

# **Mastio & Company's**

## **Canadian LTL Carrier Customer Value & Loyalty Benchmarking Study**

**8<sup>th</sup> Edition**

**May 2021**



**Metrics to Manage the “Shipper Experience”**



## OVERVIEW – 2021 CANADIAN LTL STUDY

Mastio & Company is pleased to present the findings of our 8th Edition Canadian LTL Customer Value & Loyalty Study. This study identifies and quantifies the perceptions and needs of less-than-truckload customers. The 2021 study findings are based on interviews with 1,032 customers providing approximately 2,800 total observations. There were approximately 370 companies rated of which 43 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 7,800 qualitative responses to several open-ended questions about individual companies. The data was collected by telephone interviews with key decision makers beginning in March and ending in April of 2021.

### ATTRIBUTES MEASURED IN THE 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?

### CANADIAN LTL CARRIERS INCLUDED IN THE 2021 REPORT

- ABF
- Apex
- APPS Transport
- Armour Transportation
- B&R - Eckel's Transport
- Bandstra Transportation
- Bourassa
- Bourret
- Cavalier Trucking
- CSA Transportation
- Day & Ross
- Estes
- Fastfrate
- FedEx Freight
- Gardewine North
- General Logistics System
- Grimshaw Trucking
- Guilbalt Group
- Hi-Way 9 Express
- Jay's Transport
- Kindersley Transport
- Loomis Express
- Manitoulin Transport
- Maritime-Ontario Freight
- Midland Transport
- Minimax Express
- Morneau
- National Fast Freight
- Old Dominion
- Overland West Freight
- Polaris Transport Carriers
- Purolator Freight
- Quik X Transportation
- Robert Transport
- Rosedale Transport Ltd.
- Rosenau Transport
- Speedy Transport
- TST-CF Express
- UPS Freight
- Van-Kam Freightways
- Vitran Express
- XPO Logistics
- YRC

## STUDY ANSWERS

Subscribers to **MASTIO's 2021 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 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. 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?
3. 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?
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 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 LTL Carrier more than its competitors.

## 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.

It is several studies in one and it gives executives and managers in-depth understanding in 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, those that 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 customer's attention because it's focused on what they value most.

## OPEN-ENDED QUESTION INCLUDED IN THE STUDY

- When thinking of LTL Freight and logistics, what technology/IT related tools?, resources?, and/or services would help you do your job more efficiently?
- 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?
- Excluding price, describe the biggest disappointment you have experienced with your carrier in the last 12 months?
- What does your carrier do that makes it easy for you to do business with them?
- What are the 3 top problems/challenges that you face when working with Freight & LTL services?
- Does your freight require specific early time delivery windows? What specific times?
- Do you use a third party for any LTL services? If no, why not? If yes, who do you use and why do you use them?
- Is it important that your carrier offers a brokerage service? If yes, why? If no, why not?
- What is important in a cross-border carrier? (probe on response for clarity and specifics)
- What can the carrier(s) do to improve your cross-border shipping experience?
- When you track your shipments what level of detail do you seek?
- Are you aware of the density or dimensional weight of your freight? Do you use a density or dimensional weight calculator?
- Do you utilize LTL Carriers for the home delivery of your product?
- Thinking of your Province and Regional Canada LTL shipping needs; do you utilize regular shipping, expedited or time definite? What percentage for each service? (total 100%). How about for National, across Canada shipping; regular, expedited or time definite? Percentage for each? (total 100%). Cross border shipping; regular, expedited or time definite? Percentage for each? (total 100%)
- When thinking of Expedited Canadian LTL Carriers, who do you think of first? What is your definition of “Expedited service”?
- Do you ship unpalletized or oversize goods? If yes, what percentage of your freight is deemed unpalletized or oversized?
- Is your company back to Pre-COVID business levels? If no, when do you anticipate returning to this level?
- In a post-COVID-19 world will inside deliveries, delivery receipts or signatures become less of a need for shippers in order to create a contactless delivery?
- Have you added flexibility to your supply chain to help recover in high-risk events such as COVID-19?

## 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 DEMOGRAPHIC SEGMENTS

CATEGORY	SEGMENTS COVERED
<p><b>Weekly Shipment Volume</b></p>	<ul style="list-style-type: none"> <li>• 2 or Fewer Shipments per Week</li> <li>• 3 – 10 Shipments per Week</li> <li>• 11 – 25 Shipments per Week</li> <li>• 26 – 50 Shipments per Week</li> <li>• 51 – 100 Shipments per Week</li> <li>• 101 – 150 Shipments per Week</li> <li>• More than 150 Shipments per Week</li> </ul>
<p><b>Average Shipment Weight</b></p>	<ul style="list-style-type: none"> <li>• Up to 100 kilos</li> <li>• 101 to 250 kilos</li> <li>• 251 to 500 kilos</li> <li>• 501 to 1,100 kilos</li> <li>• More than 1,000 kilos</li> </ul>
<p><b>Market (Supply Chain Category)</b></p>	<ul style="list-style-type: none"> <li>• Manufacturing</li> <li>• Raw Materials</li> <li>• Retail</li> <li>• Services</li> <li>• Transportation</li> <li>• Wholesale / Distributor</li> </ul>
<p><b>Geographic Distribution</b></p>	<ul style="list-style-type: none"> <li>• Ontario</li> <li>• Quebec</li> <li>• Western Canada</li> <li>• Canadian Maritimes</li> </ul>

## 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 plus 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.