

The 2016 Carpet Cleaning Benchmarking Survey Report

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There are solid reasons for those involved in the carpet cleaning industry to feel good about the state of the industry and potential growth for their companies.

According to data from the 2016 Carpet Cleaning Benchmarking Survey Report, a whopping 60 percent of business owners reported their companies saw an increase in revenue during 2015 compared to financial data from 2014. Of this number, nearly 22 percent said revenue increase was *significant*.

One of the biggest factors affecting revenue, respondents indicated, was economic. The growing economy and additional spending by consumers helped with profitability.

A change in marketing strategy was at the top of the list. You can see details on how companies used various marketing methods in the following pages of this annual survey.

What about the future? Survey respondents believe their revenues will continue to increase. More than 62 percent surveyed said they are on track to increased revenue in 2016 compared to 2015.

This is just a sampling of the data and information you will see in this year's Carpet Cleaning Benchmarking Survey Report.

Input from industry pros

As part of this year's survey, *Cleanfax* invited respondents to share their opinions and thoughts on which factors affect their companies and what they feel will improve the state of the industry in the future.

Confronting the issue of "cheap, fly-by-night pricing" was mentioned multiple times. One said he was tired of "competing with splash-and-dash cheap pricing, which lowers customer expectations of carpet cleaning results." The

vast majority commented on how cleaning companies need to charge for services based on the quality of the work offered, instead of pricing low just to "get the job."

On the flipside, some survey respondents related how they don't worry about their competition and pricing issues because, one said, "they only help me by being so incompetent."

Offering quality services was mentioned multiple times, along with comments on how this helps them obtain valuable referrals from the majority of their clientele.

Then we have the issue of employees. Many feel that finding quality employees is a challenge, and wish there was a simple solution to finding technicians to handle their growing workload. As one said, "We have a waiting list of new clients. We need more qualified applicants and employees."

One went as far as to say the industry is suffering from a labor shortage. Others were frustrated that younger workers aren't interested in the cleaning industry, but instead are seeking out tech jobs.

The survey says...

These are just a few of the highlights shared with *Cleanfax* about various industry concerns. Of equal importance is the data. Don't miss it! Check out the next few pages and compare industry statistics and trends to your own company.

About this report

The 2016 Carpet Cleaning Benchmarking Survey Report is believed to be representative of carpet cleaning professionals responding to the survey, but it is not a scientific survey. Results are not necessarily based on audited financial statements.



BUSINESS PROFILE & SERVICES

Role in business

Owner/Corporate management	86.6%
(Includes owner/operator)	
General management/Supervisor ...	8.7%
Technician	1.8%
Sales	0.5%
Other	2.3%

FRANCHISE



8%



92%

Years in the carpet cleaning industry

Less than 1 year	1.5%
1-2 years	2.8%
3-5 years	8.0%
6-10 years	12.1%
11-20 years	26.2%
21-30 years	21.1%
More than 30 years	28.3%
Not sure/Refuse	0.0%

Carpet cleaning methods

	Primary	Additional
Hot water extraction - Truckmount	74%	18.5%
Hot water extraction - Portable	16.4%	51.4%
Encapsulation	4.4%	48.6%
Bonnet	1.6%	31.3%
Dry foam	1.6%	8.8%
Oscillating pad	0.8%	13.1%
Powder/dry compound	0.5%	9.1%
Shampoo	0.5%	13.7%

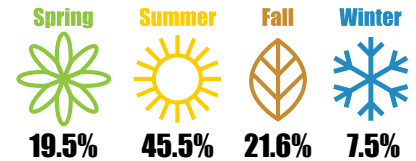
Average hours worked / week

Hours	%
Less than 10	1.6%
10-15	3.7%
16-20	5.0%
21-25	5.3%
26-30	9.0%
31-35	5.0%
36-40	12.7%
41-45	14.6%
46-50	14.3%
51-55	8.5%
56-60	11.4%
More than 60	8.8%
None	0.0%

Services included in base price

Prevacuuming	70.5%
Preconditioning/ Prespray	93.8%
Moving furniture	63.4%
Spot removal	79.4%
Deodorizing	40.9%
Fabric protection	13.8%
Speed drying	32.5%
Grooming/Raking	66.1%
Other	3.8%

