

ServiceMaster Home Emergency Survey
Summary of Omnibus Findings
Prepared by the Ketchum Global Research Network
July 28, 2005

Introduction

To generate media-worthy statistics that can help position ServiceMaster Disaster Restoration Services as the company to call when a home emergency strikes, the Ketchum Global Research Network conducted a survey related to Americans' experiences with and preparedness for home emergencies.

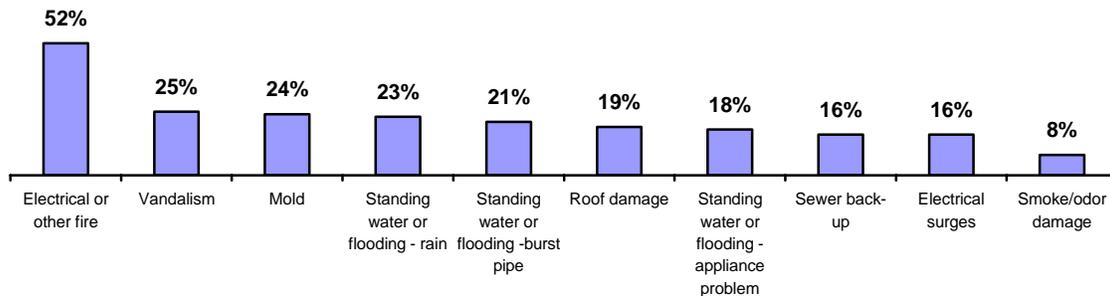
Methodology

The Ketchum Global Research Network worked with Opinion Research Corp.'s Caravan Services to field a survey of a nationally representative sample of 684 homeowners. The survey was conducted via telephone from July 22 to July 25, 2005, and the results have a margin of error of \pm 3 to 3.5 percentage points.

Findings

- Electrical or other fire is the number one home emergency about which American homeowners are most concerned (52%). Other situations asked about – such as vandalism, mold, and standing water – were ranked fairly evenly in terms of how concerned Americans are about these types of home emergencies.

Top Home Emergency Concerns



- Women (28%) are significantly more concerned than men (21%) about vandalism.
- Residents in the South (29%) and Northeast (24%) are more concerned than those in other regions about standing water or flooding as a result of rain. Recent weather events – particularly in the South – may have contributed to a heightened concern about rain and flooding among residents in this region.
- Though Americans are concerned about a number of home emergencies, only one-third (34%) have actually experienced one in the past year. Electrical surges were the most frequently experienced home emergency among respondents (11%).

- Other emergencies experienced over the past year include standing water/flooding as a result of rain (8%), mold (7%), sewer back-up (6%), standing water/flooding resulting from problems with appliances or plumbing (6%), standing water/flooding resulting from a burst pipe (4%), roof damage (4%), vandalism (3%), and smoke/odor damage (2%).
- While the majority of Americans are concerned about electrical or other fires, only 1% have actually experienced a fire in the past year.
- Eighty-eight percent of Americans are aware that there are companies that can help restore homes from water, smoke, and fire damage. However, less than one-quarter of those who have experienced an emergency have actually hired one of these companies.

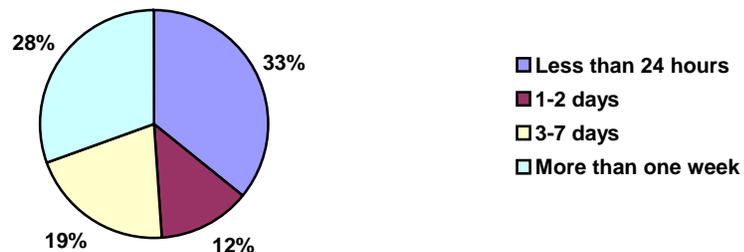


*All respondents

**Experienced a home emergency in the past year

- Of those experiencing a home emergency in the past year, 44% spent \$1,000 or less (including amounts covered by insurance) to repair the damage. Similarly, 40% spent \$1,000 or less (excluding amounts covered by insurance).
 - Ten percent of those experiencing a home emergency spent over \$10,000 repairing the damage (including insurance coverage). Only 2% spent that much when insurance coverage was excluded.
 - The average amount spent by homeowners (including amounts covered by insurance) was \$4,100. The average amount spent excluding insurance coverage was \$2,500¹.
- One-third of respondents who experienced a home emergency said that their lives were back to normal in less than 24 hours.

