

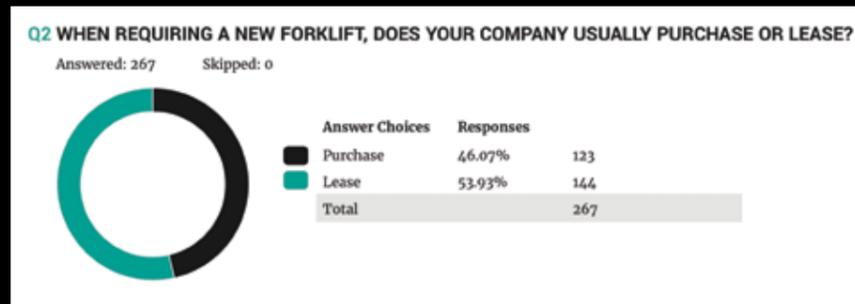


THE 2020 FORKLIFT MARKET

We delve into the results from MHD's biannual Forklift Survey and reveal the latest trends and technologies that are shaping today's forklift market.

Back in February this year, MHD launched its biannual Forklift Survey. It was released to the industry pre COVID-19 in Australia and once the survey closed at the end of April, MHD can reveal that the survey received the most amount of responses that it has ever received in its history of conducting this survey.

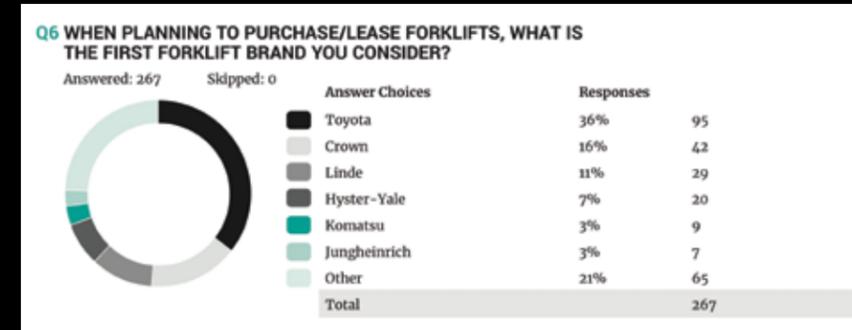
The last time the Forklift survey was available to industry respondents was two years ago in 2018. Results from 2020 show drastic changes in forklift consumer behaviour



and the expectations they have for forklift providers.

The past few months have seen

unprecedented events unfold around the world. However, what remains the same despite a world of uncertainty, is the



demand for quality forklift trucks.

Forklifts are even more vital than ever, aiding supply chain operations transport essential goods across local and international markets. Due to the spotlight on material handling during the COVID-19 era, the effectiveness and service of forklift companies and their products have never been more important.

Australian forklift users were encouraged to take part in the 2020 forklift survey to help influence improvements of future forklift models. A wide variety of executives, operators, managers, supervisors, consultants, analysts and technicians took part in the 2020 Forklift Survey. Majority of respondents were part of 3PL, retail and logistics and transport businesses, however automotive, construction and FMCG were common areas of employment too.

SHIFT IN TRENDS

Results from the survey will improve technology and enhance services offered to industry that meets the needs of material handling equipment owners.

Enhanced operations with cost effective technologies have proven to be implemented since analysing feedback from forklift users who previously participated in the prior forklift survey 2018 survey.

Two years ago, 83 percent of forklift users said safety was the most important attribute when evaluating forklifts. Performance, operator comfort and control were also highly noted by users as the most important features of a forklift.

Fast-forward to now and almost 90 per cent of forklift users said safety was the most important attribute, highlighting the importance of products that help eliminate the risks in the workplace.

With heightened operations across the region, forklift safety is more crucial compared to 2018, largely due to the recent pandemic. The results clearly indicate that safety is strongly rooted as a deciding attribute when making a forklift purchase.

However, a shift in market from 2018, results this year showed that reliability, operator control, ergonomics and parts availability are highly favourable attributes in a forklift too. Beepers, flashing lights and speed limiters are the most used safety features, with reverse cameras and operator ID confirmation on the rise as the most used tools to maximise safety too.

According to the results, more than 55 per cent of forklift users are involved in the purchase of forklift products for their company. This further highlights why operator control and comfort, durability and performance were noted as 'very important' attributes when purchasing a forklift.

Compared to 2018, there is a slight increase in companies choosing to lease forklifts rather than purchase. Forty six per cent of current forklift users purchase a new forklift when required, and 53.9 per cent choose to lease instead. This may be due to leases becoming more economical for businesses, opting for 25 to 60

month leases that some companies choose to offer. Some forklift users have indicated they prefer the option to make an offer to purchase after their lease is at the end of the term.

In 2020, 45 per cent of forklift users are choosing to lease directly from the manufacturer. Prior results showed that over 50 per cent of forklift users lease with the supplier or distributor, however now, under 40 per cent lease with the supplier or distributor. A 10 per cent drop is a major shift in the market and provides a healthy outlook for forklift manufacturers.

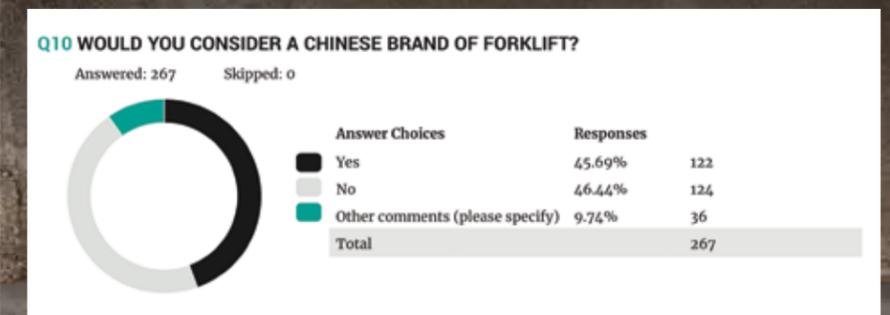
AUSTRALIA'S FAVOURITE BRANDS

In a drastic shift from prior results, more companies are choosing to purchase, and lease forklifts more frequently than they have before. Prior data reported 58 per cent of companies purchase or lease a new forklift more than every four years.

