

# **Marketing Logistics Services**

**200 Buyers of Logistics Services Weigh  
In On How to Get, and Keep, Their Attention**

# Introduction

At a recent logistics conference, a buyer of logistics services told me:

*“I get so many solicitations from logistics providers that I could spend half my time just responding to these inquiries.”*

For those of us who make a living trying to earn the attention of these executives, it's a worrying comment. So I decided to survey 200 users of logistics services (shippers) to gain insights into how logistics providers, including 3PLs, warehouseers, carriers, brokers and software companies, could improve their marketing and communication approaches.

Specifically, I wanted to learn how logistics service providers (LSPs) could more effectively engage with shippers when trying to build a relationship and gain new business. To do this, I used a startling, new research methodology. I asked them “How could logistics service providers more effectively engage with you when trying to build a relationship and gain new business?”

Some highlights:

- LSPs need to do their **homework** to avoid wasting the prospect's time.
- **Honesty** goes a long way. Don't overpromise.
- Oh yea, having a better **price** really *does* help.

We asked a number of other questions along the way. This short eBook summarizes the results and offers suggestion on how we can and should improve our marketing and sales approaches to build a meaningful dialogue.

# Which of these statements best describes your motivation for choosing particular logistics service providers?

“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 operation.”

**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.”

These results are in line with those from the latest *“State of Logistics Outsourcing”* report, which found that 3PL users view **continuous improvement / cost cutting** and **industry experience** as the top two motivations for LSP selection.

# Motivation for Selecting LSPs



The effort and risk involved in moving to an outsourced model or changing providers is tough to rationalize or sell internally without strong cost motivations.

Nearly tied for the number one response is the desire for providers to understand the nuances of a particular industry or product. It's possible that this result is skewed somewhat by respondents in pharmaceutical, chemical and other specialty industries that are heavily regulated and have special handling requirements.

Comments related to innovation and technology most often linked back to cost, as they want ideas and technology to translate into a tangible benefit.

With all the talk about vested outsourcing relationships, the notion of contractually sharing gains and risks doesn't seem to be driving 3PL selection. We believe that's because it's not a reason for engaging with an LSP. These types of arrangements are more likely the end result of a long term relationship where strong trust has developed.

# Motivations for Selecting LSPs: Key Themes

Respondents offered hundreds of comments on what drives LSP selection. Several major themes emerged and the typical comments below capture the sentiments of LSP users surveyed.

## 1 Continuous Improvement / Reduce Cost Through Innovation

- “We have year upon year pressure to reduce operating costs.”
- “We do the basics well, but we need a partner who can help us develop innovative ways to reduce costs.”
- “You’re only as good as what you did last year.”
- “Idea sharing and innovation help secure long-term relationships.”

## 2 Special Expertise

- “We are a food manufacturer. On-time pickups, refrigeration and shelf life rule our world. Our 3PLs need to understand this.”
- “Far too many logistics providers don’t have a clue about my industry’s needs, but still want to sell to me.”

## 3 Adaptability

- “We have high-maintenance customers with challenging requirements. I need flexibility to meet those needs.”
- “It’s horrible to be in a reactive mode, but that’s the reality much of the time. We need a provider that can adapt to a fluid set of requirements.”
- “We have to manage seasonality without adding headcount.”

## 4 Service Quality

- “If we don’t deliver on time, nothing else matters.”
- “I need to have trust in the performance of the operation. Reliability is key for me.”

