2006 Survey of Corporate Relocation Managers

An Independent Survey Performed By Trippel Survey & Research©

Employee Satisfaction
"Budd achieved the highest average score and the highest Top Block percentage."

Keeping Promises and Commitments
"Budd significantly outpaced its nearest competitor."

Pricing Philosophy and Methodology
"...indicating relocation managers find Budd's pricing and pricing methodology most satisfying."

Level Of Professionalism and Experience of Field Personnel
"Budd was ranked the Top Block carrier by 90% of respondents."

Carrier's Integrity
"Like Promises & Commitments; Relocation Managers were most satisfied with the integrity of Budd Van Lines."

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FOURTH ANNUAL
2006 RELOCATION PROGRAM MANAGERS SURVEY
on the HOUSEHOLD GOODS INDUSTRY

BACKGROUND

Trippel Survey & Research conducted this to obtain evaluations from corporate relocation mangers regarding their level of satisfaction with the household goods carriers utilized in transferee relocation.

METHODOLOGY

This is the fourth annual Relocation Managers survey on the HHG industry. Most corporate members listed in the 2005 E-R-C directory moving 25 or more employees received an invitation and a link to the web-survey. (Note: this is not an E-R-C sponsored survey.) The only ERC members not receiving an invitation were those who do not have an email address listed.

Relocation managers received one email message with a reminder notice two weeks 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 1, 2006. Of the 627 initial invitations sent via email 32 were undeliverable. Consequently, 595 invitations reached the intended recipient. From this population 177 responses were received, a 29% response rate.

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

CONFIDENTIALITY

Only firms participating in the survey receive a free complementary report. Trippel Survey & Research maintains strict confidentiality of the corporations who participated.

SURVEY REPORT INDEX

	Page
Executive Summary	3
Participating companies profile	4
Administration of HHG	4
HHG supplier “contract share”	7
Supplier performance	
Customer satisfaction	9
Relocation Manager needs	10
Greatest quality reputation	11
Keeping promises & commitments	12
Professionalism of field people	13
Web-tools, technology	14
Pricing & pricing methodology	15
Customer complaints	16
Relocation manager’s gripes	17

EXECUTIVE SUMMARY

1. One hundred seventy seven (177) corporate relocation managers participated.
2. Corporate relocation departments: maintain control of which suppliers are on approved lists, review contracts every couple years, most often have either 2 or 3 HHG suppliers on the approved list, and maintains moderate control of the carrier the employee uses.
3. Relocation management services companies: is the most prevalent decision maker on HHG carriers' fee, decides which carrier the employee uses in one-third of the moves, reviews contracts more often then corporate relocation departments.
4. There is no dominant method of deciding which carrier to use on a particular move.
5. Corporate relocation managers have an average of 2.7 carriers on the approved lists.
6. United remains, as they were in 2005, the carrier having the largest share of corporate contracts at approximately 56%. Atlas and Allied each command greater than 37% share of contracts. Graebel and Budd have between 20-25% share of contracts.
7. Corporate managers participating in this survey believe, of the 8 largest HHG vendors reviewed, Budd provides the greatest customer satisfaction.
8. By a substantial margin, corporate relocation managers state the two greatest needs they have are "maximizing overall employee satisfaction with the carrier's performance," and "meeting the customers moving schedule."
9. Regardless of which carrier the corporate relocation manager use, they believe United has the greatest reputation for overall quality of service.
10. In reviewing specific HHG vendor attributes, Budd earned the highest satisfaction rating in "keeping promises" and "professionalism of field personnel," while Graebel scored the highest in "Web-based tools used by client and customer."
11. Budd's pricing and pricing methodology earned the highest satisfaction rating among participating corporate relocation managers.
12. The tasks generating the most customer complaints according to corporate relocation mangers are "poor packing quality" and "late arrival for packing."

