

*The Two*  
**BIGGEST THREATS**  
*To Your*  
**CLEANING BUSINESS**  
*In*  
**2015**  
**AND WHAT TO**  
**DO ABOUT THEM**

PRESENTED BY...



“The professional home cleaning industry is among the fastest growing segments of the cleaning industry”

**“FAST-GROWING MARKETS ATTRACT  
NEW ENTRANTS WHICH INCREASES  
COMPETITION”**

“There are notably low barriers of entry into the cleaning marketplace, which makes for some serious competition. For this reason, profit margins tend to be low, and customer retention is critical.”

**“AS THE NUMBER OF ELDERLY AMERICANS  
INCREASES, THERE IS A GREATER NEED FOR  
CLEANING SERVICES”**

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# The facts you need to know



The cleaning industry is one of the fastest growing service industries in the United States & Canada.



The industrial, institutional and residential markets now offer above-average growth prospects.



Demand for broad household services is expected to grow at an annual rate of 7%.



This is a low tech business characterized by ease of entry. Competition is intense, holding down contract prices and, ultimately, profitability.

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The cleaning industry alone has 85,843 establishments with payrolls



The market is witnessing increased spending on the outsourcing of cleaning services and other home services, because of the rise in disposable income.



Analysts forecast the Commercial and Residential Cleaning Services market in the US to grow at 4.46 percent over the period 2013-2018.



The “typical” cleaning business grossed \$643,000 in 2011.

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The cleaning & home  
services market will  
balloon in 2015.


**ARE YOU READY?**

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# 2015 WILL BRING WITH IT TWO MAJOR THREATS



The rise of  
social  
review sites



An  
increase in  
customer  
churn

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# The rise of social review sites

**Angie's list**  
**amazon.co.uk**





**Ethan S.**  
Lower East Side,  
Manhattan, United States

0 friends

1 review

Share review

Compliment

Send message

Follow Ethan S.



4/10/2014

Cleaning was just ok. What bugged me was after booking over the phone I had a fraud problem with my credit card that I used, so my payment was declined; no one called me they sent emails which ended up in my junk folder for me to find less than a week later; now I have a 25 dollar late fee no one told me about over the phone when I booked the appt...when asked to speak with someone about the situation I was decline and said it was up to their accountant. Unprofessional and rude in my book....after this review I was contacted by upper management everything was resolved and I received a credit for my next cleaning. Happy to see the effort made by the company to rectify the situation.



**New York, United States**

18 friends

1 review



30/11/2014

I recently booked my first clean with My Clean and it was awesome! Miriam came to clean our 2 bedroom apartment and did an outstanding job. She really took the time and care to clean the hard to reach places. She was punctual, such a sweetheart, and clearly had a passion for what she does.

I intend on using My Clean again in the future and will most definitely be requesting my new favorite gal Miriam!



5/7/2014 · Previous review

Overall, it was just okay.



**Eddie C.**  
Manhattan, United States

0 friends

1 review

Share review

Compliment

Send message

Follow Eddie C.



8/12/2014

I'm sorry but I'm really concerned about their service. I had to move into a new apartment and I asked Maid Marines to clean up everything before entering. There was no furniture so it was supposed to be an easy work to do. Really, when I got in, the apt was as dirty as before. I really think nobody came. I complained showing pictures as proof of the poor service I received. They refunded only half of the total amount I paid (200\$). Maybe I was ill-fated (the other reviews are very good) but I'm really not satisfied.

United States



24/11/2014

My mother is getting older, and I decided to help her find a great maid service that can come clean her place every once and a while. Other maid services didn't pick up the phone or were already booked full, so we decided to give Maid Marines a shot considering how many good reviews they have. The online booking is much easier and faster than having to wait for a quote, so that was a bonus.

The cleaning crew Maribel and Mila were very friendly and made everything spotless. I know I can trust them to help take the load off of my moms back. There was a little mishap with a knocked over glass cup, but Mike(owner) contacted us and did everything he could to reimburse us. After that I knew he had a customer for life.

I'd highly recommend them based on my experience.



21/5/2014

Recently used and would not use again. Did not return to a clean home. Counters not wiped down (nothing lifted), sink left dirty, husband had to clean toilet, floors not washed properly. Disappointed as had used before at another location.



2/7/2014

States

0 star.

