



**CONVOY**

# ANNUAL FREIGHT INSIGHTS REPORT

**An analysis of 2021 based on data  
from Convoy's digital freight network**





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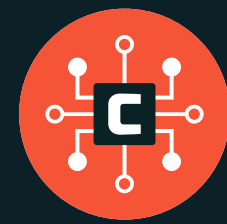
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# Our Annual Freight Insights Report

Thanks for reading Convoy's Annual Freight Insights Report, bringing you trends and insights gathered from our digital freight network\* and publicly available transportation and economic data.

Convoy has one of the industry's most comprehensive databases of facility insights. Our data science and insights teams reviewed:



More than 50 terabytes of proprietary Convoy freight data\*\*



More than 1,000 unique data points collected on every Convoy load, across millions of pickups and deliveries



More than 2.7 million facility ratings and written reviews from drivers in Convoy's digital freight network

\*From January to November 2021

\*\***FUN FACT:** That equates to 331,250,000 pages in Microsoft Word. If you printed those pages, you could make a stack as high as the Empire State Building, then make another 75 stacks the same size!



In this report, we talk about how economic, societal, and consumer trends impacted North American truckload freight in 2021. And we take a deeper look at how these macro trends impacted shippers and carriers at the micro level: facilities.

We also offer thought-starters for how shippers can bring our insights to life — so they can start turning their facility experience into their competitive advantage and improving their access to reliable capacity in a tight market.

2021 saw one of the tightest freight markets in recent history. While it would be unprecedented for the market to remain tight for a third consecutive year, we've learned to expect the unexpected. And that brings us to freight trends in 2021.





# FREIGHT TRENDS IN 2021



Transportation professionals rang in 2021 with a sigh of relief. After a roller-coaster 2020, the first doses of a long-anticipated vaccine promised a much-hoped-for return to normal. Only now do we know that was premature.

Macro forecasts have struggled to predict what will happen next. Professional consensus forecasts — like on the next page, from the Federal Reserve Bank of Philadelphia’s Survey of Professional Forecasters — have been far from actuals, even just one quarter out.

In March, Mother Nature threw a curveball or, more accurately, a snowball. An unseasonably cold and wet winter storm stretching from Minnesota to Texas sparked the electric grid outage in Texas and snarled supply chains across the country.

This is when FreightWaves reported the outbound tender rejection rate reached 28 percent, its peak for the year and the highest tender rejection rate ever, since the data series began in 2017.

As summertime rolled around and Americans emerged from the dark COVID winter, consumer spending surged for the second time in two years. Many predicted a shift to services spending would erode freight demand amid the initial (and, in retrospect, premature) euphoria that the pandemic was behind us. But the truck market did not soften, remaining vulnerable to weather (e.g., September hurricanes)

and macroeconomic shocks (e.g., the West Coast port congestion).

