



## **Market Segmentation & Competitive Analysis**

**Handy People**  
Because Time is Money

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## Market Need

Over the past two years, home improvement has been on the rise and continues to be a booming industry, both for consumers and new job growth. According to the Home Improvement Research Institute (HIRI), which began tracking home improvement product sales in 1984, "total home improvement product sales reached a record \$271 billion in 2004, a 12.6 percent increase over 2003 sales" and "raised its estimate for home improvement product purchasing in 2005 to \$287 billion, from a prior estimate of \$281 billion" (Home Channel News Newsfax, Vol. 16, No. 26; Pg. 2). This statistic is corroborated by the National Association of the Remodeling Industry (NARI), who found that in 2003, "Americans spent 214 billion dollars on home improvement products and services" and had "projected revenues of \$224 billion in 2004."<sup>1</sup> No doubt, this rise in product sales affects both consumers and contractors alike. It shows that the market for home improvement is strong, and thus promising for new entrants like Handy People.

While many consumers would like to join the DIY (do-it-yourself) movement and handle their home upgrades and repairs themselves, many people find themselves short on time and expertise to complete those jobs to their liking. Margeau Gilbert of Coldwell Banker Residential Brokerage in Laurel, Maryland told The Washington Times, "I can't tell you the number of clients I've had who have started a DIY project and promised to finish it by the time their home is sold. It rarely happens."<sup>2</sup> The article also features a business called "Mr. Handyman" that "has received calls from homeowners who started projects but didn't have the time or skills to finish them."

Handy People will offer a single location where customers can see the available contractors in their area, review the contractor's areas of expertise and read reviews from customers who have already used their services. Quotes and scheduling can be handled online to ensure projects are completed in an efficient manner and to streamline the communication process.

Additionally, independent contractors will experience the benefits of having their services marketed to a broader audience, build a collection of online references from satisfied customers and be able to control their work schedules using tools provided via the Handy People website.

## Revenue Potential

Handy People's potential to generate revenue is based on the combination of several factors. These factors include housing within the suggested geographic boundaries of the market, the demographics of the suggested target customer and their ability to use our service (e.g. they must have access to Internet service). This section details the relationship

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<sup>1</sup> Franchise Prospector: November-6-2005.

<<http://www.franchiseprospector.com/franchising-trends/franchise-article-041.php>>.

<sup>2</sup> Chappell, Carisa. "Sometimes pro's best for fix-up projects." *The Washington Times* 7-October, 2005: Home Guide <[http://www.washingtontimes.com/fhg/20051006-091703-6233r\\_page2.htm](http://www.washingtontimes.com/fhg/20051006-091703-6233r_page2.htm)>

between these factors and provides the necessary information needed to determine the actual potential to generate revenue.

**Factor 1: Housing**

Our primary target market includes homeowners who are 30-50 years of age and our secondary target market includes homeowners who are 60+. More specifically, our key target markets are the women who own their own homes or are the primary decision-maker for the household. We’ve researched housing information from both the U.S. Department of Housing and Urban Development and the U.S. Census Bureau for King, Island and Snohomish counties. From this research, we’ve discovered that there are approximately 991,800 living units that are either owned or rented by individuals.<sup>3</sup> **A living unit, for the purposes of this document, includes attached and detached homes, manufactured homes, apartments (with fewer than 20 units), cooperatives and condominiums.** Of these living units, 812,500 were designated as single-family dwellings.<sup>4</sup>

The geographic segmentation of this total is broken into three neighboring counties – King, Island and Snohomish. The following table summarizes the totals:

<b>Geographic Areas</b>	<b>Total</b>	<b>Owner</b>	<b>Renter</b>
Island County	31,800	23,800	8,000
King County	701,300	454,000	247,3000
Snohomish County	258,700	183,300	75,400

Table 1<sup>5</sup>

Taking the detail one step further, we found that our total market is also dependent on both the age of the living units and the current condition of the exterior and interior of the buildings. We found that the median date for the construction of homes in the greater Seattle area is 1977. We also found that thousands of homes in this area need minor and major repair work. The following three tables detail the dates in which construction took place (in terms of gross numbers per year) and the statistical details regarding the total number of units that have exterior and/or interior conditions that require repair.

