

2019 RELOCATION MANAGERS' SURVEY

BUDD VAN LINES

- HIGHEST AVERAGE SATISFACTION SCORE
- TOP RATED INDEPENDENT VAN LINE
 - PEAK TOP BLOCK SCORES
 - ZERO BOTTOM BLOCK SCORES
- BEST CLIENT RETENTION IN THE
INDUSTRY

TRIPPEL

Survey & Research, LLC



**17th ANNUAL *RELOCATION MANAGERS' SURVEY*®
on HOUSEHOLD GOODS SHIPMENT:
PROGRAM MANAGEMENT, POLICY &
CARRIER PERFORMANCE**

BACKGROUND

Trippel Survey & Research, LLC conducts this annual survey to (1) obtain evaluations from corporate relocation managers regarding their level of satisfaction with the moving service industry and suppliers utilized in Domestic US relocation, and (2) obtain current information on HHG policy and program management pertinent and relevant to managing Domestic US relocation activity. This survey did not have corporate sponsorship.

METHODOLOGY

This is the seventeenth annual *Relocation Managers' Survey*® on Household Goods policy, administration and industry-supplier performance. Corporate relocation managers received an email message announcing the survey on January 19, 2019. A reminder notice was sent and the survey closed February 1st.

Of the 1,368 initial invitations 37 were hard or soft bounced and 11 opted out. Among the remaining invitations 278 managers participated.

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

CONFIDENTIALITY

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This report and marketing license was purchased by Budd Van Lines. The report and findings may be shared among internal and external stakeholders.

DISCLAIMER

Since the last survey one year ago no household goods corporation engaged Trippel Survey & Research in consulting or research assignments. New World Van Lines does engage Trippel Survey & Research for periodic quality surveys.

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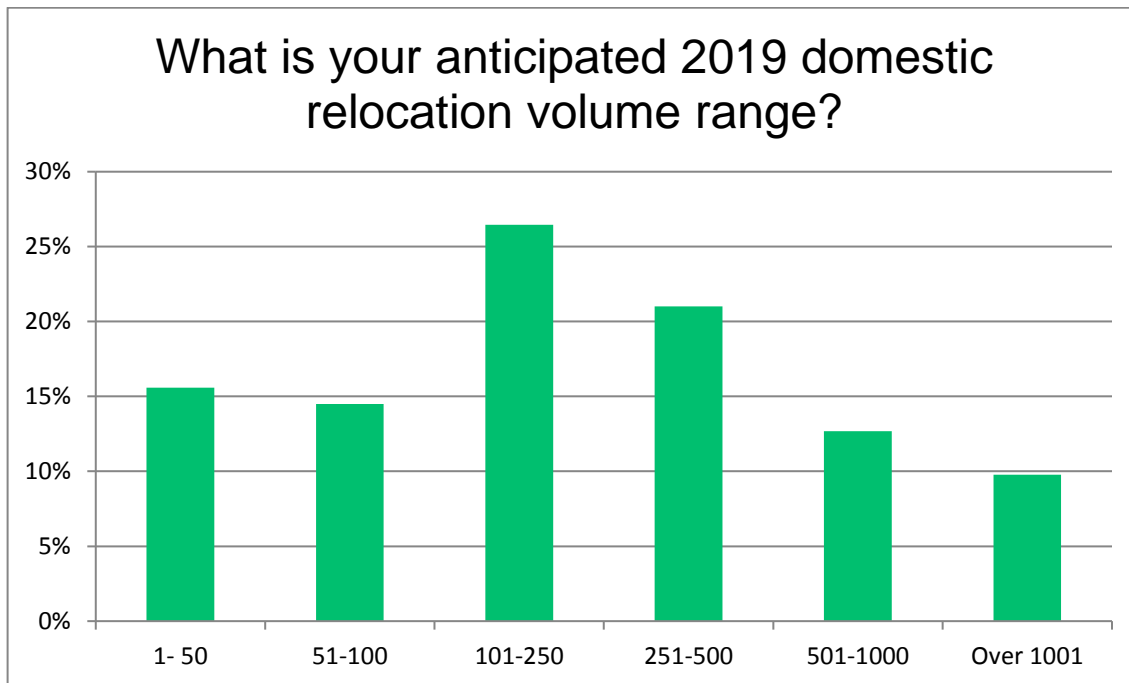
CORPORATE PARTICIPANT PROFILE

The following chart shows the count of participating corporate managers in this survey (278); two did not provide an email address.

