FLOOR

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NEOCON 2016

SURVEY 2016: WHAT THE RETAILERS THINK

INSTALLATION UPDATE

# SURVEY 2016: What the Retailers Think

Flooring retailers are adapting to keep up with the changes in the retail marketplace.

By Darius Helm

*Mannington's Penny Lane glass-backed sheet vinyl in Limestone with Onyx.*

Over the last decade, the retail landscape has been significantly transformed, due to myriad impacts from the Great Recession as well as the development of the online marketplace. Responses in this year's independent flooring retailer survey suggest that, as retailers learn to keep up with the changing market, they find themselves facing down a new set of challenges along with the old.

For the third year in a row, the most pressing problems besetting flooring retailers include an old, longstanding issue—installation—along with a range of fairly new issues, like combating unrealistic consumer expectations derived from Internet shopping and deceptive marketing, lack of manufacturer support for independent dealers, and navigating social media and other online tools to stay competitive.

The slow and hesitant rebound from the recession has been tough on retailers. For one thing, it has kept the market extremely competitive—ten years is a long time to be scrambling to stay afloat. Also, slow business led to an exodus of skilled craftsmen, and now there aren't enough experienced installers to go around. (For a report on the installer business, see Installation Update, starting on page 79.)

Many retailers have branched out, expanding product ranges within and beyond flooring, and also looking at new markets. Some have tried their hand at the high-volume, low-margin multi-family business, and others, with sporadic success, have targeted the commercial contract market. And many of the retailers that hewed to their old models, convinced that what had worked in past decades would also work in future decades, have ended up driving their businesses into the ground, while their peers have adapted and survived.

## WHO THEY ARE

This year's surveyed retailers represent a broad cross-section of the country. About 37% of the respondents come from the Midwest, another 29% from the South, and the East and West both contributed 17%. That's similar to last year, with the West a bit higher and the Midwest a bit lower.

In terms of annual revenues, retailers ranged from less than $600,000 to north of $15 million. This year, 12% reported sales of less than $600,000, compared to 16% last year. Back in 2011, it stood at 26%. So fortunes have risen in recent years, at least among surveyed retailers.

Like last year, about 34% of retailers reported sales from $1 million to $3 million. And 20% reported sales of $5 million or more, compared to 15% to 16% in the last three years—another sign of rising fortunes.

Average revenues marginally outpaced average earnings this year. In last year's survey, earnings were ahead of revenues. Nevertheless, the current economic climate, with low crude oil prices translating to lower overheads and fewer product price increases, has kept earnings stronger than in recent years.

To get a better picture of their operations, Floor Focus also asks retailers about their salespeople and installers. This year, 41% of surveyed retailers report that they pay sales staff straight salaries, and that follows a years-long trend—with a brief reversal in 2015—toward salaried staff. And 19% report paying straight commission, down from 23% last year. And like the last few years, 40% report paying salaries plus commission.

Straight salaries were once again most popular in the East, at 45%, and least popular in the West, at only 26%. In both the South and Midwest, 43% of retailers reported paying straight salaries. Straight commissions were lowest in the East at 15% and the Midwest at 17%.

We also asked retailers about whether their installers were company employees or independent contractors, a question that's particularly germane, given the Department of Labor's new focus on the misclassification of employees as independent contractors. It could be that the news hasn't reached most independent retailers, because this year only 16% reported that their installers are company employees, and 84% said they used independent contractors, compared to 22% and 78%, respectively, in last year's survey.

The South reports the lowest proportion of installers on staff, at 9%, compared to 31% in the West. In the East, 20% of retailers reported installers on staff, and in the Midwest it was only 13%.

Floor Focus also asked retailers about their affiliation with buying groups. As in past years, about half of the respondents belong to one of the flooring groups. This year it was 56%. Satisfaction levels for group members are generally high, with 62% reporting that they're very satisfied and another 34% saying they're somewhat satisfied, compared to 4% saying they're not very satisfied. And of the retailers not currently enrolled in a group, none expressed any interest in joining one.

### DO YOU BELONG TO A RETAIL GROUP?

| | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|
| YES | 56% | 45% | 51% | 57% | 45% |
| NO | 44% | 55% | 49% | 43% | 55% |

## WHAT THEY SELL

To better understand their commitment to the different flooring types, retailers were asked about the types of products they carry. The majority of surveyed retailers report that they carry all the major flooring categories—carpet, hardwood, ceramic tile, resilient flooring, laminate and area rugs. Carpet still dominates, with 98% of retailers selling it, followed by hardwood at 96%, resilient at 92%, laminate at 86%, ceramic tile at 83% and finally, wrecking the average, area rugs at only 51%.

Area rugs have been losing share with independent flooring retailers for several years, as the Internet has siphoned sales to the extent that many retailers have decided that it's not worth the warehouse space or cost of inventory required to run a successful retail rug operation.

