

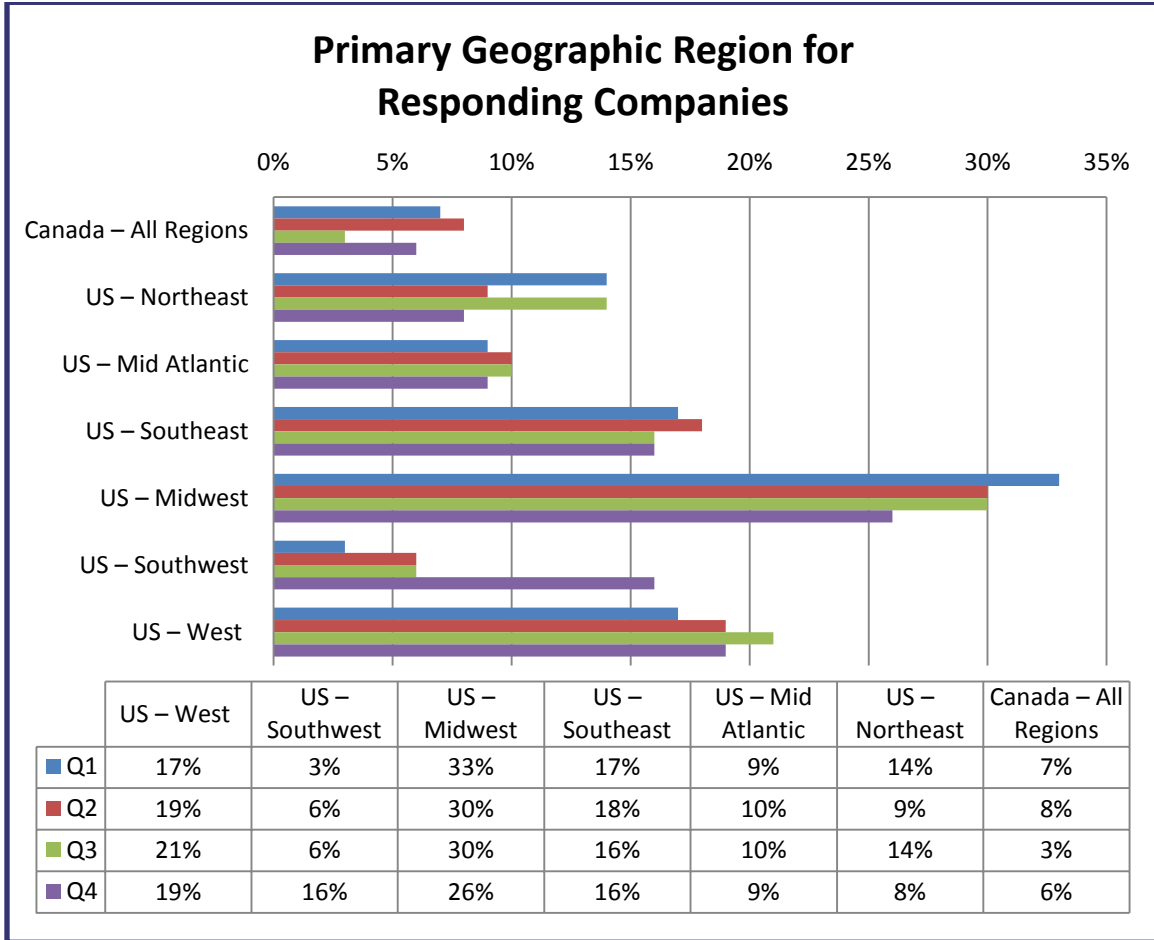


Members Market Trend Survey Summary and Comparison of All Quarters 2014

April 8, 2015
Confidential Report

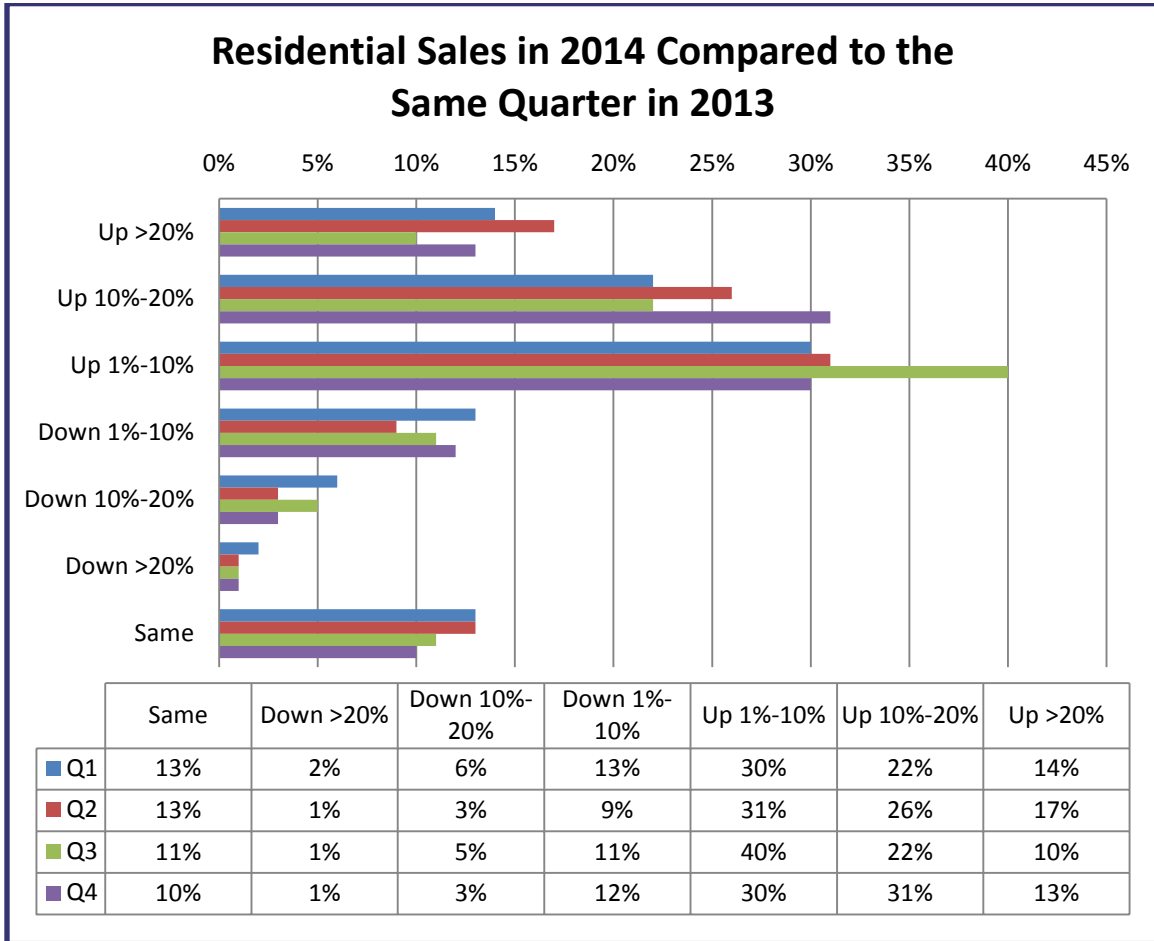
Geographic Location

What primary geographic region is your company in?



