

# BENCHMARKING METHODOLOGY AND PROOF

How to benchmark correctly against a wholesale baseline and prove the retail-to-wholesale gap.



## KEY LESSON

Benchmarking only works when the comparison is like-for-like and tied to a true wholesale baseline.



## SHIPPER RISK

If the benchmark is wrong, the shipper can mistake retail comparisons for real proof.

# How to Benchmark Freight Correctly

Many importers and exporters know they should benchmark their freight costs. That is a good starting point.

But correct freight benchmarking is not just about comparing one freight quote against another freight quote. It is about proving the gap between the retail freight price a shipper is currently paying and the wholesale rate baseline that sits underneath the movement. That gap matters. Because once the gap is visible, the shipper can see the potential saving available upfront. But the real value goes further than that.

When wholesale rates are used properly, benchmarking does not just identify savings. It creates a more transparent freight relationship, a stronger commercial position for the shipper, and a clearer evidence base for long-term freight cost control. That is a very different model from traditional retail freight forwarding.

## Benchmarking is not just market testing

Many businesses think freight benchmarking means asking several freight forwarders for prices and choosing the lowest quote. That may feel like market testing. But it is not proper freight benchmarking.

A cheaper quote may only look cheaper because:

- local charges are excluded
- destination costs are unclear
- accessorial charges are not shown upfront
- service levels are different
- transit times are not comparable
- documentation fees appear later
- delivery conditions vary
- the final invoice structure is not fully visible

This is why comparing one retail freight quote against another retail freight quote can be misleading. It may show which provider looks cheaper at the start. It does not always show what the movement should reasonably cost. It also does not show whether the final invoice will remain aligned with the shipment expectation.

Correct benchmarking goes deeper.

It compares the shipper's current retail freight cost against a like-for-like wholesale rate baseline. That is where real freight cost visibility begins.

# THE WHOLESALE BASELINE IS THE REAL BENCHMARK

A wholesale rate baseline shows what a freight movement should reasonably cost before retail margin, unsupported charges or avoidable operational leakage are added.



**A lower retail quote is not always a real saving.**



## 1. PROPER REFERENCE POINT

The wholesale baseline gives the shipper a true cost reference before retail margin and unsupported charges are added.



## 2. THE RETAIL-TO-RETAIL TRAP

Without a wholesale baseline, many shippers only compare retail prices inside a retail pricing market.



## 3. LOWER QUOTE ILLUSION

One retail quote may look cheaper than another, but both may still sit well above the wholesale cost of the movement.



## 4. EXPOSES THE GAP

The baseline reveals the retail-to-wholesale gap and shows whether a quote truly delivers value.

## WHY THE BASELINE MATTERS



## KEY LESSON

The wholesale baseline gives the shipper the true cost reference.



## SHIPPER RISK

Without a baseline, a shipper can mistake a lower retail quote for a real saving.

## The wholesale baseline is the real benchmark

A wholesale rate baseline shows what the freight movement should reasonably cost before retail margin, unsupported charges or avoidable operational leakage are added.

It gives the shipper a proper reference point.

Without that reference point, many importers and exporters are left comparing retail prices inside a retail pricing market. That can keep the shipper trapped in the same game. One retail quote may be lower than another retail quote.

But both may still sit well above the wholesale cost of the movement. The shipper may think they have found a saving. But they may only have found a lower retail price. That is why the wholesale baseline is so important. It shows the underlying cost position. It exposes the retail-to-wholesale gap. It allows the shipper to see whether real savings are available.

## Benchmarking identifies the saving upfront

The first job of correct benchmarking is to identify the saving opportunity upfront. This is done by comparing the shipper's current retail freight cost against a validated wholesale rate baseline. The comparison must be like-for-like. That means the benchmark must align:

- lane
- mode
- Incoterm
- container type
- cargo profile
- shipment volume
- service level
- timing
- local charges
- accessorial structure
- operational requirements

Once those conditions are aligned, the retail-to-wholesale gap becomes visible. That gap is where the potential saving sits. This is very different from simply asking: **“Can I get a cheaper freight rate?”** The stronger question is: **“What is the gap between what I am paying at retail level and what this movement should reasonably cost at wholesale level?”**

That question changes the shipper's position. It moves the discussion from price shopping to evidence-based freight cost control.

