



Members Market Trend Survey 2015 / Quarter 2 – Results








August 7, 2015
Confidential Report

Main Street
Commercial
Industry Showroom
Service Hardwoods
Tile Consolidation
Internet
Manufacturer
Products
Business
Installation
Pent up Demand
Flooring Dealers
Sales Profitability
LVT Future Growth
Line Angie's List
Competitors Luxury Vinyl











**26 Most Common Words and Phrases in
Survey Results*

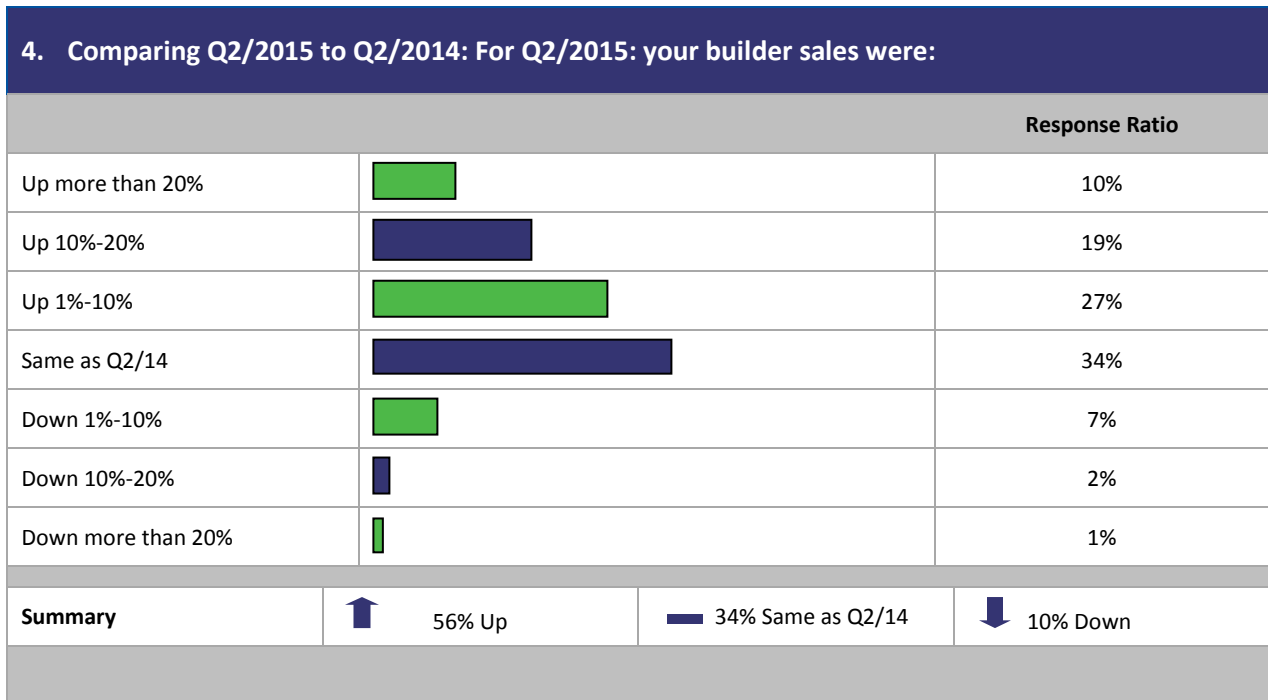
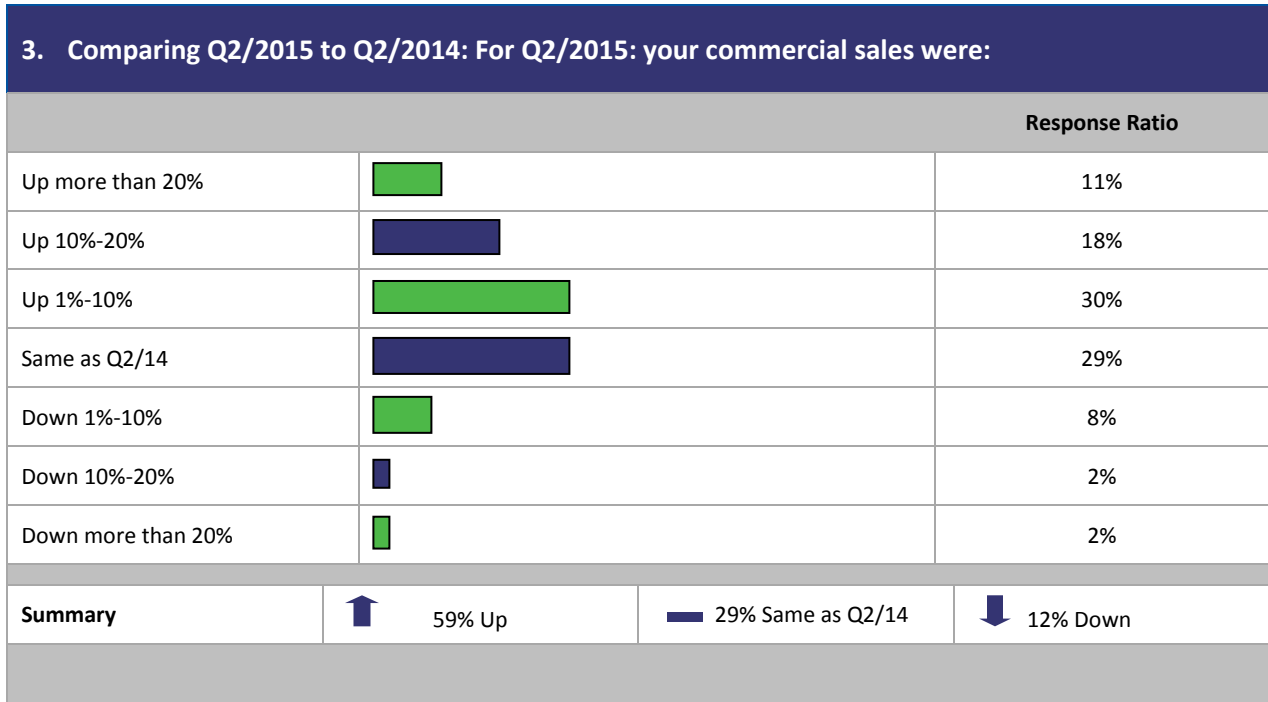
Survey information was compiled on August 7, 2015 from the responses of 163 panelists. Respondents were asked to base all answers on activity during the Second quarter (APR, MAY, JUN) of 2015.

