

2020 TMSA Metrics Study Executive Summary



FOR THE TRANSPORTATION, LOGISTICS
& SUPPLY CHAIN INDUSTRY

TMSA enables sales and marketing professionals to learn about
and advance the transportation and logistics industry through
education, connections and resources.



2020 Marketing & Sales Metrics Study

FOR THE TRANSPORTATION, LOGISTICS
& SUPPLY CHAIN INDUSTRY

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Full TMSA Marketing & Sales Metrics Study

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The 2020 TMSA Marketing & Sales Metrics Study marks the fourth biennial study conducted by the Transportation Marketing & Sales Association. Initially launched in 2014, the goal of this study is to help sales and marketing practitioners and business leaders gain a better understanding of key sales and marketing metrics, how the metrics change over time, and best practices for marketing and sales success.

The study design, results, and analysis are compiled by TMSA headquarters staff and the results are audited and reviewed in conjunction with several experienced marketing and sales executives in North American transportation and logistics.

In addition to TMSA headquarters staff encouraging its members to participate in the study, other industry associations have encouraged their members to participate, including the Transportation Intermediaries Association (TIA) and the Intermodal Association of North America (IANA).

About the Study

This survey was conducted between late September 2018 and July 2019 via an email invitation to TMSA, TIA and IANA members and other sales and marketing practitioners in the logistics, supply chain, and transportation industries. Therefore, the data in this study does not reflect metrics following the COVID-19 crisis that began in early 2020.

The survey instrument was a confidential, web-based survey consisting of 12 demographic questions, 6 questions relating to how customer relationships are managed, 24 sales-related questions, and 18-related marketing questions. The 2020 study received the feedback of nearly 160 qualified respondent companies versus 151 respondents in the prior study.

THE DATA IN THIS STUDY DOES NOT REFLECT
CHANGING METRICS FOLLOWING THE
COVID-19 CRISIS THAT BEGAN IN EARLY 2020



Demographics of Respondents

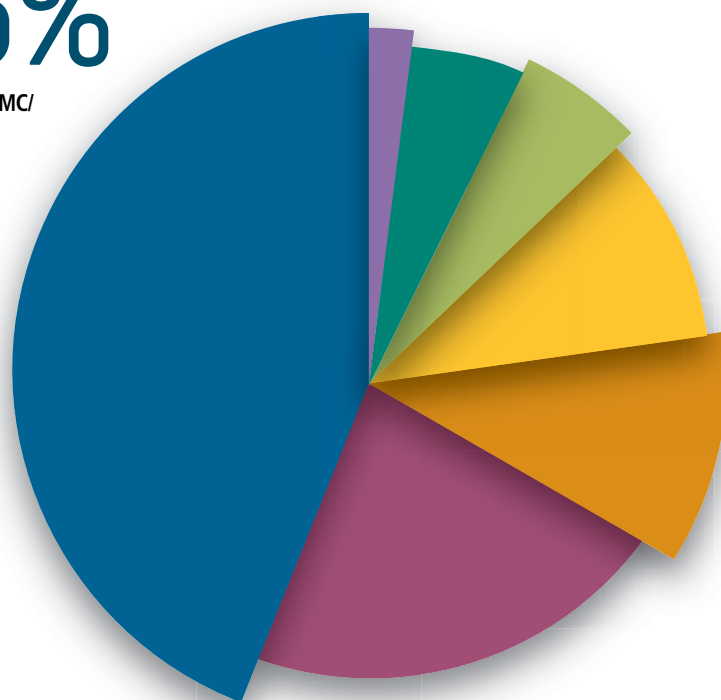
Survey participants represent third-party logistics companies (65.5%), which include truck brokers, freight forwarders and intermodal marketing companies (IMCs); motor carriers (33%); technology innovators (16%); and parcel/home delivery/last mile companies (8%). A significant number of companies involved in the intermodal industry (railroads, ocean carriers, and port authorities) also participated. See Company Type by Mode/Market Segment (*Illustration 1*).

