

2022 Homeowner Survey Report

What contractors need to know
in 2022



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About
ArcSite

A Note from ArcSite's CEO

Our annual Homeowner Survey Report serves as an important tool for residential contractors to better understand their customers. We partnered with the renowned market research firm ResearchScape to survey **over 1,000 homeowners** in late 2021. Homeowners were asked numerous questions about their research, saving, and spending habits, as well as their past experiences with contractors and what they would like to see improve.

This report will help you provide the best possible service to your customers, by understanding their needs and delivering a successful project. Let's take a look at the data and see how your business can innovate to succeed.



Pei Zhan
CEO and Founder
ArcSite

Researching Contractors

What Do Homeowners Look For?

Homeowners rely on **referrals, reviews, and past work examples** over everything else when researching a contractor.

38% of homeowners ranked referrals as their #1 factor.

Most people rely on their friends and family for a good recommendation, but online reviews are almost equally as important.

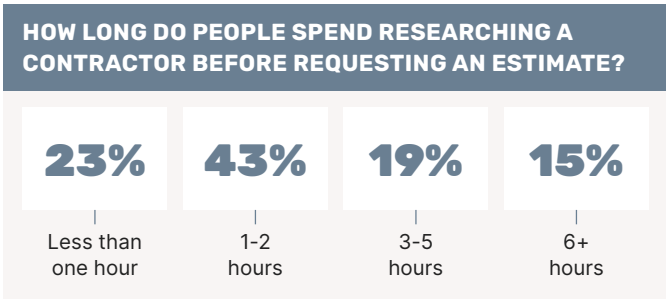
Our survey results suggest that women tend to rely more on referrals while men look to past work examples and reviews.



Research Time Varies By Budget

Most people spend an hour or two researching a contractor before requesting an estimate. Depending on the scope of work and budget, research time could vary significantly.

In order to get the attention of your customers in under an hour, contractors need to pay attention to their “digital footprint.”



Time is Money

The more someone plans to spend on a job, the more selective they are. Those who budget over \$10,000 a year on repairs and renovations spend at least **3-5 hours** researching contractors.

It’s important to maintain a strong online presence where people are conducting their research like Google, Home Advisor, and Angi. And don’t forget about social media, especially Facebook.

CONTRACTOR TAKEAWAYS

Implement a referral program

Monitor online reviews

Have work samples ready to email or present

Cost and Budgeting

Annual Budget for Repairs Vary Widely

Experienced contractors already know: not all homeowners budget equally. Some save nothing for repairs and renovations, and others save thousands of dollars.

Our research shows that

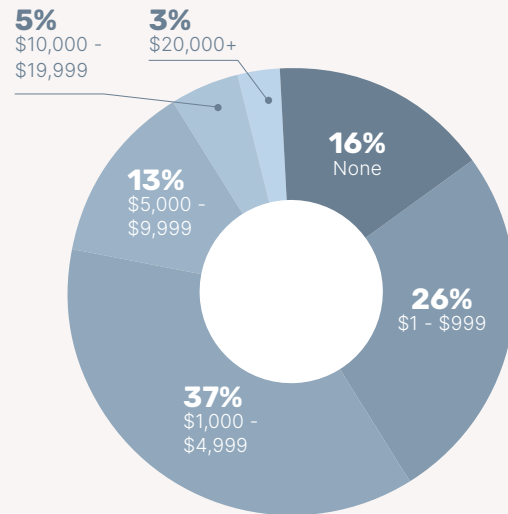
42% save less than \$1,000
per year for home repairs.



A large number of those surveyed said they save \$1,000 - \$5,000 for repairs each year. When compared with income, unsurprisingly, people with a higher income budget more for repairs.

In order to secure higher dollar bids, **contractors must innovate in order to meet the expectations of homeowners** who have money to spend.

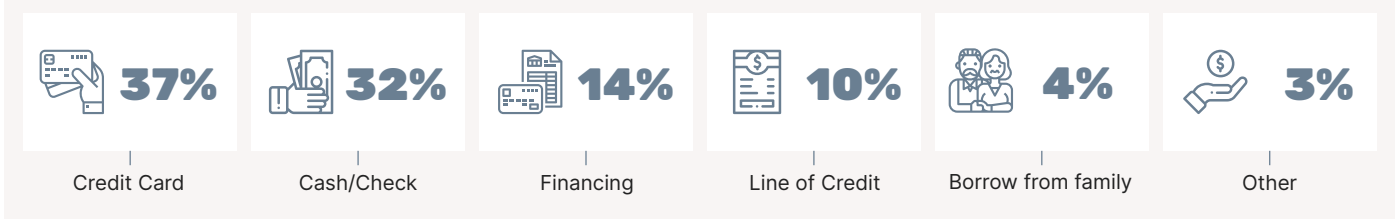
HOW MUCH, IF ANYTHING DO PEOPLE BUDGET TOWARDS HOME REPAIRS EACH YEAR?



