



# Mystery Shopping Survey of SOC Containers

3rd Edition (2021)

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Learn how shipper-owned containers are  
growing in use by freight forwarders



For the third year in a row, we conducted our “Mystery Shopping” survey to find out if – and how – SOC’s are growing in use by freight forwarders. Due to the COVID-19 hangover, 2021 proved to be another tumultuous year for the shipping industry. And yet, we still found some positive and interesting data for the SOC market.



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# Executive Summary

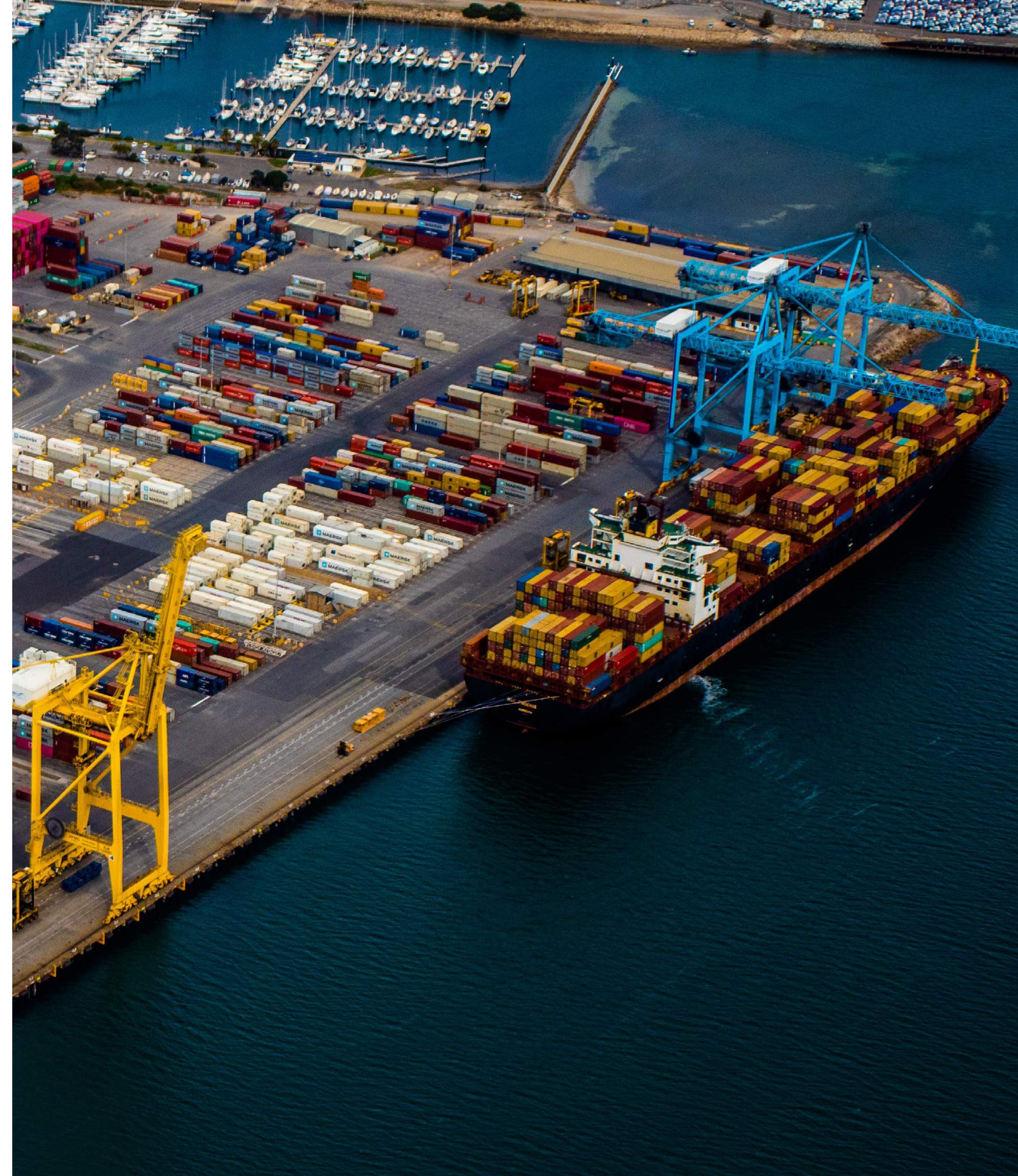
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## Why SOC Container Mystery Shopping 2021?

SOC stands for Shipper Owned Container and implies that a shipper brings his own container and only books the slot on the vessel directly with the shipping line. The main reasons for using SOC containers are increased flexibility and cost savings.

COVID-19 has introduced significant challenges for the entire supply chain. Specifically, equipment availability has become practically impossible to predict throughout the year. As a consequence, SOC containers become more relevant for freight forwarders to increase availability and maintain stable profit margins.

To fully understand the SOC usage by the world's largest freight forwarders, analyze the impact COVID-19 has on their equipment choice over the past 2 years of a global pandemic – and see how the numbers changed compared to last year– we made contact under a fake name to gain transparency in the field.





# What we found:

## SOC acceptance and awareness has grown over the past 3 years

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Like last year, more (and different\*) freight forwarders are now able to offer SOC – a growing trend.

In 2019, only 3 out of the world's 50 biggest freight forwarders could organize the move. Then in 2020, this number grew to 5. Not including a few others who offered leasing or buy-back deals to help us out.

To find out if things have changed this year, we reached out once again to ship industrial machinery parts from Shanghai to Hamburg using SOC containers. To underline the need for SOC, we again required 45+ days of storage time inside the container in Germany.

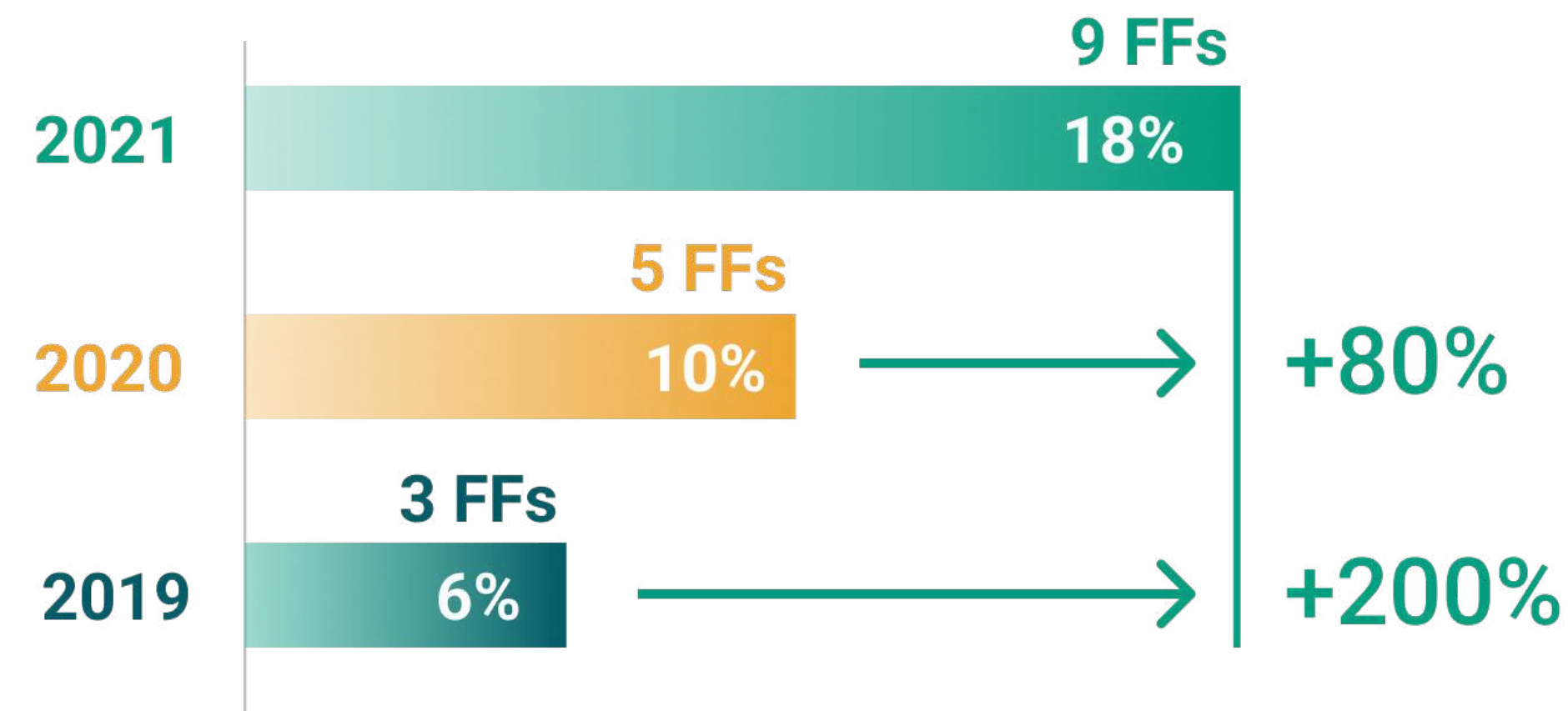
**\*It's interesting that 4/5 companies that were able to offer SOC last year declined our 2021 request. Clearly, SOC depends heavily on time/season/who you talk to at a company.**

