2010 SURVEY OF CORPORATE RELOCATION MANAGERS

A Independent Survey Performed by Trippel Survey & Research, LLC

Budd Van Lines recognized as the Nation's Top Carrier... Again!

1 "Overall Performance"

- *Highest Net Satisfaction - **Budd Van Lines***
- *25% higher than closest competitor*
- *34% higher than industry average*

1 "Willingness to Recommend"

- *Highest Net Satisfaction- **Budd Van Lines***
- *17% higher than closest competitor*
- *35% higher than industry average*

1 "Ability to Deliver Maximum Transferee Satisfaction"

- *Highest Net Satisfaction- **Budd Van Lines***
- *18% higher than closest competitor*
- *33% higher than industry average*

1 "Pricing Philosophy of Carriers"

- *Highest Net Satisfaction- **Budd Van Lines***
- 4% higher than closest competitor
- 16% higher than industry average

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EIGHTH ANNUAL
RELOCATION MANAGERS' SURVEY©
on the HOUSEHOLD GOODS INDUSTRY

BACKGROUND

Trippel Survey & Research, LLC conducted this survey to (1) obtain evaluations from corporate relocation mangers regarding their level of satisfaction with the household goods carriers utilized in transferee relocation and (2) gather other information on issues pertinent and relevant to managing relocation household goods shipments.

METHODOLOGY

This is the eighth 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, but not required, to provide the company name; there is no way to identify anonymous responses.

The survey was launched in early-January and closed January 24, 2010. Of the 787 initial invitations sent via email 31 were undeliverable. From the 756 delivered survey invitations 255 survey responses were received, a 33.7% response rate. This is an increase of 3.7% from the prior survey in January 2009.

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

CONFIDENTIALITY

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

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KEY INSIGHTS FROM SURVEY

1. Nearly 60% of corporate clients realized lower transfer volume in 2009 versus 2008. Further, total volume reported by survey respondents is approximately 12% lower this year compared to the prior year – the consecutive second year of decline. The recession is taking its toll on the HHG industry*.*
2. Although most corporate clients fully outsource to a relocation company, two-thirds maintain contract ownership with the HHG suppliers. Also, very few corporations are considering adapting an alternative approach to HHG shipment, such as a PODS-type program.
3. Although HHG carriers and van lines use different business models to conduct their business very few relocation managers evaluate various business models or use the information to select a carrier.
4. The two primary areas for HHG firms to improve corporate client satisfaction are (1) pricing the service, and (b) third-party pricing & quality.
5. The three biggest corporate relocation managers' needs are (1) quality of service, (2) meeting the customers moving schedule, and (3) problem resolution.
6. Over 50% of corporate managers are either *not sure of value* or *see little value* in move management services typically provided by relocation management companies.
7. Approximately 64% of corporations still maintain the rate structures found in the "old" tariff 400N; this usage rate is slightly lower than last year. Also, most corporate managers have not realized any cost reduction since tariffs were rescinded. On pricing, a large majority of relocation managers would consider a "single rate factor" pricing model.
8. A large majority of corporate relocation managers do not see an inverse relationship between high discount rates and low quality of service.
9. Roughly 23% of corporations made a change in HHG suppliers this past year; while overall size of the "approved HHG list" decreased from a year ago, to 2.39 carriers per approved corporate list. The clear trend continues: corporate managers are shrinking the number of HHG carriers used.
10. United and United agents remain the largest player in the relocation of household goods. The three largest firms - United, Allied or Atlas agents – dominate the market. There is a 60% likelihood 1 of the 3 firms are used by every corporate client.
11. Corporate client satisfaction measured an average of 8.46 on a 10-point scale with net satisfaction at 49%. This is the second consecutive year industry competitors improved corporate clients satisfaction and the highest level achieved since 2003.
12. Although there is a common belief small carriers or independents generate higher corporate client satisfaction scores in surveys of this type, the results this year disprove this belief. The three largest carriers (United, Atlas and Allied) were among the five best performers of all firms with large sample sizes, and United and Atlas were well above the industry average score and industry net satisfaction.

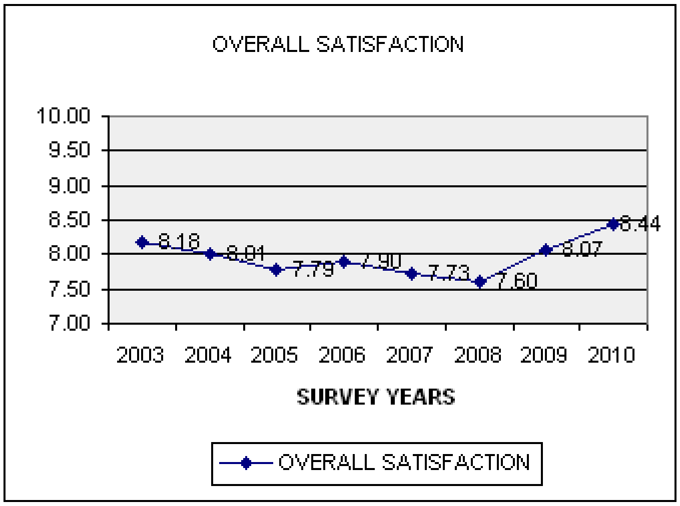
PRESENTATION OF CHARTS AND SURVEY TABLES

Throughout this report charts and tables show all HHG carriers evaluated by five or more corporate clients. Tables generally show the number of corporate relocation managers providing evaluations, the average score (10-point scale), 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; see the example:

EXAMPLE ONLY	# of Contracts	Average Score	Top Block %	Bottom Block %	Net Satis. %
A. Arnold	8	7.00	50%	38%	13%
Allied Worldwide	62	8.18	63%	11%	52%

TWO HHG INDUSTRY TRENDS

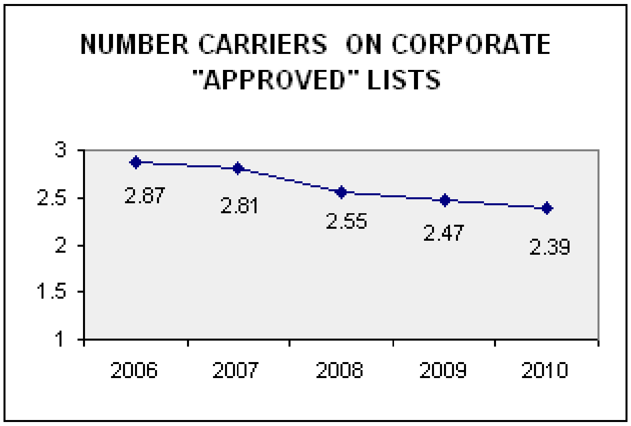
The following chart shows the HHG **industry performance**, as measured in the *Relocation Mangers' Survey*©, for the last eight years on "overall corporate client satisfaction. Data shown is the industry average score on a ten-point scale.