Geographic Location








1. What primary geographic region is your company in?		
		Response Ratio
Canada – All Regions		7%
US – Northeast		16%
US – Mid Atlantic		7%
US – Southeast		16%
US – Midwest		25%
US – Southwest		10%
US – West		19%

Sales Questions

2. Comparing Q2/2015 to Q2/2014: For Q2/2015: your residential sales were:			
			Response Ratio
Up more than 20%			13%
Up 10%-20%			27%
Up 1%-10%			36%
Same as Q2/14			13%
Down 1%-10%			7%
Down 10%-20%			3%
Down more than 20%			1%
Summary	 76% Up	 13% Same as Q2/14	 11% Down

















5. Which product category produced the GREATEST sales volume GROWTH in Q2/2015

		Response Ratio
Carpet		13%
Hardwood		22%
Laminate		3%
Luxury Vinyl Tile		51%
Resilient		3%
Tile/Stone		5%
Other		3%








Open Ended Responses

1	Window Coverings
2	We offering hardwood sales and installation
3	WPC products
4	Enhanced Vinyl Planking
5	Rugs
6	Carpet Tile

6. Which product category produced the SLOWEST sales volume GROWTH in Q2/2015		
		Response Ratio
Carpet		12%
Hardwood		9%
Laminate		38%
Luxury Vinyl Tile		5%
Resilient		20%
Tile/Stone		15%
Other		1%

7. Which product segment produced the HIGHEST profit margin in Q2/2015		
		Response Ratio
Carpet		50%
Hardwood		15%
Laminate		1%
Luxury Vinyl Tile		13%
Resilient		9%
Tile/Stone		11%
Other		1%
Open Ended Responses		
1	Occupied office carpet tile replacement was our best segment	
2	Rugs	




8. Which product segment produced the LOWEST profit margin in Q2/2015 due to competition/price erosion and/or increased product costs?

