SmartMoving

2024 STATE OF THE MOVING INDUSTRY

The Definitive Report on Moving Industry Insights, Emerging Trends, and Benchmarks



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MMA Michigan Movers Association

New Jersey Warehouse & Movers Association & NJ Movers Tariff Bureau founded in 1969

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REMEDY PAYMENT SOLUTIONS



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Introduction

Welcome to the 2024 State of the Moving Industry report, brought to you by SmartMoving, Michigan Moving Association, New Jersey Warehouse & Movers Association, Massachusetts Moving Association, Arizona Moving Association, and Remedy Payment Solutions.

Understanding the ever-evolving landscape of the moving industry is essential to your success. That's why we surveyed over 400 moving company owners nationwide to gather valuable insights. We're excited to equip you with the knowledge and strategies you need to navigate the challenges ahead and unlock new opportunities.

Our comprehensive study delves deep into current market dynamics, challenges, trends, and benchmarks that matter most to moving companies like yours. By leveraging the information in this report, you'll gain a competitive edge and make well-informed decisions that drive your success in 2024 and beyond.

We hope you find it useful and wish you great success this year.

Tobe Thompson
CEO, SmartMoving





Executive Summary

SmartMoving, Michigan Moving Association, New Jersey Warehouse & Movers Association, Massachusetts Moving Association, Arizona Moving Association, and Remedy Payment Solutions surveyed more than 400 moving company owners nationwide to gather insights on business performance in 2023 and expectations for 2024 and beyond.

While 2023 was challenging for moving companies, with less than half meeting their revenue goals, the majority of moving companies are optimistic about the year ahead. To increase profitability, moving companies plan to increase prices, improve marketing, and diversify their business.



Summary Findings

2023 Snapshot

A Challenging Year

2023 was a tough year for moving companies, with less than half (40%) meeting their revenue goals. Rising interest rates had a negative impact on 76% of moving companies. In addition, 33% of moving businesses had to take a business line of credit or a cash advance loan.

2024 Expectations

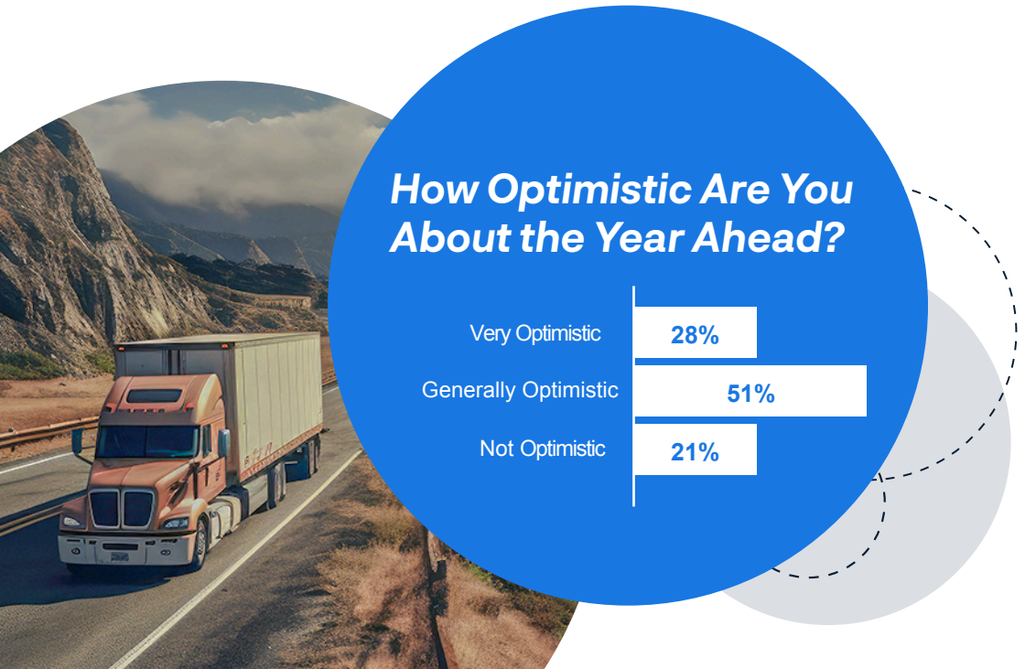
Optimistic About 2024

Despite the challenges of 2023, the majority of moving companies (79%) are optimistic about the year ahead. To increase profitability, 56% plan to increase prices, 40% plan to improve marketing, and 24% plan to diversify their business.

State of the Market

In 2023, less than half of moving companies achieved their revenue goals, and many grappled with issues like hiring, operations, and marketing. The impact of rising interest rates cast a shadow over most businesses, leading to stagnant or even declining revenue. To conquer these challenges head-on, some companies had to take out a loan of some type.

Nevertheless, the majority of moving companies are looking ahead with optimism. They are determined to find effective strategies that will boost their profitability in 2024. These strategies include pricing adjustments, enhanced marketing efforts, and expansion of their service offerings.



Key Findings

Our study illustrates business performance for moving companies in 2023 and industry trends for 2024, as indicated by the following results:

- 2023 was a challenging year for moving companies with **less than half (40%) meeting their revenue goals**.
- Most moving companies (76%) agree that the impact of rising interest rates had a negative or somewhat negative impact on their business.
- **32% of moving businesses had minimal change** (-10% to 10%) in their revenue trend over the last 12 months. While 24% saw a decrease by 10 to 20%.
- In addition, **33% of moving businesses had to take a business line of credit or a cash advance loan** in 2023.
- Despite the challenges of 2023, the majority of **moving companies (79%) are either generally or very optimistic about the year ahead**.
- As moving companies look for ways to increase profitability, **56% plan to increase prices, 40% plan to improve marketing**, and **24% plan to expand service offerings**.
- While software usage is already prevalent among the majority of moving companies, **18% plan to invest in additional software this year** as a tool to achieve their goals.

Emerging Trends & Strategies for Success

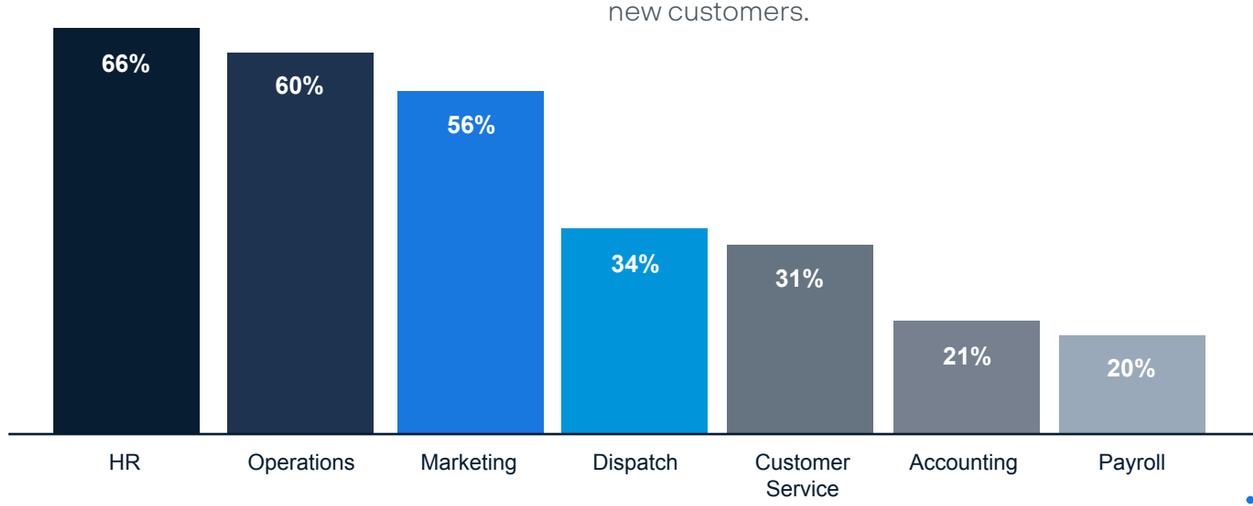
Last year posed several challenges for moving companies. Rising interest rates resulted in fewer moves, while staffing, operational, and marketing issues presented their own challenges. However, in 2024, moving companies are adapting with new strategies to overcome these challenges and drive profitability. This section highlights the top trends and actionable strategies that will help moving company owners thrive in the changing landscape of the industry.

Top Challenges Faced in 2023

In 2023, moving companies encountered several hurdles that impacted their business. Rising interest rates led to a decrease in residential and commercial moves, limiting revenue opportunities for companies. Other challenges included:

- **Staffing Difficulties:** Finding skilled staff was a major pain point, with 66% of moving companies reporting challenges in recruitment and turnover.
- **Operational Inefficiencies:** 60% of moving companies faced inefficiencies in their day-to-day operations, hindering productivity and profitability.
- **Limited Marketing:** 56% of companies struggled with executing and optimizing ongoing marketing programs, impacting their ability to attract new customers.

What areas of your business were most challenging in 2023?