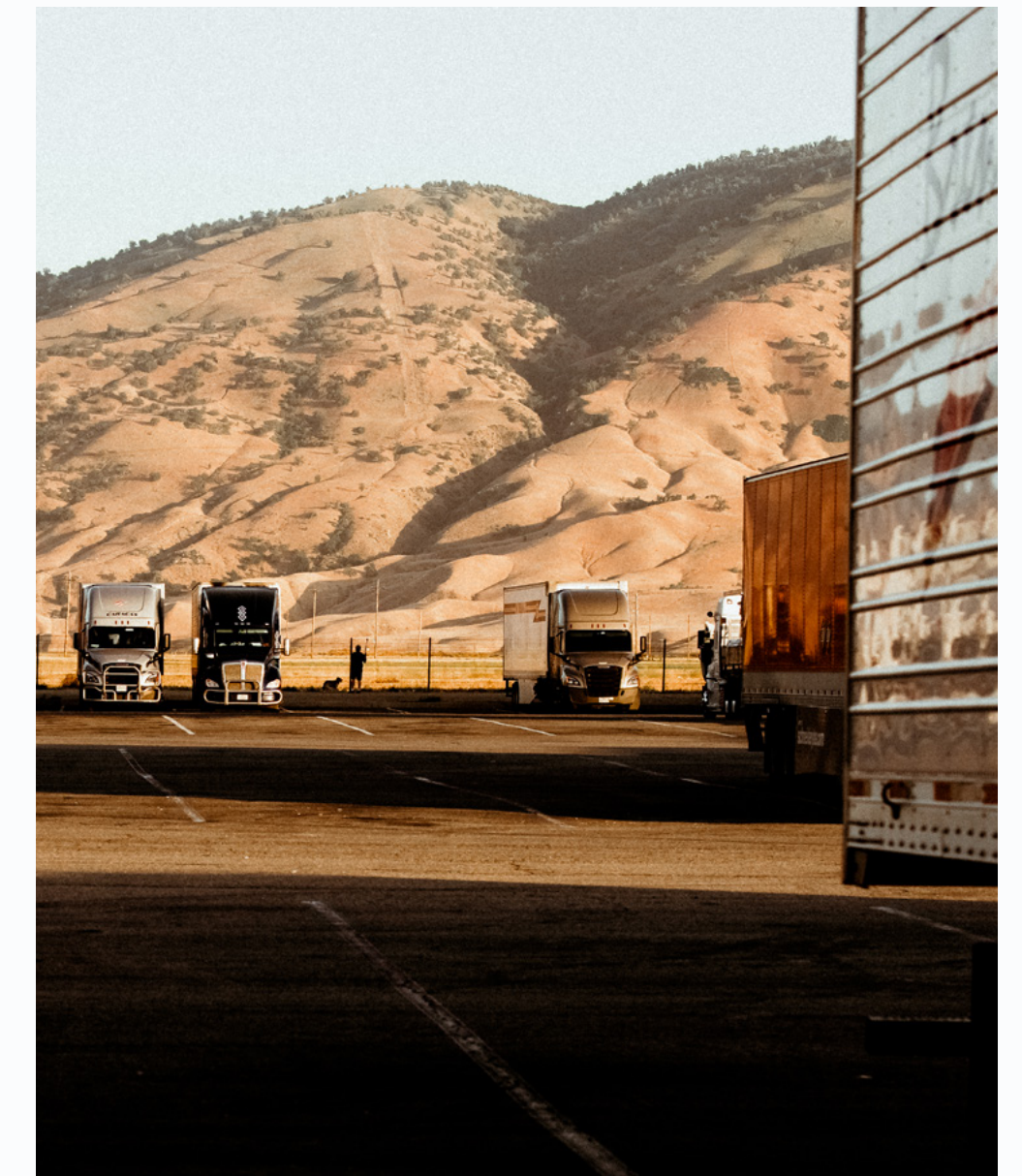
Now, at year’s end, attention is on labor shortages throughout the supply chain. Even as the number of owner-operators rebounds, limited equipment availability has hindered the capacity gains many were hoping for.

As the industry navigates peak season, the tender rejection rate has mostly trended lower, but now, at the end of 2021, it is still hovering around 23 percent. That’s up from 16 percent in 2020 and also above the tender rejection rate of 20 percent during the last freight market peak year of 2018.

