

Understanding Freight Capacity

When your freight is ready to ship, it likely needs to get out the door right away. These days, there's not much room for delay! But when carrier capacity is constrained, delayed shipments and increased rates can leave any shipper feeling frustrated.

Stay ahead of shipping headaches by learning about the main factors that affect freight capacity — and what to do when capacity is tight!

THE FACTORS AT PLAY

With so many factors playing a role in industry capacity, it can be overwhelming to understand exactly why your shipping rates are fluctuating in the current market.

Here's a look at the top factors that can impact freight capacity:



Driver availability

With many truck drivers nearing retirement age — in addition to high industry turnover rates — it can be difficult for carriers to replace their drivers. And if there aren't enough drivers to keep up with current demand, capacity constraints will inevitably follow.

1 out of 4
drivers will reach
retirement age
in the next 10 years¹



Market conditions

During periods of economic growth (especially in the e-commerce industry), shipping volumes increase as more product needs to be moved across the country — causing an increased demand for shipping services.

197%
increase in truck
sales from 2019
to 2020²



Number of trucks

As new trucks are manufactured and purchased (typically in times of economic growth), capacity increases and rates steady. However, economic decline can lead to carrier closures and fewer new purchases — meaning fewer trucks on the road!



1) CCJ Digital (2021). Driver shortage not eased by 2020's reshuffled labor market.
2) TransportationInsight (2021). Freight Capacity Shortages and Service Challenges Persist.



Government regulations

Regulations like the Electronic Logging Device (ELD) Mandate — which effectively restricted the number of hours a driver can work per day — can put constraints on capacity, increasing a shipment’s time in transit and thus decreasing the number of trucks available at any given time.



Severe weather

Extreme weather and large-scale natural disasters can have huge effects on capacity, limiting safe access to shipping routes and requiring necessities to be shipped to affected areas (often causing delays for lower-priority shipments).



Seasonality

Certain times of the year (typically near the beginning of the year) see less demand for shipping services, while others (such as the spring produce season, end-of-year holiday season and at the end of quarters) rise to peak shipping volume.

Peak Freight Shipping Months



NAVIGATING CONSTRAINED CAPACITY

When capacity is tight, freight carriers often raise shipping rates in an effort to avoid unprofitable loads. But we get it — nobody likes increased rates! Consider these tips for navigating a capacity crunch with the smallest impact to your bottom line:



Plan ahead

The faster your freight needs to be delivered, the higher your rate will be — especially when capacity is tight! By planning ahead, you can avoid costly fees for expedited services.



Consolidate your freight

Keep your shipping costs down by maximizing your freight loads when possible. The more volume you can ship per order, the fewer trucks you'll need to book — and when trucks are hard to come by, consolidating your shipments can mean expanding your savings!



Consider multiple carriers

When capacity is tight, carriers have more shippers to choose from — and will likely prioritize the most profitable loads. Consider expanding your freight shipping network to keep your options open during times of limited capacity.



Partner with a 3PL

A third-party logistics (3PL) company can leverage their combined shipping volume and strong carrier relationships to help get your freight on the truck — and with discounted rates you may not be able to access on your own.

**Carrier capacity may fluctuate,
but our dedication to affordable
freight shipping solutions never
will! Contact Unishippers today
to get your freight on the road.**

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