Email address (used to send you the final report).	
Answer Options	Response Count
	276
<i>answered question</i>	276
<i>skipped question</i>	2

The number of participants this year is 7.6% lower than last year's survey.

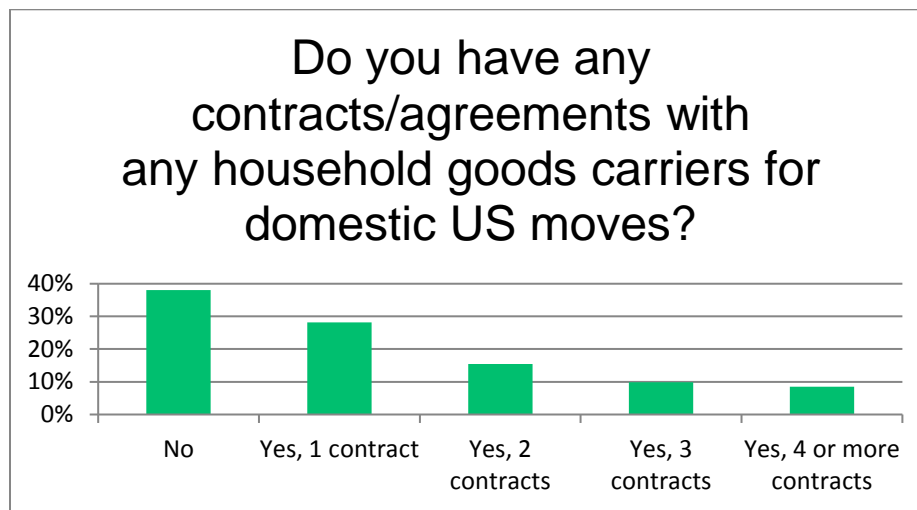
ANTICIPATED 2019 DOMESTIC U.S. VOLUME



The two highest populated segments are the 101 to 250 and 251 to 500 with 26% and 21% of the participants. These two segments account for 47% of the responses slightly fewer than 51% in last year's survey.

HOUSEHOLD GOODS PROGRAM MANAGEMENT

CORPORATIONS CONTRACTING WITH HHG SUPPLIERS



This year 62% of corporations have contracts with one or more HHG carriers; last year the percentage was 74%.

Among those companies with one or more contracts, the most common was only 1 contractual relationship. The percentage of corporations with 2 or more contracts dropped decisively from last year.

USE OF PERFORMANCE METRICS

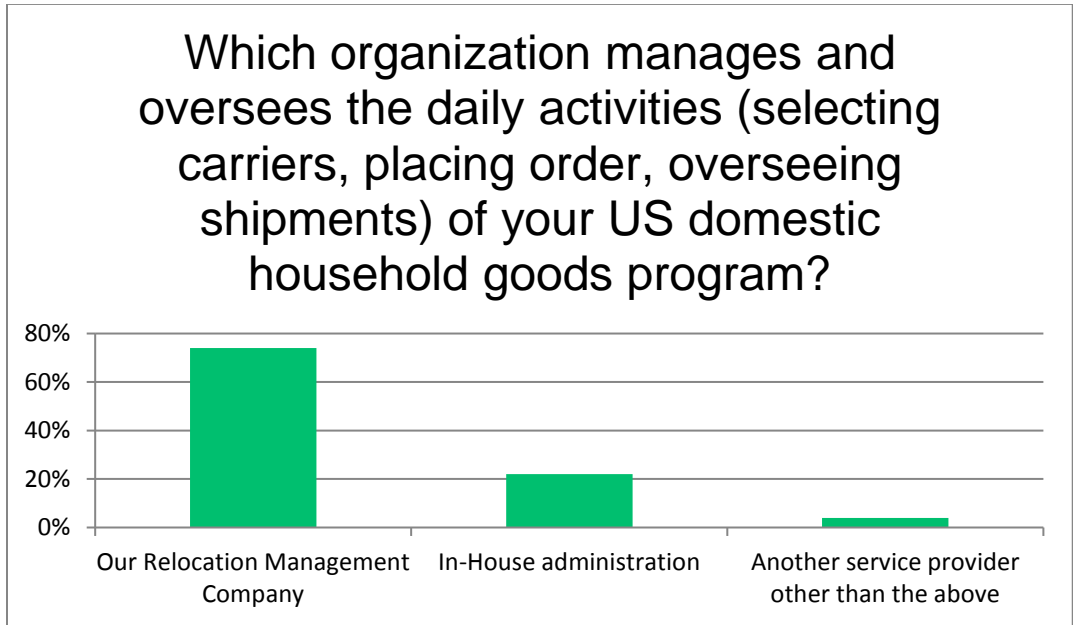
Do you have US domestic HHG performance metrics (i.e. SLAs) established? If yes, who with? Select the appropriate answer.

