

# Looking to measure inbound and outbound rejection rates?

Use the Inbound and Outbound  
Tender Rejection Indices

# The Inbound and Outbound Tender Rejection Indices

SONAR's Tender Reject Indices (TRI) are measurements of carriers' willingness to accept the loads that are tendered to them by shippers under contract terms expressed as a percentage of loads rejected to total loads tendered.

TRI is organized in terms of **outbound (OTRI), inbound (ITRI), trailer type (ROTRI, FOTRI, VOTRI)** and length of haul (**COTRI, SOTRI, MOTRI, TOTRI, LOTRI**). A carrier rejecting 2 of the 4 loads tendered would have a 50% TRI.

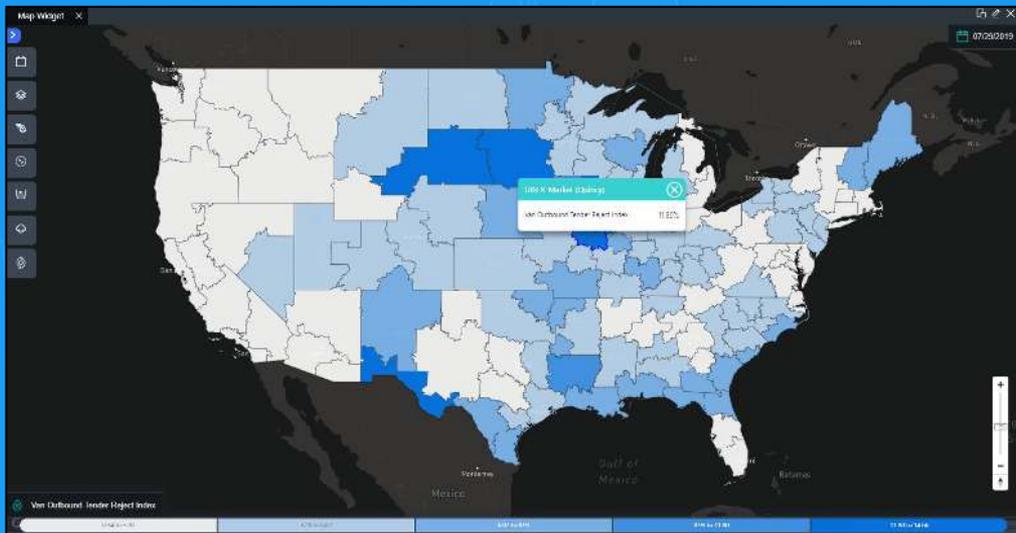
Tender Rejection Rates correlate to the rising or falling of rates in the spot market relative to the contracted rates in that market and can be broken down by **reefer (ROTRI)**, or **dry van assets (VOTRI)**, or viewed with **all trailer types (OTRI)**.

# SAME DATA, DIFFERENT VIEW

In the following slides, we'll demonstrate three **different ways** to visualize the **same data** within SONAR:



## HERE'S WHAT YOU'RE LOOKING AT: MAP VIEW



The Dry Van Tender Rejection Index Map helps quickly identify markets that have elevated tender rejection rates on a U.S. map, which correlate with higher spot market rates.

Markets with the lowest tender rejection rates are shaded **white**

As dry van tender rejection rates increase, the markets are shaded from **light blue** to **dark blue**, as shown on the map legend.

Qualitative data can quickly be turned into quantitative data by **clicking on** or **hovering over** the market you're interested in.

## HERE'S HOW YOU COULD USE IT

Turn to SONAR first thing in the morning to note the markets with elevated dry van tender rejection rates, indicating where dry van spot market rates are elevated so you can increase your bids, and where carriers will want to send their trucks so you can book favorable destinations.

Use in conjunction with other map types including outbound tender volumes and the headhaul index to gain the most market context.

## HERE'S WHAT YOU'RE LOOKING AT: CHART VIEW



SONAR Chart of Outbound Tender Reject Index % (All Trailer Types) —blue (OTRI.DAL), compared to Dry Van Tender Rejection Rate ) —yellow (VTRI.DAL), and Reefer Tender Rejection Rate ) —red (RTRI.DAL)

# With the Outbound Tender Reject Index (OTRI), you can:

- Identify outbound tender rejection rate trends, or changes in an individual market
- Understand if spot market rates are increasing, or decreasing in an individual market over time relative to the contracted rates in that market
- Compare indices within a market, or to other indices of an outside market

## HERE'S HOW YOU COULD USE IT

You want to investigate the market conditions in the Dallas market because you see loads you might want to bid on as a broker/carrier.

