

Checklist: 7 factors impacting freight shipping costs

1 Mode of transportation

Affects both cost and speed.

- Match needs to modes (urgency, budget, cargo, distance).
- Compare options (air, sea, land, intermodal).

2 Shipment size and weight

Larger/heavier = higher costs due to staff and space usage.

- Consolidate shipments to maximise space and costs.
- Embrace compact packaging to reduce dimensional weight.

3 Destination distance

Further destinations = higher costs due to fuel and time

- Explore regional sourcing to shorten transit distances.
- Consider intermodal options for longer hauls at lower costs.

4 Delivery speed

Faster = higher costs due to priority handling, expedited services

- Plan ahead to avoid last-minute, costly expedited fees.
- Prioritise cost-effectiveness over speed when possible.
- Compare transit times and rates to find the best balance.

5 Fuel fluctuations

Unpredictable prices and volatility can inflate shipping costs.

- Monitor fuel trends and adjust shipping strategies proactively.
- Consider carriers using alternative fuels (e.g., electric trucks).

6 Accessorial service

Hidden fees like liftgate, pallet removal, etc. can add up.

- Choose commercial delivery addresses to avoid residential surcharges.
- DIY loading/unloading when possible to bypass liftgate or pallet fees.
- Bundle services and negotiate package deals for cost savings.

7 Supply market dynamics

Peak seasons and capacity shortages can lead to price hikes.

- Be flexible with shipping strategies during peak seasons or shortages.
- Build strong carrier relationships for preferential rates and access.
- Stay informed about market trends to anticipate and mitigate price hikes.