



Members Market Trend Survey
2015 / Quarter 4 – Results

February
Confidential Report








Marketing_{Education} LVP
Competition LVT_{Tile}
Wood **Sales** Selling
Installation
Retailers_{Business}
BIG BOX STORE
Economy Prices
Government_{Labor}
Selling_{Educated} LVT
Hard Surface
Quality **Installers**
Competition **Flooring**
Consolidation **Product**
Share **Internet**

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












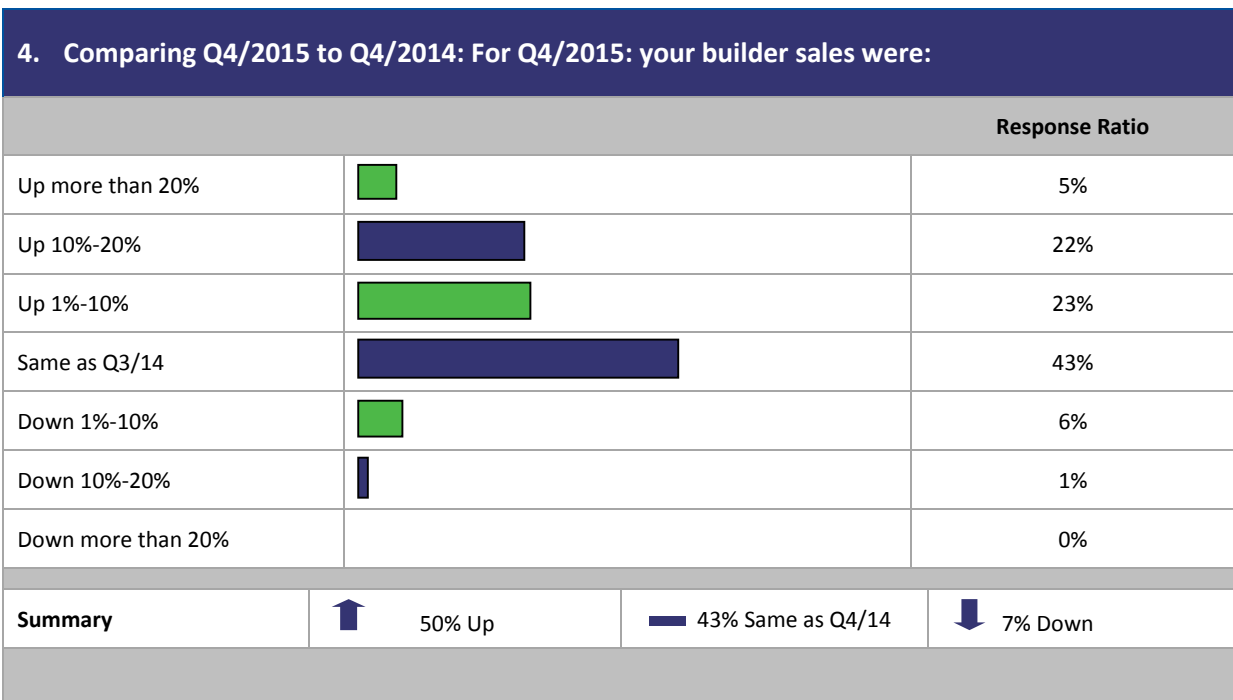
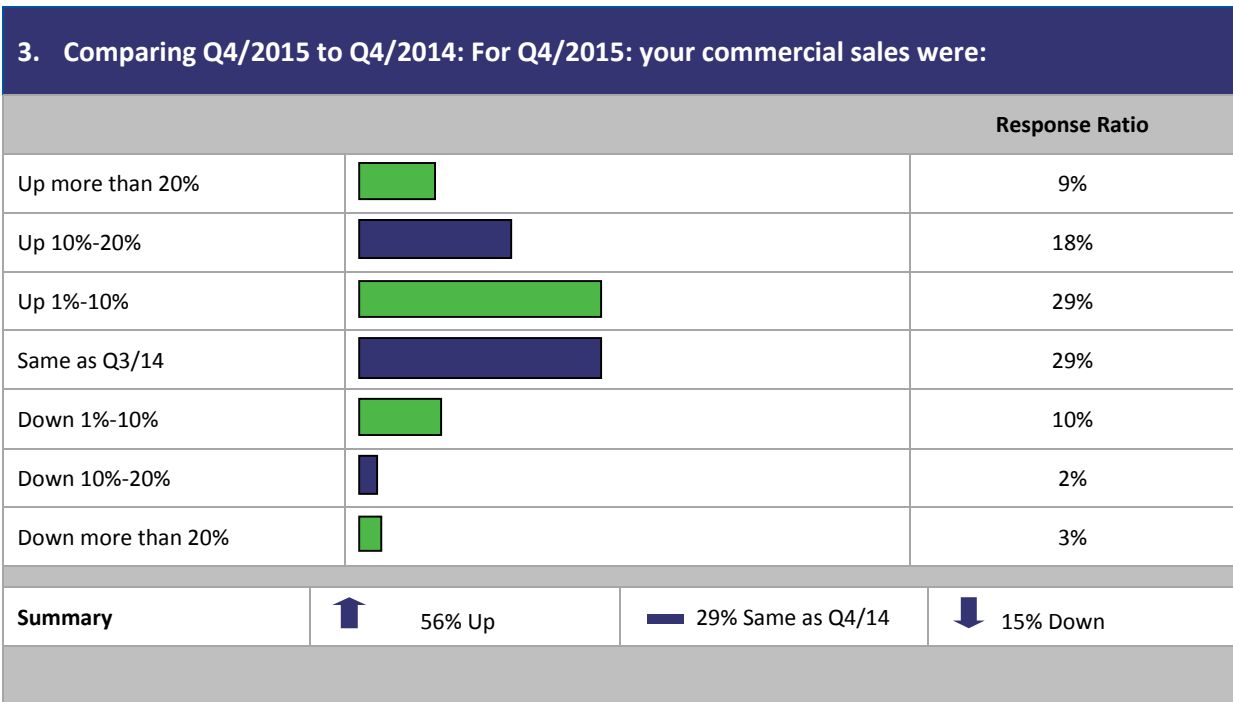
Survey information was compiled on February 3, 2016 from the responses of 119 panelists. Respondents were asked to base all answers on activity during the Fourth Quarter (OCT, NOV, DEC) of 2015.