## The outcome?

This year, 9 freight forwarders (18%) accepted our request and were able to organize the SOC move, and source the containers without major restrictions.

This figure of 18% compares to 10% of the companies in 2020, and 6% in 2019 . Meaning that since last year, this number has grown by 80%, and that over the last 2 years, it's grown by 200%.

Even though only 9 out of 50 freight forwarders (FFs) accepted our request, this rise in acceptance indicates the growing trend of SOC containers.



Percentage of of Freight Forwarders (FFs) who accepted our request



### This year's "winners"



### The top performers of the mystery shopping report for this year are different!

While last year it was Kuehne+Nagel, CEVA Logistics, Hitachi Transport Systems, Nippon Express and Kerry Logistics – this year it's GEFCO, Hitachi (again), Yusen Logistics, Landstar, Mainfreight, Kintetsu World Express, FedEx, BDP International and Millenium Cargo.

# As time goes on, freight forwarders are realizing how SOC containers can reduce three crucial problems

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1



When facing equipment scarcity in inland locations, SOC containers can increase reliability of equipment supply, allowing you to control trucking and shipping with the carrier of your choice and lower trucking costs.

2



There are freight rate savings when shipping to special destinations with equipment surplus, resulting in discounted freight rates and inland locations by saving on the return trucking.

3



SOCs are insurance against demurrage and detention costs as the user will not be subject to these fees – which can add up quickly and are often “hidden” at the time of booking.



# 1. Use SOC containers to overcome equipment scarcity

Shipping lines are usually pretty good at making equipment available in ports but container supply in inland locations can be a challenge. The distance between the loading point and the nearest point of equipment availability increases trucking costs that can substantially add to your freight bill. The same applies for landlocked countries like Rwanda, war zones such as Iraq and Afghanistan, or just smaller ports that are not on one of the main trade lanes. **And with the global container shortage that began in 2020, scarcity has extended to other, unprecedented locations.**

SOCs can increase reliability of equipment supply, allow you to control trucking and shipping with the carrier of your choice and lower trucking costs. With SOC containers you are also independent from the shipping lines in terms of equipment type, quantity and container condition. In case you need 40HCs but the shipping line is only offering 40DCs you better source them on your own.



## 2. SOC containers can be cheaper than COCs when shipping to special or surplus locations

If you ship into a location with a deficit of containers, the carriers should be more than willing to get more of their own equipment into that location. In that case, you should also be able to get their equipment at a good rate, making COC the better choice for you.

But if your shipment goes to a surplus location, the carriers and container owners might charge a higher price. They have no interest in paying for storage and repositioning of the containers in the port of destination. If you still want to go there, it might be easier to bring your own container, so the carrier doesn't have to deal with it.

The same applies the equipment situation in your pickup location. If you want to ship cargo from a container surplus location, carriers are willing to give them to you at a bigger discount, as you're helping them avoid empty container moves. You should get an especially good price if you aid NVOCCs in repositioning their empty equipment, as even they have to pay for moving empty containers with shipping lines.