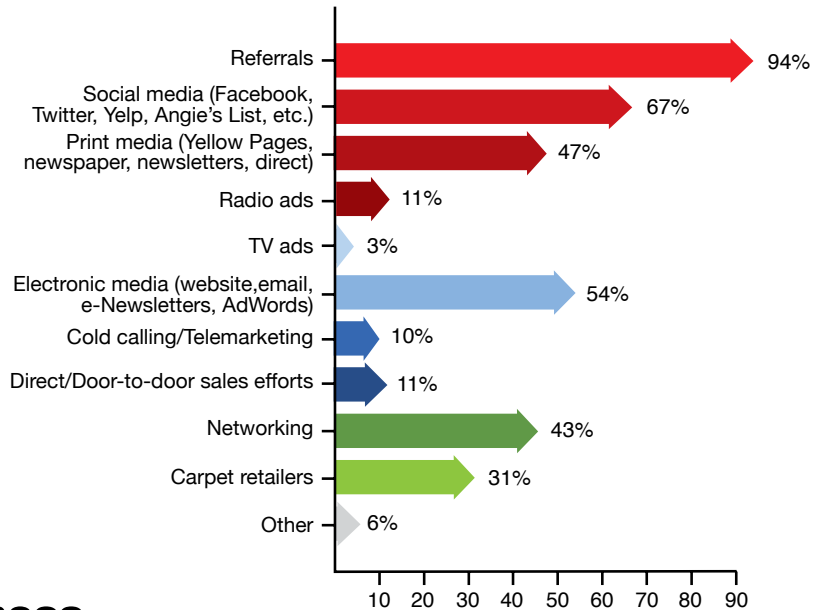
Typical busiest season



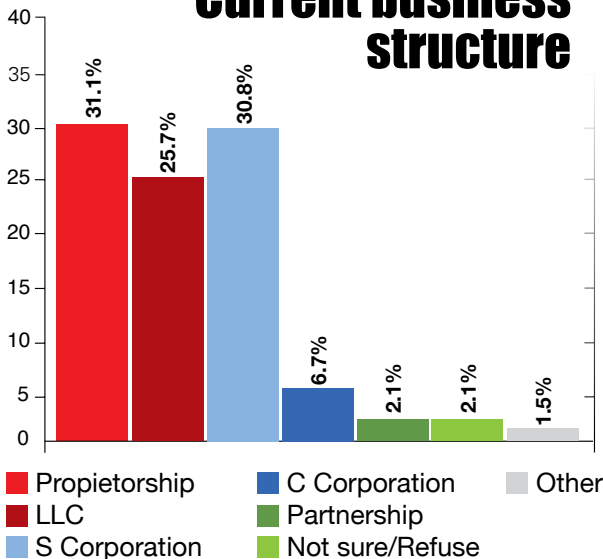
55%
are certified or belong
to industry associations
or institutes

79%
are actively involved in the
physical labor of cleaning.

Generating new customer leads



Current business structure



Residential vs. commercial business

100% Residential - 0% Commercial	1.7%
90% Residential - 10% Commercial	28.8%
80% Residential - 20% Commercial	24.4%
70% Residential - 30% Commercial	12.5%
60% Residential - 40% Commercial	6.6%
50% Residential - 50% Commercial	5.8%
40% Residential - 60% Commercial	3.9%
30% Residential - 70% Commercial	5.3%
20% Residential - 80% Commercial	2.8%
10% Residential - 90% Commercial	3.9%
0% Residential - 100% Commercial	4.4%

02 PRICES

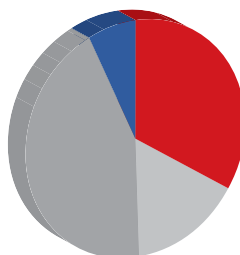
Price per square foot?

