

Laminate flooring for today and tomorrow

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Laminate flooring was first introduced as a viable residential product category into North America in 1993. To say the category is a hit today is an understatement. There has never been a category to go so quickly from zero market share to over 5% in overall flooring and much higher in residential remodel. The first movers reaped significant returns both in margin and margin dollars, while the consumer benefited with each level's success. Let's examine this paradox.

Manufacturers/importers: Initially, relatively few manufacturers introduced the latest in technology and design in a new alternative flooring. **Consumers' Benefit:** Style and performance, in turn, created the impetus for other flooring products to develop new features and benefits to compete.

Distributors: Manufacturers and distributors partnered to introduce "their brand" in a classic controlled method to retail that allowed time for the education of their customer's salespeople and the installation community. **Consumers' Benefit:** Organized and clean merchandising that highlighted the product and the distributor trained its dealers on the features and benefits of "their" brand.

Dealers: The realization of the potential of laminate flooring came quickly to the major players and they enthusiastically embraced the ideas promoting the selling variables of laminate flooring. **Consumers' Benefit:** At the time cost was only one variable in the consumer consideration process. (It was actually 4th on the list and still is.) The newly educated representative focused on the lifestyle of the client to offer the best value for flooring choice.

Our entire flooring industry is in challenging times and the visionary businessperson seeks, and finds, opportunity. The home sales that traditionally drive re-model opportunities are stagnant in most markets and we face the double hit—flooring is considered to be an expensive purchase. In today's less-than-stellar economy this means multiple appraisals and a second or third look at product for value. A spiral of reduced price offerings to "match" sometimes results in an unsuitable product choice (laminate or otherwise) for the client's specific needs. A "how low can you go" mentality on occasion might feel inevitable and sometimes price alone is a fit. However, it can also be an unnecessary tactical error and that is where the true flooring professional makes a difference in the endgame. This endgame never changes; the client's satisfaction remains paramount.

Here are two major laminate flooring myths that, not unsurprisingly, contradict each other:

Myth No. 1: All cheap laminate flooring is inferior. It does, however, depend on your measurement scale (see Myth No. 2). If 100% of your customer base does not care what their floor ultimately looks like or performs, read no further as you don't have a problem. If you are not as fortunate to have such a trouble-free business, you probably already know that sourcing, absent extraordinary luck, requires considerable product knowledge, buying experience and importer relationships to deliver some of the cheaper products on a consistent trouble-free basis. When an element is missing consumers sometimes have experienced installation issues, inferior performance, limited design and warranty questions. Such unfavorable issues start with the dealer and work backwards to the importer.

Myth No. 2: All laminate flooring is the same. The good news is there are manufacturers and importers who exert the time and money to produce high-quality and superbly visually appealing flooring products. The purpose of NALFA's creation in 1997 was to "create voluntary product standards for laminate flooring in North America." An assurance of quality and the resultant NALFA certification requires independent and certified product testing. A company need not be a member of NALFA to test for certification. However, to receive it the floor must be tested to these published standards. Our NALFA certification ensures product quality much the same as any other reputable trade association's product testing.

Since our inception in 1997, NALFA has contributed to both standards development and education. This is accessible to everyone at www.nalfa.com. The laminate flooring industry's interests at all levels, including non-NALFA members, are represented by NALFA's participation in the International Standard Organization (ISO). We are the voice and sole vote of North America laminate flooring interests in ISO.

Nice, but how does all this help on the sales floor? If you are in the business of moving volume for pennies or have clients that do not care about performance or design, you have probably not read this far. If you are in the business of advising clients on their best choices for their flooring at a good value for performance and design, the choice of quality laminate flooring continues to grow as an enormous opportunity to reach a variety of consumers.

On behalf of all of us at NALFA, good selling through the balance of the year.

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