		Response Ratio
Carpet		8%
Hardwood		36%
Laminate		19%
Luxury Vinyl Tile		4%
Resilient		11%
Tile/Stone		21%
Other		1%



9. How have your sales by product category changed in Q2/2015 compared to Q2/2014?

	Sales Increased	No Change	Sales Decreased
Carpet	63%	25%	12%
Hardwood	55%	34%	11%
Laminate	19%	34%	47%
Luxury Vinyl Tile	83%	15%	2%
Resilient	23%	51%	26%
Tile/Stone	39%	46%	15%
Other	26%	64%	10%







General Questions

10. Does Premier Flooring Retailer magazine from the World Floor Covering Association help educate you on the changes affecting your business?		
		Response Ratio
Yes		72%
No		13%
Have not received an issue		15%

11. From the following list of exclusive columnists/articles of Premier Flooring Retailer, rank the top three (1, 2, 3) which provide the most impact for your business?	
1.	Scott Humphrey, Retailer Best Practices
2.	Tom Jennings, Selling & Installation
3.	David Romano, Management

12. Does Premier Flooring Retailer provide content useful to your business not provided in other publications?		
		Response Ratio
Yes		79%
No		21%

13. Which of the following publications do you receive via mail?

		Response Ratio
Floor Covering News		82%
Floor Covering Weekly		79%
Floor Focus		70%
Floor Trends		67%
Hardwood Floors		56%
Premier Flooring Retailer		66%

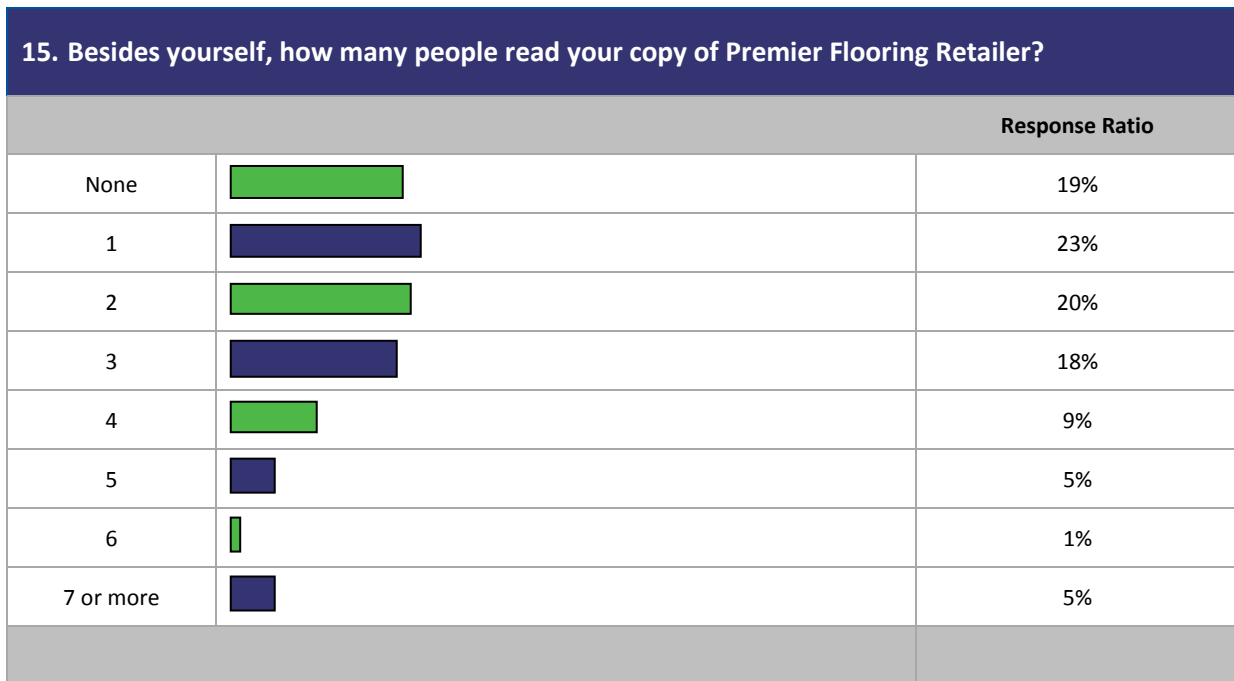
14. What topics would you like to see in upcoming issues of Premier Flooring Retailer?

