

2008 SURVEY OF CORPORATE RELOCATION MANAGERS

An Independent Survey Performed By Trippel Survey & Research



WILLINGNESS TO RECOMMEND

“Budd earned the highest net satisfaction and highest average score on the “willingness” to recommend question.”



OVERALL SATISFACTION

“Among the 7 largest carriers, Budd earned the highest average score for overall satisfaction.”



SATISFACTION WITH FIELD PERSONNEL

“Among the 7 largest carriers, Budd earned the highest average score for field personnel.”



SATISFACTION WITH INTEGRITY AND TRUST

“Among the 7 largest firms, Budd earned the highest score for integrity.”



SATISFACTION WITH SUMMER MOVES

“Among the 7 largest firms, Budd outperformed all competitors in this attribute earning the highest average score with 8.74.”



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**SIXTH ANNUAL
RELOCATION PROGRAM MANAGERS' SURVEY
on the HOUSEHOLD GOODS INDUSTRY**

BACKGROUND

Trippel Survey & Research, LLC conducted this survey to obtain evaluations from corporate relocation managers regarding their level of satisfaction with the household goods carriers utilized in transferee relocation. The survey was sponsored by Koch Business Solutions.

METHODOLOGY

This is the sixth annual Relocation Managers survey on the HHG industry. Relocation managers received one email message with a reminder notice a week after the survey's launch. Each recipient was encouraged to provide their company name; there was no way to identify anonymous responses.

The survey was launched in mid-February and closed March 3, 2008. Of the 792 initial invitations sent via email 17 were undeliverable. From the 775 delivered survey invitations 204 survey responses were received, a 26.3% response rate.

Survey responses are presented as reported by *Zoomerang*, the web-survey service firm used in this endeavor. When appropriate, comments are made throughout the report supporting the survey responses.

CONFIDENTIALITY

Trippel Survey & Research, LLC maintains strict confidentiality of the corporations who participated.

Budd Van Lines may, having purchased the marketing license, use the report in external marketing.

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EXECUTIVE SUMMARY

1. Two hundred four (204) corporate relocation managers participated.
2. Corporate relocation department management of HHG:
 - a. 63% of the 204 survey participants maintain control of which suppliers are on company approved lists (an increase from 57% last year),
 - b. 49% of participants negotiate fees on contracts (an increase from 39% last year),
 - c. 48% of participants have 3 or more carriers on the approved list (an increase from 40% last year), and
 - d. 40% of participants select the carrier for employee moves (an increase from 36% last year).
3. Relocation management companies (RMC) management of HHG:
 - a. 6% of 204 participants permit the RMC to decide who is on the approved carrier list (a decrease from 10% last year),
 - b. 10% of participants permit the RMC to negotiate fees with the carriers, and
 - c. 26% of participants permit the RMC to decide which carrier a transferee uses (a decrease from 43% last year).
4. Most corporation assign responsibility to supplier selection on a move to the relocation department. A small minority of the participants (10%) permit the employee to choose which carrier to use on their move.
5. There are multiple approaches to decide which carrier to use on a particular move. The most frequent method, used by 40% of the 204 participants, to select a carrier is “*to promote equal volume*” (down from 26% last year) with three alternative methods of choice used by many survey participants.
6. Most corporations use multiple carriers. A 22% minority of the 204 survey participants have only 1 carrier on the approved list.
7. The 204 corporate relocation managers have an average of 2.55 carriers on the approved list (204 survey participants using a total of 520 carriers). This is a decrease from the prior year’s survey average of 2.81 carriers per approved list.
8. In this year of HHG industry pricing and tariff changes, 69% of participants stated they expect their approved carriers to “*maintain former collective tariffs*” for the foreseeable future, 18% of participants expect to have new pricing models with their carriers, while 13% are providing options to the carriers they use.
9. Regardless of whether or not the corporation is sticking with the old tariff structure or adopting a new structure, 80% of participants expect to have the same price among all the corporate carriers used in relocation.
10. Regarding auditing of HHG invoices before payment: 33% of participants do audits directly, 32% use a specialist firm (not the RMC) to perform an audit, and 31% use the RMC to audit HHG invoices.
11. Corporate relocation managers are significantly more satisfied with the performance of specialized auditing firms conducting the HHG audit than RMC suppliers. Further, corporate relocation managers acknowledge numerous benefits are obtained performing an external audit.

12. United remains, as they were the past three years, the carrier having the largest share of corporate contracts at approximately 62%; used by 127 of the 204 companies. Atlas and Allied each command strong share of contracts with 49% and 29% contract share respectively.
13. Among the smaller independents, Budd has the largest contract share in this survey with 21% of survey participants using Budd's services.
14. The survey indicates Budd dominates quality performance on all the key attributes considered in the study measuring two metrics: Average score and Net Satisfaction percentage. Among the 7 firms with significant sample sizes Budd, United, and Atlas scored the highest on most attributes.
15. By a substantial margin, corporate relocation managers state the two greatest needs they have are "meeting the customers' moving schedule" and "maximum customer satisfaction." This is the third consecutive year these two needs dominate relocation managers' concerns.
16. Regardless of which carrier the corporate relocation manager use, managers believe United has the greatest reputation for overall quality of service.
17. During the past year the firms "most often added to the approved list" were Budd and Atlas.
18. The 3 issues generating the most relocation manger comments are (1) issues directly related to "poor quality" mentioned by 26% of participants, (2) pricing and costs mentioned by 19% of participants and (3) issues related to "integrity/honesty" mentioned by 9% participants.

PRESENTATION OF CHARTS AND SURVEY OUTCOMES

Throughout the report charts show all HHG carriers with 2 or more participating corporation relocation managers' providing critique and evaluations. Charts, as the example below indicates, list the HHG carrier, the number of corporate relocation managers providing feedback, the average score (on the 10-point scale with 10 a high score), the percent of top-block scores (a 10 or 9), percent of bottom-block (scores of 1 through 6) and "net satisfaction" percent (difference between top-block and bottom-block). Carriers are listed in alphabetical order

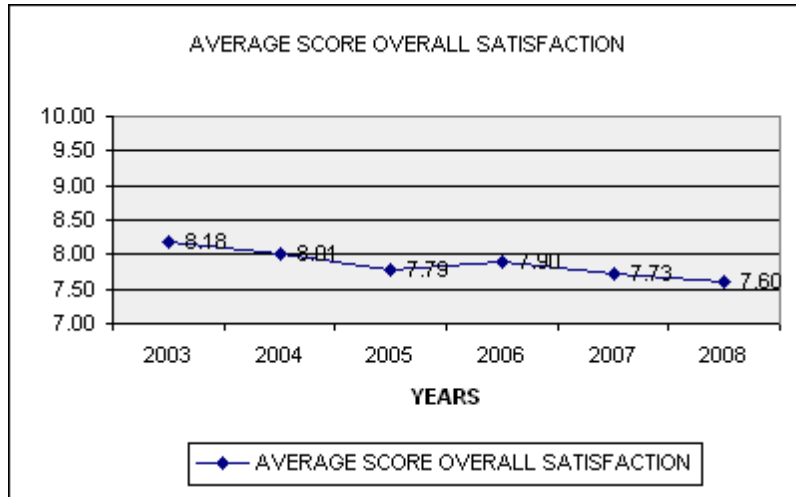
Further, the seven largest carriers which had 20 or more corporate participants provide feedback, are shown in **bold** font and are recapped to highlight their success or non-success.

