



## **DHL research shows 75% of companies believe investment in ground transportation will directly support their company growth**

- **An evolution in the transport sector is being driven by trends such as the rapid growth of e-commerce, the continued urbanization of markets, and technologies such as big data analytics and digitalization**
- **Advanced technologies and service options are changing the way shippers and 3PLs manage their global transport flows**
- **Service expectations, new markets, new ground transportation solutions have all increased as a result**

**London, October 12, 2018** DHL, the world's leading logistics company, today launched its latest research report on ground transportation logistics. The report reveals that the fast-paced evolution underway in the sector is changing the way that shippers think when purchasing a transportation solution. The global survey of transport buyers and operations professionals found that 83% of businesses are willing to pay more for better and value-added services as long as they provide a measureable return on their investment.

"The Logistics Transport Evolution: The Road ahead" is a report by DHL Supply Chain, using data from research by Lieberman Research Worldwide, LLC (LRW) that was commissioned by DHL to identify the factors that are impacting ground transportation logistics and how industry is adapting to the new frontier of solutions available. The report found that across sectors and regions, companies are increasingly viewing ground transportation as being more than a tactical commodity, with 71% now considering it to be a strategic component of their businesses. Companies agree there is a direct correlation between ground transportation and business performance with three quarters (75%) believing investing time and resources in ground transportation will directly help their company sales.

Javier Bilbao, Global Transport Lead & CEO Latin America, DHL Supply Chain said: "Transport is undoubtedly a critical aspect of the global business environment, and these findings indicate that companies across sectors and markets are now recognizing its strategic value. We undertook this study to gain an insight into exactly what companies expect from their transportation service providers, both today and tomorrow. Our research has shown us that customers are increasingly looking for complete solutions with a global reach as they have the capability to solve a wide range of transportation issues and requirements."



Global shifts in the business environment were identified as disrupting the ground transportation landscape. In particular, the exponential growth of e-commerce and its implications on service was identified by 65% of companies as having a significant impact on their supply chain in the next 1-2 years.

Bilbao added: “Echoing the findings of our digitalization research, technology will be central to navigating this new era for ground transportation. The capability of AI and data analytics to manage the order profile and shipping patterns of customers’ increasingly complex and demanding operating models while optimizing cost and service, means that they are now viewed as essential services, rather than added benefits.”

Although these changing dynamics are being witnessed across regions, variations can also be identified depending on the maturity of the market and the demands placed on shippers from their consumer base. In Latin America, the priority consideration in selecting a ground transportation provider is on time delivery while in Europe, where the market is more mature, optimization of networks is the key focus for shippers.

Broader societal factors were also highlighted as presenting associated challenges, with 61% of companies referencing the increase in urbanization as a factor that will significantly impact their future business. Technology and its ability to help manage this complex environment is increasingly seen as a standard requirement of 3PLs: more than two thirds (67%) of companies believe that big data analytics and artificial intelligence (AI) are services that are essential for 3PLs to offer their shipper customers.

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You can find the full insights into what companies are expecting from their transportation providers by downloading the report here:

<http://app.supplychain.dhl.com/e/er?s=1897772577&lid=3967>

The survey consisted of over 200 supply chain and operations professionals, from sectors including automotive, consumer, life sciences, technology, engineering and manufacturing and more. The respondents were geographically spread around the world.

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