A sample list of respondent companies include: A. Duie Pyle, AAA Cooper Transportation, ALK Technologies, Anderson Trucking Service, Averitt Express, Bay & Bay Transportation, CalArk International, Canada Cartage, Choptank Transport, Crowley, DAT, Dupre Logistics, FDSI Logistics (Cardinal Health), FedEx Services, Genessee & Wyoming, The Greenbriar Companies, Knichel Logistics, Idealease, ITS Logistics, Keep Truckin, Kenco Logistics, Landstar, Manitoulin Group of Companies, Matson Logistics, Navis, Navistar, Nussbaum Transportation, ODW Logistics, Peninsula Truck Lines, Pitt Ohio, Port of Long Beach, Red Classic Transportation Services, Rush Trucking, Saddle Creek Logistics Services, Saia, SMC3,

ILLUSTRATION | 1 | COMPANY TYPE BY MODE/MARKET SEGMENT

65%

3PL/BROKER/IMC/
FORWARDER



3% MANUFACTURER
8% RAILROAD/
INTERMODAL/MARITIME
8% PARCEL/HOME DELIVERY
15% OTHER
16% TECHNOLOGY
33% MOTOR CARRIER



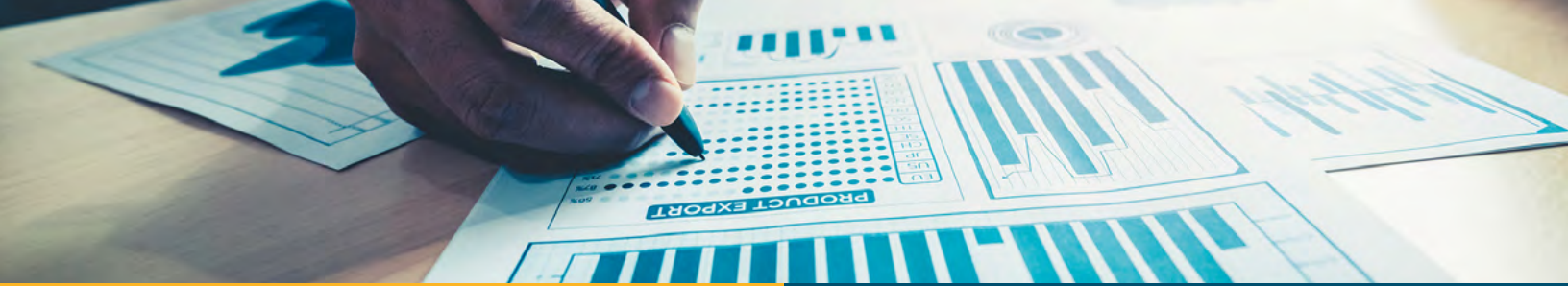
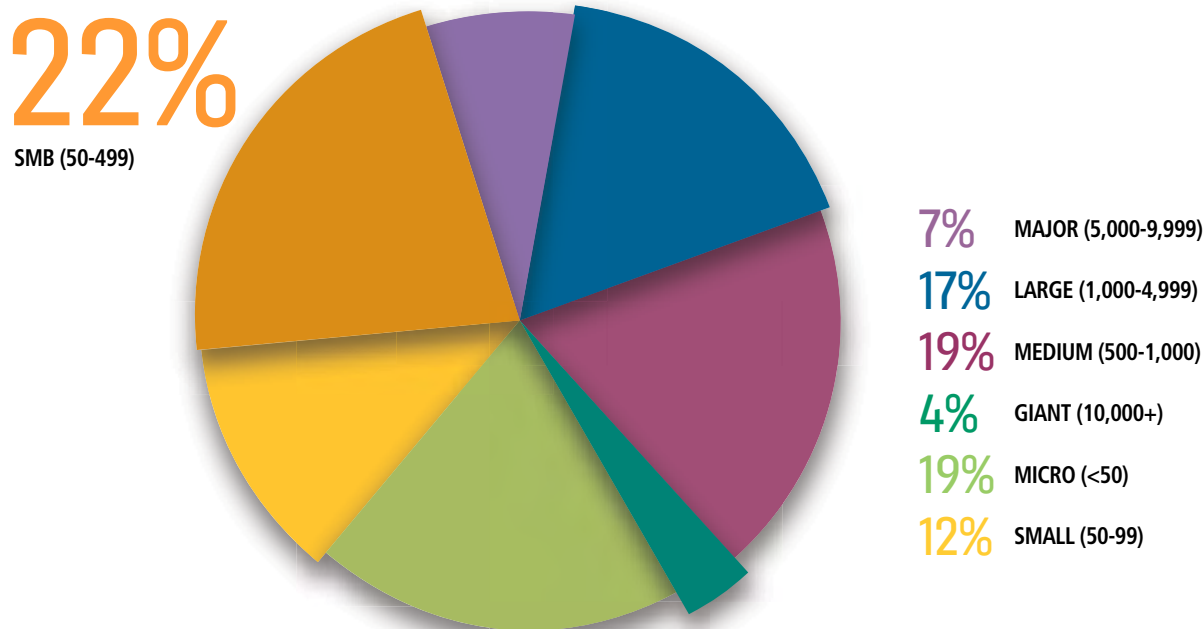


