



# Home Services Consumer Study

Summer 2022

# Executive Summary

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The home services sector is positioned for healthy long-term growth due to housing market trends and a shift toward outsourcing more home-related tasks. This shift is driven by home-buying millennials with less free time, waning DIY interest, and more money to spend.

- A majority of surveyed consumers are more likely to outsource home services than perform those tasks themselves.
- Most are also increasing their spending on service providers, with a tendency for hiring those with technical or specialized expertise.

While consumers have a preference for local brands, some services benefit from national recognition and spend.

- For services where the consumer is "in the market" for a shorter time period, national brands can have an awareness and marketing spend advantage, but consumers generally favor local brands that are well reviewed.

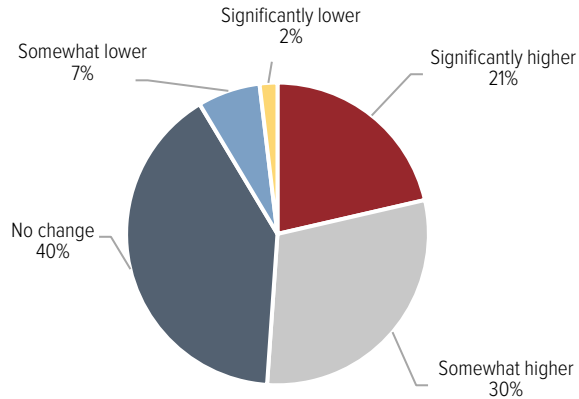
Financial and strategic buyers can take advantage of several opportunities within home services to create growth and value.

- Platforms that skew to break-fix, non-discretionary, and recurring services can generate steady growth.
- Digital channels—including internet search, online reviews, and social media—have a greater ability to reach consumers and grab market share.
- Tech-enabled and professionalized platforms that offer easy-to-use customer-facing technology, financing options, and flexible terms can differentiate themselves from the competition.

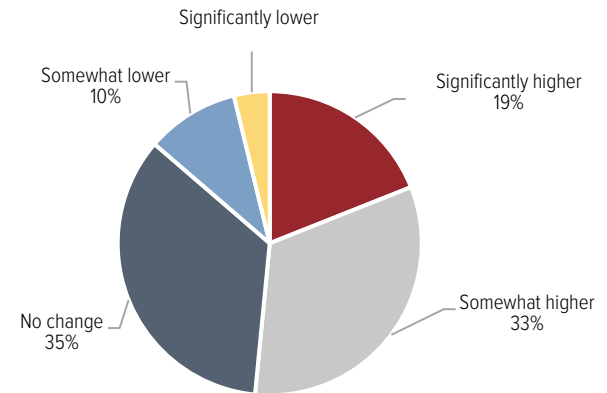
**To better understand this opportunity, Harris Williams surveyed 1,001 U.S. consumers who use home services.<sup>1</sup>**

