

# FREIGHT MATCHING APPS BY MARKET SHARE

OCTOBER 2019

FREIGHTWAVES FREIGHTINTEL RESEARCH





## Key Highlights

- Carriers that use freight matching apps said they only source 11 percent of their freight from digital freight matching apps. The most popular method for sourcing freight for carriers running one to three trucks remains directly from freight brokers, shippers and load boards.
- For venture capital-backed app-based freight brokerages, the market has turned into a duopoly. Both Uber and Convoy are each used by about 25 percent of carriers that use digital freight matching apps in the survey.
- The rest of the pack of venture capital-backed “pure-play” app-based digital freight brokers (DFB) are struggling to gain meaningful market share. The leader only has an 11 percent download rate by carriers in the survey.
- Venture capital funding is still pouring into digital freight apps, though. Deal values tripled in 2018 as venture capital focuses on larger investments for later-stage startups.
- Load boards continue to rank the highest in “Stickiness” (Regular Usage/Downloads) and continue to be dominated by traditional load boards DAT and Truckstop.com.
- Traditional brokers are set to capitalize on app usage as well. The largest freight brokerages have regular usage rates matching Uber and Convoy of between 20 and 25 percent.
- The leaders in app downloads and usage among traditional freight brokers in this tight range are C.H. Robinson, J.B. Hunt 360, Total Quality Logistics (TQL), and Coyote Logistics.
- Digital freight matching apps marketed to small-and medium-sized freight brokerages are also gaining market share. “Stickiness” is of less use for visibility apps like MacroPoint, FourKites and Trucker Tools as drivers aren’t logging in to search for loads. It’s the voice brokers who are using these tools to find trucks in a specific area.



- Two-thirds of carriers surveyed are interested in the new drop and hook trailer pools that have been announced over the past 12 months by both digital and traditional freight brokerages.
- Over 40 percent of carriers surveyed said their main reason for an interest in trailer pools is to decrease dwell times and detention.

## FreightWaves Freight Intel Contacts

**Kevin Hill**, Director of Research  
(646) 731-4735, [khill@freightwaves.com](mailto:khill@freightwaves.com)

**Seth Holm**, Senior Research Analyst  
(404) 840-2064, [sholm@freightwaves.com](mailto:sholm@freightwaves.com)

**Andrew Cox**, Research Analyst  
(615) 495-4507, [acox@freightwaves.com](mailto:acox@freightwaves.com)



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## Methodology for Ranking Freight Matching Apps

To establish an encompassing ranking system, we analyzed the following factors: the number of reviews and review scores in both the Google Play Store and the Apple App Store; three years of market share studies published by UBS; and two surveys of carriers conducted by CarrierLists in December 2018 and FreightWaves in August 2019.

The Freight Intel Group sent more than 80,000 survey emails to carriers operating between one and three trucks to achieve a response total of 219.

The digital freight matching apps in Figures 2 and 3 are ranked by download percentage from the latest FreightWaves survey conducted in July. We ranked the applications by surveyed download percentage rather than stickiness (Regular Usage/Downloads), though both are equally important for gaining traction establishing itself in the marketplace.

One can look at download percentage as market penetration and stickiness as a proxy for market share or loyalty. Our reasoning in choosing to rank by download percentage was due to the nature of our calculation leaving the possibility for a low download percentage and a high stickiness ratio. The opposite does not hold – of the top 10 by downloads, only one has a stickiness ranking outside the top 15 – Truckloads by Trucker Path, which firmly established itself as a leader in the driver resource tool category, though not as successfully as a freight matching application.



## Digital Freight Matching Categories

The digital freight matching market is categorized into four segments in this paper: app-based digital freight brokerages; traditional truck brokerages with matching apps; traditional load boards; and third-party digital matching apps for freight brokers. These are listed below in Figure 1.

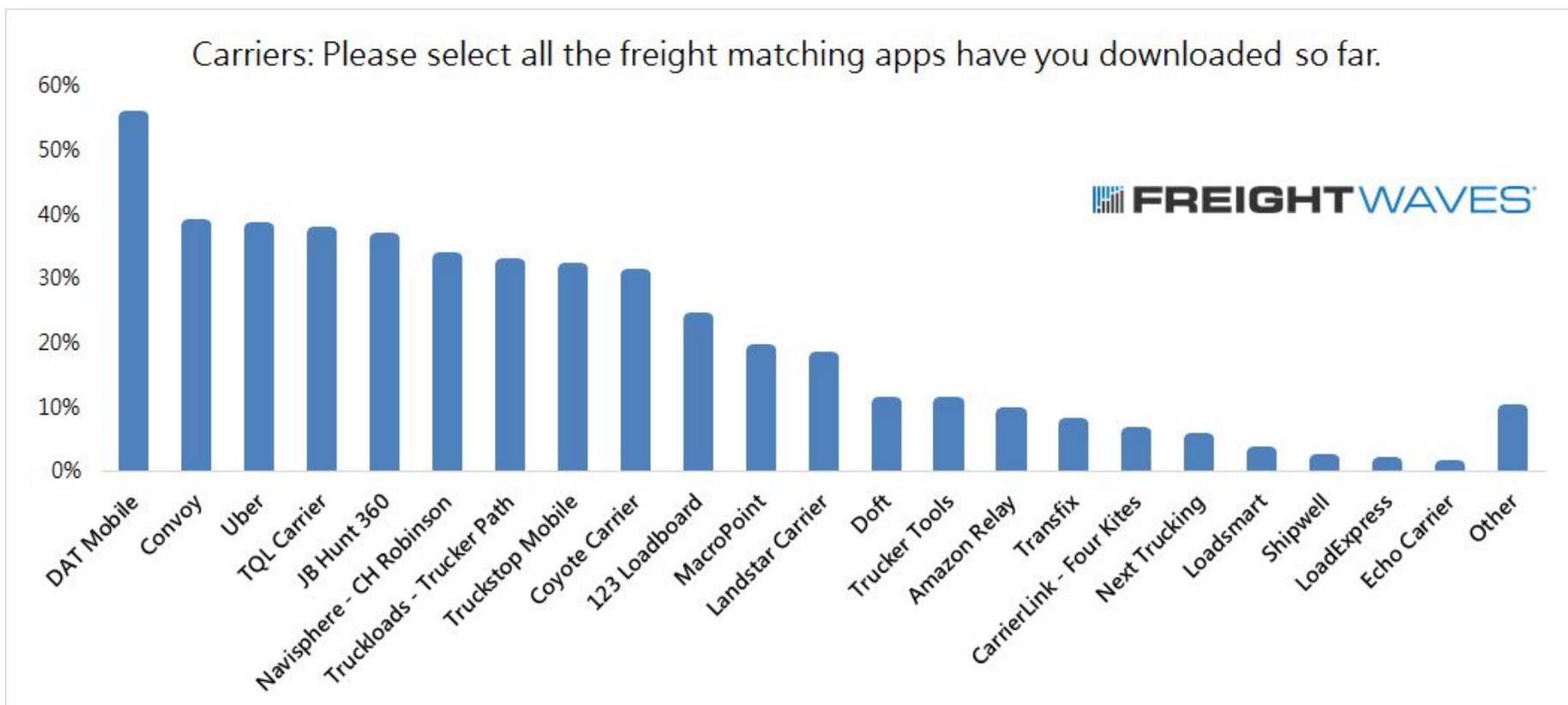
**Figure 1 – Categories of Freight Matching App Companies**