The HHG industry earned an average score of 8.44 (10 high scale) in this year's survey. This is the second consecutive year the industry collectively exceeded the 8.0 satisfaction metric reflecting improvement in quality from the prior year and continuing a positive, upward trend.

Further, the industry achieved the highest level of corporate client satisfaction since 2003.

Another trend is the steady decline in **size of approved carrier lists** over the last five years. This past year average fell to 2.39 carriers per each corporate approved list. The chart reflects the average size of the approved lists maintained by corporations over the past 5 years.



Corporations continue to downsize the number of carriers used.

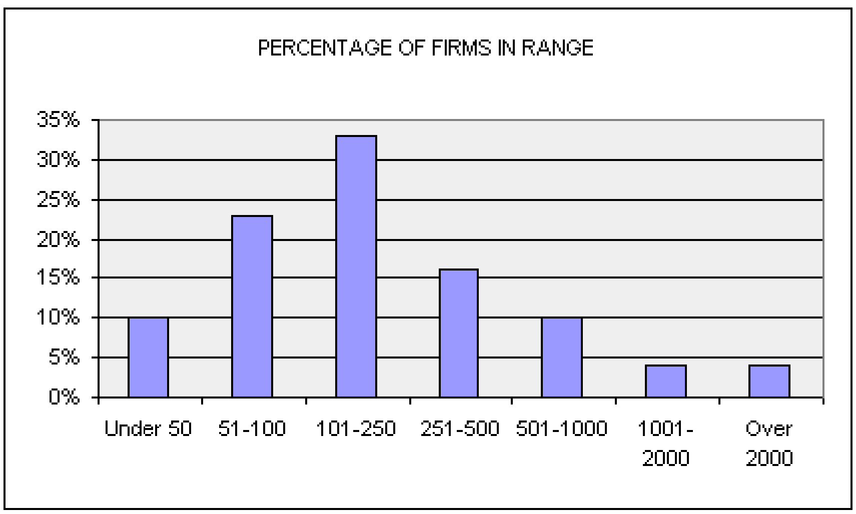
COMPANY PROFILE AND ADMINISTRATION OF HHG

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

This chart shows the ranges of volume and % of companies participating in the survey.

Select your domestic annual move range (all moves, homeowners and renters)?		
Under 50	26	10%
51-100	58	23%
101-250	84	33%
251-500	41	16%
501-1000	26	10%
1001-2000	9	4%
Over 2000	11	4%
Total	255	100%

This mix of volume ranges is approximately 12% lower than last years' survey. Only 18% of corporations move over 500 per year compared with 26% last year. Further, last year only 26% moved under 250; this year the 66% of the participants move under 250.



Question – "Does your company contract with the HHG carriers/van lines?"

Although most corporations outsource relocation do they hold the contracts with van lines? Yes!

Does your company hold the contracts with the household goods van lines/carriers?		
My company contracts directly with the van line/carriers	171	67%
My company does NOT contract with the van/carriers	84	33%
Total	255	100%

Question – "Anticipation of alternative means for HHG shipments?"

The retail market is exposed to alternative means of shipping household goods. Are corporate relocation managers considering a new business model to ship transferee's possessions?

Do you anticipate using alternative approaches to HHG shipment in 2010? These alternatives might include container-type products/services such as PODS or Self-Pack and Load services (offered by many carriers).		
Yes	45	18%
No	207	82%
Total	252	100%

The vast majority of companies do not expect to alter the traditional business model of shipping transferee house hold goods. That is, they do expect to continue to use carriers and van lines in the traditional manner – crews pack, load and unload.

***Note**: Although many van lines are investing in alternative approaches to HHG shipment and alternative business models are developed, few corporations are currently considering adopting this approach to moving transferee goods.*

Question – "Policy on storage?"

This chart shows the wide variation in company policies on domestic storage of HHG.

Policy parameters	Number firms	% firms
30 days		
- all moves	91	39%
- homeowners only	8	3
- senior managers only	3	1
60 days		
- all moves	17	7
- homeowners, 30 days renters	29	12
- senior mgrs, 30 days all others	18	7
- current employees, 30 days N/H	11	5
- senior managers, 0 days all others	12	5
- all moves except lump sum	3	1
- when used with "corp. housing"	2	1
90 days		
- all moves	4	2
- homeowners, 60 days renters	5	2
- homeowners, 30 days renters	2	1
- senior mgrs, 60 days all others	3	1
0 days		
- all moves	26	11
No policy on HHG storage	2	1
Few other variations	3	1

The three most common HHG storage policies are: *30 days for all employees* (39%), *60 days homeowners and 30 days renters* (12%) and *60 days managers, 30 days all other moves* (7%).

<u>Question – "Review of HHG business models?"</u>

HHG carriers and van lines compete using different business models. Is this important to the corporate relocation manager? Answer: No!

Over the past year have you reviewed the business models used by the carriers you currently use and compared the business model used by competing firms? This is not asking whether you made a change, only whether you studied the varied industry approaches of HHG to see if an alternative approach might best meet your relocation needs.		
Yes, we did a review and found significant difference in HHG business models	27	11%
Yes, we did a review, found differences and concluded the apparent differences were not high value, were insignificant or not important	53	21%
No, we did not conduct a review of HHG business models	171	68%

Most firms, as seen in the above chart, did <u>not</u> attempt to study the various alternative ways HHG firms design their operating business model. Only one-third of corporations reviewed HHG business models, and among those two-thirds did <u>not</u> identify a reason to change carriers.

