

Synchromodal pricing strategies from a network flow perspective

In the transport industry, long term contracts between shippers and logistics service providers are common. These contracts typically contain commitments related to volume, lead time and price. As these contracts run over a longer period (e.g., a year), these commitments are made long before the execution of the transport service itself.

Synchromodal transportation, however, is founded on the idea of having the flexibility to change decisions with respect to, e.g., route and transport mode in real time, which leads to challenges to make the typical commitments long in advance.

In this research, we study pricing strategies from a network flow perspective. More specifically, we focus on the impact of this mix of long-term commitments (contracts) and ad-hoc shipping on network planning and pricing.