Contract Cleaning Services

Industry Study with Forecasts for **2016 & 2021**

Study #2886 | May 2012 | $4900 | 286 pages

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Contract Cleaning Services

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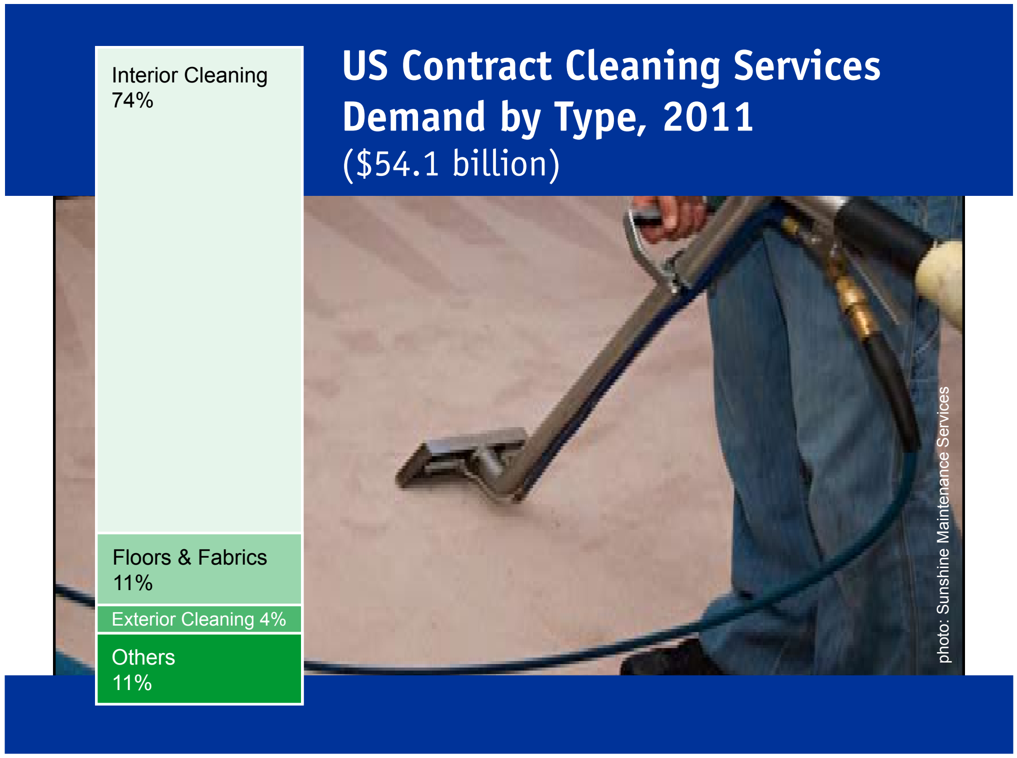
Growth in the number of households and businesses will aid revenue gains for US firms, as will a diversification by companies to offer a wider range of services at competitive prices.

US revenues to rise 4.8% annually through 2016

Revenues for contract commercial and residential cleaning services are forecast to advance 4.8 percent annually to $68.3 billion in 2016. Growth will be driven by customers returning to more frequent cleaning schedules as the economy continues to improve, especially those who reduced their use of cleaning services in order to minimize expenses in response to the effects of the 2007-2009 recession. Gains will also be supported by faster growth in the number of households and a rebound in the number of business establishments. Furthermore, the recession motivated many cleaning companies to diversify and offer a wider range of services at more competitive prices, and the rising affordability and use of cleaning services will support revenue gains.



US Contract Cleaning Services Demand by Type, 2011
($54.1 billion)

Outsourcing cleaning functions to cut costs in nonresidential markets

Nonresidential markets account for the vast majority of cleaning service revenues, making up almost 80 percent of the total in 2011. In addition, many companies that previously employed in-house cleaning staff reduced operating expenses by outsourcing cleaning services as the economy worsened. Demand for cleaning services in the nonresidential market is more inelastic than in the residential market due to the sizable existing base of nonresidential floor space and the need to keep this space clean. Due to the poor economic climate, nonresidential cleaning service revenue growth decelerated over the 2006-2011 period. Going forward, revenues will benefit from the continued trend of outsourcing cleaning functions to cut costs.

