



**WORLD FLOOR COVERING  
ASSOCIATION**

*Simplify Your Success*

# Members Market Trend Survey Summary and Comparison of All Quarters 2016

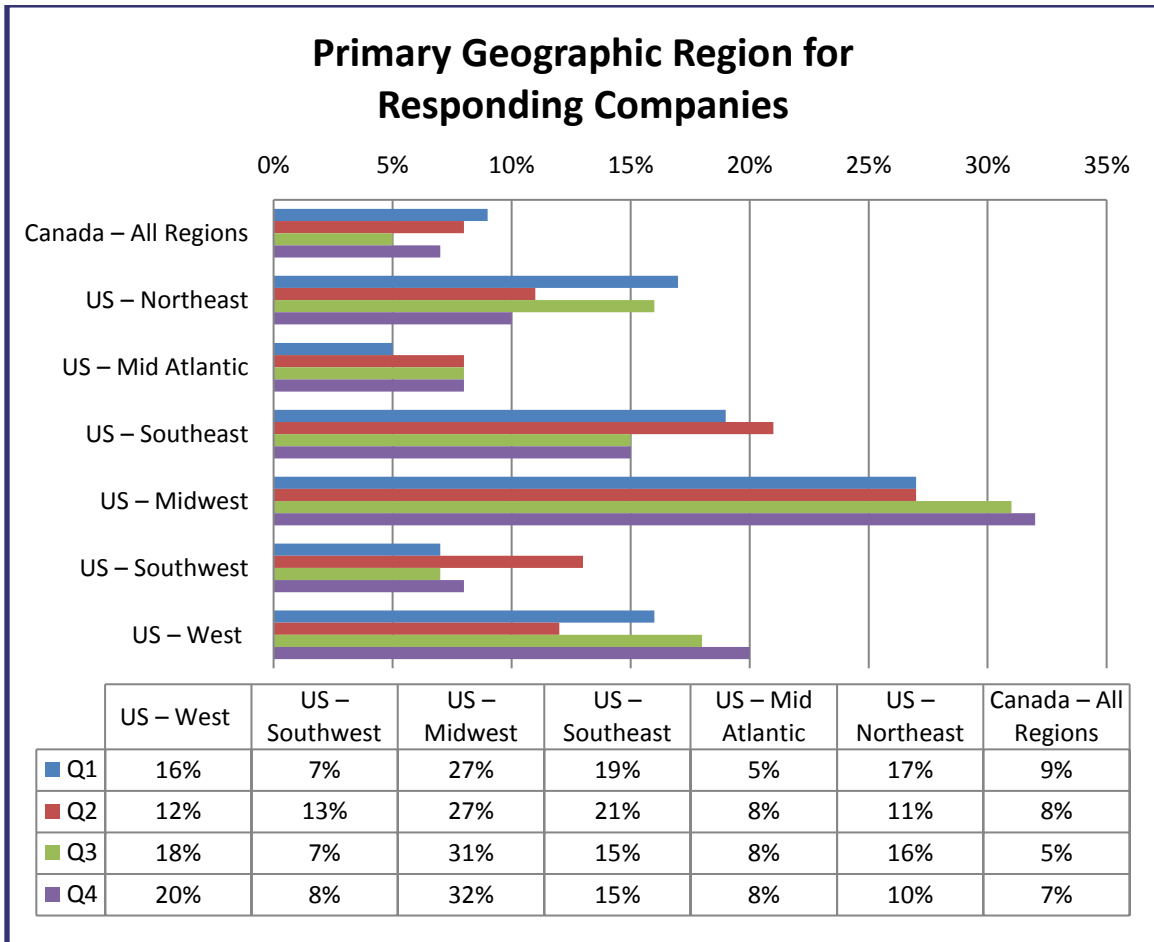
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March 22, 2017  
Confidential Report



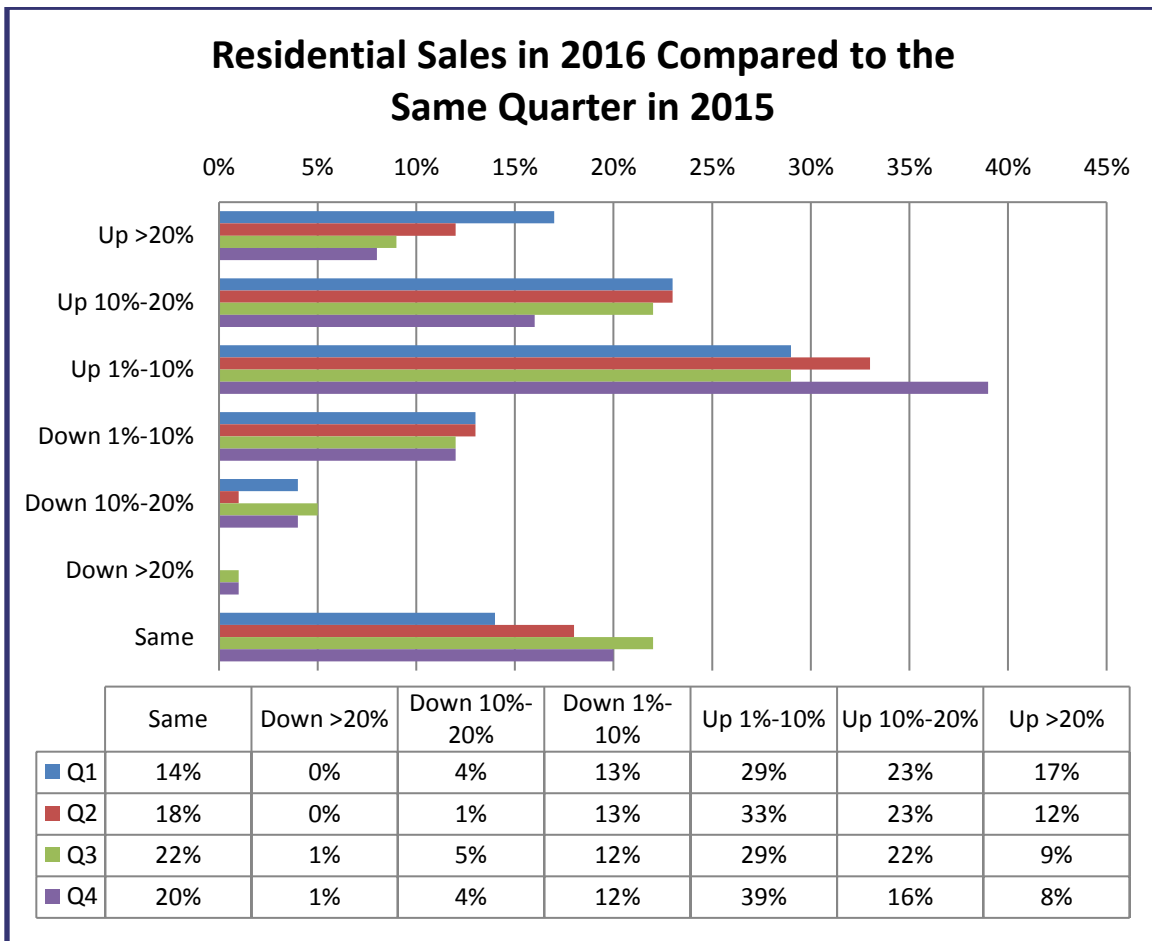
### Geographic Location

What primary geographic region is your company in?



### Sales Questions

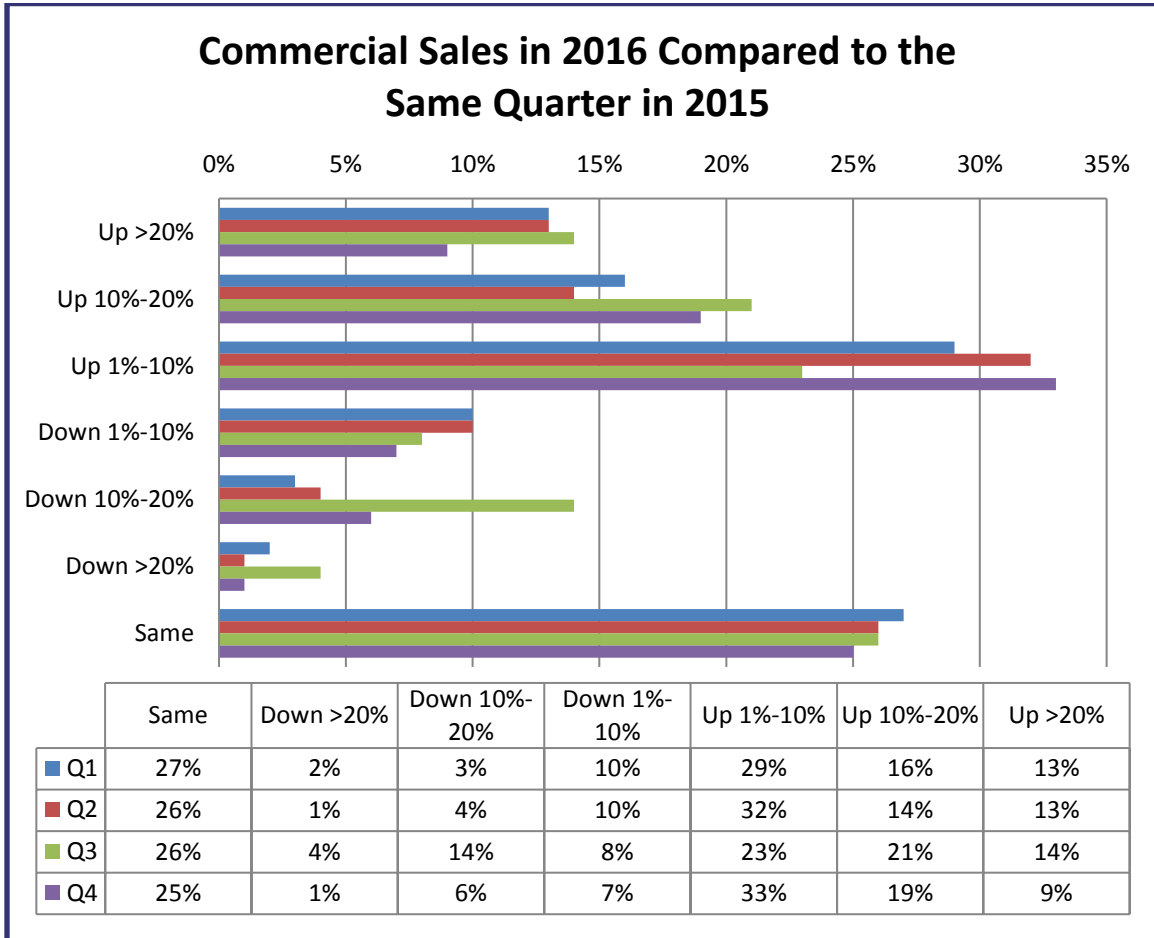
#### Residential sales in 2016 compared to the same quarter in 2015



Summary			
Q1	↑	69% Up	14% Same ↓ 17% Down
Q2	↑	68% Up	18% Same ↓ 14% Down
Q3	↑	60% Up	22% Same ↓ 18% Down
Q4	↑	63% Up	20% Same ↓ 17% Down



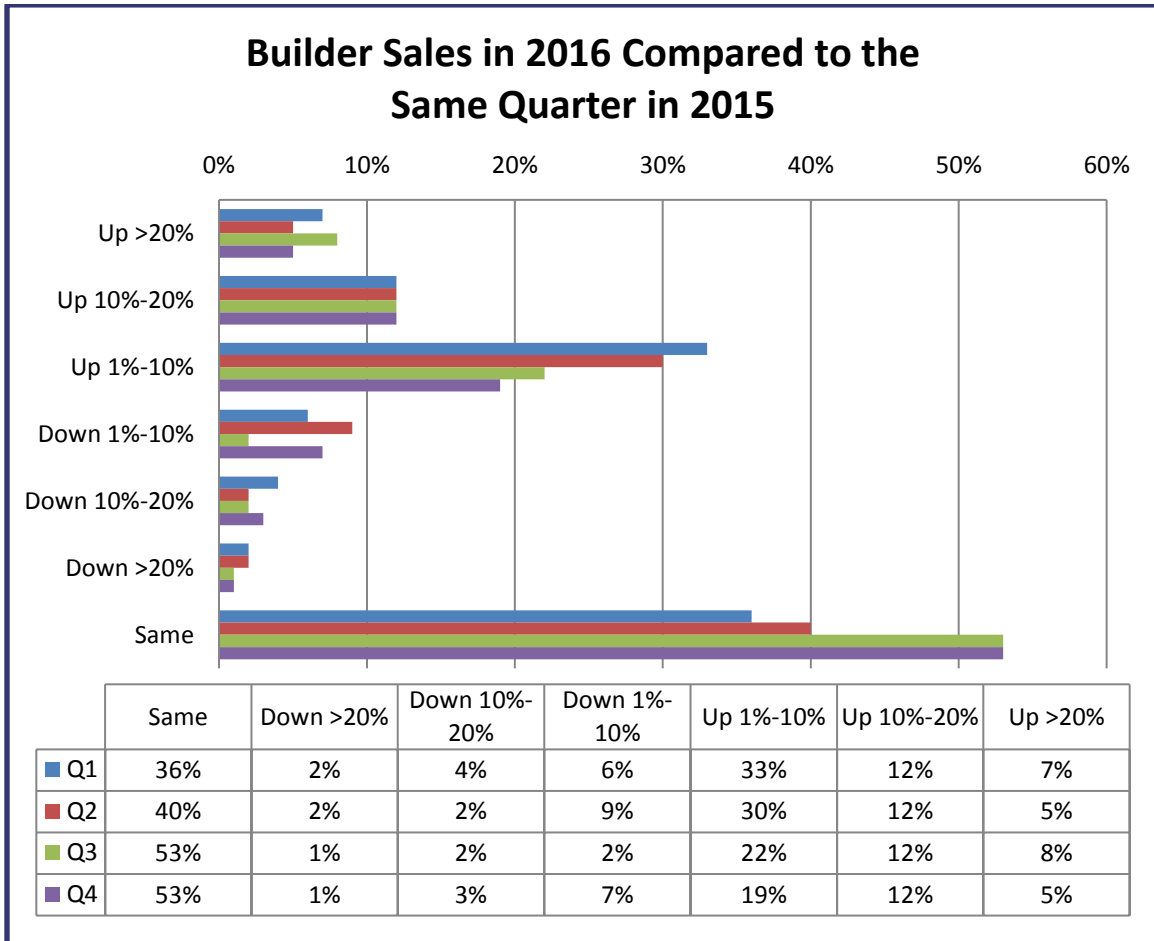
**Commercial sales in 2016 compared to the same quarter in 2015**



Summary			
Q1	↑	58% Up	27% Same ↓ 15% Down
Q2	↑	59% Up	26% Same ↓ 15% Down
Q3	↑	58% Up	26% Same ↓ 16% Down
Q4	↑	61% Up	25% Same ↓ 14% Down