Answer Choices	Responses
Confidential information; can not be shared	11%
No HHG performance metrics are established	20%
Yes, RMC only has performance metrics	29%
Yes, Carrier/Agent only has performance metrics	20%
Yes, both RMC and Carrier/Agent(s) have performance metrics	20%

At least 69% of all corporations use performance metrics (“SLAs”) to evaluate performance of the HHG program. This is practically the same percentage as last year.

The mix of metric configurations is within a percentage or two of last year.

DAILY MANAGEMENT OF HOUSEHOLD GOODS PROGRAM



The chart indicates 74% of corporations outsource the daily management of the household goods program to a relocation management company (RMC). This is five-percentage points higher than last year's survey.

Important trend: in the last 3 years the percentage using a relocation management company has increased steadily. Three years ago the percentage using an RMC was 61%.

PERMIT RELOCATION MANAGEMENT COMPANIES TO "GO OFF-LIST"

Regardless whether or not you contract directly with a carrier(s) to what degree do you permit the RMC use carriers other than your "preferred" or "contracted" suppliers?

Answer Choices	Responses
Our RMC or other external partner can award moves to the best-qualified or available HHG carrier.	22%
We expect all our moves to go to preferred or contracted HHG suppliers	58%
Although we prefer moves go to certain HHG carriers our RMC or other external partner has a degree of flexibility to award a move to non-preferred or non-contracted HHG supplier	20%

The percentage of corporations allowing the RMC to "go off-list" increased this year to 20% from 11% last year.

AUDITS ON POLICY ADHERENCE OR PRICING

Are audits performed on each shipment to insure policy was followed and invoices are accurate? Multiple answers permitted.

Answer Choices	Responses
Confidential information, can not be disclosed	3%
No, audits are not performed on our shipments	10%
Yes, our relocation management company performs audits	47%
Yes, another external company (not RMC) performs audits	30%
Our internal relocation team or audit function performs audits	17%
Multiple stakeholders perform audits	3%

Multiple answers were allowed for this question.

Approximately 47% of corporations expect the RMC to perform audits the policy and invoices (up from 45% last year).

Use of an outside organization, other than the RMC, rose to 30% this year from 27% last year.

ALTERNATIVE METHODS TO SHIP HOUSEHOLD GOODS

Do you anticipate using or are you currently using alternative approaches to HHG shipments? These alternatives might include container-type approaches (example: PODS), Do-It-Yourself approaches (example: U-Haul) or Self Pack & Load services.

Answer Choices	Responses
We do not currently use alternative HHG approaches AND we are not considering any alternatives	38%
We do not currently use alternative HHG approaches BUT we are considering alternatives	24%
Yes, we currently offer alternative approaches	39%

Approximately 38% corporations neither use alternative methods nor plan to do so in the future. This is down 3 percentage points from last year.

Important trend: The percentage “not considering alternatives” has dropped 4 straight years indicating an increasing number of corporations are seeking alternative shipment strategies. Supporting this statement is the fact that the percentage of corporations looking into alternatives and corporations currently using has steadily risen.

HOUSEHOLD GOODS SHIPMENT POLICY

PHILOSOPHICAL APPROACH TO POLICY DESIGN

Multiple answers were allowed on this question; the total percentage, therefore, exceeds 100% and the count exceeds 278.