	# of Contracts	Average Score	Top Block %	Bottom Block %	Net Satis. %
A.Arnold	8	6.63	35%	25%	10%
Allied Worldwide	59	7.27	47%	29%	19%

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OVERALL HISTORICAL INDUSTRY PERFORMANCE

The following chart shows the HHG industry performance, as measured in the Relocation Mangers' survey, for the last six years. The data is the average score on a ten-point scale (10 high, 1 low).



In this, the 2008 survey, the HHG industry earned an average score of 7.60 (10 high scale). The industry shows a clear trend, interrupted by 1 year, of continuing deteriorating corporate client overall satisfaction.

COMPANY PROFILE

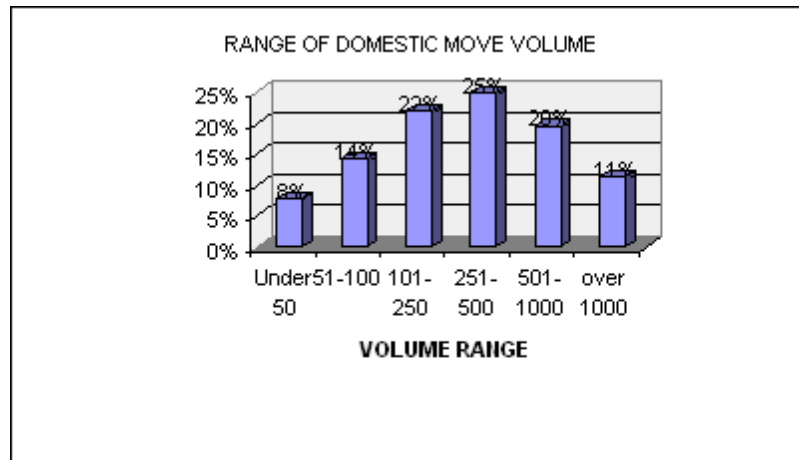
During the two weeks the survey was open 204 corporate participants provided answers to the research questions. From this sampling 197 firms identified themselves and 7 remained anonymous.

Question – “What was your domestic transfer volume over the past year?”

Respondents provided this profile:

<u>RANGE OF MOVES</u>	<u>NUMBER RESPONDENTS</u>	<u>RESPONDING PERCENTAGE</u>
1 – 50	16	8%
51 – 100	29	14
101 – 250	45	22
251 – 500	51	25
501 – 1000	40	20
Over 1000	23	11
<i>TOTAL</i>	<i>204</i>	<i>100%</i>

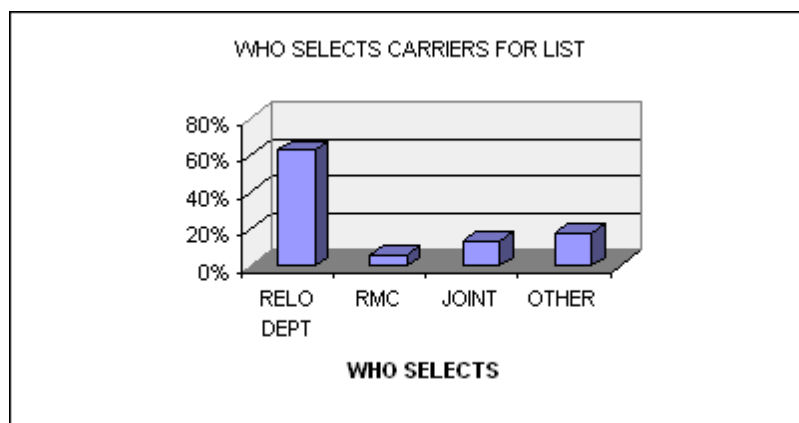
Nearly one-third of survey participants move over 500 domestic employees each year while one-quarter move less than 100 per year. This chart shows the ranges of volume and % of companies.



ADMINISTRATION OF HOUSEHOLD GOODS SHIPMENT

Question – “Who chooses which van line to put on your approved list?”

<u>Choices</u>	<u>% of responses</u>
Our relocation department	63%
Our relocation management service provider	6
Joint effort from above list	13
Some other method other than above	18



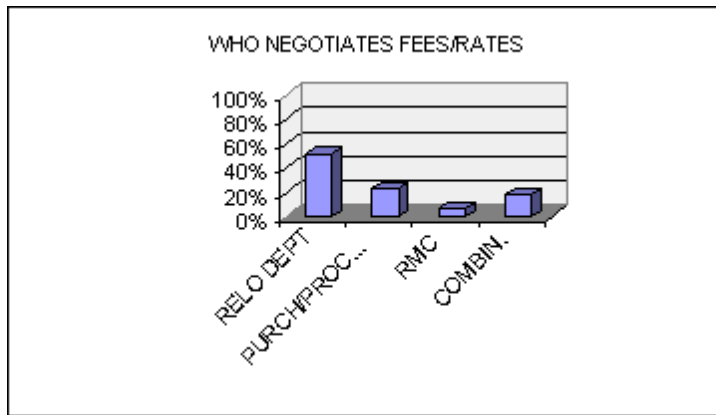
Comment: Relocation Managers play an active and major role in selecting which HHG carriers are approved for shipment of household goods.

Question – “Who negotiates fees, rates and programs with the van lines?”

<u>Choices</u>	<u>% of 204 responses</u>
Your relocation department (only)	52%
Your procurement/purchasing department (only)	23
Your relocation service provider (only)	14
Combination or joint effort	18

Comment: The corporate relocation department makes negotiation decisions for 52% of the companies participating in this survey, an increase from 39% of respondents one year ago. The increase came at the expense of relocation service providers who negotiates 14% (down from 23% last year).

Chart indicates the organizational entities and the percentage which negotiates fees with the HHG carrier.



Question – “How many carriers are on your approved list?”

