

MARK WESTBY COMPANY

The Ugly Truth About Internet Load Boards

Internet load boards have changed our industry in many ways. What concerns me most is their influence on freight prices. We are seeing that now. It starts when a shipper offers the same load to more than one broker. The brokers then go post the loads on the internet. For many, that is the only tool in their bag, and they will post the same load several times to gain visibility. There is no policing of that whatsoever. A broker can post one load as many times as they want.

Then, there are the brokers who were not even offered the load. By reading the load details posted by the brokers that were, they take a good guess at who the shipper is and post the loads themselves... often offering more money to the trucks and inflating the market price even more.

These are the brokers who will call shippers out of the blue and say, "Hey, I have a truck that is looking for a load to..." You guessed it; the same area where the freight is going. However, their truck is going to be a little more expensive. Trucker forums are full of complaints against brokers who post freight at higher than market prices but cannot put the deal together because the load was never theirs to give. The load may never happen, but that posted price is now recorded as an actual price offering.

The larger carriers never post their trucks. Period. Smaller carriers and independents are hesitant to post an available truck in a hot market. First, there is no need to. They can pick and choose from the posted loads. Secondly, they would be overwhelmed by phone calls from brokers. If they were to post a truck in Chicago looking for a load to Tulsa, they would get calls with freight in Cleveland going to Spokane. Often, those that do post available trucks in these market conditions are only price shopping.

The largest internet load boards are owned by huge companies involved in every aspect of trucking. They gather information from their board sites and have their "analysts" publish it. It then makes the front page of all industry news. Just last week, I read a "report" claiming there was only one flatbed truck for every 95 available loads in some markets! I do not believe that. I do believe there may have been 95 postings of maybe 20 loads, and one carrier who opted to post an available truck... even though doing so was certainly unnecessary and perhaps even suspicious. Let us take it a step further. What if that one trucker did not post his truck that day. Would the report have read, "There are 95 loads and absolutely no trucks anywhere?"

The load boards are here to stay and will only grow in their usage and influence. My point is that shippers should know and agree if that is how their freight is being managed, and avoid using multiple brokers on the same shipments.

Be safe,
Mark