<sup>3</sup> United States. U.S. Census Bureau  
American Housing Survey for the Seattle - Everett Metropolitan Area: 2004.  
Washington D.C.: United States Government. 2005 (page 1)

<sup>4</sup> United States. U.S. Census Bureau  
American Housing Survey for the Seattle - Everett Metropolitan Area: 2004.  
Washington D.C.: United States Government. 2005 (page 1)

<sup>5</sup> United States. U.S. Census Bureau  
American Housing Survey for the Seattle - Everett Metropolitan Area: 2004.  
Washington D.C.: United States Government. 2005 (page 11)

<b>Year structure was built</b>	<b>Total</b>	<b>Owner</b>	<b>Renter</b>
2000 to 2004	81,700	55,600	26,100
1995 to 1999	75,700	48,300	27,400
1990 to 1994	80,400	57,700	22,700
1985 to 1989	112,200	67,900	44,300
1980 to 1984	81,200	53,900	27,300
1975 to 1979	98,800	70,500	28,300
1970 to 1974	71,600	41,200	30,400
1960 to 1969	130,800	84,800	46,000
1950 to 1959	81,300	61,900	19,400
1940 to 1949	60,700	43,500	17,200
1930 to 1939	26,000	17,100	8,900
1920 to 1929	44,600	26,700	17,900
1919 and earlier	46,900	32,000	14,900
<b>Median</b>	<b>1977</b>	<b>1977</b>	<b>1977</b>

Table 2<sup>6</sup>

<b>External building conditions</b>			<b>Occupied</b>		
	<b>Total</b>	<b>Seasonal</b>	<b>Total</b>	<b>Owner</b>	<b>Renter</b>
Sagging roof	27,100	200	24,200	17,700	6,400
Missing roofing material	38,100	1,100	34,000	24,900	9,100
Hole in roof	16,000	700	14,000	5,700	5,400
Missing bricks, siding, other	32,700	200	30,200	17,400	12,800
Sloping outside walls	16,800	500	14,200	9,100	5,100
Boarded up windows	11,100	200	9,000	4,600	4,300
Broken windows	52,000	700	47,800	33,800	14,100
Bars on windows	32,800		29,500	15,300	14,200
Foundation crumbling	23,200	200	22,500	13,900	8,600
None of the above	860,900	3,100	796,500	544,900	251,600
Not reported	22,200		20,100	13,000	7,100

Table 3<sup>7</sup> – This table does not include vacant living units or land

<sup>6</sup> United States. U.S. Census Bureau  
American Housing Survey for the Seattle - Everett Metropolitan Area: 2004.  
Washington D.C.: United States Government. 2005 (page 11)

<sup>7</sup> United States. U.S. Census Bureau  
American Housing Survey for the Seattle - Everett Metropolitan Area: 2004.  
Washington D.C.: United States Government. 2005 (page 3)

Internal building conditions	Total	Seasonal	Occupied		
			Total	Owner	Renter
Holes in floors	7,100		6,200	3,300	2,900
Open cracks or holes (interior)	58,500	200	55,100	34,200	20,900
Broken plaster or peeling paint (interior)	16,200	400	14,900	8,700	6,200
No electrical wiring	200		200		200
Exposed wiring	3,900		3,700	2,400	
Rooms without electric outlets	18,400	700	16,800	6,900	1,300
Lack of complete kitchen facilities	35,000	700	24,600	4,300	9,900
Unit without disposal in kitchen sink	357,200	3,500	326,500	199,500	127,000

Table 4<sup>8</sup> – This table does not include vacant living units or land

These tables present the current condition of the homes in the greater Seattle area. As one can see, the median age for home construction is 1977. From this we can assume many homes may need some minor repairs. This assumption is supported by the additional data displayed in tables 3 and 4 that show the actual number of living units needing both minor and major repairs. The data even shows there are over 350,000 homes that do not currently have a disposal in the kitchen sink – the installation of one is a service that Handy People can easily provide.

