

HOW MUCH DO YOU SPEND ON ADVERTISING?

And Other New National Statistics for Garage Door Dealers

In recent months, several national statistics have come to light that affect the garage door industry in America. We have pored through the mountain of data and condensed it into the most important revelations, adding helpful business tips for garage door dealers.

To receive a 9-page report with even more data on the issues below, just send an email to the editor at trw@tomwadsworth.com.

Enjoy.

HOW MUCH DO YOU SPEND ON ADVERTISING PER YEAR?

	STATS	FACTS	TIPS
	<p>\$67,760 The annual dollar amount spent on advertising by the average door dealer</p>	<p>The survey covered large and small garage door dealers with differing specialties in markets of varying sizes. To some, \$67,760 will seem extremely low, while to others, it will seem extremely high.</p>	<p>The most successful door dealers typically have a healthy advertising budget. If you're lagging behind in promoting your company, start now to educate yourself on your area's advertising media that best reach your customers.</p>
	<p>5% of dealers spend \$0 on advertising</p>		
	<p>36% spend less than \$10,000 per year</p>		

Source: D+AS Garage Door & Advertising Survey 2015*

WHICH DEALERS SPEND THE LEAST ON ADVERTISING?

	STATS	FACTS	TIPS
	<p>\$48,947 The annual advertising expense of door dealers who focus on commercial work</p>	<p>The survey asked, "Which of the following business segments generates the greatest share of your annual sales?" Six options were given, breaking it down to <i>commercial</i> new construction, retrofit, or repair or <i>residential</i> new construction, retrofit, or repair. Those focusing on residential work clearly spend more on advertising.</p>	<p>The number of dealers focusing on residential repair is clearly growing, and that business model often includes heavy advertising, especially in larger metropolitan markets. Established dealers who have developed a healthy commercial clientele typically don't need to spend as much on advertising.</p>
	<p>\$80,061 The annual advertising expense of door dealers who focus on residential repair</p>		

Source: D+AS Garage Door & Advertising Survey 2015*

HOW MUCH DO YOU SPEND ON YELLOW PAGES ADS?

STATS	FACTS	TIPS
 <p>\$14,360 Door dealers' average annual Yellow Pages ad expense in 2014</p>	<p>The survey asked, "In 2014, how much did you spend on Yellow Pages advertising?" We asked this same question in previous surveys in 2003, 2009, and 2011. The amount spent is plummeting, dropping 74% in only five years.</p>	<p>Old habits die hard. Are any of your customers actually using the Yellow Pages? "I recently had an epiphany when I finally realized the only time I ever found myself looking at a Yellow Pages book was when I met with the salesperson," said Brian Lucas of F&L Doors, Hazleton, Pa.</p>
<p>\$54,800 Door dealers' average annual Yellow Pages ad expense in 2009</p>		

Source: D+AS Garage Door & Advertising Survey 2015*

WHERE ARE YOU SPENDING YOUR ADVERTISING DOLLARS?

STATS	FACTS	TIPS
 <p>33% of door dealers said Yellow Pages takes up the largest portion of their ad budget</p>	<p>The survey asked which ad medium takes up the largest percentage of the advertising budget. In previous studies, Yellow Pages dominated. It has greatly lost popularity, while Internet and Google Pay-Per-Click have gained major ground. The other traditional media (TV, radio, newspaper, direct mail) are not gaining ground.</p>	<p>Internet advertising is clearly the medium of the future, if not the present. Don't delay shifting your ad dollars to the Internet. Find a company that can help you develop a solid online advertising strategy.</p>
<p>65% of door dealers in 2011 said Yellow Pages takes up the largest portion of their ad budget</p>		
<p>56% of door dealers said the Internet takes up the largest or second largest portion of their ad budget, up from 26% in 2009</p>		

Source: D+AS Garage Door & Advertising Survey 2015*

WHAT PERCENTAGE OF YOUR SALES DO YOU SPEND ON ADVERTISING?