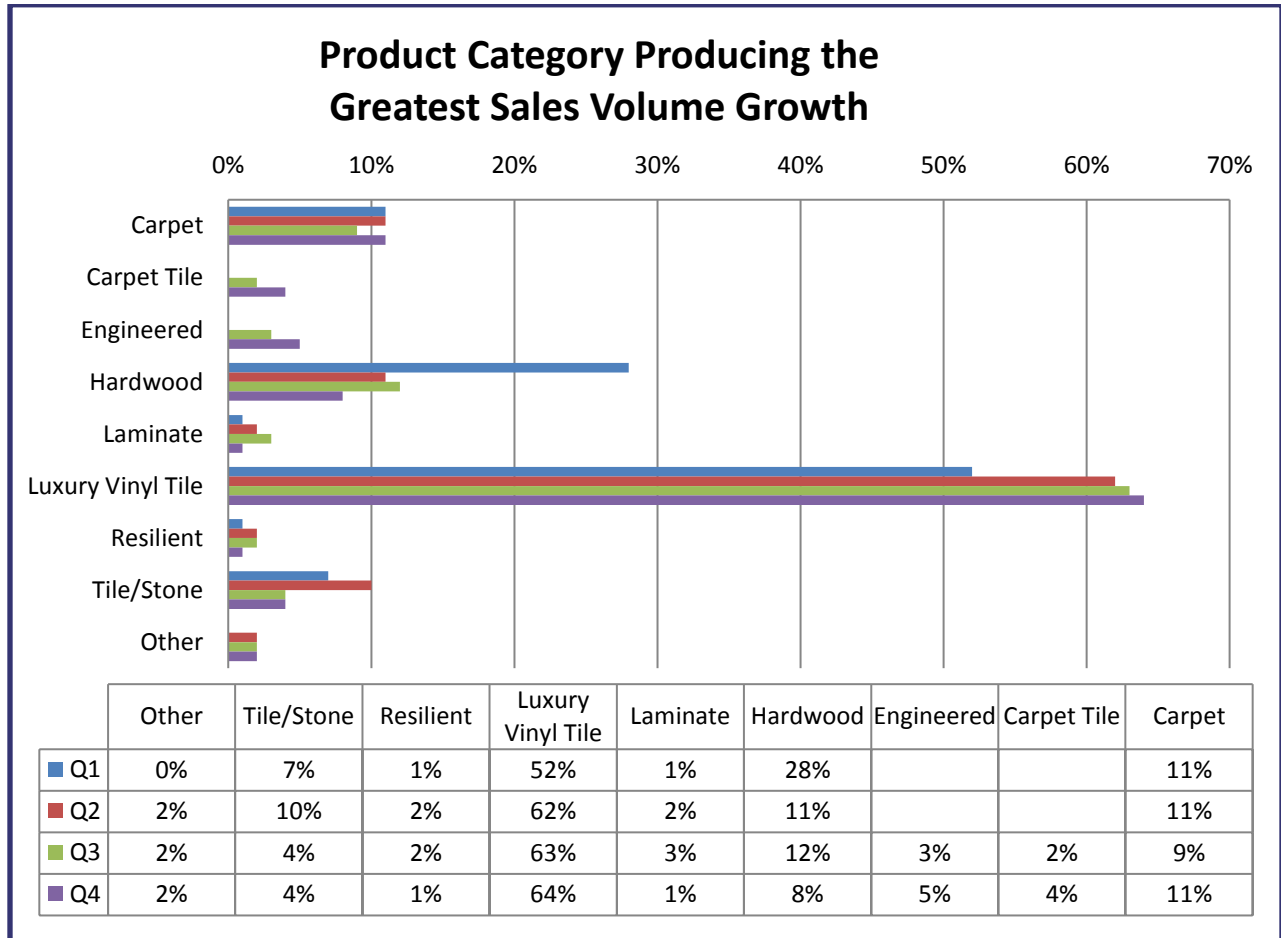


**Builder sales in 2016 compared to the same quarter in 2015**



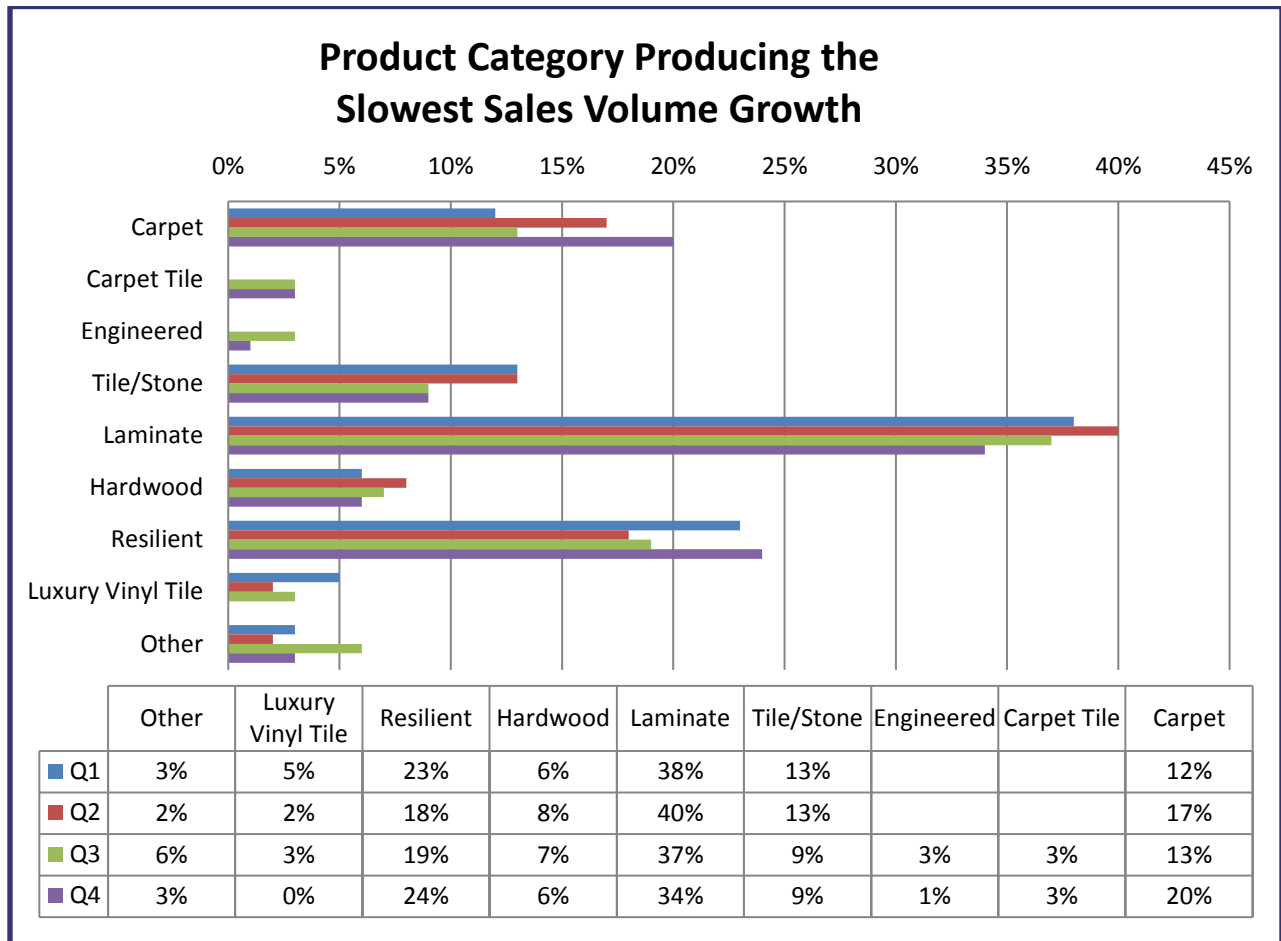
Summary			
Q1	↑	52% Up	36% Same ↓ 12% Down
Q2	↑	47% Up	40% Same ↓ 13% Down
Q3	↑	42% Up	53% Same ↓ 5% Down
Q4	↑	36% Up	53% Same ↓ 11% Down

**Product category that produced the GREATEST sales volume GROWTH by Quarter**



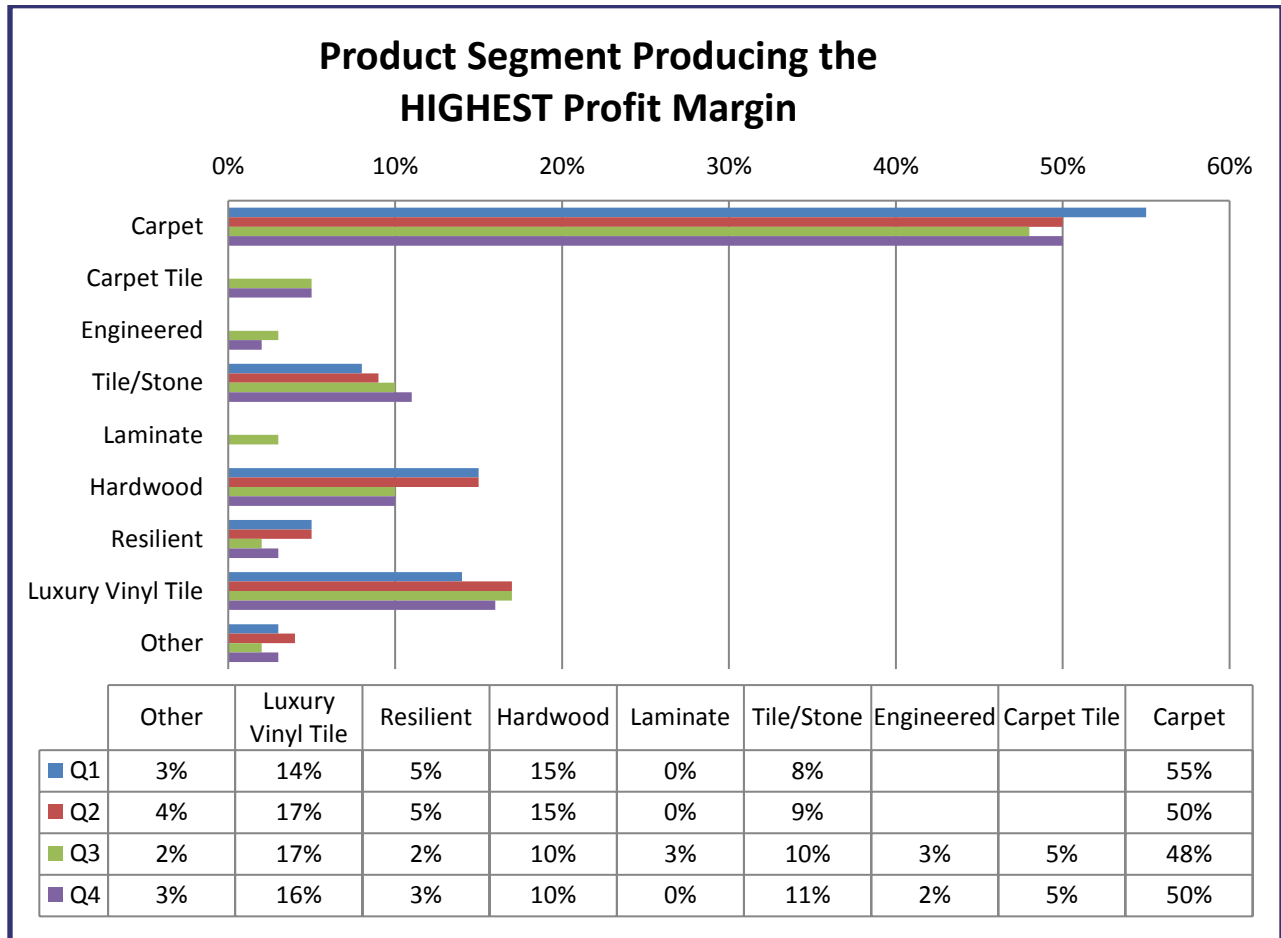
**\*Note: Engineered and Carpet Tile were options in only the Q3 and Q4 surveys.**

**Product category that produced the SLOWEST sales volume GROWTH by Quarter**



**\*Note: Engineered and Carpet Tile were options in only the Q3 and Q4 surveys.**

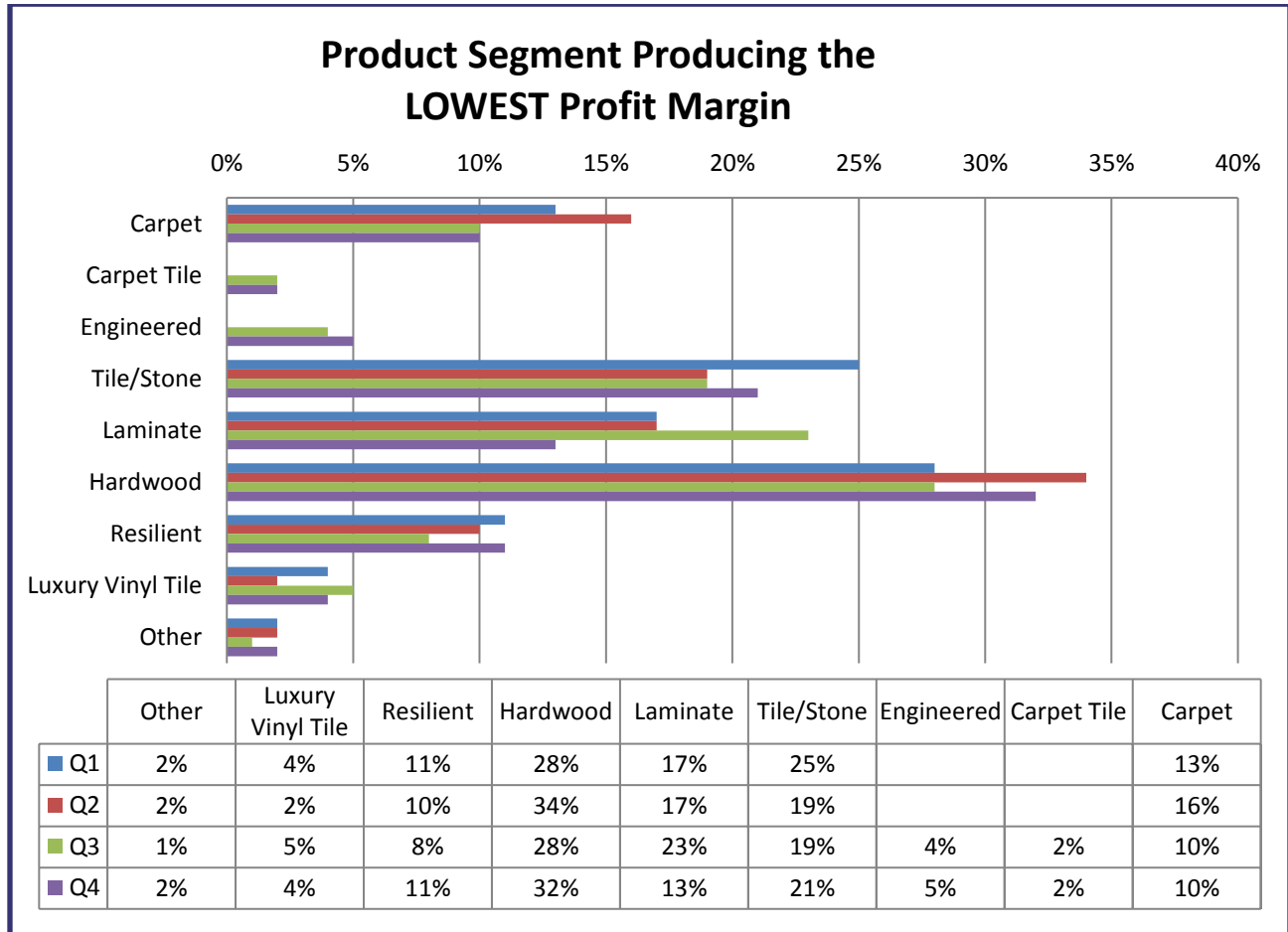
**Which product segment produced the HIGHEST profit margin in Qx/2016?**



