



FIDI GLOBAL BUSINESS CONFIDENCE BAROMETER RESULTS - Q4/2019 - Q4/2020

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FOREWORD

Invariably, when movers talk to each other - whether on a phone call or at a conference - they will ask the question: How is business?

That's human nature: you want to know how the others, your colleagues but also competitors, are doing compared to your own company. If they all say things are going great, while you are struggling to make ends meet, you either are doing something wrong, or they are lying to you.

And even that is typical for any entrepreneur: to mislead his opponent a little about the way business really is going. They have a

moral duty to be optimistic and upbeat about the situation. It's second nature, and we all do it. We just love to share success stories, particularly with our colleagues from around the world.

But how is business really going in our moving industry? And how do you measure that? Data from the annual FAIM Financial Assessment allows us to see how the global moving business went up until the last closed financial year. This is very useful to know, and interesting to see the evolution in the various financial parameters. However, it does not indicate how we are doing now, and what we are expecting for the coming months. There are no tangible figures to capture that; there are only early indicators on demand, on-going RFPs, bookings and, let's face it, gut feeling.

At the end of 2019, right before the COVID-19 pandemic brought the world to a standstill, FIDI launched a quarterly survey to measure how optimistic or pessimistic our Affiliates are regarding their revenue, pricing and work force developments, compared with the same quarter last year; as well as their expectations for the coming three months, compared with the same period the previous year.

The FIDI Global Business Confidence Barometer can be used to monitor output growth and to anticipate turning points in our moving activity.

We collect responses anonymously, outside the cheerful atmosphere of a conference; the results should therefore be less biased than any opinions expressed in the company of colleagues. The FIDI office has reached out to all CEOs and primary contacts of our affiliated companies, and we received responses from almost 40%. Statistically this gives a very good indication of the overall business confidence.

However, we would love to grow that number, thus making the results more accurate, and therefore call upon our FIDI Affiliates to participate consistently in this quarterly survey, taking no more than a few minutes of your time.

Why do we, as an industry, want to know this? Apart from the somewhat sugar-coated success stories shared during meetings and conferences, it is useful to know how things are really developing. It helps our Affiliates to benchmark their own efforts and results, to plan better, to invest with knowledge and to consider future projects with increased confidence. It helps FIDI to gauge the mood in our membership and the industry as a whole. Is there optimism, with a boost in business to be expected? Or to the contrary: is the industry slipping into a recession? The FIDI Global Business Cycle Barometer is a welcome addition to the many other indicators in our industry, and will help FIDI to adjust its services and to determine the next strategic directions of our organisation.



Foreword by
Jesse van Sas, FIDI
General Manager

INTRODUCTION

“ HOW DOES THE FIDI GLOBAL BUSINESS CONFIDENCE BAROMETER WORK? ”

The FIDI Global Business Confidence Barometer compares figures for the current quarter against the same quarter the previous year and asks FIDI Affiliates to share their expectations for the upcoming quarter, compared to the same period last year. Analysing the average of these results, we can monitor the overall evolution of entrepreneurial confidence in the industry over time.

DEFINING ENTREPRENEURIAL CONFIDENCE

Essentially, business or economic sentiment shows the optimism that business managers have on the prospects of economic conditions in a particular industry. It also presents an overview of how people foresee the business to develop in the coming months.

The FIDI Global Business Confidence Barometer measures actual business results with the optimism or pessimism that Affiliates have on the prospects of economic and business conditions. The overall results present an overview of how business is evolving year on year in the FIDI space.

The following parameters are measured by the FIDI Global Business Confidence Barometer to arrive at an overall entrepreneurial confidence score:

- Change in revenue
- Change in prices
- Change in office staff
- Change in crew and warehouse staff

Each time the effective increase or decrease of each parameter is measured against the same quarter last year, as well as the anticipated evolution in the next quarter, compared to the same period the previous year – thus comparing like for like, which is important in our seasonal business.

The results are scored as positive minus negative responses, which is the net balance, for each of the parameters. In the end, the various parameters are averaged in an overall score or net balance. Thus, a balance above zero reflects increasing business confidence, and lower than zero indicates falling confidence. A positive outlook can be regarded as healthy for the near term economic expectations, while a negative outlook could be a forewarning of a downturn in the economy for movers.

