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Journal of Commerce
by **S&P Global**

Domestic Intermodal: The Voice of the Shipper

Data to help shippers make informed decisions

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Journal of Commerce

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The Journal of Commerce Data Sets – The Intermodal Savings Index and Intermodal Service Scorecard

- Intermodal Savings Index – The Premise: How much should an average US shipper expect to save sticking your freight in a 53-foot container rather than an OTR truck.
- Intermodal Service Scorecard – The Premise: You're shopping around for intermodal partners and want to know the ratings of other shippers.
- Analogy: You're moving to a new city, bought a new house. You need roofing or plumbing work done, but you have no idea who to hire. What do you do? Ask neighbors, talk to the HOA, read Google Reviews, Yelp, Angi's, Home Advisor, Consumer Checkbook.
- That's what the Scorecard is about: collecting ANONYMOUSLY which intermodal providers are doing the best job and why.
- Our questions cover what is already in your KPIs.

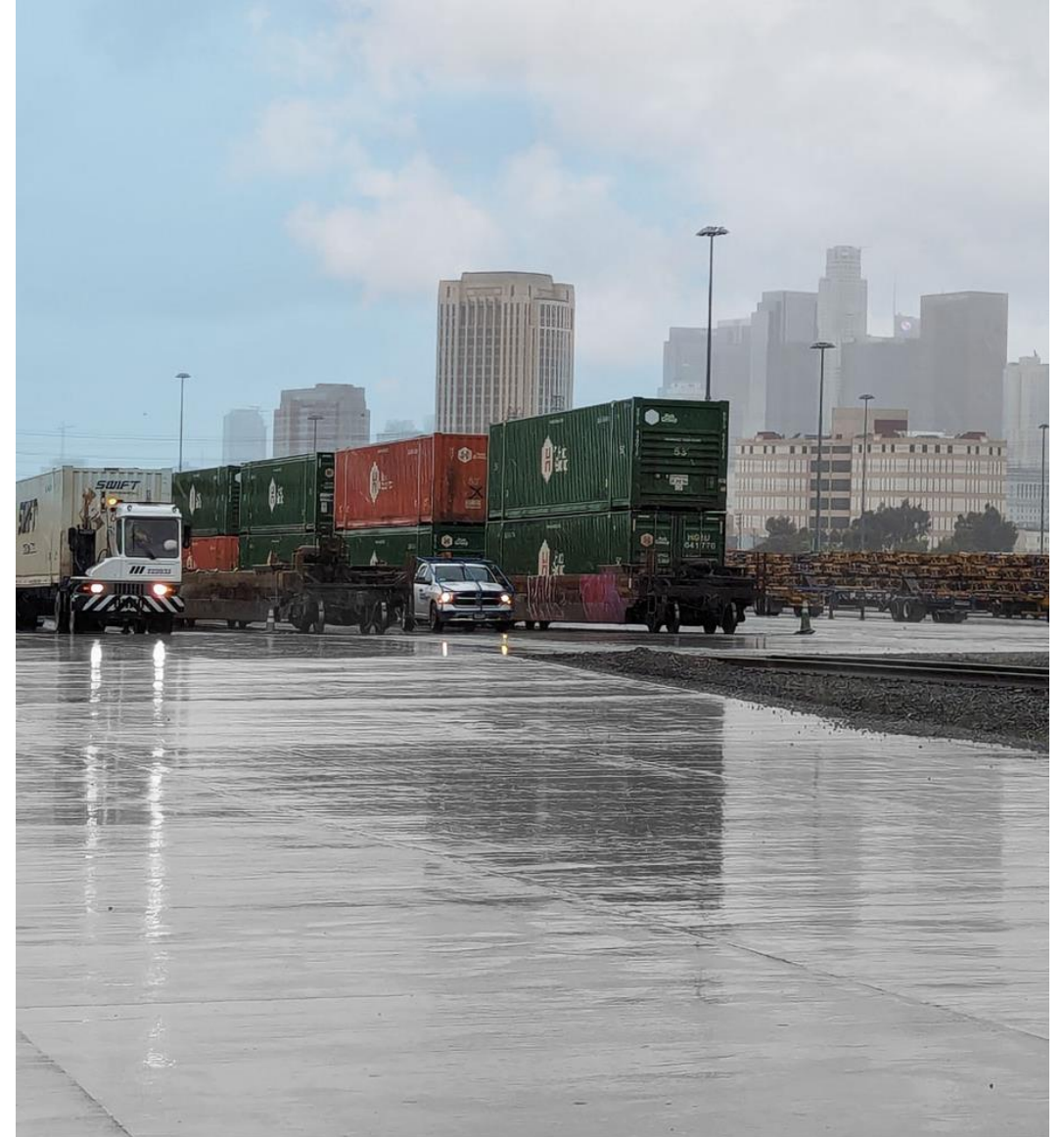


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How do we measure intermodal savings?

It's more of an art than a science

- Contract Index: contract truckload vs. contract intermodal. Spot Index: spot truckload vs. spot intermodal. Index size is 120 lanes.
- Values above 100 equal intermodal savings, values below 100 mean trucking is cheaper. The higher the value, the more intermodal can save.
- Spot intermodal data: FAK documents from railroads, wholesalers, pricing from door-to-door pricing portals.
- Contract intermodal data: Gathering through extensive surveying of shippers and IMCs. January and February always iffy, but data always gets clearer in March when RFPs are beginning to lock in.
- Polling in January includes guidance on Round 1 responses for the RFPs. By March, more data available on Round 2 of the RFPs.
- Assumptions: Local drayage, no accessorial fees, plain vanilla palletized freight, no extra/special handling.



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What does the Intermodal Savings Index tell us?