*Responders selected all that apply

Business Strategies for 2024

Moving companies have a unique opportunity to thrive in 2024 by being proactive and opportunistic. It's no secret that challenging economic times naturally filter out poorly run businesses. Movers can capitalize on discounted equipment from companies going out of business, allowing them to upgrade their resources at a fraction of the normal cost. And these companies often have skilled workers who are now available for recruitment. Other key strategies include:

- **Price Adjustments:** In response to the challenges of the previous year, 56% of moving companies plan to increase their prices. This strategic move aims to maintain profitability while balancing customer value.

- **Enhancing Marketing Efforts:** Recognizing the importance of marketing, 40% of companies are focusing on improving or expanding their marketing initiatives. Top areas include search engine optimization (SEO), adding or expanding paid advertising, and increasing word-of-mouth marketing.

- **Diversifying Services:** To broaden their revenue streams, 24% of moving companies are diversifying their services, expanding beyond traditional moves to offer specialized services like military and international moves. They're also looking to offer profitable ancillary services like packing and storage.





Top 5
Emerging Trends

The shifting landscape of the moving industry presents new opportunities for growth and profitability. In the upcoming section, we'll dive into emerging trends and look at comparisons between all moving companies and best-in-class companies

Our aim is to uncover the strategies employed by the most successful companies, helping you stay competitive. To qualify as best-in-class, these companies have met or exceeded their revenue goals over the past year, booked over 1,000 moves, and have an annual gross revenue of $2M+.

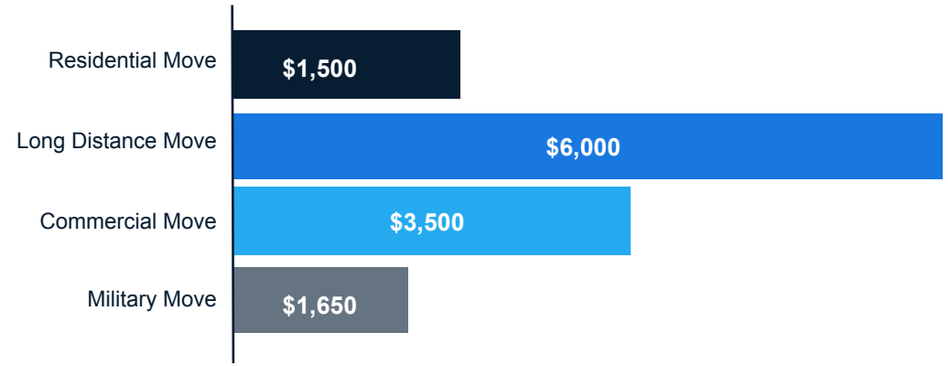
1 Boost revenue with thoughtful price adjustments

In the competitive landscape of the moving industry, pricing strategies play a key role in maximizing profitability while maintaining value for customers. With more than half of moving companies planning to raise prices by around 5% this year, evaluating pricing strategies is important.

Looking at aggregate data from SmartMoving software users, move prices remained steady in 2023 for the majority of moving companies. This is a good sign for increasing prices in 2024. By finding the right balance between reasonable price adjustments and value delivered, moving companies can increase revenue and lay the foundation for long-term sustainable growth.

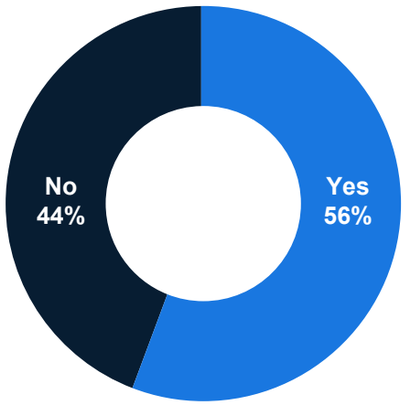


What do you charge on average for the following move types?

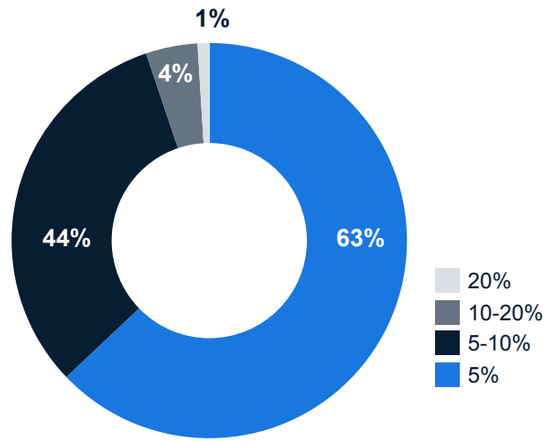


*Average move prices

Will you increase prices in 2024?



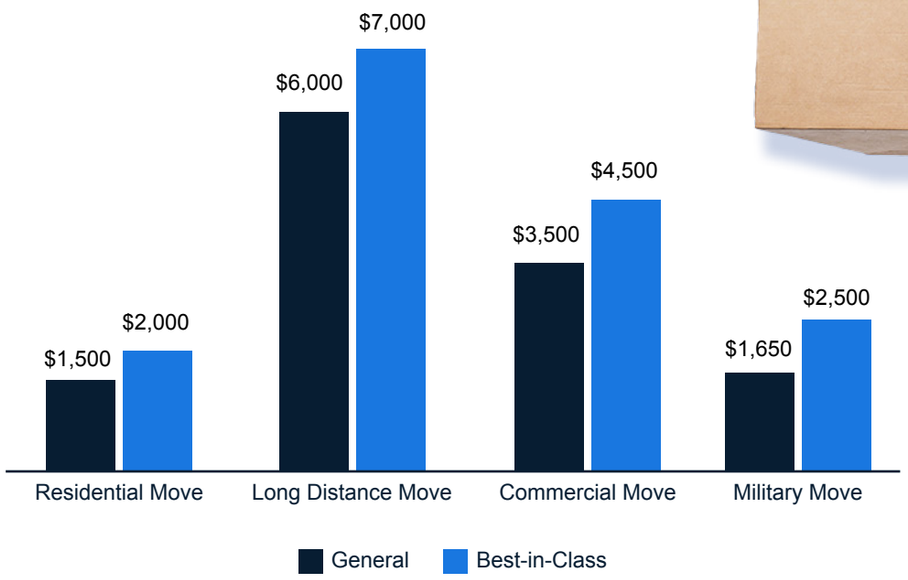
By how much will you increase prices?



Best-in-Class Comparison

We also looked at the pricing strategies of top-performing moving companies and found that they charge higher prices for all their services. These industry leaders also plan to increase their prices by 5% this year. By carefully evaluating their pricing structure and making thoughtful adjustments, these companies are setting themselves up for continued success and profitability.

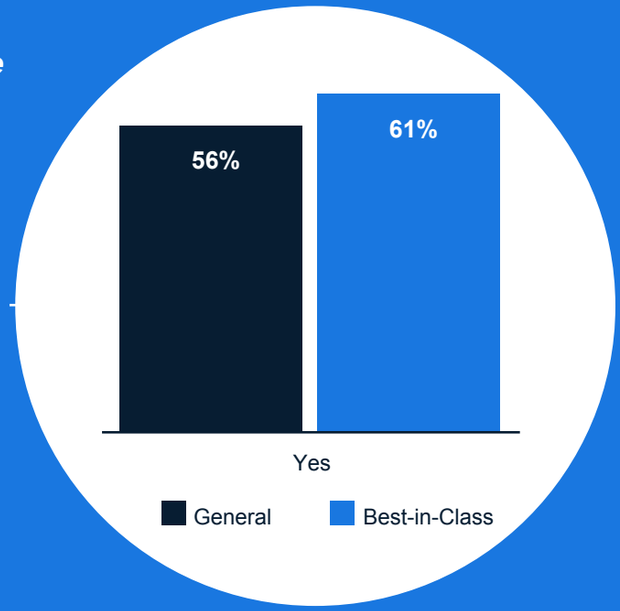
Comparison:
What do you charge on average for the following move types?



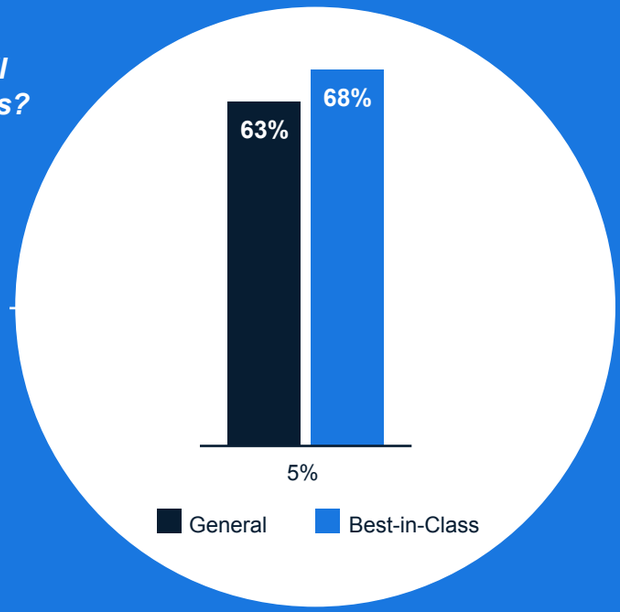
*Average move prices



Comparison:
Will you increase prices in 2024?