Residential carpet cleaning

	NORTHEAST*	SOUTH*	MIDWEST*	WEST*	TOTALS
Less than \$.10	3%	2%	2%	1%	1.7%
\$.11				1%	0.3%
\$.12			1%		1.4%
\$.13	1%		1%		0.9%
\$.14					
\$.15	1%	5%	3%	6%	4.6%
\$.16					
\$.17	3%	1%			0.9%
\$.18		3%	2%	3%	2.0%
\$.19					
\$.20	9%	13%	11%	8%	10.3%
\$.21			1%		0.3%
\$.22	3%	4%	1%	3%	2.6%
\$.23		1%			0.3%
\$.24	1%		3%		1.1%
\$.25	10%	9%	8%	12%	9.5%
\$.26	1%	1%	2%	2%	1.4%
\$.27		2%	3%		1.4%
\$.28		2%	2%	3%	1.7%
\$.29			2%		0.6%
\$.30	9%	11%	14%	23%	12.9%
\$.31					
\$.32	3%	3%	2%	3%	2.6%
\$.33	4%	1%	1%		1.4%
\$.34			2%	3%	1.1%
\$.35	15%	11%	6%	3%	9.8%
\$.36		1%	3%	1%	1.4%
\$.37		2%	1%	1%	1.1%
\$.38	3%	3%	7%	1%	3.4%
\$.39	1%		1%	1%	0.9%
\$.40	6%	6%	8%	5%	6.3%
\$.41		1%	1%	1%	0.9%
\$.42		1%		1%	0.6%
\$.43					
\$.44	1%			3%	0.9%
\$.45	3%	1%	3%	3%	2.3%
\$.46					
\$.47					
\$.48				1%	0.3%
\$.49					
\$.50	4%	3%	3%	4%	2.9%
More than \$.50	10%	5%	4%	7%	5.7%
I don't perform	7%	7%	7%	1%	5.7%

Commercial carpet cleaning

	NORTHEAST*	SOUTH*	MIDWEST*	WEST*	TOTALS
Less than .05	1%		2%	1%	0.9%
0.06					
0.07					
0.08	3%			1%	1.2%
0.09				1%	0.9%
0.1	3%		2%	1%	2.3%
0.11			1%	2%	0.9%
0.12	1%	5%	3%		2.6%
0.13			1%	1%	0.6%
0.14		1%		1%	0.9%
0.15	6%	15%	2%	12%	11.3%
0.16	1%	1%	2%	4%	2.0%
0.17	1%		2%	1%	1.2%
0.18	4%	5%	9%	6%	6.1%
0.19		2%	1%	1%	1.2%
0.2	18%	16%	19%	14%	15.7%
0.21	1%	1%	1%		0.9%
0.22	6%	2%	5%	5%	4.1%
0.23	3%	1%	1%	2%	1.7%
0.24	3%	1%	4%	6%	2.9%
0.25	22%	9%	12%	19%	13.3%
0.26		4%	3%	1%	2.3%
0.27		2%		1%	0.9%
0.28	1%	3%	3%		1.7%
0.29					
0.3	9%	17%	11%	10%	10.1%
0.31					
0.32	3%	4%	1%	1%	2.0%
0.33		3%		2%	1.2%
0.34	1%	1%	3%	1%	2.0%
More than .35	10%	6%	12%	6%	7.0%
I don't perform	3%	1%			1.7%



Cleaning area rugs

- On location 34.0%
- In plant 15.6%
- Both of the above ... 43.5%
- Don't clean rugs 6.9%

Prices for cleaning services

Living room, dining room & hall (approx. 500 sq. ft.)		Flight of stairs (approx. 12 stairs)		Standard sofa/couch	
Less than \$50	0.6%	\$1-\$9	0.9%	Less than \$25	0.3%
\$51-\$75	5.2%	\$10-\$19	4.9%	\$25-\$49	2.9%
\$76-\$100	16.4%	\$20-\$29	19.0%	\$50-\$74	10.6%
\$101-\$125	20.4%	\$30-\$34	13.5%	\$75-\$99	40.5%
\$126-\$150	15.8%	\$35-\$39	23.6%	\$100-\$124	19.5%
\$151-\$175	16.1%	\$40-\$44	8.6%	\$125-\$149	10.1%
\$176-\$199	8.3%	\$45-\$49	13.8%	\$150-\$174	6.3%
More than \$200	12.6%	More than \$50	12.1%	\$175-\$199	3.2%
				More than \$200	1.7%
Not sure/Refuse	0.6%	Not sure/Refuse	0.3%	Not sure/Refuse	0.6%
I don't perform residential carpet cleaning.	4.0%	I do not offer this service.	3.4%	I don't offer this service.	4.3%

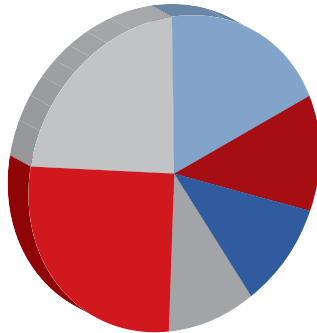
Area rugs price per square foot?

