



## **CPG Company Identifies Key Macroeconomic and Freight Market Trends to Improve Transportation Purchasing Behavior**

An in-depth look at how a CPG company utilized FreightWaves SONAR to make data-driven decisions.

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## SUMMARY

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A newer entrant to the consumer packaged goods industry is primed for growth as the calendar turned to 2023. Unlike some participants in the freight market, this CPG company has experienced demand exploding throughout the pandemic thanks to consumers being forced to stay at home. This led to demand planning becoming more difficult as the search for a crystal ball of what is coming down the pipeline became more cloudy.

At least until the FreightWaves SONAR platform entered the equation.

The CPG company was searching for the ability to:

- + **Identify macroeconomic trends.**
- + **Identify freight market trends specific to CPG companies.**
- + **Benchmark transportation rates.**

The threat of a rail strike throughout the last four months of 2022 accelerated the CPG company's desire to build a private fleet that would smooth out some of the volatility that has impacted the freight market forever, but especially since the onset of the COVID-19 pandemic.

The FreightWaves SONAR platform presents both the macroeconomic and freight market trends that allow for the CPG company to continue to be nimble and act appropriately when markets shift.



### ISSUE

Inability to identify macroeconomic and freight market trends in a single solution



### OUTCOME

Ability to find key trends led to improved negotiations with current provider and expanded the routing guide



### SOLUTION

FreightWaves SONAR provided macroeconomic and freight market intelligence in an easy to understand dashboard

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## LIMITED DATA PUTS NEWER CPG BEHIND THE EIGHT BALL WHEN IDENTIFYING MARKET TRENDS

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Despite entering the marketplace less than 10 years ago, a CPG company with a sizable direct-to-consumer business has been focused on growing its footprint within retail locations. Numerous challenges come with adding to a retail footprint as different retailers have different expectations.

Coming out of the pandemic era, the CPG company realized that it needed to understand macroeconomic trends as well as freight market trends to approach bid cycles with the knowledge and expertise to ensure service metrics were kept.

The inability to have a single source to view and monitor both macroeconomic and freight market trends as well as benchmarking its rates against the market, the CPG company was overpaying for transportation.

Due to the size of the CPG company, it was currently only using one broker and was not benchmarking the rates that the broker was quoting versus the market rate. For the senior director of transportation, this would lead to planning on adding and growing a private fleet while also expanding service providers to ensure market pricing during market fluctuations.

## GENERATING DECISIONS BASED ON DATA ALLOWED FOR SCALABILITY AND SAVINGS

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The transportation arm of the CPG company has been able to take advantage of having macroeconomic data and freight market data in one system to make actionable, data-driven decisions regarding shifts around demand.

This ability has allowed the CPG company to understand better how consumers react to current conditions and make forecasts based on data, not emotions. The CPG company was focused on finding the ability to point to a “why?” when making decisions.

The CPG company has made faster decisions about current market conditions using high-frequency data

and longer-term trends to attack the market with a strategic advantage.

One of the supply chain leaders within the CPG company, with years of experience at a large, household CPG company, understands that implementing a private fleet allows the smoothing of volatility in the freight market but comes at an initial cost to scale. FreightWaves SONAR is aiding in timing the markets’ inflection point to start building the private fleet.

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## HOW SONAR LED TO THE OUTCOME

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Through the use of FreightWaves SONAR, the supply chain team at this CPG company has been able to focus on the data in a single source. Combining the high-frequency freight market data with the slower-moving macroeconomic data in a single source allows for the CPG company to make faster decisions based on data.

Though only using a single freight broker at the time, the CPG company, by implementing FreightWaves' Market Dashboard Plus, a benchmarking tool based on FreightWaves Trusted Rate Assessment Consortium (TRAC) spot rates, was able to benchmark the rates it was paying to the broker compared with the market rate on numerous lanes. This has allowed for the CPG company to find areas of opportunity by either searching for a new service provider on certain lanes or asking for rate reductions, even in the early stages of implementation.

Being able to track used equipment prices combined with freight demand and capacity metrics in a single dashboard, the CPG company can develop a private fleet when the market allows and try to reduce transportation spending with an outside entity.

As the CPG company matures, the knowledge and decision-making data that FreightWaves provides via the SONAR platform and TRAC spot rates, will allow the CPG company to be more nimble and drive better results while also reducing impacts from the broader freight market trends.

Click here to find out more information about FreightWaves [SONAR](#) and [TRAC](#). If you are interested in benchmarking your freight spend and making actionable, data-driven decisions, [schedule a free consultation here](#).