**\*Note: Engineered and Carpet Tile were options in only the Q3 and Q4 surveys.**

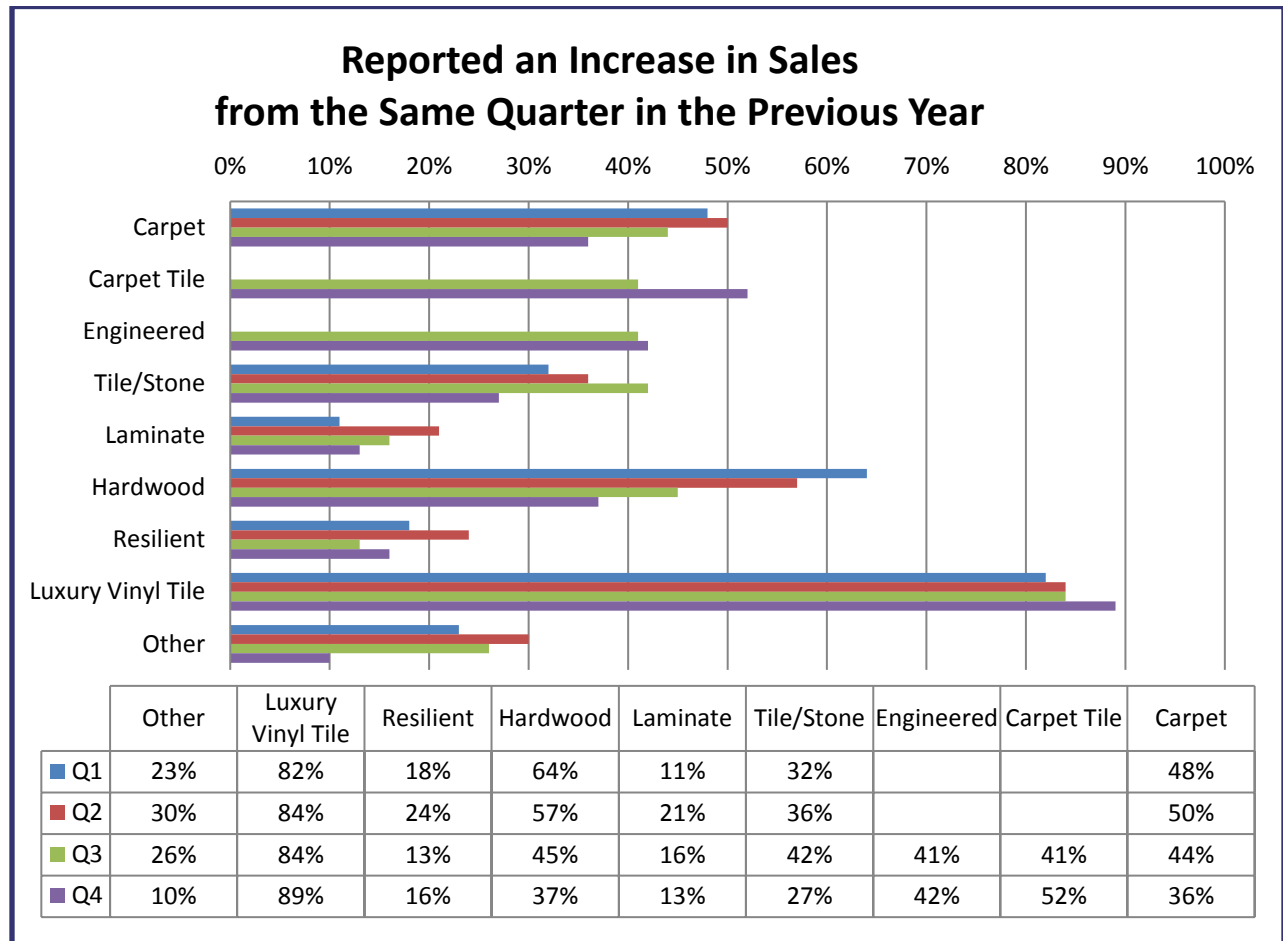


Which product segment produced the **LOWEST** profit margin in Qx/2016?



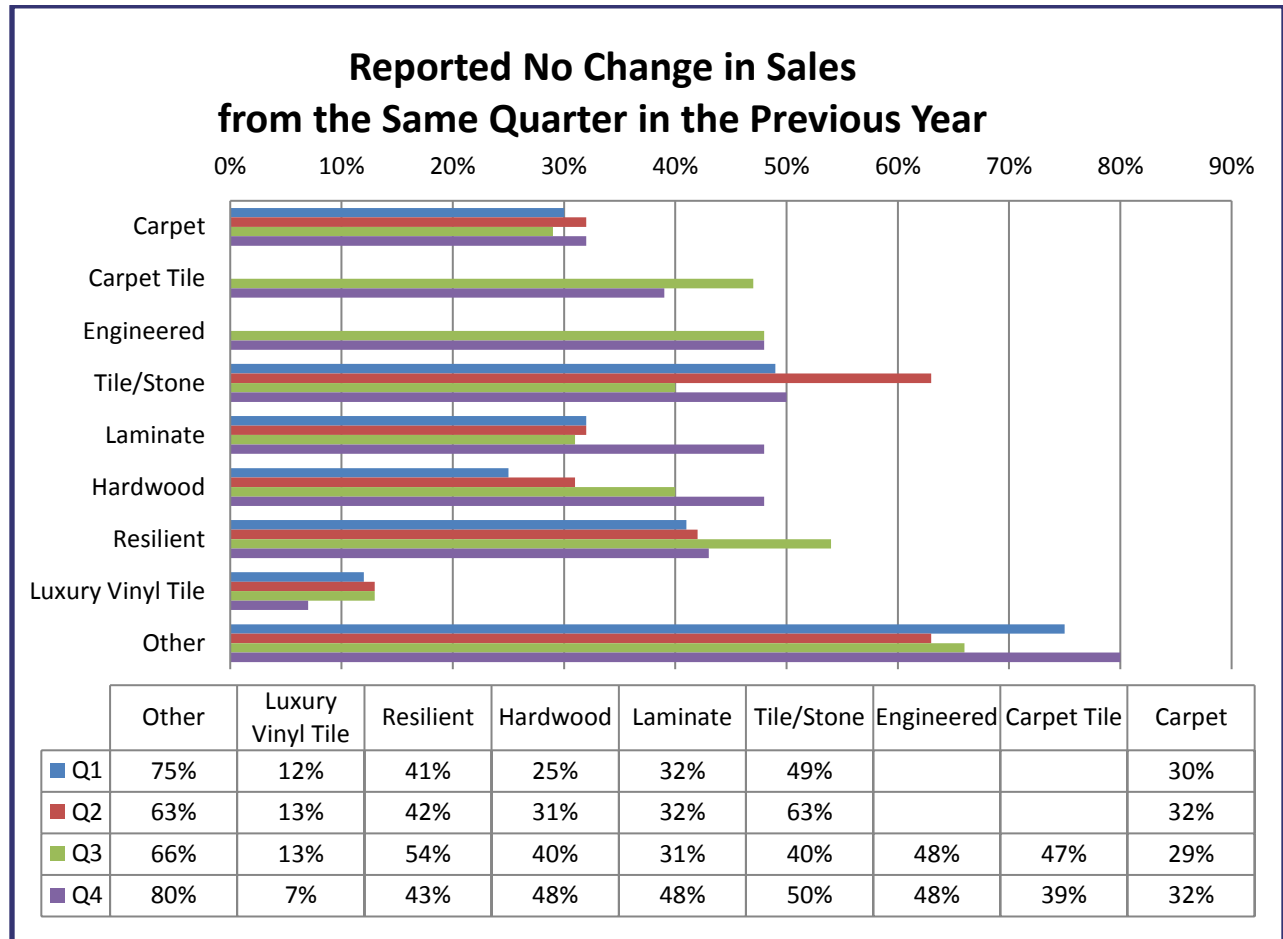
**\*Note: Engineered and Carpet Tile were options in only the Q3 and Q4 surveys.**

**How have your sales by product category changed from Qx/2015 to Qx/2016?**



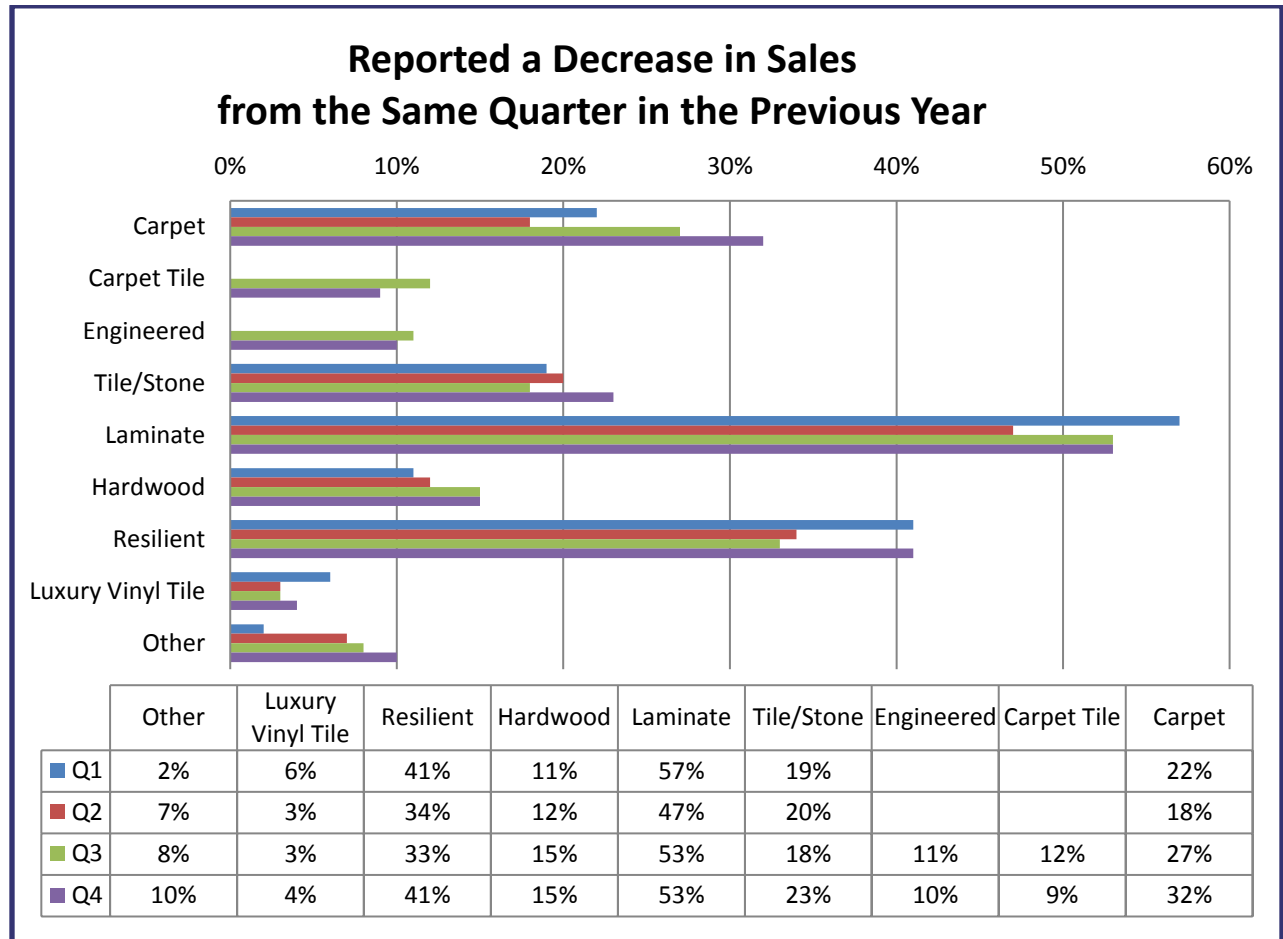
**\*Note: Engineered and Carpet Tile were options in only the Q3 and Q4 surveys.**

**How have your sales by product category changed from Qx/2015 to Qx/2016? (Continued)**



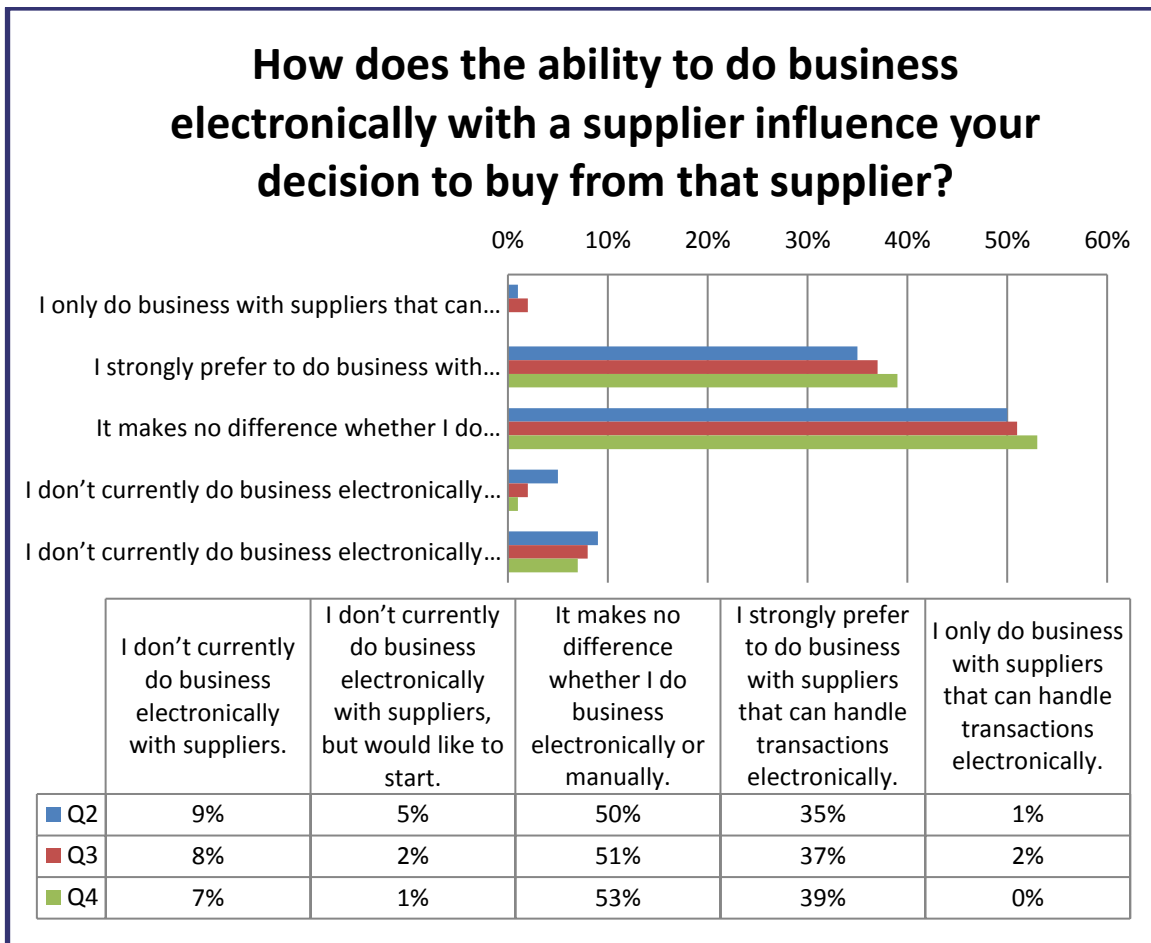
**\*Note: Engineered and Carpet Tile were options in only the Q3 and Q4 surveys.**

