



Members Market Trend Survey 2015 / Quarter 3 – Results








November
Confidential Report

Knowledge Retail TILE
Compete Education
Lumber Service
Upgrades Customer
WFCA Products
Hard Surface Internet
Installation Big
Box Sales Pent up
Demand Growth
Serving LVT Buying
Business Recruiting
Flooring Remodel Training
Better Quality











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

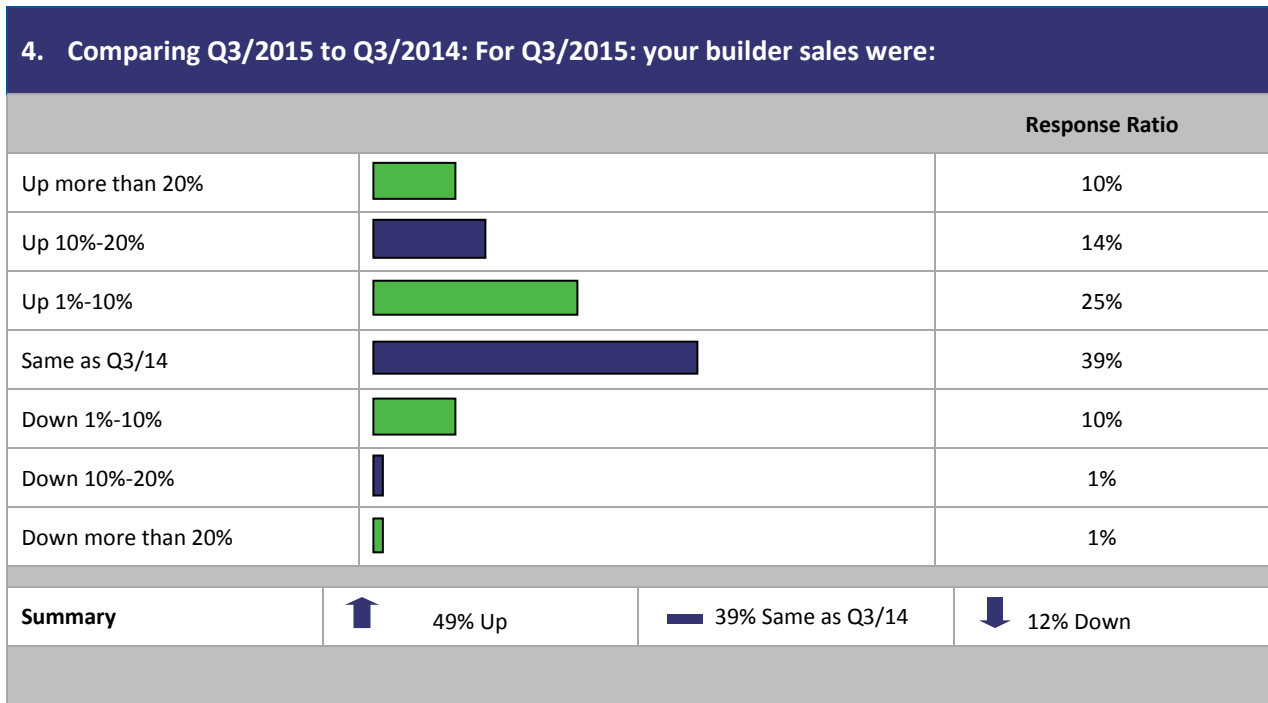
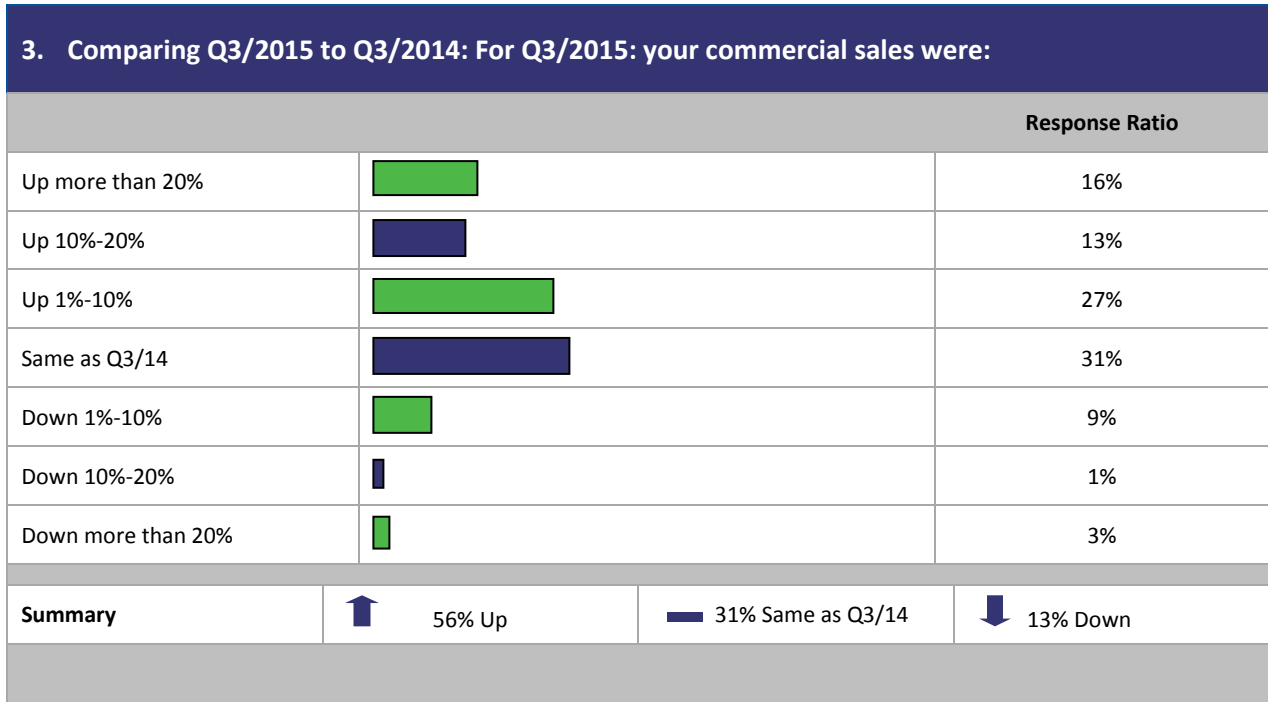
Survey information was compiled on November 17, 2015 from the responses of 160 panelists. Respondents were asked to base all answers on activity during the Third quarter (JUL, AUG, SEP) of 2015.