- There are clear winner lanes where you're almost always going to save at least: \$1,500 per load.
- Loads traveling between the West Coast and points in the eastern half of the US (Atlanta, Chicago, Jacksonville, Elizabeth, Memphis, etc.)
- There are local lanes where at best you'll save \$500 per container and trucking might even be cheaper.
- Know you're running the sub-800 local lanes for capacity, not for being greener or hitting your budget. Particularly in that Atlanta-Chicago-Elizabeth triangle.
- Winner lanes: Los Angeles to Chicago, Los Angeles to Memphis, Los Angeles to Elizabeth (NJ), and the backhauls. A little tighter LA to Dallas, but still a bargain.
- Loser lanes: Atlanta/Jacksonville to Dallas, Los Angeles to Seattle, Dallas/Houston to Chicago.



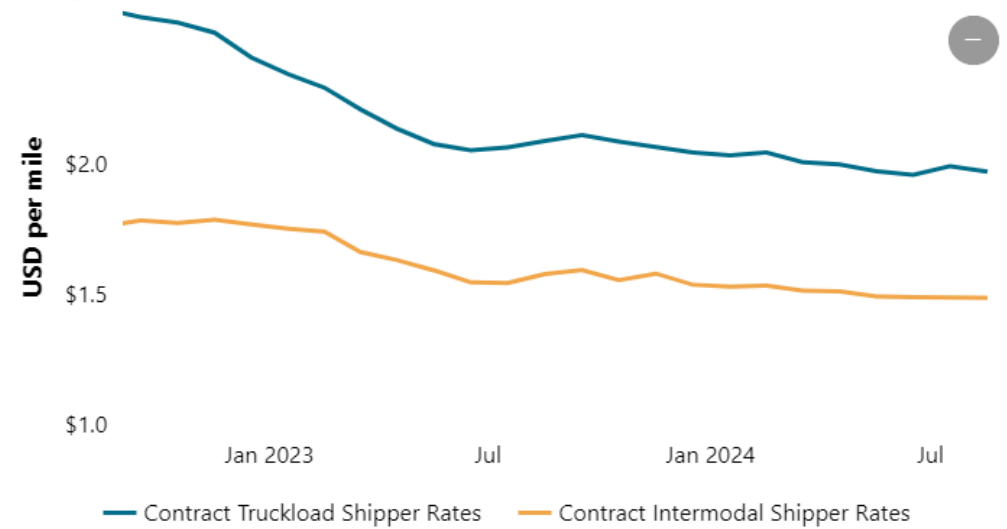
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What's the story of 2024?

- Contract Market Index: Not much movement at all since January 2023. National savings: 25% to 27%.
- Spot Market Index: The gap has widened in 2024 with record high savings of more than 20%.
- What about those Los Angeles surcharges?
- Some less than \$500, others \$500-\$1,000, and yes even \$1,000+.
- We do NOT count surcharges in the Contract Index.
- We do count surcharges in the Spot Index because all spot market rates go up by the surcharge total.
- Surcharges still haven't dented the Spot Market Index.
- Why? Our weighted index, only 25% is Southwest outbound (SoCal and NorCal).

Truckload, intermodal pricing sluggish until 2025 bids

Average contract rates for US truckload and intermodal rail, in USD per mile



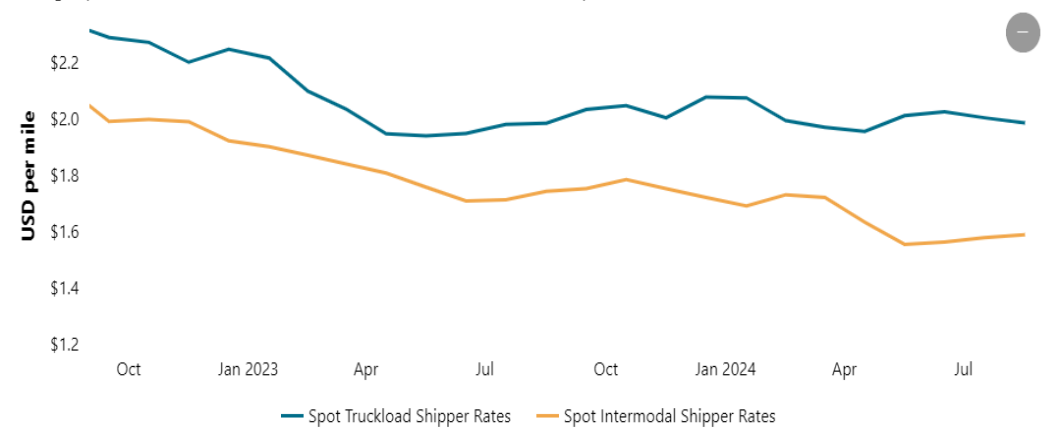
Notes: Rates reflect the average of 120 lanes in truckload and rail.

Source: JOC Intermodal Savings Index

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Gap between spot truckload, rail rates widening

Average spot rates for US truckload and domestic intermodal rail, in USD per mile



Notes: Rates reflect an average of the same 120 lanes in truckload and intermodal rail.

Source: Intermodal Savings Index

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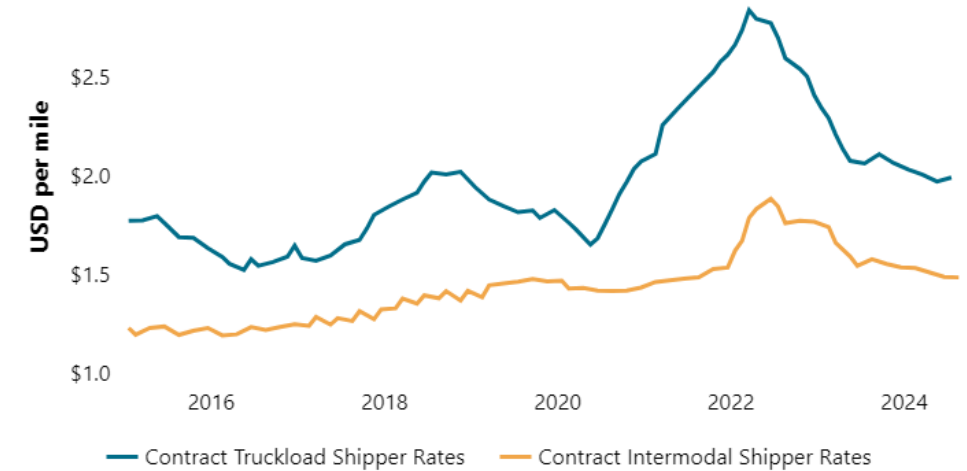
What does this mean for 2025?