SURVEY RESULTS

COMPANY PROFILE

The first question asked respondents to give their company name. Corporate participants will remain confidential. From the survey of 177 responses, 171 firms identified themselves, 6 remained anonymous.

Question 2 asked the range of volume of the domestic transfers over the past year. Respondents provided this profile:

RANGE OF MOVES	NUMBER RESPONDENTS	RESPONDING PERCENTAGE	*E-R-C % DISTRIB.*
1 – 50	15	8%	*17%*
51 – 100	36	20	*21*
101 – 250	42	24	*29*
251 – 500	36	20	*16*
501 – 1000	27	15	*9*
over 1000	21	12	8
TOTAL	*177*	*100%*	*100%*

Nearly one-half of the respondents move over 250 domestic employees per year and three-quarters of respondents move over 100 people annually. Respondents to this survey represent higher domestic transfer activity than E-R-C membership (right column, italics above).

ADMINISTRATION OF HOUSEHOLD GOODS SHIPMENT

The next seven questions addressed administrative aspects of carrier selection.

Question #3 – "Who chooses which van line is put on your approved list?

Choices	percent of 177 responses
Your relocation department (only)	63%
Your traffic department (only)	8
Your procurement department (only)	14
Your relocation service provider (only)	17
Other: Collaborative effort (joint)	12

Comment: Fewer company relocation departments make the choice of which firms go on the "approved list" compared to one year ago down from 58% to 49% of firms. Also, the number of firms using a collaborative effort to make the choice has grown from 5% in 2005 to 12% in this 2006 survey.

Question #4 – "Who negotiates fees, rates and programs with the van lines?"

Choices	percent of 177 responses
Your relocation department (only)	27%
Your traffic department (only)	5
Your procurement department (only)	25
Your relocation service provider (only)	29
Other: Collaborative effort (joint)	14

Comment: Significantly fewer companies are negotiating fees, rates and programs with van lines than a year ago; down to 27% of respondents compared to 49% one year ago. The difference was picked up by relocation service providers (up 15%) and a joint collaborative effort by multiple stakeholders (up 10%).

Question #5 – "If you negotiate, how often do you go out to bid on the HHG business?"

Choices	percent of 126 responses
Regularly every year	10%
Regularly every 1 to 2 years	12
Regularly every 2 years or more	36
Whenever performance dictates	29
Whenever other non-performance factor dictates	14

Comment: A very clear trend is occurring in that more companies are regularly reviewing and negotiating carrier contracts. This survey indicates 22% undergo a review process every two years maximum, up from 8% last year and 2% two years ago. Conversely fewer firms are waiting until performance concerns drive review and negotiation; down to 29% this year from 42% last year.

Question #6 – "If your relocation management services provider manages the list of HHG firms, how often do they either review the suppliers or update the list of carriers on your behalf?"

Choices	percent of 51 responses
Regularly every year	24%
Regularly every 1 to 2 years	17
Regularly every 2 years or more	10
Whenever performance dictates	21
Whenever other non-performance factor dictates	10
Uncertain how often the RMS firm reviews	17

Comment: Most significantly, 41% of RMS organizations review HHG vendors every 2 years maximum compared to 22% of companies themselves on the same time frame.

APPROVED LISTS OF SUPPLIERS

Question #7 – "How many carriers are on your approved list?"

Choices	percent of 174 responses
1 carrier	17%
2 carriers	29
3 carriers	21
4 carriers	16
5 or more carriers	17

Comment: This question was not asked last year. A minority, 17%, use only 1 carrier. One might intuitively believe a small mover (1 to 50 moves per year) would have the fewest carriers but this is not reality. No firm moving 50 or less uses only 1 carrier. In fact as many, in percentage terms, large corporate movers as smaller corporate movers use 1 or 2 carriers. There is no clear positive correlation between number of company domestic moves and number of HHG carrier contracts. With that said, nearly one-half (46%) of all firms in this survey have either 1 or 2 carriers; and exactly one-third have 4 or more carriers.