# BENCHMARKING CREATES A TRUST RELATIONSHIP

Wholesale benchmarking is not just a pricing tool. It changes the relationship between the shipper and the freight provider by exposing the retail-to-wholesale gap and replacing hidden margin with visible evidence.



When both sides work from the **same evidence**, trust replaces **pricing imbalance**.



## 1. RETAIL IMBALANCE

In the traditional retail model, the provider sees the wholesale cost, margin and invoice logic. The shipper often only sees the sell rate and final invoice.



## 2. GAP VISIBILITY

The wholesale baseline exposes the gap between the shipper's current retail freight cost and the underlying market cost of the movement.



## 3. VERIFIED SAVING

That visible gap identifies the real saving opportunity. The shipper can see how the saving is calculated.



## 4. ALIGNED INCENTIVES

The provider is paid from a share of verified savings, not by hiding margin inside the freight rate.

## WHY THIS MODEL CHANGES THE RELATIONSHIP

### TRADITIONAL RETAIL MODEL



*Provider holds more pricing visibility.*

### WHOLESALE BENCHMARK MODEL



*Fee linked to saving, not margin.*



## KEY LESSON

Visible evidence creates trust and more balanced commercial behaviour.



## SHIPPER RISK

Without benchmark visibility, the shipper remains on uneven ground.

## **Benchmarking proves the saving**

A saving should not be assumed. It should be proven. This is where correct benchmarking gives the shipper confidence.

The benchmark shows:

- what the shipper is currently paying
- what the wholesale baseline shows
- where the retail-to-wholesale gap exists
- which costs are market-driven
- which charges need explanation
- which costs may be avoidable
- where the verified saving opportunity sits

That matters because many freight savings claims are too broad.

A provider may say they can save a shipper money.

But compared to what?

- Compared to a previous retail quote?
- Compared to an inflated invoice?
- Compared to a different service level?
- Compared to a shipment that is not truly like-for-like?

Correct benchmarking removes that uncertainty. It gives the shipper evidence. And in freight, evidence is stronger than promises.

## **Wholesale benchmarking creates a trust relationship**

This is the key difference. Wholesale benchmarking is not just a pricing tool. It creates a different commercial relationship between the shipper and the freight provider.

In a traditional retail freight model, the freight forwarder usually has more visibility than the shipper. The freight forwarder understands the wholesale cost, the retail margin, the service structure and the invoice logic. The shipper often only sees the sell rate and the final invoice.

That creates an uneven relationship. The provider holds more pricing information. The shipper carries the cost consequence. That is the imbalance.

The wholesale baseline model changes this by using wholesale rates to identify the gap between the shipper's current retail freight cost and the wholesale baseline. Then its everlasting, transparent and everlasting.

That gap identifies the verified saving.

With this model, the freight forwarder is then paid a share of that verified saving, rather than by adding margin to the freight rate. That changes the relationship completely. The shipper can see the basis of the saving.

FreightFixed does not need to hide margin inside the rate. Pricing movement remains tied to market conditions, not retail margin recovery. Both sides are working from evidence. Both sides understand how the saving is calculated. Both sides are aligned around the same outcome.

That is a very different model from traditional retail freight forwarding. It turns freight from a one-sided pricing game into a more balanced commercial partnership.

## **Once wholesale pricing is accepted, the game changes**

Once a shipper accepts a wholesale pricing model, the saving is no longer dependent on negotiating retail margin down again and again. This is an important point.

1. The shipper has moved to a different structure.
2. Pricing is now tied to the wholesale baseline.
3. Future price movement should be market-driven, not margin-driven.
4. That means if the market moves, the price may move.
5. Fuel may change.
6. Capacity may change.
7. Currency may change.
8. Port conditions may change.
9. Carrier costs may change.
10. Seasonal demand may change.