Comparison:
By how much will you increase prices?



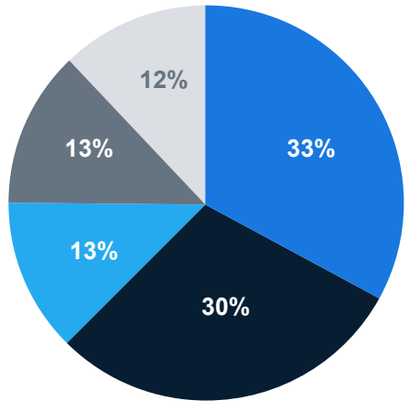
2 Invest in marketing to fuel growth

For moving companies seeking to maximize growth and brand awareness, it's crucial to allocate an adequate budget for marketing efforts. Surprisingly, many companies currently spend only a small percentage of their revenue on marketing, with over a quarter allocating just 5% or less. However, industry experts recommend investing 10-12% of revenue into marketing for growth and brand awareness.

It's encouraging to note that 42% of moving companies have recognized the significance of marketing and are planning to boost their marketing budget this year. Top areas of focus include search engine optimization (SEO), adding or expanding paid ads, increasing word-of-mouth marketing, improving their online presence, and optimizing current marketing programs.

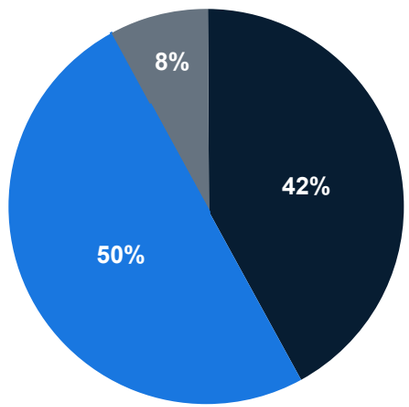
While many companies are knowledgeable about their lead to booked job conversion rate, a key business metric, it's worth mentioning that 39% of moving companies have yet to leverage the benefits of email marketing software for automating and executing consistent marketing programs.





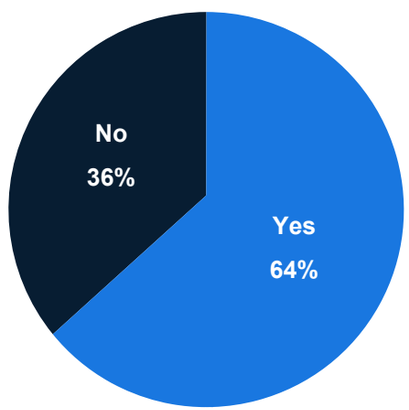
How much is your marketing budget as a percentage of revenue?

- Unsure
- More than 15%
- 11% to 15%
- 6% to 10%
- 5% or less



Will this change next year?

- Decreasing
- Increasing
- Staying the same



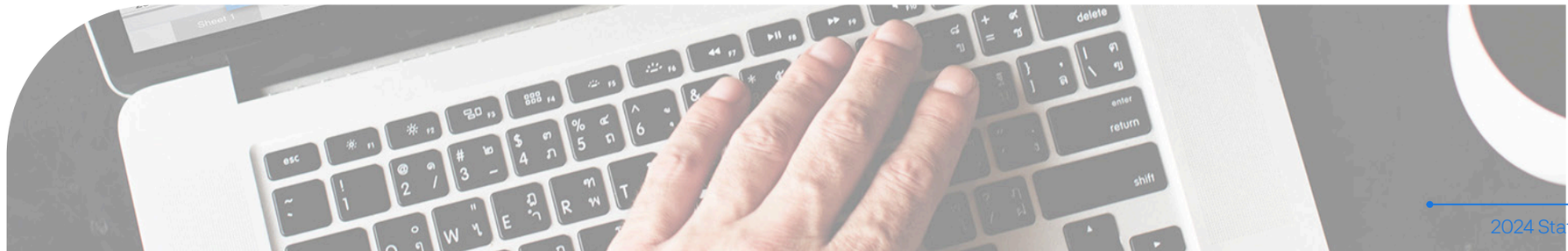
Do you know your conversion rate from lead to booked job?



39% of moving companies don't use email marketing software

Key Marketing Areas Moving Companies Want to Improve

- Search engine optimization (SEO)
- Adding or expanding paid ads
- Increasing word-of-mouth marketing
- Improving their online presence
- Optimizing current marketing programs

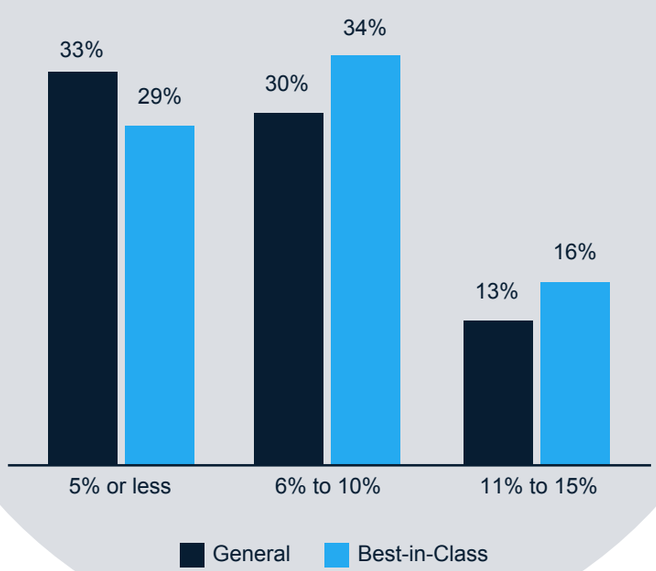


Best-in-Class Comparison

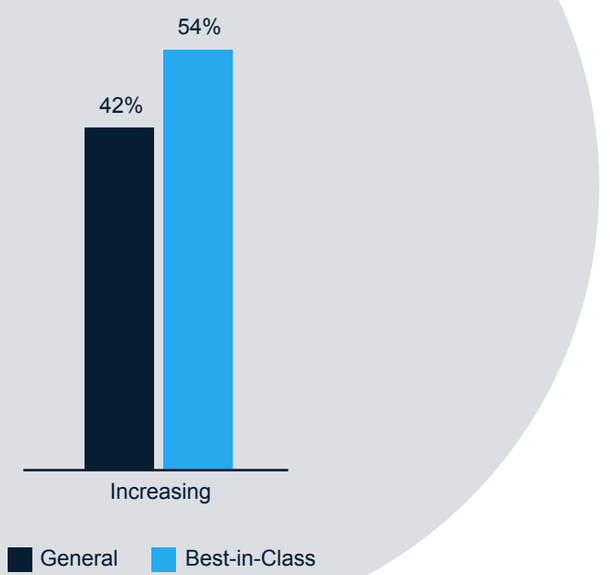
We found that top performers prioritize their marketing investment, allocating more budget to enhance their success. It's worth noting that a higher percentage of these leading companies are also planning to increase their marketing budget this year. This demonstrates their commitment to growth and the recognition of the critical role marketing plays in achieving their goals.



Comparison:
How much is your marketing budget as a percentage of revenue?



Comparison:
Will this change next year?



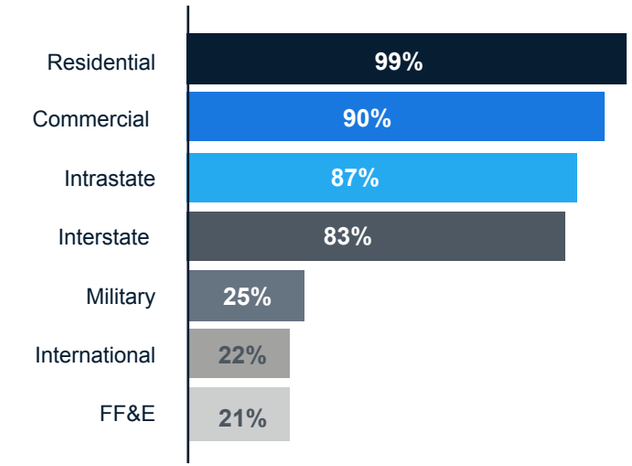
3 Expand services to increase sales

While many moving companies excel in residential, commercial, intrastate, and interstate moves, there's an opportunity to tap into specialized markets such as military and international moves. By diversifying your services, you position your company as a trusted and comprehensive solution for customers with unique relocation needs.

It's equally important to consider offering profitable ancillary services. Surprisingly, a substantial percentage of companies have yet to offer cleaning services (89%), junk removal (49%), valuation or insurance (26%), storage (14%), and packing (4%). Notably, packing and storage are ranked as the top revenue generating ancillary services. By introducing these value-added services, you not only enhance your revenue potential but also establish your company as a go-to destination for all aspects of the moving process.