In the residential market, the increasing use of cleaning services by an aging population and the growing number of dual-income households will support revenue gains. Members of dual-income households often do not have the time or the inclination to perform cleaning tasks, and older citizens are sometimes incapable of performing cleaning tasks to the extent that they once did. These trends, coupled with accelerating growth in personal disposable income levels, will benefit residential cleaning services.

Interior building cleaning to remain largest service

Interior building cleaning services are the largest contributor to cleaning service revenues, accounting for nearly 75% of the total in 2011. Growth in revenues will derive from expansions in the number of business establishments and the number of households, both of which will create more opportunities for interior cleaning services. Outsourcing as a means of reducing operating costs will continue to aid the use of contract interior cleaning services in nonresidential markets.

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Sample Text, Table & Chart

TABLE V-5

CONTRACT CLEANING SERVICE REVENUES BY REGION (million dollars)

Item	2001	2006	2011	2016	2021
Population (millions)					
$ services/capita					
Nonresidential Floor Space (bil sq ft)					
$ services/000 sq ft					
Cleaning Services					
Northeast					
Midwest					
South					
West					

SAMPLE TABLE

SERVICES

Individual Proprietorships -- Revenues earned by c interior cleaning service firms organized as individual propri anticipated to grow [...] billion in 201 enues will benefit p[...]rs to entry tha ize this segment of [...] establishmen as individual propri[...] more quick 2016 than during th[...] will support o gains for these smal[...]is will also c greater price competi[...]e increases an revenue growth for smaller firms. Competition from larger c which are often better positioned to deal with increasingly stringent laws and regulations and dominate the lucrative nonresidential market, will also restrain individual proprietorship revenue growth.

SAMPLE TEXT

Because of the low capital requirements and minimal barriers to entry in the contract interior building cleaning industry, most cleaning establishments are single proprietorships, and many of these are self-employed individuals or partnerships where the business owners are the only employees. These smaller businesses are attractive to those interested in self-employment opportunities and allow individuals to operate the business part-time or full-time to meet their needs. Even those operations that do have additional employees tend to have a very small number of them. This trend is reflected in the relatively low number of employees per establishment (1.1) in 2011 and the relatively low annual revenues per establishment (approximately 15,300). In 2011, individual proprietorships accounted for 89 percent of interior building services establishments, but only 17 percent of revenues.

Cleaning services are well suited as part-time businesse of the scheduling flexibility. A small business owner is free customers only for the days or hours that he or she is availab For instance, although daytime cleaning continues to grow i

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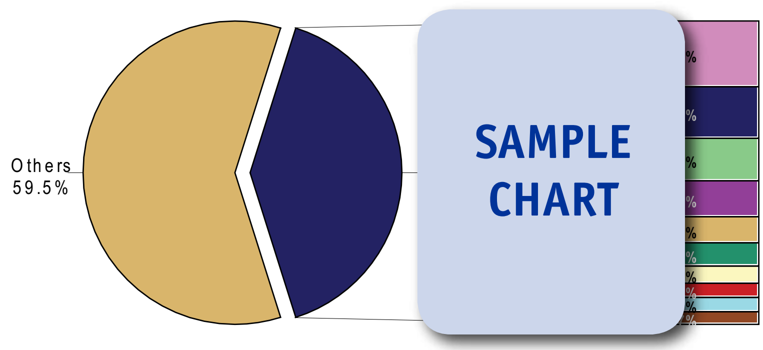
CHART VI-1

CONTRACT CLEANING SERVICES MARKET SHARE, 2011 ($54.1 billion)



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Sample Profile, Table & Forecast

TABLE IV-2

NONRESIDENTIAL CLEANING SERVICE REVENUES BY MARKET
(million dollars)

Item	2001	2006	2011	2016	2021
Nonresidential Building Stock					
$ services/000$ stock					
Nonresidential Cleaning Services					
Institutional Cleaning Services					
Office Cleaning Services					
Commercial Cleaning Services					
Industrial Cleaning Services					
Other Nonresidential Cleaning Svcs					
% nonresidential					
Contract Cleaning Service Revenues					

SAMPLE TABLE

COMPANY PROFILES

CleanNet USA Incorporated
9861 Broken Land Parkway, Suite 208
Columbia, MD
410-720-6444
http://www.cle

Annual Sales:
Employment:

Key Services: ial services

SAMPLE PROFILE

CleanNet ning and janitorial services via a network of approximately 5,260 franchises throughout the US. The Company is privately held.