<u>Choices</u>	<u>% of 204 participants</u>
1 carrier	22%
2 carriers	29
3 carriers	26
4 carriers	16
5 or more carriers	6

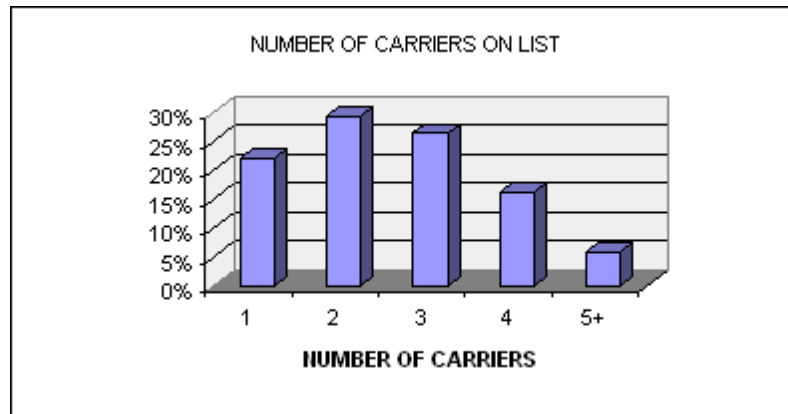
Comment: The trend for most companies is to have either 2 or 3 carriers on the approved list. The number of companies with 5 or more carriers dropped from 11% last year to 6% this year.

The average number of carriers on an approved list is 2.55. This is a decrease from last year’s average of 2.81 carriers per approved list. The trend is to have fewer carriers than past survey years!

Nearly every company moving 50 or less employees use only 1 carrier while firms moving 100 or more employees rarely most often have multiple carriers.

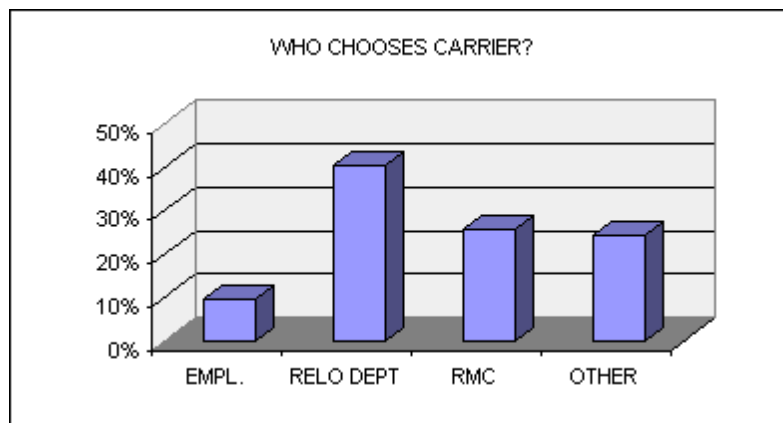
There is no positive direct correlation between number of domestic moves and number of HHG carriers. As many firms moving over 1000 employees per year have 4 or more carriers as does firms moving 100 or more.

The chart shows the percentage of companies having a certain number of carriers on the approved list.



Question – “If there is more than one van line on your approved list, which entity chooses the van line the transferred employee uses in relocation?”

<u>Choices</u>	<u>% of 204 responses</u>
Employee choice	10%
Your relocation department	40
Your relocation management service provider	26
Other	24



Comment: Relocation Departments play a dominant role in selecting which carrier the employee uses in a transfer.

Question – “If there is more than one van line on your approved list, what criteria is used to select which carrier to use on a particular move?”

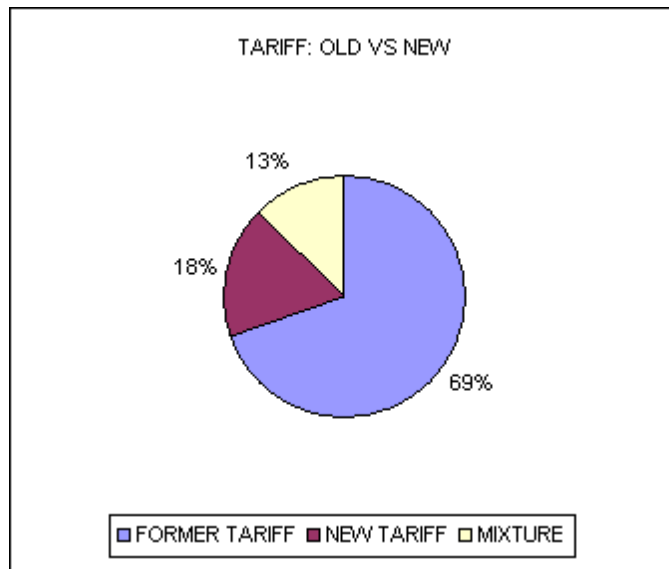
<u>Choices</u>	<u>% of 204 responses</u>
Based on fee/price or discount rate	4%
Based on location	20
Based on alternate choice (promote equal volume)	38
Based on past carrier performance	16
Unsure what criteria is used	4
Combination of criteria	19

Comment: No single method of selecting a carrier for a particular move dominates relocation managers’ selection process. The primary method used to select a carrier for a move is based on a philosophy of equal volume with 38% of respondents (an increase from 26% a year ago).

TARIFFS & AUDITING

Question – “In this year of industry pricing/tariff change, are carriers maintaining preexisting tariffs or are they in the process of creating their own tariffs?”

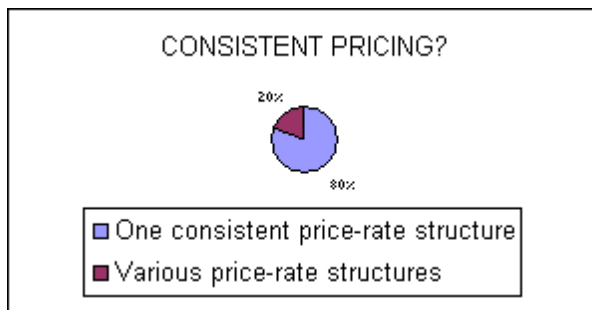
<u>Choices</u>	<u>% of responses</u>
Staying with the former/old tariff	69%
Developing a new tariff	18
Mixture: one or more is changing, other carriers are staying with the old tariff	13



Comment: Most corporations and the relocation managers are expecting to stay with the tariffs they are familiar with moving forward into 2008.

Question – “Are you anticipating having one consistent pricing package among your multiple carriers, or are you anticipating various pricing structures among your multiple carriers?”

<u>Choices</u>	<u>% of 171 responses</u>
Consistent pricing among the carriers	80%
Various pricing structures among carriers	20



Comment : Most corporations and the relocation managers are expecting to have consistent pricing among their multiple carriers rather than various rates & discounts among the carriers they use.

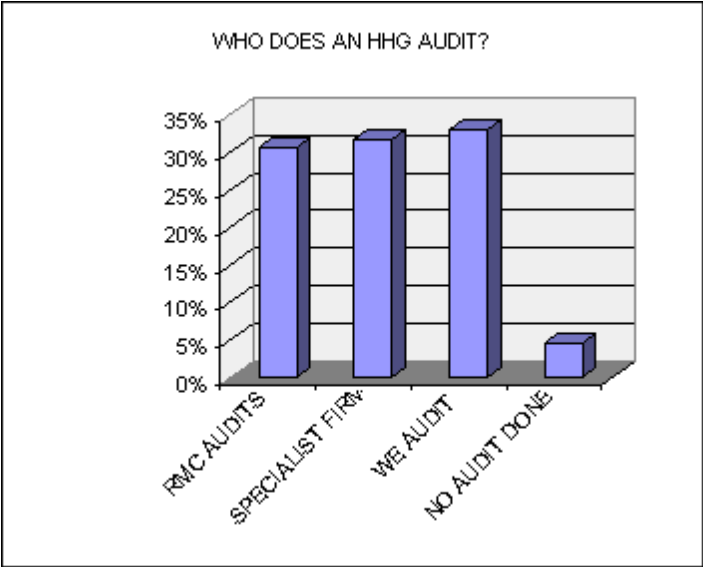
Question – “If you audit your HHG invoices, who performs the audit?”