Open Ended Responses

1	The battle between the Obama Labor department (ie Sec Perez) against the Retailer and independent contractor. There will be constant upheaval in unemployment based on laying off workers or shortened work hour due to work flow.
2	Marketing
3	INSTALLER INFRO.BOTTOM LINE NOT INST.RIGHT NOTHING ELSE MATTERS
4	Environmentally friendly alternatives to Poly Finishes
5	Margin makers
6	How to better merchandise your floor
7	design directions
8	hardwood floor trend
9	debt collection strategies
10	Service, Service, Service! Articles about people that go the extra mile
11	Understanding the new trend's
12	Finding labor in a non-labor society.
13	Finding and training new installers. What is the WFCOA doing to address this emerging problem?

14	Future trends in flooring
15	New installation techniques
16	Installation, S600 Guidelines,
17	Continue to focus on business management issues.
18	Love best practices!
19	Cash flow, margin mgt.,
20	Managing installation and developing new installers.
21	More article on how to get and keep key employees and ways to keep a new generation interested in the flooring business
22	Management
23	New products coming fast and furious with marketing and training of these new products coming long after the products were launched.
24	More best practices columns on successful retailers
25	Claims, Big Box stores
26	Flooring trends
27	Consumer spending changes
28	How to recruit new installation crews.
29	Social media
30	Installation training topics
31	Direct response marketing using both direct mail campaigns and digital resources (ie. Facebook, Google, Re-Targeting etc...)
32	Logistical best practices
33	Carpet Tile
34	Keep the seo and advertising coming
35	what to do with installer shortage
36	More information on claims and legal issues and how to avoid or navigate through them.
37	salesman compensation
38	Real marketing plans
39	made in USA impact on Sales
40	Installation and training

41	Merchandising the showroom floor.
42	Recycling issues & implementation
43	Installation/installer issues
44	More best practices
45	B 2 B selling
46	Best practices on keeping in touch w/ your customers
47	building strong sales team
















16. Can you suggest a manufacturer to advertise in Premier Flooring Retailer to reach successful retailers such as yourself?



Open Ended Responses

1	Tarkett
2	LUMBER LIQUIDATORS
3	Carpenter cushion
4	Mannington
5	Lauzon Hardwood, Fabrica Carpet,
6	The big three - Mohawk, Shaw and Dixie/Engineered Floors, or Beaulieu
7	Custom Building Products
8	Centiva tile
9	Armstrong
10	Dal Tile
11	U S floors
12	Tools or things that the mills don't bring to us would be great. Niche products.
13	Mohawk
14	Schluter Systems
15	Mirage Hardwoods
16	I would like to see product spotlights from some of the mid-size players.
17	Dreamweaver
18	Shaw
19	Metropolitan Hardwood (Kentwood)
20	Mannington Hardwood
21	Pulse Bak
22	U.S. Floors
23	Acculine drawing system



24	U.S. Floors
25	EZ LAY Flooring
26	Mohawk
27	Dal Tile

17. Please specify the primary focus of your business.		
		Response Ratio
Flooring Retailer		70%
Flooring Contractor		22%
Wholesale Distributor		2%
Manufacturer		0%
Installer		5%
Cleaner		1%

18. What is your company's approximate annual sales volume?		
		Response Ratio
Up to \$250,000		1%
\$250,000 to \$500,000		5%
\$500,001 to \$1,000,000		6%
\$1,000,001 to \$2,500,000		27%
\$2,500,001 to \$5,000,000		20%
\$5,000,001 to \$10,000,000		18%
Over \$10,000,000		20%
Prefer not to Answer		3%

19. Are you a member of a buying group?		
		Response Ratio
Yes		56%
No		44%
Open Ended Responses		
1	Abbey (4)	
2	AllPro	
3	American Home Surface Group	
4	Big Bob's	
5	Carpet One/CCA (31)	
6	FCA Network	
7	FEI	
8	Floor to Ceiling	
9	Floor Expo	

10	Flooring America (9)
11	Floors to Go (2)
12	Fuse
13	Haines Loyalty
14	IDG (2)
15	Mohawk Floorscapes
16	NFA (3)
17	Preferred Brands
18	Pro Source
19	Shaw Aligned/Shaw Flooring Alliance (5)
20	Starnet (7)
21	