STATS	FACTS	TIPS
 <p>5.1% The average response of all door dealers</p>	<p>These two statistics may seem contradictory, but they're not. The average response is pushed upward by the 11% of dealers who spend <i>more than 10%</i> on advertising. (In 2015, 1% of dealers spend between 30% and 40% on advertising!)</p>	<p>Marketing experts have often said that small businesses like door dealers should spend about 5% of sales on advertising. In the past, few dealers have done that; 3% is more typical. If you're spending below 3%, take a good hard look at how you can wisely improve your marketing efforts.</p>
<p>69% spend less than 5% of sales on advertising</p>		

Source: D+AS Garage Door & Advertising Survey 2015*

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WHICH DEALERS SPEND A GREATER PERCENTAGE ON ADVERTISING?



STATS	FACTS	TIPS
<p>3.4% The average response of door dealers who focus on commercial work</p>	<p>In the last 20 years, a new business model has emerged that focuses on residential repair work and typically includes heavy advertising. This often forces these dealers to grossly overcharge for parts and services, leaving a trail of unhappy customers.</p>	<p>Spend as much as you want on advertising, but be sure you can afford it. If your advertising expenses force you to charge high rates and infuriate customers, you need to reconsider your business model.</p>
<p>7.8% The average response of door dealers who focus on residential repair work</p>		

Source: D+AS Garage Door & Advertising Survey 2015*

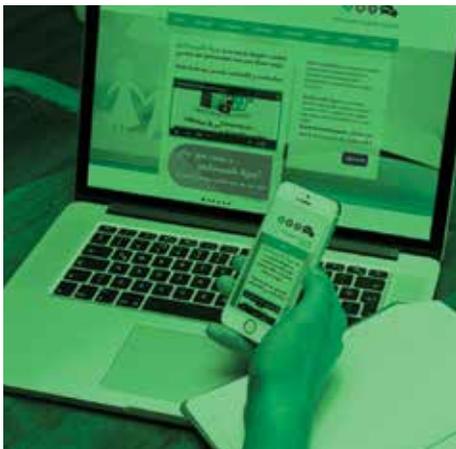
WHICH WEBSITES DO YOU USE TO PROMOTE YOUR COMPANY?



STATS	FACTS	TIPS
<p>89% of door dealers have a company website</p>	<p>Our survey asked, “Which of the following online websites are you now actively using to promote your company?” “Our company website” and Facebook led the field, followed by Google Plus (32%), LinkedIn (18%), Twitter (13%), and Houzz (12%).</p>	<p>The Facebook phenomenon is not slowing. It’s growing, now exceeding 1.5 billion monthly active users worldwide. At a minimum, your company’s social media strategy should include a Facebook presence. It’s free, and you can use it to easily post photos of recent jobs.</p>
<p>59% of door dealers now actively use Facebook to promote their company, up from 37% in 2011</p>		

Source: D+AS Garage Door & Advertising Survey 2015*

WHICH ONLINE REVIEW SITES ARE MOST IMPORTANT TO MONITOR?



STATS	FACTS	TIPS
<p>45% of door dealers said that Google is important to monitor</p>	<p>Our survey asked, “Which of the following online review sites are the most important for you to monitor?” Respondents could check all that applied. Google was identified as Google+, Google Local, and Google Places. Behind Google, Facebook, and BBB were Angie’s List (34%), Yellow Pages (24%), and Yelp (22%).</p>	<p>According to one recent study, 61% of customers read online reviews before purchasing. This percentage will only increase. Monitoring and managing reviews on these sites must be a part of your weekly (if not daily) tasks.</p>
<p>41% said Facebook is important to monitor</p>		
<p>36% said BBB is important to monitor</p>		

Source: D+AS Garage Door & Advertising Survey 2015*

WHAT IS THE POPULATION OF YOUR PRIMARY SERVICE AREA?

	STATS	FACTS	TIPS
<p>50% of door dealers serve areas with less than 500,000 people</p>	<p>Here's the breakdown:</p> <ul style="list-style-type: none"> • 10% of dealers serve areas of less than 50,000 people • 13% serve 50,000-100,000 pop. • 27% serve 100,000-500,000 pop. • 17% serve 500,000-1,000,000 pop. 	<p>Dealers of all sizes are important to us at D+AS. We're trying our best to deliver good content to all of you.</p>	
<p>50% of door dealers serve areas with more than 500,000 people</p>	<ul style="list-style-type: none"> • 27% serve 100,000-500,000 pop. • 17% serve 500,000-1,000,000 pop. • 33% serve areas with more than 1 million people 	<p>When you read or hear business tips (particularly advertising tips) that don't seem to apply to you, market size could be one reason. Yet many tips apply to all dealers. Act on the tips that make sense to you.</p>	

Source: D+AS Garage Door & Advertising Survey 2015*

WHICH BUSINESS SEGMENT GENERATES MOST OF YOUR SALES?

