

J.B. Hunt (NASDAQ: JBHT) announced the launch of a drop trailer program called J.B. Hunt 360box that will give small carriers using the app access to drop and hook freight. This summer, 500 trailers will be made available for shippers to reserve, and carriers can bid on moving those trailers through J.B. Hunt's carrier app.

In October 2017, FreightWaves predicted that third-party logistics providers (3PLs) would create trailer pools to better service their customers and keep carriers engaged on their platforms. Since then, Convoy, Uber Freight, and Arrive Logistics have rolled out drop trailer programs, but we think that J.B. Hunt's offering is the most significant so far. First, Hunt owns the trailers and does not simply lease them, and secondly, judging from how the company scaled its intermodal business, 360box has the potential to bring an enormous amount of capacity under J.B. Hunt's umbrella.

360box appears to be a major step in J.B. Hunt's transformation into a truly mode-agnostic capacity provider.

We believe this program presents a game-changing opportunity for owner-operators and small carriers who do not have the resources or customer relationships to build out their own trailer pools. The advantages of drop-and-hook freight are clear. Trucks move in and out of facilities much more quickly and do not have to wait for workers to load or unload their trailers. Drop-and-hook moves also tend to be fairly predictable linehaul-like runs on a shipper's densest lanes. This program gives the owner-operator — a small business owner with a lot of decisions to make — freight that promises the convenience and efficiency of the dedicated carrier.

J.B. Hunt 360box is not simply intended as a benefit to owner-operators and small carriers, though. The way that Hunt conceives of the program — with shippers choosing how many boxes they want to reserve — makes it clear that drop trailers also have something to offer the customer.

"360box adds capacity to a customer's supply chain while moving more freight in a way that's efficient for both the customer and the carrier," John Roberts, president and CEO of J.B. Hunt, said in a statement. "Usually only large carriers with available resources can provide this type of drop-trailer service. By using our trailers, however, shippers with consistent freight can now

connect with the power of small carriers and owner operators, which together represent 83% of all drivers.”

FreightWaves spoke with Shelley Simpson, chief commercial officer, executive vice president, and president of Highway Services at J.B. Hunt.

“Customers know that drop trailer solutions are the next step in efficiency,” Simpson said. “The trailer pool adds flexible capacity to a company’s operations, and the drop-and-hook service eliminates wasted time at the dock. This also helps drivers be more productive with their time, which is limited and valuable. As much as one-third of a driver’s day could include idle time and empty miles. A drop-and-hook service transforms that inefficiency into productivity and keeps drivers on the move with full trailers.”

Simpson explained that the market for drop trailers is not limited to shippers in a specific vertical, but really depends on three factors: volume, density, and consistency.

“If you’re moving a full trailer from Chicago to Atlanta several times a week and it doesn’t require a live load, then drop-and-hook service is a solution you should explore,” Simpson said.

J.B. Hunt thinks of its drop trailer program, which adds capacity and flexibility to its customers’ networks, as being similar to its intermodal business. That service offering was also driven by customer demand for a more diverse menu of services so that freight could be shipped in different modes depending on whether cost or transit time was the priority. Simpson said that Hunt pioneered the double-stack method of moving intermodal containers by rail, a crucial innovation that helped make intermodal cost-effective for the railroad. Today, J.B. Hunt has approximately 95,000 intermodal containers moving its customers’ goods on trucks and trains.

There are no special requirements for a carrier to participate in J.B. Hunt 360box. All approved carriers will be able to make bids on box freight through Carrier 360 by signing in, searching for power-only loads, and placing an offer. An approved carrier can be tendered a J.B. Hunt 360box load minutes after they sign the electronic trailer interchange agreement and either provide a trailer insurance certificate or elect to waive trailer insurance.

Carrier 360 has a whole suite of features that continue to drive greater carrier engagement in the platform. Crucially, the app learns from carrier behavior and optimizes the loads it recommends based on known carrier preferences about price, destination, length of haul, etc.

“Every aspect of our Carrier 360 app is built to help carriers manage their day-to-day operations,” Simpson said.

[Source of article and more great articles click here](#)