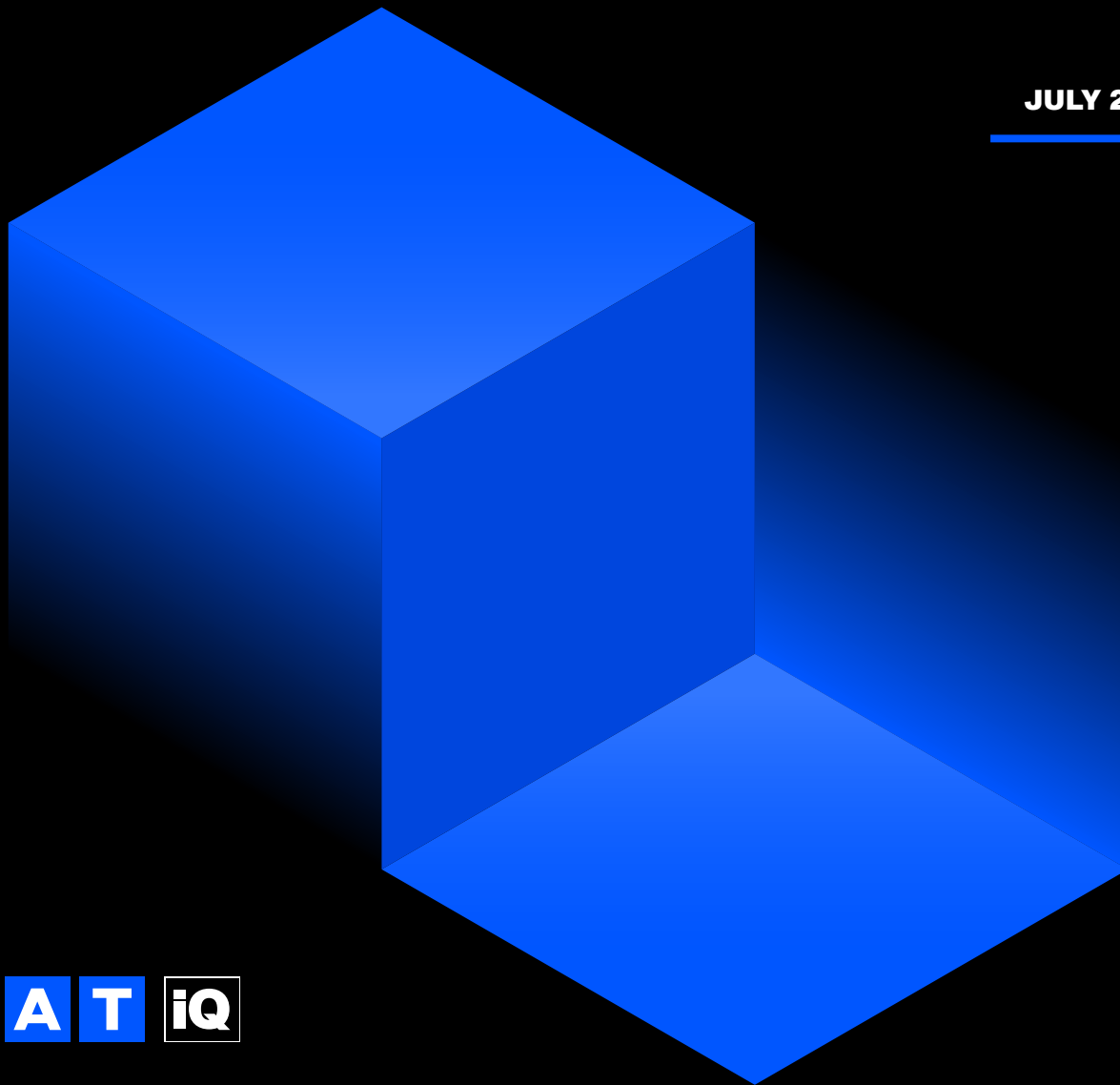DAT iQ

Industry Intelligence Guide

Preparing for the golden quarter

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The holiday season — affectionately dubbed "the golden quarter" across the transportation and logistics industries — is an exciting time filled with celebrations, good food, and, of course, giving gifts. However, the golden quarter can be challenging for shippers as they race to deliver goods on time, manage costs, and mitigate network disruptions. Real-time and historical freight market intelligence data is critical to finishing strong and building momentum for the year ahead.

The United States Postal Service (USPS) accepted more than 13.2 billion mail pieces and packages during the 2022 holiday season.

United States Postal Service

Nearly three-quarters (74%) of consumers say that their holiday spending will hold steady or increase in 2023, and 63% say they plan to shop online.

Deloitte

Understanding the volatile golden quarter

The golden quarter, traditionally associated with increased consumer spending and retail sales, is a volatile time for the transportation market.

