



MINDWAVE RESEARCH

WFCA Consumer Research
April/May 2006

The **World Floor Covering Association** commissioned the services of **BNP Market Research** who worked in collaboration with *National Floor Trends* magazine (*NFT*), **Mindwave Research** and **Burson Consulting** to conduct a qualitative research study among the consumer segment. The primary purpose of this research is to explore end-user attitudes and behavior concerning their recent shopping experience. Specific research objectives are as follows:

- Measure consumer satisfaction with regard to their recent flooring purchase;
- Determine the process consumers use when shopping for flooring;
- Explore attitudes and perceptions of consumers with respect to specialty flooring retailers versus Big Box stores.

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In general, qualitative research is **exploratory and anecdotal in nature**. Its purpose is to provide directional insight from a small sample of the target audience. The results are not representative of the target population as a whole.

- 10 in-person focus groups, with a total of 99 Participants, across five US cities on the following schedule:

City	Date	Time	Participant Type*	Number of Participants
New York	04/19/06	5:30 - 7:30pm	Big Box	10
New York	04/19/06	7:45 - 9:45pm	Specialty	10
Atlanta	04/20/06	5:30 - 7:30pm	Big Box	10
Atlanta	04/20/06	7:45 - 9:45pm	Specialty	10
Minneapolis	04/25/06	5:30 - 7:30pm	Big Box	10
Minneapolis	04/25/06	7:45 - 9:45pm	Specialty	9
Phoenix	04/26/06	5:30 - 7:30pm	Big Box	10
Phoenix	04/26/06	7:45 - 9:45pm	Specialty	10
San Francisco	04/27/06	5:30 - 7:30pm	Big Box	10
San Francisco	04/27/06	7:45 - 9:45pm	Specialty	10

**See Participant Profile*

- Consumer participants met the following criteria:
 - Over 25 years of age and employed
 - Homeowner
 - Remodeled/upgraded flooring of at least one room within last 6 months
 - Decision-maker in flooring purchase
 - Purchases products or services online
- Consumer recruited into two group types:
 - Group One: made most recent flooring purchase at a 'Big Box' store such as Home Depot, Lowes or Menards
 - Group Two: made most recent flooring purchase at a specialty flooring retailer

Key Findings

Key Findings: Flooring Purchases

- In general the perceived advantages of shopping at big box stores include convenience; location, one-stop shopping, and packaged delivery & installation
 - Pricing/financing options are also considered to be an advantage
- Perceived advantages of specialty stores are customer service and personalized attention and product knowledge
 - A larger and potentially more unique selection is also an advantage
- For speed and ease, group participants tended to rely on the retailers to handle installation
 - This is an important factor in the purchase location decision for those who have the installation done for them
- Expectations and needs with regard to specific flooring types were relatively similar between the two groups
 - Price, look & feel, cleaning & maintenance and durability top the list
 - Some specialty shoppers are also interested in uniqueness or getting 'something different'

Key Findings: Shopping Experience

- What Big Box shoppers liked most about the shopping experience:
 - The speed and convenience (e.g. one-stop shopping, long opening hours), availability of stock and the price
- What they liked least:
 - The poor service and the in-store atmosphere
- What specialty shoppers liked most about the shopping experience:
 - The good service, knowledgeable staff, quality of materials and the finished job
- What they liked least:
 - The time commitment involved in shopping and spending the money at all
- Neither group of shoppers indicated being proactively questioned by sales staff nor received post-purchase follow-up via phone or mail

- The following perceptions (or awareness issues) should be addressed (through local market retailer advertising, in-store promotions, as well as national support messaging from the WFCAs):
 - Pricing from other stores (big box especially) will most likely be matched
 - Availability of financing or flexible payment plans
 - Affiliation w/WFCA brings value/peace of mind to the consumer with regard to quality of work and service
 - Promote that you operate in a “no-pressure” sales environment with some type of “satisfaction guaranteed” promise on workmanship/install
- Differentiate yourself from the competition - this is a very “personal” type of purchase and the relationship can make the difference:
 - Be more consultative in your approach - get to know the customer and their home environment better
 - Make recommendations that are more lifestyle and usage driven based on a thorough understanding of the home (onsite visit if possible will earn points with the customer!)
 - Be more proactive in follow-up after the sale, regardless of whether you did the install or not - even if the potential for repurchase is a long time off, the potential for advocacy maybe near-term!