# Consumers are outsourcing more home services.

Preference for hiring vs. DIY, past 2-3 years



Change in spending, past 2-3 years



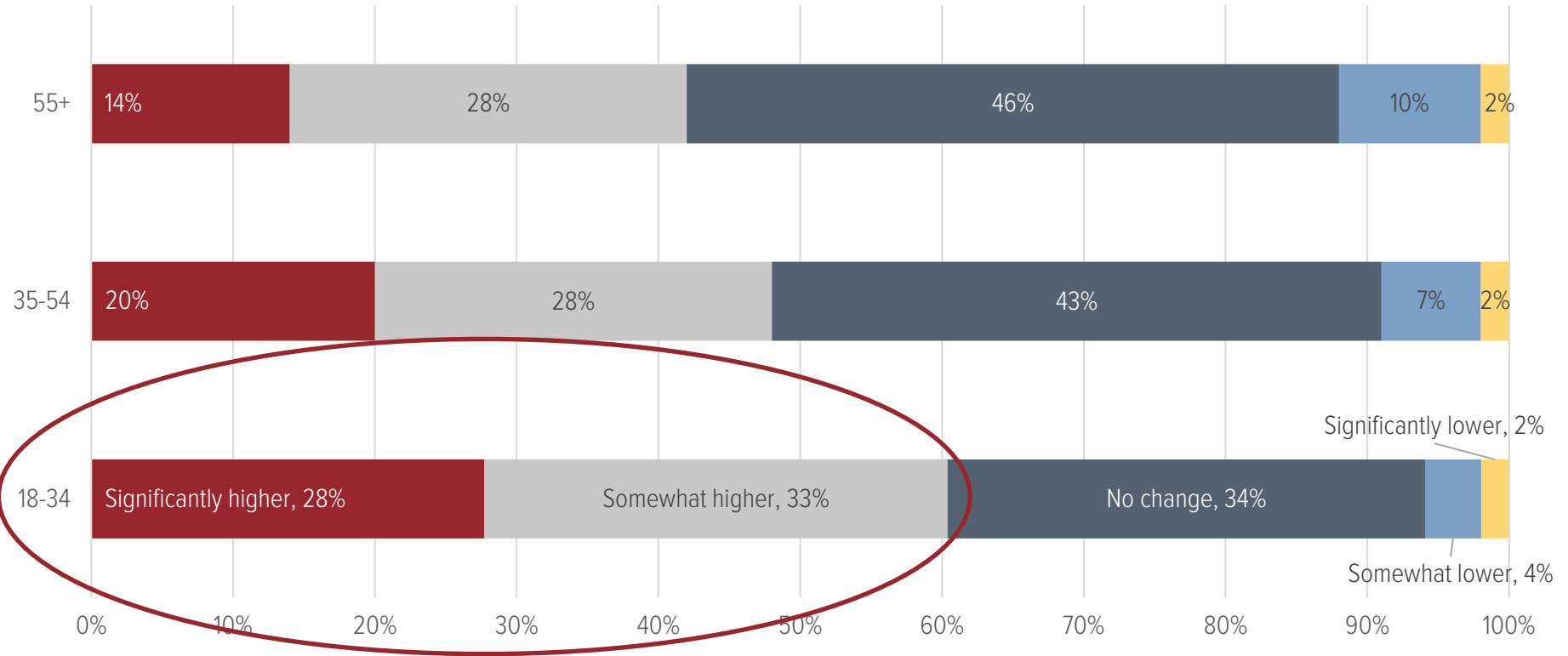
51% of consumers are likelier to hire someone to perform home services than 2-3 years ago. Fewer than 10% are likelier to perform these services themselves.

Spending on these services is up too: 52% are spending more on service providers, versus ~10% spending less.

**Key Insight:** A long-term shift is underway toward more outsourcing of home services. Drivers include millennial home-buying, less homeowner free time and DIY interest, and more discretionary income.

