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Laminate gives rigid a run for its money

FCNews provides an overview of some of the latest laminate flooring designed to compete more aggressively with SPC.

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DIGITAL ACCESS IS

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Hardwood: State of the industry •



SUPPLIERS BANKING ON STRONG SURGE IN SECOND HALF

By Reginald Tucker

n closing out 2023 and heading into 2024, hardwood industry executives were rightly concerned about high interest rates and the subsequent impact on new home construction, a bellwether sector for the wood flooring industry. Three-and-a-half months into the new year—with still no movement by the Fed in either direction on interest rates—the prognosis largely remains the same. The current view is one best defined by cautious optimism that the market will stabilize until such time that lower interest rates kick in and give a slumbering housing market a

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Retail outlook

Dealers hoping for spring reboot to help fuel Q2 revenues

By Ken Ryan

eports of robust consumer spending on travel and entertainment has continued to boost U.S. gross domestic

product (GDP) in recent quarters, but that outlay has not trickled down to the flooring sector to the same degree. That's according to dealers who reported a mostly flat Q1.

Just as the flooring indusbenefited

greatly by spending during the COVID-19 pandemic—when consumers stayed home and spent lavishly on home renovations, including flooring—the pendulum has swung the other way. Consumer spending on for-

eign trips and live entertainment rose by nearly 30% in 2023, The Washington Post reported. European summer vacations were particularly popular, with a 26%

increase from the previous year.



Toronto-based Sarmazian Bros. Flooring has experienced flat sales in recent months.

Taylor Swift's Eras Tour, meanwhile, brought in more revenue in North America in 2023 than dozens of nations generate in a year, amassing upwards of \$1 billion in ticket sales alone for

Continued on page 18

AHF purchases pair of sawmill operations

By Reginald Tucker

HF Products, parent company of 14 hard surface brands and the largest hardwood flooring manufacturer in the U.S. by volume, continues its acquisition spree. But it's not another brand the company is adding to its growing stable;

rather, it recently entered into an agreement to acquire two West Virginia sawmills that had abruptly shut their doors in late February.

Under the agreement, AHF Products will acquire assets related to Allegheny Wood Products' (AWP) sawmills in Smoot, Greenbrier County, and Norton, Randolph County. According to AHF executives, the acquisition will augment the supply of lumber to the company's solid wood flooring manufacturing facility in Beverly, W. Va., the plant that produces solid wood under the Bruce, Hartco, Robbins and Capella brands.

"The purchase of these two sawmills is a wonderful and smart investment," said Brian Carson, AHF president and



CEO. "It helps ensure lumber supply for our Beverly, W. Va., plant and it is essential to our customers and employees who rely on our supply of hardwood flooring."

More broadly, the local community in particular stands to benefit from the deal. AHF Products will be saving approximately 80 direct jobs at the two mills. The acquisition by AHF Products is also expected to create approximately twice that number of jobs with new positions expected to open for loggers, truckers and suppliers in the region. Multi-

Continued on page 28



SUBLIME SIMPLICITY

EXPERIENCE S E R E N I T Y

Immerse yourself in the serene embrace of nature with our meticulously crafted hardwood collection, sourced from the breathtaking landscapes of North America's New England region. The unique climate of this area allows for sustainable growth of clean grade American hard oak.



IN THE NEWS

Fuse Alliance appoints Sandra Drake VP of supplier relations

Houston, Texas—Fuse Commercial Flooring Alliance, a member-owned organization of leading commercial flooring contractors, has appointed Sandra Drake as vice president of supplier relations. Drake brings a wealth of experience in building strategic partnerships to her new role.

"We are thrilled to welcome Sandra to the Fuse team at this pivotal time in our network's trajectory," said Geoff Gordon, executive director of Fuse Alliance. "With Fuse ex-



periencing record-breaking growth of 65% since 2020, Sandra's proven track record in supplier relationship management and her commitment to collaborative partnerships will be instrumental in propelling us forward. We are confident that Sandra will play a key role in enhancing our relationships with our suppliers, fostering growth and ultimately delivering even greater value to our members."

WFCA introduces Premium Plus tier for retailer members

Dalton—The World Floor Covering Association (WFCA) has unveiled a significant enhancement to its membership model with Premium Plus Membership. The announcement follows the successful implementation of free membership for Primary members—professional flooring dealers, inspectors, cleaners, designers—for the first time in 2020, a move that vastly expanded its advocacy and influence within the industry. This new tier aims to further empower flooring professionals by providing exclusive benefits and tailored support.

"Transitioning to Premium Plus for just \$0.82 per day is an investment in your business's future, offering unparalleled value," said Freida Staten, VP marketing, communication and membership at WFCA. "We're providing a platform for growth, visibility and advocacy crucial for success in today's competitive marketplace. Our goal is to ensure every member can leverage these tools for their advancement."

CTEF expands pair of popular educational programs

PENDLETON, S.C.—The Ceramic Tile Education Foundation (CTEF) has improved two core tile installation training programs: Understanding and Installing Ceramic Tile and Comprehensive Shower Class.

"Based on student feedback, observations and the need for additional repetitions, CTEF felt it was important to expand these two training programs to offer more handson training time and better explanations of the different methods to achieve a goal," said Brad Denny, CTEF executive director. "It's critical for anyone installing ceramic tile to understand why certain actions or techniques are performed and how to execute them. We hope this change better distributes the students' time for the best ROI."

Coverings to host Passover event

overings, the largest tile and stone show in North America, this year coincides with the Jewish holiday of Passover, a celebration that most Jewish families enjoy at home together. Unfortunately, Jewish members of the flooring industry who attend the show will be unable to celebrate at home this year.

To that end, two Coverings speakers, Allison Eden of Allison Eden Studios and Gianna Vallefuoco of Vallefuoco Contractors (who also happen to be Jewish women), presenters of the Women's Passion Projects Breakfast at Coverings, are orchestrating a Passover event during Coverings called the Matzoh and Mortar Meet & Greet. Laticrete is sponsoring the event to ensure the Jewish attendees and exhibitors have an opportunity to celebrate the holiday.

The Happy Hour, which is intended to provide a sense of community and inclusion, is open to Jewish attendees as well as those who want to support their Jewish friends and colleagues and snack on Passover treats.

The event is set for Monday, April 22, from 5:30 p.m. to 6:30 p.m. in the Georgia World Congress Center, Room C206.

Laticrete has been an ardent advocate of inclusion in the tile industry, emphasiz-



ing the importance of women's roles and health and wellness. The company is also one of the sponsors of Coverings' Galvanize Women's Lounge. Ron Nash, president and COO, will be presenting along with Vallefuoco throughout the week at Coverings on Women's Wellness and Mindfulness as well as his own session on AI.

In addition, Coverings attendees who want to observe Passover in Atlanta can utilize the following resources:

Congregation Bet Haverim CBH Community Seder Monday, April 22, 5 p.m.-7:30 p.m.

Chabad Intown Community Passover Seder Monday, April 22, 7:30 p.m.

The Temple First Night Passover Dinner Monday, April 22, 6 p.m.

Innovative Flooring Supply named RONA's top vendor

By Ken Ryan

nnovative Flooring Supply, a St-Bruno, Quebec, Canada-based supplier of hard surface flooring and wall décor prod-

ucts, was honored as Vendor of the Year for 2023 by RONA, a Canadian-based home improvement retailer with 375 stores nationally.

Innovative Flooring Supply has supplied RONA for more than 20 years with hard surface flooring along with a bevy of accessories exclusive to the retailer. The products include the DuraStair stair tread and riser system, its newest product innovation that renovates and updates older stairways; and DuraClic, a rigid vinyl

core (planks from 6.5mm to 10mm thick) featuring a Välinge 5G click system and

4D high-resolution decors that rival genuine hardwoods.

During 2023, these products and others helped RONA achieve exceptional category sales growth that boosted the re-



From left: Charles Valois RONA; Bill Friend, Innovative; Doug Young, RONA; Jon-Ian Lui, Innovative; and Andrew Iacobucci, RONA.

tailer's market share on a national basis, according to the supplier.

"We are deeply honored to receive the prestigious recognition from RONA as their Vendor of the Year," Bill Friend, CEO of Innovating Flooring Supply, told FCNews. "Over the past 20-plus years,

RONA has grown to become one of our most valued retail partners. This achievement would not have been possible without the unwavering creativity and dedication of our exceptional team as well as the trust that RONA management has invested in our company."

As its name implies, Innovative Flooring Supplier has built its 20plus year history on being innovative. Some key accomplishments include: having introduced one of the first

click engineered hardwoods in North America and one of the first click SPCs.

SNAPSHOT

Alliance Flooring presents Carpetland Retailer of the Year award

ORLANDO—Carpetland USA of Roanoke, Va., earned Retailer of the Year honors for the Carpetland division during Alliance Flooring's 2024 national convention here in March.

This award is presented to members who exemplify leadership in rebate volume earnings, support of merchandising launches, convention and summit attendance, networking with fellow members, store branding and use of the web pro website program.

Carpetland USA of Virginia is owned by Gene Podell. Pictured here, Tom Peeters, vice president of Carpetland USA of Virginia, accepts the award with Ryan Dunn (left) and Kevin Logue, co-presidents and CEO of Alliance Flooring.

Key suppliers and other Alliance retail members were also honored for their outstanding achievements in 2023.



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my take

What we can learn from the demise of Boston Market

very so often I come across an article about a once-popular chain that either filed for bankruptcy or is going out of business. I am interested in these stories to learn what factors—internal and external—contributed to the demise. More importantly, to see if this is something our readers can learn from.

The chain that most recently fell into this category is Boston Market. It was a booming brand back in the mid-1990s, a pioneer of what we now know as the fast-casual landscape. It existed in a space that restaurant goers were just realizing they wanted to be in, somewhere between the greasy burgers of fast-food drive-throughs and the sit-down experience at the Olive Garden or TGI Fridays.

People flocked to its homey meals; its signature rotisserie chickens seemed fresh, even healthy, in that era of Healthy Choice frozen dinners. After being founded in 1985 as Boston Chicken, it eventually expanded to more than 1,200 locations. (It changed its name to Boston Market in 1995.) Now, only a few dozen remain—27, according to the trade publication Restaurant Business. Most locations sit empty.

An article in The Washington Post cited the Newark, Del., location where the soda fountain was out of order. They were also out of pot pies and all the desserts. In some locations, according to reports, workers are resorting to shopping at local grocery stores themselves for ingredients to make the dishes—even the signature rotisserie chicken—since supplies stopped coming in. This is what the end of an era looks like.

So why did it happen? The immediate cause of death seems to be its current

management, a company called the Rohan Group, which bought the chain cheaply from a private equity firm in 2020. The owner promised to turn the brand's fortunes around and open new stores. Instead, locations around the country began shuttering by the dozens, with landlords claiming unpaid rent.