**How have your sales by product category changed from Qx/2015 to Qx/2016? (Continued)**



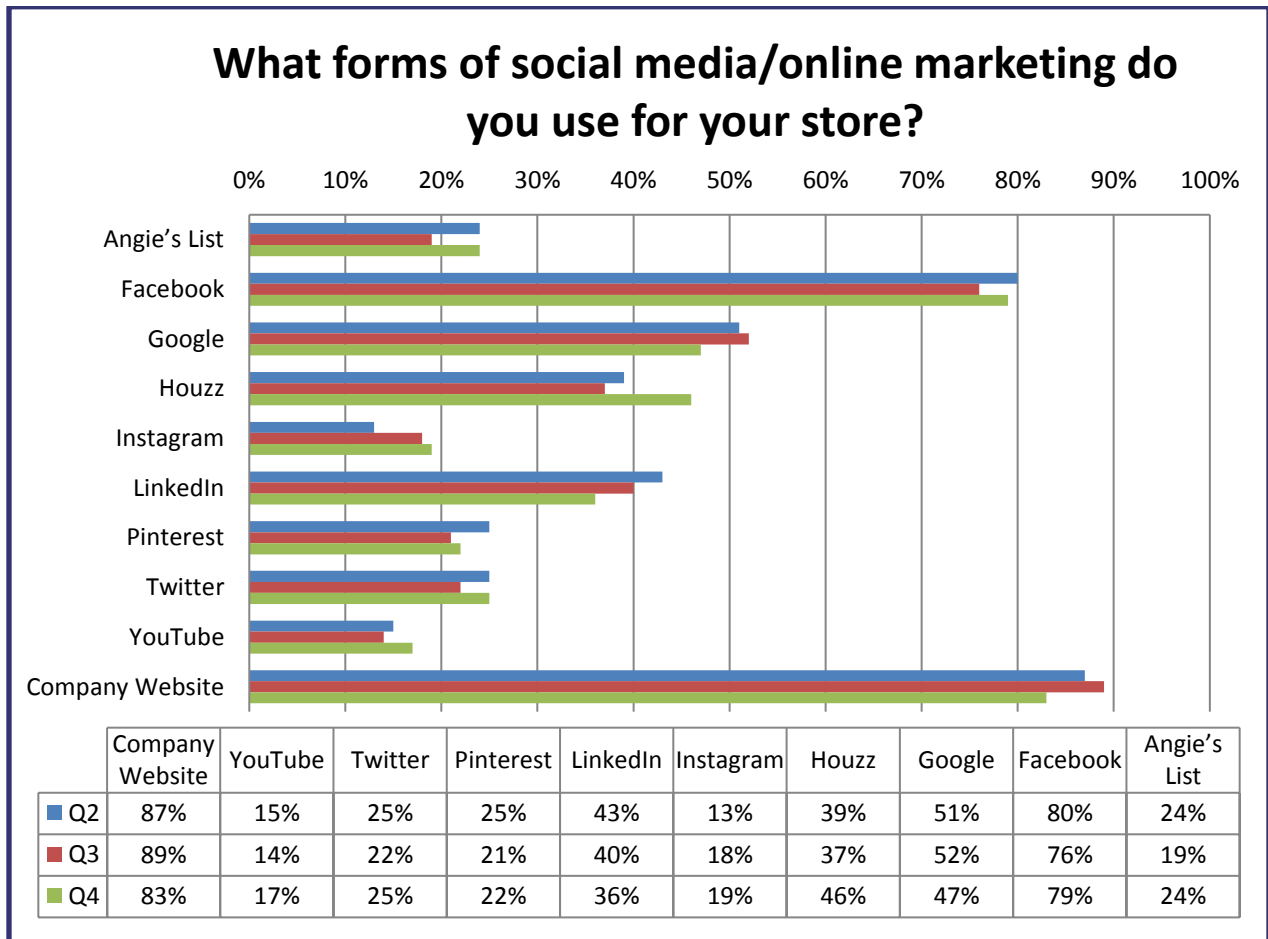
**\*Note: Engineered and Carpet Tile were options in only the Q3 and Q4 surveys.**

**How does the ability to do business electronically with a supplier influence your decision to buy from that supplier?**



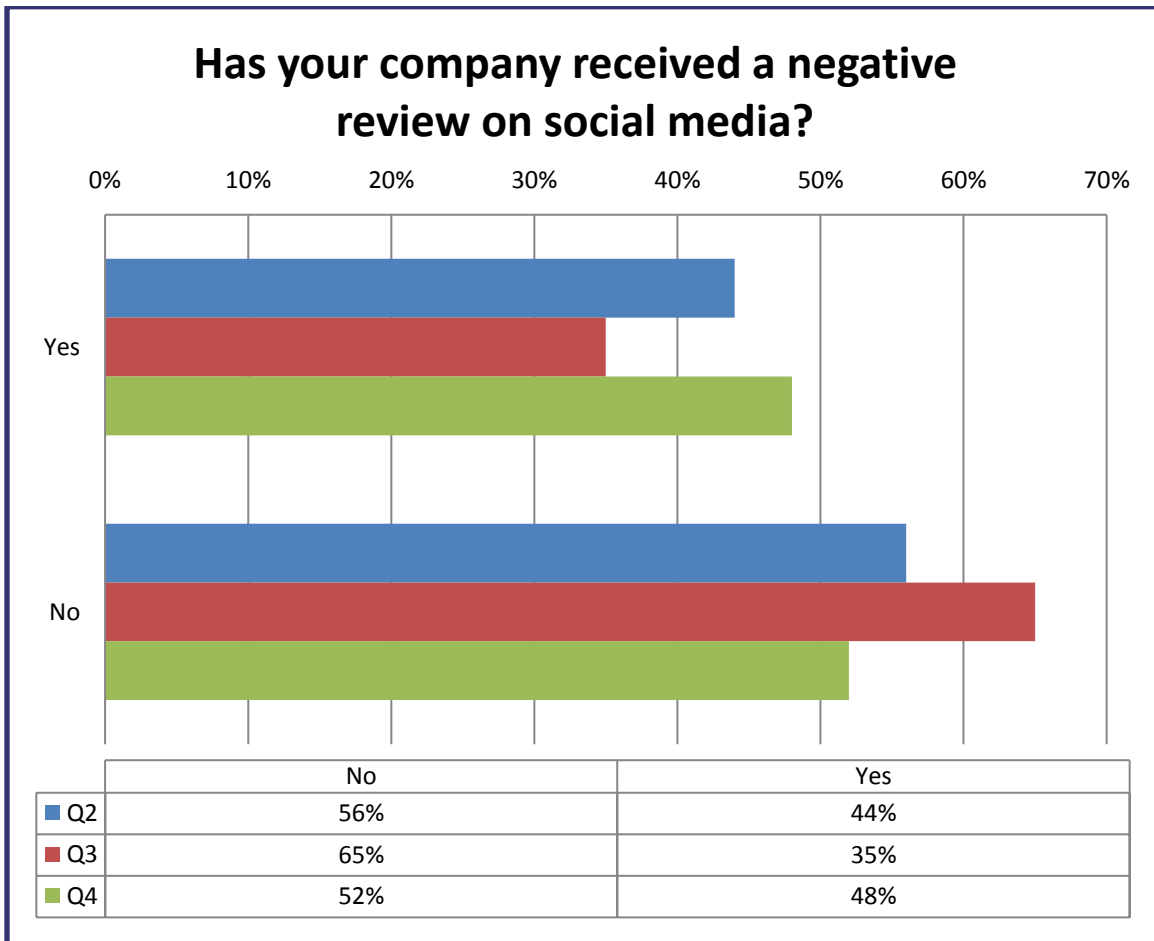
**\*Note: This question was only asked in the Q2, Q3, and Q4 surveys.**

**What forms of social media/online marketing do you use for your store?**



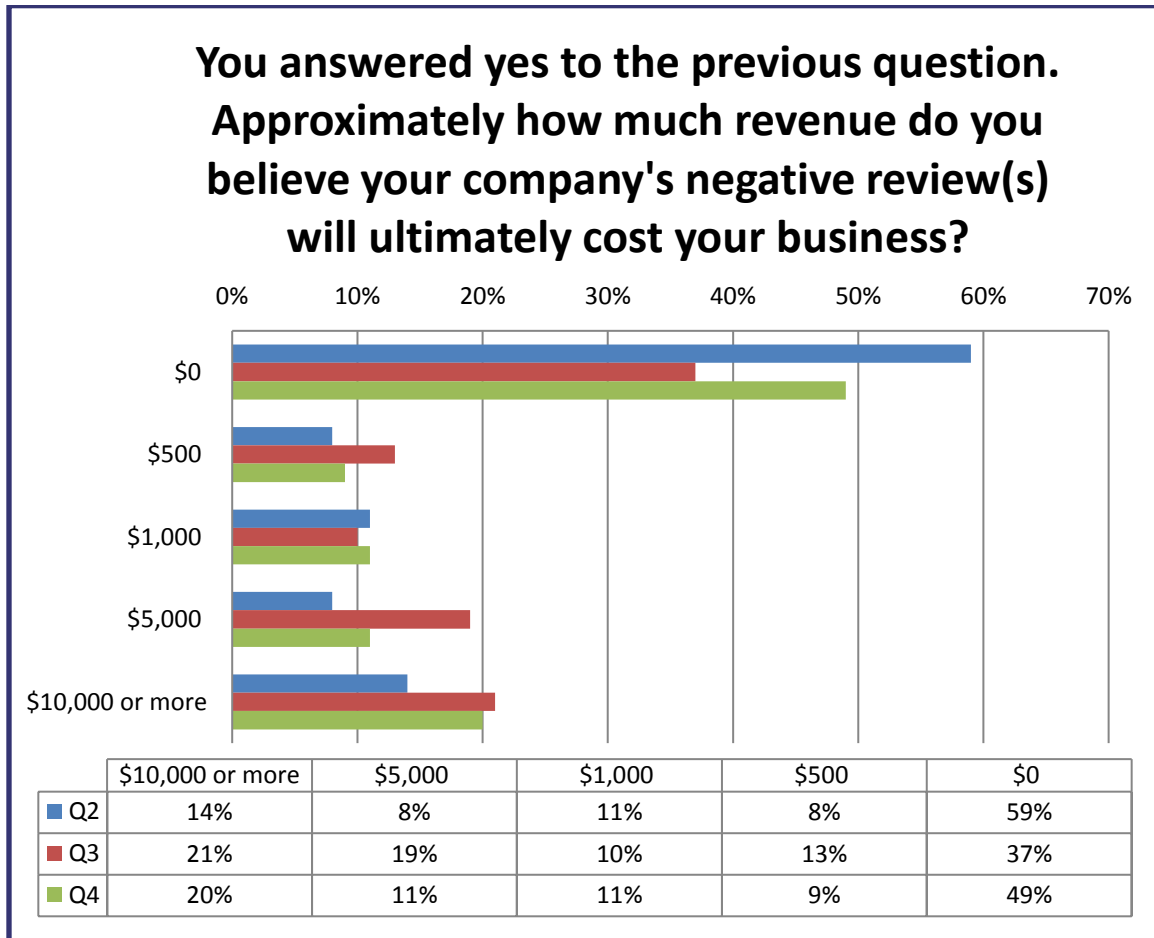
**\*Note: This question was only asked in the Q2, Q3, and Q4 surveys.**

Has your company received a negative review on social media?



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

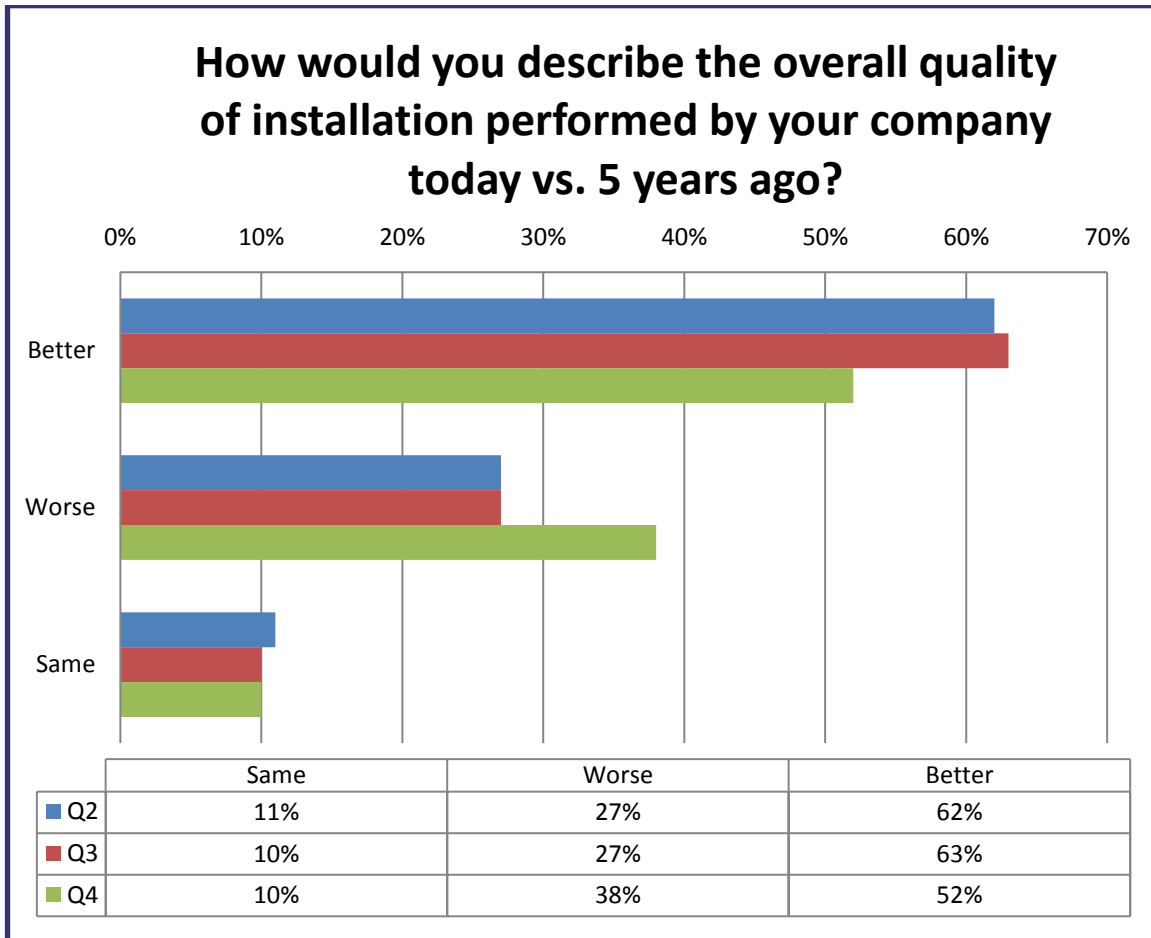
You answered yes to the previous question. Approximately how much revenue do you believe your company's negative review(s) will ultimately cost your business?