<b>App-Based Brokerage</b>	<b>Digital Matching Provider for Brokers</b>	<b>Load Board</b>	<b>Traditional Truck Brokerage w/ App</b>
Amazon Relay	CarrierLink - FourKites	123 Loadboard	CoyoteGo
Convoy	MacroPoint	DAT Mobile	EchoDrive
Doft	Trucker Tools	Truckloads - Trucker Path	J.B. Hunt 360
LoadExpress		Truckstop Mobile	Landstar Carrier
Loadsmart			Navisphere - C.H. Robinson
Next Trucking			TQL Carrier
Shipwell			XPO Drive
Transfix			
Uber			



## Digital Freight Matching App Download and Usage Survey Results

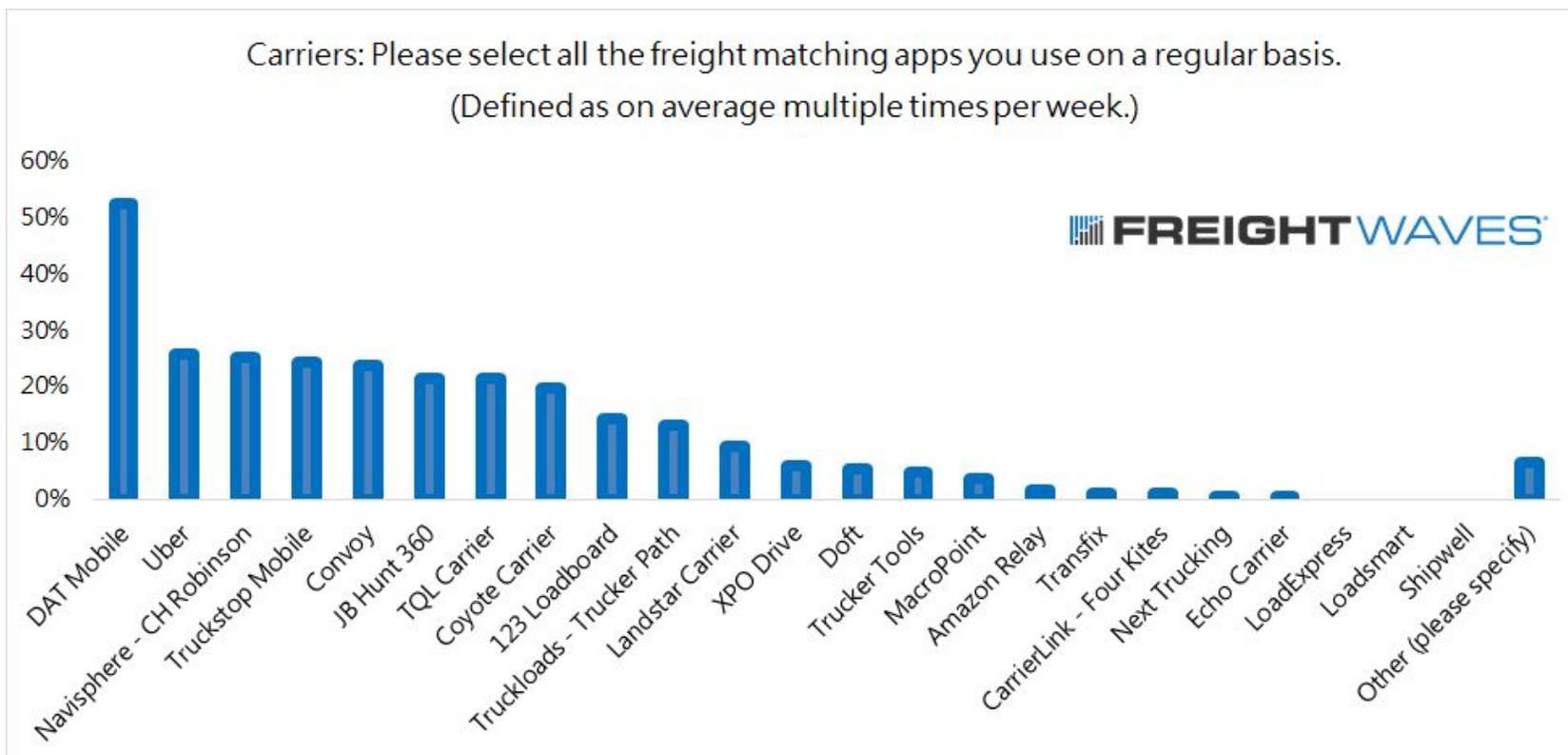
Figure 2 – Survey Results for Freight Matching App Download Rates by Carriers



Source: FreightWaves Freight Matching Apps Survey – August 2019



**Figure 3 – Survey Results for Freight Matching App Usage Rates of Carriers**



Source: FreightWaves Freight Matching Apps Survey – August 2019



## Digital Freight Matching App Rankings

Figure 4 on page 11 includes various metrics to gauge market share of digital freight matching apps. These include the latest FreightWaves survey, along with a CarrierLists email survey from earlier 2019, the UBS study on downloads from Google Play and iTunes, along with the most current number of downloads and customer ratings.

The percentages, downloads and raw numbers are all actual from each source. The data in Figure 5 on page 12 represents the relative rankings between all digital freight matching apps analyzed. Both tables are sorted by download rates from our latest survey in Figure 2 on page 8.



