The Future of Finding Tradespeople

Summer 2018 Report

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Homeowners need trusted tradespeople for a wide range of maintenance and improvement jobs. There have never been more potential ways to find and select these professionals.

New entrants such as Amazon and John Lewis are actively disrupting the traditional trade directory route in this category.

327
households

327 households carried out the survey across the United Kingdom.

The sample was skewed towards females and includes a broad range of age groups and SEG groups although some caution should be exercised when interpreting smaller base sizes.

A total of five survey questions were asked as part of our exclusive 'mini poll' of **homeowners** in the UK (25% own outright, 75% own with a mortgage).

Online fieldwork was conducted early August 2018 by Eureka! Research.

The project was conducted in partnership with our industry partners:

Installer

IRG
INSIGHT RETAIL GROUP

Insightdiy

[1] It is important to note that our sample excludes those living in rental properties as they are more likely to rely on landlords for home maintenance/repair (who will have a distinct decision making pathway for this)

Main findings

amazon home services

John Lewis

1 in 5 homeowners
most likely to adopt a retailer-led service

Electrical work– potentially strongest gateway category

Key barriers to trialling retailer led service:

Barrier	%
Lack of familiarity with tradesperson	41%
More expensive than conventional route	39%
Uncertainty about resolving issues	29%

Channels used by consumers

Word of mouth still so critical

61% Ask friends & family

33% Ask on social media

3 in 4 households use a digital channel when searching for a trade

Est. 4.8 million homes would currently use free-to-access online trade listings (32% of homeowners)

Current key brands:

Checkatrade	rated people	Local Heroes
41%	25%	17%

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Finding Tradespeople

Summary of how consumers currently find tradespeople

Bricks and mortar retailer	Printed directories/ paper	Personal experience/ word of mouth
9%	24%	67%

Offline

Digital

Online retailer services	Online directories (all)	Online general search
9%	38%	58%

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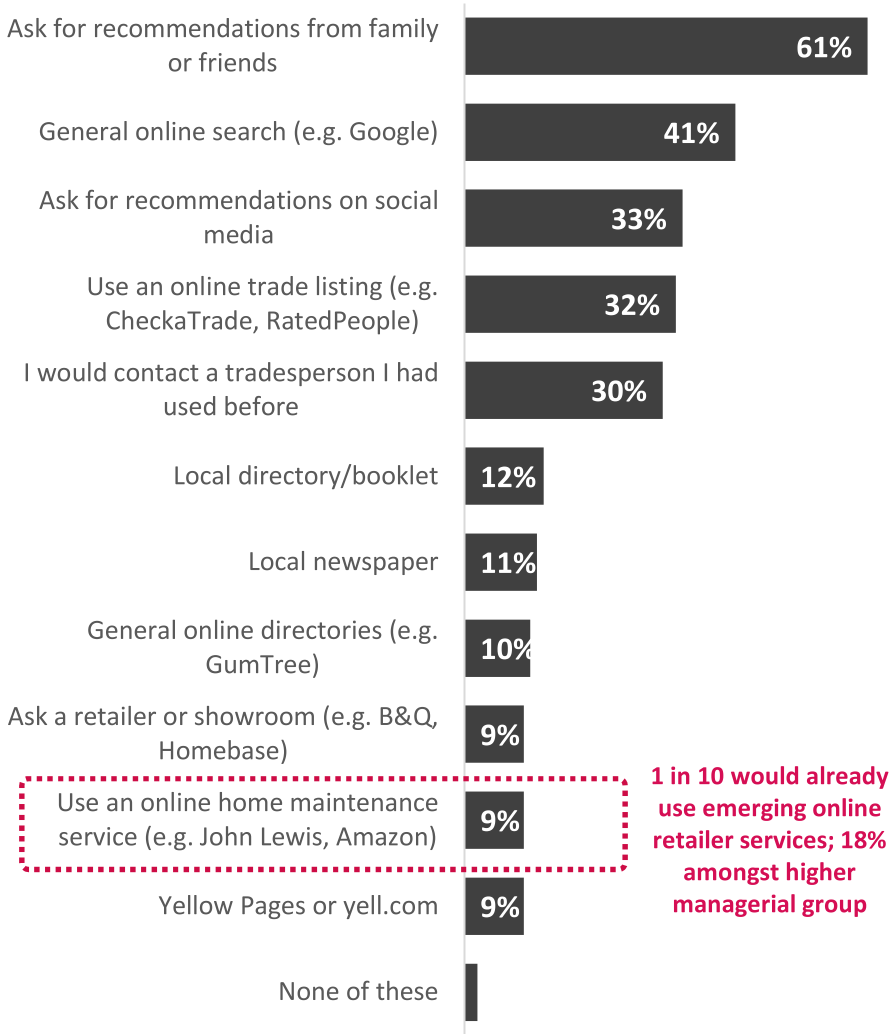
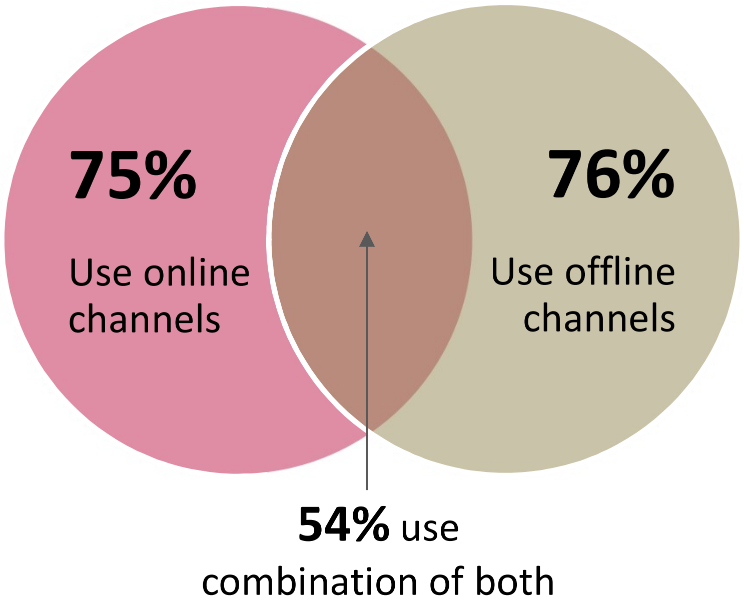
Q1. If you needed to find a tradesperson to do some work on your home, which of the following routes would you be most likely to follow?
Source: Consumer online poll August 2018 (Base: 328 homeowners)

