



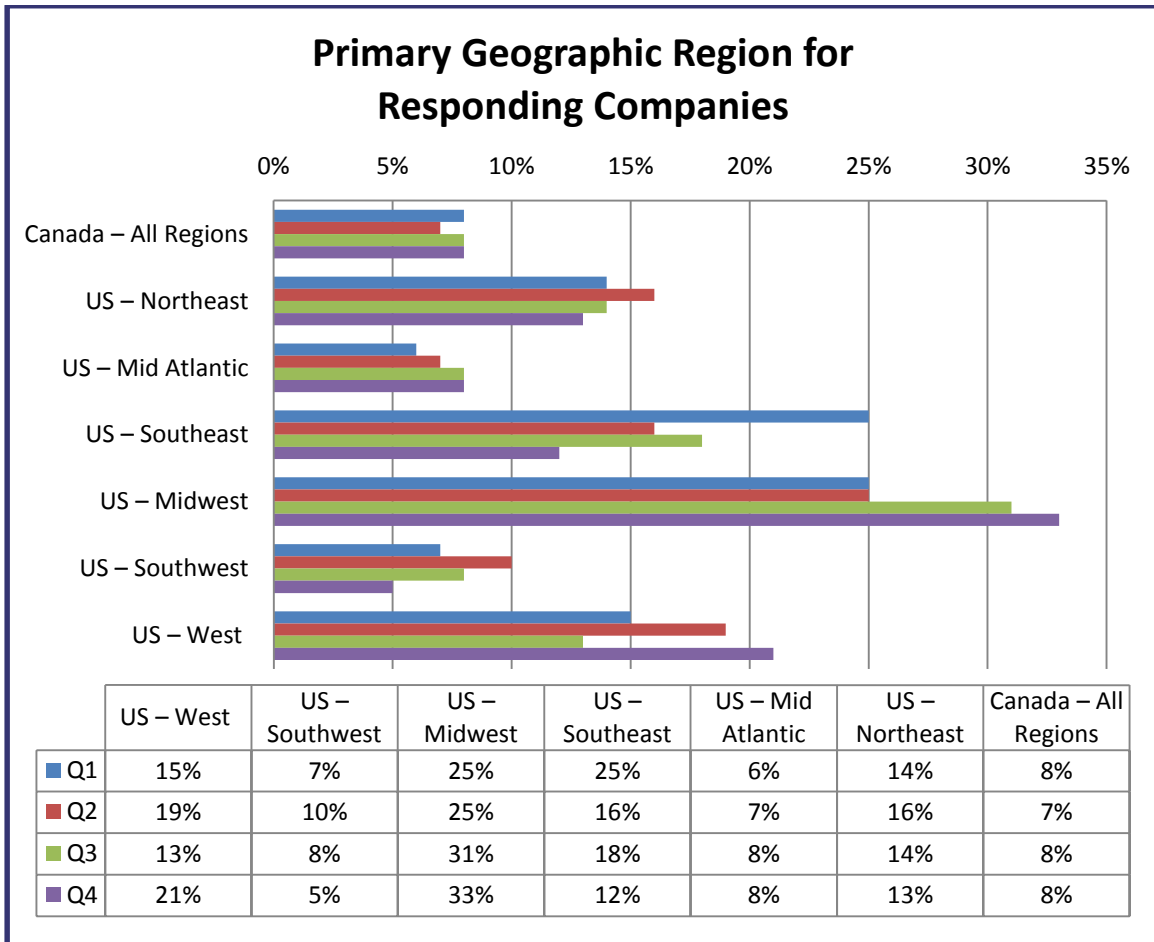
Members Market Trend Survey Summary and Comparison of All Quarters 2015

February 11, 2016
Confidential Report



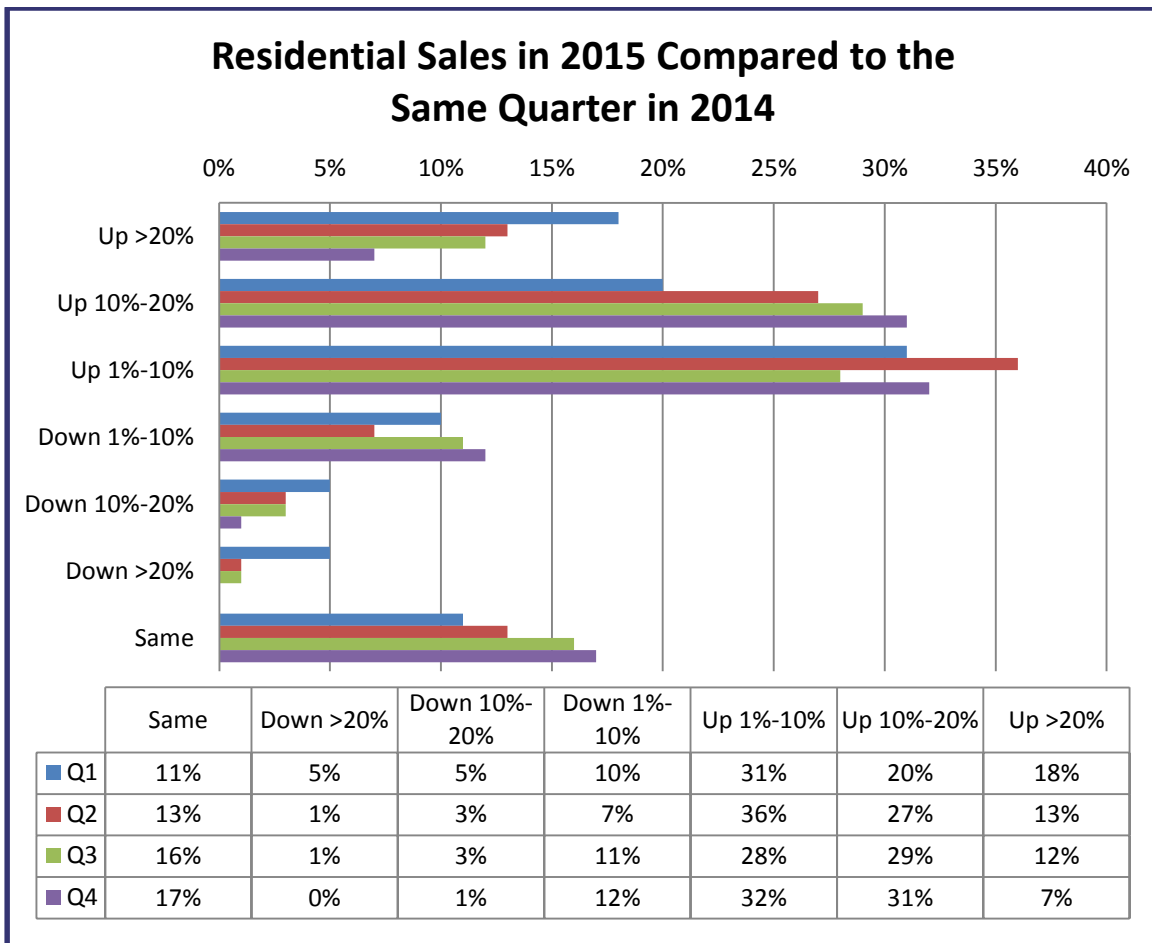
Geographic Location

What primary geographic region is your company in?