# Millennial consumers' (18-34) preference for pros has grown more than other consumers.

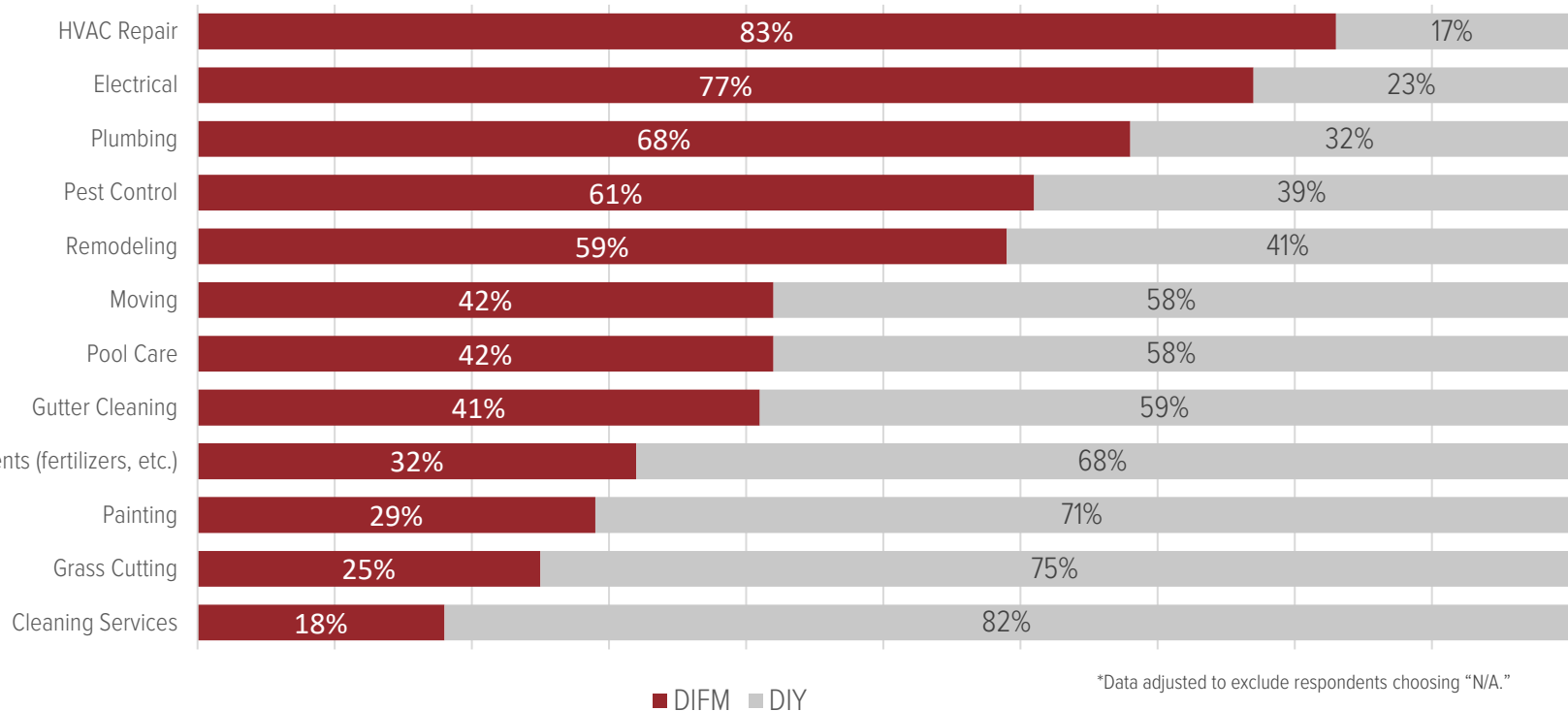
Preference for hiring vs. DIY, past 2-3 years



**Key Insight:** Home services providers should be sure to include younger homeowners in their marketing strategies.

# Consumers are likeliest to outsource technical, specialized services.

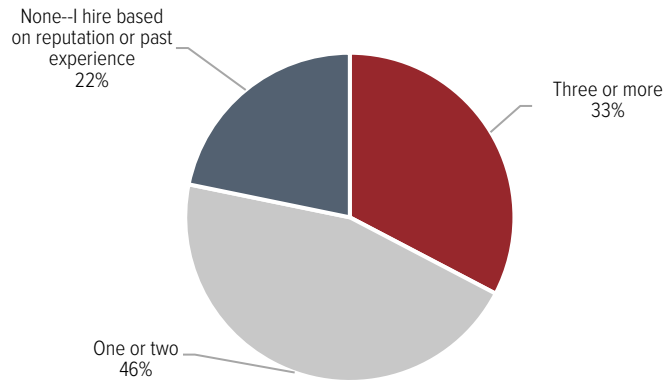
Do It For Me (DIFM) vs. Do It Yourself (DIY)



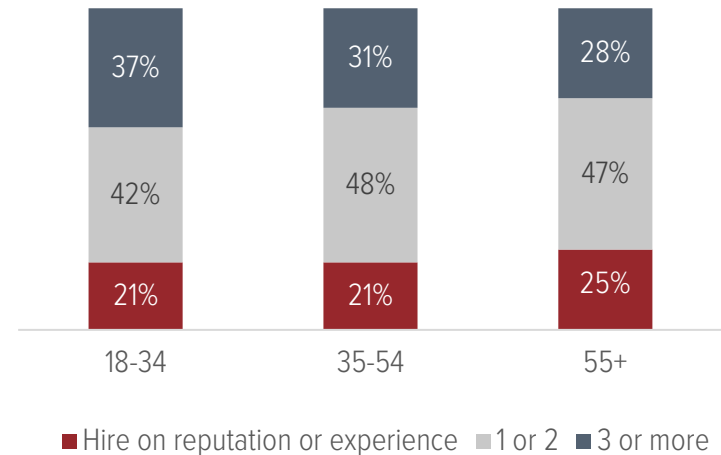
**Key Insight:** Growth-focused platforms should have expertise in these more specialized and difficult tasks.