Note*: The investment HHG firms make to create differentiation appears an inconsequential consideration to the vast majority of corporate relocation managers. Results matter, not models.*

<u>Question – "Industry opportunities for improvement?"</u>

This chart shows the diversity of opinion on what areas of improvement the HHG industry can improve overall performance and increase corporate client satisfaction

Area of opportunity	Number firms	% firms
Pricing of HHG service		
- less complexity	19	7%
- simplified structure, understanding	14	6
- more industry transparency	6	2
- consistency between carriers/van lines	3	1
- improved RMC revenue transparency	8	<u>3</u>
		19%
Third Party services		
- lower costs	12	5%
- transparency of pricing	7	3
- more regulation of 3rd party services	6	3
- improved quality of service	5	2
- more oversight of 3rd party by RMC	5	<u>2</u>
		15%
Costs		
- lower costs of HHG service	7	3%
Improved quality of services		
- to transferees	21	8%
- to corporate clients	12	<u>5</u>
		13%

Drivers & Staff		
- more quality drivers	13	5%
- improved retention	4	2
- no "day laborers"	7	3
- improved "professionalism"	4	2
- packing skills	9	4
		16%
Claims		
- improved resolution	8	3%
- improved efficiency, processing	4	2
		11%
Communication	9	4%
Fewer than 4 notations:		[all less than 2%]
- improved small move options	3	
- use of freight trains	1	
- HHG competitor consistency of service	1	
- meet delivery day/time schedule	1	
- improved documentation (legible…)	1	
- improved estimates	2	
- on-site quality control checks	1	
- improved servicing in remote sites	2	
- improved unloading skill	2	

Most obvious from this lengthy list of industry opportunities for improvement is the wide range of ideas on how the industry can reshape itself to improve the quality of the offering provided to the corporate relocation manager and transferring employee.

Note*: With 19% of the respondents stating the pricing structure of the industry (not to mention perceived high costs) need an overhaul and, for the first time, an significant number (15%) of managers stating the "third party" service providers (crating, hook-up, set-up) need significant improvement there is ample opportunity for firms to step-up and improve performance*.

PRICING, VALUE AND COSTS OF HHG PROGRAMS

Question – "Using 400N or a company specific pricing model?"

The 400N tariff was rescinded two years ago. The intent of this question is probing whether firms and HHG suppliers continue to use this pricing model or have they adopted a pricing structure meeting the corporate client's specific pricing requirements or the van lines' unique price model.

Are you using one of the traditional HHG pricing arrangements, such as the 400N tariff, OR have you modified the pricing structure/scheme used with your carrier(s) to become more company-specific?		
Maintaining former collective tariff structure (discount rate might be different however)	147	64%
Created a revised pricing structure between my company and the entity we contract with	55	24%
Other, please specify	27	12%
Total	229	100%

Nearly two-thirds of corporations continue to use the "400N-type" pricing tariff structure for the company's household goods shipments.

***Note**: In last year's survey the relationship was 70%:21%:9%. The trend indicates more corporations are diverging from the 400N tariff structure*.

Question – "Rate/fee consistency among multiple carriers?"

When the corporate client use multiple carriers is there a degree of consistency in the fee/discount rate paid for services among multiple carriers? Answer: Yes.

If you have two or more carriers on your approved carrier list is the fees/discount rate the same between each carrier? If you have only one carrier please skip to the next question.		
The fees/rates/discount we pay are the same among our multiple carriers	127	70%
The fees/rates/discount we pay is different among our multiple carriers	55	30%
Total	182	100%

Seven in ten corporations pay the same fee between two or more carriers.

***Note**: In last year's survey the relationship was 76%:24%. The trend indicates more corporations are receiving a lower fee from one firm versus others used*.

Question – "Any difference in HHG costs from 2 year ago?"

The 400N tariff was rescinded two years ago. The intent of this question is whether corporate relocation managers have benefitted financially from the rescission of 400N tariff.

Two year have elapsed since collective tariffs were rescinded. Over the last 2 year how has your per-move HHG fees changed? Consider only the rates/fees you pay, not changes to moving patterns, weight of shipments or other variables. If you are not sure select the "not sure" answer. The intent of this question is to evaluate whether corporate relocation expenses for HHG have increased or decreased since the tariffs were rescinded.		
Our per-move fees/costs have increased	24	9%
Our per-move fees/costs have decreased	31	12%
Our per-move costs have stayed the same as a year ago	124	49%
Not sure	74	29%

Approximately one-half of corporations state the costs of household goods shipments have basically stayed the same; with a smaller, near equal percentage stating costs have either gone up or down in the last 2 years. One-third of managers are unsure of any service-cost changes

***Note**: Very few corporate managers have realized reductions in HHG costs since the 400N was rescinded. Carriers state the HHG profit margin is going lower while the bill paying corporate manager is, for the most part, paying the same costs as two years ago. This begs the question – where is the money spent by corporate managers going?*

Question – "Inverse relationship between higher discount rates and quality service?"

Is it myth or reality as pricing goes down (through higher discount rates of the 400N tariff) service quality goes down?

Do you see an inverse relationship between your discount level and the quality of service provided to your transferees? In other words, as your discount increases does the quality of service decrease?		
Yes, we do see an inverse relationship of discount rate and service quality	42	17%
No, we have not seen an inverse relationship	154	62%
Not sure; our data is incomplete or we have not studied this dynamic	52	21%
Total	248	100%

Nearly two-thirds of relocation managers do not see a direct correlation of lower pricing (via higher 400N discounting) and poor service.

Question – "Value obtained from using Relocation Management Companies?"
Do move management organizations, like relocation management companies, provide positive value to the corporate client?

If you use a relocation management company (RMC) to what degree are you receiving move management value from the RMC?		
Positive value (benefits exceed fees paid)	80	45%
Little or limited value (benefits on-par with fees paid)	52	30%
Negative value (fees paid exceed the benefits)	6	3%
Not sure	38	22%
Total	176	100%

Less than 50% of corporate relocation managers believe they receive "*positive value*" for the fees paid for move management services provided by relocation management companies. Another 30% state they receive "*little or limited value*" (fees on-par with benefits) while a small 3% state fees exceed benefits. Another one-quarter of managers are unsure of benefit/fee relationship.