Most corporations do perform an audit prior to paying HHG invoices:

<u>Choices</u>	<u>% of responses</u>
RMC does the audit	31%
A specialist firm does the audit	32
Our relocation department does the audit	32
No audit is performed	5

Comment: Only a small percentage of companies do not perform an audit of HHG invoices. Among the majority who do audit, most corporations use the services of an external resource: a specialized firm (32%) or the RMC (32%).

Regarding corporate satisfaction, the specialized firms had an average satisfaction score of 9.2 (on the 10-point scale) versus the RMC’s performance which earned an average score of 8.4.



SUPPLIERS’ CONTRACTS, MARKET SHARE

Questions – “Which carriers are on your approved list? For each carrier on your approved list state the approximate percentage of annual domestic volume they receive?”

The survey results indicate most responding companies split their business among multiple carriers. The average number of carriers, per each of the 204 participating companies, was 2.55 carriers on each approved list. This is a 10% decrease from last year (2.81).

The following chart shows the carriers’ rank based on number and percentage of contracts with the 204 corporations. The percentage *corporate share* exceeds 100% because most firms have multiple contracts (2.55 per corporation). In this calculation, “percentage *corporate share*” represents the percentage of responding clients having a contract with the carrier.

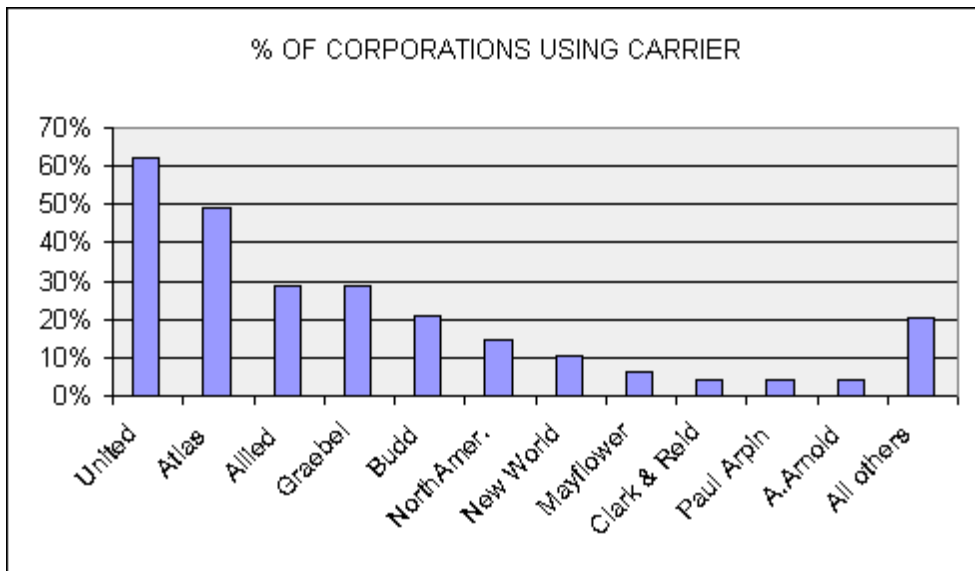
	Number <u>Carrier Contracts</u>	% of 204 <u>participants</u>
1. United	127	62%
2. Atlas	100	49
3. Allied	59	29
4. Graebel	59	29
5. Budd	43	21
6. NorthAmerican	30	15
7. New World	21	10
8. Mayflower	13	6
9. Clark & Reid	9	4

10. Paul Arpin	9	4	
11. A.Arnold	8	3	
12. all other HHGs	43	21	9

TOTAL Contracts: 520 Averaging 2.55 carriers per corporation.

Comment: The largest share of business contracts is United Van Lines – 62% of the corporations in this survey use United’s services (127 companies of 204 survey participants). Expressed differently, of the 520 approved carrier contracts used by the survey participants, United has 127 contracts, or 23% of all the contracts awarded by this sampling of corporations. Although this represents a dominant share, both figures are slightly lower than last year. Further, among corporate participants who have only 1 firm United is the carrier chosen most often as the sole supplier.

The chart below shows the % of corporations using a particular carrier.



CORPORATE CLIENT SATISFACTION

Due to the mix of participating companies and the carriers they use for HHG services many carriers had a limited number of relocation manager survey participants. Although charts show every firm represented in the survey, only the 7 largest firms had sufficient sample size to provide meaningful and insightful analysis. These 7 firms, each with sample size of 20 or more corporate participants are: United, Atlas, Allied, Graebel, Budd, North American and New World.

Throughout the report two metrics are used to show successful performance. The primary reporting metric is Average Score. The other metric is “net satisfaction” which is simply calculated by taking the percentage of scores of 10 and 9 (“top block” on the ten-point scale) and subtracting the percentage of scores in the 1 to 6 score range (“bottom block”). For example, if 75% of participants give a score of either 10 or 9, and

20% of participants give a score in the 1 to 6 range, then the Net Satisfaction is 55%. Most quality and customer satisfaction studies indicate a Net Satisfaction score of 70% or higher are excellent performance.

Question – “**How willing are you to recommend the HHG carrier you currently use to a friend or associate?**”

This survey use a 10-point scale; with 10 the highest degree of willingness to recommend to 1 the lowest degree of willingness to recommend a carrier. This chart (and those following) show all carriers regardless of the sample size in the survey. The seven largest carriers in the research are shown in **bold** font.