**Figure 4 – Rankings of Digital Freight Matching Apps by Latest Surveyed Download Percentage**

App	Google Play Store		Apple App Store		UBS Market Share Study			CarrierLists Survey (1/31/19)		FreightWaves Survey (8/31/19)	
	Reviews	Avg Score	Reviews	Avg Score	2017	2018	2019	% Download	Stickiness	% Download	Stickiness
DAT Mobile	694	4.0	99	3.5	9%	12%	6%	64%	96%	55%	95%
Uber	798	3.5	329	3.4	19%	21%	15%	40%	60%	38%	67%
Convoy	391	4.0	417	4.4	5%	6%	6%	45%	62%	38%	62%
TQL Carrier	255	3.9	51	3.4	3%	6%	4%	39%	66%	37%	57%
JB Hunt 360	521	3.5	597	4.3	4%	11%	6%	N/A	N/A	36%	59%
Navisphere - CH Robinson	306	3.5	131	4.5	9%	7%	4%	42%	74%	33%	75%
Truckstop Mobile	1,994	4.1	2,447	4.7	6%	6%	5%	34%	89%	32%	77%
Truckloads - Trucker Path	6,344	4.5	1,212	4.6	28%	13%	8%	40%	42%	32%	41%
CoyoteGo	416	3.9	35	3.5	4%	3%	2%	40%	84%	31%	64%
123 Loadboard	1,277	4.5	291	4.8	7%	7%	4%	29%	45%	24%	59%
MacroPoint	2,231	3.5	286	3.0	N/A	N/A	20%	N/A	N/A	19%	19%
Landstar Available Loads	70	3.2	16	3.6	3%	3%	2%	N/A	N/A	18%	53%
Drive XPO	128	4.0	275	4.6	N/A	N/A	N/A	14%	56%	12%	54%
Doft	9	4.1	9	4.7	N/A	N/A	0%	9%	50%	11%	50%
Trucker Tools	1,305	3.8	37	3.4	N/A	N/A	7%	12%	23%	11%	44%
Amazon Relay	1,957	4.3	4,514	4.7	2%	4%	3%	N/A	N/A	9%	19%
Transfix	92	3.1	16	3.6	3%	0%	1%	6%	57%	8%	15%
CarrierLink - FourKites	569	3.4	137	3.4	N/A	N/A	6%	N/A	N/A	6%	19%
Next Trucking	143	4.4	67	4.0	0%	1%	1%	8%	22%	5%	12%
Loadsmart	7	3.3	8	4.2	0%	0%	0%	4%	50%	3%	0%
LoadExpress	8	3.8	5	4.6	0%	0%	0%	2%	100%	2%	0%
Shipwell	3	4.0	44	4.5	N/A	N/A	N/A	1%	0%	2%	0%
EchoDrive	8	4.0	10	5.0	0%	0%	0%	N/A	N/A	1%	53%

Source: FreightWaves Freight Matching Apps Survey – August 2019, CarrierLists Freight Matching Apps Survey- January 2019, UBS Research 2019, Google Play, Apple App Store Downloads and Reviews.



**Figure 5 – Analyzed Metrics of Digital Freight Matching Apps Ranked by Latest Surveyed Download Percentage**

App	Google Play Store		Apple App Store		UBS Market Share Study			CarrierLists Survey (1/31/19)		FreightWaves Survey (6/31/19)	
	Reviews	Avg Score	Reviews	Avg Score	2017	2018	2019	% Download	Stickiness	% Download	Stickiness
DAT Mobile	8	7	12	17	4	4	5	1	2	1	1
Uber	7	16	6	19	2	1	2	4	8	2	4
Convoy	12	7	5	11	8	6	5	2	7	2	6
TQL Carrier	14	12	14	19	13	11	10	7	6	4	11
JB Hunt 360	10	16	4	12	10	5	5	N/A	N/A	5	7
Navisphere - CH Robinson	13	16	11	9	4	8	10	3	5	6	3
Truckstop Mobile	3	5	2	3	8	8	9	8	3	7	2
Truckloads - Trucker Path	1	1	3	6	1	3	3	4	14	7	16
CoyoteGo	11	12	17	17	10	15	14	4	4	9	5
123 Loadboard	6	1	7	2	7	8	10	9	13	10	7
MacroPoint	2	16	8	23	3	2	1	N/A	N/A	11	17
Landstar Available Loads	18	22	18	15	13	14	14	N/A	N/A	12	13
Drive XPO	16	7	9	6	N/A	N/A	N/A	10	10	13	12
Doft	19	5	21	3	N/A	N/A	18	12	11	14	14
Trucker Tools	5	14	16	19	6	6	4	11	15	14	15
Amazon Relay	4	4	1	3	16	11	13	N/A	N/A	16	17
Transfix	17	23	18	15	13	17	16	14	9	17	10
CarrierLink - FourKites	9	20	10	19	10	11	5	N/A	N/A	18	19
Next Trucking	15	3	13	14	17	16	16	13	16	19	21
Loadsmart	22	21	22	13	17	17	18	15	11	20	22
LoadExpress	21	14	23	6	17	17	18	16	1	21	22
Shipwell	23	7	15	9	N/A	N/A	N/A	17	17	21	22
EchoDrive	20	7	20	1	17	17	18	N/A	N/A	23	10

Source: FreightWaves Freight Matching Apps Survey – August 2019, CarrierLists Freight Matching Apps Survey- January 2019, UBS Research 2019, Google Play, Apple App Store Downloads and Reviews.



## Digital Freight Matching Apps by Downloads and Stickiness

The original freight matching duopoly of DAT and Truckstop.com is still firmly in place as their rankings for stickiness (Regular Usage/Number of Downloads) remain in first and second place respectively. For download rates (market share) DAT ranks first and Truckstop.com seventh in FreightWaves' latest survey. The third-largest load board, 123 Loadboard, also scored well, ranking 10 in downloads and seven in stickiness.

The venture capital backed digital freight brokers (DFBs) market has itself turned into a duopoly as both Convoy and Uber both rank in the top 10 for both downloads and stickiness. These are the only two venture capital-backed digital freight brokers to crack the top 10 in downloads, ranking second and third respectively.

Not to be left behind with all the new technology, legacy brokerages are investing heavily in technology as well. C.H. Robinson, Coyote Logistics, J.B. Hunt and Total Quality Logistics (TQL) round out the top 10 in freight matching apps downloads and stickiness.

## Paid Load Boards vs. Free Apps

Both market surveys by FreightWaves and CarrierLists along with UBS analysis of download rates indicate freight matching is still dominated by paid load boards. Both DAT and Truckstop.com create a marketplace by collecting subscription fees from both carriers and freight brokers to use their respective platforms. Subscribers of either service have real-time visibility of posted trucks and loads. Paid load boards are the largest public marketplaces for supply and demand and are often called "public load boards."

While most digital and traditional freight brokers still use public load boards, both also try to create private marketplaces by offering free mobile apps to drivers. These mobile apps are designed to give drivers the ability to view internal or "private load boards" of the freight brokerages shipments. While this sounds as if these loads are not available on public load boards, many still are as shippers shop around freight or brokers post the same loads on public load boards to find capacity.



## Traditional Freight Brokerages

Traditional freight brokers have been trying to break away from the public load boards for years. As our survey shows, C.H. Robinson, J.B. Hunt, Coyote, XPO, TQL and Landstar have healthy download and stickiness rates for their apps. This is mostly due to the prior investments each has made in its own private load boards over the past few years. These private load boards have just naturally migrated with technology into phone-based apps where drivers can view available loads on their phones.

The primary advantage traditional freight brokers have over their digital start-ups is an established marketplace. All of the firms cited in this section have gross revenues well in excess of \$1 billion annually and move tens of thousands of loads per year.

This raises the quintessential chicken and the egg question when it comes to traditional versus digital freight brokers.

Which comes first? Is it the sales and freight, or is it the technology?

## Venture Capital-Backed Digital Freight Brokers

Whether a new freight brokerage is digital or traditional, creating enough scale in its customer and freight base is the most difficult task. It typically takes traditional freight brokerages years to build \$100 million or more in annual gross revenue, and tens of years to hit \$1 billion. These timelines assume and include an average gross margin or net revenue comparable to the industry average of 15 percent.