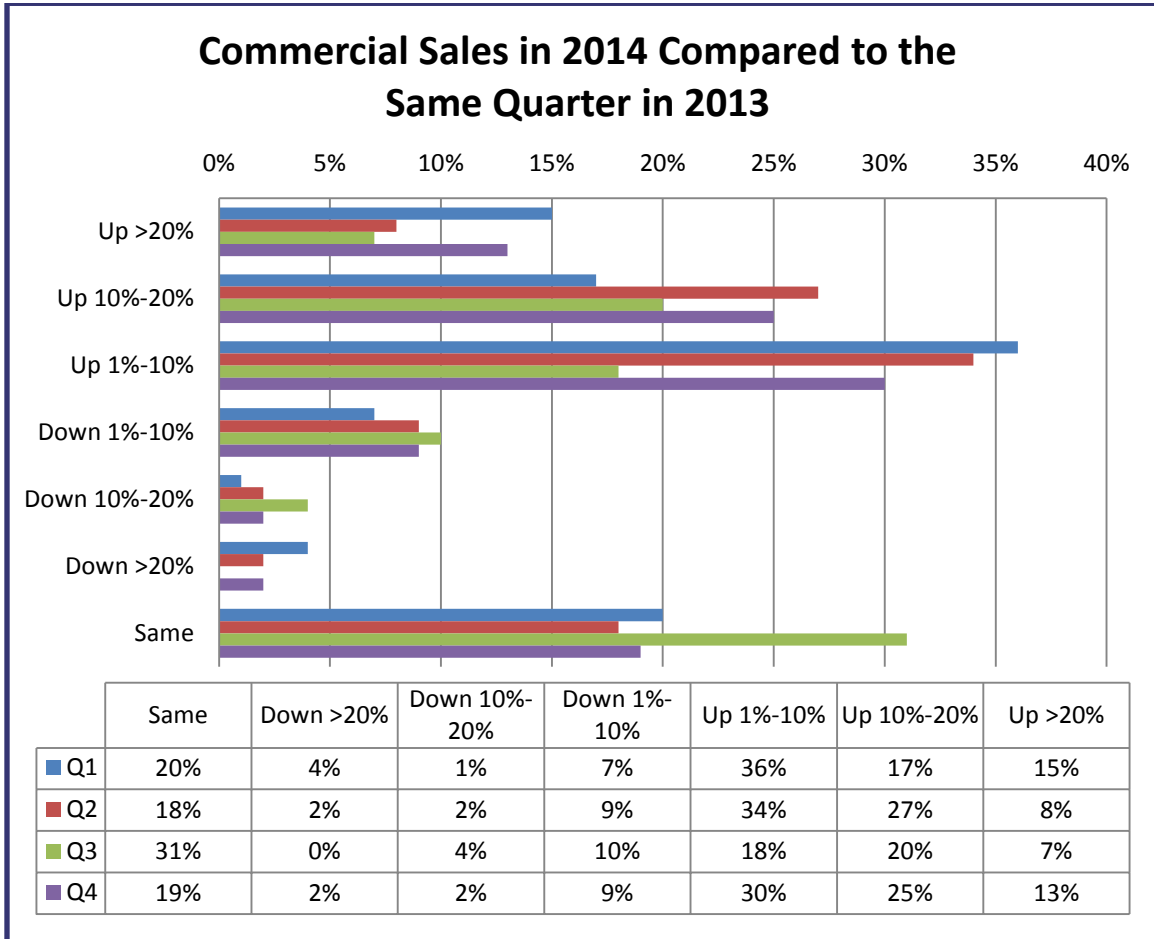
Sales Questions

Residential sales in 2014 compared to the same quarter in 2013



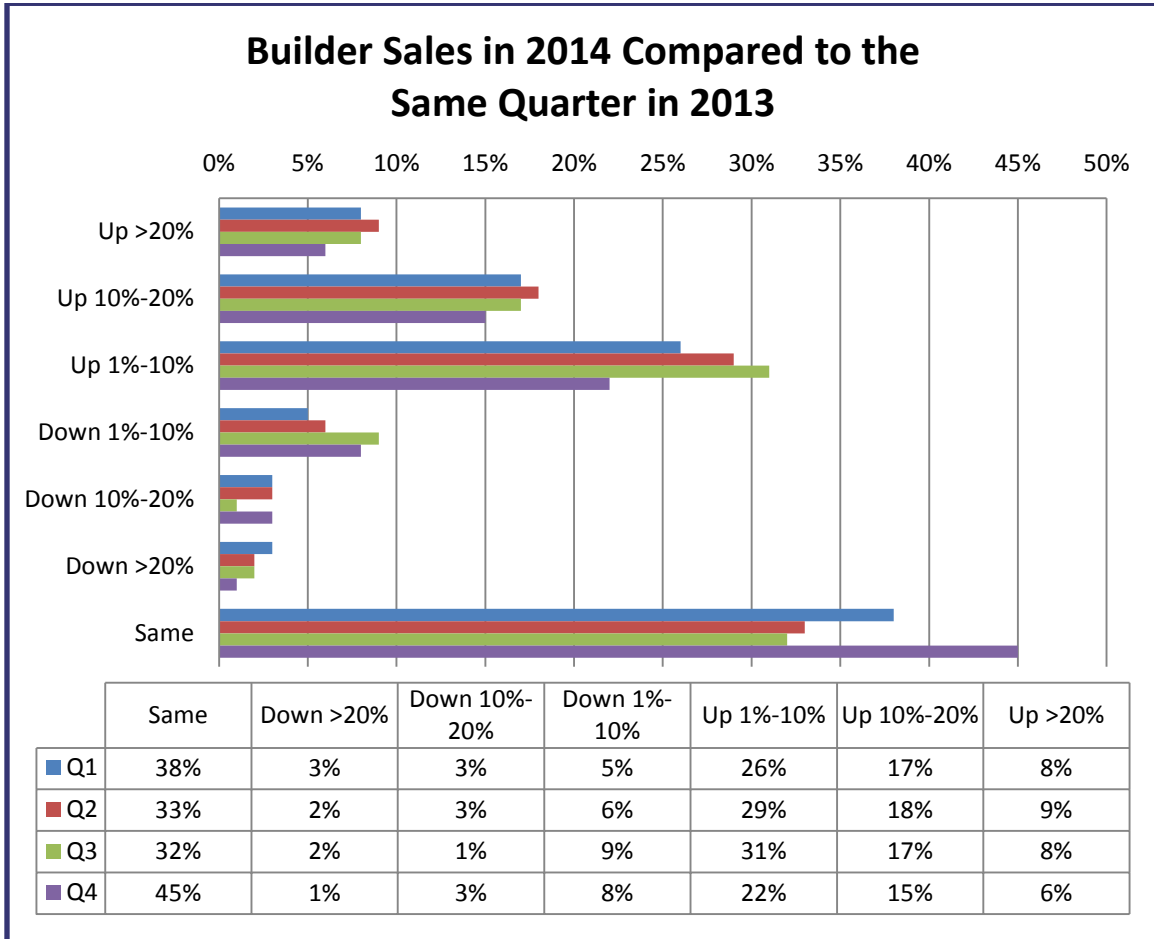
Summary			
Q1	↑	66% Up	13% Same ↓ 21% Down
Q2	↑	74% Up	13% Same ↓ 13% Down
Q3	↑	72% Up	11% Same ↓ 17% Down
Q4	↑	74% Up	10% Same ↓ 16% Down

