

THE EVOLVING LANDSCAPE OF LOGISTICS TECHNOLOGY

The State of Online Freight Sales 2021

While a small group of the top freight forwarders (and ocean carriers and digital startups) continue to make progress in digital sales, most seem to have digital priorities that don't target SMBs.

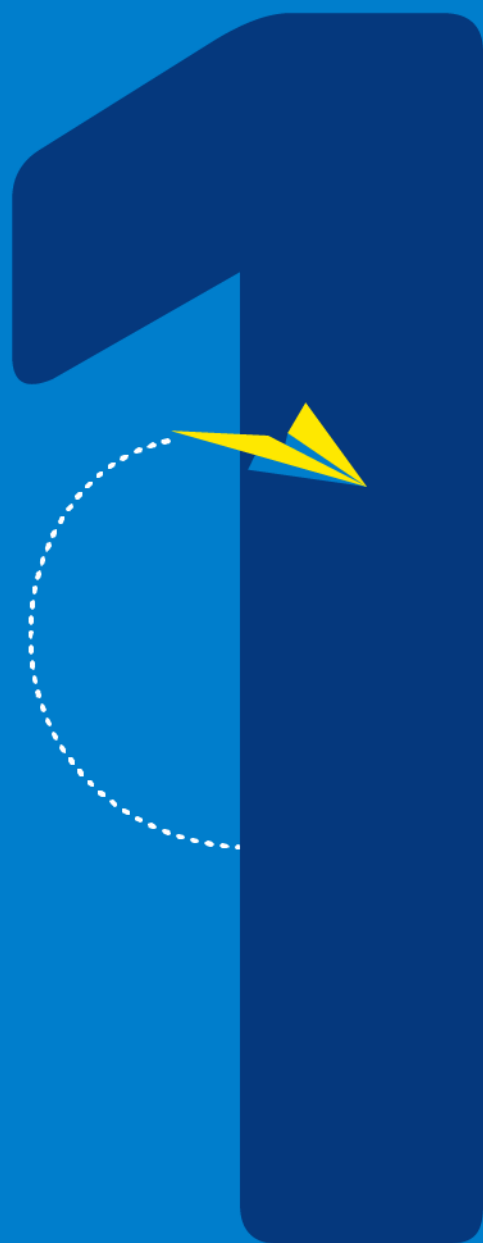
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EXECUTIVE SUMMARY

Unpacking the different races online

Five years ago, not one top tier forwarder was selling online. But the significant progress since then is concentrated among a small group as others may be focusing on other types of digital solutions.



LOGTECH GETS AUDIENCE SPECIFIC

As in previous years, this survey explores digital sales capabilities as a proxy for fully digital sales support.

In the last **five** years, there's been steady progress in freight forwarder digital sales. But this year again saw only the same group of five forwarders add more features and capabilities.

This trend may point to some cultural resistance to embracing innovation. However, it is also likely due to the growing [stratification](#) of logistics customers and the resulting self-selection of forwarders in focusing digital investments. In other words, different solutions for different types of customers.

While many small shippers may prefer – and can only be acquired and (profitably) served at scale through – low-touch, automated sales and service, larger shippers may demand a longer, more personal sales cycle, while opting for more value through shipment tracking, predictive analytics, integrated automated invoicing or credit management solutions. It's no coincidence that nearly all top forwarders feature shipment tracking tools on their home pages, while only five offer instant quoting and eBooking.

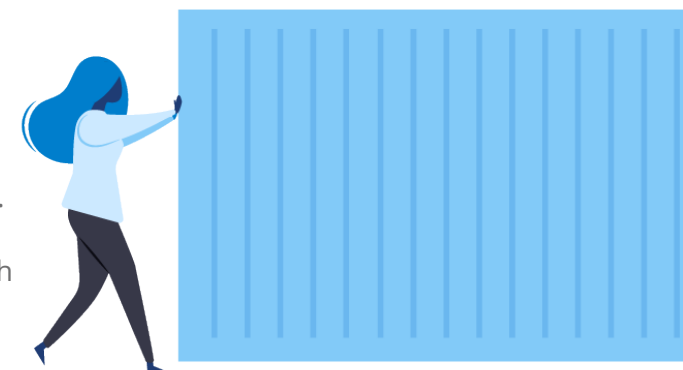
This report focuses on digital sales and customer experience.