After yet another year where nothing went according to plan, transportation and procurement professionals are eager to regain control. And we know where they can start.

## What driver shortage?

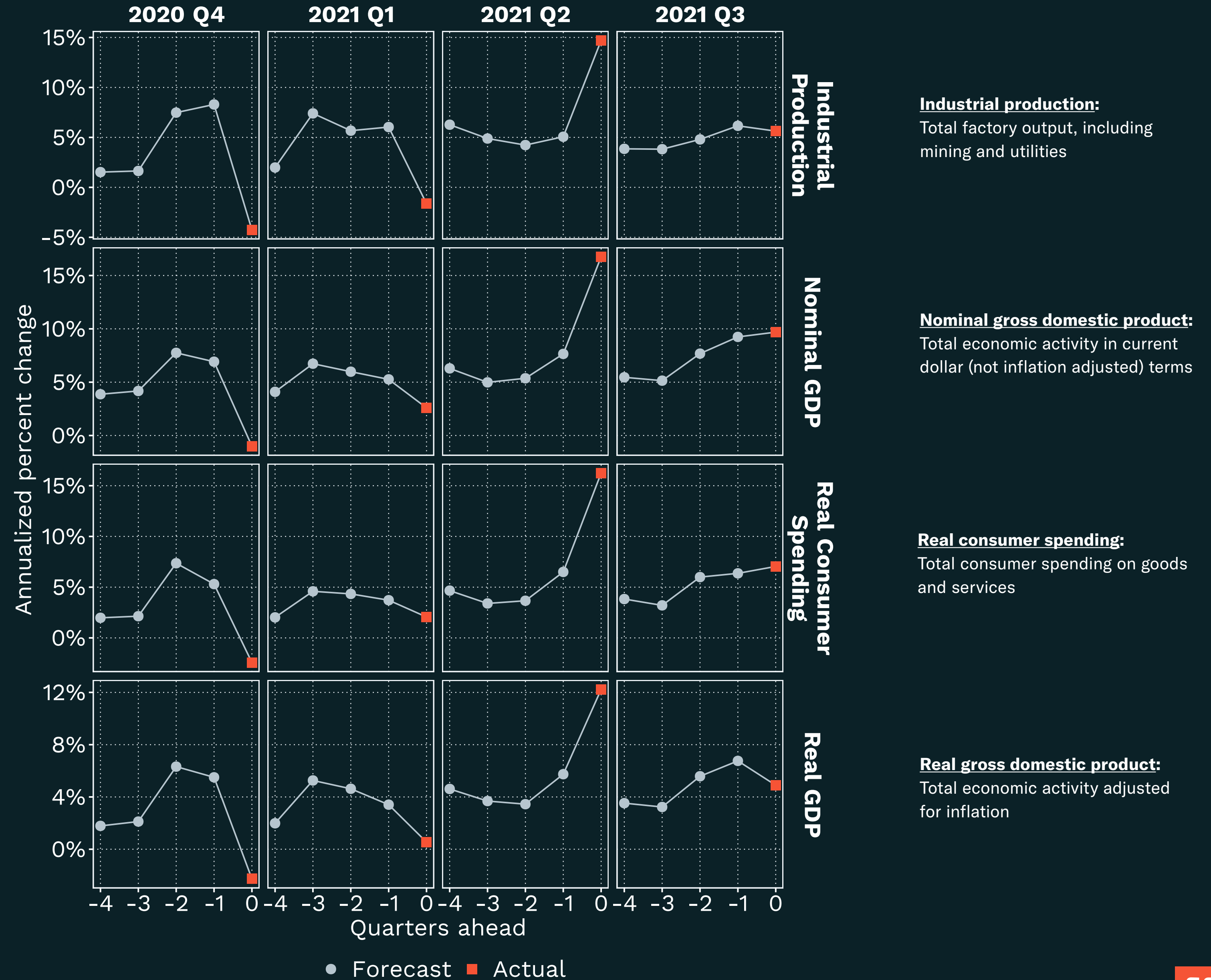
In 2021, the Federal Motor Carrier Safety Administration issued roughly 100,000 permits to new trucking companies. The majority of these permits went to owner-operators, who are not counted in the monthly jobs numbers reported by the U.S. Bureau of Labor Statistics. Even though larger fleets are struggling to hire drivers, the number of active truck drivers is now at or slightly above pre-pandemic levels.