This year, at least 95% of retailers in all regions reported carrying carpet, led by the South at 100%. Hardwood was highest in the South at 98% and the Midwest at 97%. Resilient flooring was highest in the East at 95% and the Midwest at 94%. The South led all regions in ceramic tile at 90%, as it did with laminates, also at 90%. In terms of area rugs, the region with the highest percentage of retailers carrying them was the East at 62%, and the region with the lowest percentage was the West at 44%.

Floor Focus also asked retailers about what percentage of their sales come from each of the flooring types. Broadloom still leads the way, though now it's down to 36% of flooring sales—back at the turn of the century, it accounted for 50% or more. The fastest growth is coming from LVT, which on average makes up 15% of sales, up 50% from two years ago.

Interestingly, broadloom business was strongest in the Midwest, making up 41% of sales, and weakest in the South, the region most saturated by carpet, at just over 30%. And carpet tile, which only accounts for 6% of total sales nationally, was also weakest in the South at less than 4%. And area rugs were strongest in the East and weakest in the West.

On the hard surface side, sheet vinyl was similar in most regions, though sales were strongest in the Midwest. LVT has grown to the point that, for most retailers, it brings in double the revenues of sheet vinyl. LVT was also strongest in the Midwest.

Laminates seem to be falling out of favor in the East and the Midwest, with both regions reporting an average of 4.6% of sales. But in the West, whose drier climate is ideal for laminate flooring, it goes up to over 9%. And ceramic tile was weakest in the West and Midwest, at about 8.6%, and strongest in the South at over 14%.

### SALES BY PRODUCT

| | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|
| BROADLOOM | 36% | 38% | 39% | 42% |
| HARDWOOD | 16% | 16% | 15% | 17% |
| LVT | 15% | 11% | 10% | — |
| CERAMIC | 11% | 11% | 11% | 12% |
| SHEET VINYL | 7% | 8% | 9% | — |
| LAMINATE | 6% | 7% | 8% | 9% |
| CARPET TILE | 5% | 6% | 4% | — |
| AREA RUGS | 3% | 2% | 3% | 3% |

To get a sense of where the market is going, we also asked retailers to name their fastest growing product categories, not limited to flooring. In recent years, LVT has been growing the fastest, and this year it got a turbo boost from the WPC/RVP (wood polymer composite/rigid vinyl tile) category, the product that US Floors pioneered here in the U.S. with its Coretec program. Over 61% of this year's respondents said that LVT was their fastest growing product category, and another 7% specifically cited WPC products. Add to that the branded WPC products cited by retailers—Coretec got the bulk of the votes, while Shaw's Floorte also received several mentions—and that comes to over 71% of retailers citing LVT as the fastest growing product category, compared to 58% last year.

Second on the list was hardwood at 8.2%, ceramic tile at 4.8% and carpet at 2.3%. Window treatments, cabinets, laminate flooring, vinyl in general, area rugs (including bound broadloom rugs), kitchen and bath offerings and "wood look tiles" each accounted for 1% of votes. And carpet tile, furniture, appliances and carpet specifically made of wool each received less than 1% of the vote as fastest growing products. Beyond that, a handful of retailers cited paint, mattress sets, decking, concrete staining and sealing, and countertops.

We also asked retailers to weigh in on any manufacturer's service, merchandising program, product, display, website or other feature or program that particularly impressed them. The most mentioned company was Shaw, while Mohawk was also prominent, and US Floors received plenty of votes as well. Armstrong also received kudos. A smaller number of retailers mentioned Dal-Tile, Floor Force, Emser, Hunter Douglas, Congoleum, Metroflor and Karndean.

The specific product that received the most praise, well ahead of the field, was US Floors' Coretec rigid hybrid LVT, for the second year in a row. Shaw's Floorte and Mohawk's Smartstrand carpet were also mentioned. And several retailers noted Shaw's custom rug program, Armstrong's Elite retailer program, Congoleum's new displays, and the websites of Shaw and Mohawk.

While specifying sustainable flooring is commonplace in the commercial market, green products don't generate the same demand on the residential side. This year, 74% of retailers reported that only 10% or fewer of their customers base buying decisions on the environmentally sustainable attributes of the floorcovering, compared to 60% last year. And a stunning 13% say that none of their customers buy green, up from 10% last year.

