

A picture is worth 1000 words.
Show potential customers a new
look for their home so you win
more business!

"I increased my sales by 30% using Renoworks Pro."
- Paul Trautman, Timberland Exteriors



CONSUMER REMODELING SURVEY 2015

Over 500 Consumers Speak Out

Straight Talk About Your Prospects Biggest Concerns

In Fall 2015, Renoworks hired independent research firm, TeamThink Inc. to conduct a market research on the shopping process for home remodeling services. The research examined:

- ◆ Challenges homeowners face when shopping for services
- ◆ Key concerns of homeowners when it comes to their remodeling project
- ◆ How homeowners want to interact with contractors when considering their services
- ◆ Use of design professionals to plan a project

516 homeowners in Canada and the United States responded to a comprehensive survey between October 27th and November 23rd, of which 2/3rd were hiring a contractor to perform some or all of the project.

This report provides a summary of the key findings. If you'd like more in-depth analysis of the research and/or simply want to talk to us about the report, please don't hesitate to contact me.



Sandor Kiss

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Renoworks Software Inc. develops and sells unique digital visualization software for the remodelling and new home construction industry, primarily in the United States and Canada. Delivered online, as a custom developed app or desktop software, Renoworks provides its technology to manufacturers, contractors, builders and retailers offering the solution to one of the home remodelling industry's greatest challenges: enabling customers to see how their product choices will look in a realistic, virtual environment - even in their own home - before they make a purchase decision. Renoworks markets its software as a cost-effective lead generation tool and generates revenues from three main business lines: enterprise solutions, a Software Development Kit (SDK) and Renoworks PRO™.

Renoworks PRO™ is our flagship, visualization software packaged as an affordable solution for contractors who deliver remodeling services directly to homeowners. Renoworks PRO™ improves sales and marketing effectiveness so contractors can grow their business.

“Renoworks is not just a sales tool, it is the mother of all sales tools. The national average for a window job is \$8800. With Renoworks Pro, my average is \$20,000. The national average for a siding job is \$12,000 to \$14,000. With Renoworks Pro, my average is \$30,000. It’s a marketing tool. It’s an upsell tool. I get more jobs. I use it every single day. I bring my laptop into people’s homes. I sell a lot more stone now, because I show stone on every single job whether they ask for it or not. It really engages the prospect. It’s the “wow” factor. The first meeting, I just get to know them a little and take photos. The second meeting, I present photos and show options. They are blown away.”

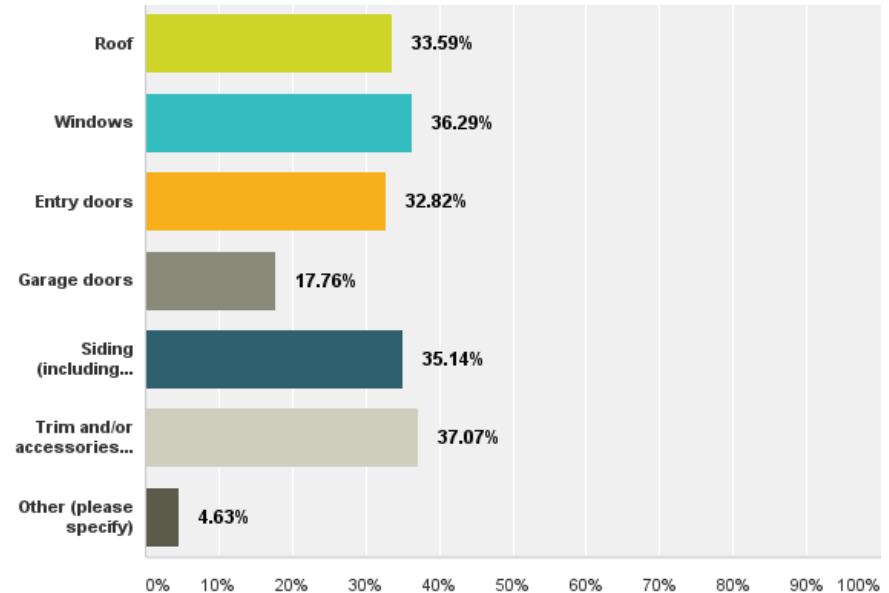
- Mike DaMora, K & B Home Remodelers

Challenges Homeowners Face When Shopping for Remodeling Services

- ◆ **Look, curb appeal and aesthetics play a vital role in the remodeling process**
- ◆ **It's extremely difficult for homeowners to envision changes to their home and select the right products or colors**
- ◆ **A primary concern for homeowners is staying on budget for their project**
- ◆ **Overall, homeowners lack confidence about finishing a project in a way that will make them happy and achieve their desired level of aesthetic appeal**

Q. As you have been thinking about your exterior remodeling project, which of the following products are you having difficulty selecting the type, style, or color of. Select all that apply.

In all product categories, except garage doors, 30% - 40% of homeowners had trouble selecting a product and colors.



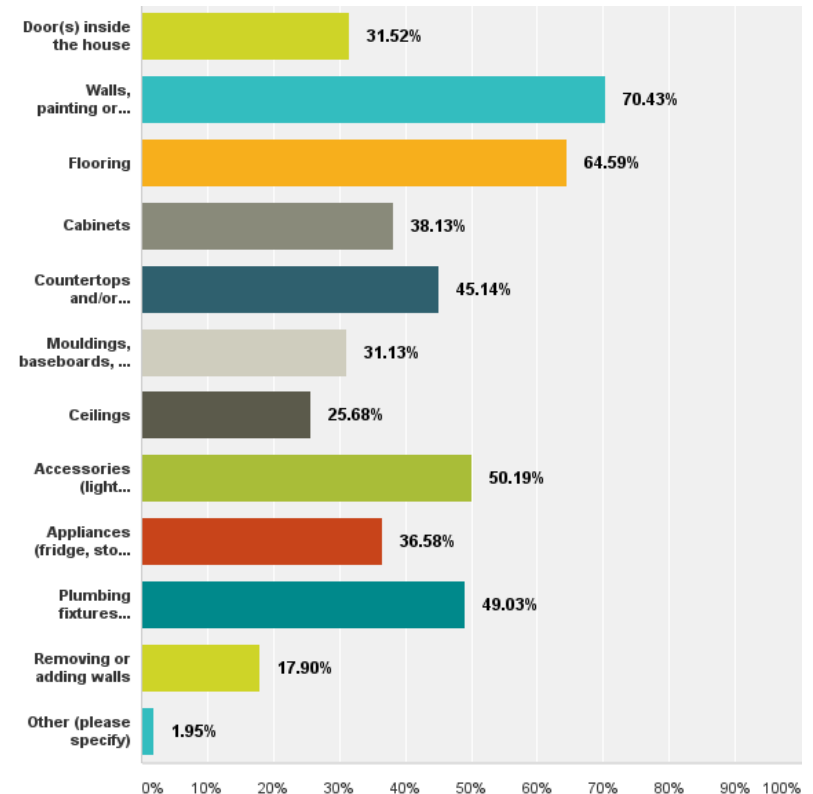
Answer Choices	Responses
Roof	33.59% 87
Windows	36.29% 94
Entry doors	32.82% 85
Garage doors	17.76% 46
Siding (including stone, stucco, vinyl, wood or masonry)	35.14% 91
Trim and/or accessories (siding trim, window trim, shutters, fascia, eaves troughs, light fixtures, door handles, etc.)	37.07% 96
Other (please specify)	4.63% 12
Total Respondents: 259	

Making Interior Changes to a Home

Q. As you have been thinking about your interior remodeling project, which of the following products are you having difficulty selecting the type, style, or color of. Select all that apply.