	STATS	FACTS	TIPS
<p>31% of door dealers said the residential replacement market is tops</p>	<p>Survey respondents could select from six segments. Besides the two at left, here's the breakdown for the others:</p> <ul style="list-style-type: none"> • 14% of dealers said residential new construction • 18% said commercial new construction • 10% said commercial replacement • 10% said commercial service/repair 	<p>Diversification is a helpful business strategy. When one business segment is down, other segments can keep you going. If you focus on only one segment and that market goes sour, you're in trouble. It's smart to constantly stretch yourself to learn other business segments of our industry. The learning curve is not that great.</p>	
<p>17% of door dealers said the residential service/repair market is tops</p>			

Source: D+AS Garage Door & Advertising Survey 2015*

WHICH PRODUCTS ARE IMPORTANT TO YOUR BUSINESS?

	STATS	FACTS	TIPS
<p>71% of door dealers said rolling steel doors</p>	<p>Respondents could check any product in a long list of possible products. Residential garage doors and openers dominated (91%), followed by commercial sectional doors and operators (78%). Here are some other notable stats:</p>	<p>Here's another plug for diversifying your business and learning other product lines. Some products you don't carry may generate better margins than the products you have. Call a dealer or manufacturer who carries other products and ask about their advantages and disadvantages.</p>	
<p>44% said high performance doors</p>	<ul style="list-style-type: none"> • 60% said residential wood garage doors • 42% of dealers said dock equipment 		
<p>37% said gate operators</p>	<ul style="list-style-type: none"> • 28% said access control systems like card readers, etc. 		

Source: Door + Access Systems 2015 Readership Survey**

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HAVE YOU HAD THIS PROBLEM?

STATS	FACTS	TIPS		
 <p>70% of door dealers have a new residential repair competitor who is known for overcharging and making unnecessary repairs</p>	<p>The survey, conducted in both 2013 and 2015, asked if these incidents had occurred since 2005. The percentage of those angered by a competitor's online advertising increased from 52% in the 2013 survey to 63% in 2015. But those who reported a \$500+ injury dropped from 69% to 58%.</p>	<p>The problem of unethical dealers is not getting better. But don't fight fire with fire. Maintain honest practices and keep your customers happy. If competitors are overcharging, consider advertising your prices that compare favorably. If injuries are a concern, start a safety awareness program. Consider offering bonuses for reaching safety milestones, such as 100 days without a lost-time injury. Small bonuses can save big medical costs.</p>		
<p>63% have been angered by a competitor's online advertising</p>				
<p>58% have had an employee injured, costing more than \$500</p>				

Source: Door + Access Systems 2015 Readership Survey**

DO YOU HAVE MORE BBB COMPLAINTS THAN OTHER DEALERS?

STATS	FACTS	TIPS		
 <p>+120% The number of BBB complaints filed against garage door companies in the last five years</p>	<p>These numbers represent the total U.S. BBB complaints for the categories "Garage Door Repair" and "Garage Doors & Openers." In 2014, our total complaints were 839, and total inquiries were 361,215. Since the BBB database for these two categories has 8,229 garage door companies, the typical company attracts 0.1 BBB complaint per year. Since the typical door dealer has 17 employees, you should have 0.1 complaint for every 17 employees.</p>	<p>It's clear that a few dealers are attracting a disproportionate number of complaints. However, this has resulted in making the BBB a top site used by consumers to file complaints and to inquire about door dealers. This means: <i>Don't ignore your BBB complaints!</i> Respond to each one promptly and make a diligent effort to resolve each complaint.</p>		
<p>+414% The number of consumer inquiries into garage door company BBB reports in the last five years</p>				
<p>0.1 The typical number of BBB complaints filed against the average garage door company in 2014</p>				

Source: Better Business Bureau, 2014 U.S. Complaint Statistics

WHAT PORTION OF YOUR RESIDENTIAL SALES ARE CARRIAGE HOUSE DOORS?

