

# **Marketing Logistics Services**

**Results of 2018 Survey of Buyers of  
Logistics Products & Services on  
How to Get, and Keep, Their Attention**

# Introduction

Since 2014, we've conducted a biennial survey of buyers of logistics products and services. These are the folks who are on the receiving end of sales pitches from 3PLs, carriers, software companies and other logistics businesses.

Our survey objective has been pretty simple: to understand buying motivations and learn how to best get and keep buyers' attention.

This year 100 logistics buyers were surveyed. The report summarizes responses to each of our questions, including verbatim quotes that best summarize buyers' feedback.

*Past years' reports are available on the [Logistics Marketing Advisors website](#).*

# When it comes to choosing a logistics provider, which statement best describes your attitude and priority?

“I’m under constant pressure to reduce costs. I need a logistics partner who understands that pressure and is constantly thinking about how to do more, for less.”

## Cost

“My company’s logistics requirements are constantly changing. I need a logistics partner that is flexible and can help me adapt quickly to the demands of the business.”

## Flexibility

“The right technology is critically important. I need a partner that leverages the most up-to-date logistics management systems so that I can fully automate and optimize my supply chain.”

## Technology

## Industry

“Within my industry, there are unique logistics requirements. I need a logistics partner that understands the challenges of storing, managing and delivering my products.”

## Innovation

“I want innovative ideas. I need a partner that provides regular recommendations on how to improve logistics operations”

## Risk

“I want to reduce risk. I need a partner willing to share that risk through performance-based penalties and incentives.”

No surprise, **cost reduction** continues to be the primary driver, as it was in 2014 and 2016.

- *“Because freight costs are accelerating, I need to work extra hard to control costs in other areas.”*
- *“We’re always on the lookout for new ways to drive savings.”*

## When it comes to choosing a logistics provider, which statement best describes your attitude and priority? (continued)



A quarter of respondents wanted **expertise in their industry and products**. Respondents in the chemical and pharmaceutical industries selected this response to a greater degree because of the unique knowledge and capabilities required.

- *"Shipping chemicals involves unique risks that don't always align with a low-cost 3PL provider strategy."*

Another quarter of respondents are looking primarily for **flexibility** from 3PLs and carriers.

- *"Our customers make last-minute changes; we need a flexible partner that lets us quickly adapt to these fast changing requirements."*
- *"Our company is growing fast and the logistics team needs to keep pace."*

10% of respondents said they look primarily for **innovation** when choosing a provider.

- *"Too many providers sign a 3-year agreement and don't revisit my needs until 90-days before the contract expires. I want a constant flow of analysis and ideas."*

A logistics provider's **systems capabilities** and ability to **reduce a client's risk** are important but neither is a significant factor in choosing a provider.

# How do you prefer to be contacted by a logistics business?

**Email was by far the dominant response** and has been since our original 2014 survey.

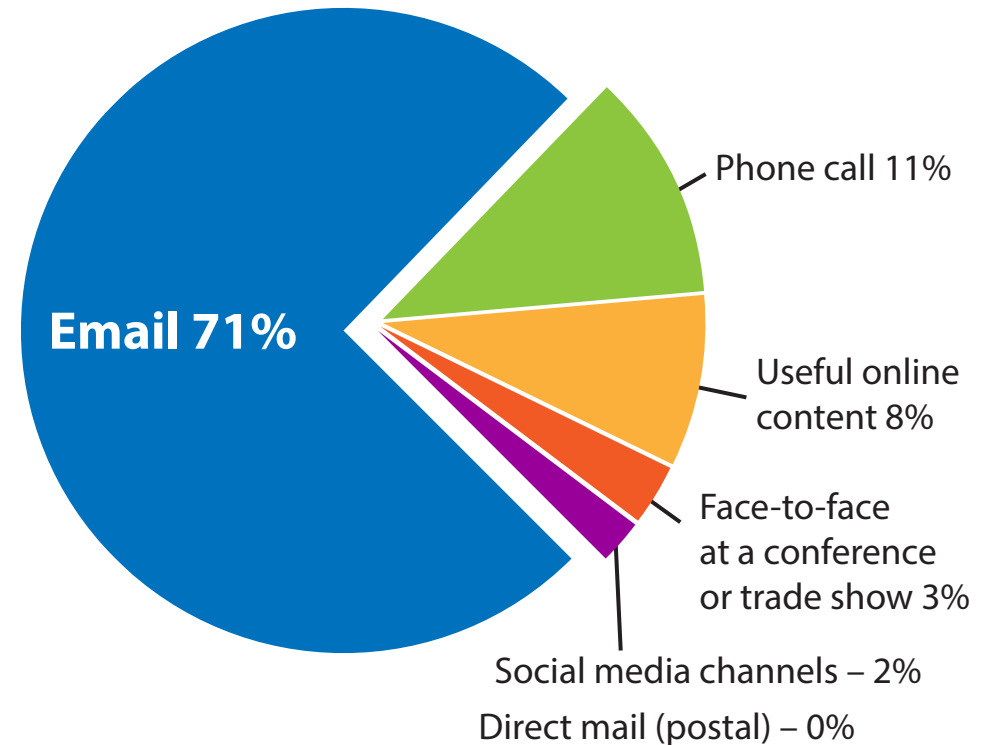
That's good news for logistics marketers since email is cheap and easy to implement.