Commercial sales in 2014 compared to the same quarter in 2013



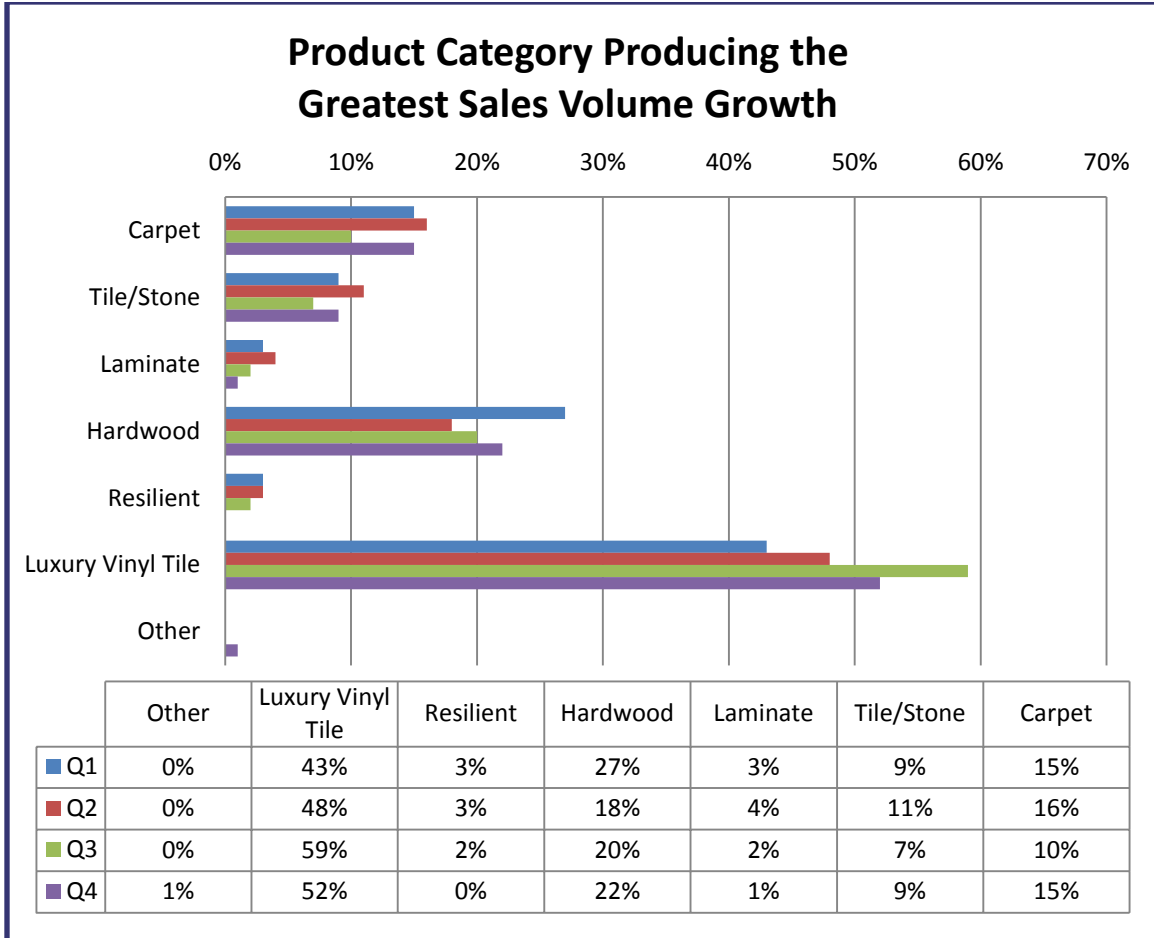
Summary			
Q1	↑	68% Up	20% Same 12% Down
Q2	↑	69% Up	18% Same 13% Down
Q3	↑	55% Up	31% Same 14% Down
Q4	↑	68% Up	19% Same 13% Down

Builder sales in 2014 compared to the same quarter in 2013

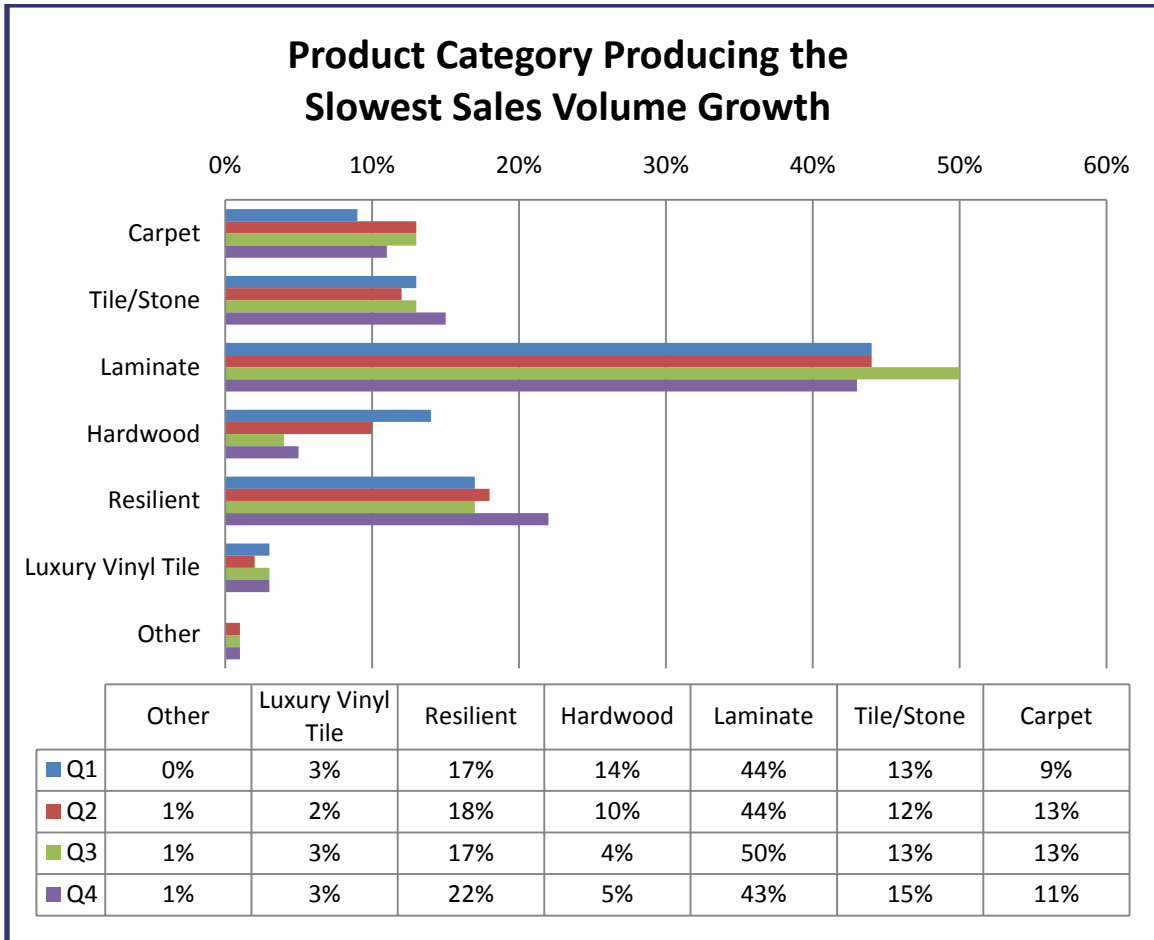


Summary			
Q1	↑	51% Up	38% Same ↓ 11% Down
Q2	↑	56% Up	33% Same ↓ 11% Down
Q3	↑	56% Up	32% Same ↓ 12% Down
Q4	↑	43% Up	45% Same ↓ 12% Down

