

# Mastio & Company's

## North American Freight Forwarder (Air & Ocean) Performance Benchmarking & Loyalty Study

7<sup>th</sup> Edition 2020

Metrics to Manage the “Shipper Experience”



## OVERVIEW

MASTIO recently published its **7th Edition North American Freight Forwarder Customer Value & Loyalty Study** in August 2020. This study identifies and quantifies the perceptions and needs of global freight customers. The 2020 study findings are based on interviews with 559 customers providing approximately 1,300 total observations. There were hundreds of freight forwarders rated of which 21 had a sufficient number of ratings to be included in this 2020 report. The electronic edition allows the inclusion of all rated companies for additional analysis. The 2020 study also includes approximately 2,200 qualitative responses to four (4) open-ended questions about individual companies. The data was collected by telephone interviews with key decision makers beginning in January and ending in July of 2020.

ATTRIBUTES MEASURED IN THIS STUDY		COMPANIES INCLUDED IN THE REPORT
<ul style="list-style-type: none"> <li>• How likely would you be to recommend this company to a business associate?</li> <li>• Overall performance.</li> <li>• Timely notification of delays.</li> <li>• Provides day specific transit time commitments.</li> <li>• Knowledgeable and helpful representatives.</li> <li>• Customer service staff is courteous and professional.</li> <li>• Speed of obtaining a rate quote.</li> <li>• Willingness to go the extra mile.</li> <li>• Proactively brings me specific solutions to improve my business.</li> <li>• Effective problem resolution.</li> <li>• Overall execution of pick-up and delivery.</li> <li>• Consistency of service around the world</li> <li>• Shipments are delivered with no shortages or damages.</li> </ul>	<ul style="list-style-type: none"> <li>• Flexibility of service options.</li> <li>• Pickup &amp; Delivery is courteous and professional.</li> <li>• Ability to accurately track shipments from origin to destination.</li> <li>• Accurate invoices and statements.</li> <li>• Flexible online booking system.</li> <li>• Internal system support and development.</li> <li>• Strong commitment to corporate social responsibility.</li> <li>• Strong positive corporate image and reputation.</li> <li>• Highly trusted supplier.</li> <li>• Supply chain expertise.</li> <li>• Competitive rates</li> <li>• Accessorial and surcharge prices.</li> <li>• Easy to contact the right person for help.</li> </ul>	<ul style="list-style-type: none"> <li>Agility</li> <li>Bollere Logistics</li> <li>C.H. Robinson</li> <li>CEVA Logistics</li> <li>DB Schenker Logistics</li> <li>DHL Global Forwarding</li> <li>DSV</li> <li>Expeditors</li> <li>FedEx Trade Networks</li> <li>Geodis Wilson</li> <li>Hellmann</li> <li>JAS</li> <li>Kintetsu World Express (KWE)</li> <li>Kuehne &amp; Nagel</li> <li>Laufer</li> <li>Maersk Logistics</li> <li>Nippon Express</li> <li>OEC</li> <li>Panalpina</li> <li>Pilot</li> <li>UPS SCS</li> </ul>

## 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 North American Freight Forwarder Performance Benchmarking & Loyalty Study** learn customer perceptions of Supplier Performance, Value, and Loyalty by a multitude of data segmentations (i.e. geographic, number of shipments, air vs. ocean, etc.) that will specifically answer questions such as,

1. How do customers' make their purchase decisions? What factors are the most important drivers of customers' perceptions of overall value and loyalty? What key buying factors (attributes) customers consider to be the most important when selecting between suppliers 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 customers.
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 customers 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. Also, how do customers perceive your performance on the key buying factors? What do customers 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 customers?
5. How large a role does price play in the purchasing decision? What performance factors will allow a premium?
6. Which competitors are the most vulnerable and which are strongest in their ability to gain and retain customers? How do customers 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 Freight Forwarder 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 region, 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 CUSTOMER SEGMENTS

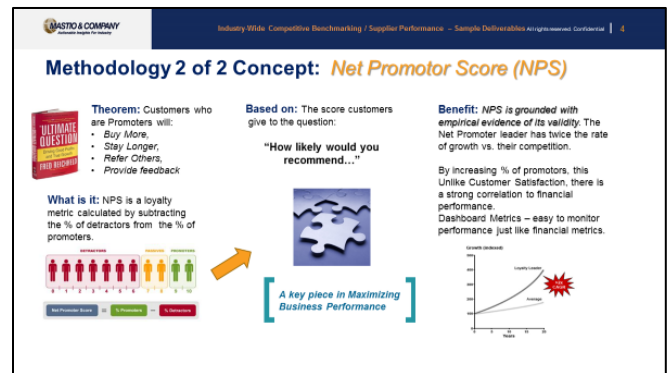
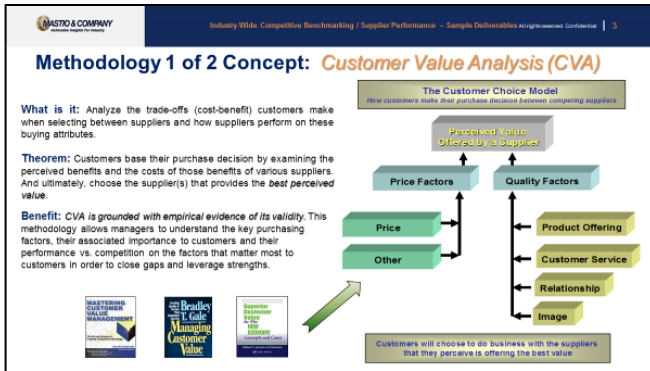
CATEGORY		SEGMENTS COVERED
Overall	Industry	<ul style="list-style-type: none"> <li>All respondents</li> </ul>
	Shipment Volume (monthly transactions)	<ul style="list-style-type: none"> <li>1 - 10 Transactions Per Month</li> <li>11 - 40 Transactions Per Month</li> <li>41 - 75 Transactions Per Month</li> <li>76 - 100 Transactions Per Month</li> <li>Over 100 Transactions Per Month</li> </ul>
	Principal Shipping Type	<ul style="list-style-type: none"> <li>Air or Ocean</li> </ul>
	Geographic Location	<ul style="list-style-type: none"> <li>Canada</li> <li>USA</li> </ul>
	Industry/Market	<ul style="list-style-type: none"> <li>Manufacturing</li> <li>Retail</li> <li>High-Technology</li> <li>Wholesale Trade</li> <li>Other Industries</li> </ul>

## EXAMPLES OF OPEN-ENDED QUESTION INCLUDED IN THE STUDY

- What do you feel is the most significant challenge when using Air & Ocean Freight forwarders?
- Excluding price, describe the biggest disappointment you've experienced with each of your service providers in the last 12 months?
- Are there any emerging trends the freight forwarders should be looking at over the next two years to help you run your business better? If yes, what are the trends?
- What type of visibility does the forwarder provide with regards to the location and delivery of your shipments? Which forwarder is best and why?
- Consider all the elements of your relationship with the freight forwarder(s) you currently use. In your opinion, what is the most aggravating/dissatisfying action that a freight forwarder can do?

## 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 30 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 and Asia Consider all the elements of your relationship with the freight forwarder(s) you currently use. In your opinion, what is the most aggravating/dissatisfying action that a freight forwarder can do?