How should you budget?

- One shipper: A major intermodal provider came to me and offered a 5% increase for 2025. Shipper politely declined.
- Shipper countered with 0% in the first half, and a rate discussion in June. Intermodal provider said no.
- Will Los Angeles surcharges have any impact?
- Shippers who want flat = unrealistic.
- IMCs wanting upper single digits = also unrealistic.
- The truckload market will tell us about intermodal.
- Hypothetical: If truckload contracts go up 5% across the US, expect intermodal to be up 2% to 3%.
- Third year of rate declines unrealistic, but there are also 30,000 to 50,000 containers stacked in the US.
- Need 750k-1 million loads to soak up capacity.

Truckload, intermodal pricing sluggish until 2025 bids

Average contract rates for US truckload and intermodal rail, in USD per mile



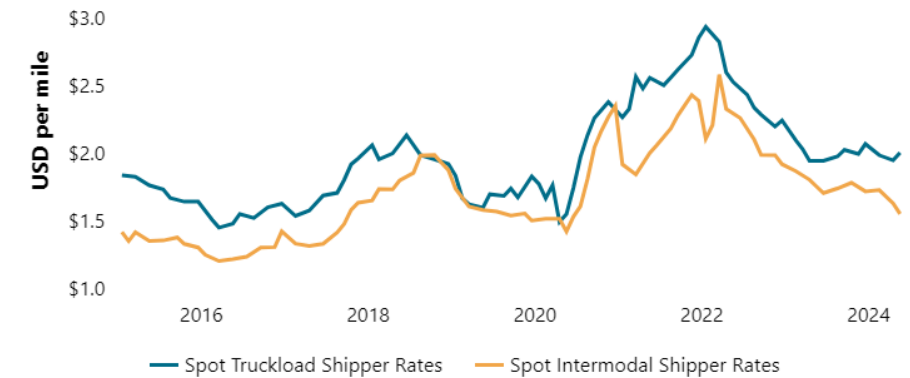
Notes: Rates reflect the average of 120 lanes in truckload and rail.

Source: JOC Intermodal Savings Index

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Gap between spot truckload, rail rates widening

Average spot rates for US truckload and domestic intermodal rail, in USD per mile



Notes: Rates reflect an average of the same 120 lanes in truckload and intermodal rail.

Source: Various Sources

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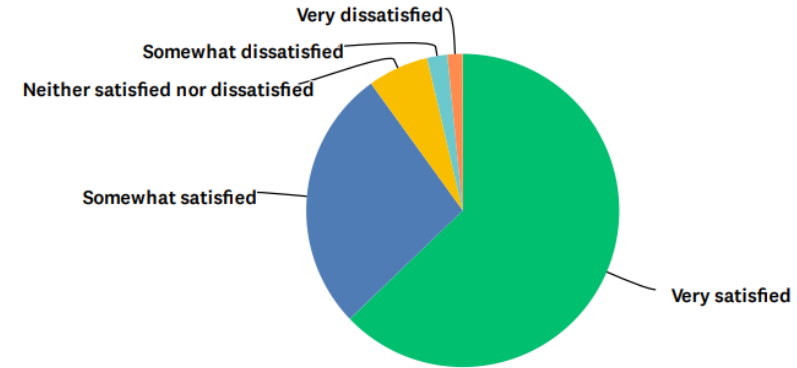
The Intermodal Service Scorecard

Share your wisdom with others – ANONYMOUSLY!

- Two surveys: the IMCs anonymously grade railroads; the shippers grade the IMCs anonymously.
- Grades are 1 to 5 stars, much like Google Reviews or Amazon Reviews.
- Nine out of ten shippers are satisfied with their IMC. Nine out of ten IMCs are also satisfied with their railroad partners.
- J.B. Hunt was named best IMC by 54.6% of voters, while 26% chose “other” IMCs like Alliance Shippers.
- Did J.B. Hunt win because of mega shippers? Nope because 58.9% of voters have less than 100 shippers per week.
- BNSF and CSX receive high marks for domestic intermodal; UP wins the award for most improved railroad.

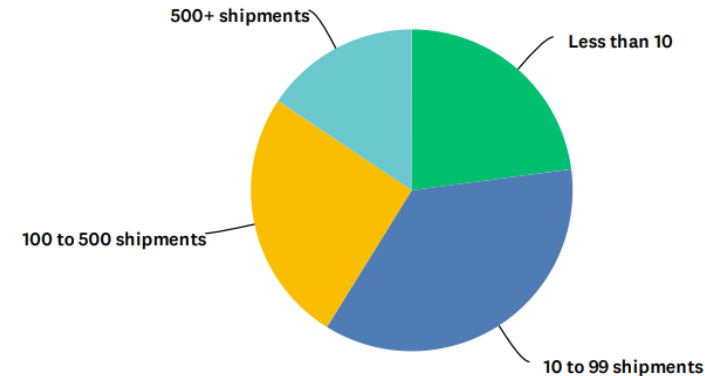
Q1 Overall, how satisfied or dissatisfied are you with your asset-based or non-asset IMCs?

Answered: 191 Skipped: 6



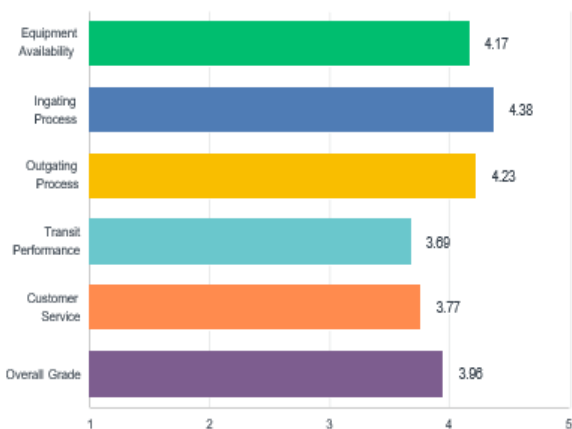
Q2 In an average week, how many domestic intermodal loads do you ship across all your partners?