As consumer spending increases, demand for transportation services surges. This shift in supply and demand forces transportation providers to adjust their rates, causing unstable pricing throughout the market and increased port congestion that leads to import delays and capacity constraints.

Fluctuations in international trade policies and severe weather also have an outsized effect on supply chains during the golden quarter. Cold snaps and snowstorms can cause shipping delays and cancellations, while geopolitical tensions can spark supply chain disruptions and affect transportation routes.

Compounded at scale, these challenges add increased volatility to the transportation market, making precision and foresight even more critical to success than they are at other times of the year.

The period's unique challenges

Four key logistics challenges stand above the rest during the golden quarter:

1. **Navigating rapid demand shifts:** As consumer spending, expectations, and consumption of goods increase, volume surges can cause strains on resources and operational infrastructure.

2. **Managing and tracking inventory:** Errors in planning or managing inventory can lead to stockouts, loss of sales, and consumer dissatisfaction.

3. **Keeping supply chains operational:** The high risk of adverse weather, port congestion, and customs delays — especially as [climate change causes more weather events](#) and supply chain leaders [struggle with hiring and retention](#) — means shippers must be prepared for unpredictable situations.

4. **Maintaining efficient warehouse operations:** As demand rises, warehouse space can be challenging to come by, leading transportation providers to limit capacity, increase requirements for bookings, make price adjustments, charge additional fees, or require more precise volume projections from shippers.

Leveraging data analytics to tackle the golden quarter

Shippers can't predict how the holiday season will upend their network, but they should expect some level of disruption to processes and performance. Furthermore, the extent to which these challenges impact the transportation market depends on specific regional and market conditions and how shippers respond.

Robust data provides shippers with the insights and information they need to make sound decisions, navigate the golden quarter, and come out stronger in the new year.

The power of real-time data

Real-time data is critical when monitoring rate fluctuations, identifying cost-saving opportunities, and optimizing routing decisions. Combining current data with benchmarking tools helps shippers compare pricing options to negotiate more favorable rates.

With data from over $150 billion in annual customer transaction data from customers' paid freight invoices, DAT iQ provides extensive, unbiased rate insights that help

shippers better evaluate mini-bids and quotes from carriers in the spot market. These insights on current market rates improve shippers' negotiating power and ensure they're getting fair prices, even during the holiday peak.

Further, incorporating real-time rates with advanced forecasting tools allows shippers to evaluate various options based on cost, transit time, potential disruptions, and service levels, enabling shippers to select the most efficient and cost-effective route.

DAT iQ's RateView Analytics provides shippers with access to accurate predictions for average rates on key lanes, as well as the mean absolute error above and below that rate. With daily forecasts for the coming week and weekly forecasts for the coming year, shippers can pinpoint which lanes are likely to see the highest rate increases and compare predictions to current contract rates, saving money during peak holiday times.

The power of historical data

Historical data can help shippers identify and contextualize demand patterns, rate surges and fluctuations, seasonal shifts, and other trends from previous golden quarters to forecast demand, allocate resources, and cut costs.

Visibility into capacity conditions enables shippers to assess constraints more accurately, identify specific modes of transport with high demand, and pinpoint the routes or lanes that experience the most congestion. Equipped with this data, shippers can establish better strategies for the golden quarter — and avoid the missteps and headaches they may have faced in previous years.

Historical data also gives shippers insight into cost structures and trends, highlighting opportunities to negotiate better rates with carriers and control spending. Freight rate, fuel price, surcharge, and other cost-related datasets can help shippers stay ahead of the market and model costs more accurately.

Advanced filtering capabilities in the DAT iQ platform enable shippers to drill into previous holiday periods to understand where costs surpassed market averages both at the lane and carrier levels. This analysis highlights prior cost or capacity issues across a shipper's entire network, enabling proactive risk mitigation and monitoring.

AI-enabled analytics tools allow shippers to proactively navigate shifting and volatile markets during the golden quarter to make the most of this lucrative time of year. The ability to compare and analyze transportation spend, lane performance, and carrier performance allows shippers to identify inefficiencies, negotiate better contracts, and optimize their overall transportation strategy during the busiest time of the year.

Navigating the golden quarter with DAT iQ

The volatility and unpredictability of the golden quarter make it among the most challenging times of year for businesses in transportation and logistics. As such, it's critical that shippers have what they need to prepare resilient, data-driven routing guides, as well as contingency plans that support timely action when obstacles arise.

With the most accurate historical, current, and predictive transportation market insights, DAT iQ acts as a key resource for shippers, helping them navigate challenges during the busy holiday season with confidence.

If you're ready to get started, reach out to the DAT iQ team or visit us online today.

To learn more about how freight analytics can help shippers close 2023 strong and drive momentum into the new year, connect with our experts today.

data.dat.com/empower_iq