The worst service ever!

Don't use this service unless you want a lazy maid.



26/11/2014

Anna's is by far and wide the best cleaning service in NYC.



# Social review sites will explode in 2015

- There are already a number of popular review sites including Yelp, Google+, City Search, Angie's list and more.
- Amazon is trialing a review site to accompany its sales pages
- Facebook will be launching its own Yelp rival sites in 2015
- All these sites rely on advertising and sponsored reviews to survive

“One customer well taken care of could be more valuable than \$10,000 worth of advertising” *Jim Rohn*



# Social review sites are not a level playing field

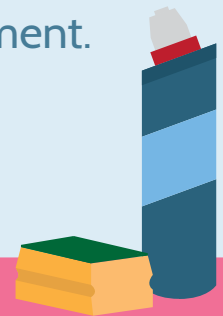
And if you're not advertising with them, the Washington Post has suggested that some of them treat reviews very differently.

“Yelp does not just serve up reviews exactly as consumers write them: roughly a quarter of all reviews are hidden by an algorithm that screens for unreliable users; others are deleted outright by content moderators for violations of a lengthy user policy; and all are ordered by default according to an opaque formula.

Even the star-rating Yelp displays in bold at the top of the page – the star-rating that can, per actual statistics, make or break a business – isn't an average of all the posted reviews. It's an average of Yelp's algorithmically cherry-picked, 'recommended' reviews.”

Social reviews tend to have a polarising effect – often, only very happy or very unhappy customers are motivated enough to go online and comment.

“Social media is not just posting – it can destroy your business”  
and “the playground of social evaluations is not a fair one.” *Inc.com*



# Why are social review sites a threat?

It's already too late once a negative review about your business appears online – the damage is done and it's permanent.

You can't opt out of being reviewed by a social media site, even if you want to, your customers always have the final say – good or bad.

Whilst sites like Yelp can help attract business via people searching for a cleaning provider or other home services vendor, the knife cuts both ways.

Customers will only typically rate you once on Yelp. If you've cleaned brilliantly at a customer site for a decade, you'll only get one positive vote from it.

The massive rise of online review sites means you have to minimize the impact of upset clients or they can cause real damage.

Managing your cleaning or home services business reputation online will become a bigger and bigger task.

And it could all come too late. A single negative review can be devastating, and it could be impossible to remove it. Don't shut the door after the horse has bolted.



# Strategies to combat (1)


- Ensure every job is excellent and fix it for free if it's not
- Have your on-the-ground team listen out for any information that's useful – perhaps it's a birthday, or a leak in the house. Think about what you can do to add value and memorability on the spot and in real time
- Empower your staff to make daily decisions to rectify anything that's gone wrong
- Unhappy customers can become your greatest advocates if you fix it right

“Everyone makes mistakes, that's human. But how do you solicit those mistakes and rectify them, so that the story is now possibly better than if there were no mistake at all?” *Head of Service Recovery, Disney*




## Strategies to combat (2)

- If you cleaned their home, cut their lawn, cleared their snow or killed their pests, find out as soon as you can what they thought
- Homejoy (like Uber for the cleaning market) gets its customers to use its own system to rate the cleaner after every clean – there's no reason you have to rely on a third party social site for your ratings. You can get your own.
- Attempt to get a sense of a customer's feedback immediately after every service you've provided
- Take the whole review process private – send your own survey and collect actionable feedback, before your customers take it into their own hands by logging onto Facebook or Yelp.



“Chances are good that if you aren't actively seeking it (feedback) from customers, they are searching for a place to be heard. There continue to be growing numbers of outlets for them to voice their satisfaction or more commonly, their lack of satisfaction.” *Liz Trotter, American Maid*



## Strategies to combat (3)

- The two previous strategies work well to stop the majority of negative reviews getting online in the first place.
  - But it may still happen sometimes. Set up a Google alert to track your business name and personally respond to every negative review on social review sites as quickly as possible
- Address the concern and say what was done to rectify it
  - Direct readers to your website, where you can display your own customer satisfaction scores and explain why it's more representative of the service you offer

“Statistics suggest that when customers complain, business owners and managers ought to get excited about it. The complaining customer represents a huge opportunity for more business.” *Zig Zaglar*



An  
increase in  
customer  
churn

“The customer’s perception is your reality.”