20. Are you a retailer?		
		Response Ratio
Yes		85%
No		15%

21. What do you see as the greatest OPPORTUNITY in our industry today?

Open Ended Responses

1	The tremendous pent up demand due to postponement of major purchases.
2	having the current technology for sales: website, Facebook, yelp, Angie's list
3	To educate the youth
4	Market
5	Continuing education on materials and installation
6	REALLY KNOWING THE INDUSTRY!!
7	Moisture Mitigation
8	Economy
9	LVT
10	Tile
11	Retail consolidation
12	Profitability
13	training for installation with all the new products
14	I would like to see manufacturing come back to USA.
15	Add on sales- area rugs for hardwoods, window coverings
16	Take market share from Big boxes and unprepared competitors
17	Luxury vinyl plank/ engineered vinyl plank
18	If we could focus on installer training and be able to bring more installers into our industry
19	To provide first rate customer service and take care of your customer and set yourself apart from other retailers.
20	Rebirth of USA products
21	Vinyl tile and plank, especially tile.
22	Getting people back in the door.
23	Company's not changing with the times dying off.
24	The strong economy

25	Being profitable. More and more dealers are becoming more margin focused than in the past 10 years.
26	The opportunity to sell better quality products.
27	Higher Style and more unique products offer greater opportunity to increase margins while meeting budget requirements! Obviously achieving those margins requires more skilled and better trained sales team members and installers
28	Concrete repairs and resurfacing
29	The new water proof LVP
30	Pent up demand
31	Retirement
32	Online Marketing
33	Main street commercial
34	Professional Installation
35	Networking and working with vendors who recognize the necessity to adapt quickly to market trends.
36	Increase profitability
37	Finding installers and qualifies sales pros.
38	installation
39	Growth vs. Big Boxes.
40	Finding products that are not bastardized at the big box stores and are not underpriced on the internet
41	Training
42	Residential remodels
43	Exclusive products. Exclusive marketing
44	Making better products with available technologies, instead of rushing to the bottom on prices.
45	Need for qualified installers in all types of flooring
46	The fact that we service what we sell. Installation makes independent retailers relevant and it is a competitive advantage over boxes or chain stores.
47	LVT, full service carpet (t/u-furniture, etc.)
48	Weakness of competitors, and proper adv.
49	Online selling
50	Marketing
51	flooring will always need to be replaced at some point.

52	Filling the need for quality installation
53	Builder business
54	Technology in the showroom.
55	Separating ourselves from the pack with quality installation.
56	Easy install products for the handyman, small contractor, do it yourselfer as our industry has manpower challenges that I don't see correcting in the near future.
57	floor coatings
58	Quality is starting to matter.
59	LVT
60	Developing on-going training for our installation teams. Good installers put money on my bottom line, PERIOD!
61	Consolidation of dealers.
62	Retailing floor. I plan to open a flooring showroom
63	I feel that the problem of ease of entry in the business still haunts us. This affects margins which affects the amount we can pay installers which affects the quality of the installation force. The mentality of the flooring business in general seems to keep us in the same trap of too many people chasing a reasonably finite amount of business.
65	Contractors who can standby and represent the manufacturer and be able to answer as many questions as they have as possible
66	Luxury vinyl flooring
67	Work hard
68	professionally installed sales
69	Installation
70	Installation and service
71	Installation
72	Main street commercial
73	Continued growth of carpet tile
74	CFI Education
75	None
76	pent up future sales
77	LVT growth
78	Improving our installation quality and capacity.

79	Systems
80	Tile and custom hardwoods
81	Installation excellence - the one big thing keeping big boxes from completely taking over
82	Knowledge. Being the expert in the field.
83	"Discovering ways to save money on advertising expense. i.e. More use of email blasts; Social media, Angie's list etc."
84	Also educating the rsa of new products
85	The manufacturers have a lot of unnecessary costs that are far less important where they could cut costs to manufacturer hear.
86	Soft carpet

22. What do you see as the greatest CHANGE in the flooring industry today?

Open Ended Responses








1	Work force availability and the IC status.
2	internet sales
3	LVT
4	Marketing to the Millennials
5	Consumer research on internet before purchasing
6	THE QUALITY OF THE PRODUCT
7	Moisture Mitigation
8	Lack of young people interested in flooring jobs
9	Customer interest in alternative finishes for wood floors
10	more and more consolidation
11	lack of trust from the consumer
12	Big box competition
13	internet
14	With internet availability our consumers and the industry in general have so much more knowledge available to them.

