

XENETA

Not all freight data providers are created equal: Why bad data is worse than no data at all

See firsthand how industry freight data providers can detrimentally impact your procurement process, and how this compares to the value and peace of mind you gain from real-time crowdsourced freight intelligence.

Hint: For those following providers with week old data, you risk signing 22-72% above the true market average at any point in time. That can equal as much as **\$1M in unnecessary spend** once you ship 500 containers...



Not all freight data providers are created equal

Poor data quality costs organizations an average **\$12.9 million every year.**

GARTNER

“You get what you pay for.”

It’s not just a saying. While budget-friendly options may be enticing, they usually create additional expenses through inefficiencies, errors, and missed opportunities. Cost should not be viewed in isolation but rather in tandem with value and reliability. This is especially true for freight data providers.

Gartner estimates that poor data quality costs organizations an average \$12.9 million each year. This is eye-opening, especially when you consider good data can save you close to [\\$1.5M on just one shipping lane.](#)

More specifically, outdated or unreliable data can result in:

- Time wasted chasing freight prices that no longer exist
- Incorrect cargo levels being advertised leading to unnecessary frontloading on the spot market—increasing rates for both short- and long-term contracts
- Unexpected transportation costs (rerouting, port congestion, shipment delays, etc.) that eat into your bottom line

Your procurement process takes a hit, shipments are delayed, your relationships with partners and customers suffer, and your CFO starts asking some uncomfortable questions—like why your goods are costing significantly more to ship than originally budgeted for.

Still not convinced? An Experian study found that 69% of businesses believe inaccurate data is undermining their ability to deliver excellent customer experience—highlighting the broader impact of data quality issues beyond costs and operational inefficiencies.

What’s the alternative?

When black swan events like the Red Sea Crisis occur, organizations understandably tend to think short-term.

But with market volatility here to stay, short-term thinking won’t deliver the stability, resilience or performance required of high-volume players and their suppliers.

For a competitive edge—and peace of mind—investing in a real-time freight intelligence data solution is today a business imperative.

You can no longer afford to source your freight data from a platform which doesn’t align with or understand your strategic priorities and the value that accurate data has on your decision-making. In short, it will cost you more than if you just invested in a more advanced solution in the first instance.

So, are you compromising on your freight data? Are you spending your budget to compound incorrect insights? Or are you investing in the success of your organization?

Let’s find out.

Why you should keep reading

Already convinced?

See Xeneta's freight intelligence platform in action.

[Book a demo](#)

This eBook is for:



High-volume players who refuse to settle for ocean and air freight data that puts their supply chain at risk.



Those who suspect that their current freight data provider isn't keeping pace with their business' objectives and are curious to see just how damaging bad data can be—how it impacts budget spend, missed opportunities and wasted time.



For Freight Forwarders and Shippers seeking visibility on complementary datasets such as schedule reliability, capacity, carbon emissions, detention/demurrage, the spread and rates for short and long-term contracts, and how surcharges are applied on various trades.



Those who continue to use freight data in the same way as before Covid-19, despite [black swans, gray rhinos, and silver lining events](#) occurring on a much more frequent basis.

If this sounds like you, read on to discover:



Why best-in-class procurement teams have moved beyond annual benchmarking



How to spot the difference between a real-time freight intelligence platform and a freight data provider



The risks associated with bad freight data



Why the traditional 'every shipper for themselves' mentality is harmful to all players in the industry



Why transparency is the key to improving how ocean and air freight is brought and sold around the world