QUARTERLY RESULTS

ENTREPRENEURIAL CONFIDENCE / AVERAGE OF ALL INDICATORS

So far, data from five quarters has been collected, from Q4/2019 to Q4/2020

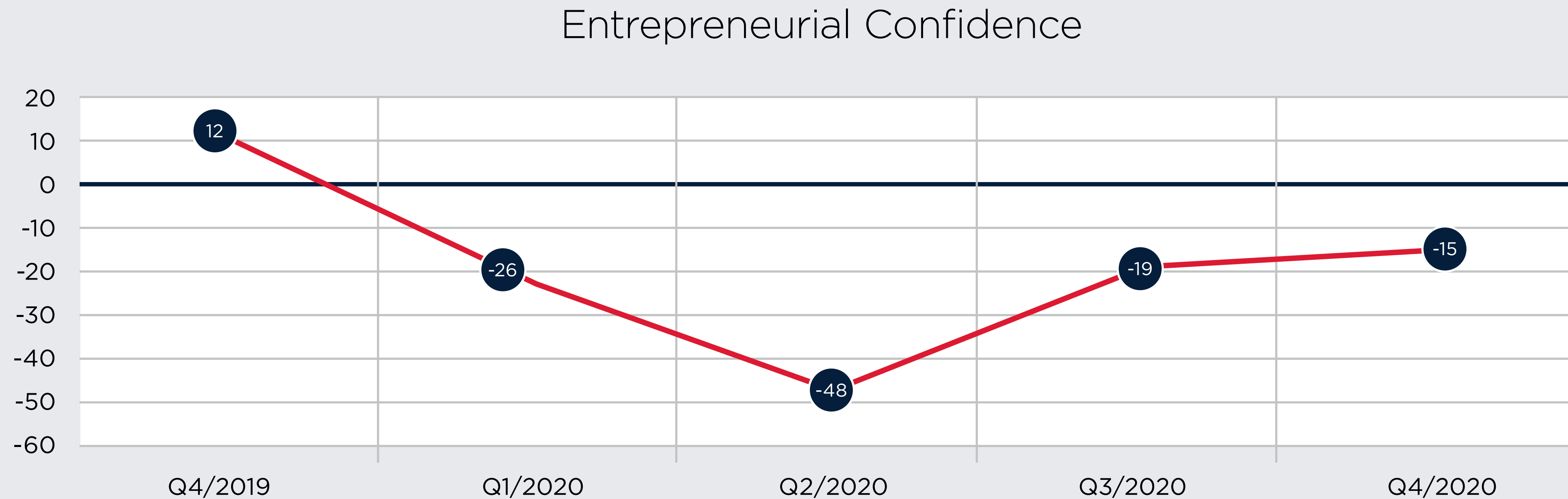
EVOLUTION							EXPECTATION				ENTREPRENEURIAL CONFIDENCE	
Quarter	Year	Response	revenue	price	crew & whse staff	office staff	revenue	price	crew & whse staff	office staff		
Q4	2019	98	29	15	-5	6	30	14	-2	8	Q4/2019	12
Q1	2020	79	-35	-3	-15	-21	-66	-17	-28	-25	Q1/2020	-26
Q2	2020	132	-99	-11	-39	-51	-84	-17	-37	-44	Q2/2020	-48
Q3	2020	138	-58	25	-36	-40	-29	28	-21	-17	Q3/2020	-19
Q4	2020	184	-49	32	-46	-57	-13	41	-11	-14	Q4/2020	-15

At the start of our barometer in Q4/2019, respondents were overall confident, with a positive entrepreneurial score of 12. As the COVID-19 crisis unfolded, confidence over the next two quarters rapidly decreased, as expected.

In Q3 and Q4/2020, confidence began to increase again. It is expected the next quarter results will show a continuation of this trend, as movers continue to adapt their business models and processes to survive during the pandemic.

QUARTERLY RESULTS

ENTREPRENEURIAL CONFIDENCE / AVERAGE OF ALL INDICATORS



The above graphs demonstrate the overall entrepreneurial confidence change in the industry throughout 2020.

BAROMETER QUESTIONS

To arrive at the entrepreneurial confidence score, the Barometer asks eight questions:

The first four measure the actual situation in the industry, comparing the current quarter to the same quarter the previous year:

Question 1: Has your revenue increased or decreased this quarter?

Question 2: Have prices increased or decreased this quarter?

Question 3: Has your office staff increased or decreased?

Question 4: Has your crew and warehouse staff increased or decreased?

The next four questions ask about Affiliate expectations for the next quarter, compared to the same period the previous year:

Question 5: Do you expect your revenue to increase or decrease?

Question 6: Do you expect prices to increase or decrease?

Question 7: Do you expect your office staff to increase or decrease?

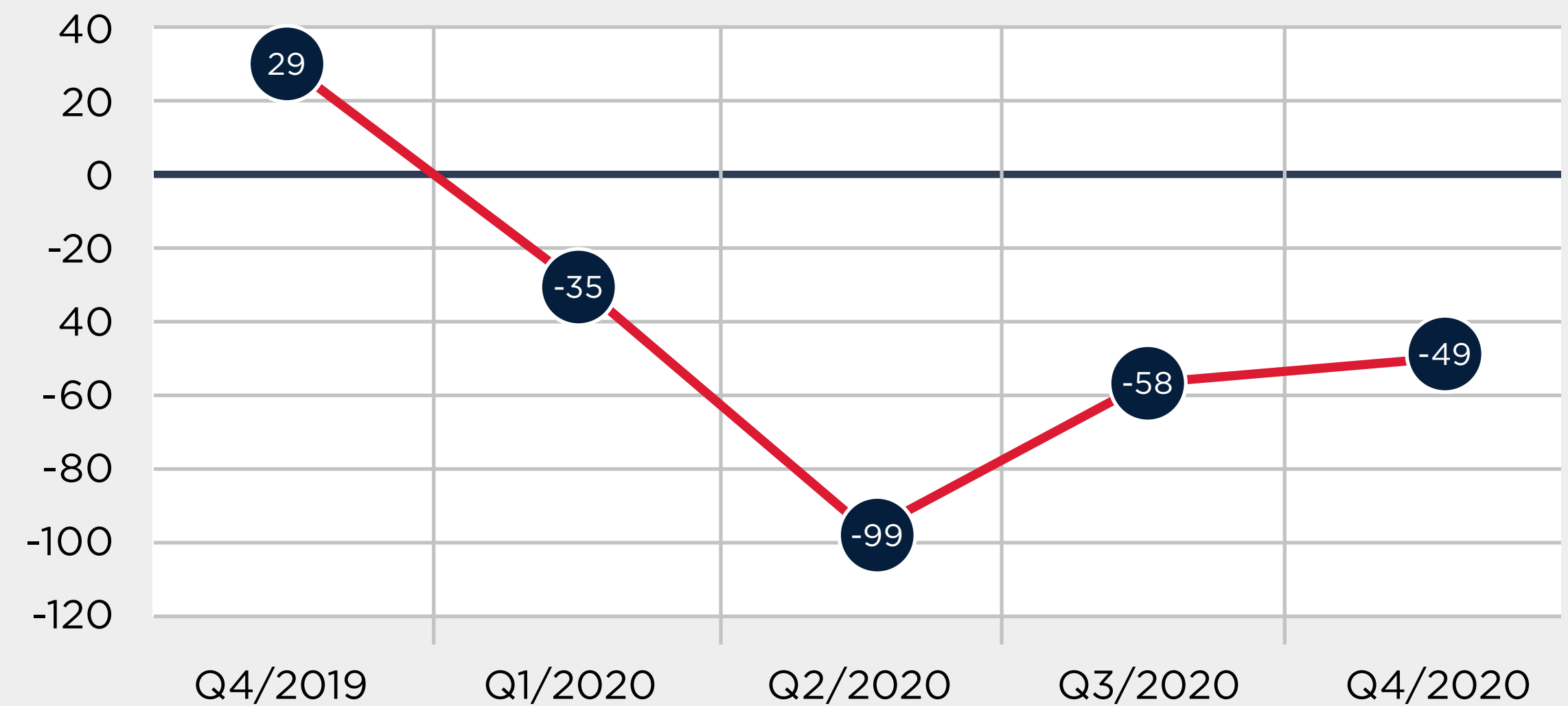
Question 8: Do you expect your crew and warehouse staff to increase or decrease?