Note*: With over 50% of corporate managers either not sure of or see little value in move management services, the industry's relocation management companies either have to add more value to the move management activity they control or demonstrate and communicate the value they currently provide.*

Question – "Interest in 'single rate factor' pricing?"
Many carriers and van lines, since the wind down of 400N, are promoting new ways to price the household goods shipment service to improve pricing of the industry's pricing model. One approach is "single rate factor pricing." Is this of interest to relocation managers?

If offered would you use or consider using a "single rate factor" format for pricing as an alternative to the traditional discounting from the 400N tariff?		
Yes	152	67%
No	75	33%
Total	227	100%

A strong majority of 67% do have interest in this form of pricing.

***Note**: In light of the current dissatisfaction with industry pricing and stated complexity (see managers' responses to other pricing questions) it is consistent that two-third of relocation managers have interest in this simplified form of pricing.*

CHANGING MIX OF CARRIERS-VAN LINES

Question – "Have you changed carriers/van lines during the past year?"
In past surveys the rate of churning was high. Is this rate of changing HHG suppliers continuing?

Over the past year have you changed the mix of carriers on your approved list? That is, have you added, deleted or in any way changed the carriers you used a year ago? You can select as many of the choices below as appropriate.		
We added one or more new carriers to our list	38	15%
We removed one or more carriers from our list	33	13%
No change; we use the same carriers as a year ago	193	77%

The total percentage exceeds 100% due to multiple people saying *yes they added* and *yes they removed* one or more carriers. A large majority of corporate relocation managers (77%) did not make a change in HHG suppliers indicating less than one-quarter (60 firms) did make a change.

***Note**: One year ago 71% of relocation managers stated they would "likely make a change in suppliers during the coming year." This prediction did not become a reality as only 23% did make a change in their supplier lists. Most corporate relocation managers stayed pat.*

Question – "Has the size of your carrier/van line list increased or decreased or stayed the same from a year ago?"
From the prior question we know 23% of relocation managers made a change to the makeup of the company's carrier list. This next question probed whether the overall size of the lists used increased, decreased or remained the same.

From one year ago, has the size of your carrier list increased, decreased or stayed the same?		
The size of our list has increased from a year ago	15	25%
The size of our list has decreased from a year ago	22	35%
The size of our list is the same as a year ago	23	40%
Total	60	100%

One-quarter of the firms making carrier changes now use more carriers; slightly more than one-third have fewer firms and the balance (40%) have the same number of firms (although the mix changed). The impact of churning is fewer carriers are on so-called "approved carrier lists."

The primary two reasons for decreasing the number of carriers were: (1) to adjust for lower volume and (2) poor service. The two primary reasons for increasing the number of carriers was: (1) improve service delivery and (2) enhance geographic market coverage.

Question – "Did you go through an RFP process to select the new supplier?"
Relocation managers use an RFP process to select many types of suppliers and services. Is the same process used to select HHG firms?

Did you go through an RFP process to make the change(s)?		
Yes	7	10%
No	53	90%
Total	60	100%

Most corporate managers making a change did not use an RFP-type process to select carriers.

Question – "How many carriers are on your approved supplier list?"

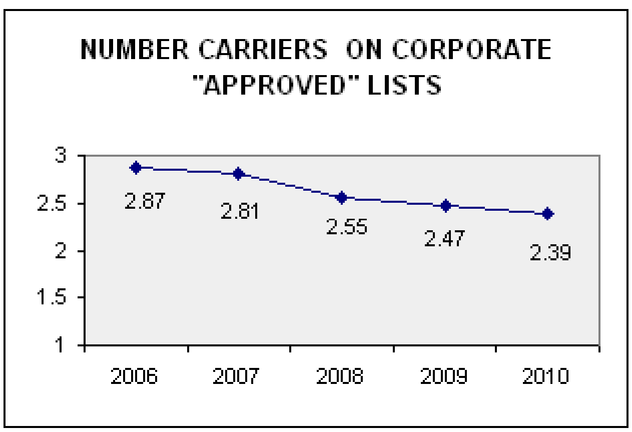
This chart indicates the number of carriers used by the corporate relocation managers to conduct household goods shipment.

How many HHG carriers are on your approved list?		
1 carrier	41	17%
2 carriers	71	29%
3 carriers	70	29%
4 carriers	29	12%
5 or more carriers	12	5%
No carrier list; the RMC or move manager performs this for us	20	8%
Total	243	100%

The mix of carriers shown above is lower than last year.

Although 255 corporate relocation managers participated in the survey only 243 (from above) indicated number of carriers used. These same 243 managers evaluated performance of 582 carriers. Consequently, the number of carriers used by the firms with "approved lists" is 2.39 carriers. This is lower than last year (2.47) and reflects the churning rate mentioned earlier.

The following chart shows the steady decline in size of "approved carrier lists" over the last five years.



The downward trend might level off as very few corporate managers (possibly as low as 5%) anticipate making a change in the coming year; see chart next page.

In 2010 do you anticipate making a change (adding or deleting) the carriers you use or changing the contractual relationship with your RMC or another move manager?		
Yes	12	5%
No	145	64%
Maybe	70	31%
Total	227	100%

NEEDS OF THE CORPORATE CLIENT

Questions – "Select the top 5 needs/requirements you have of your carriers, move management or RMC firm regarding HHG performance."

The survey requested the corporate relocation manager select and rank the needs/requirements they have regarding household goods shipments.

The chart below shows 12 (plus "other") needs and requested the survey participant to select and rank 5 needs (only). The attributes are listed in the right column and the "votes" provided shown as #1 through #5 shown left to right. The two columns furthest to the right show the number of #1 and #2 votes only, then the total of all votes. The attributes are shown in descending order based on the total of combined #1 plus #2 votes.

Meeting your needs as the corporate client is important. Listed below are common attributes associated with the needs of relocation managers. Please select the top 5 needs/requirements you have of your carriers, move management or RMC firm regarding HHG performance.