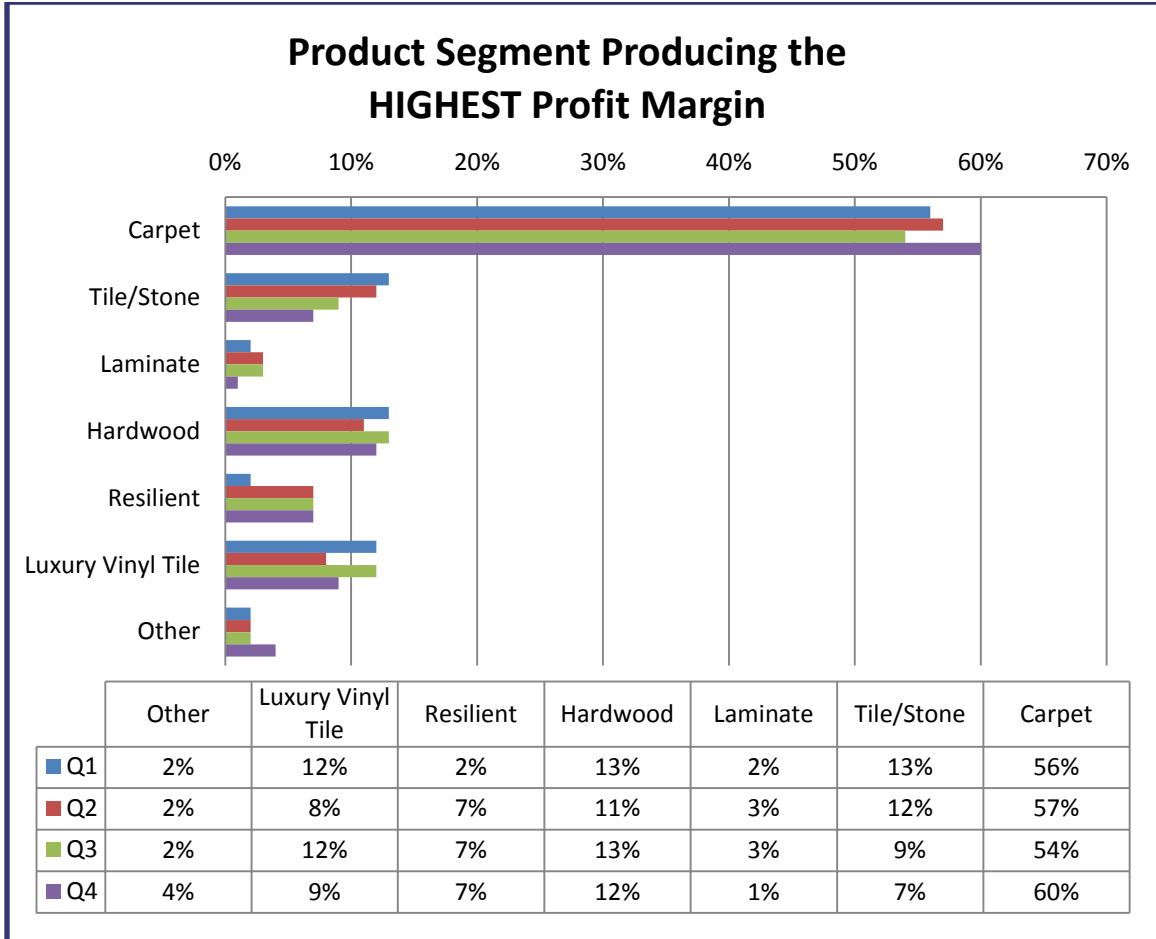
Product category that produced the GREATEST sales volume GROWTH by Quarter



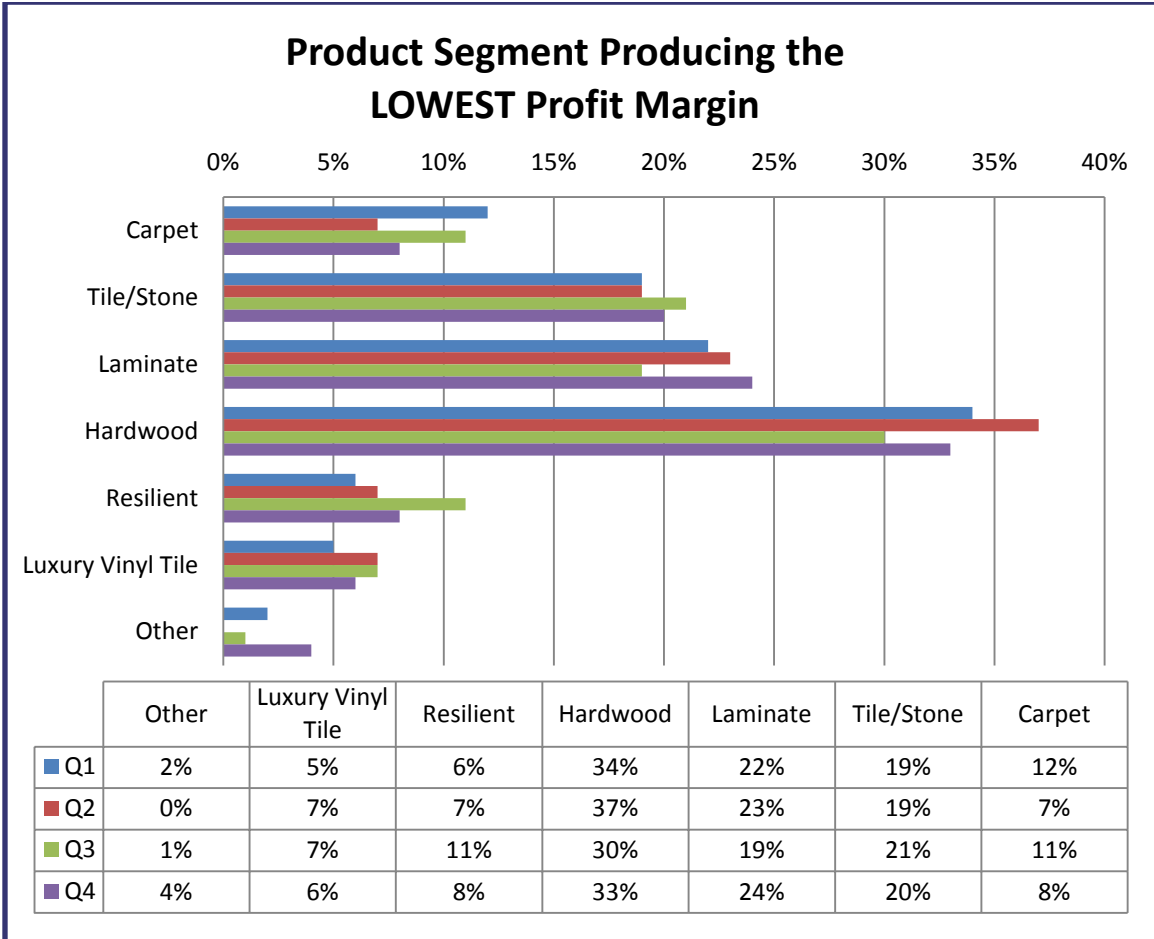
Product category that produced the SLOWEST sales volume GROWTH by Quarter



