

Industry Reports: Highlights & Recommendations

INDUSTRY: LODGING (See Appendix A)

Critical Issues

- **High Level of Competition** - Business and leisure travelers are typically faced with numerous options for lodging. A company's ability to remain competitive and to attract and retain customers depends on its success in distinguishing the quality, value, and efficiency of its accommodations. Properties must also be regularly updated to compete with new market entrants. Other factors that affect competition include location, customer service, technology systems, and marketing resources.

Business Challenges

- **Reputation Management** - Millions of reviews are written each day across a plethora of different platforms as travelers increasingly turn to Twitter, Facebook, Yelp, or TripAdvisor to voice their opinions. Developing systems to monitor, manage, and market a company's reputation may require additional technological and human resources. A lodging company's ability to manage its business reputation may determine success or failure.

As part of your advertising strategy, consider how you can use this to your advantage. For instance: Check online reviews of vacation rentals in your area that are not using your services. If they are receiving bad reviews in regards to the cleanliness of the home it would be worth contacting or sending information to the property owner. If you have customers

who receive reviews on sites such as VBRO and Airbnb, keep tabs on the reviews for quality control.

- **Competition from Short-Term Rentals** - Websites offering short-term home or guest room rentals — such as Airbnb and Home Away — are drawing bookings away from the hotel industry. These services have a larger impact on lower-end hotels and motels than on luxury accommodations. The industry is lobbying for local and state laws that would restrict third-party rentals.

“Keep an eye on this issue, especially if a good portion of your customers are vacation home owners. Set up a Google Alert for the topic and for any grass roots organizations involved with lobbying efforts such as Neighbors for Overnight Oversight.

Here are some articles on the topic. This would be an excellent blogging topic and might attract a following of vacation home owners who could become potential customers. (If you haven't considered blogging we should talk about it. It can really help push your business higher in the search engine rankings).

<http://mashable.com/2015/07/15/short-term-rentals-lobbying/#eN6NBd83NgqI>

<https://www.techdirt.com/articles/20160526/02011834549/cities-rushing-to-restrict-airbnb-are-about-to-discover-that-theyre-violating-key-internet-law.shtml>

<http://www.ocregister.com/articles/term-684859-short-anaheim.html>

INDUSTRY: RECREATIONAL VEHICLE PARKS (See Appendix B)

Business Challenges

- **Restrictions on National Parks Access** - National parks are the leading destination of RV owners, and many RV parks and campgrounds are located close to them. Overcrowding in some national parks during the busy summer months has led to proposals to restrict vehicle traffic. Industry associations are working with government agencies to resist any movement to restrict RV access to national parks.

Again, another good topic to follow and blog about.

- **Local Government Regulations Impact RVs** - Some municipalities have regulations governing the storage of RVs. RVs may be prohibited from being parked in driveways or side yards, even for short periods. While RV owners generally store the vehicles away from their home while not in use, the RV is usually prepped and cleaned after a trip, most likely at the owner's home. Civic battles on blight, while not intended for RVs, affect some communities and may discourage RV ownership.

Is this an issue in any of the communities you serve? If you don't know, contact the municipalities in your area to inquire about regulations for that area. If this is an issue, you blog about it and find a way to use it to your benefit. For instance, you can work with local storage facilities to do RV cleaning at their location. I'm sure in your area there are a great number of RV owners. Your target market will consist of RV owners passing through as well as those that live in your area and need cleaning services before or after a trip.

Business Opportunities

- **Emergence of Membership Campgrounds** - Some RV campgrounds cater to particular activities such as golf, water recreation, or tennis. These campgrounds are generally destination resorts for members. Memberships are based either on paying an annual fee and dues for free stays at the park, or members buy access to the parks like a timeshare. Clubhouses and restaurants are common at membership parks.

If there are any membership campgrounds in your area, consider partnering with them to advertise your services. They may even offer cleaning services as part of the membership fee and might contract with your business for cleaning services.