Those are genuine market movements. But what should not happen is retail margin being quietly added back onto the wholesale baseline. That is the difference.

Under a wholesale pricing model, the saving is structurally protected because the shipper is no longer relying on a retail rate with hidden margin sitting inside it.

- The benchmark identifies the saving.
- The wholesale model maintains the position.
- The evidence trail confirms it over time.

## **The incentive is aligned with the shipper**

This is where the model matters.

The freight forwarder here does not need to add margin to the wholesale baseline. They are paid a percentage of the verified saving identified against the previous retail benchmark.

That means the incentive is aligned with the shipper. The shipper wants the retail-to-wholesale gap exposed. The freight forwarder wants the saving verified. The shipper wants the wholesale position maintained. The freight forwarder is paid from the saving, not from marking up the freight rate.

That changes the commercial behaviour.

In a traditional retail pricing model, margin can be added, widened or reintroduced over time. In this model, the wholesale baseline remains the control point. The saving is protected because the structure removes the need to rebuild margin inside the freight rate. That is a very different freight cost control model.

## **Benchmarking creates pricing honesty**

The consequence of this model is transparency. The shipper can see how the saving is identified. They can see the relationship between retail pricing and the wholesale baseline. They can see whether future movement is market driven.

They can see the evidence behind the pricing. That creates a more honest freight relationship. The shipper is no longer left wondering where margin sits, whether the rate is fair, or whether the saving is real. The benchmark brings the pricing structure into the open. That does not mean freight becomes free of complexity. Freight will always involve market movement, operational variables, service requirements and exceptions.

But the pricing structure becomes clearer. And when the structure is clearer, the relationship becomes stronger.

## **Benchmarking puts both sides on stronger ground**

Historically, the party with more information usually has the stronger position. In traditional freight forwarding, that is often the freight provider.

The provider understands the buy-rate, the margin, the accessorial structure, the invoice detail and the service cost. The shipper often sees only the retail price. That means the shipper is playing with incomplete information. Wholesale benchmarking changes that.

It gives the shipper access to the reference point that normally sits on the freight provider's side of the table. That creates a more balanced relationship. The shipper is not trying to beat the provider. The shipper is trying to understand the true cost structure. The freight provider offering this model is not trying to protect hidden margin. They are being paid from the verified saving. That puts both sides on more equal footing.

The shipper gets transparency. The provider gets rewarded for proving the saving. Both sides work from evidence. That is how the freight game changes.

# ONGOING BENCHMARKING MAINTAINS THE EVIDENCE OVER TIME

Once the wholesale baseline is accepted, benchmarking still matters. Its role changes from finding the saving to proving that the wholesale position is being maintained shipment after shipment.



Ongoing benchmarking keeps the **saving visible** and the **evidence active**.



## 1. EVIDENCE TRAIL

Every future shipment can be reviewed against the wholesale baseline, agreed lane, service need and final invoice.



## 2. MARKET MOVEMENT CHECK

The shipper can see whether pricing movement is market-driven or whether the wholesale position is drifting.



## 3. SAVING PROTECTION

Ongoing benchmarking shows whether the verified saving remains visible over time.



## 4. GOVERNANCE TOOL

Benchmarking becomes a long-term freight governance tool, not just a one-time comparison exercise.

## EVIDENCE OVER TIME



## LIKE-FOR-LIKE BENCHMARKING

- ✓ Origin & destination
- ✓ Lane
- ✓ Mode
- ✓ Incoterm
- ✓ Container type
- ✓ Cargo profile
- ✓ Weight & volume
- ✓ Service level



## KEY LESSON

Benchmarking must continue after the first saving is found.



## SHIPPER RISK

Without ongoing review, pricing drift can hide inside future shipments.

## **Benchmarking maintains the evidence over time**

Once the wholesale baseline is accepted, ongoing benchmarking still matters. But its role changes. It is no longer just trying to find the saving. It is now proving that the wholesale position is being maintained.