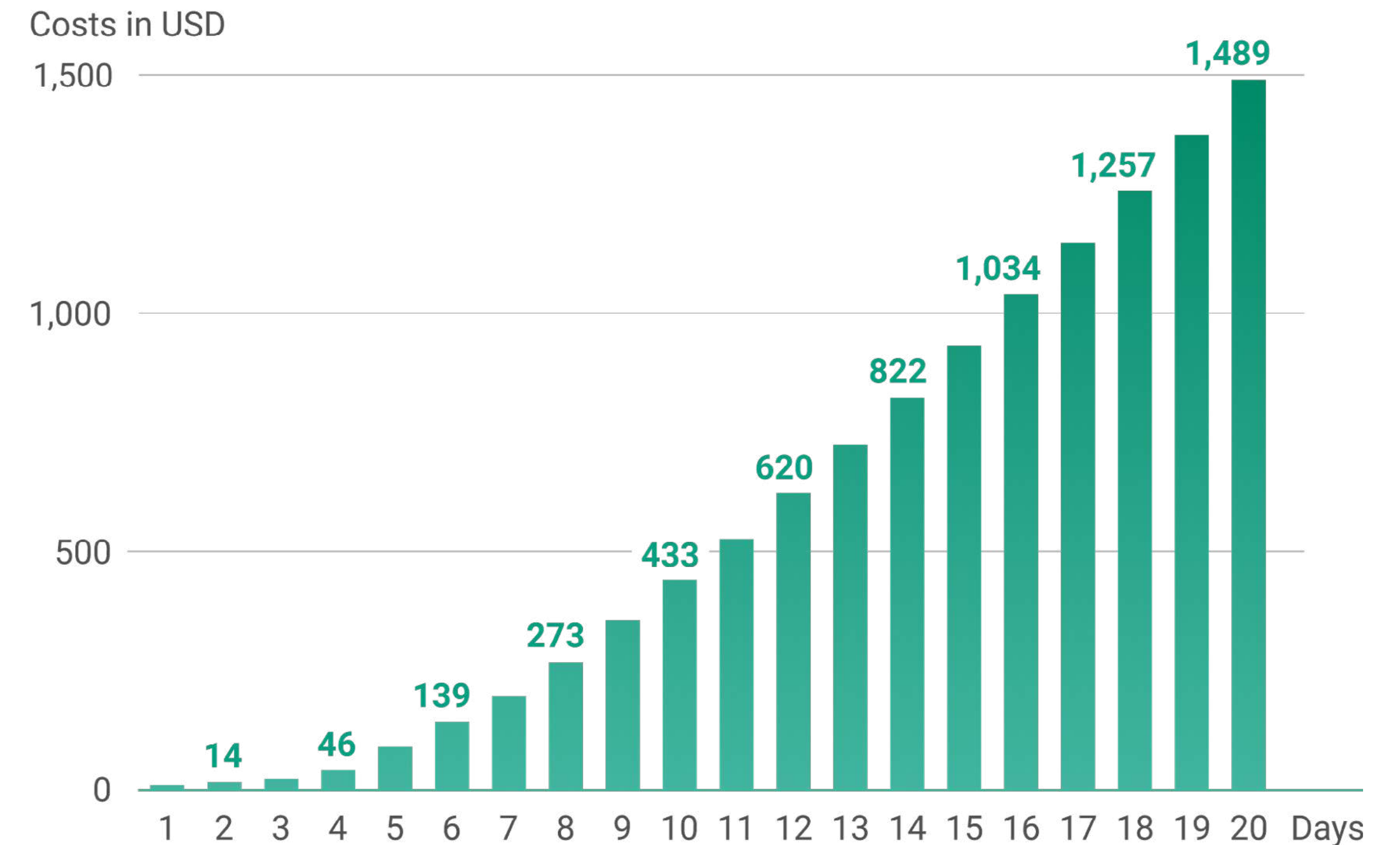




### 3. SOC Containers help you avoid demurrage & detention charges

The concept of **demurrage & detention** charges is simple: demurrage applies to the time a container is used within a port; detention to the time outside of a port. If container users (e.g., freight forwarders, BCOs or shippers) exceed the free-days granted by the shipping line, demurrage & detention charges will be levied. These charges can be significant! After free-days are exceeded, costs per day typically increase in predefined intervals – up to hundreds of dollars per day per container, according to the Demurrage & Detention Benchmark 2020.

With SOC containers, you almost completely avoid demurrage & detention charges as container owners are interested in having you reposition their equipment from a surplus to deficit location. Hence, they usually offer 30 to 45 free-days and only charge a few dollars per day and container (depending on the location) if the container user exceeds the granted free-days.



**Average Demurrage & Detention charges accumulated**

... when free-days exceeded, across the 10 biggest shipping lines and across Antwerp, Hamburg, Jebel Ali, Los Angeles, Rotterdam, Shanghai and Singapore per day





# Detention costs can quickly escalate to hundreds of dollars – especially in a volatile market like today's

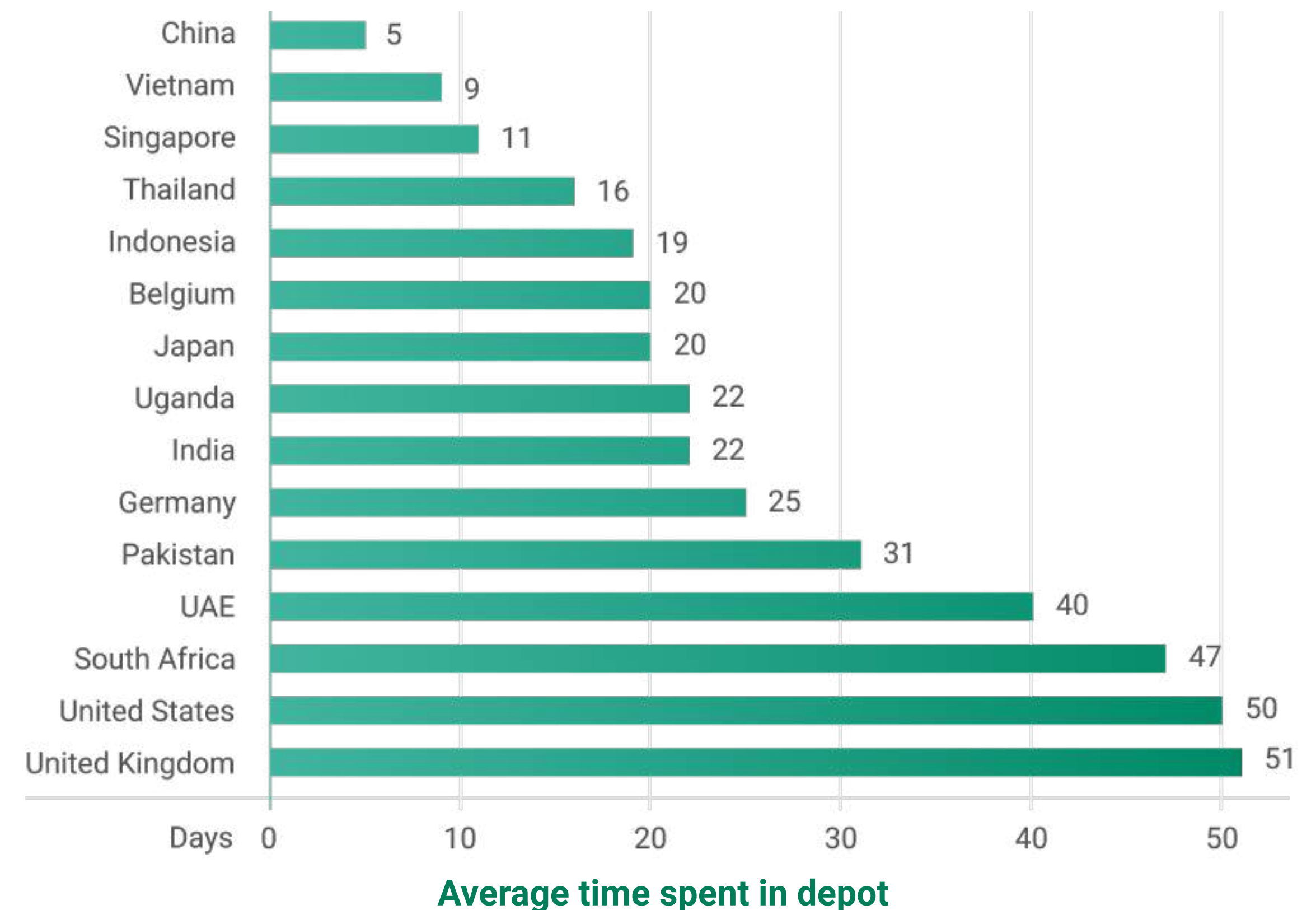
According to a joint study by Container xChange and FraunhoferCML, it takes carriers – on average and across regions – 10 days after discharge at POD to return the empty container at a depot. Since most carriers give only 4-5 “free days”, shippers end up paying some type of daily detention and demurrage fee on average.

2020 was a tumultuous year with a higher median time across the globe. Containers spent an average of 61 days in China – which was unusually high for the epicentre of trade.

2021 proved to be another unusual year where the data was skewed again. Containers then only spent a total of 5 days in China. While this may seem like a good thing, the sharp decline in China's average median time shows just how bad the equipment shortage has been amidst the demand surge throughout the year. Simply put, as soon as a container was unloaded in China, it was ready for a new move.

On the other hand, containers are spending more than 50 days in depots in the US, UK, UAE and South Africa – leading to heftily accrued detention and demurrage charges for shippers with containers in these ports.