- **Favorable Demographics** - The US population is aging, increasing the number of people most likely to buy RVs and visit RV parks. The population of those aged 65 or older is projected to increase nearly 40% from 2015 to 2025. A survey by the University of Michigan showed that about 15% of US households that have never owned an RV are planning to purchase one in the future.

Good news – the industry is definitely forecasted to grow. In addition to an increasing older population you will notice in the report young families are also a growing segment. There is more about this group below in the Industry Opportunities section. Another note in regards to customer segments - Consider developing different types of advertising messages to appeal to the different segments. An advertising message directed at retirees can and should be different that advertising directed at a younger age group, such as Millennials.

- **Increasing Environmental Awareness** - Eco-tourism is important to RV owners, and parks and campgrounds generally try to minimize their negative impact on the environment. Recycling is common at most RV parks, and attention is given to careful disposal of waste, garbage, and sewage. RV manufacturers are coming out with lightweight towables and more fuel-efficient models to better attract the eco-conscious customer.

If you use eco-friendly cleaning supplies, make it part of your advertising. If you are not using environmentally friendly products, it's something to consider.

- **RV Rentals Increasing** - Americans are spending more money to rent recreational vehicles, fueling an optimistic outlook for RV park operators. More than 75% of RV companies reported increases in rental revenue in 2014. About 60% of agencies saw increases of more than 10%. The most common contract length was for three nights, indicating that most customers are renting the vehicles for long weekends rather than extended vacations. Major customer segments for the RV rental market are couples, families with children, and groups of friends traveling to outdoor events.

Businesses that rent RV's might be another customer segment for you. Many businesses outsource things like cleaning services.

Industry Opportunities

- **Increased Amenities** - RV campgrounds are adding more amenities to attract new customers and encourage repeat visits. Electricity, water, and sewer hook-ups are the minimum expectations of customers. As RV manufacturers add a greater number of high technology improvements, campers expect parks and campgrounds to be able to service them. Wi-Fi hotspots are being installed in many RV campgrounds to enable wireless Internet access. Landscaping, 24-hour security, and high-end recreational facilities, such as gyms and spas, are being installed in a growing number of campgrounds.

Again, another amenity camp grounds might offer is cleaning services.

- **Catering to Pets** - Almost half of all RV campers travel with their pets. Some RV parks are adding specific pet facilities such as dog runs, dog baths, pet sitting services, and dog watching areas. Potty disposal units are also installed around parks for pet owners' convenience.

Explore ways to add value when servicing pet owners. Even something as simple as leaving a small goodie bag with pet treats after you clean is a special touch that customers will appreciate. Also consider carrying special cleaning products for animal owners.

- **Frequent Camper Programs** - Some national companies introduced frequent camper programs to encourage multiple visits and customer loyalty. Discounts are offered for repeat visits and merchandise. Some programs include a directory of member campgrounds. Parks use the membership lists to distribute marketing materials such as newsletters and promotional programs.

Many of these programs offer advertising opportunities for businesses that support the RV industry.

<http://camp-california.com/Table/Camp-California-Team-Blogs/Industry-Members/>

- **More Millennials Traveling by RV** - While RV travel is traditionally most popular among the baby boomer generation, a growing number of young people are taking an interest. Products such as sports utility RVs and less-expensive towable models are being targeted to millennials who take road trips with friends to destinations such as music festivals and sporting events. Young families tend to value convenience and time together as a family, making RV trips an appealing option for affordable weekend trips and mini-vacations. RV park operators are offering more amenities such as gyms, fitness classes, hiking trails, and bike rentals in an effort to attract business from this growing demographic.

Industry: Janitorial & Carpet Cleaning Services

Critical Issues

- **Labor Supply** - Due to the relatively low prices that cleaning companies can charge, they depend on a supply of low-cost workers. However, low pay and often-difficult working conditions lead to high personnel turnover. To provide contracted levels of service to customers, companies frequently have to find new sources of labor and provide adequate training. Cleaning crews often consist largely of immigrants.

