

2017 Home Services Industry Report



TEXT ANALYSIS OF NET PROMOTER SCORE SURVEYS

INTRODUCTION

With so many competitors in the marketplace, every interaction counts. Understanding what makes home services clients have both wonderful and unpleasant experiences is the first step to offering a service that will create loyal customers and generate referrals that drive new business.

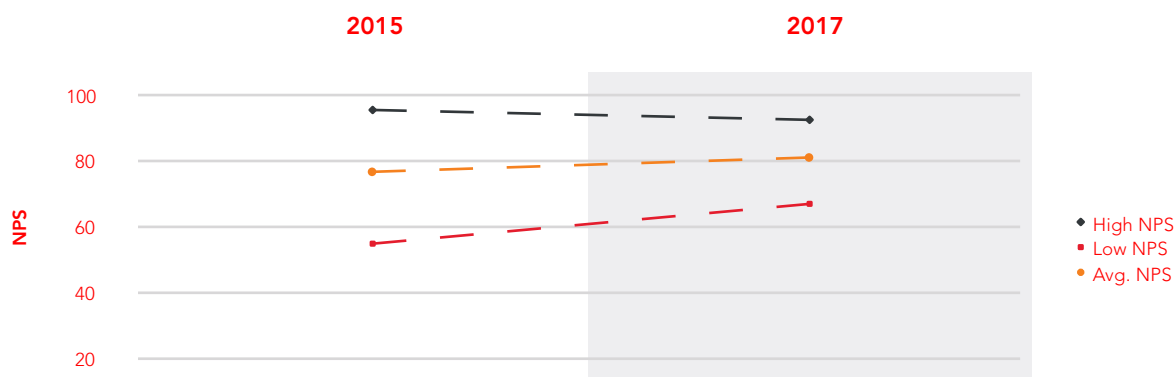
To find out exactly what captures the heart of home services customers, Listen360 analyzed more than 1,500 survey responses. Similar to a study completed in 2015, the 2017 study sought to identify exactly what is dissatisfying home services clients, which aspects of the customer experience have the greatest impact on customer loyalty, and what has changed in the last two years.

This information was gathered by Listen360 using Net Promoter Score (NPS)¹, the de facto industry standard for measuring customer loyalty. The surveys ask customers to rate, on a scale from 0 to 10, how likely they are to recommend [the client's brand] to a friend or colleague. This ranking is followed by an open-ended question that digs deeper into their rating. The collection of ratings is then translated into an NPS score.

FIGURE 1: Home Services Net Promoter Scores 2015 vs 2017

The average Net Promoter Scores for the home services industry have gradually increased since 2015. On the lower end of the range, the NPS has improved most significantly, indicating that the home services industry is becoming even more competitive as laggards focus more intently on improving the customer experience.

By maintaining a focus on the customer experience and pushing toward a high NPS, home services companies can set themselves apart from the competition and drive organic growth for their business.



¹ NPS is a trademark of Bain & Company, Satmetrix Systems, and Fred Reichheld.