It's even harder for homeowners to select products for the inside of their home.

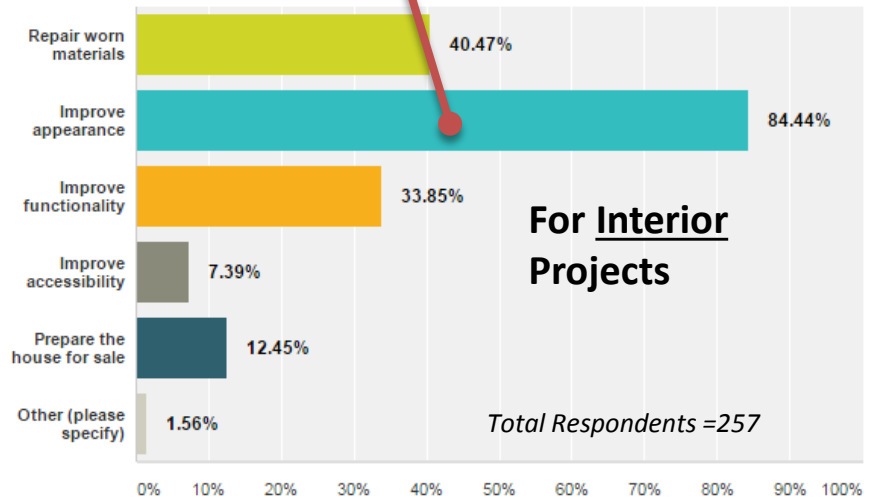
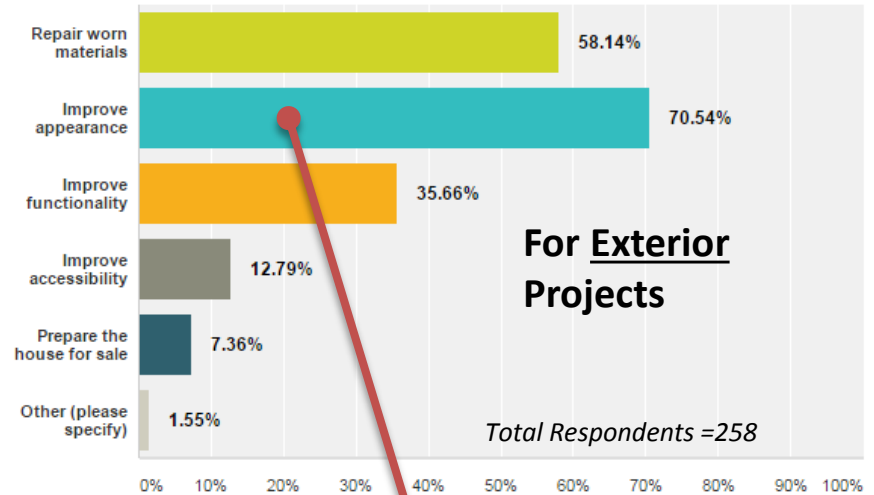
Answer Choices	Responses	
Door(s) inside the house	31.52%	81
Walls, painting or wallpaper	70.43%	181
Flooring	64.59%	166
Cabinets	38.13%	98
Countertops and/or backsplashes in kitchen or bathroom	45.14%	116
Mouldings, baseboards, or other interior trim	31.13%	80
Ceilings	25.68%	66
Accessories (light fixtures, door handles, and other)	50.19%	129
Appliances (fridge, stove, and other)	36.58%	94
Plumbing fixtures (sinks, toilets, tubs, and other)	49.03%	126
Removing or adding walls	17.90%	46
Other (please specify)	1.95%	5
Total Respondents: 257		



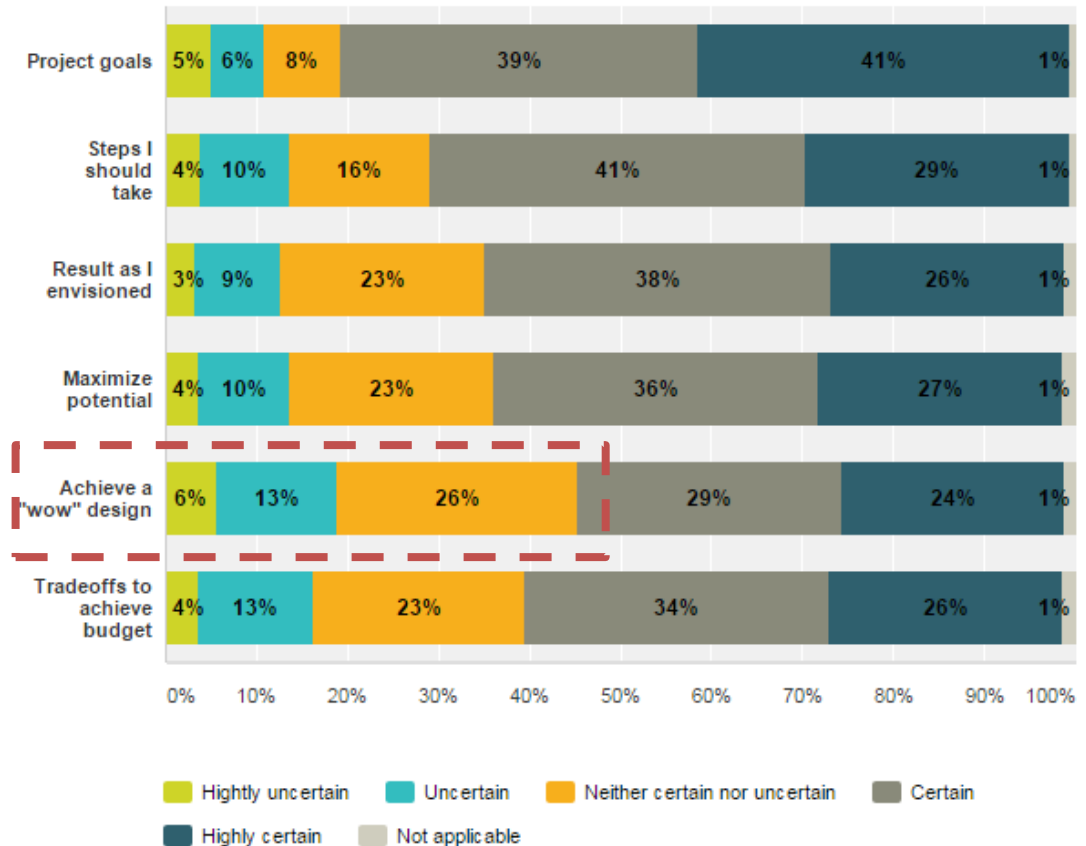
Motivations for Making Changes

Q. What is the reason(s) for your remodeling project – ALL PROJECTS? (Select all that apply).

Contractors will benefit from helping a homeowner make decisions that will make their home appealing. This is a primary motivator for most remodeling projects, especially interior projects.