Detailed Findings: Flooring Purchases

- **Participants who made their flooring purchase at a 'big box' store give the following reasons:**
 - **Interest free financing**
"They had the financing available, and it was like no interest." (Minneapolis, Group 1)
 - **Convenient locations**
'Home Depot and Menards are probably less than a mile from our house.' (Minneapolis, Group 1)
 - **One-stop shopping**
"It was like one stop-shopping for me anyways, because I was re-doing the kitchen." (Minneapolis, Group 1)
 - **Good service**
"Our Home Depot has really good service, so that's the other reason we went with them." (Minneapolis, Group 1)
 - **Delivery & Installation**
"You went through and they helped you select it and basically set up the delivery and installation. It was real easy and real quick." (Atlanta, Group 1)
 - **In-stock selection, so no need to order**
"Some of the other stores had to order. Lowes had some good choices that were on the shelf." (Phoenix, Group 1)
 - **'How-To' classes**
"I went to Home Depot not only because they had what I wanted and the price was right, but they had a class on it, a how-to." (Phoenix, Group 1)
 - **Price & special offers**
"They had a special on free padding. Then they gave us a package. I believe it was 10% off." (SF, Group 1)

Advantages of Specialty Stores

- Participants who made their purchase at a specialty flooring retailer give the following reasons:
 - **Product knowledge & customer service**
"She brought them all out and it was great [...] I was surrounded by different styles [...] They helped me make a plan [...] They knew what the palettes were...." (Phoenix, Group 2)
 - **Negotiated pricing**
"I negotiated on price; I actually got a better price than the big box stores." (Phoenix, Group 2)
 - **Larger and more unique selection**
"It seemed like they had a better selection of unique carpets than what they have at your normal stores." (Phoenix, Group 2)
 - **Shorter lead-time on installation**
"He was able to do it in like four days." (Phoenix, Group 2)
 - **Can 'test' the materials**
"They showed me the really good pads and the cheaper ones. I could actually test which was loud and which was nice and soft." (Phoenix, Group 2)
 - **A better job; their reputation is at stake**
"That's why I went to a company where their name and reputation's at stake, so they make sure that it's well done." (Atlanta, Group 2)
 - **They know how to install unusual flooring**
"We had unfinished strip wood put everywhere, and for that we went to a specialty place that knew how to install that kind of wood flooring." (Atlanta, Group 2)

- **Both groups of consumers shopped around, visiting an average of 3 retailers during the purchase process and sometimes as many as 5 or 6**

- Overall, most focus group participants claimed the retailer handled the installation for them
- For a number of these consumers, the installation was an important factor in the purchase decision as illustrated below:
 - Ease
"It was so much easier. It was just less aggravation. You pick it out, let them install it, and be done with it..." (NYC, Group 2)
 - Timing
"It was more or less a guaranteed date for installation." (NYC, Group 1)
 - No need to contract with anyone else
"For me, it was the deciding factor. Contracting in New York, like other places, can be unreliable. With these guys you get a guarantee [...] so it was easy." (NYC, Group 1)
- However, for some, the installation did not turn out to be an easy experience
"Yeah, it stretched out, and then over a holiday weekend, and eventually they had to re-order more carpet..." (Phoenix, Group 2)

- Big Box shoppers report the following factors as their needs when shopping for a type of flooring:
 - Price
 - Durability & lifespan
 - Easy installation
 - Easy cleaning & maintenance
 - “Look” e.g. color, pattern, fit with existing decor
 - Pet-friendly
 - Texture
 - Water resistant
- In general, environmental issues were not a major concern for either group of shoppers when selecting a flooring material

- Specialty shoppers report the following as their needs when shopping for a type of flooring
 - Adds to resale value of house
 - Allergies
 - Availability & ease of installation
 - Durability & lifespan
 - Easy cleaning & maintenance
 - "Look" e.g. color, pattern, fit with existing décor
 - Price
 - Quality
 - Pet-friendly
 - Unique / something different
 - Water resistant