Comparing revenue last (reported) quarter with same quarter the year before

Question 1 - Has your revenue increased or decreased this quarter, compared to the same quarter last year?

Quarter	Year	Response	Increased	Decreased	Same	Indicator
Q4	2019	98	55	26	17	29
Q1	2020	79	16	51	12	-35
Q2	2020	133	9	108	16	-99
Q3	2020	138	30	88	20	-58
Q4	2020	183	58	107	18	-49

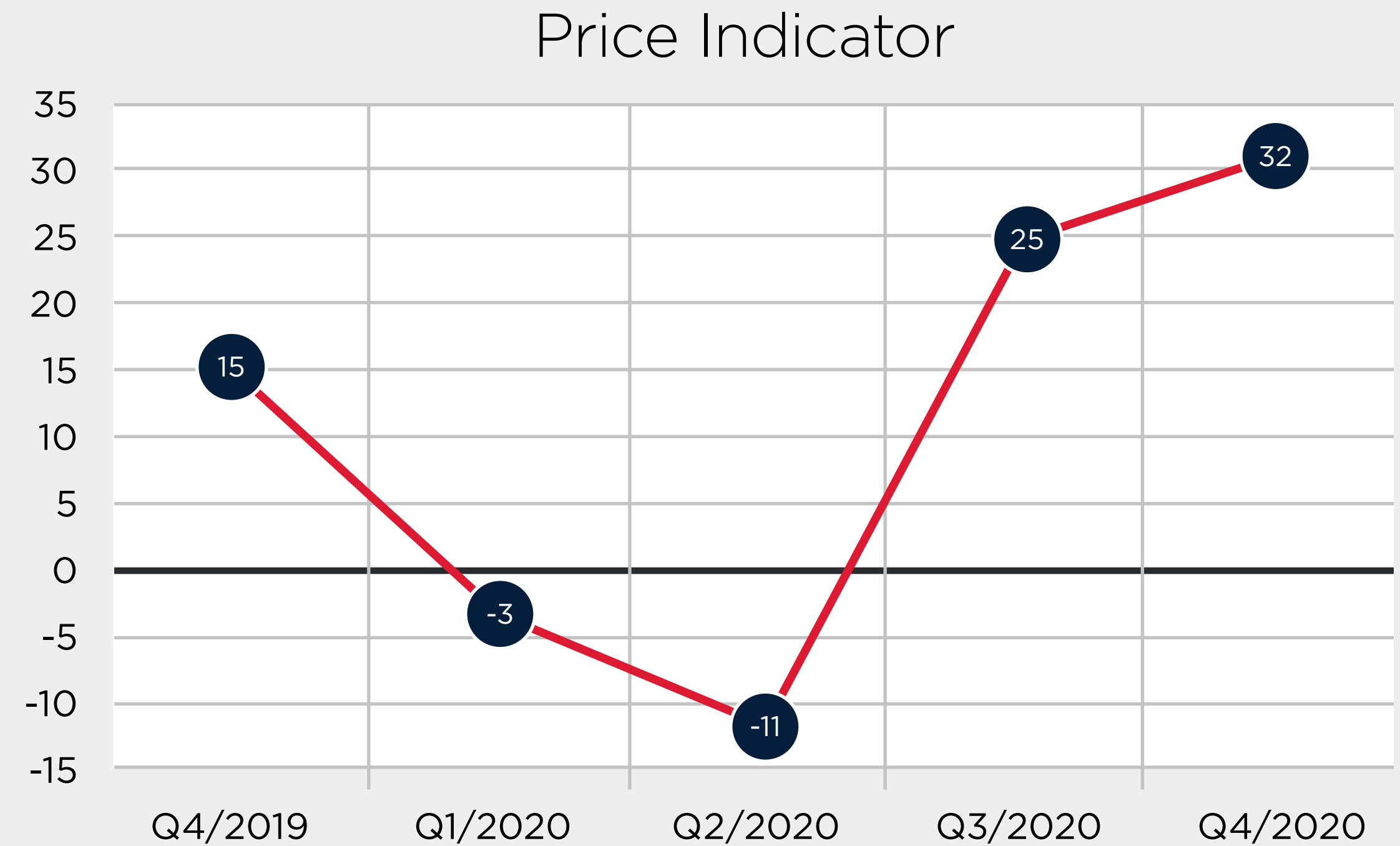
Revenue Indicator



Comparing prices last (reported) quarter with same quarter the year before

Question 2 - Have prices increased or decreased this quarter, compared to the same quarter last year?