Cash and Credit are King

Homeowners typically use cash (32%) or credit (37%) to pay contractors. Combining credit cards, financing, and lines of credit, **61% of homeowners use some form of credit** to pay their contracting bills. This could be the difference between winning the job and losing out to the competition who offer financing.

WHEN FACED WITH A LARGE HOME REPAIR BILL, HERE'S HOW HOMEOWNERS PAY FOR IT



CONTRACTOR TAKEAWAYS

Cater quotes to a client's budget

Provide low-middle-high quote options

Offer financing opportunities

Evaluating Contractors

How Do Homeowners Decide Who to Hire?

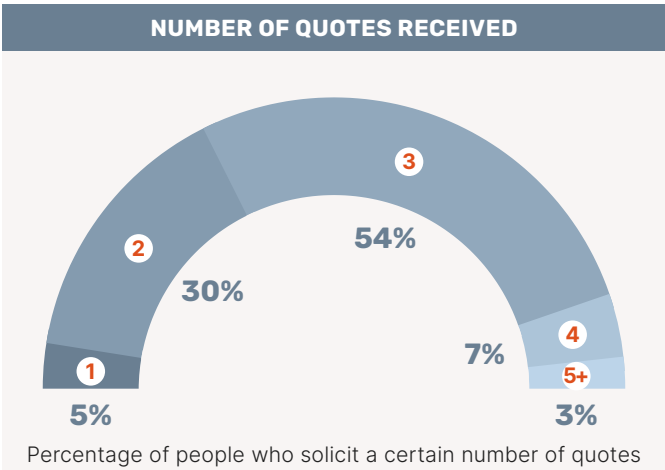
Most homeowners solicit
3 or more bids
before selecting a contractor.



95% of people
get more than one bid before
making a decision.



You will always have competition, so remember the importance of professionalism and efficiency when quoting jobs to set yourself apart.

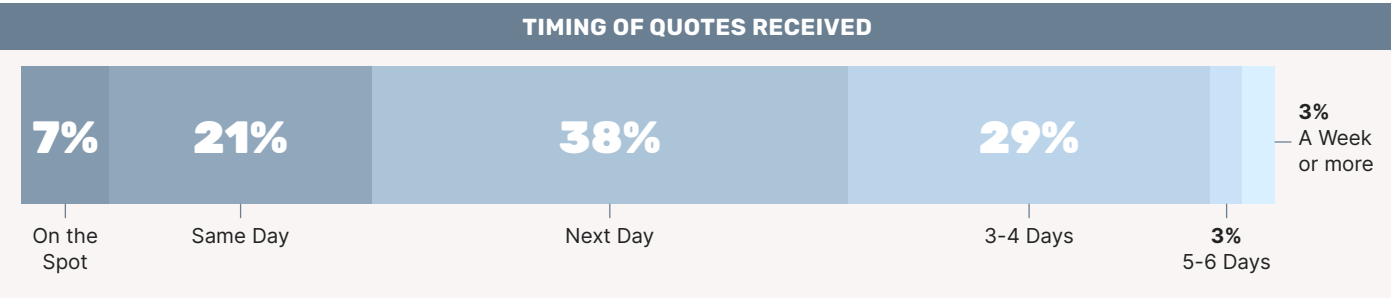


Bigger Jobs = More Competition

The more people plan to spend on renovations each year, the more bids they seek for a job. If you are going after the high-dollar jobs, contractors need to understand what those homeowners are looking for. Conversely, low-budget homeowners are the only people more likely to get just one bid.

Bigger jobs mean more competition. Standing out and differentiating your business is key.

The faster you can deliver a quote, the more likely you are to win the job.



28% of people expect their quote within the same day of the visit

Timing plays a big role in their purchasing decision, so efficiency is key in a contractor's proposal workflow.