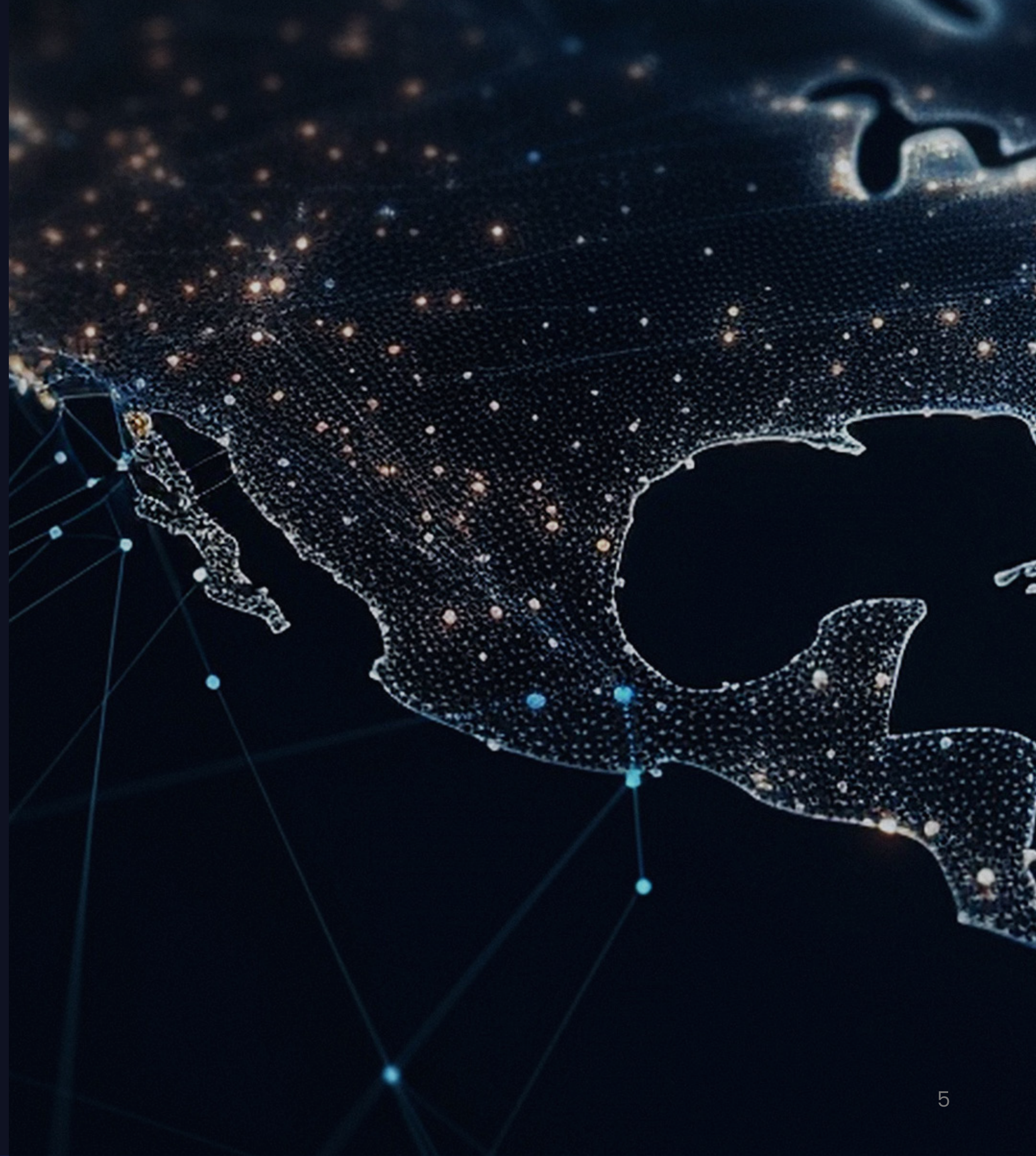


What's coming up

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CHAPTER 1

Bad data is worse
than no data



Bad data is worse than no data



When data can't be trusted, it can't be used to drive better business decisions...

EY

Why do some organizations still use freight data in the same way as before Covid-19?

For some, it's a case of prioritizing comfort over performance—"As long as we get the goods shipped within budget, we don't need to spend time chasing savings".

For others, it's settling for "how we've always done things" rather than pivoting towards what's needed in the current market.

In times of market volatility, this means:

- Missed opportunities to secure contracts when the market works in your favor
- No transparency over rates or surcharges, uncertainty on when to push back against opportunist behavior
- Wasting time chasing rates that no longer exist, which can damage trust in partner relationships
- Adding unnecessary risk into your supply chain

EY warns:

"When data can't be trusted, it can't be used to drive better business decisions..."

And this lack of trust spreads like a virus. It creates friction, cost and risk across connected trade networks. It discourages collaboration and innovation. It creates acute economic uncertainty. And it slows progress toward better ways of working."

When you consider that only 6% of companies report full visibility on their supply chain (Zippia) and only 4% of supply chain professionals trust their data (Zencargo), the industry is crying out for transparency.

This need increased during Covid-19 and has continued to plague large global organizations, with 77% of businesses that operate complex supply chains experiencing an adverse supply chain event between July 2022 and July 2023 alone (Deloitte, 2023).

Combine this with the fact that supply chain disruptions cause a 62% loss in finances (Zippia), the impact on your business could be severe—Hanjin Shipping is just one sobering example.

What makes data bad?

It's safe to say that nobody willingly uses data that puts their business at risk. But too many settle for data providers that give vague insights with minimal transparency. That can ultimately be more damaging than using no data at all.

Bold claim—but what good is an index for assessing real-time rate movements if the data is two weeks old, lacks neutrality and is supplemented by “expert opinions” to fill data gaps?