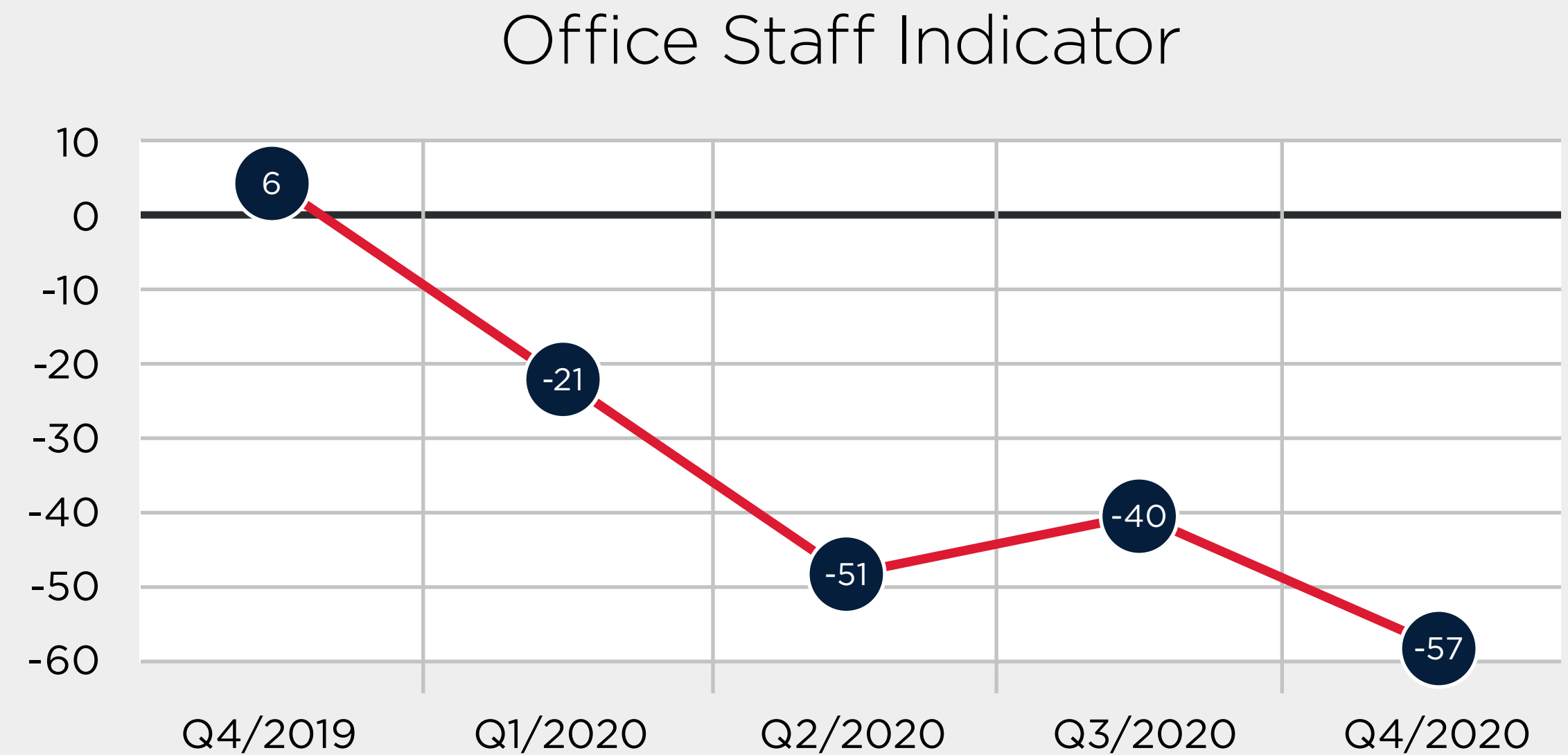
Quarter	Year	Response	Increased	Decreased	Same	Indicator
Q4	2019	98	33	18	47	15
Q1	2020	77	19	22	36	-3
Q2	2020	133	28	39	66	-11
Q3	2020	138	53	28	57	25
Q4	2020	184	71	39	74	32



Comparing office staff count last (reported) quarter with same quarter the year before

Question 3 - Has your office staff increased or decreased, compared to the same quarter last year?