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

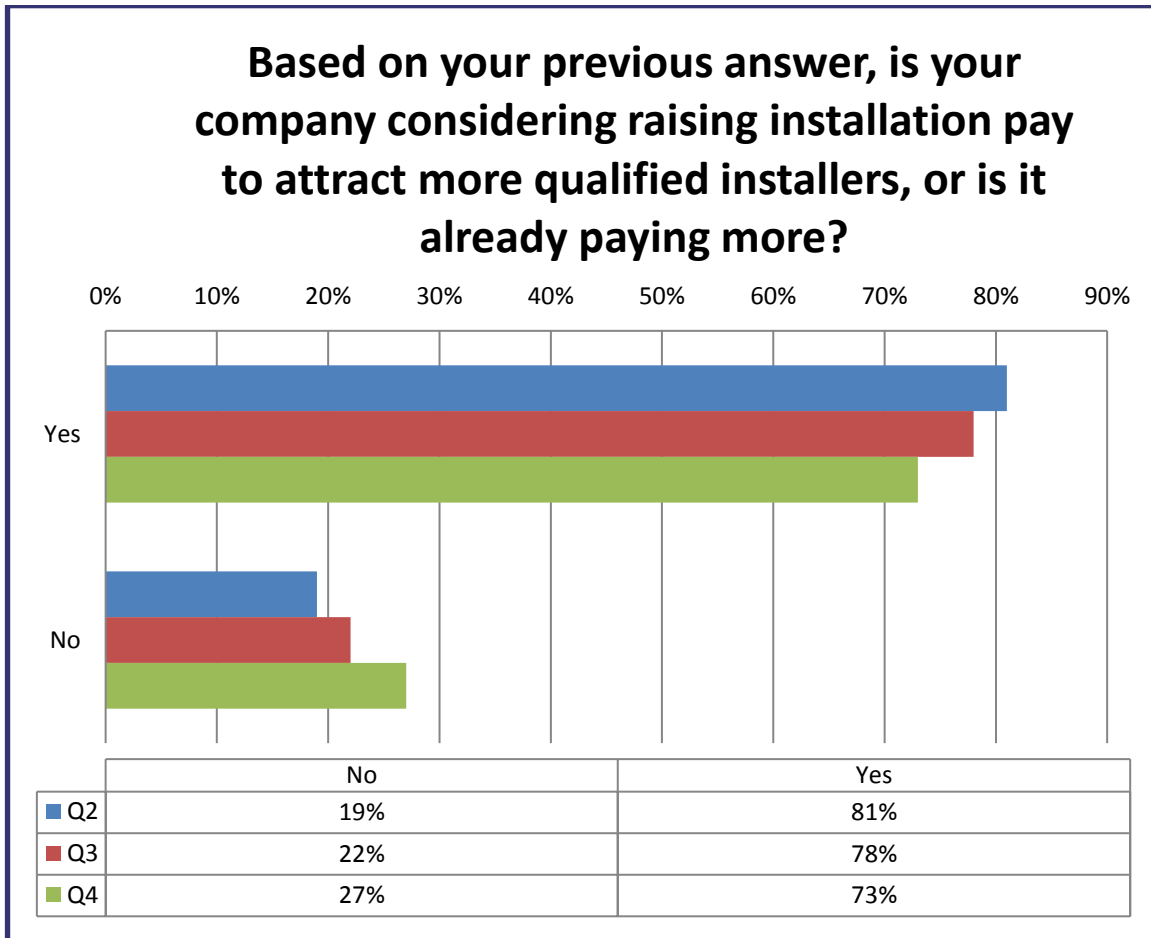


How would you describe the overall quality of installation performed by your company today vs. 5 years ago?



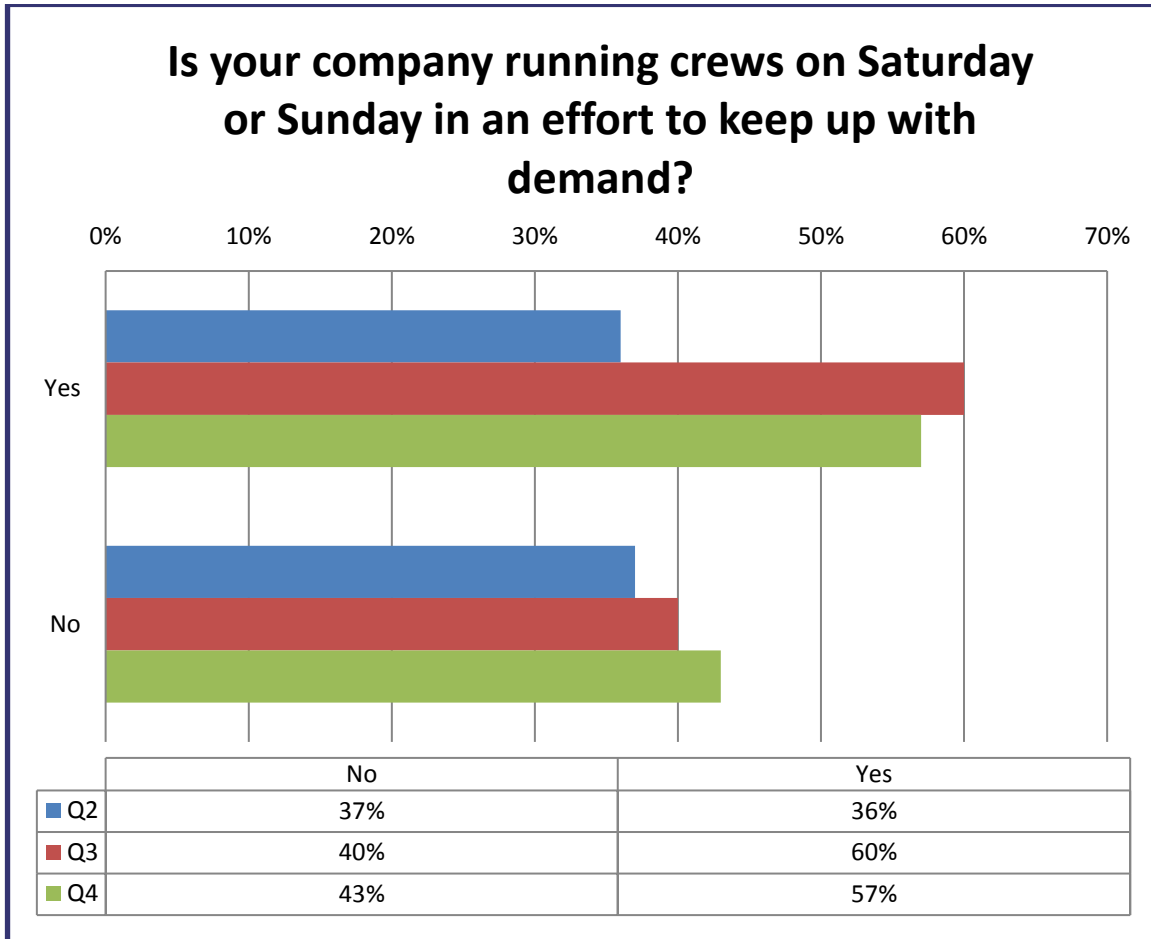
*\*Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

Based on your previous answer, is your company considering raising installation pay to attract more qualified installers, or is it already paying more?



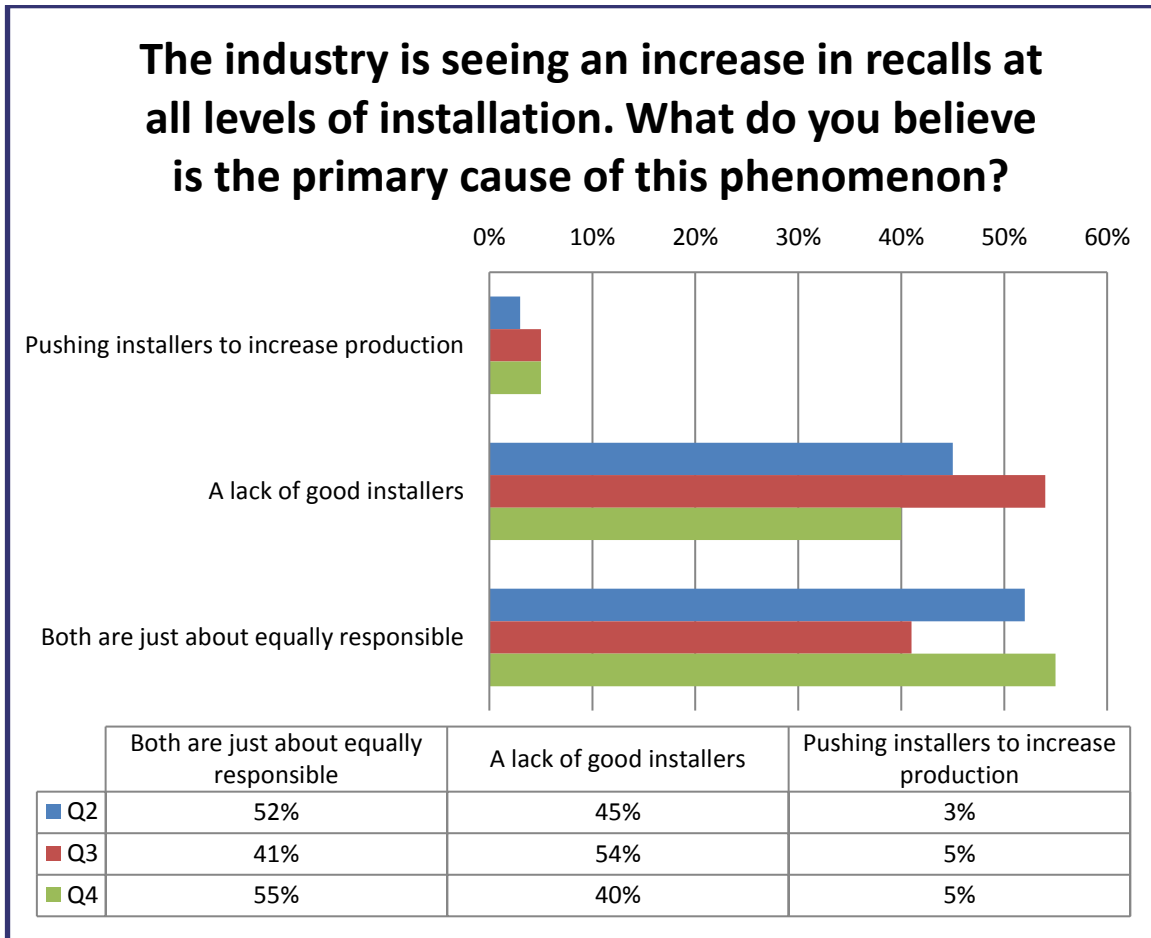
*\*Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

Is your company running crews on Saturday or Sunday in an effort to keep up with demand?



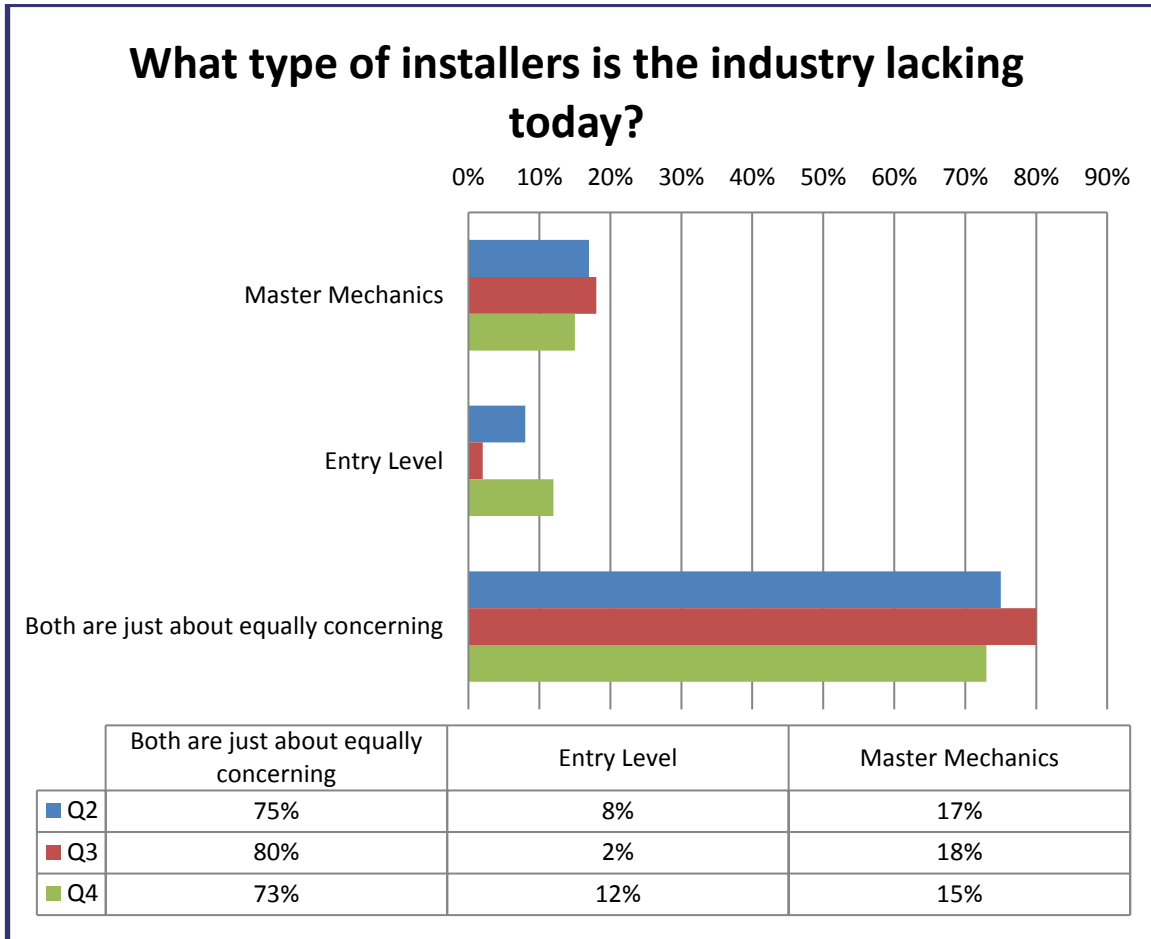
*\*Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

The industry is seeing an increase in recalls at all levels of installation. What do you believe is the primary cause of this phenomenon?



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

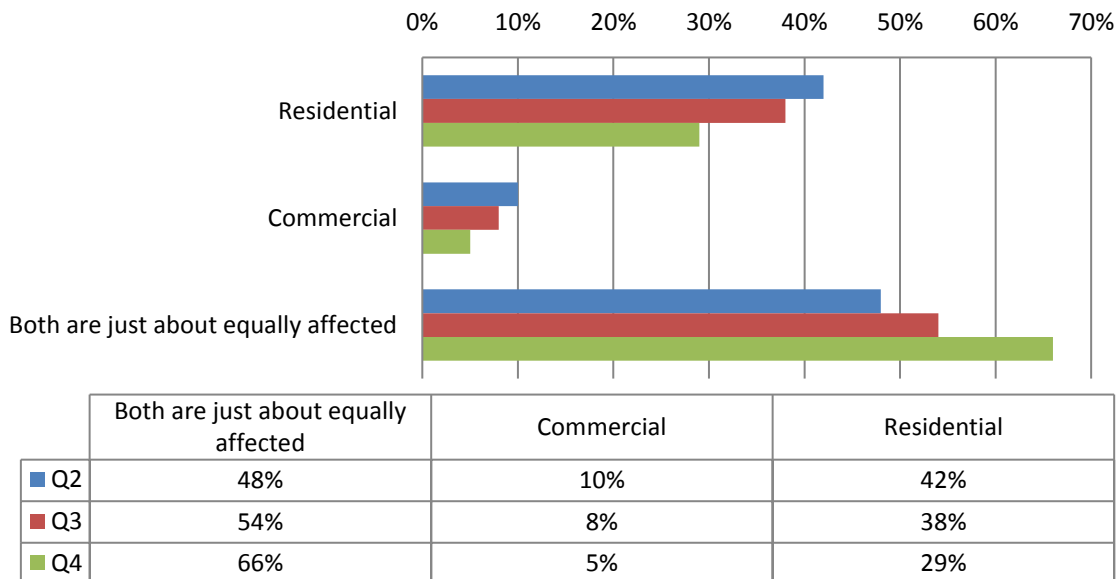
What type of installers is the industry lacking today?