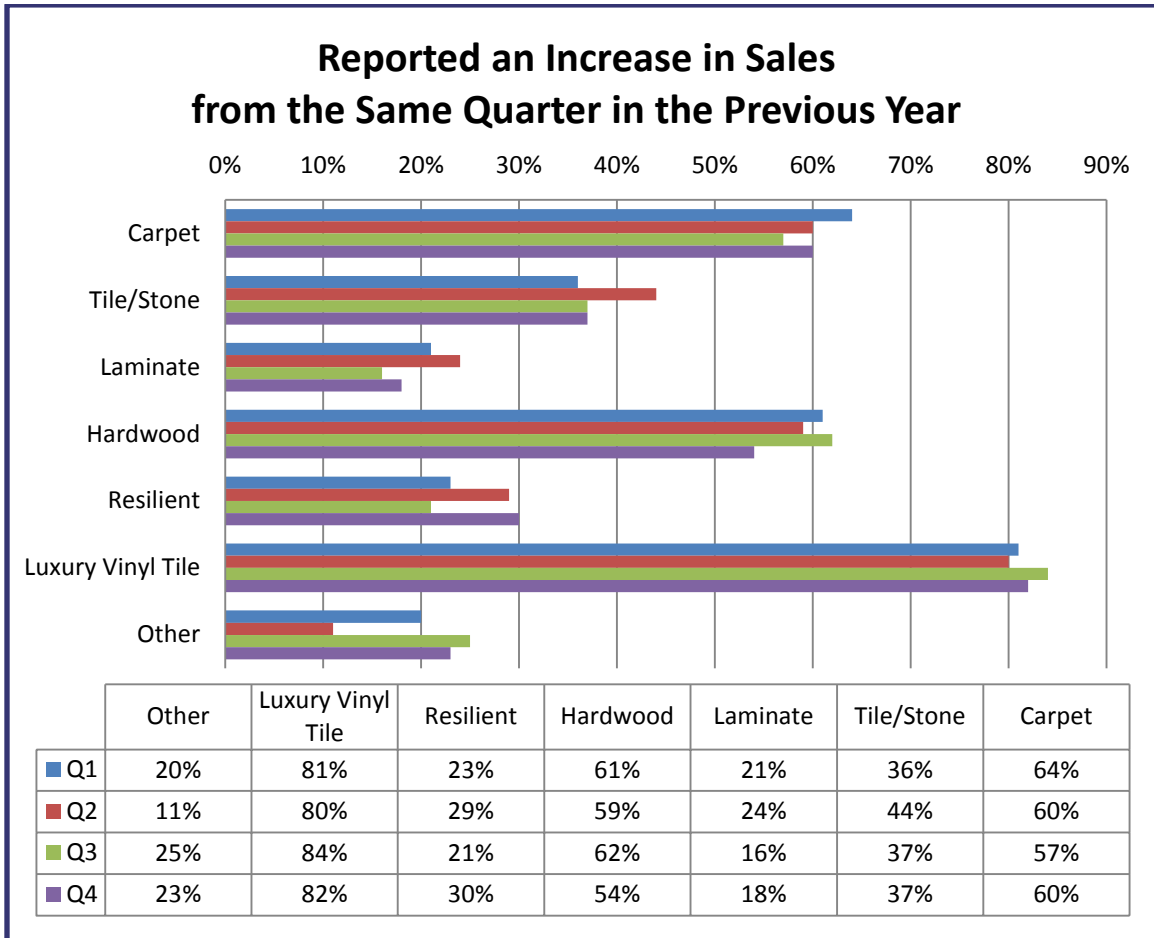
Which product segment produced the HIGHEST profit margin in Qx/2014?



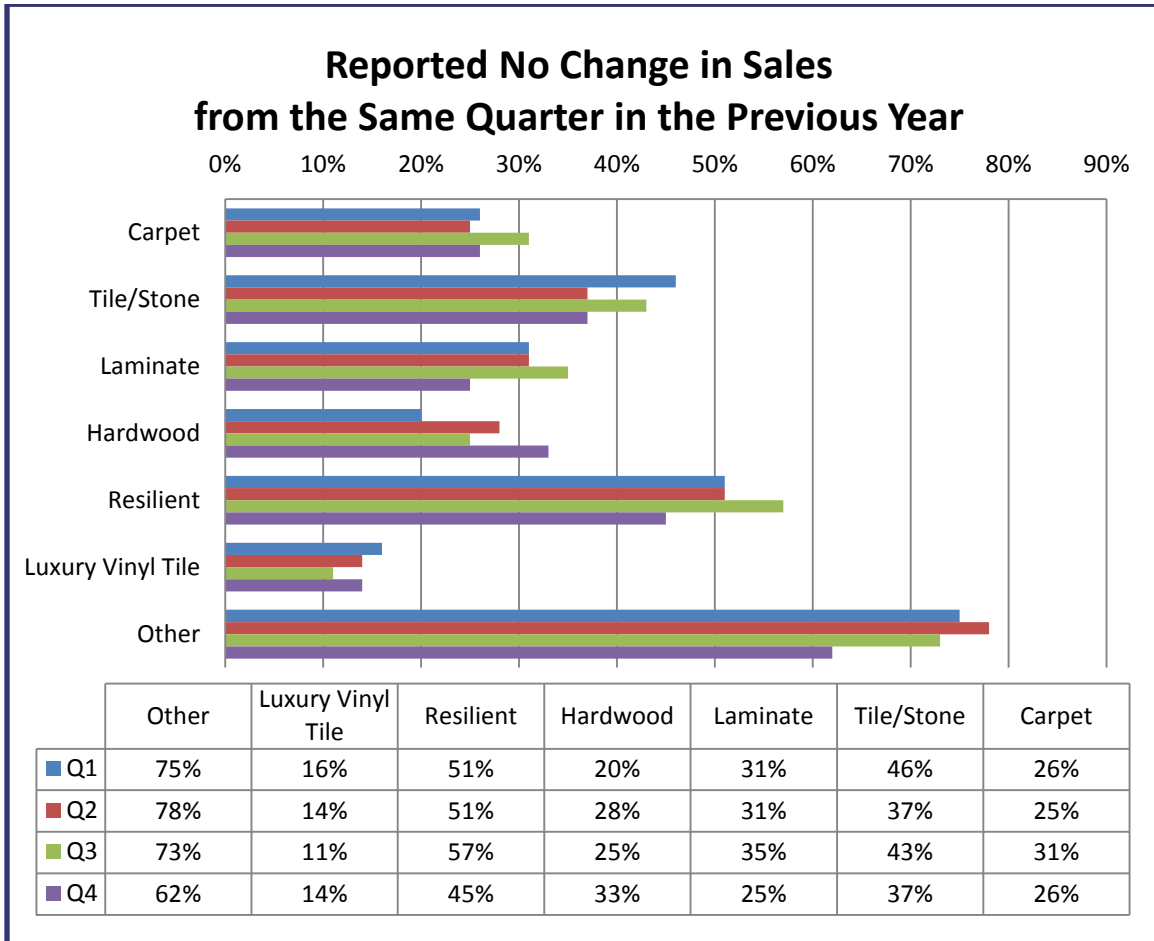
Which product segment produced the LOWEST profit margin in Qx/2014?



