

## International movers cater to more domestic clients

**András Metzinger** 02. 23, 2006. Thursday 00:30 |

International movers based in Hungary saw an increase in domestic volume last year as more Hungarians took up jobs in EU countries. New players, however, have yet to arrive on Hungary's mover market.

"A large number of Hungarians received jobs in EU countries after EU accession. Thus Hungarian customers appeared on the market for international movers, which has helped the business to grow," said Adrienne Deák, managing director of **EuroMove & Relocation Kft.** She added that EuroMove previously had almost no private Hungarian clients.

According to Dániel Pintér, marketing director of **Interdean Hungária Kft.**, although the Hungarian market is stable, his company has seen only a small amount of growth since EU accession. According to Pintér, however, the number of Hungarians applying for his company's service has increased. This is in line with expanding demand experienced by Interdean throughout the region, as CEE employers are shifting operations to other countries in larger numbers.

Other firms in the industry have also witnessed good results, although not exclusively because of an increase in Hungarian customers.

"Business continued to increase last year, and we experienced a 50% growth in both volume and revenues in 2005 over 2004," said Curt Clements, managing director of **Move One International Movers Kft.** Clements expects the same rate of growth for 2006. According to Clements, the threat of large German and Austrian mover companies entering the Hungarian market has thus far failed to materialize. Unsurprisingly, this has been advantageous for players on the Hungarian market, as they have been able to take up all the local business.

### Changing market

According to Clements, the expatriate mover market in Western European countries experienced a downturn after the terror attacks of September 11, 2001. "Mover companies with headquarters in Western Europe had to focus on their domestic market to survive the recession; they had no really good opportunities to expand on the Central and Eastern European market," he said. Also, the managing director claimed that massive consolidation is taking place on the market, and that local family-run mover companies are gradually disappearing.

Pintér at Interdean said he does not expect any new entrants on the Hungarian market. "You have to be well prepared to enter such a saturated market, and one that requires huge investments," he added.

EuroMove's Deák said that the economic boom after EU accession has not really affected business, as the rate of foreigners moving into Hungary has dropped – especially compared to the early 1990s. "The number of foreigners moving into Hungary has fallen, as most of the management members have now been replaced by Hungarian employees," she added.

Nonetheless, according to Deák, EuroMove's foreign clients still prefer to move using relocation services. "Foreign customers arrive with corporate contracts, not as private persons. Since their employers have certain legal obligations to fulfill – such as providing work permits – they require a professional service," she said.

The managing director added that the demand for relocation activity is gradually increasing, as nowadays many labor contracts include full service for expatriates. Relocation clients usually arrive with multinational firms, she said. However, Clements argued that there are now more small and medium-sized companies appearing as clients as these companies move into Hungary.

### Local demands

Hungarian demand for domestic mover services has been on the increase. "Before 2005, we only carried out domestic moving if foreign customers were dissatisfied with their initial accommodation. Private Hungarian customers now apply for our services in greater numbers," said Deák. According to Deák, domestic clients require offers with a transparent cost structure, which enables them to select the elements they really need. She said that the two top Hungarian customer preferences are packaging material and loading staff on an hourly wage.

Deák went on to say that Hungarian clients are very price sensitive, adding that because of the wide range of services available, comparing such services is often difficult for customers – even when considering the most basic offers. This also causes confusion among clients who may not choose the most suitable solution because they focus too heavily on fees alone and are not sufficiently aware of what they really need.

Regarding domestic demand for warehousing services, Deák said that people who change or redecorate their homes are willing to pay for secure storage of their personal belongings.

Clements claimed that Move One has also gained many domestic clients for warehousing recently. "As people are increasingly aware of their belongings and the security concerns associated with low-priced service providers, they choose quality service providers," he said.

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