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

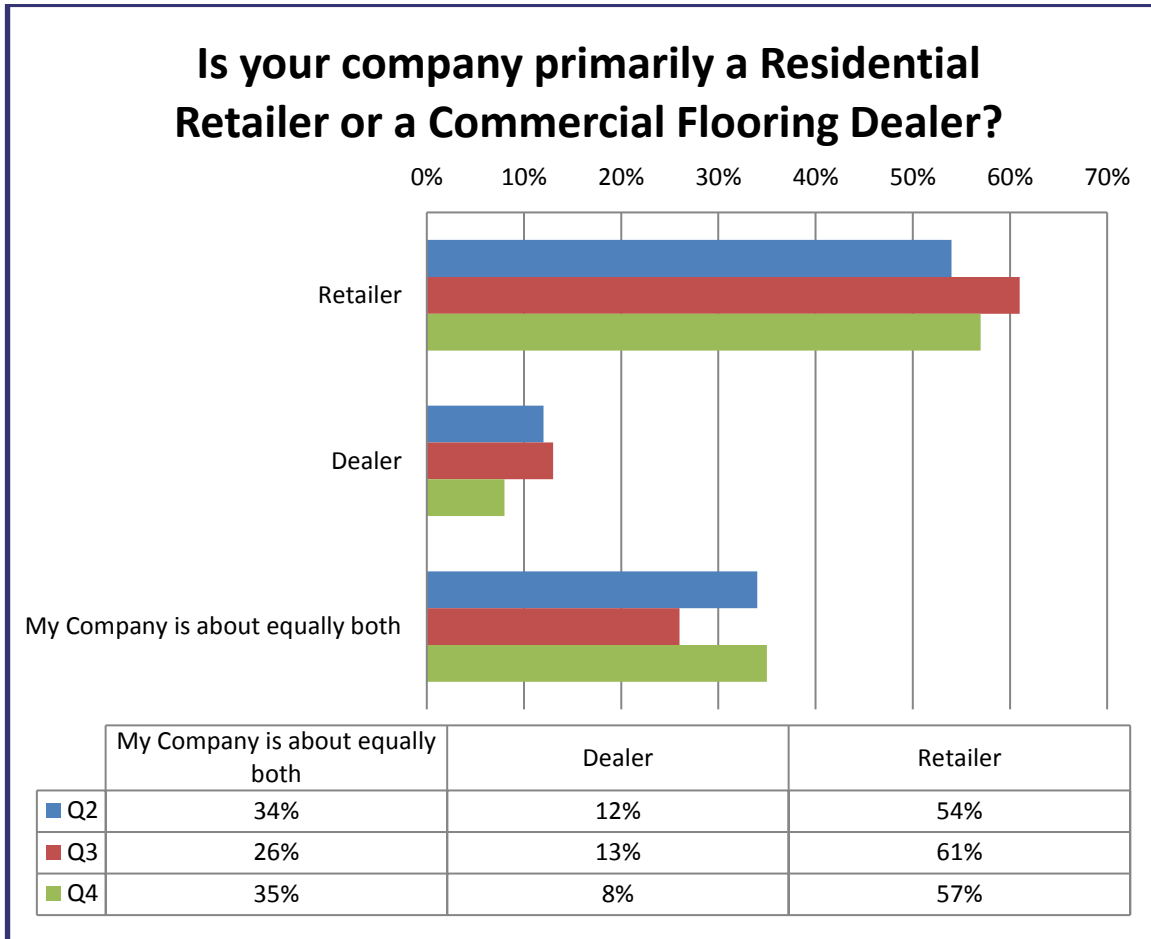
The flooring industry is experiencing an installation crisis due to a lack of qualified installers. Do you believe this crisis is having a more crippling effect on the Residential or Commercial market?

**The flooring industry is experiencing an installation crisis due to a lack of qualified installers. Do you believe this crisis is having a more crippling effect on the Residential or Commercial market?**



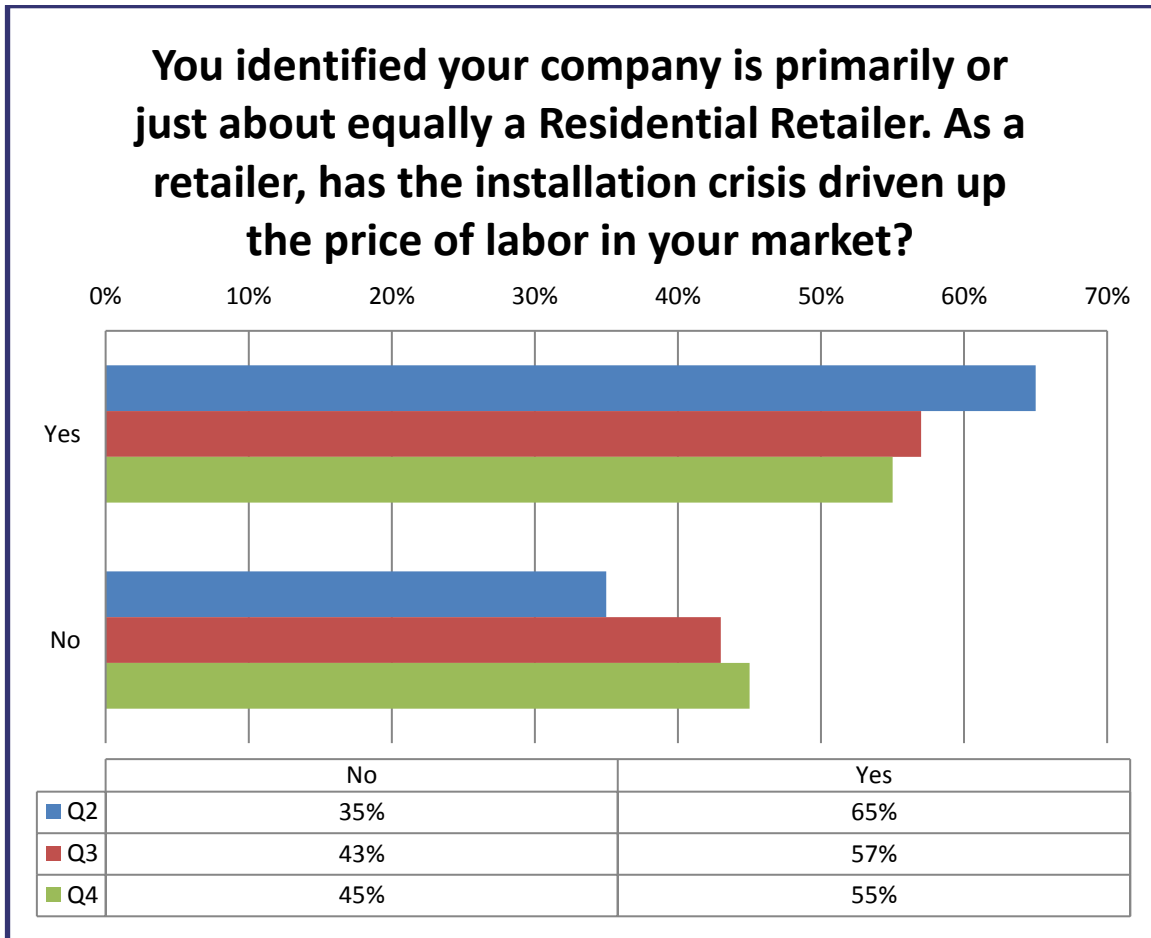
*\*Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

**Is your company primarily a Residential Retailer or a Commercial Flooring Dealer?**



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

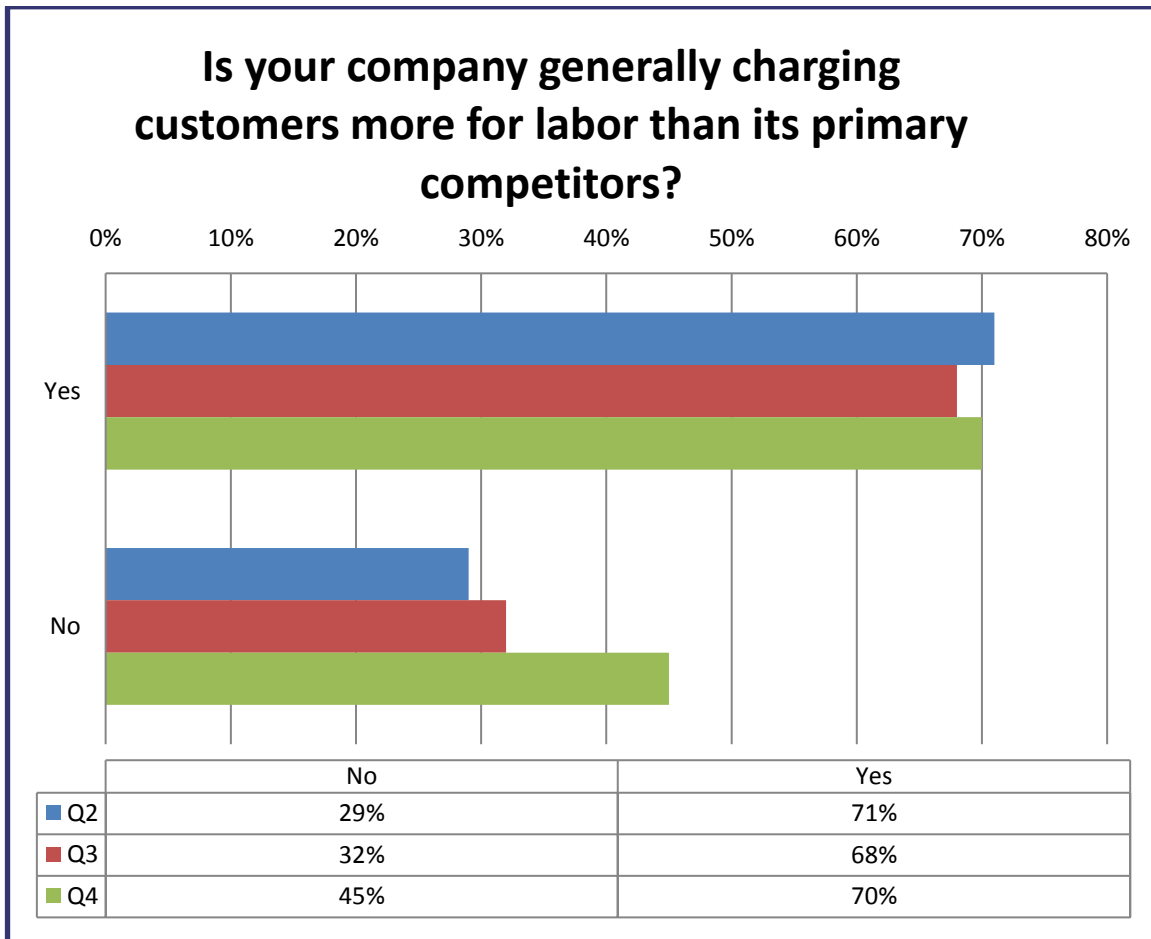
You identified your company is primarily or just about equally a Residential Retailer. As a retailer, has the installation crisis driven up the price of labor in your market?



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

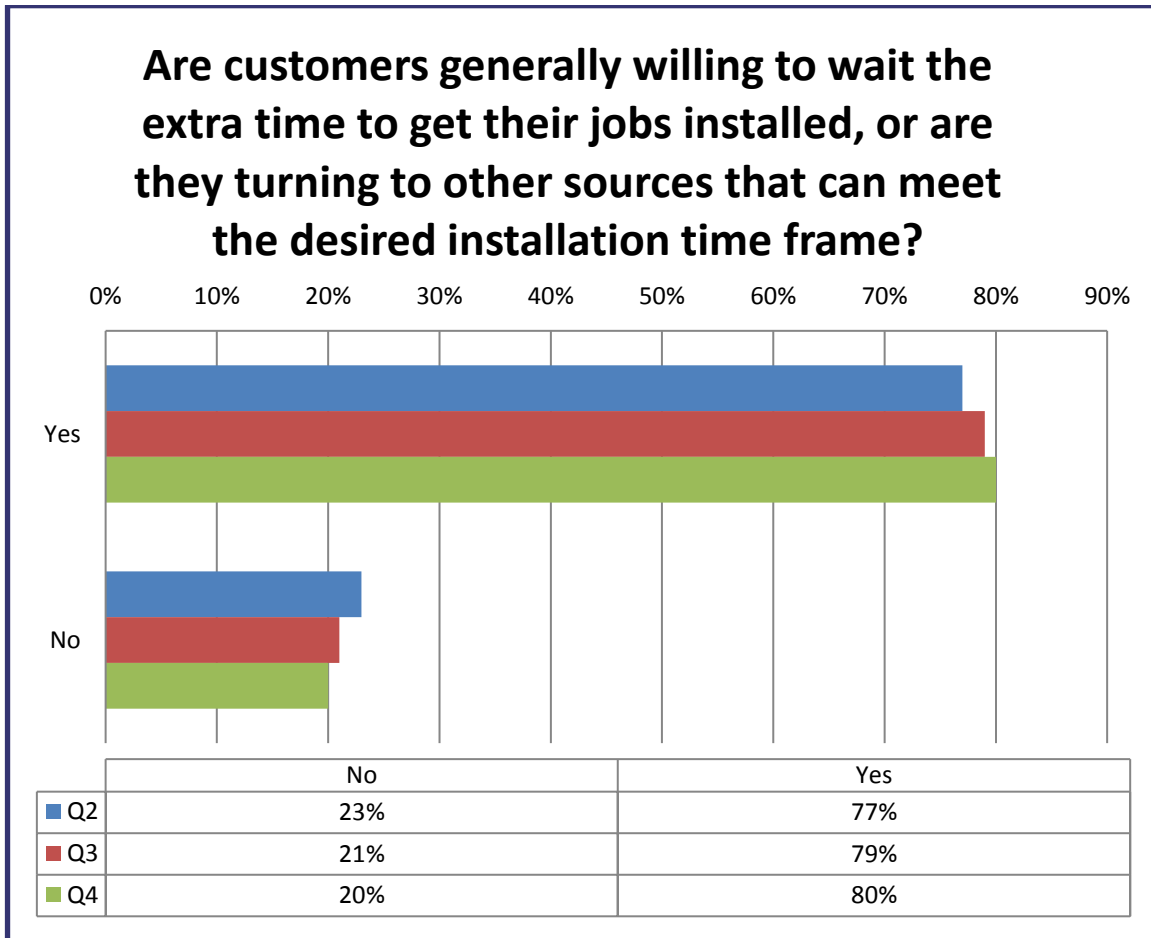


Is your company generally charging customers more for labor than its primary competitors?