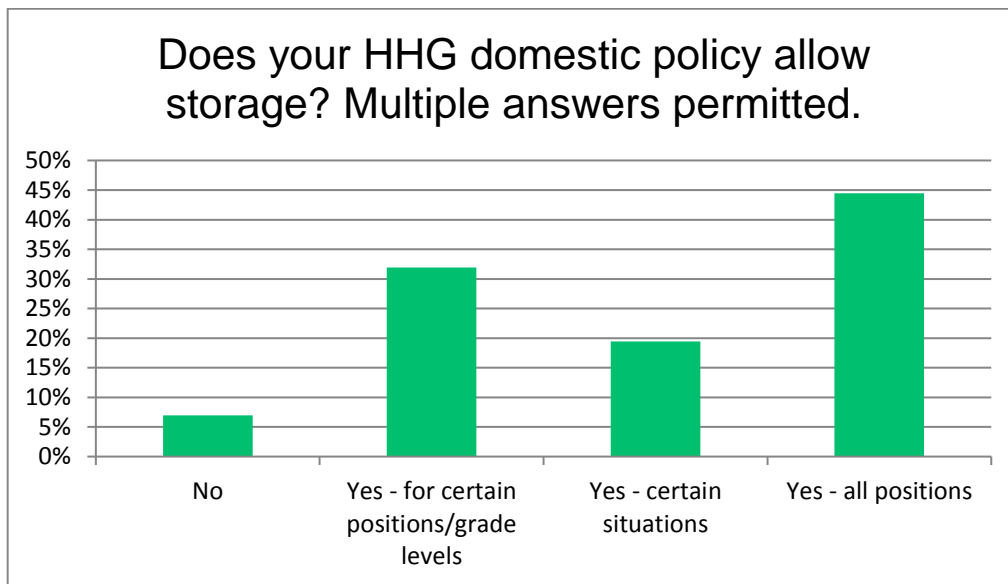
Which of the following approaches are used to provide HHG benefits to employees in a domestic US move? You may select multiple answers to explain your HHG model.

Answer Choices	Responses
All existing employees receive the same HHG benefits	66%
HHG benefits are on a 'sliding scale': higher organizational levels obtain more HHG benefits while lower organizational levels fewer HHG benefits	25%
New hires generally receive fewer HHG benefits than current employees	7%
Homeowners generally receive more HHG benefits than renters	14%
Transferees with a family receive more HHG benefits than single transferees	8%

The percentage of corporations providing the same HHG benefits to all employees (66%) is slightly greater than last year. The spread over the last 5 years has consistently been between 62% to 67%.

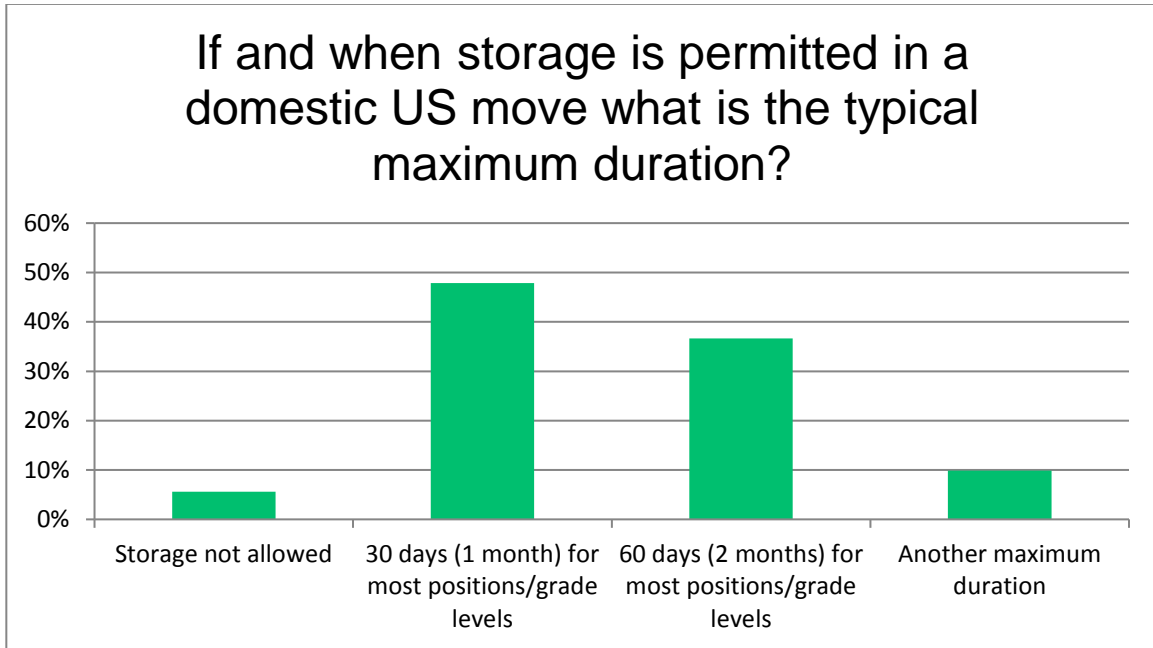
STORAGE

Multiple answers were permitted for the question on storage.