This ‘bad’ data is not easy to spot. While there are times where data is clearly incorrect, incomplete, outdated or irrelevant, bad data can also stem from how it's interpreted or aggregated.

Data can also be sub-par when viewed in isolation of complementary datasets that provide greater context or further explain the cause and/or effect of the subject in question.

What exactly does ‘bad’ look like?

For those who think we're exaggerating the impact of using bad data, here's how two freight data providers compare with Xeneta—a real-time freight intelligence platform underpinned by 400m+ datapoints.

What exactly does 'bad' look like?

Delayed directional movements

This graph explores directional movements in the market. You can clearly see occasions where providers regularly reported a move in the opposite direction to where the market was actually going. While Data Provider A eventually gets back in line with the short-term market average, this wasn't before they displayed a skewed trend for weeks at a time.

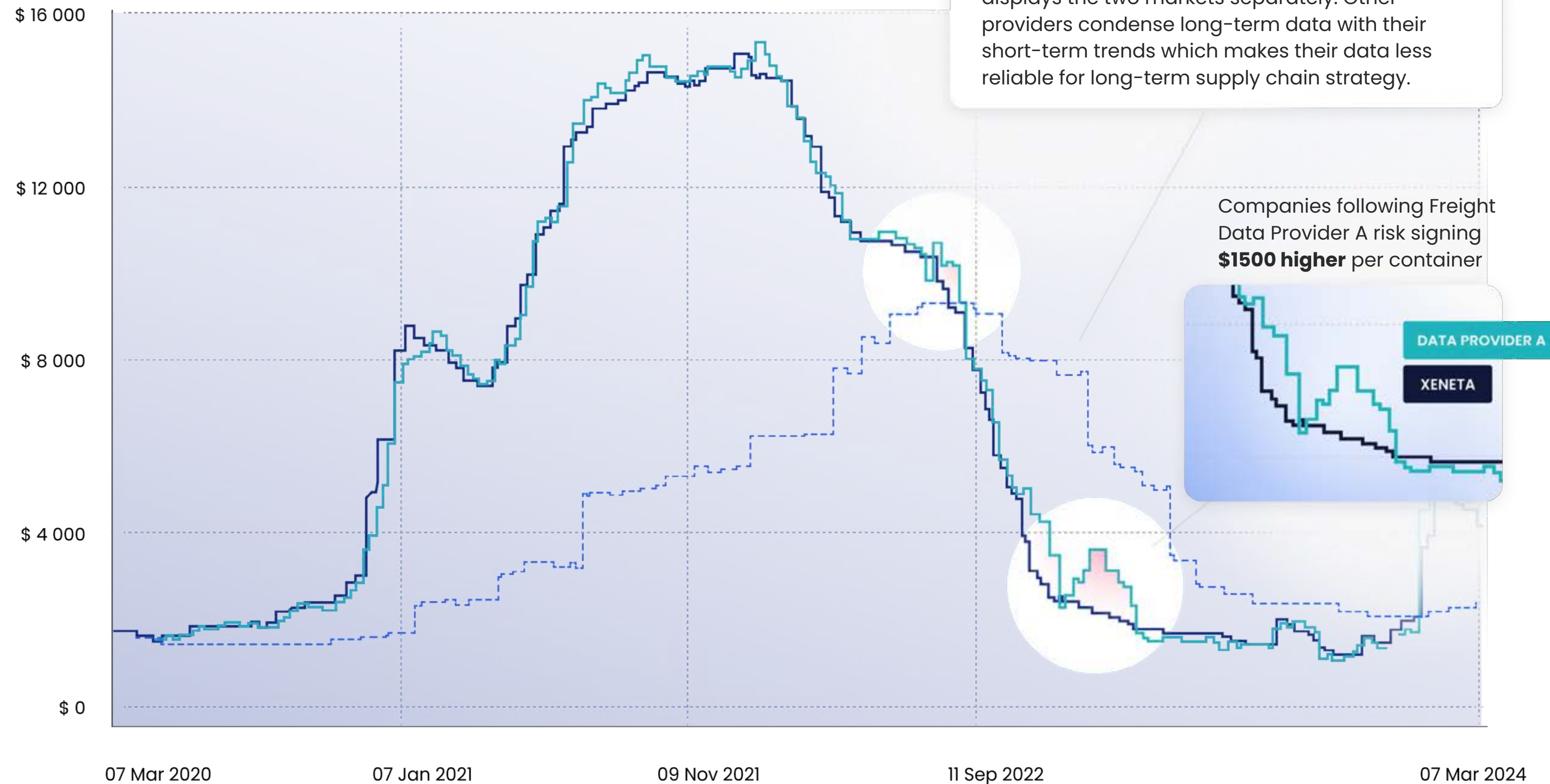
If Shippers relied upon this data in August 2022 negotiations, they would have missed the market beginning to soften and signed contracts 12% more expensive than the true market average. For those shipping 500 containers on a spot contract at this time, that looks like \$5M vs \$4.5M – a **\$500k difference**.