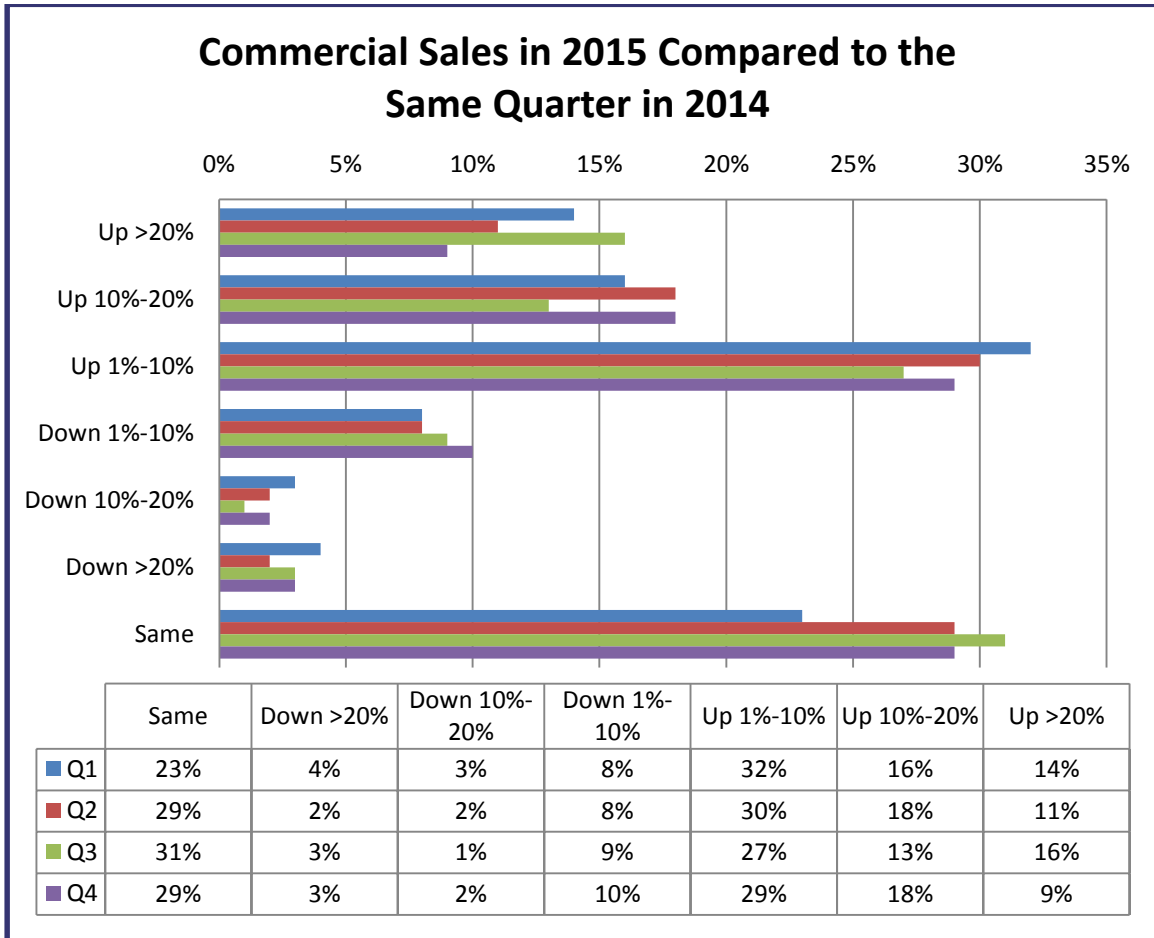
Sales Questions

Residential sales in 2015 compared to the same quarter in 2014



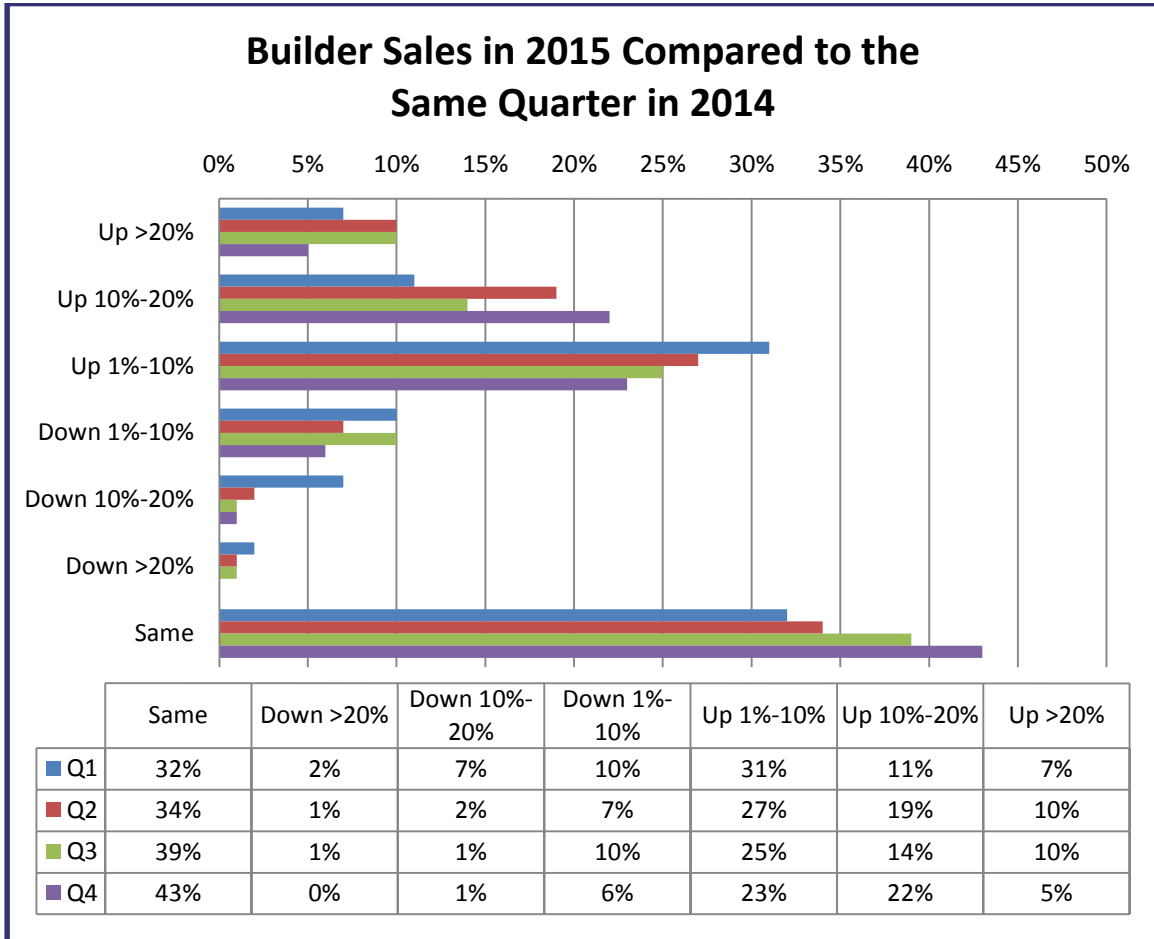
Summary			
Q1	↑	69% Up	11% Same 20% Down
Q2	↑	76% Up	13% Same 11% Down
Q3	↑	69% Up	16% Same 15% Down
Q4	↑	70% Up	17% Same 13% Down

Commercial sales in 2015 compared to the same quarter in 2014



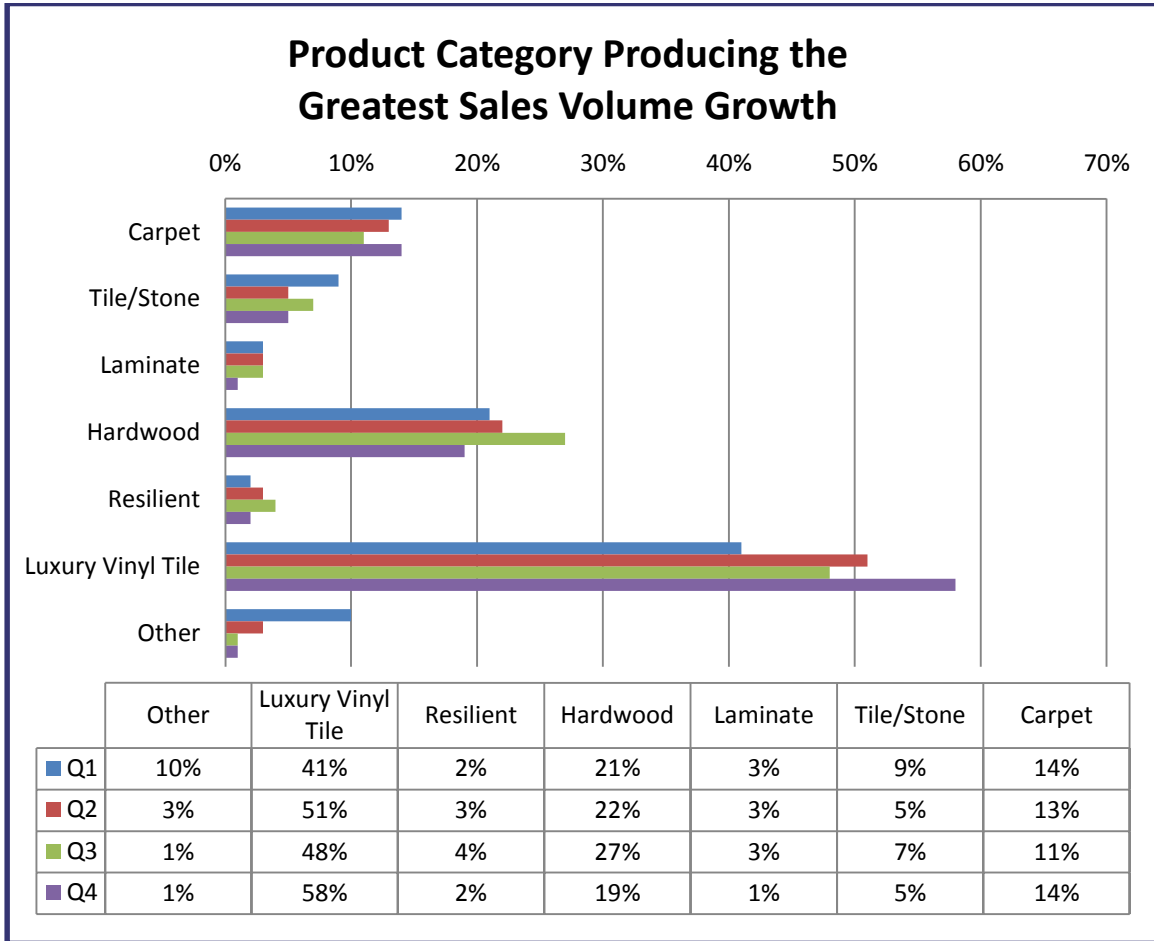
Summary			
Q1	↑	62% Up	23% Same ↓ 15% Down
Q2	↑	59% Up	29% Same ↓ 12% Down
Q3	↑	56% Up	31% Same ↓ 13% Down
Q4	↑	56% Up	29% Same ↓ 15% Down

Builder sales in 2015 compared to the same quarter in 2014

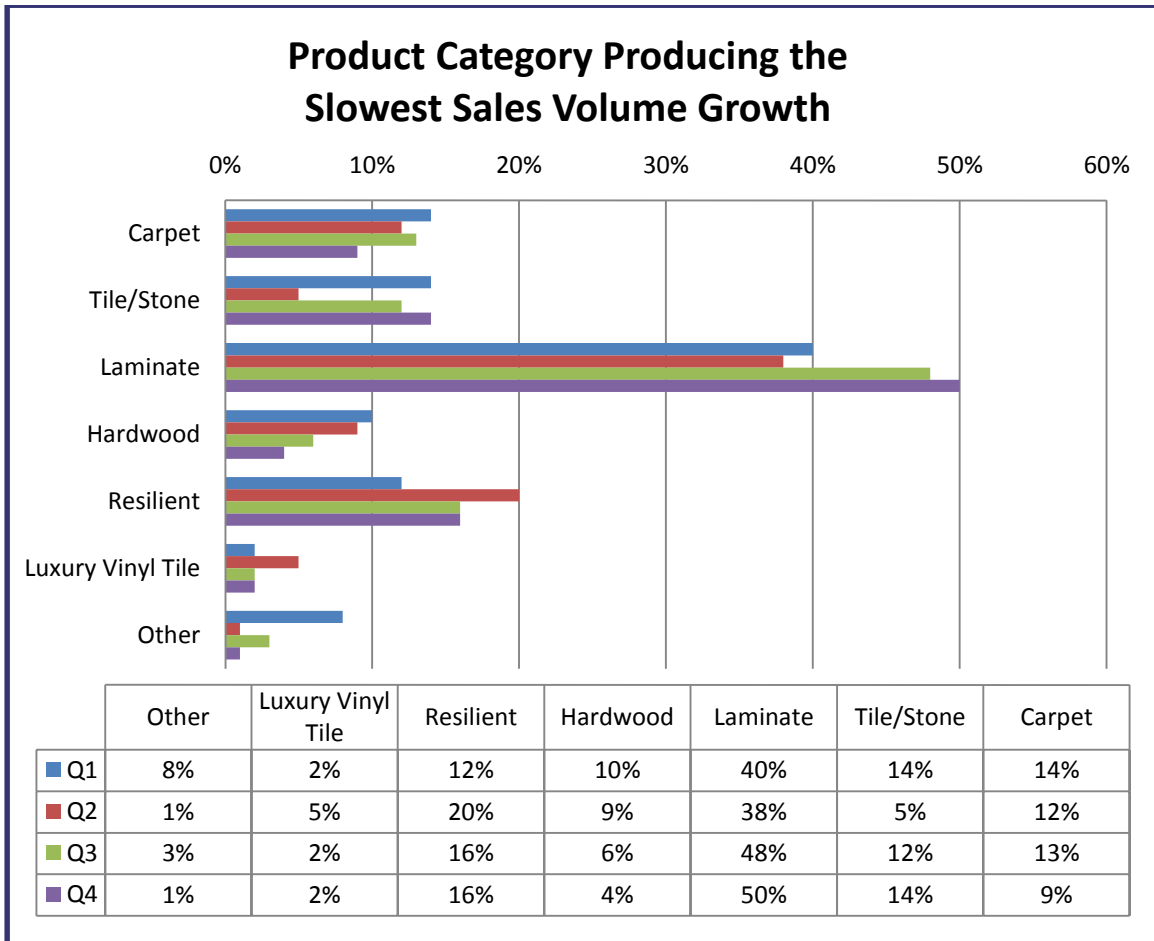


Summary			
Q1	↑	49% Up	32% Same 19% Down
Q2	↑	56% Up	34% Same 10% Down
Q3	↑	49% Up	39% Same 12% Down
Q4	↑	50% Up	43% Same 7% Down