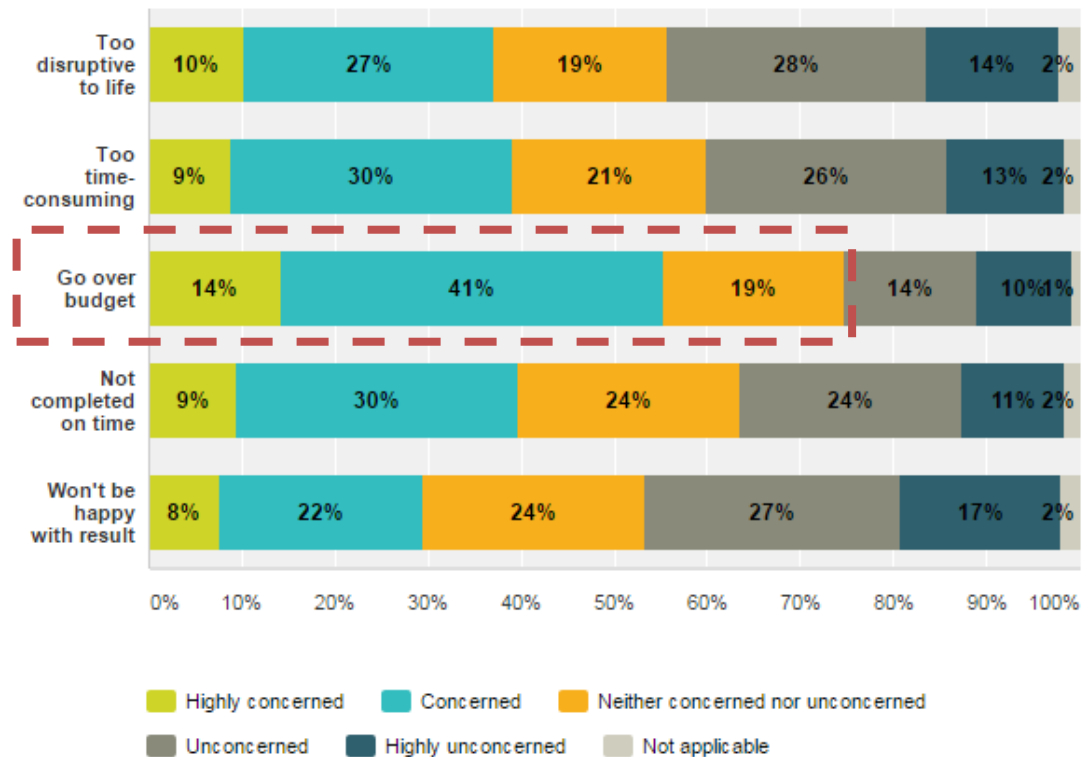
Q. Please indicate how certain you are about the following aspects of your project:



When it comes to their project, almost ½ of homeowners lack certainty on how to achieve a “Wow” design for their home.

Total Respondents = 512

Q. We would like to understand how concerned you are about the following aspects of the upcoming remodeling project.



Going over budget on their project is the biggest concern for all homeowners responding.

Only 45% of respondents were not concerned of being unhappy with the finished product.

Total Respondents = 510

Views Toward Visualizers

- ◆ Visualizers are perceived as a high value tool during the planning and purchase process for home remodeling projects
- ◆ Being able to see changes actually made to their home is the most useful feature of a visualizer

Value of a Visualizer

Respondents were presented with two images and a basic description (below) of what a visualizer does.

- ◆ Envision software that applies images of building products (windows, doors, flooring, etc.) onto images of homes. Let's refer to this software as a "Visualizer".
- ◆ View these two images. The top image is an actual photo taken of a home - the "before" photo.
- ◆ The bottom image is the "after" photo. This was the design created using the visualizer. It depicts how a home will look like after the remodel project is complete.

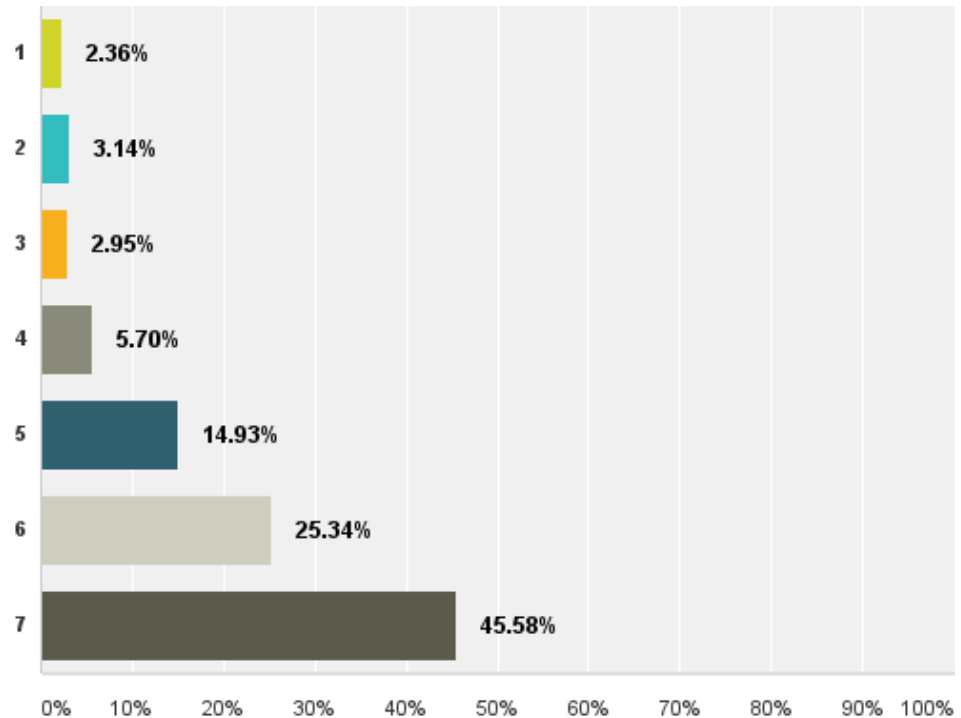


Value of a Visualizer

Respondents were then asked:

On a scale of 1 to 7, with 7 being High Value and 1 being Low Value, how valuable would this Visualizer be to you as you plan your remodeling project?