Another example is the discrepancy marked during the month of January 2023. If you needed to ship your containers from the Far East to North Europe at this time, using the freight data provider's data would have seen costs settle at around \$3420. Using Xeneta intelligence would have you closer to \$1986 – a **72% difference**. For those shipping 500 containers on a spot contract, this looks like \$1.7M vs \$700k – Xeneta data could have secured you a **\$1M saving**.

Whilst this view makes the YoY difference appear minimal, the next graph zooms in to take a closer look at the difference over the past 12 months...

Misleading Data Spikes

Spot-market average rate per FEU.
Far East Main – North Europe Main



Source: Xeneta

What exactly does 'bad' look like?

Market Spread

When looking at the largest global trade corridor over the past 12 months, one freight data provider was consistently higher, and out of pace, with the true market average. This is likely due to poor data diversity causing a slower and skewed picture of the market.

For data providers who rely mostly on data from smaller Freight Forwarders or Shippers, or source fewer unique data points, there is a risk that the data will showcase only the higher end of the market. For businesses following Freight Data Provider A over the past year, you risked signing at 22% above the market average. For 500 containers on a spot contract, this equals a **\$230k difference at any point in time**. Now imagine that across your entire supply chain.

Xeneta, on the other hand, crowdsources data from a wide range of customers, resulting in a database of over 450M rates. This breadth and diversity in data provides as close to a true average as possible.

And just remember, in tender negotiations, Carriers welcome Shippers coming to them with a higher-than-average price point...

Skewed Picture of the Market

Spot-market average rate per FEU.
Far East Main – US West Coast

Even when Freight Data Provider A shows rates lower than Xeneta, it is relying on a small span of datapoints from predominately low-volume shippers. This skews the average to represent just a portion of the market, which is unreliable for budget forecasts and can harm relationships with suppliers by encouraging you to chase rates that aren't applicable to you.



What exactly does 'bad' look like?

Consistency of Methodologies

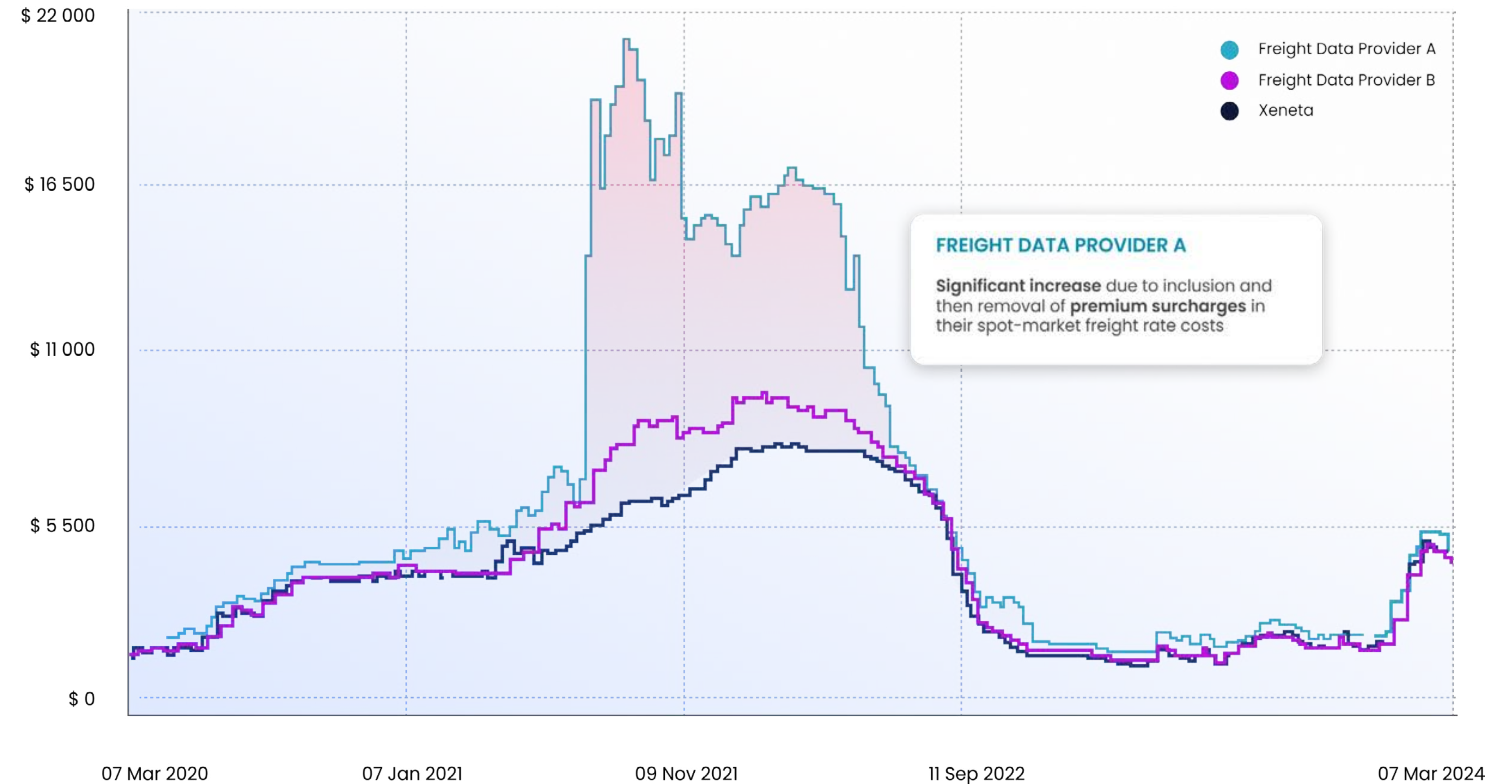
The significant increase you see in this graph is due to the provider deliberately including premium surcharges in their spot rates. This decision means their index shows dramatic adjustments without vital additional context — blindsiding Shippers who could have otherwise negotiated on freight costs independent of surcharges.