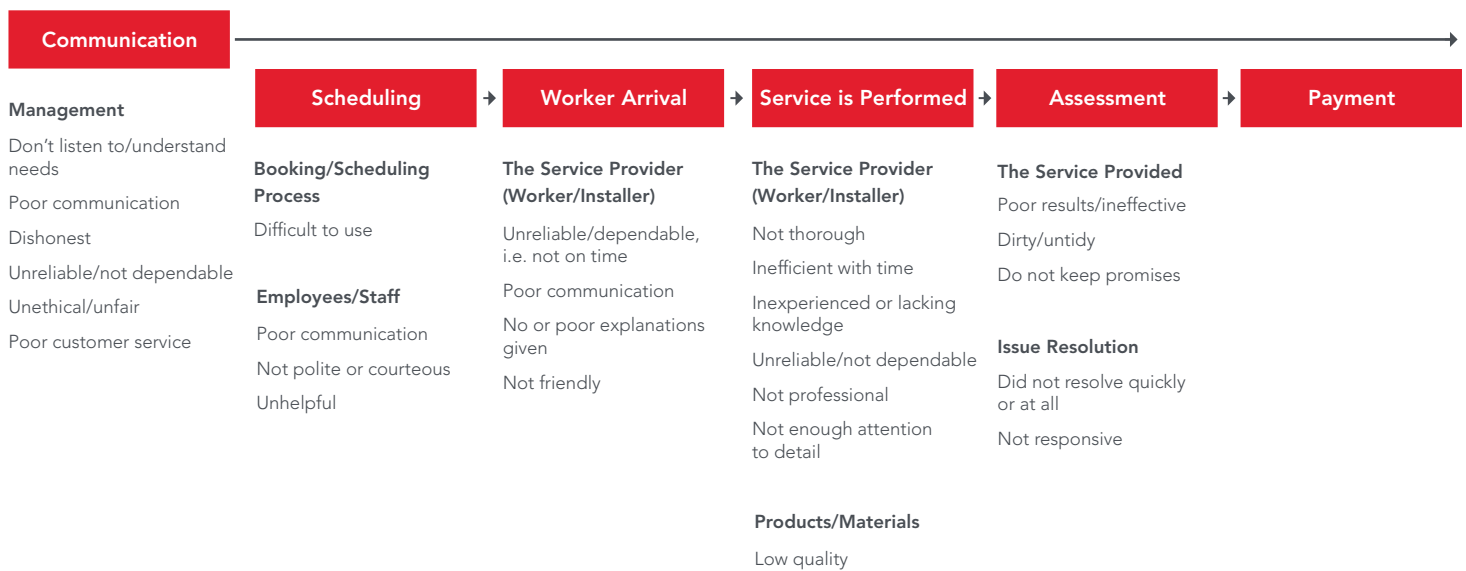


THE CUSTOMER EXPERIENCE

Once you have a new client, the key to long term business is delivering an exceptional customer experience. In fact, **companies that make customer experience a priority, generate 60% greater profits than their competitors.** While providing a reliable service is a crucial part of delivering home services, it accounts for only a portion of a customer's overall perception of your brand.

As part of the study, Listen360 looked at the entire customer journey, from the time an appointment is scheduled to the time the service is complete in order to identify the most common pain points along the way. Based on 2017 survey response data, the most negative aspects of the experience are those in which the service under-delivers while the price or duration of the project are higher than expected.

FIGURE 2: Pain Points in the Customer Experience



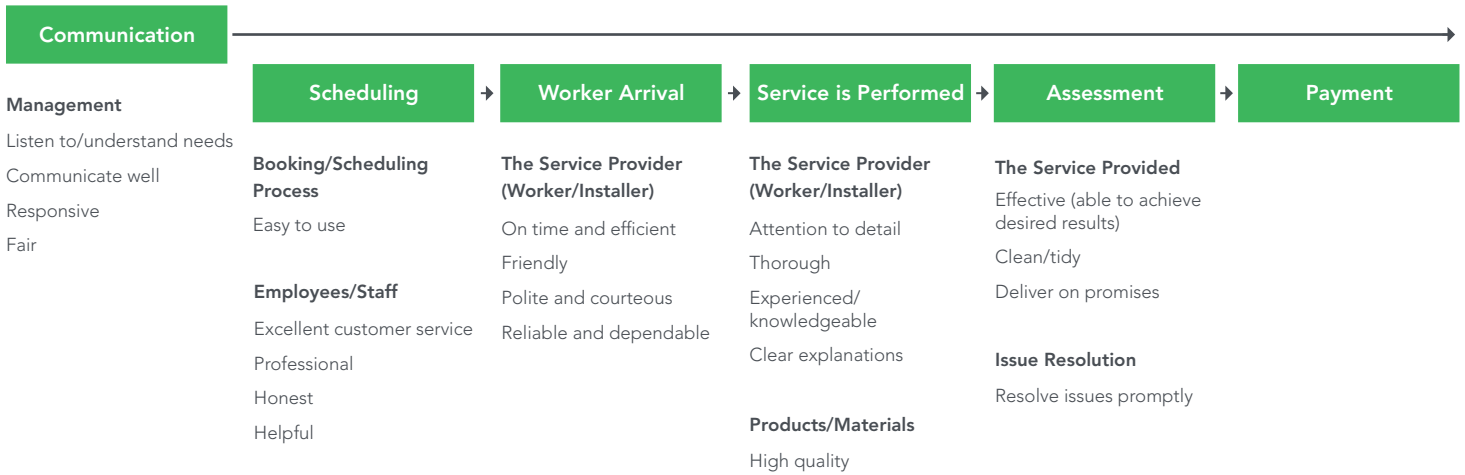
“Where should I start?? Overpriced, Poor communication, questionable quality of installation, and poor follow up after the job was completed. No brochures or information about the product. Overall unsatisfactory experience...”