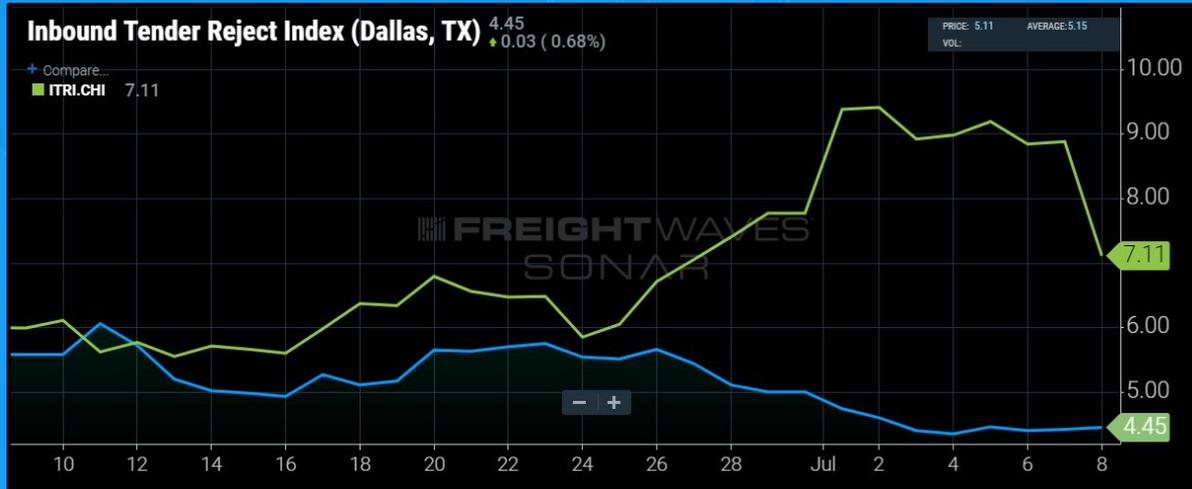
By looking at OTRI.DAL, you see where the average outbound tender rejection rates for all trailer types have continued to decline after the 4th of July holiday. Breaking tender rejection rates down by dry van (VOTRI.DAL) and reefer (ROTRI.DAL), you can see both declined after the 4th of July holiday, but dry van tender rejection rate have flattened around 3.43% while reefer tender rejection rates are at 5.81% and have been volatile.

Both tender rejection rates indicate spot market rates are around the contracted rates, but if tender rejection rates fall below 3%, spot market rates have probably fallen below contracted rates in that market pushing carrier to accept more contracted loads.

## HERE'S HOW YOU COULD USE IT

Since most rating tools are five to seven days behind the market, and both dry van and reefer tender rejection rate trends have been in decline, you might need to lower your bids to keep from overbidding lanes. Since spot market rates have declined, brokers will need to push carrier rates down to create margins.

## HERE'S WHAT YOU'RE LOOKING AT: CHART VIEW



SONAR Chart of Inbound Tender Reject Index % (All Trailer Types) Dallas - Blue, compared to Chicago - Green

Charts help users identify rejection rate trends, or changes in an individual market. A user can understand if rates are increasing or decreasing in an individual market over time, as well as compare indices within a market, or to other indices of an outside market.

# With the Inbound Tender Reject Index (ITRI), you can:

- Identify inbound rejection rate trends, or changes in an individual market
- Identify a carriers willingness to deliver into a particular market
- Compare indices within a market, or to other indices of an outside market

## HERE'S HOW YOU COULD USE IT

You are offered some loads that deliver to **Dallas**, and other loads that deliver to **Chicago**. You want to see if one destination is more desirable than the other. You can compare the two delivery points on a chart and see which deliver location carriers are most willing to accept loads to.

Dallas has a rejection rate of 4.45%, meaning almost 96% of the contracted loads offered to carriers to deliver into Dallas are accepted, while Chicago has a 7.11% rejection rate, meaning only 93% of the contracted loads to Chicago were accepted.

## HERE'S HOW YOU COULD USE IT

From the data on the previous slide, you can conclude two things:

1. Carriers are **more willing** to deliver to the Dallas market over the Chicago market.
2. If a carrier is offered a load to Chicago, the rates might be **slightly over** contracted rates since the inbound tender rejection rate is over 7.00%.



## HERE'S HOW YOU COULD USE IT

You want to quickly identify which markets have the highest and lowest tender rejection rates. Using a SONAR **Outbound Tender Reject Index** (OTRI) map, you will see in the top left the markets with the highest tender rejection rates, and in the bottom right the markets with the lowest tender rejection rates.

You can identify markets where you may need to **increase bids** on freight, or markets where carriers are struggling with rates and target those markets by booking loads with favorable destinations to help carriers **reposition their assets**.

In areas with **low tender rejection rates**, brokers will need to press carrier rates down to create margins.

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