This is a huge issue for businesses that depend on minimum wage labor. Firms such as temp agencies can provide needed

labor in a pinch as they can usually get him someone that same day. Temp agencies are typically expensive. Some businesses using low-skill labor take part in immigrant worker programs.

<https://www.uscis.gov/working-united-states/temporary-workers/h-2a-temporary-agricultural-workers#Qualify>

¹*Another note in regards to labor, the Bureau of Labor Statistics has forecast an increase of 11.4% in the number of maids and housekeeping cleaners needed over the next 8 years in California.*

Business Challenges

- **Ease of Entry for New Competitors** - With costs largely determined by labor availability and contracts often awarded through competitive bidding, new competitors with low-cost labor can easily enter and compete successfully with established firms. Janitorial services are considered by customers to be a commodity product that should be bought at the lowest cost.

Because you are in a highly competitive industry, don't base your competitive advantage on price. Instead of having the cheapest price, think of services or other value added activities that will differentiate you from competitors. In other words, ask yourself "what can I do that would make a customer use my business over a competitor".

<https://www.cleaning-4-profit.com/2013/03/24/how-to-stand-out-from-the-competition/>

<https://www.entrepreneur.com/article/20700>

¹ <http://www.projectionscentral.com/Projections/LongTerm>

Business Trends

- **Green Cleaning Products** - Concern is increasing about the damaging impact of cleaning chemicals on the environment, which is influencing the types of cleaning supplies companies buy. With more environmental laws, frequent inspections, and higher fines, companies have an incentive to adopt a proactive, environmentally friendly "green" housekeeping program. Using green chemicals is potentially less harmful to the environment and employees working with them, and disposing of green chemicals is less expensive than disposing of hazardous chemicals.

- **Conservation Measures** - Most maintenance companies are taking measures to be more environmentally responsible by recycling solid waste and water, reusing materials, using natural daylight or retrofitting lighting fixtures, buying recycled office products, and instituting employee education programs. A survey by the International Facility Management Association shows that 95% of facility professionals consider sustainability an upcoming important issue for their profession.

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Aside from using eco-friendly products, incorporating conservation measures in your business such as recycling waste gathered from a customer's home might be important.

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Industry Opportunities

- **Infection Control** - As outbreaks of infectious diseases become more prevalent, the demand for cleaning services may rise. Antibiotic-resistant bacteria (also

known as "superbugs") could be responsible for 10 million deaths a year by 2050 if their spread is not halted, according to a recent British government-commissioned study. Regular cleaning, sanitizing, and disinfecting can help prevent the spread of common illnesses such as colds and influenza, as well as more harmful infectious diseases such as Severe Acute Respiratory Syndrome (SARS) and Ebola. The infection control market is forecast to reach \$16.7 billion by 2020, according to MarketsandMarkets.

Perhaps this can be a service you offer during the flu season to places like day care facilities.

They don't usually hire out housekeeping services but during the flu season it can be a challenge for regular staff to do a thorough cleaning. Sick kids mean lost revenue so a daycare may very well be willing to hire some extra help during times of the year.

Potential Customers

Note: (Information such as city names, potential customers names, competitors names and maps have been removed from the report to protect the identity of the client business this market research report was originally created for.)

The file I emailed you includes an Excel file named "Potential Customers (Your City, CA) 50 Mile Radius". The file contains a list of individuals living within 50 miles of (Your City) CA that have an annual income above \$70,000.00 and have an interest in RV travel (indicating these individuals are likely RV owners). At the end of the Excel file is a map providing a geographic visual of where these very customers live. The

demographic and psychographic information contained in the file is too extensive to provide a comprehensive preview. The table below highlights a snapshot of the information available in the file “Potential Customers”. All potential customer addresses have been mapped so you can visually identify areas there customers live, such as neighborhoods.