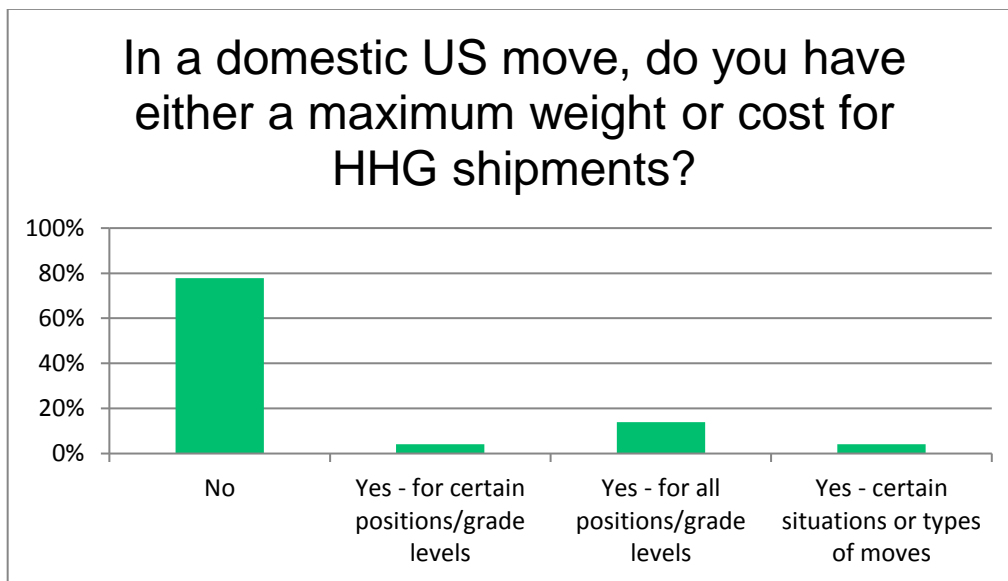
Approximately 93% of corporations (up from 90%) permit HHG storage for some or selected positions on domestic moves. Only 7% do not permit storage under any circumstance.

DURATION OF STORAGE



If and when domestic HHG storage is permitted the most common duration is 30 days - the duration used by 48% of corporations.

MAXIMUM WEIGHT OR COST TO SHIP HOUSEHOLD GOODS



A 78% majority of corporations do not have maximum weights or costs in HHG programs. This is slightly lower than the 2018 percentage (then 80%).

PERMITTED NUMBER OF CARS SHIPPED

For these three types of employees how many cars are typically shipped in a domestic transfer?

	Typical New Hire	Existing employee (not executive)	Executive
One car only	89%	89%	33%
One car if minimum distance or mileage is met	100%	85%	46%
One plus a second car if minimum distance or mileage is met	78%	85%	100%
One car for each eligible family member if minimum distance or mileage is met	91%	82%	91%
No cars (employee drives car or pays for shipment)	67%	67%	33%

Most corporations follow the same consistent philosophical approach to car shipments when a new hire or existing employee in a transfer. These segments of employees receive a different benefit from executives whom can more often move 2 cars if the distance requirement is met.

PERFORMANCE: INDUSTRY OVERALL and SUPPLIERS IN PARTICULAR

SATISFACTION WITH THE HHG INDUSTRY

In your experience, how has the overall HHG industry performance changed from a year ago?

Answer Choices	Responses
Performance has significantly improved	3%
Performance has slightly improved	6%
About the same performance	72%
Performance has slightly deteriorated	17%
Performance has significantly deteriorated	3%

This is the first time this question was asked. Although nearly three-quarters of employees believe performance is the same as a year ago a minority, by a 2-to-1 margin believe performance has deteriorated.

FACTORS IMPACTING THE INDUSTRY'S PERFORMANCE

Multiple answers were permitted.

From your experience which factors are impacting overall performance of HHG carriers? More than one answer is permitted.