Homeowners see huge value in utilizing a visualizer as they plan their remodeling project.

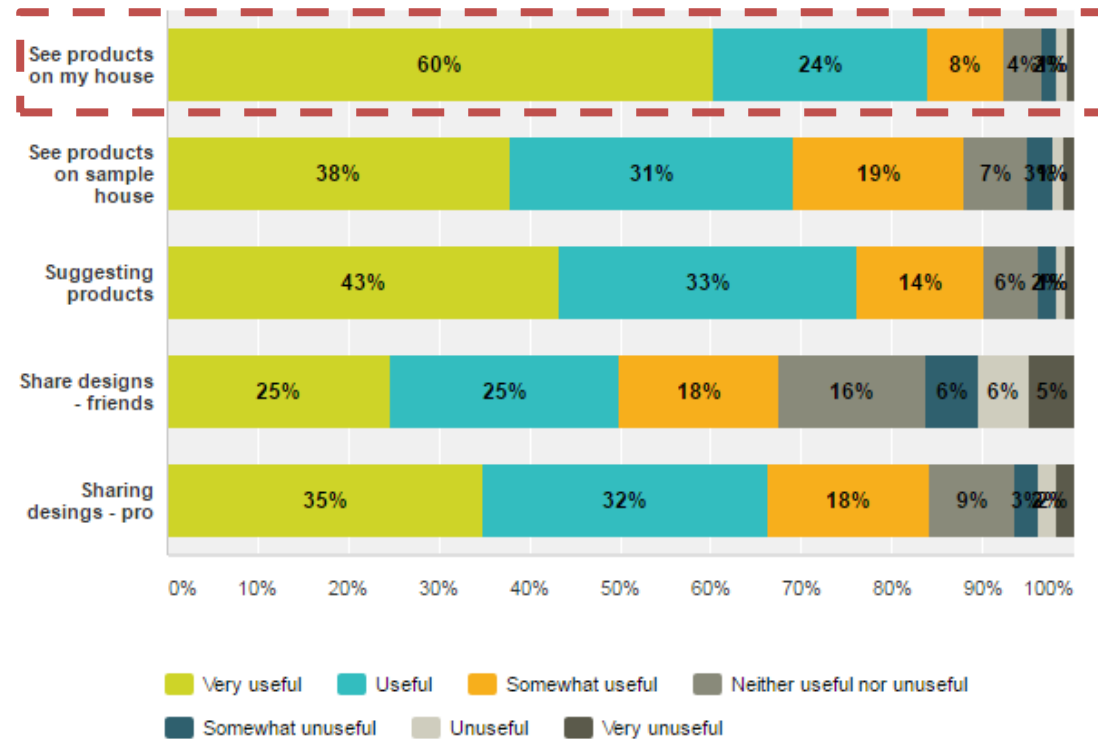


Average Score	5.86/7 or 83.7%
Median	6/7

Total Respondents = 509

Usefulness of Features

Q. How useful would you find the following features of this visualizer?

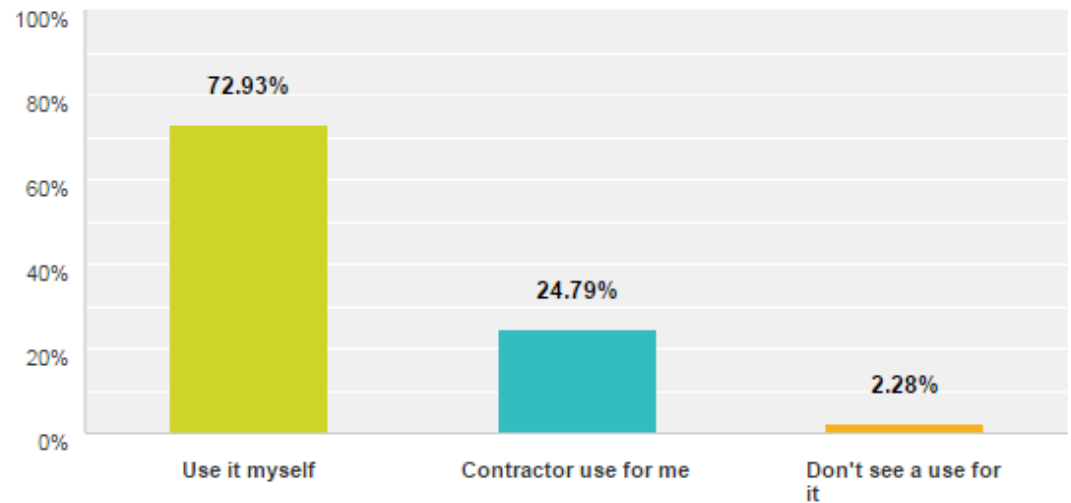


Homeowners indicated that seeing products on their own home was cited at the most useful feature of a visualizer.

Total Respondents = 506

Q. How do you feel the visualizer can be best used to help you while planning your remodeling project?

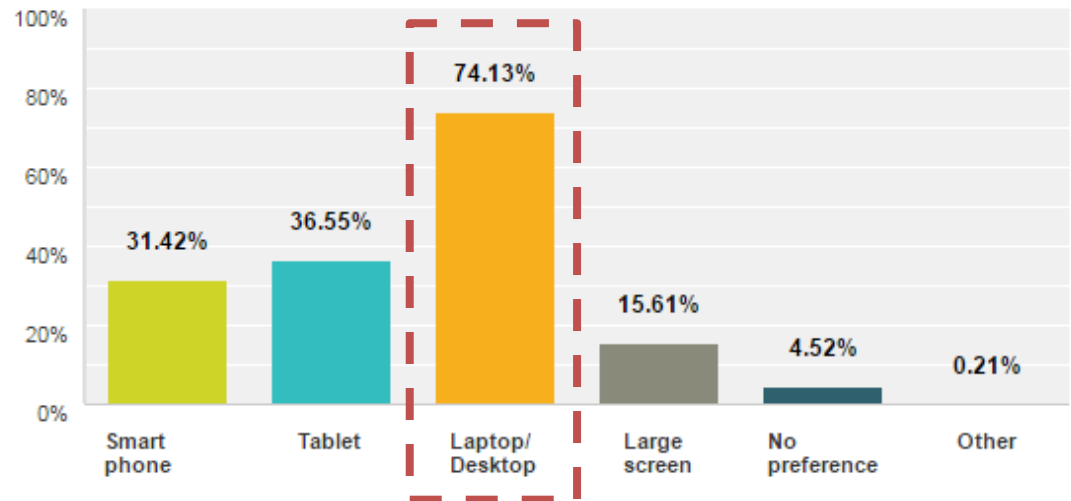
Homeowners expressed a strong desire to use a visualizer themselves.