Earlier this year, Massachusetts labor officials fined the chain for late payments to employees; last year, New Jersey issued a stop-work order for 27 locations over failure to pay \$630,000 in back wages. Boston Market's Colorado headquarters was seized. The biggest blow came in the form of a lawsuit from supplier U.S. Foods over unpaid bills in which a judge in January ordered Boston Market to pay \$15 million.

Restaurant analyst Aaron Allen said many of the brand's problems predated its change of ownership. For one, after distinguishing itself in the 1990s as a cut above fast food, it attempted to compete with those brands by holding its costs down-a move that ultimately led to a reduction in quality, which only undercut it further. "If you chase a lower pricepoint consumer, you can price yourself out of business," Allen said.

Grocery stores, too, ate Boston Market's lunch as they began adding rotisserie chickens to their expanding prepared-meal aisles. Essentially, Boston Market became a victim of its own success. After helping to popularize the roasted, whole chickens—in some cases, introducing the concept to consumers the chain eventually saw the likes of Costco serve up the same things for far cheaper.

It's hard to imagine a time when rotis-

serie chickens weren't everywhere, but from the early to mid-1990s they seemed new and exactly what diners were clamoring for. Boston Market led the way. Eventually, though, the chain's all-American, homestyle fare, often served in family-size portions, fell out of step with consumer tastes. Diners were drawn to ultra-customizable bowls at Chipotle and the varied menu at Panera Bread—two leaders in the market now infiltrated by chains offering healthier options.

So what are the takeaways?

- 1. The first and most obvious is you have to pay your bills—that includes your employees, your suppliers and your rent. On time.
- 2. As Allen stated: "If you chase a lower price-point consumer, you can price yourself out of business."
- 3. If you're successful, you will be copied. Inevitably, someone will do it or sell it more economically than you. Therefore, you must evolve and/or come up with ideas that are extremely hard to replicate.
- 4. Even your best ideas have a shelf life. Consumers' tastes change. Trends change. Hone in on the latest trends and preferences.
- 5. Take advantage of the latest technology being offered to you—anything to facilitate that shopping experience for the consumer.

Just remember all this the next time you're pining for a rotisserie chicken joint.



floorcovering news





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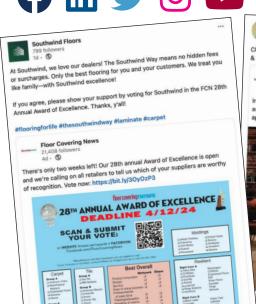
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ITR Economics acquired by renowned consulting firm

four decades.

By Reginald Tucker

TR Economics, the acclaimed forecasting firm that for years has provided flooring industry executives with their expertise, market research findings and incredibly accurate economic projections to help business owners make strategic business decisions, has announced the sale of the company to Crowe LLP, a public accounting, technology and consulting interest headquartered in Chicago. Financial terms of the transaction were not disclosed.

According to Chad Kellar, leader of Crowe's Strategy & Transactions consulting business, the transaction will enhance and expand Crowe's strategic advisory capabilities, offering economic insights and analysis to complement the firm's existing portfolio of traditional consulting and deal advisory services. ITR Economics, led by twin brothers Alan and Brian Beaulieu for nearly 40 years, will operate as a subsidiary of Crowe upon completion of the transaction.

"ITR is a well-established firm with a proven track record of nearly 95% accurate forecasts and delivering exceptional client insights and intelligence that empower business leaders to make informed decisions in this ever-changing business environment," Kellar stated. "Adding the ITR team and capabilities allows us to enhance the value we bring to our clients and play a more meaningful role across their value chains."

ITR Economics' services include market and industry forecasting, sales and demand forecasting, as well as strategic and budget planning. Adding these capabilities to Crowe's robust portfolio of consulting offerings—including performance improvement, risk consulting, deal advisory, legal and compliance, business transformation, and more-will further enable the firm to maximize business value for its clients and guide them through an evolving marketplace. "Our ability to provide deep industry expertise alongside economic insights and analysis will help our clients unlock their full potential," Kellar added.

Smooth transition

The good news for flooring industry executives, who have grown familiar with the Beaulieu brothers following so many appearances and presentations and many industry conferences, is the firm expects to continue

maintaining a presence at flooring industry conferences. The only change, according to the brothers, is audiences can expect to see more of the younger generation at ITR Economics making those presentations.

"We are moving into a future that we are looking forward to, both personally and professionally," Alan said during a prepared video message. "We have changes that are going on, but a lot of

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educating the industry

It's more important than ever to back the trades

BY KAYE WHITENER

or the past 16 years, Mike Rowe—prominent cable TV show host and narrator—has been advocating the importance of trade and technical skill training. I remember attending a breakout session where he addressed a room full of flooring retailers concerning the installation crisis. As he walked out on stage, looking around the room, Rowe did what he does best—he made a simple, yet powerful statement: "There are approximately 350 million people who live in the U.S., and all walk on floors—and you have a problem? Why?"

The answer to "why" can become a debatable conversation,

depending on which segment of the industry you're working in. Building awareness and creating easily obtained

pathways are imperative to the continued success and overall future of the floor covering industry.

The Floor Covering Education Foundation (FCEF) has been singularly focused on building a strong pathway into the industry for new talent because it is crucial for fostering innovation, driving economic growth and addressing workforce shortages. By providing structured training programs, mentorship opportunities and clear career advancement pathways, the flooring industry can attract and retain top talent, ensuring a steady pipeline of skilled professionals ready to contribute to their respective fields.

To date, FCEF has awarded 442 scholarships, disbursing more than \$410,464 in scholarship funds and partnering with four industry training providers. FCEF is currently active in eight colleges and offers dual enrollment programs for high school students. Expanding the basic floor covering installation program to four additional col-

leges this year, FCEF's impact continues to grow. However, continued support is essential to sustain and expand these vital initiatives.

Why is it important to be involved now? A notable shift is in the educational landscape, with more students opting for technical trade education over traditional four-year colleges. This change is driven by rising college tuition costs, a growing demand for skilled workers in specialized fields and the recognition of the value of practical, hands-on training. As a result, more individuals are exploring alternative pathways to career success that offer better affordability and faster

entry into the workforce.

National Skilled Trades Month, celebrated in May, serves as a tribute to the

invaluable contributions made by skilled tradespeople across various industries. It is an opportunity to honor the dedication and hard work of individuals who keep our communities running smoothly.

'S COLUMN

By participating in National Skilled Trades Month and donating to FCEF, individuals and businesses directly contribute to empowering aspiring tradespeople, strengthening the workforce and fostering innovation within the industry. Moreover, supporting FCEF during National Skilled Trades Month raises awareness about the importance of skilled trades and vocational education.

In addition to financial contributions, there are various ways to get involved with FCEF, including: volunteering as a mentor; providing job shadowing opportunities; or promoting awareness about career opportunities in the flooring industry.

Together, let's support future talent and ensure the continued success of the floor covering industry.



Kaye Whitener is director of operations for the Floor Covering Education Foundation, a non-profit organization dedicated to promoting recruitment, training and retention of floor covering installers. For more information, email kwhitener@fcef.org.

RETAILERS REACT



What steps have you taken to safeguard your business against a cyberattack?

Unfortunately, we've been victimized by various cybercrimes, so we've put a number of protections in place. We've worked with Isogent to implement dual-factor authentication, off-site back-ups, enhanced spam filtering, etc. We've implemented Positive Pay and other ACH protections. Lastly, we provide ongoing training and reminders with our team to help prevent

future crimes.
—Adam Joss
The Vertical Connection
Carpet One

Columbia, Md.

We have safeguarded our network by putting in a firewall and hiring an IT consultant to monitor things for us as much as once daily.

> —Don Lovato CarpetSourceUSA Albuquerque, N.M.

We subscribe to a managed detection response (MDR) service, which includes SentinelOne, an advanced cybersecurity agent that continuously protects our network by scanning and blocking threats.

—Ashlie Butler Bob's Carpet & Flooring Tampa

We've taken a few steps to prevent this. The first thing we did was partner with an outside IT company to manage our internet security. The second thing we did was purchase insurance to protect our company in the event of a cybercrime. I'd recommend it to all companies, and it was more affordable than I had previously imagined.

—Tom Heffner About All Floors Douglassville, Pa.

The first indication of cyberattacks was an email offering us an "unbelievable sale" where they wanted to make a credit card payment via our bank. From then we had staff meetings and discussed how to avoid these situations. We instructed our staff to stay away from any links and to decline any opportunities that looked too good to be true.

—Bob Duke Floor Magic Damariscotta, Maine

CALENDAR

April 16-18 NWFA 2024 Wood Flooring Expo

Ernest N. Morial Convention Center; New Orleans Contact: 864.342.6353 NWFA@maritz.com Nwfaexpo.org

April 17-18 CFI Commercial Resilient I Certification

Two-day certification provides installers with hands-in testing. MITT; Winnipeg, Manitoba, Canada

Contact: John McHale, jmchale@cfiinstallers.org; 816.231.4646; cfiinstallers.org

April 19-20 CFI Residential Carpet I or Commercial Carpet I Certification

Testing hands-on skills that demonstrate proper installation techniques.

Eagle Interiors; Phenix City, Ala. Contact: John McHale, jmchale@cfiinstallers.org; 816.231.4646; cfiinstallers.org

April 22-25 Coverings 2024 Georgia World Congress Center; Atlanta

Contact: Kathleen O'Driscoll, exhibitor@coverings.com 571.313.5159

May 7, 11 AM-Noon CDT FCICA Webinar: Preventing Moisture Problems before they Occur

Free for all to attend regardless of membership status.
Presented by Joe Rizzo and Elvis Torres, Laticrete
Contact: info@fcica;
630.672.3702

May 7-10 NWFA Intermediate Installation + Certification Testing

Three-day course includes in-depth training on jobsite preparation, layout, understanding science of wood. NWFA; St. Louis Contact: education@nwfa.org 800.422.4556

POINTS OF INTEREST

➤ The U.S. manufacturing sector is in its strongest position since 2022, two reports showed. The Institute for Supply Management's

manufacturing PMI indicated the manufacturing sector moved into expansion for the first time since September 2022 in March while a measure from S&P Global showed

production hit a 22-month high last month as the U.S. economy continues to impress. The ISM's manufacturing PMI registered a reading of 50.3 in March, up from February's reading of 47.8 and higher than the 48.3 economists expected. The March reading marks the highest since September 2022 and the first time manufactur-

ing activity has expanded since October 2022.

➤ Consumer sentiment rose 3.3% to 79.4 in March, according to results from the

University of Michigan Survey of Consumers. This represents 28.1% gain year over year. "Consumers exhibited confidence that inflation will continue to soften," Joanne Hsu, Survey of

Consumers chief said. Sentiment is essentially unchanged through Q1 2024, just shy of the midpoint between the pre-pandemic level of sentiment and the historic trough from June 2022.

➤ Pending home sales increased 1.6% in February, according to the latest Pending Home Sales Index (PHSI) released by the National Association of Realtors (NAR). A forward-looking indicator of homes based on contract signings, the PHSI increased to 75.6 in February. Year over year, pending transactions were down 7%.