## SOC containers solve 3 crucial problems

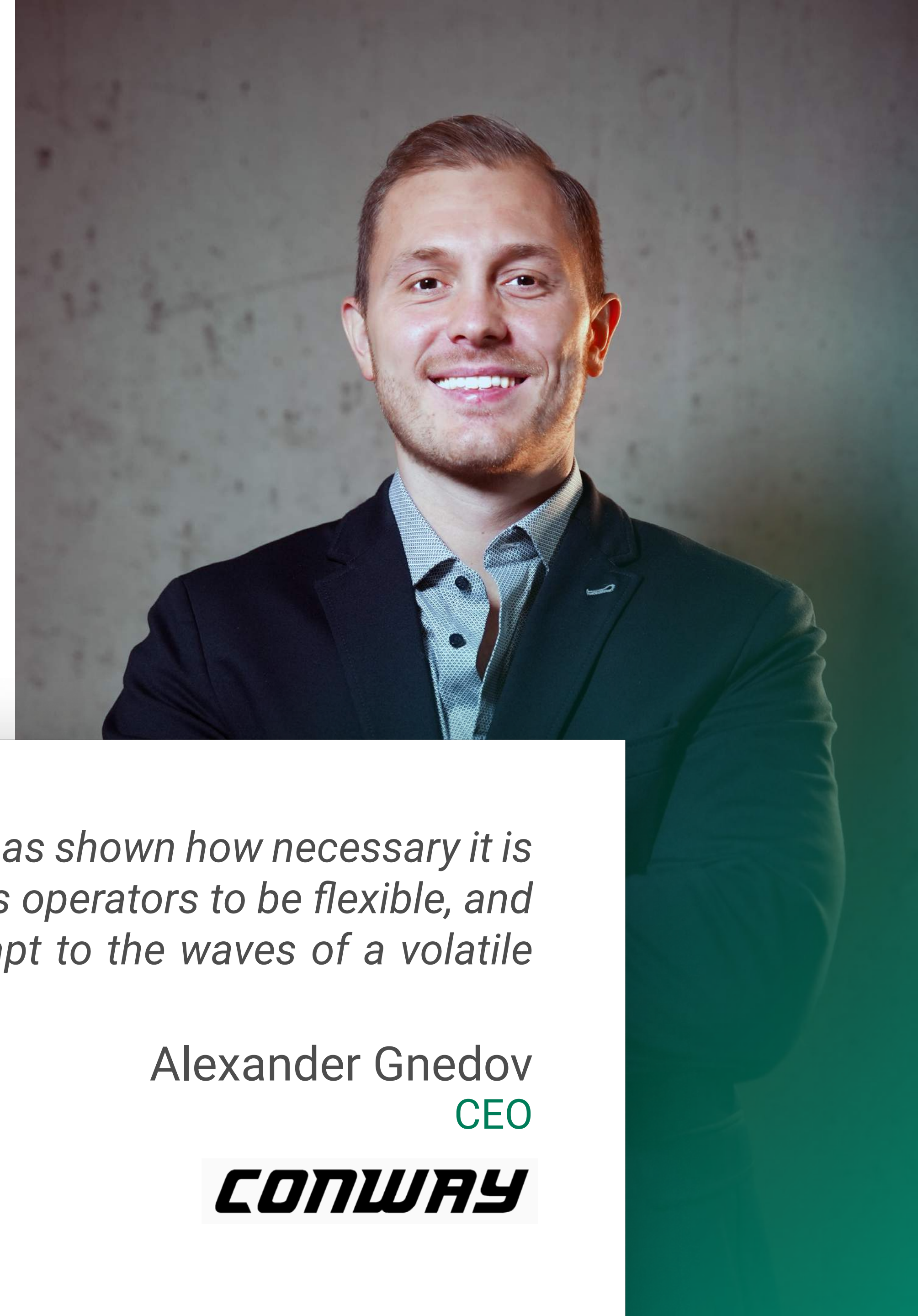


A key finding of the joint report conducted by Container xChange and FraunhoferCML, is the staggering decline in the safety stock of container fleet in China from 61 days in 2020 to 5 days in 2021.

xChange is one of the world's leading logistics technology company, and FraunhoferCML is the world's leading applied research organization.



## Expert interview: Alexander of Conway Group chats SOCs and COVID-19



*“COVID-19 has shown how necessary it is for logistics operators to be flexible, and able to adapt to the waves of a volatile market.”*

Alexander Gnedov  
CEO

**CONWAY**



**Q: What are your general thoughts on SOC containers?**

**Alex:** By using SOC containers, logistics operators expand the range of opportunities for their customers – that’s a fact. **Due to the flexibility and availability of SOC equipment, the operator can work on new routes, and receive and release equipment for loading in regions convenient for them.** SOC containers significantly help reduce empty runs for trucks, which has a beneficial effect not only on optimizing transport costs, but also on the environment. SOC equipment has significantly shown its effectiveness in recent years. While we also load COC containers, we have noticed a recent increase for SOC-related requests.

**Q: SOC containers help avoid detention and demurrage charges. As a Container Trading company, have you seen this first-hand?**

**Alex:** Avoiding demurrage and detention charges is one of the biggest benefits of working with SOC equipment. In the Russian market, especially in terms of imports, our clients often face delays at the port for customs clearance. In China, during periods of high export demand, Chinese warehouses are so overcrowded that customers often have to keep containers in the recipients’ warehouses until space becomes available. All of these situations increase the cost of using COC containers. But when using SOC containers, these costs do not apply.





**Q: Since 2020, have you seen an increase in SOC requests and/ or market share?**

**Alex:** During the global lockdowns, the demand for online sales increased significantly. The leaders of online sales in the United States, like Amazon, Walmart and Bestbuy, set absolute records for earnings during the pandemic. There were not enough containers for customers' requests, which brought many new players and customers to the market who purchased containers for their fleet.

**Q: What do you think will be the role of SOC's going forward?**

**Alex:** COVID-19 has shown how necessary it is for a logistics operator to be flexible and able to adapt to the waves of a volatile market. In the future, as I see it, the issue of attracting SOC equipment will be more accessible and understandable in all areas of logistics, sea, rail and possibly even air transportation.

**Q: Who and why would you recommend using SOC containers?**

**Alex:** I think that all and any feeders, sea carriers and railway operators should look towards using SOC containers in order to increase flexibility. Of course, forwarders and NVOCCs will benefit from the use of SOC containers as well.

**Q: Some would say that SOC containers come with more administrative work. Do you have a solution in mind to fix this?**

**Alex:** As SOC becomes more and more popular, I would like to draw attention to more professional training of agents for the provision and production of containers. It is not enough just to produce or buy and transfer a container for use. A good agent for the provision of SOC containers is needed, and they must improve their skills in the maintenance and repair of containers, study and receive IICL certificates, constantly monitor the quality of container production, study new technologies, control the quality of materials in the manufacture of a container, and so on. A number of small manufacturers and agents for the provision of SOC containers have already been formed. So let's see what happens in the future.