ILLUSTRATION | 2 | SIZE OF ENTERPRISE BY EMPLOYEE COUNT



Sunset Transportation, Trimble Transportation, Truckstop.com, Tucker Company Worldwide, Verst Logistics, Wabash National, Wen-Parker Logistics, Werner Enterprises, XPO Logistics, and YRC Worldwide. This demonstrates the wide range of company type, size, markets served and range of services represented among those participating in this year's survey. Responding companies primarily serve markets involving consumer goods, industrial manufacturing, retail, food & beverage, automotive, computers/electronics, and health care.

A majority of participating companies are small- and medium-sized businesses (SMBs) with less than 500 employees (74.5%) and generating less than U.S. \$500m in gross sales (74.5%). The remaining participating companies are larger companies, with more than 500 employees (25.5%) and generating more than \$500m (>\$500M) during their last full fiscal year. See Size of Enterprise by Employee Count (*Illustration 2*).

Equally representative were SMBs generating less than U.S. \$1 billion in total annual revenue. See Size of Enterprise by Annual Gross Global Sales (*Illustration 3*).

ILLUSTRATION | 3 | ANNUAL GROSS GLOBAL SALES

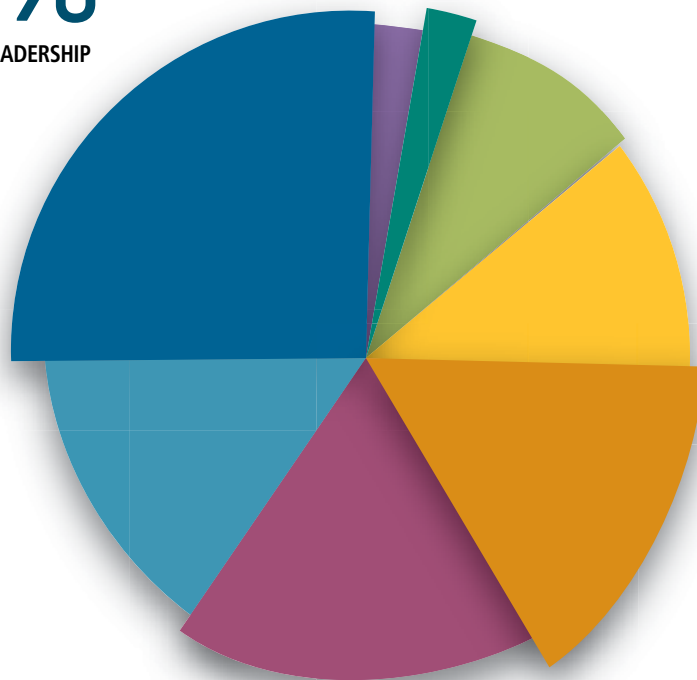




ILLUSTRATION | 4 | ROLES & RESPONSIBILITIES

56%

MARKETING LEADERSHIP



- 3% OTHER
- 5% HR/TALENT MANAGEMENT
- 20% SALES OPERATIONS
- 23% CORPORATE COMMUNICATIONS
- 37% CORPORATE MANAGEMENT
- 35% SALES LEADERSHIP
- 29% MARKETING OPERATIONS

A vast majority of respondents are involved in marketing or sales leadership roles. Approximately 56% are in marketing leadership, 35% are in sales leadership roles and 37% are in corporate management. Nearly 30% are in marketing operations positions, 23% are in corporate communications, and 20% are in sales operations. Another 5% are in HR/Talent Management, with many of these individuals serving in a driver recruiting and retention role. See Roles and Responsibilities (*Illustration 4*).

While a significant percentage of respondents represent enterprises that have capabilities in North America (89.5%), 11.5% have international transportation capabilities outside of North America. Not surprisingly, a majority of participating companies are privately held companies (79%) compared to public companies (21%).