Question #8 – "If there is more than one van line on your list, who chooses which van line the transferred employee uses in the transfer?"

Choices	percent of 174 responses
Employee choice	12%
Your relocation department	38
Your "third-party" relocation service provider	33
Other choice process (traffic dept., alternating)	17

Comment: In the first survey four years ago 22% of the respondents stated the employee selected which HHG firm would be used. This percentage has fallen to 12% - a significant reduction in a few years! (Note: last year was 14%.) Also, fewer corporate relocation departments are making the choice, down from 50% to 38% this year. Most of the change in carrier selection was gained by the relocation management service provider. Often, the choice is made by a simple pattern of alternating between carriers based on past volume or performance factors.

Question #9 – "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?" Note, multiple answers were permitted to explain the selection process.

Choices	percent of 171 responses
Based on fee/price or discount rate	20%
Based on departure location	29
Based on destination location	22
Based on alternate choice (promote equal volume)	43
Based on past carrier performance	29
Transferee choice is used	4
Other criteria used	18

Comment: No one 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 43% of respondents using this as one criterion. The location of the employee's home, old or new, is used by 51% companies. Price/Fee is used by one-fifth of respondents (consistent with past year's survey results).

SUPPLIERS' CONTRACTS, MARKET SHARE

Question #10 – "For each vendor on your approved list, state the approximate percentage of annual domestic volume they receive?"

The results indicate most responding companies split their business among multiple carriers. The average number of carriers, per each of the 177 participating companies, was 2.70 carriers on the approved list. This is down from the 2.87 carriers in the 2005 survey.

The largest share of business contracts is United Van Lines with 99 contracts, or 56% contract share among the 177 companies in the survey; up slightly from last year.

The following chart shows the carriers' rank based on number of contracts. The percentage *contract share* exceeds 100% because most firms (83%) have multiple contracts. In this calculation, "percentage *contract share*" represents the percentage of responding clients (of 177 in survey) having a contract and using that carrier.

Carrier	Number Contracts	% contract share of companies
1. United	99	56%
2. Atlas	75	42
3. Allied	65	37
4. Graebel	43	24
5. Budd	36	20
6. NorthAmerican	30	17
7. New World	18	10
8. Paul Arpin	15	8
9. Mayflower	13	7
9. Clark & Reid	12	7
11. Bekins	10	6
12. Wheaton	9	5
13. A.Arnold	7	4
14. Crown	6	3
15. Victory	6	3
16. Covan	0	0
17. All others	34	19

AVERAGE 2.7 Carriers per company in 2006

Analysis of the survey results indicate:

- Most survey respondents use multiple carriers: two contracts are the most often used number (29% of companies) or 3 carriers (21% of companies).
- When two carriers are on the list, the usual distribution is approximately equal share to each (ex: 55:45). This is the same dynamic as the survey the last two years.
- When three carriers are on the list, the usual distribution is two carriers share a large percentage fairly equally and the third firm has a small token volume (ex: 45:45:10). This is the same dynamic as the last survey.

- Of the thirty firms in this survey using only one carrier United has the largest percentage of single-supplier contracts.

EMPLOYEE (TRANSFEREE) SATISFACTION

Question #11 – Survey participants answered the following question "What level of customer satisfaction (your employees) does each firm achieve when handling your moves?" A ten-point scale was used with ten the highest satisfaction score, one the lowest satisfaction score.

The 177 survey respondents provided 478 evaluations answering this question on the 16 largest carriers acknowledged in this survey. Due to the mix of participating companies and the carriers they use for HHG services many HHG carriers had a limited number of relocation manager participants. Unfortunately, only the 8 largest firms had sufficient sample size to provide meaningful and insightful analysis. The eight firms with adequate sample size are: Allied, Atlas, Budd, Graebel, Paul Arpin, New World Van Lines, NorthAmerican and United. These eight HHG firms had sample size of 15 or more contracts/respondents. HHG firms with fewer than 15 contracts are excluded from detailed analysis. The firms listed on the survey form but excluded from further analysis, in alphabetical order, are: A. Arnold, Bekins, Clark & Reid, Covan, Crown, Mayflower, Victory and Wheaton.