Less than \$.25	3.4%
\$.25-\$50	14.4%
\$.50-\$74	13.5%
\$.75-\$99	5.5%
\$1.00-\$1.24	14.4%
\$1.24-\$1.49	5.2%
\$1.50-\$1.99	9.5%
\$2.00-\$2.49	7.5%
\$2.50-\$2.99	4.3%
\$3.00-\$3.49	5.5%
\$3.50-\$3.99	4.3%
\$4.00-\$4.49	1.4%
\$4.50-\$5.00	1.7%
More than \$5.00	0.3%
Not sure/Refuse	3.4%
I don't offer this service	5.7%

Gross revenue

Less than \$50,000.....	11.7%
\$50,000-\$74,999	8.8%
\$75,000 – \$99,999.....	12.9%
\$100,000 – \$124,999.....	10.0%
\$125,000 – \$149,999.....	6.5%
\$150,000 – \$199,999.....	6.5%
\$200,000 – \$249,999.....	6.5%
\$250,000 – \$299,999.....	4.7%
\$300,000 – \$399,999.....	5.3%
\$400,000-\$499,999	2.9%
\$500,000-\$749,999	5.6%
\$750,000-\$999,999	2.1%
\$1,000,000-\$2,999,999...	7.6%
\$3,000,000-\$4,999,999...	1.5%
Over \$5,000,000	1.2%
Refuse/Not applicable.....	6.5%

Biggest factor affecting revenues



- Change in marketing strategy.. 19.1%
- Diversified services offered12.0%
- Added vehicles/employees10.3%
- More compensation 9.4%
- Economic factors 27.3%**
- Other 22.0%

46% said they spent **more than \$30,000** to get started

Annual revenue comparison

	2015 vs. 2014	Projected 2016
Significantly increased	21.7%	23.2%
Somewhat increased	38.7%	39.3%
Stable	27.9%	26.1%
Somewhat decreased	8.5%	7.3%
Significantly decreased	3.2%	2.3%

Technician compensation/hour

Total* starting wage	NORTHEAST*	SOUTH*	MIDWEST*	WEST*	TOTALS
Minimum wage	5%	1%	1%	1%	2.1%
\$7.26 - \$7.99			1%		0.3%
\$8.00 - \$8.99	5%	4%	4%	2%	3.6%
\$9.00 - \$9.99		8%	7%	1%	4.2%
\$10.00 - \$10.99	19%	31%	19%	20%	22.0%
\$11.00 - \$11.99	9%	5%	10%	8%	7.7%
\$12.00 - \$12.99	16%	15%	15%	18%	16.1%
\$13.00 - \$13.99	6%	4%	6%	7%	5.4%
\$14.00 - \$14.99	1%	3%	6%	2%	3.6%
\$15.00 - \$15.99	12%	5%	7%	11%	8.9%
\$16.00 - \$16.99	1%		1%	1%	0.9%
\$17.00 - \$17.99		1%	1%		0.3%
More than \$18.00	5%	3%	1%	5%	3.3%
I don't have employees	18%	14%	20%	18%	17.6%
Refuse/Not applicable	3%	5%	1%	6%	4.2%
Total* average wage					
Minimum wage	5%	1%		1%	1.5%
\$7.26 - \$9.99	1%		1%	1%	0.9%
\$10.00 - \$11.99	11%	9%	13%	4%	8.9%
\$12.00 - \$14.99	14%	37%	27%	14%	23.2%
\$15.00 - \$17.99	35%	19%	31%	38%	29.5%
\$18.00 - \$19.99	5%	10%	3%	7%	6.3%
\$20.00 - \$24.99	8%	3%	3%	7%	5.4%
More than \$25.00/Hr.	1%	3%	1%	4%	2.1%
I don't have employees	17%	14%	20%	19%	17.6%
Refuse/Not applicable	4%	5%	2%	6%	4.8%

33% offer a mix of wage plus commission

Owner's compensation

Less than \$25,000	18.2%
\$25,000 to \$49,999	23.5%
\$50,000 to \$99,999	29.8%
\$100,000 to \$149,999	10.1%
\$150,000 to \$199,999	3.9%
\$200,000 to \$249,999	0.9%
More than \$250,000	1.8%
Not sure/Not applicable	11.9%

74% accept credit card payments

*Northeast (ME/NH/VT/CT/MA/RI/NY/PA/NJ/DE/MD), South (TX/OK/NC/SC/GA/FL/TN/AL/MS/AR/LA/KY/WV/VA/DC), Midwest (OH/IN/IL/MI/WI/MN/ND/SD/IA/NE/KS/MO), West (NM/AZ/CO/UT/WY/MT/ID/WA/OR/NV/CA/AK/HI)

To view the entire survey report go to Cleanfax.com/Carpet-Cleaning/2015-Survey