## Nothing went according to plan in 2021

This table shows the average forecast (reflected by the gray dots) from professional economists surveyed by the [Federal Reserve Bank of Philadelphia](#) and the final data (reflected by the red squares) across four macroeconomic indicators. In summary: The economic conditions that forecasters predicted for much of 2021 did not materialize — in some cases, not until months later and in other cases, not at all. The takeaway? **Nothing went according to plan in 2021.**







# THE YEAR IN FACILITY PERFORMANCE



For transportation and procurement teams eager to take back control in 2022, we have just the place to start — in their facility operations.

And they can do it with the help of facility reviews and ratings. Carriers in our digital freight network provide these meaningful insights in the Convoy app. And these are the insights we pored over to bring you the year in facility performance.

Across the insights we share in this report, one theme continued to surface: **Carriers give the highest reviews to facilities that respect their time.**

Carrier reviews also help distinguish a well-functioning facility from one that needs improvement. It's the difference between "I will be back" and "Never picking a load from here again."

Customer reviews are known in the restaurant industry, where they moved beyond printed travel guides to living online forums. The industry was forced to adapt: Struggling locations could no longer hide behind a curtain of anonymity. And standout locations could suddenly broadcast powerful (and genuine) customer testimonials to the world.

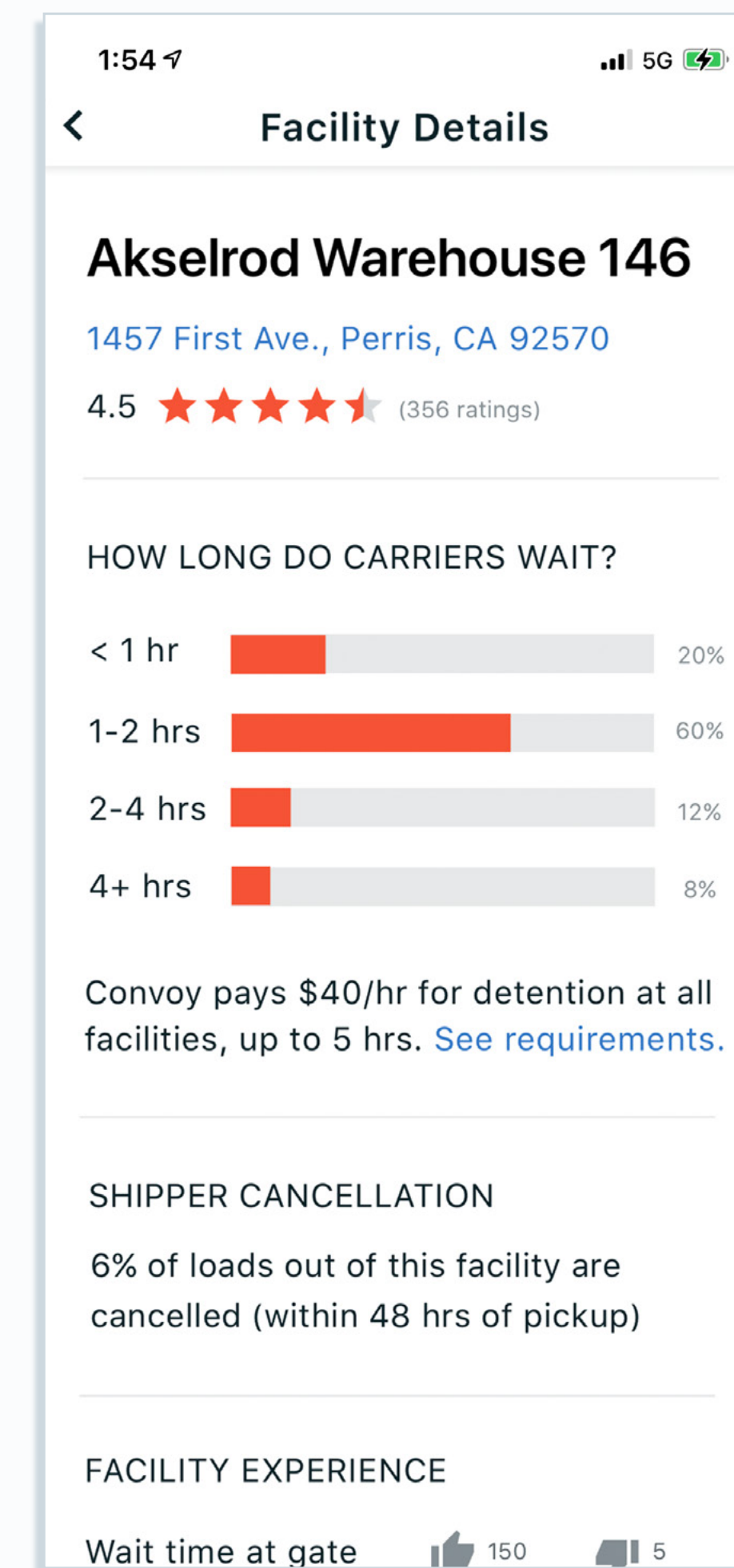
**Reviews are just starting to play a transformative role in the freight industry.** For Convoy specifically, carriers can view facility ratings and reviews before deciding whether or not to place a bid on a Convoy load.

This gives carriers even more of an upper hand in tight markets, when the number of shipments overtakes the number of available trucks. Reviews about poor facility experiences hinder shippers' ability to get capacity. The only way to get more is to pay more.

Regardless of market conditions, though, carriers decide who they haul with. And a facility's reputation no longer just passes by word of mouth at truck stops and gas stations.

Forward-thinking shippers use facility insights to become a shipper of choice and improve access to reliable capacity in any market. When used wisely, they become a competitive advantage.

Carriers can view facility ratings and reviews before deciding whether or not to place a bid on a Convoy load.