Significant Growing Trend: Use of Technology in Marketing, Sales, Operations

In recent years, technology innovation and digitization are disrupting almost every process across transportation and logistics enterprises, ranging from methods of shipment, freight management, and supporting administration activities such as documentation and freight payments. Market demand shifts such as same-day shipping and last-mile delivery are game-changers, and emerging blockchain technologies are rapidly accelerating the changes and innovation within the industry.

THE USE OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM) AND SALES AUTOMATION PLATFORMS CONTINUES TO GROW

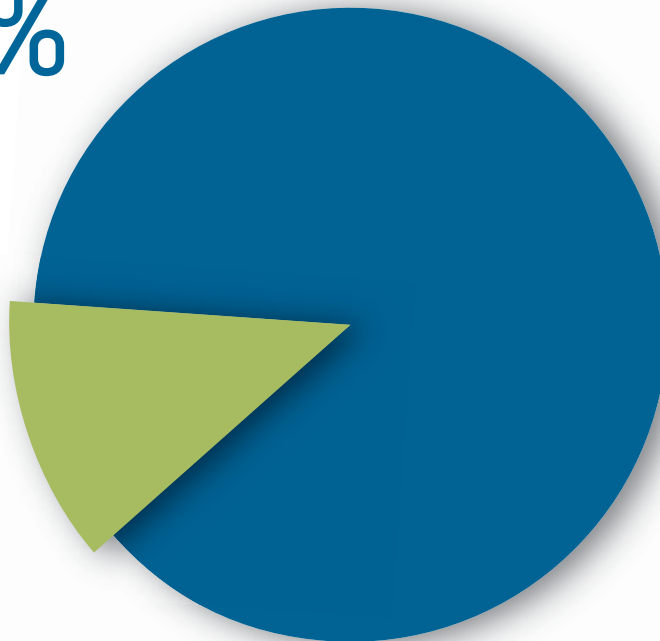
The 2020 TMSA Marketing & Sales Metrics Study underscores that technologies in CRM and sales automation are having a significant impact on “go to market” strategies for companies in transportation and logistics. Marketing automation platforms and heavier investments in content marketing for lead generation and SEO for website performance also are having an impact on marketing strategies in this industry.

The use of customer relationship management (CRM) and sales automation platforms continues to grow. In fact, 87.5% of respondents say they currently use such systems. See Use CRM/Marketing Automation Technology (*Illustration 5*).

ILLUSTRATION | 5 | CRM/MARKETING AUTOMATION TECHNOLOGY

87.5%
YES

12.5%
NO



TOP PLATFORMS USED

HubSpot

act-on

salesforce

Microsoft

Zoho

Marketo

The Customer Experience (CX)

The Customer Experience (CX) is the result of an interaction between an organization and a customer over the duration of their relationship, and has been an area of business focus in business-to-consumer for many years. Business-to-business is just now catching up to B2C, and there's an emerging trend in the transportation and logistics industry of companies to place more emphasis on strategies that measure and impact CX. In fact, there's so much interest in the industry that the theme of TMSA's annual Logistics Marketing & Sales Conference in 2019 was focused on CX and all the brand touchpoints that can impact CX – ranging from integrated sales and marketing and CRM and systems to research, connected employees, continuous improvement, and culture and leadership. See TMSA's Customer Experience theme graphic (*Illustration 7*).