Answer Choices	Responses
Low profits or deteriorating margins	25%
Lack of available talent (drivers in particular)	82%
Relocation management companies are squeezing carriers	24%
Inability to handle peak surges in move volume	60%
Government regulation	21%
Too few competitors	6%

Quality of services is slipping

28%

Over 80% of corporate managers believe the primary factor impacting the industry is lack of available talent (drivers in particular). This is followed by 60% saying inability to handle peak surges is another factor.

OVERALL SATISFACTION WITH SUPPLIERS

	Scores >										Count	aver	Top Block %	Bottom Block %	Net Satis. %
	1	2	3	4	5	6	7	8	9	10					
A. Arnold							2	2			4	8.50	50%	0%	50%
Allied Worldwide		1			3	1	6	16	12	22	61	8.54	56%	8%	48%
Arpin Van Lines			1			1	7	8	8	3	28	8.00	39%	7%	32%
Atlas Van Lines						4	7	29	41	26	107	8.73	63%	4%	59%
Budd Van Lines							7	2	3	14	26	8.92	65%	0%	65%
Mayflower					1	1	3	1	4	2	12	8.00	50%	17%	33%
Merchants					1	1	1	3	5		11	7.91	45%	18%	27%
New World Van Lines					2		3	10	13		28	8.14	46%	7%	39%
NorthAmerican					1		3	8	15	14	41	8.90	71%	2%	68%
United Van Lines	1		1		3	2	6	22	41	15	91	8.44	62%	8%	54%
Wheaton							3	4	3	0	10	8.00	30%	0%	30%
Other not listed	1				2	2	9	11	8	5	38	7.79	34%	13%	21%
	2	1	2	0	13	15	52	116	155	101	457	8.46	56%	7%	49%

The 278 managers provided 457 evaluations, approximately 1.64 for each survey participant. This rate of evaluations per participant is slightly lower than last year and might reflect the trend of more corporations outsourcing the program to RMCs.

The 2019 industry average score is 8.46, the same as the 2018 average of 8.45. However, the net satisfaction percentage is 49% down from 51% last year.

Evaluations indicate:

- Atlas and United are the two largest surveyed carriers; both are franchise/agent systems.
- Among all listed firms:
 - **Budd Van Lines earned the highest average score.**
 - northAmerican earned the highest net satisfaction percentage.
- Differentiating franchise/system and independent:
 - Franchise/Systems: northAmerican Van Lines earned the highest average score and net satisfaction. The closest two competitors were Atlas Van Lines and Allied Van Lines.
 - **Independents: Budd earned the highest average score and net satisfaction.**

AGENT IDENTIFICATION

The agents mentioned by corporate managers are (as submitted by participating managers):

Allied - Bailey's	Mayflower - Daryl Flood
Allied - Berger	
Allied - Norcal	north American - Beltmann
Allied - Siracusa	north American - Ward
Allied - Beverly Hills	northAmerican - A-1 Freeman
Allied - Prestige	
Allied – Rose	United - Andrews
	United - Armstrong Relocation
	United - Hilldrup
Atlas - Nelson Westerberg	United - McCollisters
Atlas - Ace Relocation Systems	United - Planes
Atlas - Alexanders	United - S&M Moving Systems
Atlas - Imlach	United - Suddath
Atlas - Merchants	United - William B. Meyers
Atlas - Mills Van Lines	United - Mesa
Atlas - Paxton	United-Lawrence Transportation Systems
Atlas - Wayne Moving & Storage	United-Humbolt
Atlas- Apex Moving + Storage	United - Oler
Atlas-Alexanders	Wheaton-Reliable
Atlas-City Transfer	
Atlas-Corporate Moving Specialties	Wheaton - Reliable
Atlas-Locker	
Atlas-Lytles	
Atlas-Reads	

LIKELIHOOD OF USING SAME CARRIER A YEAR FROM NOW

For the same set of carriers you evaluated, do you expect to be using them a year from now?

	Yes	No	Maybe / Uncertain
A. Arnold	75%	0%	25%
Allied	92%	3%	5%
Arpin	68%	7%	25%
Atlas	96%	2%	2%
Budd	96%	0%	4%

Mayflower	66%	17%	17%
Merchants	64%	18%	18%
New World	93%	7%	0%
NorthAmerican	96%	2%	2%
United	93%	4%	3%
Wheaton	90%	0%	10%
Other carrier	47%	10%	43%

Budd, Atlas and northAmerican earned the three largest “yes less no” percentages; each had 94% or higher “yes-to-no” net percentages.