

FREIGHT

QUALITY

EFFICIENCY

COST

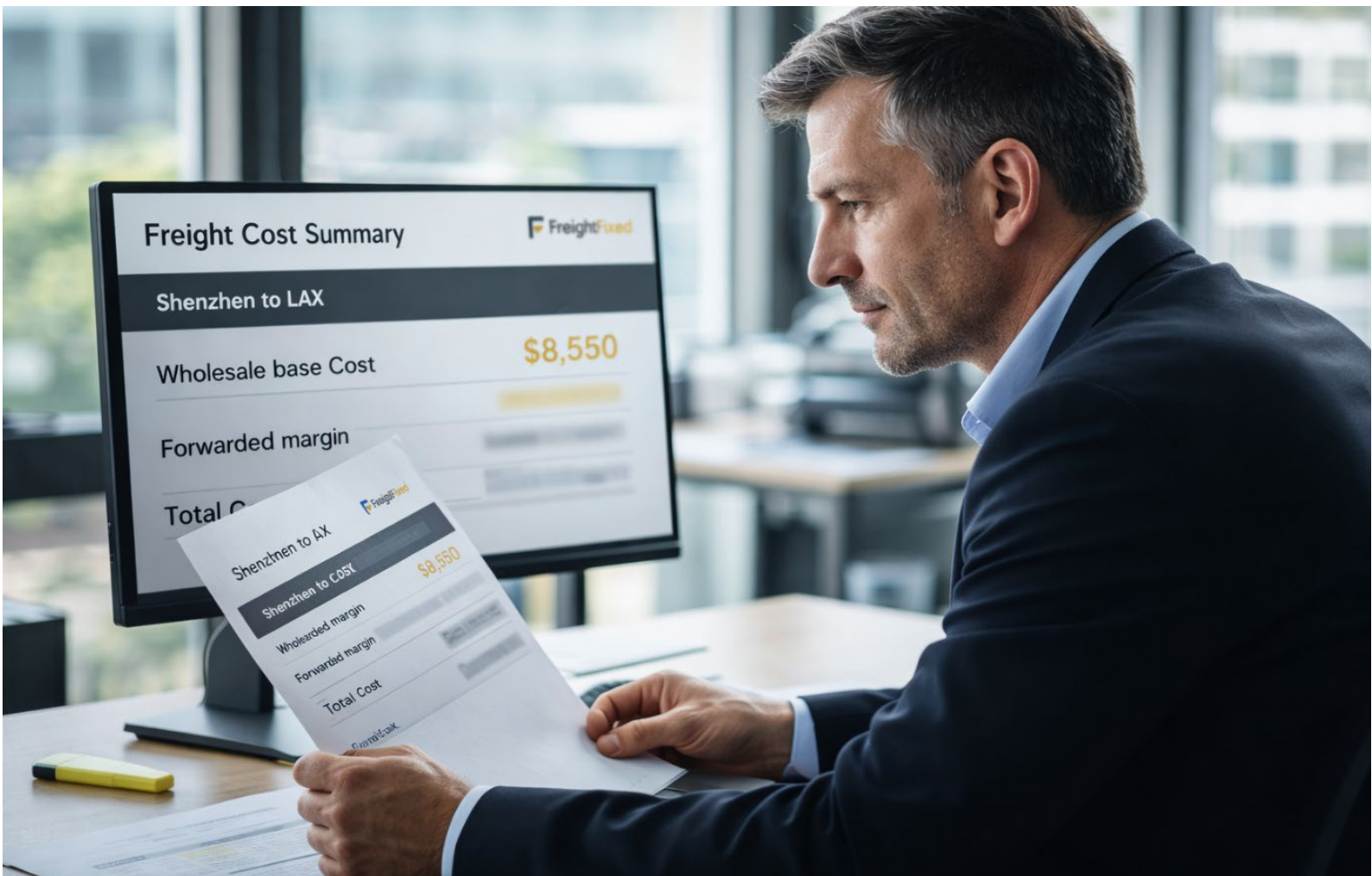


Darren Ash
General Manager
FreightFixed

Retail Rates Versus Wholesale Industry Baseline Rates

Freight cost reduction is not just about finding a cheaper freight forwarder.

For many shippers, the real problem is not the freight itself. It is the lack of visibility between what they are being charged and what the movement should reasonably cost. Retail freight rates, added margins, unclear local charges, invoice changes and unsupported fees can all make freight costs difficult to control. The solution is to compare your current retail freight cost against a wholesale baseline, then use that evidence to reduce unnecessary cost and protect the saving on future shipments.