But boy can this tactic be abused.

Automation tools allow us to push a button and send mass emails to people we don't know. But that doesn't mean it works.

Survey results suggest that emails can open the door but it's unlikely you'll be invited to walk through without a customized approach, a feeling reinforced by this [Fast Company article](#) and this comment from a logistics buyer.

- *"Email me with an idea that clearly indicates you know my business and a challenge that I have. Then, if I have interest, we can talk on the phone. If that goes well, we can meet in person."*



## How do you prefer to be contacted by a logistics business? (continued)

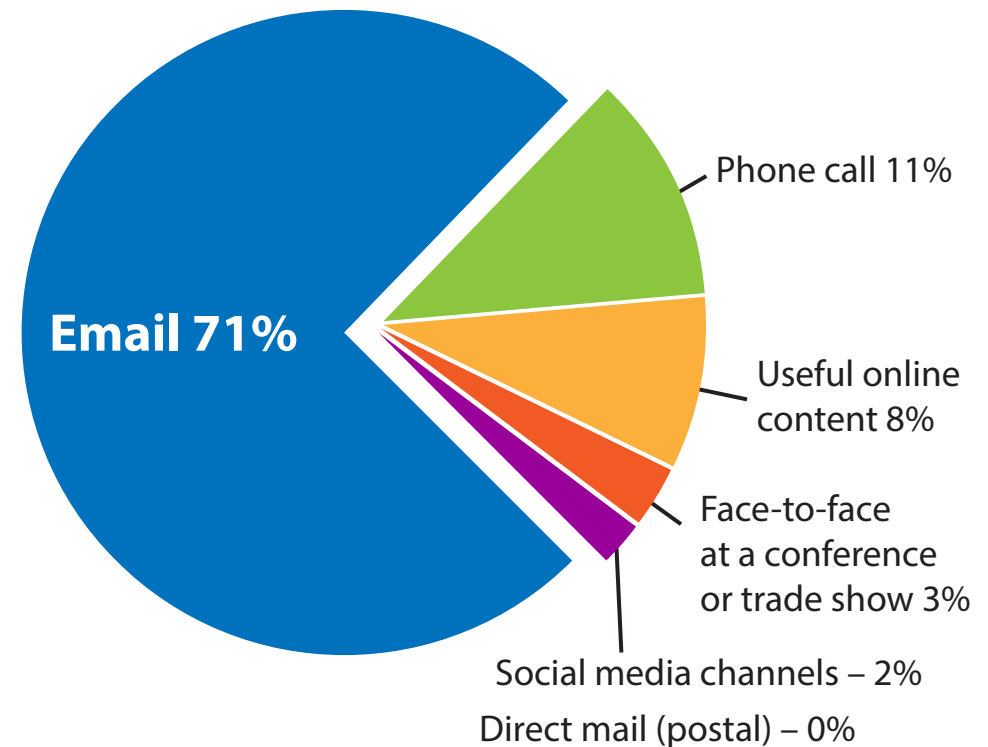
**Phone calls were a distant second** to email as a preferred method of contact. While 11% *did* prefer a phone call, plenty of survey respondents complained about random cold calls from uninformed sales people.