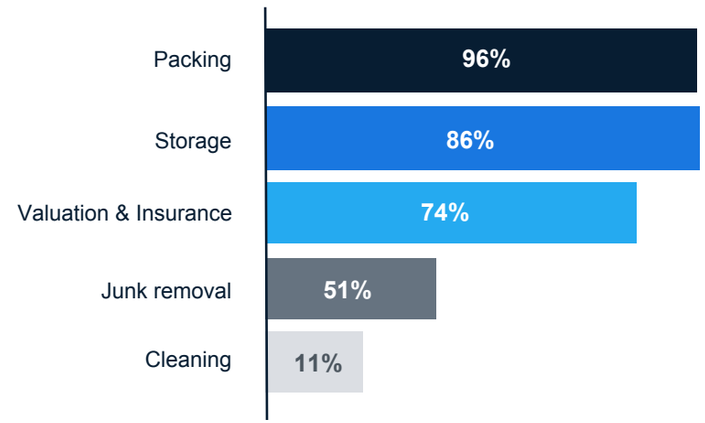


What types of moving services do you provide?



*Responders selected all that apply

What ancillary services do you provide?



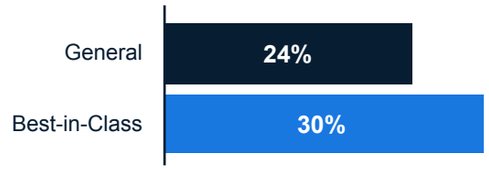
*Responders selected all that apply

Best-in-Class Comparison

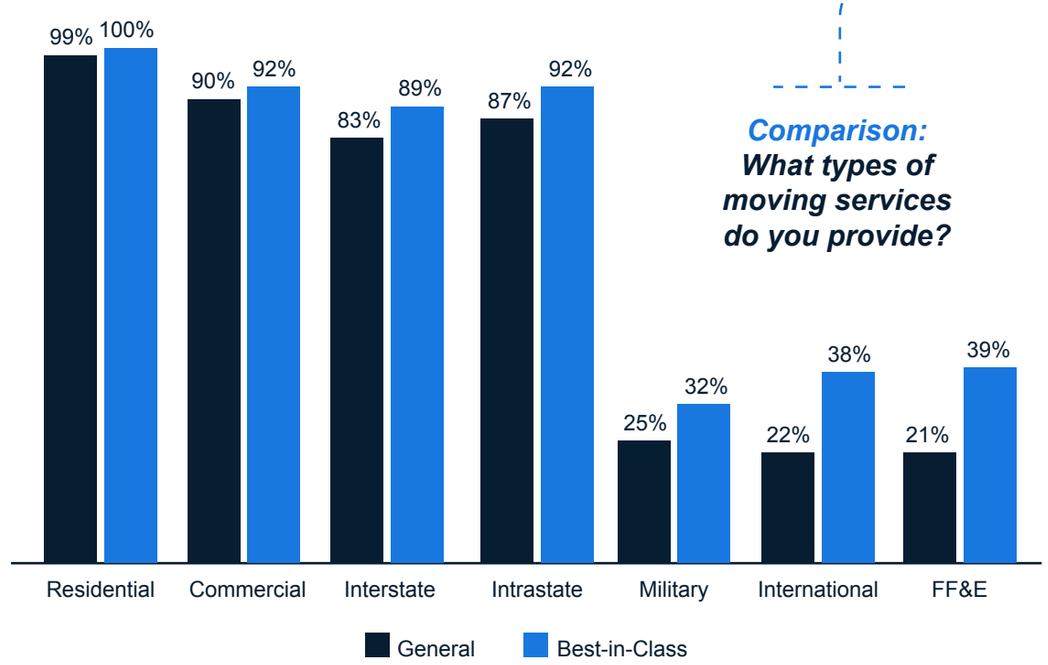
Our research shows that best-in-class moving companies already offer a broader range of moving and ancillary services. These top performers recognize the importance of meeting diverse customer needs and have expanded their offerings accordingly. In fact, they are more likely to offer all move types and provide essential services like packing, storage, valuation, and insurance.

Even with this, a larger proportion of best-in-class companies have strategic plans to further diversify and expand their services this year. It's surprising to note that 76% of general moving companies do not intend to explore diversification or expansion, even though they expect the economy to remain stagnant or potentially decline this year. By seizing the opportunity to cater to a wider array of customer needs, you can unlock fresh revenue streams and establish yourself as a well-rounded provider of comprehensive moving solutions.

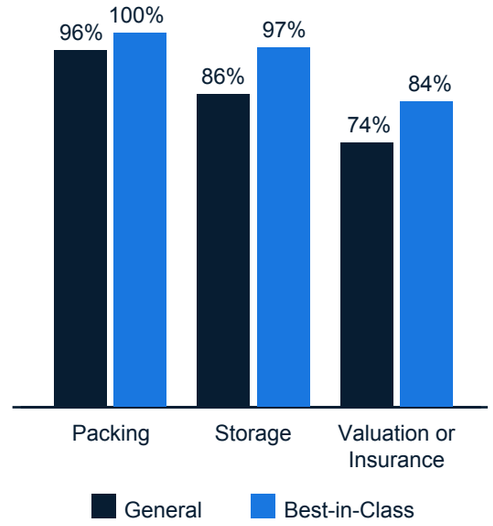
Comparison:
Will you diversify and expand your services this year?







Comparison:
What types of moving services do you provide?



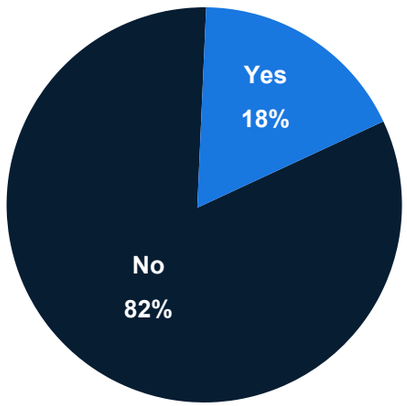
Comparison:
What ancillary services do you provide?

4 Focus on efficiency to drive profitability

In the pursuit of profitability, efficiency is just as crucial as driving growth. Moving companies understand the importance of optimizing costs, controlling spend, improving processes, and automating repetitive tasks to enhance overall efficiencies.

While many companies have already embraced software solutions to streamline their operations, there is still an opportunity for improvement. Surprisingly, some companies have yet to tap into the power of software to automate sales, marketing, and customer relationship management. In this era of rapid digital transformation, it's essential for moving companies to embrace software as a catalyst for growth, efficiency, and ultimately, peak profitability.

Are you planning to purchase software in 2024?



39%

Of moving companies don't use email marketing software



21%

Of moving companies don't use CRM software



6%

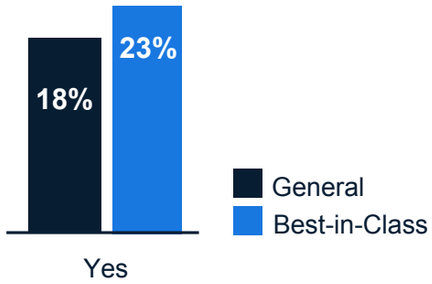
Of moving companies don't use accounting software



Best-in-Class Comparison

We found that a higher percentage of top performers (23%) are planning to purchase additional software this year to further improve efficiencies. This proactive approach to embracing technology highlights their dedication to staying ahead of the curve and continuously evolving to maximize productivity and profitability.

Comparison:
Are you planning to purchase software in 2024?



Moving Companies rely on **Moving Software** for a variety of purposes, including:

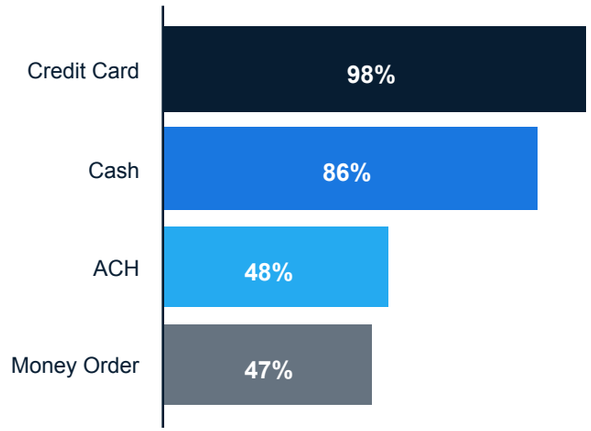
- Marketing Automation
- Job Bookings
- Customer Relationship Management
- Dispatch
- Professional Estimates
- Crew Management
- Operations
- Accounting
- Digital Payments

5 Offer digital payment options to enhance your customer experience

In the world of payment options, credit cards and cash are the common choices for most moving companies. Surprisingly, less than half of moving companies currently accept ACH payments. However, digital payments, especially ACH, can significantly benefit your moving business by simplifying transactions, making them faster, safer, and more convenient for your customers. Our findings also show that SmartMoving customers who enable payment options experience significantly higher conversion rates for leads to booked jobs.

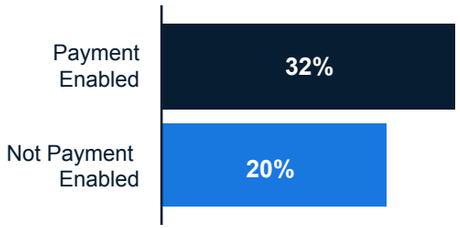


What types of payment do you accept?