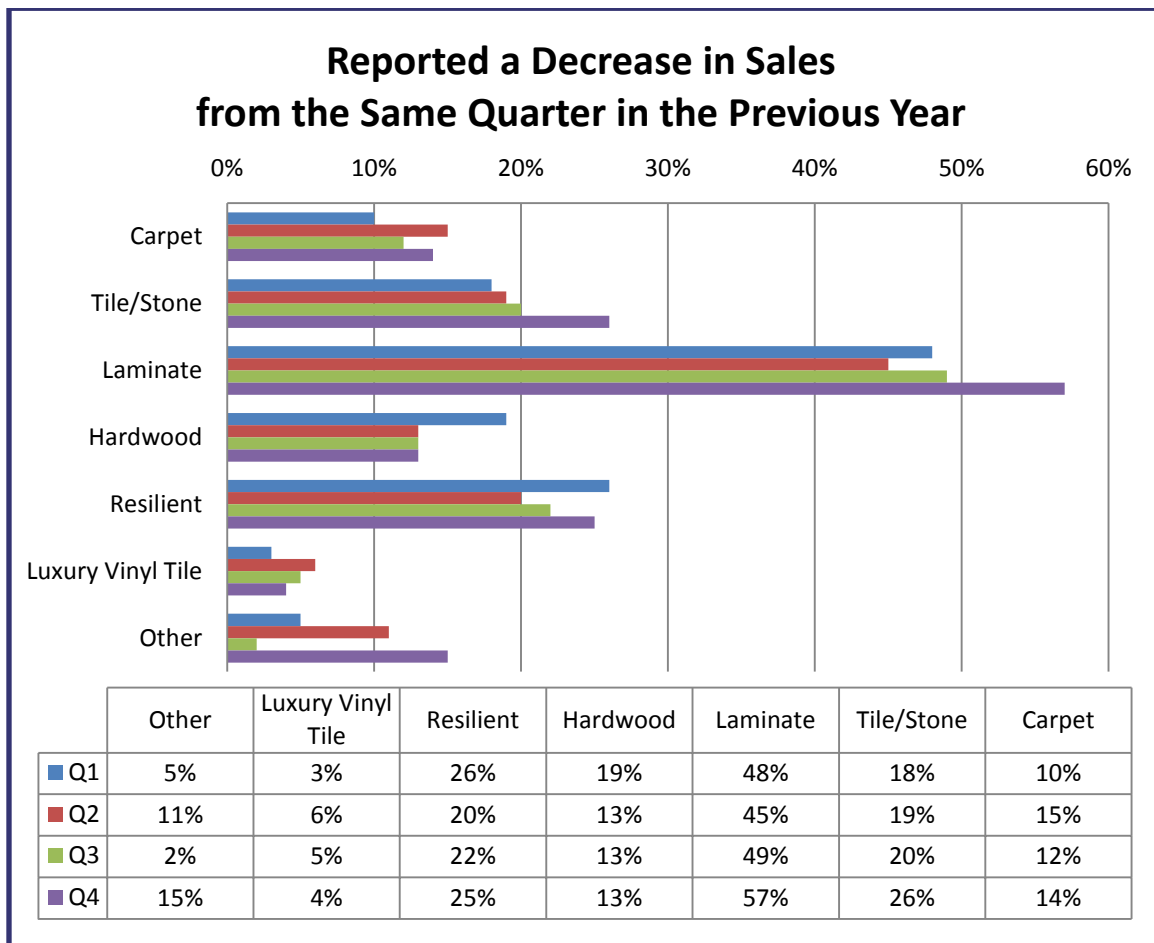
How have your sales by product category changed from Qx/2013 to Qx/2014?



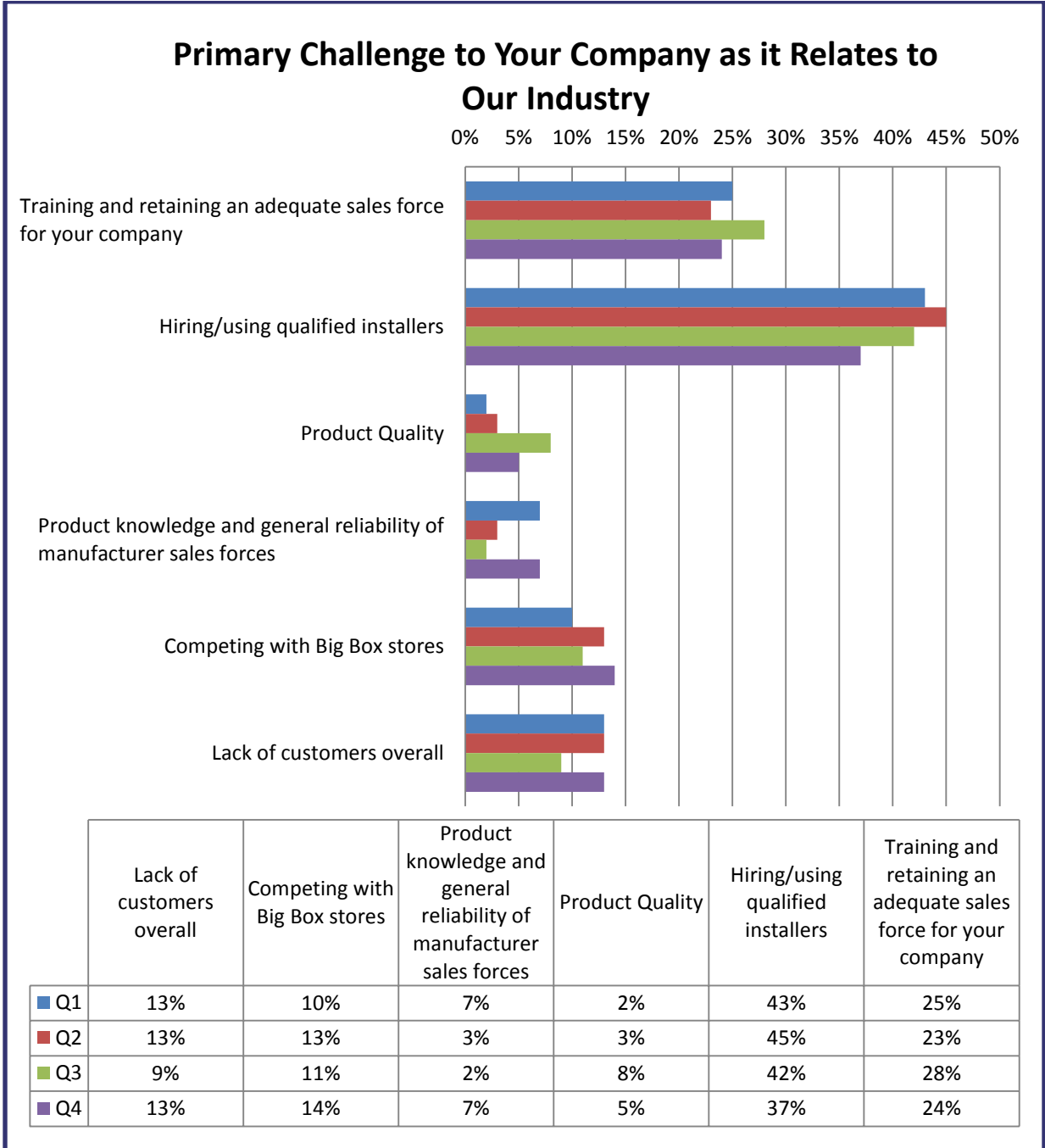
How have your sales by product category changed from Qx/2013 to Qx/2014? (Continued)



