IBISWorld

WHERE KNOWLEDGE IS POWER

Slow moving: The industry struggles to rebound from the effects of the economic downturn

IBISWorld Industry Report 48421

Moving Services in the US

July 2012

Brian Bueno

About this Industry

Industry Definition

Companies in this industry provide moving and relocation services, including local, long-distance and international trucking and shipping of used household, institutional and commercial goods, furniture and equipment. Industry firms often provide incidental packing and storage activities as well.

Main Activities

The primary activities of this industry are

- Used furniture moving
- Used household-goods moving
- Used office-goods moving
- Providing storage services for moved goods

The major products and services in this industry are

- Contract warehousing and storage
- General warehousing and storage
- Local moving
- Long-distance moving
- Packing services related to motor-carrier moving or storage
- Other related motor-carrier and storage services

Similar Industries

48411 Local Freight Trucking in the US
Establishments in the industry provide local general freight trucking.

48423 Tank & Refrigeration Trucking in the US
This industry provides long-distance specialized freight (except used goods) trucking.

56211 Waste Collection Services in the US
Establishments in the industry provide waste collection services.

Additional Resources

For additional information on this industry

www.atlasworldgroup.com
Atlas World Group

www.ttnews.com
Transport Topics Online

www.census.gov
US Census Bureau

Industry at a Glance

Moving Services in 2012

Key Statistics Snapshot

Revenue
$14.6bn

Annual Growth 07-12
-2.4%

Annual Growth 12-17
2.2%

Profit
$644.3m

Wages
$3.2bn

Businesses
7,629

Market Share

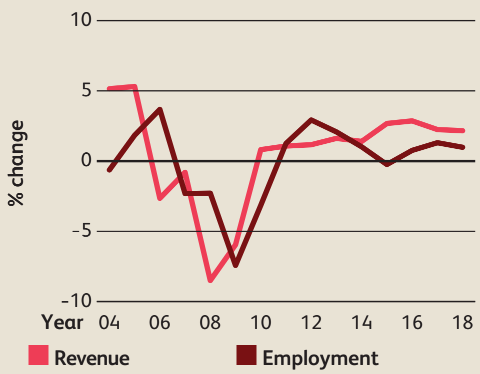
UniGroup Inc. 15.5%

SIRVA Inc. 7.9%

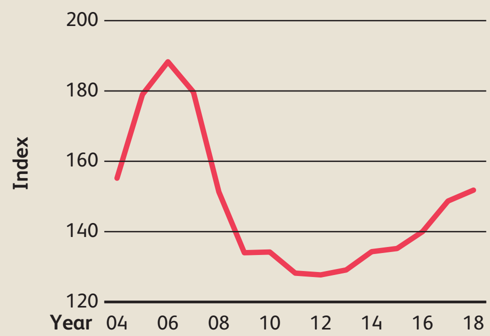
Atlas World Group Inc. 5.2%

p. 23

Revenue vs. employment growth



House price index



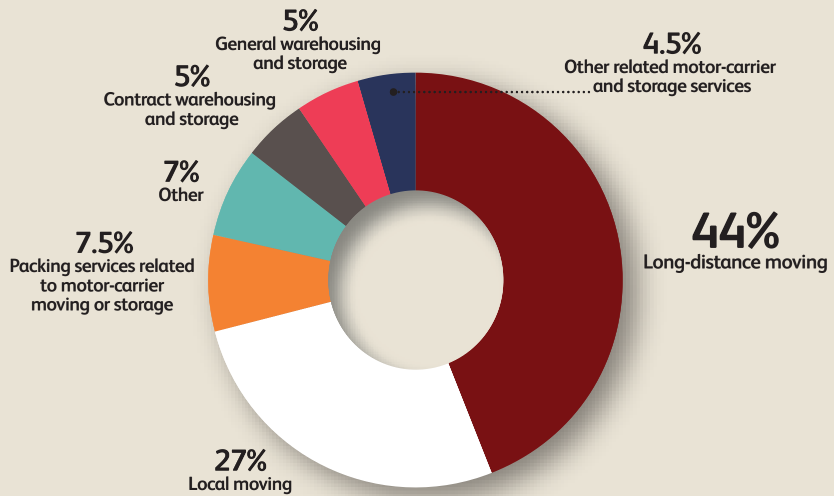
SOURCE: WWW.IBISWORLD.COM

Key External Drivers

- House price index
- Consumer sentiment index
- Corporate profit
- Housing starts

p. 4

Products and services segmentation (2012)



SOURCE: WWW.IBISWORLD.COM

Industry Structure

Life Cycle Stage	Mature	Regulation Level	Medium
Revenue Volatility	Medium	Technology Change	Medium
Capital Intensity	Medium	Barriers to Entry	Medium
Industry Assistance	Low	Industry Globalization	Low
Concentration Level	Low	Competition Level	High

FOR ADDITIONAL STATISTICS AND TIME SERIES SEE THE APPENDIX ON PAGE 30

Industry Performance

Executive Summary

The Moving Services industry provides moving, transport, storage and packing services to individuals, corporations and governments. Individuals form the industry's largest revenue source, with demand dependent on real estate sales, the construction of new homes, disposable income levels and other wealth effects. The industry has underperformed in comparison with other trucking and transport industries since 2007 but is expected to stabilize with revenue of $14.6 billion in 2012.

Minimal growth in residential construction and home prices has hurt this industry

Although up a marginal 1.2% in 2012, the current revenue figure represents an annualized decline of 2.4% since 2007.

The slowing US economy and the depressed real estate market have hit the Moving Services industry particularly hard; all performance indicators contracted in 2008 and 2009, decreasing industry revenue, employment, profit and establishment numbers. Although the economy began to show signs of stability and the industry recorded growth in 2010 and 2011, operating conditions remain difficult in 2012. There has been minimal growth in residential construction and home prices, which are major drivers of demand for moving services; home prices fell significantly during 2008 and 2009, and they are also expected to remain depressed through 2012. As such, IBISWorld expects industry conditions to remain weak through 2012.

Long-distance moving services are the industry's most profitable segment, and corporate customers' demand for this particular has increased following the recession; however, employees have been less willing to move internationally or even interstate. Operators in this segment also reported the leading use of moving services by employees has changed from promotion to company reorganization. Also, despite the price of crude oil falling from record highs in July 2008 (when diesel prices reached $4.70 per gallon), fuel prices are expected to continue burdening industry operators. Prices for oil and fuel have remained high for the past couple of years, chipping away at some operators' profit margins.

Such conditions are expected to continue stifling profitability within the industry, likely causing some struggling operators to close their doors during the five years to 2017. As a result, IBISWorld forecasts industry revenue to grow at an annualized rate of 2.2% over the next five years to total $16.3 billion by 2017.

Key External Drivers

House price index

Higher housing prices generally stem from strong demand for homes. Since a high demand for homes translates to more people moving, the house price index can be used to indicate demand for the Moving Services industry. This driver is expected to fall slightly over 2012, posing a potential threat to the industry.

Consumer sentiment index

When consumer sentiment is high, people are more apt to make large-scale purchases (such as houses) because they have confidence in their job security and earning potential. This driver is expected to increase during 2012.

Corporate profit

Corporations are a major industry customer and hire moving companies to relocate office or employees and to store files, records and other nonessential information. When business sentiment

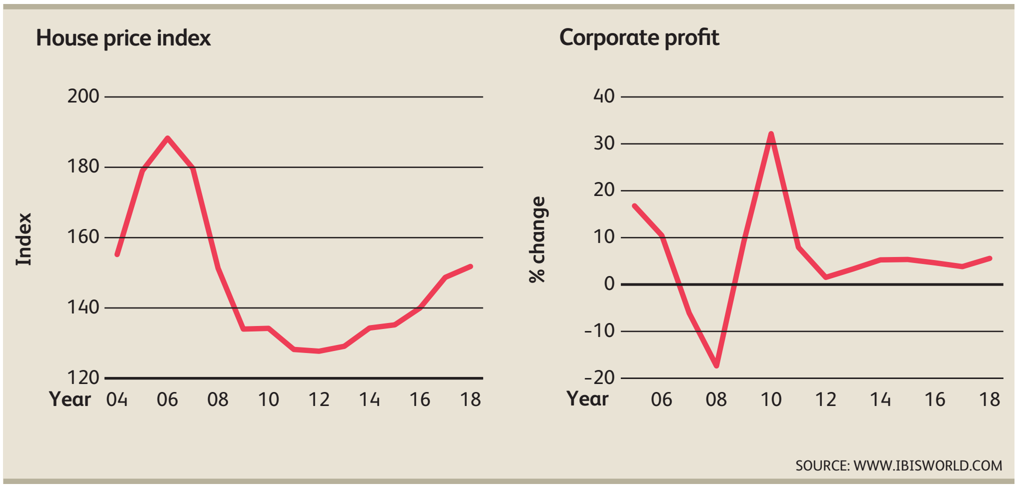
Industry Performance

Key External Drivers continued

and corporate profit are healthy, businesses are more likely to use third-party suppliers, move offices and send employees overseas (as a means of expanding). This driver is expected to increase during 2012.

Housing starts

A higher level of housing starts translates to greater demand for moving services. Consumers demand industry services to move their possessions from their old residences to new ones. Housing starts have closer correlation to demand than home sales because customers are reluctant to spend on these services when downgrading homes. This driver is expected to increase strongly during 2012, representing a potential opportunity for the industry.



Current Performance

Shipping and freight industries in general felt the heavy burden of the recession, but the Moving Services industry was hit particularly hard. Plummeting property values and the credit squeeze stalled the housing market and caused companies to slash spending. These conditions also discouraged homeowners from relocating, which hampered demand for moving services. Starting in 2010, the industry revenue has made some minor gains and is expected to grow 1.2% in 2012; even with this growth, revenue is projected to fall at an annualized rate of 2.4% over the five years to 2012, reaching $14.6 billion..