*Responders selected all that apply

Lead to booked job conversion rate

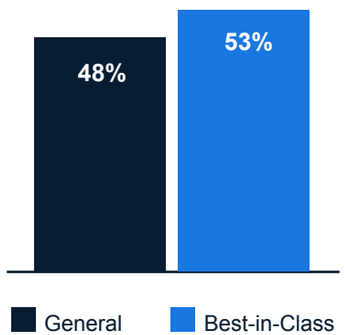


*Based on aggregate SmartMoving software user data

Best-in-Class Comparison

We found that a higher percentage of top performers (53%) accept ACH payments.

Comparison:
Do you accept ACH payments?







Key Takeaways

In 2024, moving companies can maximize their success by embracing a proactive and opportunistic approach. It's widely known that challenging economic times naturally sift out poorly managed businesses.

Movers can capitalize on discounted equipment and skilled workers who are now available from companies going out of business.

1

Re-evaluate Pricing Strategies: The right pricing strategy can have a significant impact on your bottom line. Take time to reassess your pricing models, considering factors such as market demand, competition, and cost structures. By striking the right balance between value and profitability, you'll maximize your revenue potential while attracting and retaining customers.

2

Increase Marketing Budget: In the digital era, an effective marketing strategy is vital for sustained growth. Take a holistic approach by leveraging various channels, such as social media, paid advertising, and content marketing. By enhancing your brand presence and engaging with your target audience, you can create valuable connections, increase brand awareness, and fuel your business growth.

3

Expand Moving and Ancillary Services: Diversifying your service offerings can be a powerful strategy to increase sales. Consider exploring complementary services, such as packing, storage, valuation, and insurance along with specialty moving options. By catering to a broader range of customer needs, you can tap into new revenue streams and solidify your position as a comprehensive moving solution provider.

4

Prioritize Efficiency: Efficiency is not just about cost-cutting; it is equally important for driving profitability. Streamlining operations, optimizing processes, and leveraging technology can significantly impact your bottom line. By focusing on efficiency, you can enhance productivity, reduce waste, and allocate resources more effectively, creating a solid foundation for sustainable growth.

5

Embrace Digital Payment Options: As customers increasingly expect convenience and speed in their transactions, offering a wide range of digital payment options is paramount. By embracing secure and user-friendly digital payment methods like ACH, you enhance the customer experience, minimize the risk of handling cash, and streamline your financial processes.

Industry Benchmarks

Benchmarks offer moving companies' insights into their business performance compared to their peers. Understanding where you stand relative to your competitors can inform your decision-making process and help you achieve your business goals.

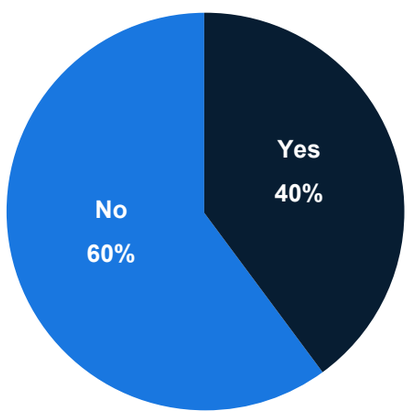


Revenue

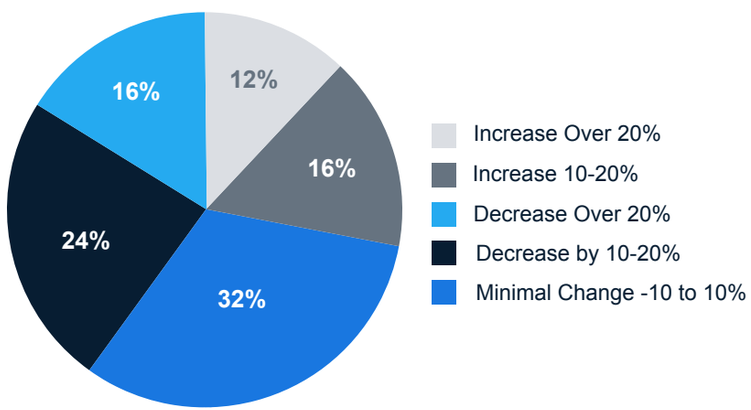
| Industry Benchmarks



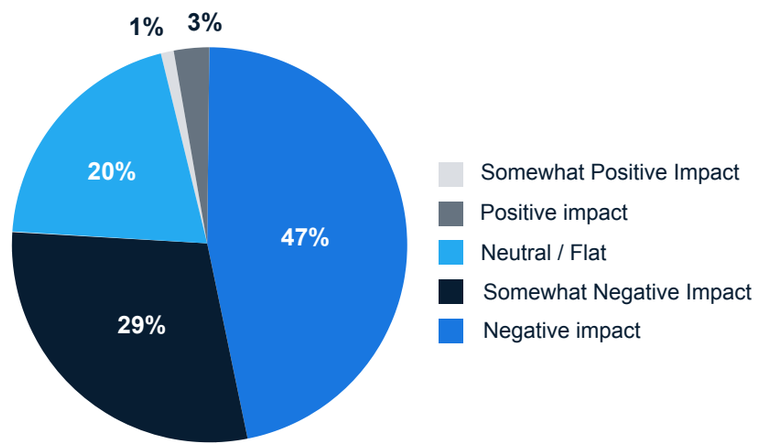
Did your company meet its revenue goals for 2023?



What has your revenue trend been in the last 12 months?



What impact have rising interest rates had on your business?

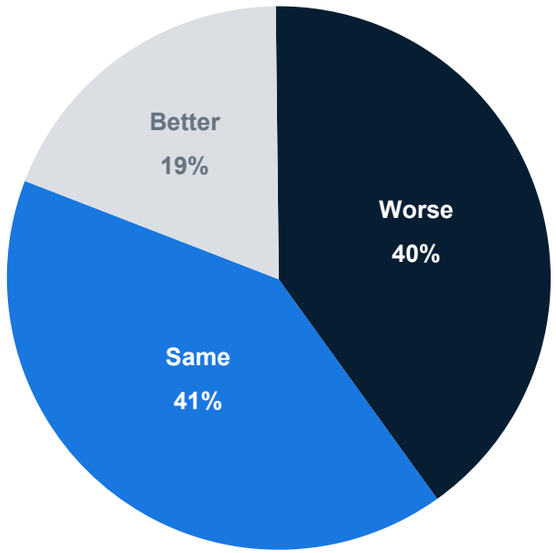


Revenue

Industry Benchmarks



What do you expect from the economy in 2024?



Rank these in order of highest % of revenue spend to lowest % of revenue spend:

1. Labor
2. Marketing
3. Facilities
4. Fuel
5. Truck Maintenance
6. Materials

Employees

Industry Benchmarks

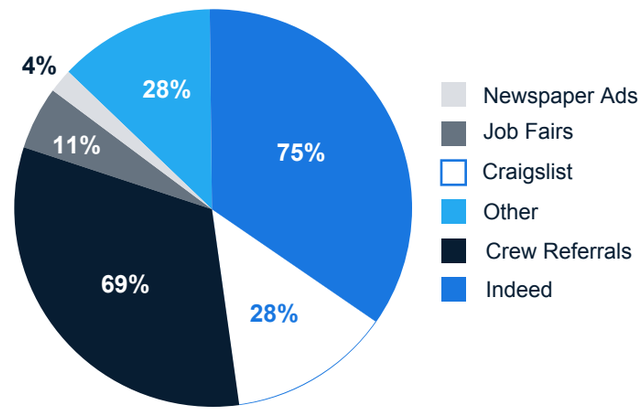
Millennial
26-35
Years Old
Average age of crew employees

Gen X
36-50
Years Old
Average age of office employees

97%
Of moving companies let their crew take tips

$20/hr.
Median crew member hourly pay

What platforms do you use to hire crew members?



*Responders selected all that apply

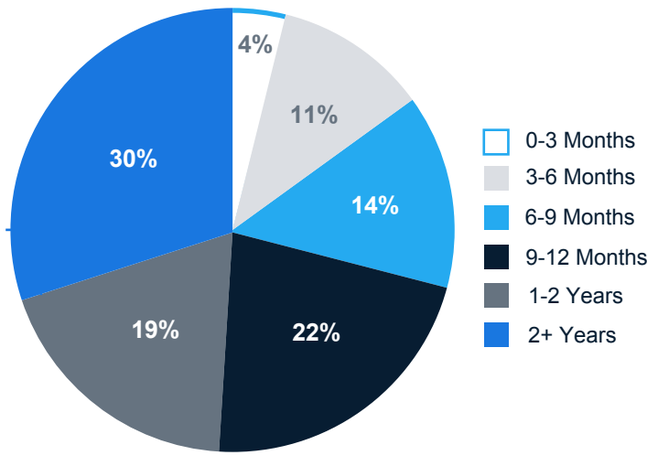
What keeps your crew motivated?