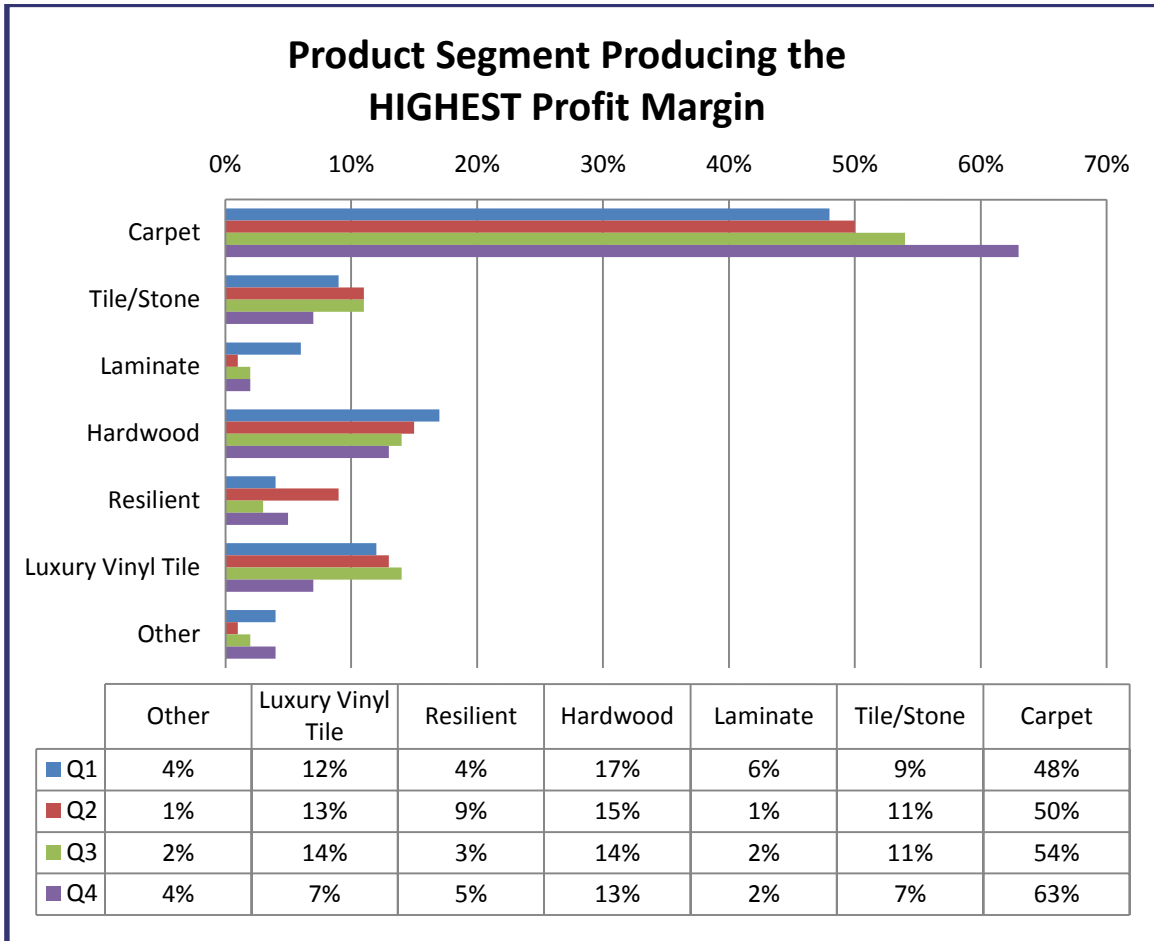
Product category that produced the GREATEST sales volume GROWTH by Quarter



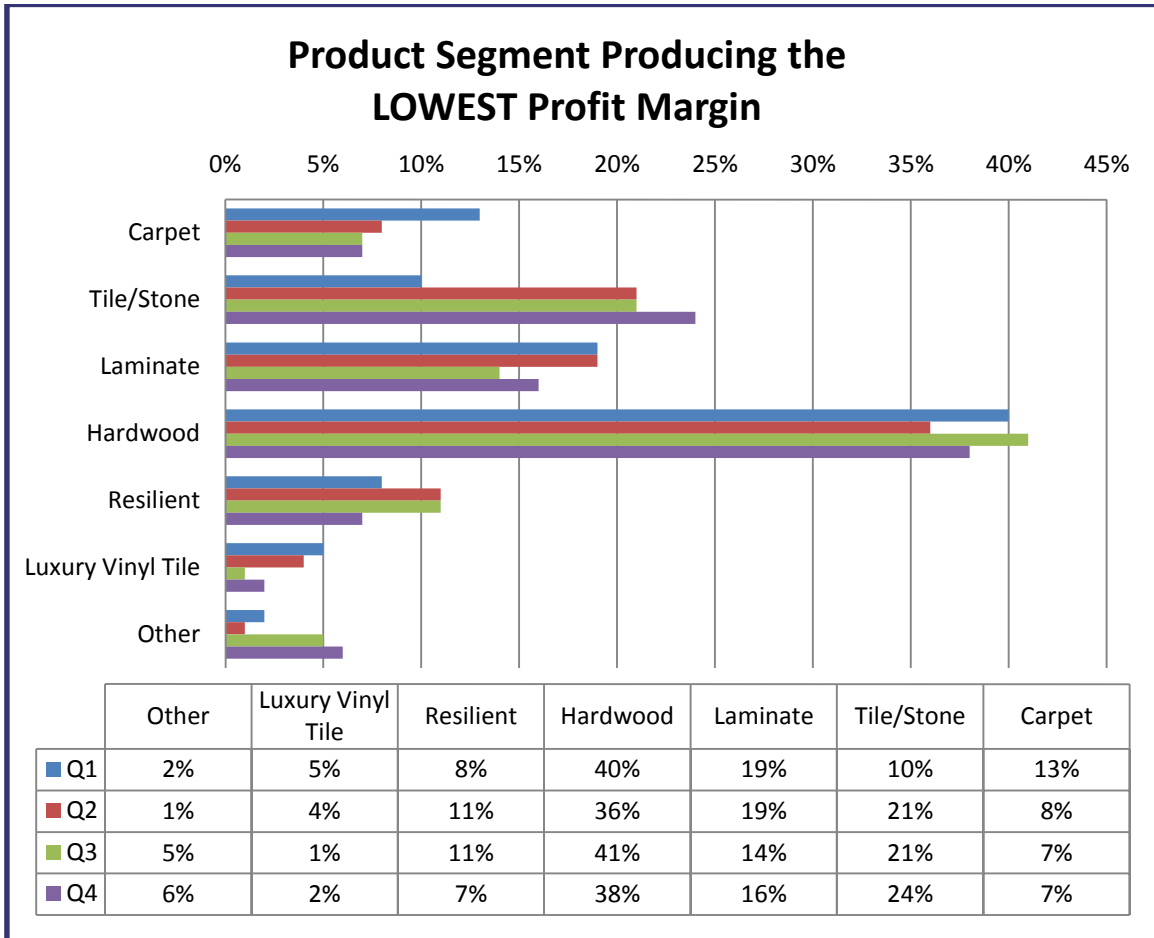
Product category that produced the SLOWEST sales volume GROWTH by Quarter



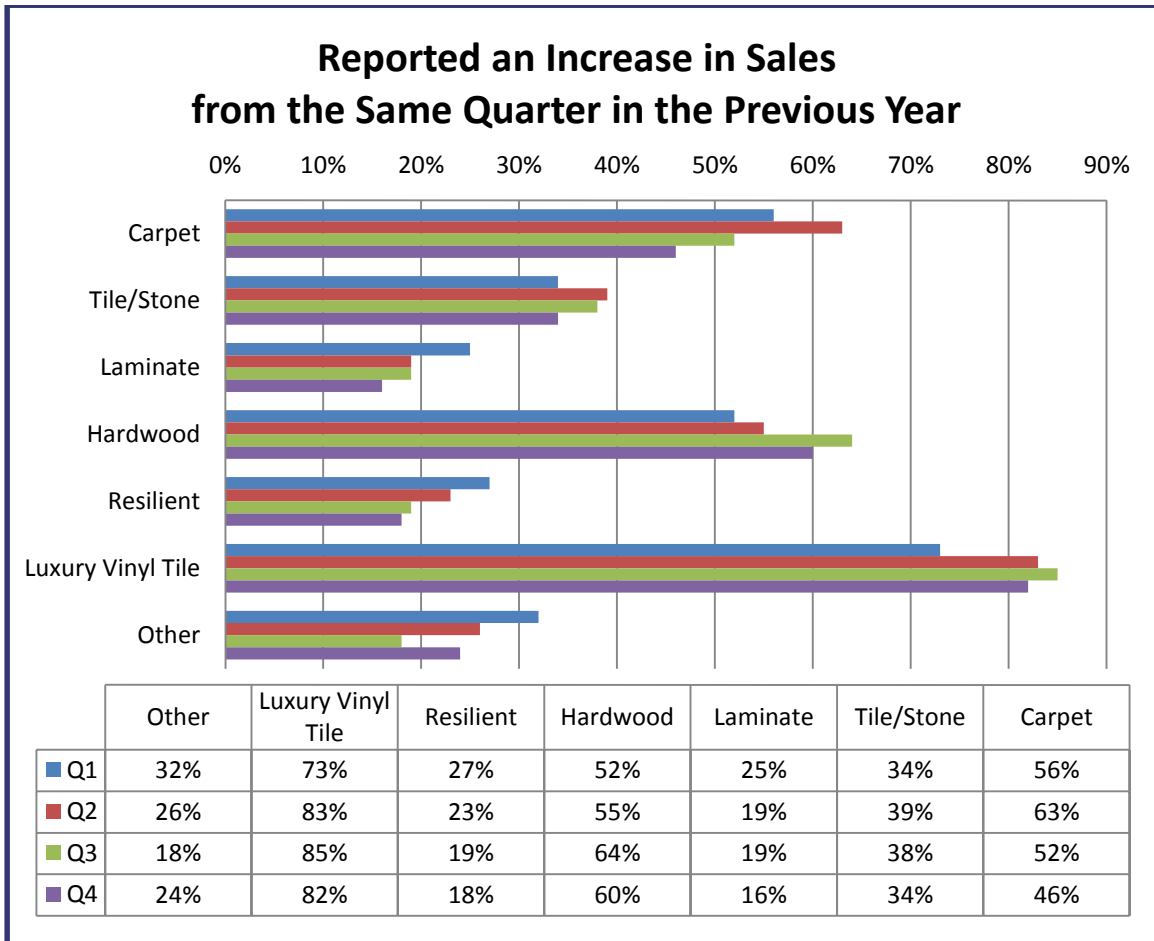
Which product segment produced the HIGHEST profit margin in Qx/2015?