Demand improves marginally

Conditions remain weak in 2012, despite a modest increase in revenue. Demand will likely remain anemic due to a projected stagnation in new-home construction and sales, combined with low house prices. Individuals that use moving services represent roughly 45.0% of industry revenue; but with little private relocation as of late, revenue from this segment is projected to grow minimally from the previous year. In 2012, house prices are expected to dip 0.4%, and over the five years since 2007, the house price index is estimated to fall at an average annual rate of 6.7%.

Businesses are the industry's second largest market segment, representing roughly 40.0% of revenue. Demand from

Industry Performance

Demand improves marginally continued

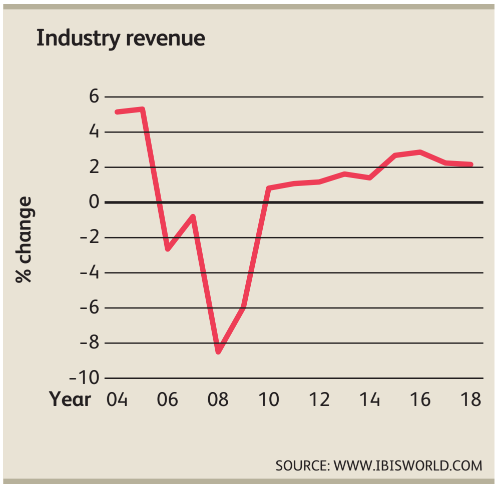
these firms has been weak in recent years, but with corporate profit on the rise, this market is poised to increase its share of the industry in 2012. When business sentiment and corporate profit are healthy, businesses are more likely to use third-party suppliers to move offices and send employees to a new location as a means of expanding. Over the five years to 2012, corporate profit is projected to rise at an average annual rate of 5.5%. Profit rose significantly after the recession due cutting down expenses, including wages, despite steep declines in 2007 and 2008. Having cut deeply into their payrolls, corporations squeezed more productivity from fewer workers in 2010. Additionally, US-based multinational companies have recorded particularly strong profit margins, benefiting from the weak US dollar and stronger growth overseas. Overall corporate profit is expected to jump an additional 1.5% over 2012.

The 2012 Corporate Relocation Survey, compiled by industry operator Atlas World Group Inc., indicates that firms are more optimistic about demand for relocation services, but that demand is not expected to recover completely over the year. International relocation was hit the hardest by the poor economic conditions in 2009 but is expected to marginally improve in 2012.

Downstream demand hurts industry profit

Over the five years to 2012, industry revenue suffered most in 2008, dropping 8.5%, as the subprime mortgage and liquidity crises continued to rattle the economy. The industry's well-being is closely linked to the real estate market and housing construction because individuals that move residences are a major driver of demand. Steep declines in housing market conditions halted in 2009, but recovery has since been minimal. Record-high foreclosure rates impede the revival of the housing market, creating a vicious cycle: Declining property values lead to more foreclosures, and these foreclosures depress values through increased supply of homes on the market. The hardest hit regions have been the West and the Northeast, where vacancy rates remain high and housing prices have yet to recover.

When Americans are forced to move out of their homes for financial reasons, they often forgo this industry's services and opt to move belongings themselves. During the recession, thrifty consumers limited demand for moving companies, which typically benefit from the relocation of homeowners. Poor demand conditions have also chipped away at industry profit over the past five years. As revenue declined and costs remained high, especially those related to fuel, warehousing and repair, operators' profit margins fell. Additionally, weak demand forced many companies to offer reduced rates to customers, thereby further reducing their margins. In 2007, roughly 4.7% of revenue remained as profit (earnings before interest and taxes). Profit is expected to inch its way back up to 4.4%



Industry Performance

Downstream demand hurts industry profit continued

of revenue in 2012 after plummeting in 2008 and 2009 and improved only marginally in 2010 and 2011.

Falling profit as a result of weak demand has reduced the size of the industry. Over the five years to 2012, the total number of enterprises is expected to decline at an annualized rate of 0.9% to 7,629. The industry's high level of competition also forced many firms out of the industry altogether as they were unable to compete against the larger players who benefit from economies of scale and diversified service offerings.

Industry Outlook

Private investment and stronger growth in the real estate sector will spur the Moving Services industry back to solid growth in 2013, with industry revenue expected to increase 1.6% to $14.9 billion. However, growth in the commercial construction segment is likely to remain scant until the about middle part of the year. Improved demand conditions over time will result in an average annual growth of 2.2% over the five years to 2017 to total $16.3 billion. Because this growth will come on the back of several years of struggle for the industry, it is unlikely that revenue will return to prerecession levels until 2017.

Despite improved demand for services, establishment numbers are projected to only increase a mild 1.1% annually to 8,730. Establishment numbers typically lag behind changes in market conditions because it takes time for potential new operators make certain that improved conditions are sustainable. Despite marginally rising establishment numbers, total employment is expected to decrease as operators continue to find ways to cut labor needs and costs.

Growth in the real estate sector and private investment will spur industry growth in 2013

Downstream markets slowly improve

Over the five years to 2017, IBISWorld expects the domestic economy will regain the momentum it lost in the 2009 recession, albeit slowly, and with some hardship along the way. Anemic consumer and construction markets (residential or commercial) are expected to contribute to this slow-pace growth. In the short term, persistently high unemployment levels and weak wage growth will stymie consumer spending.

Meanwhile, residential construction is projected to improve as prices stabilize, but this recovery will be slight compared with prerecession levels, as high unemployment stifles yet another category of consumer spending. In addition, commercial construction will likely remain soft until mid-2013. This lag in recovery is typical of commercial construction, as the projects are larger and have longer lead times, resulting in a delay between the latest economic developments and the level of construction activity. However, consumer spending and construction are expected to gain some momentum in 2014 and onward.

Industry Performance

Influences from abroad

Fears of debt and defaults in Greece and other European nations have shaken financial stability. This unease indicates that markets are still fragile; if global markets slow or foreign nations default on loans, the US economy may also slip back into recession and incur dept. These conditions would then flow through to the US housing market, discourage new employment and lead to further declines in demand for international moving and relocation services.

IBISWorld estimates the price of oil will remain buoyant through 2017, supported by strong demand from a growing global economy. The International Energy Agency estimates that increased demand from developing economies will more than offset the small decline in demand from industrialized countries, with China expected to account for almost one-third of the demand. Higher fuel prices will ensure industry profit stays lean, but the exit of some smaller operators following the recession is anticipated to result in a slightly higher average industry profit of about 5.6% by 2017 (up from an estimated 4.4% in 2012).

The fallout of the subprime crisis continues to flow throughout the world's financial markets

Potential risks

A number of trends may adversely affect industry operators during the next five years. Economic conditions will be influential, as will the international price of fuel and union wage demands. The declining ability of customers to meet financial obligations and declining market values for removal services are important trends in this industry. Purchasing, leasing or re-leasing trucks and other equipment may be hampered by reduced access to debt and equity capital markets, and the ability to draw down funds under financing agreements. Noncompliance with restrictive financial covenants contained in loan agreements will influence the performance of industry players, as will significant changes in laws and regulations imposed by the US Department of Transportation or the US Environmental Protection Agency.

Competition from other companies, such as nonspecialist transport shippers (some of which have large financial resources and self-service house removals), will also be of concern to industry players operating in parallel markets with such substitutes.