Hardwood

Never Goes Out of Style

Some flooring options are trendy — they come and go. But not hardwood flooring. Whether solid or engineered, genuine hardwood has a timeless look that offers so much. Traditional yet modern, our classic Bruce® Dundee™ Solid Hardwood Flooring will last a lifetime with proper care. The natural choice for discerning homeowners, desired by home buyers, and the choice flooring sales associates will be proud to recommend.

For more than a century, AHF Products' brands have been known in America as leaders in flooring solutions. And today, we're moving our heritage forward.



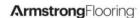




See us at NWFA Booth #1648



































State of industry Continued from page 1

much-needed wake-up slap.

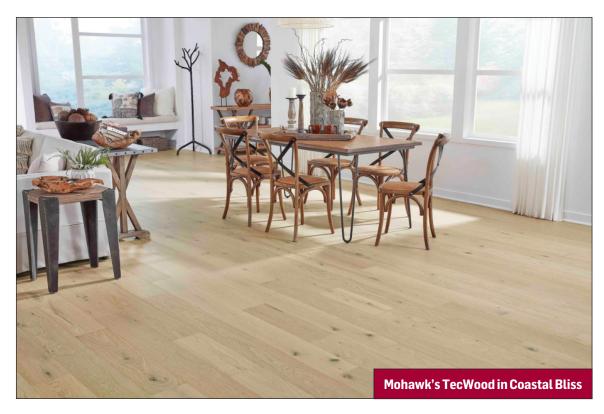
"High interest rates and high home pricing is serving as a bit of a 'wet blanket' on the overall housing market—both new construction and existing home turnover," said Dan Natkin, chief commercial officer for Bauwerk Group, parent company of the Boen and Somerset hardwood brands. "We are also seeing some trade down as builders look to control costs as well as smaller home sizing, thereby limiting total floor area for hardwood flooring. Consumers with low interest rate mortgages are generally stuck in their homes, leading to low home turnover. In the long run we believe this will spark increased remodel demand, but as of right now we are not seeing it."

For some hardwood flooring industry executives, it's a "good news/bad news" situation. "Quite frankly, I thought we would be looking at our first interest rate lowering in the April timeframe, but that's clearly not going to happen—that's the bad news," said Brian Carson, president and CEO of AHF Products, the industry's largest wood flooring manufacturer by volume.

The "good" news, he said, is ultimately the market will wind up in essentially the same situation (rate wise) that experts predicted for 2024 at the end of 2023. "I think we still may have two to three interest rate cuts versus four to five interest rate cuts for the year. That means those rate decreases are likely going to happen much later this year and extend into early next year."

If that prediction comes to fruition, Carson noted, it will spark activity in the new home construction market—particularly the single-family home sector. "The builder business for AHF Products is strong, we can see it in the home sales," he explained. "And I think it's strong in part because of the lack of availability of existing homes, so people are building new. That's a bright spot for the hardwood business, as we all know there's a fair amount of wood used in new construction."

Kyle McAllister, director of hardwood, Shaw, said he is seeing new home starts begin to pick up again, following a slow start to the new year. Like many industry observers, he expects the wood flooring segment will ultimately benefit in the back half of the year depending on typical movements seen in housing cycles. But, again, much depends on interest rates.



"By this time of the year, we thought we would see stronger signals from the Fed that interest rates would start ticking down, but it looks like we're going to have to wait a little bit longer on that," he said. "Rates might go down a little bit, but I don't think we'll ever see that 2.9%, 2.8% rate of inflation anytime soon. If you have a mortgage at 3.25% and you're looking to move, nobody wants to go from 3.25% to a 7%-7.5%."

It's not only stubbornly high interest rates that stand to impact the hardwood market this year. Executives cite a number of other mitigating factors. "We are also in a very interesting election year, and we have also seen a large number of layoffs from major companies in Q1," said Sean Brennan, president, Kährs Americas. "This, coupled with high rates, will continue to prove to be a challenge for not only new home construction but the economy as a whole."

While all this plays out, suppliers are waiting with anticipation of what's to come. "We're sitting on pins and needles," said David Moore, senior product director, Mohawk. "The interest rate movement is going to be such a critical, important piece to unlocking what's going on in builder. We're all anticipating some positivity in Q3 and Q4 based on anticipated changes, but we really just have to see what the Fed is going to do. Even just a couple of percentage points down is really going to unlock the builder market."

One of the main challenges facing hardwood in the builder market right now, according to Moore, is the fact that many builders are looking to take costs out of the equation. Problem is, hardwood is one of the more expensive options that can go into

a new build. "In new home construction, especially single-family, it's such a competitive landscape right now with the rates we're seeing," he explained. "That's creating headwinds for hardwood, since it is one of the more premium and high average selling price per-square-foot products in the market. However, if the market unlocks and we start seeing a ton of building and new construction, that's obviously going to carry engineered hardwood with it and create more of a tailwind."

That's precisely what many suppliers are banking on. For Paul Rezuke, vice president of sales, U.S., the outlook is still promising despite some uncertainty. In anticipation of an eventual upswing down the road, the company is planning accordingly so it might reap the benefits when the market rebounds.

"We have aligned our products with some new customers," he said. "Along with the two to three anticipated interest rate

cuts, that should serve as a boost for us going forward."

Others, including David Lauzon Jr., director of sales, Lauzon Hardwood, are equally optimistic about the prospects of a projected turnaround. "The first part of the year was slower than we initially forecasted, largely due to high interest rates," he said. "However, since the end of February, we have observed some positive developments and increased activity across most of the USA. Our products, primarily installed in single-family residences, have experienced a more optimistic outlook in terms of new home starts compared to the multifamily sector. We are hopeful that a continued decrease in interest rates will further encourage growth in new home construction."

For Mirage Hardwood, another major Canadian player with strong ties to the U.S. market, the mood is upbeat but measured. "We, like many others, anticipate that the current inter-

est rate stability will not persist excessively, fostering increased market activity in Q3 and Q4," said Jerome Goulet, director of marketing. "Looking further ahead, the market's historical ebbs and flows remind us of the enduring nature of real estate, where patience inevitably yields results."

Others are also playing the long game. "At Kährs, we are not slowing down," Brennan noted. "We are continuing to invest in our sales teams, new products and ongoing innovation."

Eye on residential remodel

While industry observers keep their fingers on the pulse of the new home construction market, they are also tracking activity in the residential remodel sector. Residential remodel certainly experienced a surge in activity during the pandemic and the ensuing years as more consumers opted to refurbish their spaces instead of spending money on vacations, entertainment, leisure and dining out, etc.

While this segment has typically been a stronghold for hardwood flooring sales—accounting for anywhere between 60%-65% of revenues in 2023—those competing sectors, as well as heavy marketing by the automotive manufacturers, are increasingly vying for more of consumers' disposable dollars.

"The pandemic provided an incredible demand for residential replacement, but that has since changed," Wickham's Rezuke stated. "Following a span where most people focused on upgrading and sprucing up the family homes, vacations and other luxuries are more significant. We are seeing a return to pre-COVID-19 use of disposable dollars."

Pat Oakley, president, Mullican Flooring, agreed. "Looking back over the pandemic, a lot of residential remodels—a lot of projects in general, in factwere pulled forward. Then, about mid-2022, as we emerged from the lockdowns and the COVID-19 effect on the country, you saw people rotate out of home projects and into travel, leisure, vacations—those types of things. That has put a lot of these remodeling projects on the back burner."

On the back burner, for some, but definitely not off the kitchen table altogether. "While we are seeing an increase in other purchases such as travel, vehicles, etc., the residential replacement sector is holding its own," said Renee Tester, director of marketing at Kährs Americas.

"Homeowners see the value Continued on page 10



STRETCHING THE BOUNDARIES OF ELEGANCE AND STYLE



Johnson.hardwood.com



State of the industry Continued from page 8

in creating equity within their homes and how this investment is one that they can reap benefits from. Projects are smaller now, and consumers are not in a major hurry to complete a job due to supply or labor issues."

Peeling back the layers of the proverbial onion, suppliers are seeing greater consumption of upper-middle to high-end hardwood products. At AHF Products, for example, it's the tale of two worlds. As Milton Goodwin, the company's vice president, explained: "It all depends on where you are. If you're in the Southwest, that's predominantly a ³/₈inch market. We've had some good success with some new launches at that level, but our biggest growth has been more on the higher end. People who have the money are spending it on higher-end products."

Moreover, consumers looking to complete their remodeling projects are looking for products that offer greater value. "It is certainly true that larger shares of disposable incomes are directed more toward service spends," said Sam Kim, senior vice president, MSI. "That said, while the general demand for flooring has softened, the demand for flooring with compelling value propositions continues to see strong consumer demand, in part due to the renewable aspect of its composition."

Competition from rigid core

An ongoing challenge facing the hardwood flooring segment is

competition from wood lookalike categories such as SPC and laminate. Despite the inherent advantages that hardwood offers with respect to the resale value of a home, wood has ceded share to rigid core—and even laminate—the past few years. The task now facing hardwood suppliers, some of whom also offer competing hard surface products, is clawing back some of that lost share.

"There's a lot of fatigue out there with SPC," said Brian Parker, vice president of product manager, AHF Products. "Obviously, the rigid category took huge market share and the product has reared its head with some issues in the marketplace. But through it all, the one thing that remains steady is the value and the desire of wood flooring in a home. So, our job is to make sure we're providing beautiful products that are going to stand the test of time. It's the only product, really, that goes into a home that's considered a forever floor."

Shaw, a major hardwood supplier that also participates heavily in the resilient category, is also acutely aware of the in-fighting between the dueling product segments. "We're the 800-pound gorilla in the room when it comes to resilient flooring," McAllister said, citing Shaw's investment in domestic resilient production. "We have a very successful, resilient business and we love that business. It's a lucrative business. We just have to make sure that we're establishing a strategy for all categories that are going to benefit the enterprise."

Part of that strategy for Shaw



Boen's Natkin agreed wholeheartedly. "We have seen degradation in demand at the lowest ends of hardwood; conversely, the upper end is holding up nicely. For consumers who really want wood, they are selecting looks and formats not matched by the 'wannabe' products."

At the end of the day, preserving hardwood flooring's share hinges on educating retail sales associates about the unique value proposition hardwood offers. As Lauzon of Lauzon Hardwood explained: "Hardwood flooring is a classic and timeless choice for homes, prized for its natural beauty, durability and longevity. It not only adds significant value to a property, enhancing its resale potential, but it also offers aesthetic and practical benefits. Moreover, hardwood flooring is the most environmentally

friendly option available. Unlike some alternatives that may contain harmful chemicals or non-biodegradable materials, genuine hardwood is a natural and renewable resource."

Despite those well intentions, Lauzon says uneducated homeowners are being fooled into purchasing non-biodegradable, petroleum-based products that mimic the appearance of wood. "These products can have negative environmental impacts and may not offer the same level of durability or beauty as genuine hardwood flooring," he explained. "Unfortunately, homeowners often realize these drawbacks only after making their purchase."