# Facility ratings

by the numbers

## OUR FIRST INSIGHT

**Dwell time is the single most important determinant of facility rating.**

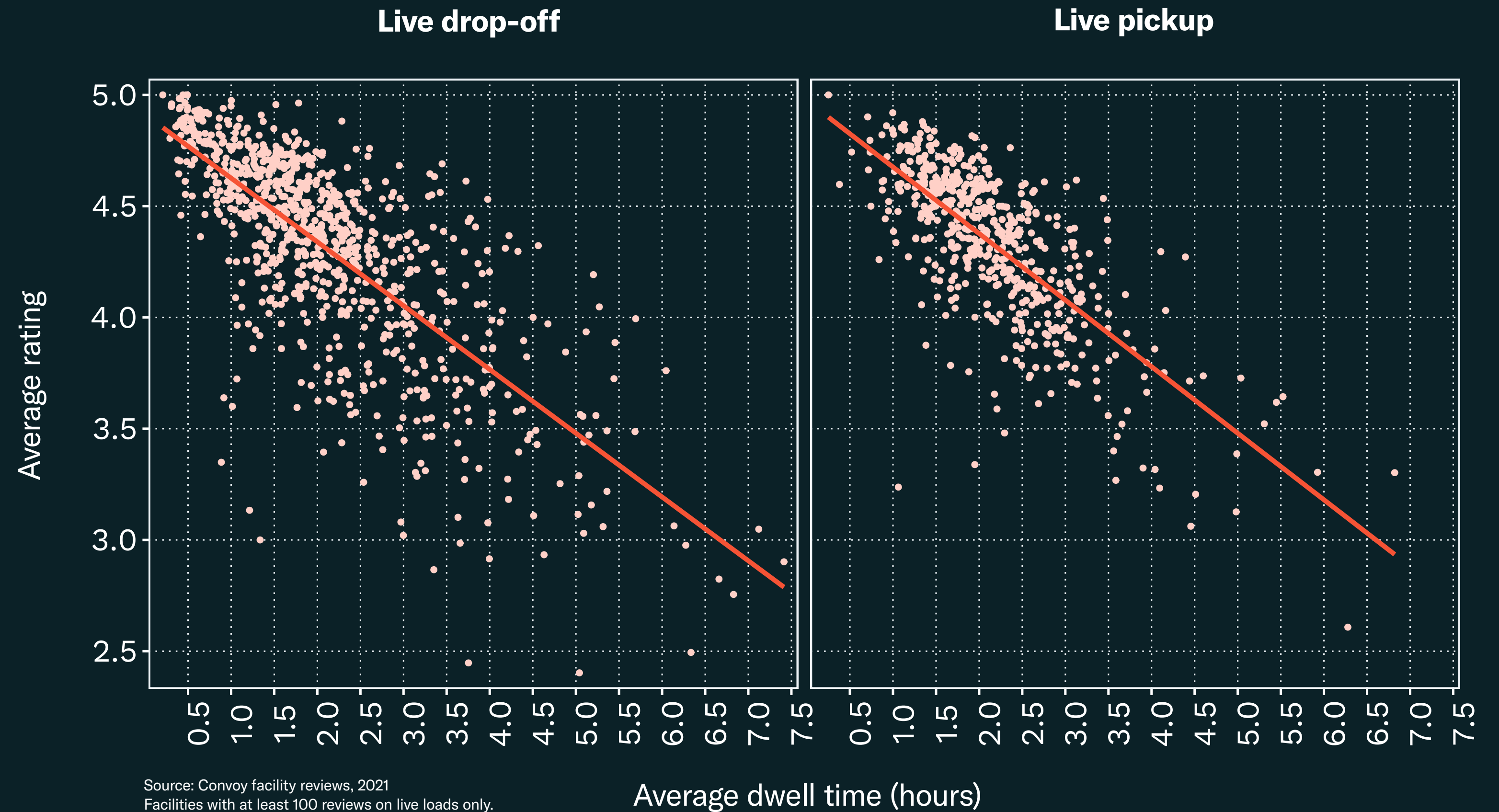
Facilities with shorter dwell times have better ratings. Across high-volume facilities in Convoy's network (those with at least 100 loads in 2021), the amount of time drivers typically spent waiting explains nearly half of the cross-facility difference in average driver ratings. These results are for live loads only, but the results are similar for drop loads.

## INSIGHT TO ACTION

Keep dwell times short to deliver a faster experience for carriers so they can get back on the road. It's the making of a glowing review: "Great place! In early and out in 45 mins." Shorter dwell times mean less traffic in both parking lots and restrooms. They also reduce in-person contact with your facility employees, which is a plus in COVID times.

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## As wait times rise, carrier ratings fall





**INSIGHT**

**An overwhelming majority of facility reviews got five stars.**

Facility reviews in Convoy’s network skew heavily toward five stars; this is even more true for drop loads. Overall in 2021, more than two-thirds of reviews on live loads and more than three-quarters of reviews on drop loads got five stars.

Across a number of industries and marketplaces — think [Google](#), [Yelp](#), [Fandango](#), [Airbnb](#), [Glassdoor](#), and many [others](#) — five stars tends to be the most common response. Economists who study the reasons for this skewed distribution generally point to respondent bias and misaligned buyer/seller expectations.

**INSIGHT TO ACTION**

Celebrate the good, but don’t ignore the bad. Hard-hitting reviews like this one — “Very rude, no communication and don’t want to resolve problems - had to wait 3 hours for what was supposed to be a preloaded trailer.” — don’t go unnoticed by other carriers. Even with facilities rated four or five stars, forward-thinking shippers harvest reviews as opportunities to improve.

**Facility reviews in Convoy’s network skew heavily toward five stars, especially for drop loads**

	LIVE	DROP
 <b>5-STAR REVIEW</b>	<b>68%</b>	<b>78%</b>
 <b>4-STAR REVIEW</b>	<b>13%</b>	<b>11%</b>
 <b>3-STAR REVIEW</b>	<b>8%</b>	<b>6%</b>
 <b>2-STAR REVIEW</b>	<b>4%</b>	<b>2%</b>
 <b>1-STAR REVIEW</b>	<b>7%</b>	<b>4%</b>

**INSIGHT**

**The share of ratings receiving five stars dipped during the congested summer months but began to recover over the fall.**

For live and drop loads, the share of ratings earning five stars peaked in early spring and dipped over the summer months. In general, August and September — months when the freight market has become accustomed to weather-related disruptions — saw the lowest shares of facility ratings with five stars.