Industry Performance

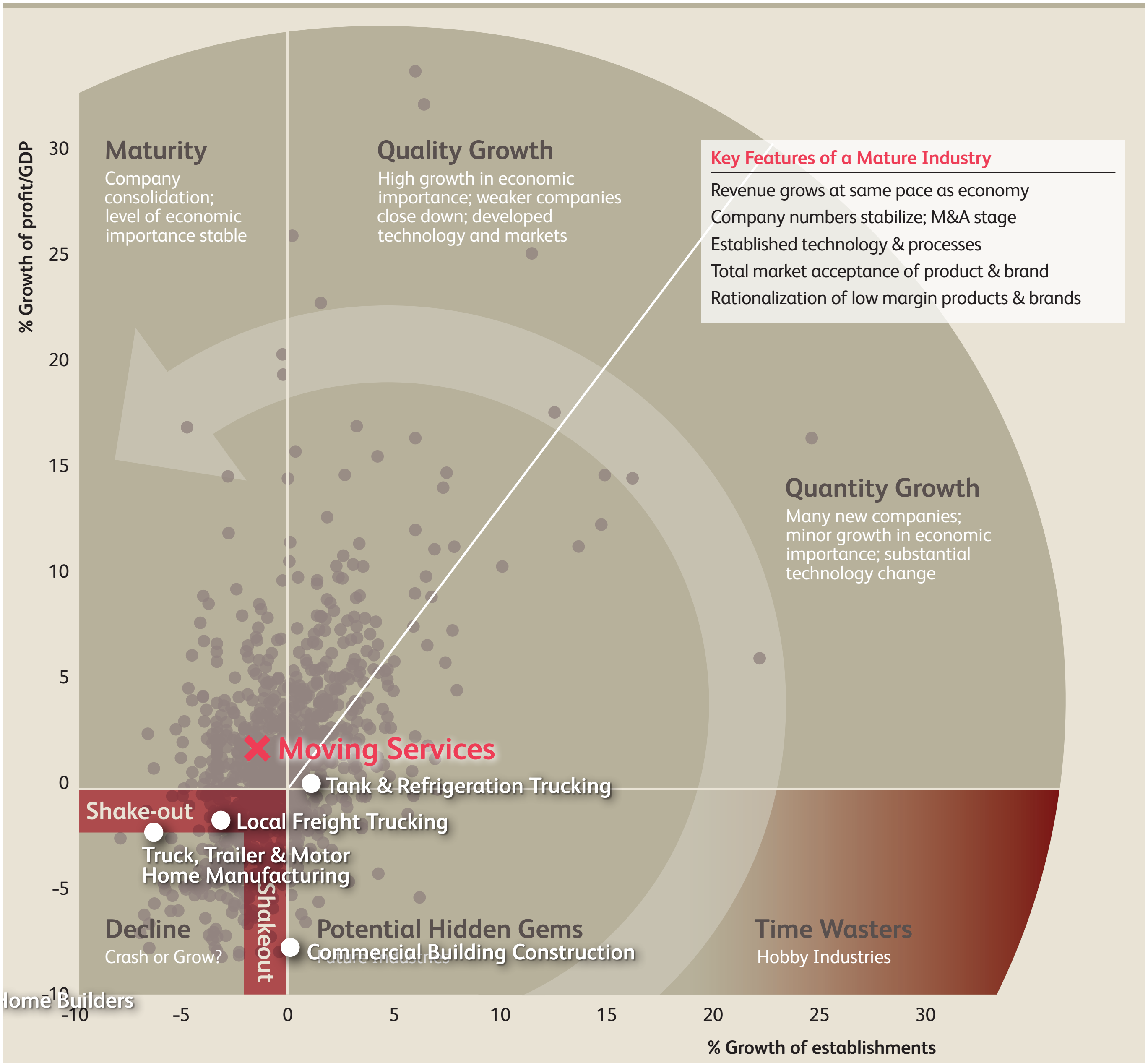
Life Cycle Stage

Industry revenue and value-added has declined over the past five years

There has been a slight fall in the number of establishments due to bankruptcies and acquisitions

Some new products have come on-stream

Technology changes at a medium pace and is aimed at increasing vehicle efficiency and reducing emissions



SOURCE: WWW.IBISWORLD.COM

Industry Performance

Industry Life Cycle

This industry is **Mature**

The Moving Services industry is in the mature stage of its life cycle. Over the 10 years to 2017, industry value added (IVA), or its contribution to the overall economy, is projected to decline at an average annual rate of 0.6%. In contrast, US GDP is projected to grow at an annualized rate of 1.9% over the same period. This difference indicates the industry is slowly diminishing as a share of the economy, a typical trait of a mature industry. This trait also helps explain why establishment numbers have declined. In short, potential new entrants seek higher-return industries. Moreover, as larger companies benefit from economies of scale, they have strategically merged with or acquired smaller entities and owner-operators.

The industry's performance is in contrast with other trucking and transport industries, which have generated a significant increase in their share of GDP. This growth has been driven by increased international trade and a move to "just-in-time" inventory management. Another trend aiding many of these companies' recovery has been to outsource noncore activities, including the transport and distribution services. The Moving Services industry is not involved in the transport of new manufactured goods and has not been supported by the same growth factors.

Other factors that ensure this industry is in a mature phase include a slow rate of technology change, wholehearted market acceptance, and market saturation of the industry services.

Products & Markets

Supply Chain

KEY BUYING INDUSTRIES

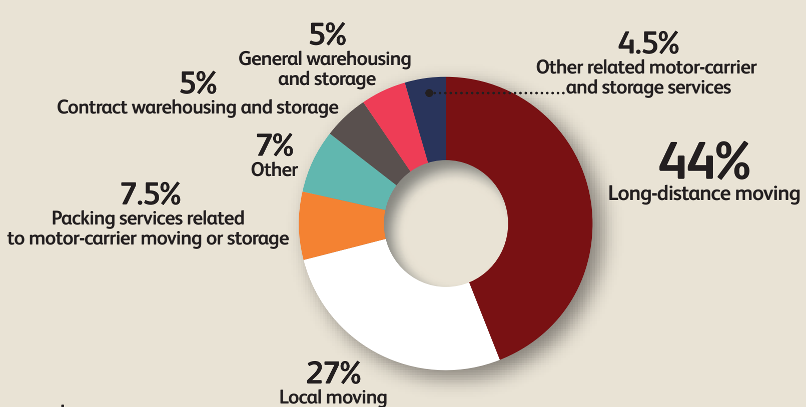
23332a	**Commercial Building Construction in the US** Corporate office relocations make a significant contribution to revenue. Demand for these services is correlated to activity in commercial building construction.
23611a	**Home Builders in the US** Households are a large market segment for the industry and demand tends to correlate with home building levels.
23611b	**Apartment & Condominium Construction in the US** Household demand for moving services is dependent on home construction activity.
33721	**Office Furniture Manufacturing in the US** This industry uses moving services to delivery furniture to clients.
42321	**Furniture Wholesaling in the US** Wholesalers in this industry demand services to deliver furniture to customers.
52	**Finance and Insurance in the US** This industry requires file and record storage, office removals and employee relocation.
92	**Public Administration in the US** This industry requires moving services for relocation of government employees.

KEY SELLING INDUSTRIES

33621	**Truck, Trailer & Motor Home Manufacturing in the US** Manufacturers in this industry provide trucks and trailers to the Moving Services industry.
42311	**Automobile Wholesaling in the US** Automobile wholesalers supply vehicles to the industry.
42312	**Auto Parts Wholesaling in the US** This industry supplies vehicles and parts for vehicles used by movers.

Products & Services

Products and services segmentation (2012)



Total $14.6bn

SOURCE: WWW.IBISWORLD.COM

Long-distance moving services
The industry's major source of revenue is the provision of long-distance moving services to households, businesses and government entities. This segment includes the movement of goods on an

Products & Markets

Products & Services continued

inter-urban, interstate and international basis. The moving firm will generally use a one- to three-member team to pack and move goods. Most carriers offer long-distance services and often have links around the country that arrange return cargo or staff to help drivers unload.

Local moving services

Local moving services account for about 27.0% of overall industry revenue. Short distances are normally less than 200 miles. Moving companies typically provide short-distance services to individuals and businesses on a per-mile basis. Revenue from this product segment has been stable over the past few years.

Packaging Services

Other major sources of revenue include packing services related to transport or storage activities. To effectively carry and store items, goods need to be protected from motor carrier movements and atmospheric conditions. Proper packing also increases the amount of goods a company can carry in one load. As such, moving companies will expend time and resources on correctly packing goods. Effective packing also helps limit the cost of insurance premiums.

Warehousing and storage

About 10.0% of revenue comes from contracted and consumer warehousing and storage. Many industry firms have large warehouse spaces in non-urban or suburban areas where they provide storage sites for contract or individuals. Individuals demand storage for a variety of reasons, including if they have moved to a smaller residence, are traveling abroad for an extended period, or if there is a time difference between ending one home lease and beginning another. Businesses may store equipment, moving stock or non-secure files and records. This service segment has increased over the past five years and is generally a high-margin service for the industry.

Other services include revenue generated from property consultancy, brokerage and sales. Since the subprime crisis hit in 2007, this segment has fallen considerably due to weak homes sales and falling property values.

Demand Determinants

Demand for moving services comes from private individuals and businesses. The latter may require industry services to facilitate office relocation, equipment and filing storage or management of employee relocation. Generally, demand is determined by the number of home or office moves made by individuals and businesses, the distance of the move and the anticipated time gap between moving out and moving in (which may necessitate warehousing services).

Positive economic conditions generally increase the movement of individuals and firms, as growing incomes result in greater home purchases and corporate confidence. Slowing economic activity between 2007 and 2009 reduced demand for moving services as individuals and businesses limited unnecessary spending and held off on major purchases. Although more moves took place as individuals move from owned properties to rentals, such moves were usually prompted by financial stability and therefore these individuals opted to use a private automobile.

Private household demand

The main determinants of residential moves include changes in property prices, interest rates, employment opportunities, disposable income and family size. Rising prices tend to encourage people to sell existing properties and upgrade to a better

Products & Markets

Demand Determinants continued

property before prices become too expensive. Lower interest rates encourage consumers to enter mortgage agreements as interest charges are in the consumers' favor. Growing families require more bedrooms and, hence, bigger houses.

In the majority of moves, families of two or more (or if the individual has specialist items, such as a piano), will require the services of a specialist removal company. Additionally, if there is a time lag between the termination of a rental agreement (or ownership lease) of one property and beginning of the lease on a new property, an individual may require storage services from the industry firm.

A useful measure of residential movement is the rate of rental vacancy in the United States; a high vacancy rate is indicative of low demand for renting. In turn, low demand for rental properties indicates weak movement activity by individuals and, consequently, poor demand for moving services.

When the housing bubble burst and financial markets collapsed in 2008, the Federal Reserve almost depleted interest rates altogether. Foreclosed homes flooded the market, causing housing prices to plummet. In addition, the recession forced many people to move in with friends or family members, driving up rental vacancy to 10.6% in 2009. Recessions normally drive the rate down as familes and individuals opt for temporary housing situations, but the flood of foreclosed homes overwhelmed many peoples' ability to do so. In 2010, housing prices improved slightly, which helped push consumers back to rental properties, dropping the vacancy rate to 10.2%. The rental vacancy rate remained flat through 2011, and is expected to fall only slightly to about 9.4% in 2012.

Business demand

Corporate relocation is determined by a company's financial health, which typically moves in line with US real GDP expansion and expansion ambitions. Office moves are also determined by the growth of company employment and desire for better infrastructure. Additionally, property prices and the ease of attaining credit can influence or facilitate a move.

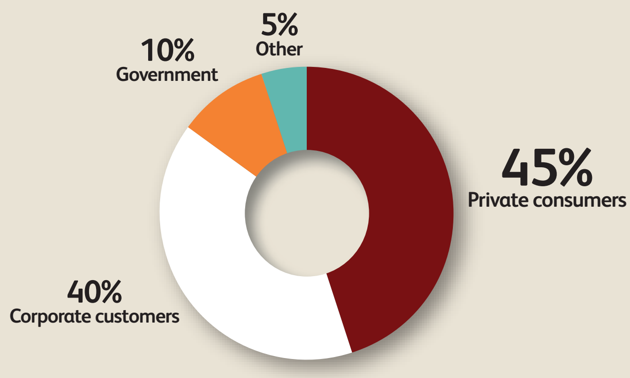
Factors that determine business demand for storage include the purchase of new office equipment and the removal of existing goods: New purchases may be the result of out-dated equipment, low interest rates or price reductions on new goods. Firms may also use storage services for non-essential files or records to maximize office space in present facilities or to protect goods that may not be needed until a future date.