# Younger consumers are likelier than others to solicit multiple bids.

Competitive proposals typically solicited



Proposals solicited by age



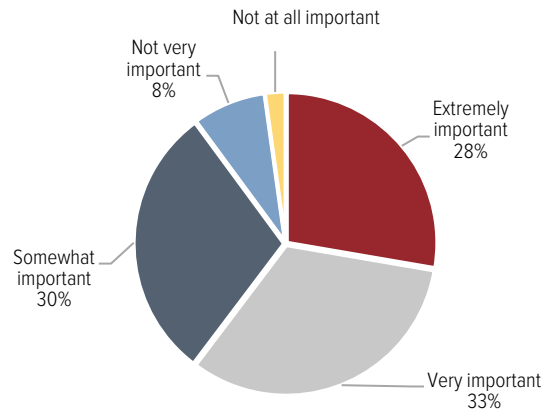
Nearly 80% of consumers seek out multiple competitive proposals.  
One-third solicits three or more.

Older consumers are less likely to solicit multiple bids, reflecting loyalty to incumbent providers.

**Key Insight:** A recognizable and well-regarded brand can make the difference in the competitive bidding process, particularly among younger consumers used to greater price transparency.

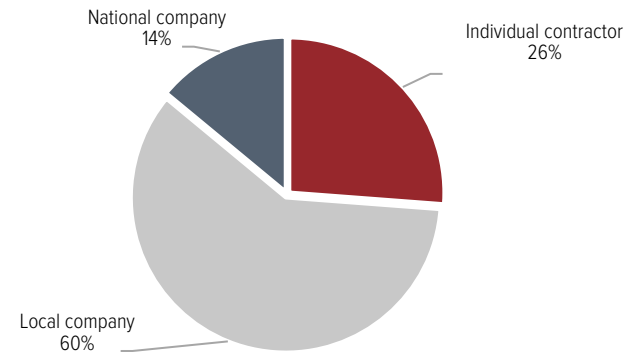
# Brand matters—but so does being perceived as local.

Importance of well-regarded, well-known brand



A well-regarded brand name is very or extremely important to 61% of consumers...