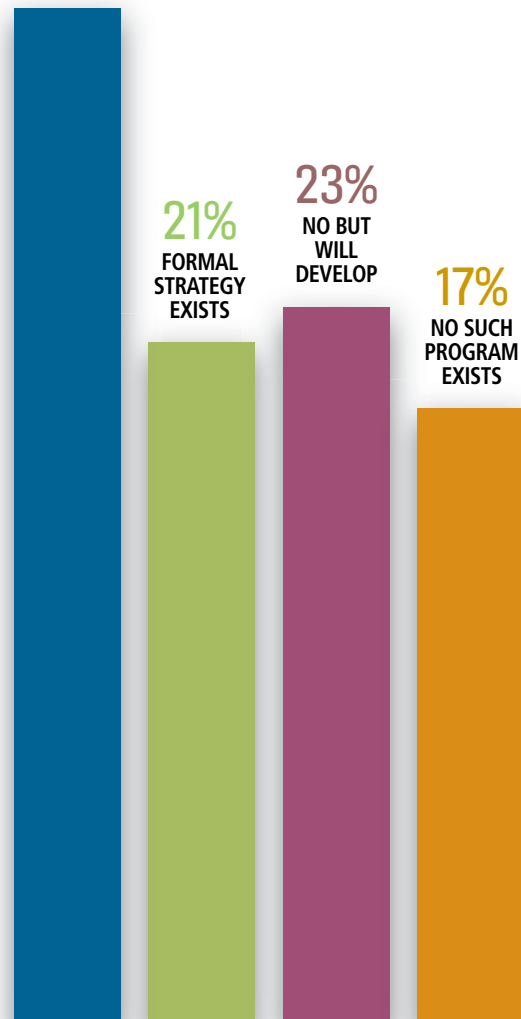
ILLUSTRATION | 7 |
CUSTOMER EXPERIENCE



This year's metrics study is the first in which TMSA asks participants if they have a formal Customer Experience (CX) or Customer Service Review Strategy in place. While 20.5% confirmed they have such a formal strategy in place, another 41% say they have an informal CX strategy that exists but it's not sophisticated or fully documented. Nearly 23% of respondents say there are plans to develop such a strategy in the next 12 months. Only 17% say such a strategy does not current exist nor do they plan on developing one within the next 12 months. See CX & Customer Review Strategy (*Illustration 8*).

ILLUSTRATION | 8 |
CX & CUSTOMER REVIEW STRATEGY

41%
INFORMAL STRATEGY EXISTS



Measurement of ROI

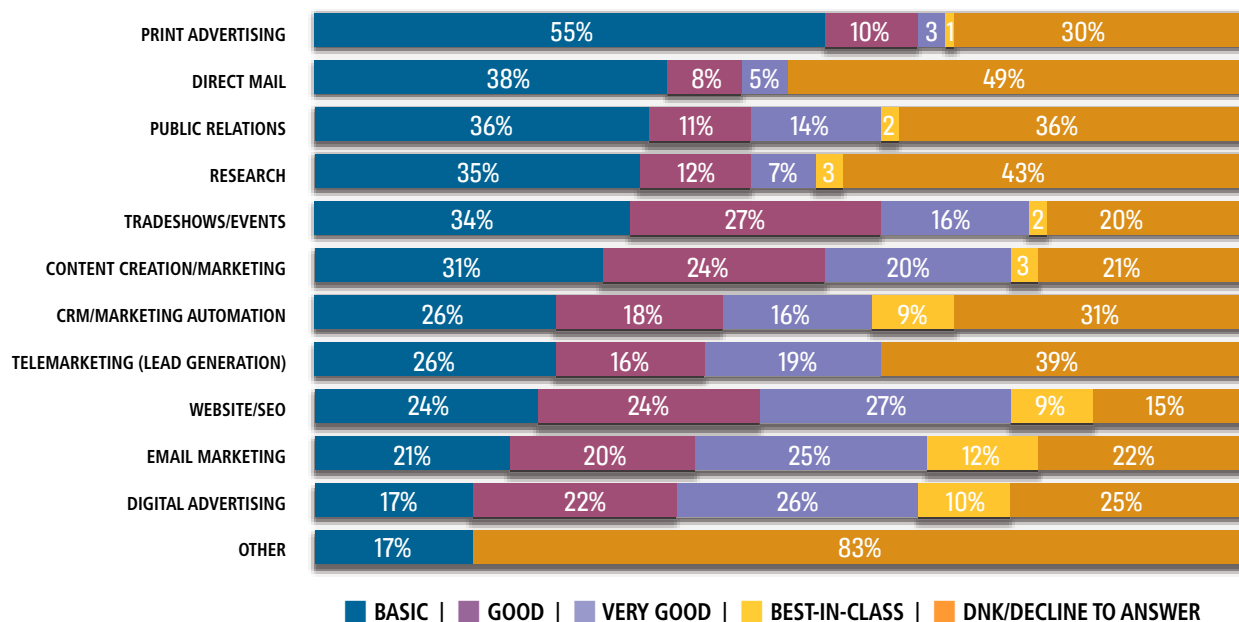
One of the biggest challenges for any professional marketer can be establishing and measuring the return-on-investment (ROI). Respondents were asked to self-grade their ability to track ROI of campaigns and programs in various channels, including print and digital advertising; digital marketing activities such as content creation/digital marketing, CRM/marketing automation, website/SEO, and email marketing; and other activities such as direct mail, public relations (PR), research, tradeshow/events, and telemarketing (lead generation). They were asked to evaluate their ability to track ROI based using one of four levels for each of these channels: Best-In-Class, Very Good, Good, and Basic. They were given the option to respond with “Don’t Know/Decline to Answer” as an alternate response. See Ability to Track ROI by Channel (*Illustration 15*).