Many companies outsource employee relocation services to the Moving Services industry. Larger industry firms offer a suite of products that make an employees' move easier. Lack of adequately qualified labor in overseas areas is a major determinant of staff relocation.

Products & Markets

Major Markets

Major market segmentation (2012)



Private customers

About 45.0% of industry revenue comes from private residences. Most industry operators rely on domestic and (in some cases) international moving services supplied directly to consumers. The individual household market is traditionally stable in terms of volume and price. Services to this market include mortgage brokerage and other moving services, such as packing. A consumer's selection of a moving company is generally driven by brand and reputation; quality of service or delivery guarantees; and price and moving capacity. General economic conditions and home ownership rates largely determine growth in this market.

Corporate customers

The industry earns about 40.0% of revenue from corporate customers, ranging from small businesses to large multinationals. Services may be used on a one-time basis, while companies with consistent moving needs often have contracts with industry firms. Companies that have constant storage demands may have medium to long-term contracts, although they may be terminable at short notice and may not specify a minimum transaction volume. Customers may come from a range of industries that require the movement of bulk consumer goods, or technology and pharmaceutical products. Financial service or retail outlets may require storage space for such things as non-secure files and records.

In its latest available 2012 corporate relocation survey, Atlas World Group (a major industry player) found that almost three-fourths of companies outsourced relocation services in 2011, up significantly from 2002-2010 (55% to 66%). This share represents the highest level reported in 10 years. Real estate services were the most popular item outsourced. Atlas noted that small companies are much less likely to outsource relocation services than mid-size or large firms.

Government

Some companies provide household and office goods moving services to state and federal government agencies in the United States, including the US Department of Agriculture, the Drug Enforcement Administration and the Federal Bureau of Investigation, all branches of the US military and government agencies of other countries. This market segment is a stable source of demand and less vulnerable to economic cycles than the corporate market.

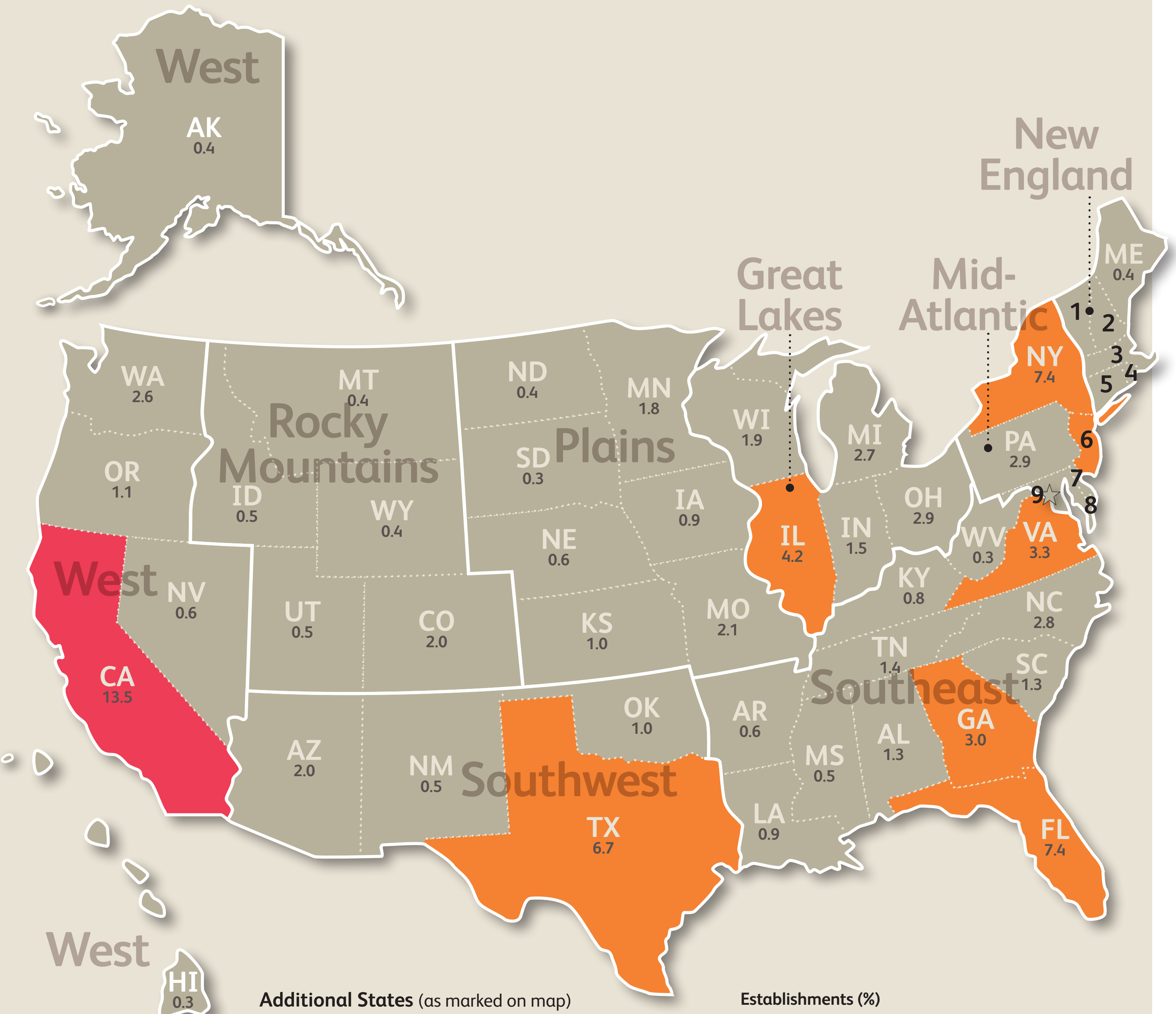
Products & Markets

International Trade

This industry serves the needs of the domestic market. However, some large firms operate internationally, serving individuals and businesses in relocation services to and from the United States. If a customer is based abroad and uses a US moving company, then a service export is registered. A service import will be recorded if a US citizen uses a foreign-based moving company to transport goods out of the United States. Such transactions form a very small proportion of industry revenue, and they are not captured under the US International Trade Commission's data on US imports and exports; therefore, IBISWorld does not report trade data for the industry.

Products & Markets

Business Locations 2012



Additional States (as marked on map)

1 VT 0.2	2 NH 0.5	3 MA 2.7	4 RI 0.5	
5 CT 1.4	6 NJ 4.5	7 DE 0.3	8 MD 2.5	9 DC 0.1

Establishments (%)

- Less than 3%
- 3% to less than 10%
- 10% to less than 20%
- 20% or more

SOURCE: WWW.IBISWORLD.COM

Products & Markets

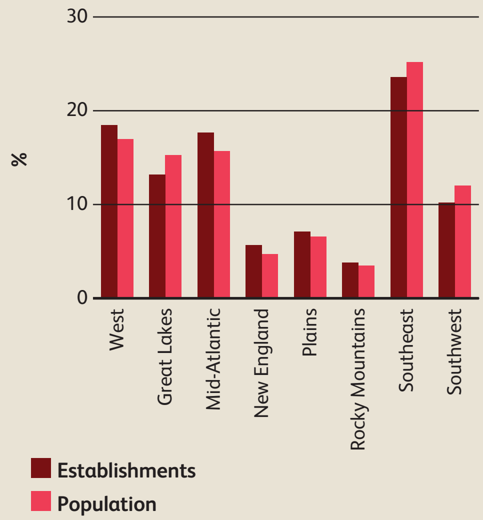
Business Locations

The distribution of industry establishments is highly correlated with population distribution. The largest population-to-establishment discrepancy is in the Great Lakes, which has 13.4% of industry establishments and 15.8% of the US population. The lower number of firms on a per capita basis in the Great Lakes can be explained by the fact that the average industry company is large relative to other regions, employing an average 17.1 workers (beyond the national average of 13). This explanation does not extend to the Southeast where the average number of employees per firm is 12.7.

Regions with a disproportionately large share of industry establishments on a per capita basis include the Mid-Atlantic (1.6 percentage difference), New England (with a 1.2 percentage point difference) and the West (also a 1.2 percentage point difference). Establishments tend to be large in both the Mid-Atlantic and West regions (17.8 and 14.1 employees on average, respectively), reflecting the regions as major migration destinations and points of origin for domestic and international customers. These regions also have a high concentration of major corporations with foreign presence, and thus, staff relocation. High rental costs in New York and California, both of which have a higher proportion of establishments than population, also increase demand for outsourced storage of files, records and other bulky, nonessential and nonsecure items. The Plains and Rocky Mountains regions have discrepancy rates of less than one percentage point.

According to major industry player Atlas World Group, the company handled about 80,289 interstate household goods moves in 2011 (compared to 74,541 in

Establishments vs. population



SOURCE: WWW.IBISWORLD.COM

Revenue, wages and employees

Region	Share of revenue (%)	Share of wages (%)	Share of employees (%)
West	15.0	18.3	18.3
Great Lakes	21.6	16.2	13.8
Mid-Atlantic	14.1	19.3	19.3
New England	5.5	7.2	6.5
Plains	19.3	8.5	8.5
Rocky Mountains	2.7	3.5	3.5
Southeast	15.4	19.7	22.0
Southwest	6.4	3.5	8.1

SOURCE: US CENSUS BUREAU COUNTY BUSINESS PATTERNS

Products & Markets

Business Locations continued

2010). States were classified inbound, outbound or balanced depending upon the relative influx or exodus of shipments. In 2011, notable inbound states were Alaska, North Carolina, North Dakota, Maryland and Texas. Outbound states were concentrated in the Great Lakes and Mid-Atlantic regions, and included. All the states in the West region had balanced shipments, where inbound and outbound traffic represented 55.0% or less of total shipments.