1. Great pay rate: 63%
2. Bonus / Incentives: 16%
3. Employee recognition: 14%
4. Extra PTO: 1%
5. Other: 6%

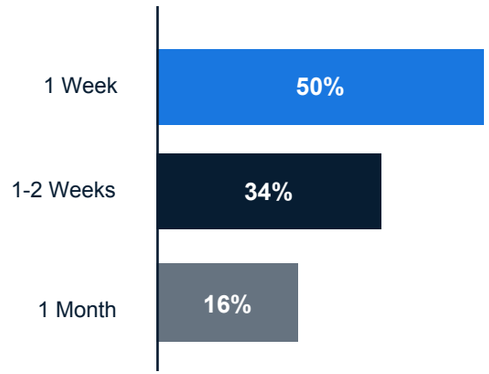
Employees

| Industry Benchmarks

What's the average tenure of your crew employees?



How long does it take to hire a new crew member?

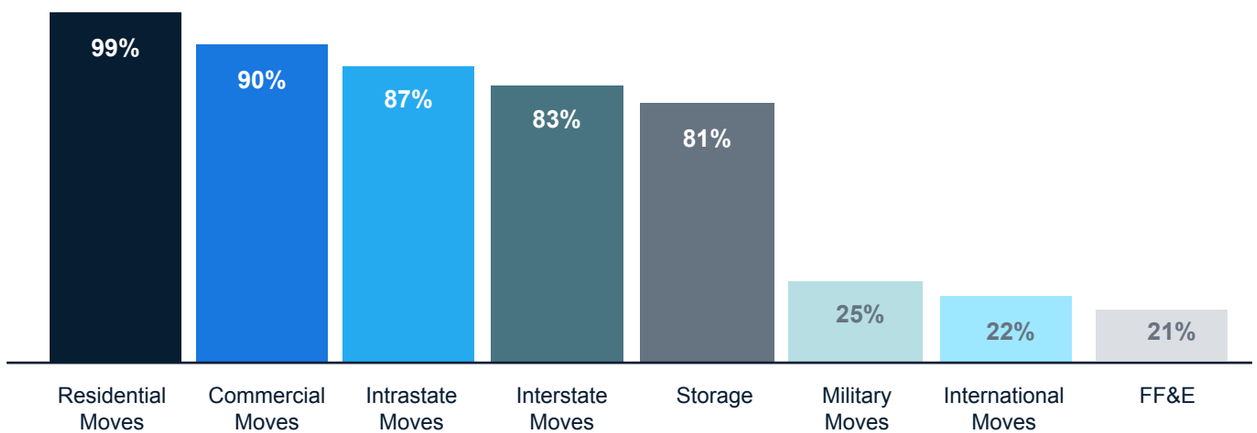




Moving Services & Pricing

| Industry Benchmarks

What types of moving services do you provide?



*Responders selected all that apply

What do you charge on average for the following move types?

Move Type	Median
Residential Move	$1,500
Long Distance Move	$6,000
Commercial Move	$3,500
Military Move	$1,650
International Move	$7,500

Moving Services & Pricing

| Industry Benchmarks

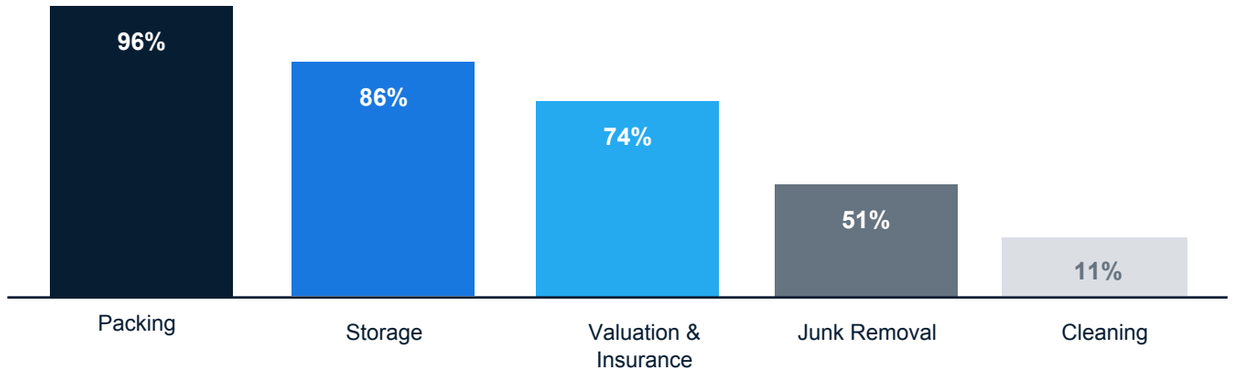
2.5x

Long-distance move rates are at least 2.5x higher than local move rates

*Based on SmartMoving software aggregate user data



What types of ancillary services do you provide?



*Responders selected all that apply

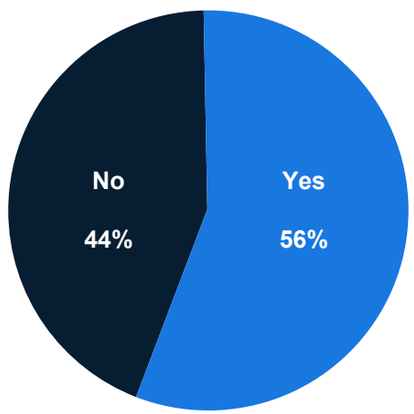
Moving Services & Pricing

| Industry Benchmarks

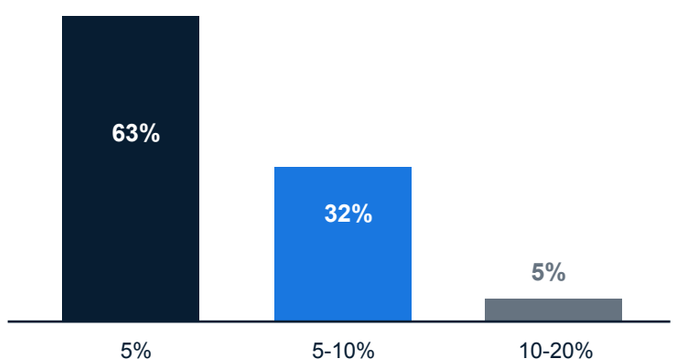
What ancillary services
create the most revenue?

Ancillary Services	Percentage
Packing	60%
Storage	15%
Junk Removal	5%
Valuation & Insurance	3%
Cleaning	3%
Other	14%

Will you increase prices in 2024?



By how much will you increases prices in 2024?



Sales & Marketing

| Industry Benchmarks

99%
Of moving companies have a website

$2,000
Median monthly spend on paid advertising

Top Paid Ad Channels
1. Google (96%)
2. Yelp (61%)
3. Angie's List (27%)

3-Days
Average time it takes in days to book a job

73%
Of moving companies are running paid ads

25%
Of moving company business comes from word-of-mouth referrals

33%
Average conversion rate for leads to booked jobs

5%
Median sales commission percentage

Sales & Marketing

| Industry Benchmarks

$42,500

Median revenue booked per salesperson each month



Top 3 Social Media Platforms

1. Facebook/Meta (92%)
2. Instagram (66%)
3. LinkedIn (37%)

Top 3 Referral Marketing Partners

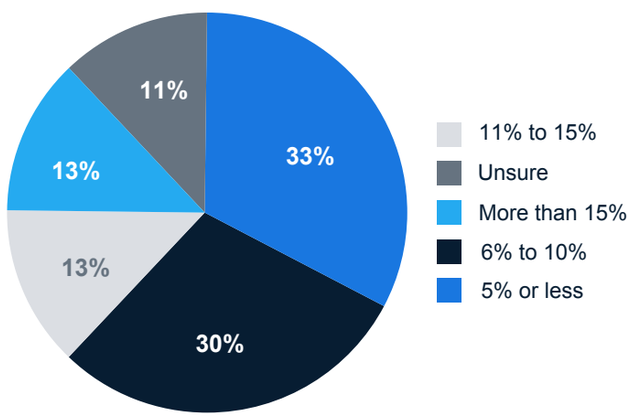
1. Realtors (83%)
2. Property Managers (7%)
3. Move Managers (6%)

Sales & Marketing

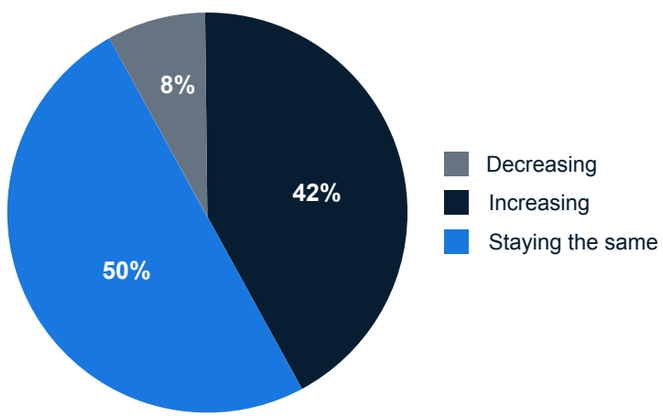
| Industry Benchmarks



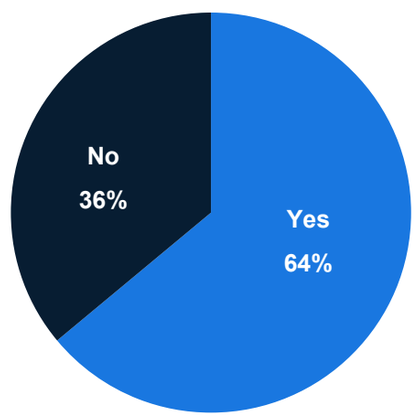
How much is your marketing budget as a percentage of revenue?