In contrast, a great experience has the power to increase retention rates, drive up referrals, and improve your overall brand image. Increasing retention by as little as 5% has been shown to raise profits anywhere from 25% to 95%.

According to the Listen360 study, a great experience has: effective communication, knowledgeable and helpful workers who have a sense of professionalism, friendly demeanor and are on time.



FIGURE 3: What Makes a Great Customer Experience



“The entire process from the initial consultation to the installation were done professionally and with follow-up throughout. My consultant was excellent and offered flexibility with the installation dates. The installation person was very knowledgeable and showed me how to adjust the shelves and rods and answered all my questions. Everyone involved was friendly and arrived on time for their appointments. A really good experience!!”

MINIMAL EXPECTATIONS OF HOME SERVICES CUSTOMERS

While there are many elements in the customer experience, it is critical to know which ones are actually deal-breakers and ensure those components are delivered at the expected level. These deal-breakers are also known as barriers.

Barriers are a customer’s minimal expectations which can negatively impact customer satisfaction if performed poorly, but don’t have any positive effect on customer loyalty if they are performed well. With barriers, only a minimally acceptable level of performance is required to prevent dissatisfaction. Spending a large part of your budget on barriers would not directly impact customer loyalty, and could potentially be a waste of time and money when compared to focusing on the things that delight your customers. Our analysis identified the top barriers for each home services industry segment.

According to the Listen360 study, not delivering on promises is a consistent barrier in the home service experience. Tied to this is the ability to provide clear explanations to the customer in order to set expectations. Providing accurate information won’t be the reason a customer recommends a home services brand, but lacking this skill will decrease brand loyalty and could lead to negative word of mouth.

Barriers	
2015	2017
Deliver on Promises	Deliver on Promises
Communication Ability	Ability to Explain
Thorough	
Issue Resolution	
Honesty	
Convenience	
Reliability/Dependability	
Attention to Detail	
Fairness	

New Barriers in 2017

FIGURE 4: Barriers | Minimal Expectations that Have the Power to Decrease Loyalty

FIGURE 5: Drivers | Have the Power to Increase and Decrease Customer Loyalty

Key Drivers	
2015	2017
The Service Provided	The Service Provided
Efficient with Time	Efficient with Time
Value/Price	Value/Price
The Service Provider	The Service Provider
Ability to Achieve Results	Ability to Achieve Results
Professionalism	Professionalism
Products/Materials	Products/Materials
The Employees/Staff	The Employees/Staff
Quality	Quality
Cleanliness	Cleanliness
Level of Customer Service	Level of Customer Service
Responsiveness	Responsiveness
Experience/Knowledge	Safety/Comfort
Ability to Explain	Professionalism
Listen to/Understand Customers' Needs	Booking/Scheduling
	Management
	Ease of Use
	Issue Resolution
	Communication Ability
	Thorough
Attention to Detail	
Honesty	

Key drivers are similar to barriers in that if poorly performed, they could have a significant negative impact on the way your customers view your services. Unlike barriers, however, high performance of key drivers has the power to lead to a positive brand reputation amongst current and potential home services customers.

