

The Uberization of Trucking

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The uberization of trucking, or freight consolidation, refers to using app-based technologies to utilize empty truck space – to make the most use of empty space in trucks. These apps are similar to Uber in that they connect those who need to move goods with those that are able to move them. Instead of an Uber picking up a drunk person at the bar, it's a truck picking up a shipment container of oranges. The passengers may be different, but the idea is the same.

Truckers often drive to their destinations with room to spare. The uberization of trucking is one way to increase efficiency and solve excess capacity problems. New apps like Uber Freight, Convoy or Doft let truck drivers know if anyone is willing to pay them to transport goods using their extra free space. The shipper can simply log into the app and enter shipment details – including the what, where and when. From there, drivers can see the job posting on their app, along with the offered payment, and they can book the job directly from their phones.

The trucking industry is currently very outdated. It is an industry where people have traditionally called each other to schedule pick-ups and fax paperwork to arrange and confirm shipments. But this is all set to change. Innovative technology is an almost \$700 billion industry, creating gadgets ranging from comms to self-driving cars, to virtual reality and artificial intelligence. Technology has the ability to propel the trucking sector forward.

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Advantages of uberization

Uberization of the trucking industry is advantageous, because it has the possibility to enable more shippers to take advantage of direct-to-trucker shipping rates. Uberization of the trucking industry will work to connect shippers and drivers quickly and effectively.

Another advantage of using Uber-esque apps is that they run even after normal business hours. Bill Driegert, senior director of Uber Freight explains, “You have a true 24/7 network; it’s not just working on the same schedule of a broker, which means you have more options.”

Utilizing these apps would also prevent empty loads. Making sure trucks are full with every load is a great way to lower costs. The needs of shippers are also quickly addressed by giving them a way to send their goods in an efficient and cost-effective way. Apps are a great way to update and revitalize the entire shipment process.

Other ways uberization is advantageous include real-time tracking, dynamic scheduling and transparent pricing. The benefit of quickly matching shippers to drivers cannot be overstated – especially when shippers are also able to follow along online and track their deliveries.

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Challenges that come with uberization

Risks are bound to occur with any business model. When it comes to trucking, some of these hurdles include transporting perishable goods in a timely manner, as well as the ability to comply with health codes for different industries. Shippers may also require more flexibility in pick-up windows and back-

of-house costs.

Another challenge that may arise is that different goods – such as food, vehicles or electronics – require specific types of carriers. When a shipper needs a specialty truck, the number of drivers available may decrease. This may also be the case for shipments of food or other products with expiration dates. Freight apps can combat this obstacle in particular, because apps are designed for instant gratification. Using freight technology will create shorter wait times.

It can also be difficult to establish trust between shippers and drivers quickly; that is something that takes time to build. But shippers and truckers alike will be able to build trust with the apps and be confident that they are getting the best service and deals possible.

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The future of startups in the uberization of trucking

The future of trucking uberization is nearer than people think. Big companies are already starting to transition toward this market. Amazon is currently developing an app that would make recommendations for truck stops as well as include pick-up and drop-off options for payment and order tracking. And as the company that inspired the term “uberization,” Uber is leading this charge by acquiring Otto, a tech startup that specializes in trucks and transportation.

Currently, there are 27 technology start-ups that aim to match truckers with shipment loads. According to Armstrong & Associates, these startups have raised a combined ventured backing of \$180 million in the last five years alone. There is a market available for freight-based apps, and it is growing

exponentially.

Uberization of trucking is the new frontier. The innovative solution increases efficiency, cuts costs, creates a network of drivers and shippers, and even saves on paper! The best way to help ease the burden of the supply chain crisis is to create and foster business connections in the industry. There is room for everyone to help each other, and freight apps give companies the ability to do just that.

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