

Factors Affecting Shipper-Carrier Negotiating Strength

The market power of the shipper is enhanced if the freight offered to the carrier is profitable (desirable) from the carrier's point of view.

Desirable Freight Characteristics

1. High Density (weight per cubic foot)
2. Hard to Damage Freight
3. Large Freight Volume
4. Regular, Predictable Shipments
5. High Value/Weight Ratio
6. Moves in Direction of Carrier's Backhaul

Undesirable Freight Characteristics

1. Low Density
2. Fragile Freight
3. Small Freight Volume
4. Unpredictable Traffic
5. Low Value/Weight Ratio
6. Does Not Move in Direction of Carrier's Backhaul