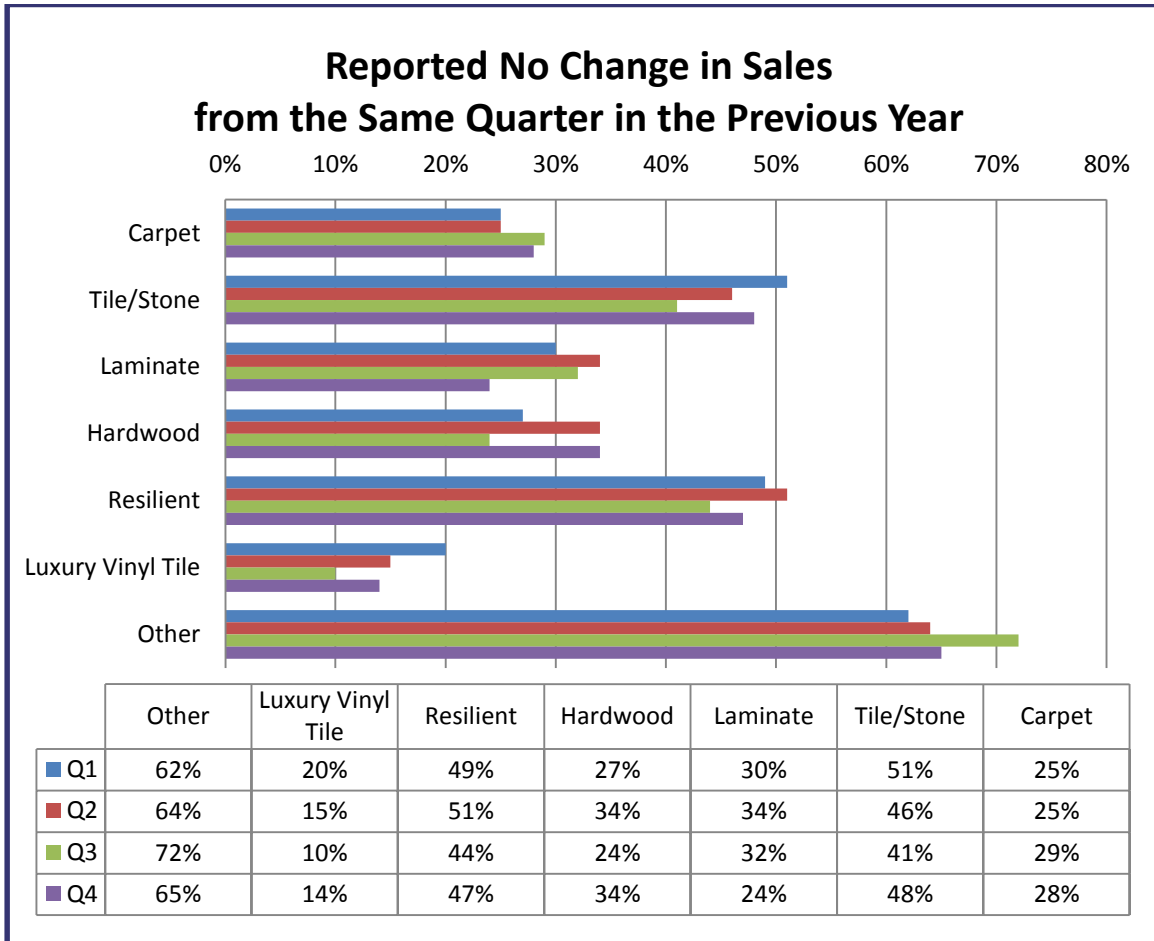
Which product segment produced the LOWEST profit margin in Qx/2015?



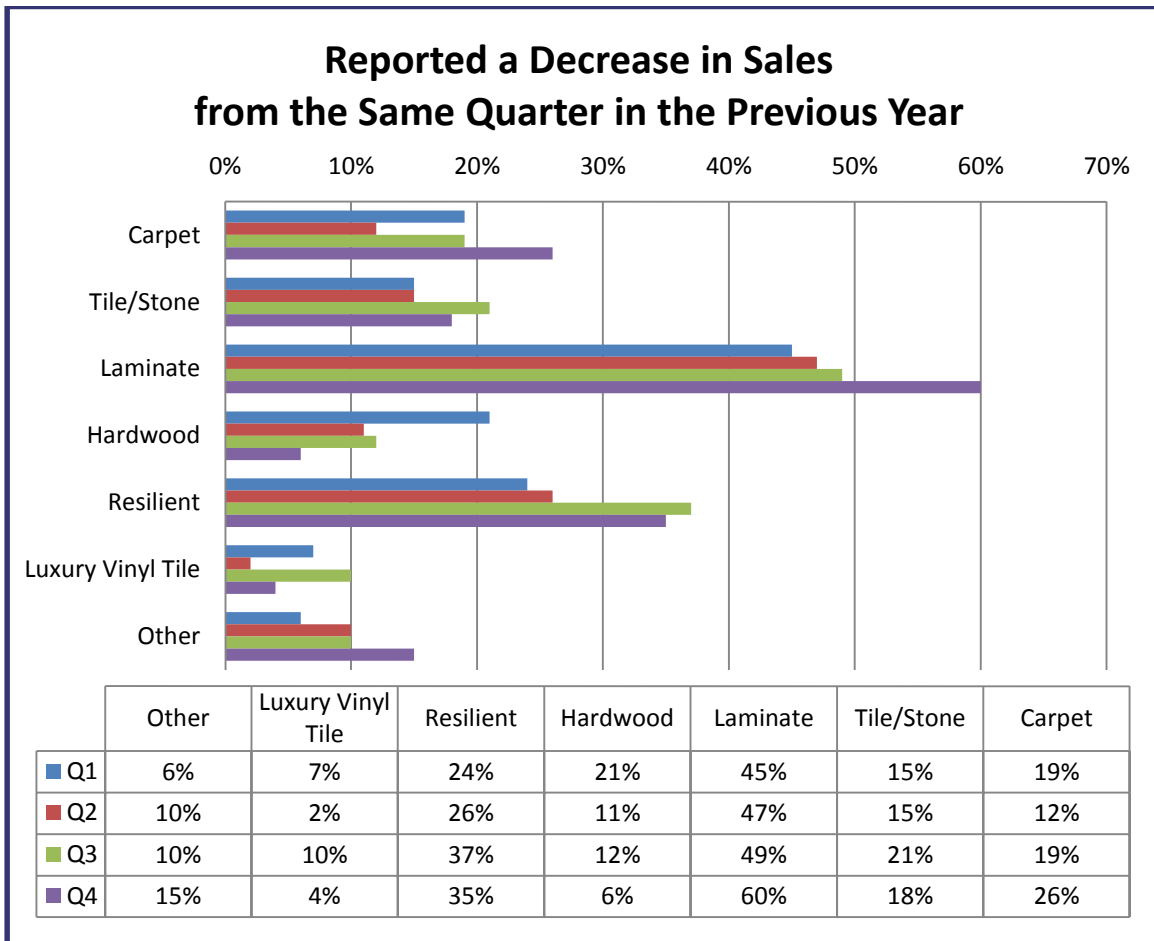
How have your sales by product category changed from Qx/2014 to Qx/2015?



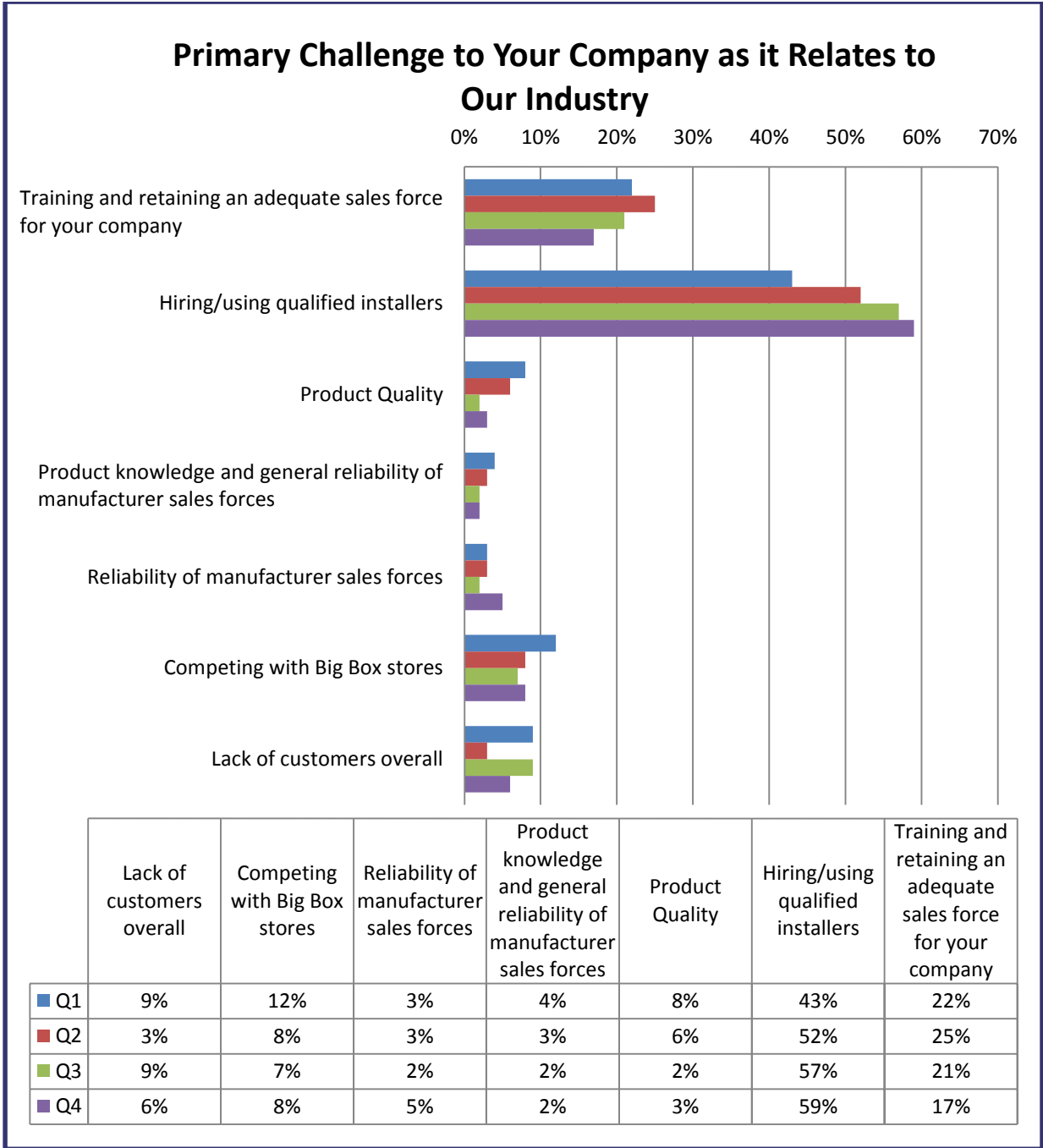
How have your sales by product category changed from Qx/2014 to Qx/2015? (Continued)