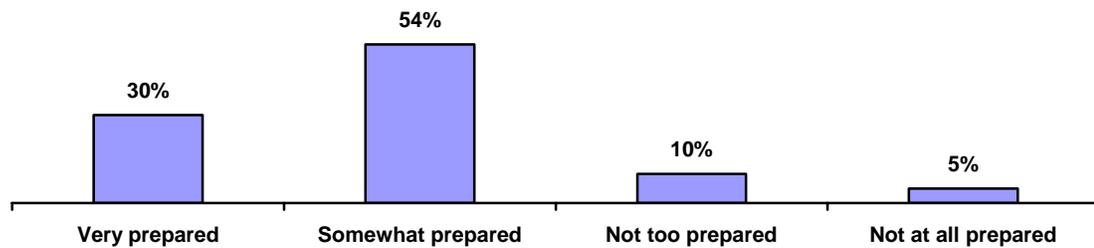
Time Elapsed Before Life "Back to Normal"



¹ Excludes \$0 responses

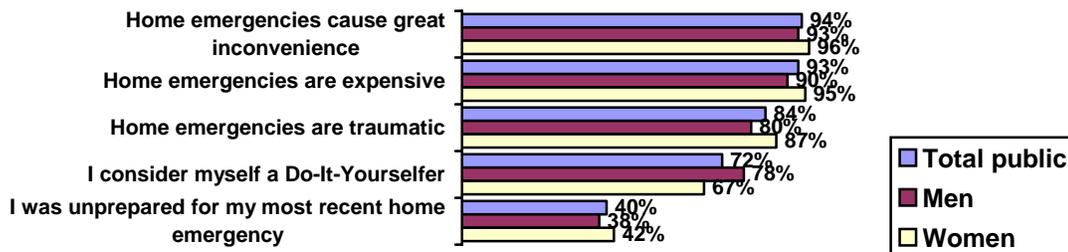
- Nearly half of those who experienced a home emergency in the West (46%) were back to normal in less than a day. Those in the South and North Central regions took a bit longer to recover. More than one-third (36% in South, 35% in North Central) said that more than a week had passed before their lives were back to normal.
- Two-thirds of homeowners (65%) say that they do not budget specifically for home emergencies. However, 44% of those in the South say that they do.
- Despite a lack of budget, the majority of homeowners (84%) say that they are prepared in the event of a home emergency.

Homeowners' Preparedness in the Event of a Home Emergency



- Older homeowners claim to be the most prepared. Forty-two percent of those age 55-64 and 40% of those age 65+ say they are “very prepared” in the event of a home emergency.
- Women are more likely than men to agree that home emergencies are inconvenient, expensive and traumatic, and that they were unprepared for their last emergency. Men, on the other hand, are more likely than women to consider themselves “Do-It-Yourselfers”.

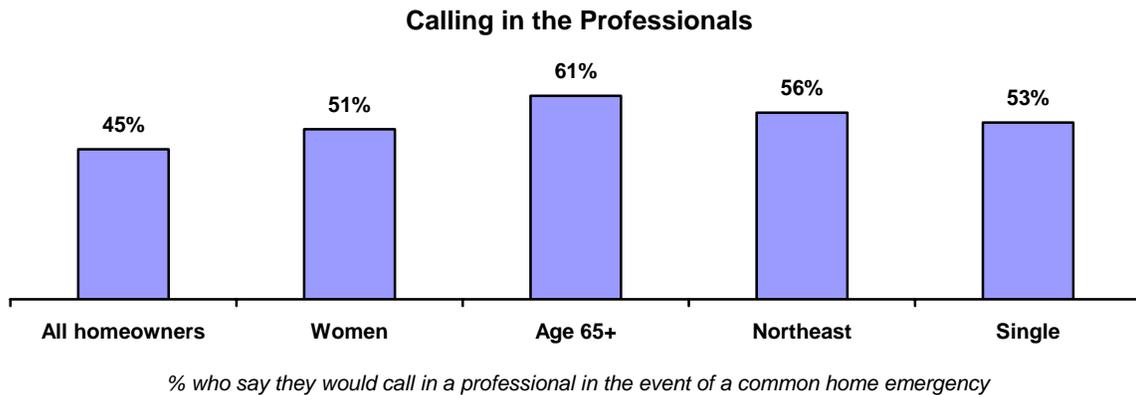
Home Emergencies Create Drama in Homeowners' Lives



% represents homeowners who agreed with the statement

- Nearly half of homeowners in the South (49%) agreed that they were unprepared for their last home emergency. This is significantly higher than homeowners in other regions.

- Homeowners are divided as to how they would handle a common home emergency in the future. While 49% say they would attempt to fix it themselves, 45% would call a professional, and 6% say they do not know.
 - Women, older homeowners, homeowners in the Northeast, and single homeowners are the most likely to say they would call a professional.



Implications for ServiceMaster

- While most homeowners are aware that home emergency restoration services exist, few have used them for past home emergencies, and nearly half say they would attempt to fix a problem themselves in the event of a future emergency. A clear opportunity exists for ServiceMaster to tout the benefits of its services, particularly its approach to addressing common home emergencies about which homeowners are most concerned.
- Reaching out to female homeowners, as well as older homeowners and single homeowners, will help ServiceMaster deliver its message to market segments that are most primed for professional home emergency assistance.