Answered: 192 Skipped: 5

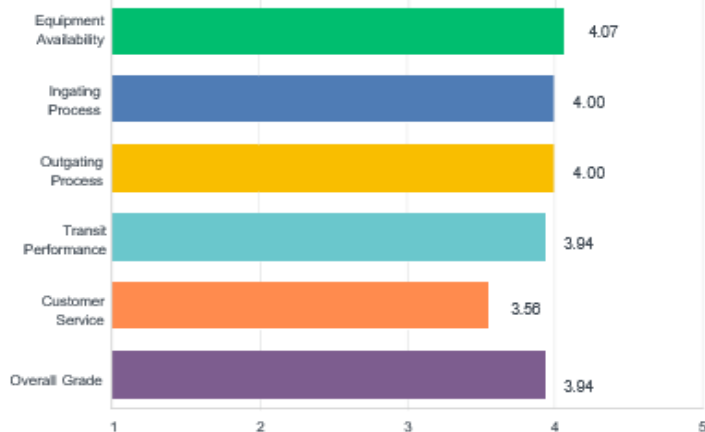


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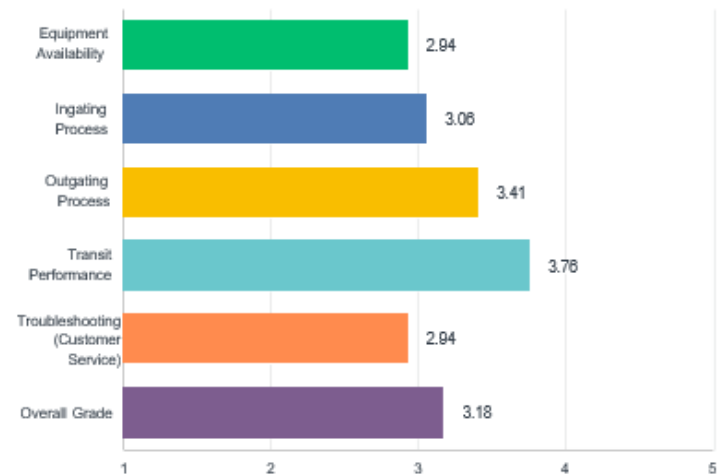
Please grade BNSF service in the last six months on the following criteria:



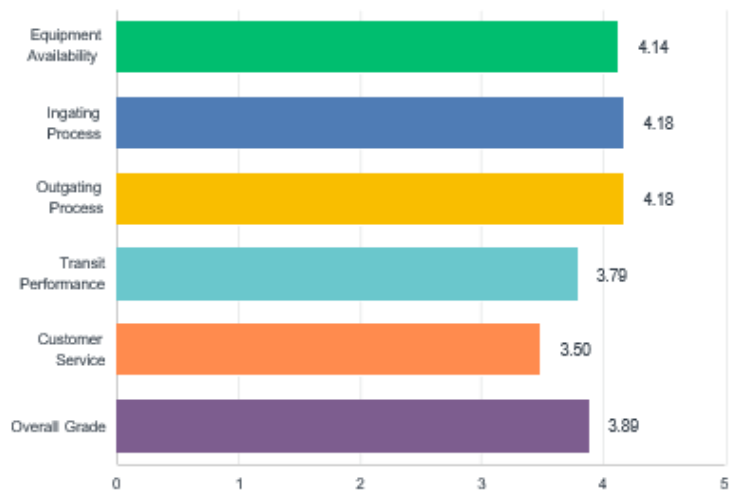
Please grade CSX service in the last on the following criteria:



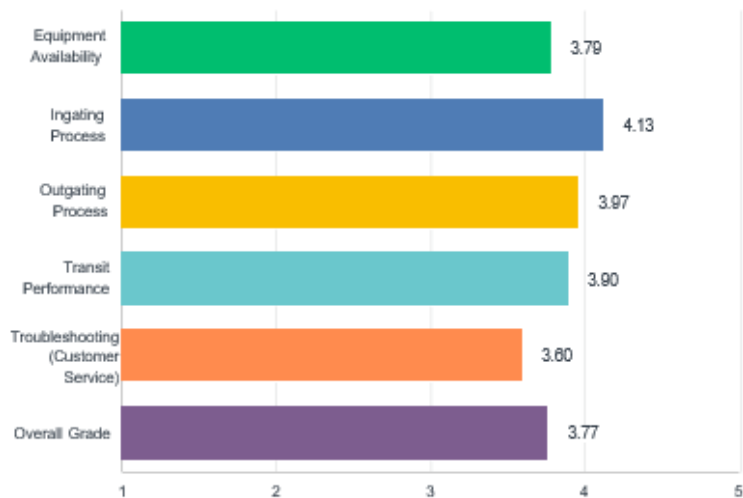
Please grade CPKC's service on the following criteria:



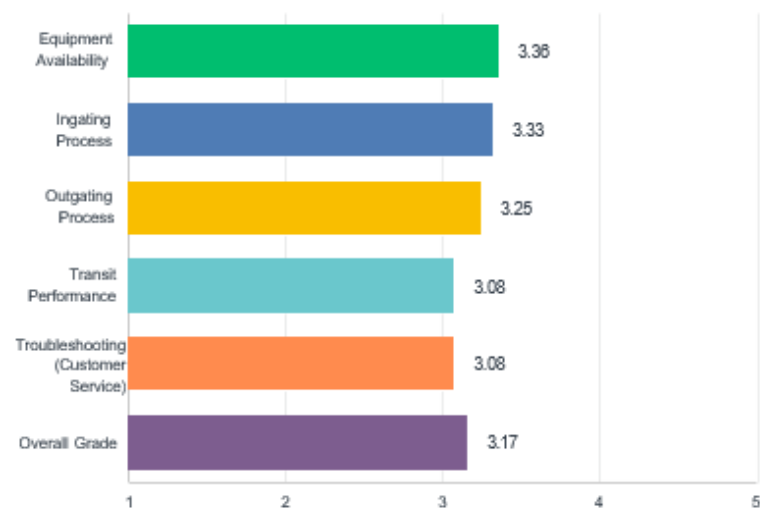
Please grade UP's service on the following criteria:



Please grade NS service on the following criteria:



Please grade CN service on the following criteria:



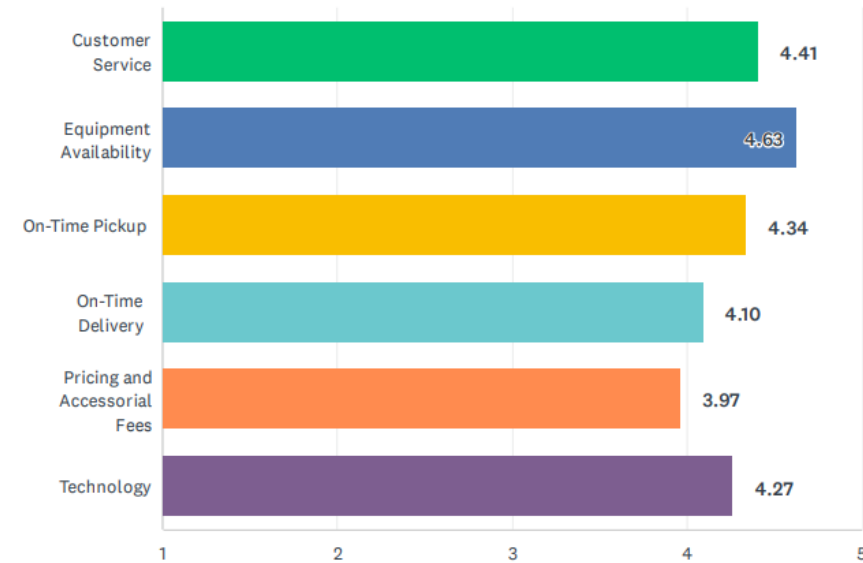
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How do you grade intermodal service?

- What are the KPIs we ask shippers to grade?
- How good is the customer service? Is your account rep/manager, or CSR, doing a good job or a poor job? Is the IMC/CSR in tune with your needs?
- Does your IMC provide an adequate supply of empty containers to meet your shipping needs?
- Where does the IMC rank among your partners for on-time pickups and deliveries? (Drayage)
- How competitive is the IMC's pricing -- linehaul and accessorial charges?
- What technologies do the IMC provide to make your job easier?
- 1 is very poor, 5 is very good; just like how you'd rate a product or business on Google or Amazon.

Q7 J.B. Hunt KPI Scores

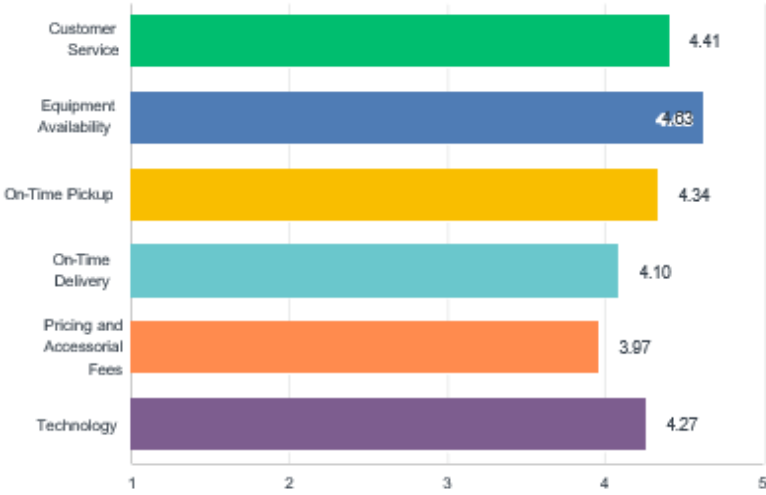
Answered: 123 Skipped: 74



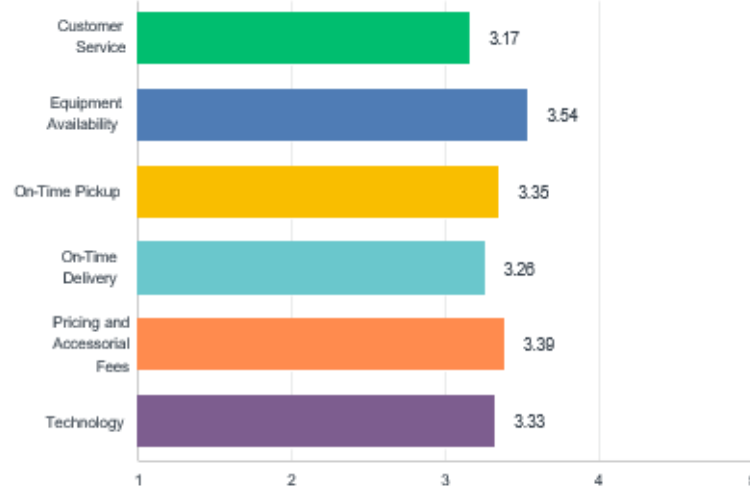
	VERY POOR	POOR	AVERAGE	GOOD	VERY GOOD	TOTAL	WEIGHTED AVERAGE
Customer Service	0.81% 1	4.07% 5	11.38% 14	20.33% 25	63.41% 78	123	4.41
Equipment Availability	0.00% 0	0.81% 1	5.69% 7	22.76% 28	70.73% 87	123	4.63
On-Time Pickup	0.81% 1	2.44% 3	9.76% 12	35.77% 44	51.22% 63	123	4.34
On-Time Delivery	3.25% 4	2.44% 3	17.89% 22	34.15% 42	42.28% 52	123	4.10
Pricing and Accessorial Fees	4.07% 5	4.07% 5	21.95% 27	30.89% 38	39.02% 48	123	3.97
Technology	0.81% 1	0.81% 1	13.01% 16	41.46% 51	43.90% 54	123	4.27