Raw materials situation

Another issue hardwood flooring suppliers continue to grapple with is the demand for popular species such as European white oak. Desired for its aesthetic attributes and performance qualities, white oak has caused pricing pressures due to the high demand compared to its fairly limited supply. It's a delicate dance that suppliers have had to orchestrate to help manage production costs while meeting consumer expectations.

"The forest is only going to give you a 30% white oak; the other 70% is red oak," AHF Products' Parker explained. "Those trees get used in primarily three dif-Continued on page 12





MONTMAGNY, QUEBEC—Mercier Wood Flooring, regarded as a pioneer in the manufacture of prefinished hardwood flooring, is offering consumers a free upgrade to its signature Generations Intact 2500 finish. The promotion is designed to encourage more traffic into retail showrooms.

How it works: Now through May 19, consumers can enjoy a free upgrade to Generations Intact 2500 finish with the purchase of at least 500 square feet or more on an eligible product purchased at an authorized Mercier Le Plus retailer in the U.S. and Canada. This offer represents a discount value of \$1 per square foot that will be given to consumers at the point of purchase.

"Generations Intact 2500 finish and its micro-fragmented aluminum particles create a multipoint contact surface that provides extra protection for wood floors, increases their resistance to wear and extends their original appearance," said Wade Bondrowski, director of sales, USA. "The highly durable, clear matte finish adds extra protection to wood floors that must stand up to intense traffic, pets or kitchen installations."







Tired of playing with little pieces? All BOEN hardwood flooring is at least 7 1/2 feet long!

BOEN's legacy goes back to 1641, originally starting with two sawmills by the waterfall Boen – in Norway. The largest hardwood only producer in Europe, now featured at independent retailers and contractors in North America. Hardwood floors from BOEN set that final touch to your style, becoming the showpiece of your home. Welcome to the home of hardwood flooring.

- Wood experts for over 350 years
- Every plank is full length
- Innovative Live Pure finish offers unsurpassed protection while preserving the look of raw wood







State of industry Continued from page 10

ferent segments. The high grade goes into furniture and cabinets and case goods, and those markets aren't using as much white oak anymore. So, less is being harvested because the mills can't sell that premium wood at a high price like they used to. Flooring's there in the middle tier, and then railroad ties in the lower tier."

Those are not the only manufacturing segments competing for hardwood. "You've got the bourbon barrel and the whiskey barrel manufacturers who are taking more than their share—they can pay more for it than we can sell it for, and so that's driven us and others to look for alternate solutions," Parker added.

Suppliers, regardless of their home base of operation, attest to how the hardwood lumber market is being influenced by demand from unrelated product segments. "This diversified demand is putting additional pressure on the lumber supply, thereby impacting pricing not just for the hardwood flooring sector but across multiple industries that rely on these raw materials," Lauzon said. "The compounded effect of increased global demand across various sectors and the slowed production capabilities may lead to significant price volatility and supply constraints in the near future."

The industry faced a similar situation in the immediate aftermath of Russia's invasion of Ukraine. The war put a halt to imports of Baltic Birch, a species commonly used in the core level of many engineered products.

"Sourcing of the right lumber has become more challenging, especially in light of the ban on Russian timber," MSI's Kim explained. "It is very important that customers work with brands that have rigorous tracking and auditing processes in place to ensure the flooring products they are purchasing from are Lacey Act compliant."

The key, experts say, lies in being diversified in one's sourc-

ing strategies. "A large percentage of our hardwood products are European white oak, and due to our long-standing partnerships, we have been able to be consistent with our supply and pricing," Kährs' Tester stated. "We are seeing some species, such as maple and hickory that are growing in popularity, and we are working to expand this assortment by summer of this year. This increase will allow room for growth with other species."

For the time being, though, there doesn't appear to be any cause for alarm. "There's a lot less volatility than we've seen in the past couple of years; things are really calming down," Mohawk's Moore stated. "A large portion of our portfolio is manufactured outside of the United States, so we are somewhat isolated from some of those issues. I think the biggest variability when you have a portfolio like that is in transportation costs, which have definitely stabilized and returned to pre-pandemic



guest column

Salute to the misfits, odd ducks and weirdo RSAs

ave you ever met one of these salespeople? People who are extremely successful? Salespeople with high closing rates? Salespeople with the most unconventional, oddball style you've ever witnessed?

What these people do can't be taught. You wish you could clone them! You also can't stand to be near them when they sell because the way they talk will make you cringe.

The funny part is we can learn something from them and ultimately improve our sales skills. But before I explain how, allow me to share a few true stories.

The one thing great salespeople have in common is their attitude. They view the prospect as a customer.

We had this one salesperson who was a loud redhead without a filter. Customers would call the store and she would answer, "Hey, Mark! How you 'doin?" Not "Carpets of Arizona, how can I help you?" Not only did our customers love her but they bought from her. On top of that, everyone started to lighten up a little and have more of an outgoing attitude. It was both cringeworthy and fun at the same time

I have a buddy who owns a pool company. His top salesperson, we'll call him "Jack," would help himself to customers' refrigerators and grab a beer. He swore like a drunken sailor. Now no salesperson in his right mind would behave this way, and the last thing you would do is teach anyone to behave that way. But for Jack, month after month he has the highest closing rate.

Then there was Gary, who worked for a popular flooring dealer many of you know and love. Gary would stop by McDonalds and grab breakfast for his client—coffee, Egg McMuffin breakfast and a hashbrown. One for him and one for his customer. Who does that? Gary



JERRY **LEVINSON**

doesn't know these people. What on Earth would make him feel so comfortable as to grab a morning breakfast for someone who is just getting an estimate?

I have a client who had the good fortune to recently hire a rockstar salesperson. This lady

had no experience selling flooring. We created an easy system for selling so anyone could give the customer a quote in the home quickly. Now as much as I would urge everyone to quote in the home and give your customer an "opportunity to buy now," this

odd duck does things her own way, so to speak. I've watched her operate firsthand. Her mindset is these people came to her to get flooring; they did not come for a price or an estimate. Her closing rate is damn near 100%. The only time that happens is when you aren't tracking your sales. In other words, it never really happens. We are talking 45%-plus margins, too!

Lessons learned

What's the lesson in all this? The one thing great salespeople have in common is their attitude. They view the prospect as a customer. Moreover, they don't give the customer a price so she can decide if she wants to finalize the order. In their warped, crazy, beautiful minds they don't even consider the fact the customer may not want to do business with them.

I offer sales training to improve RSAs closing rates while offering a five-star experience at a higher price. I wish I could teach you to be like the crazy, loveable misfits, but I hope you learned something from this article that might help you when you are providing flooring for your customer.

Jerry Levinson, a former retailer, owns Profit Now 4 Flooring Dealers. He provides sales training, processes and systems for flooring dealers to help them grow their business and profits while working fewer hours. He also runs the Flooring Dealers & More group on Facebook.



Giving rigid core flooring a run for its money

Category leverages improved attributes to better compete with SPC/WPC

By Reginald Tucker

hen it comes to durability, scratch/dent resistance, ease of installation/maintenance and affordability, laminate flooring checks all the boxes. In fact, it's these attributes that have given the category the upper hand over many of its hard surface counterparts.

However, where laminate has had to play "catch-up" in recent years is in the waterproof/water-resistant department—the domain of rigid core products like SPC and WPC. But that gap is closing, proponents attest, as innovations in coreboard construction, improved installation/locking systems and other proprietary treatments have enhanced laminate flooring's resistance to water incursion.

"I continue to hear about the migration back to laminate, and I credit the fact that laminates have caught up to the resilient category with the waterproof/water-resistant story," said Ted Rocha, executive vice president, SLCC Flooring.

Other executives agree, citing innovations that are putting laminate flooring—whose coreboards still mainly comprise wood-based fibers—on a more equitable footing with rigid core flooring products. Take Mohawk's RevWood Plus and Premier lines, for instance. Both feature the company's proprietary WetProtect technology that allows the product to be safely installed in areas of the home prone to spills and everyday household accidents. "WetProtect offers the right kind of waterproof with water-tight joints, Mohawk's proprietary waterproof finish and the industry's only lifetime surface and subfloor warranty," said David Moore, senior product director, Mohawk.

Following is an overview of some of the latest laminate flooring products designed to give rigid core a run for its money.

AHF Products

AHF Products, via its Bruce TimberTru brand, offers a pair of laminate flooring products: Natural World and Basic Wonder collections. The former comes in a 12mm total thickness while the latter is an 8mm product. With wear ratings of AC4 and AC3, respectively, both lines offer the realistic looks and textures

of real wood floors, plus proven protection against stains, fading, scratches and scuff marks. More importantly, both collections offer top-down moisture protection for up to 24 hours.

"While the SPC/LVT business remains strong, import supply chain challenges have created a new opportunity for our laminate, which is predominately made in the USA," said Chris King, vice president of sales, AHF Products. "These floors will stand up to the challenges of a busy home. From basements and bathrooms to great rooms and kitchens, there are virtually no restrictions to where TimberTru can be installed."

BHW

BHW Floors takes the wraps off its new Waterfront 100% waterproof laminate line. The product is constructed on a 12mm format (10mm + 2mm attached IXPE pad). The planks measure a whopping 9 ³/₈ inches wide x 87 inches long. What's more, it's AC4 rated for wear and boasts state-of-the-art EIR technology. The initial line consists of eight clean, European white oak looks. "This is probably one of our most exciting launches this year," said Jason Grant, vice president.

The Waterfront Collection product line is constructed with Unilin's 2G locking system for quick and easy installation. Transitions are readily available and utilize the same decor paper as

the flooring for a worry-free, exact match install. Waterfront offers a 50-year residential warranty and a 15-year light commercial warranty.

CALI

The West Coast lifestyle brand Cali unveiled a pair of laminate flooring collections—Shorebreak and Mavericks-that aim to perform just as good as they look. More importantly, to bolster its offering beyond its traditional LVP and wood products. "We entered the laminate flooring arena, not because it was cool but it allows us to do some different things from a technology standpoint," said Alex Brodkin, VP, product and sourcing. "We looked at LVT tiles, but we weren't happy with the designs and how the visuals were coming out."

That led to the creation of Shorebreak, a realistic-looking laminate in a 12 x 24-inch format featuring a 10mm core + 2mm attached pad. The company followed up with Mavericks, a supersize, 86-inch-long x 9-inchwide board with a total thickness of 14mm. Perhaps even more impressive than the epic Mavericks plank size is the floor's meticulous recreation of an authentic hardwood plank, according to Brodkin. A natural matte finish, rich colors and intricate oak grain textures deliver realism.

"It's just that authentic, and the kind of product you have to see to believe," explained Doug Jackson, Cali's president. "Mavericks has real potential to change the waterproof flooring game."