Geographic Location

1. What primary geographic region is your company in?		
		Response Ratio
Canada – All Regions		8%
US – Northeast		13%
US – Mid Atlantic		8%
US – Southeast		12%
US – Midwest		33%
US – Southwest		5%
US – West		21%








Sales Questions

2. Comparing Q4/2015 to Q4/2014: For Q4/2015: your residential sales were:			
			Response Ratio
Up more than 20%			7%
Up 10%-20%			31%
Up 1%-10%			32%
Same as Q3/14			17%
Down 1%-10%			12%
Down 10%-20%			1%
Down more than 20%			0%
Summary	 70% Up	 17% Same as Q4/14	 13% Down










5. Which product category produced the GREATEST sales volume GROWTH in Q4/2015		
		Response Ratio
Carpet		14%
Hardwood		19%
Laminate		1%
Luxury Vinyl Tile		58%
Resilient		2%
Tile/Stone		5%
Other		1%
Open Ended Responses		
1	Enhanced Vinyl Plank	
2	Luxury vinyl was first but hardwood was very close 2nd	

6. Which product category produced the SLOWEST sales volume GROWTH in Q4/2015		
		Response Ratio
Carpet		9%
Hardwood		4%
Laminate		50%
Luxury Vinyl Tile		2%
Resilient		16%
Tile/Stone		14%
Other		5%
Open Ended Responses		
1	Area Rugs	

7. Which product segment produced the HIGHEST profit margin in Q4/2015		
		Response Ratio
Carpet		63%
Hardwood		13%
Laminate		2%
Luxury Vinyl Tile		7%
Resilient		5%
Tile/Stone		7%
Other		3%
Open Ended Responses		
1	Rugs	
2	Window Covering	
3	Area Rugs	



8. Which product segment produced the LOWEST profit margin in Q4/2015?



		Response Ratio
Carpet		7%
Hardwood		38%
Laminate		16%
Luxury Vinyl Tile		2%
Resilient		7%
Tile/Stone		24%
Other		6%



9. How have your sales by product category changed in Q4/15 compared to Q4/2014?



	Sales Increased	No Change	Sales Decreased
Carpet	46%	28%	26%
Hardwood	60%	34%	6%
Laminate	16%	24%	60%
Luxury Vinyl Tile	82%	14%	4%
Resilient	18%	47%	35%
Tile/Stone	34%	48%	18%
Other	24%	65%	11%

General Questions

10. Is your company primarily a commercial or residential dealer/retailer?		
		Response Ratio
Commercial		12%
Residential		88%

11. Primarily Commercial - Does your company have installers that are company employees?		
		Response Ratio
Yes		27%
No		73%

12. Primarily Commercial - Does your company intend to use company employees for all installations? Please answer yes if your company uses sub-contractors when it has to, but only as a last resort.		
		Response Ratio
Yes		33%
No		67%

13. Primarily Commercial - Does your company use sub-contracted installers for all installations?		
		Response Ratio
Yes		78%
No		22%

14. Primarily Commercial - Your company appears to use a mix of installers that are company employees as well as installers that are sub-contractors. What percentage below best approximates, on a year to year average, the combination of installers your company uses?