STATS	FACTS	TIPS
 <p>19% The average response of door dealers in 2015</p>	<p>We defined a carriage house door as any sectional garage door, of any material, that appears to swing open via side hinges. We've conducted this survey every two years since 2007, when the average dealer's sales were 11% carriage doors. The percentage gradually increased but has now stalled at 19%, which is where it was in 2013.</p>	<p>The growth of carriage house doors may have plateaued at 19%, but it has earned a solid position in the average dealer's product line. Selling upscale doors is good for your customers, good for the industry, good for your sales skills, and good for your bottom line.</p>
<p>24% The average response of those who spend at least 10% of sales on advertising</p>		

Source: D+AS Garage Door & Advertising Survey 2015*

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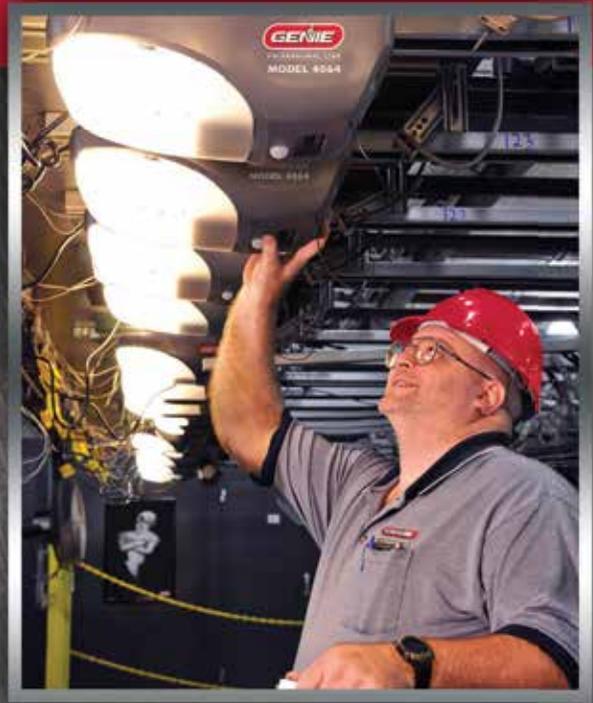


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WHO IS THE "TYPICAL" DOOR DEALER?



STATS	FACTS	TIPS
87% of dealers are male	These statistics come from our readership surveys conducted every other year since 2001. The typical dealer is male, age 54 (up from 51 in 2009), has 2.3 years of college (up from 2.0 in 2009), and has 17.5 employees (up from 16.3 in 2009).	If the typical 54-year-old dealer gained his 2.3 years of college in the 1980s, he may not be very Web savvy. This can be a serious liability, since Web marketing skills are now extremely valuable. If Web marketing is a struggle, get help now. Hire a Web-savvy salesperson who can take on marketing tasks one day a week. Or hire a local Web marketing expert to help you on a piecemeal basis.
60% of dealers are 50 to 69 years old		
35% of dealers have a bachelor's or master's degree		
18% of dealers have a high school diploma or less		
29% of dealers have 1-5 employees		
19% of dealers have more than 30 employees		

Source: Door + Access Systems 2015 Readership Survey***

YOUR TECHNICIANS: ARE THEY EMPLOYEES OR SUBCONTRACTORS?



STATS	FACTS	TIPS
4% of dealers said all their techs are independent subcontractors	We asked this new question in 2015, sensing a growing trend toward dealers hiring independent contractors as technicians. When independent contractors are paid solely by commission, you create a fertile ground for overcharging, performing unnecessary repairs, and enraging customers.	The IRS is cracking down on the use of independent contractors (see story on p. 44). If you pay techs solely by commission, you need to monitor their invoices to make sure they are not abusing customers and fattening their own wallets.
78% of dealers said all their techs are employees		
18% of dealers said their techs are a mixture of subcontractors and employees		

Source: Door + Access Systems 2015 Readership Survey**

ARE YOUR RESIDENTIAL SALES REBOUNDED SINCE THE RECESSION?