## ON TOP PROBLEMS

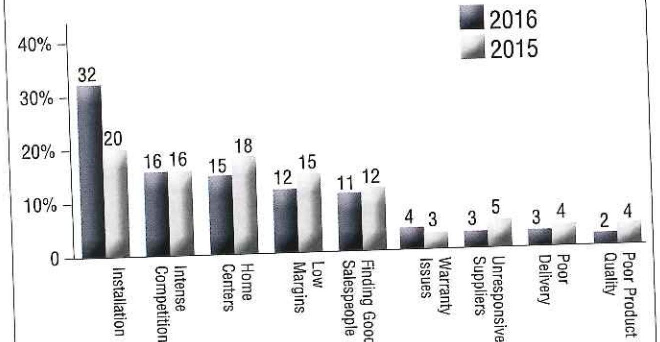
Except for a six-year stretch from 2009 to 2014, installation was the top problem among independent retailers, and in 2015 it again returned to top the list. This year, Installation also got voted as the top problem and by a huge margin, garnering twice the votes of Intense Competition, which came in second.

This time around, the issues with installation are more severe, because it's the result of a widespread lack of installers. Scores of installers left the industry during the recession and most have not returned. On top of that, the industry has not had a lot of success in recruiting a new generation of craftsmen.

One retailer, referring to a need for more quality installers, wrote, "Maybe hold local training seminars to certify and qualify them at community colleges."

## TOP PROBLEMS

**Installation as a top problem rebounded from a low of 2% in 2010 to 32% this year, topping the list, as it did consistently before the Great Recession.**




*Also mentioned: Poor economy, not enough customers, lack of product diversity, unrealistic customer expectations*

*includes Internet competition

This year, the region reporting the highest rate of installation problems is the South, with about 41% reporting it as the top problem in their business. And even though installation was the top problem in the East, it only accounted for 20% of the vote.

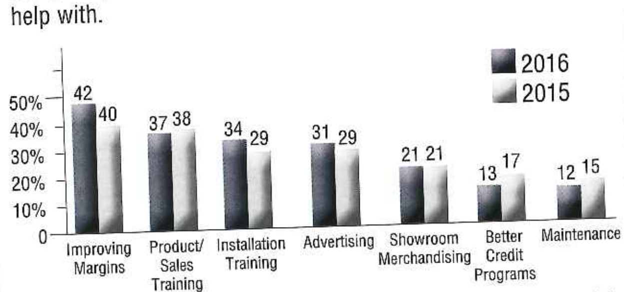
## KEYS TO IMPROVING BUSINESS

For the last 12 years, retailers have reported needing the most help with improving their margins, generally followed by product and sales training. But what's growing fastest on the list is the need for installation training.

In the last six years, votes for installation training have more than quadrupled. The need is greatest in the South—which was also the region that that had the highest rate of installation as a top problem—with over 41% of the votes. Even in the West, where the problem is least severe, 28%

## WHERE HELP IS NEEDED

**While Improving Margins has topped this list for the last 12 years, Installation Training, at 34% this year, has been on the rise since 2010, when only 8% of respondents reported it as the issue they need the most help with.**



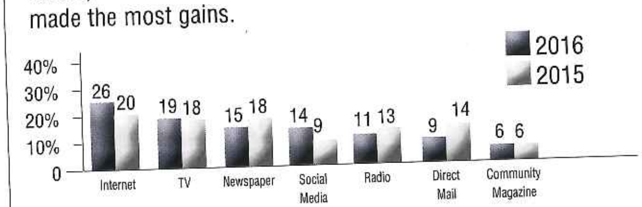

*Also mentioned: Computer hardware and software, Internet and social media strategies, better reps, private labeling*

reported that the issue they needed the most help with was installation training.

This year, there was a clear uptick in the need for help with digital technologies, from hardware and software to Internet tools, including social media. This trend seems to reflect an increased acceptance among retailers of the relevance of digital skills in today's marketplace. Throughout the survey, there were signs that retailers are embracing the opportunities afforded by the Internet, from marketing and advertising to the daily running of the business.

## WHERE DO YOUR ADS WORK BEST?

**For the fourth year in a row, the Internet garnered the most votes as the most effective advertising forum, and that includes SEO and pay-per-click, but Social Media, which functions as word-of-mouth in the digital era, made the most gains.**




When it comes to advertising, the consensus seems to be that the Internet is the most effective forum for retailers to get out their message. This year, fewer retailers cited newspapers, radio and direct mail as their most effective forms of advertising. In addition to the Internet, which largely refers to tools like SEO and pay-per-click, more retailers also cited social media as their most effective tool.

It's also worth noting that huge numbers of retailers—over 18% of respondents—ignored the choices in the survey and instead wrote in "word of mouth" and "referrals" as their most effective form of advertising. Every year, some retailers cite word of mouth and referrals, but this year saw a huge uptick. What's interesting is that word of mouth gets around a lot faster these days because of the Internet, and specifically because of the new forums where people gather, social media platforms.

Retailers also reported on the percentage of their revenues spent on advertising. This year, retailers on average claim that they're spending 5.9% on advertising, which is the same as in 2013 but down from 6.6% and 6.2%, in 2014 and 2015, respectively. Historically, flooring retailers don't spend this high a percentage on advertising, though numbers may be elevated right now because of a newfound focus on Internet advertising, website development and building a social media presence. But even these elevated numbers are below where they should be.