Total Respondents = 351

Q. What device(s) do you prefer to access a visualizer?

When contractors present designs a computer screen is most preferred.



Total Respondents = 487

Why is a Visualizer Valuable?

"It allows the consumer to see the potential of their remodel before making the final decision allowing them to save money"

"That would help a lot to be sure what your buying it what you want. so you don't have to waste money buying more to redo it all over again. or be stuck hating what you did"

"It would be really nice to get an idea of how it would all come together in the end. It would be very valuable to me to be able to visualize the end product"

"It's almost impossible to visualize something based on what someone tells you"

"The hardest part is visualizing what the project will look like, particularly when you want to do a lot of adjustments. The concern that you won't like how it looks is serious and anxiety inducing"

"I have the ability to visualize major changes but my husband does not. This leads to some disagreements in choosing the changes and the materials needed to accomplish it. Being able to show him, a realistic "after" picture would help both of us immensely. It would also be helpful in communicating with the contractor"

"I would love to be able to see the end result like this. It would give me a chance to try different colors and styles so I would know I will be happy with the end result"

"It would give me a sense of how my home will look with the changes. It would be even better if it would give me a list of materials I need to achieve the look"

"It will give me a better idea on how my home will look after the project is done BEFORE i actually do it"

"It's a realistic portrayal of upgrades. Would help me decide colors and styles"

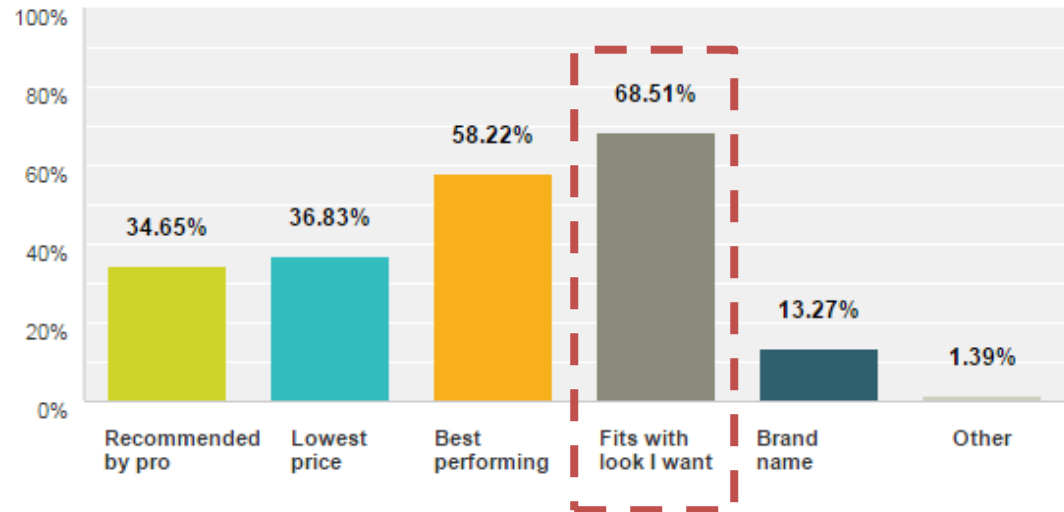
"Allows me to get a visual picture of what the project would look like and ability to make changes"

Interacting with Contractors

- ◆ Homeowners desire a personalized in-person approach with contractors despite the advances in communication technology options for remote communications
- ◆ Homeowners struggle to compare services which provides an opportunity to help homeowners evaluate proposals to stand out

Q. When selecting products and color choices for your project, what factors will most influence your decisions?
(Select up to two choices.)

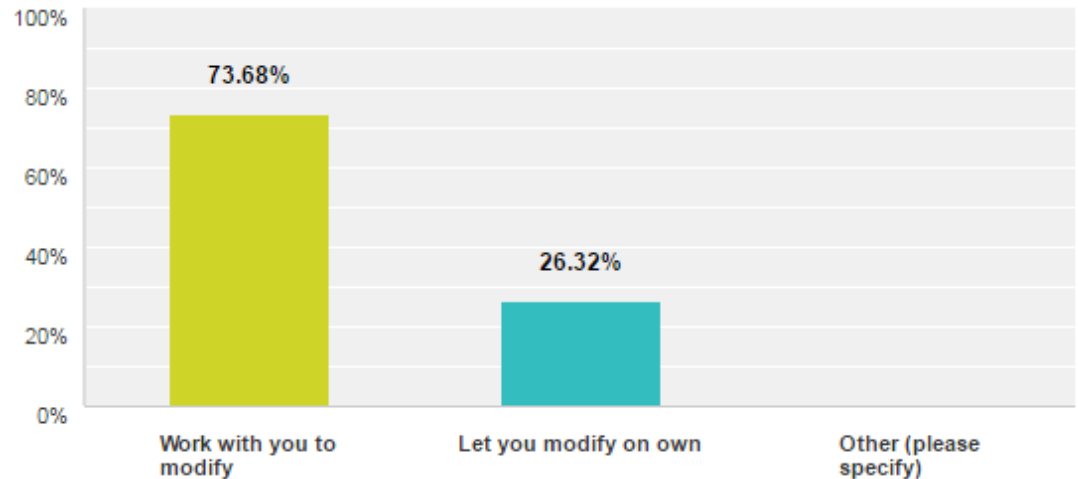
Finding product and color choices that suit a homeowner is the factor that most influences their selection; and is twice as important as the recommendation by a pro.



Total Respondents = 505

Working with a Pro

Q. After your professional designer/contractor presents a design(s) to you, would you prefer that they:



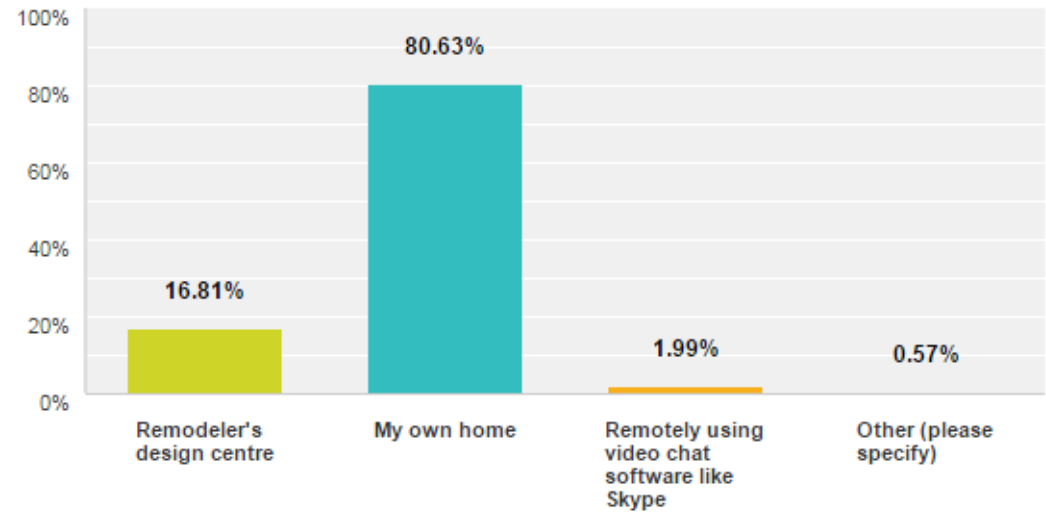
Even after professionals present a design to homeowners, 74% still want to work with the pro to finalize the design.