Competitive Landscape

Market Share Concentration | Key Success Factors | Cost Structure Benchmarks
Basis of Competition | Barriers to Entry | Industry Globalization

Market Share Concentration

Level
Concentration in this industry is **Low**

IBISWorld estimates indicate that the Moving Services industry has low market share concentration, as the top four players are expected to account for less than 30.0% of industry revenue in 2012. Roughly 7,629 firms operate in the industry, also indicating a low level of concentration. Weak demand conditions and high competition over recent years has reduced the number of firms operating in the industry. Over the five years to 2012, the total number of enterprises is projected to decline at an annualized rate of 0.9%.

Key Success Factors

IBISWorld identifies 250 Key Success Factors for a business. The most important for this industry are:

Having a diverse range of clients
A range of clients limits annual revenue volatility. Business may come from individuals, corporations from a range of industries, and from the public sector.

Optimum capacity utilization
Due to low margins on some jobs it is important that firms use available capacity to maintain profitability.

Having a wide and expanding product range
Large companies can offer a multitude of services ranging from packing, driving to real estate services, home cleaning, home set up and advance financing.

Economies of scale
Larger companies are better able to reduce costs per mile traveled and use buying power for capital equipment and fuel.

Having a good reputation
Moving can be a stressful process for most people. If a company has a reputation for value and efficiency, it is likely to win new and repeat customers.

Accessibility to consumers/users
The industry is dependent on establishments being able to serve the needs of customers in all locations around the country and abroad.

Cost Structure Benchmarks

The cost structure of a company in the Moving Services industry varies depending on the size of the company, the age of the vehicles and trailers used, the value of contracts gained, the level of fares charged, their geographic location and the primary services offered by the firm. As a whole, industry profit before interest and taxes will make up roughly 4.4% of revenue in 2012, down slightly from about 4.7% in 2007. High fuel costs and anemic demand have eroded the margins of many moving services firms over the past five years.

Purchases
Purchases are the industry's largest expense, consuming roughly 44.2% of industry revenue. The largest component of purchases is the contracting of third parties to conduct transport. However, costs also include purchasing and leasing vehicles. Although vehicles are typically fuel-efficient, prolonged high international fuel prices and low domestic fuel stocks undermine industry profitability. These high costs are especially pertinent for smaller companies that lack the financial resources and expertise to buy fuel in bulk, enter into forward purchase contracts for fuel. Fuel consumption is determined by the fuel-burn efficiency of truck engines and the routes that trucks travel. Older model vehicles generally consume more

Competitive Landscape

Cost Structure Benchmarks continued

fuel, and shorter routes with more frequent stopping increase fuel consumption per mile.

Labor

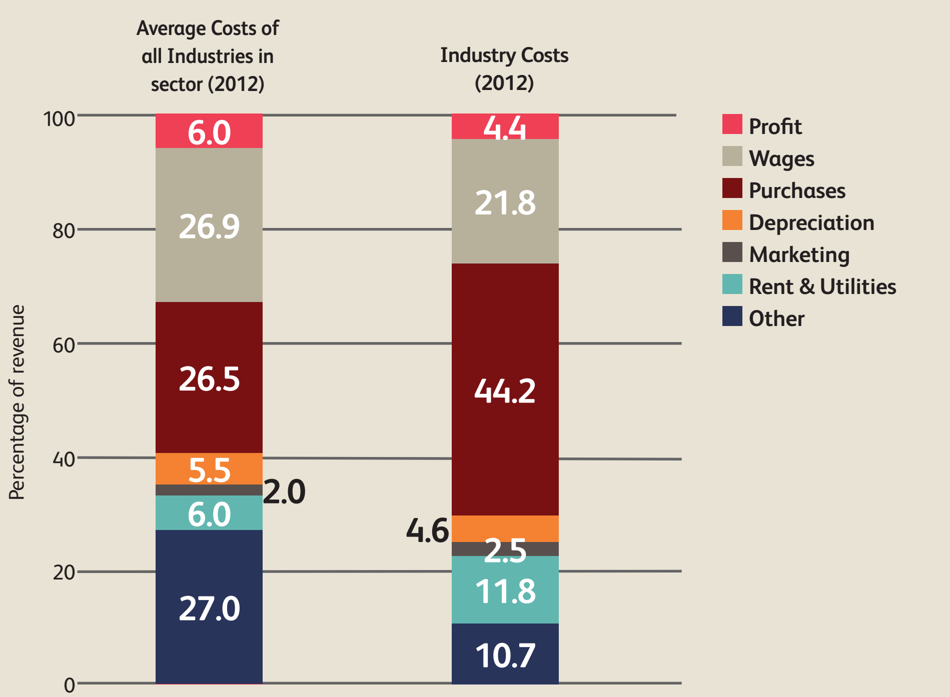
Labor costs typically make up the second largest proportion of a firm's expenses, absorbing an average of 21.8% of industry revenue. For larger companies, effective route management and strategic employment practices can cut down on these expenses. For example, employing agents, contractors, and part-time drivers, as well as minimizing administrative staff, can lead to higher profit margins. Total labor costs have fallen over the five years to 2012 as weak financial conditions have forced many firms to cut labor or reduce employee hours.

Depreciation and other costs

The rate of depreciation indicates the level of capital costs within an industry. Depreciation costs account for vehicle purchases, communications equipment, office equipment, computer technology and software. The level of capital expenditure has remained relatively constant over the past five years as companies have focused on maximum usage of existing resources. Overall, depreciation charges absorb 4.6% of revenue.

Other expenses include marketing (2.5%), insurance and cleaning costs. As firms attempt to gain an advantage in the market, advertising and promotion costs increase. Advertising is often undertaken by the parent company at the national level.

Sector vs. Industry Costs



SOURCE: WWW.IBISWORLD.COM

Competitive Landscape

Basis of Competition

Level & Trend
Competition in this industry is **High** and the trend is **Steady**

The Moving Services industry is characterized by high competition, due largely to a low level of concentration. There are low to medium barriers to entry allow for new entrants to easily enter the industry, and there is little differentiation in services due to the specialized nature of the industry's transport services.

The industry is highly price competitive and companies that can exploit economies of scale and scope will gain a competitive advantage. A wide range of vehicle capacities and styles and an extensive geographical network of agents and freelance contractors will help reduce overall operating costs. Moving residences is generally regarded as a highly stressful endeavor and customers are dependent on timely deliveries and safe handling of moved goods. Companies with a proven record of reliable service will win new and repeat business. Some employers will pay for relocation services if an employee is moving for work purposes; a moving services firm with a good reputation may win contract work.

Companies can also win business by offering a wide range of services over an expansive geographical area. Large companies may be able to access better freight rates for domestic and foreign removals and a larger number of transit options (air, rail or road). However, some companies can also benefit from specializing in the transport of certain valuable goods (e.g. antiques) or in particular geographic areas. Moving companies can offer a wide range of value-added services in addition to their basic competencies. Some companies will even pack a customer's possessions, transport them, clean a new home, unpack possessions and arrange them at the other end according to a customer's written instructions.

According to the annual Corporate Relocation Survey by major industry player Atlas World Group, quality of service is the most important attribute among corporate decision-makers when evaluating or selecting a moving firm (nearly nine out of 10 respondents rated this critically important). However, when comparing other attributes, differences in priorities appear. For small and mid-size firms, price is more important than for large firms, for which claims processing is more important than price. For mid-size firms, reputation is more critically important than for large firms.

Roughly half of companies responding to the Atlas survey indicated that they select the carrier for employee relocations directly, and an even larger percentage of mid-size and large firms indicate as such. However, mid-size and large firms are also more likely to give carrier selection to a relocation company than a small firm. Smaller companies involve the employee in the carrier selection process more often than mid-size to large firms.

Barriers to Entry

Level & Trend
Barriers to Entry in this industry are **Medium** and **Increasing**

There are no regulatory requirements that prevent companies from entering the industry; however, there are a number of health, safety and environmental laws to which firms must adhere once they have entered the industry. These regulations are constantly evolving and the costs associated with meeting them are mildly prohibitive of industry entry. Generally speaking, there are no resource constraints – relating to such things as capital equipment or land (e.g. warehouses and maintenance depots). Access to fuel is also unfettered, but the volatile price can exert downward pressure on profit.

The current economic conditions and the stagnation of the domestic

Competitive Landscape

Barriers to Entry continued

construction industry have caused a major shakeup in the industry. Over the five years to 2012, the total number of industry firms is projected to fall at an average annual rate of 0.9% to 7,629. This has increased industry concentration and the market power of the major players. Larger companies can exploit economies of scale and can benefit from the use of technology that coordinates a driver's itinerary. As the bigger industry players grow stronger, the barriers to entry will increase as these players consistently undercut smaller companies on price and deliver better services because of their speedy adoption of new technology.