Last Name	First Name	House Number	Street	Street Suffix	City	State	Zip Code	Estimated Household Income	Estimated Home Value	Outdoor Recreation	Purchase Behavior	Travel
NA	Leo	3527	Line	St	NA	CA	NA	\$175,000 - \$199,999	\$300,000 - \$349,999	Camping & Hiking, Fishing, Hunting, Gardening, General Outdoor Sports	Bargain Seekers, Business Office Supplies & Equipment, Catalog Shopper, Child & Family Products, Credit Card User, Gift Giver, Home Office Purchase, Internet Purchaser	Cruises, Recreation Vehicle Travel, Travel - General, US Travel
NA	Frank	353	South	St	NA	CA	NA	\$80,000 - \$89,999	\$300,000 - \$349,999	Boating & Sailing, Camping & Hiking, Fishing, Hunting, Gardening, General Outdoor Sports	Bargain Seekers, Business Office Supplies & Equipment, Catalog Shopper, Child & Family Products, Credit Card User, Gift Giver, Home Office Purchase, Internet Purchaser	Cruises, Recreation Vehicle Travel, Travel - General, US Travel
NA	Melody	174	Sierra Bonita	St	NA	CA	NA	\$100,000 - \$124,999	\$200,000 - \$249,999	Camping & Hiking, Gardening, General Outdoor Sports	Bargain Seekers, Business Office Supplies & Equipment, Catalog Shopper, Child & Family Products, Credit Card User, Gift Giver, Home Office Purchase, Internet Purchaser, Senior-Oriented Products	Recreation Vehicle Travel, Travel - General, US Travel
NA	Steven	407	South	St	NA	CA	NA	\$80,000 - \$89,999	\$350,000 - \$399,999	Boating & Sailing, Camping & Hiking, Fishing, Hunting, Gardening, General Outdoor Sports	Bargain Seekers, Business Office Supplies & Equipment, Catalog Shopper, Child & Family Products, Credit Card User, Gift Giver, Home Office Purchase, Internet Purchaser, Tobacco User	Cruises, Ocean / Beaches, Recreation Vehicle Travel, Travel - General, US Travel
NA	Steven	536	Barlow	Ln	Bishop	CA	93514	\$70,000 - \$79,999	\$125,000 - \$149,999	Fishing, Hunting, General Outdoor Sports	Bargain Seekers, Business Office Supplies & Equipment, Catalog Shopper, Child & Family Products, Credit Card User, Home Office Purchase, Internet Purchaser	Cruises, Recreation Vehicle Travel, Travel - General, US Travel

According to the Potential Customers report:

- 62% of the individuals on the list are pet owners, giving relevance to the statistic that more than 50% of RV owners travel with their pets.
- 74% of these individuals are Internet purchasers, indicating it will be important to not only have an online presence but also to manage the online reputation of both the business and key employees. Personal social media platforms such as Facebook should be reviewed to ensure the general public are not able to access personal information or view posts that may be offensive. Implementing SEO strategies such as blogging will also be important to keep your business at the top of search engines and ensure potential customers are able to find your business.

This list can be used to create a direct mail advertisement for your RV cleaning services. The corresponding map on page 13 provides a visual perspective of where these individuals live providing insight that can be used for other advertising strategies that target specific areas such as neighborhoods. These strategies might include bill

board advertising and participating in the United States Postal Service’s Every Door Direct Mail program which would allow you to target specific neighborhoods – such as high income and high home value areas where other potential customers are likely to live.

Area Competitors

Also included in the file is an Excel file named “Janitorial Businesses (Your City) CA 50 Mile Radius”. The file contains a list of business located within 50 miles of (Your City) CA providing similar services as (Business Name). The table below highlights some of the information available in the file followed by the corresponding map.

Company Name	City	Location Employee Size Actual	Years In Database	Location Sales Volume Actual
Local Janitorial Company	Your City	2	10	\$128,000
Local Janitorial Company	Your City	5	4	\$404,000
Local Janitorial Company	Your City	2	1	\$128,000
Local Janitorial Company	Your City	1	19	\$44,000
Local Janitorial Company	Your City	5	33	\$404,000

Map has been removed