### **Factor 2: Target Market Demographics**

This section of the document details the number of specific target customers in the greater Seattle area. As noted in our original proposal, our key target customers consist of females ranging from 30 – 50 and a second group of people 60 years in age and higher. According to data gathered from the 2004 U.S. Census annual estimates of population, there are approximately 324,700 living units either owned by women or owned by a married couple in the greater Seattle area.<sup>9</sup> For the second group (over 60), the same Census report estimates that there are roughly 94,900 people of both genders over age 60 that own living units in the greater Seattle area.<sup>10</sup> This data marks our general demographic population at 419,600. Moreover, this number translates to roughly 42.3% of the total number of living units for the greater Seattle area.

### **Factor 3: Internet Usage**

<sup>8</sup> United States. U.S. Census Bureau  
American Housing Survey for the Seattle - Everett Metropolitan Area: 2004.  
Washington D.C.: United States Government. 2005 (page 5)

<sup>9</sup> United States. U.S. Census Bureau  
American Housing Survey for the Seattle - Everett Metropolitan Area: 2004.  
Washington D.C.: United States Government. 2005 (page 25)

<sup>10</sup> United States. U.S. Census Bureau  
American Housing Survey for the Seattle - Everett Metropolitan Area: 2004.  
Washington D.C.: United States Government. 2005 (page 25)

As far as we've researched, there are no solid statistics that calculate the total number of living units, which have a specific ownership demographic, that also cross-reference access to the Internet. For this section, we'll do a rough sample, taking the demographic population detailed in Factor 2 above and cross-referencing that number with the percentage of households that have Internet access. The 2004 City of Seattle Information Technology Residential Survey shows that roughly 76% of the homes in Seattle have Internet access.<sup>11</sup> If we multiply this percentage with the demographic population of 324,700 (the number females age 30-60 above in our key target demographic), we arrive at a figure of 246,774.

We expect that our target customer base will request a number of different tasks from our Handy workers. The data presented in this section presents the potential for work – which translates into potential for revenue. By examining the number of households, the number of homes that need repair, the number of possible people in our demographic and the number of those people who have access to the Internet, we estimate that our market consists of roughly 325,000 people. This figure is increased if we find that we're acquiring customers outside our planned demographic (e.g. male home owners under the age of 60).

Note that all marketing efforts, while targeting women 30-60, will make an effort not to alienate any users in the Seattle area.

## **Market Segment**

Handy People will serve the market as a broker of home improvement and contractor services. It more specifically segments the market by offering exclusively online services and focusing on the completion of basic, contained tasks rather than far reaching home improvement projects requiring significant effort for labor quotes, follow up and number of people required for efficient execution.

While this category as defined above currently exists, the competitive analysis outlined in the following section will demonstrate how Handy People's advanced site offerings will address unmet needs in the existing market. By offering search, scheduling, estimates, and ratings in an easy to use interface, Handy People will provide a complete service for both markets we intend serve. Also, by extending marketing efforts beyond the Internet, Handy People can gain mindshare with consumers who may not have previously considered hiring someone to handle basic home repairs.

## **Target customers**

Handy People will be serving two markets, consumers and contractors. It will be equally important to convince contractors of the benefits of offering their services through Handy

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<sup>11</sup> City of Seattle. Seattle Community Technology Program  
City of Seattle 2004 Information Technology Residential Survey Final Report.  
Seattle, WA: City of Seattle. 2004

People as it will be to compel consumers to choose Handy People for their home improvement needs.