Barriers to Entry checklist	Level
Competition	High
Concentration	Low
Life Cycle Stage	Mature
Capital Intensity	Medium
Technology Change	Medium
Regulation & Policy	Medium
Industry Assistance	Low

SOURCE: WWW.IBISWORLD.COM

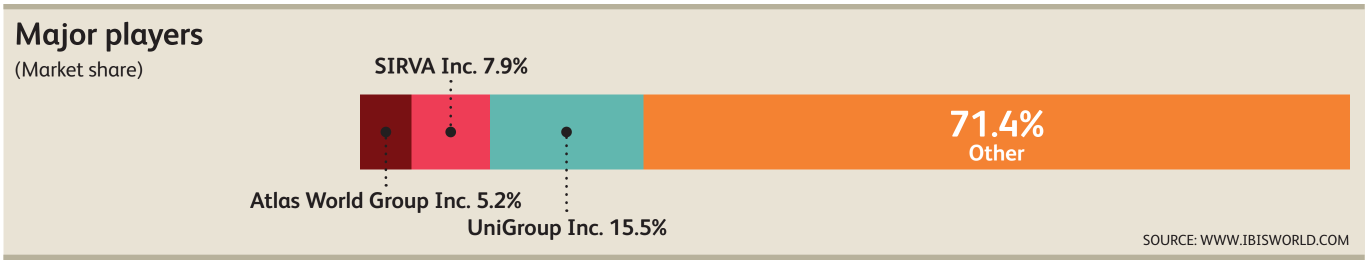
Industry Globalization

Level & Trend
Globalization in this industry is **Low** and the trend is **Steady**

The level of globalization is low; most firms in the industry are US-owned and derive the majority of their revenue from US operations. However, larger industry companies provide services to international clients moving to or from the United States, and some have substantial overseas operations. Major company Atlas World Group, for instance, serves markets for global relocation, benefits, recruiting, logistics and travel in the United States and Canada, and has service partners operating in 140 countries. Demand determinants for foreign relocations are usually based on economic and business conditions within the United States and in foreign countries.

Major Companies

UniGroup Inc. | SIRVA Inc.
Atlas World Group Inc. | Other Companies



Player Performance

UniGroup Inc.
Market share: 15.5 %

Industry Brand Names
United Van Lines
Trans Advantage
UniGroup Worldwide
Allegiant Move Management

Founded in 1987 and headquartered near St. Louis, MO, UniGroup, Inc. is one of the largest moving companies in the world. The company transports home and other items in more than 175 countries through subsidiaries United Van Lines and Mayflower Transit and a network of affiliates. Road operations are supported by its subsidiaries Trans Advantage and UniGroup Worldwide. Trans Advantage sells and leases trucks, trailers and moving supplies, while UniGroup Worldwide coordinates international moves for household and bulk goods. In addition, subsidiary Allegiant Move Management provides relocation management. Clients of the company's umbrella of brands include government entities, small and large companies and private households.

In April 2010, National Interstate Insurance Company announced the acquisition of Vanliner Insurance Company from UniGroup for about $135 million. Vanliner Insurance Company is the largest provider of specialist insurance to the Moving Services industry.

Industry-related revenue for UniGroup is expected to reach $2.3 billion in 2012, marking an estimated annualized growth rate of 1.3% since 2007. Revenue has fluctuated marginally over the past five years, but the company acknowledges minimal growth by claiming that revenue has plateaued. The diversity of its subsidiary brands and services and geographic presence allows the company to protect itself from concentrated swings in demand. In 2007, FORBES ranked UniGroup the 172nd largest privately owned firm in the United States; and in 2012, IBISWorld estimates UniGroup holds a 15.5% market share in the Moving Services industry.

UniGroup Inc. (US industry-relevant segment) – financial performance*

Year	Revenue ($ million)	(% change)	Operating Income ($ million)	(% change)
2007	2,130	-0.9	132	-2.2
2008	2,080	-2.3	124	-6.1
2009	1,980	-4.8	120	-3.2
2010	2,050	3.5	130	8.3
2011	2,200	7.3	140	7.7
2012	2,270	3.2	145	3.6

*IBISWorld estimate

SOURCE: COMPANY WEBSITE

Major Companies

Player Performance

SIRVA Inc.
Market share: 7.9 %

Industry Brand Names
Sirva Relocation
Sirva Mortgage
Sirva Settlement
DJK Residential
iMove
Allied
Allied Pickfords
Global
Northamerican

Based in Westmont, IL, Sirva Inc. is one of the largest moving companies in the world, with a presence in more than 150 countries. Its North American brands include Allied Van Lines, Global Van Lines, North American Van Lines and Allied Pickfords. Sirva provides more than 300,000 relocations per year to companies, government employees and individual consumers.

The company provides moving services through a network of agents who own the trucks and trailers used in moves. These agents are also responsible for the packing, hauling, storage and distribution of household goods. Sirva acts as a network manager for agents and does not directly provide transportation services. About 81.0% of all contracts between Sirva and agents range from three to five years.

In February 2008, Sirva filed voluntary petitions for relief under Chapter 11 of the US bankruptcy code. The declining real estate market and the turmoil in the mortgage market adversely affected the company's financial condition. The company was forced to take more homes into inventory as the real estate market continued to decline. As these homes came into inventory, they imposed additional capital requirements. In May 2008, Sirva emerged from Chapter 11 bankruptcy as a privately held company, with $150 million in debtor-in-possession financing. In December 2008, Sirva exited Chapter 11 bankruptcy protection.

Public information on Sirva's financial performance has been unavailable since it became a private company in 2008. IBISWorld estimates the company will record revenue of $3.6 billion in 2012; of this, roughly $1.2 billion will be sourced from US industry-related services, giving the company a market share of 7.9% in the Moving Services industry. Industry-relevant revenue is estimated to grow at an annualized rate of 1.7% since 2007, following severe declines in previous years. The company's financial performance deteriorated heavily in the years leading up to the recession despite rising revenue. After overcoming bankruptcy proceedings, SIRVA was dealt another setback as it weathered weak demand during 2009. Conditions have slowly improved, with moderate growth expected in 2012.

SIRVA, Inc. (US industry-relevant segment) – financial performance*

Year	Revenue ($ million)	(% change)	Employees	(% change)
2007	1,270	2.7	4,318	-0.6
2008	1,142	-10.1	4,235	-1.9
2009	1,094	-4.2	4,230	-0.1
2010	1,112	1.6	4,290	1.4
2011	1,140	2.5	4,345	1.3
2012	1,164	2.1	4,400	1.3

*IBISWorld estimate

SOURCE: ANNUAL REPORT AND IBISWORLD

Major Companies

Player Performance

Atlas World Group Inc.
Market share: 5.2 %
Industry Brand Names
Atlas Van Lines
Atlas Terminal Company
Cornerstone Relocation Group
Red Ball International
Smart Move Transportation
Titan Global Distribution
American Vanpac Carriers

Atlas World Group is a family of companies that provides transportation and moving services through a network of more than 500 agents. Headquartered in Evansville, IN, Atlas serves markets for global relocation, benefits, recruiting, logistics and travel in the United States and Canada and service partners operating in 140 countries around the world. Its flagship subsidiary, Atlas Van Lines, is one of the largest interstate motor carriers in the United States and offers various services, including household moving and storage, corporate relocation, international moving, government and military moving and logistics. Atlas Van Lines generates an estimated 79.5% of total company revenue.

Atlas Van Lines was formed in 1948 when a group of 33 entrepreneurs formed a cooperative for the interstate transportation of household goods from coast to coast. The group took the name Atlas Van Lines and opened a new headquarters building in Evansville, Indiana. The company changed ownership structure in the 1980s, when stock was offered to the public. After a hostile takeover attempt in 1988, Atlas returned to ownership by its agents. The company expanded rapidly in the 1990s and established Atlas World Group as the holding company for Atlas Van Lines, Inc. and seven subsidiaries.

In 2012, Atlas is expected to generate roughly $768.3 million in industry-related revenue from US customers. Since 2007, this revenue has declined at an annualized rate of 0.8%, due largely to weak demand conditions that pulled revenue down during the economic downturn. Overall, the company holds a 5.2% market share in the Moving Services industry.

Atlas World Group Inc. (US industry-relevant segment) – financial performance*

Year	Revenue ($ million)	(% change)	Net Income ($ million)	(% change)
2007	801.2	-0.5	24.5	-31.2
2008	738.5	-7.8	-10.2	-141.6
2009	711.3	-3.7	8.0	-178.4
2010	715.4	0.6	26.7	233.8
2011	747.4	4.5	27.5	3.0
2012	768.3	2.8	29.9	8.7

*IBISWorld estimate

SOURCE: COMPANY WEBSITE

Other Companies

The Moving Services industry is highly fragmented with many small players, some national players and a few firms with international removal and relocation capabilities. Overall, there are 7,629 firms operating in the industry in 2012. About half of the industry is composed of firms that employ fewer than five people and only 5% of firms employ over 50 people. Many smaller firms are independent agents for the industry's major players.

Operating Conditions

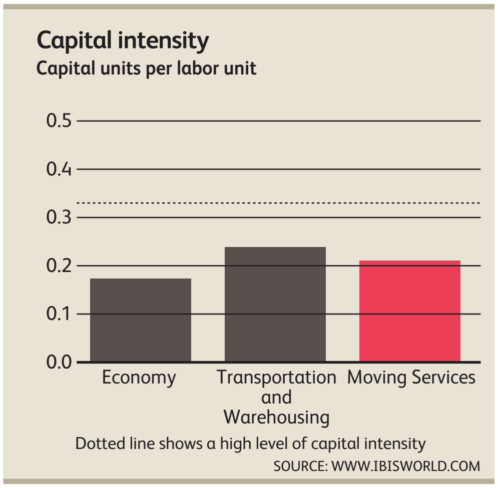
Capital Intensity | Technology & Systems | Revenue Volatility
Regulation & Policy | Industry Assistance