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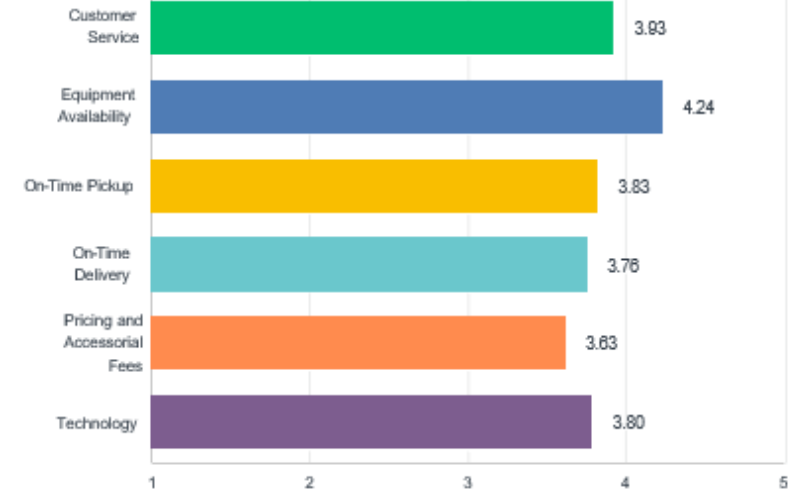
J.B. Hunt KPI Scores