[Click here to see how online sales can reduce costs per acquisition and improve internal efficiencies.](#)

In a previous report, we dubbed freight digitization 'the race online.' But it may actually be several races. Contenders in the race for new digital customer acquisition – which includes a growing group of forwarders, carriers, platforms and digital startups – are betting on the growing SMB shipper market. This makes sense: accelerated by the COVID-19 e-commerce shift, and including a [massive spike in new small US businesses](#) this year, SMBs are growing in size and importance.

Meanwhile, competition for larger customers remains fierce. And – though not the focus of this report – improved customer service through technology solutions other than low-touch sales has emerged as a differentiator in that race as well, alongside more traditional aspects like pricing and reliability.

So as logistics digitization progresses, forwarders are stratifying too, choosing their target segments and placing their digital investment bets accordingly. And the first movers are already pulling ahead in each of these races.



PROGRESS AT THE TOP

Freight forwarders made progress in 2020. But the gains kept the same gradual pace and stayed concentrated among the same small group (Agility, DB Schenker, DHL, Kuehne+Nagel and UPS) that has been developing SMB-centric digital sales over the last five years. Our mystery shopping results found:

More instant quotes: DHL added instant quoting for LCL requests to its instant air offering, and Kuehne+Nagel – the first of the top forwarders to offer instant LCL booking – added FCL, joining Agility in offering instant quotes for all three modes (LCL, FCL and Air).

- Notably, no new forwarders joined the group who can provide instant freight quotes.
- Overall, only 18% of top 20 forwarder requests across all modes are quoted instantly, a slight improvement over last year (15%).

More features and services are being offered online by this group, improving the digital sales experience:

- More instant search results can be sorted, filtered, saved, or compared with each other or between modes.
- More forwarders offer customs brokerage and insurance services, DHL added guaranteed space for FCL bookings and K+N launched K+N Pledge, a guaranteed transit time offering.



CARRIERS AND STARTUPS TOO

The top ocean carriers and digital forwarder startups have continued marching forward as well.

- Four of the five top carriers now offer **instant FCL quotes**, as Maersk and MSC joined Hapag-Lloyd and CMA CGM (though not all could provide inland service for all destinations/origins).
- All but one of the eight **digital forwarders surveyed offer instant FCL quotes**, though half require manually-approved registration or minimum volumes which may serve as barriers to some SMB shippers. Most (5) also offer instant LCL quotes, which carriers avoid.
- Both the carriers and digital forwarders offer helpful, easy-to-use search and sort features for quote results, allowing some flexibility and comparison of options by price, departure date or quote validity.



The primary target for digital sales is surely SMBs, but our platform has evolved not only to serve the needs of infrequent shippers but also to cater to larger customers with frequent shipping needs.

- Carlos Font, CEO, Shipafreight



THE REST: NOT THERE YET

As a group, the remaining fifteen of the top twenty forwarders have improved their digital offerings only marginally.

- Like last year, **60% of forwarders have quote request forms** easily found on their sites, with one more **featured** on the main page this year. For the rest it is still **hard to find**, or done via contact us/email.
- Almost **half of all requests** (to forwarders, carriers and digital forwarders) resulted in **follow-up** by phone or email.
- Both forwarders who quoted after **manual requests**, did so **within two days**, an improvement over last year's nearly three day average.
- But ultimately, **70% of LCL requests did not result in a quote**: forwarders either **did not respond** to manual requests (8), did not have an online form (4), or required interviews for new accounts (2).

These findings suggest that more providers – even those who can't quote instantly online – are taking the digital channel seriously. But they also show that despite investing time in digital, the process usually fails to match a modern buyer's expectations – especially surprising given 2020's shift to B2B digitization.



ABOUT THE RESEARCH

The online sales capabilities of the [twenty largest forwarders](#) were assessed by a mystery shopper US-based importer. Quotes were requested online (not by email) for D2D LCL service from China to the US. Forwarders were also surveyed for the availability of instant FCL and Air quotes, though actual requests were not made. Online FCL sales of the [top five ocean carriers](#) and eight digital forwarding startups were also assessed. Previous surveys are available [here](#).

This survey assessed three components of the user experience while attempting to secure a freight quote:

Requesting a quote: How easy was it to find, fill out and submit a request? Was registration required? Were other search features or services offered?

Receiving a quote: Was the quote provided instantly? How detailed was the quote? Was the price competitive?

Overall sales process: How quickly, if at all, did the company respond to a manual quote request? How much effort was made to follow up?





DIGITAL SALES IN 2021

More instant quotes, features, and services were made available online from the top digitizing forwarders, as carriers and digital forwarder startups also made strides.