Every future shipment can be reviewed against:

- the wholesale baseline
- the agreed lane
- the shipment profile
- the service requirement
- the market conditions
- the final invoice
- the verified savings evidence

This creates a long-term evidence trail. The shipper can see whether the pricing remains aligned to the wholesale position. They can see whether any movement is market driven. They can see whether the saving remains visible. They can see whether the commercial model is still working. That is how benchmarking moves from a one-time exercise to a long-term freight governance tool.

## **Correct benchmarking must be like-for-like**

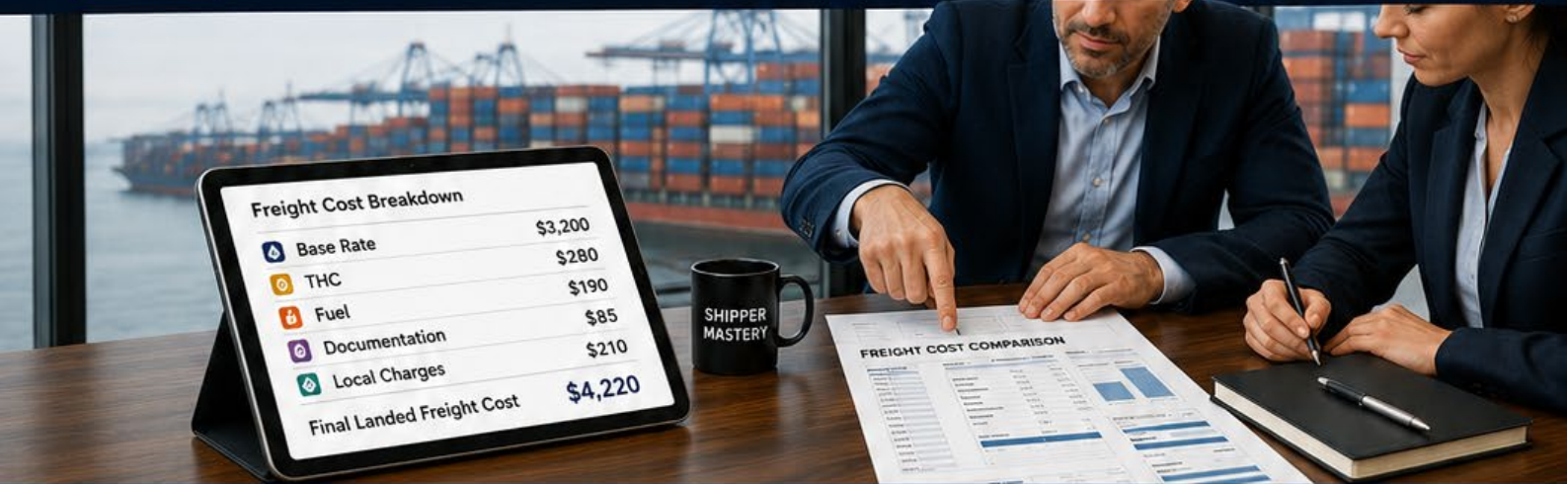
A benchmark is only useful if the comparison is fair. This is where many freight comparisons fail. To benchmark correctly, the shipper must compare the same freight reality. That means the same:

- origin and destination
- lane
- mode
- Incoterm
- container type
- cargo profile
- weight and volume
- service level
- transit expectation
- timing
- currency
- delivery requirement
- local charge structure
- accessorial exposure

Without this alignment, the comparison can be distorted. A cheaper quote may simply exclude costs that appear later. A lower rate may be based on a different service. A different Incoterm may shift cost responsibility elsewhere.

# BENCHMARK THE FULL FREIGHT COST, NOT JUST THE BASE RATE

The base freight rate matters. But it is only one part of the total shipment cost. Correct benchmarking must include the full cost structure, not just the starting rate.



**A strong base rate** can still lead to a weak final invoice if the **full cost** is not benchmarked.



## 1. BASE RATE IS NOT THE FULL COST.

Many freight charges sit outside the base rate and can change the final invoice significantly.



## 2. FULL COST STRUCTURE.

Benchmarking should include terminal handling, fuel, documentation, customs, cartage, storage and other accessorial charges.