ONE OF THE BIGGEST CHALLENGES FOR ANY PROFESSIONAL MARKETER CAN BE ESTABLISHING AND MEASURING THE RETURN-ON-INVESTMENT (ROI)

Respondents say their organization tracks the metrics listed below:

- Number of inquiries or leads generated from each initiative: Mostly Manual Tracking (30.5%), Mostly Automated Tracking (37%), Do Not Currently Track (18.5%)
- Number of leads assigned to salesperson: Mostly Manual Tracking (35%), Mostly Automated Tracking (nearly 33%), Do Not Currently Track (nearly 16.5%)
- Number of Leads Salespeople Follow Up With: Mostly Manual Tracking (nearly 38.5%), Mostly Automated Tracking (28.5%), Do Not Currently Track (17.5%)
- Number of Leads Converted to Sales Opportunities: Mostly Manual Tracking (nearly 37.5%), Mostly Automated Tracking (more than 36%), Do Not Currently Track (more than 13%)
- Dollar Value of Sales Opportunities Created from Marketing Leads: Mostly Manual Tracking (43%), Mostly Automated Tracking (more than 24.5%), Do Not Currently Track (16%)
- Dollar Value of Sales Opportunities Won from Marketing Leads: Mostly Manual Tracking (nearly 42%), Mostly Automated Tracking (more than 24.5%), Do Not Currently Track (more than 17%)

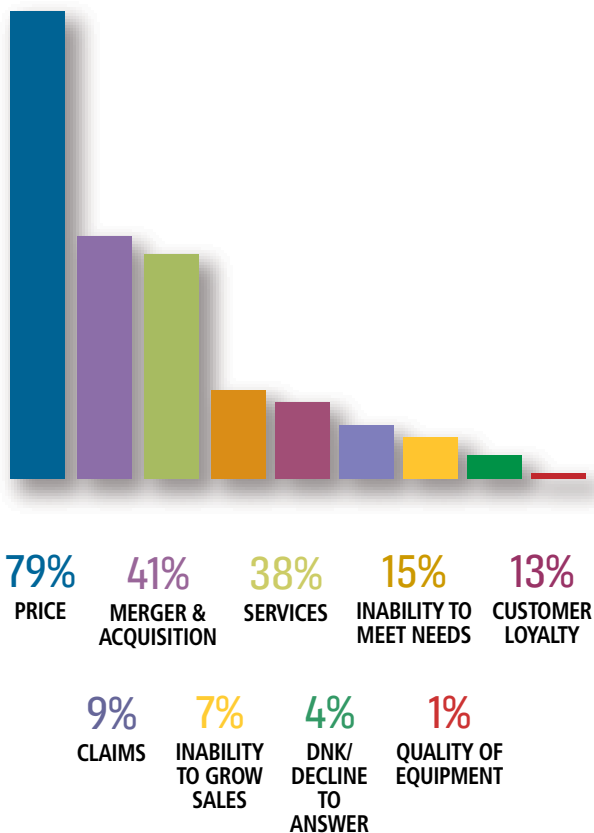
ILLUSTRATION | 15 | ROI BY CHANNEL



Reasons Driving Loss of Business

While there are times when losing business is out of your control, there are other instances where it's a reason that was fully in your control. Such is the case with companies in transportation and logistics. Unfortunately, despite the industry trying to provide added value that helps to retain (and even grow) business, the commercial freight industry is still very commoditized. To this point, 79.5% say price was the primary factor for their company losing business from its customer base. With a rapidly changing market that is consolidating, another 41% say mergers and acquisitions were the reason for business loss. Other primary factors mentioned include service, ability to meet comprehensive needs (i.e., multiple modes, broad range of capabilities), customer loyalty, claims, and the inability to grow/expand as customer needs dictate. See Reasons for Loss of Business (*Illustration 22*).