	# of Contracts	Average Score	Top Block %	Bottom Block %	Net Satis. %
A.Arnold	8	4.63	25%	75%	-50%
Allied Worldwide	59	7.27	47%	29%	19%
Atlas Van Lines	100	8.28	67%	16%	51%
Bekins Van Lines	6	6.50	50%	33%	17%
Budd Van Lines	43	9.05	74%	7%	67%
Clark & Reid	9	7.56	33%	22%	11%
Covan Worldwide	2	4.50	0%	100%	-100%
Crown Van Lines	2	7.00	0%	50%	-50%
Graebel Company	59	7.58	47%	27%	20%
Mayflower	13	6.23	15%	46%	-31%
NorthAmerican	31	6.39	3%	39%	-35%
New World Van Lines	21	8.05	38%	14%	24%
Paul Arpin Van Lines	9	8.56	33%	0%	33%
United Van Lines	127	8.20	48%	9%	39%
Victory Worldwide	2	8.00	50%	50%	0%
Wheaton Van Lines	2	6.50	0%	50%	-50%
Other not listed	27	6.67	11%	37%	-26%
HHG INDUSTRY>	520	7.76	47%	21%	26%

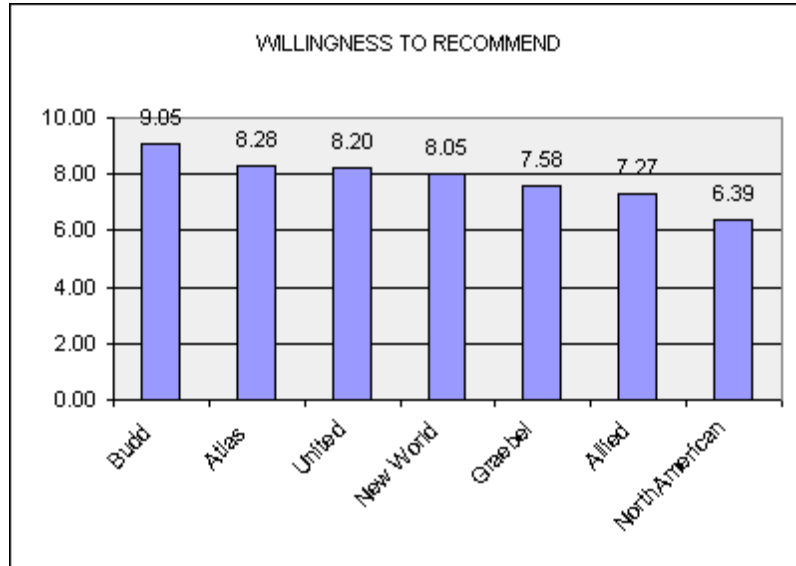
For this question, the survey respondents’ scores generated an average of 7.76 (10 high) and a Net Satisfaction of 26% for the industry. Both are low outcomes but both are higher than last year’s outcome.

Seven largest carriers with significant sample size:

<u>Carrier</u>	<u>Net Satisfaction</u>	<u>Average Score</u>
Budd	67%	9.05
Atlas	51	8.28
United	39	8.20
New World	24	8.05
Graebel	20	7.58
Allied	19	7.27
NorthAmerican	-35	6.39
INDUSTRY	26%	7.76

Comment: Among the 7 largest sample firms, Budd earned the highest net satisfaction and highest average score on the “willingness to recommend” question. Further, only 4 of the largest 7 firms earned an average score higher than the industry average.

This chart shows the “willingness to recommend” satisfaction levels among the 7 largest firms:



Question – “What is your level of satisfaction with the overall performance of the carriers you currently use or firms you recently but no longer use?”

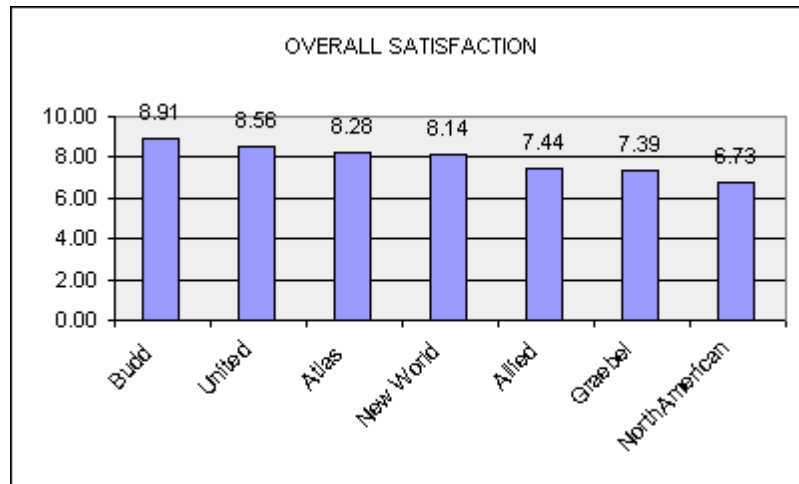
The survey respondents’ scores generated an industry net satisfaction score of 2% and an average score of 7.60. Both metrics are lower than last year.

The following chart shows most of the major carriers; 7 largest are **bold**.

	# of Contracts	Average Score	Top Block %	Bottom Block %	Net Satis. %
A.Arnold	8	6.63	25%	25%	0%
Allied Worldwide	59	7.44	42%	20%	22%
Atlas Van Lines	100	8.28	67%	16%	51%
Bekins Van Lines	7	8.57	57%	0%	57%
Budd Van Lines	43	8.91	70%	7%	63%
Clark & Reid	9	7.56	33%	22%	11%
Covan Worldwide	2	4.50	0%	100%	-100%
Crown Van Lines	2	7.00	0%	50%	-50%
Graebel Company	59	7.39	44%	36%	8%
Mayflower	13	7.54	38%	23%	15%
North American	30	6.73	10%	33%	-23%
New World Van Lines	21	8.14	38%	10%	29%
Paul Arpin Van Lines	9	8.11	33%	11%	22%
United Van Lines	127	8.56	58%	6%	53%
Victory Worldwide	2	8.50	50%	0%	50%

Wheaton Van Lines	2	6.50	0%	50%	-50%
Other not listed	27	8.15	59%	15%	44%
HHG INDUSTRY>	520	7.60	3%	1%	2%

Among the 7 largest carriers this is the comparison Budd earned the highest overall satisfaction average score:



Carrier	Net Satisfaction	Average Score
Budd	63%	8.91
United	53	8.56
Atlas	51	8.28
New World	29	8.14
Allied	22	7.44
Graebel	8	7.39
North American	-23	6.73
INDUSTRY	2%	7.60

Question – “How has the performance level of the carriers you currently use or recently used changed over the last 12 months?”

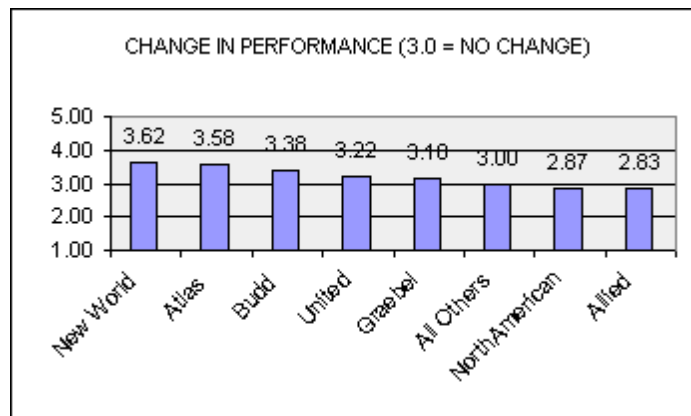
For this question a five-point scale was used with 5 indicating “strong performance improvement,” 4 indicating “moderate performance improvement,” 3 indicating “no change from a year ago,” 2 indicating “moderate decrease in performance,” and 1 indicating “strong decrease in performance.”