**INSIGHT TO ACTION**

Prepare for seasonality. For example, aim for higher summertime ratings by hosting spring training that reinforces brand behavior and fosters empathy. Re-emphasize the table stakes of a positive facility experience — like hiring great people and keeping restrooms clean and stocked — that can have an outsize impact. Case in point: “Excellent people to deal with easy on easy off no hassles bathrooms outside but you still have them I love you Convoy thank you.”

And even if something goes wrong, and we know it does, people make the difference: “Good people but we’re having a bad day when I was there. Once I got loaded it was fast but they had some malfunction that day and took 12 hours to get to me and every other truck on the lot. But seriously good people at both ends. I would run it again.”



**INSIGHT**

**For live loads, pickups are generally more likely to earn five stars, but for drop loads, drop-offs received slightly more five-star ratings.**

The share of loads earning five stars is generally higher for live pickups than for live drop-offs. Live pickups saw a noticeable dip in five-star ratings over the summer, but by fall, ratings had returned to their springtime highs. For drop loads, the share of drop-offs earning five stars peaked at more than 80 percent in April 2021.

**INSIGHT**

**27% of facilities had lower scores in 2021 compared to the prior year, while 23% of facilities had higher scores year over year.**

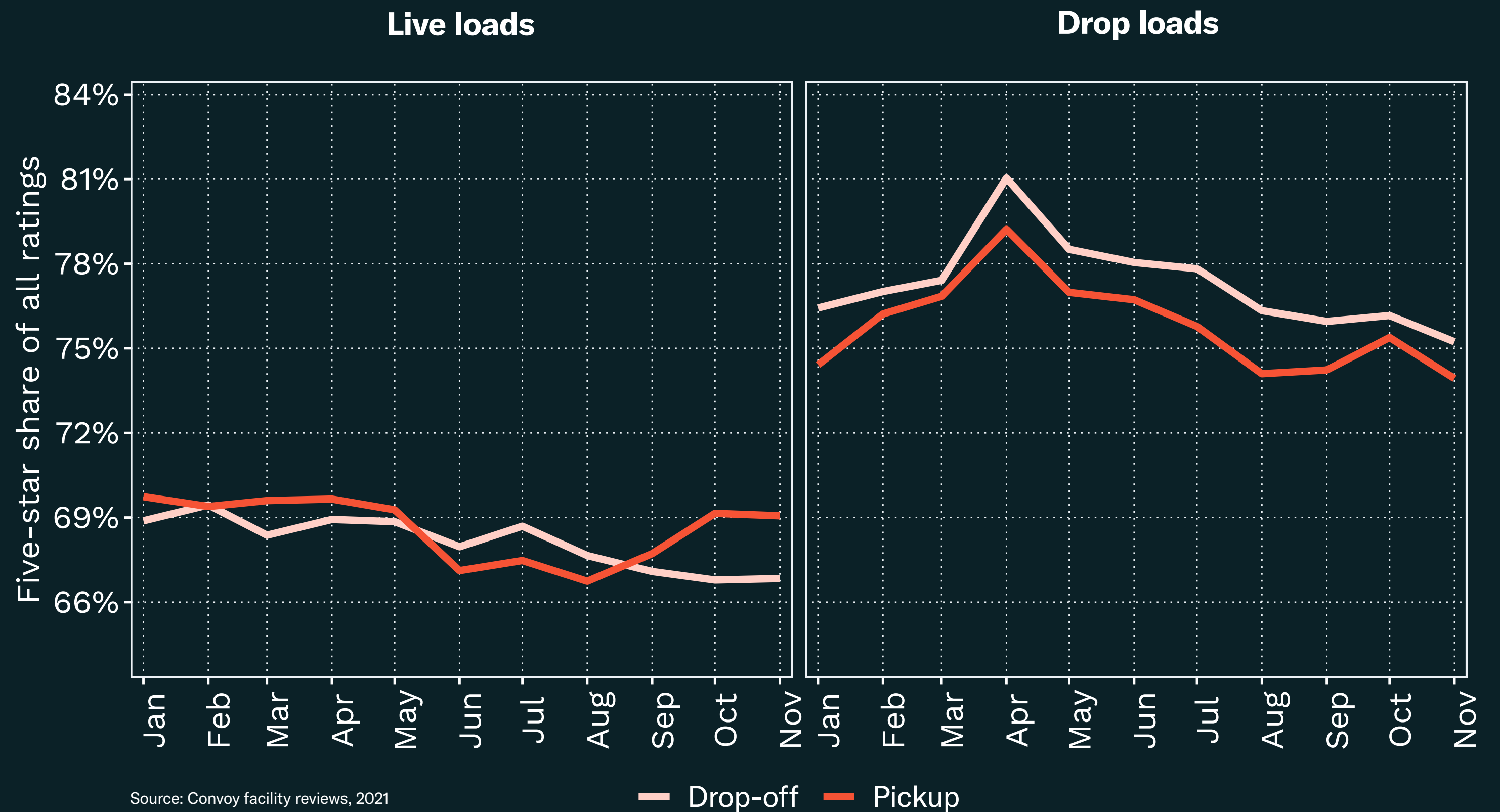
Why the decline in 2021 ratings? Well, it could have been from supply chain congestion, but that's just speculation. Among facilities that had a sufficiently large sample of ratings in both 2020 and 2021:

**23%** saw their average review score **increase by 0.2 points** (on a five-point scale) or more.

**51%** saw **no meaningful change** in their average review score.

**27%** saw their average review score **decrease by 0.2 points** or more.

# Drop loads got more five-star reviews than live loads



Source: Convoy facility reviews, 2021















## INSIGHT

There are five characteristics of top-performing facilities.



## INSIGHT TO ACTION

To be a top-performing facility means delivering great service, which we define as a combination of the people who work at the facility and how frequently they communicate with carriers. Carriers don't expect perfection, but they do expect to be informed of problems and how long it will take to resolve them.

When things go awry, if they're handled well, drivers understand and plan to return: "Good people but we're having a bad day when I was there. Once I got loaded it was fast but they had some malfunction that day and took 12 hours to get to me and every other truck on the lot. But seriously good people at both ends. I would run it again."

Beyond people and communication, getting better organized at the gate and dock go a long way in making facilities shine in the minds of carriers. This means creating systems and processes that support both your daily routine and surges. These can be easier to introduce than, say, parking or restrooms if you don't have the time or budget for capital expenses right away.

## Five characteristics of top-performing facilities

	SERVICE (can mean people or communication)	SHORT TO NO LOADING DWELL TIMES	SHORT TO NO WAIT TIMES AT THE GATE (for live)	TRAILER POOL LOCATION (for drop)	AMENITIES (can be restrooms, port-a-potties, or truck stop benefits)	PARKING
 <b>Reviews for 5-star facilities</b>	"Awesome people to work with! Weather was bad but they were flexible and easygoing. I hope to continue working with them"	"Fast unloading only 30 minutes to unload. Arrived early before appointment time too thank you!! 👍"	"Very fast. Guard staff really great people and knowledgeable. Trailers are ready to go and located in the right places."	"Excellent people to deal with easy on easy off no hassles bathrooms outside but you still have them I love you Convoy thank you"	"Quick unloading and 7 hours ahead of my appt time. There is parking inside the gate at back of building near shipping office with restroom."	
 <b>Reviews for facilities with 2 stars or fewer</b>	"The worst no communication very unprofessional slow lazy workers my second worst experience with these people"	"Very rude, no communication and don't want to resolve problems- had to wait 3 hours for what was supposed to be preloaded trailer. Never picking a load from here again."	"Long lines to get in. Try to be [there] at least 2 hours before so by the appointment you are close to the entrance."	"Waited 5 hours for a door then another hour to unload. Out in the middle of nowhere with absolutely no driver amenities...not even a restroom!!! "	"No parking... need to park on the street"  "Dirt lot so bring boots."	





Conclusion

# THE VALUE OF FREIGHT DATA



Historically, freight providers had one job — moving goods from point A to point B. Freight data was an afterthought. And when it was available, it passed largely by word of mouth and was not catalogued or analyzed by transportation and procurement teams.

The rise of digital freight networks has changed that, through the use of cloud computing, GPS-enabled smartphones, and machine learning models.

Today, Convoy has achieved an unprecedented level of visibility through our GPS-enabled app. This is how we provide to-the-minute tracking on more than 95 percent of live loads and 100 percent of drop loads. On each of those loads, the app captures more than 1,000 data points related to shipment status and location. It also asks carriers to rate and review their experiences at shippers' facilities.

Some shippers and brokers have yet to achieve this level of visibility, and those who have, have done so at a time when supply chains need it most. Today's disruptions are deeply impacting efficiency and execution

