



2025 Exterior Trades Market Report



Contractors focused on roofing and exterior trades are, not surprisingly, pushing for growth in 2025 and are focused on growing revenue (76%) and increasing margins (50%), a ServiceTitan survey shows.

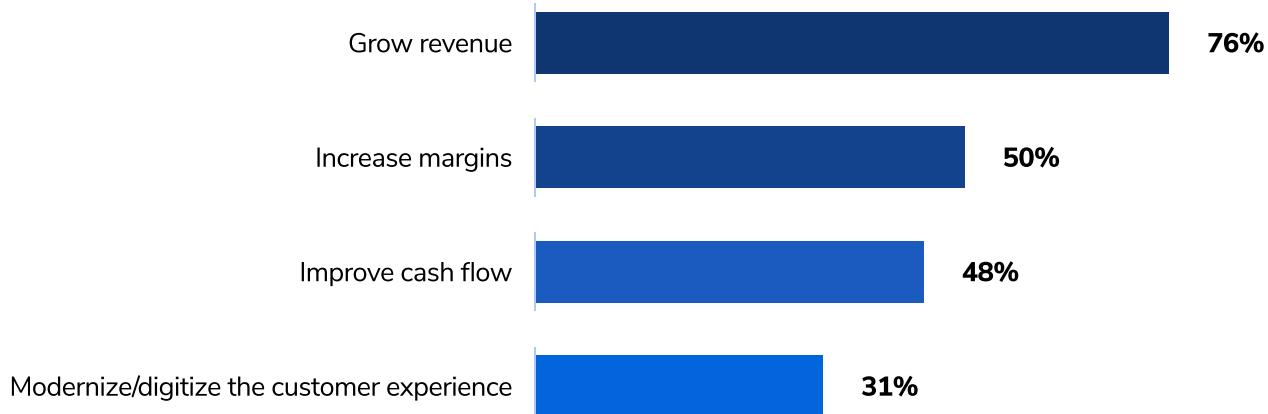
But respondents see big challenges that could stand in the way of those goals.

They include fears about increasing material prices (64%), a labor shortage (58%), and rising labor and overhead costs (53%), all of which could block growth and erode profitability.

Ultimately, the data suggests that industry leaders think success in 2025 will require a balance of innovation, customer-centric operations, and disciplined financial management.



Business Goals





ServiceTitan surveyed, through Thrive Analytics, 1,020 owners and executives of primary services in roofing, gutters, siding, and windows who report more than \$1 million in annual revenue. The survey was conducted from Jan. 3-22, 2025.

This report on the results features key findings and takeaways from the survey, plus the reactions of Sue Drummond and Michael Ippoliti, Industry Advisors for roofing and exterior trades at ServiceTitan.



Drummond is a ServiceTitan Solutions Delivery Manager with a decade of experience working at roofing companies, both commercial and residential.



Ippoliti has been in the roofing industry since 2016, first at a roofing software startup and later at major roofing and exterior construction companies before joining ServiceTitan.