Shopping Experience - Big Box Shoppers

- Most big box shoppers would shop at the store again

Likes

- **Variety / choice**
- **Price**
- **Knowledgeable staff**
- **Availability**
"They could tap into their network of stores, and I liked that. So it wasn't going to be an issue if you chose something they didn't have." (SF, Group 1)
- **Speed**
"We were able to do it quickly." (Atlanta, Group 1)
- **One stop shopping**
"I liked going to one place and picking everything, setting up my install, and just being done." (Phoenix, Group 1)
- **Financing**
"I liked the financing because it made it very easy to buy." (Minneapolis, Group 1)
- **Long opening hours**
"They have really long opening hours, so I can go at my convenience." (SF, Group 1)
- **No sales pressure**
"It's nice to feel autonomous when you're in one of those big stores as long as you know what you're looking for. It feels easy and nobody's following you about." (SF, Group 1)

Dislikes

- **The wait for help**
"I was there a full hour and I already knew what I wanted to do, and was just waiting to make my order." (NYC, Group 1)
- **Locating the same member of staff**
"I wanted to talk to the same person - not see somebody different each time, and that was kind of a hassle, locating that person in that big store." (Atlanta, Group 1)
- **In-store atmosphere**
"I would rather sit in a plush, free mints, free coffee kind of store." (Minneapolis, Group 1)
- **Some felt staff lacked knowledge**
"I liked least the total knowledge of the person that actually sold the stuff [...] they didn't know." (Phoenix, Group 1)
- **Contracted-out installation**
"They contract out their work, so I had a hard time [...] they kept passing the buck." (SF, Group 1)
- **The 'run-around'**
"You call the store, you just get the run-around. You're faxing everyday..." (SF, Group 1)

Shopping Experience - Specialty Shoppers

- Most specialty shoppers would shop at the store again

Likes

- Quality product
- Good selection
- Good customer service
"For me it's good customer service. We've built a relationship with them..." (NYC, Group 2)
- Knowledgeable staff
"For me it was that the personnel were informed. They could explain things to you..." (NYC, Group 2)
- Price
"They saved me a lot of money..." (Minneapolis, Group 2)
- Good installers
"They were craftsmen. They had probably been installing hardwood since they could walk..." (Atlanta, Group 2)
- Satisfied with finished job
"Every time I walk into that bathroom I love it." (SF, Group 2)

Dislikes

- Delivery charge
- Some had a long drive to the store
"It was about an hour and a half drive." (Atlanta, Group 2)
- Time consuming
"The thing I like least is just taking time out on a Saturday to do it." (NYC, Group 2)
- Disorganized stores
"When I go into stores it's like in disarray or unorganized, I get overwhelmed." (NYC, Group 2)
- Spending money
"The thing I liked least was spending the money," (Minneapolis, Group 2)
- Availability of special materials (e.g. porcelain)
"It's an act of Congress to find good porcelain..." (Atlanta, Group 2)

- In general, neither group of participants received follow-up calls from the retailer
 - *"No, he got his easy money and left." (Minneapolis, Group 1)*
 - Those who did receive a follow-up call generally received it within a few days of installation
 - *"Within a couple of days, then within a month he sent a thank you card." (Minneapolis, Group 2)*
 - A few participants wished they had received a follow-up call
 - *"I sort of wish they had because I wanted to tell them I thought the guys were really good." (Phoenix, Group 2)*
- In most cases, the retailer did not ask a lot of questions in order to recommend an appropriate flooring material
 - When it did happen, consultation was slightly more common at specialty retailers
 - *"Well, I knew what I wanted, but the guy still asked me 'Do you have pets' and things like that." (Atlanta, Group 2)*
- In most cases customers were not visited at home prior to the sale
- In most cases the retailer did not explain to the customer how the flooring would perform over time

- For most group participants their flooring has lived up to expectations
"I love my flooring." (Phoenix, Group 2)
- If Participants were advising a friend on a flooring purchase, their suggestions would include:
 - Shop around
"Just shop around and make sure you get what you want." (Phoenix, Group 2)
 - Get a good installer
A professional install, someone who specializes in floor installation rather than a general contractor. (NYC, Group 2)
 - Check up; get recommendations, ask the Better Business Bureau etc..
"Go with someone that's been referred by others who had good experiences." (Phoenix, Group 2)
 - Do your 'homework' - research
"Try different things; compare prices." (NYC, Group 2)
- Many of these consumers would also recommend a particular retailer with whom they had a good experience
"Go to Home Depot, because they take care of everything." (Phoenix, Group 1)