Mastio & Company's

Truckload Carrier Customer Value & Loyalty Benchmarking Study

5th Edition

March 2017

Metrics to Manage the "Shipper Experience"

OVERVIEW

MASTIO published its 5th Edition Truckload Carrier Customer Value & Loyalty Study in March 2017. This study identifies and quantifies the perceptions and needs of shippers who utilize Truckload Carriers. The 2017 study findings are based on interviews with 364 shippers providing over 1,100 total observations. There were 500 Truckload carriers rated of which 18 had a sufficient number of ratings to be included in this 2017 report. The electronic edition allows the inclusion of all rated companies for additional analysis. The 2017 study also includes approximately 1,100 qualitative responses to three (3) open-ended questions about individual carriers. The data was collected by telephone interviews with key decision makers during the months of November, 2016 into February of 2017.

SAMPLE OF THE ATTRIBUTES MEASURED IN THE REPORT	TRUCKLOAD CARRIERS INCLUDED IN THE 2017 REPORT
Shipments picked up when promised.	C.H. Robinson
Shipments delivered when promised.	Celadon
Shipments delivered with no shortages or damage.	Contract Freighters, Inc. (CFI)
Consistent transit times.	Covenant Transport
Broad range of services. (logistics, brokerage, & expedited service)	Coyote Logistics
Ability to accurately track shipment status.	Crete Carrier
Provides trailer pools.	CRST
Consistently provides adequate capacity to haul my freight.	Echo Global Logistics
Ability to handle surge (surge, project, seasonal freight).	FedEx
Timely and accurate invoices and statements.	Hub Group
Timely settlement of cargo claims.	J.B. Hunt
Timely notification of load delays.	Knight Transportation
Effective problem resolution.	Landstar
Customer service personnel are courteous and professional.	Schneider National
Information/systems support (available, accurate, easy to use).	Swift Transportation
Knowledgeable and helpful sales representatives.	Total Quality Logistics
Easy to contact the sales rep. for help.	U.S. Xpress
Drivers are courteous and professional.	Werner Enterprises
24/7 Customer Service support.	
Website is useful.	
Strong positive corporate image and reputation.	
Reputation of dependability.	
Carrier is trustworthy.	
Ease of doing business with the carrier.	
Competitive pricing.	
How likely are you to recommend (CARRIER)?	
"I believe that (CARRIER) deserves my loyalty.	
How likely are you to continue using (CARRIER)?	
How much do you agree that is a preferred Full TL Carrier?	
What is your overall satisfaction with the Full TL carrier?	

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 factors 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 TL 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 TL 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

CATEGORY	SEGMENTS COVERED
Overall Industry	• **All respondents**
Weekly Shipment Volume	• **20 or Fewer Shipments per Week** • **21 – 50 Shipments per Week** • **51 – 150 Shipments per Week** • **More than 150 Shipments per Week**
Market	• **Manufacturing** • **Retail Trade** • **Services** • **Transportation, Communications, & Utility Services** • **Wholesale Trade**
Geographic Distribution	• **Northern U.S.** • **Southern U.S.** • **Western U.S.**

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.