The survey respondents' scores generated an industry wide average of 7.69 (ten high). This average satisfaction score is lower than last year's 8.01 results. Only the eight largest carriers' scores shown below are used throughout the remainder of this report.

Carrier	Aver. Score	Rank	# Respondents
Budd	9.30 (10 hi)	1	35
New World	8.40	2	18
Atlas	8.22	3	69
United	8.16	4	96
Graebel	7.42	5	39
Allied	6.61	6	63
Paul Arpin	6.50	7	15
NorthAmerican	5.88	8	24
AVERAGE SCORE ALL CARRIERS	**7.69**		

As stated earlier, this industry average corporate satisfaction score is lower than last year. Only 4 of these 8 firms were rated above the industry average: Budd, New World, Atlas, United.

More relocation managers and vendors are using the measurement system called "top block" to measure success or failure. This is the top block rating using corporate managers' score of 9 or 10 to define top block. By example, the line for Budd reads "80% of relocation managers gave Budd a 9 or 10 for overall transferee satisfaction."

Carrier	% in Top Block	Rank	# Respondents
Budd	80%	1	35
United	53	2	96
Atlas	52	3	69
New World	40	4	18
Graebel	25	5	39
northAmerican	13	6	24
Allied	13	7	63
Paul Arpin	0	8	15

AVERAGE PERCENTAGE
IN TOP BLOCK (all carriers) = 37% of scores were either 9 or 10.

Four firms scored above the average Top Block percentage of 37%: Budd, United, Atlas, and New World.

Comment: This survey's ranking is different from last year; this year Budd and New World are among the top four firms as viewed by corporate relocation managers. Budd achieved the highest average score and the highest top block percentage.

Only three firms improved their satisfaction score compared to the prior survey: Budd, New World, United.

RELOCATION MANAGER NEEDS

Question #12, 13 asked relocation managers to force rank the three top needs (requirements) they have in HHG carriers. Respondents were given a list of 8 needs to choose from and an opportunity to define any other need. Each participating relocation manager made three choices and force ranked them in order of importance.

The list below shows the eight needs ranked from most important to least important need using the percentage of respondents.

Most Important Need	% Response in top 3
Maximizing overall employee satisfaction	88%
Meeting customer's moving schedule	71
Minimal customer/employee complaints	52
Minimizing claims frequency	51
Minimal cost of HHG program	44
Minimizing claims cost	39%
Meeting my needs, including reporting and billing accuracy	37
Responsiveness to unusual or exception requests	24

Comment: The two most important needs relocation managers have are "Maximizing overall employee satisfaction" and "Meeting customer's moving schedule." Unlike last year's survey when "minimizing HHG costs" was the third most important need, this year "minimal complaints" and "minimal claims" were ranked higher.

GREATEST REPUTATION FOR OVERALL QUALITY OF SERVICE

Question #14 asked respondents to select one firm (only) they believe has "the greatest reputation for overall quality service to the customer." There were 165 responses and the carriers with the most "nominations" were:

Carrier	Nominations; % of 165 respondents
United	39 nominations, or 24%
Budd	30 nominations, or 18%
Atlas	27 nominations, or 16%
Clark & Reid	15 nominations, or 9%
Three firms	8 nominations, or 5%

Comment: There is some consistency between the firms earning the highest satisfaction scores (question #11) in providing quality service to the employee and the reputation firms have in this industry. Budd and United scored the highest in top block measurements, and both were in the top four in average satisfaction scores. These firms earned the top 2 quality reputations.

KEEPING PROMISES AND COMMITMENTS

Question #15 discussed relocation managers' satisfaction level with carriers' "ability to keep promises and commitments."