Full list of routes that consumers use



1 in 10 would already use emerging online retailer services; 18% amongst higher managerial group

Word of mouth recommendation is still the most **powerful route** for finding a tradesperson. However, the results indicate that modern consumers use a whole range of techniques, and are just as likely to use a digital platform as a traditional one



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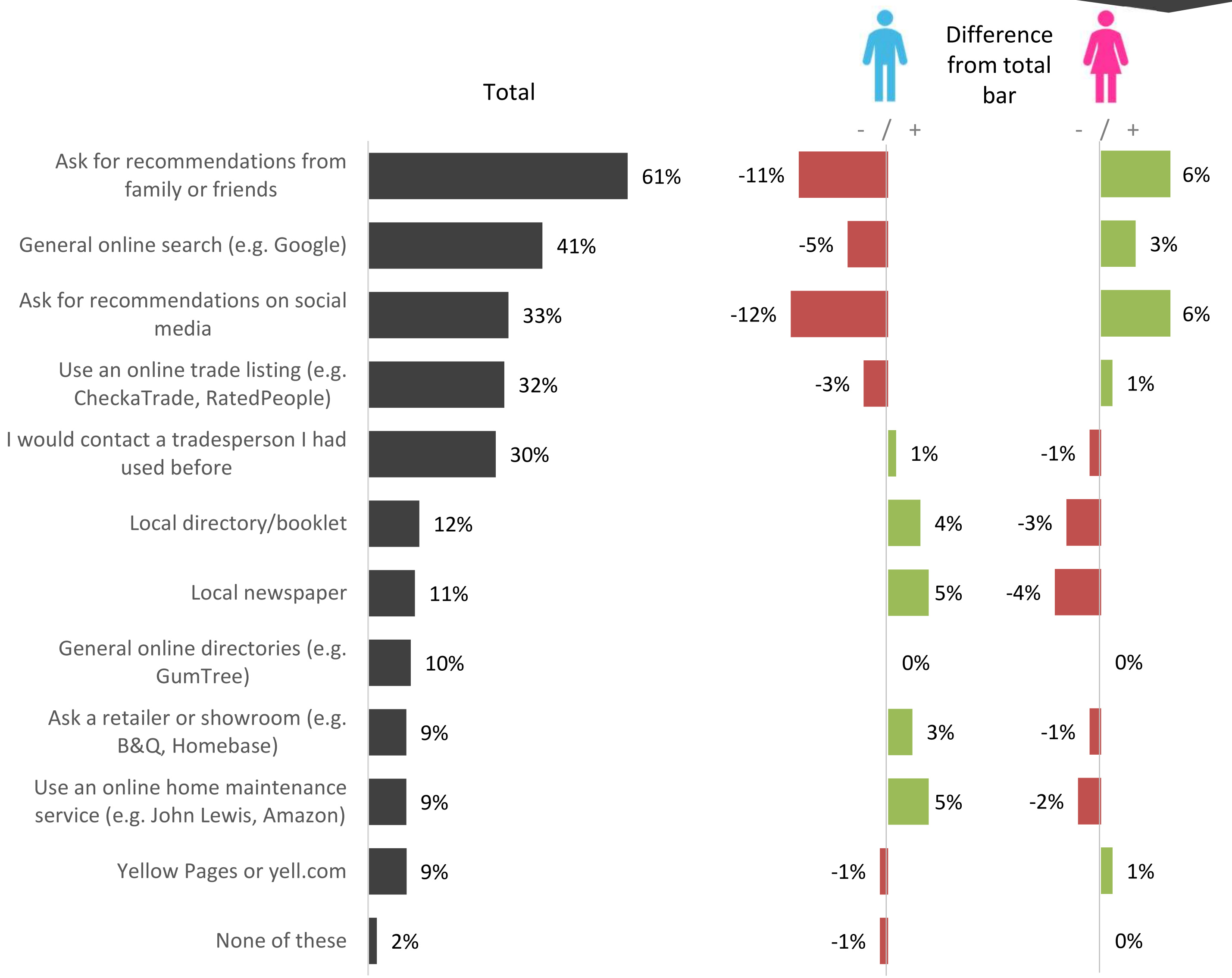
Q1. If you needed to find a tradesperson to do some work on your home, which of the following routes would you be most likely to follow?
Source: Consumer online poll August 2018 (Base: 328 homeowners)

Men and women seek tradespeople differently



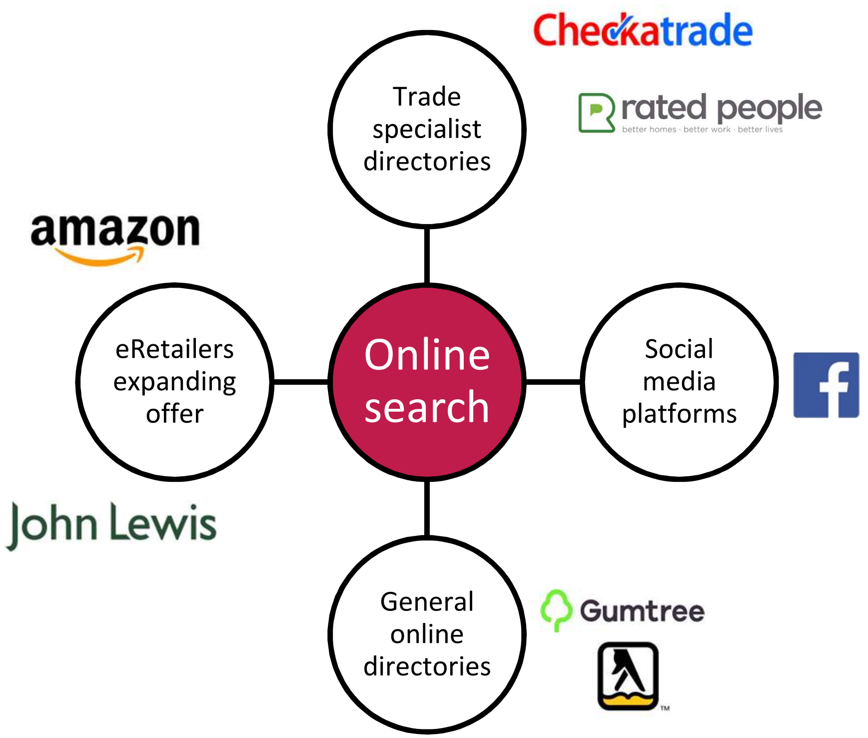
Male decision-makers somewhat live up to the stereotype by finding help themselves and not relying as strongly on recommendations. Fewer than 7 in 10 use online

Female decision-makers strongly favour asking for recommendations. 8 in 10 use an online channel, social particularly strong compared with men

Q1. If you needed to find a tradesperson to do some work on your home, which of the following routes would you be most likely to follow?
Source: Consumer online poll August 2018 (Base: 328 homeowners)

Consideration: Online search for tradespeople

The **digital space** is evolving, as brands more typically associated with general ecommerce, enter the home services category. Will the free-to-access brands suffer as a consequence? Or will the whole digital category increase in size in the medium term?