Most of the venture capital-based freight brokers are in a race for market share. As all the available surveys, downloads and ratings suggest, only two digital freight brokers have succeeded – Convoy and Uber. The remaining digital freight brokers have not yet captured enough market share to create the network effects needed to create a competitive freight marketplace.



The glaring weakness inherent in the venture capital model for grabbing market share in the freight brokerage space is the thin margins that are often involved. We have estimated that Uber, Convoy, Transfix, et al. are all operating at 1 to 3 percent gross margins<sup>1</sup>.

When digital freight brokers have to raise rates to shippers or lower rates to carriers their market share will likely slow or contract. To offset this decline in growth as gross margins rise, digital freight brokers will need to develop deep integrations into their customers' supply chains, likely with high margin SaaS offerings. In fact, this is the very model large traditional freight brokers have pursued with transportation management systems, 4PLs and other technology services for shippers.

## Venture Capital-Backed Freight Matching Apps for Freight Brokers

The market for agnostic freight matching marketplaces is most likely where the next venture capital-backed action will occur. In addition to the mobile app-based companies included in this survey, which includes Macropoint, Trucker Tools and FourKites. There are also several other non-app based tools on the market for freight brokers. These include venture capital-backed tools like Parade, Cargo Chief, Emerge, Freightfriend, Carggo and Newtrul.

Along with the venture capital start-ups, every major transportation management software (TMS) and load board is developing automated freight matching programs for its customers. This includes Macropoint's capacity matching within Aljex, McLeod's new matching platform within its TMS, and Truckstop.com's push to automate load boards.

All these tools are leveling the playing field between the small- to medium-sized freight brokerages generating less than \$100 million in annual gross revenues, the large traditional freight brokerages generating more than \$100 million in annual gross revenues, and the venture capital-backed digital freight brokers spending hundreds of millions per year to digitize their freight brokerages.

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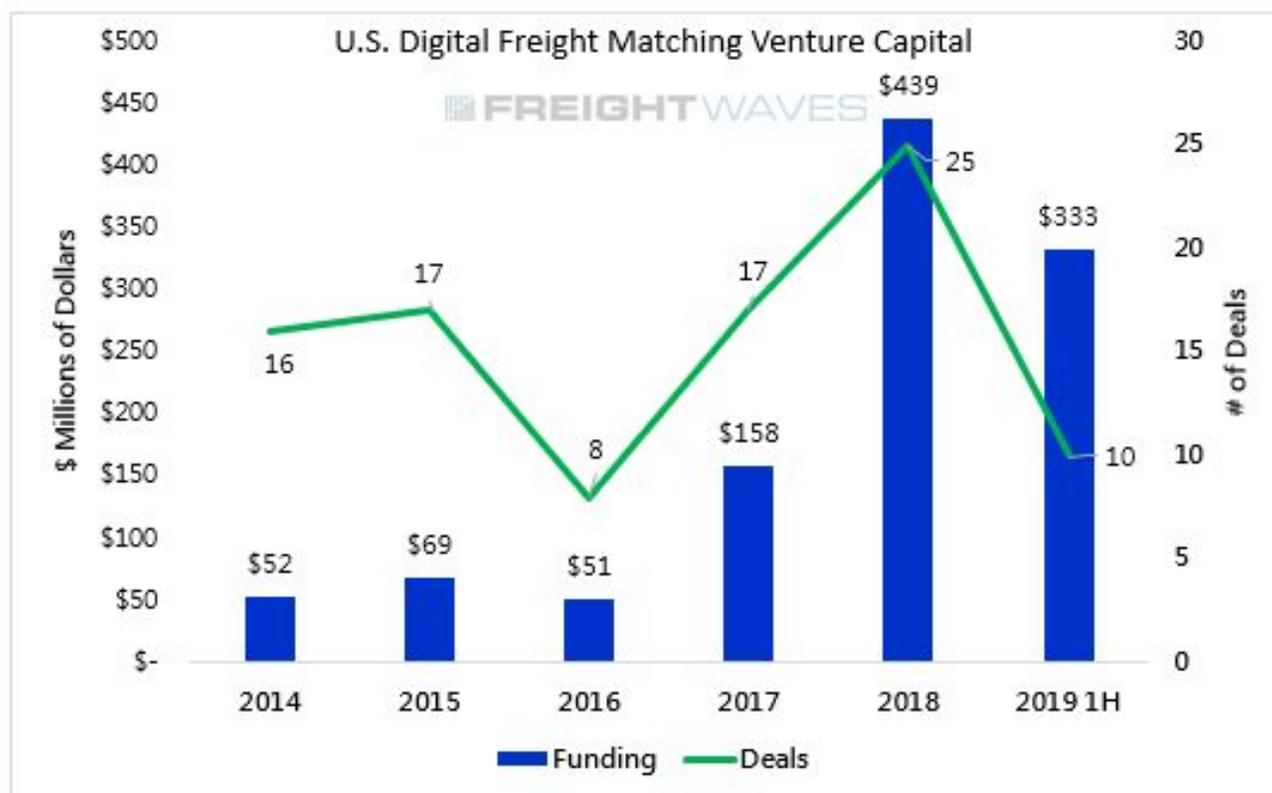
<sup>1</sup> For a detailed view of the total addressable market and valuations of the freight brokerage sector please read *What are Digital Freight Brokerages Worth*, in the Market Insights section of SONAR.



## Venture Capital Deals For Freight Matching Apps

Deal volumes and values in freight matching have exploded in the past 18 months as deal values have more than doubled for the first time. In 2018 deal values grew more than three times year-over-year, and 2019 is shaping up to be the biggest yet as deal values are running at 70 percent of 2018 totals through the first six months of the year.