*Kate Zabriskie*

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# 2015 will see an increase in customer churn.

## Why?

- As more companies enter the market, price sensitivity will increase
- Technology-driven companies like HomeJoy will lure away customers with attractive starter offers
- With increased money in customers' pockets compared to 2008-14, they are looking to outsource more and may be attracted by vendors offering more (better slots, better service, bundled service)
- After a recession, people look around to see what's changed – it's a disruptive time



*“Good is the enemy of great” Jim Collins, Author of Good to Great*





# Churn baby churn

- For a house cleaning or home services company, customer churn is the #1 factor determining growth.
- We speak to lots of business owners who are trapped in a vicious “revolving door”, where customers are rapidly gathering at the front door, but being lost out of the back almost as quickly
- The loss of one or two customers can become routine for many businesses, but it quickly mounts up



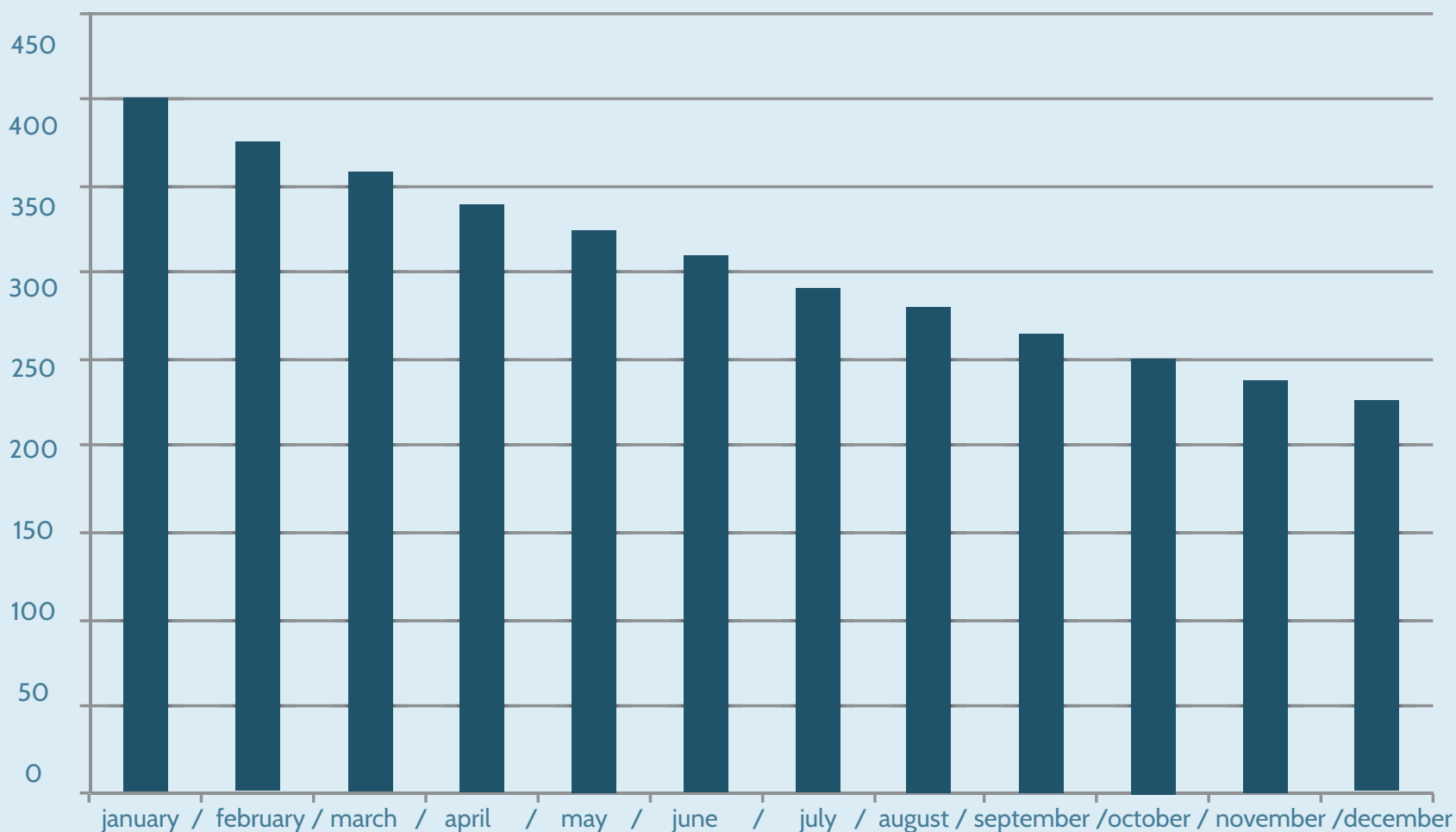
“It is estimated that to compensate for lost business and the subsequent reduced margins, cleaning businesses need a 20% increase in new business” *Kimberley Clark*