# How do you prefer to be contacted by LSPs?

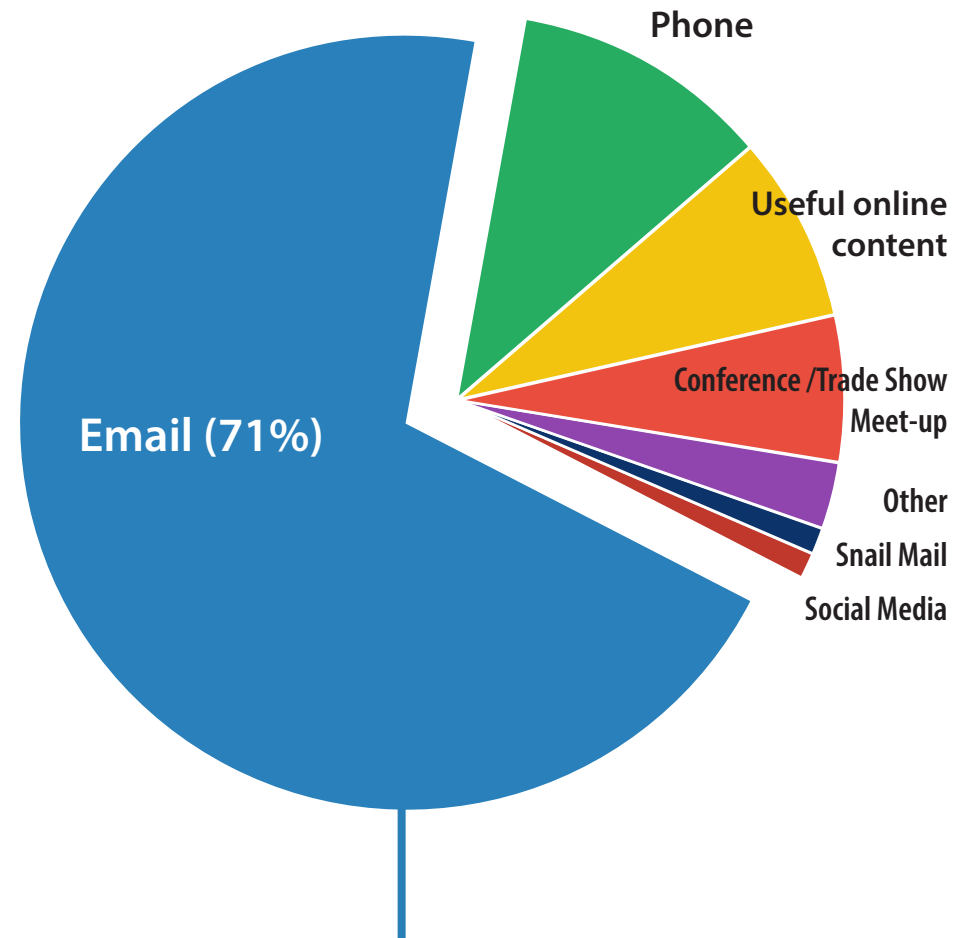
*Email was the dominant response.*

Email provides recipients with control over when and if they respond. In general, only about 1 in 5 B2B prospecting-type emails will even be opened. Based on survey comments, the emails less likely to be opened are obviously generic “fishing expeditions.” (The chart below notes the most effective email offers to drive click through and action in response to an email.)

While there were more people in the “Don’t call me!” camp, 11% still saw a phone call is the best means of communications.

8% of respondents pointed to useful online content as a way to get their attention, albeit indirectly.

It’s important to note that, for a vast majority of B2B buyers, the vendor selection process starts as a vendor-neutral online search. So just as important as identifying and reaching out to target prospects, is ensuring that your online presence makes it easy for prospects to **find you**.



## Most Effective Email Offers to Drive Conversion

Source: Pardot

1.



Webinars

2.



White Papers

3.



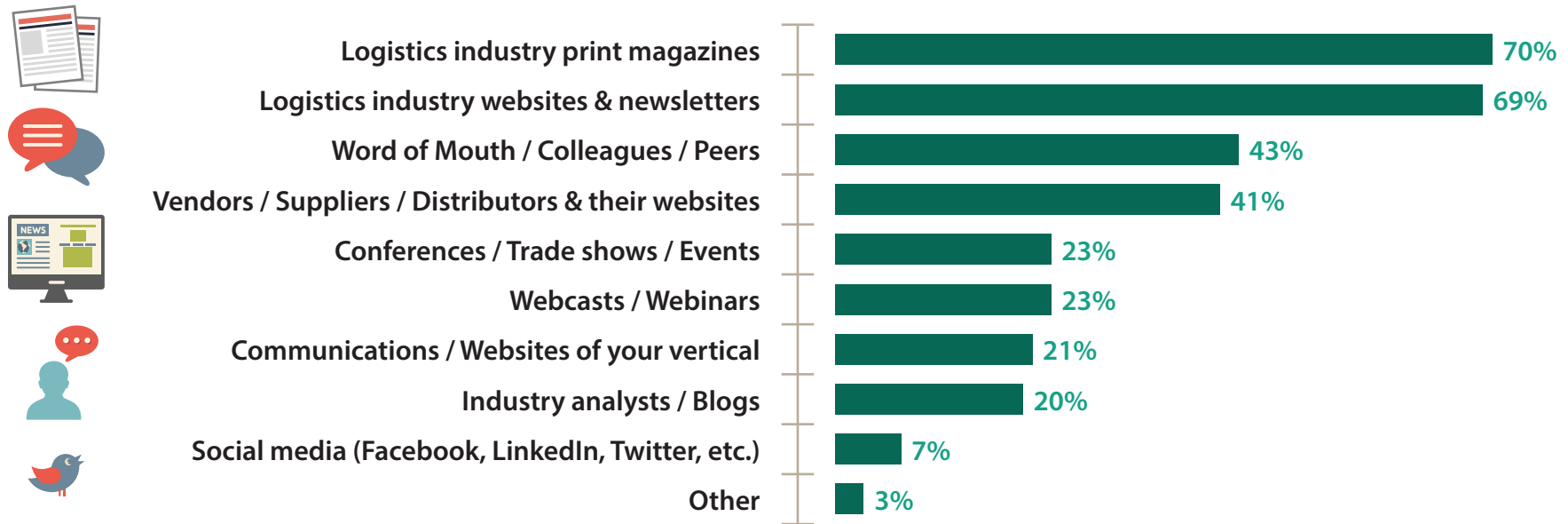
Case Studies

4.