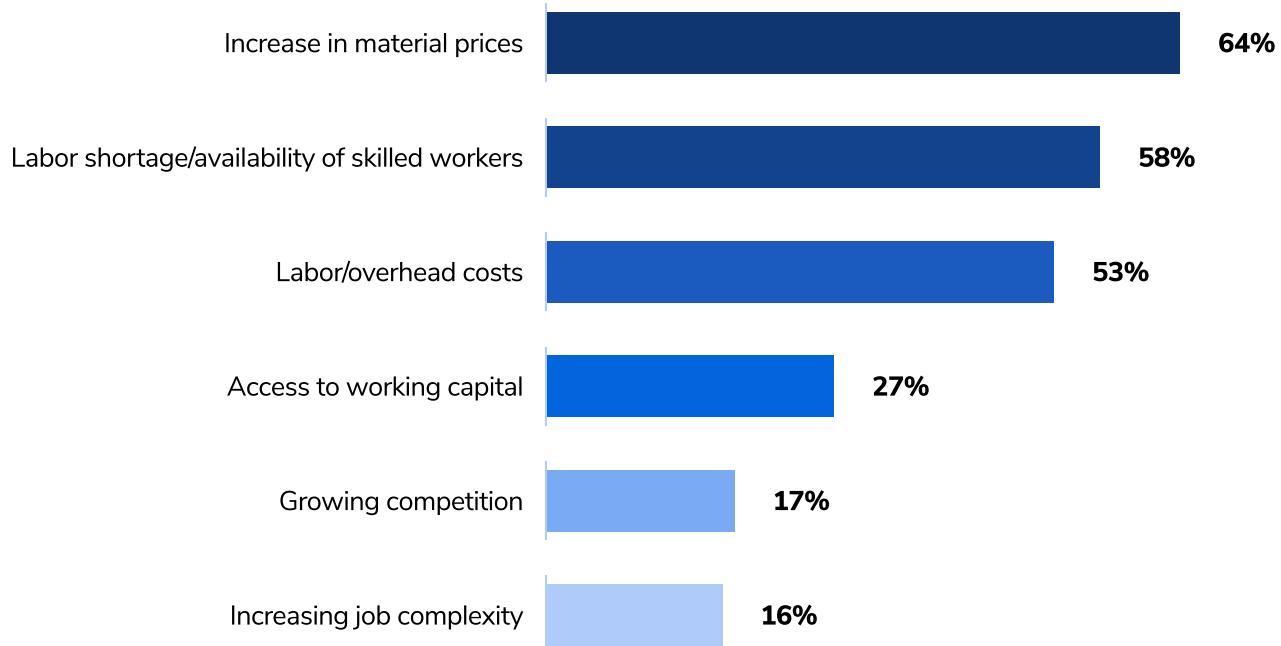


Key Findings

Beyond the aforementioned, here are the other key findings of the survey:

- **Revenue growth is about customers.** In the quest to increase revenue and become more profitable, those surveyed see expanding and personalizing customer experiences (52%) and expanding digital capabilities (42%) as key opportunities.
- **Profitability improvement requires optimization.** The most favored strategies for reducing costs are optimizing labor (56%) and marketing efficiency (37%). For increasing profits, businesses are focusing on controlling overhead and materials costs, and upselling services.
- **Adding lines of business is a popular tactic.** Among respondents, entering the commercial sector (35%) and offering new trades (31%) are viewed as opportunities.
- **Software adoption is fragmented.** Respondents say their top needs in software include comprehensive features tailored to business needs (37%), automation capabilities (36%), and ease of use (32%).

Top Business Risk



+ **Key Takeaway #1**

Exterior contractors increase their focus on profit

Driven by interest from private equity and a drive for growth and creating operations at scale, 50% of roofing and exterior contractors say they are focused on increasing margins. They seem more focused on costs, however, than on internal operations.

- To improve margins, 62% of contractors say they are pursuing a strategy of optimizing overhead costs.
- Additionally, respondents are targeting optimizing labor costs (56%) and better marketing efficiency (37%) to increase margins.
- Significantly fewer contractors are focused on sales tactics to impact profitability, with only 15% emphasizing good-better-best options for customers, and 14% focused on offering financing.

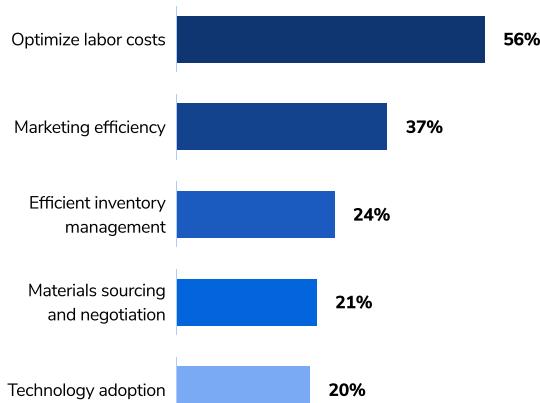


Private equity has the ability to create a firestorm of growth within the industry by implementing some basic systems and processes.”