## Churn: the frightening facts

Current number of customers	400
Customer revenue per month each	\$250
Annual revenue	\$1,200,000
Annual revenue lost to churn (at 5% per month)	\$43,120

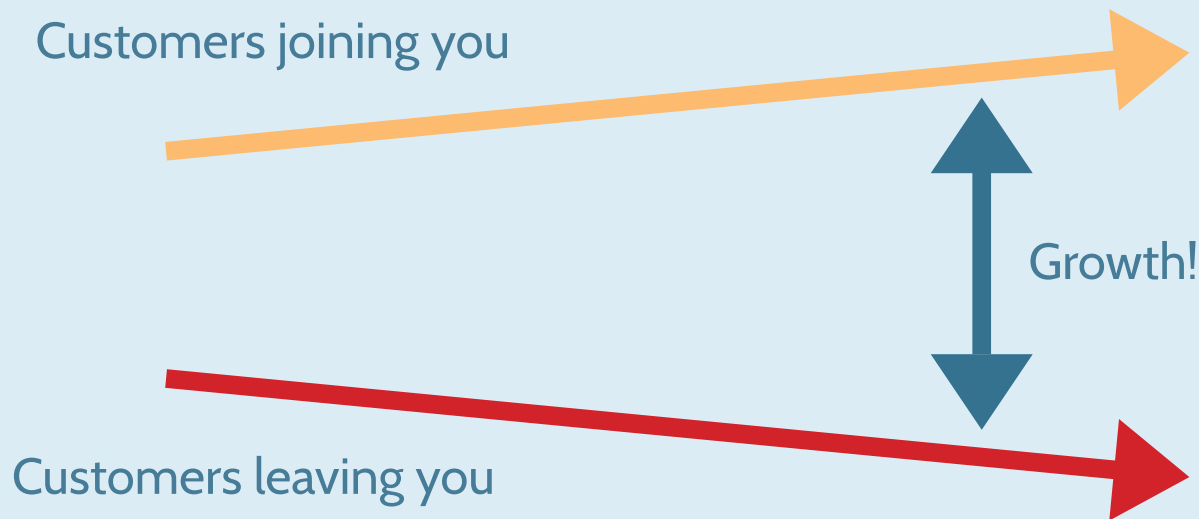
5% decline in customers per month leaves you  
with almost half as many by the year end

Total Customers



# Grow by keeping every customer

- Every business wants to grow. But so often we turn to costly sales and marketing activity to do it. It's a bit like putting money in a savings account earning 1% when your credit card balance is costing you 19%!
- Churn kills growth every time.
- When it comes to growth, so many companies focus solely on the top line and forget that the gap between the customers you win and the customers you lose is what matters. Growth can only be attained through mastery of BOTH of these lines, not just one.



# What causes churn?

- The gap between expectation and delivery is often cited and does have a role to play.
  - It's surprisingly rare for customers to complain
- But what also plays a major role?
  - Most customers think businesses are indifferent to them – and this makes them vulnerable to being poached

2/3rds of customers who leave you, do so because they perceive you are indifferent to them

“Until you understand your customers - deeply and genuinely - you cannot truly serve them” *Rasheed Ogunlaru, Author of Sole Trader*



# Be under no illusion – most customers *will not proactively complain!*

- The vast majority of unhappy customers (research shows around 96%) don't bother to complain, they simply walk away. So you're only hearing from 4% of your unhappy customers. Imagine what the other 96% would tell you!
- Unhappy customers will tell between 9-15 people about their experience. 13% vent their anger to at least 20 people! (and social review sites multiply this phenomenon many thousands of times over)