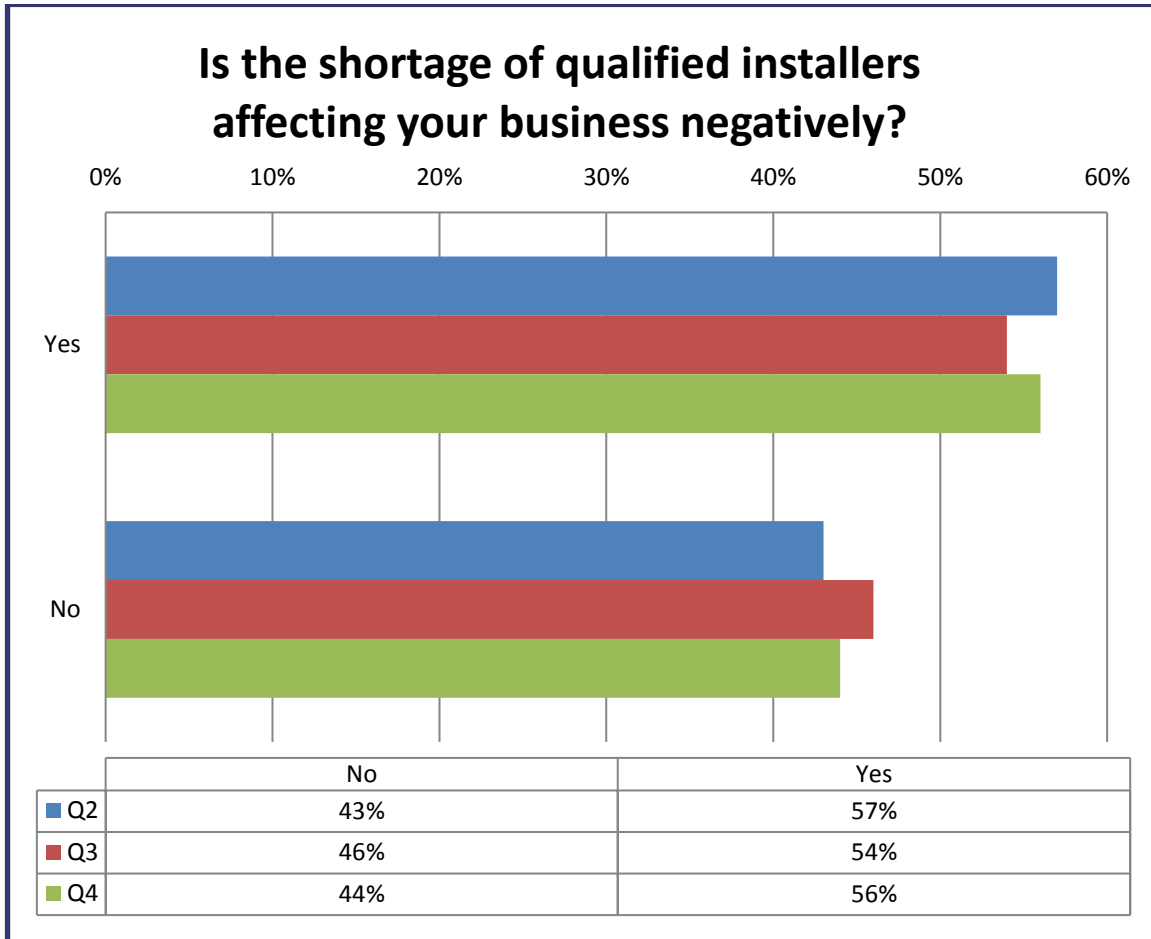
*\*Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

Are customers generally willing to wait the extra time to get their jobs installed, or are they turning to other sources that can meet the desired installation time frame?



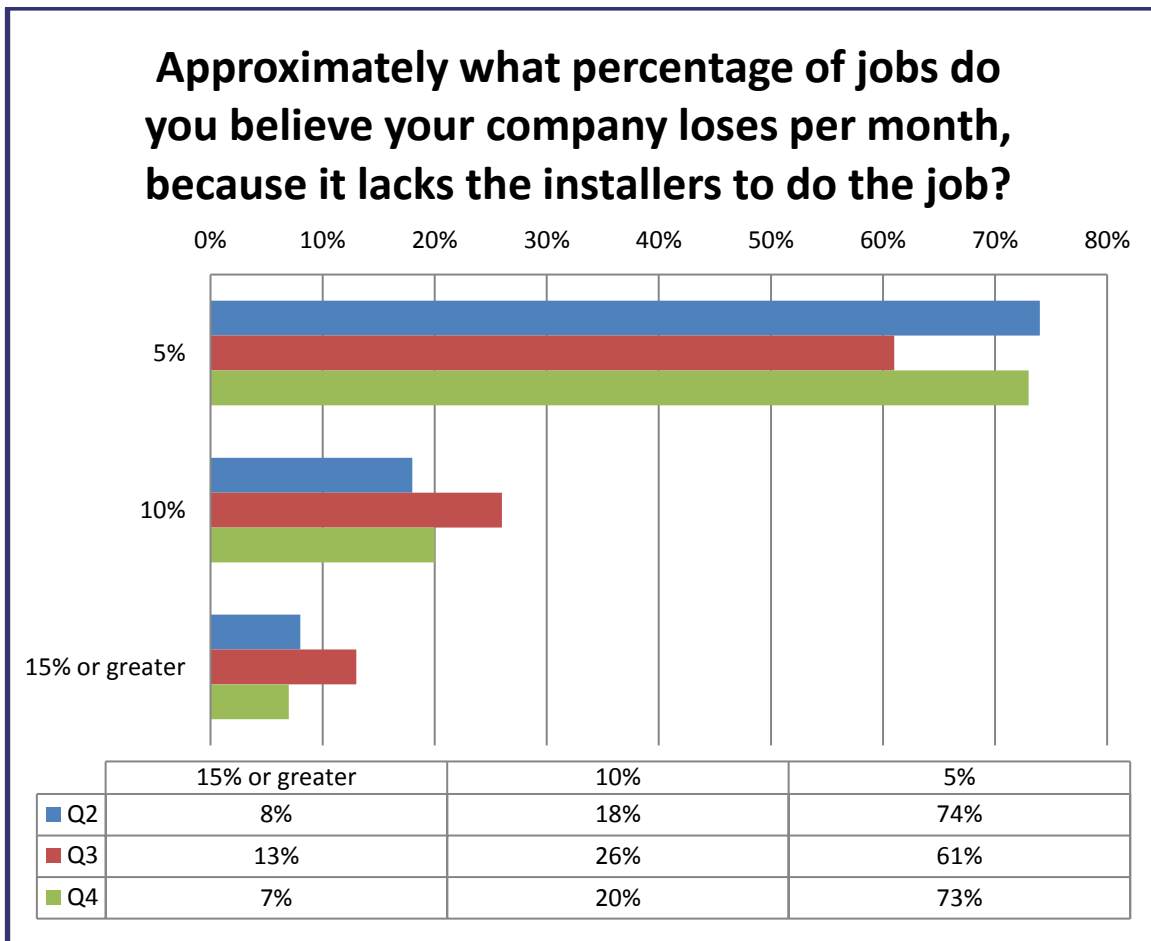
*\*Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

Is the shortage of qualified installers affecting your business negatively?



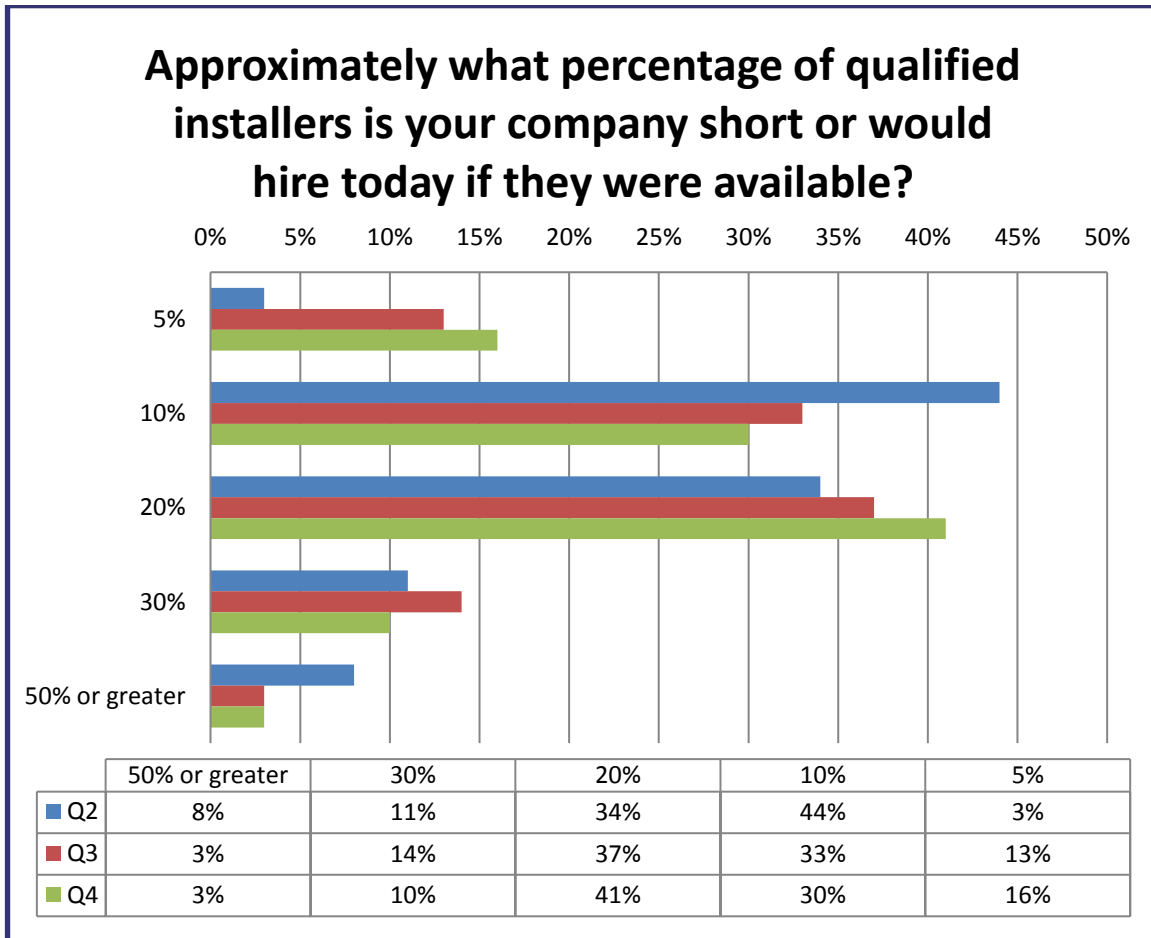
*\*Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

Approximately what percentage of jobs do you believe your company loses per month, because it lacks the installers to do the job?



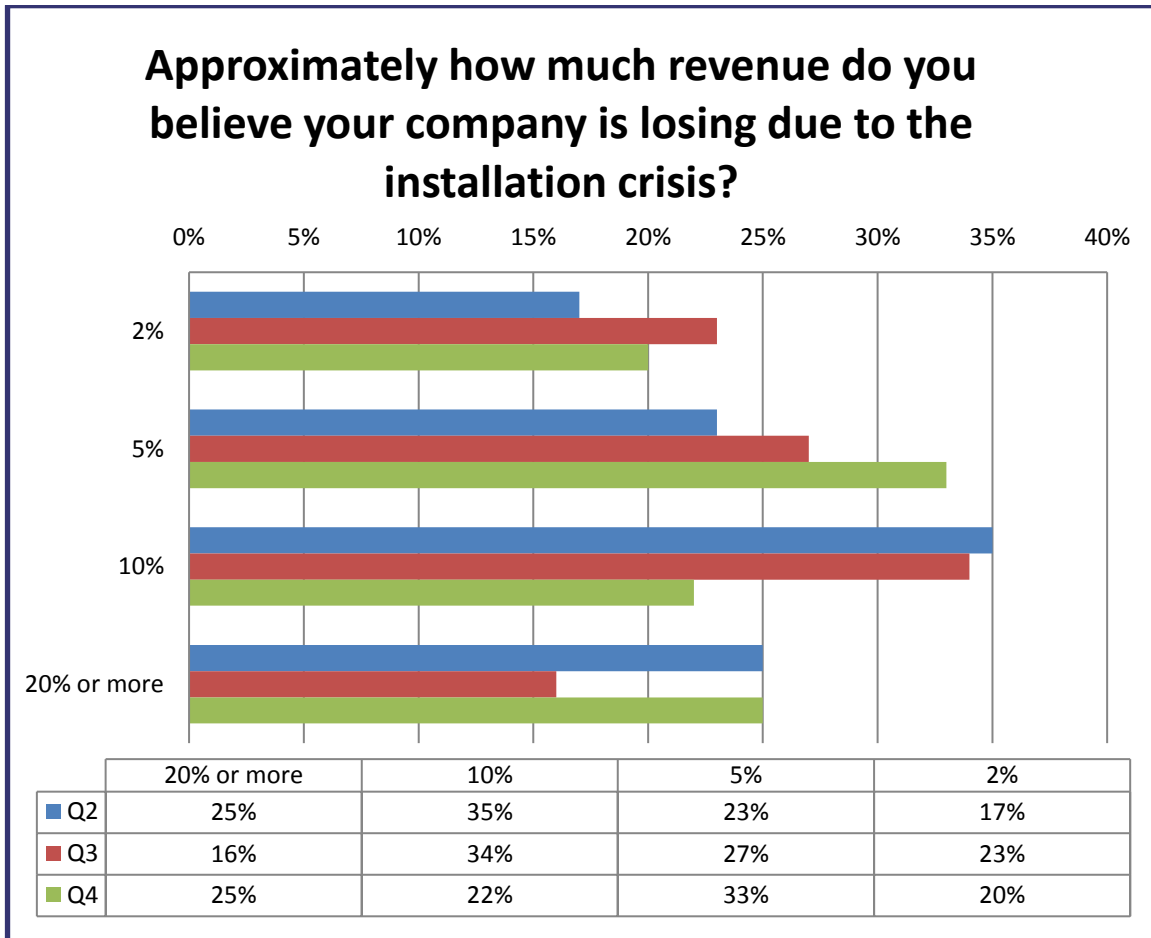
*\*Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

Approximately what percentage of qualified installers is your company short or would hire today if they were available?



