

Marketing Logistics Services

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

Introduction

Logistics marketers have to work smarter. They have no choice.

Tepid economic growth has slowed new business opportunities for logistics businesses and the competition for buyers' attention is increasing exponentially.

In times like this, the best place to look for advice is from the buyers themselves.

So we asked over 100 director- and VP-level buyers of logistics products and services about the best ways to get and keep their attention. This report summarizes their detailed responses.

NOTE: This 2016 survey report is a follow up to a similar 2014 report, 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

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

Industry

“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



Flexibility

“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.”

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.”

The results practically mirror those from our 2014 survey. No surprise, **buyers are motivated first by a desire to reduce costs.**

- “We operate with very thin margins, so cost control is the primary focus.”
- “It’s not necessarily about price if we can reduce our total costs.”

Motivation for Selecting LSPs



After that, they want a logistics partner that can help them adapt quickly and easily to changing business requirements.

It comes down to responding to the end customer's needs. Logistics managers want to work with 3PLs and other partners that allow them to say "yes" when internal or external customers hit them with an unexpected challenge.

- "Our customers' needs are ever-changing, so we need to be able to pivot on a dime."
- "Business as usual is very unusual. We deal with many varied, last-minute requirements inside and outside the organization."

The third top supplier selection criterion was specific experience in a particular industry or handling a specific product type.

For industries like chemical and pharmaceutical, this experience will often be a pre-requisite to doing business.

- "Secure handling of high-value products is the key to our success."
- "We make very large products that require specialized equipment to move. Not everyone can do this."

About 16% of our respondents were looking for innovation.

There was little to no interest among our respondents for value propositions that revolved around:

- leveraging technology to automate and optimize the supply chain
- risk sharing, such as through gainshare agreements.

Interestingly, buyers showed markedly less interest in technology in 2016 than in 2014. Our take: solid systems capabilities are increasingly seen more as an enabler of value rather than a direct driver of value. Today's buyers are not drawn in by the shiny new object. They want providers to demonstrate how they will use systems to reduce cost, save time, and deliver actionable insights.

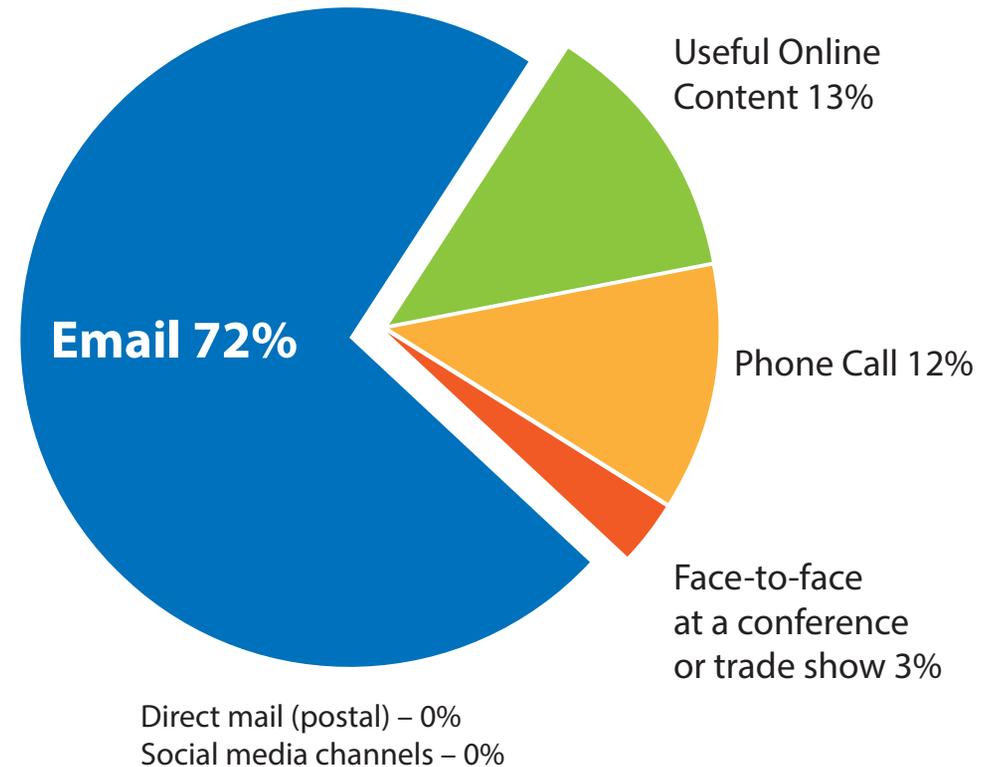
How do you prefer to be contacted by LSPs?

Email was by far the dominant response, as it was in 2014.