“A complaint is a unique opportunity to strengthen the relationship with the client.” *Kevin Kelly, Author of DO! The Pursuit of Exceptional Execution*

“Thank your customer for complaining and mean it. Most will never bother to complain. They'll just walk away.” *Marilyn Suttle*

# Strategies to combat (1)

- Start by analyzing every communication you have with your customers and ask whether you can do more, and whether you can do better

- Show you care, rather than telling them

- Ask people how you're doing more often – so much is “assumed” about customer satisfaction



“You’ll never guess what my cleaning provider left in my home when I got back last night”

- Examine each step of your pre, during and post service process
  - there will be a lot you can change and improve

- Give your customers stories to share with their friends and colleagues. We know of a cleaning business which leaves fresh flowers after each clean – what a great touch!

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## Strategies to combat (2)

- Create a “get closer to your customers” programme and stick to it relentlessly
  - Offer services that they really want and that they will keep buying because it fits their needs better than anything else.
  - If you listen hard enough you can add in features to your offer that they are actually asking for. This provides great “lock in”.
- The customers you have now have been “trained” by you to operate in your way and so they are cheaper and more speedy to deal with than new ones.





- If you're keeping your customers you're delighting them, so they will tell their friends. A customer told us recently that their "customer delight" approach is one of the most significant parts of their new business strategy because it brings so many referrals. What's more, those referrals bring similar high-quality customers to those already in their base. And then, they refer their friends, and so on...

- Start asking your customers how you did after every service. If you're able to reach out to a customer the minute they have a problem and fix it – how much is that worth to you?



“Ask for feedback from your customers. Survey your customers to find out what you're doing right and what you could be doing better. Take that information and use it to do an even better job of serving your customers.” *The Janitorial Store*



## Strategies to combat (3)

- Become highly “churn-aware”
  - If you're not already, accurately measure your churn rate and track it each week, month and quarter
  - Understand there's only so long you can sell yourself out of customer churn.
  - Remember, when the number of customers coming in your door is exactly equal to the number leaving through it, growth is impossible.
- Only 3% of any given market is actively looking for a new provider at any one time, so your chances of outgrowing your churn rate are low
  - Do everything you can to persuade a customer who's given you notice, to give you another try before they go elsewhere

“It costs more to acquire a new customer than to keep a current one. A maid service will spend between \$150 to \$300 to attract one REPEAT customer.” *Debbie Sardone, founder, Cleaning for a Reason*

# ABOUT CUSTOMER THERMOMETER

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Customer Thermometer is the leading instant feedback system for cleaning and home services companies.

We provide a low-cost, email based 1-click survey you can send to your customers after every servicing, to check how they feel about your work

Receive an email and/or a smartphone alert the instant a customer tells you they are disappointed  
Generate League Tables instantly to see your best performing teams and staff members

Our service regularly halves customer churn rates for our clients  
We have been called “phenomenal” and “quite simply the opposite of a cost to my business”

Want your own account to try it out? Go to [www.customerthermometer.com/cleaning](http://www.customerthermometer.com/cleaning)

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[customerthermometer.com](http://customerthermometer.com)



**Carly's Cleaning  
Services**

*Nobody does it better!*

powered by  
CustomerThermometer

## How was our clean today?

Dear Firstname

Today your home was lovingly cleaned by %Company Name% who is part of our %Custom Field% team here in %Custom Field%. I would love to know how you feel about the clean we did for you today.

Please click one of the images on the right, it will only take a second and you can also leave me a comment too if you wish.