Current brand consideration for trade search (full list)

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Q2. Which of the following online brands/organisations, if any, would you consider using if you needed a plumber, electrician or builder? Select as many that apply to you.
Source: Consumer online poll August 2018 (Base: 328 homeowners)

Largest specialist trade directory brands

	Would consider using	Reach - number of potential households[1]	Male	Female
Checkatrade	41%	6.2m	36%	45%
rated people	25%	3.8m	30%	22%
Local Heroes (A British Gas innovation)	17%	2.6m	17%	16%

There is significant potential brand reach for trade directory brands, who position themselves in terms of trust, reach and convenience. How will this market change as other players push for market share – such as TrustATrader, or new entrants, such as Verified by Expert Trades. Further research is also required to understand at which stage in the journey online directories become most important to consumers

[1] Based on most recent Census data for England and Wales (Owned and shared ownership figures, or including rented or living rent free)

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Finding Tradespeople
- Retailer led offers

The emergence of retailer-led online brands

Companies such as Amazon and John Lewis have started providing a paid service that gives their customers access to a pool of vetted tradespeople and service providers.

Amazon-commissioned research prior to the launch of their service in the UK this Summer indicates:

UK adults who prefer to use a professional for help with DIY and home installations	61%
Agree 'knowing who to trust' is hardest part when looking for service professionals	77%
Tap replacement, Bed assembly, TV wall mounting, Smart thermostat installation, Patio furniture assembly	Top 5 most tedious DIY tasks

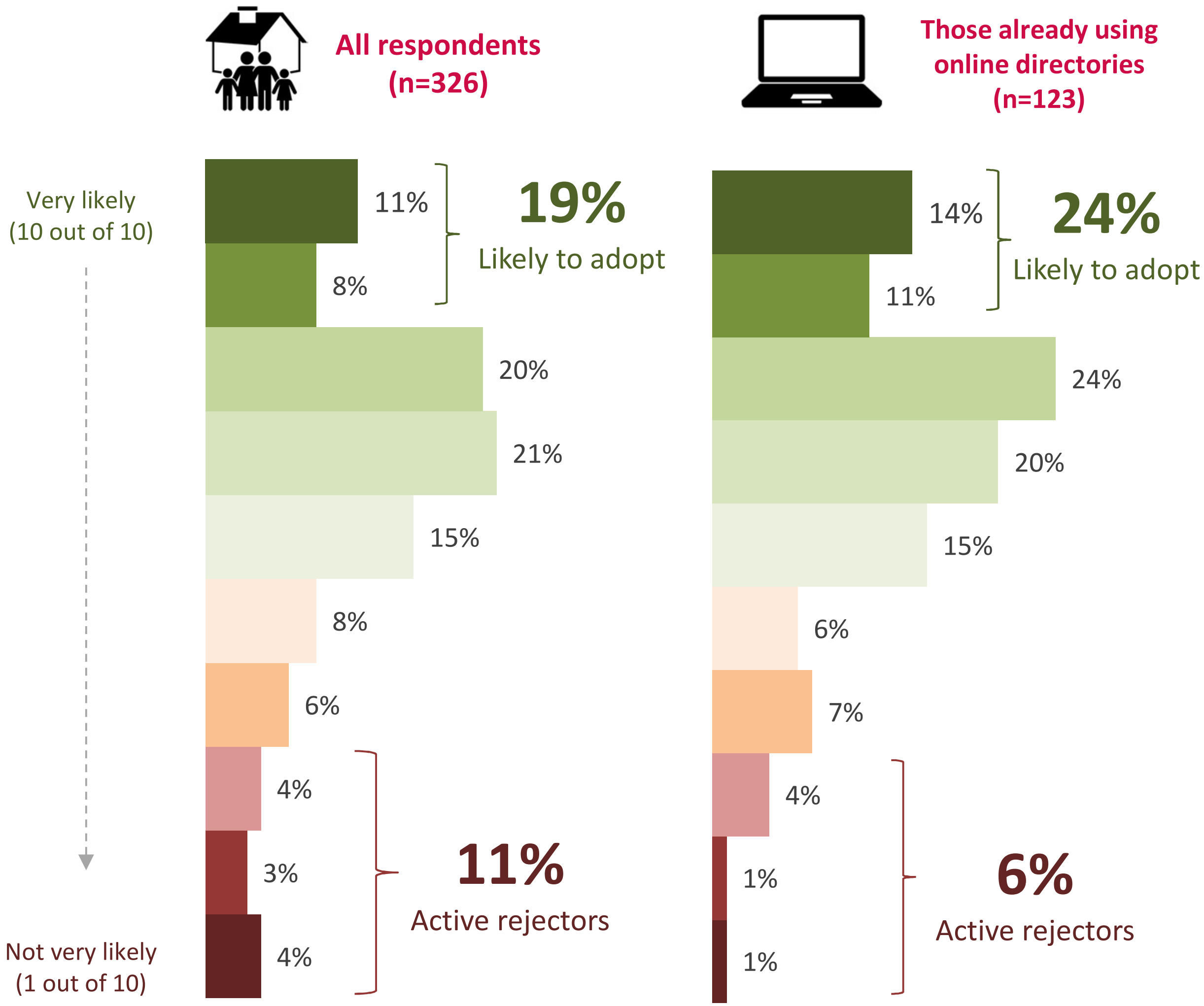
Source: 1,500 UK adults commissioned by Amazon Home Services (May 2018)