The following chart shows the carriers' rank of keeping promises and commitments (showing the 8 largest carriers only).

Carrier	Aver. Score	Rank	# responses
Budd	9.44 (of 10)	1	27
Atlas	8.67	2	72
New World	8.60	3	17
United	8.55	4	93
Graebel	8.00	5	36
Paul Arpin	7.75	6	15
Allied	6.87	7	69
NorthAmerican	6.00	8	24
AVERAGE SCORE ALL CARRIERS	**8.01**		

Four of these eight firms exceeded the industry average: Budd, Atlas, New World and United. The industry average score this year was 0.5 point lower than last year's survey.

The top block rating using corporate manager scores of 9 or 10 to define top block was as follows.

Carrier	% in Top Block	Rank	# Respondents
Budd	89%	1	27
Atlas	67	2	72
United	61	3	93
New World	59	4	17
Paul Arpin	47	5	15
Graebel	42	6	36
Allied	13	7	69
NorthAmerican	13	7	24

AVERAGE PERCENTAGE
IN TOP BLOCK (all carriers) = 50% of scores were either 9 or 10.

Four firms scored above the average top block percentage of 37%: Budd, United, Atlas, and New World.

LEVEL OF PROFESSIONALISM AND EXPERIENCE OF CARRIER'S FIELD PERSONNEL

Question #16 discussed relocation managers' view of the "level of professionalism and experience provided by the carrier's field personnel packing, loading and delivering employee goods."

The following chart shows the carriers' rank on this attribute (showing the 8 largest carriers only).

Carrier	Aver. Score	Rank	# responses
Budd	9.30 (of 10)	1	27
New World	8.40	2	18
Atlas	8.38	3	72
Graebel	8.10	4	36
United	8.03	5	93
Paul Arpin	6.75	6	15
Allied	6.48	7	69
NorthAmerican	6.13	8	24
AVERAGE SCORE ALL CARRIERS	**7.79**		

Five of the eight firms exceeded the industry average. This year however, the average industry score is down from 8.06 to 7.79, a drop of nearly 0.3 points.

The top block rating using corporate manager scores of 9 or 10 to define top block was as follows.

Carrier	% in Top Block	Rank	# Respondents
Budd	90%	1	27
Atlas	63	2	72
New World	60	3	18
United	50	4	93
Graebel	50	4	36
Paul Arpin	25	6	15
Allied	22	7	69
NorthAmerican	13	8	24

AVERAGE PERCENTAGE
IN TOP BLOCK (all carriers) = 47% of scores were either 9 or 10.

Four firms scored above the average top block percentage of 37%: Budd, United, Atlas, and New World.

CARRIER'S INTEGRITY

Question #17 requested relocation managers' "satisfaction with carrier's integrity." The results of this question mirrored very similarly the results of question #15, promises and commitments. The averages scores, the ranked order and top block percentages for the earlier question were practically the same for this question.

CARRIER'S WEB-BASED TOOLS AVAILABLE TO RELOCATION MANAGER AND EMPLOYEE

Question #18 requested relocation managers' "satisfaction with carrier's web-based tools available for use by transferred employees and relocation managers."

The following chart shows the carriers' rank on this attribute (showing the 8 largest carriers only). NOTE: not all participating managers answer this question.

Carrier	Aver. Score	Rank	# responses
Graebel	7.00 (of 10)	1	30
Budd	6.86	2	21
United	6.71	3	84
Allied	6.17	4	54
Atlas	6.00	5	63
Paul Arpin	6.00*	5*	12*
NorthAmerican	5.13	7	24
New World	4.33*	8*	13*
AVERAGE SCORE ALL CARRIERS	**6.15**		

(note: * is a small sample size)

Four of the eight firms exceeded the industry average. This year the average industry score is down from 6.77 to 6.15, a drop of more than 0.6 points and the fourth consecutive annual decline. With the exception of Paul Arpin 7 of the 8 firms had lower satisfaction scores this year compared to last.