Handy People is targeting primarily younger homeowners. The Harvard University's Joint Center for Housing Studies (JCHS) recently published a study where they found that "from 1995 to 2003, the number of Generation Xers owning homes tripled to 12.4 million, and their total home improvement expenditures jumped more than fivefold to \$28 billion."<sup>12</sup>

Within the market of younger homeowners, we will primarily target women, 30-50 years old. Business Week Online found that "after married couples, single women are the largest group of home buyers in the U.S., responsible for 21% of transactions, according to the National Association of Realtors. By 2010, the number of women-headed households is expected to rise to nearly 31 million, representing about 28% of the U.S. total, according to a 2003 Fannie Mae study."<sup>13</sup> The assumption is that women serve as primary decision makers regarding home improvements and upgrades whether they live in a shared household or on their own. This assumption will be tested through the use of a homeowner survey to be conducted within selected neighborhoods in the Seattle area. Also, the income required to be a home owner suggests this target consists of working professionals, who views time as a precious commodity. They use the Internet to research purchases and save time on comparison-shopping.

A secondary consumer target consists of homeowners in the 60+ age range who find home improvement projects unnecessarily taxing on time and physical capabilities. They are established in their living situations and are comfortable enough with regards to income to hire out various services. This consumer group has a lower percentage of Internet users than the primary target, however Washington and Oregon have the highest percentage in the country, 5%, of seniors (55 and older) who use the Internet regularly. Nineteen percent of Internet users in the Pacific Northwest are older than 55, including 5% who are over 65 years old<sup>14</sup>. In addition to Internet savvy seniors who seek out online services themselves, this is also a good market to be reached through referral and gift certificate programs via the primary target. For example, women from the target demographic may wish to give an hour or two of help to elderly relatives and friends.

Contractors are a key element to the success of Handy People and are the other primary target for marketing messages. The contractors who will want to provide their services through the Handy People site are entrepreneurial, independent contractors who love their work, but do not enjoy the marketing and promotion necessary to attract new customers. Since Handy People is an online resource, it is necessary for contractors to be able to access the website in the first place. In a recent survey conducted by Qualified Remodeler, it was found that "Cell phones and desktop computers are no longer optional equipment: 85 percent of the 1,200 respondents report using both to manage their businesses. About 43

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<sup>12</sup> HGTV ProZone: November -6-2005.

<[http://www.hgtvpro.com/hpro/do\\_management/article/0.2620.HPRO\\_20161\\_3685385.00.html](http://www.hgtvpro.com/hpro/do_management/article/0.2620.HPRO_20161_3685385.00.html)>.

<sup>13</sup> Tsao, Amy. "Retooling Home Improvement." *BusinessWeek Online*, February-14-2005:

<[http://www.businessweek.com/bwdaily/dnflash/feb2005/nf20050214\\_3207\\_db\\_082.htm](http://www.businessweek.com/bwdaily/dnflash/feb2005/nf20050214_3207_db_082.htm)>.

<sup>14</sup> Spooner, Tom. "Internet Use by Region in the United States." *Pew Internet & American Life*. August 27, 2003. (page 91)

percent say they use laptop computers.<sup>15</sup> This suggests contractors are likely to be comfortable using a computer for work and will see the advantages Handy People can offer them in accessing customers even if they are not sure how best to leverage advantages of the internet on their own.

### **Personas**



**Stephanie Briggs** is a 32-year-old woman. She works as a purchasing agent for a prominent software development company, and her daily commute lasts 45 minutes to an hour depending on the traffic over the 520 bridge. She lives with her husband, Jason, who is a developer. He takes the bus to work on days he doesn't bike. They both use computers and the Internet extensively in their work and personal lives, and handle much of their shopping and all of their finances online. They would like to start a family in the next couple years, so they have been planning upgrades to their two-bedroom condo in Belltown with the purpose of either making room for a baby or selling to move to a larger space. They would like to do the work themselves, but every weekend they set aside for working on the house, the to-do list seems to get longer.

#### *To-do List:*

- Install door stopper and repair wall behind guestroom door from where the door knob has been banging into the wall for years
- Re-hang master bedroom door so it closes properly
- Fix linoleum coming up in corner of bathroom
- Install new light fixtures in entry, kitchen and dining area (fixtures already purchased two months ago)
- Replace floor molding near patio door (6 inches)
- Figure out why the dishwasher smells funny
- Install Levolor blinds in bedroom

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<sup>15</sup> Qualified Remodeler: November-6-2005.  
<<http://www.qualifiedremodeler.com/FEATURES-REMODELING-BUSINESS/2004/08/Business-Trends.asp>>.



