4350 Brownsboro Road
Ste. 110
Louisville KY 40207
(502) 694-1979
info@nextstepus.org

Manufactured Housing Retailers Expect Up to 30% Sales Loss Due to COVID-19

By: Next Step Network, Inc.
Summary of 2020 Retailer COVID-19 Survey

Overview and Key Insights:

In order to gain better insight into how the continuing COVID-19 pandemic is impacting the manufactured housing industry, Next Step conducted a survey of our manufactured housing retail partners from April 6 – April 13, 2020. The survey sought to ascertain information about key areas of business and marketing that may be impacted by the COVID-19 pandemic, including: digital marketing, labor, home sales, and customer interaction.

Leveraging participating members of Next Step's SmartMH program – and targeted retailers throughout the country – we captured self-reported information from 36 retail locations (five percent) across the country, Next Step has provided a snapshot of the manufactured housing industry impacted by the COVID-19 pandemic. As of April 13, 2020, **72 percent of retail respondents indicated that their business is somehow restricted due to COVID-19**, and **70 percent expect a decrease in home sales up to or greater than 30 percent** as result of ongoing impact from the pandemic.

Survey Methodology:

Surveys were sent to 728 retail locations, collecting 36 responses from April 6 to April 13, 2020, representing a five percent response rate. Surveys were sent to a primary contact for individual retail locations via email. Any duplicate responses from an individual retail location were omitted from the aggregate data. Retail sales centers from 16 states responded to the survey. The states responding represent 57 percent of 2019 manufactured home shipments.

Manufactured Housing Retailer Survey and Results:

Retail sales centers responded to questions on three areas: operations, digital marketing and sales forecasting.

Operations –

Of 36 respondents, 72 percent of retail respondents indicated that their business is somehow restricted due to COVID-19. Of those respondents, various measures have been taken to comply with local/state ordinances related to COVID-19 mitigation. The majority of these sales

®2020 Next Step Network, Inc.

4350 Brownsboro Road
Ste. 110
Louisville KY 40207
(502) 694-1979
info@nextstepus.org

centers are using **virtual walk-throughs, restricting business hours, reducing or altering staff hours to maintain social distancing, and making appointments only for new business**.

ANSWER CHOICES	RESPONSES
Using virtual walk-throughs or other digital platforms.	80.77%
Working to close sales in our pipeline.	73.08%
Open but with restricted/altered business hours.	69.23%
Reduced staff; alternating shifts to maintain social distancing	65.38%
Making appointments only for new business.	61.54%
Not taking walk-ins.	46.15%
Leaving homes open during business hours for self- or phone guided tours.	3.85%
Closed for business (all operations suspended).	0.00%

Anecdotally, respondents indicated that they are seeing less traffic to their sales centers.

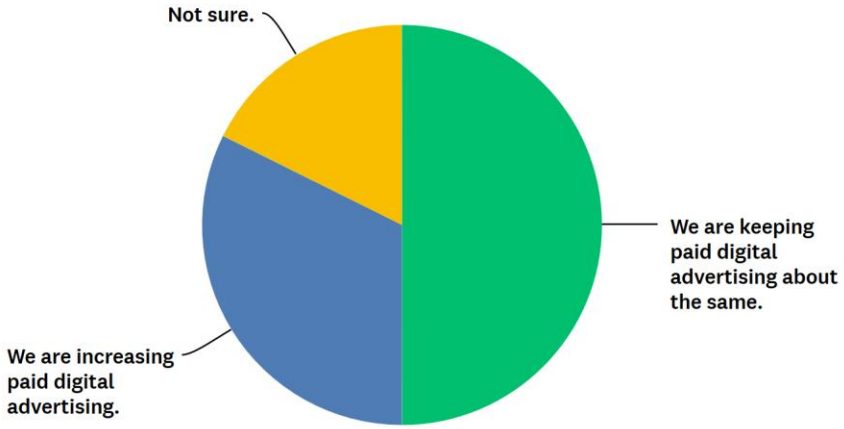
> *"Casual traffic almost nonexistent. Those who do stop by or call for an appointment are more serious prospects." – Arizona retail location*

> *"Traffic [is] down 70 percent, and [we are] losing sales to layoffs and customers not wanting to make a huge commitment at this time." – Arkansas retail location*

Digital Marketing –

In lieu of in-person customer interactions, **32 percent of retail respondents indicated that they increasing paid digital advertising**, while 50 percent indicated that they are maintaining status quo for digital advertising.

However, nearly 59 percent of respondents report an **increase in traffic to their website**, and report that visitors are staying on their websites longer.



®2020 Next Step Network, Inc.

4350 Brownsboro Road
Ste. 110
Louisville KY 40207
(502) 694-1979
info@nextstepus.org

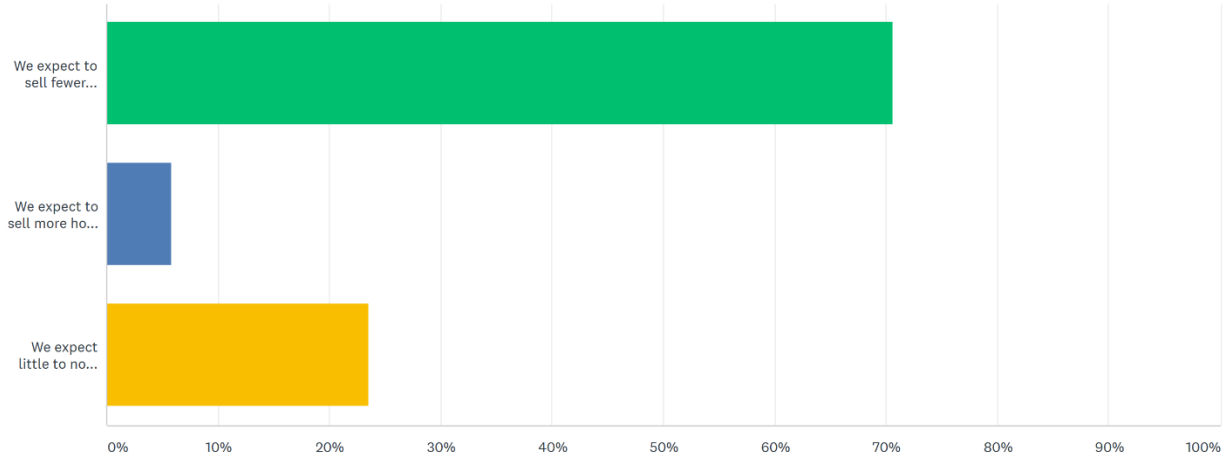
Sales Forecasting –

Of responding retailers, **more than 70 percent expect to sell fewer homes** as result of ongoing impact from the pandemic. Of those respondents, 88 percent expect up to a 30 percent decrease in home sales, and 12 percent are anticipating a more than 30 percent decrease in sales.

Generally, retail respondents report a prevailing uncertainty as to how impactful COVID-19 will be to their business.

> *"Current pipeline has 30 deals prior to COVID-19. Most customers are still moving forward but it is a very fluid situation." Virginia retail location*

> *"Customers are hesitant to move forward until they know how and when the economy will recover." Texas retail location*



Conclusions:

The ultimate impact of COVID-19 on the manufactured housing industry is constantly changing, with many unknown variables at play. However, there is prevailing sentiment among housing retailers that COVID-19 will negatively impact home sales in the near-term, and the effects could significantly impact retailers over the next few months and reflect in annual sales. Already, a month after the declaration of a national emergency, retailers are starting to see economic trends that could lead to further reduction of workforce, and decreased sales overall.

®2020 Next Step Network, Inc.