Not only is it the preferred method of contact, but data from [Software Advice](#) confirms that email has a very low cost per lead relative to other lead generation tactics.

Buyers prefer emails because the power remains in their hands. They can answer an email, ignore it, or label it as junk to avoid future contact.

According to [Smart Insights](#), average email open rates for B2B corporate services is 20.6%.



Top Converting B2B Lead Acquisition Channels (based on lead to opportunity)

Source: Marketo

1.



Referral

2.



Partner

3.



Inbound Marketing

4.



Paid Media

How do you prefer to be contacted by LSPs?

Coming in number two, behind email, is “useful online content/If I see and like it, I will contact them.”

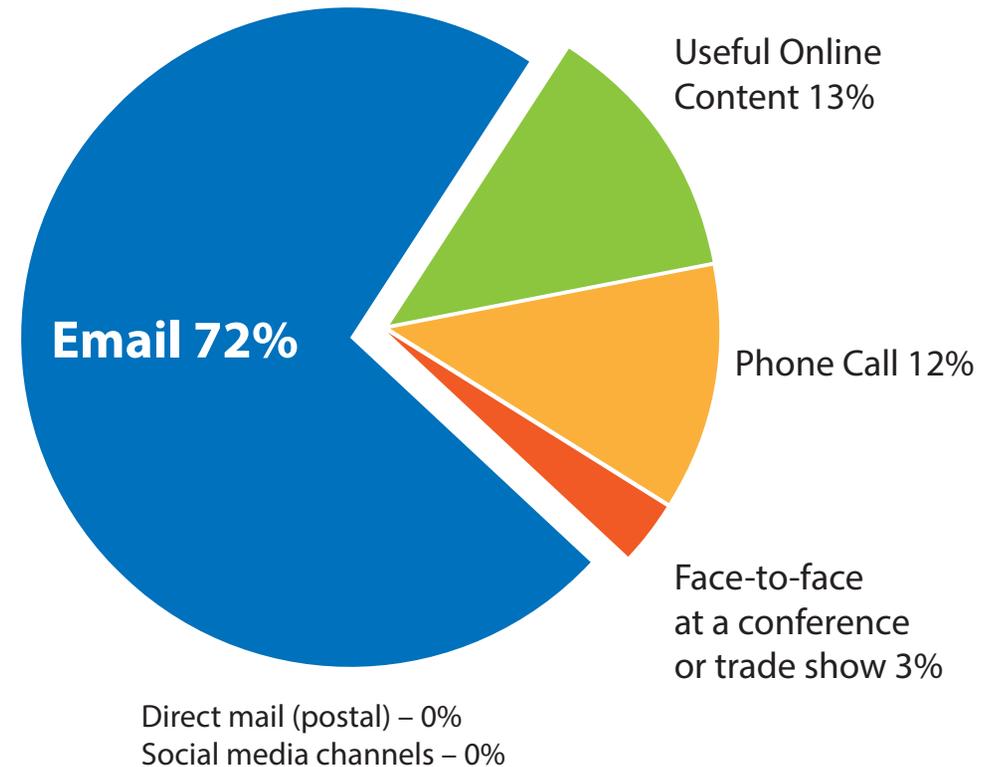
That could be the prospect’s way of saying “don’t call us, we’ll call you.”

But it does suggest that there is value in creating content as a means to engage with early stage prospects, either by giving the content away or through use of a download form.

For high-value sales, buyers are well through the sales cycle before they engage with potential suppliers. The right content can get you on their radar screens as they explore and evaluate options for solving a problem, solidifying your position when they eventually move to the selection stage.

While a small percent of respondents actually preferred to be contacted by phone, most respondents were more aligned with the following comments:

- “You number in the thousands. Stop cold calling.”
- “Don’t badger to the point of annoyance.”



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



Logistics industry websites edged out print magazines as the top information source, although reliance on these sources has decreased since our 2014 survey.

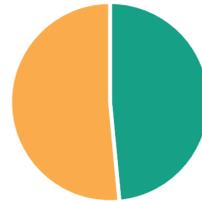
Word of mouth remains a very important information source for buyers, pointing up the importance of maintaining your contact networks and cultivating referrals.

Logistics professionals still rely on trade shows and conferences to stay up to speed on new strategies, equipment and technology.

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

Logistics salespeople that I don't know should never call me on the phone.

Disagree
51.5%

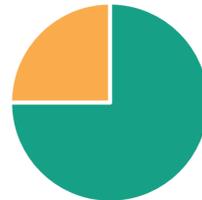


Agree
48.5%

I guess cold calling is not dead.

I pay attention to the print ads in logistics trade magazines.