**Martha Moore** is a 72 year old retired high school teacher who taught History and English Literature. Her husband Gene passed away four years ago and she still lives in the house they shared for 30 years in Greenwood. Martha still gets around on her own for some errands and church, but she's trying to drive less often these days, especially in bad weather. Her son, Tom, lives in Cle Elum with his wife and three girls.

They come into town to help out around the house when they can, but she prefers to just enjoy their company when they make the time to visit. She does have a computer she uses to keep in touch with her two daughters who live on the east coast, her brother in Houston, TX, and a small handful of her past students. Her house, built in 1923, has been showing its age in the last couple years since her husband has not been around to keep up with it. The to-do list she keeps for John gets longer each visit. In addition to her retirement income, she receives some income from her husband's pension from the City of Seattle where he worked all his life. She would like to stay in her home, but it is getting increasingly difficult to keep up with maintaining it.

*To-do List:*

- Caulk all the windows
- Fix leaking sprinkler in the front yard
- Secure handrail on basement stairs
- Hang several framed family photos
- Repair water damage in the kitchen ceiling and wall
- Install handrail in shower
- Split and extend cable into the bedroom television



**Ryan Wood**, 29, is a handy man who moved to Seattle when his girlfriend Katrina's job required she relocate to the corporate offices six months ago. He has worked for his uncle as a contractor for over ten years around the Entiat, WA, area because construction work provided a variety of job options and flexibility in his schedule. He prefers to take most of October and some of November off for hunting season and several extended fishing trips throughout the year. He has been doing odd jobs for their landlord and found some postings on Craigslist, but he

would like more steady work options he can do independently and still enjoy his hobbies. He used to only use Katrina's computer for entertainment and the occasional email, but he has recently been using it to look for odd jobs.

*Areas of expertise:*

- Elementary electrical and plumbing
- Basic carpentry
- Landscaping
- Carpet and tile installation
- Exterior painting

## Competitive Analysis

### ***Online-only competitors:***

In current handyman service market in Seattle, the direct competitors in terms of online referral service fall into three categories: The online classified model, the portal model, and the all-in-one model. Handy People largely falls into the third category but also offers many features these direct competitors lack. Depending on how the category is defined, Handy People is creating a new category with unique proposition for consumers (both users of the service and contractors).

The first business model is the online classified or “Yellow Pages” model. This type of online referral service provides a cheap platform that both handymen and customers can use to find each other.

One prime example of this type of business is Natural Handyman ([http://www.naturalhandyman.com/network/network\\_home.html](http://www.naturalhandyman.com/network/network_home.html)). Natural Handyman was designed to provide small contractors, tradesmen, and craftsmen with a more dominant, wide-reaching web presence in order to compete effectively with bigger-scale contractor sites. It provides a simple and convenient online listing service that allows customers to search for contractors by zip code or location. The purpose of this site is to attract a lot of handymen listings and encourage users to come to one place to search. Another competitor site in this model is Craigslist (<http://seattle.craigslist.org/sks/>). This much-beloved listing site offers a regional, interactive bulletin platform for customers and handymen.

The value proposition of this type of handyman site is based on ease of use, low cost for both participants (customers and contractors) and convenience. These sites increase handymen or contractors’ marketing exposure with minimal costs and very minor technical know-how. The main customers of this service are the home owners who want handymen to do small, specific tasks like painting or lawn and garden service. Using this free service, customers can find the good deals or lower rates for doing home repairs. Also, these sites are highly trafficked and may produce a large number of jobs for the contractors/workers. However, there is no quality guarantee and the project budget must be estimated by customers themselves and the contractor must take the time to follow up on the booking, get the correct consumer info, estimate the job time and cost, etc. This business model provides no assistance to either party beyond the simple listing.