Quarter	Year	Response	Increased	Decreased	Same	Indicator
Q4	2019	98	25	19	54	6
Q1	2020	79	4	25	50	-21
Q2	2020	132	11	62	59	-51
Q3	2020	138	12	52	74	-40
Q4	2020	184	16	73	95	-57

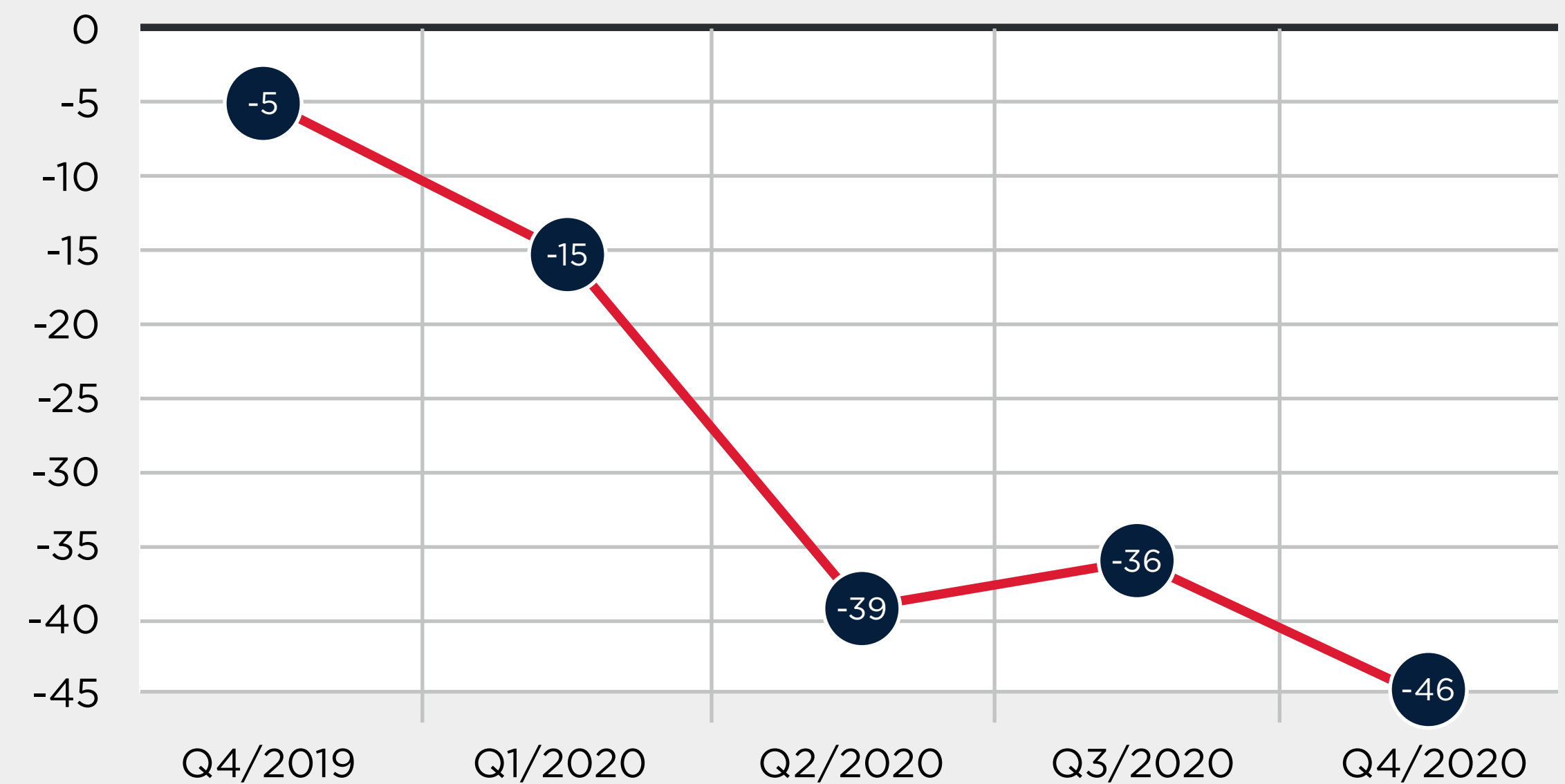


Comparing crew & warehouse staff count last (reported) quarter with same quarter the year before

Question 4 - Has your crew and warehouse staff increased or decreased, compared to the same quarter last year?

Quarter	Year	Response	Increased	Decreased	Same	Indicator
Q4	2019	98	20	25	53	-5
Q1	2020	79	6	21	52	-15
Q2	2020	133	7	46	80	-39
Q3	2020	137	11	47	79	-36
Q4	2020	184	18	64	102	-46

