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Press Release

Housing Collapse and Recession Thins Ranks of Carpet Cleaners

Tampa FL, November 1, 2011: Marketdata Enterprises, Inc., a leading independent market research publisher of “off-the-shelf” studies about service industries since 1979, has released a new 164-page report entitled: The U.S. Carpet Cleaning Industry. This is the 5th edition independent market study about this \$3.8 billion, fragmented and little-researched business. The study provides actual and estimated/forecasted national receipts from 1986-2015, operating expenses, ratios and characteristics of carpet cleaners, factors affecting demand, major issues, and more. Lots of untapped market potential exists, since only 20% of households actually pay a professional service to clean their carpets—the other 80% either don’t clean them at all, or do it themselves.

According to Research Director, John LaRosa: “The nation’s 40,000+ carpet cleaning companies comprise a fragmented \$3.8 billion industry. The business is seasonal and is affected by downturns in the economy. Most of the business comes from residential accounts, which have been most affected by the last recession and less frequent cleaning by homeowners.”

Major Findings:

- **Sales...** Marketdata estimates that industry receipts grew only 1.5% in 2010. Sales are expected to drop 3% in 2011. To 2015, we expect 3.2% yearly gains to \$4.4 billion. With negative industry growth from 2007 to 2010, due to the deep recession, Marketdata now estimates that the average service grosses \$343,500. Receipts fell by 7% in 2009—the sharpest drop in 20 years.
- **Alternative Floor Coverings...** Carpeting’s share of the total floor covering market has fallen from 69.5% to 47% since the year 2000. Consumers continue to shift to more tile and hardwood surfaces.

- **Franchising**... The top 10 franchises operate 10,652 U.S. units, up from 8,602 in 2005. Total start-up costs average \$102,000 and royalty rates equal about 6.3% of net sales.
- **Competition**.... ServiceMaster Clean, Chem-Dry, and Vanguard Cleaning have 3,043, 2,198, and 1,734 domestic franchises, respectively. Chem-Dry had a significant drop in the number of units since 2007. The largest companies, by system-wide revenues, are: Stanley Steemer Intl. (\$396 million), Chem-Dry (\$392 million in 2010), and ServiceMaster Clean (\$129 million).
- **Operating Ratios**... Marketdata estimates that the “typical” carpet cleaning service grosses \$343,000/year, and has just 5 employees. 33.4% of sales went for payroll expenses.
- More small, independent carpet cleaners may be failing since they serve the low end of the market where consumers are more price conscious.
- **Demand Factors**... Carpet cleaners have diversified into hard surface cleaning, duct cleaning, carpet installation and repair, disaster restoration/insurance work. This has helped them survive, but it’s difficult to overcome a major decline to just 554,000 new housing starts in 2009.

According to John LaRosa: “As consumers continue to shift away from carpet to more “hard” floor coverings (ceramic tile, stone, laminates, hardwood, vinyl, etc.), carpet cleaners are adjusting by cleaning these materials as well. They’re also getting into air duct cleaning, tile and grout cleaning and disaster restoration work. Disaster restoration business is the lone bright spot. It’s profitable and there has been no shortage of fires, floods and tornadoes in the U.S. the past few years.”

Editor’s Note:

John LaRosa is available for interviews: 813-931-3900. [The U.S. Carpet Cleaning Industry \(5th Edition\)](#) is a 164-page market study that costs \$1,695 (also sold by chapters). Table of contents available--Contact: Marketdata Enterprises, Tampa, FL (Phone: 813-907-9090, FAX: 813-907-3606, Email: marketdataent@yahoo.com). The study is also sold via commercial online databases: Dialog (Profound), Marketresearch.com, Mindbranch.com.

A condensed 26 pp. Executive Overview of the report is available to the general public for only \$79, by regular mail, fax or email.

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