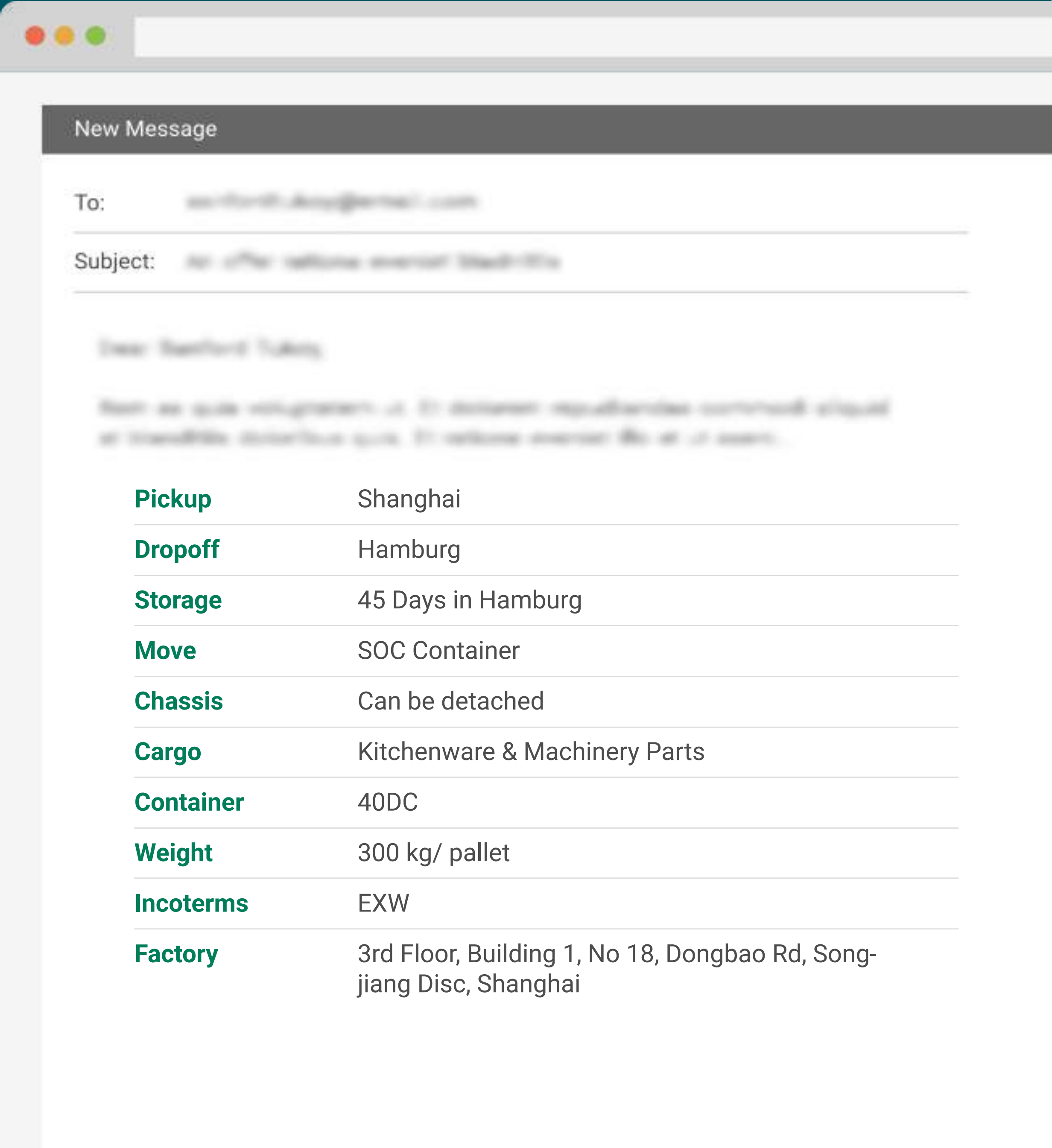




# Benchmarking the world's largest freight forwarders

Just like last year and the year before, we set up a company under a fake name asking to import machinery from China to Germany.

*Our request looked like this ->*





# Results

**18% of the companies we tested were able to organize the SOC move** and source the containers without any restrictions. The top performers of the mystery shopping report are different to last year's.

**Offers ranged from \$5000 to \$10000 per container**, which is more than usual. (Usually, you would pay between \$2300 - \$5600). Apparently, organizing SOC moves and sourcing the equipment currently comes at high costs.

**Offers we have received included SOC moves from between \$15000 to \$19000.** The huge price range shows that some are able to source equipment on their own while others either suffer from container shortage across China or have to buy the container for their customers first.



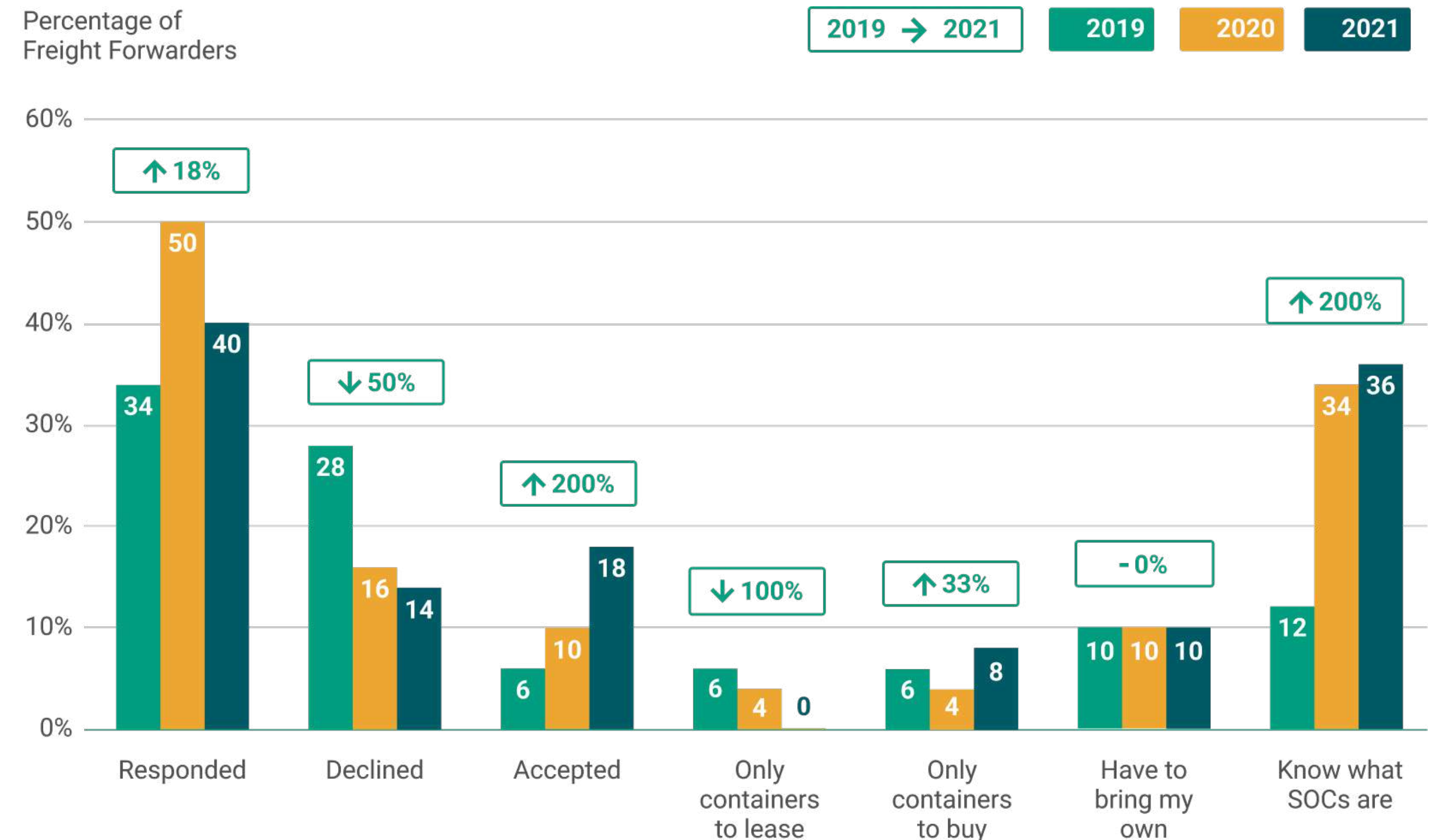


# 2021 compared to 2020 and 2019

Even though less people responded this year, the ability to organize SOC moves and source containers increased by 80% in 2020 and by 200% in 2019!

Declined offers went down by 13% and 50% overall.