Eternity

Eternity, a provider of a range of trendy hard surface flooring products, is doubling down on its ever-growing array of innovative, high-performance laminate flooring lines across several platforms: Sequoia (made in Spain); Hyperion XXL (produced in Vietnam); and AquaFi, a U.S.-made product.

Hyperion XXL waterproof laminate features 7 1/2-foot, 5-foot and 2½-foot random-length planks, overall solid thickness of 12mm on a 9-inch-wide board. Meanwhile, Skyscape XXL waterproof performance laminate flooring planks are nearly 8 feet in length, with a 12mm thickness, also in 9-inch planks. Then there's AquaFi, an exclusive, Made-in-America line consisting of 10mm and 12mm collections with acoustical pad attached. All feature the company's AC4-rated EverPlus finish for proven scratch resistance.

Last but certainly far from least is the Sequoia XL line, manufactured in Spain. Eternity's crème de la crème, the Sequoia XL, is a TruAC6, 70-inch laminate boasting 3D RealFeel technology and 1-24 digital print pattern repeats.

HF Design

HF Design's latest foray into laminate flooring is Aquaproof XL, a step-up collection to its original Aquaproof line, which is based on a 7.7-inch-wide format in 60-inch lengths modeled after the company's popular hardwood styles. Aquaproof XL, by comparison, makes a bolder statement with 9.3-inch-wide x 72-inch-long boards. Other noteworthy features include an organic, fully

renewable fiber core that boasts excellent noise absorption, with a wear layer that's 3x more scratch resistant than vinyl, according to Alex Shaoulpour, president. Aquaproof XL features a sealed, water-repellent edge treatment that protects against everyday accidents. Both collections are constructed with high-definition printing technology on a low-swell, PVC-free core and EIR texture to achieve visuals indistinguishable compared to hardwood.

Currently available in 12 trendy, warm-toned colors, the line launched on the West Coast in January with rollouts scheduled for the Midwest and East Coast in the next few months. "We feel we have hit the ontrend visuals and color styles that today's customers are asking for in our wood lines but in a laminate category," Shaoulpour said.

Inhaus

Inhaus, a perennial player in the laminate flooring sector and one of the category's biggest proponents, continues to invest heavily in the product segment. Following on the heels of the launch of its premium Lamdura collection at Surfaces last year, the company now offers the line across several different tiers to give retailers more options to offer the consumer. New this year is a technology that allows seamless installation of herringbone planks-an increasingly popular visual in today's market. The technology is featured on the company's new, eye-catching Manor collection.

Also new are updates to Inhaus' signature Landmark col-

Continued on page 16

MOHAWK

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Just as denim jeans transformed everyday fashion for our nation, American RevWood® laminate brings beauty, durability, and innovation to our floors.

RevWood raises the bar for American-made style in any home.

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Battling SPC **Continued from page 14**

lection, part of the Lamdura laminate product family. New visuals include seven new ontrend, high-definition designs and two new EIR textures. Moreover, Landmark is equipped with Megaloc Aquaprotect technology for a quick and easy water-resistant installation.

Johnson Hardwood

Known primarily for its genuine, high-end hardwood offerings, Johnson continues to bolster its lineup of high-performance laminate floors modeled after its top-selling wood looks. Bella Vista features stunning colors ranging from light tans to dark taupes that aim to capture the essence of natural European oak. Registered embossing adds a life-like texture to each plank, mimicking the charm of hardwood floors.

The line also scores major points when it comes to waterproof performance and scratch/ dent resistance. Bella Vista

boasts the company's signature WaterShield High Performance Black Core and comes with an AC5 rating, making it highly resistant to water, scratches and stains. Bella Vista features an overall 13.5mm thickness (12mm core plus 1.5mm foam IXPE pad) and the Välinge 5G Dry click system for easy, fast, worry-free installation or repositioning.

Mannington

The Restoration collection— Mannington's top-selling laminate line-got a shot in the arm this year with the addition of Bespoke, an extremely natural-looking offering that mimics the visual characteristics and texture of genuine hardwood. Featuring the company's signature SpillShield Plus waterproof technology, the product offers the best of both worlds when it comes to visuals and performance.

"The physical texture and aesthetic of this product convey a more raw kind of feel," said John Hammel, senior product director, wood and laminate. "We've

also changed the type of bevel we use on this product—it's much more subtle. It's really hard to tell from a bevel standpoint what's wood vs. laminate."

The high level of realism is also due to Mannington's signature True Detail digital styling, which provides up to 20 unique planks for fewer pattern repeats. "That's two to three times more than other products when it comes to EIR," Hammel stated.

The response to Bespoke was so impressive that the product won a Best of Surfaces Honoree Award at Surfaces 2024.

Mohawk

Mohawk is refreshing its popular RevWood line to represent recent product enhancements and evolving market demands. RevWood's new promise, "The beauty of wood without compromise," combines the two most important purchase drivers beauty and performance—and draws greater attention to the advancements achieved through the launches of Signature Technology and WetProtect. Additionally, as the first wood flooring to attain NALFA's Platinum Level of LF-02 Sustainability Certification, RevWood provides a carbon-negative, planet-friendly option for consumers who want sustainable features.

"RevWood is entirely made in the USA—something that has risen in importance both to our customers and consumers," said Seth Arnold, vice president of residential marketing, Mohawk. "A lot of it had to do with product availability, but also there's just an awareness that made-in-USA is an important thing."

Stanton

The Nuvo decorative laminate collection from Stanton, which is focusing on growing its hard surface offerings, aims to redefine elegance and sophistication in interior spaces. NuvoLux and NuvoMax are designed to project timeless elegance inspired by the grandeur of natural woods and materials. The designs are carefully curated, designed with innovative textures, authentic colors and superior finishes. The collection boasts 24 colors covering everything from coastal lights to rich, traditional earth tones.

Tarkett

New to the Tarkett hard surface lineup this year is ShoreFlor, a laminate offering featuring Searenity Waterproof Technology. The product features a painted bevel edge, EIR technology and comes in a 10mm + 2mm pad for a total thickness of 12mm. The collection features clean, warm



the company's proprietary WetProtect technology.

visuals as well as some rustic looks such as hickory.

"We had a lot of requests and customers wanting something beyond just SPC," said Jason Surratt, president. "With all the technology improvements that have occurred over the last 10-15 years in laminate, it's definitely a category that we see opportunity in."

Surratt said he sees laminate clawing back some share from SPC. "I definitely think it's taking a little bit from the overall rigid category. I don't know quite where that may trend or if that's going to continue, but I definitely don't see it diminishing. It's at least going to hold its own and continue to grow."

Ultimate Flooring

Ultimate Flooring, a laminate flooring producer headquartered in Los Angeles, launched the Aqua Armor Tech waterproof laminate line. The product is billed as a next-generation waterproof laminate featuring added epoxy resin and the latest super-high-density HDF coreboard and quadruple-moisture-waxed edge protection. According to the company, this ensures the product is waterproof for up to

"We started with one collection and it was a 12mm with no pad attached," said Ron Dardashti, co-managing partner. "We now have six collections in about 75 different colors and a range of different specs. And we have plans to add a couple more lines."

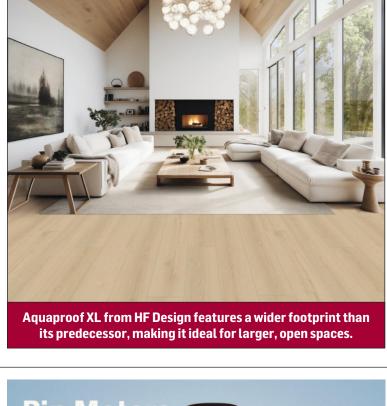
Urbanfloor

Another eye-catching laminate product that's loaded with features and benefits that can command a premium, is TheBLVD collection from Urbanfloor. This incredibly realistic line of 7.6-inch-wide, water-resistant laminate floors are made in Europe and feature antimicrobial surface technology, deep in-register embossing, an AquaTech HDF core and an AC5 wear rating—the highest available in laminate. It is designed to absorb impact (thereby reducing noise) and resist scratches and staining, thanks to digital printing technologies featuring light-fast UV-resistant ink. All these features make the product suitable for virtually any area of the home, from kitchens and bathrooms to basements.

US Mills

US Mills launches EcoDense, a hybrid laminate/SPC product billed as a true waterproof flooring option. "One of the incredible features about it is the content of the product is 94% wood; however, due to the very high compaction of the product, we're able to get very different characteristics than you would normally get with a wood-based product," said Karel Vercruyssen, president of the Dalton-based company.

US Mills is able to achieve these characteristics, according to Vercruyssen, by starting with a fiber preparation process that yields smaller particles than traditional wood-based engineered floors. Another differentiator, he said, is the secret sauce used to bond the materials. "We don't use any formaldehyde in the manufacturing process of EcoDense," Vercruyssen said. "Instead, we have different binders that have a much better encapsulation of the wood fiber."





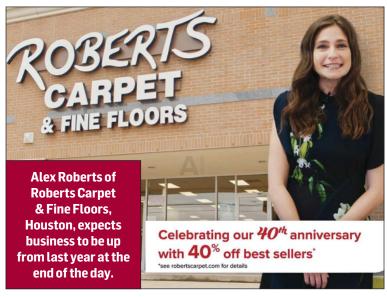


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Retail outlook Continued from page 1

the North American tour.

What's more, consumers spent \$145.5 billion more in February 2024 than they did the month before—much of that on services—fueling the biggest monthly increase in more than a year, according to data from the Bureau of Economic Analysis.

Flooring retailers in the U.S. and Canada, however, have struggled just to stay even. "Q1 numbers are flat overall; retail is

down compared to the same time last year," said Raffi Sarmazian, co-owner of Sarmazian Brothers Flooring, Waterloo, Ontario, Canada. "I'm hoping things have bottomed out and expecting business to pick up."

The scenario was much the same in the U.S. in Q1/early Q2. "We are flat for the year," said Eric Mondragon, hard surface buyer for RC Willey, Salt Lake City. "Hard surface was up 7% and carpet was down 7%. I expect Q2 to be the same unless the Fed lowers interest rates. It's just

too expensive to borrow money for home projects. The only other thing that could change that is a wet spring and flooding, although we hate to capitalize on natural disasters."

While some flooring retailers say business is actually up from 2023, most say it is flat to down a few percentage points. What all seem to agree on is an unpredictable, topsy-turvy beginning to what many expect will be a turbulent presidential election year.

"We had a strong start to the year and were up considerably from last year, but we leveled off some in March," said Alex Roberts, CEO of Roberts Carpet & Fine Floors, Houston. "We're still up against Q1 2023, but not as dramatically. It will be a tough year, but we have some new strategies in place that seem to be working for us. We expect business to continue to be up from last year but we're in a repressed economy so traffic will come in waves."

That inconsistency in retail traffic best describes Barefoot Flooring's 2024 start, with the Castle Hayne, N.C., retailer experiencing a few bright spots in Q1 before a downturn in March. "We anticipate a rebound in Q2 as spring has historically been robust," said John Bretzloff, owner. "Hardwood has made a strong showing vs. LVP thus far in '24, which is a welcome change."