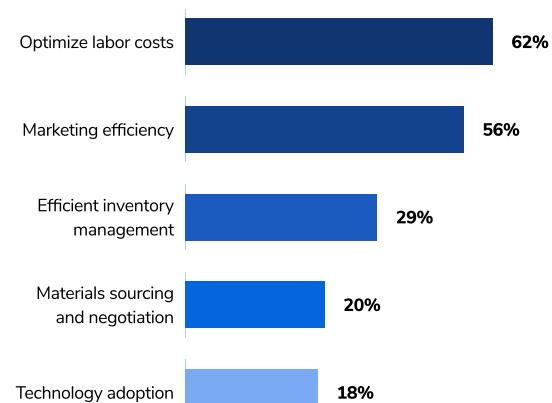
Michael Ippoliti

Roofing Industry Advisor at ServiceTitan

Reducing Cost



Increasing Profit Per Job



+ **Key Takeaway #2**

Tactics for growing revenue are varied

While 76% of respondents say they're focused on growing revenue, only 56% said they expect it to happen in 2025, with another 36% saying they expect revenue to remain the same.

- There is a significant divide among roofing and exterior contractors on pricing strategy for 2025, with 35% saying they won't increase pricing at all, and 31% saying they will increase prices by 4-5%.
- Other popular revenue tactics include expanding into metal roofing (23%), adding a new location (21%), and acquiring another business (6%).
- The top new trades the respondents have considered adding are siding (40%), roofing insurance claims (22%), doors (11%) and solar (11%).
- 18 percent listed investing in additional software as a business goal.

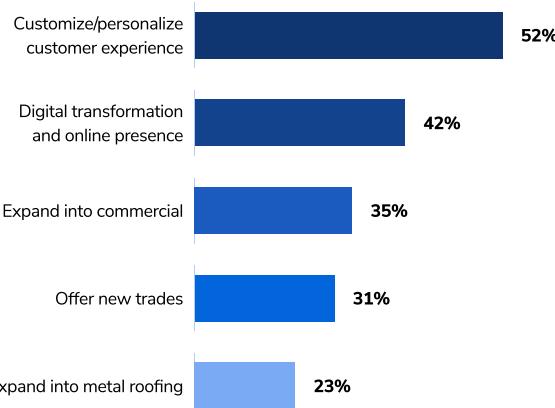


Increasing revenue, while a popular growth strategy in roofing, isn't always the best option when it requires increasing head count. We are starting to see a shift toward a profit-focused approach over sheer volume."

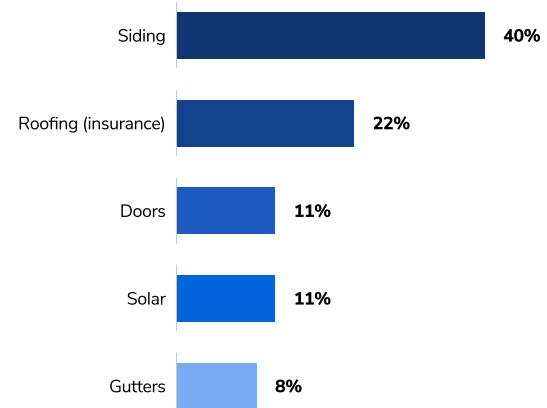
Sue Drummond

Roofing Industry Advisor at ServiceTitan

2025-2026 Opportunities



New Trades



Key Takeaway #3

Customer experience is rising in importance

Modernizing and digitizing the customer experience (31%) is the fourth-most mentioned goal for 2025 among contractors in the survey, behind growing revenue, increasing profit margin, and improving cash flow.

- A majority of respondents said that a key opportunity in 2025 is customizing and personalizing the customer experience (52%).
- Although most businesses follow-up on leads the same day, more than half of respondents don't offer more than one option on estimates.
- A big factor in the need to provide a great customer experience? According to 21% of respondents, customer referrals are the top revenue-driving channel. That's far ahead of Google Ads (9%) and SEO (9%).