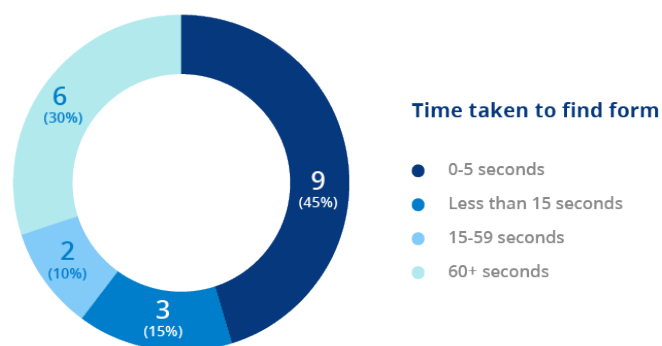
DIGITAL QUOTES FRONT AND CENTER

Most (60%) forwarders have a **dedicated RFQ form** that can be easily found in under 15 seconds, with one more than last year **featured prominently** on the main page (easily found in less than 5 seconds).

The remaining 40% are lagging, making customers search for the form, use the general contact form, or resort to sending an email.

Interestingly, most of the forwarders promoting online RFQs do not offer instant quoting. But they are trying to drive visitors to those forms anyway, even though only two forwarders actually provided quotes after a manual request.

This indicates that more and more forwarders **recognize the value of a digital sales channel but may be investing in other, more pressing or more accessible, digital priorities.**



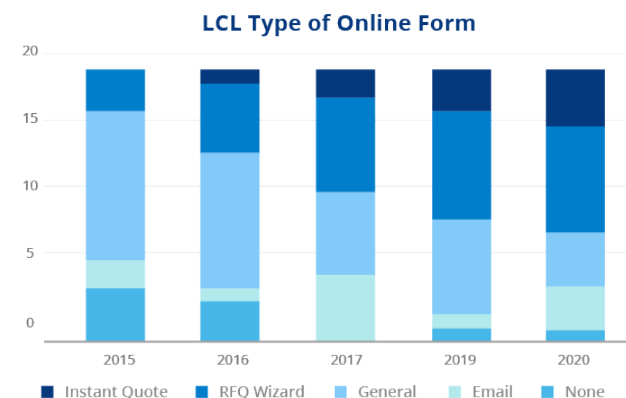
TYPE OF ONLINE FORM

Form type is an important indicator of the level of service a forwarder can provide: short of an instant quoting tool, a detailed, standardized and specific request form will result in fewer labor intensive clarifying email exchanges and a smoother overall sales process.

This year, **one more forwarder offered an instant LCL quoting form** than last year for a total of four. This **one-per-year increase** has been the trend since 2015.

Eight offer dedicated RFQ wizard forms – unchanged since last year, though the wizards are getting better, with more specific or predictive text fields and drop down menus.

Four forwarders still require a general contact form, and three had email addresses as the only option to submit a request.



THE QUOTE: INSTANT? OR 'WE'LL GET BACK TO YOU'?

There were two more instant quotes received from forwarders across all LCL, FCL, and Air requests this year compared to last, meaning 18% (11 of 60) of all forwarder requests received instant digital responses -- a step in the right direction, but the progress is still limited to the same small group responsible for the gains of the last five years:

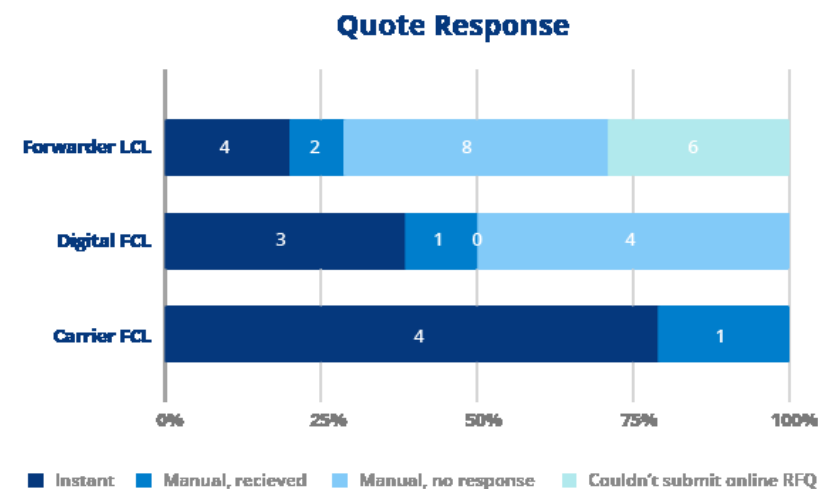
- **No new forwarders** added instant quoting this year, while two who had instant quotes for some modes, added additional modes this year (DHL, Air; K+N, FCL).
- **Kuehne+Nagel** joined **Agility** quoting instantly in all three modes.