Preferred type of service provider

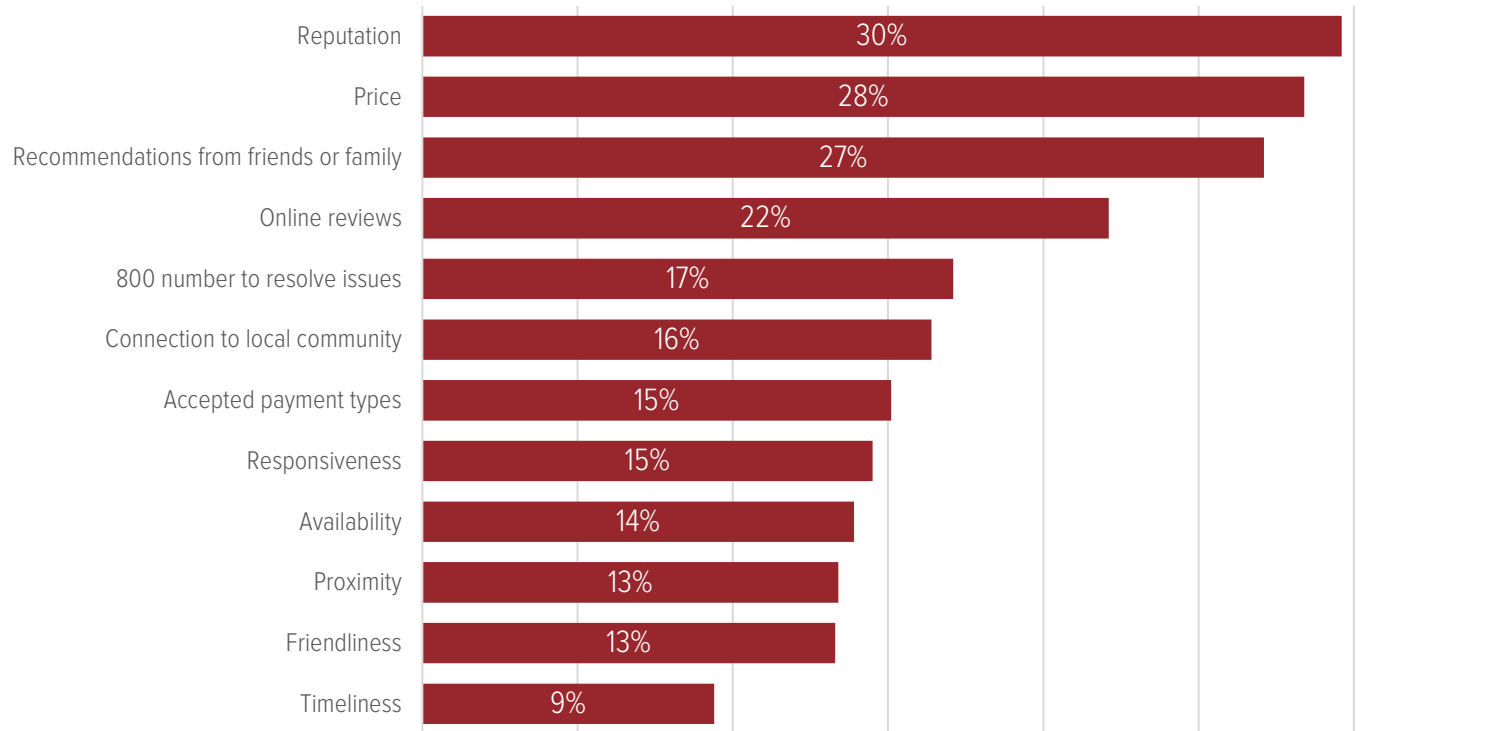


...but so is a strong local presence.

**Key Insight:** Brand recognition and reputation are important in the consumer decision-making process, and consumers prefer a local brand to perform services over national providers.

# Reputation, price, and reviews are top considerations.

Most Important Consideration When Hiring a Home Services Provider



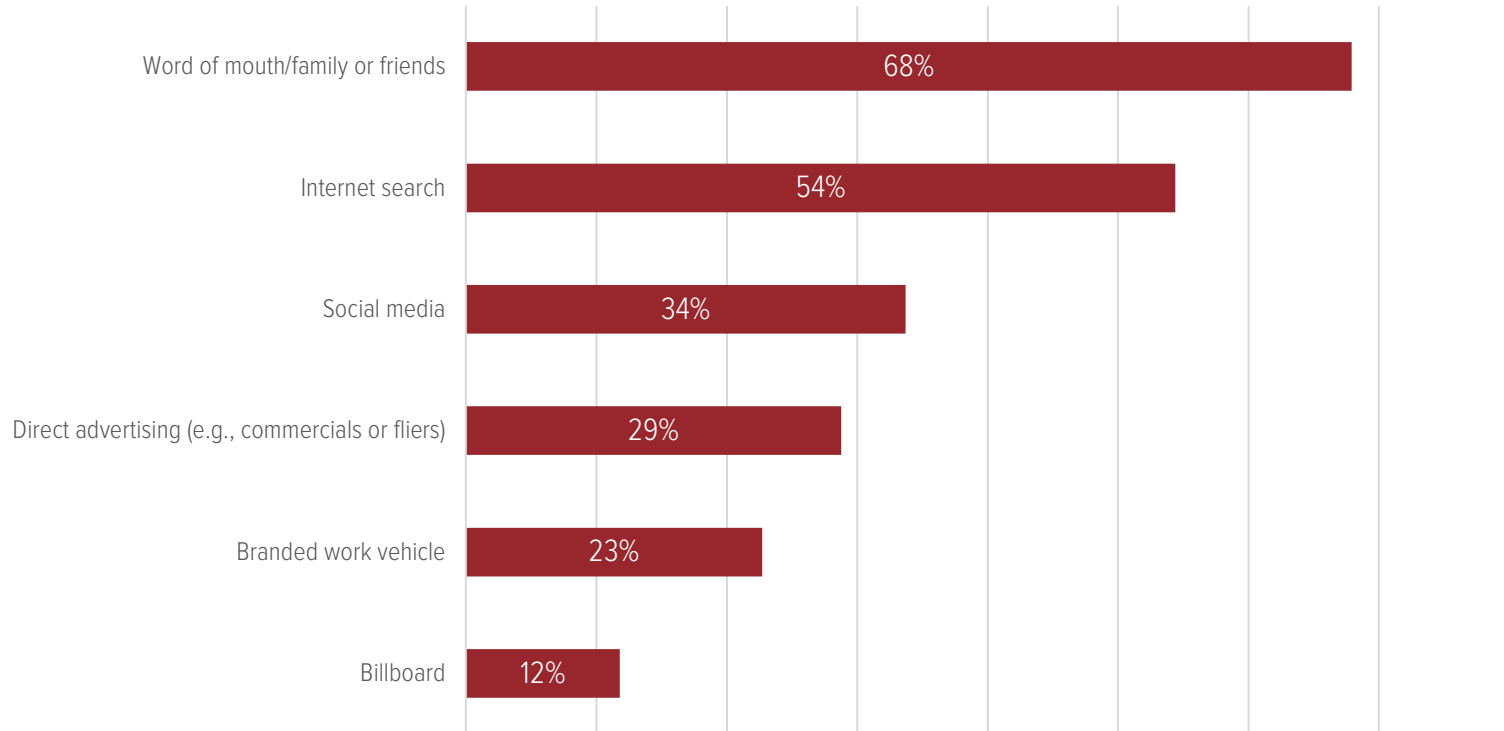
**Key Insight:** Reputation, price, and recommendations/reviews are most important to consumers in the selection process.



