

2024



Industry Intelligence Guide

Enhancing Shipper-Carrier Relationships

Build resilience and protect the bottom line with strong shipper-carrier relationships

Gone are the days of siloed shipper-carrier relationships. Between market volatility, unexpected disruptions, rising inflation, and shifting demand, shippers and carriers must collaborate with freight analytics to build supply chain resilience.

Strengthening mutually beneficial transportation contracts with partners is a key focus area for more than 70% of transportation leaders.

[Breakthrough](#)

Shipper-carrier relationships are often a “tug of war” scenario for cost considerations based on which side the present market favors, with minimal emphasis on forging mutually beneficial long-term partnerships.

The proliferation of e-commerce forced a shift in the opposite direction – shippers and carriers have no choice but to gravitate toward strategic, digital-centric partnerships.

[Freightvine Podcast](#)

Leveraging freight analytics to enhance shipper-carrier relationships

Historically, shipper-carrier relationships have been fragmented, with both sides focusing only on their respective operations. But now, it's imperative that both work together. [CSCMP's Annual 2023 State of Logistics Report](#) stated "it's becoming increasingly clear that shippers and carriers are unified by a need to think more seriously and proactively about building strategic capability."

Freight market intelligence tools are here to help. They empower shippers and carriers with the analytical insights they need to maintain strategic partnerships and long term relationships. Integrating freight analytics into rate negotiations adds data-driven transparency that improves trust and decision-making across the distribution network.

Freight analytics creates opportunities for shippers and carriers to exchange more real-time data than ever before. With real-time visibility into capacity levels and comprehensive freight spend analysis models, shippers glean personalized insights that compare their current costs to spot rates

of the wider market. Meanwhile, carriers can optimize freight operations, enhance fleet efficiency, and improve customer service with shippers during periods of peak demand or supply chain disruptions. There are several ways freight intelligence can bolster shipper-carrier relationships:

1. Boosting transparency

Giving all parties access to the same data and information – from transportation management systems (TMS) to constantly updated load boards – creates transparency to negotiate rates in good faith and develop more strategic, trusting, long-term relationships. For example, with access to DAT iQ Network Analytics Solutions, shippers can evaluate their network and identify opportunities to either work with an incumbent to renegotiate pricing or initiate outreach to an alternative carrier with all the contact information they need at their fingertips.

2. Providing rate insights

Freight analytics enable shippers to perform accurate [benchmarking](#) and [forecasting](#) to determine if carrier bids, contract or spot rates on specific lanes, and even overall freight spend are aligned with the market and match the level of service they're receiving. In addition, they can assess if market rates will hold up during the full term of the contract. Carriers utilize freight intelligence to [stay on top of rates](#) and do right by their shipping partners. This helps foster a deeper understanding of the market and ensure costs turn a profit.

3. Optimizing carrier lanes

For shippers, freight analytics help optimize existing relationships with carriers and identify lanes to add new partners or replace incumbents. When assessing the performance of incumbent carriers, shippers can use freight intelligence to compare rates, lanes, load tender acceptance, and service levels to ensure they're getting the best deal. During procurement, shippers must evaluate "lane robustness" or the number of carriers needed to keep routing guides intact for each lane. Utilizing freight analytics like [DAT's Carrier Select](#), shippers can analyze load acceptance rates and assess the health of their carrier relationships to make informed decisions when awarding contracts.

4. Supporting continuous procurement

Due to the plethora of supply chain disruptions we've experienced over the past several years, transportation procurement has become more of a continuous process. Freight analytics provide deeper insights into rates, capacity, and performance. This improves carrier analysis and segmentation efforts while helping to balance rates and service levels in their network. Further, within a continuous procurement process, shippers can avoid spot market exposure and better fortify routing guides. Utilizing [transportation carrier lists](#) allows shippers to search for new carriers and leverage mini-bids to help broaden their portfolios, reset carrier partnerships, and improve rates.

5. Enhancing operational efficiency

With real-time insights, shippers and carriers can utilize freight analytics to optimize operations, boost efficiency, and improve customer service during periods of peak demand or when inevitable disruptions occur. For example, [custom analytics iQ](#) enables organizations to cross-reference information around weather patterns, equipment maintenance, and market rates to model realistic shipping timelines and ensure customer satisfaction. Shipping teams can use these data streams to develop contingency plans to mitigate risk.

Develop better shipper-carrier relationships with DAT iQ

At the end of the day, shipper-carrier relationships are a two-way street. Both parties must put time and effort into understanding each other's needs, timelines, and operations in order to alleviate inefficiencies and create smoother, long-lasting, and successful partnerships.

Freight market intelligence is a key resource, utilizing real-time data to improve collaboration, transparency, and improve operational performance. With the most accessible and accurate [freight market intelligence offerings](#), DAT helps shippers and carriers achieve better business outcomes.

Visit DAT iQ's website to learn more about how freight market intelligence can help improve your industry relationships. If you're ready to get started, reach out to DAT iQ's experts.

[**www.dat.com/Empower_iQ**](http://www.dat.com/Empower_iQ)



Analytics

[**www.DAT.com**](http://www.DAT.com)