

Remodeling

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The *New* Consumer

NINA PATEL SENIOR EDITOR

Remodelers are finding more educated customers who have across-the-board demands. These new consumers want great design. They want to know the pros, cons, and pricing of all their product choices. They want a true custom remodeling job that reflects their lifestyle. And they want a professional remodeler they can trust to meet all those demands.

The driving force behind the changes seems to be the multimedia education homeowners receive from television, cable, shelter magazines, retail stores, and the Internet. The new consumer is slightly younger, more tuned in to design, and more likely to research product resources. Contractors need to adjust their selections process and keep up with design and living trends.

"The level of sophistication of clients has absolutely changed," says Steve Kirstein, a principal at BOWA Builders, McLean, Va. "There are no easy projects anymore. Everyone wants gorgeous stuff and a jaw-dropping project."

Jeff Clark of Metropolitan Design & Building, St. Louis, estimates that the number of shelter publications has quadrupled

since the mid-1980s.

In the past few years, homeowners have been exposed to home-based stores such as The Home Depot's Expo Design Center and Sears' The Great Indoors. Marla Griffin, Metropolitan's marketing director, also says Ikea's affordable prices brought better-designed products to a larger audience.

The new consumer is much better informed — primarily about the importance of good design — than in the past. "This is good, since our market niche revolves around those who value design," Clark says.

The design demand has increased, but so has the willingness of the consumer to trust the guidance of a competent professional. Remodeler David Mackowski likes working with this more educated consumer. "With the uneducated client, anyone can pull the wool over their eyes," says the president of Quality Home Improvements, Raleigh, N.C. He also predicts more cautious clients. He had a client who wanted to visit his office before having a meeting at her house. "She wanted to know there was an established business

Today's savvy client is demanding better design and products, more value for their money, and a professional attitude from their remodelers.

behind this person," he says.

This caution can actually be a boon for professional remodelers. It means the new

customer wants a licensed contractor who has good recommendations — not just one who offers the lowest price.

Clark says his clients want to create sensitively designed, comfortable environments. "Our clients do not want starter castles or behemoth houses," he says. Often that means creating efficient, multi-use space rather than huge rooms. But if the layout allows, his company does try to fit in additional rooms.

"A lot of focus is on getting more value out of the house," Kirstein says. "If people can fit in an extra bedroom, they squeeze it in for resale. There are more in-law spaces — it's rare we'll build a garage without finishing the area over the garage as an au pair or in-law suite," he says.

DOING THEIR HOMEWORK

Kirstein has "attacked and embraced" the new challenges of a better-educated consumer. "We formed a special group at

The New Consumer

BOWA. For the past year they have addressed the selections process," he says. BOWA now allows more time for selections and explains to clients that they will have to invest time, not just dollars, in a remodeling project. The company has set up links on its Web site to lead clients to product information. For example, "In the past, we just used stain-grade wood for cabinetry," Kirstein says. "Now clients go to a veneer Web site to choose veneers like pear wood for their cabinets."

For their part, salespeople have to constantly educate themselves about products by talking to suppliers, studying catalogs, and going to trade shows.

In Nashville, partners Ridley Wills and Wendell Harner have found the clients of The Wills Company to be comfortable with Internet research. "They see something, decide they want it, and come to us to figure out how or if they can get it," says Wills.

Jeff Clark says directing clients to consumer-based Web sites has actually resulted in faster selections rather than lengthening the process. "It has made our process easier and narrows the time we spend on selection," he says. "It helps a client take a product out of the crystal ball phase and gives us more guidance."

Mackowski keeps less literature on hand because his customers prefer Web site research. But he says the Internet also provides consumers with the product pricing, and clients often don't want to see him marking up the products. "I'm burying overhead and profit into the entire project so that they're only seeing an allowance for the exact price

"The level of sophistication of clients has absolutely changed. There are no easy projects anymore."
—Steve Kirstein



of appliances they are purchasing," he says.

Clark says these clients are less likely than clients from past decades to draw a numeric line in the sand. "If there is an established value, they are more receptive to progressive thinking on costs," he says.

Mackowski says these clients will spend money for what they want, so it's his job during the sales process to figure out what those important items are.

OPEN MARKETS

The new consumer is also opening up new markets. Clark says the loft market did not exist in St. Louis a decade ago. He attributes the shift to people looking for alternative living space. "New and younger consumers are attracted to the urban core," he says. "We were familiar with adaptive reuse, so when the attention shifted toward that area, we were able to refocus our marketing effort," he says.

His company receives referrals from a real estate agent in the city and maintains relationships with historic approval committee members and city officials. Metropolitan has

also acquired and developed real estate in the downtown core.

"That gives you instant credibility and an understanding of the process," Clark says.

Part of Griffin's job at Metropolitan is to tap in to this network of people who live in or are involved with those neighborhoods.

Establishing new markets is one way remodelers can serve these customers. Wills and Harner found that younger consumers have less money for renovations and are more interested in maintenance. Their handyman division addresses these clients. "They are doing things in smaller steps," Wills says. Harner says the smaller projects concentrate on updating

finishes, maintaining the house, and cleaning up the existing space.

LEARNING TOGETHER

Clark says new and younger consumers know about products and research but are not educated about the process of remodeling. "We spend time retracing and correcting misperceptions prior to focusing on where we're going," he says. His clients spend most of the first meeting expressing their wishes. "I let them decompress then direct the conversation toward distilling the information to the core architectural program," he says.

Wills says the new, younger consumer is not as educated because they don't have the life experience of an older client. But Kirstein at BOWA says one area where he has found today's client to be savvy is in negotiating contracts. Even though they still have less money than baby boomer clients, Kirstein says, they have more money at a younger age and have corporate experience. In general, he says, today's clients are taking the time to read through contracts. **R**