Most forwarders (70%) still could not quote for a number of reasons:

- **Eight of the ten** forwarders who received manual requests **never responded**, abandoning a red hot lead.
- The two who responded to manual requests did so in about two days (avg. 51 hours), from the time of submission, an **improvement over the 3.5 day** average last year but still a far cry from the instant gratification many businesses owners have come to expect.
- Three forwarders still rely on email as a digital channel for RFQs.
- Two required a **phone interview** to register an account and request a quote (and one does not currently provide LCL services).

Though a gated online solution is not necessarily a barrier, and instant approval allows customers to have dedicated portals where they can save quotes etc., a process that requires an **onboarding call** generally indicates the digital channel is serving more as an **acquisition tool** – the digital equivalent of a trade show booth – and less as an immediate, low-touch sales solution with an independent P&L. These processes may serve as a barrier to serving small importers.

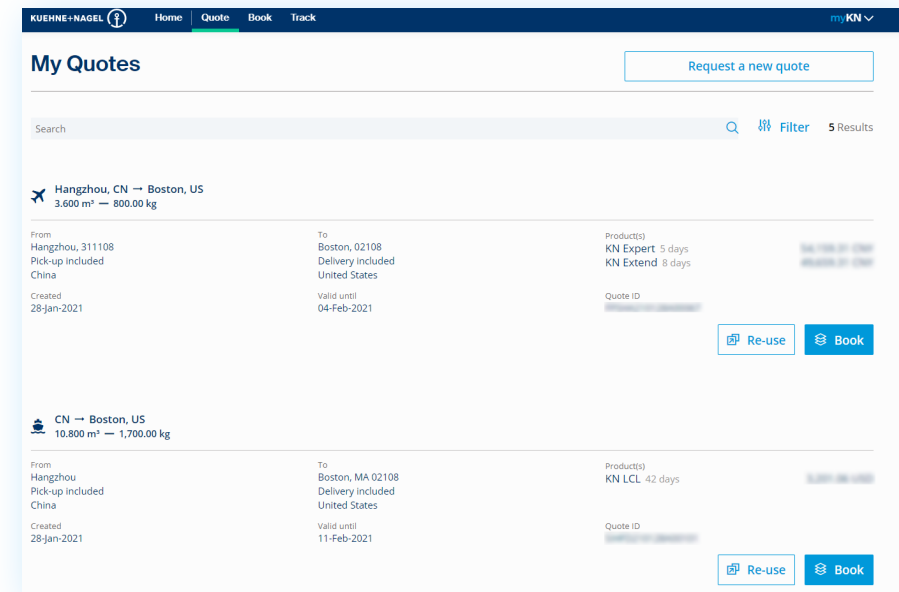
Taken all together 26% (19 of 63) of quotes to forwarders, carriers and digital forwarders are now instant compared to 18% (13) last year, a definite improvement. But overall, on par with last year, 60% of all request attempts still did not result in receiving a quote.



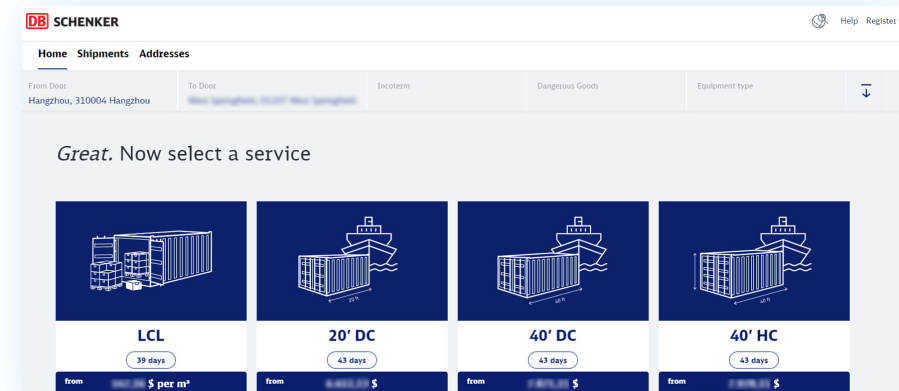
MORE FEATURES: USING DIGITAL TO ADD VALUE