The second model seen frequently online is the portal model. Since home repair or improvement tasks fall under many detailed categories, it is difficult for one provider to cover all tasks. Therefore, portal-type handyman sites adopt strategic alliances to combine forces and provide multiple services to consumers in one handy site. For example, the Service Master site (<http://www.servicemaster.com>) is made up of four different housing repair or improvement companies, including a housekeeping service, a landscaping/lawn care specialist, a pest control company, and general home improvement site. Home owners can go to one place to get help with any of these problems. Moreover, Service Master is also like a searchable guide book with rich information about how to complete home repairs, such as tips about interior and exterior maintenance. And, like another competitor in this category, Handyman.com (<http://www.handyman.com>), it even provides information about remodeling loans and online shopping at building supply stores.

The value proposition of portal-type handyman sites is to fulfill the needs of home owners with a one-stop solution but with minimal website investment and maintenance. They attempt to cover the major home improvement or repairs service, from hiring the contractors, remodeling loan, even DIY tips. However, the most common problem of this kind of site is the inconsistent interface when users enter the different landing sites of the separate companies. Also, while it's not spelled out clearly to consumers, at least for Service Master, these companies are all owned by one major company so there's no real market competition on this site. The only service it offers is a one-stop-shop. Targeted users for these types of portal sites are home owners who have a fairly firm idea of what they would like to accomplish in advance and don't want to have to go to several different websites to get that done.

The third model is the all-in-one handyman site, the model Handy People is attempting to improve upon. This type of web site usually provides several basic online functions, including matching contractors to jobs, planning and budgeting tools for projects, and making online appointments. The various handyman sites are differentiated by serving regions (national or local areas), online functions and target project size (small tasks or big projects). The representative web sites include Service Magic (<http://www.servicemagic.com/>), Mr. Handyman of Puget Sound (<http://www.mrhandymanwa.com/>), and House Doctors Handyman Service in Seattle (<http://www.housedoctors.com/dent.html>).

Service Magic is the strongest competitor of the three covered. They have created detailed categories of service tasks which fulfill different needs of home owners. Its service area covers the whole U.S. The value proposition of this site is quality control – they provide a clear and simple interface for getting matched to *prescreened* home improvement contractors. Every contractor listed on their site has met the Service Magic criteria for excellence. With that worry out of the way, the website then makes it simple for customers to request a contractor for the job they need. For example, to help the user avoid filling in complicated estimate and service request forms, they simplify the navigation process by asking the customer to refine their request first by category, then by task. The customer request is then sent to the contractors in their area that can complete the work. However, Service Magic does not provide real-time project information, such as budget calculation, reviews of specific contractors or online real-time booking information. Customers cannot judge contractors' quality for themselves or always choose the contractors they prefer. Therefore, there is no reason for the customer to come back if they like the work of the first contractor and there is a lot of incentive for contractors to encourage those customers to book directly with them.

The next primary competitor is Mr. Handyman of Puget Sound which focuses their business in the Seattle area. Small jobs are their specialty. However, their web presence is primarily used to increase branding and customer awareness. It's not intended to be a strong e-commerce mechanism. Clean web site design provides users with information about the company's strengths, such as a work guarantee, fixed time service appointments, and experienced contractors. Customer testimonials about their work are also included. However, the web site doesn't provide many tools to help the consumer complete their service goals. The only online tool offered is the ability to request an appointment by submitting an online form which the staff will then confirm by telephone. These two

simple functions don't take advantage of the interactive nature of the internet. Were it not for the presence of the online appointment request form, this company would fall into the offline competitor category.

The final online, primary competitor is House Doctors Handyman Service in Seattle, whose service is very similar to Mr. Handyman. House Doctors Handyman Service is a national handyman association which has individual contractor franchises across the U.S. This handyman business includes big projects such as home remodeling but also covers minor maintenance and home repair. It operates by telephone call appointments. Like Mr. Handyman, the web site is mainly used for marketing and branding functions. The web site is more comprehensive than Mr. Handyman – in addition to customer testimony it also includes good articles and tips about home maintenance. The Seattle-area contractors working through this site who serve Snohomish and King Counties are direct competitors of our business, however, they are also potential customers. The House Doctors service actually provides each contractor with their own mini-site. The mini-sites are all remarkably similar and it's not clear what the contractor can change about their page but they definitely give the contractor a sense of ownership in the business. On the other hand, except for basic information about the services that contractor can provide, and some marketing efforts, the mini websites only provide a free e-mail estimate function online, everything else is done offline, including making appointments. The marketing effort focuses around coupons the online customer can use against future jobs, saving up to \$50 on a \$500 job.