Capital Intensity

Level
The level of capital intensity is **Medium**

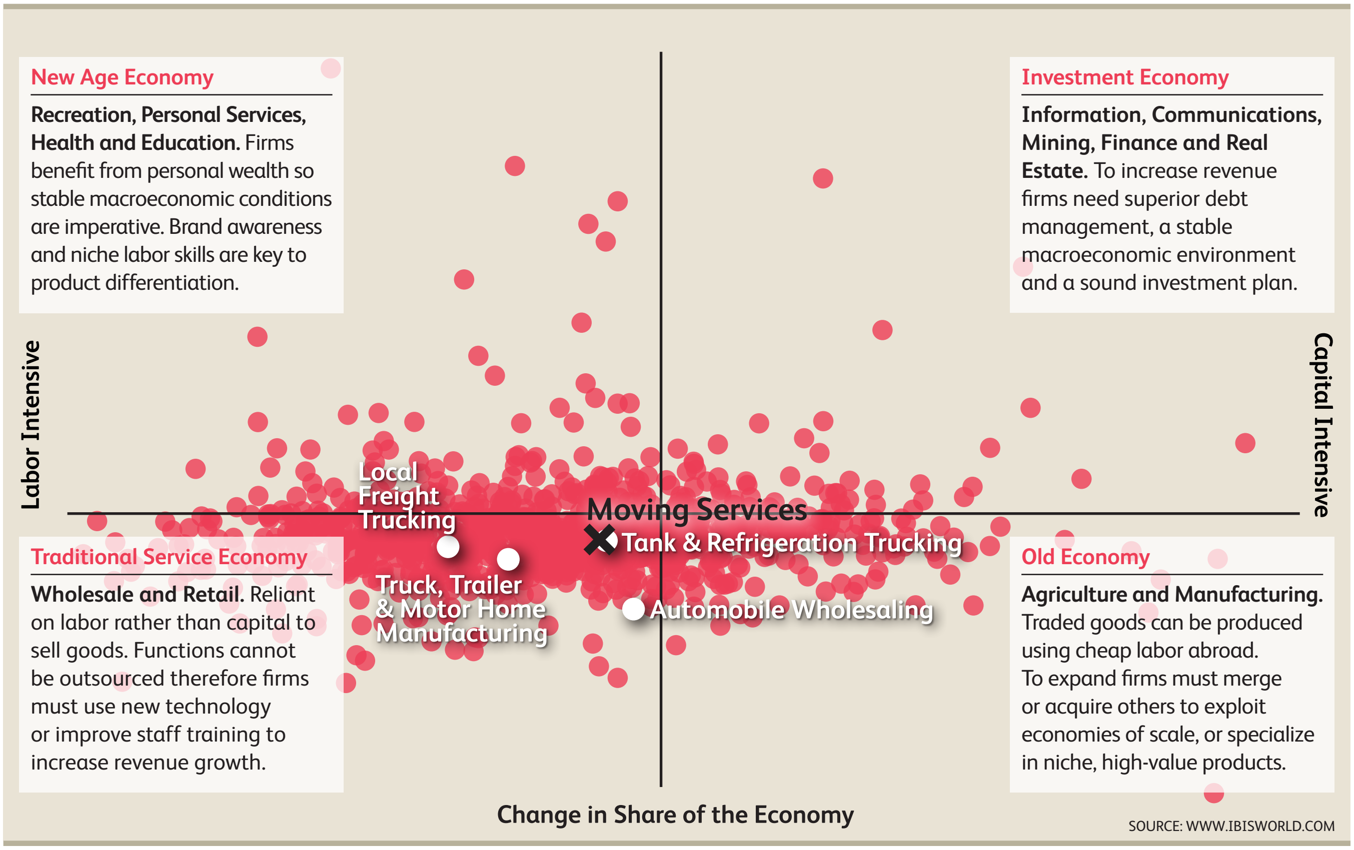
There is moderate level of capital intensity required by the Moving Services industry. Expenditure on wages accounts for a larger proportion of revenue than depreciation charges, with the average firm allocating roughly $0.21 toward capital for every dollar spent on labor in 2012. Capital expenditures are typically for the purchase of transport vehicles. Labor expenses include the wages and salaries paid to truck drivers, mechanics, cleaners and administrative staff.

Efficient communications equipment, newer vehicles and computer-assisted booking and route planning facilities can reduce the need for nondriving and maintenance labor. However, many labor functions in the industry, such as driving, cannot be made less labor intensive.



Moreover, long or quick turnaround trips require an extra driver for the company to adhere to federal safety requirements.

Tools of the Trade: Growth Strategies for Success



Operating Conditions

Capital Intensity continued

Over the longer term, capital investment in the industry should increase as competition becomes more intense and there is a greater demand for high-quality, safe and environmentally sound trucking options. Moving companies will be able to gain an advantage in the market by increasing investment in technologically-advanced tractors and trailers with onboard communications and entertainment equipment. Improved interactive route and schedule planning will also optimize efficiency, but require more capital.

Technology & Systems

Level
The level of Technology Change is **Medium**

Technological change in the Moving Services industry is moderate. Transport efficiency is one area that has undergone major changes in technology to achieve better fuel-efficiency, higher capacity rates and lower nonrevenue miles.

Vehicle coordination using electronic tracking devices and computer programs to quickly locate vehicles and improve turnaround times is another area of technology innovation for the industry. Environmental and Safety legislation has prompted technology changes within the industry, especially those related to future diesel-engine emission regulations.

Companies have also increasingly installed electronic communications equipment in their trucks. Allowing a customer to follow the progress of their goods is another technological change for this industry. This service also allows a customer to take preventative measures if a delivery is likely to be late. In doing so, equipment has been installed to access weather and traffic news in local areas and provide electronic maps for drivers. Computers that offer engine performance analysis and early detection of vehicle-component failure have also been installed in some moving-service vehicles.

Revenue Volatility

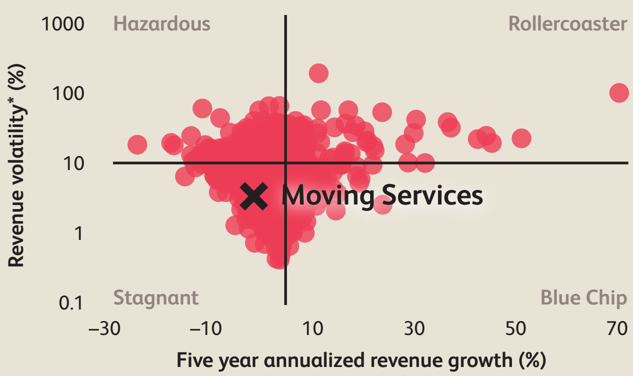
Level
The level of Volatility is **Medium**

The industry is sensitive to real GDP growth, interest rate changes, household disposable income and new home construction. Employee relocation and service outsourcing from corporations and the public sector can also influence

A higher level of revenue volatility implies greater industry risk. Volatility can negatively affect long-term strategic decisions, such as the time frame for capital investment.

When a firm makes poor investment decisions it may face underutilized capacity if demand suddenly falls, or capacity constraints if it rises quickly.

Volatility vs Growth



* Axis is in logarithmic scale

SOURCE: WWW.IBISWORLD.COM

Operating Conditions

Revenue Volatility continued

the industry. For larger companies, demand comes from a number of sectors, mitigating some industry volatility. The extensive use of agents and contractors also reduces large fluctuations. IBISWorld estimates revenue volatility in the Moving Services industry to be medium over the five years to 2012.

Regulation & Policy

Level & Trend
The level of Regulation is **Medium** and the trend is **Steady**

The Federal Highway Administration of the Department of Transport is responsible for the licensing and safety of interstate motor carriers. These regulations are found in the Federal Motor Carrier Act and the Motor Carrier Safety Improvement Act 1999. It lists certain requirements that an operator has to adhere to. Such requirements include holding a Commercial Driver's License. A driver can hold a license from only one state, needs to be aged over 21 to operate across state lines, must adhere to hours of service rules, have a complete physical examination at least every two years, have a minimum of 20/40 vision in each eye, with or without corrective lenses, and cannot be color blind. Truckers must also register their vehicles, which need to adhere to specified weights and dimensions. If an operator employs 50 or more drivers, they must routinely test drivers for drugs and alcohol. For each interstate carrier, trucking firms must have a minimum of $500,000 insurance coverage.

Environmental regulations

The US Environmental Protection Agency (EPA) enforces rules that reduce diesel fuel emissions from diesel engines manufactured after specified dates in 2002, 2007, and 2010. Compliance with such regulations has increased the cost of new tractors (prime movers) and lowered fuel mileage for many companies. The additional changes implemented in 2007 and beyond are expected to have similar effects. These obstacles, combined with the unknown long-term effects of these new designs' reliability, could increase industry costs or hinder a firm's operations.

Meanwhile, storm water discharge permits are required at terminals where truck washing is in operation. These permits range from $1500 to $5000 per facility. New federal rules are expected to ban the discharge of water from vehicle maintenance facilities into septic tanks and other wells. This ban may potentially pose a challenge to trucking facilities in areas without public utility access. If a company is involved in a spill of hazardous substances or in any way violates laws relating to such substances, it could be responsible for clean-up costs, property damage, fines or other penalties.

Industry Assistance

Level & Trend
The level of Industry Assistance is **Low** and the trend is **Steady**

The American Moving and Storage Association (AMSA) is the industry's main representative. This nonprofit association has an educational arm, the Moving and Storage Institute. The AMSA has 3,200 members that move goods domestically and internationally has a Certified Mover Program for professional movers that have agreed to follow a Code of Conduct. AMSA-certified movers must provide complete disclosure of moving information, written evidence of charges, timely service, and a prompt response to claims and complaints from customers.

The American Trucking Association represents the interests of the trucking industry through a number of way, including: influencing federal and state government actions; advancing the trucking industry's image, promoting

Operating Conditions

Industry Assistance continued

efficiency, competitiveness and profitability; providing educational programs and industry research; promoting highway and driver safety; and striving for a healthy business environment. Meanwhile, America's Independent Trucker's Association (AITA) has no political agenda. Rather, the association provides independent operators and small fleets with collective bargaining power and discount opportunities that larger fleets frequently enjoy. The AITA has a range of participating suppliers that provide smaller independent operators with discount parts.