Crew & Warehouse Staff Indicator

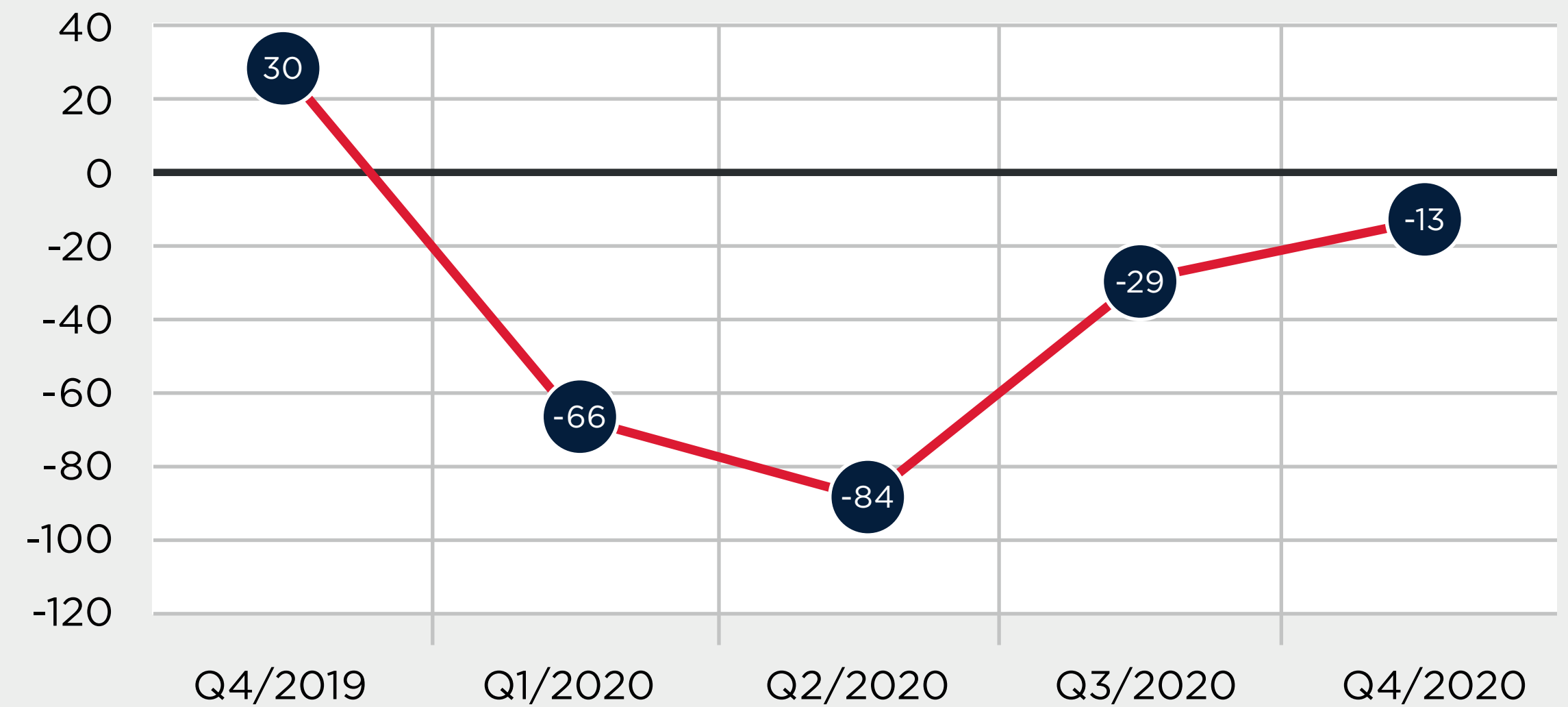


Comparing expected revenue next (reported) quarter with same quarter the year before

Question 5 - Do you expect your revenue to increase or decrease?

Quarter	Year	Response	Increased	Decreased	Same	Indicator
Q4	2019	98	49	19	30	30
Q1	2020	79	5	71	3	-66
Q2	2020	133	15	99	19	-84
Q3	2020	136	37	66	33	-29
Q4	2020	184	59	72	53	-13