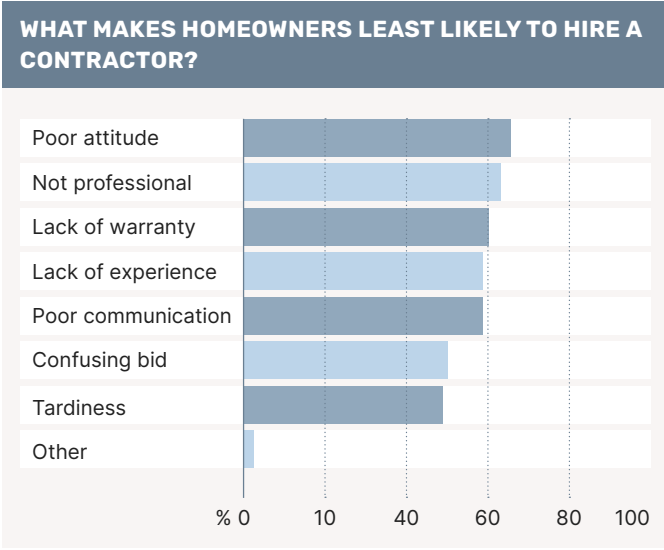
What makes people least likely to hire you? A bad attitude and lazy presentation.

Homeowners value the way you and your workers conduct themselves on the job, and it all starts with the first impression of conducting an estimate on-site. Do you ask questions to better understand the needs of your customers, or are you rushing from job to job without time to give the proper attention to each client? Are you delivering quotes the way the customer expects them to be delivered? These are important factors to consider.

After Price, Professionalism is Key

Outside of price, how you present yourself and your business during the sales process is one of the most important factors in winning business and creating customer experiences that lead to securing high-dollar bids. Avoid the race to the bottom and set yourself apart from the competition.

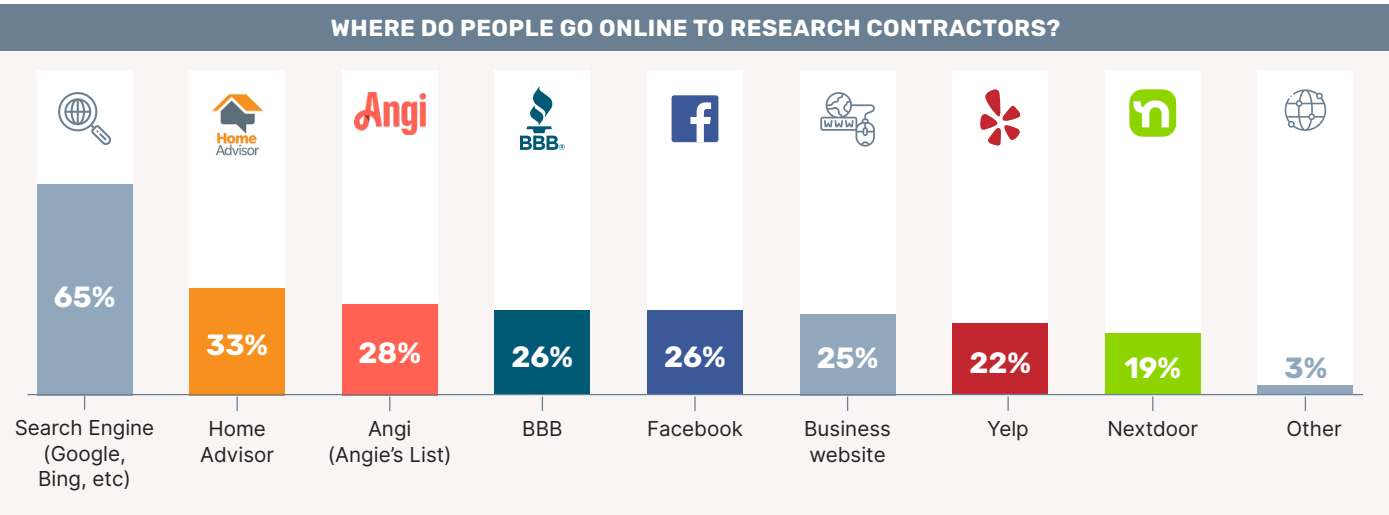
WHAT ARE THE MOST IMPORTANT FACTORS THAT PEOPLE CONSIDER WHEN HIRING A CONTRACTOR?	
Rank	Important Factor for Hiring a Contractor
1	Price
2	Word of mouth / referrals
3	Professionalism / presentation
4	References
5	Trust / gut feeling
6	Online reviews
7	Time estimated to complete
8	Brands and materials
9	Portfolio
10	Website



Be Where Your Customers Are: Online.