## ON THE INTERNET

The Internet has come of age in the independent flooring retailer community. This year, 92% of retailers report having their own websites, with the South lagging slightly behind the other regions. And they're using it for just about everything, from contacting customers and suppliers to product research and advertising.

## HOW DO YOU USE THE INTERNET?

In a sign that flooring retailers are embracing the digital landscape, Social Media gained the most votes this year.

| | 2016 | 2015 | 2014 |
|---|---|---|---|
| 1. PRODUCT RESEARCH | 86% | 87% | 83% |
| 2. TRACK SHIPMENTS | 84% | 80% | 86% |
| 3. SOCIAL MEDIA | 77% | 68% | 67% |
| 4. CONTACT SUPPLIERS | 75% | 71% | 72% |
| 5. ADVERTISING | 72% | 62% | 62% |
| 6. CONTACT CUSTOMERS | 71% | 69% | 70% |
| 7. ORDER ENTRY | 71% | 69% | 77% |
| 8. ONLINE PAYMENTS/BANKING | 60% | 55% | 63% |

We asked retailers how they use the Internet, and the results are further confirmation of retailers' attitudes about the Internet and the opportunities it affords. This year, the biggest increase in Internet usage went to advertising and social media. Social media usage was highest in the East and the South, and advertising was highest in the West, substantially ahead of the other regions.

## HOW OFTEN DO YOU USE THESE INTERNET TOOLS?

Daily use of Facebook and Twitter is up this year, as are blogs. All "Never" responses were down, except for LinkedIn.

| | DAILY | WEEKLY | MONTHLY | NEVER |
|---|---|---|---|---|
| OWN SITE | 25% | 35% | 24% | 16% |
| FACEBOOK | 46% | 25% | 11% | 18% |
| LINKEDIN | 7% | 17% | 19% | 57% |
| TWITTER | 7% | 11% | 9% | 73% |
| BLOGS | 7% | 16% | 15% | 62% |

Responses to the question about frequency of use of various Internet tools emphasizes the same point, showing increased daily use of Facebook and Twitter, as well as increased overall use for all tools except for LinkedIn, where daily use was down slightly, as was monthly use.

## ON DIVERSIFICATION

Diversification has been a topic in the flooring retail business at least two decades, ever since home centers started to dominate in total flooring sales. The other factor driving the discussion has been the share shift from carpet to hard surface flooring. So many flooring retailers used to specialize in carpet, and many were slow to realize the significance of increased hard surface sales. But the surge in laminate sales at the turn of the century, along with growth in hardwood and ceramic, followed more recently by huge growth in LVT, has made hard surface a necessity for retailers to stay competitive.

In addition, sales of non-flooring products has also been on the rise among flooring retailers, in part to compete with the one-stop-shop that home centers offer. Also, forward thinking retailers are preparing themselves for slower repeat business cycles due to marketshare shifts away from carpet toward hard surface flooring, which generally has a longer lifecycle.

This year, 52% of surveyed retailers acknowledge that diversifying into other products will help improve business performance, down marginally from 56% in 2015 and 55% in 2014. As in previous years, retailers in the East and West seem to favor diversification more than in the South and Midwest, and by a substantial margin. In the East, 62% think diversifying is a good idea, along with 61% in the West, compared to 49% in the Midwest and only 45% in the South.

When asked what products they would consider adding to their mix, cabinets got the most votes (19%), followed by window treatments at 16%. Other non-flooring product categories included countertops at 9%, followed in order by kitchen and bath programs, wall coverings, furniture, paint, closets, cleaning services, lighting, refinishing services, plumbing, bedding and appliances.

The top flooring product on the list was LVT, which garnered 14% of total votes, including 4% specifically for WPC products. That was followed by area rugs at 4%, ceramic at 3%, hardwood at 2%, then carpet (high-end carpet was mentioned) and finally cork. A handful of retailers mentioned using hardwood for wall decoration.

About 59% of those respondents in favor of diversification claimed that they currently sell the products they cited.

Retailers were also asked if they have introduced any new

### HATS OFF TO SURVEY RESPONDENTS

This is the 20th annual flooring retailer survey, the longest running retailer survey of this scale in the industry. And facing down Floor Focus' retail survey is no easy task— 60 questions, some of them multi-part, take time and effort. Only fully completed surveys are tallied, and that means that hundreds are eliminated every time we undertake this annual process, which dates back to 1997. The comments section, where retailers expound on a range of retail flooring issues, is also littered with comments about the survey itself, half criticizing the sheer size and scope of it and the other half applauding the sheer size and scope of it. One retailer wrote in, "Keep it up. Results usually end up in flooring articles I read."