**Figure 6 – Venture Capital Deals Volumes and Deal Counts**

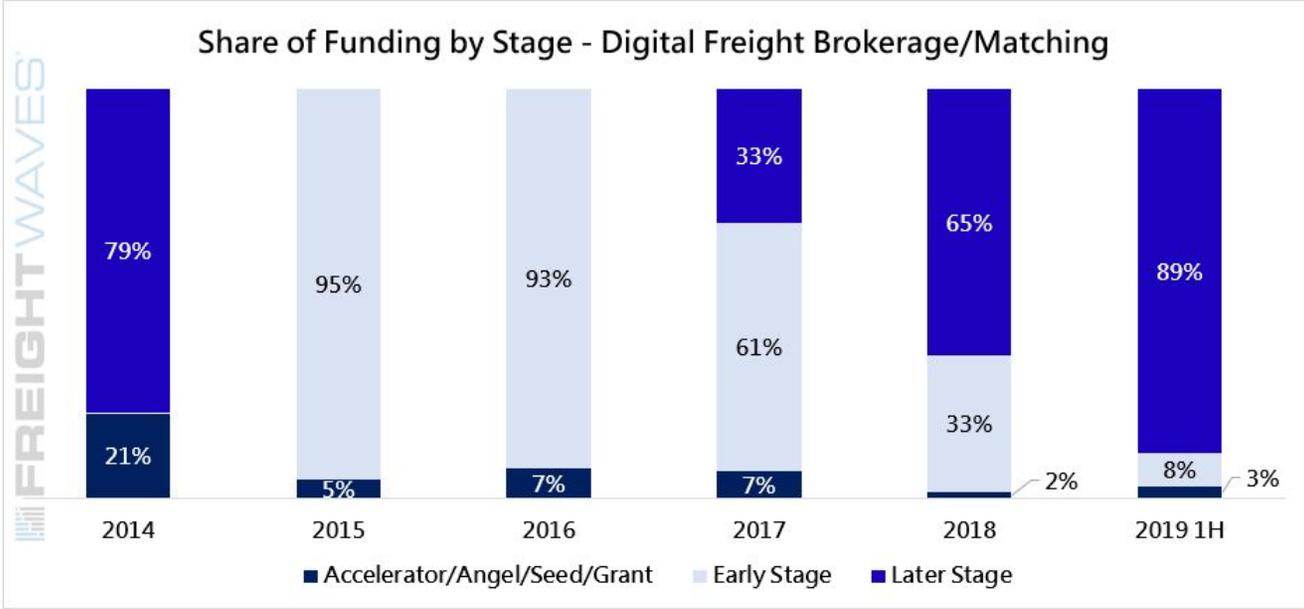


Source: FreightWaves analysis of Pitchbook data



The evolution of venture capital activity in freight brokerage can be seen plainly in Figure 5 below. In 2015 and 2016 over 90 percent of venture capital investments were focused on early stage freight tech developing go-to-market digital apps for the freight brokerage industry. As these apps have matured into working products, the emphasis has switched to ever-larger deals for the winners to go grab market share. By 2018 only one-third of venture capital deal value was in early stage companies, and through the first half of 2019 this percentage has shrunk to only 8 percent of deal value.

**Figure 7 – Venture Capital Deal Value for Digital Freight matching By Stage**



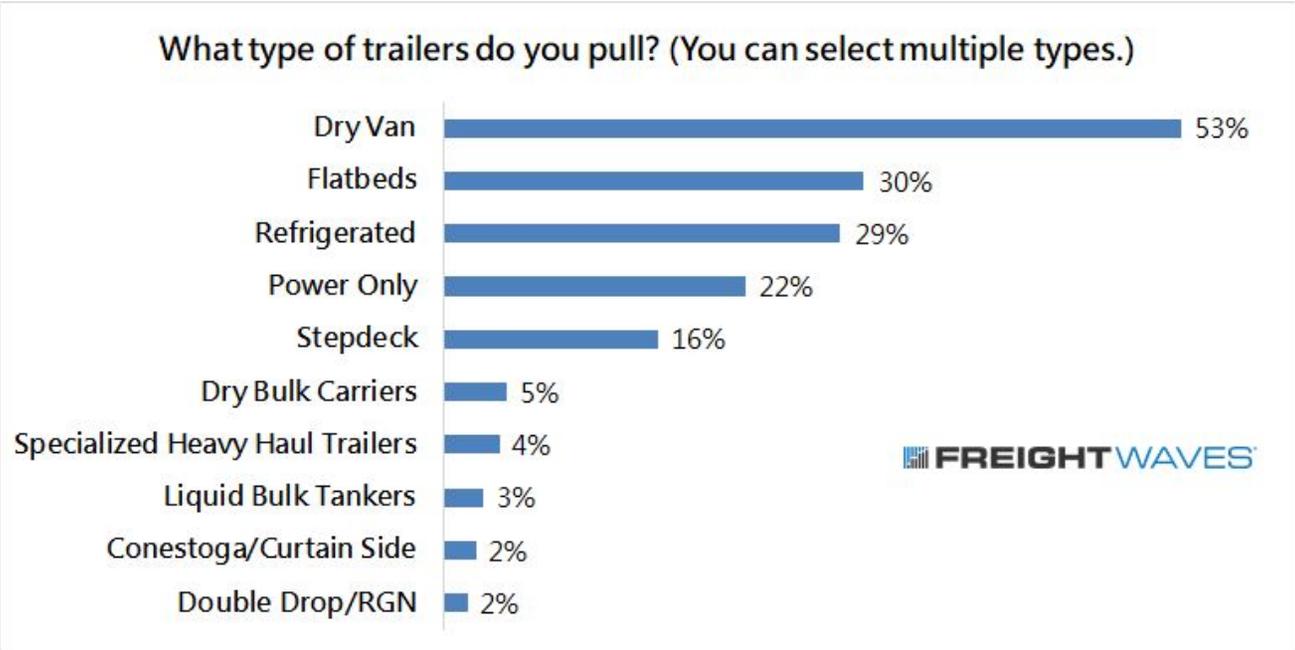
Source: FreightWaves analysis of Pitchbook data



### Full Digital Freight Matching Survey Results

The Freight Intel Group sent more than 80,000 survey emails in July and August 2019 to carriers operating between one and three trucks to achieve a response total of 219.