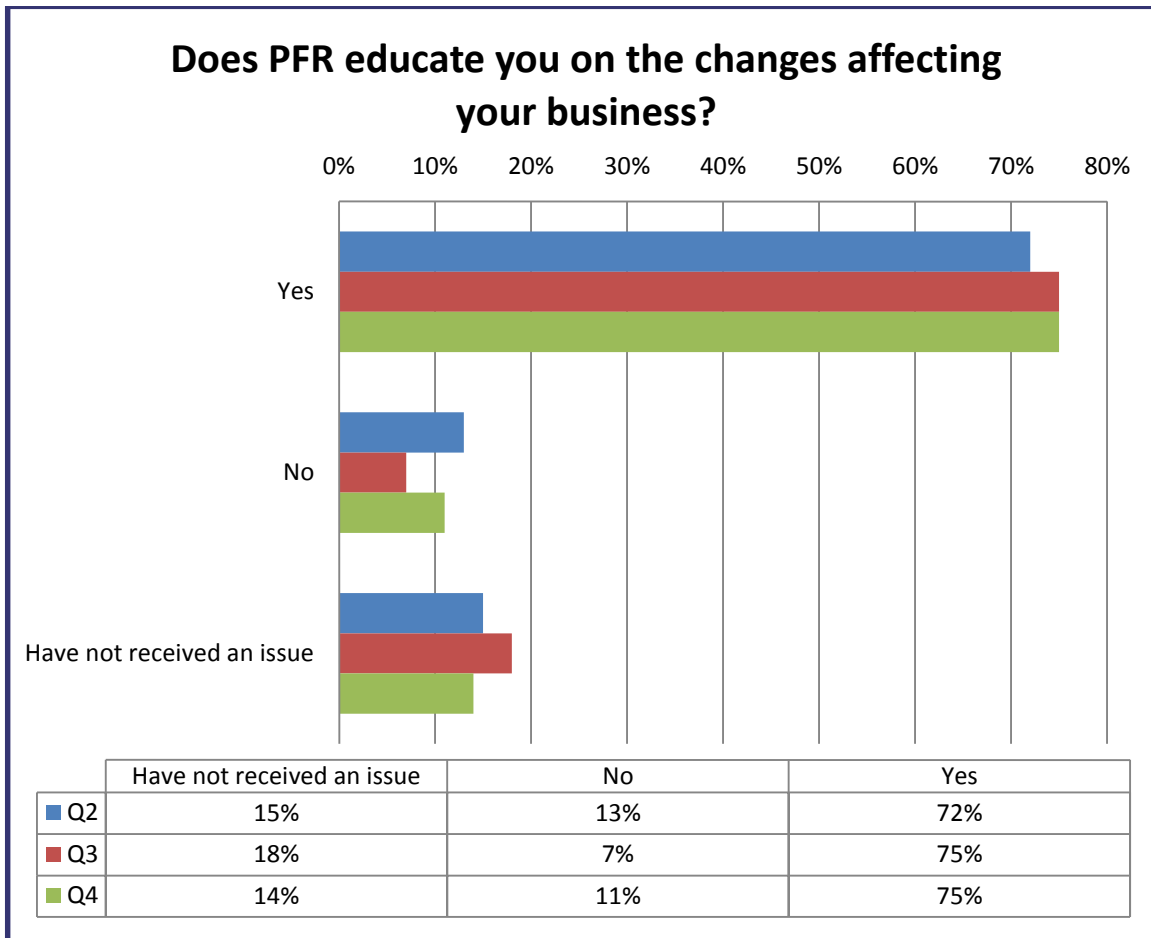
How have your sales by product category changed from Qx/2014 to Qx/2015? (Continued)



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

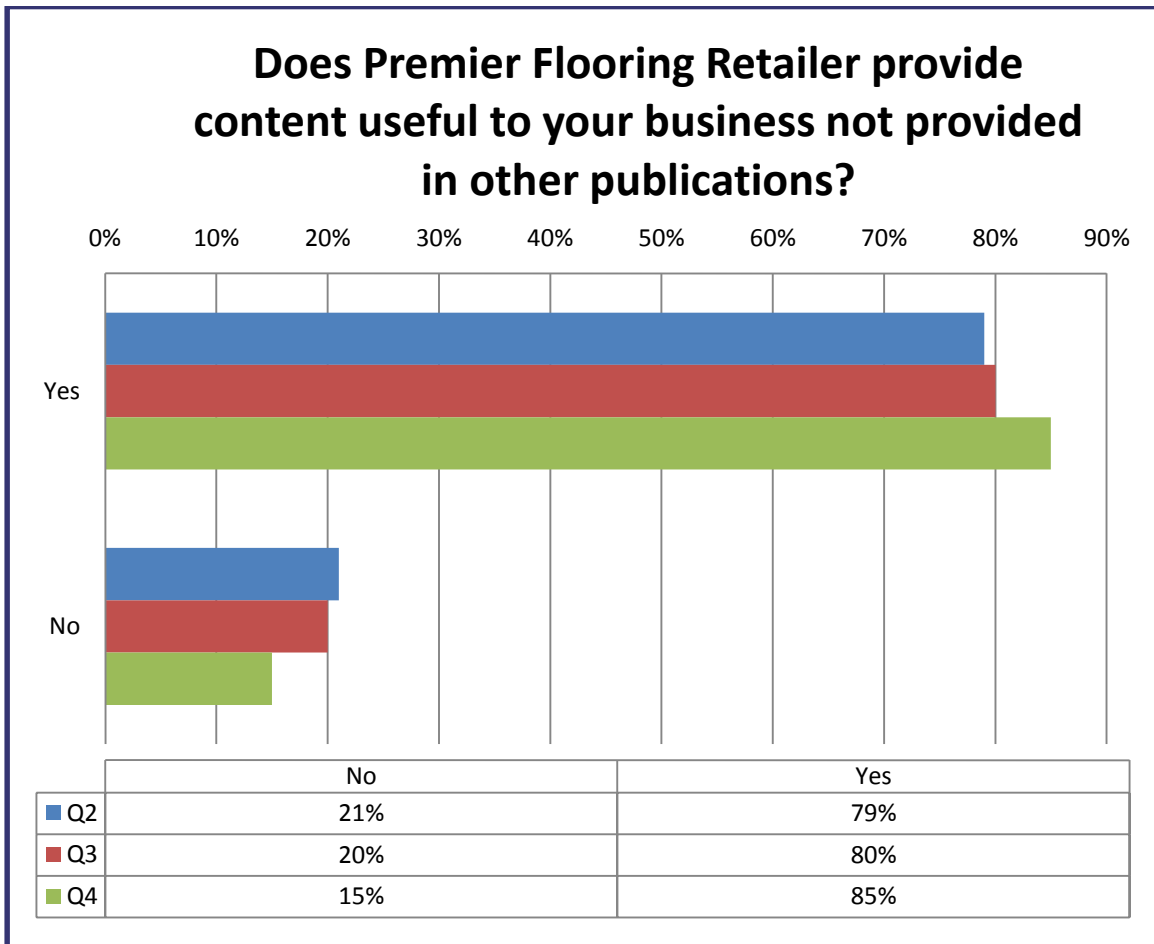


Does Premier Flooring Retailer magazine from the World Floor Covering Association help educate you on the changes affecting your business?



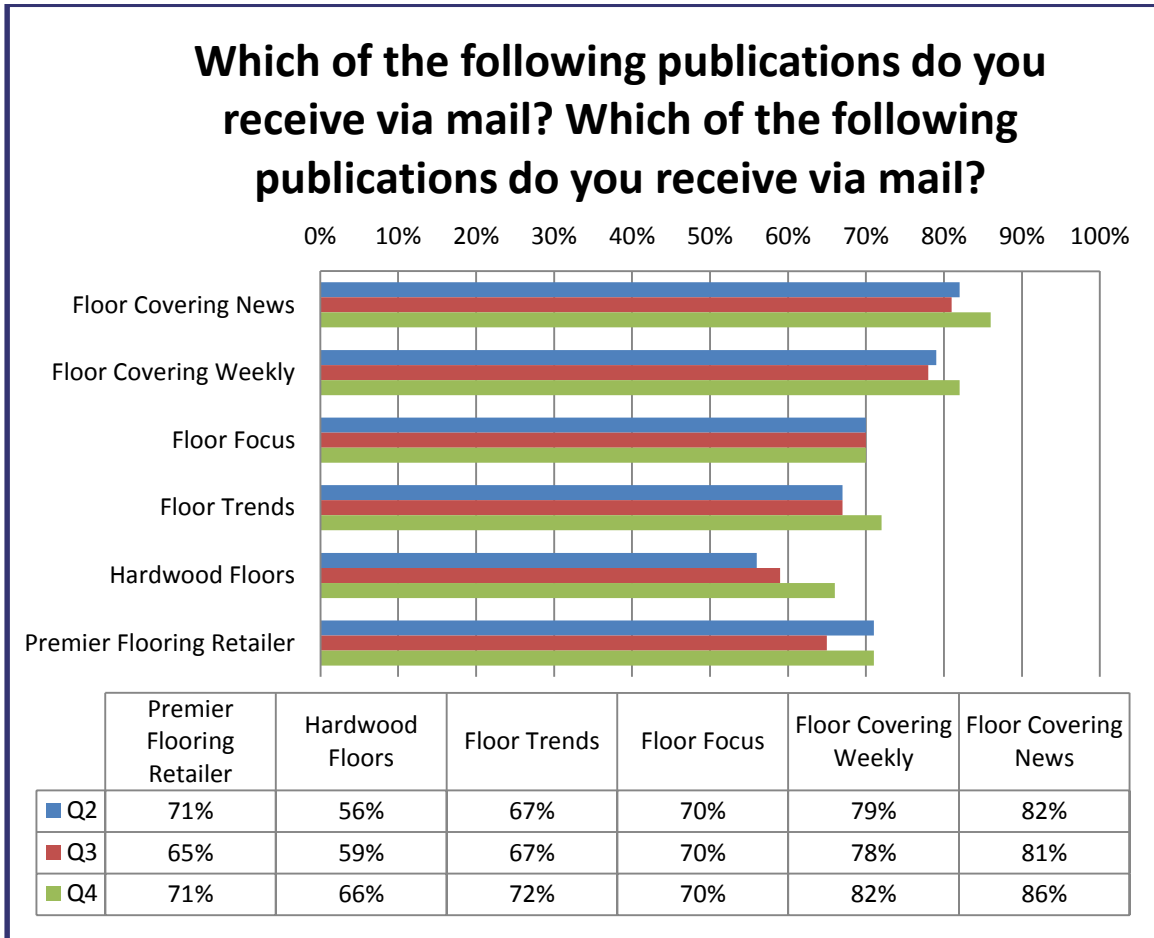
**Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

