



A Major Non-Asset Based Freight Broker, Chooses Freightwaves SONAR to Stay Relevant and Offer Market-Indicative Rates

ITG, an established non-asset freight broker with a strong focus in the full container drayage market, has reaped significant rewards using FreightWaves SONAR's data and insights. Prior to implementing use of SONAR, ITG had worked primarily with freight forwarders and applied limited data. However, the biggest allure for ITG in selecting SONAR, the industry's premier freight forecasting platform, was the ability to apply SONAR analytics to optimize pricing and capacity for their clients to mitigate losses during disruption.

Connecting to the data powerhouse of SONAR, ITG built a successful business case around the following initiatives:

Increased awareness of market conditions, allows ITG to focus their efforts and resources on the right markets to optimize pricing and capacity for their clients, even during disruptions.

To lead with confidence as a company - combining the power of real-time freight market data with the extensive business expertise of ITG to build brand value and provide a superior customer experience for its shipper clients.

To increase exposure for the company through natural channels that align with FreightWaves SONAR expansion.

Continuous improvement through benchmarking and applying SONAR data and analytics.

ITG has provided feedback to make SONAR work more efficiently and vice versa, which has helped ITG understand what is necessary to improve its management and build stronger client relationships.

Improve profitability across whole markets rather than individual lanes with a high-level view that shows what is happening in ports and nearby markets. This has improved drayage cost forecasting and generated better responsiveness at ITG.

Collaborate with other SONAR users and freight management parties to gain extra insights in the power of data to create marketing materials, attract new clients and strengthen relationships with existing clients.

Summary View of Business Improvement for ITG Using SONAR

As the COVID-19 lockdowns began in May, ITG utilized SONAR to compile Weekly Market Reports to send to their customers. Since that point, with support from SONAR data and the ability to react to market updates (and keep customers informed), volumes have rebounded 40% in the following 4 months for ITG.

Furthermore, since ITG began publishing their Weekly Market Reports, the firm has seen a 57% increase in engagement with their content marketing efforts.

Customer feedback has been overwhelmingly appreciative of the insights ITG shares each week. The ability to provide added value has aided ITG's initiatives to put the customer first and build lasting, strong customer relationships.

That's only the tip of the iceberg, so let's turn back to look at why ITG started thinking about SONAR in the first place.

The Business Challenge

Prior to implementation of SONAR, ITG had focused on drayage of international containers. In other words, that first or final movement in which freight moves from ocean vessels. Unfortunately, ITG found itself in the midst of a typical disjointed process and a general lack of digital transformation in these areas:

ITG relied on internal data, which does possess value. Unfortunately, that internal data is a fraction of the true volume and potential of data that pours in from around the globe and across the country. As a result, to stay competitive as a non-asset-based freight broker, ITG needed access to similar, if not the same, data as its top competitors.

The need for faster responsiveness continued to expand as disruptions occurred. ITG had been using SONAR prior to the pandemic. However, the pandemic highlighted the need for ITG management and staff to be able to rapidly assess market conditions and understand how the true trucking and market rates were changing in response to such conditions.

The massive uncertainty regarding global trade tariffs further contributed to freight management issues for ITG. In 2018, ITG struggled, like many trucking companies across the country, to understand how the U.S.-China trade war's tariffs would impact business. Moreover, it was unclear how the tariffs would impact the company's cash flow.

Ultimately, any deviation or disruption in international shipping would contribute to the disruption in container volumes. Going back to the pandemic's effects, the rise of blank sailings inevitably led to a reduction in available business for ITG, so another business challenge was to ensure the company was not undercutting its true value in the hope of simply securing more business.

According to Dan Kopp, CEO of ITG: **“We would read articles out there that may give some insight, but to have the level of detail and the frequency of updated access to SONAR was – it was a groundbreaking for ITG.”**

The SONAR Solution to More Freight Market Transparency

During the time ITG has used SONAR, the company has been able to better understand its position in relation to the market.

Gaining this level of visibility created the opportunity to better plan drayage, ensuring ITG could provide the most competitive rates possible and secure freight bookings.

Moreover, as major ports began to swell with the reopening of economies and flattening the coronavirus curve, the industry began to reflect a peak season. No one anticipated the sudden rise in e-commerce and its compounding effects on the global supply chain. Everyone was sourcing everywhere possible and trying to move freight as quickly as possible.

Kopp further explained:

“SONAR will be invaluable and could have saved significant resources in the past. Simply using data to better manage carrier relationships sold the value of SONAR to ITG. It helps us to position ourselves as experts in the industry to our customers and also have the supporting documentation to guide that interaction with our carriers, LSPs and clients alike.”

While companies were rapidly scrambling to overcome the sudden strain on resources and supply chains, SONAR again brought light to the darkness. SONAR provided all the information on a single platform that allowed for easy connection to the ITG systems, helping ITG staff ensure rates were the most competitive, available and realistic. Remember that a realistic rate is not necessarily the same as a competitive rate.

For example, competitive rates can attract more clients. But they can undercut company profitability as well. Realistic rates are those that reflect the market and do not deviate too much beyond industry averages. Ultimately, customers can rest assured they get realistic rates that will help get their freight from origin to destination with a lower rejection risk.

The ITG ROI

ITG's use of the SONAR platform daily is much more than just an insightful tool for the company itself. It allows ITG to provide an added level of reassurance to persuade potential clients that they are getting the right service level for what they pay. It may sound redundant, but the world of connected logistics and informed decision-making rests on the foundation that sharing information and working together is better for all parties.

Instead of trying to convince clients of the value of ITG services, ITG staff could look at SONAR, point to which data indicates market deviations, and show how even a delay of a few days could stack up to huge sums of money in terms of total freight spend. The real-time SONAR data provides value and a way to look beyond internal data and view market conditions, particularly rates. Then ITG staff could better understand and explain what was happening to its clients and prospects. The jury is still out on exactly what the ROI of this system has been. But it is safe to assume that ITG has successfully kept its client base more intact than other non-asset freight brokers that are basing assumptions on publicly available, barely insightful data. For those companies that do rely on those third-party indices and facts that claim to provide insight, money is being left on the table – or perhaps even lost when clients or prospects look elsewhere for help.

Using SONAR, ITG ensures that it is providing the best service, securing the best rate, getting ample capacity by making drayage movements worth the actual time and effort of drivers, and more.

Summary

This continuous cycle of growth and data-driven brokerages will be critical to overcoming the current disruptions, navigating the uncertainty of a hurricane season that has spawned Hurricane Laura and its disruption, and circumventing future disruptions. In the U.S., this is an election year. And changes of one kind or another are all but certain. Ultimately, ITG is in an ideal position as a non-asset based freight broker, and as FreightWaves continues to add features to SONAR, the opportunities for ITG to continue growing will increase.