		Response Ratio
90% Company Employee/ 10% Sub Contract		0%
75% Company Employee/ 25% Sub Contract		0%
50% Company Employee/ 50% Sub Contract		33.3%
25% Company Employee/ 75% Sub Contract		33.3%
10% Company Employee/ 90% Sub Contract		33.3%



15. Primarily Commercial - In response to the recent government crackdown on proper reporting when using sub-contractors, and the fines being issued for non-compliance, is your company either in the process of, or seriously looking into hiring new company employee installers?






		Response Ratio
Yes		33%
No		67%



16. Primarily Residential - Does your company have installers that are company employees?






		Response Ratio
Yes		27%
No		73%




17. Primarily Residential - Does your company intend to use company employees for all installations? Please answer yes if your company uses sub-contractors when it has to, but only as a last resort.		
		Response Ratio
Yes		23%
No		77%

18. Primarily Residential - Does your company use sub-contracted installers for all installations?		
		Response Ratio
Yes		98%
No		2%

19. Primarily Residential - Your company appears to use a mix of installers that are company employees as well as installers that are sub-contractors. What percentage below best approximates, on a year to year average, the combination of installers your company uses?		
		Response Ratio
90% Company Employee/ 10% Sub Contract		11%
75% Company Employee/ 25% Sub Contract		17%
50% Company Employee/ 50% Sub Contract		6%
25% Company Employee/ 75% Sub Contract		33%
10% Company Employee/ 90% Sub Contract		33%








20. Primarily Residential - In response to the recent government crackdown on proper reporting when using sub-contractors, and the fines being issued for non-compliance, is your company either in the process of, or seriously looking into hiring new company employee installers?		
		Response Ratio
Yes		17%
No		83%




21. Approximately how much does your company invest on a monthly basis to train its staff (all staff, not per person)?		
		Response Ratio
\$0		14%
\$50		12%
\$100		23%
\$250		20%
\$500 or more		31%




22. 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		32%
No		26%
Maybe, but I need to know more specifics		42%
Open Ended Responses		
1	We have that thru CCA global	
2	We are Carpet One and have training available to us	
3	Already have in place.	

4	I did buy the Summit Learning System last year at Surfaces but did not like the format. I have a training system that I bought from the RFI years ago that is in VHS format that may be old but it is the best training system I have ever used. I also like the Tom Jennings CD'S that we use. The good thing about both these systems is that you can start and stop and have conversation about how this relates to your selling experience.
5	\$99/mo., That is expensive
6	\$99 for the total company
7	Per month - not per month and location
8	with 5 locations and only averaging 5 staff per location, cost is prohibitive on a per location basis and most of our staff is already well experienced
9	We only sell pre finished wood floor

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

		Response Ratio
General Selling Strategies		72%
Sales Management		57%
Back Office Management		44%
Merchandising		46%
Financial Controls		27%
Product Knowledge		70%
Installation		72%



24. If regional training were offered for sales associates, managers, and leadership, who would you have attend?		
		Response Ratio
Self		14%
Staff		28%
All		58%
Open Ended Responses		
1	If it was valuable training	
2	I have sent many of my employees to various carpet mills over the years and this has been very productive. I just returned from the Atlanta Rug Market & took one of my employees. Last year I took another employee	
3	Need more info	
4	Would like to offer more training sessions for installers. Provide tools for them to grow professionally.	
5	As many as could be away from the shop.	
6	Depending on what the training was for.	
7	Depending on location and timing	

25. 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		11%
Have not received and issue		14%







26. 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.	Tom Jennings, Selling & Installation
2.	Scott Humphrey, Retailer Best Practices
3.	David Romano, Management

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

		Response Ratio
Yes		85%
No		15%









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

		Response Ratio
Floor Covering News		86%
Floor Covering Weekly		82%
Floor Focus		70%
Floor Trends		72%
Hardwood Floors		66%
Premier Flooring Retailer		71%