ILLUSTRATION | 22 |
REASONS FOR LOSS OF BUSINESS

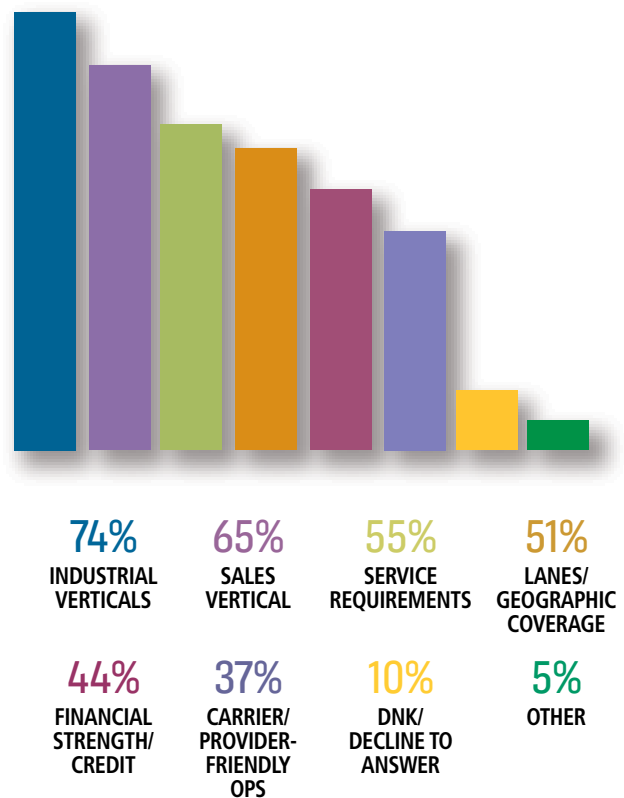


Lead Generation Strategy

Given current market conditions, aggressive lead generation continues to be of significant interest to sales and marketing professionals in the industry. They're investing significant energy and resources to create a robust strategy that will attract and convert prospects into a potential buyer who will have a reasonable interest in their products or services.

An emerging trend in successful lead generation strategy is to develop an accurate and detailed buyer persona. This includes identifying factors that ultimately comprise an optimum sales lead. Respondents say these are the most critical characteristics that help to identify the most effective, targeted lead: industry vertical (i.e., consumer goods, chemical, retail, etc.), service vertical (dry van, refrigerated, intermodal, flatbed, etc.), service requirements (i.e., delivery and transit times, etc.), lanes/geographic coverage requirements, and financial strength/credit. See Factors in Developing Optimum Sales Lead (*Illustration 23*).

ILLUSTRATION | 23 |
DEVELOPING OPTIMUM SALES LEAD





Conclusion

This year's study had a larger number of respondents, including freight brokers, freight forwarders, truckload and LTL carriers, 3PLs, warehouse providers, truck leasing firms, and expeditors.

This study allows transportation, logistics and supply chain business, and sales and marketing leaders the ability to benchmark on a confidential basis their own organization's sales and marketing metrics versus the industry. This insight will help organizations improve the execution of sales and marketing plans and identify how to invest for future growth.

TMSA IS THE ONLY ASSOCIATION SERVING MARKETING, COMMUNICATIONS AND SALES EXECUTIVES IN ALL MARKET SEGMENTS IN TRANSPORTATION AND LOGISTICS

The survey will continue to be published in summary form free to members of the Transportation Marketing & Sales Association and at a modest cost to non-TMSA members and TMSA Virtual members. Survey respondents receive a complimentary copy of the survey, and they will also receive analysis of additional questions and response analysis during the TMSA annual conference, webinars and seminars.

In closing, we look forward to helping push toward sales and marketing excellence not only for firms like yours but also for our industry as a whole.

About the Transportation Marketing & Sales Association (TMSA)

TMSA is the only association serving marketing, communications and sales executives in all market segments in transportation and logistics. Through TMSA, marketing and sales professionals learn about and advance the industry through education, connections and resources – ultimately strengthening their individual development, their businesses and the industry-at-large. Companies involved with TMSA generate over \$500 billion in revenue and invest sizeable sales and marketing budgets to maintain and grow their revenue.

Hungry for More?

Dig further into the metrics by becoming a TMSA member and receive the FULL study with more metrics and insights.

JOIN TODAY



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