Comparing all-in-one sites, most of these local handyman sites are used for pulling the contractors together in one place to reach the highest amount of consumers. Only one actually hires their workers, the rest appear to be independent contractors. They attempt to build credible, trustworthy, one-stop-shopping sites for customers looking to make repairs or upgrades to their home. Most of the online functions are limited to making the requests or appointments by email and providing an online estimate. They don't take advantage of the strengths of the online medium including real time data about job availability or even customer segmentation. Only Service Magic uses filtering function to fulfill online customer needs, the rest expect the user to fill out a form or email.

### ***Primary offline competitors***

Offline competitors fall into three camps: Large chain home-improvement stores with a crew that works for them doing renovations, the workers we employ, and relatives and friends evangelizing do-it-yourself (DIY) or offering to do the work themselves.

In the first group of competitors for the Pacific Northwest fall the two DIY giants, Lowe's and Home Depot. Lowe's offers many of the same services Handy People will be offering and offers them in the context of a retail setting. This gives them the advantage of a massive warehouse of supplies and a steady supply of customers already coming in the door. However, their service is primarily offered at the store level and cannot be booked online. Also, they do not share customer feedback with other customers, they keep it for their own internal use for quality control. Home Depot offers a similar spectrum of services but also includes marketing to attract contractors on their site, targeting independent or small company contractors to do work for Home Depot in addition to their regular work.

It may be worth researching if Handy People can provide some work (without our commission) to Home Depot in order to start driving bookings and showing value to our workers. Beyond the marketing to contractors, Home Depot has the same advantages and disadvantages as Lowe's in that they are primarily an offline business and don't offer online booking of services.

In the second category, workers themselves may be a major competitor to Handy People, especially if Handy People shows them no value beyond being a source of bookings. It would be easy for workers to hand their personal business cards to any new customers they get via Handy People and recommend those customers book direct next time. Handy People will need to work hard to convince the workers that they bring more to the table than simply a cute website for attracting initial bookings. They bring business knowledge, best-in-class technology solutions, and marketing beyond what the individual contractor is able to afford working alone.

The third category, friends and family, is a tricky one. This is primarily the DIY enthusiast or more experienced home owner who advises and helps the new home owner on various tasks and renovations. They aren't exactly a direct competitor, but they could steal bookings away simply by showing the customer how easy it is to do the job themselves or actually stepping in and doing the job for them. We plan to target this situation with a specific ad campaign directed at new property owners with the message "Let Grandpa enjoy his retirement". The graphics will be two pictures, the first of Grandpa looking tired, installing a light fixture, looking at the various wires in irritated confusion, the second of Grandpa on a cruise with Grandma.

### ***Competitive Positioning***

Handy People will be positioned as the only all-online company in the Seattle area to offer all services, from scheduling to billing, to providing estimates and feedback in one easy-to-use package. No other company offers this level of service both to workers and to customers. Workers get the advantage of putting their hours online and watching them fill up with eager customers without the cost of advertising or the knowledge of how to build an effective e-commerce site. Customers have the advantage of doing all of their business online, from estimating how long a job will take and cost, to booking the contractor they prefer for the job based on other customers' feedback, hours and area availability, etc. Rather than having to call or submit a request to get an estimate for a job, they simply use the online calculator to estimate the hours needed and generate a supply list. If they don't have time to shop, they can email the list to Handy People who will pull the supplies together for them for a nominal fee. Handy People is the only all-in-one online place to go to solve all your minor home repair problems with no fuss, no muss. Because time really is money, especially when it's *your* time.