- *"Stop the random calling. I've never seen it work."*
- *"I get a ton of cold calls daily, some from people who don't even know my business. I ship temperature-controlled food products and have even gotten calls from hazmat carriers asking for loads."*

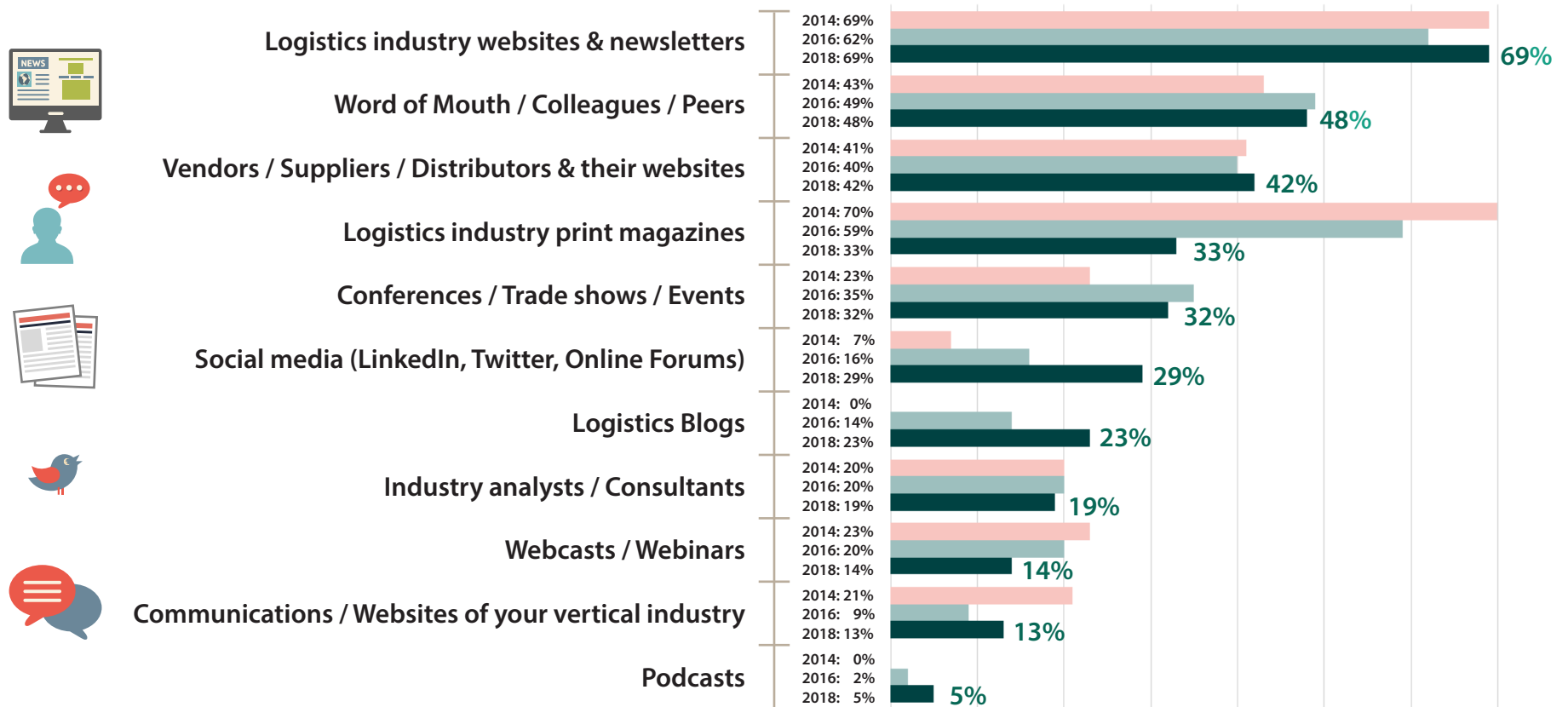
After email and phone, buyers said they want to connect via **useful online content**. Buyers in general hate to be sold, but they actually *love to buy*. In other words, they want to do their own research and contact providers rather than the other way around. They want to control the buying process. The sharp rise in content marketing strategies (creating and sharing useful content aimed at solving a prospect problem) speaks to this buyer preference.