## 3. INCOMPLETE BENCHMARK RISK.

A quote can look competitive upfront but still become expensive once the extra charges appear.



## 4. FULL-SHIPMENT QUESTION.

The real question is not the base rate. It is the full cost of moving the shipment under the agreed service structure.



## 5. MARKET MOVEMENT VS. MARGIN MOVEMENT.

Know what is driven by market rates and what is driven by carrier margins or surcharges.

## WHY FULL-COST BENCHMARKING MATTERS



### FULL COST ITEMS TO INCLUDE

- Origin & destination charges
- Terminal handling
- Fuel surcharges
- Documentation fees
- Customs / duties
- Local cartage
- Storage / demurrage
- Destination charges



### KEY LESSON

The benchmark must measure the full freight cost, not just the headline rate.



### SHIPPER RISK

A quote can look competitive upfront but still become expensive when extra charges appear.

A port-to-port rate cannot be fairly compared with a door-to-door movement. A general cargo movement cannot be fairly compared with a shipment requiring special handling, quarantine support, delivery booking, unpacking or time-critical movement. Correct benchmarking removes that confusion. It makes the comparison fair.

## **Benchmark the full freight cost, not just the base rate**

Another common mistake is benchmarking only the base freight rate.

The base rate matters. But it is not the full cost. Many freight charges sit outside the base freight rate, including:

- terminal handling charges
- fuel surcharges
- peak season surcharges
- documentation fees
- customs clearance
- quarantine charges
- local cartage
- storage
- detention
- demurrage
- waiting time
- redelivery
- accessorial charges
- destination charges

If these charges are not included, the benchmark is incomplete. A quote can look strong at the start and still produce a higher final invoice. That is why correct freight benchmarking must consider the full cost structure.

The real question is not:

**“What is the base freight rate?”**

The better question is:

**“What is the full cost of moving this shipment under the agreed service structure?”**

That is the number that matters.

## **Market movement is different from margin movement**

Freight costs can move for legitimate reasons.

That needs to be acknowledged.

Market-driven movement can come from:

- carrier rate changes
- fuel movement
- currency movement
- port congestion
- capacity pressure
- seasonal demand
- equipment shortages
- regulatory or compliance changes
- global disruption

These movements can affect wholesale pricing. That is normal. But market movement is different from margin movement. Market movement reflects genuine external cost pressure. Margin movement reflects added commercial margin sitting above the wholesale baseline. Correct benchmarking helps the shipper separate the two. It shows whether price movement is connected to the market, or whether the retail-to-wholesale gap is widening.

That distinction is critical.

Because shippers do not need freight prices that never move. They need freight prices that move for the right reasons.

## **Benchmarking supports freight governance**

Benchmarking should not sit alone. It should support freight governance. Once the wholesale baseline is established, governance uses that baseline to control the shipment process.

That means:

- shipment execution is aligned to the agreed structure
- cost movements are reviewed against the baseline
- exceptions are visible
- invoices are validated
- market-driven movements are separated from unsupported charges
- verified savings remain visible over time

This is how benchmarking and governance work together. Benchmarking identifies and proves the saving. Governance keeps the shipment process aligned. Invoice validation confirms the evidence. Together, they create a stronger freight cost management model.

## **The shipper does not need another retail quote**

Many shippers are encouraged to keep chasing new quotes. But constantly comparing retail quotes can keep the shipper inside the same problem.

- The quote may change.
- The provider may change.
- The structure may still be unclear.
- The shipper may still not know the wholesale cost.
- They may still not know the retail-to-wholesale gap.
- They may still not know whether the final invoice is aligned.

Correct benchmarking gives the shipper something stronger than another quote. It gives them a control point. Once the wholesale baseline is visible, the shipper can stop asking only:

**“Can someone give me a cheaper rate?”**

They can start asking:

**“Is my freight cost aligned with the wholesale baseline, and is any movement supported by evidence?”**

That is a much stronger commercial question.