Will this change in 2024?



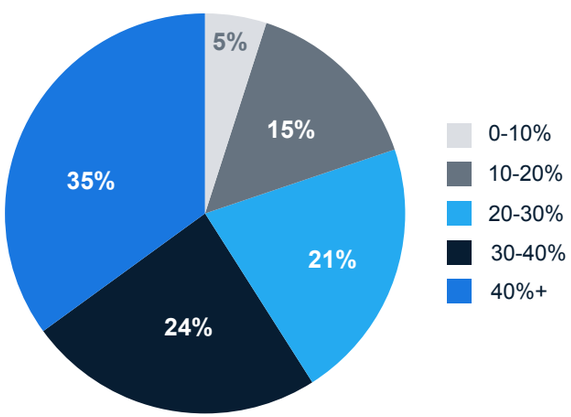
Do you know your conversion rate from lead to booked job?



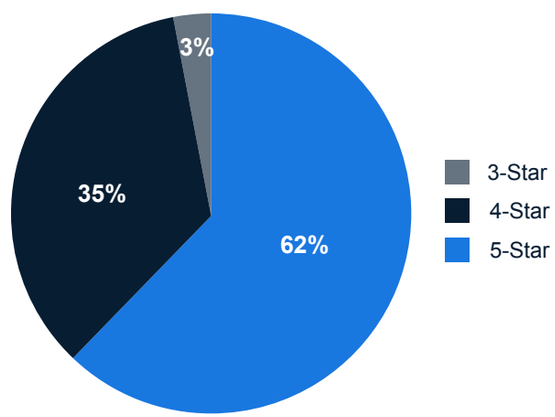
Sales & Marketing

| Industry Benchmarks

What is your conversion rate from leads to booked jobs?



What is your average online rating?

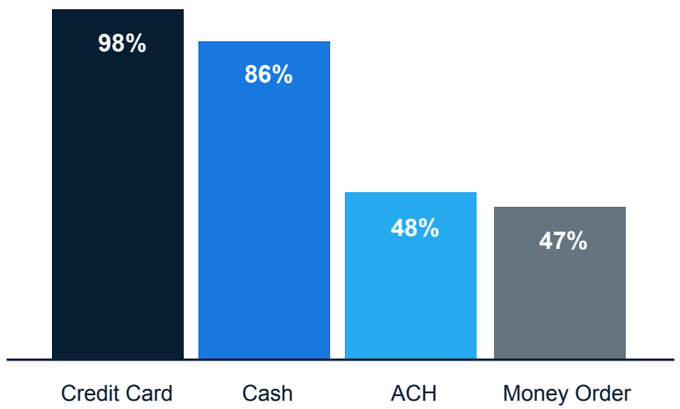


Customer Payment

| Industry Benchmarks



What types of payment do you accept?



*Responders selected all that apply

8%

Of moving companies offer financing as a form of payment

Customer Payment

Industry Benchmarks



18%

Of moving companies take deposits for local moves

24%

Of moving companies take deposits for long-distance moves

$100

The most common deposit amount for local moves, for those that take a deposit

100%

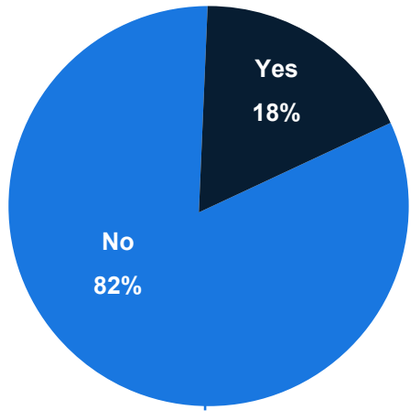
The most common deposit percentage for long-distance moves, for those that take a deposits

Software

| Industry Benchmarks



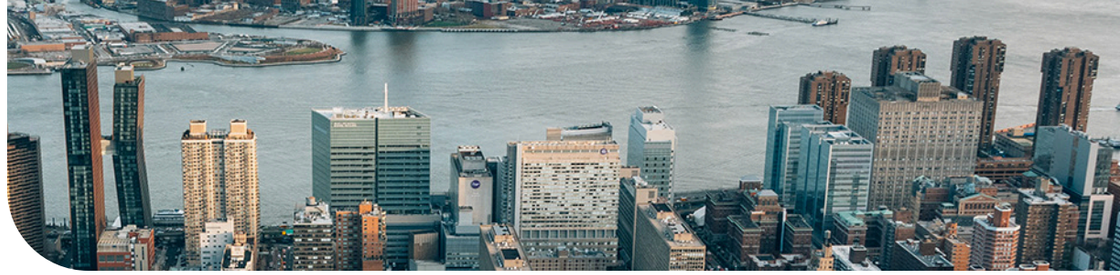
Are you planning to purchase software in 2024?



39%
Of moving companies don't use email marketing software

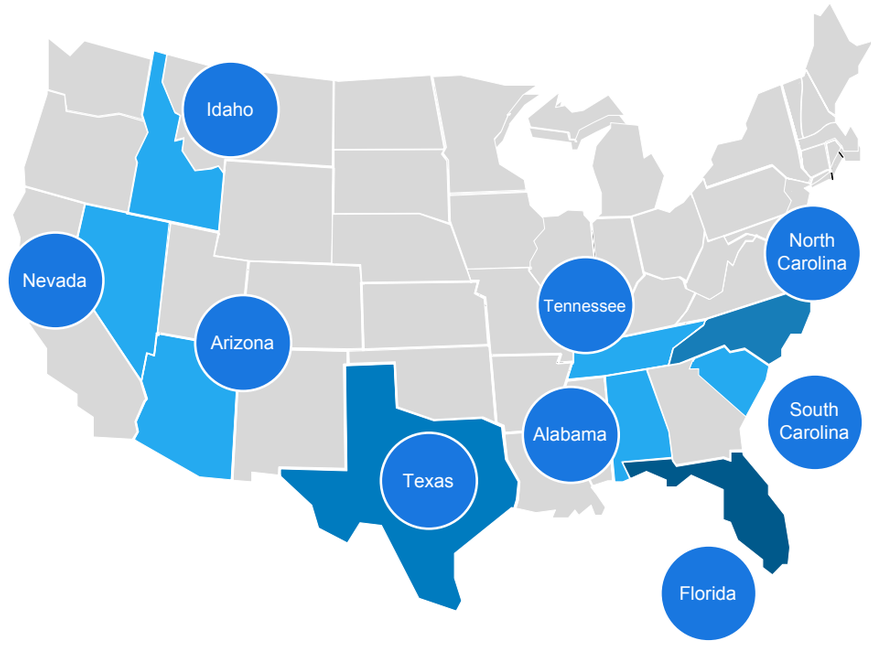
21%
Of moving companies don't use CRM software

6%
Of moving companies don't use accounting software

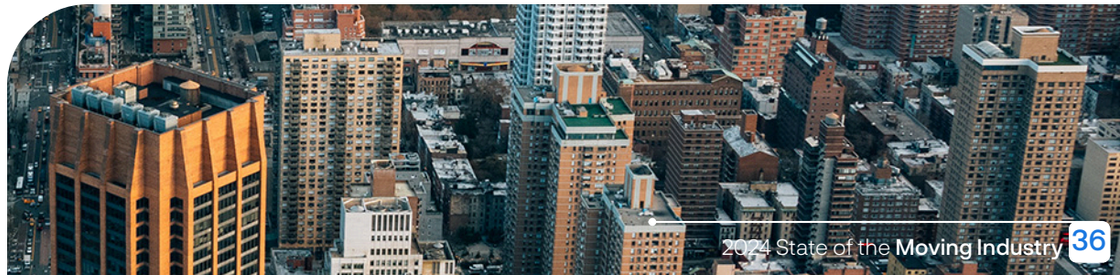


Migration Trends by State

Strategically target high-growth states to optimize resource allocation for maximum returns. According to the 2023 U-Haul Growth Cities report [1], the following states have the highest number of growth cities in the nation. Florida has the highest number of growth cities (7) followed by Texas (4). North Carolina (3), South Carolina (2), Alabama (2), Idaho (2), Tennessee (2), Arizona (2), and Nevada (1) round out the top states for growth.

