

Mastio & Company's

Canadian LTL Carrier Customer Value & Loyalty Benchmarking Study

9th Edition

May 2023



Metrics to Manage the “Shipper Experience”



OVERVIEW – 2023 MASTIO CANADIAN LTL STUDY

Mastio & Company is pleased to present the findings of our 9th Edition Canadian LTL Customer Value & Loyalty Study. This study identifies and quantifies the perceptions and needs of less-than-truckload customers. The 2023 study findings are based on interviews with 887 customers providing approximately 2,600 total observations. There were approximately 360 companies rated, of which 42 had a sufficient number of ratings to be included in this 2023 report. The electronic edition allows the inclusion of all rated companies for additional analysis. The 2023 study also includes approximately 5,400 qualitative responses to several open-ended questions about individual companies. The telephone interviews were conducted with key decision-makers beginning in late February and ending in May 2023.

ATTRIBUTES MEASURED IN THE REPORT

CANADIAN LTL CARRIERS INCLUDED IN THE 2023 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?

- ABF
- ACE Courier
- Apex
- APPS
- Transport
- Armour
- Transportation
- B&R - Eckel's
- Transport
- Bandstra
- Transportation
- Bourassa
- Bourret
- CCT Canada
- Clarke
- Transport
- Day & Ross
- Estes
- Fastfrate
- FedEx Freight
- Gardewine
- General
- Logistics
- Systems
- (GLS)
- Guilbalt Group
- Hercules
- Freight
- Hi-Way 9
- Express
- Jay's
- Transport
- Kindersley
- Transport
- Loomis Express
- Manitoulin
- Transport
- Maritime-Ontario
- Freight Lines
- Midland Transport
- Minimax Express
- Morneau
- Old Dominion
- Overland West
- Freight Lines
- Polaris Transport
- Carriers
- Purolator Freight
- Robert Transport
- Rosedale
- Transport Ltd.
- Rosenau
- Transport
- Speedy Transport
- TForce Freight
- TST-CF Express
- Van-Kam
- Freightways
- Vitran Express
- XPO Logistics
- Yellow

STUDY ANSWERS

Subscribers to **MASTIO's 2023 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 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 most important to shippers.
2. 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 your position and your competitors' position? What is required to change your position?
3. 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?
4. How large a role does price play in the purchasing decision? What performance factors will allow a premium?
5. 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 impact your growth and profits directly?

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

EXAMPLES OF OPEN-ENDED QUESTION INCLUDED IN THE STUDY

1. Excluding price, describe the biggest disappointment you have experienced with (carrier from q. 6) in the last 12 months.
2. Have you either switched from one LTL carrier to another or moved a significant amount of volume from one LTL carrier to another in the past 12 months? If yes, which carrier did you move the volume from, and which carrier did you move it to?
3. Do you ship cross-border between USA & Canada? (Inbound and/or Outbound)
4. Is it important that your carrier offers a customs brokerage service?
5. What is important in a cross-border carrier?
6. Who is your preferred cross-border carrier, and why?
7. Which LTL carrier has the best tools on its website for your shipping needs?
8. Which specific website tool provides the greatest value to your business when shipping LTL and why?

ANALYZE RATINGS ACROSS MULTIPLE DEMOGRAPHIC SEGMENTS

CATEGORY	SEGMENTS COVERED
<p>Overall Industry</p>	<ul style="list-style-type: none"> • All respondents
<p>Weekly Shipment Volume</p>	<ul style="list-style-type: none"> • 2 or Fewer Shipments per Week • 3 – 10 Shipments per Week • 11 – 25 Shipments per Week • 26 – 50 Shipments per Week • 51 – 100 Shipments per Week • 101 – 150 Shipments per Week • More than 150 Shipments per Week
<p>Market (Supply Chain Category)</p>	<ul style="list-style-type: none"> • Manufacturing • Raw Materials • Retail • Services • Transportation • Wholesale / Distributor
<p>Geographic Distribution</p>	<ul style="list-style-type: none"> • Ontario • Quebec • Western Canada • Canadian Maritimes

WHY A MASTIO STUDY?

Successful organizations collect competitive customer metrics because they understand that the customer 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 approximate 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.

It is several studies in one, giving executives and managers an in-depth understanding of two critical areas. The first is knowing what customers value most from your products and services. This helps focus investment on improvements that matter most to customers and can return a healthy ROI. It also helps clearly explain why customers churn. Often this is not some major issue or flaw; it can be a simple tweak to your operations or customer service – not a massive overhaul. This information gives you key

areas where you can focus sales and marketing efforts – those that will get customers' attention because it's focused on what they value most.

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 your customers to be grouped 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 customization of the data.

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 specialized research-consulting firm dedicated to helping clients achieve optimal business performance. Our comprehensive studies focus on three crucial aspects of effective management: understanding your customer base, analyzing your competition, and evaluating the internal dynamics of your organization. By delving into these areas, we provide valuable insights and strategic recommendations to enhance decision-making and drive sustainable growth for your business.

Mastio & Company is celebrating over 34 years of providing clients with actionable information. We are headquartered in St. Joseph, Missouri. Our research is done primarily through telephone interviews from our call centers in the U.S. We also collect data from web-based platforms. 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.