The Internet’s long tail of forwarders

Traditional sales channels focus hard on major accounts as they provide a large part of an organisation’s revenue. The sales focus is justified for them because if one of those clients switches to a competitor, the impact can be very large.

But maybe, as one air cargo executive said, the big boys pay for the network while the little ones provide the profit and maybe greater loyalty. So how do organizations provide the same level of service and understanding to every client and individual when an army of customer service representatives just isn’t justified?

Enter the Internet and personalized marketing. A good example of personalized marketing is Amazon. When you log on to their website you are greeted by your first name, the website is tailored to your preferences and recommendations show based on your previous purchases and enquires.

You are part of a virtual community that Amazon uses to great effect. When you actually buy something, Amazon then uses their knowledge of this community to highlight other products that may interest you based on the preferences of your peers. They seem to understand us well and each one of us is served as an individual. And they do this without even publishing a phone number.

Of course air cargo is different; nobody reminds us of that more often than those with greatest experience. But they would never have built Amazon and they haven’t grown up with Internet services as their younger colleagues have.

So how could air cargo leverage the potential for Internet sales? Booking portals such as CPS provide carriers with a virtual community of forwarders and shippers. It gives us an excellent insight into the potential as the service covers thousands of forwarder branches in over 100 countries.

Provide the same level of service and understanding to every client and individual

A key metric is that 25 percent of bookings are made by just 8 companies. Another 20 companies make 25 percent, then 90 companies make the third 25 percent. But 25 percent of bookings are also made by 738 companies. Each group generates equal shares of business, their people use the same services, are known as individuals and every one of their bookings ties to an e-mail address passed to the carrier.

So carriers now get information that enables them to personalize their client’s experience. Maybe a message could be ‘sorry we were full there but have a look at this option.’ Maybe ‘thanks for your booking and if you’d like to make another within 3 days, we can offer you the following.’ With the history being collected by Internet bookings, an Amazon type of service becomes quite possible. And like consumers, most forwarders would love this if done well.

Clever people are thinking about community blogs to get better insight beyond the limited views of sales people. Others are talking about tying booking to instant billing as on the passenger side. Some are thinking of each market segment in terms of individual services and offerings. And others are planning to launch online spot pricing tied to the market knowledge in their systems of what wins by route, day, and hour.

It is those carriers who have built a big e-presence and who leverage clever systems who will leave competitors wondering why they just win the less profitable business. This is much the same as we already see from Amazon, which often seems to be a few cents cheaper than their competition but brilliant at process and promotion.

In the Internet age, the choice isn’t whether to focus on the large, medium or small. Rather it is how to treat each person as individual, each organization as unique and focus offerings much more closely to their needs without ever picking up a phone.