In Listen360's analysis of the home services industry, two crucial key drivers were identified as most common: 'the service provided' and 'efficient with time'. When it comes to key drivers, your performance needs to be on target with customer expectations.

Compared to 2015, in 2017...

- Not providing an easy experience for customers will drive down their loyalty, as this attribute has evolved into a key driver in 2017.
- Resolving issues, communicating well, and completing services thoroughly, honestly, and with attention to detail can now drive up loyalty, as these attributes have shifted from barriers to key drivers.
- New key drivers that emerged are with booking/scheduling services and management.

New Key Drivers in 2017

Delighter in 2015

These were Barriers in 2015

“Setting up the appointment was easy and [the company] accommodated my schedule. The technician was friendly, helpful, polite, and best of all, he did a wonderful job. He explained things to me clearly and my system is in great condition after his visit.”

If you want to truly differentiate your service from the competition, go beyond the barriers and key drivers and provide a service that delights. Of all the top attributes Listen360 identified, seven of them are considered delighters, with the potential to have the ‘wow factor.’ The newest delighters for 2017 include: experience/knowledge, reliability/dependability, listening to customers’ needs, and fairness. Incorporating these delighters into your business model will help solidify loyalty amongst your customer base and build the foundation for brand advocacy.

You should aim to over-perform in the areas listed to the right in order to generate positive feelings and chatter about your organization.

“I appreciated the personal interaction with the business owners as well as their crew. The owners were attentive to my needs and made sure all was completed to my satisfaction. The crew was very respectful, courteous and also willing to make sure all was completed according to my requests. They demonstrated outstanding efficiency and timeliness on the job!”

CONTINUAL MONITORING AND IMPROVEMENT

So where do we go from here? This analysis has provided some insight into the positive and negative aspects of the customer experience, what satisfies home services customers, and what they need to be wowed. To effectively use this information, we recommend taking the following actions:

- Conduct NPS survey research to measure how your business performs on the touchpoints and attributes at each location.
- Prioritize your improvement efforts to meet your business goals. In general, we recommend prioritizing the improvements in this order:
 1. Reduce dissatisfaction, and meet minimum expectations by improving Barriers that are underperforming.
 2. Increase customer satisfaction and loyalty by fixing and improving on the Key Drivers, starting with the worst performing.
 3. Wow your customers by adding or improving on your performance for Delighters.
- Track your performance over time to monitor the impact of your improvement efforts on customer loyalty and satisfaction.
- Stay current on what effects customer loyalty, as customer needs will inevitably change over time. Yesterday’s delighter is frequently today’s key driver and tomorrow’s barrier.

If you know what your customers need, and you do those things well, your business is well positioned to reap the growth and profitability that comes from a loyal customer base. Your customers are one of your strongest assets—taking the time to listen and appropriately respond to them enables you to make smarter business decisions and build the kind of personal relationships that result in loyalty, organic growth, and sustainable profit.

FIGURE 6: Delighters | Have the Power to ‘WOW’ Customers and Increase Loyalty

Delighters	
2015	2017
Friendliness	Friendliness
Politeness	Politeness
Helpfulness	Helpfulness
Ease of Use	Experience/Knowledge Reliability/Dependability Listen to/Understand Customers’ Needs Fairness

New Delighters in 2017

Listen360 helps businesses understand how their customers truly feel about the services they provide. By gathering real-time feedback via a simple, two question NPS survey, Listen360 offers its clients the ability to quickly resolve issues and identify their most loyal customers.

With reporting that highlights key differentiators, top team members, and aspects of the business that are delighting clients, businesses are given the operational insights they need in order to consistently improve the customer experience and build a better, more profitable business.

In addition to operational improvements, Listen360 helps customers boost their online reputation by prompting their most delighted customers to leave 5-star reviews on sites like Google. [Learn more at listen360.com](https://www.listen360.com).