Homeowners go online to research prospective contractors.

If you aren't showing up where they are looking, they have no choice but to choose your competition.



CONTRACTOR TAKEAWAYS

Create bids that stand out from the competition

Deliver same-day quotes

Prioritize your professionalism

Tech Trends

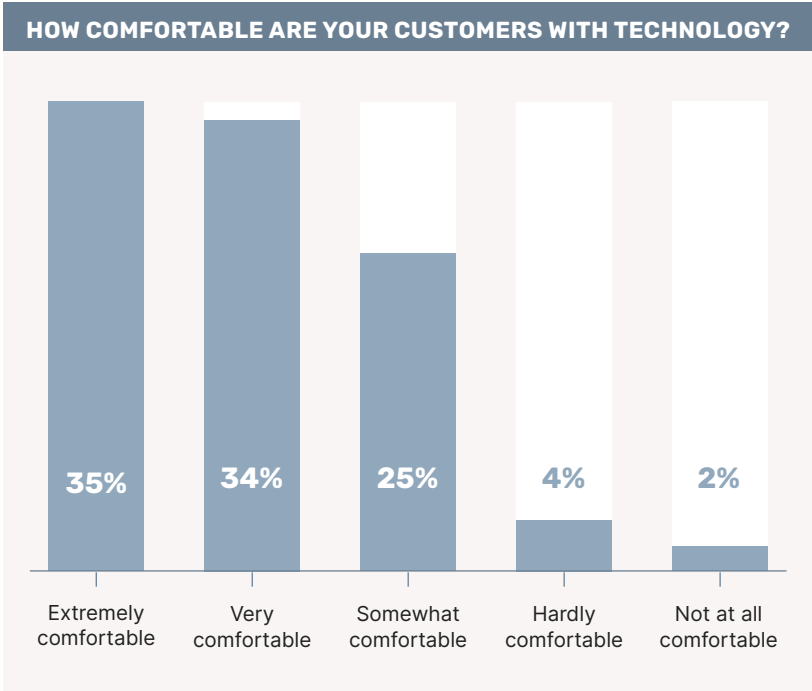
It's Time for Your Business to Embrace Technology

Our research shows that homeowners are becoming more and more comfortable with technology, with **94% saying they are at least somewhat comfortable with tech.**

This trend will only increase over time as younger, more tech-literate people enter the home market, so it may be time to reevaluate your relationship with technology to better serve your customers and improve your business.

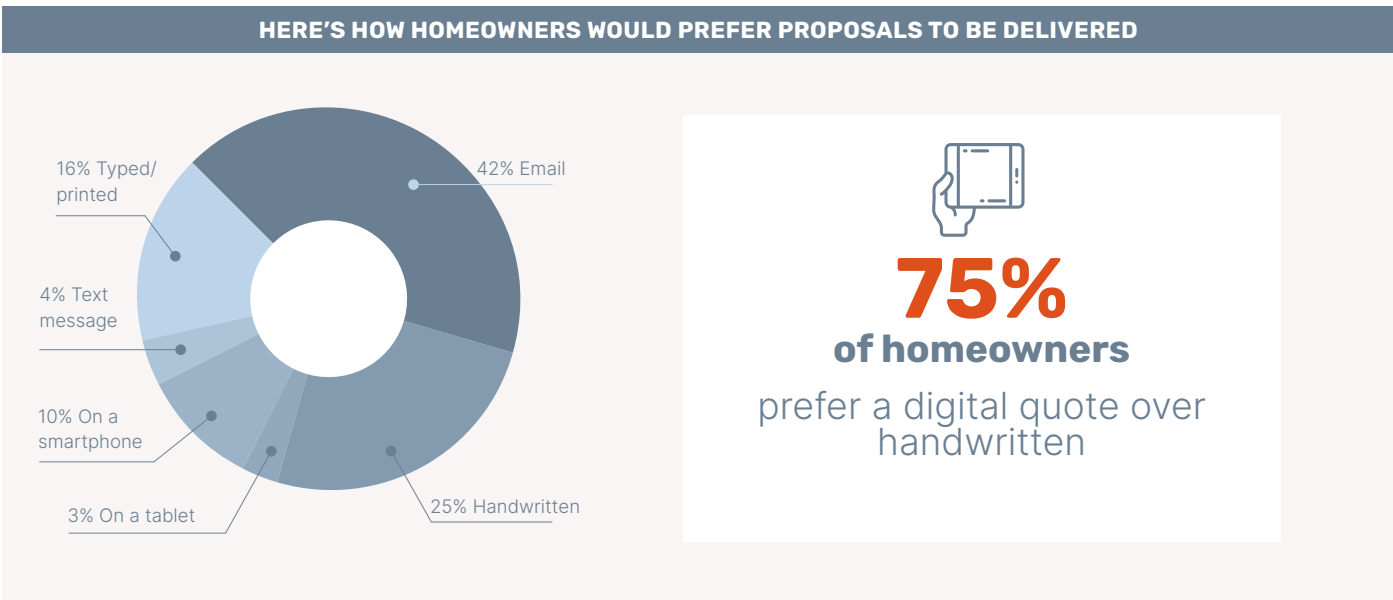
88% of respondents said their smartphone is essential, significant, or important to them.