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



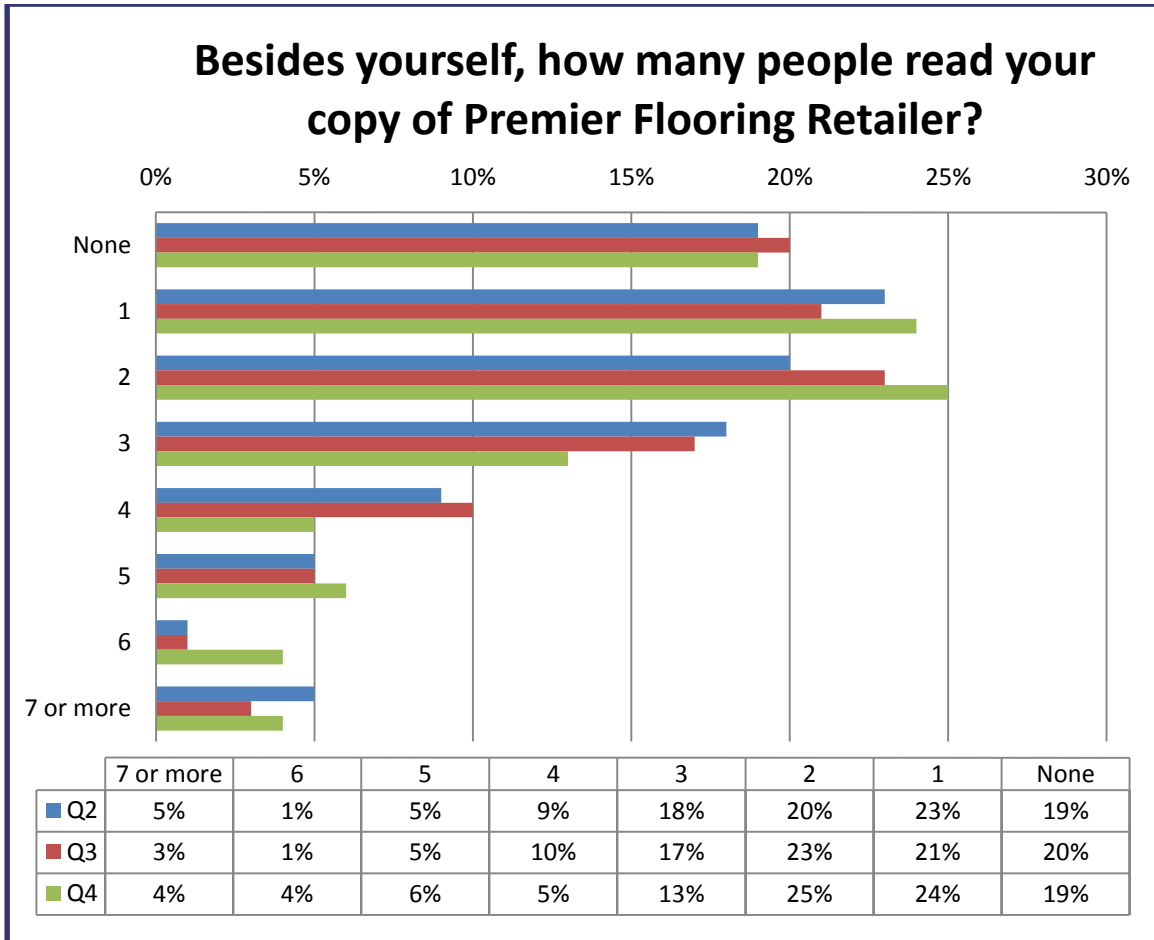
**Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

Which of the following publications do you receive via mail?



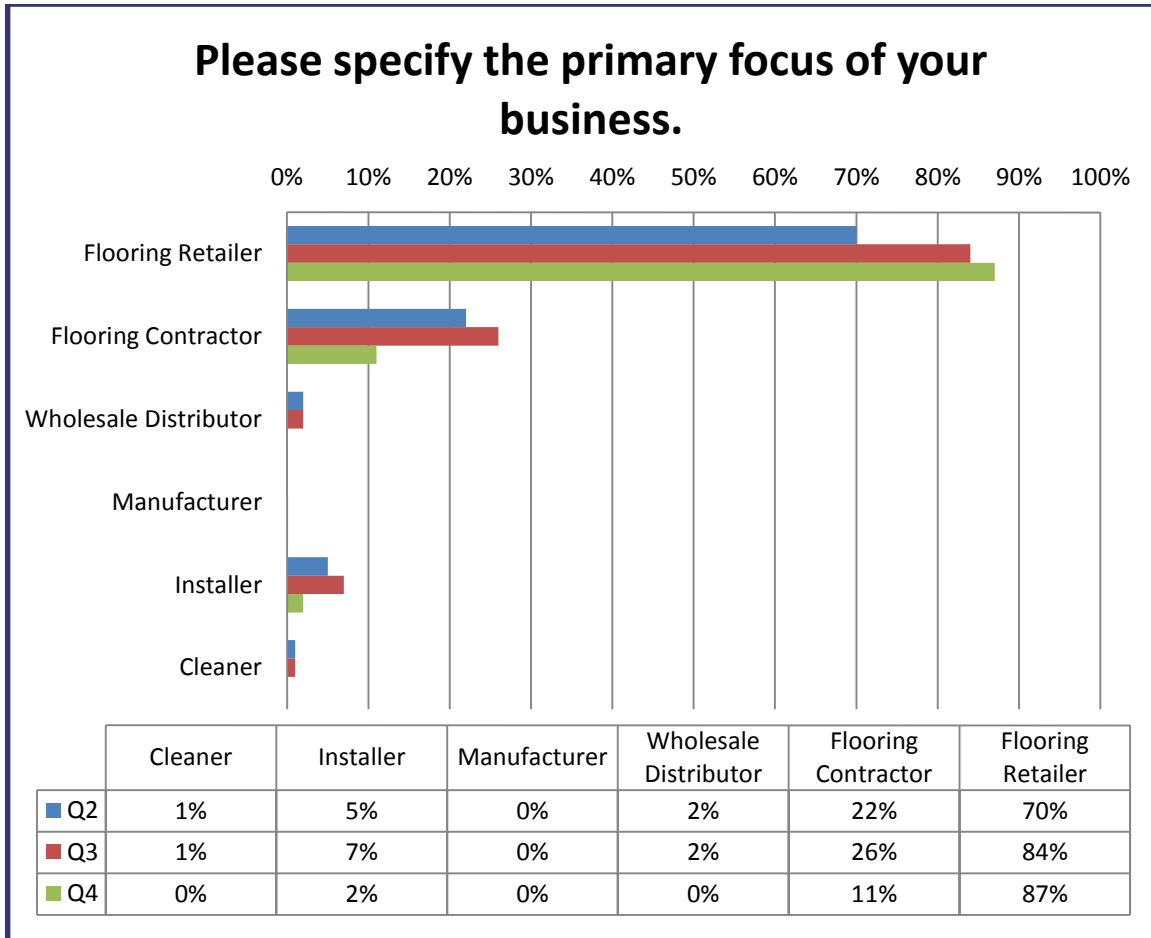
**Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

Besides yourself, how many people read your copy of Premier Flooring Retailer?



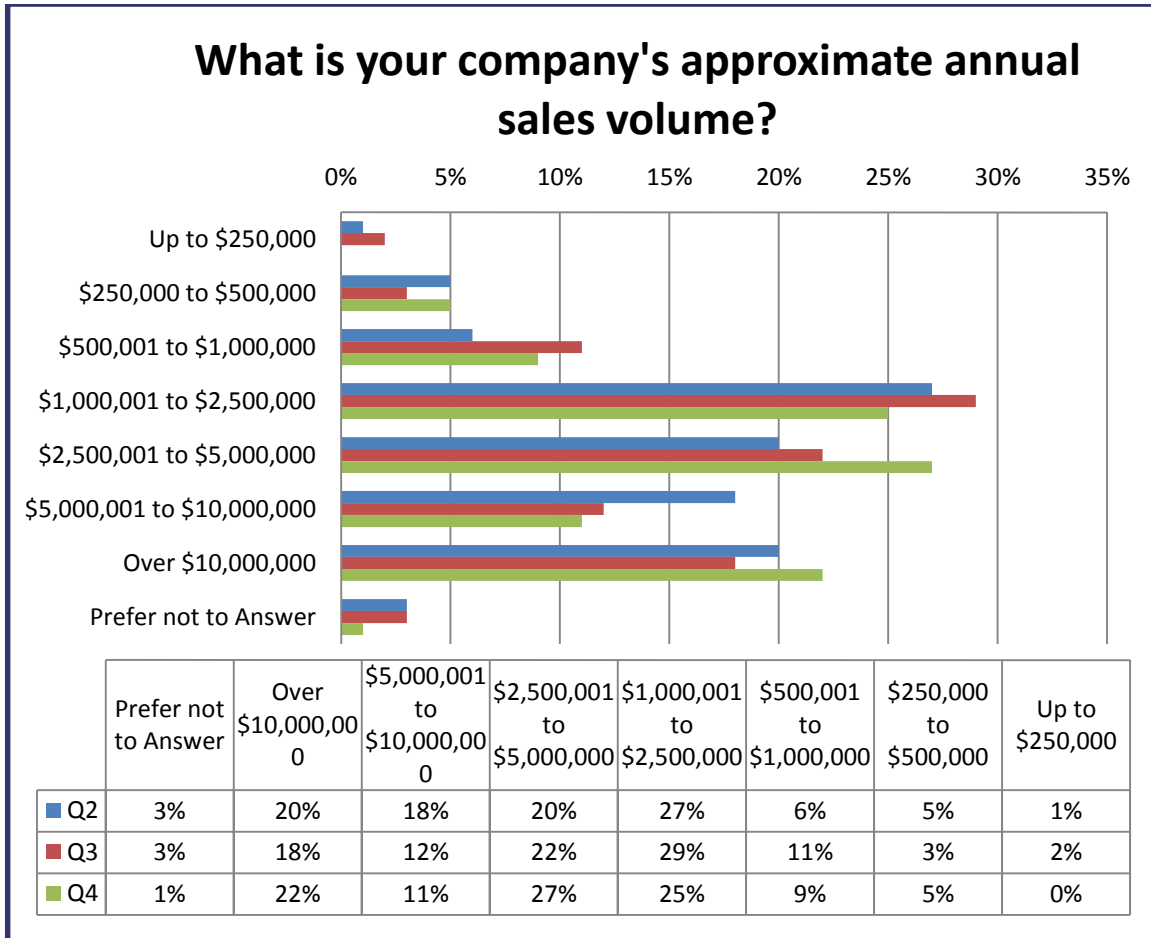
**Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

Please specify the primary focus of your business.



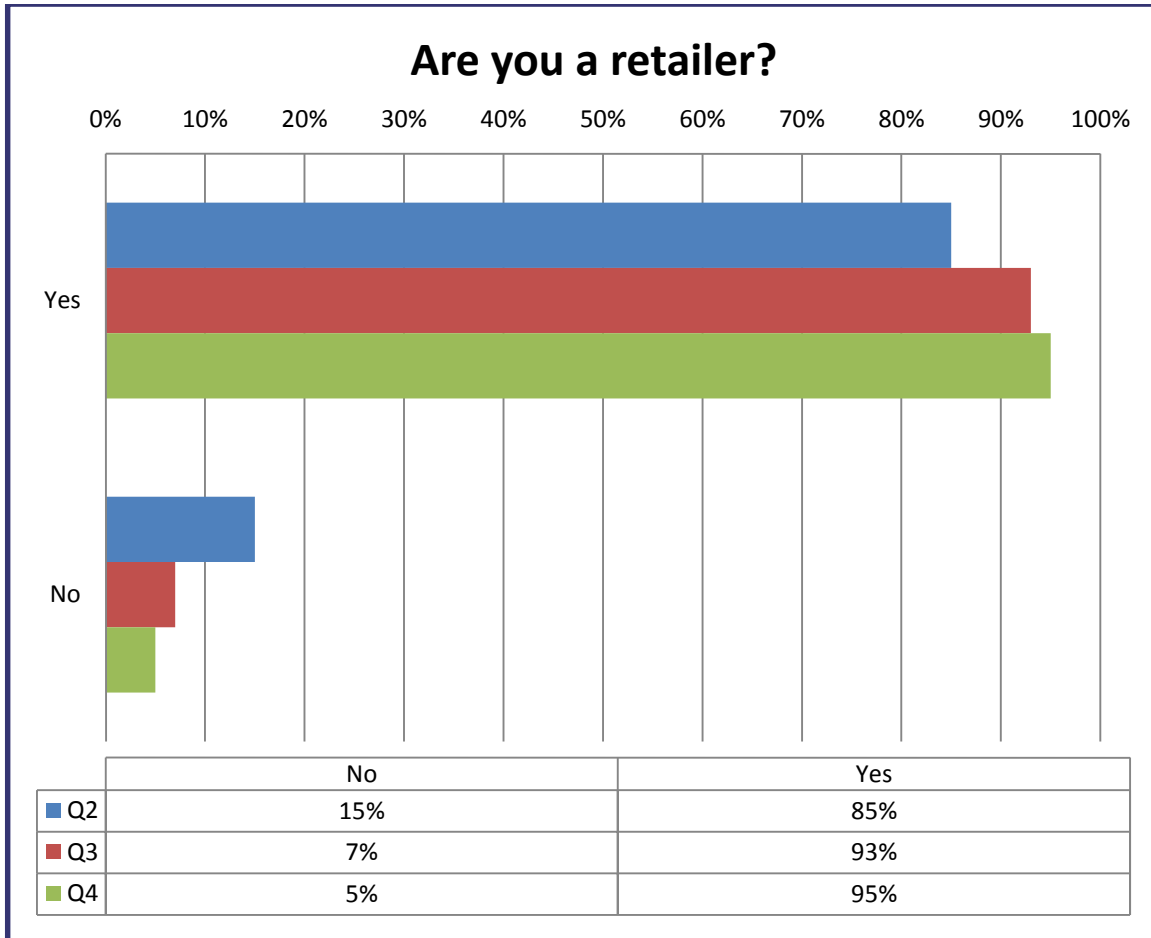
**Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

What is your company's approximate annual sales volume?



