate image and reputation.
- Ease of doing business.
- Rate stability.
- Competitive Pricing.
- Accessorial and surcharge prices.
- How would you rate each carriers Overall Performance?
- How likely would you be to recommend this carrier to a friend or colleague?
- How likely are you to continue using each carrier?

### CANADIAN LTL CARRIERS INCLUDED IN THE 2017 REPORT

- ABF
- Apex
- APPS Transport
- Armour Transportation
- B&R - Eckel's Transport
- Bandstra Transportation
- Bourassa
- Bourret
- Canadian Freightways
- Clarke Transport
- Comox Pacific Express
- Consolidated Fastfrate
- DanFoss Couriers
- Day & Ross
- Dicom
- FedEx Freight
- Gardewine North
- Grimshaw Trucking
- Guilbalt Group
- Hercules Freight
- Hi-Way 9 Express
- Jay's Transport
- Kindersley Transport
- Kingsway Transport
- Manitoulin Transport
- Maritime-Ontario Freight Lines
- Midland Transport
- Minimax Express
- Morneau
- National Fast Freight
- Old Dominion
- Overland West Freight Lines
- Polaris Transport Carriers
- Purolator Freight
- Quik X Transportation
- Robert Transport
- Rosedale Transport Ltd.
- Rosenau Transport
- TST Overland Express
- UPS Freight
- Van-Kam Freightways
- Vitran Express
- 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 Canadian 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 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 3<sup>rd</sup> 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?
- Are there any emerging trends the carriers should be looking at over the next two years to help you run your business better? If yes, what are they?
- Do you use a third party for any LTL services? If no, why not? If yes, who do you use and why do you use them?
- Is it important that your carrier offers a brokerage service? If yes, why? If no, why not?
- What is important in a cross-border carrier? What percentage of your shipments are damaged? What are the most common invoicing errors you experience?
- What can the carrier do to improve your cross-border shipping experience?
- When you track your shipments what level of detail do you seek?
- Excluding the fuel surcharge, how do you anticipate your rates changing over the next 3 months, 12 months and by what %?

## 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 over 20 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.