This year, we had no one offering us SOC on long-term lease. Instead more respondents offered to organize the SOC purchase for us (8% in total and 33% increase since 2019).



SOC Mystery Shopping 2021 compared to 2020 and 2019



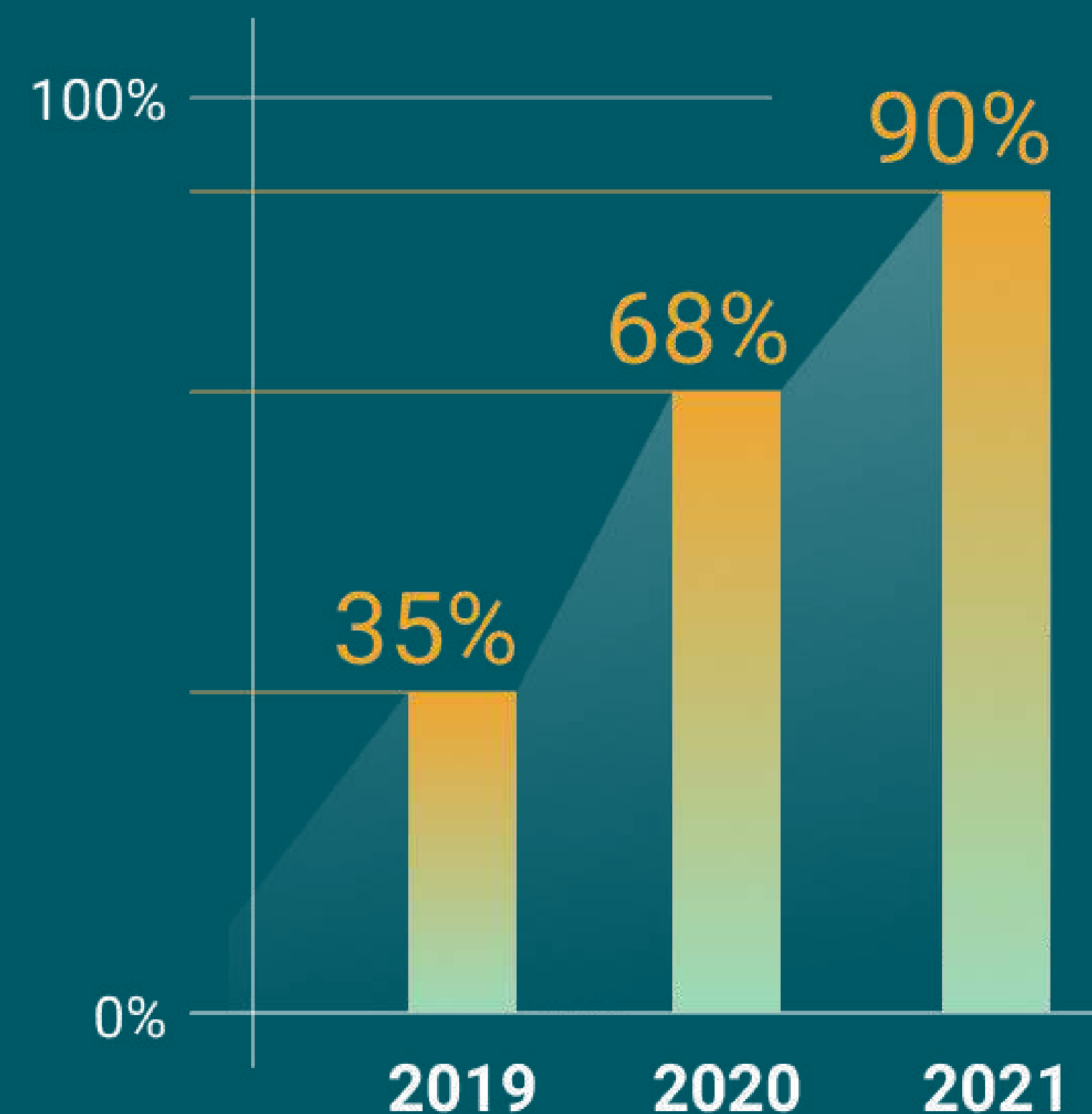


## With each year, more of the respondents know what SOC's are

In 2019, 17 out of 50 freight forwarders responded but only 6 knew what SOC's were. In 2020, the number of respondents grew to 25 with 17 comprehending SOC.

In 2021, our response total went down to 20 but 18 of them knew exactly what SOC containers are. Which means that 90% of our respondents were clued up on the SOC market compared to 68% of respondents last year and 35% in 2019.


























Clearly – as a freight forwarder – you can't risk not knowing about SOC containers these days.



Rising percentage of responding freight forwarders who know what SOC's are





| 2019  | 2020  | 2021  |
|---|---|---|
|    |        |                |

## Only one company offered us SOC's during 2019 & 2020. This time, there's a new consistent company

Hitachi Transport System was one of the most helpful freight forwarders, even offering us 'reasonable' pickup charges, bearing in mind the current climate.

4 winners offered to buy the SOC for us, while 5 others told us they'd organize the move if we brought our own.

The difference in the winning freight forwarders over the years show 3 main things:

1. The market is always volatile; and now, even more so.
2. It depends who you speak to.
3. It depends who you are *and* on your relationship with these big conglomerates. Some FFs might not respond if you're too small or unknown.