Total Respondents = 95

Meeting the Contractor

Q. Before signing an agreement to hire a contractor, what is your preferred location to meet a contractor?

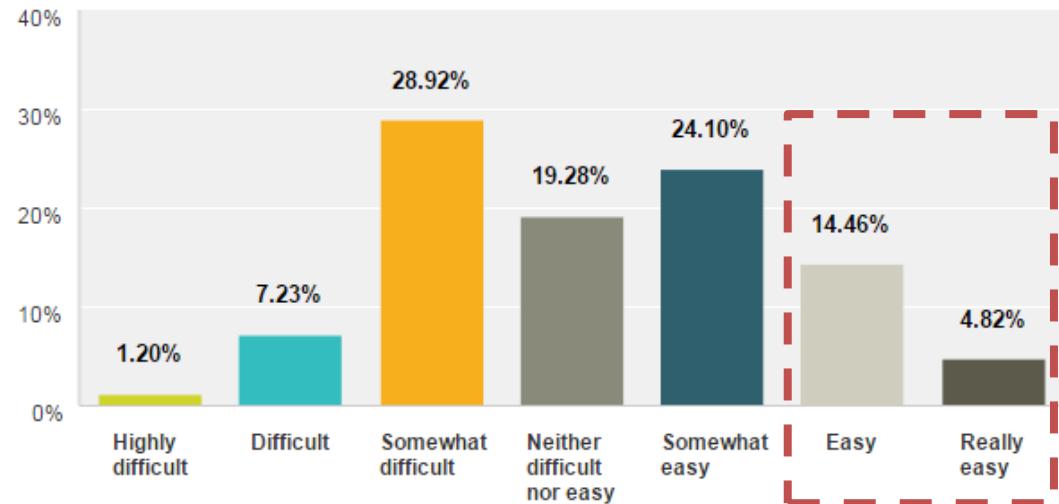
Despite the rise of new modes of communications, homeowners still want to look contractors in they eye on their home turf.



Total Respondents = 505

Q. How difficult or easy are you finding it to compare quotes for the same work?

Note: responses only from those homeowners who have already received quotes



Homeowners have difficulty comparing quotes. Contractors can take advantage of this situation by:

- Delivering clear proposals
- Offering to help compare quotes (which provides an opportunity to tilt the selection process in their favor)
- Find ways to differentiate themselves during sales process

Why Quotes are Hard to Compare

- Consumers don't understand the terminology
- Contractors propose different concepts/ideas – cannot conduct apples to apples comparison
- Don't itemize pricing

Total Respondents = 83

Views Toward Design Services & Support

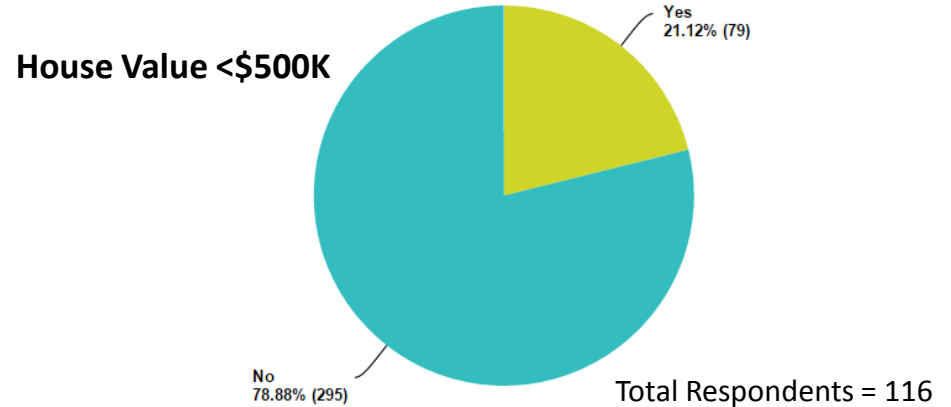
- ◆ Many homeowners are spending money with professionals to help them make decisions when planning their project
- ◆ Contractors should consider selling or packaging design services into their bids

Use of Design Services

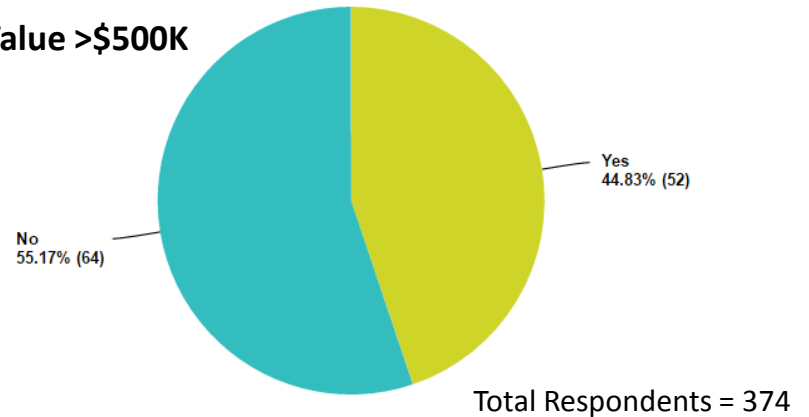
Q. Have you hired a professional, other than the contractor(s) who will provide remodeling services, to help you design your home and select products and colors? (e.g., interior designer, designer, architect)

Contractors have an opportunity
Even 1 in 5 homeowners in lower income brackets are spending money on design help.