Appeal of retailer-led proposition to consumers

amazon John Lewis

Companies such as Amazon and John Lewis have started providing a paid service that gives their customers access to a pool of vetted tradespeople and service providers.

How likely are homeowners to use such a service?

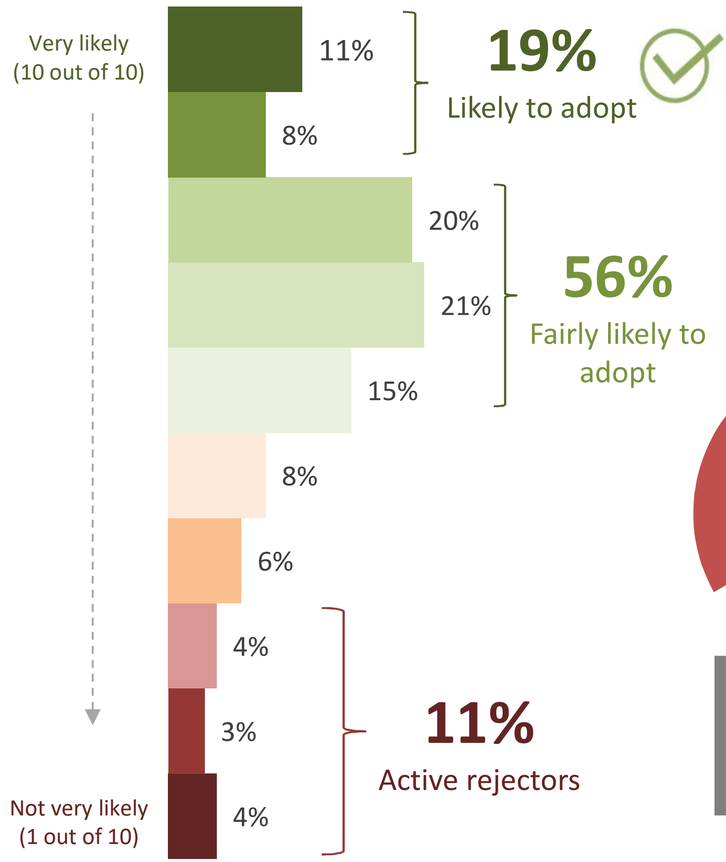


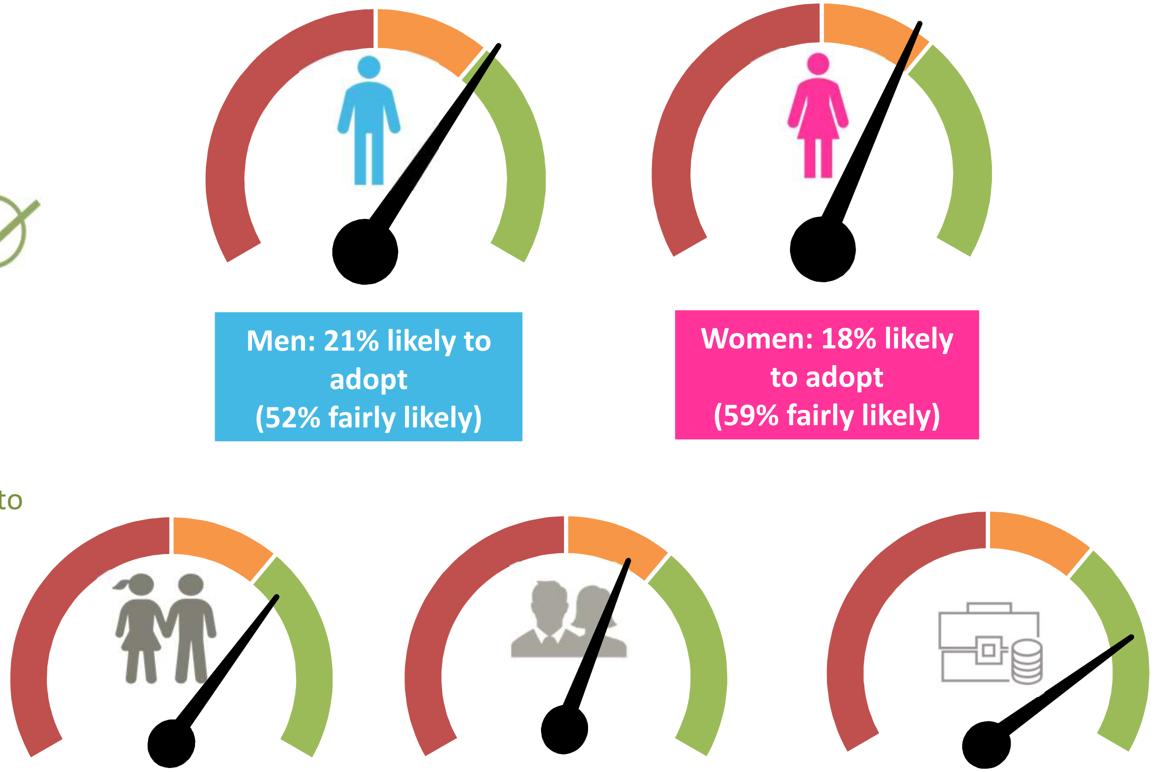
Q4. How likely would you be to use such an online service to find a tradesperson the next time you need a job doing in the house

Source: Consumer online poll August 2018 (Base: 328 homeowners)

Who would be most likely to adopt the Amazon or John Lewis model?

All respondents (n=326)





Men: 21% likely to adopt (52% fairly likely)

Women: 18% likely to adopt (59% fairly likely)

Under 35s: 22% likely to adopt (55% fairly likely)

Over 35s: 15% likely to adopt (57% fairly likely)

Higher managerial occupations: 31% likely to adopt (42% fairly likely)