The reason Xeneta's data is less dramatic is because it follows a clear methodology that enables Shippers to understand the data they are drawing insights from. Xeneta also guarantees complete data anonymity for customers.

Discover more on page 16.

Unclear, Inconsistent Methodologies

Spot-market average rate per FEU.
Far East Main – US West Coast



Source: Xeneta

CHAPTER 2

If you're only thinking
about tender season,
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Did you know that several popular freight indexes publish two weeks behind today's rates, supplement real data with 'expert opinions' and then neglect to identify which is data and which is opinion, and opt to provide static reports?

In a constantly changing market, their relevancy becomes almost entirely useless.

And we're seeing this reflected in market behavior.

Freight data providers and indexes are no longer just a tool for procurement teams during tender seasons. Today, they're used by executive leaders to monitor if they are losing out to opportunist behavior and to spot windows of opportunity throughout the year.

We're also witnessing a change in behavior in contract negotiations. More Shippers and Freight Forwarders are using data to delay or sign shorter contracts (3-6 months) in an effort to temper extreme market volatility. Even with these factors in mind, some organizations still limit the value of freight data to that of guardrails, using it only

to identify directional trends. Instead, companies should be using intelligence to draw real-time insights – spotting luctuations as they happen, rather than waiting for the impact of GRIs.

As is to be expected, we often see spikes in index use around tender season or during extreme market volatility – such as what was seen during Covid-19, the Ever Given blockage, Panama drought and most recently, the Red Sea Crisis.

But even in these situations, the value of an index is limited.

This is because organizations lack the transparency and foresight to plan strategically when they only look to their data provider during tenders, or only use entry-level data providers to track the market.

In other words, you get what you pay for, and in the long run, you might end up paying more to play catch up. For example, setting 12-month contracts based on inaccurate data or missing out on renegotiation opportunities when they present themselves.

And even if you could afford to go over budget, why should you accept paying more than you need to?

*Being able to select **multiple origins** is huge for us – having this would have helped me in a recent client discussion to see which port to go for.*

Morrison Express,
Xeneta Customer

Getting more bang for your buck

As predicted in our [2024 Outlook report](#), geopolitical events have cemented the need for global firms to improve their ability to anticipate risk and build resilience. It's no longer a 'nice to have'. It's a strategic imperative to thrive amidst the unpredictability of modern commerce.

As one Xeneta customer, a global Shipper transporting 50k+ TEU per annum, notes:

"[Xeneta] Spend Benchmarks have acted as a sanity check for our entire operations. It's great to have the full scope of our spend displayed in one place. When rates were increasing, we were checking it constantly. Now the market is calmer, we use it to understand where we can be more efficient."