The top block rating using corporate manager scores of 9 or 10 to define top block was as follows.

Carrier	% in Top Block	Rank	# Respondents
Budd	43%	1	21
Graebel	40	2	30
United	21	3	84
Allied	17	4	54
Atlas	10	4	63
Paul Arpin	0*	6*	12*
NorthAmerican	0	6	24
New World	0*	6*	13*

AVERAGE PERCENTAGE
IN TOP BLOCK (all carriers) = 17% of scores were either 9 or 10.
(note: * is a small sample size)

Four firms scored above the average top block percentage of 37%: Budd, Graebel, and United.

Comment: Of all the questions asked in this survey, this question earned the lowest satisfaction scores by relocation managers. Although many firms scored above the industry average score, the 6.15 average is dismal, easily indicating dissatisfaction among relocation managers. This year's average is lower than last years' average score.

Note also how few relocation managers answered this question. Many commented they did not use or know their carrier's web capabilities and, consequently, chose not to answer the question.

CARRIER'S PRICING PHILOSOPHY AND METHODOLOGY

Question #19 asked relocation managers' "satisfaction with your carrier's price and the overall pricing philosophy."

The following chart shows the carriers' rank on this attribute.

Carrier	Aver. Score	Rank	# responses
Budd	8.80 (of 10)	1	30
Paul Arpin	8.25	2	15
New World	8.20	3	18
United	8.09	4	96
Atlas	8.04	5	69
Graebel	7.92	6	36
Allied	6.64	7	66
NorthAmerican	5.88	8	24

AVERAGE SCORE
ALL CARRIERS 7.70

Six of the eight largest carriers in this study achieved a satisfaction score higher than the industry average. This average score, 7.70 is lower than last year's survey average score of 8.10.

The top block rating using corporate manager scores of 9 or 10 to define top block was as follows.

Carrier	% in Top Block	Rank	# Respondents
Budd	70%	1	30
New World	60	2	18
United	56	3	96
Atlas	52	4	69
Graebel	50	5	36
Paul Arpin	25	6	15
Allied	14	7	66
NorthAmerican	13	8	24

AVERAGE PERCENTAGE
IN TOP BLOCK (all carriers) = 42% of scores were either 9 or 10.

Five firms scored above the average top block percentage of 37%.

Comment: Of all the questions asked in this survey, this question earned the second lowest average score by relocation managers. **Budd easily outscored its closest rival indicating relocation managers find Budd's pricing and pricing methodology most satisfying.**

TASKS GENERATING MOST EMPLOYEE/CUSTOMER COMPLAINTS

Question #20 asked relocation managers' to evaluate "which areas of performance the carriers' generate the most transferred employee complaints." The following chart indicates the HHG industry's functional areas which generate the largest proportion of relocation manager complaints.

Activity	% of relocation managers stating this complaint
Poor packing quality	42%
Late arrival for packing	40

Crew behaviors	34%
Late delivery	34
Slow claims processing	32
Poor labels on cartons	17
Excessive damage	17
Poor pre-move estimates	13
Poor reassembly	6
Storage facility problems	4
Unloading poorly (ex: boxes in wrong room)	4
Unpacking poorly (ex: items dumped)	2

SINGLE BIGGEST GRIPE WITH HHG INDUSTRY

Question #21 generated many expressions of frustration. This question asked the respondents to state "the single biggest gripe … with the HHG industry." Nearly 64% of the participating relocation managers took the time to type an answer to this open-ended question.

There were many different statements but there was a pattern of statements falling into four categories. The categories and a sampling of respondents' statements follow.

A. Staff quality
- Unprofessional crews, behavior,
- Poor packing,
- Unmet delivery or arrival times.

B. Communications
- Too vague on delivery, arrival timeframes.

C. Claims
- Too slow,
- Multiple forms, claims.

D. Pricing
- Unnecessary "extra charges,"
- Third party fees.