Key Statistics

Industry Data

	Revenue ($m)	Industry Value Added ($m)	Establish-ments	Enterprises	Employment	Exports	Imports	Wages ($m)	Domestic Demand	House Price Index
2003	15,438.6	5,444.9	8,358	7,488	109,392	--	--	3,700.3	N/A	136.3
2004	16,233.2	5,590.2	8,516	7,659	108,701	--	--	3,885.7	N/A	155.2
2005	17,094.9	5,703.8	8,711	7,858	110,698	--	--	3,908.9	N/A	179.0
2006	16,641.7	5,779.5	9,033	8,119	114,771	--	--	3,815.8	N/A	188.3
2007	16,508.5	5,504.9	8,862	7,981	112,114	--	--	3,655.9	N/A	179.7
2008	15,104.9	4,787.6	8,815	7,943	109,552	--	--	3,519.2	N/A	151.3
2009	14,205.4	4,489.0	8,304	7,529	101,414	--	--	3,103.7	N/A	134.0
2010	14,320.8	4,407.8	8,064	7,339	98,220	--	--	3,018.7	N/A	134.2
2011	14,474.4	4,592.6	8,109	7,486	99,453	--	--	3,072.8	N/A	128.2
2012	**14,643.0**	**4,732.1**	**8,283**	**7,629**	**102,363**	**--**	**--**	**3,194.6**	**N/A**	**127.7**
2013	14,879.9	4,862.7	8,420	7,743	104,488	--	--	3,300.3	N/A	129.1
2014	15,088.2	4,961.5	8,474	7,787	105,548	--	--	3,377.2	N/A	134.3
2015	15,492.1	4,929.0	8,522	7,875	105,290	--	--	3,352.3	N/A	135.2
2016	15,935.5	5,076.5	8,623	8,006	106,091	--	--	3,403.3	N/A	140.0
2017	16,293.1	5,195.2	8,730	8,114	107,477	--	--	3,484.5	N/A	148.7
Sector Rank	**16/37**	**19/37**	**13/37**	**12/37**	**14/37**	**N/A**	**N/A**	**18/37**	**N/A**	**N/A**
Economy Rank	**414/706**	**403/706**	**300/705**	**268/705**	**288/706**	**N/A**	**N/A**	**346/706**	**N/A**	**N/A**

Annual Change

	Revenue (%)	Industry Value Added (%)	Establish-ments (%)	Enterprises (%)	Employment (%)	Exports (%)	Imports (%)	Wages (%)	Domestic Demand (%)	House Price Index (%)
2004	5.1	2.7	1.9	2.3	-0.6	N/A	N/A	5.0	N/A	13.9
2005	5.3	2.0	2.3	2.6	1.8	N/A	N/A	0.6	N/A	15.3
2006	-2.7	1.3	3.7	3.3	3.7	N/A	N/A	-2.4	N/A	5.2
2007	-0.8	-4.8	-1.9	-1.7	-2.3	N/A	N/A	-4.2	N/A	-4.6
2008	-8.5	-13.0	-0.5	-0.5	-2.3	N/A	N/A	-3.7	N/A	-15.8
2009	-6.0	-6.2	-5.8	-5.2	-7.4	N/A	N/A	-11.8	N/A	-11.4
2010	0.8	-1.8	-2.9	-2.5	-3.1	N/A	N/A	-2.7	N/A	0.1
2011	1.1	4.2	0.6	2.0	1.3	N/A	N/A	1.8	N/A	-4.5
2012	**1.2**	**3.0**	**2.1**	**1.9**	**2.9**	**N/A**	**N/A**	**4.0**	**N/A**	**-0.4**
2013	1.6	2.8	1.7	1.5	2.1	N/A	N/A	3.3	N/A	1.1
2014	1.4	2.0	0.6	0.6	1.0	N/A	N/A	2.3	N/A	4.0
2015	2.7	-0.7	0.6	1.1	-0.2	N/A	N/A	-0.7	N/A	0.7
2016	2.9	3.0	1.2	1.7	0.8	N/A	N/A	1.5	N/A	3.6
2017	2.2	2.3	1.2	1.3	1.3	N/A	N/A	2.4	N/A	6.2
Sector Rank	**32/37**	**14/37**	**12/37**	**14/37**	**9/37**	**N/A**	**N/A**	**5/37**	**N/A**	**N/A**
Economy Rank	**527/706**	**332/706**	**185/705**	**172/705**	**142/706**	**N/A**	**N/A**	**126/706**	**N/A**	**N/A**

Key Ratios

	IVA/Revenue (%)	Imports/ Demand (%)	Exports/Revenue (%)	Revenue per Employee ($'000)	Wages/Revenue (%)	Employees per Est.	Average Wage ($)	Share of the Economy (%)
2003	35.27	N/A	N/A	141.13	23.97	13.09	33,826.06	0.05
2004	34.44	N/A	N/A	149.34	23.94	12.76	35,746.68	0.05
2005	33.37	N/A	N/A	154.43	22.87	12.71	35,311.39	0.05
2006	34.73	N/A	N/A	145.00	22.93	12.71	33,247.07	0.04
2007	33.35	N/A	N/A	147.25	22.15	12.65	32,608.77	0.04
2008	31.70	N/A	N/A	137.88	23.30	12.43	32,123.56	0.04
2009	31.60	N/A	N/A	140.07	21.85	12.21	30,604.26	0.04
2010	30.78	N/A	N/A	145.80	21.08	12.18	30,734.07	0.03
2011	31.73	N/A	N/A	145.54	21.23	12.26	30,897.01	0.03
2012	**32.32**	**N/A**	**N/A**	**143.05**	**21.82**	**12.36**	**31,208.54**	**0.03**
2013	32.68	N/A	N/A	142.41	22.18	12.41	31,585.45	0.03
2014	32.88	N/A	N/A	142.95	22.38	12.46	31,996.82	0.03
2015	31.82	N/A	N/A	147.14	21.64	12.36	31,838.73	0.03
2016	31.86	N/A	N/A	150.21	21.36	12.30	32,079.06	0.03
2017	31.89	N/A	N/A	151.60	21.39	12.31	32,420.89	N/A
Sector Rank	**30/37**	**N/A**	**N/A**	**19/37**	**27/37**	**20/37**	**32/37**	**19/37**
Economy Rank	**384/706**	**N/A**	**N/A**	**488/706**	**276/706**	**377/705**	**505/706**	**403/706**

Figures are inflation-adjusted 2012 dollars. Rank refers to 2012 data.

SOURCE: WWW.IBISWORLD.COM

Jargon & Glossary

Industry Jargon

CHAPTER 11 BANKRUPTCY PROTECTION A financial motion that prevents creditors from seeking to close a business altogether.

FORECLOSURE The default process when homeowners fail to make their mortgage payments, typically ending with banks taking ownership of the home.

TRACTORS Prime movers that haul trailers of goods.

IBISWorld Glossary

BARRIERS TO ENTRY Barriers to entry can be High, Medium or Low. High means new companies struggle to enter an industry, while Low means it is easy for a firm to enter an industry.

CAPITAL/LABOR INTENSITY An indicator of how much capital is used in production as opposed to labor. Level is stated as High, Medium or Low. High is a ratio of less than $3 of wage costs for every $1 of depreciation; Medium is $3 – $8 of wage costs to $1 of depreciation; Low is greater than $8 of wage costs for every $1 of depreciation.

CONSTANT PRICES The dollar figures in the Key Statistics table, including forecasts, are adjusted for inflation using 2012 as the base year. This removes the impact of changes in the purchasing power of the dollar, leaving only the 'real' growth or decline in industry metrics. The inflation adjustments in IBISWorld's reports are made using the US Bureau of Economic Analysis' implicit GDP price deflator.

DOMESTIC DEMAND The use of goods and services within the US; the sum of imports and domestic production minus exports.

EARNINGS BEFORE INTEREST AND TAX (EBIT) IBISWorld uses EBIT as an indicator of a company's profitability. It is calculated as revenue minus expenses, excluding tax and interest.

EMPLOYMENT The number of working proprietors, partners, permanent, part-time, temporary and casual employees, and managerial and executive employees.

ENTERPRISE A division that is separately managed and keeps management accounts. The most relevant measure of the number of firms in an industry.

ESTABLISHMENT The smallest type of accounting unit within an Enterprise; usually consists of one or more locations in a state or territory of the country in which it operates.

EXPORTS The total sales and transfers of goods produced by an industry that are exported.

IMPORTS The value of goods and services imported with the amount payable to non-residents.

INDUSTRY CONCENTRATION IBISWorld bases concentration on the top four firms. Concentration is identified as High, Medium or Low. High means the top four players account for over 70% of revenue; Medium is 40–70% of revenue; Low is less than 40%.

INDUSTRY REVENUE The total sales revenue of the industry, including sales (exclusive of excise and sales tax) of goods and services; plus transfers to other firms of the same business; plus subsidies on production; plus all other operating income from outside the firm (such as commission income, repair and service income, and rent, leasing and hiring income); plus capital work done by rental or lease. Receipts from interest royalties, dividends and the sale of fixed tangible assets are excluded.

INDUSTRY VALUE ADDED The market value of goods and services produced by an industry minus the cost of goods and services used in the production process, which leaves the gross product of the industry (also called its Value Added).

INTERNATIONAL TRADE The level is determined by: Exports/Revenue: Low is 0–5%; Medium is 5–20%; High is over 20%. Imports/Domestic Demand: Low is 0–5%; Medium is 5–35%; and High is over 35%.

LIFE CYCLE All industries go through periods of Growth, Maturity and Decline. An average life cycle lasts 70 years. Maturity is the longest stage at 40 years with Growth and Decline at 15 years each.

NON-EMPLOYING ESTABLISHMENT Businesses with no paid employment and payroll are known as non-employing establishments. These are mostly set-up by self employed individuals.

VOLATILITY The level of volatility is determined by the percentage change in revenue over the past five years. Volatility levels: Very High is greater than ±20%; High Volatility is between ±10% and ±20%; Moderate Volatility is between ±3% and ±10%; and Low Volatility is less than ±3%.

WAGES The gross total wages and salaries of all employees of the establishment.