Statement of need	#1 need	#2 need	#3 need	#4 need	#5 need	#1 & #2 ONLY	Total "votes"
Maximum transferee satisfaction	29	10	8	3	13	39	63
Meeting employee/customer moving schedule	11	13	9	10	13	24	56
Minimal claims frequency	7	8	15	8	15	15	53
Minimal cost of the HHG program to my company	6	9	6	8	9	15	38
Problem resolution: quick, responsive, satisfying	5	9	10	18	15	14	57
Minimal employee/customer complaints	2	7	6	10	13	9	38
Quality of the carrier's "move coordinator"	1	6	6	6	11	7	30
Minimal claims cost	2	3	7	4	6	5	22
Accurate and easy-to-understand billing	2	2	3	2	9	4	18
Responsiveness to any unusual or exception requests I make	0	3	0	8	7	3	18
Staffing and successfully handling moves during the peak "summer" volume	1	1	2	2	7	2	13
Useful web-based tools for me and my transferees to use	1	1	1	2	1	2	6
Another need not listed above	1	0	1	0	1	1	3

Two needs dominate all others: "*maximum transferee satisfaction*" and "*meeting the customers moving schedule*." Clearly, relocation managers want HHG service providers to meet the end-users' desires.

However, when the votes from all five needs are totaled the second most important need, after *maximum transferee satisfaction*, is "*problem resolution: quick, responsive and satisfying*."

Consistent with past surveys, participants have a very low need/requirement for "*useful web-based tools for me and the transferee*."

SUPPLIERS' CONTRACTS & SHARE OF BUSINESS

Questions – "Which carriers are on your approved list?"

The survey results indicate most responding companies split their business among multiple carriers. The average number of carriers, per each of the participating companies, is 2.39 carriers on each approved list.

The following chart shows the carriers' rank based on three metrics: (a) number of relocation managers using and evaluating the firm, (b) percentage share of the total number of contracts awarded (based on 243 answers) and (c) the percentage of corporation having a contract with the carrier (based on 243 survey answers). *Note*: not every survey participant answered these performance and contract-share questions.

	Corporations Using Carrier	% of 582 contracts	% of 243 respondents
1. United	178	31%	73%
2. Atlas	103	18	42
3. Allied	62	11	26
4. Graebel	52	9	21
5. Budd	36	6	15
6. New World	31	5	13
7. Mayflower	22	4	9
8. NorthAmerican	21	4	8
9. Paul Arpin	16	3	7
10. Clark & Reid	8	1	3
11. A. Arnold	8	1	3
12. Wheaton	6	1	2
13. Bekins	6	1	2
14. Crown	5	1	2
15. Victory	5	1	2
16. all other carriers	22	4	9
# Contracts:	582	100%	100%

The largest share of business contracts is United Van Lines – 73% of the corporations in this survey use the services of a United agent (178 companies of 243 survey answers). The three large firms, United, Atlas and Allied, dominate market share – there is a 60% chance at least one of the 3 large firms is used by every corporate relocation manager.

Further, analysis of the data shows among corporate participants using only 1 firm United is the carrier chosen most often as the sole supplier.

Appendix A, on page 22, presents the entire list of agents which were voluntarily named by the 243 survey answers. Agents are grouped by van line membership and where more than one corporate manager provided feedback the number shown represents the number of evaluations on the agent.

PERFORMANCE - CORPORATE CLIENT SATISFACTION

Due to the mix of participating companies and the carriers used for HHG services many carriers had a limited number of relocation manager participate in the survey. The charts on the following pages show the firms with 5 or more clients participating in the survey.

Two metrics are used throughout the report to show successful performance. Using a 10-point scale, 1 low to 10 high, 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'). Most quality and customer satisfaction studies indicate a Net Satisfaction score of 70% or higher or an average score of 9 or higher are excellent performance indicators.

Question – "What is your level of satisfaction with the overall performance of the carriers you currently use?"

The survey respondents' scores generated an industry net satisfaction score of 49% and an average score of 8.46 – both are higher than last year's outcomes.

	1	2	3	4	5	6	7	8	9	10	# of Evaluations	Average Score	Top Block %	Bottom Block %	Net Satis. %
A. Arnold	1	0	0	1	1	0	0	1	2	2	8	7.00	50%	38%	13%
Allied Worldwide or agent	1	3	0	0	2	1	7	9	27	12	62	8.18	63%	11%	52%
Atlas Van Lines or agent	0	0	0	0	1	1	13	29	26	33	103	8.72	57%	2%	55%
Bekins Van Lines or agent	0	0	0	0	0	0	0	2	4	0	6	8.67	67%	0%	67%
Budd Van Lines	0	0	0	0	0	0	2	4	16	14	36	9.17	83%	0%	83%
Clark & Reid	0	0	0	0	0	0	1	4	2	1	8	8.38	38%	0%	38%
Crown Van Lines	0	0	0	0	0	3	1	1	0	0	5	6.60	0%	60%	-60%
Graebel Company	0	0	0	1	4	2	11	15	12	7	52	7.90	37%	13%	23%
Mayflower or agent	0	0	0	0	1	3	6	4	5	4	23	7.91	39%	17%	22%
NorthAmerican or agent	0	0	0	0	1	3	5	5	4	3	21	7.81	33%	19%	14%
New World Van Lines	0	0	0	0	2	2	2	5	9	11	31	8.61	65%	13%	52%
Paul Arpin Van Lines	2	1	1	0	2	2	0	0	5	3	16	6.50	50%	50%	0%
United Van Lines or agent	0	0	0	3	5	4	9	42	57	58	178	8.72	65%	7%	58%
Victory Worldwide	0	0	0	0	0	0	0	1	1	3	5	9.40	80%	0%	80%
Wheaton Van Lines	0	0	0	0	2	0	0	2	1	1	6	7.50	33%	33%	0%
Other not listed	0	0	0	0	0	0	0	4	6	12	22	9.36	82%	0%	82%
HHG INDUSTRY>	4	4	1	5	21	21	57	128	177	164	582	8.46	59%	10%	49%