House Value < \$500,000



House Value > \$500K

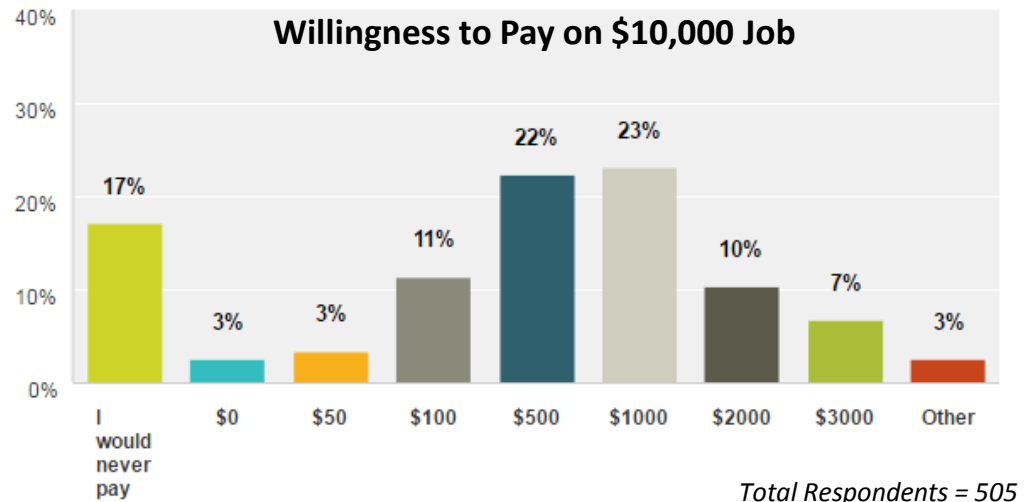
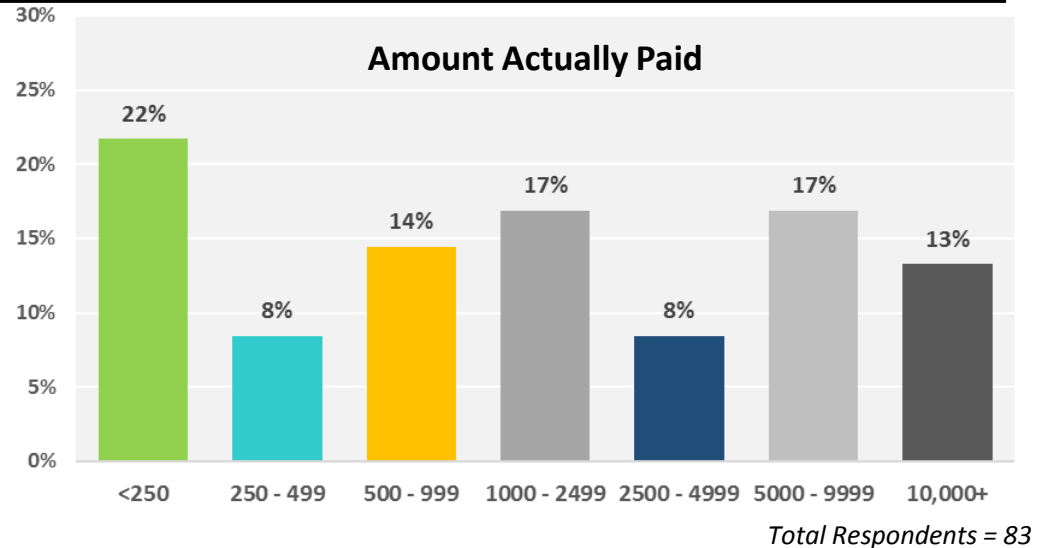


Spending on Design Services

Q. How much did you or will you pay this third party for their services?

Q. Assuming you expected to pay \$10,000 on a remodeling project, what is the maximum price you would pay a third party to help you design the remodeled home and make product and color selections?

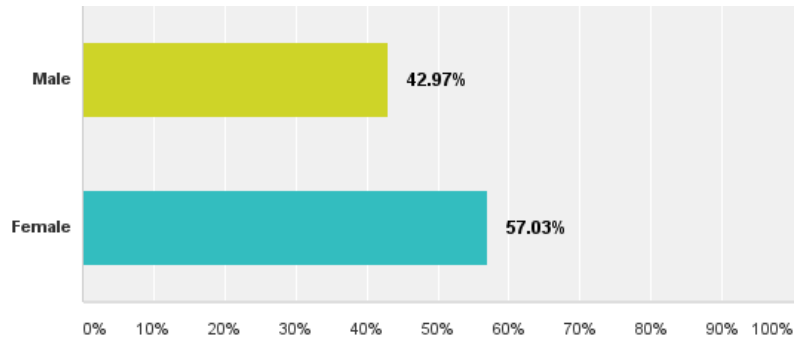
A 5% - 10% design was about right for 1/2 of respondents if they planned to spend money for professional design support on a \$10,000 project.