# Referrals and digital channels are critical customer acquisition channels.

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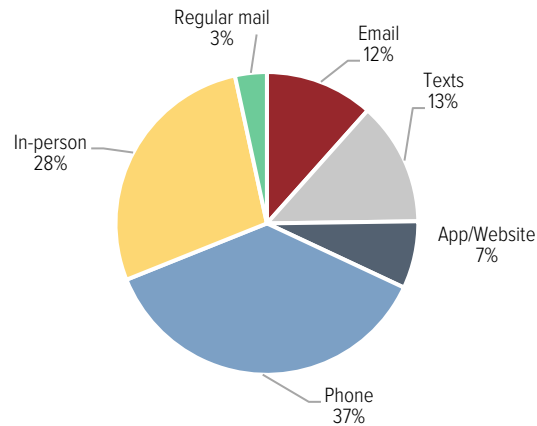
Discovery Channels for Home Services Providers



**Key Insight:** Residential services continue to see a shift toward digital marketing, which helps drive word-of-mouth, internet search, and social media. Yet traditional methods of advertising, including direct mailers and fliers, continue to play an important role.

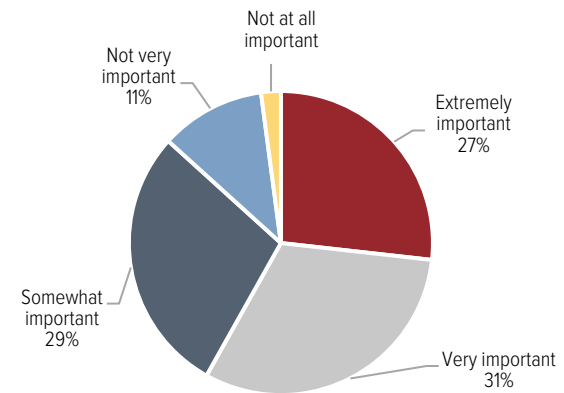
# Customer-facing technology could be a valuable differentiator...

Preferred way of interacting with service providers



Tech-enabled communications are key, but phone and in-person interactions remain important for building trust with consumers.