**Trade shows and conferences** remain a preferred method of contact for some. But many logistics businesses are funneling less money into industry events because of the rise in the percentage of vendors and consultants attending versus shippers.

While the buyers in our survey are spending much more time on **social channels**, it's simply not how most people want to connect *first* with suppliers.



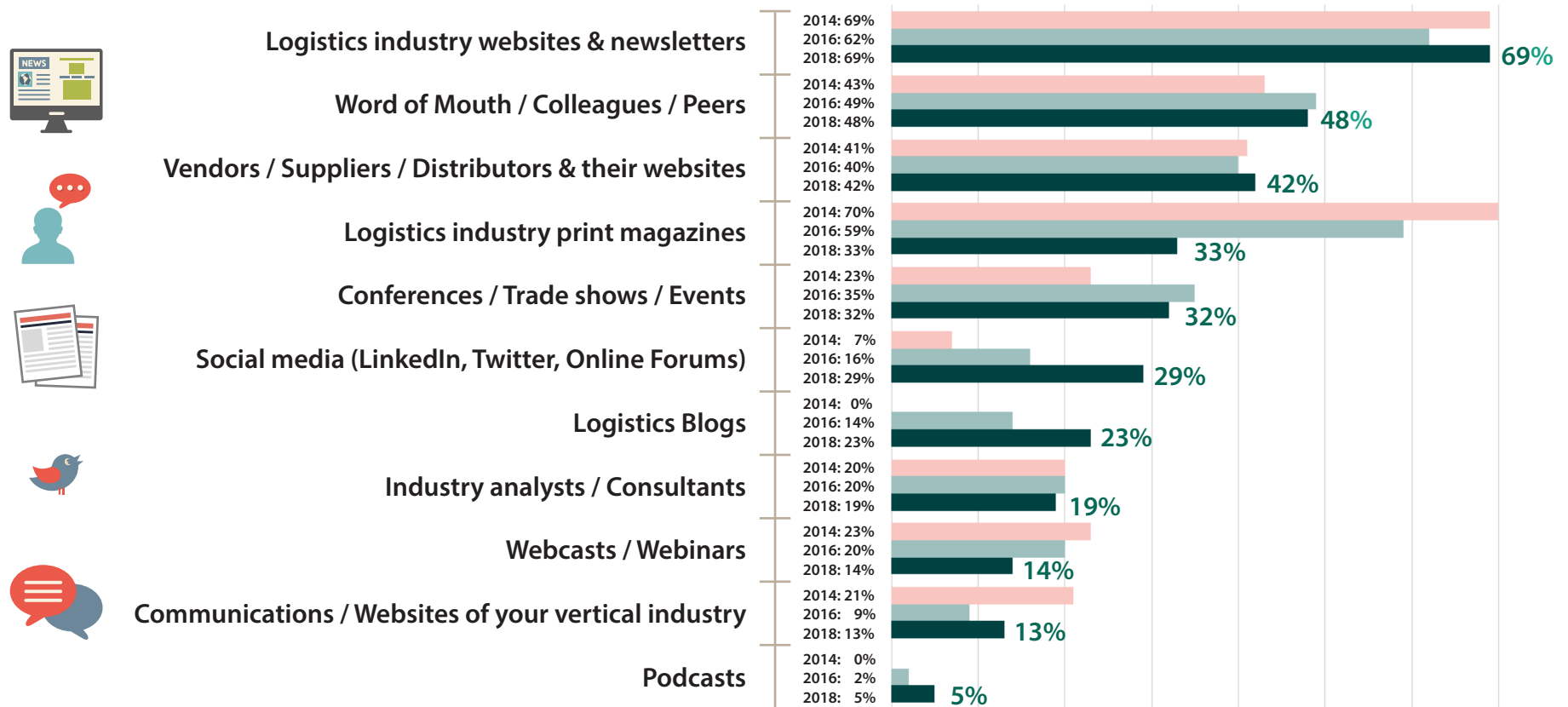
# Which information sources do you rely on to stay current on logistics strategies and industry news?



Logistics industry websites continue to be the #1 source noted. But survey results indicate a sharp decrease in logistics print magazine readership, mirroring the same trend in print newspaper circulation in the U.S. Logistics publishers still play a vital information role, but it's their online sites that are attracting the eyeballs as more people consume content digitally.