Are you sending quotes straight to your client's phone?



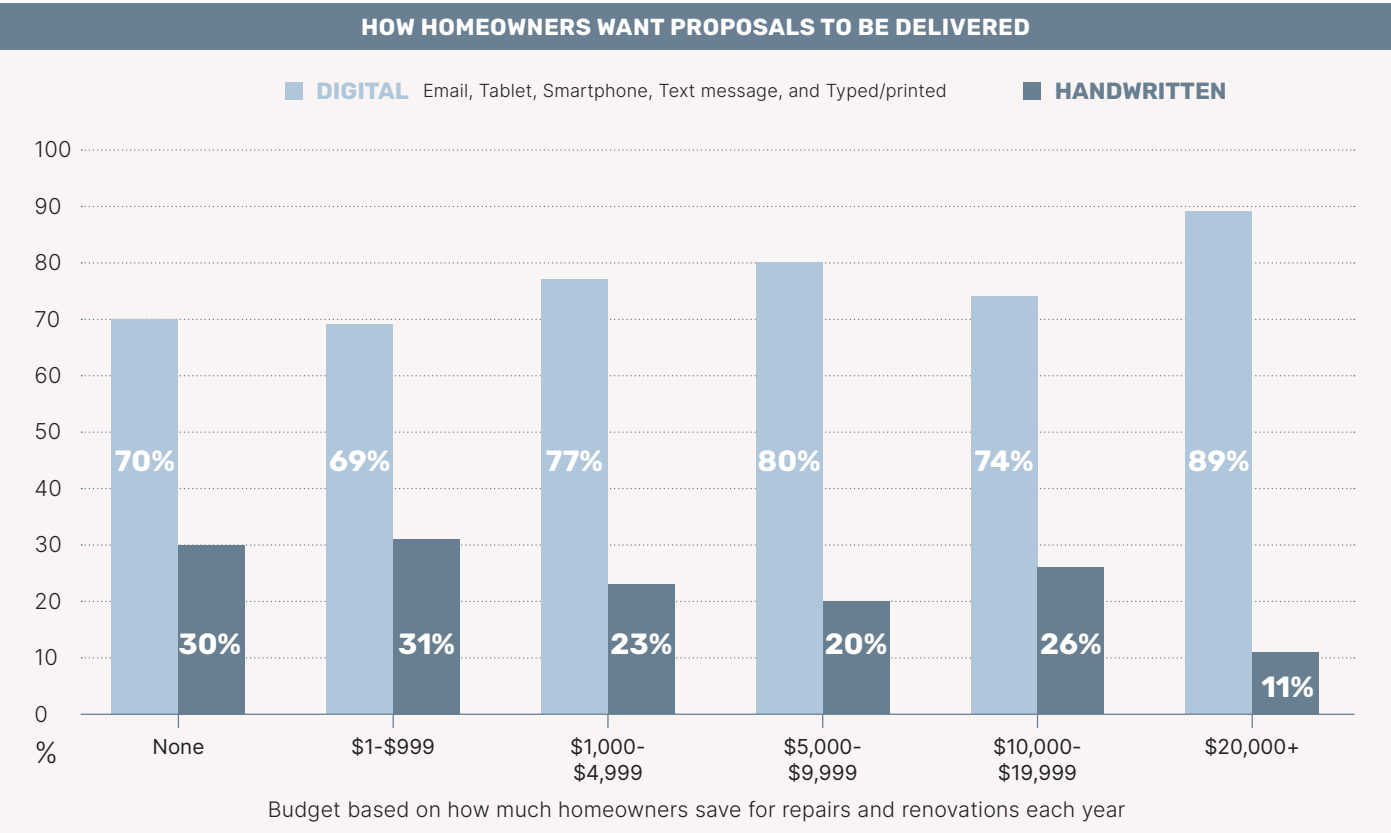
Moving on from the “Pen and Paper” Past

Gone are the days of jotting down a number on a sheet of paper. Customers now expect detailed quotes that are printed, emailed, or texted. Only a quarter of customers prefer a handwritten quote.



Wealthier Homeowners Hate Handwritten Quotes

Research results show that higher-income individuals are interested in seeing quotes delivered via email, tablet, or smartphone. This graph below shows that those who budget more for renovations prefer a digital quote.



Most people are more likely to hire you

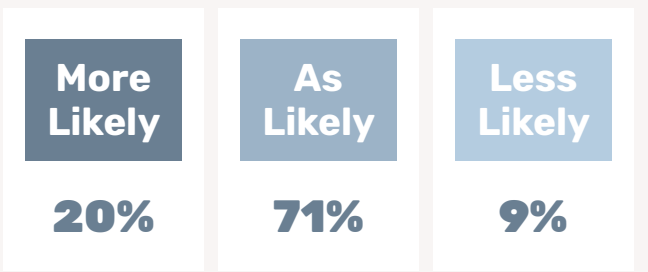
if you use software over handwritten quotes.



There is no downside to offering homeowners a digital quote, only an opportunity to impress your clients.

Homeowners are 20% more likely to hire you if your proposal is created using technology.

WHEN RECEIVING A QUOTE, ARE PEOPLE MORE OR LESS LIKELY TO SELECT A CONTRACTOR WHO USES SOFTWARE/TECH OVER HANDWRITTEN QUOTES?



CONTRACTOR TAKEAWAYS

Deliver digital quotes

Implement a tech-efficient workflow

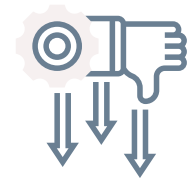
Train employees to use new technology



Contractor Takeaways

42%
of homeowners

have had a negative experience
with contractors



Good contractors know that the quality of their work and their professional approach are key to getting good referrals and higher-paying jobs. It all starts with the initial conversation and providing a quality, detailed quote.

But not all contractors deliver on these basic principles.

Knowing that nearly half of all homeowners have had a bad experience in the past, contractors need to overcome those preconceptions and past experiences that could be hurting their business.



Contractor Checklist

☐

Do you have referrals, reviews, and work examples ready to email to customers?

These are the three most important factors homeowners look for when deciding whether or not to hire you.

☐

When conducting an estimate, do you use pen and paper or some form of software/technology?

Implement technology into your workflow in order to provide better quotes.

☐

When delivering estimates, does your proposal include your logo, product descriptions, a breakdown of costs, warranty and insurance information, licensing and certifications, and a digital drawing of the site plan?

Homeowners have high expectations and are willing to spend more on the contractor that presents themselves as trustworthy and professional.

☐

Google yourself. What does your online presence look like on search engines, Home Advisor, BBB, and Angi?

This is where your potential customers are researching your business. Without a strong presence on the internet, they are likely to go with someone else.

☐

Think about the last job you completed. Was the client satisfied and ready to spread the word of your good work and professionalism?

Establish an easy referral program that rewards clients for spreading the word about your business and gets you more quality leads.



