



Darren Ash
General Manager FreightFixed

8 Strategies to Reduce Your Freight Costs

8 Practical Ways to Reduce Freight Costs

If your total landed cost becomes too high, customers may start comparing alternatives, even if they value your product and service.

Here are a few practical strategies that can help reduce freight costs, protect margins, and keep your pricing more competitive.

Keeping a close eye on freight costs matters. Freight charges affect more than your operating expenses. They also affect pricing, margins, and customer satisfaction. Strong freight cost control helps protect both your business and your customers.

Benchmark Every Freight Lane

You cannot control freight cost if you do not know what the lane should cost.

Each freight lane should be reviewed by origin, destination, Incoterm, equipment type, and service level. Proper freight benchmarking helps separate fair market cost from inflated retail pricing. This gives shippers a stronger starting point for freight cost reduction.

Improve Utilisation

A container or carton may look full, but that does not always mean it is commercially efficient. Carton size, pallet layout, stack ability, and load planning all affect the cost per unit shipped. Better container utilisation can reduce the number of shipments and space needed across regular lanes. This is one of the most practical ways to reduce freight costs over time.

Plan Earlier to Avoid Urgency Premiums

Last-minute freight is rarely the cheapest freight. Late bookings can limit carrier options, reduce sailing flexibility, and create avoidable premium charges. Earlier planning gives

shippers more control over routing, equipment, and sailing choice. Good planning supports stronger international freight cost control.

Review Accessorial Charges Line by Line

The shipping rate is only one part of the total freight cost. Origin charges, documentation fees, detention, demurrage, storage, and amendment fees can quickly erode savings. Each charge should be checked against the shipment evidence and agreed commercial structure. Many freight cost leaks are hidden in the smaller lines of the invoice.

Set Clear Lane Rules Before the Shipment Moves

Freight governance works best before the shipment is released. Each shipping lane should have clear rules around carrier, service level, routing, equipment, approvals, and exceptions. This helps prevent unnecessary upgrades, service changes, or ad-hoc decisions that increase cost. When the rules are clear, the shipment is easier to control.

Review the Incoterm Structure

Incoterms have a direct impact on cost control, routing, and visibility. Some buying terms can expose shippers to embedded freight margins or limited charge transparency.

Review whether FOB, EXW, CIF, CFR, or DAP gives the best control for each lane. The lowest supplier price is not always the lowest landed cost.

Separate Market Movement from Margin Drift

Freight rates move, and genuine market increases do happen. But not every increase is caused by the market. Base freight, bunker, equipment, congestion, peak season, and local charges should be reviewed separately. This helps shippers understand what changed, why it changed, and whether the increase is justified.

Verify Every Invoice Against the Agreed Baseline

Savings are only real when they survive the invoice stage. Each shipping invoice should be checked against an agreed baseline, shipment profile, service level, and approved charges. A proper freight invoice audit helps identify unsupported charges before they become accepted cost. Invoice verification protects freight cost reduction after the shipment has moved.

Conclusion:

Freight cost reduction is not about cutting corners. It is about replacing guesswork with evidence. It means applying freight governance before the shipment moves. And it means making sure every invoice can be properly explained.



Darren Ash

General Manager, FreightFixed.

Darren Ash is a recognised expert in the Australian freight industry.

He has over 25 years' experience in delivering freight cost reductions.