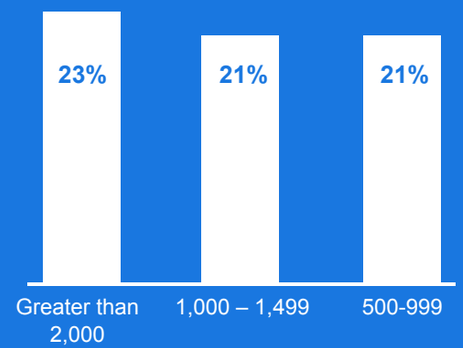


[1] https://www.uhaul.com/Articles/About/U-Haul-Announces-Top-Us-Growth-Cities-Of-2023-30661/

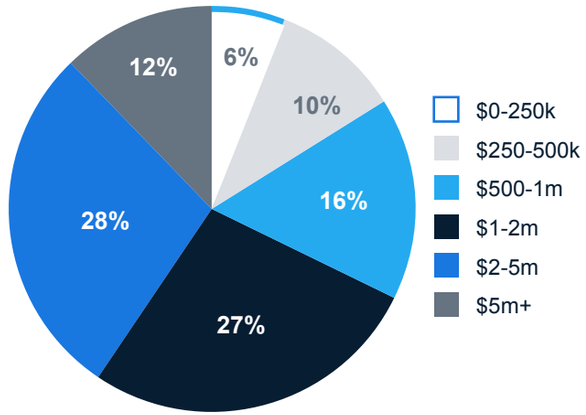


Survey
Demographics

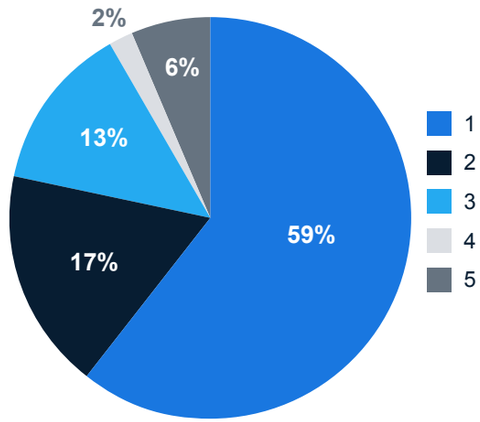
How many moves do you book per year?



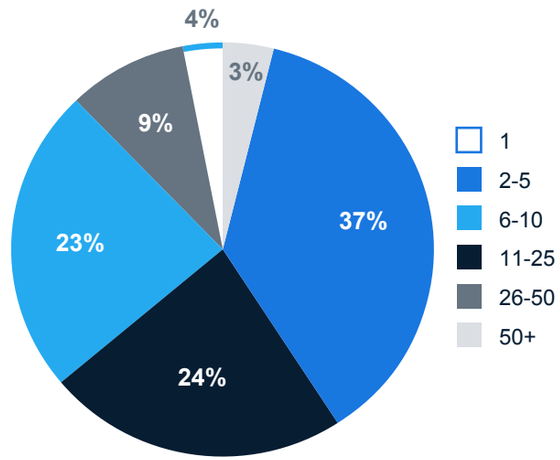
What's your company's estimated annual gross revenue in 2023?



How many branches or locations do you have?

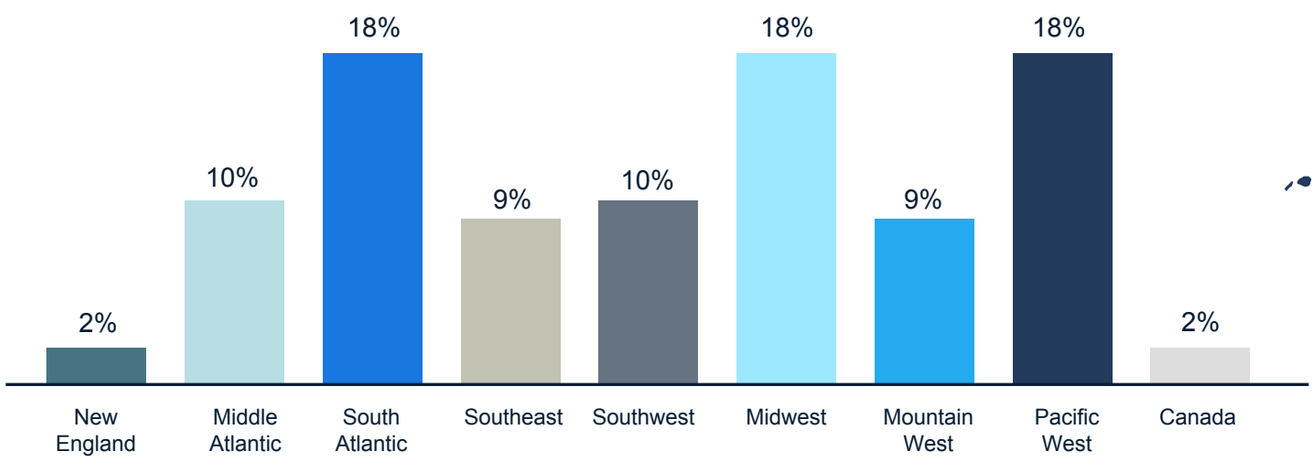


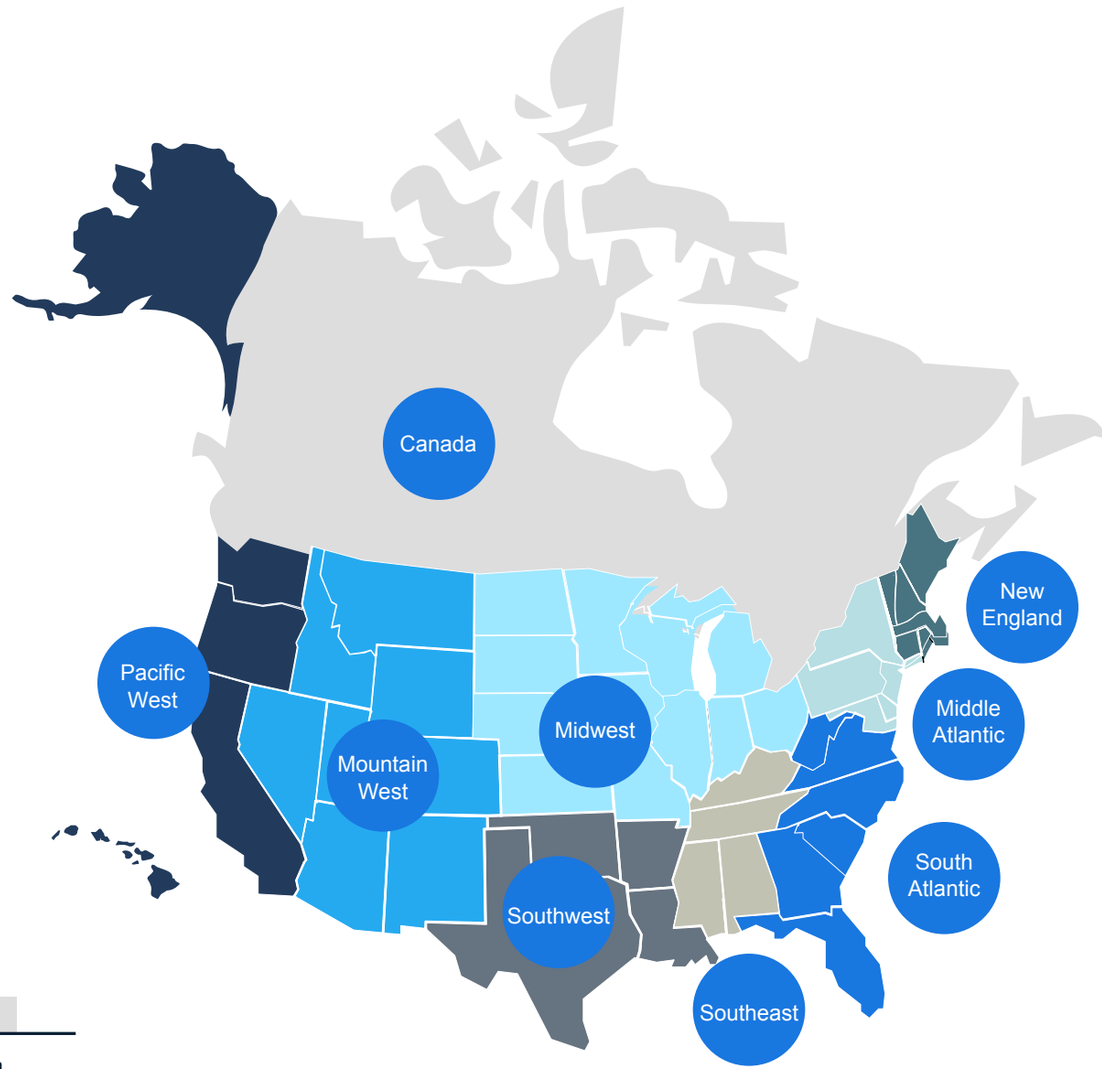
How many trucks do you have?



Survey
Demographics

What region is your moving company located in?







SmartMoving

SmartMoving is the leading moving software platform. Our all-in-one solution simplifies sales, dispatch, crew management, storage management, accounting, payments, and reporting—all in one place. We help moving companies increase profitability by growing revenue and streamlining operations. Used by hundreds of moving companies across the nation, we're on a mission to empower moving company owners and employees to live better lives.

Learn more at SmartMoving.com.

To qualify as best-in-class, these companies have met or exceeded their revenue goals over the past year, booked over 1,000 moves, and have an annual gross revenue of $2M+.

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2024 STATE OF THE MOVING INDUSTRY

The Definitive Report on Moving Industry Insights, Emerging Trends, and Benchmarks



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REMEDY PAYMENT SOLUTIONS