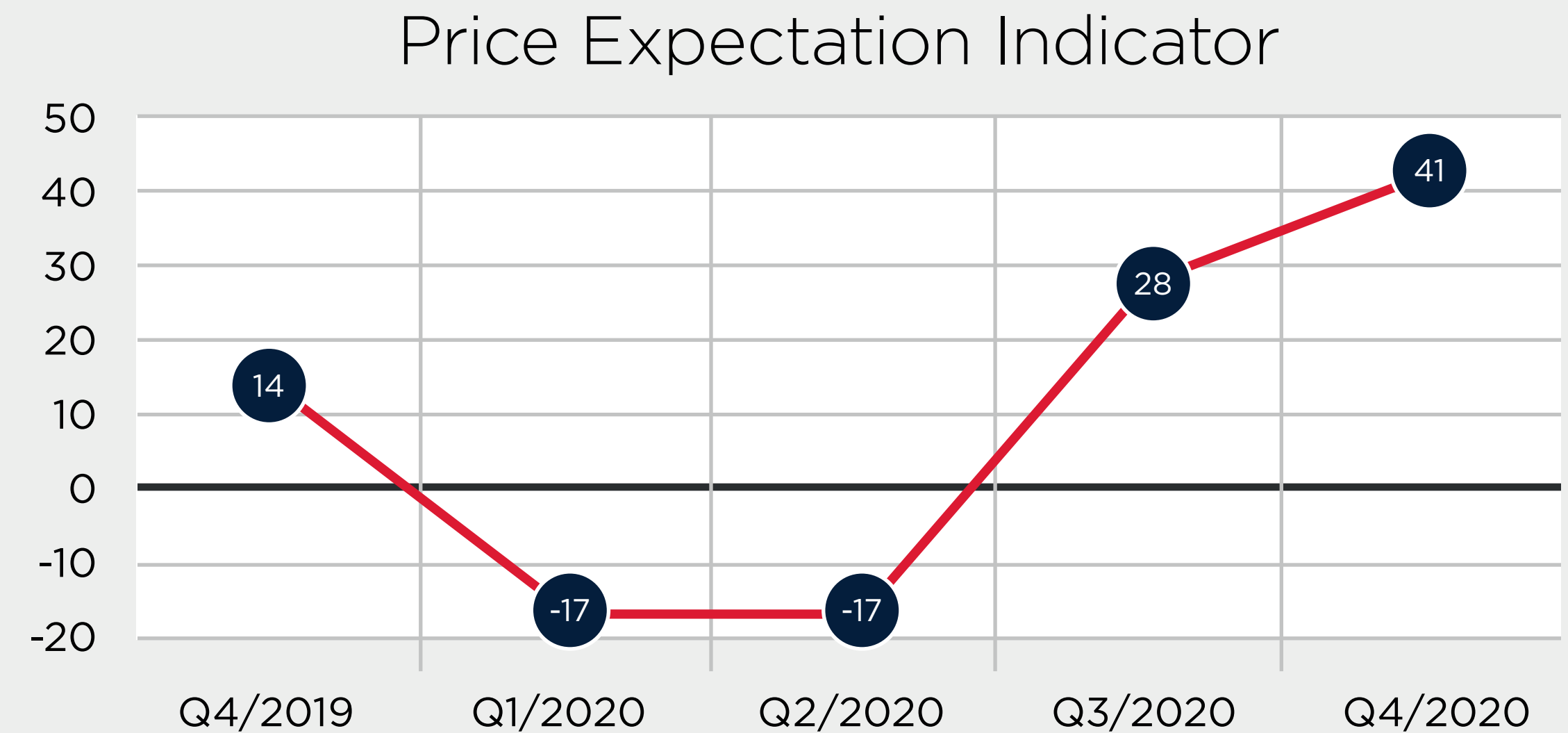
Revenue Expectation Indicator



Comparing expected prices next (reported) quarter with same quarter the year before

Question 6 - Do you expect prices to increase or decrease?

Quarter	Year	Response	Increased	Decreased	Same	Indicator
Q4	2019	98	33	19	46	14
Q1	2020	79	18	35	26	-17
Q2	2020	133	29	46	58	-17
Q3	2020	137	55	27	55	28
Q4	2020	183	72	31	80	41

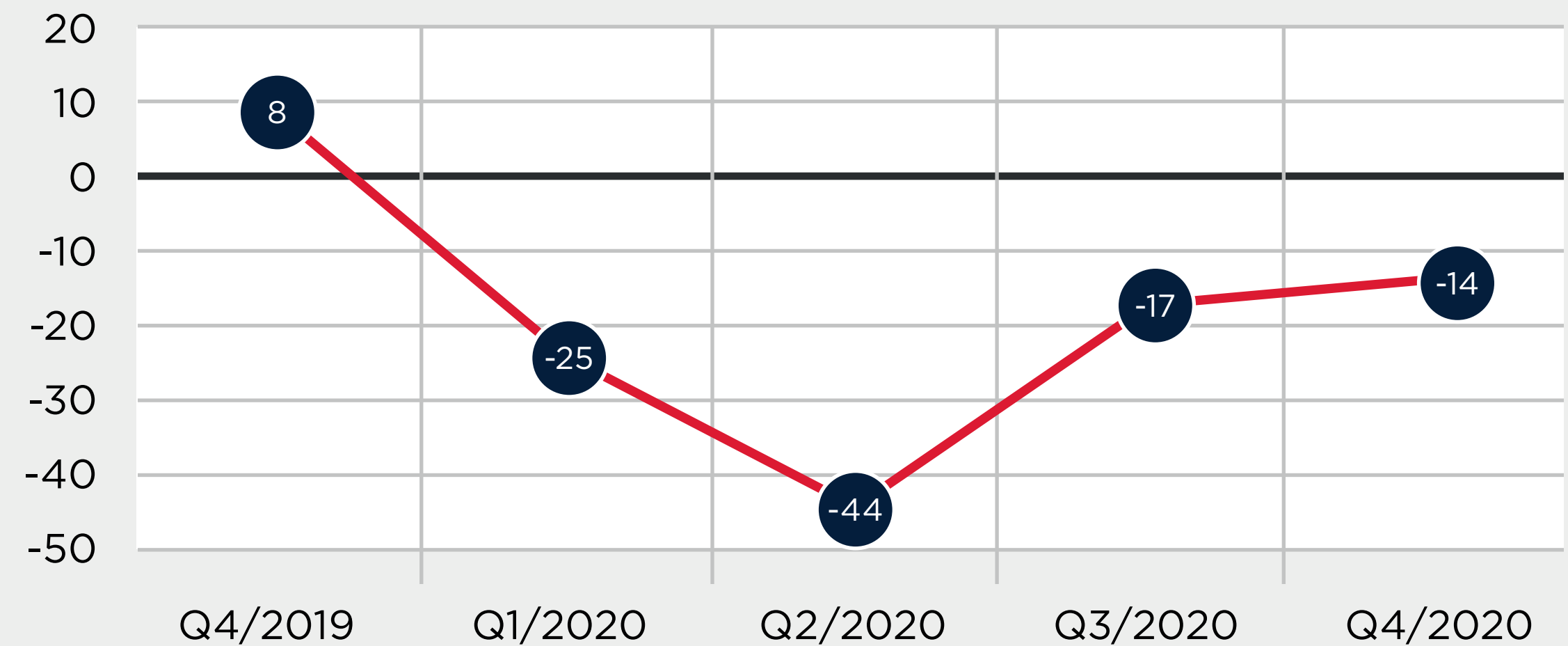


Comparing expected office staff count next (reported) quarter with same quarter the year before

Question 7 - Do you expect your office staff to increase or decrease?