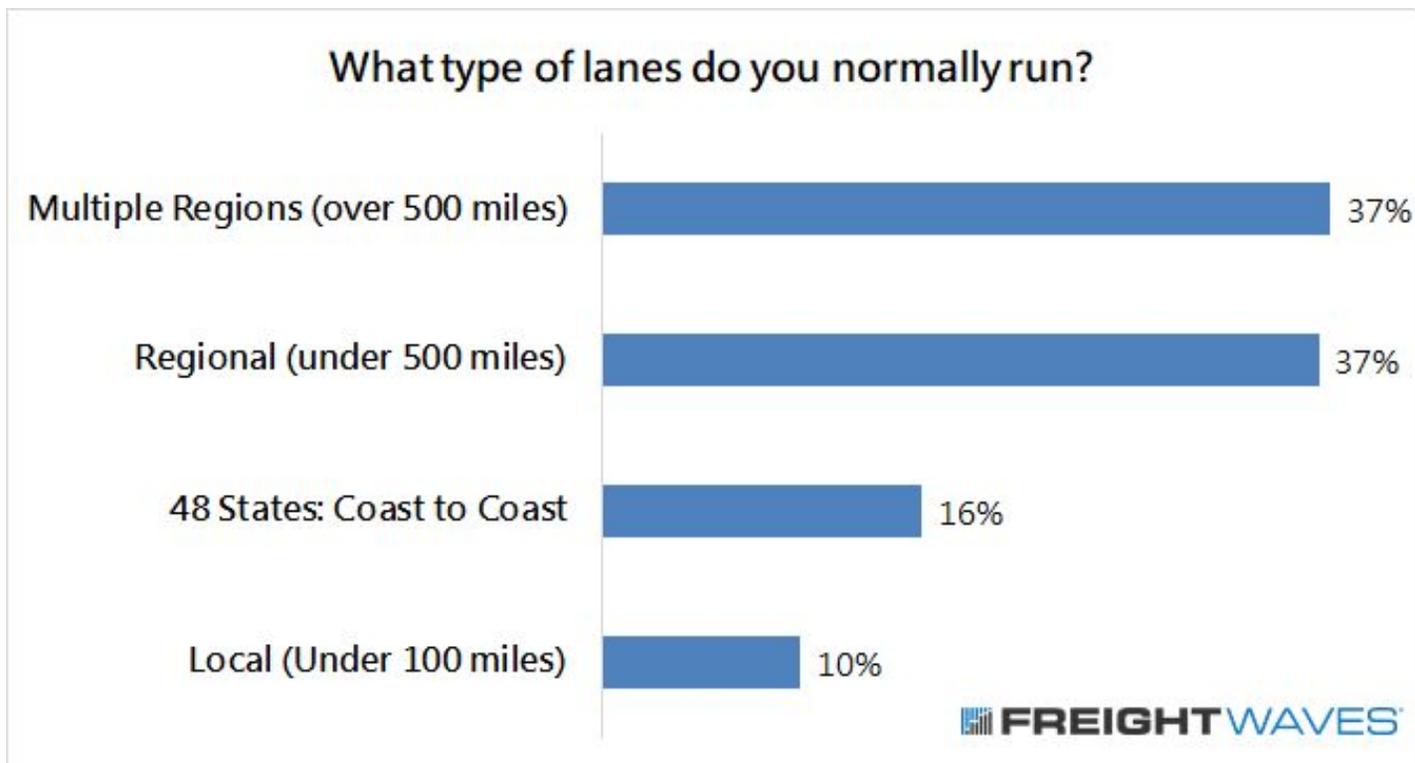
Figure 8 – Trailer Types of Carriers



Source: FreightWaves Freight Matching Apps Survey – August 2019



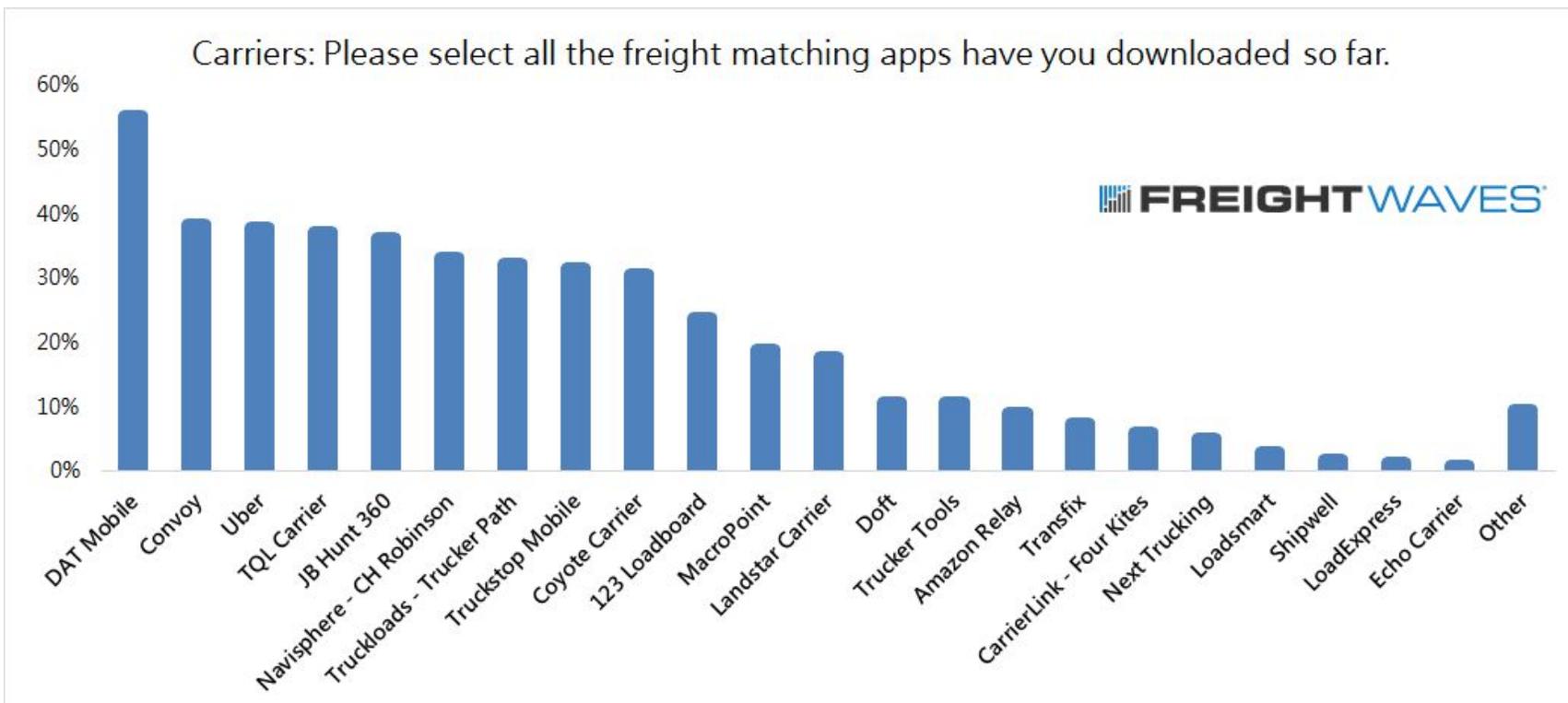
Figure 9 – Average Length of Haul of Carriers