The survey respondents’ scores generated an industry average score of 3.21 indicating very slight improvement in performance from year ago when the score was 3.19. The following chart shows the degree of change expressed as a score over/below the median/middle of 3.00 (“no change”). A HHG carrier with a score above 3.00

indicates relocation managers perceive improved performance from one-year ago, a score below 3.00 indicates performance deterioration.

	# Contracts	Average Score
A.Arnold	8	3.13
Allied Worldwide	59	2.83
Atlas Van Lines	100	3.58
Bekins Van Lines	7	3.00
Budd Van Lines	40	3.38
Clark & Reid	9	2.78
Covan Worldwide	1	2.00
Crown Van Lines	1	3.00
Graebel Company	57	3.18
Mayflower	12	2.92
NorthAmerican	30	2.87
New World Van Lines	21	3.62
Paul Arpin Van Lines	8	3.13
United Van Lines	121	3.22
Victory Worldwide	1	3.00
Wheaton Van Lines	2	3.00
Other not listed	24	3.00
HHG Industry>	501	3.21

Among the 7 largest carriers this chart shows the degree of change.



Comment: Among the 7 largest carriers, New World Van Lines shows the greatest improvement in performance over the last year, while of two of the seven largest carriers show performance deterioration from a year ago.

The industry average score of 3.21 indicates slight improvement in performance from a year ago. If the answer to this question indicates the industry is showing slight improvement, then why does the trend line over 6 years show deteriorating corporate satisfaction? There might be multiple explanations of which two might be: there is much churning of approved carriers on corporate “approved lists” – one firm who performed

poorly is dropped and another replacement added (or not replaced at all). Then the replacement shows early success but does not maintain a high level of service. The second reason, corporate relocation managers are reallocating moves among the firms on the approved carrier list in search of the best/optimum configuration of high performing carriers. They perceive the overall industry is performing poorly, although one carrier on their approved list performs better than the others on their list.

Question – “During the past year did you add or drop a HHG carrier?”

Overall, 18% of survey participants in 2007 made a change to their supplier list. Budd Van Lines was the most frequently added carrier (confirmed by the answer to the earlier question indicating growth in contract-share).

Less than one-half the corporations dropping a carrier the past year added a replacement. This confirms the downward trend in the average number of carriers per corporation (2.55 down from last year).

Question – “In 2008 do you anticipate issuing an RFP or do you anticipate making a change to your carriers list?”

Of the 187 participants answering this question 26% said they were planning on issuing an RFP or anticipating making a change of suppliers this coming year while 74% said no change or RFP was anticipated.

Comment: Over the two year period, 2007 through 2008, approximately 44% of corporations expect to realize change to the approved HHG carriers used for domestic transfers.

Question – “Which carrier has the greatest reputation for overall quality service to the customer regardless of whether you use the firm or not?”

There were 171 responses and the carriers receiving “nominations” were:

	Total Nominations
A.Arnold	2
Allied Worldwide	7
Atlas Van Lines	19
Bekins Van Lines	0
Budd Van Lines	21
Clark & Reid	21
Covan Worldwide	0
Crown Van Lines	0
Graebel Company	20
Mayflower	0
NorthAmerican	13
New World Van Lines	10
Paul Arpin Van Lines	6
United Van Lines	48
Victory Worldwide	1

Wheaton Van Lines	0
Other not listed	7

The four most nominated firms for having the best reputation for quality are:

<u>Carrier</u>	<u>% nominations of all respondents</u>
United	27%
Budd	12%
Clark & Reid	12%
Atlas	11%

Comment: There is some consistency between the firms earning the highest *overall satisfaction* and *willingness to recommend* scores with this reputation outcome. United performs well in all three questions and earned the best reputation recognition.

These were the same four top-nominations this year compared to last year, although the order and percent nominations are different.

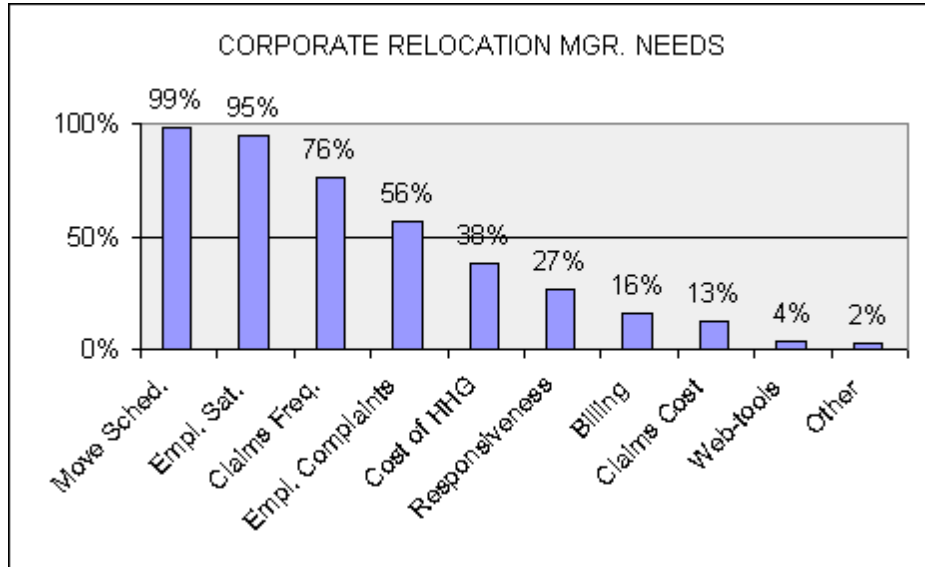
Question – “**What are the five most important needs you have for HHG carriers?**”

The list below shows the eight common needs ranked from the need receiving the most nominations to the need receiving the least nominations.

	Total	%
Meeting employee/customer moving schedule	202	23%
Maximum transferee satisfaction	193	22%
Minimal claims frequency	156	18%
Minimal employee/customer complaints	115	13%
Minimal cost of the HHG program to my company	77	9%
Responsiveness to any unusual or exception requests I make	55	6%
Accurate and easy-to-understand billing	33	4%
Minimal claims cost	26	3%
Useful web-based tools for me and my transferees to use	8	1%
Another need, please specify:	5	1%
	<u>872</u>	<u>100%</u>

Comment: The most important relocation manager’s need is “*Meeting the employee’s moving schedule*” mentioned by nearly every relocation manager. “*Maximum transferee satisfaction*” moved down to #2 from last year’s survey while “*minimal claims frequency*” moved up to the number three position.

Only 4 needs were mentioned by one-half or more of the survey participants; see chart on next page.