Word of mouth is another important information source as buyers become increasingly skeptical of provider claims. This suggests logistics marketers should understand and leverage their best referral sources – customers, consultants, business partners – to drive awareness and leads. HubSpot has even suggested retiring the classic funnel model of customer acquisition in favor of a [“flywheel model”](#) to better reflect the importance of existing customers in propelling new business growth.

# Which information sources do you rely on to stay current on logistics strategies and industry news? (continued)



Buyers rely quite a bit on suppliers for information. In an outsourced logistics model, companies look to partners to bring new ideas and best practices to the table.

The biggest year-to-year positive shift is in the area of social media. **In 2014, just 7% of respondents noted social media channels as a key information source compared to 29% in 2018.** Logistics blogs and podcasts also saw an uptick in our latest survey. This trend is likely to continue as digital native millennials assume leadership positions in logistics management. It may be time to ratchet up the spend on social media marketing.



# We asked respondents to simply AGREE or DISAGREE with a series of statements.

Statement	2016	2018	Our take on the data
<i>Logistics salespeople that I don't know should never call me on the phone.</i>	<p>51.5% Disagree, 48.5% Agree</p>	<p>58% Disagree, 42% Agree</p>	The phone can still open doors. But know the prospect and customize your pitch.
<i>I pay attention to the print ads in logistics trade magazines.</i>	<p>25% Disagree, 75% Agree</p>	<p>43% Disagree, 57% Agree</p>	Print ads are becoming less effective as a brand building tactic.
<i>I log into LinkedIn at least once a week.</i>	<p>50% Disagree, 50% Agree</p>	<p>18% Disagree, 82% Agree</p>	Quite a shift. Doubt these are all job seekers. LinkedIn seen by buyers as an efficient way to stay connected.
<i>When consuming logistics- or provider-related information, I prefer to watch a video versus read a blog post or other written information.</i>	<p>66% Disagree, 34% Agree</p>	<p>66% Disagree, 34% Agree</p>	Reading is not a lost art, but don't ignore millennials' preference for video, social and mobile-first content.
<i>I'll never respond to an email sales pitch from a logistics company.</i>	<p>77% Disagree, 23% Agree</p>	<p>67% Disagree, 33% Agree</p>	Prospects will read your email, but if it's generic fluff don't waste your time.
<i>Logistics companies should stop printing hard copy promotional brochures and rely on electronic files.</i>	<p>Did not include this in 2016</p>	<p>41% Disagree, 59% Agree</p>	No clear answer here from survey responses. Our feeling: save the trees.

# What frank advice do you have for logistics businesses that would like to build a relationship with you in the hope of gaining future business?

We always get useful and candid feedback to this question. Here are the themes mentioned, in priority order, based on buyer responses.

## BE HONEST.

Sounds like common sense, but apparently not.

Our research, in this and other years, suggests that there is some overselling going on out there. As a result, buyers are more skeptical of unsupported claims.

One way to deal with this is to assume you're selling to the most cynical buyer out there and simply *never* make a promise you can't support. The louder you beat that sales drum, the less the buyer will hear.

- *"My BS meter is pretty finely tuned. I got a call lately from someone who said he could bring down rising freight rates. From that point, I tuned out since it wasn't anything he could directly impact."*
- *"Be honest about areas where you are not strong; it enhances your credibility."*
- *"I like full disclosure out of the gate. If the relationship starts with a hidden charge, this will piss me off. But if I know I am dealing with an honest company that always gives me the straight facts, that's a good foundation to build upon. Maybe we can develop something great together."*

Observation: there's a fine line between aggressive selling and dishonest selling in the minds of some buyers.

# What frank advice do you have for logistics businesses that would like to build a relationship with you in the hope of gaining future business? (continued)

## UNDERSTAND MY BUSINESS.

The biggest frustration point we hear from logistics buyers is that 3PLs, carriers, brokers and other logistics businesses want to offer a solution without any understanding of the prospect's industry or company.

These are busy folks who resent what they consider to be a lazy approach to selling that doesn't respect their time.