Start by understanding the retail price you are paying

Most shippers see the freight invoice, but not always the pricing structure behind it. The rate may include base freight, local charges, fuel, handling, documentation, delivery and other added costs. Some of these charges are legitimate, but others may include retail margin or unexplained increases. Freight cost reduction starts by breaking down the retail price so you can see what you are actually paying for.

Compare your freight cost against a wholesale baseline

A wholesale baseline shows what the same shipment should cost before retail margin is added. It should be compared like-for-like by lane, mode, Incoterm, container type, cargo profile and service level.

This gives shippers a clearer view of the gap between the retail price and the underlying wholesale cost. Once that gap is visible, freight cost reduction becomes evidence-based instead of guesswork.

Identify the profit gap, not just the rate gap

The cheapest freight quote is not always the right answer. The real issue is the gap between the retail freight charge and the wholesale cost of moving the freight. That gap may include margin, unnecessary charges, duplicated fees or pricing drift over time. By identifying the profit gap properly, shippers can reduce freight costs without weakening service quality.

Charge type	Incumbent invoice	baseline	Variance
Ocean freight	\$5,800	\$3,950	\$1,850
Origin charges	\$1,150	\$850	\$300
Destination charges	\$1,450	\$1,050	\$400
Melbourne delivery	\$850	\$720	\$130
Documentation / handling	\$390	\$150	\$240
Other / miscellaneous fees	\$310	\$0 / not supported	\$310
Total	\$9,950	\$6,720	\$3,230

Make sure savings are proven, not assumed

Freight savings should not be based on promises or broad percentage claims. They should be proven through invoices, shipment data, lane history and wholesale rate comparison. A saving is only real when the same shipment profile can be compared against a lower, supportable baseline. This protects shippers from accepting sales claims that look good but do not hold up under review.

Review invoices line by line

Many unnecessary freight costs are hidden in the invoice detail. A charge may look small on its own, but across multiple shipments it can become a serious cost leak. Invoice checking helps identify unsupported fees, incorrect charges, extra margin and costs that were never approved. A proper freight invoice audit gives shippers control before these charges become accepted as normal.

Separate fair market movement from avoidable cost leakage

Freight costs can rise for genuine reasons. Fuel, port delays, currency shifts, capacity shortages and global disruption can all affect pricing. But not every increase is market-driven, and not every extra charge should be accepted without evidence. Shippers need a way to separate fair cost movement from avoidable leakage, weak process or unsupported retail charges.



Put rules around how freight is booked and changed

Freight cost reduction can disappear quickly if shipment decisions are not controlled. A shipment may be moved on a different service, upgraded, rerouted or charged extra without proper approval. Clear rules around lanes, service levels, approvals and exceptions help prevent unnecessary cost before it happens. This turns freight cost control into a process, not just a one-time price review.

Stop extra charges before they reach the invoice

Some costs are created during the shipment, not at the quote stage. Storage, detention, demurrage, waiting time, redelivery, documentation holds and late changes can all increase the final cost. Early visibility helps shippers act before these issues become expensive invoice items. The best freight cost reduction happens before the extra charge is locked in.

Protect the saving across future shipments

Finding a saving once is useful but keeping it is more important. Once a wholesale baseline is set for a lane and service type, future invoices can be checked against that benchmark. This helps shippers see whether the saving has been maintained or whether the cost has drifted back up. Long-term freight cost control means protecting the saving shipment after shipment.

Build a repeatable freight cost reduction model

The strongest freight cost reduction model is repeatable. It starts with retail invoice review, compares the cost against a wholesale baseline, identifies the gap, then applies control rules. From there, every shipment can be managed with clearer pricing, stronger evidence and better invoice discipline. That is how shippers move from reacting to freight costs to actively controlling them.

Conclusion

Freight cost reduction is not just about asking for a lower rate. It is about seeing the gap between retail freight charges and wholesale cost, proving where savings exist, and putting the controls in place to protect those savings over time.



Darren Ash
General Manager, FreightFixed.
Freight Industry Expert.

Darren Ash is General Manager of FreightFixed, and a recognised Australian Freight Industry Expert. He has more than 25 years' experience across freight forwarding, freight cost management, benchmarking and logistics improvement.

His expertise sits in helping shippers understand the difference between retail freight charges and verified wholesale baselines, so they can identify real savings rather than accept unclear pricing. Darren has written extensively on freight audits, cost blowouts, shipment charges, freight governance and practical ways businesses can control freight spend. ([LinkedIn](#))

He is particularly focused on freight cost reduction, invoice transparency, line-by-line benchmarking and governance models that protect shippers from margin drift, unsupported charges and avoidable cost leakage. ([LinkedIn](#))