Geographic Location

1. What primary geographic region is your company in?		
		Response Ratio
Canada – All Regions		8%
US – Northeast		14%
US – Mid Atlantic		8%
US – Southeast		18%
US – Midwest		31%
US – Southwest		8%
US – West		13%

Sales Questions

2. Comparing Q3/2015 to Q3/2014: For Q3/2015: your residential sales were:		
		Response Ratio
Up more than 20%		12%
Up 10%-20%		29%
Up 1%-10%		28%
Same as Q3/14		16%
Down 1%-10%		11%
Down 10%-20%		3%
Down more than 20%		1%
Summary	 69% Up  16% Same as Q3/14  15% Down	



5. Which product category produced the GREATEST sales volume GROWTH in Q3/2015








		Response Ratio
Carpet		11%
Hardwood		27%
Laminate		3%
Luxury Vinyl Tile		48%
Resilient		4%
Tile/Stone		7%
Other		1%

Open Ended Responses








1	We have been having A LOT of wood sales this year!!
2	WPC LVP
3	I only do hardwood
4	We had some large jobs which may have skewed the results
5	Hardwood is our focus, but do a few jobs in laminate and LVT
6	Plank products

6. Which product category produced the SLOWEST sales volume GROWTH in Q3/2015

		Response Ratio
Carpet		13%
Hardwood		6%
Laminate		48%
Luxury Vinyl Tile		2%
Resilient		16%
Tile/Stone		12%
Other		3%
Open Ended Responses		
1	Vinyl	
2	Negative – Decline	
3	Sheet Vinyl	
4	Rugs	

7. Which product segment produced the HIGHEST profit margin in Q3/2015		
		Response Ratio
Carpet		54%
Hardwood		14%
Laminate		2%
Luxury Vinyl Tile		14%
Resilient		3%
Tile/Stone		11%
Other		2%
Open Ended Responses		
1	We have a great program using HGTV	
2	Carpet, Laminate, LVT, Tile and Resilient all high	
3	Cushion	
4	Rugs	






8. Which product segment produced the LOWEST profit margin in Q3/2015 due to competition/price erosion and/or increased product costs?