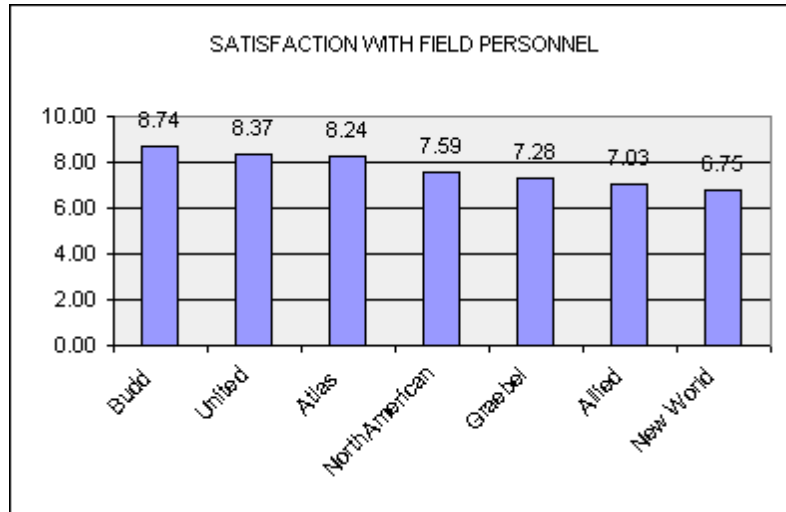
Question – “How satisfied are you with your carrier’s field personnel who pack, load and deliver employees goods?”

Participants provided this profile to show satisfaction with field personnel:

	# of Contracts	Average Score	Top Block %	Bottom Block %	Net Satisfaction %
A.Arnold	7	7.14	29%	43%	-14%
Allied Worldwide	58	7.03	19%	33%	-14%
Atlas Van Lines	98	8.24	42%	7%	35%
Bekins Van Lines	7	8.86	57%	0%	57%
Budd Van Lines	42	8.74	60%	0%	60%
Clark & Reid	8	8.75	63%	0%	63%
Covan Worldwide	2	8.00	50%	0%	50%
Crown Van Lines	2	7.50	0%	0%	0%
Graebel Company	58	7.28	24%	22%	2%
Mayflower	12	8.00	42%	17%	25%
NorthAmerican	29	7.59	17%	14%	3%
New World Van Lines	20	6.75	5%	20%	-15%
Paul Arpin Van Lines	8	8.13	38%	13%	25%
United Van Lines	123	8.37	42%	2%	40%
Victory Worldwide	1	8.00	0%	0%	0%
Wheaton Van Lines	1	8.00	0%	0%	0%
Other not listed	25	7.12	12%	32%	-20%
HHG Industry>	501	7.90	34%	13%	22%

The survey respondents' score generated an average score of 7.90 and an industry net satisfaction score of 22%. Both metrics are comparable to last year's survey outcomes.

Among the 7 largest carriers Budd earned the highest average score for field personnel:



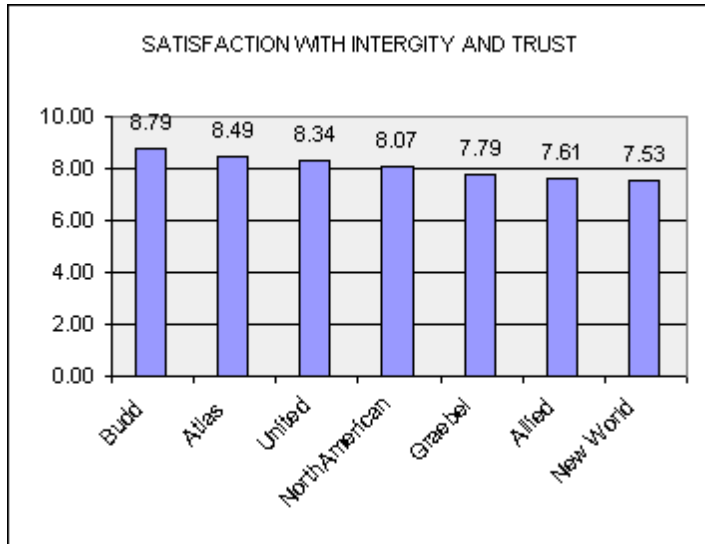
Question – “How satisfied are you with overall integrity and trust worthiness of the carrier you currently or recently used?”

Participants provided this profile to show satisfaction with industry integrity:

	# of Contracts	Average Score	Top Block %	Bottom Block %	Net Satisfaction %
A.Arnold	8	8.50	75%	13%	63%
Allied Worldwide	57	7.61	37%	16%	21%
Atlas Van Lines	98	8.49	49%	2%	47%
Bekins Van Lines	7	8.86	57%	0%	57%
Budd Van Lines	42	8.79	62%	0%	62%
Clark & Reid	8	9.00	75%	0%	75%
Covan Worldwide	2	8.00	50%	0%	50%
Crown Van Lines	2	7.50	0%	0%	0%
Graebel Company	57	7.79	37%	12%	25%
Mayflower	12	8.50	50%	0%	50%
North American	29	8.07	31%	3%	28%
New World Van Lines	19	7.53	26%	11%	16%
Paul Arpin Van Lines	9	8.22	44%	11%	33%
United Van Lines	125	8.34	42%	2%	39%
Victory Worldwide	1	8.00	0%	0%	0%
Wheaton Van Lines	2	9.00	50%	0%	50%
Other not listed	24	8.38	50%	0%	50%
HHG Industry>	502	8.24	44%	5%	39%

The industry achieved an average score of 8.24 and a net satisfaction score of 39%. Both of these metrics are much lower than last year (8.54 and 53% respectively).

Among the 7 largest firms Budd earned the highest score for integrity:



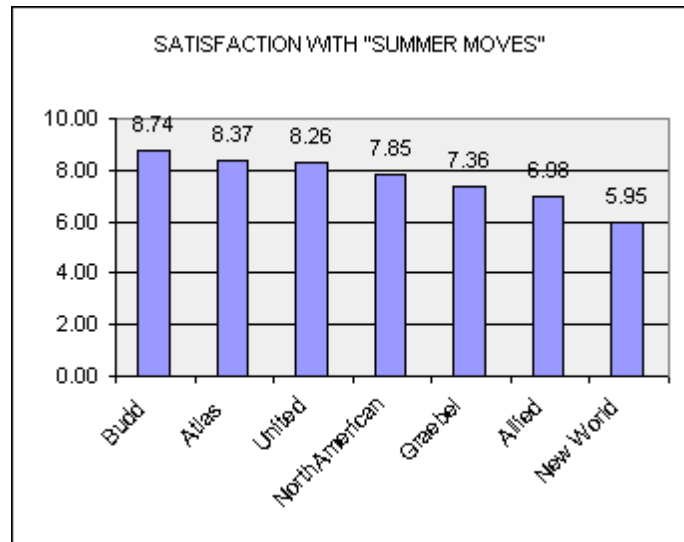
Question – “How satisfied are you with your carrier(s) ability to appropriately staff (drivers, helpers) to meet anticipated summer volume?”

The survey respondents’ score generated an average score of 7.85 (10 high) and industry net satisfaction score of 19%. Both these industry metric outcomes are low.