Importance of latest tech used for booking, billing, project management

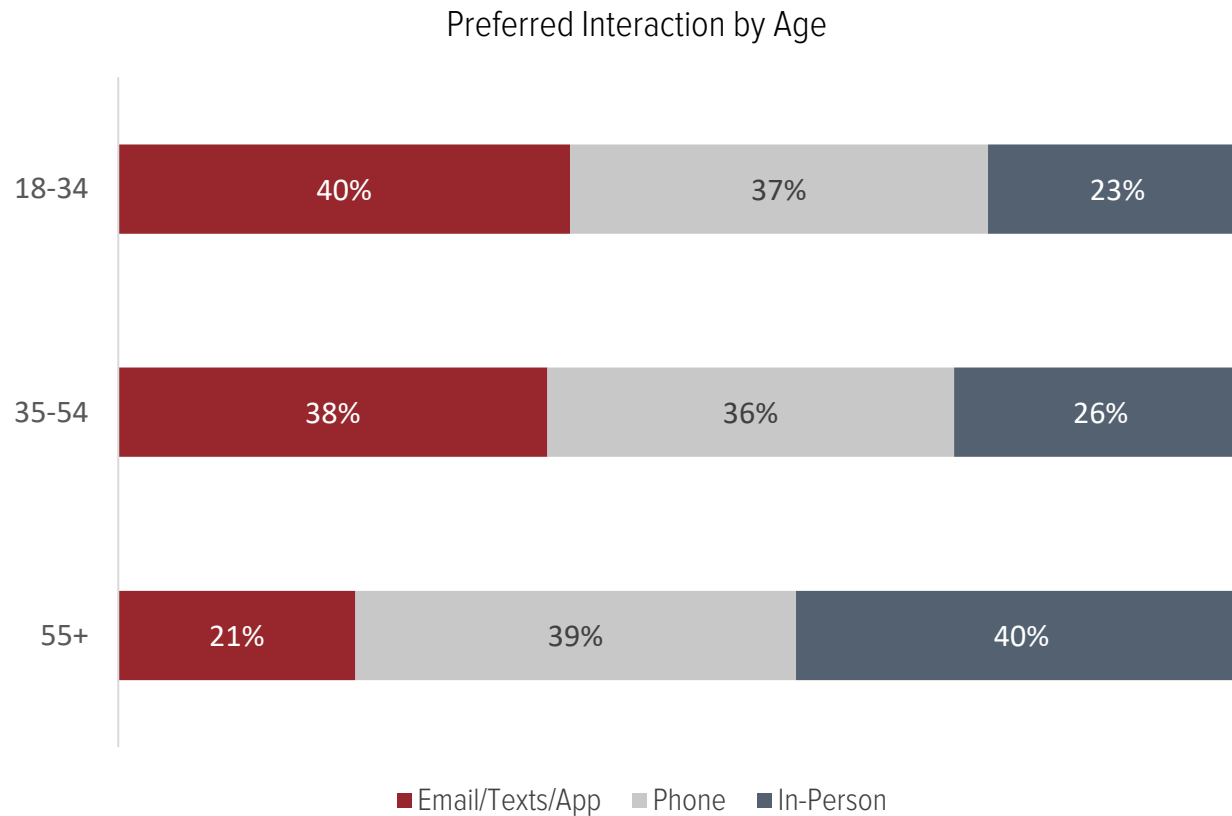


58% of consumers say it's extremely or very important service providers use the latest tech for booking, billing, and project management.

**Key Insight:** Consumers value modern, tech-enabled ways of interacting with home services companies, providing an opportunity for professionalized platforms.

...Yet strong in-person and phone-based service remains important.

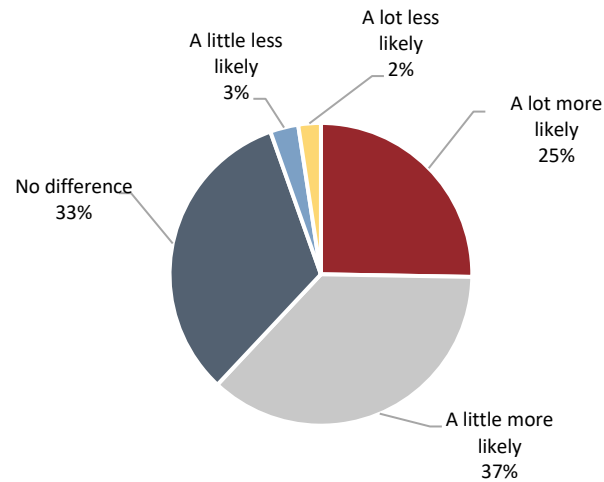
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**Key Insight:** Younger consumers are likelier to prefer digital interactions. All age groups exhibit a desire for multiple forms of interaction.

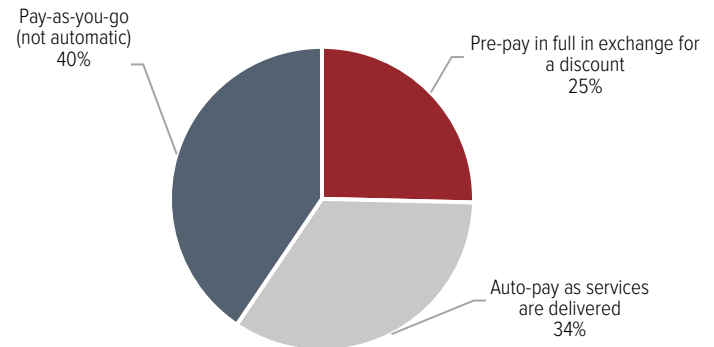
# Financing and flexible payment terms also appeal to consumers.