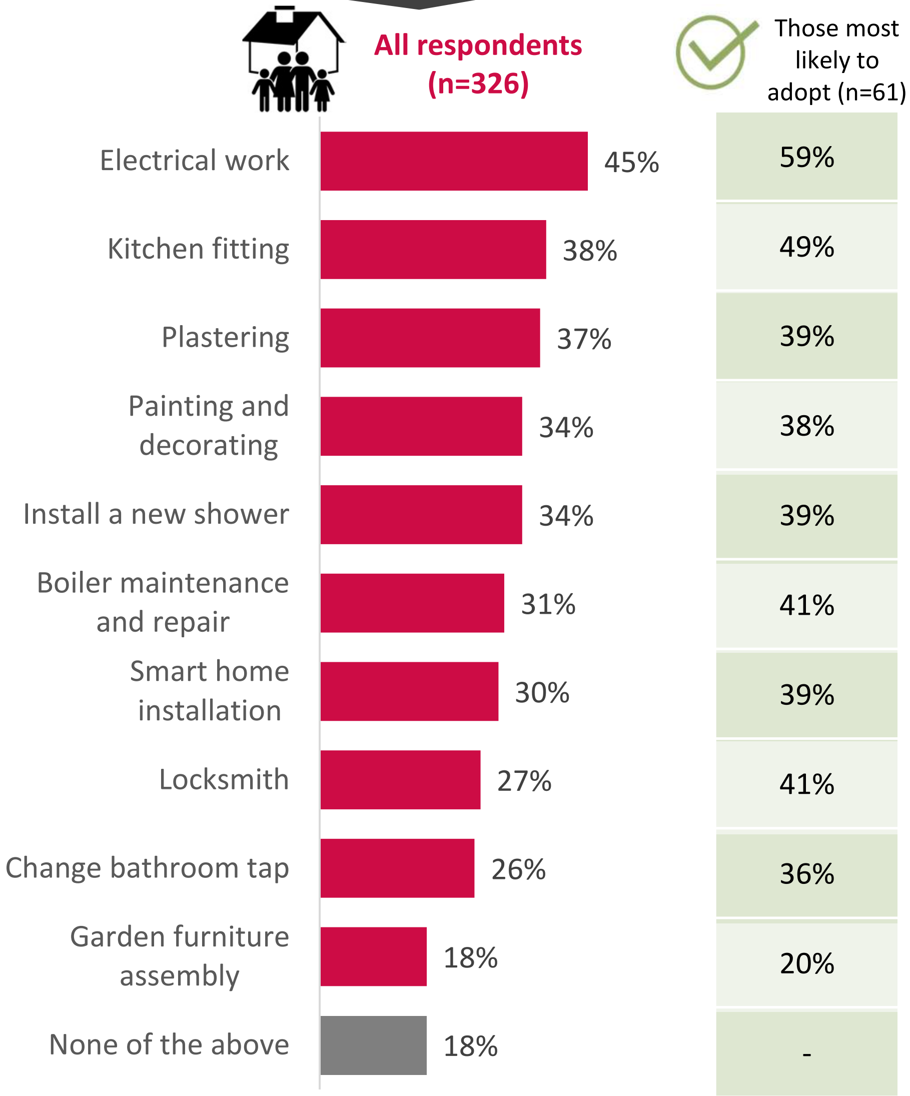
Q4. How likely would you be to use such an online service to find a tradesperson the next time you need a job doing in the house

Source: Consumer online poll August 2018 (Base: 328 homeowners)

Types of work most suited to retailer-led offer

Electrical work	45%
Kitchen fitting	38%
Plastering	37%

30% cite the installation of Smart Tech, rising to 34% in the younger age group and 36% in the highest professionals group. See our Smart technology adoption report (Spring 2018) for much more on this burgeoning sector!