	# of Contracts	Average Score	Top Block %	Bottom Block %	Net Satisfaction %
A.Arnold	7	6.71	14%	43%	-29%
Allied Worldwide	53	6.98	11%	26%	-15%
Atlas Van Lines	98	8.37	45%	4%	41%
Bekins Van Lines	6	8.00	33%	17%	17%
Budd Van Lines	42	8.74	60%	0%	60%
Clark & Reid	8	7.88	13%	0%	13%
Covan Worldwide	2	7.50	0%	0%	0%
Crown Van Lines	2	8.00	0%	0%	0%
Graebel Company	56	7.36	21%	21%	0%
Mayflower	11	8.36	55%	9%	45%
North American	27	7.85	26%	7%	19%
New World Van Lines	20	5.95	5%	50%	-45%
Paul Arpin Van Lines	9	7.67	56%	22%	33%
United Van Lines	123	8.26	38%	3%	35%
Victory Worldwide	2	7.00	0%	50%	-50%
Wheaton Van Lines	2	7.00	0%	50%	-50%

Other not listed	27	7.07	11%	37%	-26%
HHG Industry>	495	7.85	32%	13%	19%

Among the 7 largest firms Budd out performed all competitors in this attribute earning the highest average score with 8.74:



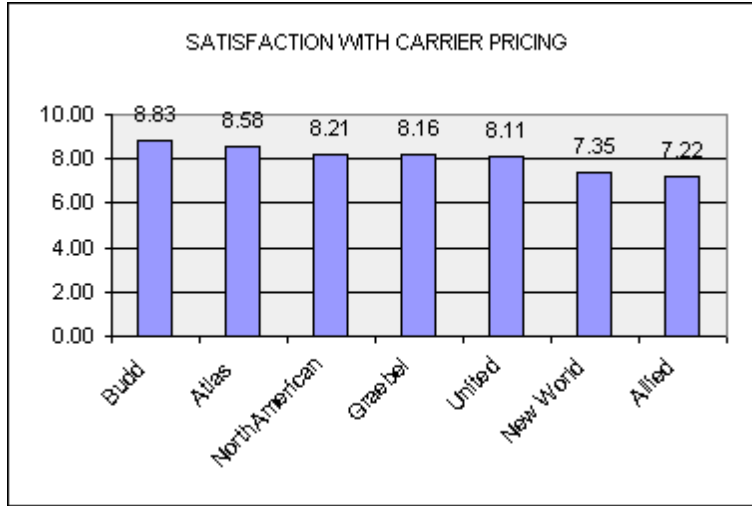
Question – “How satisfied are you with the price (considering fees and discounts) and the overall pricing philosophy of your current carrier or recently used carrier?”

The survey respondents’ score generated an average score of 8.26 and an industry net satisfaction score of 41%. Both these industry outcomes are higher than last year.

	# of Contracts	Average Score	Top Block %	Bottom Block %	Net Satisfaction %
A.Arnold	8	6.88	25%	25%	0%
Allied Worldwide	59	7.22	17%	15%	2%
Atlas Van Lines	97	8.58	54%	2%	52%
Bekins Van Lines	5	8.60	40%	0%	40%
Budd Van Lines	42	8.83	67%	0%	67%
Clark & Reid	8	8.75	63%	0%	63%
Covan Worldwide	2	7.50	0%	0%	0%
Crown Van Lines	2	7.50	0%	0%	0%
Graebel Company	58	8.16	45%	7%	38%
Mayflower	13	7.54	15%	15%	0%
North American	29	8.21	34%	3%	31%
New World Van Lines	20	7.35	5%	5%	0%
Paul Arpin Van Lines	8	7.75	38%	25%	13%
United Van Lines	126	8.11	34%	6%	29%
Victory Worldwide	2	7.50	0%	0%	0%
Wheaton Van Lines	2	7.50	0%	0%	0%

Other not listed	27	8.26	41%	0%	41%
HHG Industry>	508	8.11	38%	6%	32%

Among the 7 largest carriers Budd Van Lines out performed all competitors in this attribute. Only four of the largest seven firms exceeded the industry average score:



SINGLE BIGGEST ISSUES WITH HHG INDUSTRY

Question – “What is your biggest issue with the industry?”

There were many different statements but there was a pattern of statements falling into five categories. The issues generating the most relocation manager comments are (1) issues directly related to “poor quality” mentioned by 26% of participants, (2) pricing and costs mentioned by 19% of participants and (3) issues related to “integrity/honesty” mentioned by 9% participants.

The list of the first 50 issues, as typed by participants, follows.

INVOICING, BILLING

Difficult to compare apples to apples

The various costs associated with the move, i.e. (un)packing, (un)crating, assembly/disassembly, extra labor costs. Each transferee's move is so unique, that many of these costs are expected, but also there are many added costs because it may be a non-standard item.

Seems like it's more complicated even with efforts over the years to "uncomplicate" the business.

Providing invoices that are easy to read and legible.

invoicing

INTEGRITY, HONESTY

They, along with relocation companies, have to learn to not "buy business" with discount rates that are too high to deliver the services required of corporate clients.

They hold a number of cards close to their chest are never willing to truly tell it to you like it is; things are often veiled in mystery and you need to engage experts in the HHG arena to get answers and solutions and understanding of issues.

Dishonesty is the HHG's industry norm.

Initially finding a carrier with integrity. Once we accomplished that, we have been very satisfied. Seems that this day-in-age, integrity is harder to find.

Competitors trying to "steal" corporate business by promising something that in six months they cannot deliver at the price quoted.

COSTS, PRICING

Costs are not truly transparent. Quality staff is more and more difficult to find.

The ever increasing cost of transporting household goods

The fact that the service needs to be discounted.

Pricing!

Transparency in pricing

Moves within the same state - tariff issues

Cost.

Tariffs.

cost of crating goods

Discounting range for transportation, intra vs inter, storage, etc.

The pricing structures based on service performed and tariffs is very cumbersome.

Third party and crating charges make budgeting difficult.

Rates, confusing billing practices. 2.It's a commodity business, service should be better

QUALITY OF SERVICES

Quality, particularly of the crew: drivers, packers, third party providers.

delivery spreads in the summer season

Inaccurate Estimates

Meeting the needs and keeping the end customer(employee) happy.

Keeping parts from disassembled items with the items or in a special plastic bag and/or in a specially marked carton!

Issue is quality of packing fragile items and not crating everything requested."

quality of packing

Sending untrained packers to pack up employee's hhgs.

Consistency - quality help, pricing, account management - reporting, etc.

Professionalism of drivers and packers, who interact with the employee on the most stressful days of a relocation, is hit or miss.

Challenge of recruiting & retaining long haul drivers.

Packing and increased use of third party services. Antiquated inventory sheets

Not meeting customer expectations

Drivers saying wrong things to the transferee.

Lack of qualified drivers and the lack of pack-ship & haul service providers.

Quality of personnel, and reliability of those person(s).

Shortage of drivers

inconsistency with packing/delivery crews.

CLAIMS

Damage issues

Claim subrogation processes.

Claims process

Claims

Claims!

Claims is probably the biggest issue and our claims are very low!