		Response Ratio
Carpet		7%
Hardwood		41%
Laminate		14%
Luxury Vinyl Tile		1%
Resilient		11%
Tile/Stone		21%
Other		5%

9. How have your sales by product category changed in Q3/2015 compared to Q3/2014?

	Sales Increased	No Change	Sales Decreased
Carpet	52%	29%	19%
Hardwood	64%	24%	12%
Laminate	19%	32%	49%
Luxury Vinyl Tile	85%	10%	5%
Resilient	19%	44%	37%
Tile/Stone	38%	41%	21%
Other	18%	72%	10%








General Questions

10. Approximately how much does your company invest on a monthly basis to train its staff (all staff, not per person)?		
		Response Ratio
\$0		13%
\$50		15%
\$100		26%
\$250		19%
\$500 or more		27%

11. If there were an extensive online library of professional training material that included testing and led to certification for you and your staff, would you be willing to spend \$99 a month per retail location to access it?		
		Response Ratio
Yes		28%
No		23%
Maybe, but I need to know more specifics		49%
Open Ended Responses		
1	Per location sounds high, need to know more but sounds high	
2	Unless I could view it all first and make sure it is worthwhile to spend the money	
3	Our reps are our PRIMARY source...and we require them regularly. Also, our staff all read the magazines we receive: FCW, Floor Covering News, etc.	
4	Please do not make this worthwhile service more dollars than some members can afford...	
5	I am also a member of NWFA and have access to their materials and training. We also attend training put on our distributor	
6	We need something we can walk away with. A disc is a much better format and does not hold up the computer.	
7	We are part of buying group that already offers this	
8	\$99 1st location with a discount for other locations	
9	we have a good training program through Carpet One	

10	Our co-op already makes this accessible.
11	Hands on and dedicated classes hold people's attention and more is learned
12	We pay for CCA on line university




12. What training courses would you like to have access to for you and your staff?

		Response Ratio
General Selling Strategies		75%
Sales Management		50%
Back Office Management		41%
Merchandising		47%
Financial Controls		41%
Product Knowledge		76%
Installation		75%




Open Ended Responses

1	Proven Advertising vehicles,
2	If as high as \$99 all of these and more
3	There are numerous areas that we ALL can benefit from. However, our installers need more resources also...yet it NEEDS to be accurate for all areas of country!! Installations have always posed a concern. I can explain more if desired!
4	We have an old course produced by the AFA that we use that is gold and still covers the training we need
5	Basic Installation for Sales Pro's
6	Commercial blue print reading, Estimating training
7	Tile, carpet, finishing hardwood

13. What training courses would you like to have access to for you and your staff?

		Response Ratio
Self		15%
Staff		27%
All		58%
Open Ended Responses		
1	It depends on what kind of training? If it would improve sales, the Sales & Manager would attend	
2	Depends on courses	
3	Might not send anyone. Need more information. You should consider partnering with all the other associations who are currently or expect to offer similar training. We don't need to duplicate our time and effort and neither should your association. How much money do these trainers need anyway?	
4	Depends on timing/location/expense-we run very tight/short on staff and can't afford to be away	
5	I currently the back office	
6	We do send our sales staff to anything that is in our general area. I have also sent some of our staff to Mohawk for training in the past.	
7	Part of buying group	
8	Depends on location and subject	
9	Time and cost is a factor	
10	Training is a challenge if you have to travel far	
11	I am the company. I would participate	
12	This depends on location and cost.	



14. Does Premier Flooring Retailer magazine from the World Floor Covering Association help educate you on the changes affecting your business?

		Response Ratio
Yes		75%
No		7%
Have not received an issue		18%







15. 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? Note: the lower the number the higher the rank.