Source: FreightWaves Freight Matching Apps Survey – August 2019



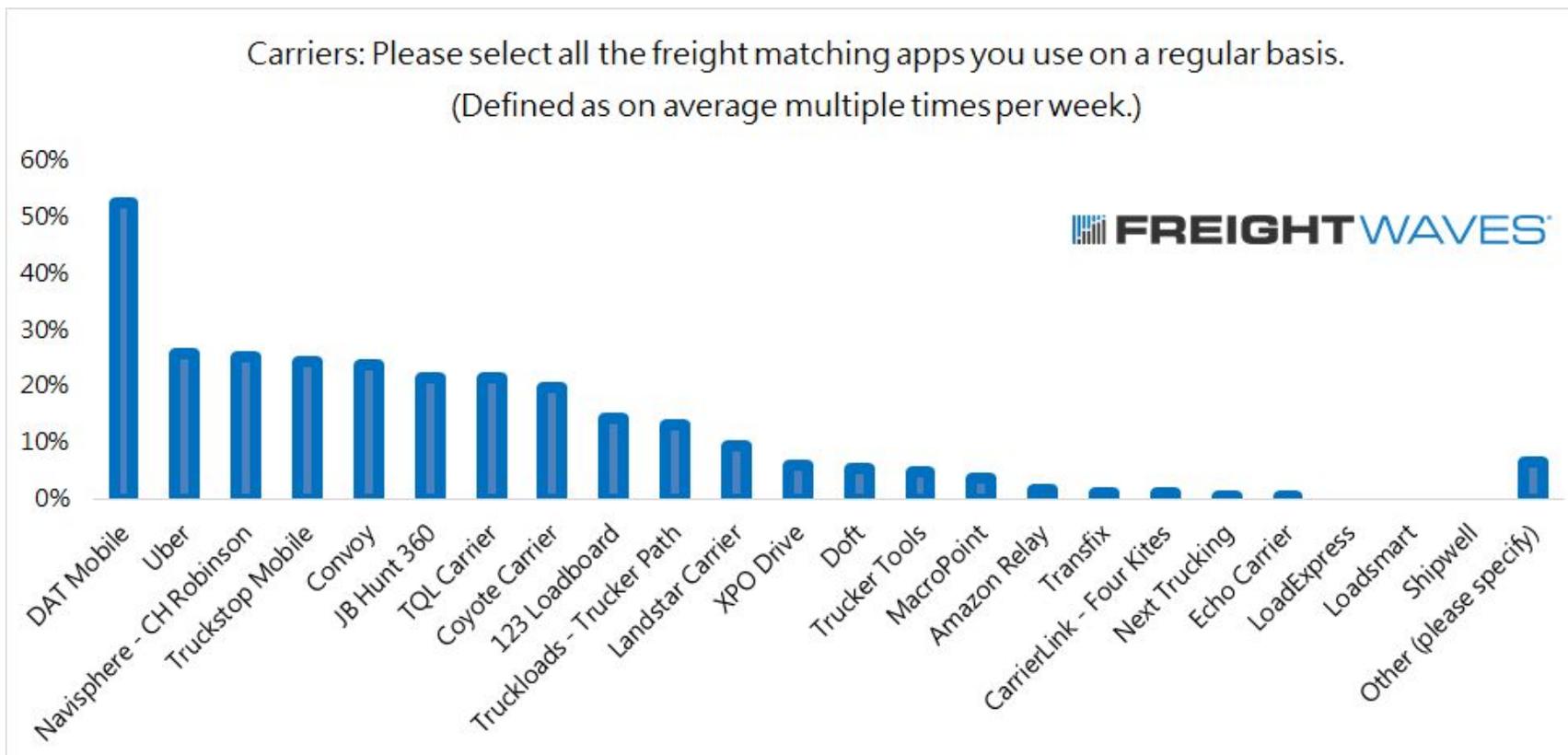
Figure 10 – Freight Matching App Download Rates of Carriers



Source: FreightWaves Freight Matching Apps Survey – August 2019



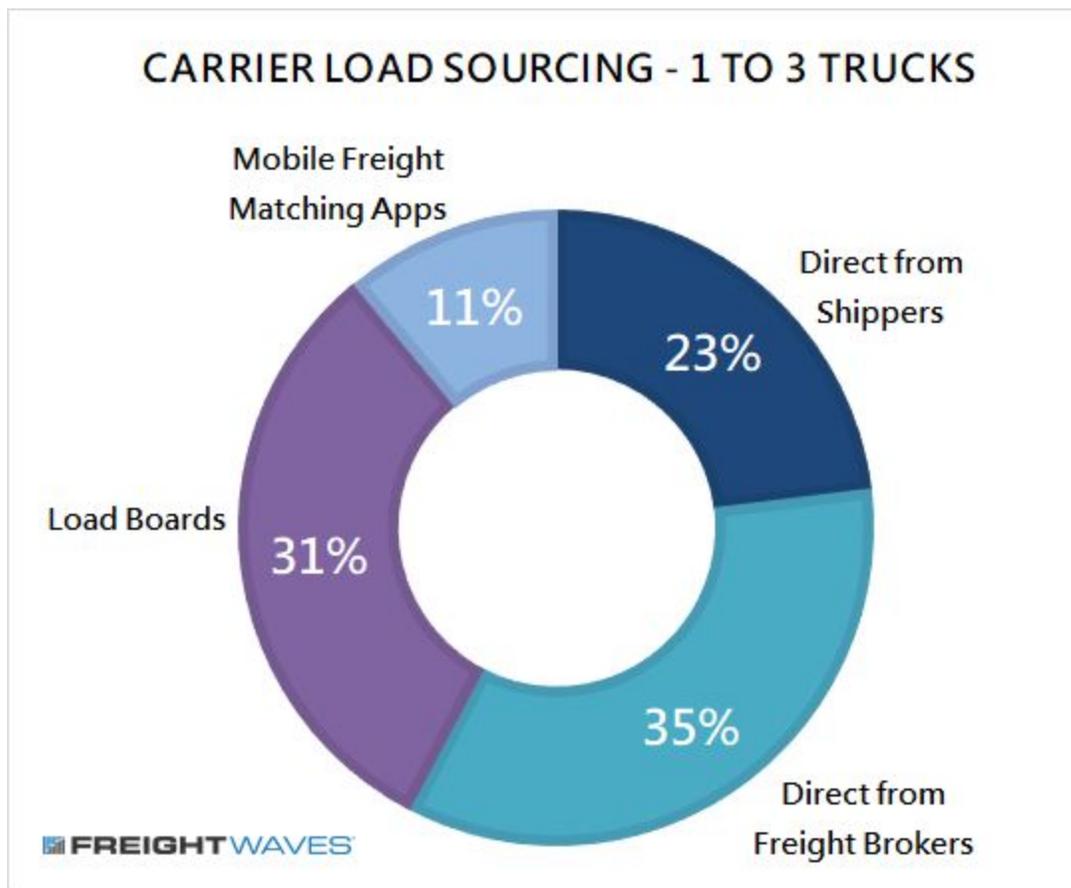
**Figure 11 – Freight Matching App Usage Rates of Carriers**