While the survey pool is a representative sampling of U.S. independent flooring retailers, those who complete the entire survey are in some ways a more diligent and thoughtful subset. Some retailers may fill out the survey for a shot at the cash drawing, but it's clear from reading the results that most of them are putting in the time because they are dedicated to examining all avenues for ways of improving their operations. They're knowledgeable, up-to-date and passionate about their businesses. And they have a lot of opinions.

Although respondents' observations and concerns are certainly representative of the overall flooring retailer landscape, it should come as no surprise that their businesses themselves tend to be above par. For instance, this year they report revenue growth above the industry average. Data also suggests that they also advertise at a higher rate than the industry average.

So Floor Focus wants to thank survey respondents for making the effort to answer all of our questions— and for giving a voice to the industry.

products or services, including flooring, in the last year, and 39% said they had, compared to 45% last year. In terms of product categories, LVT again dominated the list, though this year there were more mentions of WPC specifically than LVT. In terms of LVT brands, US Floor's Coretec easily accrued the most votes, but Shaw's LVT program, including Floorte, was a strong second, followed by Armstrong's LVT programs, and then Mannington's. A few also mentioned Wicanders' Hydrocork and Karndean LVT.

The only other flooring categories that retailers noted as new additions to their business in the last year were a handful of mentions for ceramic tile and hardwood. But what's more interesting is that this year several retailers mentioned wood panels for walls, and several also mentioned custom cut area rugs.

Beyond flooring, cabinets and window treatments were cited most frequently, then countertops. Several retailers also said they added closets, carpet cleaning and kitchen and bath programs. A few also mentioned Schluter shower systems.

## ON BROADLOOM

### FAVORITE CARPET MANUFACTURER

#### SERVICE

*Shaw has topped this category for all 20 years of the survey. It was uncontested in Service, where Mohawk was second, but still far ahead of the other mills. Dixie jumped two spots this year back to where it stood in 2014.*

1. SHAW
2. MOHAWK
3. DIXIE
4. BEAULIEU
5. ENGINEERED

*Also mentioned: Royalty, Phenix, Kraus, Milliken, Tandus Centiva, Nourison, Unique*

#### QUALITY

*Shaw won in Quality for the second year in a row, well ahead of Mohawk, the only mill to oust Shaw in the last 20 years. Dixie was a distant third, but well clear of Beaulieu, which barely edged out Engineered Floors for the fourth spot.*

1. SHAW
2. MOHAWK
3. DIXIE
4. BEAULIEU
5. ENGINEERED

*Also mentioned: Royalty, Kane, Nourison, Moda, Bentley, Marquis, Milliken, Stanton, Unique, Tandus Centiva, Phenix, Godfrey Hirst, Kraus*

#### DESIGN

*Design was Shaw's strongest category this year, as it topped the field for the 14th consecutive year. Mohawk, Dixie and Stanton were unchanged from 2015— and unchallenged. However, Kane ousted Beaulieu for the fifth spot.*

1. SHAW
2. MOHAWK
3. DIXIE
4. STANTON
5. KANE

*Also mentioned: Beaulieu, Milliken, Southwind, Nourison, Bentley, Unique, Godfrey Hirst, Phenix, Engineered, Lexmark, Moda, Kraus, Marquis, Interface*

REGIONAL HIGHLIGHTS: Shaw won all categories in every region this year. In Service, it was strongest in the West and Midwest, and weakest in the East. Mohawk was strongest in the South, followed by the East, and weakest in the West. Engineered Floors was third in Service in the South, and Royalty was third in the West.

In Quality, the field was more competitive. While Shaw was dominant in the Midwest, and also very strong in the West, Mohawk made it competitive in the East, and in the South Shaw only led by a few points. Dixie was strongest in the East and West, and weakest in the South. Royalty was fourth in the West.

In Design, Shaw easily won in all regions, though Mohawk was fairly strong in the East. Dixie was third in all regions, while Stanton was fourth everywhere except the South, where Kane took the fourth spot.

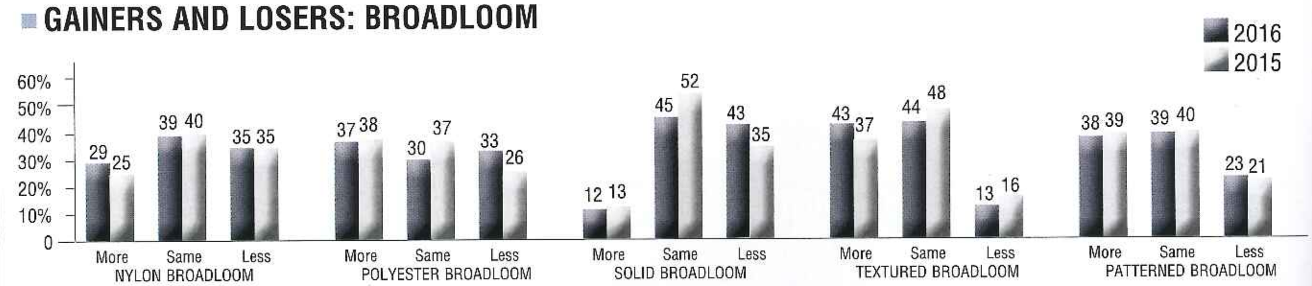
### THE WINNER

Respondents to this survey were entered into a drawing for a $500 cash award sponsored by Stainmaster. This year's winner is:

Cindy Black, Custom Home Interiors
Charlotte, MI

STAINMASTER

### GAINERS AND LOSERS: BROADLOOM



## ON AREA RUGS

### FAVORITE AREA RUG MANUFACTURER

**SERVICE**

*Mohawk/Karastan took back the top spot in this year's survey and Oriental Weavers took second. Stanton easily held onto the third spot. Nourison and Dixie were also unchanged. Overall, the top five was fairly competitive.*

1. MOHAWK/KARASTAN
2. ORIENTAL WEAVERS
3. STANTON
4. NOURISON
5. DIXIE

*Also mentioned: Kane, Milliken, Dalyn, Dynamic, Couristan, Kaleen, Loloi, Surya, Capel, Momeni, 828, Tamarian, Fibreworks, Chandra, Thorndike, Tayse, Radici, Beaulieu, Orian, Jaipur, Central Oriental, Feizy*

**QUALITY**

*For three years running, Mohawk/Karastan has topped the competition in Quality, though Nourison was a lot closer this year. Oriental Weavers climbed from fifth to fourth, and Kane was right behind Dixie, just off the list.*

1. MOHAWK/KARASTAN
2. NOURISON
3. STANTON
4. ORIENTAL WEAVERS
5. DIXIE

*Also mentioned: Kane, Milliken, Loloi, Surya, Kaleen, Capel, Dynamic, Kas, Kalaty, Dalyn, Momeni, Jaunty, Radici, Orian, Prestige, Chandra, Thorndike, Tayse, Beaulieu, Jaipur, Central Oriental, Couristan, Unique, Feizy*

**DESIGN**

*Mohawk/Karastan took the top spot in Design this year, the third mill to win the category in as many years. Nourison barely edged out Oriental Weavers for second. And Kane moved up from Also Mentioned.*

1. MOHAWK/KARASTAN
2. NOURISON
3. ORIENTAL WEAVERS
4. STANTON
5. KANE

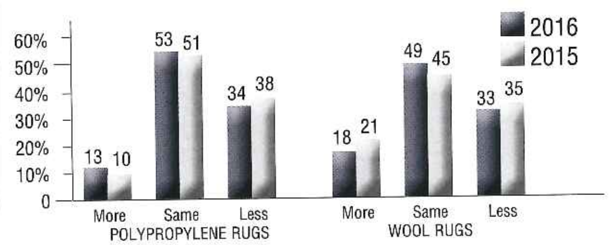
*Also mentioned: Loloi, Surya, Dixie, Couristan, Milliken, Capel, Dynamic, Kaleen, Jaipur, Tufenkian, 828, Radici, Orian, Prestige, Chandra, Tayse, Central Oriental, Momeni, Feizy*

REGIONAL HIGHLIGHTS: In Service, Mohawk, which includes Karastan, was strongest in the South, but Stanton was close behind in the Midwest, and in the East Nourison was even closer and Dynamic was third. In the West, Oriental Weavers won in Service, comfortably ahead of Mohawk. In the South, Kaleen Rugs made a strong showing at third.

In Quality, there was even more variation. While Mohawk easily won in the South and outpointed Nourison in the East, Stanton sailed past Mohawk in the West and Nourison won by a similar margin in the Midwest. Stanton was third in both the Midwest and the East. And in the South, Kane and Loloi took the third and fourth spots.

In Design, Mohawk again won in the South, with Oriental Weavers close behind, and in the East, where Nourison again made it a close race. And it also won in the Midwest, with Stanton, Nourison and Oriental Weavers all closely grouped behind it. And Oriental Weavers won the West, a hair ahead of Kane.