The mantra of digital sales should be 'Make it easy,' by optimizing the search process, adding features that help shippers compare and find the right service, and by offering additional services to streamline the task of international freight. The ability to go deeper than simply price shows a shift of digital towards better customer service. This year, the top forwarders rolled out new features based on this motto, including:

- More forwarders (4 vs. 3 last year) offer **customs brokerage** and **insurance services** online.
- **Agility/Shipafreight** and **K+N** let users save and **compare quotes** across modes and K+N offers **guaranteed space** for FCL quotes.
- **Shipafreight** shippers can save quotes as a template or **regenerate expired quotes**. And as a nod to e-commerce SMBs, they offer **integrated FBA destinations** and packaging/labelling services.
- **DB Schenker** presents **comparison of ocean options** (LCL, FCL) by transit time and unit price, and results can be **sorted by departure date, transit time or price**.
- For loose cargo requests, **DHL's** search retrieves both **air and LCL quotes side by side**.
- **CEVA's** manual request form has options for results based on speed, price or **space guarantee**.



Kuehne+Nagel instant quotes can be sorted, compared and saved.



DB Schenker displays per unit rates for multiple ocean service options at the start of an ocean request.

CLARITY OF THE QUOTE

Quote formatting and clarity continue to improve, especially among forwarders who provide instant quotes. This year marks a small but important first - **not one** quote was provided in a **plain-text email**.

- Forwarders who instant quote provide detailed, itemized quotes, often in the 'My Account' section, viewable side by side with other quote requests and expandable for a detailed break out.
- Most quotes now include estimated transit time and CO2 footprint.
- Both manual quotes were detailed and provided in PDF format.
- Price variance continues to plague the industry, albeit with an improvement. Quotes saw a range of \$1,124, or 35% of the average price of an LCL quote compared with a range of 192% last year.

Less opacity in pricing may be a nod to the growing recognition of how [pricing efficiency can help increase profitability](#) in logistics. More transparency is also being driven by indexes like the [FBX](#) and marketplaces like [Freightos.com](#).



FOLLOWING UP

Manually producing a quote or building the tools to quote automatically (and manage rates internally, of course) takes effort.

But even though follow up emails can easily be automated, of the 25 quotes received from forwarders, carriers and digital forwarders, **only iContainers and Shipafreight sent a follow up** to see if the shipper was still interested in booking.

And though that fact is disappointing, **almost half** of all forwarders, carriers and digital forwarders **did reach out by email** – sometimes automatically – for some other reason, either to provide a status update that the quote was being processed, ask for a clarification, or attempt to set an onboarding meeting.

Even if many of these did not result in a quote being sent, the fact that the digital channel is being responded to in some manner is a promising trend that it is being taken more seriously.

DIGITAL STRIDES AMONG CARRIERS AND DIGITAL FORWARDERS

There's consensus among the top **ocean carriers** that online bookings are now [table stakes](#). And several carriers outside the top five, including Zim, Evergreen, and Yang Ming, also launched instant online quoting and eBooking this year.

All carriers featured digital quoting on their main page, perhaps representing one of the larger drivers motivating forwarders to tap this channel as well. **Maersk** and **MSC** joined Hapag-Lloyd and CMA CGM in offering instant FCL quotes this year, while Cosco returned a manual quote request in less than 48 hours.

Maersk's Spot solution handled an [estimated 40%](#) of all their spot bookings since its launch. This goes beyond just quoting. Carriers are also investing in user experience and additional services:

- Hapag-Lloyd shows **multiple options and container types** for each quote request, offers a **premium rate with longer validity** option, has a **guaranteed booking** service and makes these features available through its mobile app.
- Maersk likewise displays multiple sailing options for each quote request, and as a result of its continued [expansion](#) along the supply chain, also offers customs brokerage, insurance services, and several other add ons in the quote.

All but one of the digital forwarders surveyed have instant quoting capabilities, and Shipwaves returned a manual quote in less than three days.

But surprisingly, the survey could only actually receive three instant quotes, as half of these forwarders either **required a formal onboarding** process or would not give access to shippers with small annual volumes (under 50 shipments).

The fact that small shippers cannot easily set up an account may serve as a barrier to SMB importers, while indicating a non-scalable internal sales cost. It also again shows the stratification of shippers and how even some digital forwarders are targeting larger importers.

Among those quoting instantly, the user experience was very good.