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

Open Ended Responses

1	Articles on attitude adjustment when you want to run away from your flooring business! LOL
2	Focus on selling to me is always helpful. As an owner, strategy articles on structure, growth, ratios of employees to salespeople. Cost structures for a salesperson to overhead. Huge help.
3	Subcontractor/Employee installer solutions other dealers have implemented. I know Tom Jennings used to have employee installers and would have fantastic insight to this issue.
4	Information regarding the best technology tools available for our industry. ie. visual aids for customers, measure and estimating software, scheduling and notification software, etc.
5	Leveraging your strengths
6	How to beat the Big Box stores
7	Design related. Consumer opinion surveys.
8	More reporting like secret shopper on consumer's behaviors
9	Importance of making higher margins
10	More case studies. Maybe an article presenting an issue to flooring dealers and then the response from 3 different dealers how they handled the issue.
11	Starting a new store dos and don'ts
12	Product quality
13	Technical info on products...
14	Questions to ask to qualify your customer & help them make the right choice"
15	More installation related articles with updated procedures and possibly tools. backings, click systems, Hard surface articles regarding moisture, expansion, humidity systems.
16	Salesman compensation
17	Decorating and design trends
18	Product introductions
19	Sub-Contractor -vs- House Installers
20	Just keep up the good articles and topics that you are presently doing
21	Internet marketing articles
22	Installation, B2B,Store design and lighting

30. Beside yourself, how many people read your copy of Premier Flooring Retailer?		
		Response Ratio
None		19%
1		24%
2		25%
3		13%
4		5%
5		6%
6		4%
7 or more		4%



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



Open Ended Responses

1	No
2	Ardex
3	Mohawk
4	Karndean
5	tool manufacturers and deals
6	No
7	No
8	No
9	The ones I would mention most likely already advertise, Mohawk, Shaw, Beaulieu, Engineered Floors, Dreamweaver.
10	EZ LAY
11	No
12	US Floors
13	Metrofloor has expressed interest.
14	n/a
15	Mohawk
16	Mannington
17	Fixture/rack/display distributor or manufacturer
18	CCA Global/ Carpet One
19	Us floors
20	Lauzon
21	No

32. Please specify the primary focus of your business.		
		Response Ratio
Flooring Retailer		87%
Flooring Contractor		11%
Wholesale Distributor		0%
Manufacturer		0%
Installer		2%
Cleaner		0%

33. What is your company's approximate annual sales volume?		
		Response Ratio
Up to \$250,000		0%
\$250,000 to \$500,000		5%
\$500,001 to \$1,000,000		9%
\$1,000,001 to \$2,500,000		25%
\$2,500,001 to \$5,000,000		27%
\$5,000,001 to \$10,000,000		11%
Over \$10,000,000		22%
Prefer not to Answer		1%

34. Are you a retailer?		
		Response Ratio
Yes		95%
No		5%

35. Are you a member of a buying group?		
		Response Ratio
Yes		59%
No		41%
Open Ended Responses		
1	Abbey (2)	
2	Alliance Flooring (2)	
3	American Home Surfaces Group.	
4	Carpet One/CCA(18)	
5	Carpets Plus/Colortile (4)	
6	FCA (3)	
7	Floor Expo	
8	Flooring America (5)	
9	Floors To Go (2)	
10	IDG	
11	NFA (5)	
12	Shaw Aligned Dealer (5)	

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

Open Ended Responses

1	Greater knowledge share so that we can all succeed together as opposed to the cut throat competition that leads to so many little stores.
2	Selling installed flooring projects.
3	Tile
4	Hiring and training sales staff, Hiring and training installers, implementing technological tools to keep us up to date with other companies. We are so behind in this arena!
5	Killing my competitors with enhanced adv and skilled sales people
6	Wpc
7	LVP and LVT
8	Need new up and coming installers
9	Higher prices mean higher profits.
10	Direct buying
11	Engineered wood
12	LVP
13	Hard surface
14	Educating
15	Making big money and create good name in the market place easily.
16	LVT, coretex
17	The carpeting of all the hardwood and tile floors sold in the last 10 years. I grew up on hardwood floors, and as stylish as they are, carpet feels warmer, more inviting, but it is not trendy, yet.
18	Selling systems.
19	Small start ups
20	Is to charge more for labor. Pay installer MORE
21	Installation
22	Digital marketing
23	Reduce skus and quit cutting prices
24	Installation capacity