## **The real lesson for shippers**

Correct freight benchmarking is not about chasing the lowest number. It is about knowing what the movement should reasonably cost. It is about identifying the retail-to-wholesale gap. It is about proving the saving upfront.

It is about moving to a wholesale pricing model where future movement is market-driven, not margin-driven. It is about creating transparency between the shipper and the freight provider. It is about placing both sides on more equal commercial ground. And it is about maintaining an evidence trail that shows the wholesale position is being maintained over time. That is the real lesson.

- A shipper who only compares retail quotes may find a cheaper price.
- A shipper who benchmarks correctly can find the real gap.
- And once that gap is visible, the shipper can make a better decision.

# THE REAL LESSON FOR SHIPPERS

Correct freight benchmarking is not about chasing the lowest number. It is about knowing what the movement should reasonably cost, identifying the retail-to-wholesale gap, proving the saving upfront, and maintaining the evidence over time.



The shipper with the **strongest benchmark** has the **strongest information** and the **strongest control**.



## 1. LOWER PRICE VS REAL GAP

A shipper who only compares retail quotes may find a cheaper price, but not the true cost position.



## 2. WHOLESALE REFERENCE

Correct benchmarking compares retail pricing against a like-for-like wholesale baseline.



## 3. UPFRONT PROOF

The retail-to-wholesale gap makes the real saving visible before a decision is made.



## 4. TRANSPARENCY AND BALANCE

When pricing is market-driven, not margin-driven, both sides work from clearer evidence and more equal ground.



## 5. LONG-TERM EVIDENCE

Maintaining the evidence trail over time protects performance, supports reviews, and strengthens negotiations.

## WHY CORRECT BENCHMARKING MATTERS

### QUOTE SHOPPING

Retail Quote A  
**\$4,900**



Retail Quote B  
**\$4,450**

The real saving remains unclear.

### CORRECT BENCHMARKING

Current Retail Cost  
**\$4,800**



Wholesale Baseline  
**\$3,600**



Verified Saving  
**\$1,200**

The real gap becomes visible.

### WHAT CORRECT BENCHMARKING MUST INCLUDE

- ✓ Retail vs wholesale baseline
- ✓ Full freight cost structure
- ✓ Lane and mode
- ✓ Incoterm
- ✓ Cargo profile
- ✓ Service level
- ✓ Timing and market context
- ✓ Evidence trail over time



### KEY LESSON

The benchmark creates visibility, proof, and better long-term control.



### SHIPPER RISK

Without correct benchmarking, the shipper may compare prices but still miss the true cost position.

## Conclusion

Correct freight benchmarking is one of the strongest tools available to shippers.

But it must be used properly.

- It must compare retail pricing against a like-for-like wholesale rate baseline.
- It must include the full freight cost structure.
- It must account for lane, mode, Incoterm, cargo profile, service level, timing and operational requirements.
- It must identify the retail-to-wholesale gap.
- It must prove the saving upfront.

And once the shipper accepts wholesale pricing, it must provide the evidence trail that the wholesale position is being maintained over time. That is the difference between price comparison and freight cost control. Retail pricing can drift because margin can be added, widened or reintroduced.

Wholesale baseline pricing changes that.

Pricing movement becomes market-driven, not margin-driven. And because the freight forwarder is paid from the verified saving rather than by adding margin to the wholesale rate, the incentive is aligned with the shipper.

- The consequence is transparency.
- The consequence is honesty.
- The consequence is a more balanced relationship between the parties.

That is why benchmarking matters. It does not just show where the saving is. It proves the saving, supports the wholesale model and gives the shipper long-term visibility. In the freight game, the shipper with the strongest benchmark has the strongest information.

And the shipper

With the strongest information

Has the strongest control.

.....  
**Written by Darren Ash**

**Freight cost control and governance specialist**

Note:

Darren Ash has more than 25 years' experience in freight, logistics and supply chain cost control. Through FreightFixed, he helps importers and exporters understand the gap between retail freight pricing and wholesale baseline pricing, identify verified savings, and protect those savings through governed shipment execution, invoice validation and ongoing freight cost control.

.....