Researching

☐

Have work samples ready to email potential clients

☐

Monitor online reviews

☐

Encourage referrals with discounts and incentives



Budgeting

☐

Fit your quote around a client's budget

☐

Offer financing opportunities

☐

Provide low-middle-high quote options



Evaluating

☐

Create bids that stand out from the competition

☐

Deliver same-day quotes

☐

Prioritize your professionalism



Tech

☐

Deliver digital quotes

☐

Implement a tech-efficient workflow

☐

Train employees to use new technology

THINKING OF THEIR PAST POSITIVE EXPERIENCES WITH CONTRACTORS, HERE'S WHAT STOOD OUT TO HOMEOWNERS

63%

Reliability

77%

Quality of work

62%

Professionalism

47%

Communication

46%

Timing of completion

36%

Cleanliness

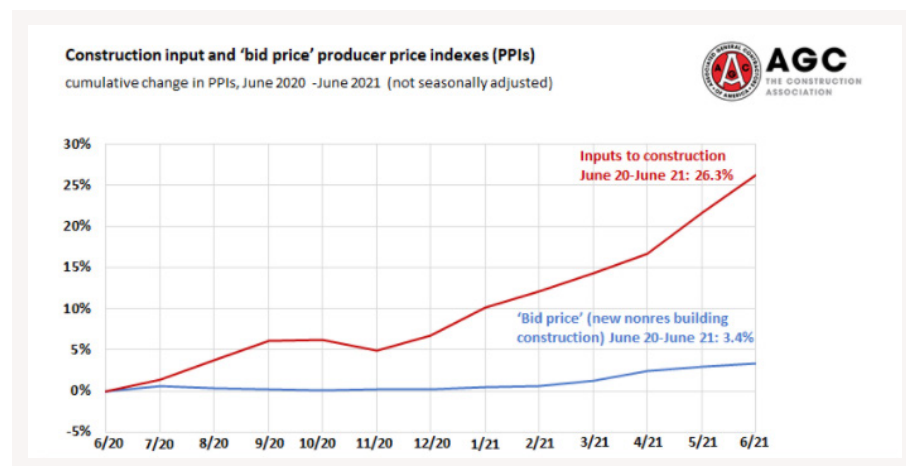
2%

Other

Current Industry Trends

Impact of Covid-19 on Residential Construction Industry

The Covid-19 pandemic has had a major impact on the construction industry. Demand for residential construction employment has been very strong since the pandemic, according to the Association of General Contractors (AGC).

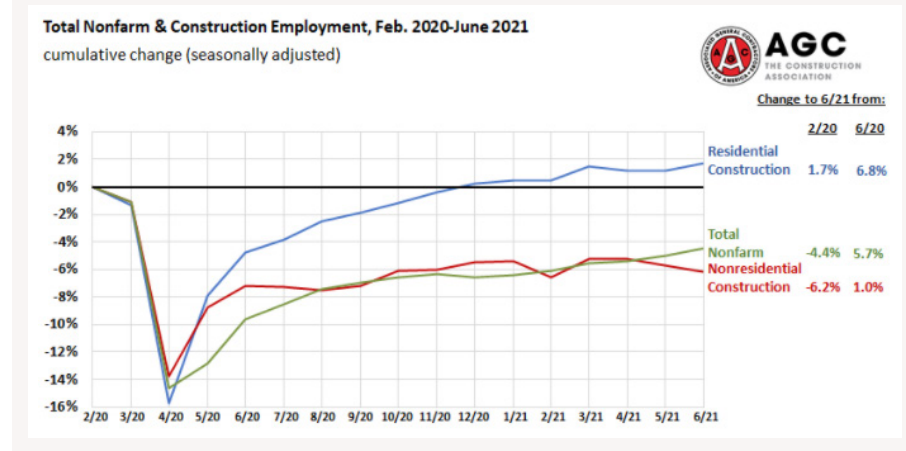


Residential Spending Skyrocketing

The good news is that people are ready to hire contractors again. Data from the Bureau of Labor and Statistics shows the change in year-to-date construction spending for the first five months of 2021 compared to the same period in 2020; **Residential spending soared 26%**.

People are always going to need these services, but how they evaluate and make decisions are consistent across economic cycles.

DEMAND FOR RESIDENTIAL CONSTRUCTION IS SOARING



Demographics

The Homeowner Survey Report relies on data from a 2021 ArcSite survey conducted in partnership with ResearchScape. Survey respondents were from all 50 states and represent a healthy range of demographics that reflects the people that residential contractors work with.