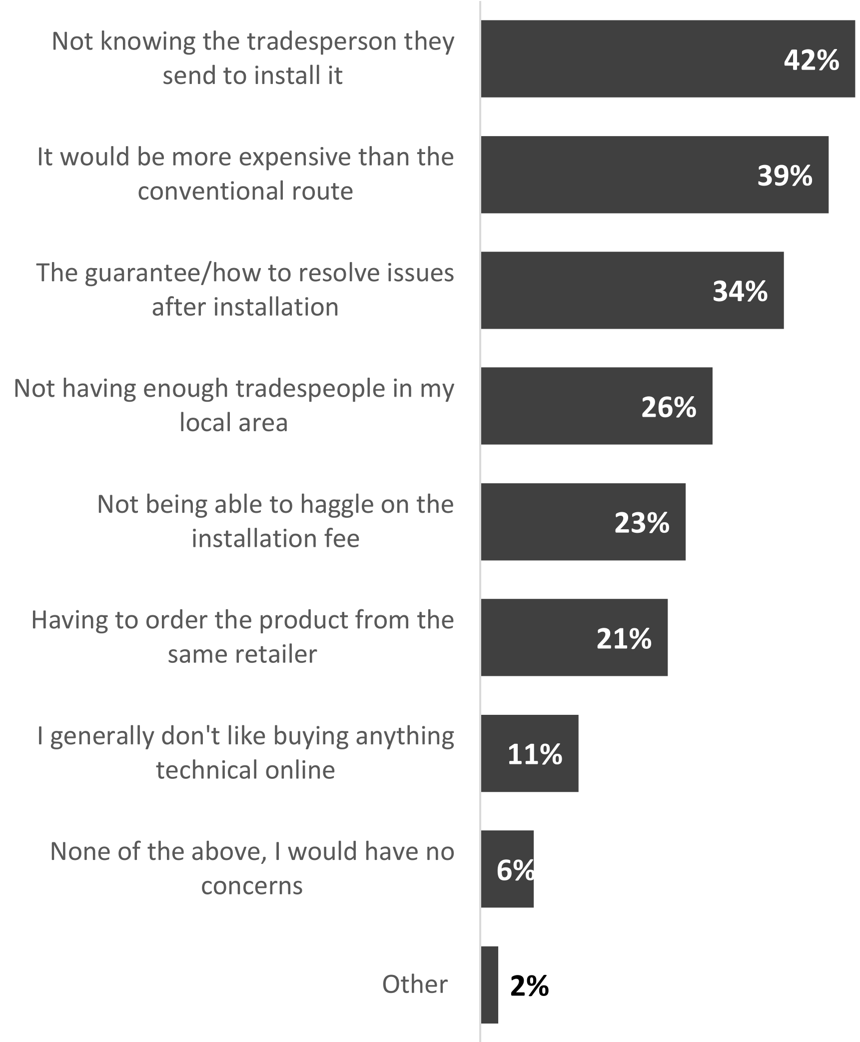


Q3. For which of the following home improvement jobs would you consider using such a service?
Source: Consumer online poll August 2018 (Base: 328 homeowners)

Potential barriers to a retailer led service

Not knowing the tradesperson they send to install it	41%
It would be more expensive than the conventional route	39%
The guarantee/ how to resolve issues after installation	29%

56% of those who reject the online route – say this is due to perception of it being more expensive



Q5. What concerns, if any, would you have about using such an online service?
Source: Consumer online poll August 2018 (Base: 328 homeowners)

Key barriers for different consumer segments

	Total	Men	Women	Under 35s	Over 35s	Higher managerial	Intermediate managerial
Not knowing the tradesperson	*42%*	36%	46%	36%	48%	51%	45%
Would be more expensive	*39%*	27%	45%	39%	38%	27%	43%
Guarantee	*34%*	32%	36%	32%	36%	33%	30%
Insufficient tradespeople in area	*26%*	21%	29%	28%	24%	18%	34%
Not being able to haggle	*23%*	32%	18%	23%	23%	22%	26%
Base:	*328*	*118*	*207*	*159*	*169*	*45*	*117*

Lack of familiarity is a potential obstacle for many consumers, especially those in the more mature, higher managerial segment. Cost is more of a factor for female consumers, although men are more likely to say they would want to haggle

Q5. What concerns, if any, would you have about using such an online service?
Source: Consumer online poll August 2018 (Base: 328 homeowners)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Key reflections

Key reflections

Implications for trade directory brands

Our results indicate that this is an established route to market – around 4.8 million homeowners would currently use free-to-access online trade listings if they needed a tradesperson

Our results also show that consumers are warm to eRetailers entering this space – around one in five homeowners appear to be particularly receptive to the proposition. The lucrative higher earning segment appear to be most likely to trial such a service

Lack of personal familiarity with the 'suggested' tradesperson and higher costs are the largest barriers – this could be a point of differentiation for all brands looking to separate themselves from the crowd