15	carpeting losing market share
16	Transparency. Consumers can know as much as we do. Comes down to trust.
17	Too many product too quick.
18	technology to make products more resistant to damage especially from water
19	With the big box and larger stores like Floor & Décor I think you will see smaller dealers going out of business.
20	There is not the loyalty in our industry there once was.
21	profit margin
22	Emergence of vinyl plank and tile as an acceptable option by designers, and educated consumers.
23	Internet
24	Less legal labor around.
25	being able to find quality hard surface installers
26	Lack of qualified installers
27	Fewer installers. We need a global initiative on reaching out to young men and women to entice them to consider installing as a profession.
28	Customers focusing on value more than just price. The need to put out enough information to our under 35 customers for them to make what they consider an informed decision.
29	Continued consolidation and the clear fact that LVT has taken the market by storm!
30	broadloom and sheet vinyl moving to Carpet Tile and LVT
31	Quality Installers need more
32	vinyl plank
33	installation
34	Online Marketing
35	getting away from laminate
36	Hard surface sales growth
37	website mobile aps reaching the consumer
38	Movement towards digital media and business tools. Movement towards younger buyers.
39	Generation Y
40	Sophistication of the business.
41	The mills spending all there effort selling to the big boxes and promoting directly to the public...bypassing the retailer



42	Installation
43	Customers being very impatient
44	More competition
45	Social media is the perfect tool for exciting the consumer about flooring.
46	Informed consumers (whether or not it's accurate) before coming into stores.
47	Consolidation
48	Less retailers in the market and less young people wanting to be installers.
49	Informed consumers, a lot with bad info.
50	customer shopping differently
51	on line buying
52	Marketing
53	lack of apprentice installers
54	Lack of quality installation at the Retailer lever
55	Wood looking tile
56	Products and installation in general.
57	Less and less qualified installers.
58	Value
59	The shift from carpet to hard surfaces such as hardwood, luxury vinyl, laminate and ceramic
60	vendors not supporting dealers/contractors
61	LVT
62	Consolidation
63	Lack of value added by distributors which allows more manufacturers to sell direct.
64	Creative locking mechanism. Safer no voc finishes/ hard wax oils
65	There is some consolidation, but the net impact of ease of entry still seems to be constant. In general, I think the level of professionalism has improved over my long association with the flooring industry.
66	Government regulations
67	internet
68	growth of big box stores and direct from manufacturer selling to end users



69	carpet category and installer pool shrinking
70	Manufacturers willing to place their product with anyone without regard for how their product is represented or sold to the end user. They are completely okay putting the product in anyone's hands and free to walk away from issues because they know that the proper jobsite documentation will not be performed or performed correctly or their product will not be installed correctly (unless the person(s) installing have an uncommon knowledge of all of the installation and testing standards required in published installation documents. The apparent conflict between the warranties published on merchandise and the full written warranty. They simply do not mean what the common person or flooring person thinks it means. Free lunch for them if they choose to walk away.
71	Emergence of l.v.t products
72	better and easier installation techniques
73	Installation failure
74	Flooring is a product that doesn't need retail
75	LVT /LVP
76	Shift to big box stores.
77	Marketing
78	shrinking carpet sales
79	Technology / Internet
80	Sever lack of qualified installers
81	Too many LVT markets.
82	Technology...so many better products keep coming.

23. What is the primary challenge to your company as it relates to our industry?

		Response Ratio
Training and retaining an adequate sales force for your company		25%
Hiring/using qualified installers		52%
Product Quality		6%
Product knowledge of manufacturer sales forces		3%
Reliability of manufacturer sales forces		3%
Competing with Big Box stores		8%
Lack of customers overall		3%
Open Ended Responses		
1	Competing with the big box stores	
2	Not just installers but finding a good sales force	
3	Rising costs, such as insurance and eroding margins and cheap labor competition	
4	Installers and big boxes are also primary challenges	
5	Profit margins	
6	Competing with our suppliers	

24. Does your company provide health insurance to its employees?

		Response Ratio
Yes		67%
No		33%

25. Would you be interested in a group option that controlled and likely lowered cost?		
		Response Ratio
Yes		50%
No		50%