Take a moment to consider whether your data provider is able to offer real-time data on the following:

- ✓ Long-term and short-term rates
- ✓ Ocean and air coverage
- ✓ Low-high market spread
- ✓ Spend benchmarks
- ✓ Surcharges
- ✓ Carrier rates
- ✓ Tender benchmarking
- ✓ Schedule reliability
- ✓ Capacity & Blanked Sailings
- ✓ Future Rates
- ✓ Carbon emissions

If not, are they the right provider to proactively support and grow your business in today's uncertain shipping landscape?



DID YOU KNOW?

Xeneta offers a comprehensive view of the global ocean & air freight markets—with **+160k ocean port-port pairs & +40k airport-airport pairs**. Compared to another provider's ocean-only data for 15k port-port pairs, **Xeneta customers gain 10x more global coverage**.

Book a demo to see for yourself.

[Book a demo](#)

CHAPTER 3

Strength in numbers—
use crowdsourced data
to sway negotiations
in your favor

Strength in numbers—use crowdsourced data to sway negotiations in your favor

We had negotiations with our carriers in December and first struggled to get the decreased prices we were expecting. But once we mentioned we were a customer of Xeneta, we 'magically' received better rates.

Global Automotive
Electronics Supplier

The only people who benefit from an 'every Shipper for themselves' mentality are the Carriers. It's one of the reasons why the shipping industry as a whole has been slow to adopt new methods of procurement.

It's also the reason why greater transparency is necessary if Shippers and Freight Forwarders are to gain a fair and accurate view of freight rates, schedules, surcharges and container shipping capacity.

Simplifying procurement processes, building confidence in supply chain decision-making and shutting down opportunist behavior in negotiations—it all starts with transparency. Crowdsourced data from real-life signed contracts is the catalyst — as evidenced by the global automotive electronics supplier quote to the left.

Experience the difference of a real-time freight intelligence platform







Since 2012, Xeneta has been on a mission to transform the way ocean and air freight is bought and sold by harnessing the power

of community, data and technology. From schedule reliability and surcharges, to how the spot market is impacting long-term contracts, Xeneta created a platform that crowdsources live contract data from a community that is then empowered to:

- Build resilience into their supply chain strategy,
- Mitigate risks,
- Spot and act on opportunities,
- Monitor trends,
- Align operations internally,
- Regain time and money from procurement cycles,
- And so much more...

Over time, the Xeneta name has become synonymous with accurate, real-time ocean and air freight data. The platform has been used and trusted by hundreds of organizations to optimize their supply chain operations; as well as The Financial Times, Bloomberg, Reuters, BBC, WSJ and CNBC to deliver real-time market commentary on market disruptions, such as the Red Sea Crisis.

Here's why Xeneta is trusted by the market in ways other freight rate providers are not:

FEATURE	Xeneta – the market leading ocean and air freight intelligence platform	Other popular freight data providers
 Data Coverage	<p>Xeneta delivers intelligence for both ocean and air freight—covering +160k ocean port-port pairs & +58k airport-airport pairs with separate data on short and long-term rates.</p>	<p>Most providers only focus on one method of freight transportation and the short or long-term market.</p> <p>For those with ocean coverage, data is limited to 15k port-port pairs. Others don't provide port-port at all.</p>
 Data Neutrality	<p>Xeneta is the only neutral platform of its size. This means no data sourcing, investments, or board members coming from suppliers in the same industry.</p> <p>Xeneta equips customers with guidance and training to extract unbiased intelligence when it's needed. Data anonymity is guaranteed.</p>	<p>Other data providers have Carriers on their boards, investments from Freight Forwarders, and/or advise on strategies and RFQs for customers.</p> <p>(Large-volume players should consider the impacts of relying on reports created by those consulting for their competitors.)</p>
 Data Aggregation	<p>Data is crowdsourced from the largest pool of high-volume Shippers and Freight Forwarders — enabling Xeneta to provide an accurate picture of the market.</p> <p>Xeneta provides users with key statistical measurements of the market prices sourced and adopts a geo-hierarchy methodology based on price and proximity.</p>	<p>Data is collected primarily from small Freight Forwarders, or a mixture of BCOs, NVOCCs, and Freight Forwarders. This limits what data is available in the platform and can skew the average to represent only one segment of the market.</p> <p>Some providers merge uncorrelated ports without considering proximity.</p>
 Data Frequency	<p>Xeneta's global coverage adds data in real-time —with rates updated every day.</p>	<p>Data on offer is provided on a weekly or monthly basis depending on the subscription.</p>
 Transparency	<p>Xeneta provides a full view of the market, from schedule reliability and carbon emission index to surcharges and spend benchmarks. The platform can also separate the long- and short-term markets and present the spread of both.</p> <p>Xeneta's methodology is consistent and publicly documented for full transparency, explaining which surcharges are tracked and when they're added to base rates.</p>	<p>Most freight data providers don't display a difference between the spot and long-term market, limiting users to a single view that delivers directional trends only.</p> <p>Some providers have inconsistent methodologies, making it unclear what surcharges are being tracked, added to base rates and in some cases, removed retrospectively. See page 10 for more info.</p>
 Accuracy of data	<p>Collectively, Xeneta has 450m+ crowdsourced, duplicate-free datapoints covering ocean and air freight and geo-hierarchy levels that can drill down to port-port or airport-airport levels.</p> <p>Because of the size of our dataset, Xeneta can extend your view of the market on benchmarks and trends graphs to see long-term rates that are valid up to 3 months into the future.</p>	<p>When not enough sufficient data is collected, providers fill the gaps with 'expert opinions' and averages from existing data. Rarely does the provider clarify what is market data and what is an educated guess.</p>