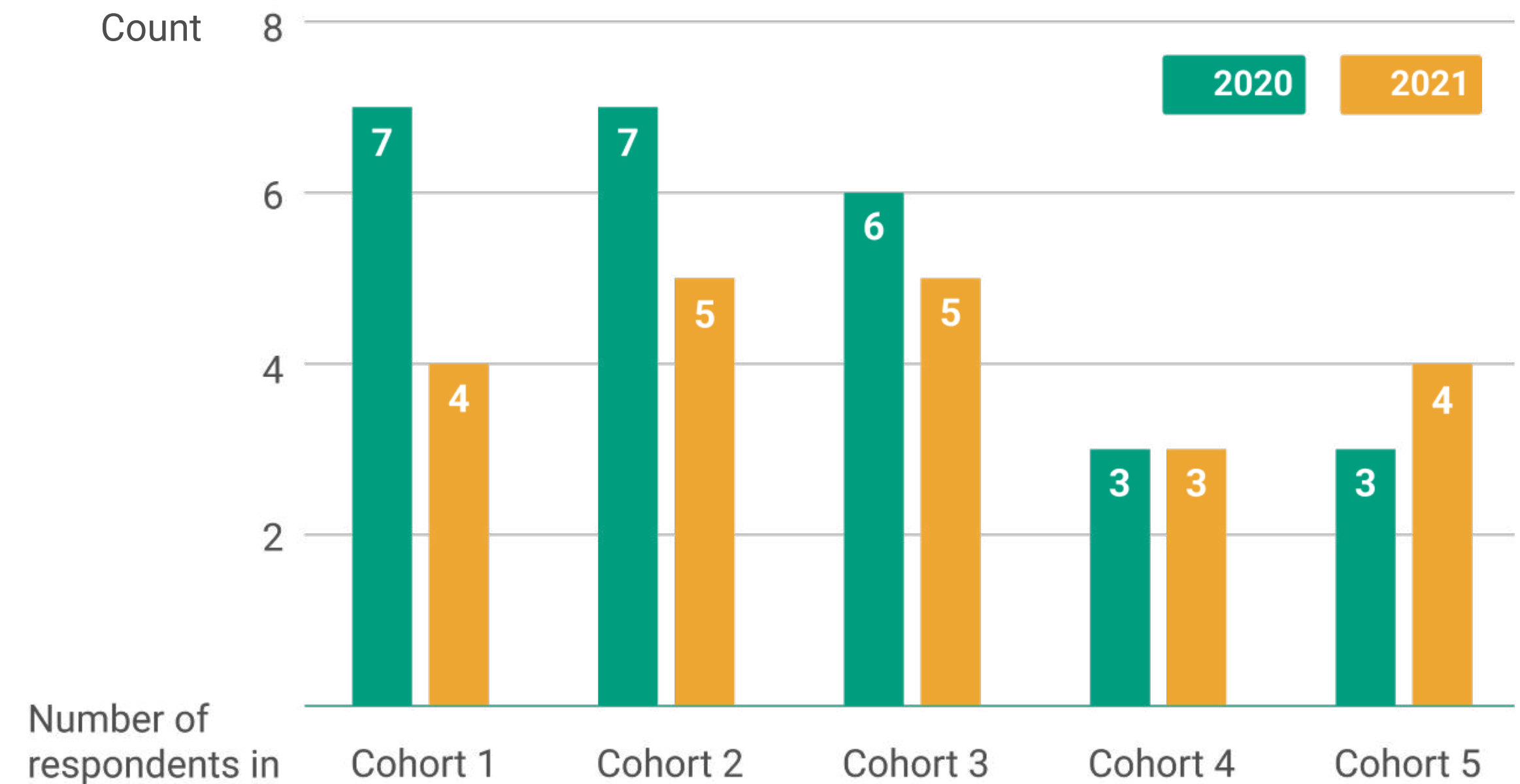




## This year, the lower cohorts outperform the top 10

Last year, most of the respondents and acceptance rates concentrated in the top cohort. This year, the lower cohorts outperform the biggest freight forwarders. This could mean 2 things:

1. The top 10 were already-saturated with business, especially leading up to festive season.
2. Evidently, SOC is becoming more and more possible for a range of freight forwarders.



**Cohort analysis:** Comparing the results of the Mystery Shopping Report based on the rank of each forwarder in top 50 list:  
(Cohort 1 = Rank 1 – 10, Cohort 2 = Rank 11 – 20 etc.)



# Comparing SOC rates 2021

Throughout 2021, a SOC container was priced around \$2500- \$6000. We asked our freight forwarders for their rates in December 2021 and found they were much higher than usual, and that it ranged from quote to quote. For argument’s sake, let’s compare just 4 quotes we received from company A\*, B\*, C\*, and D\*.

| Charges   | 40'DC/HC (SOC) |
|---|----------------|
| Drayage Fee FOT<br>Empty Container Pick up From Yangshan port | 380,00 USD     |
| buying SOC  | 9.000,00 USD   |

Company A\* would buy a 40ft DC SOC for us at US \$9000. With a reasonable pick up charge at \$380

|   |
|---|
| FROM FOB SHANGHAI to HAMBURG (FOB charges for supplier's a/c)                 |
| USD 15.500,00/40SOC via EMC -- Valid until 31.12.2021                         |
| Purchase of a 40dv container cost about USD 5.300,00 – Valid until 31.12.2021 |

Company B\* offered us US \$5300 for the container and US \$15500 for the move

## Benchmarking the world’s largest freight forwarders

20' SOC = USD 4250,00

40' SOC = USD 10200,00

+

Unless otherwise specified, all rates are subject to all surcharges as they are valid at time of shipment. The currently applicable surcharges are:

Freight Surcharges

|                       |     |      |      |      |
|-----------------------|-----|------|------|------|
| Peak Season Surcharge | USD | 1000 | 2000 | 2000 |
| Marine Fuel Recovery  | USD | 261  | 522  | 522  |
| Heavy Lift Charge     | USD | 100  |      |      |

Company C\* gave us the highest price for a 40ft DC SOC at US \$10200. We assumed the price was excluding the extra fees listed below (like peak season surcharge at \$1000-\$2000).

|  |
|--|
| SO ctr 20`ctr USD 10.000,00  |
| So ctr 40`ctr USD 19.000,00  |
| If you sent this 40`ctr ( only 40 `ctr ) by rail TT ca 50 days costs USD 12.000,00 |

Company D\*’s price for the entire SOC move is at US \$19000. Considering the move from Asia to China is sitting around \$14 000, this is a fair rate for the actual container

We found it difficult to interpret most of the quotes we received. They’re oftentimes convoluted, vague, and not transparent. This is not an experience we have when searching for SOC rates on xChange. On xChange, the SOC rates are also far less than what we were offered.





# We also got insight into the current situation – a snapshot of the persisting container shortage at year-end

Exacerbated by the lead-up to the festive season, the pandemic-induced container shortage was ever-persistent. Some of the flustered remarks we received are a good testament:

Dear [REDACTED]

thanks for your request. Due to the actual market situation like backlogs, years end, blank sailings, equipment shortage in Asia and the extreme workflow for our operation team we haven't the capacity to handle spot shipments for new clients/start ups in our customer centric service level.

I am very sorry.

Guten Tag

SO Container aus Asien macht kein Sinn, weil sich die Reeder dieses sehr gut bezahlen lassen  
Wenn ein Reederei Container aus Shanghai derzeit USD 13.000,00 kostet wäre die Kosten für einen SO das 2 - 3 fache

Lagerkosten in Hamburg EUR 5,00 per Monat und Palette

Yes, we can support your endeavours.

I have to ask our partner in Karachi and Chennai.

If the majority of your customers are based in Germany, then we should definitely ship to/via Hamburg.

However, currently it doesn't matter from where you ship. The shipping prices/cost are sky high all over the world.

A storage space for a full container in Hamburg is not reachable target at the moment, capacities of storage providers are overloading. Especially 45 days are nor realistic. Better to load cargo later in Origin.

Want to find more about the global container shortage? Watch our video on it here:

## The global container shortage

+ how to work around it

#LearnWithXChange



# A freight forwarder's take on SOC: Interview with Flexport

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Flexport is a digitally-enabled freight forwarder that helps other businesses to transport and store goods across the globe. As a forward-thinking logistics company, we asked what they think about SOC as one solution to gaining flexibility in container logistics.

# flexport.

*“SOC can offer an advantage depending on the situation. But you need to have the right process in place to manage the flows.”*

Florian Braun  
Head of Ocean  
Freight, EMEA  
Flexport





**Flexport:** SOC increases reliability for empty container availability. The downside is that you need a dedicated team/person to manage these shipments. If dropped by the trucker in the wrong location, they are gone. If you use them on a roundtrip basis, the management effort is even higher. In the current market condition, SOC is hardly accepted on the back haul trades because carriers are prioritizing their own equipment to be repositioned in Asia.”

**Q: What are your current market rates for SOC containers?**

**Flexport:** Prices vary. On the major trades like FEWB, the cost is between USD 2000-3000.

**Q: Since the pandemic, have you seen an increase in SOC requests and/ or market share?**

**Flexport:** It's very opportunistic and volatile. One week they are in de-

mand because carriers are short with equipment and next week you cannot get a slot because vessels are full. Once the market normalizes, SOC is a good option for commodities like forestry products on the backhaul trades.

**Q: Despite the peaks and troughs, has the general direction over time been increasing?**

**Flexport:** COVID caused a strong equipment imbalance, and therefore the need for empty equipment has increased. SOC's are a solution for this but the cost and management effort often outweigh the advantage.

**Q: Do bigger forwarders pay not enough attention to the SOC segment? Is this perhaps a chance for SMEs to “close the gap”?**

**Flexport:** SOC can offer an advantage depending on the situation. But you need to have the right process in place to manage the flows.