About the Survey Respondents

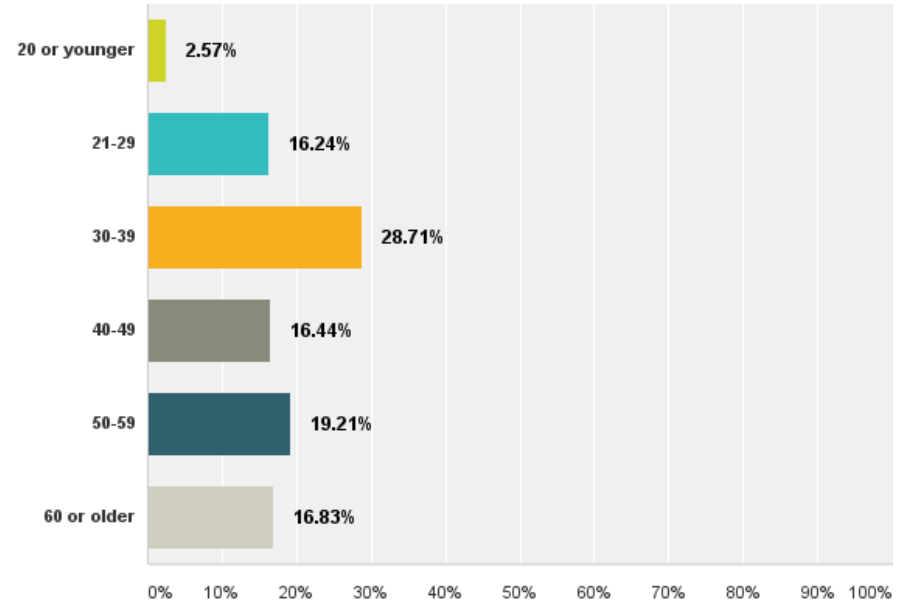
About the Respondents

Gender



Total Respondents = 505

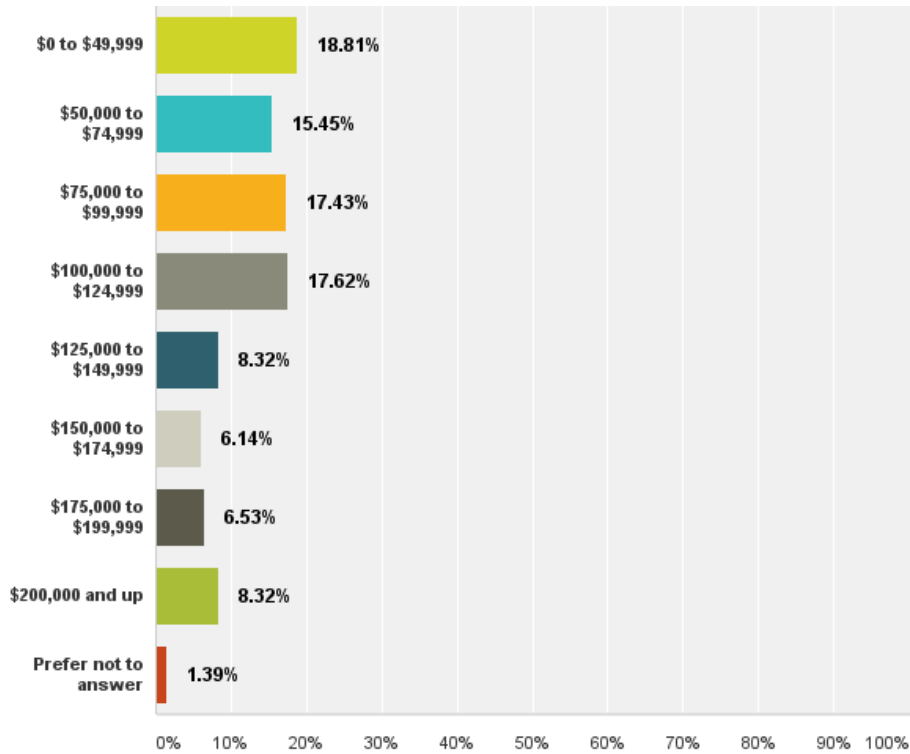
Age



Total Respondents = 505

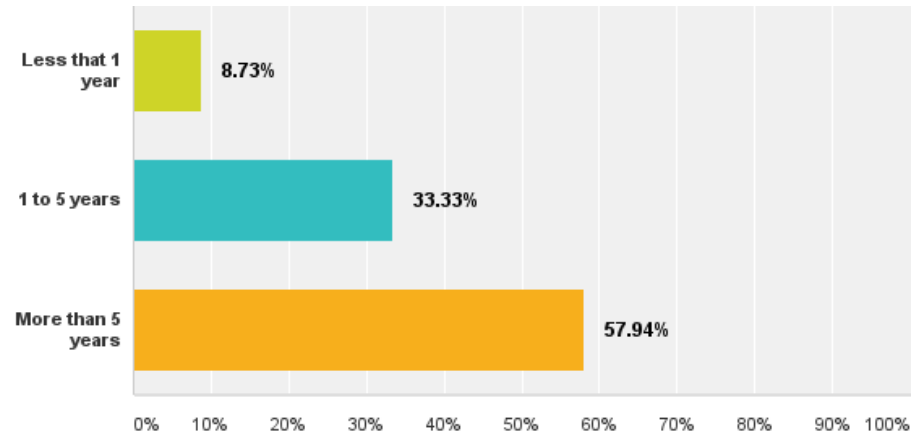
About the Respondents

Income



Total Respondents = 505

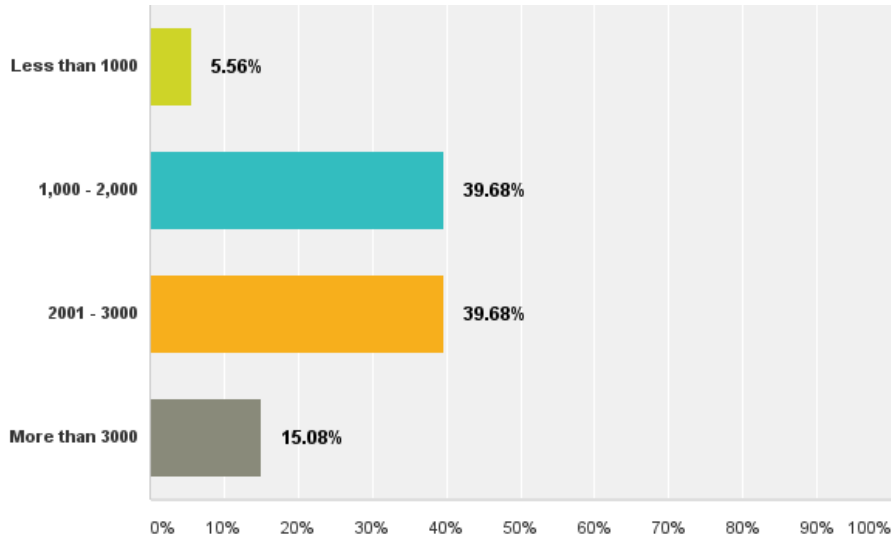
Length of Home Ownership



Total Respondents = 504

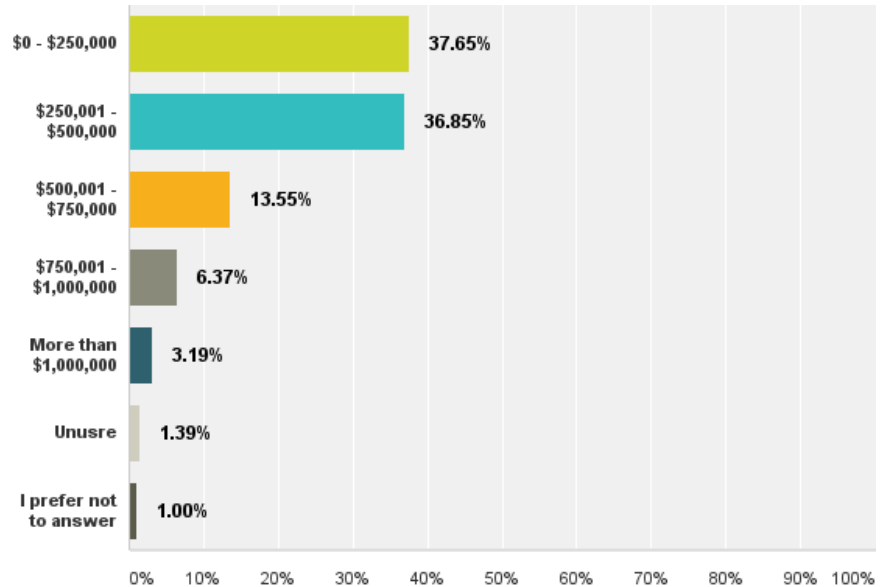
About the Respondents

Home Square Footage



Total Respondents = 504

Home Value



Total Respondents = 502

Would You Like More Detailed Analysis of the Data?

If you'd like to see more detail behind the findings, we can fine tune responses along the following variables:

- ◆ Demographics
 - Gender
 - Age
 - Income
 - Length of Home Ownership
 - Square Footage of Home
- ◆ Project Type
 - Exterior
 - Interior
 - Home surface/product being worked on (e.g., siding, roofing, windows, doors)
- ◆ Design support
 - Have hired a professional to help with design

If you would like more detailed findings, please contact Sandor Kiss via email at sandor.kiss@renoworks.com or by phone at 403.809.3488.