For Napa, Calif.-based Abbey Carpets Unlimited, business is off about 10% from last year; however, there has been an uptick in customer traffic in recent weeks after a slow January-February period. "I think the uncertainty in an election year often causes hesitancy in large purchases," said Janice Clifton, owner. "No matter what your party, there is concern over the election results and the effect on the economy."

Retailers cited a tightening of credit card approvals as another reason for the slowdown, which





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European summer vacations, popular among Americans in 2023, saw a 26% increase from the previous year.

NRF forecasts growth for retail sales in 2024

newly released report from the National Retail Federation predicts U.S. retail sales will grow between 2.5% and 3.5% this year—or \$5.23 trillion to \$5.28 trillion. That forecast, which is down slightly from 3.6% growth in retail sales in 2023, is based on projections that inflation will remain largely unmoved. In calculating retail sales, NRF

newly released report includes both store-based and from the National Retail online purchases in a broad range of retail settings but excludes purchases at automotive dealers, gasoline stations and restaurants.

"The resiliency of consumers continues to power the American economy, and we are confident there will be moderate but steady growth through the end of the year," said Matthew

Shay, NRF president and CEO.

NRF expects inflation to moderate to 2.2% on a year-over-year basis in December, due to a cooling labor market and retreating housing costs.

Another factor driving resilient consumer purchasing, observers say, is the fact that employee incomes are rising to keep pace with demands for skilled labor.

in some instances is impacting the remodel business. "I canvassed my builder and remodel contractors the last few weeks of March and they all said that they are experiencing a slowing in future jobs," said Tony Fry, owner of CarpetsPlus ColorTile, Winnsboro, Texas. "Most were booked out for months, now only weeks."

"We have been selling a lot of highend hardwood and Hunter Douglas window blinds. We are very pleased with the way the first quarter ended."

—Don Cantor

Lake Interiors, Chelan

Not all retailers are feeling the spring blues. The first three months have been extremely active for Lake Interiors, Chelan, Wash. In the early going a cold snap caused a spate of broken water pipes that flooded homes, leading to a surge in new flooring requests. That was followed in March by a spike in remodeling that led to more business. As Don Cantor, owner, explained: "We live in a resort area, and everyone wants their jobs done before Memorial Day weekend. We have been selling a lot of high-end hardwood and Hunter Douglas blinds, and carpet seems to be picking up steam again. We are very pleased with how the first quarter ended and are looking forward to a great second quarter."

A bright spot for RC Willey is how fast they have been able to move away from low-end SPC into better products across WPC, laminate and wood. That's in line with other dealers who agree there has been a noticeable move away from cheap SPC to thicker WPC and back into hardwood.



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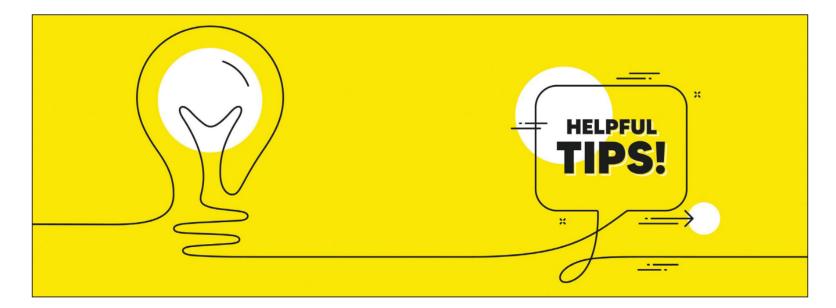


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AWARDS



How to sell the right glue

By Jacqueline Rapisardi

dhesives can be a tricky category, especially when it comes to a flooring sale. Luckily, adhesive manufacturers know just how to position their products to the benefit of the retail sales associate. Here are their top five tips on how to successfully sell adhesives:

Focus on performance

"The most important thing about an adhesive is the thought of it as part of a system for a successful product installation. It is like the tires of a car giving it the performance it needs to handle the situation in which it will be used."

-Karl Danzer

senior product manager Performance Accessories

"As with any other material you sell, ensuring the capability and performance of the adhesive is crucial to a successful installation; unfortunately, this is often overlooked. Specific flooring types all require specific adhesive characteristics. Once you understand what the flooring requires of the adhesive, you can make a decision based on the performance of the adhesive and not the economics of the adhesive."

-Sonny Callaham technical director *Divergent Adhesives*

Talk about it

"The first tip that I would give would be for retailers to talk about it. It's that simple. Most retailers never get to the point of discussing sundry products that go along with the sale. Nine times out of 10 the consumer walks through the retailer's door and picks out a floor covering with ideas they have in mind from design, style, colors, etc., after which a date is chosen for installation and that is the sale. Rarely has there been any formal education done regarding sundries that go along with the sale."

-David Ford, VP of sales and marketing, Stauf

Highlight warranties

"We recommend that retailers boast professional installation and warranty compliance. Many flooring manufacturers require the use of specific adhesives to maintain warranty coverage. Associates can provide the consumer with a peace of mind knowing that their flooring is being installed correctly and in accordance with warranty requirements."

Adam Sartain senior marketing manager TotalWorx

Ask the right questions

"The best tip for selling adhesives is to fully understand the project as a whole. It is not enough to simply ask what kind of flooring is being installed. In order to sell the right glue, the salesperson must ask questions. This sounds very basic but callbacks and frustrations can be minimized with just a few questions."

–Kevin Keefe, national technical sales manager, *Roberts/QEP*

"You need to start by asking your customer questions about their home or business. Have you had any moisture issues? If so, what was the cause? This may require moisture mitigation such as a moisture barrier adhesive. Asking the right questions will not only help you select the right adhesive for the project, but it will also reduce claims and callbacks. This proactive approach to adhesive selection will help you grow your business with repeat and referral customers."

--Gary Scheidker, director of technical services, Meridian Adhesives

"[Retailers] need to understand where the flooring will go and how it will be used so they can recommend an adhesive that can handle those situations. For example, if there is a need for heavy rolling loads like in a medical setting or releasability for things like carpet tile so damaged pieces can be easily replaced."

-Karl Danzer, senior product manager, *Performance Accessories*

Show off your knowledge

"Also of great importance in the sales conversation is relaying knowledge of the adhesive manufacturer and the benefits of being put into contact with them. Many times adhesives are suggested without the end-user understanding where it is coming from or the potential resources available from the manufacturer. Retailers can help to establish this connection and enable an immediate support option should any issues or questions arise. These added benefits and conveniences increase the likelihood of a customer's satisfaction and help spur future sales, making it immensely valuable for retailers to be knowledgeable."

-John Lio, director of marketing, *Sika/Dritac*



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SCAN TO LEARN MORE

Differentiation via versatility

Tile's move outdoors highlights its enduring value for consumers

By Megan Salzano-Birch

ndoors. Outdoors. Floors. Walls. Pool surrounds. Countertops. Tile is the most versatile product in the industry with the ability to clad nearly every surface in the home, proponents say. Unlike its other hard surface (and soft surface) brethren, it's not relegated to any specific

space. Suppliers are making it



easy for consumers to mix and match their styles, too, with new technology and design-forward products meant to flow from one surface to another. This unique gift is not only a boon to the category but to those looking to make money at the retail/distributor level.

"Tile's versatility in cladding multiple surfaces both indoors and outdoors sets it apart in the market by offering a comprehensive solution for all spaces," noted Kathy Greene, director of brand strategy and communications, Emser Tile. "Whether it's revamping kitchen backsplashes, accentuating bathroom walls or transforming outdoor patios, tile provides a durable, easy-tomaintain option that seamlessly bridges interior and exterior design aesthetics."

One of the hottest trends today is tile's move outdoorsmuch of that growth coming after the pandemic when consumers were looking to make better use of those spaces. "Outdoor tile is seeing a rapid increase in popularity," explained Phil Graves, director of sales, Dal-



Tile. "A quality porcelain tile that has appropriate slip resistance will last for decades without scratching, staining or fading. A secondary reason is the ability to extend the design of the interior of the home to the outdoors and vice-versa. Connecting inside and outside spaces via biophilic design is a hot trend since the pandemic had people focusing on outdoor spaces more than ever before."

This is good news for dealers

and distributors looking to either get into or grow into the tile category. "Outdoor tile's popularity is growing at retail levels due to its durability, low maintenance and wide range of graphics and designs that can suit various design trends, ranging from different stone looks to marble looks," said Mauneal Shah, merchant, MSI. "In addition, the technology has made outdoor tiles slip resistant and weather resistant, thus increasing its appeal even more for



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outdoor use.

Leslie Baker, segment marketing director, AHF Products-Crossville, agreed, adding, "Consumers want a one-stop shop. If a retailer doesn't offer interior and exterior surface solutions to its customers, they are likely missing an opportunity. Not offering solutions for exterior spaces could mean the loss of sale for interiors and vice versa."

Following are several new tile collections offering versatility:

Daltile

Daltile's Xteriors program features many collections that have matching indoor and outdoor tiles, along with the installation systems for any climates, including geographies with heavy freeze-thaw cycles.

MSI

Cordova collection is curated with the new advancements in glazes. The collection resembles an elegant vein cut travertine look in two colors: Avorio and LaBlanca. Cordova is available in 24 x 48, in both traditional tile thickness as well as in the 2cm Arterra collection, making it ideal for indoors and outdoors.

Crossville

Inspired by Belgium limestone, Beljn is extremely versatile. The five hues range from light to dark and are available in two finishes: unpolished, which features Crossville's unique FeatherSoft Finish for an extraordinarily touchable surface, and a bush-hammered style exterior finish designed for grand scale and high fashion in outdoor spaces.

Emser

Emser's new Radiant Floor tiles are designed for outdoor applications. This extruded porcelain tile features channels where flexible LED strips can be inserted providing a seamless integration that not only adds a contemporary and visually appealing touch but also ensures efficient and energy-saving illumination.





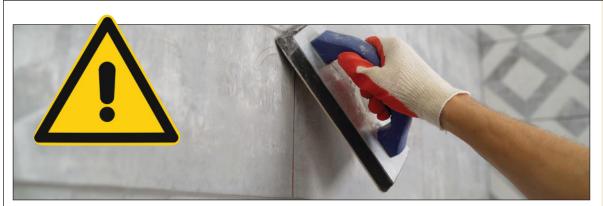






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24 | April 8/15, 2024 **CEFAINIC**



Avoiding common pitfalls that many RSAs encounter

By Megan Salzano-Birch

reaking into the tile business, while challenging, is a manageable endeavor for many flooring dealers. However, it does require overcoming some of the major hurdles associated with the category. Those challenges usually include labor, training, infrastructure and limited showroom real estate, to name a few. However, suppliers say they are always on-hand to help their dealer partners succeed—and it's the savvy dealer who knows when to ask for (and accept) that help.