Disagree
25%



Agree
75%

Magazine publishers (and print advertisers) rejoice! Logistics executives are reading your ads.

I log into LinkedIn at least once a week.

Disagree
50%



Agree
50%

In our 2014 survey, 7% of logistics buyers said they relied on social media sources to keep up to date. In this survey, that response rose to 16%, and about 50% indicated they are active LinkedIn users.

When consuming logistics- or provider-related information, I prefer to watch a video versus read a blog post or other written information.

Disagree
66%



Agree
34%

Content marketers, keep writing and publishing. Video is gaining steam, but people will still take the time to read, and many prefer it.

I'll never respond to an email sales pitch from a logistics company.

Disagree
77%



Agree
23%

Sharpen those email skills. Prospects are very open to email pitches that speak to a relevant challenge.

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

It's clear that respondents are on the receiving end of many sales pitches. It's clear, too, that they are frustrated by aspects of these interactions. Here are the major themes that emerged from our analysis, in priority order as reflected in buyer responses.

KNOW MY BUSINESS.

This was also the number one piece of advice offered in our 2014 study. No mystery here. Prospects expect you to research details about their business and their needs before you call. That may sound like Sales 101 advice, but shippers suggest that many logistics salespeople skipped that course.

- "Learn about our businesses and determine specifically how you think you can help before contacting us at any level."
- "I'm not going to supply you with information at the drop of a hat. Learn my needs and determine if you can add value. If you can't, don't create dialogue for the sake of dialogue."
- "Learn about my issues before telling me how great you are."

BE HONEST AND DON'T OVERPROMISE.

Responses reflected some negative past experiences with providers that promised more than they could deliver. Don't get caught in that trap. Buyers want partners they can trust. Judging from buyers' input, honesty and humility, particularly in an initial meeting, will get you further than self-centeredness and hubris.

- "Give me straight talk. No B.S."
- "Please note all costs up front. No hidden costs, please."
- "Don't overpromise and under-deliver. Listen to what my business has to offer, warts and all, and respond with a rate and service proposal that meets my needs."

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

EMAIL WITH A SPECIFIC VALUE PROPOSITION.

Respondents made it clear that they prefer to be approached first via email before a phone call. Many comments also characterized the type of emails that work best. Buyers prefer emails that demonstrate knowledge of the company and communicate a value proposition that is unique to that company, not generic. Emails that read like they've been cut and pasted from a company brochure are not the ticket.

- "Provide real, tangible information in your initial email with documentation that illustrates the success of your product or service."
- "Most times salespeople call at bad times. Start with a detailed email. If interested, we will contact you."
- "I get hundreds of inquiries a year. If you do not state your value to me immediately, in a way that makes you stand out, you are ignored."
- "Demonstrate where and how you can improve our supply chain with demonstrable examples."

BE PATIENT AND PERSISTENT.

Logistics suppliers are critical to the success of corporate logistics operations, and buyers were quick to recognize this in their comments. But these buyers are extremely busy and urge suppliers to take a slow, steady approach.

- "Be patient. It takes time to develop a relationship and even longer to work out the details of service requirements."
- "Start slow. Don't throw everything at me at once. Start with what my needs are, not what you want to sell."
- "I'm too busy to respond to every request. Be patient and persistent in your communication, but don't be a stalker."

A number of respondents commented that "referrals are the best way to get my attention." Work those referral sources. It may mean calling in a favor, but it can open doors that otherwise would have been closed shut.

Many other suggestions were offered, but these were the main themes.

The Communications Manifesto to Logistics Businesses

If the respondents to this study asked us to ghost-write an open letter to logistics businesses on their marketing and sales practices, it might start something like this:

To All Logistics Companies Trying to Get My Attention:

Do Your Homework Before Reaching Out.

I receive many calls and emails and simply don't have the time to educate you on my industry and requirements. There are things you can't find out online, and I get that, but I want to know you've researched my company and that there is a reason for your call. I don't want to feel like I'm just #27 on today's call list.

Add Value.

You're not unique. If you come to tell me how great your company is and how you can save me 15% (without knowing anything about my business), don't waste your time. I've heard that same story from your competitors. What will command my attention is if you demonstrate an understanding of a challenge I'm having and tell me a new idea you have to address it. Give it to me straight up, with no fluff, and maybe we've got a reason to talk.

Build Trust.

I am a smart, experienced buyer who sees through the B.S. Respect me, and yourself, and please don't promise more than you can deliver. More than anything, I need partners I can trust. When you oversell, you erode that trust.

Be Patient.

I get turned off by salespeople who would rather talk than listen, and then look for the first opportunity to close a sale. I get that you may have a sales quota, but that is not my urgency. It takes a long time to build a relationship. But know that, when I find the right partner, I stick with them.

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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