### GAINERS AND LOSERS: AREA RUGS




## ON RESILIENT

### FAVORITE RESILIENT MANUFACTURER

**SERVICE**

*For 14 years running, Mannington has won all three resilient categories. Armstrong held onto the second spot in Service this year, with IVC/Mohawk strong in third. And Shaw made the top five for the first time.*

1. MANNINGTON
2. ARMSTRONG
3. IVC/MOHAWK
4. SHAW
5. CONGOLEUM

*Also mentioned: Tarkett, Karndean, US Floors, Beaulieu, Lonseal, Hallmark, Tandus Centiva, Forbo, Kraus, Novalis, Beauflor*

**QUALITY**

*Mannington easily won in Quality again, while IVC/Mohawk took the second spot by only a handful of votes. Shaw moved up from Also Mentioned for the first time, exchanging positions with Tarkett.*

1. MANNINGTON
2. IVC/MOHAWK
3. ARMSTRONG
4. CONGOLEUM
5. SHAW

*Also mentioned: Tarkett, Karndean, US Floors, Forbo, Metroflor, Beaulieu, Tandus Centiva, Novalis, Beauflor*

**DESIGN**

*Design was again Mannington's strongest category this year, placing it well ahead of the rest of the field. Armstrong held onto the third spot and Congoleum held onto fourth, but Shaw nearly ousted Tarkett this year.*

1. MANNINGTON
2. IVC/MOHAWK
3. ARMSTRONG
4. CONGOLEUM
5. TARKETT

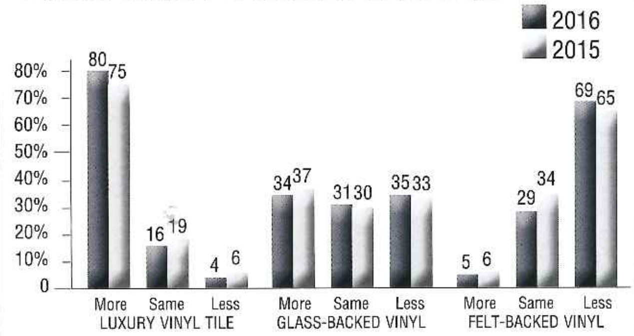
*Also mentioned: Shaw, Karndean, US Floors, Beauflor, Earthwerks, Metroflor, Gerflor, FreeFit, DuChateau, Beaulieu, Toli, Novalis*

REGIONAL HIGHLIGHTS: In Service, Mannington was well ahead of IVC/Mohawk in the Midwest, while Armstrong made it competitive in the South and West. And in the East, Armstrong easily won, and Congoleum took the second spot.

In Quality, Mannington again easily won in the Midwest, ahead of IVC/Mohawk, which was also a strong second in the South. In the West, Mannington led with Armstrong in second. But in the East, Armstrong easily won in Quality, as it did in Service, with IVC/Mohawk second and Congoleum third.

In Design, Mannington easily won in every region. IVC/Mohawk was second in the West, South and Midwest, while Armstrong was second in the East. Congoleum was third in the Midwest and fourth in the East.

### GAINERS AND LOSERS: RESILIENT




## ON CERAMIC

### FAVORITE CERAMIC MANUFACTURER

#### SERVICE

*Dal-Tile, made up of the American Olean, Daltile, Marazzi and Ragno brands, again dominated all categories, and it was strongest in Service. Shaw moved from fifth to third, and Interceramic made it back on the list.*

1. DAL-TILE/MOHAWK
2. FLORIDA TILE
3. SHAW
4. EMSER
5. INTERCERAMIC

*Also mentioned: Crossville, Florim, MSI, Mannington, Bedrosians, Laufen, Atlas Concorde, StonePeak, Azuliber*

#### QUALITY

*Dal-Tile dominated in Quality, garnering over 60% of the vote, while the other four spots were more closely contested. Shaw moved up to third from the Also Mentioned list, and Emser climbed a spot to fourth.*

1. DAL-TILE/MOHAWK
2. FLORIDA TILE
3. SHAW
4. EMSER
5. CROSSVILLE

*Also mentioned: Interceramic, MSI, Mannington, StonePeak, Florim, Atlas Concorde, Ilva, Cerdomus, Ann Sacks, Porcelanosa, Caesar, Azuliber, Eleganza, Bedrosians*

#### DESIGN

*Dal-Tile easily won in Design, though by a smaller margin than the other categories. Florida Tile and Emser held their positions, while both Shaw and MSI made it off the Also Mentioned list for the first time.*

1. DAL-TILE/MOHAWK
2. FLORIDA TILE
3. EMSER
4. SHAW
5. MSI

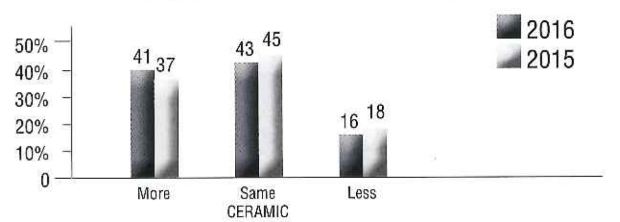
*Also mentioned: Crossville, Interceramic, Bedrosians, Porcelanosa, Eleganza, Mannington, StonePeak, Florim, Atlas Concorde, Cerdomus, Ann Sacks, Azuliber, Walker Zanger, Tagina*

REGIONAL HIGHLIGHTS: Dal-Tile, which includes the American Olean, Marazzi, Ragno and Daltile brands, took the top spot in all four regions across all three categories. In Service, Florida Tile took the second spot in all regions except for the West, where Emser easily took second. Emser was also fourth in the South.