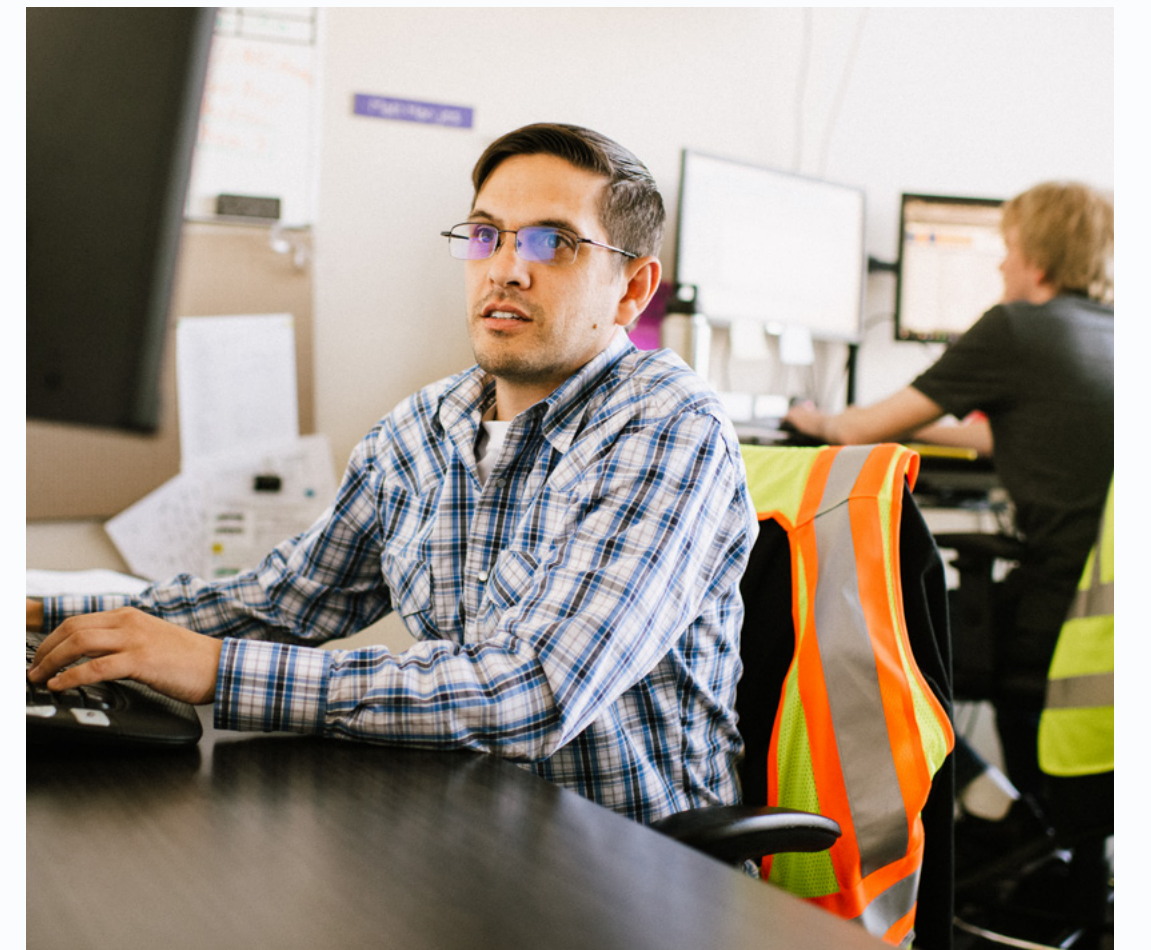
for both shippers and carriers. Facility insights can help.

Forward-thinking shippers use facility insights to improve the carrier experience and make it more efficient, so they can earn carrier loyalty and become a shipper of choice.

Shippers use these insights to take a more strategic approach to their supply chain strategy, like in their freight contracts and dynamic pricing opportunities. The benefits include lower costs, less risk, and more confidence in shipper pricing strategy.

Carriers use ratings and reviews to decide if they want to bid on a load. These insights help reduce carriers' risk in taking loads from new facilities, so they can expand their business with confidence.

This feedback loop is not the telephone game of the past. Now, word travels directly from the



carrier to the shipper, empowering transportation and procurement decision makers more than they've ever been empowered before.

In chaotic times, the time-tested management mantra is to control what you can: for many, facility operations is one of those controllable levers. Today's level of visibility and freight data makes this possible.



# About Convoy

Convoy is the most efficient digital freight network.





We move thousands of truckloads around the country each day through our optimized, connected network of carriers, saving money for shippers, increasing earnings for drivers, and eliminating carbon waste for our planet. We use technology and data to solve problems of waste and inefficiency in the \$800 billion


trucking industry, which generates more than 72 million metric tons of wasted carbon emissions from empty trucks. Fortune 500 shippers like Anheuser-Busch, Procter & Gamble, Niagara, and Unilever trust Convoy to lower costs, increase logistics efficiency, and achieve environmental sustainability targets.



## Interested in more insights from Convoy?

 Follow [Convoy economist Aaron Terrazas](#) for more insights right from the source.

 Watch our [December Freight Market Update](#) to learn more about the state of freight.

 Check out our other [industry insights](#) and [freight research](#) on [convoy.com](https://convoy.com).





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