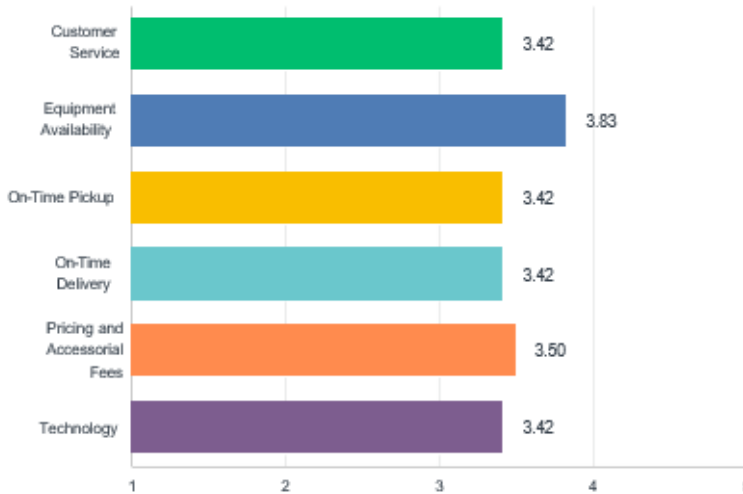
Hub Group KPI Scores



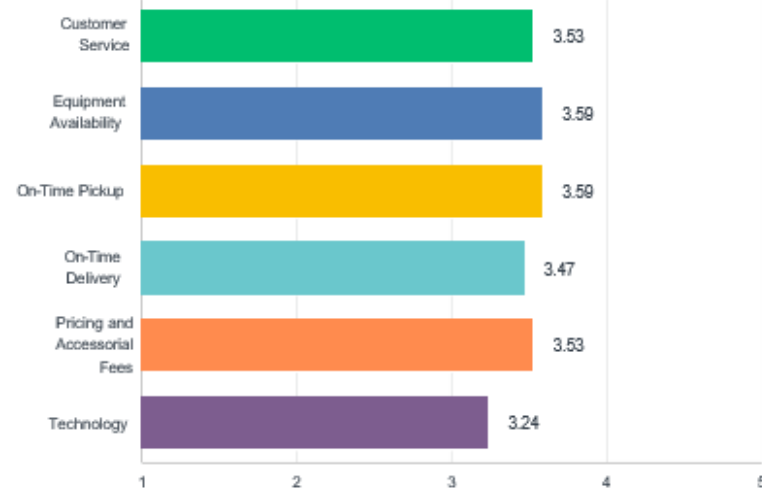
Schneider KPI Scores



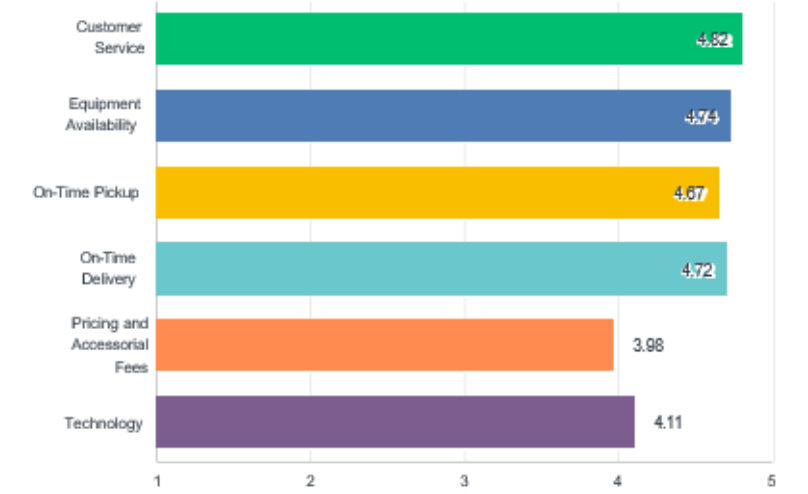
STG KPI Scores



Swift KPI Scores

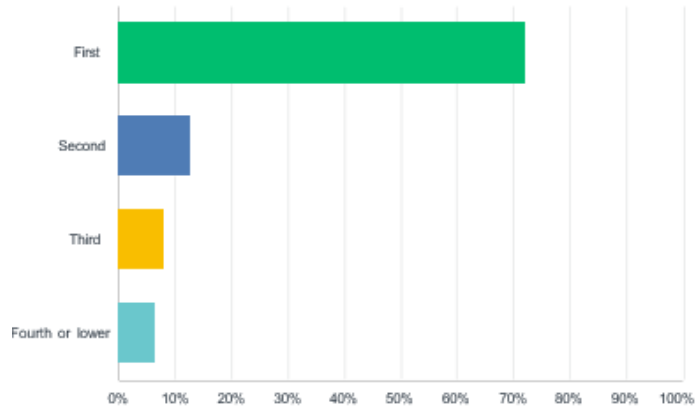


Small Asset-Based and Non-Asset IMC KPI Scores

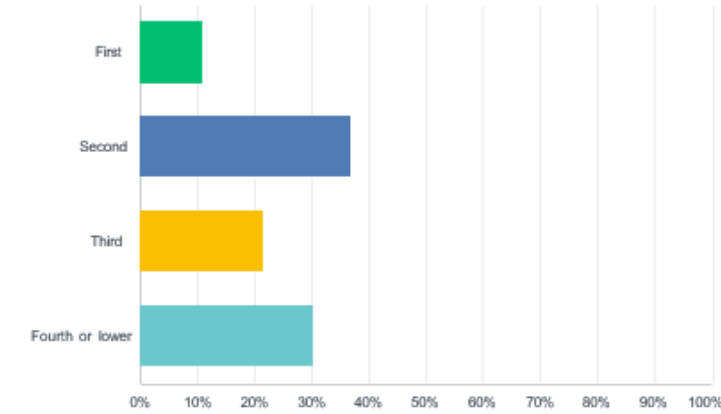


Inland Distribution Routing Guides

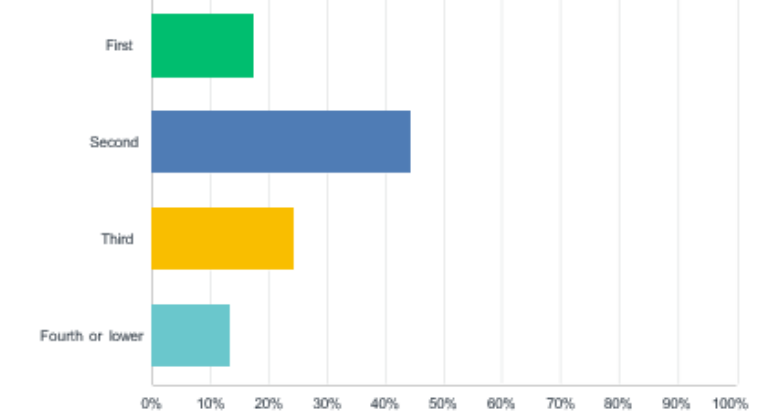
By volume, where does J.B. Hunt rank among your IMCs?



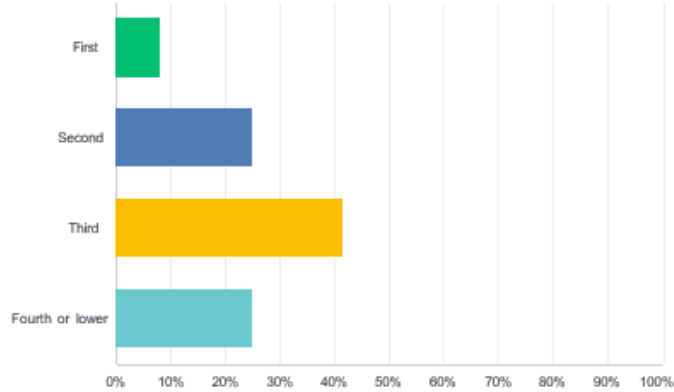
By volume, where does Hub Group rank among your IMCs?



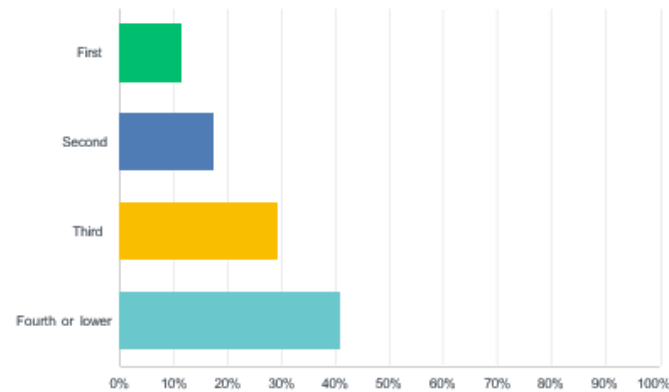
By volume, where does Schneider rank among your IMCs?



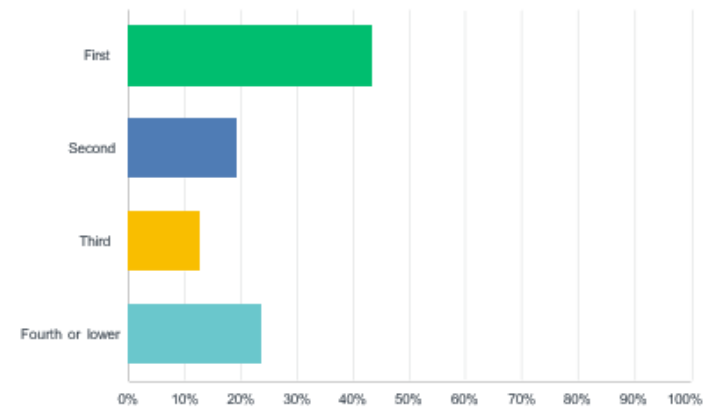
By volume, where does STG Logistics rank among your IMCs?



By volume, where does Swift Intermodal rank among your IMCs?



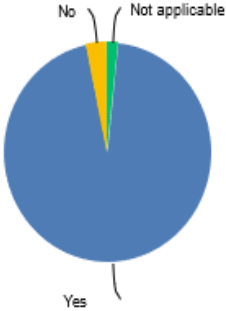
By volume, where does this other IMC rank among your IMCs?



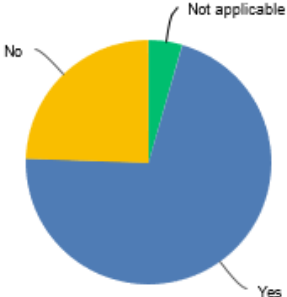
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Tender Acceptance Levels

Does J.B. Hunt meet your expectations on tender acceptance levels?



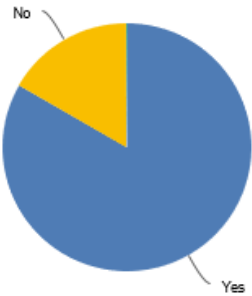
Does Hub Group meet your expectations on tender acceptance levels?



