

Mastio & Company's

Customs Brokerage Performance Benchmarking & Loyalty Study

2nd Edition 2021

Metrics to Manage the “Shipper Experience”



OVERVIEW

MASTIO recently published its **2nd Edition Global Customs Brokerage Customer Value & Loyalty Study** in October 2021. This study identifies and quantifies the perceptions and needs of shippers using customs brokerage services. The 2021 study findings are based on interviews with 718 customers providing approximately 1,300 total observations. There were hundreds of customs brokers rated of which 17 had a sufficient number of ratings to be included in this 2021 report. The electronic edition allows the inclusion of all rated companies for additional analysis. The 2021 study also includes approximately 4,300 qualitative responses to six (6) open-ended questions about individual companies. The data was collected by telephone interviews with key decision makers beginning in May and ending in September of 2021.

ATTRIBUTES MEASURED IN THIS STUDY		CUSTOMS BROKERS INCLUDED IN THE REPORT
<ul style="list-style-type: none"> • Easy to contact the right person for help. 	<ul style="list-style-type: none"> • Ability to avoid problems before they happen. 	Bollere Logistics
<ul style="list-style-type: none"> • Effective problem resolution. 	<ul style="list-style-type: none"> • Entry accuracy. 	C.H. Robinson
<ul style="list-style-type: none"> • Knowledgeable and helpful representatives. 	<ul style="list-style-type: none"> • Timeliness of clearance 	CEVA Logistics
<ul style="list-style-type: none"> • Willingness to go the extra mile. 	<ul style="list-style-type: none"> • Systems and tools. 	DB Schenker Logistics
<ul style="list-style-type: none"> • Provides educational information to assist with customs brokerage. 	<ul style="list-style-type: none"> • All-in-one platform to compile all required document images and transactions. 	DHL Global Forwarding
<ul style="list-style-type: none"> • Classification. 	<ul style="list-style-type: none"> • EDI capabilities. 	DSV
<ul style="list-style-type: none"> • Trade compliance advice. 	<ul style="list-style-type: none"> • Document images availability across multiple countries. 	Expeditors
<ul style="list-style-type: none"> • Knowledge and insight on emerging markets. 	<ul style="list-style-type: none"> • Reporting of customs transactions across multiple countries. 	FedEx Trade Networks
<ul style="list-style-type: none"> • Duty minimization services. 	<ul style="list-style-type: none"> • Transaction detail visibility. 	Flexport Customs
<ul style="list-style-type: none"> • Export process recommendations. 	<ul style="list-style-type: none"> • Strong positive corporate image and reputation. 	Geodis Wilson
<ul style="list-style-type: none"> • Trade consultation. 	<ul style="list-style-type: none"> • Honest and trustworthy. 	JAS
<ul style="list-style-type: none"> • Cost savings recommendations. 	<ul style="list-style-type: none"> • Supply chain expertise. 	Kuehne & Nagel
<ul style="list-style-type: none"> • Fiscal representation acting as an importer of record. 	<ul style="list-style-type: none"> • Trusted trader. 	Livingston International
<ul style="list-style-type: none"> • Accurate invoices and statements. 	<ul style="list-style-type: none"> • Overall satisfaction. 	Maersk
<ul style="list-style-type: none"> • Timeliness of invoices. 	<ul style="list-style-type: none"> • Competitive rates. 	MSC
<ul style="list-style-type: none"> • Consistency of service around the world. 	<ul style="list-style-type: none"> • Overall value for the money you spend. 	OEC
<ul style="list-style-type: none"> • Compliance with regulations. 	<ul style="list-style-type: none"> • How likely would you be to recommend this company to a business associate? 	UPS SCS

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 Global Customs Brokerage Benchmarking & Loyalty Study** learn customer perceptions of Broker Performance, Value, and Loyalty by a multitude of data segmentations (i.e. geographic, number of shipments, 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 Customs Broker 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

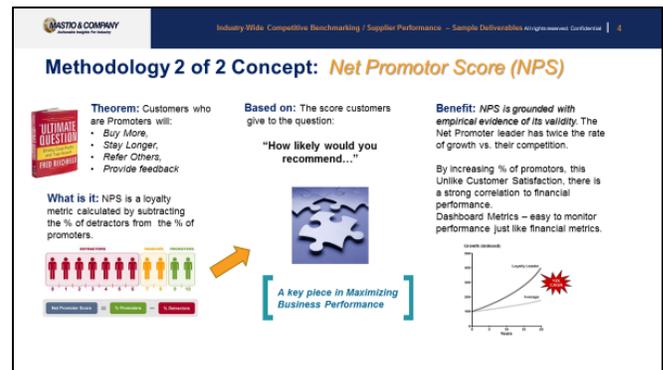
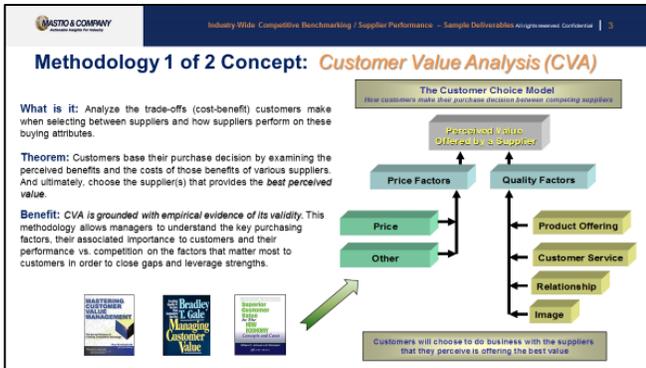
CATEGORY	SEGMENTS COVERED
Overall Industry	<ul style="list-style-type: none"> All respondents
Avg. Annual Customs Entries	<ul style="list-style-type: none"> 25 or Less 26 through 100 101 through 300 More than 300
Industry	<ul style="list-style-type: none"> Manufacturing Retail Services High Technology Wholesale/Distributor Other
Geographic Location	<ul style="list-style-type: none"> Asia Europe Mexico North America

EXAMPLES OF OPEN-ENDED QUESTION INCLUDED IN THE STUDY

- Would you pay additional fees if your broker collected your supply chain data, produced routine reporting, and made recommendations for improvement?
- In your opinion, who are the top 3 Customs Brokers (in your area of responsibility) and why? Which geographic region do they cover?
- How do you expect the increased tariffs, those issued by the U.S. or those retaliatory tariffs issued by a number of other countries, to impact your business in the near term?
- Besides price, what would it take for you to switch from your current broker(s)?
- What unmet needs do you have when it comes to Trade Compliance and Customs Clearance?
- Do you utilize Foreign Trade Zones / Free Trade Zones as a part of your logistics strategy?

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.