



## Quest for Quality 2014: Reaching new service heights

Which carriers, third-party logistics providers, and U.S. ports have reached the summit of service excellence over the past year? Our readers have cast their votes, and now it's time to introduce this year's winners of the coveted Quest for Quality Awards.

By Logistics Management Staff, August 01, 2014

The editorial staff of *Logistics Management (LM)* is proud to unveil the results of the 31st Annual Quest for Quality Awards. This year, a record 155 providers of transportation and logistics services have received the ultimate vote of confidence, posting the highest scores across our lists of critical service criteria. For three decades, *LM's* Quest for Quality Survey has been regarded in the transportation and logistics industry as the most important measure of customer satisfaction and performance excellence. To determine the best of the best, qualified *LM* readers rate carriers, third-party logistics (3PL) service providers, and now U.S. port operators strictly on the basis of service quality—making it the only survey of its kind in the market.

To determine who wins the vote, *LM* readers evaluate companies in all modes and service disciplines, choosing the top performers in categories including motor carriers, railroad and intermodal services, ocean carriers, airlines, freight forwarders, and third party/contract logistics services. From January through May of this year, *LM* and Peerless Research Group (PRG), a division of Peerless Media, surveyed readers who are qualified buyers of logistics and transportation services.

This year our research group received 7,451 total responses—1,272 more than last year. In order to be a “winner,” a company had to receive at least five percent of the category vote. The result of this overall effort offers the logistics market a crystal clear look at not only the overall winner in any given category, but a broad list of companies that finished above the average.

Transportation service providers are rated on *LM's* five key criteria: On-time Performance; Value; Information Technology; Customer Service; and Equipment & Operations. Due to the nature of services offered by third-party players, a different set of criteria is used to judge this category. Third-party logistics providers are rated on the following attributes: Carrier Selection & Negotiation; Order Fulfillment; Transportation & Distribution; Inventory Management; and Logistics Information Systems.

Again this year we split our 3PLs into two categories in our ballot questionnaires with the help Armstrong & Associates Inc., the leading third-party logistics analyst firm in the market. “Customers evaluate and select 3PLs based upon their core competencies,” says Armstrong. “While larger 3PLs have integrated capabilities, the majority tends to be either transportation management or value-added warehousing and distribution operations centric. Therefore, it makes sense to evaluate providers separately in each segment,” he says.

## Air Carriers/Freight Forwarders: Serving up top service in the air

As noted in the 25th Annual State of Logistics Report, the air freight industry has been facing chronic overcapacity and deteriorating yields—and data surfacing in new research mirror these findings.

Even though the overall air freight logistics index has improved 4.4 points from June 2013, the June 2014 data contained in the Stifel Logistics Confidence Index suggests that the air freight market still remains fragile, declining 1.9 points to 53.8.

Regardless of the operational headwinds facing air carriers and the challenges that trickle down to the freight intermediaries that place the world’s cargo on board, the following 22 service providers have gone above and beyond to provide top service.

<b>Air freight forwarders</b>						
<small>(Bold indicates leader in attribute category)</small>						
	On-time performance	Value	Information technology	Customer service	Equipment & operations	Weighted score
UPS SonicAir	11.78	10.40	<b>9.35</b>	10.03	<b>8.99</b>	<b>50.56</b>
Pilot Freight Services	11.93	<b>10.93</b>	8.21	10.43	8.22	49.71
FedEx Trade Networks	12.08	9.57	9.29	9.86	8.89	49.69
Expeditors	<b>12.13</b>	9.56	9.07	10.25	8.16	49.17
SEKO Logistics	12.06	9.89	7.78	<b>10.60</b>	8.09	48.41
Yusen Logistics	11.71	10.14	8.13	10.05	8.19	48.21
AIT Worldwide Logistics	11.33	9.68	7.94	10.31	8.12	47.39
Kintetsu World Express	11.07	9.44	8.67	9.84	8.28	47.30
A.N. Deringer	11.02	9.84	8.27	9.32	8.27	46.73
BDP International	11.18	9.75	8.45	8.97	8.19	46.53
<b>AVERAGE</b>	<b>11.07</b>	<b>9.37</b>	<b>8.09</b>	<b>9.33</b>	<b>7.95</b>	<b>45.82</b>

Source: Logistics Management, Peerless Research Group (PRG)

## 3PLs finding balance, hitting service goals

According to Evan Armstrong, president of 3PL consulting firm Armstrong and Associates, U.S. 3PL gross revenue in 2013 saw annual gains, up 3.2 percent over 2012 at \$146.4 billion. He says that while global trade and economic activity serve as the “ultimate drivers” of market growth, the maturity of competitive service offerings and the size of major players are contributing to slower growth rates.

In the past, Armstrong says that the 3PL sector has grown about three times as fast as GDP. However, the market is now at a point where it is “getting big enough” and will likely grow at a rate less than three times GDP unless there’s significant economic activity to the upside.

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### 3PLs finding balance, hitting service goals

Also key to growth, he says, is the ability of 3PLs to extend their services beyond the basics, providing opportunities to increase their value and resolve additional challenges. According to *LM* readers, these providers have done just that.

#### 3PL: Transportation management solutions

(Bold indicates leader in attribute category)

	Carrier Selection/ Negotiation	Order fulfillment	Transportation distribution	Inventory management	Logistics information systems	Weighted score
Unyson Logistics	<b>12.92</b>	<b>11.58</b>	<b>12.63</b>	<b>9.11</b>	<b>11.69</b>	<b>57.93</b>
Averitt Express Supply Chain Solutions	11.15	10.61	10.76	8.40	9.98	50.90
Landstar	10.46	10.48	11.08	8.65	9.79	50.46
Ryder Supply Chain Solutions	11.02	10.14	10.45	7.41	9.86	48.89
FedEx Supply Chain	10.38	10.09	10.42	7.64	9.94	48.47
BDP International	10.98	10.94	9.60	7.35	9.59	48.46
Con-way Multimodal	10.70	8.89	10.51	8.52	9.76	48.39
UTi Worldwide	9.97	9.96	10.85	7.84	8.99	47.62
UPS Supply Chain Solutions	10.21	9.80	10.15	7.41	9.88	47.46
Cardinal Logistics Management	10.04	9.96	9.60	7.27	10.09	46.95
DHL Supply Chain	9.73	9.31	10.40	7.87	9.18	46.49
Menlo Worldwide Logistics	10.51	8.72	10.80	7.96	8.22	46.21
C.H. Robinson Worldwide	9.75	9.28	10.80	6.87	8.85	45.54
<b>AVERAGE</b>	<b>9.84</b>	<b>9.32</b>	<b>9.93</b>	<b>7.31</b>	<b>9.09</b>	<b>45.50</b>

Source: Logistics Management, Peerless Research Group (PRG)