Source: FreightWaves Freight Matching Apps Survey – August 2019



**Figure 12 – Carrier Load Sourcing Methods**

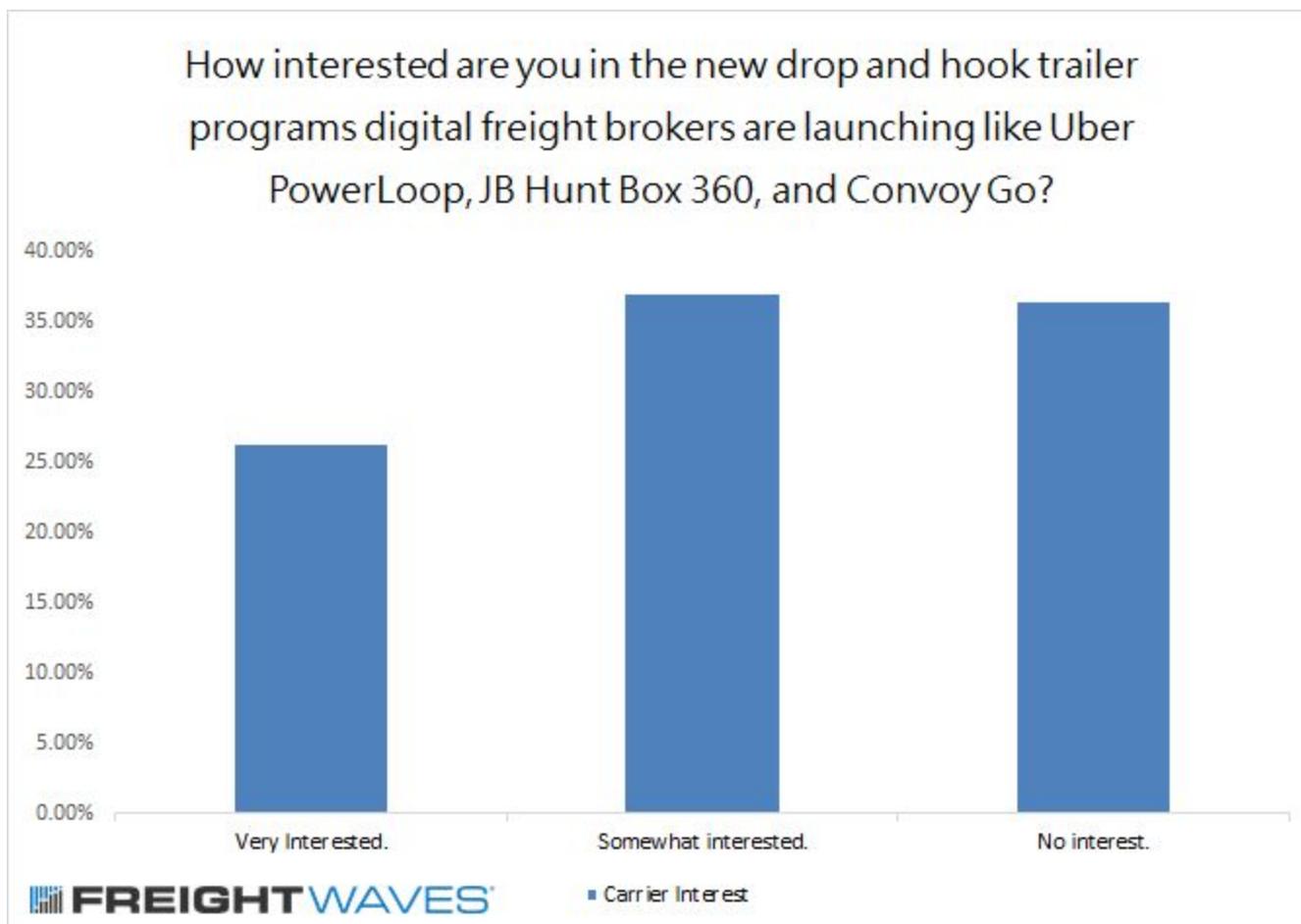


Source: FreightWaves Freight Matching Apps Survey – August 2019

The answer to carrier sourcing methods is most likely not representative of the market. The respondents are those who use freight matching apps, so these categories are heavily biased to spot market carriers.



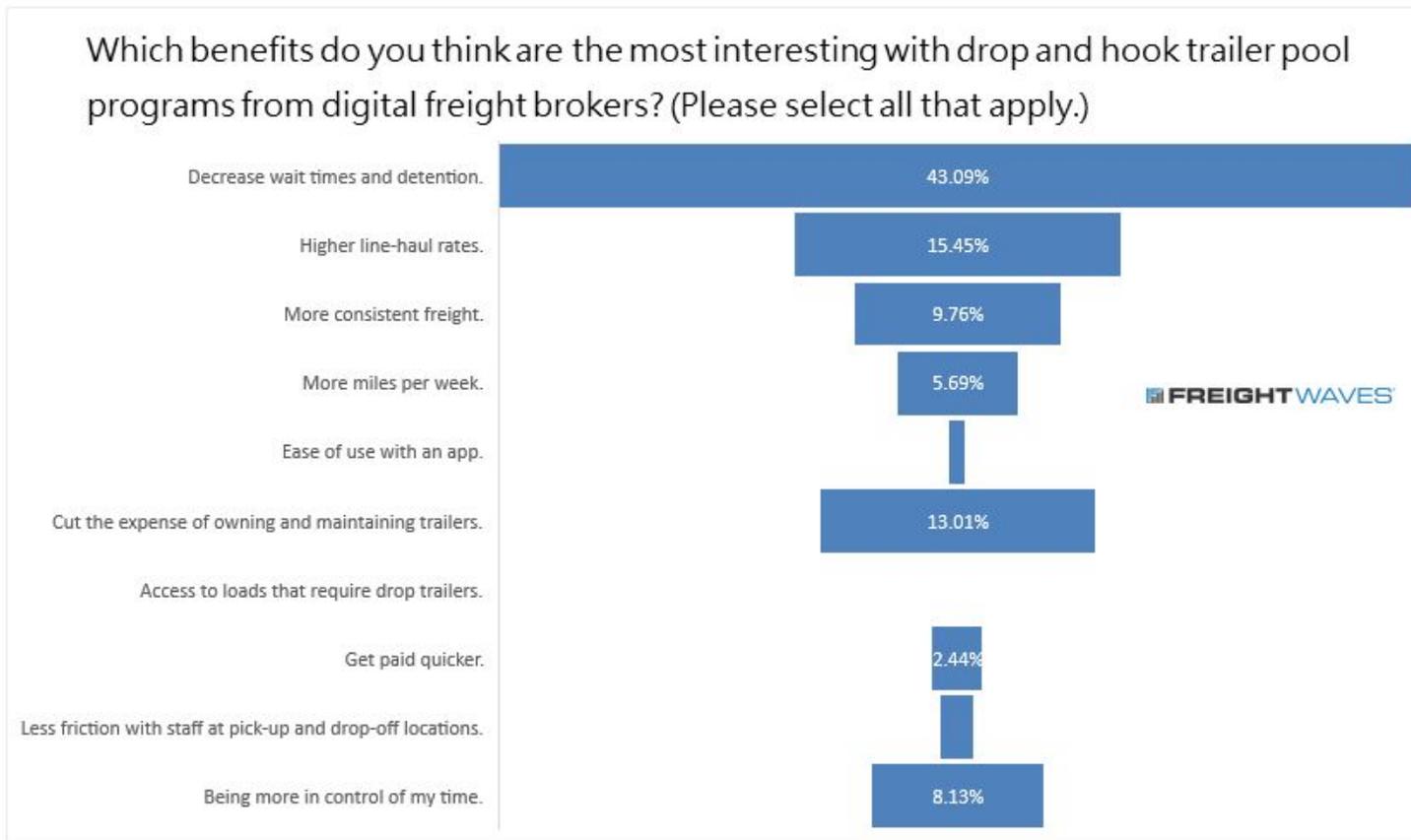
**Figure 13 – Carrier Interest in Drop and Hook Programs**





Source: FreightWaves Freight Matching Apps Survey – August 2019

**Figure 14 – Carrier Benefit Interest in Drop and Hook Programs**



Source: FreightWaves Freight Matching Apps Survey – August 2019