Now, significantly under 50 per cent of companies are waiting more than four years to purchase or lease a new forklift. In fact, 38.5 per cent of respondents this year said their company purchases between one and four years, a noteworthy jump from just over 30 per cent two years ago. Further on that, there is a 3.7 per cent increase in the market purchasing or leasing a new forklift within 12 months, which is music to manufacturers ears.

In even more promising news for forklift providers, the majority of respondents this year are looking to purchase a new forklift within the next 12 to 24 months. So, which brands are they choosing to purchase?

The first brand that forklift users consider when planning to purchase or lease a forklift is Toyota. 60 per cent of respondents said Toyota is very favourable as a



Forklifts are even more vital than ever.



Compared to 2018, there is a slight increase in companies preferring to lease rather than buy forklifts.

forklift truck manufacturer.

In 2018, Toyota celebrated its 50th anniversary celebrations for Toyota forklift sales in Australia, proving to be a legacy brand and on-going first choice amongst consumers as prior results also indicated Toyota as the first brand they would consider.

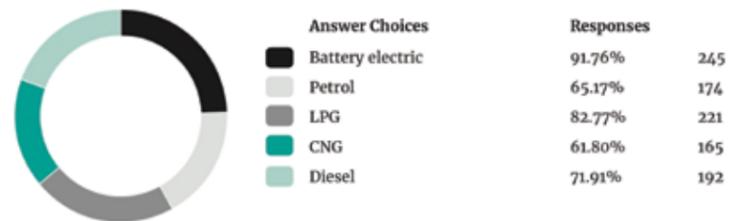
Cameron Paxton, Vice President and Chief Operating Officer, Toyota Material Handling Australia, previously has stated that Toyota Material Handling Australia (TMHA) is a technology leader in forklift safety and is particularly focused on automation. "Toyota's massive ongoing investment in research and development means our material-handling technology and product technology is continually progressed and refined," he says.

Logistics companies are increasingly relying on their equipment suppliers to develop solutions for new high-density warehouses. This is an area where Toyota's material handling engineers have access to the corporation's automotive research and hence can take advantage of this ever-developing technology.

Following Toyota, the second brand companies consider when planning to purchase or lease forklifts is Crown,

Q15 WHAT KIND OF POWER DO YOU USE? (PLEASE INDICATE THE NUMBER OF EACH TYPE BY PLACING A NUMBER IN THE BOX. IF ZERO, PLEASE ENTER "0")

Answered: 267 Skipped: 0



and Linde as the third brand forklift users would consider. 36 per cent of respondents said Crown and 34.6 per cent of respondents said Linde are very favourable forklift truck manufacturers.

Two years ago, forklift users were most familiar with brands including Crown, Hyster, and Toyota. In 2020, almost half of the respondents said they would consider a Chinese brand of forklift. With a vast range of manufactures now available to the market, respondents have shown their familiarity to these brands but also smaller manufacturers that are emerging in the competitive market too.

ALTERNATIVE SOURCES

Fuel options in forklifts offer industries a range of options to meet different materials handling applications and

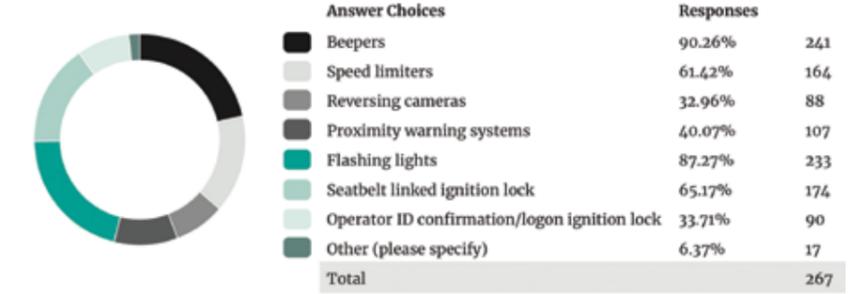
convenience for owners. Forklifts on the market today are designed to meet a range of industrial & handling applications including cold storage, flame-proof, confined spaces, warehousing to name a few.

An overwhelming 91.7 per cent, proving to be the clear majority of respondents opt for battery electric as the power of choice for forklifts. However, this is down five per cent since the last biannual forklift survey. In 2018, petrol was closely following battery electric as the power of choice. Whereas now, LPG is trailing close behind battery eclectic, with 82.7 per cent choosing it as their most favourable power of choice.

Unlike electric forklifts, LPG forklifts do not require substantial

Q19 WHAT SAFETY FEATURES DO YOU USE? (YOU CAN SELECT MORE THAN ONE)

Answered: 267 Skipped: 0



time for refuelling, it generally only takes around five minutes to refill or change an LPG cylinder, a desirable choice for companies with demanding operations. 64.7 per cent of people said they would be interested in a guaranteed buy back and full maintained service agreement, showing that proven performance is highly valuable for consumers too.

When it comes to alternative fuel sources, such as hydrogen fuel cells and lithium ion batteries, more than half of the survey respondents

said they are of interest and they would be prepared to pay more upfront for the technology. This shows the shift in the market towards efficient and conventional technologies that significantly reduces energy costs and CO2 emissions. ■

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