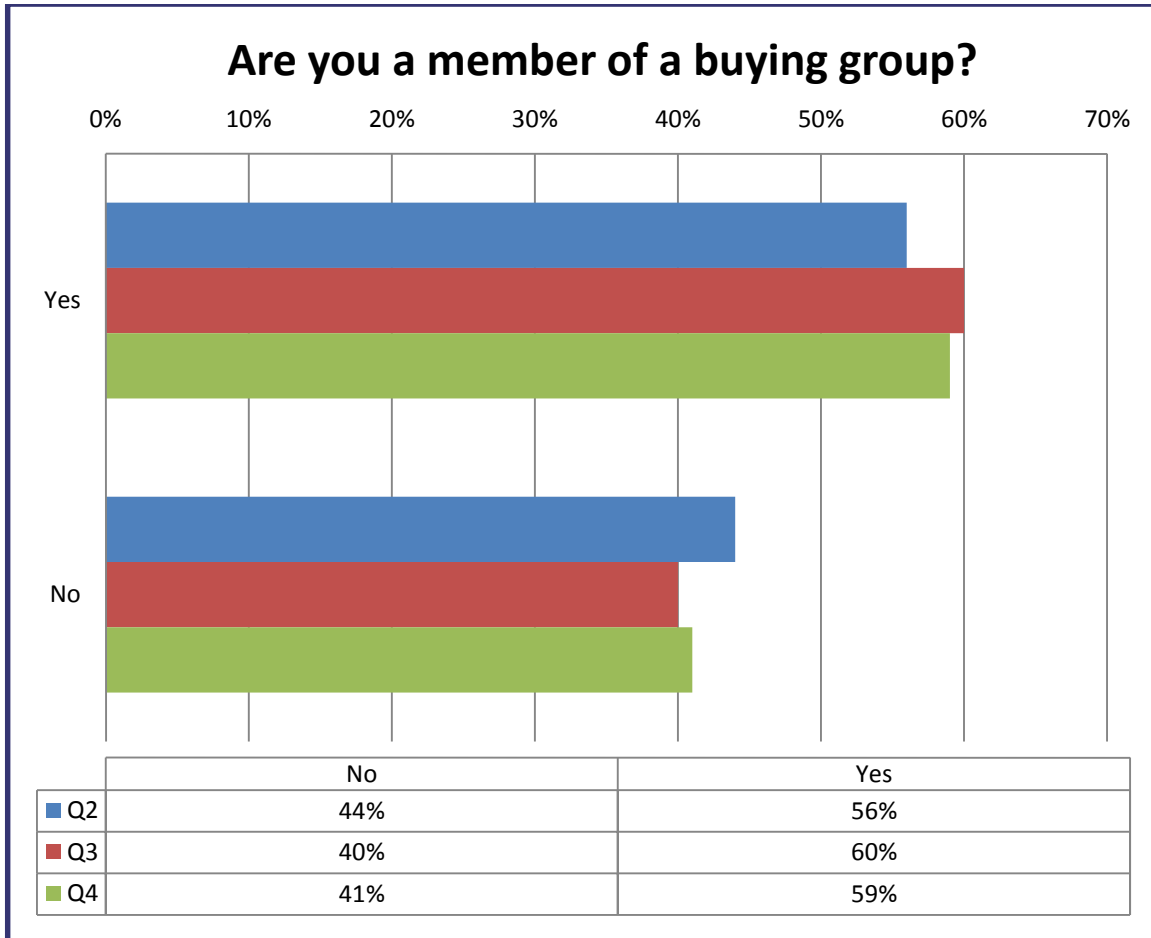
***Note: This question was only asked in the Q2, Q3, and Q4 surveys.**

Are you a retailer?



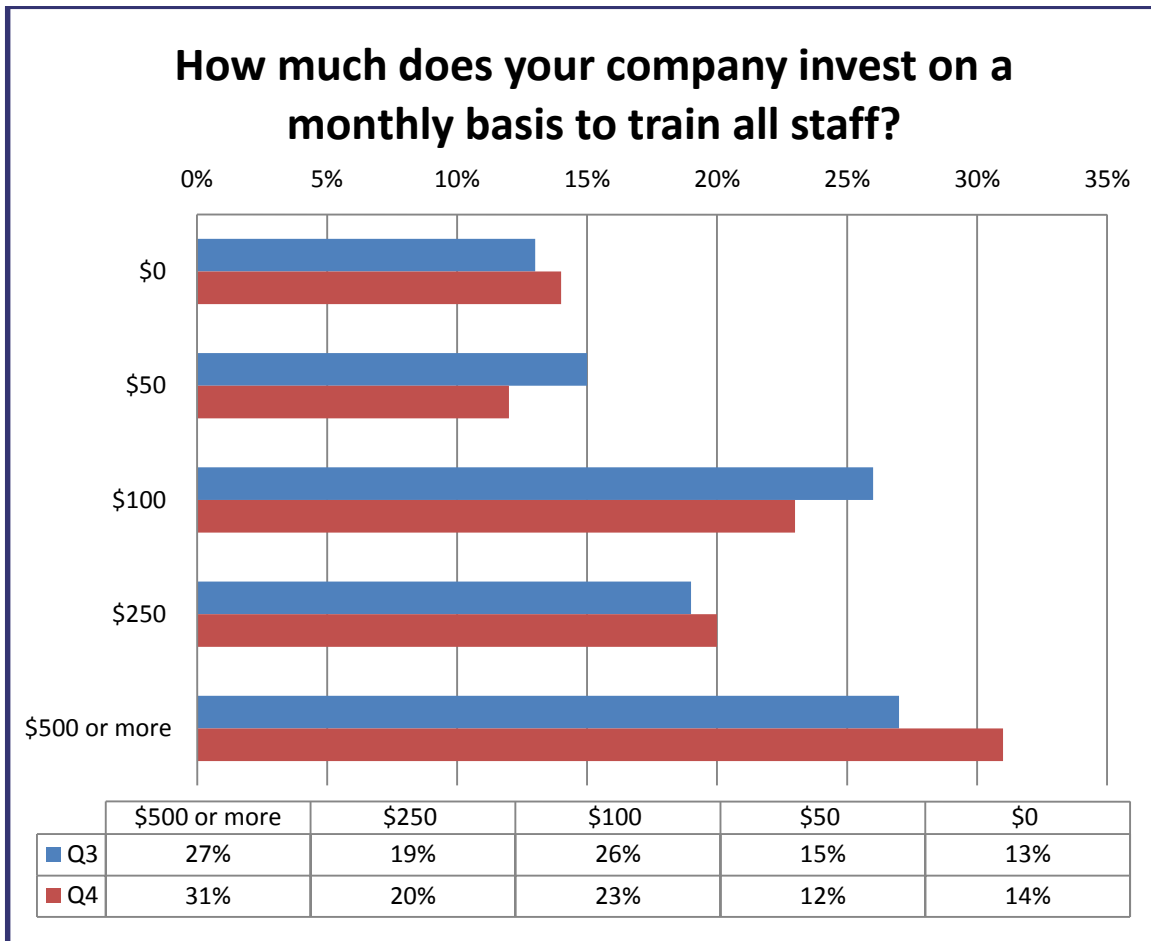
**Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

Are you a member of a buying group?



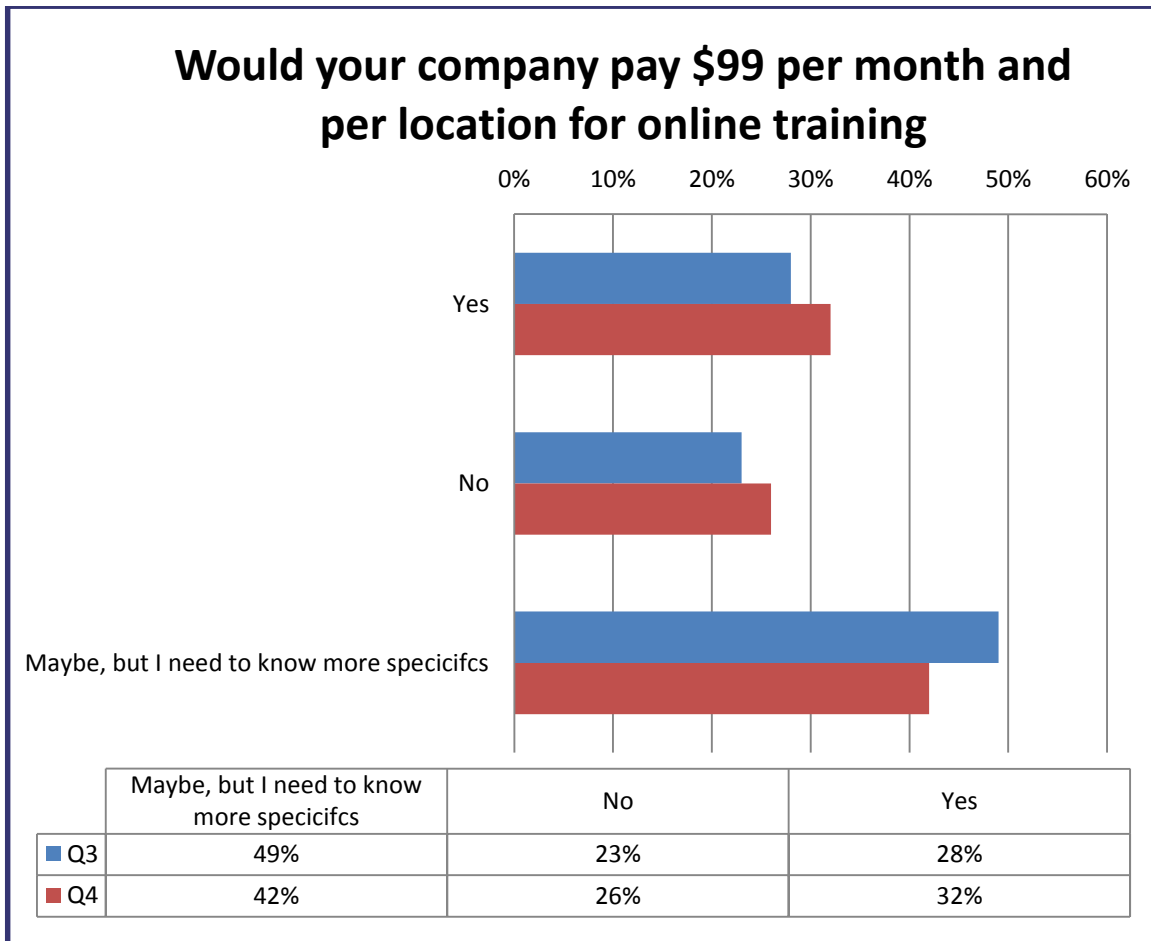
**Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

Approximately how much does your company invest on a monthly basis to train its staff (all staff, not per person)?