Increased likeliness to start large projects due to financing from service providers



62% of consumers would be likelier to start large projects if financing were offered.

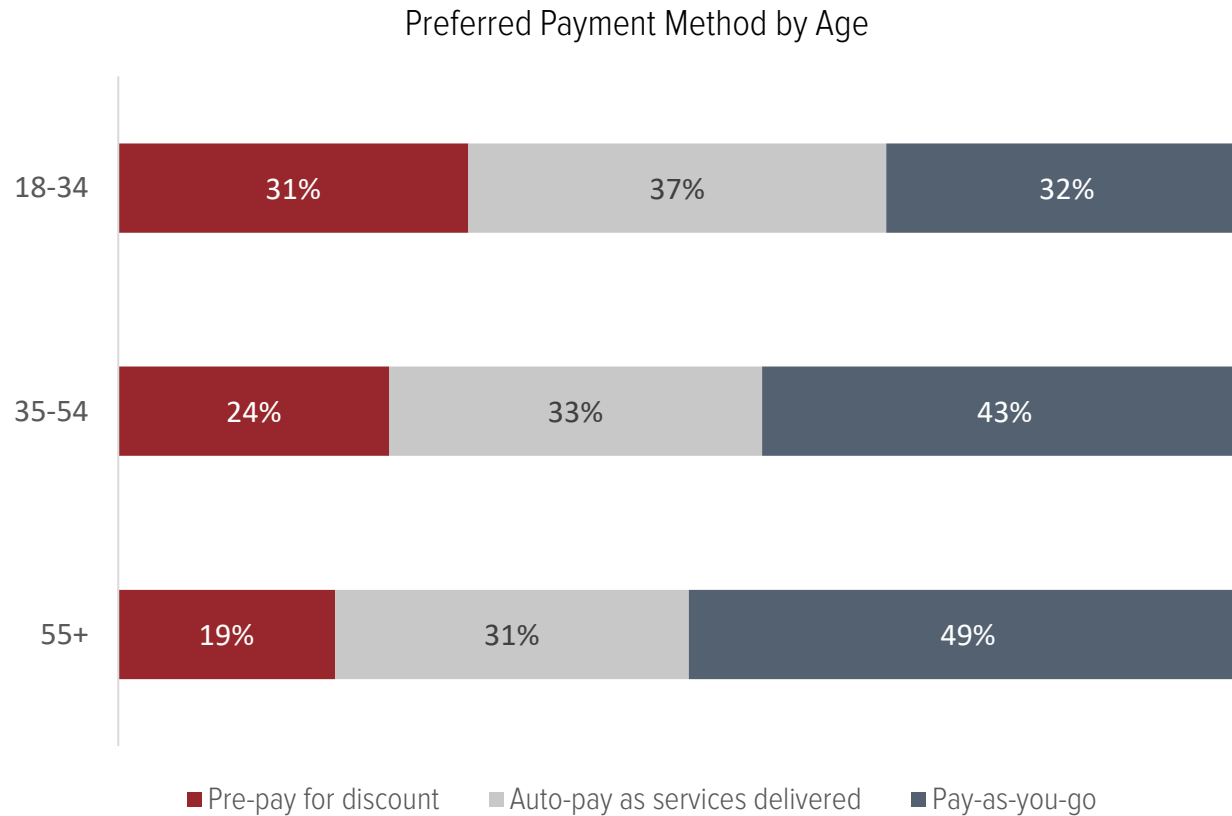
Preferred payment model for recurring services



Consumers are split on which payment plan is optimal, giving an advantage to companies that can offer several.

**Key Insight:** Consumers value flexible terms and financing, providing another opportunity for professionalized platforms.

# Payment preferences vary by age group.



**Key Insight:** Younger consumers are more interested in pre-pay and auto-pay than older consumers, who prefer pay-as-you-go.

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*a portfolio company of*



has been acquired by  
**Morgan Stanley  
CAPITAL PARTNERS**



*has invested in*



*a portfolio company of*



*a portfolio company of*



*has been recapitalized by*



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capital partnership with*



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1. Harris Williams, in partnership with Toluna USA Inc., conducted online surveys with 1,001 U.S. consumers in May 2022.

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