- *"Do a little homework and know something about my business before you call. This approach works with me, as opposed to the blast email that says you're the greatest thing since sliced bread."*
- *"For most of the emails I get, I know I'm just part of someone's mass email – even if my name is at the top."*
- *"I got a call from someone the other day who learned that we do a higher volume of deliveries in a particular area and said he could help with capacity. That data point wasn't hard to uncover. He's now on my radar as a carrier for that city."*
- *"Learn about my business, but not from me."*

OK, just for kicks let's apply the above input to developing an email subject line. Which of these two is likely to get the better response?

1. Lower freight rates from the port, guaranteed
2. Had an idea to address COMPANY NAME's need for 45' chassis in the Southeast

The salesy promise of #1 seems hollow and easy to ignore, while #2 assumes you've done your homework and uncovered a very specific need. It's impossible to fashion a mass email out of #2, and that may be regarded as bad news by marketers who focus on campaign speed and efficiency at the expense of conversion.

Marketing automation can personalize, but it can't *customize* based on individual prospect research.

## What frank advice do you have for logistics businesses that would like to build a relationship with you in the hope of gaining future business? (continued)

### LISTEN MORE, SELL LESS.

For decades, selling gurus have told us that the key to successful selling is listening. Most providers (and their salespeople) truly DO understand the importance of listening, and that sales happen based on their ability to identify and solve a problem.

Still, we can't ignore the research, which suggests that at least some logistics salespeople need to bone up on basic selling skills.

- *"I sometimes get called 4-5 times a week from the same people...often recent college graduates smiling and dialing and looking for freight."*
- *"No flashy presentations or sales pitch is required. Just progressive ideas and a willingness to listen."*
- *"Stop wasting my time with sales pitches. Just get to the point. What are your service levels and costs."*

### PROVIDE DETAIL.

High-ticket logistics sales are not spur-of-the-moment decisions.

Buyers want to make the best decision for their companies based on a thorough analysis of the facts. That goes double for methodical logistics buyers. So don't be afraid to provide the detailed thinking and the numbers behind your price and recommendations.

- *"Demonstrate the potential value with industry-specific information and examples."*
- *"I have no time for fluff. I need to work efficiently and factually. Give me the facts and let me make a decision. If it makes sense, you'll hear from me. We are always interested in better ways."*

# An Open Letter to Logistics Businesses

If the respondents to this year's survey asked us to ghost-write a letter to logistics businesses on their marketing and sales practices, it might go something like this:

## ***To All Logistics Companies Trying to Get My Attention:***

### **Understand Me**

I'm part of a lean logistics department that's being asked to do more with less. I'm super busy so, please, respect my time. No spam blasts or generic come-ons that clutter my inbox and voicemail.

But know this: I need your ideas more than ever. The pressure to drive down costs and constantly improve is intense, so I'm always on the lookout for truly new and better ways.

### **Understand My Business**

I will resent your sales pitch if it's clear to me that you haven't invested any of your own time to understand my industry and company. I don't expect you to know the details of my operation, but I do expect you to do some homework.

If you have an idea that makes sense for my business based on what you've learned, let's talk. But if I'm #37 on your target industry call list, save both of us the time and move on to #38.

### **Lose the "Sales Speak"**

Don't contact me to talk about your product. I understand that you're a proud parent and you want to show off your "baby pictures," but we're strangers and I'm just not interested.

I am, however, interested in solving problems that are holding my company back. Let's start there.

If you can help, then give me the objective facts – without color, without exclamation points. I don't need to be "sold." If those facts include how you've solved the problem for companies like mine, all the better.

### **Earn My Trust**

A partnership with the right logistics company is worth its weight in gold, but such relationships aren't built overnight. Lose the "hard sell" approach. I won't be pressured into buying before I'm ready.

What works best with me is a consultative approach where the goal is a long-term relationship, not a short-term sale. Be straight with me from the start about what you can and can't do.

And don't promise things you can't control. This isn't my first rodeo; I'll see through that.

If I know I'm dealing with an honest, capable company that always tells it exactly like it is, that's a foundation you can build upon to face anything that comes along – and to face it together, as a team.

To learn more about this research, contact Logistics Marketing Advisors.



*The author, Jim Bierfeldt, is president of Logistics Marketing Advisors, a marketing company that helps logistics businesses define and communicate their value, and then translate that value into revenue. Unlike other marketing companies, Logistics Marketing Advisors combines marketing expertise with a thorough understanding of the logistics industry.*

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