How have your sales by product category changed from Qx/2013 to Qx/2014? (Continued)







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





General Questions

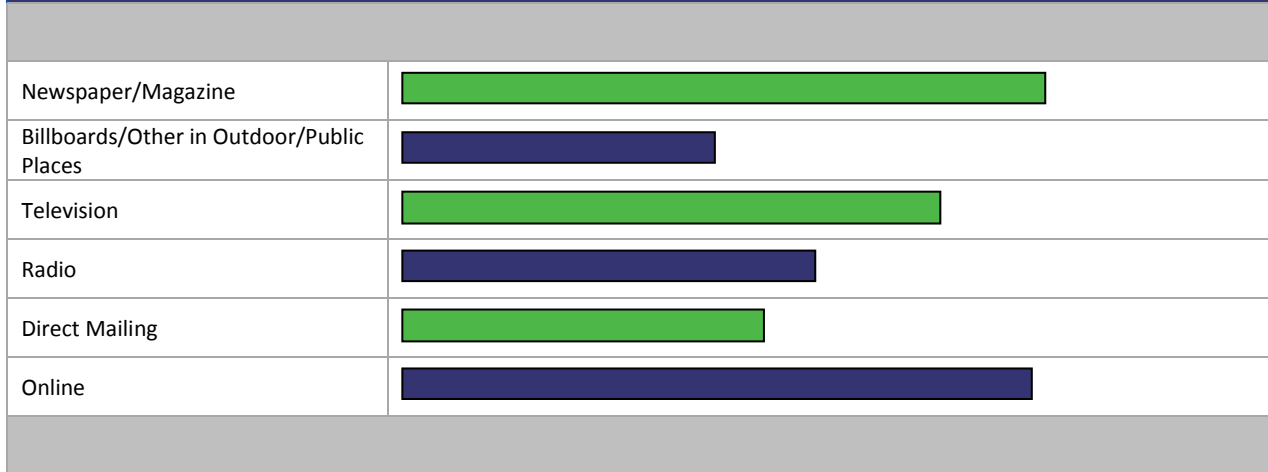
Marketing and Advertising from Q1

Do you maintain a customer list?		
		Response Ratio
Yes		89%
No		11%

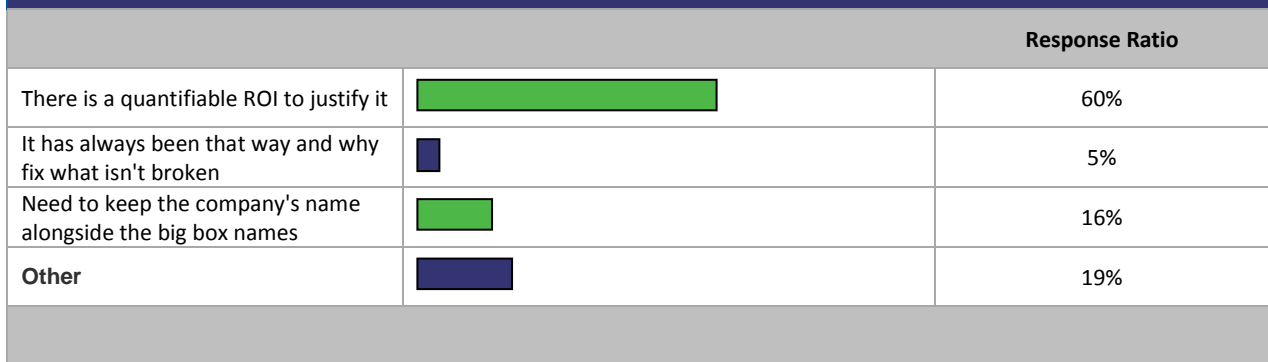
If you answered yes to the previous question, during Q1/2014 did you contact the customers on that list?		
		Response Ratio
Yes		51%
No		49%

Does your company regularly pay for any sort of advertising?		
		Response Ratio
Yes		84%
No		16%

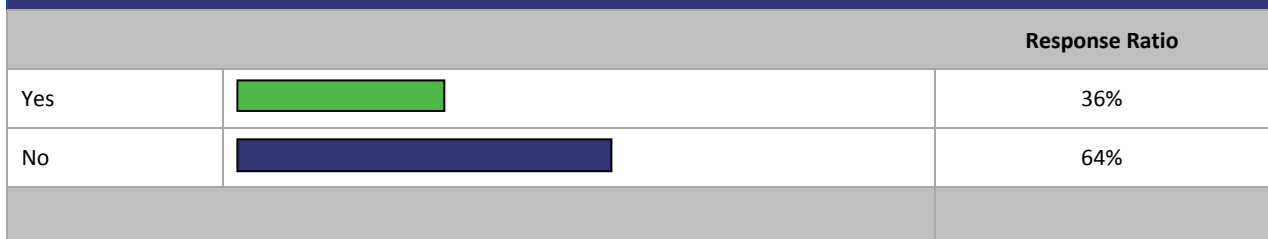
Please, rank the following media types in the order your company uses to advertise, with one being the one used the most often and six being the least. *Note: The bar graph below represents the average ranking for each media medium to show the average usage from all respondents.*









Why is your company investing so much of its advertising budget into the media you chose as the number one response in the previous question?





Is your company seriously considering moving a larger portion of its advertising budget to a different type of media?








What type of media is your company considering to spend the majority of its budget in the future?		
		Response Ratio
Newspaper/Magazine		3%
Billboards/Other in Outdoor/Public Places		3%
Television		11%
Radio		9%
Direct Mailing		9%
Online		65%

General Questions

Business Software and Technology from Q1





Does your company use some sort of software program or package to manage the operation?		
		Response Ratio
Yes		89%
No		11%





Does your company use software designed for the Flooring Industry?		
		Response Ratio
Yes		75%
No		23%
In The Process of Implementing		2%



Are you satisfied with your Flooring Industry software?		
		Response Ratio
Yes		80%
No		20%





General Questions

Daily Operations from Q1

Taking all of your suppliers in to account and not just one in particular, on average how often do your suppliers conduct product knowledge sessions in your store?		
		Response Ratio
Daily		2%
Weekly		13%
Monthly		49%
It Seems Like Never		36%





Of the following, please choose the one that most closely represents the hours your company is open to the public without an appointment.		
		Response Ratio
Monday - Sunday 9am to 9pm		2%
Monday - Sunday 9am to 6pm		7%
Monday - Friday 9am to 9pm, Saturday - Sunday 9am to 6pm		10%
Monday - Saturday 9am to 6pm, Closed Sunday		81%










Do you have a Big Box store(s) in your market area?		
		Response Ratio
Yes		97%
No		3%