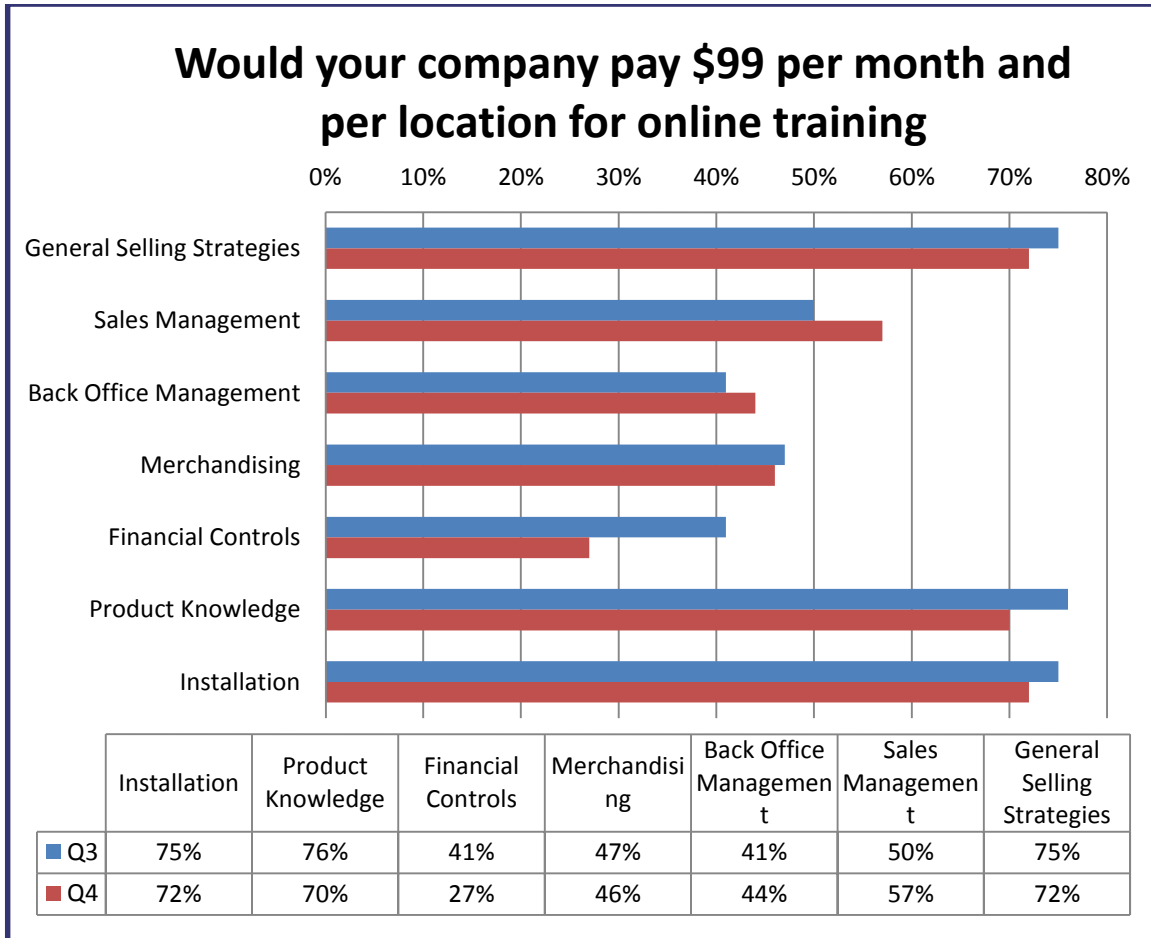
**Note: This question was only asked in the Q3, and Q4 surveys.*

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?



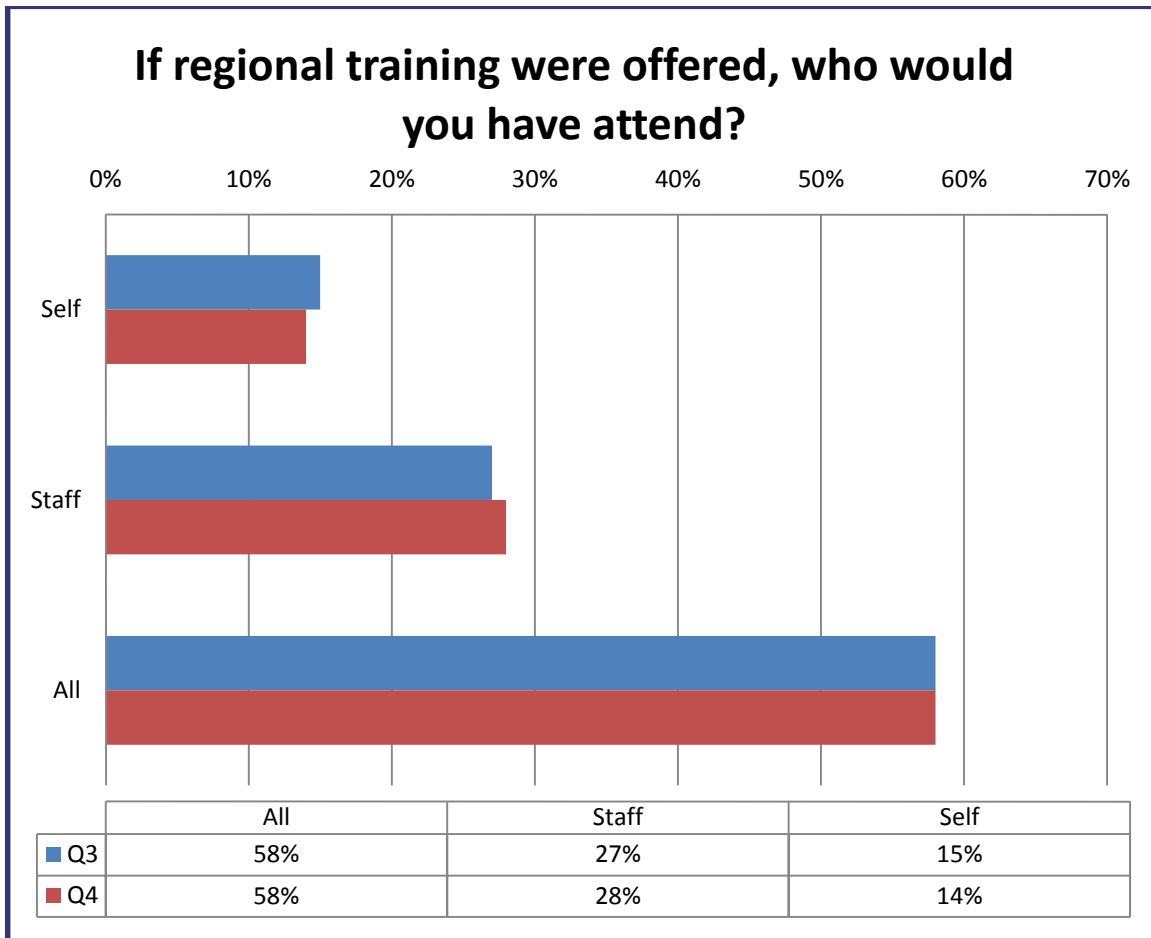
**Note: This question was only asked in the Q3, and Q4 surveys.*

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



**Note: This question was only asked in the Q3, and Q4 surveys.*



If regional training were offered for sales associates, managers, and leadership, who would you have attend?










**Note: This question was only asked in the Q3, and Q4 surveys.*



General Questions






U.S./Canadian Made Products from Q1




Does your company actively promote flooring products made in the United States or Canada?		
		Response Ratio
Yes		75%
No		25%




Do any of your customers ask for flooring products made in the United States or Canada?		
		Response Ratio
Yes		70%
No		30%











You answered yes to the previous question. Approximately what percentage of your customers ask for products made in the United States or Canada?		
		Response Ratio
10%		39%
20%		23%
30%		18%
50%		8%
75% or More		12%

Generally speaking, are your customers willing to pay a premium for products made in the United States or Canada?		
		Response Ratio
Yes		42%
No		58%

You answered yes to the previous question. Approximately what percentage of your customers are willing to pay a premium for flooring made in the United States or Canada?		
		Response Ratio
5% or less		24%
10%		31%
20%		25%
30%		4%
50% or More		16%

Looking at all of the flooring your company sells, how would you generally rate the quality of the products made in the United States or Canada versus flooring made in Asia?		
		Response Ratio
Better		88%
Worse		1%
Same		11%

Looking at all of the flooring your company sells, how would you generally rate the quality of the products made in the United States or Canada versus flooring made in Europe.		
		Response Ratio
Better		33%
Worse		7%
Same		60%




Approximately what percentage of all of your flooring sales are products made in the United States or Canada?		
		Response Ratio
10% or less		5%
20%		8%
30%		3%
40%		5%
50%		5%
60%		13%
70%		22%
80%		24%
90%		11%
100%		4%




General Questions

Business Practices from Q1







What forms of social media/online marketing do you use for your store?		
		Response Ratio
Angie's List		26%
Facebook		84%
Google		68%
Houzz		35%
LinkedIn		52%
Twitter		37%
Pinterest		29%
YouTube		33%

In 2015, do you have plans to expand or update your showroom, or at least one of your showrooms?		
		Response Ratio
Yes		54%
No		46%

In 2015, do you plan on expanding or eliminating a store location?		
		Response Ratio
Yes, add a location		11%
Yes, eliminate a location		3%
No		86%

In 2015, do you plan on increasing your training programs?		
		Response Ratio
Yes, sales team training		70%
Yes, installer training		54%
No		19%








***Note: A respondent could choose more than one answer to this question.**



In 2015, do you plan on making any of the listed capital expenditures?		
		Response Ratio
Software/hardware for fcB2B		44%
New location		13%
New warehouse		20%
Increased inventory		40%
New vehicles		38%
New machinery		30%



***Note: A respondent could choose more than one answer to this question.**

General Questions

Health Insurance from Q2



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%



Does your company provide health insurance to its employees?		
		Response Ratio
Yes		67%
No		33%



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



General Questions




Installation Labor from Q4



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



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



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%



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

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%






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%

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



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%

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

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%

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%