- Twill displays search results as **multiple Maersk options by sailing date**, offers guaranteed bookings, premium long-validity rates, reservations for future dates before rates are published, and discounts in exchange for accepting that a container might roll.
- iContainers offers **customs brokerage, insurance** and other services. Search results can be sorted by transit time or price, and it suggests alternatives if an origin-destination is not offered.
- And as mentioned above, Shipafreight's offering is excellent across all three modes, and shared with iContainers the distinction of following up on a provided quote.





AUDIENCE- TAILORED DIGITAL FREIGHT

As only some forwarders focus on low-touch, SMB-focused sales, others may instead be betting on tech solutions for larger shippers.

WHERE DOES THIS LEAVE US?

In 2021, the digital sales progress among the top 20 forwarders is still concentrated at the top. And though conversations with experts in the field suggest that more will be joining the digital sales fray in the coming year, this split probably reflects the [stratification](#) of forwarders along the lines of the growing stratification of logistics customers.

Just as customers are divided between those who – in terms of acquisition – may prefer a longer relationship-based freight (often larger BCOs), and those who want low-touch, self-serve logistics (often SMBs), forwarders are increasingly placing their digital bets according to the target segments. Ironically, it is the carriers that seem to be investing more in extending down-stream, perhaps in an attempt to circumvent a business sector they've mostly left untouched.

So while digital sales may not attract enterprise accounts (though it can improve customer experience and improve internal efficiencies), forwarders focusing on large clients are likely investing instead in tech that adds value for their upmarket audience, like supply chain visibility tools or the streamlining/integration of internal processes. Likewise, [carriers are increasingly developing](#) direct API integrations for large shippers to leverage.

A case in point: nearly all the top twenty forwarders feature a shipment tracking tool front and center on their home pages, while only five offer instant quoting and eBooking.

COVID-19 accelerating SMB power

But for those betting on the SMB shipper, the market may have grown even more attractive and important this year. The pandemic has served as a great [accelerator](#) of economic trends started before the outbreak – with the [shift to e-commerce](#) the most striking examples.

Even before this year, [97% of US importers were small and medium size businesses](#), with US and EU SMBs spending about \$50 billion on logistics each year.

SMBs - Growing in Size and Importance		
49%	83%	23%
Q2 2020 Year-on-year growth in e-commerce penetration in US	Q3 2020 year-on-year growth in new small businesses opened in US	% of US retail revenue generated by independent retailers in 2017

And, not surprisingly, Q3 2020 saw a [massive spike](#) in small businesses being formed in the US, with many of these likely e-commerce sellers leveraging the pandemic-driven [surge](#) in the SMB digital ecosystem.

But while giants like Amazon and Alibaba were built on the recognition that technology can level the playing field and unlock the SMB market – and as last mile fulfillment solutions, like Amazon FBA, ShipBob, Deliverr, ShipMonk, and others, flourish – **global logistics is still catching up.**

03 Audience-tailored Digital freight

All these new importers demand global freight solutions and few can be profitably serviced through traditional sales channels. So for those forwarders betting on the SMB shipper market, low-touch digital solutions will be a must.

As it's never been easier to develop digital sales capabilities, tech could serve as the tide that raises all ships and lets forwarders compete on customer service. But, it could also quickly become a [moat](#), keeping dedicated customers in and non-digital competitors out.

Bringing it all together

Just as the pandemic has accelerated trends in many markets, it has also [served](#) as a [great accelerator](#) of [technological adoption](#) to meet the changing economy. Will the growth of SMBs accelerate the shift to digital sales in logistics too? Are we doomed to wait until 2035 for the one-automated-forwarder-a-year trickle to finish?

What is evident is that technology is not a one-size-fits-all game. Audience-appropriate tech stacks are emerging. The million - or billion - dollar question is whether accelerated adoption may emerge as a more viable expansion tactic for providers to capture new regions or demographics, as carriers and digital forwarders are already hoping.

All of this points to a growing need to deeply understand customer needs and provider growth aspirations, and to maintain a modular technology stack that can evolve as the first two elements do.

Because they most certainly will.



It's been gratifying to see a quarter of the top 20 3PLs adopting the vision of digitized freight in just the last five years, providing better customer service with a lower cost of sale.

It is a little perplexing to see others still serving shippers in the same way they have for the last century. Millennial freight procurement professionals asked to wait days for a quote will take their freight spend elsewhere.

We encourage them to catch up and our WebCargo team is available to help.

- Zvi Schreiber, CEO, Freightos Group



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