25	Hot economy
26	THE FAILURE OF THE BIG BOX STORES WITH INSTALLATION AND SALES HELP. WE SELL A LOT OF AREA RUGS AND WE DO NOT SEE AS MANY PEOPLE SHOPPING ON LINE AS THEY ONCE DID. THEY WANT TO SEE FEEL AND TOUCH BEFORE THEY BUY. WE ALSO HAVE A LOT OF CUSTOMERS TELLING US THAT THEY WANT TO BUY FROM THE LOCAL STORE. THEY HAVE HAD SOME PROBLEM WITH A BIG BOX STORE
27	Further consolidation of retailers & contractors. Ease of entry is still one of the industry's problems to increased profitability.
28	Education of installers
29	Professional installation, our biggest problem and our biggest asset
30	Diversification into remodeling and more services
31	facebook twitter
32	Installation Training
33	Separating the specialty Retailer from the Big Box
34	Retail Sales
35	Remodel business
36	Capitalizing on an aging dealer ownership base
37	Employee Education
38	Marketing with new technology
39	Training
40	Installation and continued low margins
41	Growth: In the last 10 years we went from 75% independent Retailers to 50% retailers. The greatest opportunity is to take advantage of the lack of competition and educate your customers to be better then the box stores and grow your business.
42	Change.....more hard-surface sales
43	Technology. Software systems, B2B. Our industry needs to put away the stone tablets and catch up with the rest of the world. The efficiencies from use of software systems could move our industry forward in leaps and bounds if the complete supply chain would get on board with B2B. Software systems would be far more attractive to retailers if B2B advanced and the more retailers that are using software would allow the software companies to continue to develop and advance their systems.
44	The economy seems to be getting better - new buildings going up in our area.
45	Growth in carpet and LVT
46	To resolve the shortage of installers and provide more installation training
47	Oil and hard wax wood floor








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

Open Ended Responses

1	Internet knowledge or perceived knowledge of a consumer.
2	Customers are willing to pay for professional installation if it is presented properly and they are educated about the pitfalls and traps that are set by online dealers, home centers and other questionable retailer practices. Knowing the tactics of competitors and the weakness of their tactics and ours helps us to compete at a higher level than just price. We have chosen to explain the complexities of the flooring world to the customer and also proving to them at the same time that we have the answers and solutions to their specific flooring problems.
3	Labor
4	Customer expectations in terms of products and service.
5	That the people in the industry are aging and creating better opportunities for a newer generation
6	Water Proof Floating Resin Flooring
7	Away from laminate and ceramic.
8	Social media. Pinterest, Instagram etc.
9	Online competition
10	LVT/LVP
11	Government involvement
12	Shift to hard Surface
13	Consumers new buying habits
14	More styling and competition
15	LVT
16	Consolidation, by Mohawk and their acquisitions, and Engineered Floors. I see EF growing by leaps and bounds in the next few years. The only thing that might hinder that is the passing of their visionary, Bob Shaw.
17	Technology and communicating with clients.
18	No one advertises
19	Same as above
20	Internet
21	Digital marketing
22	Too much product change too fast

23	Selling online
24	Consolidation of suppliers
25	Government regulation and intervention
26	THERE AR FAR FEWER STORES THAN JUST A FEW YEARS AGO. MOST STORES THAT DO SURVIVE NEED TO BE EDUCATED.
27	In the commercial side, the number administrative requirements being placed on contractors continues to increase.
28	Online shoppers
29	The small mom and pop retailers are disappearing.
30	Selling online at retailer cost or below
31	Hard surface resurgence
32	LVT
33	Lack of Quality labor
34	Availability of installers
35	Internet
36	The coming retirement of a generation of owners and installers.
37	Competing with the big box
38	Installation.
39	Government regulations
40	More and more market share moving towards bigger companies and away from locally owned independent companies.
41	Hard Surface has taken over.
42	The continued decline of soft surface sales as a percentage of our business
43	Lots of problems with Quality control
44	Monopoly of suppliers...Mohawk and Shaw taking more of a share of our product mix.
45	Due to the lack of qualified installers and the advancement of easy to install click LVT/LVP/WPC/HDF core hardwoods, plus due to generational changes (millennials are more likely to do it themselves) I see a shift towards more supply only sales and the DIY, small contractor, handyman installed products. Hand in hand with this, I see on line selling growing significantly.
46	At retail - The move back to hardwood and selling less residential carpet.
47	Big box stores
48	Wider plank wood floors, low sheen

49	Moving from carpet to hard surface
50	Installation
51	Lack of warranty back up from manufacturers
52	Big box stores

38. 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		17%
Hiring/using qualified installers		59%
Product Quality		3%
Product knowledge of manufacturer sales forces		2%
Reliability of manufacturer sales forces		5%
Competing with Big Box stores		8%
Lack of customers overall		6%
Open Ended Responses		
1	Labor	
2	Meeting customer expectations in terms or product and service.	
3	All of the above except competing with big box stores and lack of customers.	
4	MOST ALL OF THE ABOVE	
5	Training sales and installation teams on specific products specifically the hard surface category.	
6	Tired of working with order takers. Wish the Manufactures hired people with people skills.	
7	We have replaced more bad carpets this last year than in my last 41 years	
8	Hiring qualified installers is about equally challenging	