Further research is needed to understand where online search comes in the sequence of consumer selection looking to undertake home improvements

Implications for installers and trade businesses

Reputation is key. Although the number of options at homeowners' disposal has never been greater, installers should keep in mind that word of mouth is still the most critical path for finding a trade – 61% ask friends and family directly, 33% ask their network on social media

Installers need to manage their online reputation and presence. Although the days of Yellow Pages are dwindling, tradespeople need to ask themselves whether they should be part of the new era of specialised online directories – one third of homeowners would currently use these, and we forecast this to increase

Consumers have most appetite to find electricians, kitchen fitters and plasterers through online services

Knowing which online directory to invest in is potentially becoming a minefield. Checkatrade are currently market leaders but the landscape is changing quickly as new players enter the category. Closely monitoring audience reach and best brand fit with your own business offer will be key

Installer

"Finding new work is one of the most important priorities for tradespeople. There's nothing worse than being home and the phone not ringing.

In the last 18 months we've seen big brands entering the heating and plumbing industry, and independent installers are concerned about losing out on work, or being undercut on price.

This research provides an important look into the buying habits of consumers, and fortunately for local installers, word of mouth and recommendations from friends and family are still the key drivers in the decision-making process."

Contact Eureka!

Richard & Dave (Directors and founders of **Eureka! Research**) focus on the home improvement sector, specifically including the kitchens and bathrooms sector and merchant and retail distribution channels.

We use both traditional and cutting-edge research methodologies to get closer to what consumers, tradespeople or retailers think about the market and new product.

Other recent **Eureka! reports** in this category include:

- **Smart technology adoption (Spring 2018)**
- **Online boiler purchasing (Winter 2017/18)**

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