



Vertical Market Selling Guide

Roofing



Purpose

This guide is provided to you at no charge to create awareness for the needs of a payment terminal solution within a specific vertical market that may be less penetrated than traditional retail stores.

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Market Segment: Roofing

MCC: 1761

NAICS CODE(S):235610

Market Overview

This industry is comprised of establishments engaged in the installation of roofing, siding, sheet metal work, and roof drainage-related work, such as downspouts and gutters. Activities performed by these companies also include treating roofs, copper smithing, tin smithing, installing skylights, installing metal ceilings, flashing, duct work, and capping. The roofing, siding, and sheet metal work performed includes new work, additions, alterations, and maintenance and repairs.

There are approximately 30,000 companies in the United States that operate in this segment. These companies have an average staff of about nine employees (for state-by-state numbers see Exhibit 1). There are probably another 70,000 roofing-related operations that are classified as “non-employee”. The segment can be divided into five subcategories. (see Exhibit 2)

Similar to other contractor-based segments there are no major national or regional companies. Those firms that focus on commercial jobs are usually larger than those that go after residential work.

Credit/Debit card use in this market segment is extremely low. Industry data shows that the average ticket amount when a card is used is very high (in the \$1400+ range), however, less than 5% of the estimated thirty billion dollars spent in this market is charged to credit or debit cards.



Sales & Marketing Insights

The high average cost of this work makes interchange fees a huge factor controlling the use of credit and debit. The average credit card transaction today (swiped) would carry an interchange fee of about \$25, (\$15 for signature debit). For an unqualified transaction the amount could be in excess of \$50. A PIN debit transaction would cost a small fraction of this amount. Since most companies generally only work a few of jobs in any month the purchase of an expensive payment device is not economical. Alternatives, such as mobile phone applications, make sense for both office and on-the-job transactions.

There is one major association that caters to individuals in this profession, the National Roofing Contractors Association (NRCA). This group provides a fairly complete range of services that include; an annual convention and exhibit, on-line newsletter and magazine, sponsored business services (including credit card processing), and for their supplier members, advertising opportunities and mailing list access. . The annual show (held in February) boasts that it is “the largest gathering of the roofing industry in North America, attracting more than 9,500 roofing professionals worldwide” .

There are also a couple of dozen local and regional associations that vary in size and range of services. For a list of these groups and their web address see Exhibit 3.



Payment Characteristics

- Card payments, estimated percent of total payment volume : 4%
- Estimated average ticket size of card transactions: \$1,400+
- Average monthly number of card transactions per establishment: 2

Market Resources

- Associations
 - National Roofing Contractors Assn.
 - www.nrca.net
 - Sponsors annual convention:
 - NRCA has more than 4,000 members
 - affiliated with 97 local, state, regional and international roofing contractor groups
 - Local and Regional Associations (See Exhibit 3)
- Trade Shows
 - National Roofing Contractors Assn: Annual Convention and the 2011 International Roofing Expo, February 11-16 at the Las Vegas Convention Center:
 - Many local/regional associations conduct annual shows
- Journals
 - Roofing Contractor Magazine (www.roofingcontractor.com)
 - Professional Roofing (www.professionalroofing.net)



VeriFone Solutions

Roofing and Sheet Metal contractors would need to have devices that are portable and can be brought to the point-of-service. This would satisfy the needs of the contractor and the desire to accept card-present transactions which could significantly lower the current overall payment costs. VeriFone offers a variety of wireless communication options for portable devices.

- PAYware Mobile
- Nurit 8020S
- RoamPay Swiper



PAYware Mobile

PAYware Mobile for iPhone™ allows for payments to be accepted anywhere, anytime in a secure manner via card swipe.

PAYware mobile is a PA-DSS approved payment application for iPhone™. Accepting credit card payment via PAYware Mobile comes with a variety of benefits including higher security and increased transaction savings.

Exhibit 1: Establishments by State

Exhibit 1 – Distribution by State

State	Roofing	Siding	Total
Total	23,222	6,673	29,895
Alabama	344	63	407
Alaska	61	6	67
Arizona	298	4	302
Arkansas	110	56	166
California	2,616	213	2,829
Colorado	435	211	646
Connecticut	231	101	332
Delaware	82	27	109
D C	3	-	3
Florida	1,512	211	1,723
Georgia	548	166	714
Hawaii	93	3	96
Idaho	113	84	197
Illinois	1,186	393	1,579
Indiana	460	247	707
Iowa	344	127	471
Kansas	193	124	317
Kentucky	290	66	356
Louisiana	279	72	351
Maine	121	6	127
Maryland	434	81	515
Massachusetts	337	164	501
Michigan	820	242	1,062
Minnesota	569	299	868
Mississippi	140	2	142
Missouri	577	262	839
Montana	107	36	143
Nebraska	141	95	236
Nevada	132	40	172
New Hampshire	118	35	153
New Jersey	706	252	958
New Mexico	171	1	172
New York	1,088	315	1,403
North Carolina	708	279	987
North Dakota	59	44	103
Ohio	1,013	434	1,447
Oklahoma	361	20	381
Oregon	355	168	523
Pennsylvania	844	305	1,149
Rhode Island	108	46	154
South Carolina	375	87	462
South Dakota	143	31	174
Tennessee	420	101	521

Texas	1,355	113	1,468
Utah	279	100	379
Vermont	65	6	71
Virginia	679	215	894
Washington	925	257	1,182
West Virginia	77	63	140
Wisconsin	709	395	1,104
Wyoming	88	5	93

Exhibit 2 – Sub-segments

Segment	Percent
Roofing contractor (except sheet metal)	67%
Sheet metal contractor services (roofing installation)	13%
Siding contractor services (except sheet metal)	13%
Other sheet metal contractor services (e.g., HVAC, plumbing etc.)	4%
Sheet metal contractor services (siding installation)	3%



Exhibit 3 –Local/Regional Associations

Local and Regional Associations	
Association	Web site
Alabama Rfg.S/M, Htg.& AC Cont. Assn.	
Assoc. Rfg. Cont. of Maryland, Inc.	
Assoc.Rfg.Cont.of the Bay Area CA	http://www.arcbac.org
Carolinas Rfg.& S/M Contractors Assn.	http://www.crsorca.com
Chicago Roofing Contractors Assn.	http://www.crca.org
Florida Rfg.& S/M Contractors Assn.	http://www.floridarooft.com
Independent Roofing Contractors of California	http://www.ircc.org/
Midwest Roofing Contractors Assn.	http://www.mrca.org
North/East Roofing Cont.Assn.	http://www.nerca.org
Rhode Island Roofing Cont.Assn.	http://www.rirca.org
Roofing Cont. Assn. of Texas	http://www.rooftex.com/
Roofing Contractors Assn. of Philadelphia	
Roofing Contractors Assn. of So. CA	http://www.rcasocal.org
Roofing Contractors Assn.of British Col.	roofing@rcabc.org
Roofing Contractors Association of California	http://www.rcacal.com/
Roofing Contractors of Washington	http://www.rcaw.com/
San Diego Roofing Contractors' Association	http://www.sdrca.org
Tile Roofing Institute	http://www.tileroofting.org
Union Roofing Contractors Association	http://www.urca.org/
Western States Roofing Cont.Assn.	http://www.wsrca.com/
Kentucky Roofing Contractors Association	http://www.krca.org/
Iowa <i>Roofing Contractors Association</i>	www.iowarooftingcontractors.com/
North Texas Roofing Contractors Association	www.ntrca.com/
Ohio Roofing Contractors Association (ORCA)	www.ohiaroofting.com/