STATS	FACTS	TIPS
-63% The number of new one-family homes built in 2014 compared to 2006	The housing industry is gradually improving, but still lags well behind the boom years of 2005-2007. However, 3-car garages have bounced back and hit an all-time high in 2014. The Midwest leads all regions, as 42% of new homes now have 3-car garages (West = 33%, South = 14%, and Northeast = 10%).	In general, garage door dealers throughout the country should see some growth in residential sales in 2016. To capitalize on the growth of 3-car garages, consider offering a package deal discount to homeowners buying three garage doors or more. The package could include new openers and keyless entry pads. This package could make you look much better than your competitor.
+19% The number of new one-family homes built in 2014 compared to 2009		
23% The percentage of all new one-family houses that were built in 2014 with a three-car-or-more garage		

Source: U.S. Census, Annual 2014 Characteristics of New Housing
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WHAT WERE THE TOP TWO D+AS STORIES IN 2014 AND 2015?

	STATS	FACTS	TIPS
<p>#1 in clicks</p> <p>“Two Multi-Million-Dollar Lawsuits in One Day” set a new record for clicks via the D+AS Insider</p>	<p>Our survey provided the titles of our cover stories for all of our issues in 2014 and 2015. The GDS story (fall 2015) clearly dominated, followed by the lawsuit story. Yet the lawsuit story attracted 58,015 clicks, the highest in our history, followed by “How Honest are Garage Door Repairmen?” (16,984 clicks) and the GDS story (6,617 clicks).</p>	<p>The results confirm that stories about “door companies getting in trouble” continue to attract the greatest amount of interest. They give powerful lessons to all dealers about what not to do and how to avoid gaining a bad reputation in your community.</p>	
<p>#1 in votes</p> <p>“GDS: The Worst Garage Door Company in the Nation”</p>			

Source: Door + Access Systems 2015 Readership Survey**

WHICH INDUSTRY MAGAZINE IS THE MOST READ?

	STATS	FACTS	TIPS
<p>75%</p> <p>The average dealer reads 75% of each issue of Door + Access Systems</p>	<p>D+AS has led this race since 2007, but its 11-point lead in 2015 is the highest ever.</p>	<p>Our magazine has a news focus, while the IDA magazine is focused on features. Both magazines are well read, and both contain valuable information to help you prosper. Since both are free to dealers, you would be wise to gain as much guidance as possible from each one.</p>	
<p>64%</p> <p>The average dealer reads 64% of each issue of International Door & Operator Industry</p>			

Source: Door + Access Systems 2015 Readership Survey**

WHAT DO YOU THINK OF OUR MAGAZINE?

In an optional question at the end of our readership survey, we asked readers, “In general, what do you think of our magazine?” We received 115 comments, including a few helpful negative ones. Here are 10 notable remarks.

<p>Your magazine is the best in our industry, with the most relevant articles and topics. (Minnesota door dealer)</p>
<p>I'm delighted with your industry expertise. You're an oracle for me here in Europe. I dream of such a magazine for the European door market. (Manufacturer executive, Poland)</p>
<p>D+AS provides me with very useful, sometimes vital information. (Nebraska door dealer)</p>
<p>This magazine has evolved into a professional and broad-spectrum offering that capsulizes our industry based on well detailed and documented vital information. (former CEO for a manufacturer)</p>
<p>I like having it available to our staff. It shows our staff that our industry is engaged and we care about it. (Minnesota door dealer)</p>
<p>D+AS is the best magazine in the industry in my opinion. All of the content is well-researched and relevant/timely. (Industry supplier)</p>
<p>I like it! It is relevant, on point, interesting to read and is not afraid to tackle the hard topics. It is a good place to look for new ideas and products. (California door dealer)</p>
<p>I love the magazine and have gotten irritated when I have not been renewed. (Manufacturer marketing professional)</p>
<p>Your major concern is the industry. The pieces are more relevant to my well-being as a business owner. (New Mexico door dealer)</p>
<p>On a scale of 1 to 10, I rate it at 9.5. (Manufacturer marketing professional)</p>

Source: Door + Access Systems 2015 Readership Survey**

* The D+AS Garage Door & Advertising Survey was conducted online from July 27 to Aug. 10, 2015. Invitations to participate were sent to 2,218 garage door dealers throughout the United States and Canada, and 261 surveys were completed.

** The Door + Access Systems 2015 Readership Survey was conducted from Oct. 17-31, 2015. Invitations to participate were sent to 2,272 garage door professionals throughout the United States and Canada, and 345 surveys were completed.