



WHITE PAPER

Becoming a Shipper of Choice

What Matters Most to Carriers When Working with Shippers?

ECHO 
Transportation Simplified™

Becoming a Shipper of Choice

Here's How Your Company Can Be Recognized as a Shipper of Choice

Echo Surveyed Carriers to Learn What Factors Matter Most to Them When Working with Shippers

What Is a Shipper of Choice?

The logistics industry operates in a cyclical nature with periods of tight and excess capacity. When capacity is tight, carriers can be much more selective about which shippers they work with and what loads they accept. Given the chance, carriers are going to choose to take loads from shippers that they have good experiences working with.

A shipper of choice is a company that carriers want to work with because of the value the company brings to the partnership. Even when there is an excess of capacity, it's imperative for shippers to maintain strong relationships with carriers as these partnerships will be invaluable once the market returns to tight capacity.

What Matters Most to Carriers When Working with Shippers?

To gain deeper insight into the steps a company can take to become a shipper of choice, Echo surveyed our carriers to learn more about their relationships with shippers.

The results support the widely held belief that it's crucial for shippers to have strong bonds with carriers. In fact, our survey showed that over a third of carriers (36.4%) stopped working with a shipper due to a poor relationship.

Although many shippers might assume that high rates are the only reason for a carrier to stop working with them, our survey results showed that two other factors matter more to carriers when they consider terminating a working relationship. These include drivers' experiences while at shippers' docks, such as loading/unloading delays and poor treatment (45%), and issues with invoices being paid on time or in full (29.6%). High rates actually ranked the lowest of these factors at 21.9%. These matters are within the control of the shipper and are areas they should focus on as they work toward becoming a shipper of choice.

| Reason | Percentage |
|---------------------------------|------------|
| Loading / unloading delays | 26.5% |
| Rates | 21.9% |
| Poor treatment of drivers | 18.5% |
| Failure to pay invoices on time | 15.3% |
| Failure to pay invoices in full | 14.3% |
| Other | 3.5% |
| Total | 100.00% |

Survey data gathered from 287 respondents.

How to Make Your Freight More Appealing

Another way a company can be recognized as a shipper of choice is by making their loads more appealing for carriers to transport. By taking a deeper look into the responses carriers provided in our survey, we can determine the main factors that make a company's freight desirable to carriers.

Prompt and Complete Payments: Because cash flow is very important to carriers, especially owner-operators, it is crucial to make full payments in a timely manner. Shippers need to make sure they are paying invoices in full, on time, and according to the agreed upon terms. This point is made clear in our survey results as 29.6% of carrier respondents cited issues with invoice payment as the reason they stopped working with a shipper.

Flexible Pickup and Delivery Times: Shippers who offer flexible pickup and delivery times will have a greater number of drivers available to move their freight. Shippers can take steps to be more open and flexible by offering carriers pickup windows instead of specific appointment times and giving them the option to make pickups on weekends.

Streamlined Processes: To comply with the Federal Motor Carrier Safety Administration's (FMCSA) Hours of Service (HOS) regulations, drivers are limited to working 14 consecutive hours in a day. Within this timeframe, they need to load and unload a trailer, make inspections, fill up on fuel, service the truck, and more—all before even beginning to transport their load. Because they have a strict limit to the number of hours they can work, it's important for shippers to avoid any potential delays on their end so drivers can spend as much time as possible on the road. Drivers should be able to get in and out of a shipper's location quickly and easily. Things like clear signage, staged loads, preloaded containers, detailed instructions on load requirements, and completed paperwork all shorten the amount of time that drivers spend picking up and eventually delivering to a consignee. Our survey found that this is extremely important to drivers as 26.5% of carriers broke off a customer relationship due to excessive delays during the loading or unloading process.

Drop Trailers: Another way to reduce excessive wait times for drivers is through a drop trailer program. In this method, a driver leaves a trailer at a shipper's facility for loading and later returns to pick up the trailer. Not only does this method help carriers save time and comply with HOS regulations, but shippers also benefit because they do not need to pay the driver to wait for the shipment, and they can load the trailer at their own convenience.

Technology: Using a TMS (Transportation Management System) is essential for shippers. Having the ability to forecast upcoming volume so carriers can plan capacity, allocate resources, and track costs makes a shipper more desirable to work with. Technology improves load planning, facilitates issue resolution, and speeds up invoice auditing and payment. A TMS can also improve service levels to carrier partners by tracking and measuring performance against agreed upon KPIs. The data from a TMS can be used to forecast volume spikes or lags so that shipping schedules are more predictable. For a carrier, this knowledge is key in planning out their capacity and serving their shippers better.

Communication: Shippers that give reasonable lead times or include their carrier partners in forecasting receive better and more consistent service. Those that can alert carriers to upcoming changes in volume will also be preferred.

The Little Things: Offering drivers basic amenities is another way to forge strong bonds with carriers. Convenient parking, access to restrooms, and break areas with refreshments and free Wi-Fi are just some of the ways shippers can welcome drivers to their facility. Drivers that are treated respectfully are more likely to want to do business with that shipper. According to the results of our survey, poor treatment of drivers was the reason 18.5% of carriers stopped doing business with certain shippers.

Moving Toward Becoming a Shipper of Choice

Regardless of what stage the logistics industry is in within the market cycle, it's important for companies to work toward becoming a shipper of choice. Building strong relationships with carriers during times of excess capacity will only benefit shippers and their businesses once the market eventually shifts and capacity tightens. This is why it's important for shippers to take into account what matters most to carriers and update their practices accordingly.

At Echo Global Logistics, we strive to be a true partner to our shippers and carriers and work to build lasting relationships across our network of over 50,000 transportation providers. Our team of logistics experts can work with you to make sure you are doing everything you can to be a shipper of choice.

Contact an Echo representative today at 800-354-7993 or info@echo.com, or [request a quote for a shipment](#).

About Echo Global Logistics

Echo Global Logistics, Inc. (NASDAQ: ECHO) is a leading Fortune 1000 provider of technology-enabled transportation and supply chain management services. Headquartered in Chicago with more than 30 offices around the country, Echo offers freight brokerage and Managed Transportation solutions for all major modes, including truckload, partial truckload, LTL, intermodal, and expedited. Echo maintains a proprietary, web-based technology platform that compiles and analyzes data from its network of over 50,000 transportation providers to serve 35,000 clients across a wide range of industries and simplify the critical tasks involved in transportation management.

For more information on Echo Global Logistics, visit: www.echo.com.



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