AVERAGE SCORE	8.46
TOP BLOCK	59%
BOTTOM BLOCK	10%
NET SATISFACTION	49%

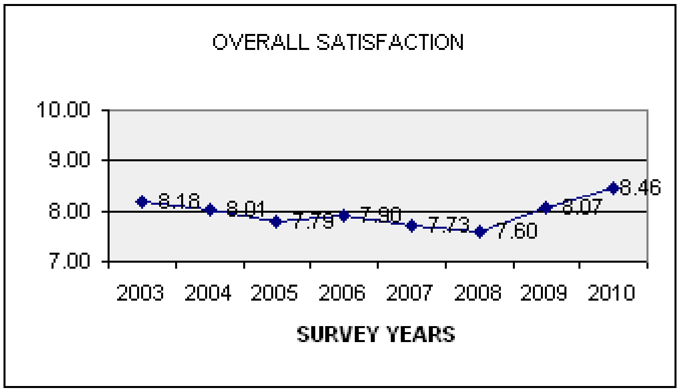
Among the firms in the survey with the largest number of surveys:

Carrier	Net Satisfaction	Average Score
Budd	83%	9.17
United	58	8.72
Atlas	55	8.72
New World	52	8.61
Allied	52	8.18
Graebel	23	7.90
INDUSTRY AVERAGE	**49%**	**8.46**

Each one of these 6 largest firms improved their performance from last year. Further, Budd achieved "excellence" in meeting the benchmark scores of 9.00 average and over 70% net satisfaction.

In addition to these large-sample size firms many others of smaller sample size exceeded industry average and net satisfaction. Examples are: Victory and Bekins.

Over the recent 2 years the industry has improved corporate client satisfaction after reaching a low water-mark in the 2008 survey.



Question – "How willing are you to recommend the HHG carrier you currently use to a relocation manager or associate?"

Most survey participant answered the question on willingness to recommend the HHG firm to others in the industry. A low score of 1 indicated "very unwilling to recommend" and a high score of 10 represented a "very willing to recommend" evaluation.

	1	2	3	4	5	6	7	8	9	10	# of Evaluations	Average Score	Top Block %	Bottom Block %	Net Satis. %
A.Arnold	2	0	0	0	1	0	0	3	1	1	8	6.25	25%	38%	-13%
Allied Worldwide	1	2	2	0	2	3	7	9	15	20	61	8.11	57%	16%	41%
Atlas Van Lines	0	0	0	0	0	0	7	24	25	45	101	9.07	69%	0%	69%
Bekins Van Lines	0	0	0	0	0	0	1	5	0	0	6	7.83	0%	0%	0%
Budd Van Lines	0	0	0	0	0	0	0	4	7	25	36	9.58	89%	0%	89%
Clark & Reid	0	0	0	0	1	0	0	4	2	1	8	8.13	38%	13%	25%
Crown Van Lines	0	1	0	0	1	1	2	0	0	0	5	5.40	0%	60%	-60%
Graebel Company	0	0	0	0	4	5	11	12	5	14	51	8.00	37%	18%	20%
Mayflower	0	0	0	0	0	1	4	10	2	4	21	8.19	29%	5%	24%
NorthAmerican	0	0	0	0	0	0	3	5	3	9	20	8.90	60%	0%	60%
New World Van Lines	0	0	0	0	2	3	4	5	4	12	30	8.40	53%	17%	37%
Paul Arpin Van Lines	2	0	0	0	3	0	0	3	3	4	15	7.20	47%	33%	13%
United Van Lines	0	0	2	2	2	2	4	29	42	91	174	9.10	76%	5%	72%
Victory Worldwide	0	0	0	0	0	0	1	0	1	4	6	9.33	83%	0%	83%
Wheaton Van Lines	1	0	0	0	1	0	0	3	0	0	5	6.00	0%	40%	-40%
Other not listed	0	0	0	0	0	0	3	4	4	9	20	8.95	65%	0%	65%
HHG INDUSTRY>	6	3	4	2	17	15	47	120	114	239	567	8.66	62%	8%	54%

AVER. SCORE 8.66

TOP BLOCK	62%
BOTTOM BLOCK	8%
NET SATISFACTION	54%

Among the firms in the survey with the largest number of surveys:

Carrier	Net Satisfaction	Average Score
Budd	89%	9.58
United	72	9.10
Atlas	69	9.07
Allied	41	8.11
New World	37	8.40
Graebel	20	8.00
INDUSTRY AVERAGE	**54%**	**8.66**

Two of these large firms achieved "excellence" – Budd and United – by exceeding the excellence benchmark of 70% net satisfaction and 9.0 average score and by-and-large the clients of these firms are very willing to recommend these carriers to others in the industry.

Few small firms scored very high on this attribute, an exception is Victory.

Question – "Regardless of which firm/carrier you use, which firm do you believe has the greatest reputation in the industry for quality?"

Does perception match reality when service quality is questioned?

Which firm, regardless of whether you use the firm or not, do you believe has the greatest reputation for overall quality of service to the customer? Select only one firm.		
A. Arnold	2	1%
Allied or Allied agent	9	4%
Atlas or Atlas agent	36	15%
Bekins or Bekins agent	1	0%
Budd	38	16%
Clark & Reid	15	6%
Graebel	18	8%
Mayflower or Mayflower agent	4	2%
NorthAmerican or NorthAmerican agent	5	2%
New World	16	7%
Paul Arpin	3	1%
United or United agent	71	30%
Victory	2	1%
Wheaton	0	0%
OTHER	13	6%
Total	234	100%

Among all carriers in the survey, United enjoys the greatest reputation for having the highest or best quality service. This is the fifth consecutive year United earned this distinction; however the percentage of corporations acknowledging this is lower than last year.

In reality, United did score high in the survey – perception matches reality!

A number of other firms, both large and small, also were recognized by corporate relocation managers for having a solid quality reputation: Budd, Atlas, Graebel, New World and Clark & Reid.

Question – "How satisfied are you with the carrier(s)' ability to deliver maximum transferee satisfaction?"

Transferee satisfaction continues to be the top two needs of relocation managers. How are the firms performing?