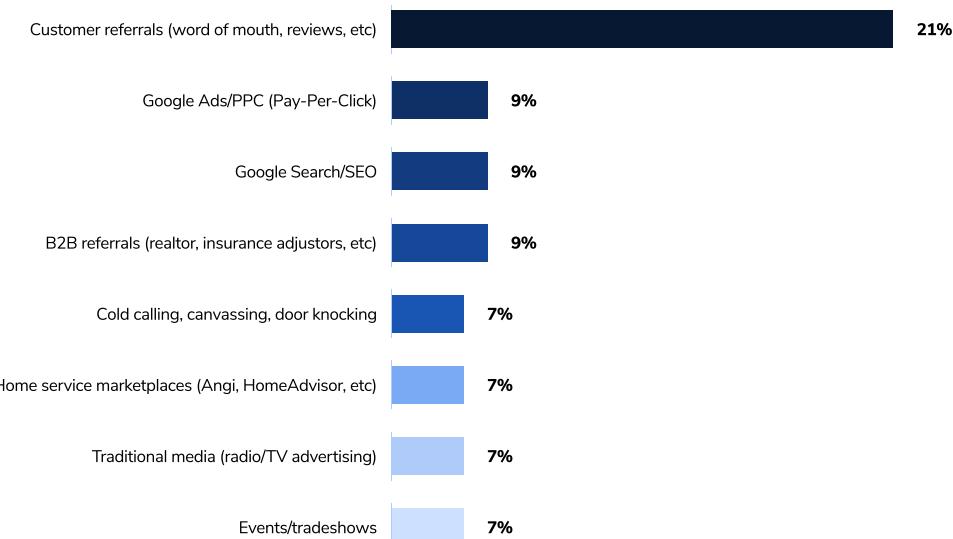


The likelihood that we convert them to a sale...comes down to that personal connection and building rapport with that homeowner."

Michael Ippoliti

Roofing Industry Advisor at ServiceTitan

Percent Of Sold Jobs Per Marketing Channel





Key Takeaway #4

Data, reporting and analytics are a big need

With private equity money entering the roofing industry, focus in the industry is accelerating in terms of adopting scalable best practices, leveraging centralized technology and measuring standardized KPIs.

- Selling to private equity is viewed as an opportunity for 9% of respondents.
- Contractors most likely to attract private equity interest are generating \$10M–\$15M+ in annual revenue, and are often operating across multiple locations.
- Reporting and analytics capabilities were mentioned by 20% of respondents as important for their businesses.



Roofers have to track everything now in order to stay competitive, and that's because of the private equity money.”

Sue Drummond

Roofing Industry Advisor at ServiceTitan



Key Takeaway #5

Respondents prefer comprehensive software solutions

Digital transformation and online presence were noted by 42% of respondents as an opportunity for 2025-26. To get the results they want for their business, 37% of respondents identified comprehensive features tailored to the industry as a key consideration, the highest rate in the survey.

- Automation capabilities (36%) and ease of use for the team (32%) were the next-most-valued aspects of software by contractors in the survey.
- Next on the list was integrations with other softwares they use (20%).



I see a shift toward an end-to-end solution, like, 'I'm done with all of this nonsense. I need something that's just going to come in and replace all of it.'

Sue Drummond

Roofing Industry Advisor at ServiceTitan



Conclusion

Ultimately, the data in ServiceTitan's survey suggests that industry executives think success in 2025 will require a balance of innovation, customer-centric operations, and disciplined financial management.

They plan to accomplish their goals by investing in automation, CRM integration, and data analytics, streamlining operations to reduce overhead costs, and enhancing the customer experience to drive revenue.

The influence of private equity is seen as a reason to adopt technology, and a force that will drive change across the industry.

In the end, the data suggests an awareness that increasing revenue without equal focus on profitability could leave some contractors behind.



ServiceTitan is the leading cloud-based software in the trades. Our all-in-one solution gives contractors complete control of their business by seamlessly integrating all operations in one place. By bringing an integrated SaaS platform to an industry historically underserved by technology, we are equipping tradespeople with the technology they need to keep the world running.

 Learn more at servicetitan.com