In Quality, Florida Tile was second in the Midwest and East, while Emser took second in the West, and Shaw took second in the South. Crossville was third in the East and West. Emser took fourth in the South and Midwest.

When it comes to Design, Dal-Tile was strongest in the East and Midwest. Florida Tile was second in all regions except the West, where Emser took the second spot and Crossville was third. Crossville was also third in the East, while Interceramic was third in the South and MSI was just ahead of Emser for third in the Midwest.

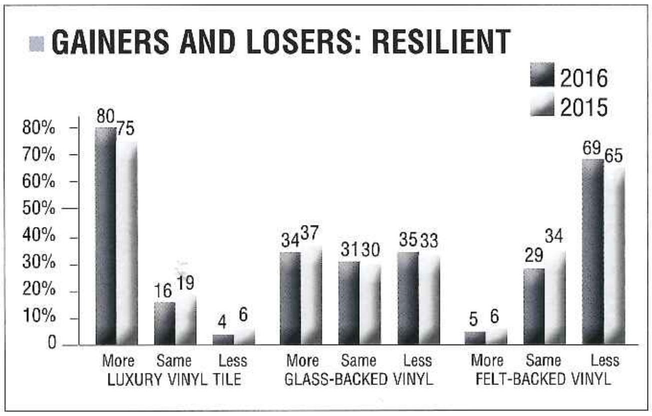
### GAINERS AND LOSERS: CERAMIC



REGIONAL HIGHLIGHTS: In Service, Mannington was well ahead of IVC/Mohawk in the Midwest, while Armstrong made it competitive in the South and West. And in the East, Armstrong easily won, and Congoleum took the second spot.

In Quality, Mannington again easily won in the Midwest, ahead of IVC/Mohawk, which was also a strong second in the South. In the West, Mannington led with Armstrong in second. But in the East, Armstrong easily won in Quality, as it did in Service, with IVC/Mohawk second and Congoleum third.

In Design, Mannington easily won in every region. IVC/Mohawk was second in the West, South and Midwest, while Armstrong was second in the East. Congoleum was third in the Midwest and fourth in the East.




## ON CERAMIC

### FAVORITE CERAMIC MANUFACTURER

**SERVICE**

*Dal-Tile, made up of the American Olean, Daltile, Marazzi and Ragno brands, again dominated all categories, and it was strongest in Service. Shaw moved from fifth to third, and Interceramic made it back on the list.*

1. DAL-TILE/MOHAWK
2. FLORIDA TILE
3. SHAW
4. EMSER
5. INTERCERAMIC

*Also mentioned: Crossville, Florim, MSI, Mannington, Bedrosians, Laufen, Atlas Concorde, StonePeak, Azuliber*

**QUALITY**

*Dal-Tile dominated in Quality, garnering over 60% of the vote, while the other four spots were more closely contested. Shaw moved up to third from the Also Mentioned list, and Emser climbed a spot to fourth.*

1. DAL-TILE/MOHAWK
2. FLORIDA TILE
3. SHAW
4. EMSER
5. CROSSVILLE

*Also mentioned: Interceramic, MSI, Mannington, StonePeak, Florim, Atlas Concorde, Ilva, Cerdomus, Ann Sacks, Porcelanosa, Caesar, Azuliber, Eleganza, Bedrosians*

**DESIGN**

*Dal-Tile easily won in Design, though by a smaller margin than the other categories. Florida Tile and Emser held their positions, while both Shaw and MSI made it off the Also Mentioned list for the first time.*

1. DAL-TILE/MOHAWK
2. FLORIDA TILE
3. EMSER
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5. MSI

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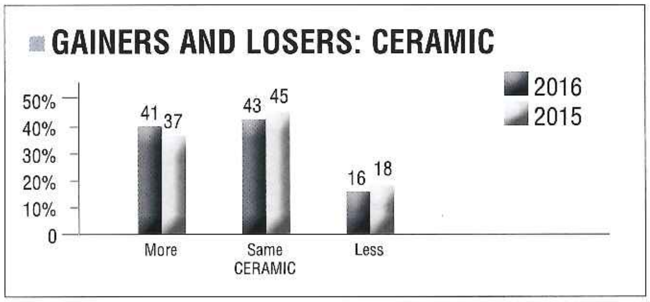
When it comes to Design, Dal-Tile was strongest in the East and Midwest. Florida Tile was second in all regions except the West, where Emser took the second spot and Crossville was third. Crossville was also third in the East, while Interceramic was third in the South and MSI was just ahead of Emser for third in the Midwest.

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