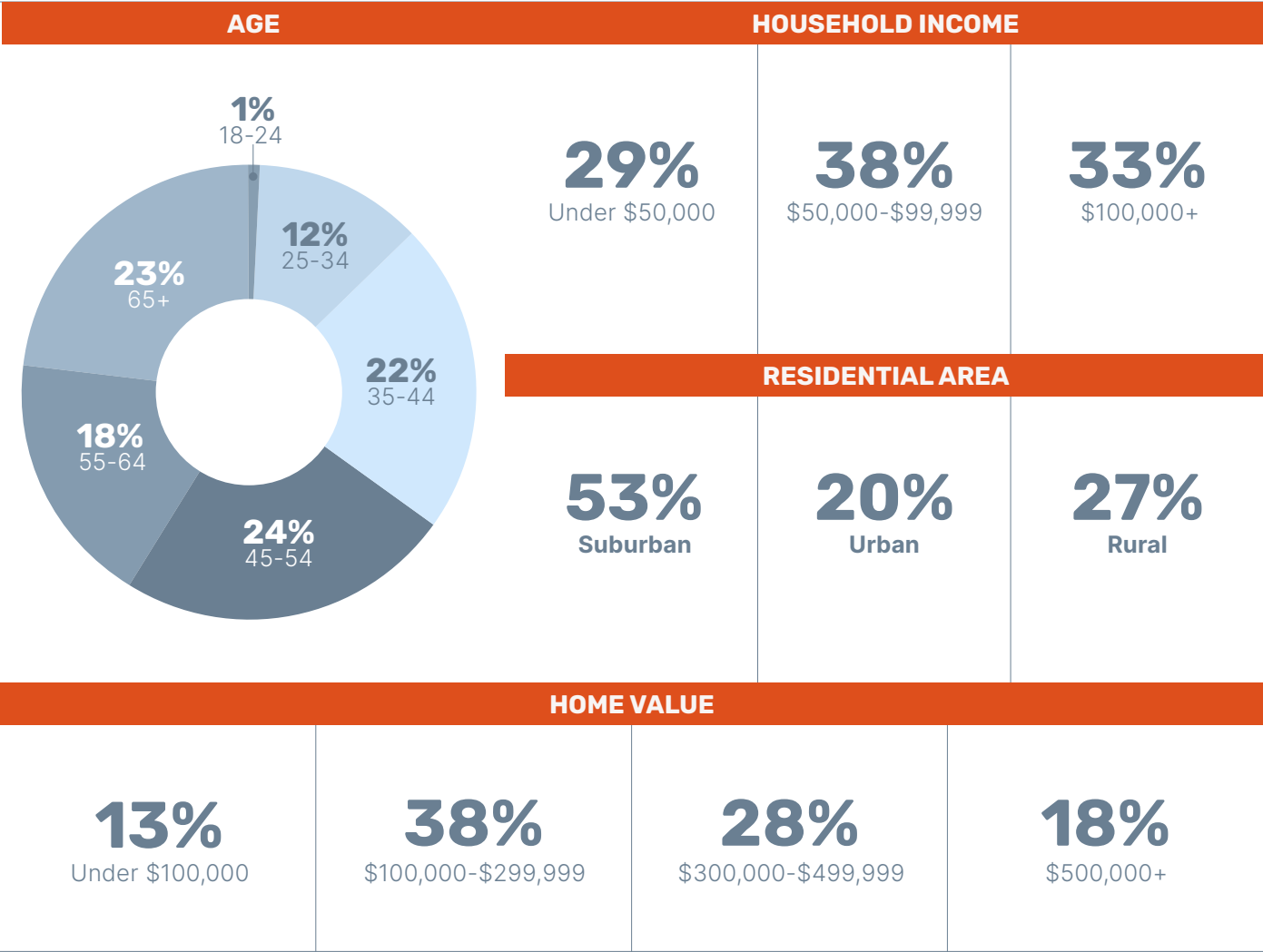
NUMBER OF HOMES OWNED BY SURVEY RESPONDENTS



44% are **first-time homeowners**

22% have owned **two homes**

36% have owned **three or more homes**



About ArcSite

ArcSite makes designing and selling easier than pen and paper. Residential contractors use ArcSite to sketch site plans, generate proposals, and train their estimators to sell with professionalism and efficiency.



#ArcSite

ArcSite Explained in Under 2 Minutes [Mobile design and estimation app]

Adding a professional, digital drawing of the work you'll be doing is key to a professional sales proposal. This effective visual allows customers to see the scope of the work and where products will be installed. A customized design also shows your professionalism and attention to detail.

ArcSite Explained in Under 2 Minutes

ArcSite allows users to attach tons of extras to their sales proposals. Not only does this option allow businesses to attach important "fine print" like legal disclaimers and warranties, but it also helps companies stand out in the sea of generic proposals by attaching creative elements like logos, drawings, coupons, and more.



See if ArcSite is right for your business:

ARCSITE.COM