Many thanks for your business,

Warm regards,

Carly



**It was spotless!**



**A good clean**

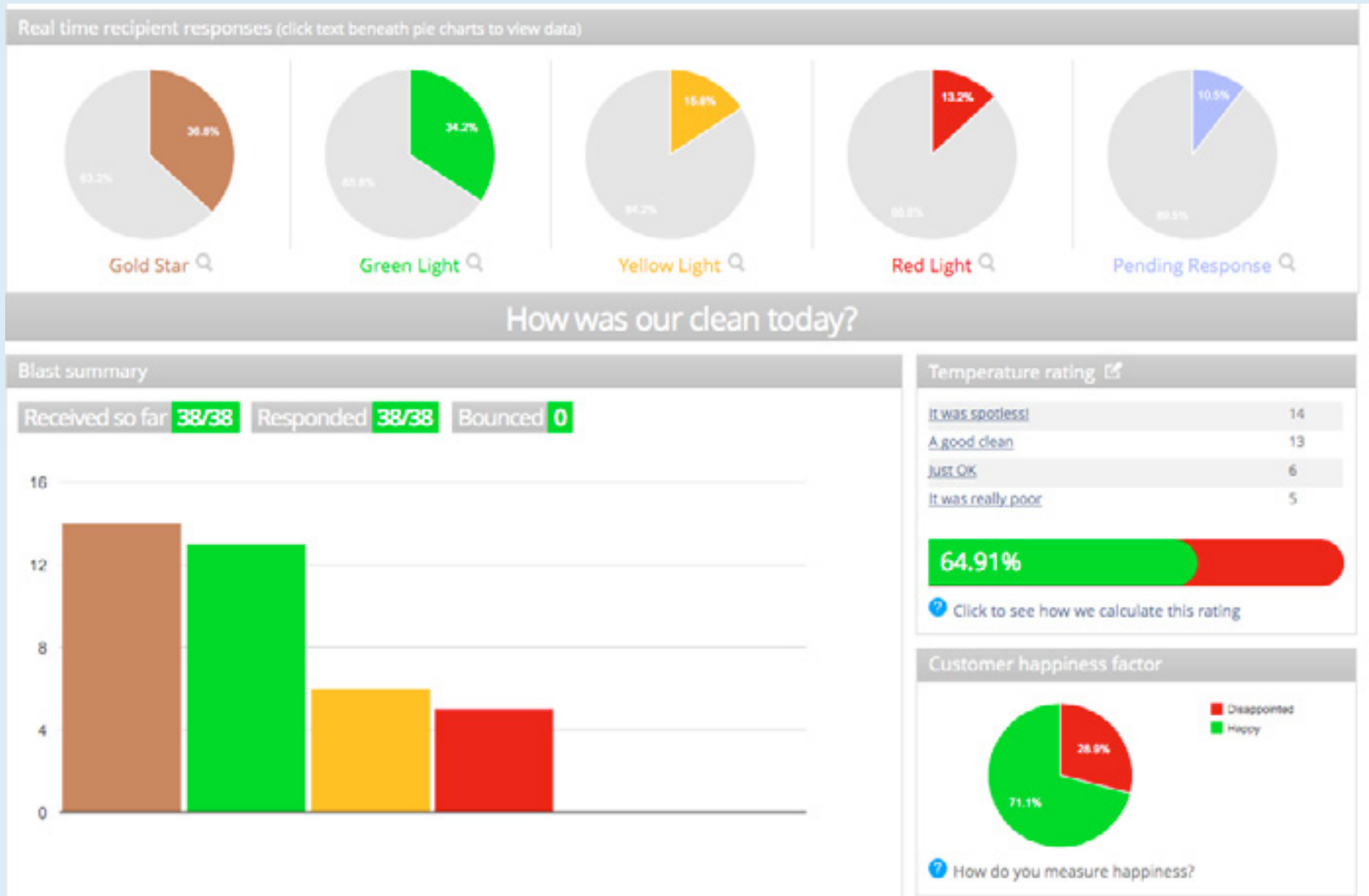


**Just OK**



**It was really poor**

# You can get real-time dashboards like this for every day's operation



# What cleaning businesses are saying about Customer Thermometer

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“We cut our attrition rate in half almost immediately! Our customers are just not leaving any more. It’s been phenomenal.” *All Star Cleaning, CO*

“After using other customer surveys and getting less than stellar results, we decided to give Customer Thermometer a try. Wow! The search is over; our response rate jumped over 50%”  
*Busy Bee Cleaning Services, PA*

“I absolutely love your service” *Signature Cleaning, CA*

“I am a fan! ... I’m loving this survey system. Much better than I’d ever imagined!!!!” *Scrub-it Clean, PA*

“Combining the benefits of NPS and advancing technology, Customer Thermometer have done an admirable job of making data collection easy for both the company and the client. Their one-click survey combined with light-hearted graphics is quickly becoming the gold standard for keeping your finger on the pulse of the satisfaction levels in your company. Designed to collect information after each service visit, Customer Thermometer is taking the frustration out of surveys altogether.”

*Liz Trotter, American Maid*



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