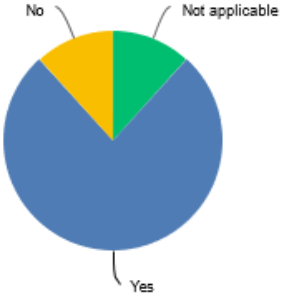
Does Schneider meet your expectations on tender acceptance levels?



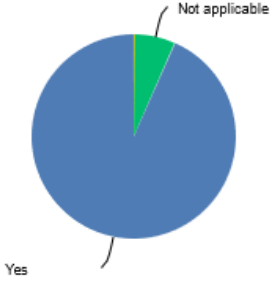
Does STG Logistics meet your expectations on tender acceptance levels?



Does Swift Intermodal meet your expectations on tender acceptance levels?



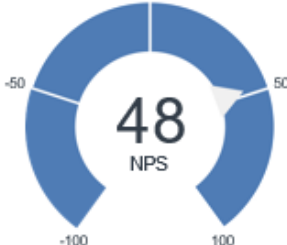
Does your other IMC meet your expectations on tender acceptance levels?



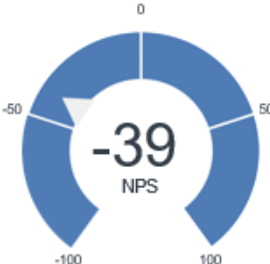
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Net Promoter Scores

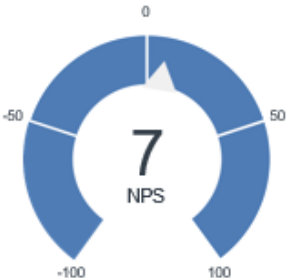
How likely is it that you would recommend J.B. Hunt to a colleague?



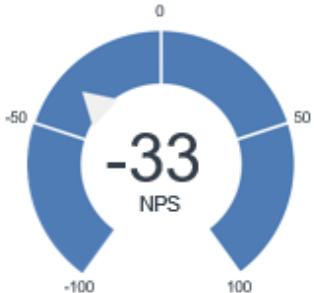
How likely is it that you would recommend Hub Group to a colleague?



How likely is it that you would recommend Schneider to a colleague?



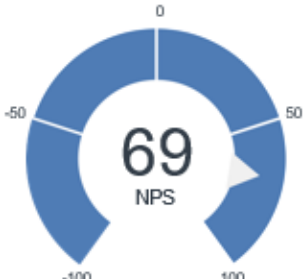
How likely is it that you would recommend STG to a colleague?



How likely is it that you would recommend Swift to colleague?



How likely is it that you would recommend this company to a friend or colleague?

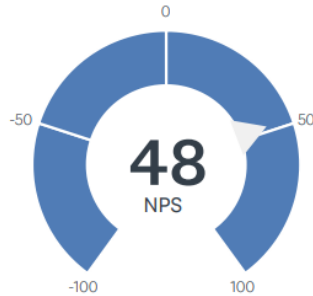


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Large vs. smaller intermodal providers: Which is better?

Q12 How likely is it that you would recommend J.B. Hunt to a friend or colleague?

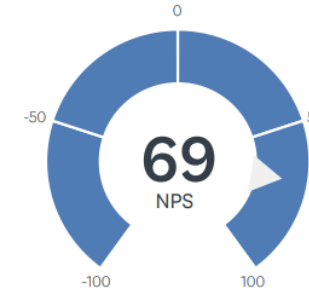
Answered: 122 Skipped: 75



DETRACTORS (0-6)	PASSIVES (7-8)	PROMOTERS (9-10)	NET PROMOTER® SCORE
13%	26%	61%	48
16	32	74	

Q43 How likely is it that you would recommend this company to a friend or colleague?

Answered: 45 Skipped: 152



DETRACTORS (0-6)	PASSIVES (7-8)	PROMOTERS (9-10)	NET PROMOTER® SCORE
4%	22%	73%	69
2	10	33	

- Both large and smaller intermodal providers have a place in your network. It's not a zero-sum game!
- Analogy: Do I buy an item from Home Depot/Lowes or from True Value/Ace Hardware?
- Recently I made two purchases: Lawnmower -- Ace Hardware; Garbage pail – Home Depot.
- A garbage pail is a garbage pail is a garbage pail, but not all lawnmowers or snow blowers are made equally.
- Is your priority the lowest cost or a hands-on, personalized, small business feel?

Know Your Network, Embrace Complication and Shades of Gray

- Strategic vs. transactional partner – also not a zero-sum game. 80% of moves in 20% of your lanes; 20% of your freight moves in the other 80% of lanes. The 80% of freight might be strategic, and the 20% might be transactional.
- Not all relationships are strategic, some are transactional. Applies to FTL and intermodal.

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The Voice of the Shipper!

Positives

- “Hub came in very aggressive with pricing in 2024 and has done a better job in the last six months with maintaining trailer pools.”
- “J.B. Hunt has been of immense help getting an intermodal program set up for our sister company in Mexico. They are good at communicating with the entire team involved in clearing our shipments at the border. We have had problems with availability, but they are quick to offer options.”
- “Alliance Shippers is refreshingly humble. They do not care about being right, only serving our account. I use them as an example with my team. It's an attitude we try to emulate.”

Negatives

- “Awful account management from Hub. Excessive and often inaccurate accessorial charges. Poor communication across multiple levels of the company.”
- “I believe J.B. Hunt caters to the bigger companies, and do not cater to their smaller ones. I also believe they do not listen when their customer talks. We walked away from doing business with Hunt for these reasons.”
- “Our non-asset IMC are not price competitive, reluctant to acknowledge changes in the market. Reliable -- but so are many others these days with ample available capacity. Our IMC lost a significant amount of our business in the past few months due to not being reactive or receptive to rate changes.”

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*Want to learn more about the
Intermodal Savings Index or
Intermodal Service Scorecard?*

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- Participate in the Index and Scorecard

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