		Weighted Average
1.	Scott Humphrey, Retailer Best Practices	1.57
2.	Tom Jennings, Selling & Installation	1.69
3.	David Romano, Management	1.85
4.	Jeffery King, Legal Matters	1.91
5.	Market Trends Research	1.95
6.	Pamela Bowe, B2B Technology	1.97
7.	New Product Showcase	1.98
8.	Annette Callari, Design Trends	2.00
9.	Josh McGinnis, Unlock Your Marketing	2.03
10.	Michael Vickers, Sales Training	2.05
11.	Secret Shopper	2.08
12.	Dr. Stan Beecham, Developing and Elite Mind	2.12
13.	Stacy Eickhoff	2.17
14.	Gold Standard Award	2.18
15.	WFCFA Member Benefit	2.18
16.	John Simonson, Online Presence	2.23

16. Does Premier Flooring Retailer provide content useful to your business not provided in other publications?

		Response Ratio
Yes		80%
No		20%

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

		Response Ratio
Floor Covering News		81%
Floor Covering Weekly		78%
Floor Focus		70%
Floor Trends		67%
Hardwood Floors		59%
Premier Flooring Retailer		65%









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

Open Ended Responses

1	Moisture mitigation and techniques to combat moisture.
2	Training procedures on installation for Sales staff
3	Store pricing systems... Marketing strategies, TV, Facebook etc. accounting software feedback on how to communicate with RFMS to make it easier lol
4	Articles about selling to the trade
5	I would like to see an article devoted to the ACA and how it relates to small business. I would like this to include a section on Insurance captives as they may or may not relate to health care insurance only, if in fact any exist. Too

	many of the articles published about different subjects are written at an 8th grade level. (This also goes for the training courses mentioned above. Let's get serious about what is being presented and discuss things at a more advanced level. Please!
6	More information on claims
7	Social media issues
8	Effective use of Facebook, Twitter and the like. Almost seems like information overload and difficult to manage
9	Training for the assistants that are answering the phones to help the, more accommodate customers before getting the sales person involved. Training for installers based on an employee stand point not sub-contractors
10	business management
11	What small independent retailers are doing for the future to hold market share in their areas
12	General Product Knowledge articles
13	Installation issues, Independent contractor vs. employee and dept. of labor
14	topics related to competitive selling, government laws for sub-contractors
15	Keep the social media news and info coming
16	styling what's new what's coming We need to be designers for our customers Give us trends
17	sales compensation
18	Sales strategy, pricing strategy, leadership
19	Anything
20	Installation practices
21	New products.
22	Dealing with difficult (unreasonable) customers, collecting on accounts
23	Installer training info.
24	n/a
25	Building referrals, Creating repeat business
26	Growing your builder segment
27	How to get into property management
28	Merchandising ABC
29	How to know when it's time to get a new location
30	Professional installation articles we could provide to our installers.
31	Certifications should be required by law






32	Developing value in your business
33	Installation employees vs subcontractors
34	not sure
35	More secret shopping or "what today's consumer wants"
36	Installers Employee or Sub-Contractor issues
37	information about classifying workers for UT tax purposes
38	Best practices. Retailers Mill display ideas
39	Selling higher end products
40	Articles that are more critical of the shortcomings of Manufacturers. Examples: Forcing dealers to buy samples that are out of style. Duplication of product. Leaving samples without updating. Selling unproven products to the consumer. etc.
41	What dealers/manufacturers are doing to address the need for more installers? I realize WFCFA/CFI are doing work to help retailers address the problem, but I would like to see what retailers are doing on their own to retain and recruit new installer.
42	not sure
43	"1) Online selling flooring. - won't be telling full service traditional flooring retailers what they want to hear. 2) shift in demographics of buyers - may be more of a Canadian thing than U.S. Home ownership seems to have skipped the millennials generation in the U.S. whereas they are homeowners in Canada (except Toronto and Vancouver) 3) internet marketing"
44	Installer training and certification, showroom design ideas,
45	Marketing and displays
46	Some of the articles (Mr King as an example) has good info but needs to be more specific as to what exactly we need to do to protect ourselves. A lot of the articles are to general.
47	Training class schedules
48	How to choose the right commercial carpet for your project. List of questions to ask your customer to qualify & what to do with the info. Basically Best practices ideas & detailed solutions.
49	Addressing installation challenges
50	Internet. Advertising
51	I stallion issues and resolutions
52	Strategies on digital and social media marketing.