"The biggest challenge for the dealer today is the shortage of skilled technicians to install ceramic tile," explained Tony Wright, director of dealer sales, Dal-Tile. "However, developing a skilled labor force can be accomplished by the dealer. The CTEF, NTCA and other organizations provide education and training to assist the local dealer. We also provide support at the local level with over 200 sales service centers located around the U.S. and Canada staffed with knowledgeable personnel who will assist the dealer with all their tile product and installation product

What's more, while the piece of the puzzle marked "installation" might seem like a curse, Paulo Pereira, senior merchant, MSI, noted that it can be a blessing with the right perspective. "Ceramic has a mid-to-high cost of labor, which provides the dealers ability to increase their profits," he said. "Tile is one of the few flooring categories that has a large amount of customization options available during installation. Tile installers can truly be artists with custom, high-level installations, which fetch a top-tier labor price."

Another aspect of a successful tile program is training. Both the store owner and RSA need to be up to date on the latest styles and performance innovations as well as best practices when it comes to installation. For Emser, train-

ing is No. 1, behind labor, on the list of challenges dealers will need to tackle. "It's important to invest in training your RSAs to properly set expectations when selling a tile job, explain the installation process and time it takes," said Randall Sheehe, regional sales manager, Emser Tile. "It's also important to properly train them on the quotation process. Emser offers an in-depth training program for new and veteran RSAs who want to hone their tile selling skills. We offer dozens of courses that can be taken remotely at your own pace or during live webinars. We also have 78 branch locations around the country that are here to serve [the retailer]."

Operational challenges may also be on the docket for those looking to the category as a new source of revenue. "Ceramic is heavy, breakable and typically has a large variety of associated SKUs such as mosaics, trim, installation materials and a large variety of sizes and formats available," MSI's Pereira explained. "These features can be a strain on the infrastructure of dealers. [But] operational challenges can be overcome with proper warehousing, staffing and partnering with a strong ceramic supplier. Dealers may require additional facilities or staffing to be successful, but a strong supplier can be a tremendous asset to a dealer, which eases the burdens. MSI has over 40 warehouse locations nationwide. Dealers can also benefit from the high cost of freight with a strong supplier who can deliver material in a fast and low-cost manner. MSI has an expanding fleet of over 300 delivery trucks to service the needs of dealers."

One of the final pieces to the puzzle is showroom space and sampling, which should be top of mind for those dealers growing the business with tile. "One of the key challenges is having enough area to display floor tiles," explained Suzi Portugal, vice president of design and sourcing for Mosaic Companies. "As larger sizes are becoming more popular, sampling can be challenging. The showroom real estate is one of the dealer's most valuable assets, so selecting items is very important. With so many similar sizes, finishes and looks, ensuring you have the right products and looks for your market can make the program successful. Our ceramic and porcelain floor tile programs are created with dealers in mind."

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lisbiz strategies

Five roadblocks to reaching your sales goals

etting sales goals is a customary practice in business, but many individuals find themselves falling short of these objectives despite their best efforts. Upon reflection and research, it becomes evident that several factors contribute to this shortfall. Here, we explore five common reasons why individuals fail to reach their sales goals and offer practical solutions to overcome them.

- 1. Analysis paralysis. This phenomenon occurs when individuals become immobilized by overthinking and attempting to foresee every potential outcome. The fear of uncertainty prevents them from acting, leading to stagnation in goal pursuit. To overcome analysis paralysis, it's essential to embrace the concept of a "leap of faith." Waiting for perfect conditions or complete information is unrealistic. Instead, take the first step toward your goal, knowing that your circumstances will evolve as you progress.
- 2. Unrealistic goals. While ambition is admirable, setting unrealistic expectations can set individuals up for failure. Rather than aiming for lofty targets that seem impressive on paper, it's essential to set achievable objectives. Break down your overarching goal into smaller, manageable milestones. For instance, if your target is to walk five miles a day but consistently fall short, start with a more attainable distance. By setting realistic goals and celebrating incremental progress, you can maintain motivation and momentum.
- 3. Self deception. Honesty is paramount when assessing one's performance, yet many individuals succumb to self-deception in the pursuit of their sales goals. This condition often manifests in the form of inflated success rates or rationalizing missed opportunities. To combat self-deception, adopt a mind-set of radical honesty. By approaching every interaction with integrity and authentici-



BY LISBETH **CALANDRINO**

ty, you can cultivate trust and credibility.

- 4. Lack of daily action. A crucial factor contributing to goal non-achievement is the failure to translate aspirations into actionable steps. Without a clear plan of action and consistent effort, goals often remain elusive. To address this challenge, break down your sales objectives into daily, measurable actions. Create a structured routine that incorporates tasks directly aligned with your goals. Establish accountability mechanisms and track your progress regularly so you can focus.
- 5. Fear of judgment. This often impedes individuals from pursuing their sales goals

Achieving sales goals requires more than mere intention; it demands initiative-taking effort and strategic planning.

wholeheartedly. Concerns about how others perceive success or failure can lead to hesitancy and self-doubt. To overcome this fear, shift your focus inward and prioritize your growth and development. Understand that setbacks are an inevitable part of the journey toward success and view them as opportunities for learning and improvement.

Achieving sales goals requires more than mere intention; it demands initiative-taking effort and strategic planning. By addressing common obstacles such as those mentioned above, individuals can enhance their sales performance and unlock their full potential.

Lisbeth Calandrino has been promoting retail strategies for the last 20 years. To have her speak at your business or to schedule a consultation, contact her at lcalandrino@nycap.rr.com



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High-tech tools to help dealers up their digital game

By Nicole Murray

The job to improve is never finished," said Aaron Lee, CEO of Smith.ai, a firm specializing in automated voice systems. His statement reflects the mentality seen across the board with software technology providers within the flooring industry. Their goal is to offer retailers continuous updates and improvements to not only help retailers operate more efficiently and streamline their day-to-day operations, but to also increase their profitability in the process. FCNews spoke with the industry's top technology companies to learn about their latest innovations.

Broadlume

To better serve shoppers' desire for convenience, Broadlume recently launched its Digital Retailing program. In a nutshell, this new technology allows shoppers to complete most of the transaction online and finalize it in a showroom. Customers can self-educate with materials available online, visualize merchandise in their homes and order product samples directly to their doorstep. With this system, retail-



ers are more likely to accomplish higher close rates and an increase in sales as they engage with knowledgeable, ready-to-buy shoppers.

"Customers like to shop in their underwear or on weekends, and we've seen leads come in at 7 or 8 o'clock at night," said Josh Crossgrove, head of sales at Simplified Flooring, Lima, Ohio. "One of those leads came through our website, used our Digital Retailing tools, and it resulted in a \$26,000 sale. She came into the store just one time."

Every successful transaction is stored inside Broadlume's DealerHQ. Retailers can easily view the most visualized products, track the delivery of sample orders and view every essential data point within the shopping journey.

Cyncly

Cyncly, a global market leader in end-to-end software and content solutions, is parent company to a host of software firms and web-based service providers that offer tools tailored for the flooring industry.

These include Mobile Marketing, a leading technology-led web services and digital marketing provider focused on helping flooring retailers to establish, manage and measure their online presence. Through a single solution, dealers can increase brand awareness, expand customer engagement and loyalty and boost lead gen-



eration. The company offers tailored websites, e-commerce tools and digital advertising solutions, including social media management, SEO and paid search. The acquisition of Mobile Marketing enhances Cyncly's flooring offerings, delivering an integrated solution across the customer journey. It begins with website and digital engagement and continues through customer relationship management, measurement and estimation.

Another provider in Cyncly's portfolio is Pacific Solutions, which provides software solutions tailored to commercial and residential flooring, helping dealers and contractors maximize efficiencies. Pacific Solutions' products, JobRunner and FloorManager are ERP solutions equipped with operational, sales and accounting management tools for improved financial reporting accuracy.

QFloors

QFloors' QConnect integration software now allows communication between QFloors and other external programs such as retailers' websites, messaging applications and room visualizers to transfer data back and forth.

"We wanted to make things more efficient for our customers," said Chad Ogden, QFloors CEO. "An independent program used to collect leads, for example, can now send the customer's information directly into QFloors through QConnect. And vice versa; in-house specials or up-to-date inventory available within QFloors can be delivered directly to a retailer's website so things are always up to date."

In addition, QFloors has made improvements to QPay, an elite credit card

program that can accept all forms of payment, including ACH and wire transfers. Information such as the sales order number and invoice number can autofill to save time, and surcharging can be easily incorporated. Plus, retailers can customize the payment page to include their logo, address and more. But perhaps the biggest time saver is the newly enhanced integration between QPay and QFloors, which allows the two platforms to more easily communicate.

Ogden said that having full control of the software, the pricing, technical support issues and integrations have resulted in lower costs for customers, fewer complaints and an overall higher customer satisfaction.

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The state of the s

Smith.ai

Smith.ai is a professional answering and customer engagement service assisted by AI technologies that can respond to customer inquiries made via text message, online chat and phone calls. They recently implemented GPT-4 technology, also known as Generative Pre-Trained Transformers, to the AI chatbot so it can understand a wider variation of language to better assist shoppers.

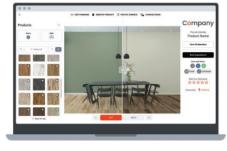
"We previously had to predict exactly what each custom-

er was going to type," said Aaron Lee, Smith.ai's CEO. "Even though 'How much does it cost?' and 'What is the price?' are asking the same question, the machine would freeze because it couldn't recognize certain words or phrases. The bot can now understand a copious amount of language to get customers the information they need."

According to Lee, any businesses that utilize Smith.ai technology tend to see a quick increase in revenue and customer satisfaction because every single lead is answered accurately and in a timely fashion. "Our clients see an uptick in business because they already have people who are interested in their services," he explained. "Now they have around-the-clock coverage so interested consumers are met with immediate satisfaction."

Roomvo

The visuals within Roomvo's visualizer tool available on the Roomvo assistant and Roomvo sites has been significant-



ly enhanced. Customers can now experiment with various floors, walls and even grout lines in the product catalogue for a more accurate depiction of what the project will look like once completed.

Another new addition is the "Compare Feature" within the visualizer tool, which allows consumers to split the photo of any room in half to see various flooring, wall or countertop products side by side.

"We wanted to make the online shopping experience come to life no matter where people are shopping," said Brandon Shidlowski, senior director of strategy. "At least 87% of consumers start their buying journey online."

In addition, Roomvo Sites customers now have improved searchability by using SEO-friendly URLs to attract more people to their websites. Retailers can also create custom coupons and customizable lead-capture forms to receive more information about the leads generated.

"Retailers will know someone's location or the products they were viewing before reaching out," Shidlowski added. "Knowing this information will equip a retailer to know exactly what that customer needs, which improves closing rates and reduces the time it takes to close a deal."

In the near future, consumers will be able to order product samples directly from a retailer's website to their doorstep. This new function is currently being tested in a pilot program on Roomvo Sites only.