Video

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



You know those logistics magazine publishers who are always telling you *print is not dead*? Well, our research seems to support that contention.

We asked respondents to name their top 3 sources. An equal number of respondents – about 70% – cited logistics magazines and logistics websites as their primary source of information. Further down the list, at 42%, was word of mouth and vendors/suppliers. Social media, while an important and increasingly popular information sharing tool, is not yet seen as a prime source for industry news and strategic insights. According to *DemandGen's 2014 B2B Buyer Behavior* survey, **LinkedIn** is the top choice among senior executives who look to connect via social media, whereas blogs are the top choice for non-executives.

# What advice would you have for LSPs who would like to build a relationship with you in the hope of gaining future business?

Respondents had plenty of advice, some of it quite pointed. We combed through hundreds of comments and several themes emerged. By far, the dominant theme was **"KNOW MY BUSINESS."** This included shippers who saw lack of specific industry experience as a non-starter:

- "If you are not doing business with customers like me, I don't want to be your training ground."
- "Bring an understanding of our products and how similar companies benefited from the engagement with your firm."

Feedback also included comments from shippers who were frustrated at the number of providers who failed to do any homework prior to contacting them:

- "Before starting a full conversation, know my business model, customers and needs. Generic sales pitches from rookies are a turn-off."
- "You would be amazed at how many 3PLs representatives just walk in the door and brag about what their team can do."

The second theme to emerge was **"GIVE ME A BETTER PRICE."** Respondents represented buyers of different logistics services, from 3PL contracts to tactical transportation services. Indications are that those who put "better price" as their number one piece of advice were directing that advice at carriers. Still, it's advice worth noting.

- "The providers I work with are very similar. Show me a cost differentiator."
- "Want to get my attention? Do it cheaper than the other guy."



# What advice would you have for LSPs who would like to build a relationship with you in the hope of gaining future business?

The next, and most interesting, theme to emerge was the simple suggestion to **"BE HONEST."** The suggestion that 3PLs and other LSPs overpromise is not new. But it's surprising that it's still happening and, based on the survey responses, fairly frequently.

- "Don't tell me what you think I want to hear. Be completely honest."
- "The 'all things to all people' approach is poison to me."
- "Be honest and truthful with no BS."
- "Don't oversell with 'pie-in-the-sky' solutions."
- "If you can't do it, say so."
- "Don't show me vaporware. I need to see the real thing."

It appears that some LSPs have a difficult time, in selling situations, of sticking to what they DO, rather than what they CAN DO. In overstating capabilities, LSPs may hope to increase their chances of being considered. But that's like embellishing your profile on a dating website. When you eventually meet your would-be soul mate, she'll wonder how you suddenly shrunk 5 inches and were demoted from president to assistant clerk at your firm.

Buyers seem less interested in what you are *potentially capable* of doing and more interested in what you are *experienced in and, as a result, very good at*. Research results suggest you "sell it like it is." The solution may fall short of the requirements of certain prospects, but may be just what the doctor ordered for others.

Another theme to emerge was a willingness to listen to providers who **"BRING INNOVATIVE SOLUTIONS."**

- "We've pretty much heard all the ideas out there. Show me how you can solve a problem in a unique way."
- "We are open to new ideas and need someone who constantly challenges us to improve operations."
- "I find most 3PLs are great fire fighters but are not capable of recognizing a problem that is brewing and solving it before it blows up into a big issue."

Many other suggestions were offered, but the aforementioned themes capture the primary advice.

# The Communications Manifesto to Logistics Service Providers

If shippers got together and asked me to ghost write their manifesto to logistics providers on communication strategies based on the feedback from this survey, it might start out something like this:

***To all logistics businesses trying to get my attention...***

***Respect me.***

*I'm a smart, educated buyer who sees through the BS. Be honest and don't oversell. In fact, don't sell period, at least not until you've listened and understood my needs.*

***Respect my time.***

*Before contacting me, do your research and understand my industry and the specific challenges associated with my products and my supply chain, then quickly explain to me why I should talk to you. The fact that I use a particular service and you sell a particular service is common ground, yes, but it's not enough for me to carve out a portion of my day to talk with you. Give me a reason. Tell me how your value proposition aligns with a particular challenge I am facing. If you can help me solve a problem in a way that's unique and different, I'll listen. I'm smart, but there's a lot I don't know and I'm always anxious and willing to learn.*

***Respect your competition.***

*When you deride them, you diminish yourself.*

***Don't just tell me, show me.***

*I admire your attractive PowerPoint slides with the lists of impressive product features. But I'd rather you show me ideas in action and the results others like me have achieved. I like new thinking but I can't risk my supply chain on unproven ideas.*

If you'd like to dig into these results a little more, we'd be happy to participate in a 20-minute Q&A with your sales and marketing team (it's free and it's really OK if goes beyond 20 minutes). We'll share some further insights and then discuss any questions you might have on the results and the best ways to engage prospects.

[Schedule a call](#)



*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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