Approximately how far away is the closest Big Box retailer?		
		Response Ratio
Less than 1Mile		34%
1 to 5 Miles		50%
5 to 10 Miles		10%
More than 10 Miles		6%





General Questions



Installation and Installers from Q2





Who Completes the majority of your installation jobs?		
		Response Ratio
In-house Crew		23%
Independent Contractors		64%
Combination of In-house crews and Independent Contractors		13%
Commercial Workrooms		0%
Union Trained Labor		0%
Cash and Carry		1%



You indicated your company has in-house installation crews. What product categories do they install?		
		Response Ratio
Carpet		85%
Carpet Tile		81%
Ceramic		59%
Hardwood		76%
Laminate		81%
Luxury Vinyl		92%
Resilient		86%
Rubber Floors		62%
Stone		37%




Is your installation department a profit center or an expense to doing business?		
		Response Ratio
Profit Center		86%
Expense to Doing Business		14%




How many installation crews does your company run (on average) per day?		
		Response Ratio
1-2		15%
3-5		25%
5-8		25%
9 or more		35%






Does your company have enough skilled installers to complete all of your sold jobs on a timely basis?		
		Response Ratio
Yes		49%
No		51%






How many more skilled installers does your company need?		
		Response Ratio
1-2		14%
3-4		46%
5-7		19%
8 or more		21%



Does your company provide training for installers to keep them current on their skills?		
		Response Ratio
Yes		68%
No		32%



What best describes why your company does not provide training?		
		Response Ratio
It is cost prohibitive		21%
Not enough installers participate		64%
Just never thought to do it		15%
Union provides training		0%



How do you primarily compensate your installers - In-house or independent?		
		Response Ratio
Pay flat rate		17%
Pay square foot		56%
Pay square yard		27%



When did you last increase your installation pricing at retail?		
		Response Ratio
Within the last year		48%
2 years ago		22%
3 years ago		8%
4 years ago		4%
5 or more years ago		18%



When did you last raise your installer compensation?		
		Response Ratio
Within the last year		52%
2 years ago		22%
3 years ago		8%
4 years ago		4%
5 or more years ago		14%



Do you track the number of hours worked by your subcontracted installers?		
		Response Ratio
Yes		13%
No		87%


Are you verifying that the total paid per job is meeting the minimum wage and hour standard for your state?		
		Response Ratio
Yes		93%
No		7%

Does your company offer cash and carry sales? e.g. Your company promotes it will sell a roll of carpet to an end user with no intention of assisting with the installation, and does so on a regular basis with current, running line products.		
		Response Ratio
Yes		74%
No		26%



For cash and carry sales do you provide a list of installers to your customer?		
		Response Ratio
Yes		18%
No		82%







Do you periodically update the installer list?		
		Response Ratio
Yes		93%
No		7%
The organization I refer them to does		0%



Does your company follow up with cash and carry clients that indicate they intend to use an installer you have referred them to?		
		Response Ratio
Yes		7%
No		93%







Does your company routinely follow up with customers to see how the installation went?		
		Response Ratio
Yes		100%
No		0%

General Questions
Advertising from Q2

Does your company regularly advertise, or plan to start soon?		
		Response Ratio
Yes		83%
No		17%






Please, indicate which of the following media types is the primary medium your company uses, or will use to advertise.		
		Response Ratio
Newspaper/Magazine		24%
Billboards/Other in Outdoor/ Public Places		2%
Television		20%
Radio		16%
Direct Mailing		12%
Online		26%








Is your company seriously considering moving a larger portion of its advertising budget to a different type of media?		
		Response Ratio
Yes		51%
No		49%






What type of media is your company considering to spend the majority of its budget in the future?		
		Response Ratio
Newspaper/Magazine		5%
Billboards/Other in Outdoor/ Public Places		2%
Television		14%
Radio		2%
Direct Mailing		17%
Online		60%




General Questions




Claims from Q3




How many claims have you handled in that past 12 months?		
		Response Ratio
0		4%
1-10		55%
11-20		16%
21-30		8%
More than 30		17%




What product category is the leading generator of claims?		
		Response Ratio
Carpet		65%
Hardwood		15%
Ceramic		3%
Stone		1%
Resilient		8%
Laminate		4%
Other		4%




What is the most frequent cause of a complaint?		
		Response Ratio
Defective Product		80%
Installation Failure (subfloor issue)		3%
Poor Quality Installation		7%
Inappropriate Product Specified		2%
Other		8%




What is the most frequent method of claims resolution for Carpet?		
		Response Ratio
Installation Repair		19%
Product Replacement		80%
Not Applicable		1%




What is the most frequent method of claims resolution for Hardwood?		
		Response Ratio
Installation Repair		42%
Product Replacement		38%
Not Applicable		20%




What is the most frequent method of claims resolution for Ceramic?		
		Response Ratio
Installation Repair		41%
Product Replacement		15%
Not Applicable		44%




What is the most frequent method of claims resolution for Stone?		
		Response Ratio
Installation Repair		33%
Product Replacement		15%
Not Applicable		52%




What is the most frequent method of claims resolution for Resilient?		
		Response Ratio
Installation Repair		29%
Product Replacement		58%
Not Applicable		13%





What is the most frequent method of claims resolution for Laminate?		
		Response Ratio
Installation Repair		38%
Product Replacement		40%
Not Applicable		22%




What is the most frequent method of claims resolution for other flooring types?		
		Response Ratio
Installation Repair		30%
Product Replacement		45%
Not Applicable		25%



Who absorbs the cost of replacing a defective product?		
		Response Ratio
Manufacturer		75%
Retailer		23%
Installer		2%
Consumer		0%
Other		0%

Who usually absorbs the cost of labor in replacing/repairing the product?		
		Response Ratio
Manufacturer		42%
Retailer		53%
Installer		5%
Consumer		0%
Other		0%

How does your number of claims compare to 2013?		
		Response Ratio
Lower		8%
The Same		58%
Higher		34%






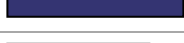
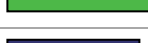

How do your suppliers respond to your claims?		
		Response Ratio
Request a Report		32%
Accept My Request		26%
Send the Local Rep to View the Install		13%
Send a Technical Rep to View the Install		29%



Generally, how timely are your requests for claims handled?		
		Response Ratio
Quickly (1 week)		15%
Average (1 month)		56%
Slowly (over 1 month)		29%




Do your suppliers limit you to a number of claims based upon the volume of your purchases?		
		Response Ratio
Yes		10%
No		90%




General Questions







Social Media and Business Investment from Q4

What forms of social media/online marketing do you use for your store?		
		Response Ratio
Angie's List		33%
Facebook		90%
Google		63%
Houzz		38%
LinkedIn		46%
Twitter		37%
Pinterest		30%
YouTube		27%

In 2015, do you have plans to expand or update your showroom, or at least one of your showrooms?		
		Response Ratio
Yes		71%
No		29%

In 2015, do you plan on expanding or eliminating a store location?		
		Response Ratio
Yes, add a location		8%
Yes, eliminate a location		2%
No		90%

In 2015, do you plan on increasing your training programs?		
		Response Ratio
Yes, sales team training		73%
Yes, installer training		58%
No		19%

In 2015, do you plan on making any of the listed capital expenditures?		
		Response Ratio
Software/hardware for fcB2B		38%
New location		10%
New warehouse		15%
Increased inventory		29%
New vehicles		48%
New machinery		28%