CHAPTER 4

Movers and shakers

Movers and shakers

Imagine being able to save millions in freight costs, anticipate market fluctuations, optimize routes in real-time, and seamlessly adapt to unexpected disruptions. That's the power of integrating freight intelligence into your supply chain DNA. It's about staying one step ahead, not just keeping up.

That means investing in a platform that can be trusted to provide more than directional trends.

Here are just some of the industry leaders already using Xeneta's intelligence, and what we've achieved together so far:

On one lane, I could see we were at the market high level. After further discussions with the carrier, I managed to get a 30% reduction on the rate, taking it from market high to just below market mid-low. On an annualized basis this is close to \$1.5M on one lane alone.

Karen Goodall
Global Category Leader,
Freight & Logistics,
Associated British Foods

Associated
British Foods
plc

It's fun being the biggest, but it doesn't necessarily make you the best. At STC, we strive to make the two synonymous. We have an ambitious growth strategy and a drive to meet our customers' needs and Xeneta data helps us do that.

Carl Kars
Global Head of Procurement
Stolt Tank Containers



Market intelligence gives us a critical business advantage. We use Xeneta ocean and air rates as the benchmark to all tender bids. The team checks if the rates they are negotiating are in line with the market level or optimal for Continental. The data is crucial for evaluating our supply chain performance and improving internal processes.

Dr. Jens Röttger
Head of Cluster Freight, NPM Purchasing
Continental



[Our customers] know we're good, but not just because we're claiming it. They can see we have the right sources and the connections to make the best decision for their supply chain.

Mads Drejer
Global COO & CCO
Scan Global Logistics



Xeneta offers Clasquin a level of transparency that is unmatched, in a historically opaque industry. As it continues to expand its dataset and functionality, Xeneta helps us understand how our rates compare to the market and take strategic action.

Emmanuel Lanne
Seafreight Procurement Manager
Clasquin



Ready to shift the dial on your supply chain management practices, strategy and performance?

When some freight data providers are costing Shippers up to 72% more than the market average, considering a switch to Xeneta—a real-time, crowdsourced data intelligence platform—means you've got **nothing to lose**, and **everything to gain**.

Take the first step towards greater transparency over your supply chain operations.

[Book a demo](#)

[Talk to us](#)

The Xeneta Advantage

50%
Improvement on budget accuracy reported by a Fortune 500 company

10%
Of total costs saved by a shipper with \$100M in ocean and air freight

3%
Gross margin increase by Freight Forwarders using Xeneta during tenders

10x
ROI achieved in 6 months using Xeneta's Air Solution

Your next steps

At Xeneta, we believe in providing a comprehensive understanding of the core metrics that move ocean and air freight. This starts with a community of crowdsourced data that provides complete market visibility.

Recent black swan events have demonstrated that having access to the right datasets in real time and with global coverage is no longer a 'nice-to-have' for high-volume players.