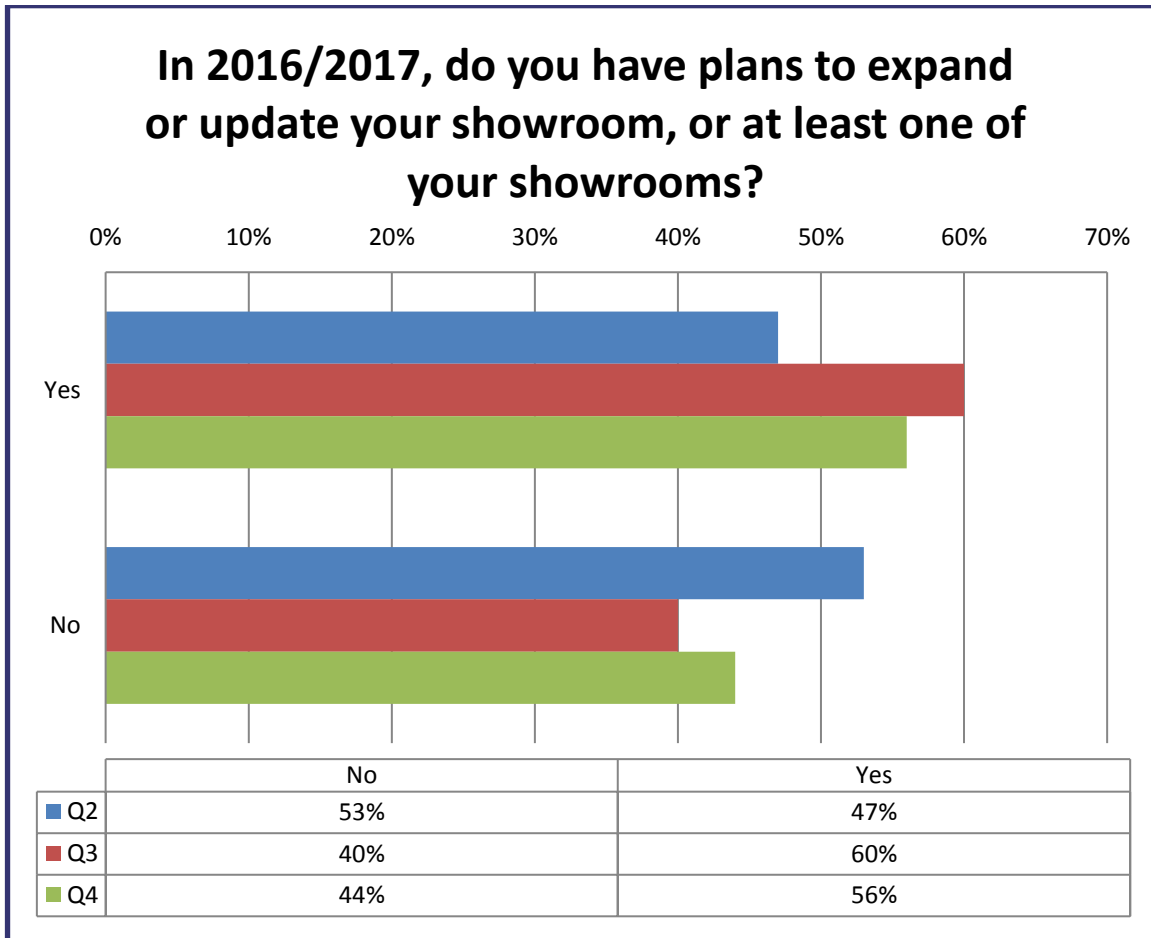
*\*Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

Approximately how much revenue do you believe your company is losing due to the installation crisis?



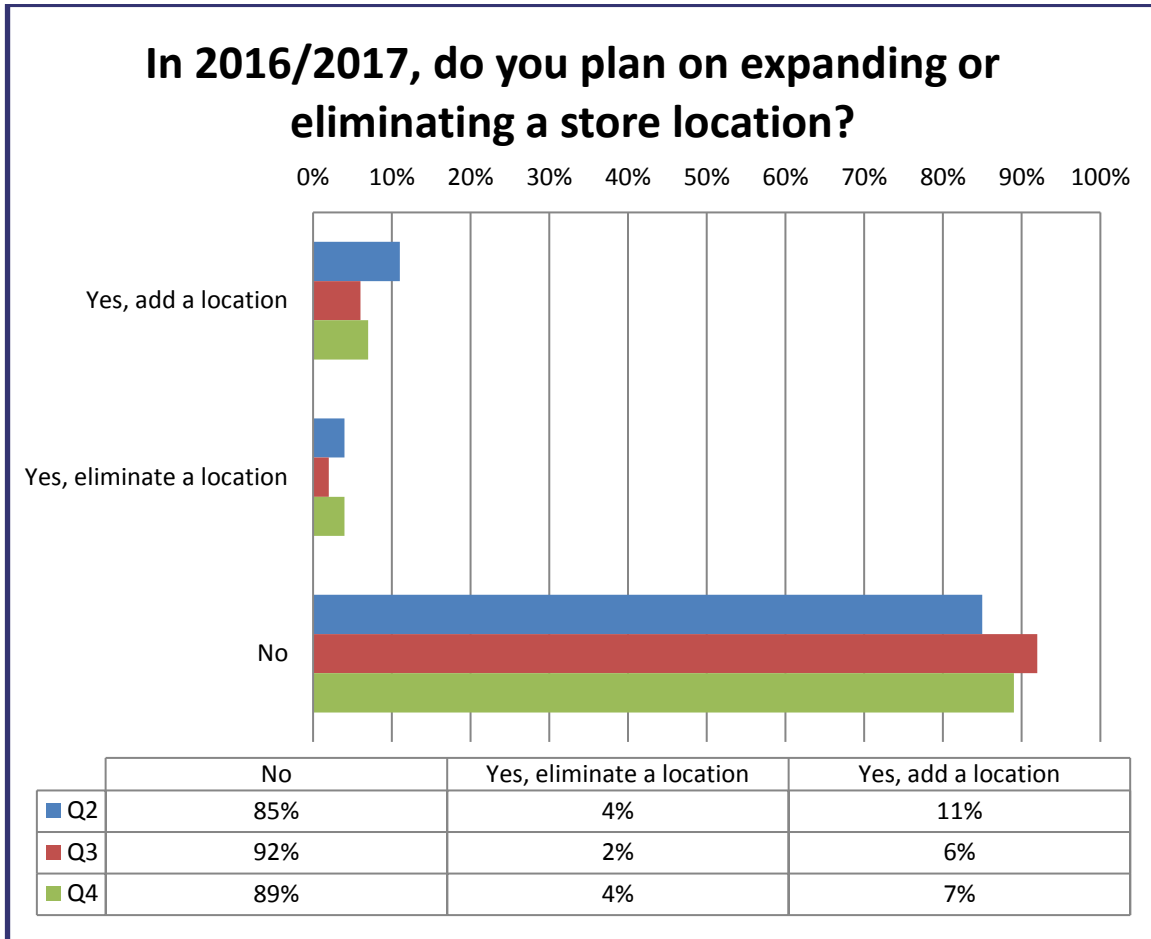
*\*Note: This question was only asked in the Q2, Q3, and Q4 surveys.*

**In 2016/2017, do you have plans to expand or update your showroom, or at least one of your showrooms?**



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

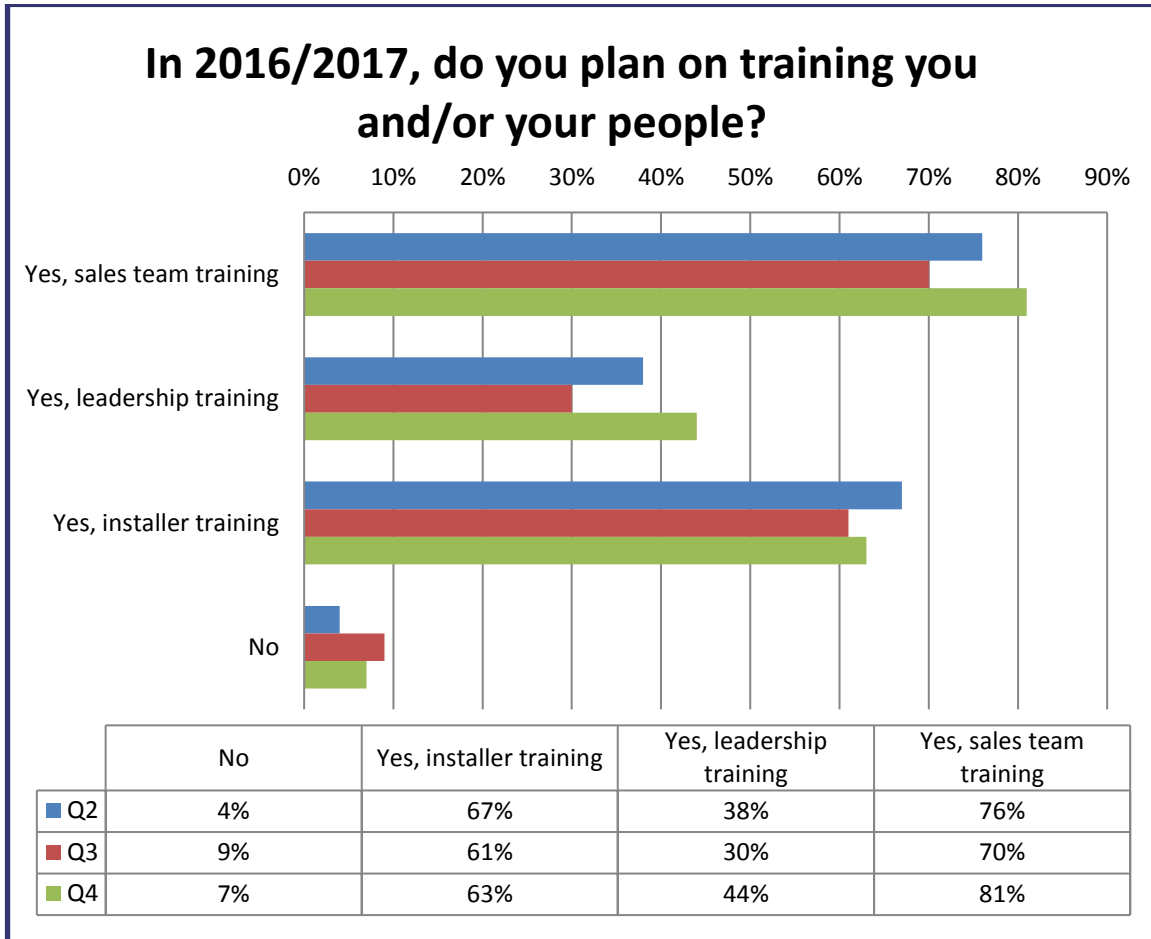
In 2016/2017, do you plan on expanding or eliminating a store location?



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

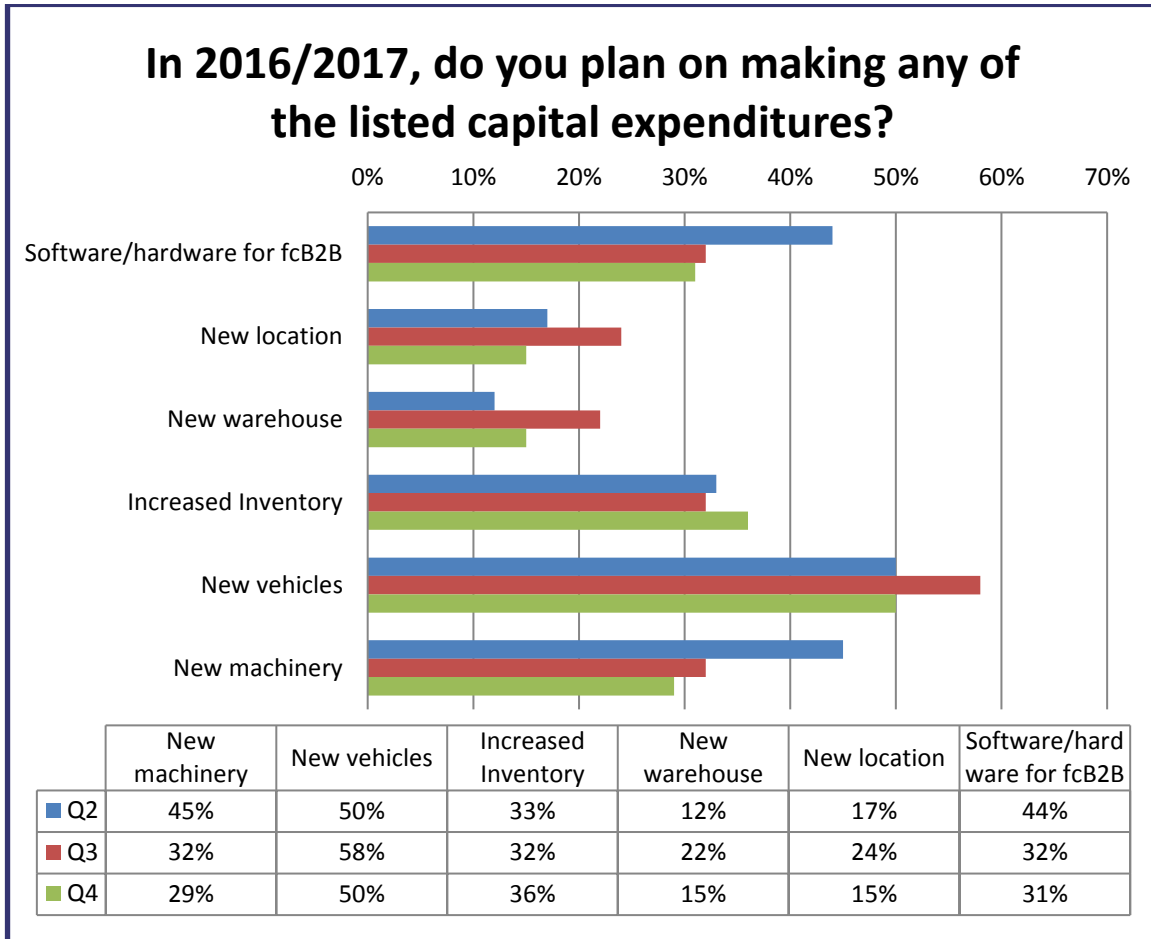


In 2016/2017, do you plan on training you and/or your people?



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



**In 2016/2017, do you plan on making any of the listed capital expenditures?**







*\*Note: This question was only asked in the Q2, 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		82%
No		18%












Approximately what percentage of your customers ask for products made in the United States or Canada?		
		Response Ratio
0%		2%
10% or less		43%
20%		16%
30%		18%
50%		12%
75% or More		9%

Generally speaking, are your customers willing to pay a premium for products made in the United States or Canada?		
		Response Ratio
Yes		49%
No		51%

Approximately what percentage of your customers are willing to pay a premium for products made in the United States or Canada?		
		Response Ratio
0%		0%
5% or less		13%
10%		31%
20%		22%
30%		19%
50% or More		15%









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		79%
Worse		3%
Same		18%



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		36%
Worse		8%
Same		56%




Approximately what percentage of all of your flooring sales are products made in the United States or Canada?		
		Response Ratio
0%		1%
10% or less		2%
20%		7%
30%		6%
40%		12%
50%		8%
60%		16%
70%		26%
80%		12%
90%		6%
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		36%
Facebook		84%
Google		68%
Houzz		42%
LinkedIn		47%
Twitter		20%
Pinterest		31%
YouTube		26%

In 2016, do you have plans to expand or update your showroom, or at least one of your showrooms?		
		Response Ratio
Yes		64%
No		36%

In 2016, do you plan on expanding or eliminating a store location?		
		Response Ratio
Yes, add a location		11%
Yes, eliminate a location		1%
No		88%

In 2016, do you plan on increasing your training programs?		
		Response Ratio
Yes, sales team training		75%
Yes, leadership training		31%
Yes, installer training		64%
No		9%

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

In 2016, do you plan on making any of the listed capital expenditures?		
		Response Ratio
Software/hardware for fcB2B		40%
New location		25%
New warehouse		19%
Increased inventory		33%
New vehicles		59%
New machinery		40%

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

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