19. Besides yourself, how many people read your copy of Premier Flooring Retailer?		
		Response Ratio
None		20%
1		21%
2		23%
3		17%
4		10%
5		5%
6		1%
7 or more		3%









20. Can you suggest a manufacturer to advertise in Premier Flooring Retailer to reach successful retailers such as yourself?	
Open Ended Responses	
1	Rug companies, unique porcelain large format. Companies
2	Kraus
3	Tandus Centiva
4	Who says I am successful? I cannot think of a manufacturer's ad that I saw in the publication. Unless it is for a new product, I don't even bother to read the ad, or more importantly remember it on a conscience level.
5	Ardex
6	Beaulieu
7	Mannington
8	moving target based on hottest product category
9	Earthwerks Somerset Hardwood
10	Mannington
11	all



12	Shaw
13	Mohawk, Happy Floors
14	all
15	Mirage Hardwood
16	duChateau Hardwood
17	Schluter
18	Mannington
19	no
20	Mohawk
21	US Floors
22	Benjamin Moore Paint
23	Shaw. Mohawk. Beaulieu. Stanton. Kane. G hurst. Shaw contract
24	Karndean, Wools of New Zealand, Kane Carpet, etc.
25	coretec - u.s floors
26	Nourison, Karastan, Stanton, Kane, Couristan
27	shaw
28	Fidbox
29	US Floors
30	Turbo heat welding
31	Karndean Design Flooring



21. Please specify the primary focus of your business.

		Response Ratio
Flooring Retailer		84%
Flooring Contractor		26%
Wholesale Distributor		2%
Manufacturer		0%
Installer		7%
Cleaner		1%

22. What is your company's approximate annual sales volume?

		Response Ratio
Up to \$250,000		2%
\$250,000 to \$500,000		3%
\$500,001 to \$1,000,000		11%
\$1,000,001 to \$2,500,000		29%
\$2,500,001 to \$5,000,000		22%
\$5,000,001 to \$10,000,000		12%
Over \$10,000,000		18%
Prefer not to Answer		3%

23. Are you a retailer?		
		Response Ratio
Yes		93%
No		7%

24. Are you a member of a buying group?		
		Response Ratio
Yes		60%
No		40%
Open Ended Responses		
1	Abbey (3)	
2	Alliance Flooring (4)	
3	American Home Surfaces Group.	
4	Big Bob's Flooring (2)	
5	Carpet One/CCA(42)	
6	Carpets Plus/Colortile (3)	
7	FEI	
8	Floor to Ceiling (2)	
9	Floorcoverings International	
10	FloorExpo (2)	
11	Flooring America (5)	
12	Haines Loyalty Club (2)	
13	Floors To Go (3)	
14	Floorscapes (3)	
15	IDG	

16	Mohawk Color Center (2)
17	NFA (6)
18	SDC
19	Shaw Aligned Dealer (7)
20	Starnet (4)

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

Open Ended Responses

1	Installation specialists
2	New Companies - better pricing and service
3	Retail there is pent up demand
4	Range of products available. No excuse to not sell something.
5	Adding more recognized training
6	Having a designer on staff to compete against box store employees. Sell American made products against the lumber liquidators, box stores etc.
7	remodel upgrades
8	Being able to receive three, count them 3, email reminders from Scott Humphrey personally, reminding me that I need to fill out this survey.
9	Installation
10	CERAMIC TILE
11	LVT
12	LVF - although with the long life of LVF it could affect future sales as we have now taken the customer out of the market a good 15-25 years...
13	Creating a career for people that don't want to attend college but want to learn a trade. We're trying to create a place where employees can have the same benefits that they would in other job opportunities. We need to attract better quality employees. Consumers are willing to pay for quality work. Most good tradesman don't have good business sense and we try and bridge that gap by running the business and employing good tradesman.
14	Online
15	New products coming forward and changing buyers opinions on style and budget floorings

16	Installation
17	Changing trends in managed property, from rental apartments to assisted living, trend is toward better quality flooring options.
18	The growth in hard surface sales
19	Lead generation from manufactures to supporting independent retailers.
20	commercial sales
21	Serving the 55+ retirement communities
22	social media and website seo
23	Own force installation team.
24	Differentiation from the big box
25	We need to educate the stick-&-brick stores to do a better job... Too much focus is given to \$\$\$\$ and less on knowledge...
26	listening to the customer training installers
27	I can't answer this right now,
28	economy starting to improve
29	getting young people interested in installation and training them
30	Staffing - both sales and installers
31	Personalized product picks, diversification
32	UV cured finishes for wood flooring.
33	always changing
34	Residential highrise
35	Give better service
36	insurance
37	technology...in better products and in the way, we communicate more effectively.
38	Installation
39	To give customers an amazing instore experience
40	To educate people on buying quality and not based on price
41	LVT
42	Remodel business