	1	2	3	4	5	6	7	8	9	10	# of Evaluations	Average Score	Top Block %	Bottom Block %	Net Satis. %
A.Arnold	1	1	0	0	1	0	0	0	3	2	8	6.88	63%	38%	25%
Allied Worldwide	0	3	0	0	4	1	9	12	24	9	62	8.02	53%	13%	40%
Atlas Van Lines	0	0	0	0	0	0	1	29	39	34	103	9.03	71%	0%	71%
Bekins Van Lines	0	0	0	0	0	0	0	5	1	0	6	8.17	17%	0%	17%
Budd Van Lines	0	0	0	0	0	0	0	4	14	18	36	9.39	89%	0%	89%
Clark & Reid	0	0	0	0	0	0	1	2	4	1	8	8.63	63%	0%	63%
Crown Van Lines	0	0	0	0	0	0	4	1	0	0	5	7.20	0%	0%	0%
Graebel Company	0	0	0	0	4	7	5	12	14	10	52	8.06	46%	21%	25%
Mayflower	0	0	0	0	0	2	6	7	4	3	22	8.00	32%	9%	23%
NorthAmerican	0	0	0	0	0	3	1	11	4	3	22	8.14	32%	14%	18%
New World Van Lines	0	0	0	0	1	1	1	7	11	10	31	8.81	68%	6%	61%
Paul Arpin Van Lines	0	0	0	0	1	4	2	3	4	2	16	7.69	38%	31%	6%
United Van Lines	0	0	0	3	4	1	11	32	69	58	178	8.83	71%	4%	67%
Victory Worldwide	0	0	0	0	0	0	1	0	1	3	5	9.20	80%	0%	80%
Wheaton Van Lines	0	0	0	0	0	0	2	2	0	2	6	8.33	33%	0%	33%
Other not listed	0	0	0	0	0	0	1	0	10	11	22	9.41	95%	0%	95%
HHG Industry>	1	4	0	3	15	19	45	127	202	166	582	8.62	63%	7%	56%

AVER. SCORE	8.62
TOP BLOCK	63%
BOTTOM BLOCK	7%
NET SATISFACTION	56%

The respondents' scores generated an industry net satisfaction score of 56% and an average score of 8.62 – both are higher than last year's outcomes.

Among the firms in the survey with the largest number of surveys:

Carrier	Net Satisfaction	Average Score
Budd	89%	9.39
Atlas	71	9.03
United	67	8.83
New World	61	8.81
Allied	40	8.02
Graebel	25	8.06
INDUSTRY AVERAGE	**56%**	**8.62**

Among the larger firms, Budd and Atlas achieved "excellent" ratings for both metrics and four of the six largest exceed industry averages on both metrics.

Among the small firms, Victory and Clark & Reid achieved noteworthy success.

Question – "How satisfied are you the price/fee/discount, pricing structure/complexity and pricing philosophy of your carrier(s)?"

Pricing has been a dissatisfaction for corporate relocation managers. Any change this year?

	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	# of Evaluations	Average Score	Top Block %	Bottom Block %	Net Satis. %
A. Arnold	0	0	0	0	0	0	1	4	1	2	8	8.50	38%	0%	38%
Allied Worldwide	2	2	0	0	5	2	5	15	13	15	59	7.88	47%	19%	29%
Atlas Van Lines	0	0	0	0	5	3	22	29	17	25	101	8.23	41%	8%	33%
Bekins Van Lines	0	0	0	0	0	0	1	5	0	0	6	7.83	0%	0%	0%
Budd Van Lines	0	0	0	0	0	0	5	13	7	10	35	8.63	49%	0%	49%
Clark & Reid	0	0	0	0	0	0	3	4	1	0	8	7.75	13%	0%	13%
Crown Van Lines	0	0	0	0	0	4	0	1	0	0	5	6.44	0%	78%	-78%
Graebel Company	1	0	2	1	4	1	5	16	13	8	51	7.78	41%	18%	24%
Mayflower	0	0	0	0	0	4	3	9	3	4	22	8.00	30%	16%	14%
NorthAmerican	0	0	0	0	1	0	2	6	5	7	21	8.67	57%	5%	52%
New World Van Lines	0	0	0	0	2	2	3	6	7	11	31	8.52	58%	13%	45%
Paul Arpin Van Lines	0	0	0	0	0	2	4	7	2	0	15	7.62	14%	14%	0%
United Van Lines	1	3	0	0	11	11	14	42	56	39	176	8.23	54%	14%	39%
Victory Worldwide	0	0	0	0	0	0	0	1	0	4	5	9.56	78%	0%	78%
Wheaton Van Lines	1	0	0	0	1	0	0	2	1	1	6	6.83	33%	33%	0%
Other not listed	0	1	0	0	1	2	2	4	4	7	21	8.14	52%	19%	33%
HHG Industry>	5	6	2	1	30	30	70	164	130	131	568	8.16	46%	13%	33%

AVER. SCORE	8.16
TOP BLOCK	46%
BOTTOM BLOCK	13%
NET SATISFACTION	33%

The respondents' scores generated an industry net satisfaction score of 33% and an average score of 8.16. Both are slightly higher than last year's outcomes while being the lowest of the various sets of questions in this particular survey.

Among the firms in the survey with the largest number of surveys:

Carrier	Net Satisfaction	Average Score
Budd	49%	8.63
New World	45	8.52
United	39	8.23
Atlas	33	8.23
Allied	29	7.88
Graebel	24	7.78
INDUSTRY AVERAGE	**33%**	**8.16**

Among the larger suppliers no firm achieved "excellent" ratings; however a few of the large firms did exceed industry averages.

Among the smaller firms, Victory outpaced small competition and achieved "excellence" on providing satisfying pricing to the corporate client.

SINGLE BIGGEST ISSUES WITH HHG INDUSTRY

Question – "What is your biggest issue with the industry?"

These were the first 50 comments made among all the survey participants.

PRICING, FEE STRUCTURE, COSTS

Complexity in pricing
Discount rates
The billing, have to have an audit firm to understand them
Cost.
Excessive third party fees and what a carrier considers an "exception".
Perhaps their willingness to accept high discounts from the third party relocation companies.
3rd party costs and the length of delivery windows for small shipments
Pricing (not the cost itself - the way it's priced)
Number of good drivers
Difficulty understanding billing.
Discounts, difficult to justify pricing.
Complicated billing process
Complexity around tariff structure
Complexity of charges/billing
Prices are high and difficult to understand
Lack of clarity on charges.
Pricing
Cost
Pricing structure/Invoicing
Third party charges
A mark-up between the bill the HHG carrier charges the third party coordinator, and what the third party coordinator charges their clients.
Understanding various charges and rates

PEOPLE

Ability to keep their staff
The number of individuals involved in a move.
Poor communication skills when dealing with high level execs
Crew integrity
Lack of training for packers. Agents hire low cost, untrained people to pack up HHG at origin.
They act like piranhas
Day labor hired to pack who have never done it before.
Not enough competent drivers who are valued by their organization and supported to provide superior customer service.
Communication issues between the Relo Dept and the coordinator for the carrier and then communication issues between the shipper and the coordinator.