Quarter	Year	Response	Increased	Decreased	Same	Indicator
Q4	2019	98	18	10	70	8
Q1	2020	79	4	29	46	-25
Q2	2020	133	7	51	75	-44
Q3	2020	137	13	30	94	-17
Q4	2020	184	16	30	138	-14

Office Staff Expectations Indicator

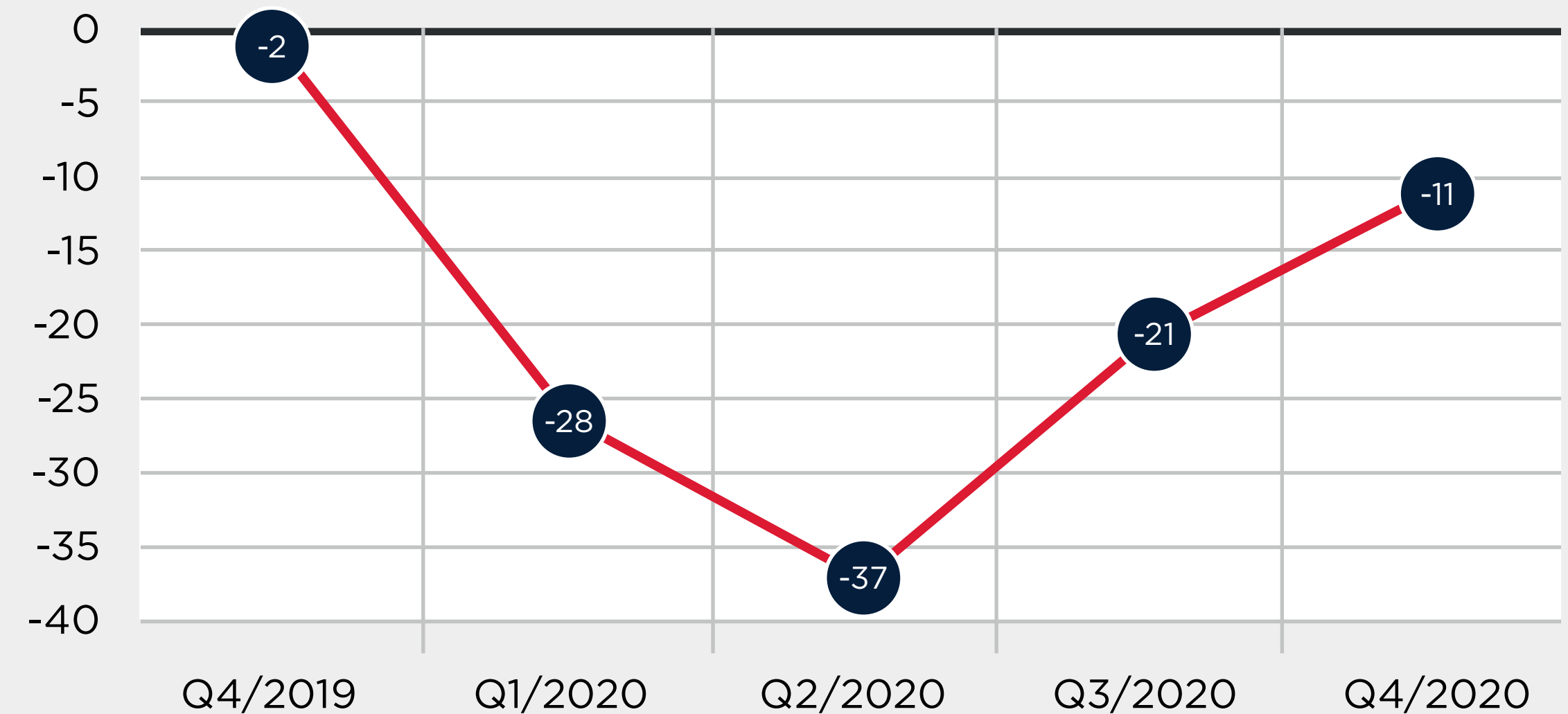


Comparing expected crew staff count next (reported) quarter with same quarter the year before

Question 8 - Do you expect your crew and warehouse staff to increase or decrease?

Quarter	Year	Response	Increased	Decreased	Same	Indicator
Q4	2019	98	14	16	68	-2
Q1	2020	79	6	34	39	-28
Q2	2020	133	9	46	78	-37
Q3	2020	138	13	34	91	-21
Q4	2020	184	18	29	137	-11

Crew & Warehouse Staff Expectations Indicator



CONCLUSION & NEXT STEPS

COVID-19 did not even exist when we started this project in the last quarter of 2019, and we did scratch our heads a bit when just months after launching the survey, it hit the world and our industry in full force.

Obviously, the effects of the global pandemic impacted the barometer results immediately. In fact, it demonstrates that the barometer is actually working. A rather upbeat Q4 in 2019 was followed by a steep decrease in entrepreneurial confidence in Q1 and Q2 of 2020; exactly what you would expect.

Q3 of 2020 however, showed an increase in confidence again. Not to the level of 2019 obviously, but still a remarkable improvement, indicating that by the end of the year, businesses were entering into a new, more optimistic trend, perfectly in line with good news on vaccines and the possible lifting of international travel restrictions. This might also be an indicator of the resilience of our industry, which has weathered many crises in the past. The continuation of our Business Confidence Barometer in 2021 and beyond will show if this is a long-term, structural trend.

The rocky start of this Barometer, right in the middle of the COVID-19 crisis turns out to be an excellent starting point, including a view on how deep the results can fall - a great benchmark. Now that we have a full year of data, FIDI will regularly update you on this important index, thus helping the industry to assess its own business mood and giving an indication of where we are heading in the near future. To make the barometer stronger and more representative of our industry, we need your input - the more regular respondents participate, the more accurate the information and analysis.



CONTACT DETAILS

For more information about the FIDI Global Business Confidence Barometer and to participate in the next quarterly survey, please contact Lydia Cope, FIDI Membership Officer, at lydia.cope@fidi.org

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