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AHF

Continued from page 1

ple published reports said AWP, a 50-year-old hardwood operation, eliminated as many as 850 full-time and outside contractors when it closed its doors on Feb. 23. AWP, based in Grant County, operated a number of locations around the state, including the city of Kingwood, where its largest mill is located. The company has an operation including its headquarters in an industrial park near Petersburg and a fumigation facility in Moorefield.

AHF Products research shows the supply of Eastern hardwood lumber in the U.S. is currently 65% of what it was pre-pandemic and 40% of what it was before 2007. The purchase of the two sawmills recovers 100% of the lumber supply AHF Products would have lost due to the closure of AWP and secures a consistent lumber supply to protect AHF Products' customers. AHF estimates these two mills combined will supply 25 million

board feet annually.

"These sawmills assure AHF Products' direct access to a high-quality timber supply, which will provide more than 20% of the required supply at full capacity of flooring production," said Jake Loftis, COO, AHF Products. "AWP was 12% of total supply at peak, so we have more than replaced the lost supply. We are excited to add this capability to AHF and operate the mills at a capacity that will positively impact people and these two communities. It's another key step to ensure AHF's future success."

Emphasis on the word "future." Not only does the acquisition of the sawmills satisfy current demand, but it also positions AHF Products for what the company predicts will be a strong pull in the not-too-distant future. As Carson put it: "When the market turns back, which I think it will, I don't think there's going to be enough lumber to go around. By vertically integrating the sawmills in our operation, we're going to be producing for

ourselves to feed the plant. So, we're voting with our wallet that the market is starting to get better. We're taking steps to get deeper into solids, because we think the raw materials may be undersupplied in general."

The well-documented challenge with hardwood production requires a delicate balancing act of knowing when and how much lumber needs to be treated and processed to meet any anticipated demand. Given the amount of time it takes, for example, for raw-cut lumber to dry on the yard and in the kilns, it can be a six-month cycle from when you acquire it to when you turn it into flooring, according to Brian Parker, vice president of product management, AHF Products. To that end, timing is key. "You might not see that impact on the market here immediately, but it is coming," he said. "With the acquisition of the sawmills we've positioned ourselves well in preparation for that."

The purchase price of the sawmills was not disclosed.

ITR Continued from page 5

things are not going to change. What is changing is we've been acquired by Crowe LLP, a very, very large accounting firm. But more importantly, their culture aligns with our culture very nicely. They value what we do here at ITR Economics and the way that we do it, and they're committed to have that continue forward—and that makes us very happy."

Brian, who joined his brother during the video presentation, assured viewers and followers of the company that ITR Economics will continue to operate as it has in the past—unbiased and apolitical. "We just see the numbers the way we see the numbers," he explained. "We have to be the trusted advisors that we've worked very hard to be. Crowe has made it very clear that's why they're acquiring us."

With the acquisition, ITR Economics will be able to expand its client base. "They're going to bring us into new markets and we're going to give them new advisory services," Brian said. "It's going to be a really solid future. We're going to be the same ITR that you have known. We don't expect major changes in that regard. We'll be rolling out some additional services, but your trusted economists, the ones that you've been used to, are still part of the ITR team."

In recent years, ITR Economics has given more exposure to its next generation of economists, including young experts and rising

stars such as Connor Lokar and Lauren Saidel-Baker. This new generation, according to ITR, is more than capable of ushering in the next era of the company. "You can expect the same forecast accuracy, you can expect the same service, you can expect the same lighthouse that comes with being trusted advisors," Alan said. "ITR will continue to move forward and offer new things and also keep you up to date with what is going on in the world—which is one of our core values. One of the things we're committed to is your well-being. Although we will not be here after a while, we are excited about the next generation. When we look to the future, we are confident in the skill level of the leaders who are behind us."

Don't expect the Beaulieu brothers to suddenly vanish, though. ITR "forecasts" a window of 12-24 months before they officially retire from touring. "We're still here," Brian said. "We're still us. We just wanted to let you know that who we are as a company and what we do isn't changing, even though the ownership has changed."

In closing the video message, the brothers extended a note of gratitude to followers and subscribers. "We want to thank you for letting the two of us individually, as well as the other 80 people working here, be a part of your business, be a part of your lives," Alan said. "We've made some really good friendships over the years, and we will treasure them always. We've enjoyed what we've done, but now it's time for the next generation. Thank you for letting us be a part of your life. We will continue to see the future first for you."

Free report reveals... How To Escape The Flooring Retail Hamster Wheel Of Doom You will learn: • Why overwork is epidemic among dealers • A PROVEN 3-step process to grow your business WHILE cutting your work hours • Case studies of real dealers who have stepped off the wheel Visit StepOffTheWheel.com

marketing mastery

Focus on lead strategies that generate real results

n my last two columns I've outlined why independent retailers are declining while the boxes and chains are growing, and why your digital marketing will not reverse this trend. One reason is because everyone is using digital media to shout the same, copy-cat message: "Here's our name, here's what we sell, here's how to find us." In a head-to-head match with billion-dollar corporations who can outspend you 100-1, you'll never win the customer-acquisition game using this approach.

Let's look at one of several alternative approaches where you can win the customer-acquisition game against the big boys by reviewing a concept I've covered numerous times before:

Know the three tiers of marketing. Tier 1 is any marketing to your "warm" market. This includes: communicating directly with past clients (your

house list); marketing to generate referrals; creating referral partnerships with aligned businesses (realtors, designers, remodelers, etc.); and your selling system. Tier 2 is any marketing to strangers, including Google ads, SEO, ad retargeting, social media, etc. Tier 3 is broadcast advertising in

is broadcast advertising, i.e., radio, TV and billboards, to large geographic regions.

Dealer X (featured in my last column) got her Tier 1 strategies implemented first. Only then did she begin to test specific Tier 2 strategies, keeping the ones that work and discarding the others. Only after she has fully exploited Tier 1 and 2 and reached at least \$10 million in revenue will she even consider implementing Tier 3. She knows her competitors will totally ignore Tier 1, while dumping their entire ad budget chasing strangers with Tiers 2 and 3. And this gives her a massive competitive advantage. Let's look at why.

Dealer X knows that the worst leads come from her Tier 2 and 3 efforts. If she gets a lead from a Google ad, or because someone found her site while shopping online—or because they saw a social media ad—



JIM AUGUSTUS **ARMSTRONG**

this person is a total stranger. There's no relationship. She's starting from zero in terms of earning trust. They are far more skeptical, stand-offish and price-sensitive than Tier 1 leads. She'll still take leads from the other tiers, in fact she pays for some Tier 2 advertising in order to generate them, but she has no illusions about their quality. They're a lot more expensive to generate than Tier 1 and require much more energy to close.

Dealer X realized that if on

Let competitors grumble and complain about how 'unfair' it is that some dealers get all the breaks while they struggle just to get by.

> a Monday she had 10 walk-ins generated by Google ads, and on Tuesday she had 10 walk-ins who were repeat and referred clients, that Tuesday would have more closed sales, higher margins, less shopping around and just an overall better experience than Monday. She realized that when she dealt with repeat and referred clients that she didn't really have to sell at all. They saw her as a trusted advisor, like a family doctor, and were really there just to get her guidance. The sale was usually a foregone conclusion.

Another thing Dealer X realized is that her Tier 1 marketing multiplied the effectiveness of all her Tier 2 efforts. As a result, she is dominating her competitors—those who grumble and complain about how "unfair" it is that some dealers get all the breaks while they struggle just to get by.

Jim is the founder and president of Flooring Success Systems, a company that provides floor dealers with marketing services and coaching to help them attract quality customers, close more sales, get higher margins and work the hours they choose. For information, visit FlooringSuccessSystems.com.

FCIF 2023 YEAR IN REVIEW

2023 REPORT TO THE INDUSTRY





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Applicants were from across the flooring industry: manufacturing (71%), installation (19%), retail (7%), and other sectors (3%).



FCIF helped Candace cover her family's rent, utilities, food, transportation costs, & medical bills as she battled cancer.





After 37 years in flooring, Vic received financial assistance from FCIF for mortgage payments, utilities, & medical care.





Despite a life changing disability, John and his wife were able to keep their home thanks to FCIF helping with their mortgage.



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FOR A QUOTE CONTACT Krystal Bates krystal@fcnews.net Call: 516.932.7860 Fax: 516.932.7639



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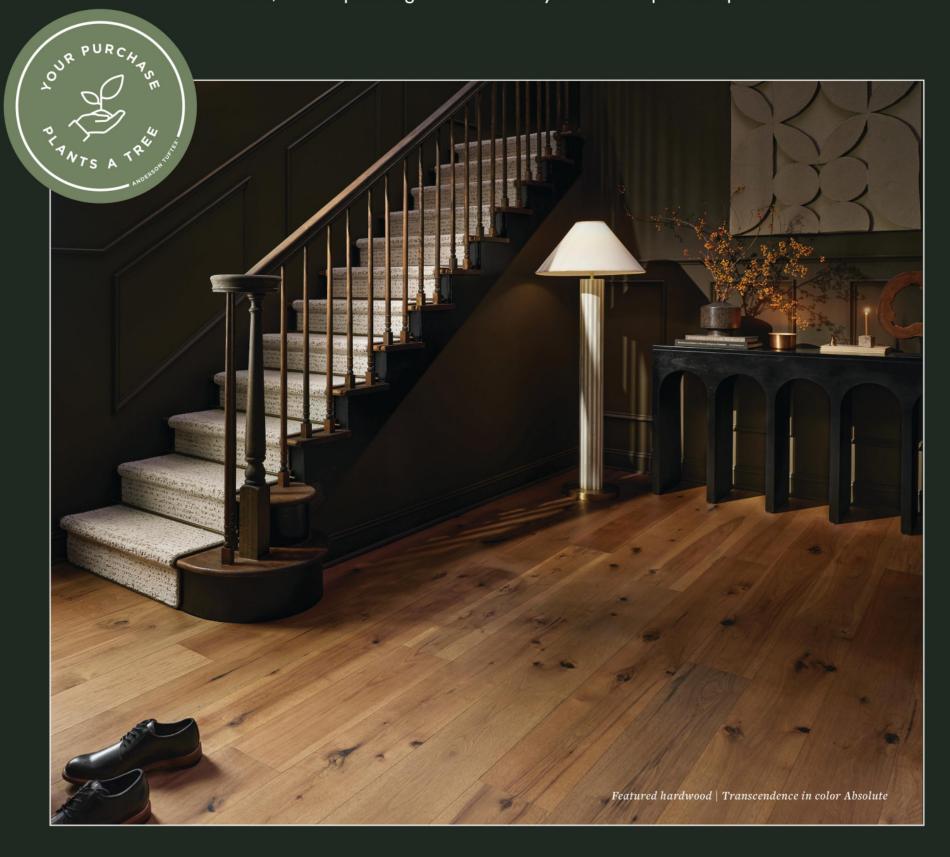
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