CLAIMS

Claims handling and satisfaction
Claims - resolution process
Claims in general and claim subrogation. The process is to administrative and does not make the carriers accountable enough.

CONTINUED NEXT PAGE

CONTINUED – BIGGEST ISSUES INDUSTRY

OPERATIONAL PERFORMANCE

Consistent high quality service delivery year over year

Reporting capabilities. We are mandated to have more and more reporting to support our quality metrics and this still seems to be a manual effort on the HHGS side.

During busy summer season, small loads can get delayed in the shuffle.

Service

Inability to effectively manage the auto shipper quality of service delivery

Reassembling items that were disassembled at origin. They need to use a special color-coded box (bright red, all black, chartreuse or….) so the crew can place the screws, nuts and bolts into baggies, label the baggies, and place the baggies into the color-coded box. This small organizational step would save a lot of time and, therefore, money at destination when the nuts and bolts needed to reassemble disassembled items cannot be found.

Summer volume capacity issues

Estimating, Not being able to compare apples to apples

Excessive crating

BUSINESS – GENERAL

Lack of change/innovation

Too many to choose from. Need some consolidation among the carriers.

Cold Calls

REASONS TO MAKE A CHANGE OF SUPPLIERS

Question – "What reasons would make you change suppliers?"

These were the first 50 comments made among all the survey participants.

OPERATIONAL PERFORMANCE

Overall transferee satisfaction and number of claims.

If services to transferees deteriorated significantly for a sustained period of time.

Multiple claims and noise from the employees

If the emphasis were to shift from price to service from a corporate perspective. Though, satisfied, I believe there is room to improve service, but it won't come from the lowest cost carriers.

Poor service

Poor customer satisfaction.

Potential for improved service delivery

1. Poor service from the driver's & crews
2. Poor service from the HHGD's Coordinator

High claims, per service, continued disconnect with communication.

Employee dissatisfaction/complaints

Poor customer service.

If the performance of the carrier changed

Employee dissatisfaction with service and numerous claims issues.

Transferee dissatisfaction; poor response to problem resolution; billing errors.

If service levels dropped

Low customer/employee satisfaction

Service failures

Dissatisfaction of too many of my employees

The only reason we would change carriers is a decline in customer service.

Increased complaints from transferees

Customer service and client satisfaction

Service and reliability to the employee and responsiveness to the client.

Employee dissatisfaction, High Claims ratio

We have a good balance of service offerings, price and most importantly, quality of service delivery. Unless a carrier is in financial difficulty, has significant service issues or price increase, I think our relationships will stay solid for at least 2 more years.

Customer satisfaction

Employee dissatisfaction

Poor customer service

Quality of service-not meeting delivery dates

Claims processing

Poor service and large damage claims

Availability and quality of service

CONTINUED NEXT PAGE

CONTINUED - REASONS TO MAKE A CHANGE IN SUPPLIERS

COSTS

Cost savings
Cost Savings
Cost reduction
Lower costs
Drastic increase in cost
Innovative, predicable pricing

VALUE

If their price became excessive or service level dropped
Fee reductions to be in line with industry standards, technological advancements.
Only to streamline vendor management by leveraging "bulk discounting" and use our 3P's HHG's van lines but we have no plans in the near future to make changes.
Pricing or if the cust service level were to decline
Same service for less cost. If satisfaction was not top notch.
Reduced cost while maintaining service
Improved pricing, improved overall customer satisfaction.
Pricing and Customer Satisfaction
Outstanding service with better pricing.
Excellent Customer Service along with reasonable cost
Same footprint, same high level of service and lower cost.
Price
Price OR customer satisfaction

NON-OPERATIONAL CORPORATE BEHAVIOR

Lack of consistency in estimates and excessive 3rd party charges
New/innovative products/services
Too many carriers - not enough moves
Lying or being dishonest about a shipment/claim.
Failure to meet expectations
Failure to meet our fluctuating move demands, both in volume and time of year.
Consolidation of suppliers for administrative reasons
A selection of transport options: truck-rail-truck or pods, for example.
If they did not listen to me, as the client, and try to structure the program in the best way to meet our needs.

APPENDIX A
AGENTS OF CARRIERS/VAN LINES

A. Arnold/KC	2
Allied Berger	2
Allied Mills Brothers	2
Allied - Federal	
Allied ?	
Allied Baileys	
Allied Nor-Cal	
Allied North Coast	
Allied Pickens Kane	
Allied Ted Sanders	
Atlas Alexanders	8
Atlas APEX	4
Atlas Crofutt & Smith	4
Atlas Nelson Westerberg	4
Atlas Daniels	3
Atlas Guardian	3
Atlas Paxton	3
Atlas Ace WorldWide	
Atlas Certified	
Atlas Collins Bros.	
Atlas Heflebower	
Atlas Imlach	
Atlas Kings	
Atlas Powes	
Atlas Reads	
Atlas Robert E. Lee	
Graebel KC	2
Graebel Atlanta	
Graebel Graebel Movers of LA	
Graebel Orlando	
Graebel Quality Movers	
Mayflower Daryl Flood	4
Mayflower Hogan T&S	
Mayflower Olsen & Fielding	
northAmerican ?	
northAmerican Air Van	
northAmerican Beltmann	
northAmerican Van Lines Beltman	
northAmerican Ward	
United Armstrong	14

United Suddath	11
United ?	10
United Hilldrup	8
United Planes M&S	6
United Corrigan	5
United Fry-Wagner	4
United Lawrence	4
United McCollisters	4
United Barrett	2
United Blackhawk	
United Corpor. Moving Systems	
United Horizon	
United Kwick Way Trans.	
United S&M Moving Systems	
United Star	
United William B. Meyers	
Xonex	2

ONE MENTION EACH
Interstate Van Lines
Lytle Transfer and Storage
Paramount ?
Powell Relocation Group
Robert Mills Van Lines
Still Transfer Co.
Stuarts Moving