Factors that Affect the Air Freight Rate

As with all expenses, air freight rates change all the time. This is because of the fact that many factors affect the pricing of various services and resources used in air freight. Learning about the different factors affecting the air freight rate could help you anticipate changes in the rate. This means that you will be able to maximize the costs of shipping.

What factors affect air freight rates?

1) Demand – demand affects the prices of everything. The more that people want to obtain a certain service, the higher the cost is going to be. This is the basic principle of economics. When the demand for certain shipping services rises, the air freight rates rise with it.

Demand determines the willingness of a company to part with its product. Demand determines the price because hey, if people are willing to pay more for your product, then you would be willing to sell it at the highest possible price, right?

2) The containers – the shipping containers, also known as the Unit Load Devices are designed to protect your cargo from the damages caused by the journey. Different items require different containers. If you are looking for a special container to protect your items, it could add a bit more to your air freight rate than what you anticipate.

The containers used in an air freight service are usually suited to different types of cargo. This means that the type of item you are shipping will affect the air freight rates. If you want to include additional security measures to protect your cargo, then you would have to pay more money. This is often applicable if you are shipping pets, livestock, or works of art.

3) Manpower – the amount and specialization of people required to ship your products will also affect the air freight rate. This means that the type of service you require will change the air freight rate. Do you wish your items to be handled by experts who will take care of your items, then you might need to add some cash in order to cover the additional manpower.

Manpower also includes the various people who will handle the paperwork of your cargo. Obviously, it will take the expertise of more than one person to make sure that your cargo remains as safe as possible.

4) Speed – this factor is second only to demand on its effects on the air freight rate. It is often the case that companies have different air freight rates based on the speed by which they can deliver your items. There are companies which offer faster delivery services for additional charges. There are companies who can deliver your items in one day, and some companies can even deliver your goods within a few hours. The speed of delivery is very important because it is often the case that customers stick with an air freight service because of the speed by which they can get the job done.
Of course, there are many more factors that affect the air freight rates charged by various companies. These main factors, however, should prove to be enough information in order to help you save a lot of cash. When you study these factors, you would be able to budget your money easier and thus, maximize your resources. This means that you can ship more goods at lower air freight rates.