43	Retail
44	I'm finally seeing less pressure on margins
45	Just keep learning and treat your customers like your friends. Keep moving forward
46	Become expert in product knowledge
47	1. Education & Certification 2. Installation & Certification 3. Marketing
48	Growth through service, With the Installation issues of today, the company that focuses on customer service will increase market share in their area
49	Sales associates, Installers
50	New Construction
51	Troubles of Lumber Liquidators
52	pent up demand
53	Market growth
54	Hardwood sales
55	to be seen as professionals and not just a source for commodity products
56	Recruiting
57	Take business back from the Big Box
58	New Products
59	the ability to be the best a serving our clients
60	LVT
61	Profitability and growth of sales
62	Patterned Carpets.
63	More installers = more business! WFCFA/CFI training facilities growing and recruiting more and more qualified individuals to do installations.
65	offering expertise versus just offering low cost materials with no technical knowledge
66	Governmental interference in labour (installation) matters plus the increasing average age of the installation labour pool, as well as a lack of younger people entering the trade is creating opportunities for easy install click products for the do it yourself/handyman/contractor/independent installer and will result in significant growth in those products in the industry.
67	Bringing CFI in as part of the WFCFA
68	Innovative styling and color in all flooring
69	Developing installation into a respected trade that can be a good source of income and employment

70	With so many new products, installer training is most important.
71	The need for more qualified installers
72	hard surface
73	Certifying installers and national, non-union, training programs.
74	Internet sales
75	Easy to install products like LVT/LVP
76	Growth
77	tile
78	Buying direct from manufacturers
79	Solving the installation crisis
80	Inspections
81	Providing Exceptional Customer Service
82	Tile and Stone
83	Keeping up with training so we are the experts; full service to our customers
84	Increased demand for products to beautify home
85	Selling up. There is more money available for upgrades.
86	Offer more detailed installation, with higher quality products.
87	Education
88	Installations
89	Floor coatings
90	There continues to be a lot of market-share to compete for with all of the closings that occurred during the Great Recession.

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

Open Ended Responses








1	Lack of youth
2	The Large older Manufacturers are scaling back
3	Small dealers are being challenged because they don't have the marketing budget.
4	Breakdown of the wholesale distribution network. Buying direct from manufactures is not really the best solution for smaller companies.
5	The customers. I see a lot of differentiation in customer and effective means of advertising relative to the demographics of each market area. Also. Installers are very limited in # and quality.
6	Too many bargain basement retailers chasing each other to the floor on prices
7	Labor agreements whether laws Union and contractor regulations and there enforcing now especially workers comp for subs
8	The suppliers are finally acting professional with regard to residential product distribution
9	The fringe benefit package of the union carpenters in my geographic location. It has increased by 100% in the last 10 years and by 1500% in the last 38 years. It's tough to be competitive with the non-union shop under these conditions.
10	More Hard Surface flooring
11	Installations is ALWAYS a huge concern-we are struggling to get younger people to be interested in the trade- then to find quality training. My husband attempted to work with a local college to offer trade training in installation-but it is not a field of trade that can access funding...therefore they "attempted" to train in 6 weeks...and we ALL know that is NOT ENOUGH time for a person to be a true qualified installer!! Another "change" is the consumer...they are not focusing on the "service end" like it use to be-yet they are becoming more difficult to please. Hard to explain...but have discussed with several fellow store owners and the industry as a whole is changing dramatically!!
12	EOPLE AND THERE BUYING PROCESS
13	LVT Material
14	Smaller homes seem to be the trend which equates to less floor covering...
15	More intricate tile work / larger tiles / more detailed work
16	Online
17	The way advertising and Internet Affect buyers decisions
18	Installation
19	LVT & LVP are becoming a product of choice in lower-level/basement floors taking another area traditionally locked down with carpet.
20	Government involvement, i.e., dept. of labor rules and regs on independent contractors

