

A Survival Guide to Ocean and Air Freight Rate Negotiations



With the current market dynamics, it's even more critical that you have the factual data and information you need to enter into supplier negotiations.

We have put together a small survival guide with useful tips and questions to ask yourself, along with the resources to ensure you bring your A-game to the table when negotiating with your suppliers.





Requesting ocean and air freight rate bids can sometimes be a guessing game, which makes the process tedious for many shippers.

It's also time-consuming, and while it's something that supply chain and logistics professionals must do every year, it's best to be equipped with the necessary data to ensure a successful process.

The focus should always be on ensuring you get your cargo where it needs to be and when – all at the right price.

Top 10 Questions to Ask Yourself

1. How do I justify an increase in ocean and air freight transportation costs?
2. How can I show my superiors I have done or can do an even better job securing competitive rates?
3. When is the best time for me to go out with a tender?
4. Should I move my cargo on the spot or contract market, and for which routes?
5. How do spot market rates compare to the contract market?
6. How do my rates compare against the market and my peers?
7. Am I doing a good job negotiating with my supplier, or where can I improve?
8. Is this supplier the right one for me?
9. Should I consider changing suppliers for all or some shipping routes?
10. Where and from which supplier can I get a competitive rate based on how the market has moved and will move?



Things to Remember

Whether it's a volatile, soft or stable market, the need for pricing intelligence and ocean and air freight market analytics is a must-have.

Modern logistics professionals have to ensure they get the best possible rate for their ocean and air freight.

You want to come to the negotiation table with current market data that you can access immediately.

Static and dated rate reports are not helpful. You need the latest information.

Staying on top of the ocean container and air freight market doesn't have to end once the negotiation period has ended. You need to have relevant market information all year long as it changes quickly, and you may want to go back and renegotiate if your terms allow.

Freight pricing is opaque and cyclical. Shippers and suppliers need price data for tendering, budgeting and analyzing freight spend, acting to market events and selling.

Today, not just most shippers but also the suppliers are 'flying blind' when negotiating with each other. Xeneta's product brings this transparency and ability to execute on these use cases.

Learn more at www.xeneta.com

Industry-Leading Container Rates Analysis | August 2022

The **global XSI®** rose again in August to **453.2** points, yet another month in which the XSI® has set a new record. This was up by **4.1%** from July 2022 and **121.2%** from August 2021.

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