

### Economic Tire Kicking

Although 54% of those reporting say leads are up, and 55% are seeing larger job sizes (60% expect to see job sizes increase in 2015), remodelers told us they see a bit of a recession hangover. “There is a lot of economic tire kicking,” McAdams says. He and others report spending more time qualifying leads. Now, at least, many have longer backlogs and the luxury of saying “no” to jobs. “We’ve spent some real energy on training our intake person to do more extensive interviews with prospects and be able to help people find what they might need elsewhere,” McAdams says. “I’m not spending as much road time with people who aren’t really a fit.”

To bring in leads, most remodelers we spoke with found success in home tours, open houses, and taking care of past clients. “It’s an old playbook, but it works,” Rochman says. “You have to sew long-term seeds and be fairly constant with things.”

While respondents say they will spend more of their marketing dollars on their website (20%); networking (19%) and social media (13%), most of them (67%) will not be increasing their overall marketing budget.

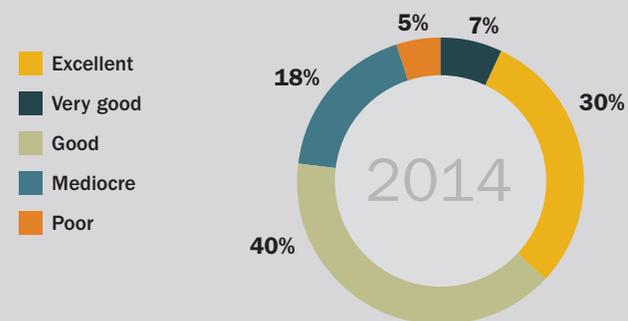
“We’re getting more Internet leads and more of those are panning out,” notes Merrick. “I think customers are counting more on online reviews and referrals. Gen X and Gen Y don’t like talking with people; they put more stock in online reviews.” Rochman, too, reports more use of Angie’s List and Yelp reviews by prospects, and a lot more leads “coming off our website now than in 2013” even though the site hadn’t changed in that year.

An overwhelming number of respondents (98%) felt that the markets in which they do business are intensely (12%), somewhat (22%) or very (64%) competitive. This seems at odds with the high number of remodelers who responded that they won’t be increasing their marketing budget.

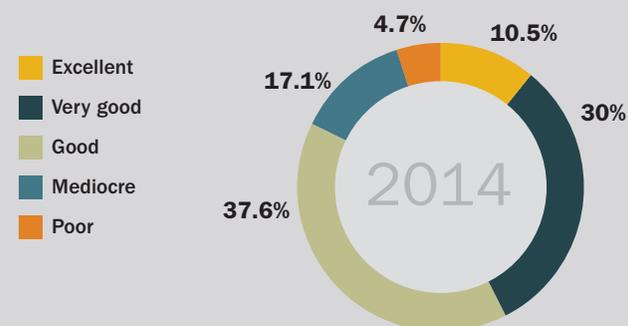
Rochman, who does plan to step up his overall marketing and is looking to rebrand, theorizes that a lot of remodelers might be getting caught up in the good times. “The phone is ringing off the hook for a lot of people,” he says. “They’re flush with work so they want to save on marketing.” He adds that many see competition as “more of a sales issue than a marketing issue. It’s harder to separate and distinguish yourself from the competition than it is to sell differently or amp up your sales skills.”

Business recovered more slowly in 2014 than expected, with many remodelers who predicted an excellent year having to settle for a very good one. Last year’s optimism is now focused on 2015, when more than 78% of respondents expect a good, very good, or excellent year.

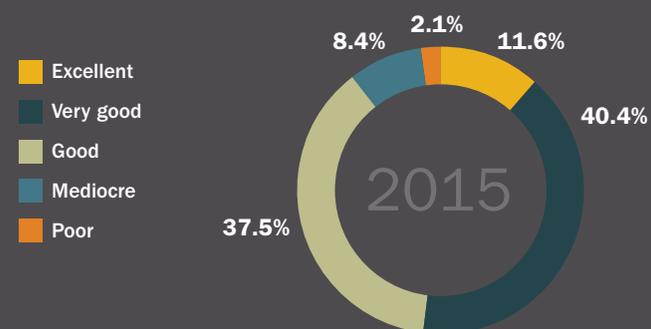
#### How do you expect to rate 2014 as a business year for your company?



#### How would you rate this year (2014) as a business year for your company?



#### What do you expect to rate next year (2015) as a business year for your company?



SOURCE: PROFESSIONAL REMODELER SURVEY