## A solution to the shortage but still difficult to handle operationally? And at present, still very expensive?

7 out of our 20 respondents declined our request while 4 others didn't reply to our follow-up questions. This means that 35% of our respondents declined while 65% of them accepted. Still, only 18% of the companies were able to source the equipment for us in total. It seems like the world's largest forwarders do not offer SOC containers to everyone and perhaps don't bother replying to smaller businesses.

**But since the growing trend is definitely there, there's a high chance things might change as time goes on. If more and more freight forwarders start to offer SOC's – and as the market stabilizes of course as affirmed by Flexport – then we will really start to see the full, admin-free benefits of shipper-owned containers.**





## Solving operational challenges



### What are they?

For freight forwarders, organizing SOC moves and sourcing the equipment can be a painful process that takes weeks! It requires freight forwarders, for instance, to find & vet partners, set up legal agreements, negotiate deals, send emails back and forth for pick-up references, the communication with local agents and monitor the deal. Aggravating this situation, freight forwarders need an NVOCC licence to issue their own House Bill of Lading to their customers - which is expensive if you only use it for e.g. project business. Compared to COC containers, SOC shipments require a strong agent network to, for example, have someone in the drop-off location with pickup reference to get your containers out of the port.



### A chance for smaller forwarders to step in

Consequently, the world's largest freight forwarders only offer SOC containers (1) for very large volumes or (2) their best customers in order to avoid unnecessary costs. As the world's largest forwarders still seem to struggle with SOC containers, this represents an opportunity for small and medium-sized forwarders to step in. As they're usually more agile when it comes to finding new competitive advantages and not able to lower prices due to increasing volumes, specific solutions such as SOC containers to increase flexibility are almost made for smaller companies looking for innovative solutions.

The remaining question is: **How can freight forwarders offer SOC shipments at low costs and risk?**

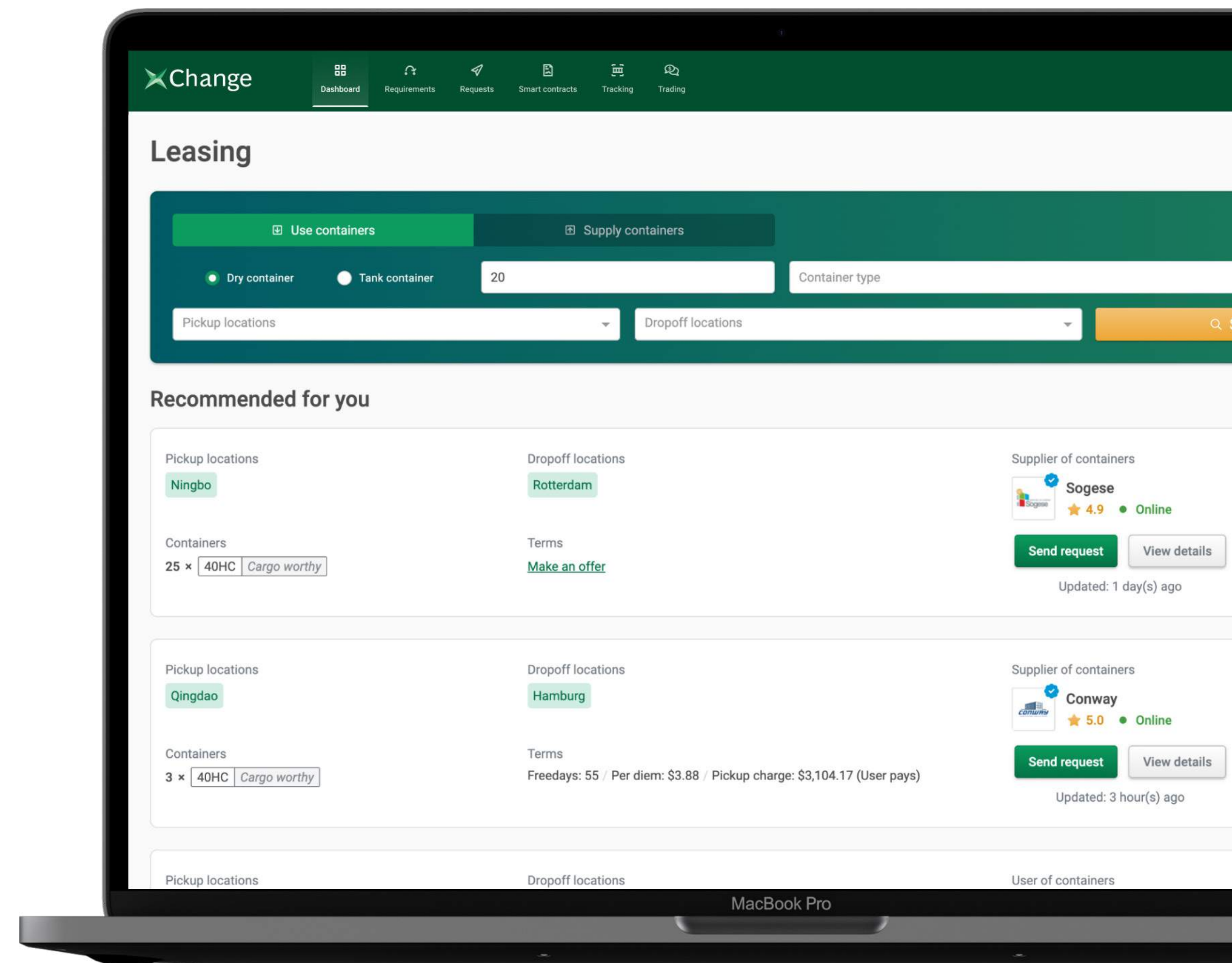




# Container xChange makes it easy to source and manage SOC containers online

## Take the hassle out of organizing SOC moves

Let us make an example: You would not reach out to someone on the other side of the world, who you found on Google, and ask them if you can sleep at their place for your weekend trip. Some people still book expensive hotel rooms (which makes sense for obvious reasons), but Airbnb enables us now to book apartments from strangers at very low risk and costs - because we trust Airbnb, we trust their vetting process, their performance ratings & reviews etc. ... It is actually the same in container logistics! With Container xChange, we help companies find optimized solutions to their everyday container logistics problem.





## SOC containers on demand

By bringing together freight forwarders and container owners, and digitizing the underlying operational processes, we make handling SOC shipments attractive for freight forwarders – instead of a few weeks, it now only takes a few seconds to find new partners and use their containers.

As a freight forwarder you just type in your pickup and dropoff locations into the search fields, select the container type and quantity you need and the system shows you a list of partners that can supply containers for you.

It depends on the location, sometimes you receive pickup credits, sometimes they charge you but you always have 30 free days and low per diem charges of \$1-3 after the free days have ended.

Why? Because carriers or container traders are not mainly interested in a quick turnaround of their equipment, they are happy that they found someone who repositions it for free – we call this a win win situation.



## How to take the hassle out of managing SOC's

“When talking to big and small shipping companies, we can see that the demand for SOC Containers is growing every year. SOC containers help increase flexibility and save costs - something that is especially important now during the crisis. With Container xChange, we're more than proud to help 800+ companies find SOC containers globally. ”

**Christian Roeloffs**

Founder and CEO  
Container xChange





# Get in touch

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Want to see how our 800+ members are seeing value with xChange? Or learn how to use xChange to find SOC containers? Schedule a demo with us!

[Schedule a demo](#)

If you have any further questions, book a free 15-minute consultation with a member of our team.