The Company participates in the US cleaning service industry through the provision of contract commercial cleaning and janitorial services through a network of CleanNet USA franchises. CleanNet USA franchises offer cleaning and janitorial services on daily, weekly, and monthly schedules. Specific services include carpet and floor care, window cleaning, restroom cleaning and sanitizing, trash removal, recycling programs, elevator cleaning, and emergency services. The Company also offers the CLEAN GREEN program, which utilizes environmentally friendly chemicals, equipment, and cleaning processes in cleaning and janitorial services. In addition, CleanNet USA provides a variety of support services, including computer monitoring programs, daily logbooks, damage reports, regular site inspections, telephone surveys, and a customer service hotline for reporting special situations and emergencies at the customer's facility. Furthermore, the Company works with building managers and superintendents to develop customized cleaning programs. CleanNet USA was the fourth largest provider

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"Revenues for cleaning services in the institutional market are forecast to increase 4.9 percent per year to $18.2 billion in 2016, which represents the second fastest growth among the different markets. Gains will be driven primarily by the continued trend of outsourcing cleaning services in medical, educational, government, and other institutional market sectors in order to minimize operating costs and improve efficiency, although advances will be moderated to some degree by competition from ..."
--Section IV, pg. 130

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Other Studies

Industrial & Institutional Cleaning Chemicals

This study analyzes the US industrial and institutional (I&I) cleaning chemical industry. It presents historical demand data (2001, 2006, 2011) and forecasts for 2016 and 2021 by market (e.g., commercial, manufacturing, institutional and government), product (e.g., general purpose cleaners, floor care products, warewashing detergents, disinfectants and sanitizers) and raw material (e.g., chlor-alkalis, surfactants, solvents). The study also considers market environment factors, evaluates company market share and profiles industry players.

#2916 .... July 2012 .... $5100

Janitorial Equipment & Supplies

US demand for janitorial equipment and supplies is forecast to grow 2.2 percent annually through 2015, an improvement over the 2005-2010 decline. Manual cleaning products will see the fastest gains of any major segment, driven by microfiber cloths, wipes, wet mops and squeegees. Institutional buildings will be the fastest growing market. This study analyzes the $5.9 billion US janitorial equipment and supply industry, with forecasts for 2015 and 2020 by type, market and US region. The study also evaluates company market share and profiles industry competitors.

#2770 .... August 2011 .... $4900

Home Organization Products

US demand for home organization products will rise 3.6 percent annually through 2015. Gains will be supported by new decorative and specialty home organization products and by strong growth in larger, more expensive closet and garage systems. Bins, baskets and totes will remain the largest segment while modular units grow the fastest. This study analyzes the $7.2 billion US home organization product industry, with forecasts for 2015 and 2020 by material, product, room and market. The study also evaluates company market share and profiles industry players.

#2774 ....June 2011 .... $4900

Consumer Water Purification & Air Cleaning Systems

US demand for consumer water purification and air cleaning systems will rise 5.2 percent per year through 2014. Conventional filters will remain the dominant water purification system, while higher-value reverse osmosis and distillation systems grow the fastest. Electrostatic cleaners will lead gains in the air segment. This study analyzes the $1.3 billion US consumer water purification and air cleaning system industry, with forecasts for 2014 and 2019 by technology, product and regional market. It also evaluates company market share and profiles industry players.

#2720 .... March 2011................... $5100

Wipes

US wipes demand will rise 4.3 percent annually through 2014. Growth will decelerate from the 2004 to 2009 period, due to maturing markets and a shift toward more environmentally friendly consumer goods and cleaning methods. Disinfectant and electrostatic wipes will be the fastest growing types, and the industrial market will outpace the consumer segment. This study analyzes the $1.8 billion US wipes industry, with forecasts for 2014 and 2019 by market, substrate and chemical. It also evaluates company market share and profiles industry participants.

#2697 ....December 2010 .... $4900

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