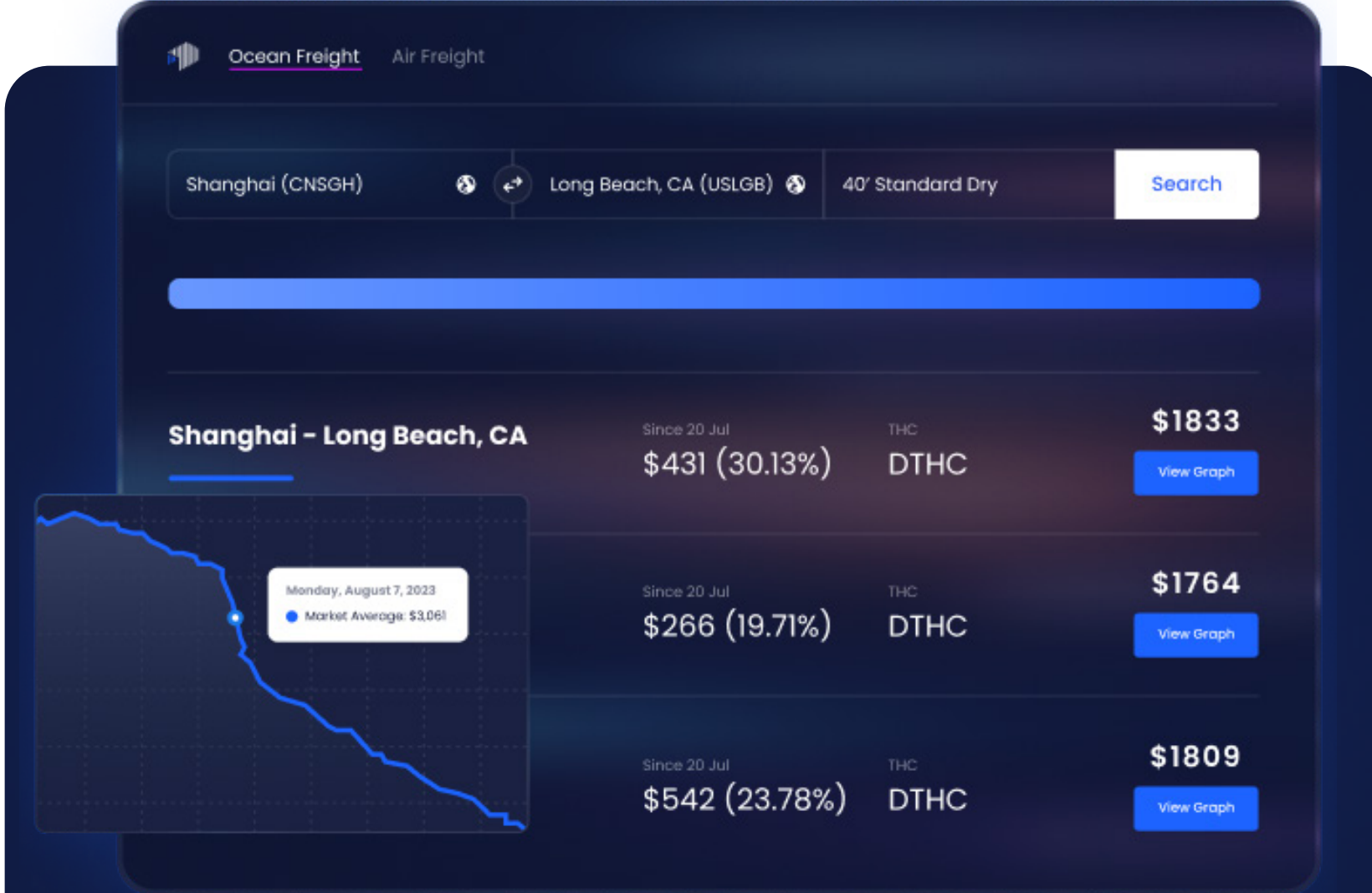
Without it, you risk creating friction in connected trade networks, falling behind market movements, missing opportunities to strengthen your position and overspending to reactively protect your supply chain.

And as shown in chapter one, when your data can't keep pace with the true market average, you could be paying an **extra \$1M for the same cargo to be shipped** at the same time..

While there will always be those who resist change, it just doesn't make economic sense to base multi-million dollar decisions on 'bad' data.

Not when opportunist behavior exists in a traditionally opaque market.

Not when market volatility is a given.



The screenshot shows the Xeneta Ocean Freight interface. At the top, there are tabs for 'Ocean Freight' and 'Air Freight'. Below that, a search bar contains 'Shanghai (CNSGH)', 'Long Beach, CA (USLGB)', and '40' Standard Dry'. A 'Search' button is on the right. The main content area is titled 'Shanghai - Long Beach, CA' and features a line graph on the left showing market rates over time, with a callout for 'Monday, August 7, 2023' and a 'Market Average: \$3,061'. To the right of the graph is a table of current rates:

Since 20 Jul	THC	DTHC	Rate	Action
\$431 (30.13%)			\$1833	View Graph
\$266 (19.71%)			\$1764	View Graph
\$542 (23.78%)			\$1809	View Graph

At the bottom of the dashboard, there is a prominent blue button that says 'Book a demo'.

See Xeneta for yourself

[Book a demo](#)

XENETA

The power is in our
crowdsourced data.

In 2024, this has grown even stronger as we now call upon more than 450 million data points to provide unrivalled market insight and benchmarking.

Learn more at
www.xeneta.com



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