



Bill Rossiter speaks at Expo 2014 in Las Vegas.

GARAGE DOORS: More Sales Opportunities Than You Think

By Bill Rossiter

Editor's note: Bill Rossiter's presentation at Expo 2014 attracted the second-highest attendance of all 28 workshops. His analysis of our industry was so compelling, we asked him to summarize it for us.

There are approximately 100 million existing U.S. homes, and about one million new homes are added each year. Over 70 percent of these existing homes are more than 20 years old, so they need replacements of exterior items like siding, windows, roofs, exterior doors, and garage doors.

This means that there should, hypothetically, be about 70 million opportunities to sell someone a replacement garage door and many new-construction opportunities. But I am told that there are only approximately 2.5 million residential garage doors sold each year, or less than 4 percent of the total opportunity.

In a recent survey sent to 150 garage door dealers, nearly 55 percent thought their company's share alone was over 20 percent of their market opportunity. While we know we cannot replace all the aging garage doors in one year, as an industry are we really happy with less than a 4 percent share?

Another way to look at garage door category performance is to compare it to that of other exterior products that have a similar replacement lifespan.

Unit Comparison

There are over 8 million entry doors sold each year, 4.5 million new roofs, and over 2 million decks. The garage door category, at 2.5 million doors, is underperforming compared to its similar-lifespan competitors. Garage doors sold are close to decks, which are not required products like windows, roofing, or doors.

Frontage Square Footage Comparison

A garage door can take up to 40 percent of a home's frontage. A roof takes a similar proportion at 30 to 40 percent; an entry door takes up less than 10 percent, and windows and siding take up the remaining frontage.

Installed Project Price Comparison

The average garage door installed sale is \$1,500*, while an exterior door is \$1,800, roofing is \$6,000, and windows average more than \$10,000. (*We asked dealers what their average installed sale was and they said: 5%: <\$500; 21%: \$500-\$1,000; 51%: \$1,000-\$2,000; 14%: \$2,000-\$3,000; 9%: >\$3,000.)

Average Revenue Per Square Foot of Frontage

On average, a garage door earns under \$4/sq. ft., an entry door earns \$23, a roof earns \$17, and windows earn nearly \$50/sq. ft. of frontage.

By most comparisons, the garage door category is underperforming other exterior product categories. This means we have a great opportunity to redefine our industry. We should view the potential sales opportunity as far beyond the mere 4 percent share we are currently achieving. If we think differently about our category and how we sell, we can drive more revenue and profit per unit sold.

What Do You Sell?

In a recent survey of door dealers, we asked, "What do you sell when you are in front of a potential customer?" The question was intentionally vague

to see where sales pitches were focused. The following were the answers:

- 61%: Products and features
- 31%: My company/My brand
- 8%: Emotional reasons to buy (security, beauty, curb appeal, etc.)

The industry today sells garage doors primarily on functional characteristics, which almost always leads the conversation to price. Products that are sold on emotional connections have higher closing rates and usually more profit per transaction. You must find a way to understand what is emotionally important to your customers and sell them on these attributes.

Incremental growth and profit dollars are out there for the taking in your individual market. To secure it, you must change your thinking, realize that your market is bigger than you thought, and change how you sell to customers. ■

Bill Rossiter has over 30 years of experience as a marketing executive in the building materials industry. He is CEO of Interrupt (www.interruptdelivers.com) and founder of RedHouse Brands. Interrupt is a strategic marketing agency specializing in the Fortune 500 building materials and home improvement space. RedHouse Brands is the creator of the Red Engine App (www.sellwithredengine.com), a new iOS-based platform that enables consultative selling for the building materials sales process.



Door dealers were engrossed in Rossiter's presentation.