21	WPC product taking significant laminate market share.
22	cover your ass
23	Government grey regulations classifying independent subcontractors as employees
24	competition from big box stores
25	Installation
26	internet shopping
27	In California it is VERY difficult to follow all the rules, when stores do not have the same govt' regulations... To many stores are skirting the taxes and govt' imposed fees and not paying their fair share... i.e.; workers comp, licenses, sales taxes, employee benefits... this is a wide gap in relationship to the people that do...
28	Internet
29	everyone shopping electronically
30	Sales associates that don't know what they're selling, not just the big boxes stores but typical retailers.
31	increase in hard surface products
32	online presence and big boxes
33	Internet
34	Consumers are educated prior to shopping
35	Low quality imports.
36	??
37	Adhesives
38	internet
39	People
40	New products
41	The big continue to get bigger and the smaller stores that the industry was built upon continue to get smaller or actually disappear.
42	Influence from box stores
43	Competing online and with the Big Box stores
44	Too much information confuses customers
45	LVT
46	Most people want hard surfaces
47	Commercial

48	The influence of the Gen-Y crowd
49	All the large big box stores are lacking in knowledge and we have the opportunity with knowledge to close the sale and upgrade to a better product.
50	Consolidation
51	Still too many retailers marking up products by 10% to get the sale. They hurt everybody's profitability.
52	Teaching retailers or the retail side that they cannot or should not attempt to beat home centers at their game, but should compete on our terms.
53	The loss of professional Installers
54	An overwhelming amount of technical information needed to successfully sell flooring and other products.
55	Environmental awareness
56	Manufacturer Direct Sales
57	new products
58	Installation
59	Hard surface offerings (glass & stone)
60	Installation
61	Product
62	Less qualified people getting into the business at all levels.
63	Installation Compensation
64	Internet Shopping
65	IRS rules on subcontractors and employees
66	Box stores with next generation
67	?
68	Qc on installs. Overhead costs, taxing authorities, worker comp issues
69	Web based selling
70	LVP
71	More and more retailers are shying away from high end flooring because they don't have the installers to do the work. Claims are a big problem for dealers. Too many, too much time to process, and unhappy customers.
72	big boxes and online purchases
73	Shift from carpet to hard surface. Incredible growth in the LVT and LVP/WPC products.
74	online selling of hardsurface and easily shipped products

75	Focus on PRICE!
76	Big Box and Big brands having the trust of the buying public
77	product technology that changes installation to make it work in a real world
78	The move towards bigger retailers taking more market share and less mom and pop stores.
79	consolidation
80	Marketing and smaller amount of installers
81	Internet sales
82	Improvement in the looks and quality of materials
83	Internet
84	internet
85	Online stores selling at retailer cost
86	Decline of carpet increase of hard surface
87	Laws
88	Diversification from flooring to other construction materials like cabinets and baths.
89	Shrinking carpet
90	Everyone as LVT so it is a tough market. We still need to focus on quality installation.
91	Lack of qualified installers
92	Aging of both installers and sales people
93	good installers labor pull
94	The internet educated customer.
95	Manufacturers selling direct to consumers online
96	The evolution of hard surface products taking the place of carpet in home spaces.
97	Architects, designers, and General Contractors that are not savvy with moisture and floor preparation requirements.
98	The challenges in marketing to the consumer in today's technological world.

27. 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		21%
Hiring/using qualified installers		57%
Product Quality		2%
Product knowledge of manufacturer sales forces		2%
Reliability of manufacturer sales forces		2%
Competing with Big Box stores		7%
Lack of customers overall		9%
Open Ended Responses		
1	More so finding younger generation to train for qualified installers...there are so many "hack job installers" running around now!	
2	Customers abusing what reviews meant for so they can get more	
3	We have in house installers, but finding drug free and capable	
4	You can add all of the above in one form or another..	
5	Installers	
6	The competition is really with the perception that the box stores are less expensive	
7	Reasonable costs from distributors to help us keep our costs down	
8	Cash Flow	
9	Close second is installers	
10	Eroding margins due to internet shopping	
11	Human resources at all areas of business, not just installation	
12	Not enough exclusivity in the marketplace.	
13	Salespeople needed	
14	To a degree, all of the above	